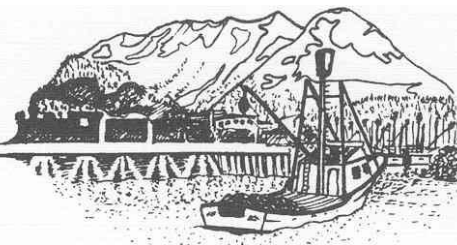


CITY OF CORDOVA



Chairman:
Jake Betts
Commissioners:
Andy Craig
Max Wiese
Ken Jones
Mike Babic
Harbormaster:
Tony Schinella
Admin Assistant:
Brandy Griffith

HARBOR COMMISSION WORKSHOP
FEB 13, 2019 @ 7:00 PM
CITY HALL MAYOR'S MEETING ROOM

AGENDA

CALL TO ORDER

ROLL CALL

Jacob Betts, Andy Craig, Max Wiese, Ken Jones, Mike Babic

1. Work Session Topic

A. State Matching Grant/Bond Public Discussion.....Pages 2-8

2. AUDIENCE PARTICIPATION

3. ADJOURNMENT

**If you have questions on the bond or grant, please
attend this meeting**

Tier 1 Harbor Facility Matching Grant



HOW DO WE GET THERE?

Harbor and Harbor Commission

Goals

- Submit State Tier 1 Harbor Facility Grant -July 2019
- Submit BUILD Grant - August 2019
- Resolution to City Council with Harbor Commission's preferred options for bonding and repayment

Objectives

- Determine Source of 5 million Match
- Determine Options for Repayment?

Required documentation for the Tier 1 Harbor Facility Grant application.

- Proof of the \$5 million match
- Source of Repayment
- Proof of sufficient revenues and fee structure to operate and maintain facilities in the future
- Show project will reduce maintenance cost or addresses preventive maintenance needs

How do we get 5 million dollars for a match?

- Bond at a rate 4%* - Requires a vote of the people
- Loan from Cordova's Permanent Fund - Council vote of 7 to approve
- A combination of Bonding and a Permanent Fund Loan
- BUILD Grant – will be submitted 2019
- Other Ideas?

* Rate may vary

Timeline

10/17/18 or 11/7/18 City Council Meeting

Harbor Commission resolution recommending to City Council amount to bond and repayment option

12/5/18 City Council meeting

City Council Resolution with Bond Amount and Ballot Language

12/6/18

Begin work on resolution, ordinances and other documentation

3/5/19 City Election

How Much Do We want to bond?

- All 5 million
- Borrow a portion from the permanent fund and bond a portion?

Payment Options Considerations

- All Revenue will Vary Annually
- Bond Rate could Change
- Repayment Amount is estimated
- Personal Property Tax and Local Fish Tax will be time intensive to implement

What would an annual bond payment be?

5 million for 20 years at 4% - \$367,908

4 million for 20 years at 4% - \$294,327

3 million for 20 years at 4% - \$220,745

2.5 million for 20 years at 4% - \$183,954

2.0 million for 20 years at 4% - \$165,432

Payments are estimated and may vary

Harbor infrastructure replacement fee

Breakdown by Vessel Length

<26'	20 X \$120 = \$2400
26'-40'	473 X \$240 = \$113,520
41'-60'	100 X \$360 = \$36,000
61'-80'	26 X \$480 = \$12,480

\$164,400 of potential revenue

Implement a fuel oil Wharfage Rate

Add a per gallon Wharfage rate to the already established \$0.17 per barrel rate. An additional rate at \$0.02 per gallon = \$112,000 per year

Possible Payment Options?

1. New Harbor Infrastructure Fee, aka HIR
 2. Implement a fuel oil wharfage rate
 3. Increase Harbor Fees
 4. Local fish tax all proceeds
 5. Add mill to the current property tax rate
 6. Allocate a portion of the State raw fish tax
 7. Personal property tax on boats - all or portion allocated to harbor maintenance and upgrades
- Other Ideas?

State raw fish tax

Allocate a portion of the for harbor maintenance and upgrades = \$100,000
Decrease revenue to the general fund

Property tax

One mill increase = \$214,000

For every \$100,000 of assessed value property taxes goes up \$100.00 per year - For example a property valued at \$250,000 would go \$250 a year or \$20.85 a month

Local fish Tax

1% = 668,775.00 - .05% = \$334,387.50
Staff estimate average from 2006-2013 with 75% of Seine and Gill Net Fish being delivered to Cordova

Personal Property Tax on Boats

2017 Boat Personal Property value number from State \$41,968,200.00
11 mills would generate \$495,644 5 mills = \$495,644

What did the Harbor Commission decide?

1. Fuel Wharfage rate of .03 per gallon = \$116,000
2. Annual stall Increase - 10% = \$143,912
3. All other Harbor fees – 5% = \$25,000
4. Local fish .05% = \$334,387.50 – Staff estimate