

**CITY OF SEWARD**  
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SEWARD, ALASKA 99664-0167



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February 28, 2012

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

The City of Seward was asked to submit a letter requesting their allotment of 2011 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." Seward's planned use of these 'ports-of-call' funds will entirely meet these requirements. We have identified the following projects for utilization of CPV funds, including: 1) harbor dredging (\$550K); 2) bus transportation for cruise passengers and crew (\$200K); 3) ambulance services (\$10K); 4) harbor restroom repairs and upgrades (\$100K); 5) cruise ship dock maintenance and repairs (\$220K); 6) cruise ship berth enhancements (\$1.31 million), as well as other port and harbor infrastructure needs.

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 black ink, appearing to read "J. Hunt", is written over the word "Sincerely,".

James Hunt, City Manager