

April 6, 2016

The Honorable Anna MacKinnon  
The Honorable Pete Kelly  
Alaska State Capitol  
Senate Finance Committee  
Juneau, AK 99801

Subject: CS for House Bill No. 100 (FIN), An Act establishing a credit against income tax for an in-state processing facility that manufactures urea, ammonia, or gas- to-liquid products

Senator Mackinnon and Senator Kelly:

The purpose of this correspondence is to state the City of Soldotna's unequivocal support for CS for House Bill No. 100 (FIN), and to respectfully request that a hearing be scheduled before the Senate Finance Committee so that this important legislation may be heard and passed by the Legislature during this session.

The Kenai Peninsula and all of Alaska were significantly impacted when Agrium ceased operations, and more than 200 well-paying, full-time, jobs were lost.

Passage of HB100 is an important component of the re-opening of the Agrium plant for the manufacturing of products to the world export market, and for products that are used in Alaska. Urea and other products manufactured by Agrium such as fertilizers and ice-melt were sold throughout the State.

The proposed tax incentive is crafted in such a manner as to provide tax relief only if Agrium/Manufacturer generates sufficient gas demand to produce income to the State of Alaska greater or equal to the tax incentive. Further, under HB100, the tax incentive would expire on December 31, 2024, thereby increasing revenues to the State.

The passage of this legislation would be a win for Alaska workers, their families the state and local governments.

A corresponding resolution of support will be before the Soldotna City Council on April 13, 2016.

The City of Soldotna urges your consideration and support for CSHB100(FIN).

Sincerely,



Hon. Pete Sprague  
Mayor, City of Soldotna