

Introduced by: Mayor
Date: 10/12/99
Hearing: 11/16/99
Action: Enacted as amended
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 99-60**

AN ORDINANCE APPROPRIATING \$150,000 FROM GENERAL FUNDS FOR BOROUGH-WIDE ECONOMIC DEVELOPMENT PROJECTS

- WHEREAS,** KPB 19.30.020 states, "It is the policy of the Kenai Peninsula Borough to support responsible economic development within the borough, subject to applicable legal and fiscal constraints."; and
- WHEREAS,** recent discussions with borough city officials and local business leaders have identified two economic development projects which merit support by the borough, specifically the establishment of a U.S. Customs port of entry along with the creation of a foreign trade zone; and the proposed Alaska North Slope LNG Project which may construct terminus facilities within the Kenai Peninsula Borough; and
- WHEREAS,** establishment of a U.S. Customs port of entry and duty free foreign trade zone can enhance economic development in communities wanting to compete in the global marketplace by creating new jobs and businesses as well as being a marketing tool for airports, seaports and harbors; and
- WHEREAS,** applying for foreign trade zone status may take as long as 2 years and entails an extensive feasibility study, including economic justification for its establishment; and
- WHEREAS,** the application process is expected to cost approximately \$50,000 for professional services, fees and other associated costs; and
- WHEREAS,** the subsequent operating costs for establishing and maintaining a customs office and foreign trade zone within the borough would be shared among municipalities and companies utilizing the foreign trade zone; and
- WHEREAS,** the Alaska North Slope LNG Project is a multi-billion dollar project which will bring purified gas through a pipeline from the North Slope to an ice free port in Southcentral Alaska; and
- WHEREAS,** the project includes construction of an LNG plant and port facilities at the terminus to prepare the gas for transportation by ship to foreign markets; and
- WHEREAS,** an industry sponsor group has been formed and has already committed \$20 million for phase one of a three phase project to evaluate the feasibility of the \$6 to \$7 billion project; and

WHEREAS, the industry sponsor group is currently evaluating three possible pipeline routes and two terminus locations; and

WHEREAS, the terminus locations now being considered are Anderson Bay at Valdez, and a Kenai Peninsula site at Nikiski; and

WHEREAS, this project could have an enormous impact on the Kenai Peninsula; and

WHEREAS, the establishment of a borough coordination point to organize and facilitate an assessment of this project, as it relates to the Kenai Peninsula, could enhance our abilities and opportunities to participate in the decision making process; and

WHEREAS, it is in the best interest of the borough to make resources available to organize and evaluate the viability of the LNG project due to its potential for long-term impacts throughout the borough;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:


SECTION 1. That \$150,000 is appropriated from the general fund balance to account number 100-94910-49999 (non-departmental contingencies) for: (a) preparing and submitting an application to U.S. Customs for the establishment of a port of entry and a foreign trade zone on the Kenai Peninsula; and (b) promoting the concept of locating the terminus of the proposed Alaska North Slope LNG Project on the Kenai Peninsula.

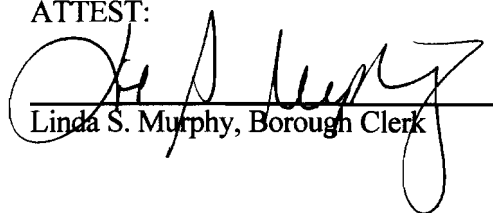
SECTION 2. It is estimated that approximately \$50,000 of the total appropriation shall be used for the project described in Section 1(a) above and approximately \$100,000 shall be used for the project described in Section 1(b) above.

SECTION 3. That the mayor is authorized to execute all documents and make all agreements deemed necessary to complete the project described in section 1(a) above. Prior to expending funds on the project described in section 1(b) above, the mayor shall obtain assembly approval by motion of a plan for the expenditure of such funds.

SECTION 4. This ordinance shall become effective immediately upon enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 16TH DAY OF NOVEMBER, 1999.


William Popp, Assembly President

ATTEST:

Linda S. Murphy, Borough Clerk

