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SENATOR JOHN COGHILL

SPONSOR STATEMENT

“Committee Substitute for Senate Bill 9, by the Senate Finance Committee (CSSB9(FIN)) – *“An Act relating to military facility zones; and providing for an effective date”*”

Military Construction (MILCON) money is flowing into Alaska right now. This bill ensures that Alaskans harness the maximum benefit for business development in the communities surrounding military installations.

The military industry is currently a growing, important industry in Alaska. The easier it is to designate military facility zones, the better for Alaska’s economy.

Briefly:

A military facility zone is a vehicle to obtain and administer funds for business development related to military activities. The zone is established by the Department of Military and Veterans’ Affairs (DMVA) in areas that are in close proximity to a military facility. Examples of qualifying facilities include Clear Air Force Station, Eielson Air Force Base, or Fort Wainwright.

If a zone is established, opportunities arise to adjacent municipalities/boroughs working on approved projects within designated military facility zones (via public/private funding sources, credit, or guarantee programs).

Before CSSB9(FIN), the adjutant general has to consider whether the designated area is consistent with the prevailing comprehensive plan of the municipality/borough.

Unfortunately, these comprehensive plans take time. The window for maximizing the benefit on the current and future military construction spending is small. Under current law, Alaska may not maximize the benefit, during the time allotted.

Simple changes has been suggested. The most important changes include adding the words “or local zoning ordinances” to Alaska Statute 26.30.020(c)(1), and ensuring the bill is effective immediately.

The change will result in a faster process. DMVA will have increased flexibility by reviewing a proposed military facility zone to ensure it is consistent with the local zoning ordinance (in addition to the comprehensive plan).