

Introduced by: Mayor, Popp, Brown  
Date: 02/29/00  
Shortened Hearing: 03/21/00  
Action: Enacted  
Vote: 6 Yes, 0 No, 3 Absent

**KENAI PENINSULA BOROUGH  
ORDINANCE 2000-11**

**AN ORDINANCE APPROPRIATING \$50,000 FROM GENERAL FUNDS  
FOR ESTABLISHMENT OF A PORT AUTHORITY**

- 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 restraints; and
- WHEREAS,** the Alaska North Slope LNG Project is a multi-billion dollar project which will bring natural gas through a pipeline from the North Slope to a 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 that is currently evaluating several possible pipeline routes and several terminus locations including sites within the Kenai Peninsula Borough; and
- WHEREAS,** in Ordinance 99-060, the Kenai Peninsula Borough Assembly appropriated \$100,000 to organize and facilitate an assessment of this project as it relates to the Kenai Peninsula Borough; and
- WHEREAS,** Alaska Statutes authorize municipalities to form a port authority, which would be a separate legal entity that may finance projects through revenue bonds and other means, to provide for the development of ports for transportation-related commerce within the territory of the municipality; and
- WHEREAS,** a governmentally owned port authority with tax exempt status could substantially improve the economic viability of a natural gas pipeline with a terminus in Cook Inlet; and
- WHEREAS,** a port authority formed by the North Slope, Fairbanks and Valdez Boroughs recently received a favorable ruling from the Internal Revenue Service confirming

the tax exempt status; and

**WHEREAS,** a port authority formed by the Kenai Peninsula Borough could expect to receive a similar ruling from the Internal Revenue Service; and

**WHEREAS,** it is in the best interest of the Borough to make resources available to organize and evaluate the formation of a port authority;

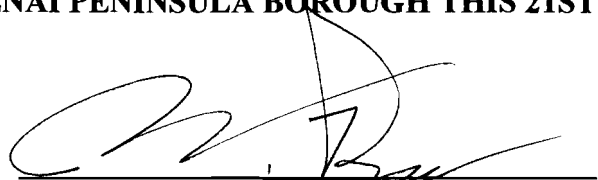
**NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** That \$50,000 is appropriated from the general fund balance to account number 100.94910.49999 (non-departmental contingencies) for evaluating and establishing a port authority.

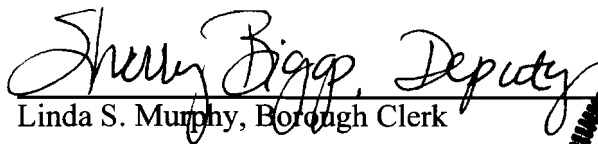
**SECTION 2.** That the Mayor is authorized to execute all documents and make all agreements deemed necessary to initiate the project. Prior to expending funds on the port authority, the Mayor shall obtain Assembly approval, by motion, of a plan for the expenditure of such funds.

**SECTION 3.** That this ordinance shall become effective immediately upon its enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 21ST DAY OF MARCH, 2000.**

  
William Popp, Assembly President

ATTEST:

  
Linda S. Murphy, Borough Clerk

