

# KENAI PENINSULA BOROUGH GETS READY FOR ALASKA LNG

Kenai Peninsula Borough Mayor's Office

Presentation to Senate and House Resources Committees – June 16, 2015

# Kenai Borough issues



1. Track and respond to project reports with FERC
2. Input on relocation of Kenai Spur Highway
3. Answer, represent and address resident concerns
4. Ensure receipt of fair value for borough land
5. Work with state and municipalities to achieve adequate impact aid during construction and payment in lieu of property taxes after start-up

# 1. Environmental impact statement

- Next round of draft reports will include more details on projected impacts and possible mitigation
- Borough tracking socioeconomic issues: Traffic, noise, schools, hospital services, emergency services, social services, housing, solid waste, Kenai Airport
- Also waiting for reports later this year from project's labor supply/demand and logistics studies
- Identify and clarify issues and talk with community

## 2. Kenai Spur Highway relocation

- Safety and security requires relocation of highway
- Borough working with Alaska LNG and state DOT
- Reviewing possible alternatives, selection criteria
- Safe traffic flow in and out of the area is crucial
- Consideration of fire, ambulance, school bus needs
- Scheduling to minimize disruptions to the community

### 3. Local resident concerns

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- ❑ Residents want answers, but specifics not always available early in the design and selection process
- ❑ Interest starting to build: Noise, air quality, traffic, property values, housing demand, work camps, non-resident workers, pressure on recreation/fishing, and wage inflation affecting peninsula employers
- ❑ Cumulative impacts from indirect activities related to such a large construction project and operations

### 3. Information services



- Kenai Borough taking the lead and actively sharing project information and resources with communities
- Website, email distribution, community events
- Public information essential for public acceptance and to help avoid (or lessen) surprises and conflicts
- Alaska LNG and contractors have been responsive to information requests from borough and the public

## 4. Borough land

- Continue working with Alaska LNG to ensure timely transfer of borough land needed for project
- Protect public interest by securing fair value
- Borough assembly approval for any land transfer
- Work with Alaska LNG and state DOT if any borough land needed for Kenai Highway relocation
- Protect for future economic growth opportunities

# 5. Impact aid during construction

- Borough realizes project's need to control costs during 5-year construction before cash flow begins
- Impact aid intended to make municipalities whole for the costs of providing additional public services
- Impact aid not intended to provide a windfall
- Working with the state and other municipalities:
  - To determine financial needs of communities
  - And how to distribute aid to those communities



## 5. PILT during project operations

- Volume-driven formula would avoid contentious battles over assessed value of a length of pipe
- Payment formula must recognize need for project to succeed in a highly competitive global market
- LNG plant 3X borough's total assessed valuation
- Municipalities need inflation protection in formula
- Municipal Advisory Group trying to pull together