

Matanuska-Susitna Borough



April 13, 2017

The Honorable John Coghill
Attn: Rynnieva Moss
State Capitol Room 119
Juneau, AK 99801

Re: Support of CSSB 106

Dear Senator Coghill:

The Matanuska-Susitna Borough supports CSSB 106, an Act relating to municipal tax exemptions.

As State capital and operating budgets are reduced, local governments will have to find more creative ways to facilitate economic development projects. Tax exemption or deferral, with some restrictions, is a tool currently available to local governments, but is currently limited by statute (AS 29.45.050-m), to an initial five year term.

That may have worked well enough for some smaller projects, but today's larger and more capital intensive developments can't find enough certainty in a five-year agreement that might not be renewed as part of a viable business plan. We believe that municipalities acting in their own interest would be better served by removing the five-year restriction.

For Alaska to be competitive with other states in the lower 48 we need to have the same economic development incentives. This bill accomplishes that goal.

Sincerely,

John M. Moosey
Borough Manager

cc: Borough Mayor and Assembly
Mat-Su Valley Legislators

