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**City of North Pole**

# **Press Release**

## ***City of North Pole troubled by Flint Hills Resource's decision to shut down North Pole Refinery***

**North Pole, Alaska, February 4, 2014:** City of North Pole officials were notified at 2pm Tuesday, February 4, 2014, by Jeff Cook, Regional Director of External Affairs with Flint Hills Resources LLC that the North Pole Refinery will be shutting down and by mid-2014, will be repurposed as a rack facility. A rack facility is simply a distribution point for imported fuel to be transferred into delivery trucks.

Citing high crude prices, high energy costs, and increasing costs associated with cleanup of the Sulfolane contamination in the groundwater, Flint Hills has made the decision to close the North Pole Refinery. In a statement, Mayor Bryce Ward said, "I am extremely troubled and disappointed that increased cost and regulation has caused Flint Hills to close their doors to business in interior Alaska. I fear that the stringent Sulfolane cleanup level of 14 parts per billion may be too much of a burden for the refinery to achieve in an area where all residents have been given an alternative source of drinking water.

My heart goes out to the employees that were notified today that their seemingly stable jobs at the refinery will be eliminated by late 2014. The City of North Pole, as well as the surrounding North Pole community, has just been dealt a double whammy after the many challenges we faced keeping the F-16s at Eielson Air Force Base.

It is my hope that through reorganizing, the Refinery may again become viable sometime soon."

In a Fairbanks Economic Development Corporation study, it was estimated that the Flint Hills Resources Refinery in North Pole attributed 1600 indirect jobs to the community with an average salary of \$60,000.00 per year. As well as being an economic driver in North Pole as part of the Sulfolane cleanup process, Flint Hills has spent nearly \$8,000,000.00 in infrastructure upgrades to the water and sewer utility system to ensure North Pole City residents have a dedicated clean source of drinking water.

Further questions for the City of North Pole can be directed to Mayor Ward via email and telephone.

**For Release: Immediate**