



CITY OF SEWARD

Home Rule City, Kenai Peninsula Borough

2017 Population: 2,518

FY2007 – FY2018 Shared CPV Tax Revenue: \$8,355,552 (\$4,177,776 from State of Alaska and \$4,177,776 from Kenai Peninsula Borough)

PROFILE

The City of Seward, situated on Resurrection Bay on the east coast of the Kenai Peninsula, is 125 highway miles south of Anchorage and is the gateway to the Kenai Fjords National Park. The Port of Seward is a “turnaround port” for cross-gulf itineraries and the point of embarkation and disembarkation for many Alaska cruise vacations. Seward received 585 port calls and more than 1.5 million total cruise visitors between 2007 and 2016. Figures will be updated for 2017 and 2018 as available.

Seward Cruise Ship Visitors 2007-2016		
Calendar Year	Ship Calls	Passengers
2007	56	156,014
2008	65	165,959
2009	70	163,056
2010	56	136,129
2011	54	132,779
2012	51	136,892
2013	50	125,183
2014	52	141,442
2015	64	183,124
2016 (estimated)	67	194,368
2007 to 2016 Total	585	1,534,946

Source: Cruise Line Agencies of Alaska.
2016 estimate equals lower berth capacity multiplied by 1.05.

PROJECTED NEEDS OF COMMUNITY

To help the city safely and efficiently host cruise ship passengers, the City of Seward administration considers improvements recommended by the City staff, cruise industry, cruise dock owners, Chamber of Commerce and other local stakeholders. The Port and Commerce

Advisory Board, Seward Chamber of Commerce and/or other interested parties may provide input and suggestions. The city manager works with the City Council to prioritize projects to be funded by shared Commercial Passenger Vessel Excise Tax (CPV) revenue. Use of CPV funds is authorized via resolution approved by the Seward City Council during the budget process or when projects are considered by the Council.

When eligible ports of call are cities located in a borough, the city and the borough each receive \$2.50 of every \$5 passenger fee shared with the port community. In addition to receiving shared CPV revenue directly from the State of Alaska, Seward also receives CPV revenue from the Kenai Peninsula Borough after the borough assembly passed an ordinance making the borough’s share of the CPV tax available to Homer and Seward through grants. The ordinance stipulates that the funds must be used for port and harbor improvements that benefit cruise ship passengers for purposes that comply with state law (AS 43.52.200-298, SB 256 and HB 310). Homer and Seward city managers submit letters to the Kenai Peninsula Borough mayor to request funding. The grant request specifies how the project meets the expenditure requirements established in state law.

Priority Projects for CPV Revenue	
Project	Type
Shuttle bus service	Passenger and vessel services
Dredging	Port infrastructure
Security float completion	Port infrastructure
Sidewalk from cruise ship dock to small boat harbor	Passenger and vessel services
Passenger corridor safety and aesthetic improvements	Passenger and vessel services
Cruise dock ambulance service	Passenger and vessel services

Harbor float and launch ramp replacements	Port infrastructure
Cruise ship/dock fire fighting	Passenger and vessel services

Source: City of Seward.

SHARED CPV REVENUE DISTRIBUTION

Since FY2007, Seward has received nearly \$4.2 million in shared CPV revenue from the State of Alaska. The highest shared revenue distribution from the State of Alaska was \$458,750 received during FY2017.

Shared CPV Revenue Distribution FY2012 – FY2016		
Fiscal Year	City Share	Passengers*
2007	\$16,222	6,489
2008	\$367,430	146,972
2009	\$345,747	138,299
2010	\$387,413	154,965
2011	\$374,293	149,717
2012	\$324,865	129,946
2013	\$343,265	137,306
2014	\$306,723	122,689
2015	\$347,733	139,093
2016	\$447,170	178,868
2017	\$458,750	Data pending
2018	\$458,165	Not available
Total	\$4,177,776	\$1,304,344

Sources: Alaska Department of Revenue, Tax Division. *Shared Taxes and Fees Annual Reports* (FY2007 to FY2012) and *Commercial Passenger Vessel Excise Tax Legislative Review Report* (2014).

*Only includes passengers that pay the CPV tax. Fiscal year disbursements are based on passenger numbers during the prior calendar year.

In addition to the direct funding from the State of Alaska, the city has received nearly \$4.2 million in grants from the Kenai Peninsula Borough (between FY2007 and FY2018). City managers submit letters to the Kenai Peninsula Borough mayor to request funding. The grant request specifies how the project meets the expenditure requirements established in state law.

LEGISLATIVE GRANTS AND CPV PROCEED EXPENDITURES

In addition to receiving shared CPV revenue, Seward receives legislative grants from the Commercial Vessel Passenger Tax Account for capital projects to upgrade commercial passenger vessel services and infrastructure.

SHARED CPV AND CPV LEGISLATIVE GRANT REVENUE EXPENDITURES

The City of Seward uses CPV revenue for port and harbor infrastructure and passenger services. Plans for future projects include ambulance services to cruise ships, safety and aesthetic improvements to the cruise ship pedestrian walkway, continued port and harbor infrastructure improvements, and cruise terminal amenities.

Shared CPV Revenue Expenditures and Legislative Grants FY2007 - FY2018		
Category	Description	Expenditures
Harbor Infrastructure	Harbor breakwater	\$2,305,791
Harbor Infrastructure	Harbor launch ramp	\$419,119
Harbor Infrastructure	Harbor float replacement	\$1,944,418
Harbor Infrastructure	Security and Fire Protection - Float for response vessels	\$163,504
Other CPV Services	Ambulance and Fire services	\$150,000
Other CPV Services	Fire boat repairs	\$95,820
Other CPV Services	Water storage tank (fire safety)	\$98,010
Other CPV Services	Harbor restroom improvement	\$42,577
Other CPV Services	Bus transportation for cruise ship passengers	\$968,791
Other CPV Services	Harbor Security - United States Coast Guard relocation	\$332,898
Port Facilities	Terminal signage, paving	\$180,756
Port Facilities	Dredging cruise ship berthing basins and approach	\$857,635
Total		\$7,559,319

Source: City of Seward.

FUNDING STATUS

Through September 23, 2018, the City has received \$8,355,552 in total CPV funding and has spent \$7,559,318, leaving a cash balance of approximately \$796,231. The available cash is earmarked for 2018 and 2019 budget-related items totaling \$150,592 (Fire, SVAC and other services), 2019 Shuttle Bus contract totaling \$181,206, an anticipated add-on to the Shuttle Bus contract due to the increased number of cruise ships (cost not yet determined), unspent funds appropriated for Port Avenue improvements totaling \$125,000, leaving \$339,433 which has been identified as the City's sole source of matching funds to complete the South Harbor Launch Ramp Project.

FOR MORE INFORMATION:

Additional information can be obtained through the city manager's office at (907)224-4047 or through the finance department at (907)224-4064.

RELATED INFORMATION

Relevant documents include:

- Seward Comprehensive Plan:
<http://www.cityofseward.us/DocumentCenter/View/391>
<http://www.cityofseward.us/DocumentCenter/View/392>
- Strategic Plan:
<http://www.cityofseward.us/DocumentCenter/View/590>
- Seward Legislative Priorities Documents
State Priorities:
<http://history.cityofseward.net/weblink/DocView.aspx?id=22567&searchid=13995c8c-a0e1-43cf-a616-0230e71ae342&dbid=0>
City Priorities:
<http://history.cityofseward.net/weblink/DocView.aspx?id=22566&searchid=13995c8c-a0e1-43cf-a616-0230e71ae342&dbid=0>
Federal Priorities:
<http://history.cityofseward.net/weblink/DocView.aspx?id=22502&searchid=13995c8c-a0e1-43cf-a616-0230e71ae342&dbid=0>
- Seward Cruise Ship Calendar
<http://www.cityofseward.us/DocumentCenter/View/4312>
- Shuttle Bus Map and Schedule:
<http://www.cityofseward.us/DocumentCenter/View/4313>