

120 4th Street, RM 3
Juneau, AK 99801

March 23, 2016

Dear Legislator:

The Soldotna Economic Development Council is a group of community leaders that formed several years ago to promote economic growth in the central Kenai Peninsula region. We represent businesses from construction to tourism to finance, as well as public entities such as K-12, postsecondary education, and local government. Our members are diverse, but we share the common goal of working together to promote a prosperous local economy now, and for future generations.

We understand the State's current fiscal situation. We firmly believe that how our government responds in the coming weeks will have a profound influence on our economy and Alaskans' lives for years to come. Times are tough and will likely get worse, and we have the responsibility to mitigate the impact now, not later.

It is therefore with the utmost urgency that we ask you to develop and pass a budget plan that not only further reduces state spending, but diversifies our State's revenue stream. We do not believe it is an acceptable strategy to rely heavily on savings to get us through the next couple of years, while waiting for the price of oil to rebound. This fiscal crisis has highlighted an opportunity to re-evaluate how our government functions, and also how we pay for it. One thing is clear - we need to diversify our revenue.

We ask the Legislature and Governor to implement a fiscal plan that includes a significant restructuring of the Permanent Fund. This solution promises our greatest opportunity to reduce the budget deficit, and is the most critical piece of legislation that must pass this session. Furthermore, we support new broad-based taxes at a modest level, to diversify our state's revenue and reduce the necessary draw from savings.

The cuts to our state spending in recent years have been significant. It's now time for all Alaskans to share in the responsibility for a fiscal solution. Delaying action beyond the current legislative session will put additional negative pressure on our economy by prolonging uncertainty. This means continued loss of talent, difficulty obtaining capital, lower levels of confidence and investment, and depletion of our rainy day funds.

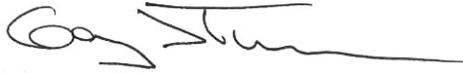
Please work to solve this issue now and adopt a diverse revenue plan. We believe the critical components must include utilizing our permanent fund, in combination with modest new broad-based taxes which allow Alaskans to start paying our share. With less than one month of the session remaining, there is still time to act. Please do not delay finding a sustainable solution.

Sincerely,

The Soldotna Economic Development Council, including the following individuals:



Scott Davis
President, Davis Block and
Concrete



Gary Turner
Director, Kenai Peninsula College



Pegge Erkeneff



Robert Ruffner



Alice Kerkvliet
Mykel's and Soldotna Inn



Mark Dixson
City Manager



Tami Murray
Executive Director, Soldotna
Chamber of Commerce



Mike Sweeney
Sweeney's Clothing



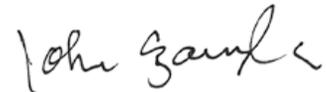
Steve Manley
President, Soldotna
Chamber of Commerce



Stephanie Queen
Director of Economic
Development and Planning



Steve Stenga
Real Estate Broker



John Czarnecki
City Planner