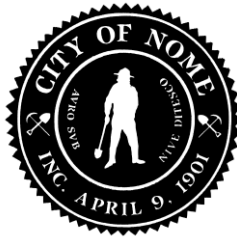


Mayor
John K. Handeland

Manager
Glenn Steckman

Clerk
Dan Grimmer



Nome City Council
Scot Henderson
Maggie Miller
Mark Johnson
Adam Martinson
Cameron Piscoya
M. Sigvanna Tapqaq

NOME COMMON COUNCIL
WORK SESSION AGENDA
MONDAY, APRIL 01, 2024 at 5:30 PM
COUNCIL CHAMBERS IN CITY HALL

102 Division St. ▪ P.O. Box 281 . Nome, Alaska 99762 . Phone (907) 443-6663 . Fax (907) 443-5345

WORK SESSION:

- A. Discussion of Personal Property Tax on Commercial Aircrafts,

CORRESPONDENCE:

- [A.](#) Emails from Bering Air and Alaska Airlines,

Glenn Steckman

From: Russell Rowe <russell@beringair.com>
Sent: Tuesday, March 19, 2024 12:52 PM
To: Gideon Garcia; Glenn Steckman; Marilyn Romano; Lee Ryan; shoshaw@evertsair.com; amurray@lynden.com
Cc: jdroweak@yahoo.com; benr
Subject: Re: <EXTERNAL>Council request

Caution! This message was sent from outside your organization.

Good afternoon all,

It is Bering Air's position that we would be opposed to additional taxes on the aviation industry as well.

We appreciate the opportunity and invitation to comment, and we feel that this tax would be unfair to the aviation industry as there is a very disproportionate cost of assets vs. net revenue as compared to other industries. A tax as proposed would take a much larger percentage of our revenues than any other industries or businesses involved in this conversation. That along with the fact that our aircraft are not using city streets or other city infrastructure seem reason enough to leave the current exemption in place.

We would also like to make it clear that we are subject to property tax on buildings and equipment including air compressors (as previously used as an example by TSR) and have been paying those as they apply.

We are also of the opinion that if the current property tax structure as is not being policed fairly among the businesses in town that it should be dropped, suspended or re-evaluated. During the work session that we were all in together it sounded like a potential revenue source for the city would be to collect the taxes that are already in place and potentially people/businesses are not paying.

Another idea to look at, which I have not studied much on myself would be to impose an "inventory tax" in the community. This is something that would need some research but could potentially affect more directly the people that the council represents.

Thank you,

Russell Rowe | President | Bering Air, Inc.
PO Box 1650 | Nome, Alaska 99762
Main: 907-443-5464 Direct: 907-443-8987 | www.beringair.com

From: Gideon Garcia <ggarcia@nac.aero>
Sent: Monday, March 18, 2024 3:07 PM
To: Glenn Steckman <GSteckman@nomealaska.org>; Marilyn Romano <Marilyn.Romano@AlaskaAir.com>; Lee Ryan <LRyan@ryanalaska.com>; Russell Rowe <russell@beringair.com>; shoshaw@evertsair.com <shoshaw@evertsair.com>;

amurray@lynden.com <amurray@lynden.com>

Subject: RE: <EXTERNAL>Council request

Glenn,

Thank you for the email and invitation to comment.

Northern Air Cargo is not in favor of an additional tax on the industry.

Appreciate the opportunity to give ideas on other taxes. But not being an expert in Nome city budgets, I fear I'm not very qualified to offer suggestions on how to craft a tax proposal to meet the needs of the community. Fully understand the challenges the Council faces to balance budgets and citizen's needs; my hat is off to you for your efforts.

If such a tax is imposed, we would have to pass it on through our rate structure to our customers. Never an enjoyable task, but necessary to ensure we can continue to serve the good citizens of Northwest Alaska.

Thank you,

Gideon Garcia | Vice President and General Manager



Northern Air Cargo, LLC.

Phone: 907-249-5198 | **Fax:** 907-249-5195 | **Cell:** 907-952-1032

Address: 3900 Old International Airport Road, Anchorage, AK 99502

Email: ggarcia@nac.aero | **Web:** www.nac.aero

From: Glenn Steckman <GSteckman@nomealaska.org>

Sent: Tuesday, February 27, 2024 11:40 AM

To: Marilyn Romano <Marilyn.Romano@AlaskaAir.com>; Lee Ryan <LRyan@ryanalaska.com>; Russell Rowe <russell@beringair.com>; shoshaw@evertsair.com; amurray@lynden.com; Gideon Garcia <ggarcia@nac.aero>

Subject: <EXTERNAL>Council request

Importance: High

Good morning:

Thank you for attending the Nome Common Council work session last night. The council wants to hear your input on this issue. As said last night by the council, they wish to hear a proposal from you the commercial aircraft industry to build fairness across the community on taxation. If you have any suggestions or recommendations on how to craft a tax proposal, please submit these proposals to my office by March 18, 2024.

The next work session meeting is scheduled for March 25th at 5:30. I don't expect any formal legislation to be on the regular agenda of the Nome Common Council for March 25. If someone is not on this email, please let me know. If needed, I can be reached on my cell phone at 907-304-1907.

Glenn Steckman

From: Marilyn Romano <Marilyn.Romano@AlaskaAir.com>
Sent: Monday, March 18, 2024 7:49 PM
To: Glenn Steckman
Subject: Proposed Property Tax on Aircraft

Caution! This message was sent from outside your organization.

Good evening, Glenn.

Thank you for the invitation to listen to the recent work session of the Nome Common Council. It was a good discussion, and we heard consensus among air carriers around concerns of proposed new taxes. I wanted to note that Alaska Airlines pays over \$200K a year in taxes in Nome, the majority being sales taxes collected and added to the general operating fund. It was also noted that those using the Nome road system with commercial vehicles felt aircraft should be similarly taxed. The difference is heavy equipment takes a toll on roads, something the city of Nome must repair and maintain. That is not true of runways. Those maintenance and repair expenses are the responsibility of state or federal DOT. And as you know, we own the terminal at the Nome airport, and we employ over 20 local employees. This summer we are beginning an investment of millions of dollars to refurbish, remodel, and/or expand our owned facilities in the state. Nome is on the list.

While we are not in favor of new taxes, between investing in aviation infrastructure, employing local residents, supporting community organizations, and paying taxes that support the city, we believe we are a good partner. Thank you again for including me on the call. Please reach out if you have any questions.

Take care.
Marilyn

Marilyn F Romano
Regional VP
Marilyn.Romano@alaskaair.com
Office 907-266-7230

Alaska
AIRLINES

