

Introduced by: Mayor
Date: 11/16/04
Action: Adopted
Vote: 9 Yes, 0 No

**KENAI PENINSULA BOROUGH
RESOLUTION 2004-112**

**A RESOLUTION IN SUPPORT OF THE POSITIONS OF THE STATE OF ALASKA
STRANDED GAS ACT MUNICIPAL ADVISORY GROUP**

- WHEREAS,** the intent of the Stranded Gas Development Act is to provide a mechanism for achieving the fiscal certainty that potential project sponsors indicate they need before proceeding with the large investment needed to bring Alaska North Slope natural gas to market; and
- WHEREAS,** the Stranded Gas Development Act allows the State of Alaska to contract away municipalities' ability to collect property tax under AS 43.56, municipal sales and use tax, municipal special assessments, a comparable tax or levy imposed by the State or a municipality, or other State or municipal taxes or categories of taxes identified by the Commissioner of Revenue; and
- WHEREAS,** under the Stranded Gas Development Act, the Commissioner of Revenue may negotiate terms of inclusion in a proposed contract with a qualified sponsor providing for periodic payment in lieu of one or more taxes that otherwise would be imposed by the State of Alaska or a municipality; and
- WHEREAS,** the State of Alaska established a Municipal Advisory Group consisting of representatives of revenue-affected municipalities, economically-affected municipalities, and the unorganized borough to provide advice to the State of Alaska on issues related to tax revenues, local hire, in-state access to North Slope natural gas, and economic & social impacts resulting from the construction of an Alaska North Slope gas pipeline project; and
- WHEREAS,** the Municipal Advisory Group has assisted the State of Alaska in determining the potential social and economic impacts on municipalities resulting from the construction and post-construction of an Alaska North Slope gas line project, and the attendant costs of those impacts to municipalities; and
- WHEREAS,** the Municipal Advisory Group (MAG) has provided recommendations to the State of Alaska through MAG Resolutions 2004-01 & 2004-03 that any contract negotiated under the terms of the Stranded Gas Development Act should maximize opportunities, where economically feasible, to provide in-state access to North Slope natural gas; and
- WHEREAS,** the Municipal Advisory Group has provided recommendations to the State of Alaska through MAG Resolutions 2004-01 & 2004-06 that encourage incentives, standards and voluntary agreements to maximize local hire; and

WHEREAS, the Municipal Advisory Group has provided recommendations to the State of Alaska through MAG Resolution 2004-08 that encourages the State to require contract provisions for future expansion of the capacity to any natural gas pipeline project to accommodate additional exploration and production of new natural gas reserves; and

WHEREAS, the Municipal Advisory Group has provided recommendations to the State of Alaska through MAG Resolutions 2004-01, 2004-02, 2004-04, 2004-05 and 2004-07 outlining parameters for an acceptable revenue stream and structure for payments in lieu of traditional taxes, as well as defining acceptable parameters for those payments during and after construction of a gas pipeline, to help make a gas pipeline project viable if necessary;

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

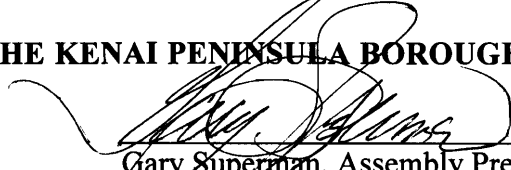
SECTION 1. That the Kenai Peninsula Borough supports the policy positions as expressed in Resolutions 2004-01, 2004-02, 2004-03, 2004-04, 2004-05, 2004-06, 2004-07 and 2004-08 of the Stranded Gas Act Municipal Advisory Group.

SECTION 2. That the Kenai Peninsula Borough urges the State of Alaska to incorporate these policy positions into any negotiations with a Stranded Gas Act applicant to the greatest degree possible so as to uphold and protect the rights and interests of the Kenai Peninsula Borough and all other municipalities.

SECTION 3. That copies of this resolution be delivered to the Honorable Governor Frank Murkowski, Revenue Commissioner William Corbus, Department of Natural Resources Commissioner Tom Irwin, Senator Tom Wagoner, Senator Gary Stevens, Senator Con Bunde, Senator-Elect Albert Kookesh, Senator Georgiana Lincoln, Representative Mike Hawker, Representative-Elect Woodie Salmon, Representative Mike Chenault, Representative Paul Seaton, Representative Kelly Wolf, Representative-Elect Kurt Olson and the State of Alaska Stranded Gas Municipal Advisory Group.

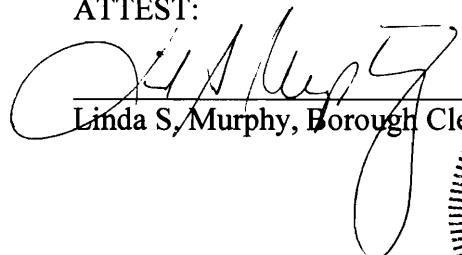
SECTION 4. This resolution shall become effective immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 16TH DAY OF NOVEMBER, 2004.



Gary Superman, Assembly President

ATTEST:



Linda S. Murphy, Borough Clerk

