

Introduced by: Gilman, Ogle, Mayor
Date: 04/05/16
Action: Adopted
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
RESOLUTION 2016-021**

**A RESOLUTION SUPPORTING HOUSE BILL 100 WHICH INCENTIVIZES
NATURAL GAS REFINING AND FERTILIZER PRODUCTION**

WHEREAS, House Bill 100 would incentivize natural gas refining and fertilizer production which is expected to help restart the Agrium fertilizer plant on the Kenai Peninsula; and

WHEREAS, HB 100 was approved by the Alaska House of Representatives by a vote of 30-8 during the 2015 legislative session; and

WHEREAS, HB 100 would establish a tax credit for companies that produce urea or ammonia or gas-to-liquid products if and to the extent their feed stock comes from a state lease, which would expire in 2024 and provides for the establishment of the value of the state's royalty share of gas production sold to such processing facilities; and

WHEREAS, if the Agrium facility is restarted Agrium anticipates this would generate approximately \$12 to \$15 million annually in new royalty revenue for the State of Alaska; and

WHEREAS, once constructed and operating it is estimated this would generate over \$2 million annually to the Kenai Peninsula Borough for property taxes and create approximately 140 new full-time, high-paying jobs; and

WHEREAS, Agrium anticipates that it would also create an additional 200 indirect and induced jobs and result in expending approximately \$20 million per year with third-party vendors throughout the State of Alaska; and

WHEREAS, restarting the Agrium facility would help diversify the economy through complex processing of Alaska natural resources instead of shipping raw resources out of state and also provide fertilizer for the state's agricultural sector, significantly reducing farmer input costs and Alaska's food security; and

WHEREAS, HB 100 provides an incentive that is designed to protect the State while encouraging new value-added industry and revenue streams in the State of Alaska requiring no out-of-pocket expenditure by the State and is likely to rekindle interest in these industries, providing hundreds of good jobs and bringing much needed new revenue streams to the State and the Kenai Peninsula Borough;


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

SECTION 1. That the Kenai Peninsula Borough Assembly supports House Bill 100 and urges the Alaska State Senate to pass this bill and Governor Walker to sign the legislation when passed.

SECTION 2. That copies of this resolution shall be delivered to Governor Bill Walker and the Kenai Peninsula Borough Legislative Delegation.

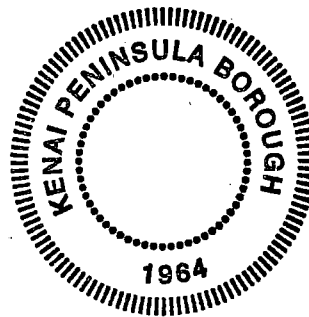
SECTION 3. That this resolution takes effect immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 5TH DAY OF APRIL, 2016.


Blaine Gilman, Assembly President

ATTEST:


John Blankenship, MMC, Borough Clerk



Yes: Bagley, Cooper, Dunne, Holmdahl, Johnson, Knopp, Ogle, Welles, Gilman
No: None
Absent: None