

S B

195

FAIRBANKS NORTH STAR BOROUGH

RED MEAT PACKING FACILITY

POSITION STATEMENT

SUBJECT: S.B. 195

The North Star Borough strongly supports the construction and operation of a red meat packing facility to be located in the Fairbanks area.

In order to accommodate the establishment of a packing plant in Fairbanks, the North Star Borough has identified a potential site which has the following desirable features:

1. North Star Borough land with clear title
2. Close to the City of Fairbanks Sewage Treatment Facility
3. Available water supply and electrical power
4. Location is conducive to marketing and development of spin-off industries
5. Close proximity to the Alaska Railroad airport spur
6. Zoned Air Industrial. Meat processing is conditionally permitted in this zone. A Conditional Use Permit may

be obtained from the Borough Planning Commission.

Borough administrative staff has been in close communication with the Alaska Agricultural Action Council and with the applicants for livestock facility loans to assist in any way to insure that a facility is developed in the Interior and to assure them that the Borough would provide any services necessary to make it easier for the industry to locate here.

Promotion of a packing facility is consistent with the Borough's goal to promote a stable and diverse economy in harmony with the Borough's comprehensive land-use plan and to support private sector economic development.

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ROBERT H. ZIEGLER, SR., Vice Chairman
DICK ELIASON
PAUL FISCHER
VIC FISCHER
BOB MULCAHY
ARLISS STURGULEWSKI



POUCH V
STATE CAPITAL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate

Committee on Resources'

RESOURCES COMMITTEE MINUTES

Bettye Fahrenkamp
Chairman

April 8, 1983
3:10 p.m.

Beltz Room
Room 211, Capitol

MEMBERS PRESENT

Senator Fahrenkamp, Chair
Senator Mulcahy
Senator Vic Fischer

Senator Paul Fischer
Senator Eliason

CALENDAR

- SB 120 Relating to soil and water conservation.
- SB 169 Establishing the Alaska grain reserve program and the Alaska grain reserve revolving loan fund.
- SB 170 Making a special appropriation to the Alaska grain reserve revolving loan fund.
- SB 195 Supplementing the FY82 appropriation to the Agricultural Action Council for live-stock facility loans.

Commissioner Wunnicke, Department of Natural Resources, briefed the committee on the Supreme Court decision in Gilman vs. Martin, regarding land disposal residency discount regulations and the need for change in state regulations. New policy by DNR on land disposal ends residency discounts as of April 1, 1983, on over the counter sales and on land disposal lottery No. 3. The court decision was based on prior decisions which abrogated classification of Alaskans by length of residency. Also discussed long standing state regulations now in litigation (i.e. Potlatch Ponds).

Senator Fahrenkamp asked how this would affect Homestead program.

Sharon Barton, Special Assistant, Department of Natural Resources, said that the Homestead program involved "free" land making the discount moot.

Commissioner Wunnicke said that homestead qualification requirements are not in question, only credits for length of residency. Any other opinion was deferred to the Attorney General.

SB 169, SB 170

Commissioner Wunnicke read a telegram from Governor Sheffield, dated April 8, 1983, to Agricultural Task Force in support of their efforts. DNR endorsed the bills and recommended modifications in SB 169; 1) limit the term to the 1983 crop year; 2) provide loan funds for grades of grain; 3) provide for the state to pay for storage, and; 4) reallocate the appropriation for grain elevator at Delta II West as source of funding. Due to the need for only one year's funding, also recommended that the amount be reduced from \$4 million to \$1.6 million in SB 170. [Amendments will be presented in writing later.]

In answer to a question regarding suspension of loan payments, the Commissioner said with current loan programs there is an option that allows renegotiation, suspension or extension of loan payments and the agencies are responsive to individual hardship cases.

Senator Moss stated that one year is insufficient and suggests that it be extended as a two year program to be more effective.

Sig Restad, of Palmer, recommended that the deadline be extended through October, 1984, instead of July, 1984 to give farmers time to prepare for the next crop year.

Senator Fahrenkamp stated that the bills would be held until Monday, April 11, 1983.

SB 120

Senator Fahrenkamp requested a motion for adoption of CSSSSB 120 and Senator Mulcahy so moved. The motion was opened for testimony and discussion.

Richard Ramsey presented a statement from Senator Kerttula in support of the Soil and Water Conservation Commission's work.

Sig Restad of Palmer, testified that the new bill adds water to Soil Conservation Commission's authority to fit with federal regulations and controls in performing technical services. Reviewed history of conservation efforts and stated that it benefited all water users. Also, it upgrades subdistricts to full district status, creates a fifth district in Alaska and provides for a coordinator for a unified conservation program.

Commissioner Esther Wunnicke of DNR, asked for the committee's support and thanked the volunteers on the Board for their efforts. The bill will answer some of the coordination problems between Fish and Game Department and Natural Resources.

Senator Fahrenkamp made note of the fiscal note change. Senator Mulcahy moved adoption of the committee substitute for sponsor substitute for Senate Bill 120 and there was no objection to move the bill out of committee.

SB 195

Rick Johnson, aide to Senator Moss testified in support of SB 195 and asked for support of the committee.

Commissioner Wunnicke, of DNR, spoke in support of the bill.

Bill Zybeck, aide to Fairbanks North Star Borough Mayor B.B. Allen, testified in support of SB 195. The Borough supports the development of the livestock facility and its benefits to the local economy. The Borough planners have made preparations for the facility and are ready to implement those plans.

There being no further testimony or discussion, Senator Mulcahy moved that SB 195 be reported out of committee with individual recommendations. There being no objection, it was so moved.

The meeting adjourned at 4:10 p.m.

Alaska State Legislature

SENATOR
H. PAPPY MOSS
P.O. BOX 182
DELTA JUNCTION, ALASKA 99737
(907) 895-4384



WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811
(907) 465-4921

State Senate

M E M O R A N D U M

April 6, 1983

SUBJECT: SB 195

TO: The Honorable Bettye Fahrenkamp
Chairman, Senate Resources Committee

FROM: Senator H. Pappy Moss
Chairman, Senate Special Agriculture Committee

A handwritten signature in cursive script, appearing to read "H. Pappy Moss".

On March 9, 1983, the Alaska Agricultural Action Council voted to request an additional appropriation of \$350,000 to supplement an additional amount of \$650,000 for the awarding of the McKee Red Meat Processing Facility loan. This appropriation, if passed, will speed the development of the agricultural industry in the interior of Alaska.

McKee's proposal includes a full red meat processing facility which will allow him to utilize all of the by-products. This will in turn allow him to pay more to the livestock producers for their product and provide an economical livestock market that currently does not exist. Once this becomes a reality, we will be that much closer to the completion of the agricultural infra-structure that is necessary for the industry to be self-sustaining.

I respectfully request that you support this bill and thank you for your consideration.

cc: Senator J. Kerttula

SB 195

SUPPLEMENTING THE FY 82 APPROPRIATION TO THE AGRICULTURAL ACTION COUNCIL FOR LIVESTOCK FACILITY LOANS; ALLOCATING FUNDS WITHIN THE APPROPRIATION.

SPONSOR: MOSS

Amends Sec. 30, ch. 82, SLA 1981 by increasing the appropriation from the general fund to the livestock facility loan from \$2,650,000 to \$3,000,000. Further, allocates \$2,000,000 of the \$3,000,000 appropriation to Southcentral Alaska and \$1,000,000 to the Interior.

Alaska State Legislature

SENATOR
H. PAPPY MOSS
P.O. BOX 102
DELTA JUNCTION, ALASKA 99737
(907) 895-4384



WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811
(907) 465-4921

State Senate

MEMORANDUM

March 23, 1983

SUBJECT: SB 19⁵, Livestock Processing Facility Loans

TO: Senator Bettye Fahrenkamp
Chairman, Senate Resources Committee

FROM: Senator H. Pappy Moss
Chairman, Senate Special Committee for Agriculture

Please schedule SB 195, the livestock processing facility act. Timely passage of this bill is of utmost importance to the interior livestock and grain producers. With the establishment of a complete processing facility in the interior, livestock producers will have a market which will allow for competitive livestock prices. Also, because this Act will allow for expansion of the livestock industry, there will be a subsequent expansion of the feed grain market which will benefit the Alaskan grain producers.

Thank you for your consideration.

SB 195

March 9, 1983

MEMORANDUM

To: Don *Gilman*
From: Bob
Subject: AG Action Council Meeting (March 9)

(1) Red Meat Slaughter Facility Report.

A total of eight proposals have been received and reviewed. Funding available from last year's appropriation of \$2.650 million. Proposals have been reviewed by Council, Department of Commerce and OMB. Top two requests: McKinley Meat with request for \$2 million. Second proposal McKees of Fairbanks with request of \$950,000. Council moved to accept McKinley of Anchorage at full funding and to request supplemental funding of \$350,000 which would yield full funding for proposal #2, McKee. (McKee at this time claims his request cannot be scaled down.) Action passed 5 to 0.

(2) Seward Transfer Terminal.

(a) Construction. Since weather has been favorable, final construction phase is progressing well. Three small concrete grain tanks now complete and sealed above ground level; one more small tank next week. Of two large tanks, one complete; one to be complete in a week and a half. Rail receiving pit to be finished and filled within a week. Deep pit sealed and backfilled. This means all tunnels, pits, and underground facilities will be finished and sealed soon, eliminating the need for de-watering pumps.

Two out of five vans of weather sensitive material have been stored in warehousing. The rest to be unloaded as space becomes available.

(b) Use as In-state Transfer Point. Kenai stockgrowers and AG Association as well as Kodiak organizations strongly requested use as smaller size transfer. Kodiak wants agricultural rate for Alaska ferry system and sent resolution to put up two tanks with loading equipment for distribution system. Huppert introduced a motion (which passed 5 to 0) to get cost figures for the above proposal. Size of small tanks, 26 foot diameter by 80 foot tall.

(3) Nenana-Totchaket Agricultural Project Report.

175,000 acres in survey and soil sample status; 150,000 of these good AG land and owned by state. Location directly west of town of Nenana and west of Nenana River. Further west still are Doyon timber lands; 2½ townships of which are surveyed. Doyon is eager to see and share road access.

\$1,600,000 was reappropriated last year for road access to Nenana project. Status: Survey underway for 18 commercial-size farms of four sections; 18 smaller farmsteads of 160 to 1,000.

City of Nenana received tora to survey & lay out 22 miles of road, a bridge over Nenana river & 3 smaller crossings. The design is largely complete & permitting is done. 27

2 scenarios were discussed for development of the N / T project, both with a similar initial barley production date, One in 1988-89 frame the other at 89-90.

Budget FY-84.

Discussion was mostly on transfer of AAC staff, likely to Dept. of Comm. also assignment of responsibility of Old AAC organization (staff) to DCED & DNR.

I left the meeting at this point & did not follow further agenda items. (Early in Budget portion)

Alaska State Legislature

SENATOR
H. PAPPY MOSS
PO BOX 182
DELTA JUNCTION, ALASKA 99737
(907) 695-4364



WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99801
(907) 465-4921

State Senate

MEMORANDUM

April 6, 1983

SUBJECT: SB 195

TO: The Honorable Bettye Fahrenkamp
Chairman, Senate Resources Committee

FROM: Senator H. Pappy Moss
Chairman, Senate Special Agriculture Committee

A handwritten signature in dark ink, appearing to read "H. Pappy Moss", written over the printed name in the "FROM" field.

On March 9, 1983, the Alaska Agricultural Action Council voted to request an additional appropriation of \$350,000 to supplement an additional amount of \$650,000 for the awarding of the McKee Red Meat Processing Facility loan. This appropriation, if passed, will speed the development of the agricultural industry in the interior of Alaska.

McKee's proposal includes a full red meat processing facility which will allow him to utilize all of the by-products. This will in turn allow him to pay more to the livestock producers for their product and provide an economical livestock market that currently does not exist. Once this becomes a reality, we will be that much closer to the completion of the agricultural infra-structure that is necessary for the industry to be self-sustaining.

I respectfully request that you support this bill and thank you for your consideration.

cc: Senator J. Kerttula

fairbanks north star borough

p.o. box 1267 520 fifth ave. fairbanks, alaska 99707 907-452-4761



April 5, 1983

The Honorable Bettye Fahrenkamp
Alaska State Senate
Pouch V
Juneau AK 99811

SUBJECT: S.B. 195

Dear Senator Fahrenkamp:

This letter is to let you know that the North Star Borough strongly supports the construction and operation of a red meat packing facility which would be located in the Fairbanks area.

Borough administrative staff has been in close communication with the Alaska Agricultural Action Council and with the applicants for livestock facility loans to assist in any way to insure that a facility is developed in the Interior and to assure them that the Borough would provide any services necessary to make it easier for the industry to locate here.

Promotion of a packing facility is consistent with the Borough's goal to promote a stable and diverse economy in harmony with the Borough's comprehensive land-use plan and to support private sector economic development.

In order to accommodate the establishment of a packing plant in Fairbanks, the North Star Borough has identified a potential site which we will lease to the party which receives the state loan. The lease of borough land will be drafted to be consistent with the loan approach of the Agricultural Action Council. The potential site has the following desirable features:

1. North Star Borough land with clear title
2. Close to the City of Fairbanks Sewage Treatment Facility

Honorable Bettye Fahrenkamp

April 5, 1983

-2-

3. Available water supply and electrical power
4. Location is conducive to marketing and development of spin-off industries
5. Close proximity to the Alaska Railroad airport spur
6. Zoned Air Industrial. Meat processing is conditionally permitted in this zone. A Conditional Use Permit may be obtained from the Borough Planning Commission.

Sincerely,



B. B. Allen
Borough Mayor

BBA/lh