

Municipal Advisory Group Resolution 2004-05 Final

A Resolution Outlining the Parameters of a Construction Impacts PILT to Municipalities:

- A. Whereas construction of an Alaska gas pipeline will bring impacts to municipalities;
- B. Whereas construction impacts of the project will begin prior to gas pipeline construction, continue through the projected three-year construction period, and phase out a year after construction ends;
- C. Whereas the State has eliminated or reduced assistance to potentially impacted municipalities and has begun the discussion of gas pipeline construction impacts to municipalities;
- D. Whereas funding for construction impacts and need for services as a result of construction may not parallel each other;
- E. Whereas adequate construction PILT funds must begin prior to construction to provide timely, effective services to residents;
- F. Whereas maximum Alaska hire will result in fewer construction impacts to municipalities by reducing unemployment, in-migration and need for increased services;
- G. Whereas an increase in general wages within the affected municipalities will result from limited availability of personnel for jobs during construction of the gas pipeline, and the effects of that wage inflation are likely to linger after construction ends;
- H. Whereas municipalities have particular concerns about the impacts of gas pipeline construction on their road systems and infrastructure;

Be it therefore resolved:

1. Payment in lieu of taxes must fund impacts of gas pipeline construction with phasing appropriate to provide funds for specific service delivery.
2. Project sponsors and the State of Alaska should expend maximum efforts to ensure Alaska hire, thus mitigating the need for new municipal services to support an influx of Outside workers.
3. Apart from construction or revenue PILTs, the State of Alaska Legislature and Administration should provide financial assistance to impacted communities not receiving a revenue PILT.
4. PILT payments should be transmitted directly to municipalities by the payors, as would be the case for tax payments.