



CITY OF SAINT PAUL

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RECEIVED
MAR 20 2006
AIDEA/AEA

March 16, 2006

Rebecca Garrett, Project Manager
State of Alaska
Alaska Energy Authority
813 W. Northern Lights Blvd.
Anchorage, Alaska 99503

Subj: St. Paul Heat Recovery ECR, Grant Number 2195231

Dear Ms. Garrett:

The City of Saint Paul is requesting that the State of Alaska close the above referenced grant. During budget workshops the City Council determined that we would not be able to afford the required 50% match needed to complete the project. Due to the economic hardships we are continuing to experience because of the opilio crab crash in 2000, and the slow recovery of crab stocks, we are forced to examine each and every project ever more carefully to be sure that it is a *critical* project that would have deleterious effects if *not* pursued. Would it be possible to re-scope this project to answer another smaller, related need?

Please continue to look favorably upon any future requests. We ask that this grant return does not affect our ability to successfully apply with you in the future.

Please forward any necessary paperwork for our signature. I apologize for any inconvenience this decision may have caused. If you have any questions, please feel free to give me a call at (907) 546-3126.

Sincerely,

THE CITY OF SAINT PAUL

Sherry A. Lestenkof
Finance Director