

Office of the City Manager

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March 21, 2017

Mayor Mike Navarre Kenai Peninsula Borough 144 N. Binkley St. Soldotna, AK 99669 Delivered electronically

SUBJECT: 2016 Cruise Passenger Tax Receipts

Dear Mayor Navarre:

I am writing to confirm that the City of Homer wishes to receive the 2014 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 landing in Homer available to the City. The City appreciates that and understands that the amount to be passed through for calendar year 2016 is \$27,630.

The City of Homer recognizes that these funds must be used for port and harbor improvements that directly benefit cruise ship passengers. The City agrees to comply with the provisions contained in AS 43.52.200 – 43.52.295 and former SB 256 and HB 310. It is the City's intention to consolidate 2016 funds with future pass through appropriations from the Borough, funds from the state, and City funds to replace the bathroom at the top of Ramp 2. At the center of the retail area on the Homer Spit and a launching point for many day trips, Ramp 2 is the most heavily used restroom on the spit and heavily used by cruise ship passengers when they are in port.

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

Sincerely,

Katie Koester City Manager

Cc: Brenda Ahlberg, KPB Community and Fiscal Projects Manager

Kate Foestes