

**From:** [Friedersdorff, Chad](#)  
**To:** [Ahlberg, Brenda](#)  
**Cc:** [Pickarsky, Penny](#)  
**Subject:** FW: Commercial Passenger Vessel Tax  
**Date:** Wednesday, February 03, 2016 8:58:33 AM  
**Attachments:** [image001.png](#)

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Good morning Brenda,

We received the CY15 Commercial Passenger Vessel Excise Tax yesterday at the bank (\$474,225.00 with a project number of 16CPV). Below is the breakdown between Homer and Seward that was sent from the State.

Thank you,  
Chad

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**From:** Page, Jonathan C (DOR) [mailto:[jonathan.page@alaska.gov](mailto:jonathan.page@alaska.gov)]  
**Sent:** Wednesday, February 03, 2016 8:52 AM  
**To:** Friedersdorff, Chad  
**Cc:** McDonald, Linda Y (DOR); Pickarsky, Penny  
**Subject:** RE: Commercial Passenger Vessel Tax

Good morning Chad,

Here are the details that you requested.

<b>CY 2015 CPV Excise Tax</b>			
<b>Kenai Peninsula Borough Revenue Share Detail</b>			
<u>Port</u>	<u>Passengers</u>	<u>Port Share</u>	<u>KPB Share</u>
Homer	10,822	\$ 54,110.00	\$ 27,055.00
Seward	178,868	\$ 894,340.00	\$ 447,170.00
	189,690	\$ 948,450.00	\$ 474,225.00

Thanks,

Jonathan Page - Tax Auditor III  
Excise Audit Unit  
(907) 269-1023

***Any guidance provided by this email is not a binding legal opinion, binding ruling or binding interpretation that may be relied upon, but merely guidance concerning existing statutes and regulations. The statutes and regulations control. There may be other facts and circumstances or undisclosed facts and information that would have changed any guidance that may be provided if we were aware of it.***

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of Revenue Tax Division via email, please contact the Tax Division in Anchorage at (907) 269-6620 or in Juneau at (907) 465-2320.

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**From:** Friedersdorff, Chad [<mailto:cfriedersdorff@kpb.us>]

**Sent:** Tuesday, February 02, 2016 4:17 PM

**To:** Page, Jonathan C (DOR)

**Cc:** McDonald, Linda Y (DOR); Pickarsky, Penny

**Subject:** Commercial Passenger Vessel Tax

Good morning Jonathan,

We received the CY15 CPV excise tax in the amount of \$474,225.00 in our bank account today. Can you provide me a breakdown between Homer and Seward like you have in the past?

Thank you,

Chad Friedersdorff  
Treasury/Budget Accountant  
Kenai Peninsula Borough  
Finance Department  
144 North Binkley Street  
Soldotna AK 99669  
(907) 714-2172



February 8, 2016

Mayor Mike Navarre  
Kenai Peninsula Borough  
144 N. Binkley  
Soldotna, Alaska 99669

RE: Cruise ship passenger tax proceeds

Dear Mayor Navarre,

On behalf of the City of Seward, I would like to thank the Borough Assembly and administration for allocating the Commercial Passenger Vessel (CPB) excise tax to the cities of Seward and Homer, based on their pro-rata share of cruise ship passengers visiting each port. These funds continue to be extremely critical for Seward's ability to provide improvements to our port infrastructure in support of cruise ships and their passengers.

The City was asked to submit a letter requesting their allotment of 2015 cruise ship head tax proceeds, and to identify the intended use of these funds. AS 43.52.230(b) requires that "a city or borough that receives a payment under this subsection shall use the funds for port facilities, harbor infrastructure, and other services provided to the commercial passenger vessels and the passengers on board those vessels." We have identified the following projects for possible use of the CPV funds, including: 1) bus transportation for cruise passengers and crew; 2) ambulance services; 3) passenger bus and rest benches and directional street signage; 4) cruise ship dock maintenance and repairs; 7) cruise ship berth enhancements and amenities such as signage, paving, and cruise-related pedestrian path awnings; 8) harbor float repairs/replacement; and cruise-related pedestrian improvements to and from the cruise dock.

In the past, the City has used CPV funds for projects such as construction of a security dock in the Small Boat Harbor to enhance U.S. Coast Guard, fire, and emergency response; Terminal signage and safety painting for vehicles, harbor and port dredging; bus transportation; outboard replacement for the fire and rescue boats; ambulance services; breakwater repairs, etc.

We appreciate your support of our request and look forward to working with you to enhance facilities for the cruise ship industry in our region.

Sincerely,

A handwritten signature in blue ink that reads "James Hunt".

James Hunt, City Manager  
Seward, Alaska  
907.224.4047



## City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Office of the City Manager

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Homer, Alaska 99603

[citymanager@cityofhomer-ak.gov](mailto:citymanager@cityofhomer-ak.gov)

(p) 907-235-8121 x2222

(f) 907-235-3148

February 22, 2016

Mayor Mike Navarre  
Kenai Peninsula Borough  
144 N. Binkley Street  
Soldotna, AK 99669

*Delivered Electronically*

Re: 2015 Cruise Passenger Tax Receipts

Dear Mayor Navarre:

I am writing to confirm that the City of Homer wishes to receive the 2015 Commercial Vessel Passenger Tax receipts from the Borough. It is our understanding that you will be sponsoring an ordinance that would make the Borough's share of these tax receipts for vessel landings in Homer available to the City. The City appreciates that and understands that the amount to be passed through for the FY 2015 is \$27,055.00.

The City of Homer recognizes that these funds must be used for Port and Harbor improvements that directly benefit the cruise ship passengers. The City agrees to comply with the provisions contained in AS43.52.200 – 43.52.295 and former SB 256 and HB 310. The 2015 funds will be used towards upgrading the Deep Water Dock North mooring buoy; the ships use this mooring every time they visit our port, and a recent survey of this system revealed the need for a complete replacement of the buoy and its attachments. The cruise ship head tax funds being requested will not cover all the costs for this project, but the Port and Harbor has a reserve fund to aid in funding the rest. Our goal is to have the new system in place prior to the first ship arrival in May 2016.

Thank you for your time and support. Please do not hesitate to contact me if you have any questions.

Sincerely,

Katie Koester  
City Manager

Cc: KPB Community & Fiscal Project Manager