



CITY OF SAINT PAUL

ALASKA

MEMORANDUM TO COUNCIL

TO: Mayor and City Council Members

FROM: Phillip A. Zavadil, City Manager

CC: Aubrey Wegeleben, City Clerk; Stephanie Mandregan, Finance Director

DATE: March 8, 2023

RE: Ordinance 23-01 - Amending the City Code of Ordinances to add Chapter 14.35 Passenger Wharfage Fees

SUMMARY: Ordinance 23-01 approves amending the City Code of Ordinances to add Chapter 14.35 Passenger Wharfage Fees.

PREVIOUS COUNCIL ACTION: Council approved the first reading of this new ordinance on February 16, 2023.

BACKGROUND AND DISCUSSION: The City of Saint Paul, Alaska (City) owns, operates, and maintains the Saint Paul Harbor located on Saint Paul Island, Alaska. The City has established Title 14. Boat Harbor Facilities in the City Code of Ordinance for the purpose of protecting and preserving the lives, health, safety and well-being of the people of the City who have property in, or use or work upon the boats using the City's boat harbor facilities, or who make sales and deliveries of goods and merchandise to boats herein, or who use these facilities in the course of visits for commercial or pleasure purposes; to protect the property of such boat owners by regulating the harbor and its facilities of nuisances, fire, and health hazards; to make reasonable charges for the use of certain facilities to enable the City, insofar as possible, to pay the cost of maintenance, operation and supervision of the City's boat harbor facilities from the revenue derived therefrom; to consider all the provisions of this title as being liberally construed for the accomplishment of the purpose of promoting the general welfare; and to operate the boat harbor facilities upon a nonprofit basis. The City is usually the local sponsor for US Army Corps of Engineer projects to improve the Saint Paul Harbor and any Corps sponsored projects require a cash match from the local sponsor. The current harbor fees collected are not sufficient to adequately maintain existing harbor facilities within the Saint Paul Harbor. The City is paying the Corps for its share of the development of the Small Boat Harbor in the approximate amount of \$89,000 per year for the until the year 2049. The passenger wharfage fees collected will be placed in Fund 340, the City's Harbor Fund to use for maintenance on the harbor, payment on any debts related to the harbor, and match for grants for harbor upgrades and improvements.

A representative of the cruise line companies contacted me regarding possible cruise ships coming this summer. I informed them on the new fee and will work with them regarding a process for accessing the fee.

ALTERNATIVES: Council could choose to raise dockage and wharfage fees to bring in additional revenue to the harbor fund.

FINANCIAL IMPLICATIONS: The cost to implement this fee is minimal to the City. The harbor billing paperwork is set up such that this charge can manually added to the forms for billing purposes. It is estimated that the passenger wharfage fee could generate between \$3,200 to \$4,800 per year in new harbor revenue. This estimate is based on an average of four cruise ships coming to Saint Paul Island with an average of 100 passengers per ship each year.

LEGAL: The City's general legal counsel has reviewed and provided recommended changes to the enacting ordinance and coded ordinance. Legal counsel recommended that funds generate from this fee need to go into the harbor fund and have a clear link to services being provided.

ADMINISTRATION COMMENTS AND RECOMMENDATION: Administration recommends approval of this ordinance.

PROPOSED MOTION: I move to approve Ordinance 23-01.

ATTACHMENTS: Enacting Ordinance 23-01 and Coded Ordinance 14.35.