

**HOUSE AND SENATE  
JOINT JOURNAL SUPPLEMENT**

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**January 21, 2000**

**Friday**

**No. 10**

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**Letter from the Chairman of the  
Local Boundary Commission**

**Amendment Number One to the  
Commission's Order of December 16, 1999**

**Recommendations by the  
Alaska Local Boundary Commission  
in accordance with AS 44.47.567 and  
Article X, Section 12  
Constitution of the State of Alaska**

**Addendum Number One to the  
"Report of the Local Boundary Commission  
to the Second Session of the  
Twenty-first Alaska Legislature"**

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**January 21, 2000**

**Juneau, Alaska**

**Received in the Office of the Chief Clerk on  
January 19, 2000**



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The following letter addressed to President Pearce and Speaker Porter, dated January 19, 2000, was received from the Alaska Local Boundary Commission:

"Enclosed is the report of the Local Boundary Commission to the Second Session of the Twenty-First Alaska State Legislature. The report includes recommendations to the Legislature under Article X, Section 12 of Alaska's Constitution for changes to the corporate boundaries of certain municipal governments, including the City of Ketchikan.

This morning, the Local Boundary Commission met at the request of Representative Bill Williams, City of Ketchikan, Ketchikan Gateway Borough, and Shoreline Service Area to consider amending the effective date of the proposed annexation to the City of Ketchikan presented on pages 42 – 64 of the enclosed report. The amendment was sought to allow local government officials and other citizens in Ketchikan an opportunity to pursue municipal consolidation or alternative improvements to the structure of local government in Ketchikan.

This morning, the Commission unanimously approved the request to amend the effective date of annexation to January 1, 2001 as outlined in the enclosed order of the Commission titled "Amendment Number One to the Commission's Order of December 16, 1999." Given the timing of this development, it is necessary to reflect the action taken by the Commission this morning as an addendum to the Commission's report to the Legislature. That addendum is also enclosed.

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The Commission looks forward to favorable consideration by the Legislature of the Commission's recommendations.

Cordially,  
/s/  
Kevin Waring  
Chairperson"

cc: Members of the State Senate  
Members of the State House of Representatives

enclosures:

January 19, 2000 LBC report to the Legislature  
Amendment to December 16, 1999 LBC order  
Addendum No. 1 to LBC report to the Legislature

**STATE OF ALASKA  
LOCAL BOUNDARY COMMISSION  
AMENDMENT NUMBER ONE TO THE  
COMMISSION'S ORDER OF DECEMBER 16, 1999**

**IN THE MATTER OF THE 1999  
AMENDED PETITION OF THE CITY  
OF KETCHIKAN FOR ANNEXATION  
OF APPROXIMATELY 1.2 SQUARE MILES**

On December 16, 1999, the Local Boundary Commission entered a written order approving annexation of approximately 1.2 square miles to the City of Ketchikan.

The Local Boundary Commission's decision in the matter became final on December 16, 1999 under terms of 3 AAC 110.570(g). A timely request for reconsideration of the Commission's decision was filed by the Shoreline Service Area on January 4, 2000 under the provisions of 3 AAC 110.580. The Commission met on January 7, 2000 to address the request for reconsideration. During the January 7, 2000 meeting, the Commission denied the request for reconsideration by a vote of four to zero. The opportunity for further reconsideration of the matter under 3 AAC 110.570(g) expired.

Subsequently, the Ketchikan City Council, Ketchikan Gateway Borough Assembly, and Shoreline Service Area Board of Supervisors adopted a joint resolution requesting the Local Boundary Commission to defer the effective date of annexation to January 1, 2001.<sup>1</sup> The three parties indicated in the joint resolution that, "deferral of the effective date will allow time for the community, as a whole, to explore consolidation or the change in governments which might also

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<sup>1</sup> The joint resolution was adopted by the Shoreline Service Area Board of Supervisors as Resolution Number 00-2 on January 17, 2000; by the Ketchikan Gateway Borough Assembly as Resolution Number 1510A on January 17, 2000; and by the Ketchikan City Council as Resolution Number 00-1968 on January 18, 2000.

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address issues raised in the annexation process.” The joint resolution provided, in part, as follows:

**Section 1:** The City of Ketchikan, the Ketchikan Gateway Borough and the Shoreline Service Area request that the Local Boundary Commission, pursuant to 3 AAC 110.660, relax or suspend its regulations and amend its December 16, 1999 decision to the Twenty-First State Legislature – Second Session 2000, to recommend deferral of the effective date of annexation to January 1, 2001.

**Section 2:** The Ketchikan Gateway Borough and the Shoreline Service Area will discontinue all opposition to the City of Ketchikan’s petition for annexation of 1.2 square miles to the City and will not oppose or litigate the Local Boundary Commission’s decision or Legislature’s decision to allow annexation to occur.

**Section 3:** The City of Ketchikan, the Ketchikan Gateway Borough and the Shoreline Service Area will explore the possibility of consolidation or other more efficient forms of local government and the possibility of a petition to the Department of Community and Economic Development seeking authorization for a vote on consolidation or approval of another more efficient form of local government

**Section 4:** This resolution shall become effective immediately upon passage.

3 AAC 110.660 does indeed allow the Commission to relax or suspend certain procedural regulations. Such are limited to those regulations establishing procedures that are not specifically required by the constitution or statutes. Further, to relax or suspend any such regulation, the Commission must determine that its application would work injustice or bring about an uninformed decision.

The joint resolution of the City of Ketchikan, Ketchikan Gateway Borough, and the Shoreline Service Area asserts that injustice to the two local governments and citizens of Ketchikan would result from

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a strict adherence to 3 AAC 110.570(g) and 3 AAC 110.580. Specifically, the three parties indicate that “the injustice would result, not in the narrow sense of a wrongful act or a violation of rights, but rather in a much broader context of encumbering the community’s ability to further consider the options of other forms of more efficient local government.”

3 AAC 110.660 emphasizes that the Commission’s procedural regulations are intended “to facilitate the business of the commission” and are to be “construed to secure the reasonable . . . determination of every action and proceeding.” Clearly, the business of the Commission includes promoting the creation or alteration of local governments in a manner that serves fundamental constitutional principles and the broad public interest.

In its December 16, 1999 written decision concerning this particular matter, the Commission concluded, in part, as follows:

The Commission recognizes that while the pending annexation proposal remedies certain inequities and inefficiencies with respect to the structure of local government in Ketchikan, many others remain. The City will continue to be the entity responsible for a number of services and facilities that are enjoyed by all residents of the Borough. This circumstance apparently resulted from the fact that long before the Borough was formed the City assumed responsibilities that, in contemporary light, appear to be legitimate areawide Borough functions.

A comprehensive restructuring of local government duties and responsibilities in Ketchikan appears warranted. Without such, the door clearly remains open for additional annexations to the City.

Consolidation seems to offer the tools and flexibility needed to address the fundamental deficiencies relating to the structure of local government in Ketchikan. The Commission notes that considerable interest currently exists with respect to the prospect of consolidation of the City and

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the Borough. Yet, there has been a lengthy history of frustration in Ketchikan with respect to local efforts to achieve consolidation.

The Commission strongly encourages the City and Borough to actively pursue consolidation as a means to improve the structure of local government in the greater Ketchikan area.

The Commission finds from the foregoing that deferral of annexation until January 1, 2001 would likely facilitate consolidation or other beneficial improvements to the structure of local government in Ketchikan. Since a strict application of 3 AAC 110.570(g) and 3 AAC 110.580 prevents such deferral, the Commission concludes that the application of those two provisions would work injustice on the City of Ketchikan, Ketchikan Gateway Borough, and citizens of the greater Ketchikan community by impeding the community's ability to pursue alternative forms of more efficient local government such as that which could be achieved through consolidation. The Commission finds further that neither 3 AAC 110.570(g), regarding finality of the Commission's decision, nor 3 AAC 110.580, regarding reconsideration, is strictly provided for in the constitution or statutes.

Based on the foregoing findings and conclusions, the Local Boundary Commission hereby grants the joint request of the City of Ketchikan, Ketchikan Gateway Borough, and Shoreline Service Area to amend the Commission's December 16, 1999 decision to defer the effective date of annexation to January 1, 2001. This action of the Commission takes effect immediately and is not subject to reconsideration.

Approved in writing this 19th day of January 2000.

LOCAL BOUNDARY COMMISSION

/s/

By: Kevin Waring, Chairman

Attest:

/s/

Dan Bockhorst, Staff

**Chapter 3  
Recommendations to the Legislature**

**Recommendation Number One of the  
Local Boundary Commission to the Second Session  
of the Twenty-First Alaska Legislature**

**A Recommendation for Annexation  
of 24.29 Square Miles to the City of Aleknagik**

**Section I  
Introduction**

As allowed by 3 AAC 110.410, the City of Aleknagik petitioned the Local Boundary Commission on March 5, 1999 to annex 24.29 square miles within the unorganized borough. The petitioner estimated that the area proposed for annexation had eight year round residents and fifty seasonal residents. The City's current jurisdictional boundaries encompass about 19.46 square miles and 259 residents.

**Section II  
Proceedings**

Upon a staff determination that the form and content of the City's annexation petition were sufficient, notice of filing of the petition was published and posted in accordance with 3 AAC 110.450. Notice was also mailed to 52 potentially interested individuals and organizations and June 4, 1999 was established as the deadline for filing of comments and responsive briefs. Copies of the petition were served on potentially interested parties as required by 3 AAC 110.460.

No responsive briefs were filed under 3 AAC 110.480. Thirteen parties submitted timely written comments in response to the notice of the filing of the petition.

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The City of Aleknagik submitted a reply brief under 3 AAC 110.490. Preliminary and final staff reports together with written comments were made a part of the record.

Notice of the Commission's November 20, 1999 hearing in the territory proposed for annexation was published in the *Bristol BayTimes* on October 13, October 20, and October 27 in accordance with 3 AAC 110.550. Copies of the notice along with the November 20 hearing agenda and guidelines for testimony were made available to the public through the offices of the Aleknagik City Administrator on October 12, 1999. Further, the notice, agenda, and testimony guidelines were distributed to 60 individuals and organizations by DCED on October 12, 1999. The City of Aleknagik posted notice of the hearing in three locations within the existing boundaries of the City and four locations in the area proposed for annexation. DCED also requested that radio station KDLG serving Aleknagik broadcast public service announcements concerning the hearing from October 29 through November 20. No objections to notice of the hearing were raised to staff or the Commission in this proceeding.

On Saturday, November 20, 1999, the Commission convened a formal hearing on the petition. The hearing began at 2:25 p.m. in the gymnasium of the Aleknagik School.

During the hearing, the Commission received comments from City Attorney Brooks Chandler, Fred Nishimura, Business Manager of Aleknagik Natives Ltd. (ANL), Bobby Andrew, President of Aleknagik Natives Limited and a member of the City of Aleknagik Advisory Planning Committee, Pavilla Chukuk, Allan Ilutsik delivered comments on behalf of local resident Roland Moody, Berna Mae Andrew and Kay Gorman.

The hearing lasted about two hours. Following the hearing, the Commission recessed the meeting until 10:00 a.m., November 29, 1999. At that time, the Commission reconvened. Commissioners Waring and Tesche were present in the Anchorage teleconference site at 333 West 4th Avenue. Commissioners Galstad, Walters and Wasserman participated via teleconference. Following its

deliberations on November 29, the Commission approved the petition by unanimous vote.

**Section III  
Findings and Conclusions**

The record in this proceeding includes; the City of Aleknagik's annexation petition, written comments on the petition submitted directly to DCED by thirteen parties, the City of Aleknagik's reply brief, DCED's September 20, 1999 preliminary report, written comments on DCED's preliminary report from five individuals, DCED's October 29, 1999 final report, and testimony received at the Commission's November 20, 1999 public hearing. Based on the evidence in that record, the Commission reaches the findings and conclusions set out in this section of the recommendation.

**A. Need for city government in the Territory Proposed for Annexation.**

An area may be annexed to a city provided, in part, that the Commission determines there is a reasonable need for city government in that area. [3 AAC 110.090(a)]

Commissioner Wasserman noted that the area proposed for annexation is distant from any municipal government, other than the City of Aleknagik, that could provide it with municipal services. She suggested that the area proposed for annexation would require municipal services in the future but questioned whether the City of Aleknagik has the financial and administrative capacity to deliver such services.

Commissioner Tesche stated that he believed that a reasonable need for city government was evident with respect to the entire area proposed for annexation although it was obvious that the areas proposed for annexation located closest to the existing city boundaries exhibit a more compelling the rationale annexation. He considered Lake Aleknagik to be an integrated system of transportation, recreation, and subsistence. Consequently, extension of city jurisdiction over those areas would assist the local residents

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and businesses to effectively manage local resources for the overall public benefit. His conclusions were based upon his personal observations, testimony of area residents and particularly the City's desire to regulate or manage reasonably foreseeable growth in the area.

Commissioner Waring stated that standard was clearly satisfied by the two areas north and south of the existing boundaries, collectively comprising six square miles because City-owned solid waste disposal facilities and access to those facilities were located on those areas. He considered the 18 square mile area located west of the existing city boundaries as exhibiting development and potential for further development. The area served as a base for access to Wood River and Tikchik Lakes and for recreational activity based in and around Aleknagik. Further, the record suggested that potential exists for faster growth of a type and scale inconsistent with the community's preferences. He stated that he considered the issue in the context of the lifestyle and economic needs of the Aleknagik community. He considered the area's potential for growth to suggest that there is a need for land use planning to ensure that development is compatible with the needs of the community. He observed that the areas closer to existing boundaries more fully satisfied the standard, but the standard is generally satisfied for the entire area sought for annexation.

Based on the foregoing, the Commission concludes that there is a reasonable need for city government in the entire 24.29 square miles proposed for annexation. Thus, the standard set forth in 3 AAC 110.090(a) is satisfied.

### **B. Comparative Ability of the City of Aleknagik and Others to Provide Essential City Services**

An area may be annexed to a city provided, in part, that the Commission determines that the annexing city can provide essential city services as defined by 3 AAC 110.990(8) to the area more efficiently and effectively than another existing municipality [3 AAC 110.090(b)]. The determinations of the Commission on this point are summarized below.

Commissioner Galstad stated that although the existing services provided by the City of Aleknagik are minimal, the proposal for adding some City services upon annexation is a good one. She indicated that she harbored some concern regarding the ability of the City of Aleknagik to generate sufficient revenue to budget for delivery of services to the complete territory. However, she expressed understanding of the need for planning for growth and development that potentially could occur in the entire Lake Aleknagik area. She concluded that the standard was met because of the proximity of Aleknagik to the area proposed for annexation, in contrast to Dillingham, which is relatively far removed.

Commissioner Walters considered it to be clear that, in the context of the Aleknagik annexation proposal, the only other current option for extending municipal jurisdiction to the area would be annexation of the area to another existing city. However, it is unclear whether application of the standard would allow consideration an existing borough or potential borough. Nevertheless, it was evident that this standard was met, since Dillingham, the only other city within any proximity to the area proposed for annexation, could not better provide the needed services to the area proposed for annexation than could the City of Aleknagik.

Normally services like land use planning for large, sparsely populated areas would be better administered by an organized borough. However, in this case, the areas located to the north and south of the existing boundaries of the City are the locations of City-owned solid waste disposal sites. Consequently, annexation of those areas that is something that is primarily in the interest of the community of Aleknagik. He noted that the City of Aleknagik owns two recreational campground areas that are being developed on 14(c)(3) lands transferred to the City by Aleknagik Natives, Ltd. The City has a compelling interest, a regulatory interest, in that land. Therefore it is evident that the amended western boundaries of the City should extend at least as far out as those recreational sites at Happy Creek and Bear Bay. The City's interest and ability to provide those services was a primary consideration in this context.

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Although the land use planning needed might be better dealt with by a potential borough, the standard is clearly satisfied by the annexation proposal.

Commissioner Galstad expressed concern that certain services, such as septic waste disposal were provided to the Aleknagik area from service deliverers located in Dillingham.

The Commission concludes from its analysis and findings that the proposed annexation fully satisfies the standard set out in 3 AAC 110.090(b). That is, the City can provide essential city services to the territory proposed for annexation more efficiently and more effectively than another existing local government.

### **C. Compatibility of the Territory Proposed for Annexation with the Area Inside the Current City Boundaries**

Under 3 AAC 110.100, an area may be annexed to a city if the Commission determines the two areas are compatible in character.

Commissioner Tesche considered the standard to be met by all of the area sought for annexation. Although he noted an obvious difference in population density and development between the area proposed for annexation and the area within the existing boundaries of the City he found there to be little difference in the manner in the land is actually set up for prospective and current subdivisions. For instance, numerous Native allotments are poised for sale in the area to be annexed and development activities in the area proposed for annexation are similar to and compatible with land uses existing or proposed within current city boundaries. Therefore he did not anticipate difficulties in City of Aleknagik land use and subdivision planning for both areas. The topography of the area suggested to him that the area within the existing boundaries of the City of Aleknagik was compatible with that of the area proposed for annexation.

Major differences between the areas were evident in terms of population density. However, he did not consider the distinction between population densities to be a fatal flaw in the proposal since

there is reasonably anticipated future growth in the area proposed for annexation and it is just as important for us to look at future growth patterns as it is at current population densities. He viewed the record as suggesting that there will be future development on both the north and south shores of Lake Aleknagik, in terms of recreational lodges and whatever is done with the existing Native allotments that may be offered for sale.

Commissioner Tesche indicated that the territory proposed for annexation exhibited no features that distinguished it from the territory within the existing boundaries of the City. Therefore, he found that the standard was met for the entire area proposed for annexation.

Based on the preceding findings, the Commission concludes that the 24.29 square mile territory proposed for annexation is compatible in character with the area inside the current boundaries of the City. As such, the standard set out in 3 AAC 110.100 is fully satisfied.

**D. Adequacy of the Resources Needed to Provide City Services**

3 AAC 110.110 allows an area to be annexed to a city provided, in part, that the Commission determines the area within the proposed post-annexation boundaries of the city has the human and financial resources necessary to provide essential city services on an efficient, cost-effective level.

Commissioner Walters indicated the record and public comments submitted at the public hearing led him to conclude that the two primary city functions needed by the entire area proposed for annexation are municipal planning and solid waste disposal functions. He suggested that since the western portion of the area proposed for annexation has only eight year round residents, the City has the current capability to deliver services to the area. Such ability would be contingent upon the assumption that the initial efforts taken by the city for it's planning function to would be brought to fruition. If the City continues with its planning efforts, the need for planning in the area proposed for annexation will be satisfied. It is evident that the City can provide some level of solid waste disposal services.

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If there is larger scale lodge development in the western area, the City's capacity for solid waste disposal will have to be increased. Annexation would provide the City with the option of assessing fees for that development, just as they are assessing fees at present. The City would have the flexibility to expand the waste disposal services in accordance with the economic development in the western portion of the area proposed for annexation. Commissioner Walters concluded that he considered the standard to be satisfied by the petition.

Commissioner Waring expressed concurrence with Commissioner Walters' analysis that the principal services the City appears eager to provide to the area proposed for annexation are land use planning and solid waste disposal. The City appeared to desire to keep growth restrained to a pace that is compatible with the City's broad needs and also to tend to the issue of solid waste management. He indicated that he had some concern about the existing and future human and financial resources available to the City. Like many small cities, the resources of the City of Aleknagik available to defray the cost of municipal functions are limited. The land use planning functions of the City are operating at a limited level. Such suggested that it might be wiser, given the limitations upon the City's resources, to focus on a more limited annexation. Such would allow the City to focus its resources on a limited area and reserve a more expansive annexation to a future date when the City has acquired more experience and shown capability to actively exercise a municipal land use planning function.

Based on the foregoing, the Local Boundary Commission concluded that the area within the proposed post-annexation boundaries of the City has the human and financial resources necessary to provide essential city services on an efficient, cost-effective level. As such, the standard set out in 3 AAC 110.110 is reasonably satisfied.

### **E. Size and Stability of the Population to Support the Extension of City Government**

State law allows an area to be annexed to a city provided, in part, that the Commission determines the population within the proposed

post-annexation boundaries of the city is large and stable enough to support the extension of city government. (3 AAC 110.120)

Commissioner Waring commented that although the proposed annexation would not result in a significant increase in population to the City of Aleknagik, the City itself is a permanent and growing community. Potential exists for the Aleknagik area's population to further increase, particularly its seasonal recreational population. On this basis, he concluded that the population in the proposed post-annexation boundaries would satisfy the requirements of this standard.

The Commission finds from the foregoing that the population within the proposed expanded City is large and stable enough to support the extension of city government. Thus, the standard set out in 3 AAC 110.120 is satisfied.

**F. Inclusion of all areas necessary to Provide City Services**

3 AAC 110.130(a) specifies that an area may be annexed to a city provided, in part, that the Commission determines that the proposed city boundaries include all land and water necessary to provide the full development of essential city services on an efficient, cost-effective level.

Commissioner Wasserman noted that the area proposed for annexation is heavily used both for recreation and also for traditional subsistence use. Enhancement of the City's ability to provide City service to the area proposed for annexation would be beneficial. As the area's population increases the demand for City services will also increase. She observed that Lake Aleknagik serves as the transportation corridor for the community. Since transportation over the lake would be required to deliver City services, inclusion of an additional portion of the lake within the City's boundaries is consistent with the standard.

Based on the foregoing discussion, the Commission concludes that 3 AAC 110.130(a) is satisfied by the City of Aleknagik's annexation proposal.

**G. Contiguous Nature of Territory Proposed for Annexation**

3 AAC 110.130(b) specifies that an area may be annexed to a city provided, in part, that it is contiguous to the annexing city, unless a compelling reason exists for annexation of non-contiguous territory.

Commissioner Galstad observed that the territory proposed for annexation is clearly contiguous to the existing boundaries of the City of Aleknagik since it adjoins the city on southern, western and northern areas of the current City boundaries.

The territory adjoins the current boundaries of the City. Thus, the Commission finds that the standard set out in 3 AAC 110.130(b) is satisfied.

**H. Annexation Limited to Existing Community Plus Reasonably Predictable Growth**

3 AAC 110.130(c) specifies that an area may be annexed to a city provided, in part, that the proposed city boundaries include only that area comprising an existing local community, plus reasonably predictable growth, development, and public safety needs during the 10 years following the effective date of annexation of that city.

Commissioner Tesche expressed the belief that the territory as a whole satisfied the standard, but observed that areas closer to the City's existing boundaries satisfy the standard in more compelling manner than those portions of the area proposed for annexation that are farther from the existing City boundaries. Although the area to the west of the existing City boundaries is sparsely populated, he was convinced that the entire area proposed for annexation should be annexed. Construction of a bridge linking the north and south shores of Lake Aleknagik, although delayed, is now apparently scheduled to enter the design phase in FY 2005. Assuming no further delay, the bridge should be constructed within the next decade. The bridge project will bring additional vehicle traffic into the Aleknagik area and such will have a considerable impact upon the community and the area.

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Commissioner Tesche also indicated that he was convinced that inclusion of a portion of Aleknagik Lake was key to the annexation proposal since the lake ties the community together with the various lodges that are on the lake. There was no testimony to suggest any difference among the natural features or resources in any portions of the area proposed for annexation and the area within the existing City boundaries. Development is anticipated to occur first in more populated areas within the existing boundaries of the City. As those areas fill up and as more land becomes available as a consequence of the sale of Native allotments, development pressure will occur throughout the area proposed for annexation.

A very serious potential public safety problem could arise with the introduction of an alcohol package liquor store in the area proposed for annexation. Establishment of a package liquor store adjacent to a City campground provides a compelling reason for annexation of all of the territory sought by the annexation since all of the area is connected by the lake, a common waterway. If the City were opposed to the sale of alcoholic beverages in proximity to the Bear Bay campground, there would be little to prevent the entrepreneur from simply moving a proposed liquor store just outside the City boundaries. He indicated that such considerations led him to support approval of the petition without amendment, since the annexation proposal includes areas of reasonably predictable growth development and addresses public safety needs.

Commissioner Waring expressed agreement with most of Commissioner Tesche's views relating to the standard. He noted that the City's solid waste disposal facilities are located in the areas proposed for annexation located to the immediate north and south of the existing City boundaries. Consequently, he considered those portions of the area proposed for annexation that include the solid waste sites to clearly satisfy the standard. Further, the area where the City-owned camp sites and the south shore area with its new lodges and subdivision development clearly satisfied the standard. He expressed reservations about the extensive City resources required to deliver services to the entire area proposed for annexation. He suggested that annexation of the western most part of the territory proposed for annexation was a stretch in the context of the standard.

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He noted that there was evidence of recent growth and evidence of interest on the part of land holders, particularly, owners of Native allotments, in subdividing parcels and making land available for recreational uses. He suggested that such was more evident with respect to the western portion of the territory proposed for annexation located close to the existing boundaries than to the areas located farther from the existing boundaries. He stated that amending the petition to reduce the size of the area proposed for annexation would better fulfill this standard than the full annexation originally proposed by the city.

He noted that, the predominant private ownership of lands in the area proposed for annexation suggested to him that the area may be subject to increased development during the next ten years.

Based on the foregoing, the Commission concludes that the territory and the area within the corporate boundaries of the City are one in the same community. As such, the standard set out in 3 AAC 110.130(c) is met.

### **I. Exclusion of Large Unpopulated Area**

3 AAC 110.130(d) specifies that an area may be annexed to a city provided, in part, that the proposed city boundaries do not include entire geographical regions or large unpopulated areas, except when justified by other annexation standards.

The terms “entire geographical regions” and “large unpopulated areas” are subjective and should be considered in the context of other city governments in Alaska. Although Aleknagik is one of the less populous city governments in the state, it is larger than the average size of the cities in Alaska. The average size of the jurisdictional area of the 145 cities in Alaska is 27.1 square miles. If annexation occurs, the City’s new boundaries would encompass 44.19 square miles, 63% greater than the average of all cities.

Of course, the Commission recognizes that the jurisdictional needs of each city in Alaska are unique and must be considered on a case by case basis. Nonetheless, the statistical comparisons are helpful in

applying the terms “entire geographical regions” and “large unpopulated areas.”

The Commission noted that much of the territory in the current proposal is uninhabited. According to the Petitioner, only eight persons reside in the 24.29 square miles proposed for annexation on a year-round basis. Commissioner Walters noted that the Commission’s regulations permit the Commission to approve annexation of expansive, sparsely inhabited areas in spite of these considerations if the Commission finds that annexation is still appropriate if the large, unpopulated areas should be annexed on the basis of other annexation standards. Those standards are satisfied since the area proposed for annexation includes City-owned lands and facilities that are essential to the community, require city services, or are otherwise properly included within the jurisdiction of the City. Examples noted by the Commission include the following:

- City owned campsites at Bear Bay and Happy Creek;
- City-owned dumpsites.

Commissioner Walters stated that he had concluded that the standard was satisfied by the Commission.

Commissioner Waring noted that when the Commission addressed the petition for incorporation of the City of Gustavus, consideration was given to amending the area proposed for incorporation to include an area immediately west of the area originally proposed area for incorporation. Such would have included a resort hotel development and wildlife habitat within the City’s boundaries. Ultimately, the Commission voted to amend the incorporation petition to include the additional area.

He indicated that he had concluded that the standard was satisfied by the areas to the north and south of the existing boundaries, but that the more remote areas to the west of the boundaries did not satisfy the standard. He suggested that consistent application of the standards would favor a relatively strict interpretation of the standard.

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Several Commission members stressed that while much of the area proposed for annexation is uninhabited, there was significant privately owned property in the area, rendering the area particularly subject to residential or commercial development.

In sum, the Commission concludes that while much of the territory is unpopulated, other annexation standards justify annexation. Therefore, the Commission concludes that the standard set out in 3 AAC 110.130(d) is met.

### **J. Protection of Civil and Political Rights**

3 AAC 110.910 provides that an annexation proposal may not be approved by the Commission if the effect of the annexation would deny any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex, or national origin.

No evidence exists that the proposed annexation would deny or affect any civil right or political right of any resident in the area proposed for annexation. If granted, annexation would extend voting rights to persons who are now disenfranchised with respect to City voting rights. Thus, the standard set out in 3 AAC 110.910 is satisfied.

### **K. Adequacy of Annexation Transition Plan**

3 AAC 10.900 provides that the annexing city must demonstrate its intent and capability to extend essential city services into the territory proposed for annexation. In this case, the City of Aleknagik must provide a plan for the extension of services to the territory after annexation on an orderly, efficient, and economical basis within the shortest practicable time, not to exceed two years after annexation.

Commissioner Wasserman stated that the City of Aleknagik had collaborated with the Aleknagik Village Corporation, the major landowner in the area proposed for annexation concerning the transition of the area to City jurisdiction. She expressed concern

about the City's ability to finance the delivery of services to the area after annexation. She harbored doubts about the efficacy of the caretaker process described by the petition. Such concerns were based upon the liability exposure of the City in its capacity as caretakers of private property. She indicated that she also had unresolved questions regarding the proposed City environmental monitoring functions, refuse collection service and the ability to hire and retain personnel to perform all of those functions.

Concerns about the financial capacity of the City to deliver services to the area led her to favor of amending the petition to include only part of the area located to the west of the existing City boundaries. She felt that the area stretching from Happy Creek to Bear Bay should be annexed but did not support annexation of areas farther west because such would extend City service delivery over too great an expanse. She indicated that she was comfortable with the areas located to the north and south of the existing boundaries.

She concluded that, on balance, the standard is met.

Commissioner Tesche expressed some concern that the transition plan proposed by the Petitioner does not address in any thorough systematic way exactly what types of land use planning measures will be utilized to address local concerns. He observed that there will be problems and opportunities associated with future development in the area along the Lake. He considered the Petitioner to have made a convincing argument that unbridled development in that area will have an effect on the local subsistence life style. However, he was unconvinced that the Petitioner has identified sufficiently sophisticated tools that will be used to regulate that anticipated future development in a manner that would actually be effective.

Commissioner Galstad expressed agreement with Commissioner Tesche's that the alcohol control issue facing the community had not been addressed adequately to support expansion of City jurisdiction into the area proposed for annexation. The City of Aleknagik has never adopted any local alcohol option under Title 4. Nevertheless, she expressed agreement with Commissioner Tesche that Lake

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Aleknagik is more like a road system linking the territory within the existing City and the area proposed for annexation. She concluded that, on balance, the standard had not been met.

### **L. Balanced Best Interests**

State law provides that the LBC may recommend a municipal boundary change to the State legislature pursuant to Article X, § 12 of Alaska's Constitution as long as the proposal satisfies the annexation standards set out in 3 AAC 110.090 - 3 AAC 110.130. Additionally, the LBC must determine that annexation will serve the balanced best interests of the State of Alaska, the territory proposed for annexation, and affected political subdivisions. Specifically, the law provides as follows.

Two constitutional principles are particularly relevant in terms of this standard. The first is Article X, Section 1 of the Constitution of the State of Alaska which promotes maximum local self-government with minimum numbers of local governments. The second is Article X, Section 5 which expresses a preference for annexation to a city over the creation of new service areas.

Commissioner Galstad stated that the general welfare of the city residents certainly was a major concern to her, as was the very minimal transition plan for annexing this entire territory. She noted that the area proposed for annexation is likely to be subject to future growth and development. Therefore proper planning for delivery of City services, such as planning and solid waste disposal issues is critical.

She noted that while annexation would probably enhance City finances over the long term, in the short term the gain will be negligible. She suggested that annexation would provide minimal benefit to the year-round residents of the eighteen square miles to the west of the existing boundaries because it would be difficult for the City to extend an adequate level of service within its existing budget. She considered annexation to be in the best interests of the State, because the State prefers to have solid waste disposal and planning

delivered by local governments. Therefore, annexation would be satisfy the balanced best interests requirement.

Commissioner Waring stated that he also considered the balanced best interests standard satisfied by the proposal. His conclusion was based upon the recognition of ongoing development in the area proposed for annexation and the potential for alcohol sales in the territory proposed for annexation and the relevance of such to the health and general safety and general welfare of City residents. He noted that annexation of the territory would enable the City to plan for and reasonably control anticipated growth, which he considered to be very pertinent in this case. He suggested that amending the annexation petition would be warranted. He stated that he had no reservations about the propriety of the City's annexation of the solid waste disposal sites located north and south of the existing boundaries.

Thus, the Commission finds that the annexation proposal serves the balanced best interests of the State, the affected local governments, and the territory proposed for annexation.

**Section IV  
Recommendation**

The Local Boundary Commission concludes that all of the relevant standards and requirements for annexation are satisfied by the City of Aleknagik's petition for annexation. Therefore, pursuant to Article X, §12 of the Constitution of the State of Alaska, the Commission hereby presents to the Second Session of the Twenty-First Alaska Legislature the proposed annexation of approximately 24.29 square miles to the City of Aleknagik.

If the Legislature does not reject this recommendation within 45 days of the date it was submitted or at the end of the session, which occurs first, it will result in boundaries for the City of Aleknagik as described below and as shown on the map that accompanies the description.

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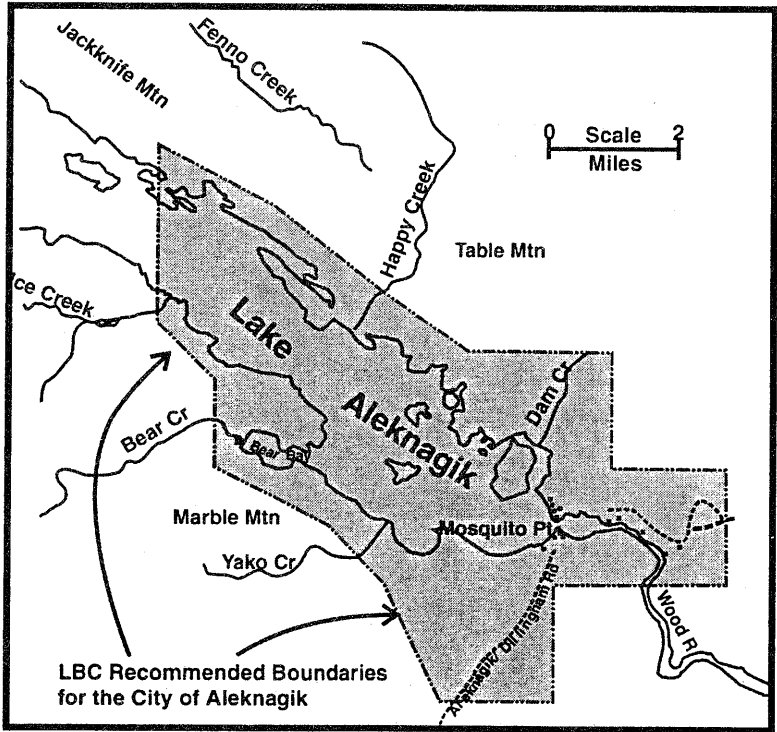
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Beginning at the NE corner of Section 28, unsurveyed T10S R55W, Seward Meridian, Alaska, the TRUE POINT OF BEGINNING for this description; thence the following courses;

- west to the SE corner of Section 19, T10S, R55W; thence
- north to the NE corner of Section 18, T10S, R55W; thence
- west to the SW corner of the SE quarter of Section 11, T10S, R56W; thence
- northwesterly to the SW corner of the NW quarter of Section 32, T9S, R56W; thence
- northwesterly to the SW corner of Section 30, T9S, R56W; thence
- northwesterly to the SW corner of the NW quarter of Section 25, T9S, R57W; thence
- south to the SE corner of the NE quarter of Section 11, T10S, R57W; thence
- southeasterly to the SE corner of the NE quarter of Section 13, T10S, R57W; thence
- south to the SE corner of Section 24, T10S, R57W; thence
- southeasterly to the SE corner of Section 29, T10S, R56W; thence
- southeasterly to the SE corner of Section 33, T10S, R56W; thence
- southeasterly to the SE corner of Section 10, T11S, R56W; thence
- east to the SE corner of Section 12, T11S, R56W; thence
- north to the NE corner of Section 1, T11S R56W; thence
- east to the SE corner of Section 33, T10S R55W; thence
- north to the NE corner of Section 28, T10S R55W, the TRUE POINT OF BEGINNING hereof.

Containing 43.75 square miles more or less.

[The map of the territory recommended for annexation is presented on the following page.]



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**Recommendation Number Two of the  
Local Boundary Commission to the Second Session of the  
Twenty-First Alaska Legislature**

**A Recommendation for Annexation  
of 1.2 Square Miles to the City of Ketchikan**

**Section I  
Summary of Proceedings**

As allowed by 3 AAC 110.410, the City of Ketchikan (hereinafter "City"<sup>8</sup>) formally initiated efforts to annex approximately 0.48 square miles by a petition to the Local Boundary Commission dated February 5, 1999. The petition was received by the Commission's staff on February 25, 1999 and accepted for filing on March 17, 1999.

Public notice of the filing of the petition was given in accordance with 3 AAC 110.450. Service of the petition was performed as required by 3 AAC 110.460.

The deadline for filing responsive briefs and written comments in support of or in opposition to the annexation proposal was set by the Commission Chairman for May 14, 1999. The Shoreline Service Area (hereinafter "Shoreline") filed a timely responsive brief opposing annexation. In addition, timely written comments were received from the Ketchikan Gateway Borough (hereinafter "Borough") and fourteen others.

Shoreline's responsive brief and the Borough's written comments were critical of the petition, in part, because it encompassed only a portion of the area within Shoreline's defined boundaries. The Borough's letter requested that, "the petition either be amended to include the entire Shoreline Service Area or be rejected." In

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<sup>8</sup> In its lower case form, the word "city" refers to city governments in general.

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response, the City amended its petition on May 11, 1999 to encompass 1.2 square miles, including the entire service area.

On May 13, 1999, the amended petition was accepted for filing. By order of the Commission Chairman, public notice of the filing of the petition was given in the manner required for the original petition. In addition, service of the amended petition was performed as required by 3 AAC 110.460 for the original petition.

The deadline for filing responsive briefs and written comments in support of or in opposition to the amended annexation proposal was set by the Commission Chairman for July 7, 1999. Shoreline filed a timely responsive brief concerning the amended petition. In addition, 31 individuals submitted timely letters commenting on the amended petition.

The Commission Chairman set July 21, 1999 as the deadline for the City to file a reply brief. The City filed a timely reply brief in accordance with 3 AAC 110.490.

The Commission's staff prepared a 102-page preliminary report regarding the annexation proposal in accordance with 3 AAC 110.530. A 14-page summary of the preliminary report was also prepared. The report and summary were mailed to the City, Shoreline, Borough, and 39 others. In addition, the summary alone was mailed to 65 individuals and organizations. Further, multiple copies of the report and summary were provided for public review through the Ketchikan Public Library, City Clerk, and Borough Clerk. The report and summary were also available on the Internet.

The Commission Chairman set the deadline for comment on the staff's preliminary report for November 1, 1999. Timely comments were received from the City and four others.

Exercising the discretion allowed by 3 AAC 110.500(a), the Commission Chairman accepted into the record thirteen documents relating to a proposal for the expansion of the Borough's service area powers and taxes within Shoreline. Those documents had been

considered by the governing bodies of the Borough or City in early November.

After giving due consideration to the comments on its preliminary report and the materials relating to the proposed expansion of the Borough's service area powers and taxes in Shoreline, staff prepared a 25-page final report on the City's annexation proposal. The final report was distributed on November 12, 1999 to 109 organizations and individuals. Again, multiple copies were made available to the public through the library, City Clerk, Borough Clerk, and Internet.

The Commission ordered a public hearing on the annexation proposal for December 4, 1999 in the Ted Ferry Civic Center in Ketchikan. Notice of the hearing was given in accordance with 3 AAC 110.550.

Prior to the hearing, written requests were received from the Borough and Shoreline for the postponement of the hearing. Shoreline also requested in writing that the Commission dismiss the City's petition. The City objected in writing to the requests for postponement of the hearing and dismissal of its petition. Again, exercising the discretion allowed by 3 AAC 110.500(a), the Commission Chairman accepted twelve documents into the record relating to the requests for postponement of the hearing and dismissal of the petition.

On December 4, 1999, prior to the hearing, four members of the Commission inspected the territory proposed for annexation by automobile.<sup>9</sup> The Commission convened its public meeting concerning the City's annexation proposal at the Ted Ferry Civic Center in Ketchikan at 11:00 a.m. All five members of the Commission were present at the hearing.

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<sup>9</sup> Commissioners Waring, Wasserman, Tesche, and Walters inspected the territory. As a consequence of her delayed arrival from Kotzebue, Commissioner Galstad was unable to inspect the territory.

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The first substantive order of business taken up by the Commission at the meeting was Shoreline's request to dismiss the City's annexation petition. A motion was made and seconded by Commission members to amend the agenda to allow consideration of the request from Shoreline to dismiss the City's annexation proposal. In a discussion of the merits of the motion, the Commission noted that there is no provision in the law governing action by the Commission that expressly allows dismissal of a petition in the manner requested by Shoreline. Commission members stressed that, in fact, the Commission has a duty under AS 44.33.812(a)(3) to "consider a local government boundary change requested of it by . . . a political subdivision of the state." Consequently, the Commission rejected the motion to dismiss the petition by a unanimous vote.

Next, the Commission took up the request by Shoreline to postpone the hearing on the petition. A motion was made and seconded by Commission members to amend the agenda to allow consideration of the request from Shoreline to postpone the December 4 hearing.

In a discussion of the merits of the motion, the Commission concurred with the staff's November 23, 1999 written interpretation of 3 AAC 110.640(c). As applied to this case, 3 AAC 110.640(c) would have allowed the Commission to postpone consideration of the City's annexation petition for the purpose of allowing concurrent consideration of the prospective proposal for consolidation of the City and the Borough only if the consolidation petition had been filed within 90 days of the date of first posting of the notice of the filing of the City's amended annexation petition.

The Commission noted that 3 AAC 110.660 allows it to suspend or relax procedural regulations such as 3 AAC 110.640(c) if strict adherence to a regulation would work injustice or result in a substantially uninformed decision. The Commission stressed, however, that there was no reasonable factual basis to grant Shoreline's request to postpone the hearing. Although Shoreline claimed that it lacked the expertise and time to present an adequate response to the annexation petition, the Commission noted that it had filed timely and comprehensive responsive briefs for both the original

and amended petitions. Shoreline's responsive briefs were prepared by a former long-time manager of the City who had extensive experience in annexation. Further, the Borough attorney, who also has experience with annexation, assisted Shoreline.

The Commission had noted in the discussion of the prior motion that not only did AS 44.33.812 impose a duty on the Commission to consider a boundary change requested of it, but that the Alaska Supreme Court held that the statute implies that the Commission will act in a timely manner.<sup>10</sup> Postponement of the hearing would work significant injustice to the City by delaying annexation proceedings for one year. At the conclusion of the debate on the merits of the motion, the Commission voted unanimously to deny the motion.

Next, the Commission proceeded with its hearing on the City's annexation petition. Staff began by summarizing its preliminary and final reports and recommendations to the Commission. Next, the City and Shoreline each made opening statements. The City of Ketchikan then provided sworn testimony from five witnesses. Shoreline followed with sworn testimony from two witnesses. The City then provided sworn responsive testimony from one witness. Next, twenty-four individuals in attendance offered public comment. This was followed by closing statements from the City of Ketchikan and Shoreline. Lastly, the City offered its reply to the respondent's closing statement. The hearing lasted approximately six and one-half hours.

Following the hearing, the Commission recessed for approximately one and one-half hours. When the meeting was reconvened, the Commission began its decisional session on the proposal. The decisional session lasted approximately one hour. Following its deliberations, the Commission unanimously approved the City's amended petition to annex 1.2 square miles on the basis of the

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<sup>10</sup> U.S. Smelting, Refining & Min. Co. v. Local Boundary Com'n, 489 P.2d 140, 142 (Alaska 1971). The statute cited by the Court in that case, AS 44.19.260(a)(3), has since been renumbered twice but remains substantially unaltered otherwise.

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findings and conclusions outlined in Section II of this recommendation.

On January 4, 2000, Shoreline filed a timely request for reconsideration. On January 6, the City submitted a letter in opposition to Shoreline's request for reconsideration. The Commission met on January 7 during which it substantively considered Shoreline's request. Ultimately, the Commission denied Shoreline's request for reconsideration by unanimous vote among the four members present.

### **Section II Findings and Conclusions**

Based on the evidence in the record of this proceeding, the Commission reached the findings and conclusions set out in this section of the recommendation.

#### **A. The 1.2 Square Mile Area Proposed for Annexation Exhibits a Reasonable Need for City Government.**

The issue of the need for city government in the territory warrants consideration of local government service needs that are presently being met, not simply those that are unmet. The City currently provides extensive services and facilities that benefit the territory in question either directly or indirectly. These include the Ketchikan General Hospital, emergency medical services, emergency dispatch services, mental health and substance abuse treatment, port facilities, harbors, library, museum, civic center, solid waste disposal, cemetery, telephone utility service, and electrical utility service. The Commission finds that a reasonable need exists for those thirteen services to be provided, directly or indirectly, to residents and property owners in the territory.

According to the staff reports, officials of the Alaska Department of Public Safety anticipate that commercial development in the territory will generate additional demand for police service. Based on the planned Wal-Mart store alone, Troopers projected that the number of calls for service in the territory will likely increase by four or five

per week (208 to 260 per year). Nationwide, cities with populations under 10,000 averaged 3.1 police officers per 1,000 residents. The City of Ketchikan plans to employ 2.9 officers per 1,000 residents following annexation. In comparison, there are twelve authorized Trooper positions in A Detachment serving all of southern Southeast Alaska (two of the positions are currently vacant). The 1998 population of the area served by A Detachment is estimated to be 28,320. Thus, there are 0.42 authorized Trooper positions per 1,000 residents in the area served by A Detachment. Testimony was provided at the hearing that the State Troopers in Ketchikan do not provide round-the-clock patrol and that a significant portion of the calls for City police occur during the time when the Troopers are not patrolling. The Commission finds that there is a reasonable need for City police service in the territory presently and that the imminent significant commercial development in the territory (i.e., a 64,000 square foot Wal-Mart store) will increase the need for such.

The City asserted that once the Ketchikan Wal-Mart store is constructed in the territory, National Fire Protection Association (NFPA) standards will require fire protection capabilities exceeding those of Shoreline. Specifically, the City indicates that the standards will require at least 3 pumpers, 1 ladder truck (or combination apparatus with equivalent capabilities), other specialized apparatus, 16 fire fighters, 1 chief officer, and two "rehab" personnel. The City stressed that its assessment was based on NFPA minimum requirements that are, at least in some instances, substantially less than the NFPA recommended levels of fire protection. The City offered evidence that it currently has the capability to meet the NFPA standards. Shoreline provided no testimony at the hearing to refute the City's claims concerning the capabilities demanded by the NFPA standards. Thus, the Commission finds that the imminent significant commercial development in the territory creates a reasonable need for City fire protection service in the territory.

There are an estimated 2.5 miles of roads in the territory that receive no maintenance from the State or Borough. Further, safety concerns exist with regard to Rex Allen Drive within the territory. As the Commission observed in its inspection of the territory, Rex Allen

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Drive is located along a steep embankment, yet it lacks a guardrail. In addition to the 2.5 miles of secondary roads, the territory includes Shoreline Drive, a 0.9-mile long roadway that is presently maintained by the State on a low-priority basis. Recent cutbacks in its highway maintenance staff in Ketchikan will certainly make it more difficult for the State to provide adequate maintenance of Shoreline Drive. State transportation officials advised the Commission's staff that they would welcome the transfer of responsibility for the maintenance of that road to the City. Further, the City has expressed its willingness to accept responsibility for Shoreline Drive as well as the 2.5 miles of roads in the territory that presently lack maintenance. The Commission finds that there is a reasonable need for City road maintenance in the territory.

Shoreline conceded in its responsive brief, and the Alaska Department of Environmental Conservation (DEC) agreed, that future development in the territory is constrained by the lack of public water and sewer utilities. Shoreline and DEC also share the view that significant public health risks often arise in areas of concentrated development that lack sewer and water utilities. Further, several correspondents, including the Borough, criticized the City because it lacked specific plans for the extension of water and sewer utility service into the territory. DEC expressed its support for the City's annexation proposal in the hope that it would lead to the extension of City sewer and water utilities into the territory. The Commission finds from these circumstances that there is a need for water and sewer utility service in the territory proposed for annexation.

On November 15, 1999, the Borough Assembly adopted Ordinance No. 1123 adding to the Borough's service area powers in Shoreline. The ordinance was subject to ratification by Shoreline's voters at an election held December 14, 1999. The proposed additional powers consist of the construction, maintenance, and operation of roads; "general property security services"; and "hospital and other public works services". Ordinance No. 1123 would also impose a two and one-half percent "fire, roads and security sales tax" and a one percent "hospital and other public works sales tax" on a service area basis in Shoreline. As noted above, the Commission has already found that a reasonable need exists for road maintenance, police

service, hospital, and a multitude of other services offered by the City. The Commission does not ascribe any significance to the adoption of Ordinance No. 1123 with respect to the need for city government in the territory proposed for annexation.

Based on the findings outlined above, the Commission concludes that the 1.2 square mile territory proposed for annexation clearly exhibits a reasonable need for city government. Therefore, the standard set out in 3 AAC 110.090(a) is fully satisfied.

**B. The City of Ketchikan is Best Able to Serve the Territory's Need for Essential City Government Services Identified with Respect to 3 AAC 110.090(a).**

The fact that the City is currently providing the previously noted thirteen services and facilities that directly or indirectly benefit the territory proposed for annexation is prima facie evidence of the City's superior capability to provide those services to the territory. Neither Shoreline nor any other organization or individual has effectively rebutted that evidence. Thus, the Commission finds that the City is able to provide those thirteen services more efficiently and more effectively than another existing city government or organized borough. The Commission finds further that those thirteen services are "essential city services" as defined in 3 AAC 110.990(8).

According to the staff reports on this matter, the Alaska Department of Environmental Conservation favors, as a matter of public policy, the extension of water and sewer services to the territory by the City as compared to the establishment of an independent water and/or sewer utility operated by Shoreline. That policy recognizes that the expansion of *existing* utilities generally promotes greater economies of scale and greater rates of success in serving public needs. The City has the infrastructure to extend water and sewer utility service to the territory. The City is currently preparing an engineering plan

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to extend its water utility system to a portion of the territory.<sup>11</sup> The Commission finds from the evidence that the City is able to provide water and sewer utility services more efficiently and more effectively than another existing city government or organized borough. The Commission finds further that water and sewer utility services are essential city services.

The City has demonstrated its capability to extend street maintenance to the territory proposed for annexation. The City plans to spend an average of \$120,000 annually to maintain streets in the territory. The City is also prepared to spend more than three-quarters of a million dollars over three years to upgrade the streets in the territory, including efforts to remedy the previously noted safety problems along Rex Allen Drive. In contrast, the Borough currently provides no road maintenance in the territory. The Commission finds, therefore, the City is able to provide street maintenance to the territory more efficiently and more effectively than another existing city government or organized borough. The Commission finds further that street maintenance services are essential city services.

Although the State Fire Marshal did not take a position concerning the annexation proposal, he agreed with the City that it would be inefficient to maintain two fire departments within two miles of one another in Ketchikan, particularly if each met the standards which the City asserts are necessary to provide adequate fire protection in this case under NFPA standards. The City has greater capacity than the Borough (through Shoreline) to provide enhanced fire protection to the territory. The City currently exceeds standards that it claims are required by NFPA, Shoreline does not. Further, the City plans to hire two additional firefighters to allow full-time staffing of its "west-end fire station" located approximately 2 miles from the center of the territory proposed for annexation. The City plans to spend an average of nearly \$186,000 annually to extend enhanced fire

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<sup>11</sup> The Commission recognizes that the extension of City water and sewer utilities into the territory will require substantial capital funding through, perhaps, some combination of State grants, local improvement district assessments, and other sources.

protection to the territory, coupled with an initial expenditure of \$37,400 for related capital improvements. The Commission finds from the evidence that City is able to provide enhanced fire protection to the territory more efficiently and more effectively than another existing city government or organized borough (e.g., the Borough through Shoreline). The Commission finds further that enhanced fire protection is an essential city service.

The City has a substantial police department currently in operation. Upon annexation, the City plans to hire three additional officers incrementally over three years to maintain the current level of service within its expanded boundaries. With its larger contingent of police officers, the City would provide 2.9 officers per 1,000 residents. In contrast to the City, the Borough has little experience and existing foundation to provide police service.<sup>12</sup> The Commission finds from the evidence that City is able to provide police service to the territory more efficiently and more effectively than another existing city government or organized borough. The Commission finds further that police service is an essential city service.

Here again, the Commission does not give any significance to the adoption of Borough Ordinance No. 1123 with respect to the City's ability to provide services more efficiently or effectively than another existing local government.

Based on the foregoing findings, the Commission concludes that the City can provide essential city services more efficiently and more effectively to the territory proposed for annexation than any other existing city or any organized borough. Consequently, the standard set out in 3 AAC 110.090(b) is satisfied.

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<sup>12</sup> The Borough's experience in the field is limited to providing airport security at the Ketchikan International Airport.

**C. The Territory Proposed for Annexation and the Area Within the Existing Boundaries of the City are Compatible in Character.**

Commissioners noted that an aerial photograph showing the area within the City and Shoreline on display in the hearing room provided compelling visual evidence of the compatibility of the territory proposed for annexation and the area currently within the City's boundaries.<sup>13</sup> In particular, the photograph demonstrated that the two areas share similar patterns with respect to residential and commercial development, subdivision platting, and geographic features. Further evidence of such similarities was garnered during the inspection of the territory by four Commissioners prior to the hearing. Still more evidence of similarities was noted in the written record in this proceeding. For example, staff reported that the territory proposed for annexation has a taxable value of \$116,230 per capita – twice the \$58,284 per capita figure for the City.<sup>14</sup> Despite the relative differences in per capita values, the figures demonstrate that each area is developed. The Commission finds from the evidence that the 1.2 square mile territory proposed for annexation and 3.8 square mile area within the City have similar characteristics with respect to land use development, subdivision platting, and geography.

The two areas in question are contiguous and compact. The territory proposed for annexation comprises only 1.2 square miles, more than one-third of which is water. The territory is nearly 90% smaller than the average city legislative review annexation approved by the Commission in this decade. The territory proposed for annexation adjoins the 3.8 square miles within the existing boundaries of the

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<sup>13</sup> The photograph was taken July 2, 1999 by AeroMap US, Inc., 2014 Merrill Field Drive, Anchorage, Alaska.

<sup>14</sup> If projections for development in the territory proposed for annexation are realized, the assessed value of the territory proposed for annexation will climb by nearly 24% to \$143,957 per capita within five years.

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City of Ketchikan. Although the City of Ketchikan is the second most populous city government in Alaska, the area within its current boundaries is smaller than that of 80% of the other city governments in Alaska. The Commission finds that the compact and contiguous nature of the two areas offers further compelling evidence of compatibility with respect to the two areas.

There are significant relative differences in the population density of the City and the territory proposed for annexation. However, as was the case with respect to per capita values, the relative population differences are without distinction. Both areas are densely populated. The City is the most densely populated city government in Alaska while the territory proposed for annexation is more densely populated than 93% of the existing city governments in the state. The population density of the territory exceeds that of the city governments serving Wrangell, Petersburg, Craig, Cordova, Wasilla, Homer, Kenai, Nome, and 127 other communities that have incorporated city governments. The Commission finds that the two areas are compatible with respect to population density characteristics.

As the greater community of Ketchikan continues to develop, much of the development is likely to occur in the territory proposed for annexation. The Commission noted that it was imminent significant commercial development in the territory that led to the filing of the petition. The Commission finds that population growth and commercial development will occur in the territory proposed for annexation thereby rendering the territory suitable for reasonably anticipated community purposes of all sorts.

Annexation critics asserted that the two areas are incompatible, in part, because the territory proposed for annexation allegedly lacks certain services that are available to City residents. Specifically cited were the absence of water and sewer utilities, bus service, street maintenance, and municipal garbage collection. However, many areas within the City of Ketchikan lack Borough bus service and some even lack City service with respect to garbage collection, water, and sewer. The Commission finds that current differences in the level of services noted are not a basis to conclude

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incompatibility. The boundaries for the delivery of such services are flexible. City street maintenance would be extended upon annexation, bus service could be readily extended (the Borough Assembly approved a plan for such on September 20, 1999), and water and sewer utilities could be extended upon funding for capital improvements. The boundaries for City solid waste collection are under the control of the Regulatory Commission of Alaska.

The Commission concludes from the preceding findings that the two areas in question are part of a single community divided by political boundaries. The Commission concludes further that the 1.2 square mile territory proposed for annexation and 3.8 square mile area within the City's current boundaries are clearly compatible in character. Thus, the standard set out in 3 AAC 110.100 is satisfied.

**D. The Five Square Mile Area Within the City's Proposed Post-Annexation Boundaries Includes the Human and Financial Resources Necessary to Provide Essential Services on an Efficient, Cost-Effective Level.**

The City is the second most populous city government in Alaska. The citizens of the City have successfully operated a local government for the past 99 years. The City is one of Alaska's oldest home rule local governments in Alaska, having attained that status in 1960. The City currently provides an impressive range of services, far more than most cities in Alaska. The Commission finds from this evidence that the human resources represented by the 8,460 people currently within the City and 541 people in the territory are clearly sufficient to allow the extension of essential city services into the territory proposed for annexation on an efficient and cost-effective level.

The City has proposed specific plans to extend enhanced fire protection, road maintenance, engineering, and police services into the territory. Although estimates vary somewhat, it is reasonably projected that the added responsibility of serving the territory proposed for annexation will increase the City's operating budgets for the police department, fire department, street maintenance division, and engineering division collectively by an average of

\$546,118 annually (third year expenditures for police were used rather than the average). In addition to the operating costs, the City plans to spend an average of \$279,633 annually for capital projects in the territory during the first three years following annexation. Together, the average projected operating and capital expenditures equal \$825,751 per year. That figure is equivalent to 1.6 percent of the total current operating and capital budget of the City. The Commission finds from the evidence that the proposed expanded City will have adequate resources to provide services throughout its enlarged area.

Based on the findings set out above, the Commission concludes that the economy within the proposed expanded boundaries of the City includes the human and financial resources necessary to provide essential city services on an efficient, cost-effective level. Thus, the standard at 3 AAC 110.110 is met.

**E. The Population within the Proposed Expanded City Boundaries is Clearly Both Large and Stable Enough to Support the Extension of City Services.**

As noted previously, the City is the second most populous city government in the state. Additionally, the 541 residents of the territory exceed the statutory population threshold for incorporation of first class and home rule cities in Alaska by more than 35%. The combined population of the territory and the City exceeds 9,000. Annexation will increase the population of the City by approximately 6.4 percent. While the City's population and the Borough's population declined slightly due to the recent closure of the Ketchikan Pulp Corporation's operation at Ward Cove, the population of each has increased overall since 1990. The population within the proposed expanded City boundaries is stable in the sense that it is not subject to erratic seasonal population fluctuations. The Commission finds from this evidence that the proposed expanded boundaries of the City encompasses a mature community with a substantial population.

The Commission concludes from the above finding that the population within the proposed post-annexation boundaries of the

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City is sufficiently large and stable to support the extension of city government. As such, the standard set out in 3 AAC 110.120 is met.

### **F. The Proposed Boundaries are Inclusive of all Areas Needed to Provide Essential City Services on an Efficient, Cost-Effective Level.**

The standard at issue concerns whether areas outside the five square miles encompassed by the proposed post-annexation boundaries of the City are *crucial* to the City's ability to provide essential city services efficiently and cost-effectively. Although Shoreline criticized the City's annexation proposal as failing to address the long-term jurisdictional needs of the City, the Commission finds that Shoreline has not demonstrated that areas outside the five square miles in question are essential to the capacity of the City to operate efficiently and effectively.

Cursory evidence suggests that in addition to Shoreline, other areas outside the City might also meet the standards for annexation to the City. These include the Ward Cove area, Ketchikan International Airport, and other areas. While the City's proposed post-annexation boundaries may not be perfect, the Commission finds the boundaries proposed by the City are logical and reasonable in light of the imminent significant commercial development in the territory.

The Commission concludes from the findings above that the proposed boundaries of the City include all land and water necessary to provide the full development of essential city services on an efficient, cost-effective level. This satisfies the standard set out in 3 AAC 110.130(a).

### **G. The 1.2 Square Miles Proposed for Annexation is Contiguous to the Existing Boundaries of the City.**

Maps included in the record clearly indicate that the territory proposed for annexation adjoins the boundaries of the City. The Commission finds from this evidence, and concludes from that

finding, that the territory and the City are contiguous. As such, the standard established in 3 AAC 110.130(b) is met.

**H. The Five Square Miles within the City's Proposed Post-Annexation Boundaries do not Extend Beyond the Existing Community Plus Reasonably Predictable Growth, Development, and Public Safety Needs Over the Next Decade.**

The Commission observed, again, that cursory evidence suggests that the City's proposed new boundaries may be under-inclusive. However, the Commission finds that conformance, on land, with the Shoreline boundaries is a logical and appropriate approach at this particular time.

The Commission finds further that the same evidence that led to its conclusion that the territory and City are compatible in character (3 AAC 110.100) is supports the satisfaction of this particular standard.

The Commission concludes from the findings above that the proposed boundaries of the City include only that area comprising an existing local community, plus reasonably predictable growth, development, and public safety needs during the 10 years following the effective date of annexation. Thus, the standard set out in 3 AAC 110.130(c) is satisfied.

**I. The Proposed Post-Annexation Boundaries of the City do not Include Entire Geographical Regions or Large Unpopulated Areas.**

Although the City's annexation proposal would expand its jurisdictional territory by 31.6%, the City's expanded boundaries would remain small in comparison to most other city governments in Alaska. As previously noted, the City's new boundaries would encompass only five square miles. That figure is 82% smaller than the average of the jurisdictional territory of all 145 city governments in Alaska. Perhaps even more relevant is the fact that the City's expanded boundaries would encompass an area that is 93% smaller than the average of the other ten most populous cities in Alaska (all but one of which have substantially smaller populations than the

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City). Thirty-nine other cities in Alaska have boundaries encompassing five square miles or less. Of these, only North Pole and Palmer have populations in excess of 900. However, neither of those two cities have populations or development approaching that of Ketchikan. Even after annexation, the City of Ketchikan would remain the most densely populated city government in Alaska, far exceeding the second most populous city in the state. Lastly, the Commission observed from its inspection of the territory prior to the hearing and from its review of the maps in the record that the territory is developed. The Commission finds from the evidence that the territory proposed for annexation is compact, densely populated, and developed.

The Commission concludes from the finding that the territory proposed for annexation does not include entire geographical regions or large unpopulated areas. This satisfies the standard established at 3 AAC 110.130(d).

**J. Annexation will not Deny Civil or Political Rights to Anyone Because of Race, Color, Creed, Sex, or National Origin.**

The Commission found no evidence in the record or testimony that would support a conclusion that annexation will breach civil or political rights in a discriminatory manner. The Commission concludes, therefore, that annexation will not infringe on the enjoyment of any civil or political rights because of race, color, creed, sex, or national origin. Thus, the standard established by 3 AAC 110.910 is met.

**K. The City has Provided a Proper Transition Plan.**

The City's annexation petition includes a six-page transition plan that outlines its proposal for the assumption of appropriate powers, duties, rights, functions, assets, and liabilities relating to annexation. The plan was prepared in consultation with appropriate Borough officials, including those affiliated with Shoreline. Ideally, there would have been greater consensus on the annexation proposal among Borough officials, including representatives of Shoreline. However, the

Commission finds that the City attempted to be reasonably accommodating concerning its transition plan.

The Commission would also have preferred that the City's plans for the extension of water and sewer utilities to the territory offered greater assurance that the utilities would, in fact, be extended. Nevertheless, the Commission recognizes that the extension of water and sewer utilities are often funded, in part, by assessments on the area that benefits from the improvements. The Commission also recognizes that the City is presently developing engineering plans for the extension of its water utility to a portion of the territory proposed for annexation.

The Commission concludes that the City has provided an adequate transition plan that meets the requirements of 3 AAC 110.900.

**L. The City's Annexation Proposal Serves the Balanced Best Interests of the State, the Territory, and Affected Political Subdivisions.**

Annexation is a fundamental tool that allows local governments to address a classic urban problem where a local government, with fixed boundaries, finds growth and development occurring outside its jurisdiction. Unless it expands, there is significant potential that the economic health of the established local government will be impaired over time. Deterioration of the local government's financial health, in turn, leads to a decline in its ability to provide services and facilities. Eventually, the vitality of the community decays. Annexation is a way to prevent the dynamism of central communities from being eroded by development occurring immediately outside the boundaries of local government. It is for this very reason that Alaska's constitution provides flexibility with respect to the jurisdictional boundaries of cities and boroughs through Article X, Section 12. The Commission takes seriously the concerns expressed by Shoreline and the residents of the territory. However, the Commission must weigh those concerns against other public issues and concerns. Absent annexation, the City faces the prospect of significant revenue reductions that threaten its ability to fund the current level of services. The Commission finds that the long-term

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capability of the City (or any successor it might have) to meet the service needs of its residents is an overriding State and local government interest.

As noted previously, the City currently provides thirteen fundamental services and facilities that benefit, directly or indirectly, the residents and property owners of the territory. The Borough provides financial support to the City on behalf of the territory and other areas of the Borough for two of those services (landfill and library). Certain other services and facilities are funded in whole or in part by user fees. However, the Commission finds from the evidence that a number of the thirteen services and facilities that benefit the territory are provided without commensurate tax support from the territory.

Ordinance No. 1123 appears to be an attempt on the part of the Borough, in part, to offer an alternative to annexation as a remedy of inequities through the assumption of additional responsibilities by the Borough on a service area basis within the territory proposed for annexation. As noted previously, the additional powers in question consist of construction, maintenance, and operation of roads; general property security services, hospital, and other public works services. The assumption of hospital powers on a service area basis (presumably with a payment to the City for the City-owned Ketchikan General Hospital) would remedy some of the inequities, but certainly not all. More importantly, even if the Borough's plan addressed all of the inequities, it is flawed for fundamental reasons. Article X, Section 5 of Alaska's constitution clearly disfavors service areas adjoining city boundaries where those service areas mimic the powers of the adjoining city and exist as a barrier to the legitimate expansion of the city government. The Commission finds from these circumstances that no practical or equitable alternative to annexation is available to offset the cost of providing the benefits enjoyed by the territory.

In contrast to the Borough's proposal, annexation of the territory to the City will integrate the Shoreline Service Area into the City so that Shoreline will no longer exist as a unit of government. This approach is favored by Article X, Section 1 of Alaska's constitution which promotes "a minimum of local government units." The

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Alaska Supreme Court has interpreted that provision to be a “constitutional policy of minimizing the *number* of local government units.” (emphasis added). City of Douglas v. City and Borough of Juneau, 484 P.2d 1040, 1044 (Alaska 1971). The Commission believes that the integration of Shoreline into the City will promote greater equity and will allow the City to deliver services more efficiently and effectively. Such will benefit the City, Borough, citizens of Shoreline, and property owners in the territory.

Annexation will also shift responsibility for certain local services in the territory from the State to local government. These consist of police service and maintenance of certain roads. Annexation may also foster the extension of water and sewer utilities to the territory. The Commission finds that, as a matter of public policy, where communities have the resources to assume responsibility for local services, the State should transfer those responsibilities to the local government.

The express purpose of the local government article of Alaska’s constitution is, in part, to “provide for maximum local self-government.” (Article X, Section 1) Alaska’s constitutional convention delegates considered home rule local governments to be the epitome of maximum local self-government. As noted by Thomas A. Morehouse and Victor Fischer, recognized experts in local government in Alaska:

An oft-repeated theme of the [Alaska constitutional] convention, and one of the stated purposes of the local government article, was provision of maximum local self-government to the people of Alaska. As envisioned, the self-government concept would apply not only to formal home rule cities and boroughs, but extend also to general law units and even to unorganized areas, where it could take the form of local participation in state policy making and provision of state services. *Home rule was held to be the vehicle for strengthening both state and local governments by permitting the people to deal with local problems at the local level. It was also to be the means for promoting local*

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*government adaptation in a state with great variations in geographic, economic, social, and political conditions.*  
(emphasis added)

This home rule philosophy was not believed to be inconsistent with a strong state role in local affairs. As the above discussion indicates, the exercise of state authority was considered essential in matters of incorporation and boundaries, i.e., the creation of local governments and their areas of jurisdiction were felt to be matters ultimately of state responsibility. When properly established, however, their internal organization and operations were to be primarily local concerns, *particularly in the case of home rule units.* (emphasis added) Moreover, a “strong state role” also meant that the state would support local governments with financial aid and technical assistance. (Borough Government in Alaska, by Thomas A. Morehouse and Victor Fischer, page 56)

Alaskans have demonstrated their preference for home rule cities and boroughs over general law cities and boroughs. Overall, 63.1% of Alaskans live in home rule cities and boroughs. The four most populous cities in Alaska are home rule cities. Ketchikan attained home rule city status in 1960 and has maintained it successfully for the past thirty-nine years. The Commission finds that annexation of the territory to the City will promote maximum local self-government.

Residents of the territory proposed for annexation will be enfranchised with respect to the City of Ketchikan as a result of annexation. Currently, City officials make many decisions that affect residents and property owners in the territory proposed for annexation. Yet, those residents have no formal voice in the operation of the City. If they are annexed, they will be enfranchised. The Commission finds that the enfranchisement of citizens of the territory serves the best interest of the affected local governments and the territory.

The Commission concludes from the findings noted above that the annexation proposal serves the balanced best interests of the State, the affected local governments, and the territory proposed for annexation. Thus, the standard set out in 3 AAC 110.140 is satisfied.

**M. The Commission Encourages the City and Borough to Actively Pursue Consolidation in the Near Future.**

The Commission recognizes that while the pending annexation proposal remedies certain inequities and inefficiencies with respect to the structure of local government in Ketchikan, many others remain. The City will continue to be the entity responsible for a number of services and facilities that are enjoyed by all residents of the Borough. This circumstance apparently resulted from the fact that long before the Borough was formed the City assumed responsibilities that, in contemporary light, appear to be legitimate areawide Borough functions.

A comprehensive restructuring of local government duties and responsibilities in Ketchikan appears warranted. Without such, the door clearly remains open for additional annexations to the City.

Consolidation seems to offer the tools and flexibility needed to address the fundamental deficiencies relating to the structure of local government in Ketchikan. The Commission notes that considerable interest currently exists with respect to the prospect of consolidation of the City and the Borough. Yet, there has been a lengthy history of frustration in Ketchikan with respect to local efforts to achieve consolidation.

The Commission strongly encourages the City and Borough to actively pursue consolidation as a means to improve the structure of local government in the greater Ketchikan area.

**Section III  
Recommendation**

Based on the findings and conclusions set out in Section II of this recommendation, the Local Boundary Commission notes that all of the relevant standards and requirements for annexation are satisfied by the annexation proposal filed by the City of Ketchikan. Therefore, pursuant to Article X, §12 of the Constitution of the State of Alaska, the Commission hereby presents to the Second Session of the Twenty-First Alaska Legislature the proposed annexation of approximately 1.2 square miles to the City of Ketchikan.

As provided by Article X, Section 12 of Alaska's constitution, if the Legislature does not reject this recommendation within 45 days of the date it was submitted or at the end of the session, which occurs first, it will result in boundaries for the City of Ketchikan as described on the following page and as shown on the map that accompanies this description.

The corporate limits of the City of Ketchikan, Alaska, a parcel of real property located in Ketchikan Gateway Borough, First Judicial District, Alaska, more particularly bound and described as follows:

Commencing at the northeast corner of the Homer Lode, U. S. Mineral Survey 769, this also being the west corner of U.S.S. 1261;

**thence** N 29° 36' E a distance of 404.58 feet along the northwest boundary of U.S.S. 1261 of the north corner of U.S.S. 1261;

**thence** S 59° 34' E a distance of 255.40 feet along the northeast boundary of U.S.S. 1261 to the south corner of Tract A U.S.S. 2635;

**thence** N 23° 00' E a distance of 140.89 feet along the east boundary of Tract A to its intersection with the north boundary of U.S.S. 2635;

**thence** a bearing of East a distance of 1773.30 feet along the north boundary of U.S.S. 2635 to Corner 3 of U.S.S. 2635;

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**thence** a bearing of South a distance of 147.18 feet to Corner 4 of U.S.S. 2635;

**thence** a bearing of East a distance of 460.35 feet to Corner 5 of U.S.S. 2635;

**thence** a bearing of South a distance of 1623.60 feet along the east boundary of U.S.S. 2635 to Corner 6 of U.S.S. 2635 this being the true point of beginning;

**thence** S 26° 23' 03" E a distance of 1632.09 feet;

**thence** S 51° 57' W a distance of 816.38 feet to a point on the northeast boundary of U.S.S. 1667;

**thence** S 43° 58' E a distance of 1702.52 feet along the northeast boundary of U.S.S. 1667;

**thence** S 46° 06' W a distance of 1986.44 feet along the northwest boundary of U.S.S. 1584 and A.T.S. 118 to a point in Tongass Narrows;

**thence** N 48° 28' W a distance of 1927.73 feet to a point in Tongass Narrows;

**thence** N 54° 53' 54" W a distance of 8487.96 feet to a point in Tongass Narrows;

**thence** N 65° 35' 45" W a distance of 2633.28 feet to a point in Tongass Narrows;

**thence** N 67° 10' 56" W a distance of 3111.05 feet to a point in Tongass Narrows;

**thence** N 49° 25' 17" W a distance of 4796.14 feet to a point in Tongass Narrows;

**thence** N 40° 05' 33" W a distance of 5170.26 feet to a point in Tongass Narrows;

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**thence** N 39° 23' 44" W a distance of 9853.56 feet to a point in Tongass Narrows, this point also being S 59° 6' W a distance of 1000 feet from Corner MC-1 of ATS 503;

**thence** N 29° 56' 46" W a distance of 1812.83 feet to a point in Tongass Narrows, this point also being West a distance of 1000 feet from the northwest corner of ATS 700;

**thence** N 08° 41' 10" E a distance of 2858.59 feet to a point in Tongass Narrows, this point also being West a distance of 1000 feet from corner 1 of ATS 1201;

**thence** N 11° 43' 32" E a distance of 1498.43 feet to a point in Tongass Narrows;

**thence** S 58° 08' E a distance of 1000 feet to the northeast corner of ATS 464 this point being on the west right of way boundary of North Tongass Highway;

**thence** S 39° 24' W a distance of 32.10 feet along said right of way boundary;

**thence** S 37° 55' W a distance of 20.38 feet along said right of way boundary;

**thence** S 52° 48' E a distance of 57.59 feet along said right of way boundary to a point on the north boundary line of U.S.S. 1732;

**thence** N 65° 30' E a distance of 13.05 feet along said north boundary line to Corner MC-1 of U.S.S. 1732;

**thence** South a distance of 210.54 feet along the east boundary of U.S.S. 1732 to Corner 2 of U.S.S. 1732;

**thence** West a distance of 55.44 feet along the south boundary of U.S.S. 1732 to its point of intersect with the east boundary of U.S.S. 1271, this point also being Corner 1 of U.S.S. 1271;

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**thence** South a distance of 561.00 feet along said east boundary of U.S.S. 1271 to Corner 4 of U.S.S. 1271, this point being on the north boundary of U.S.S. 1952;

**thence** East a distance of 198.66 feet along the north boundary of U.S.S. 1952 to Corner 2 of said survey;

**thence** South a distance of 1289.64 feet along the east boundary of U.S.S. 1952 to Corner 3 of said survey;

**thence** West a distance of 339.67 feet along the south boundary of U.S.S. 1952 to its point of intersection with the east right of way boundary of North Tongass Highway, this point being on a curve;

**thence** along a curve, concave to the southeast, radius of 1350.54 feet, arc distance of 99.06 feet, along the east right of way boundary of North Tongass Highway to its point of intersection with east boundary of U.S.S. 1665;

**thence** South a distance of 228.26 feet along the east boundary of U.S.S. 1665 to Corner 3 of said survey, this point being on the north boundary of U.S.S. 1417;

**thence** East a distance of 114.64 feet along the north boundary of U.S.S. 1417 to Corner 3 of said survey;

**thence** South a distance of 622.03' along the east boundary of U.S.S. 1417 to its point of intersection with the north boundary line of U.S.S. 2277, also being Corner 2 of U.S.S. 2277;

**thence** East a distance of 894.85' along the north boundary of U.S.S. 2277 to Corner 3 of said survey;

**thence** South a distance of 704.80 feet along the east boundary of U.S.S. 2277 to its point of intersection with the north boundary line of U.S.S. 1744, this point also being Corner 4 of U.S.S. 2277;

**thence** East a distance of 3249.18 feet along the north boundary of U.S.S. 1744 and U.S.S. 2270 to Corner 5 of U.S.S. 2270;

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**thence** South a distance of 3550.81 feet along the east boundary of U.S.S. 2270 to Corner 6 of said survey;

**thence** East a distance of 1202.52 feet along the north boundary of U.S.S. 1833 to Corner 4 of said survey;

**thence** South a distance of 2283.60 feet along the east boundary of U.S.S. 1833 to Corner 5 of U.S.S. 1833, also being Corner 2 of U.S.M.S. 1413;

**thence** S 46° 59' 00" E a distance of 549.78 feet along the northeast boundary of U.S.M.S. 1413 to Corner 3 of said survey;

**thence** S 59° 58' 00" W a distance of 298.32 feet along the southeast boundary of U.S.M.S. 1413 to Corner 2 of U.S.S. 2796;

**thence** South a distance of 388.41 feet along the east boundary of U.S.S. 2796 to Corner 3 of said survey;

**thence** West a distance of 190.27 feet along the south boundary of U.S.S. 2796 to corner 3 of U.S.S. 1404;

**thence** South a distance of 489.43 feet along the east boundary of U.S.S. 1404 to its point of intersection with the North Tongass Highway right-of-way;

**thence** S 38° 40' 00" E a distance of 42.65 feet along the right-of-way to its point of intersection with the north boundary of U.S.S. 1587;

**thence** East a distance of 1535.09 feet along the north boundary of U.S.S. 1587 to the Corner of Block 1, Tract 1001, U.S.S. 1587;

**thence** S 89° 59' 30" E a distance of 176.42 feet along the north boundary of U.S.S. 1587;

**thence** N 89° 59' 45" E a distance of 1478.11 feet along the north boundary of U.S.S. 1587;

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**thence** a bearing of East a distance of 4601.93 feet along the north boundary of U.S.S. 1587, U.S.S. 1781, and U.S.S. 1229 to Corner 2 of U.S.S. 1229;

**thence** a bearing of South a distance of 3180.91 feet along the east boundary of U.S.S. 1229 to Corner 3 of U.S.S. 1378;

**thence** S 59° 38' E a distance of 4953.69 feet along the northeast boundary of U.S.S. 1378 and the northeast boundary of the Kentucky Lode Claim, U.S.M.S. 769 to a point on the Schoenbar Road right-of-way boundary;

**thence** N 37° 52' E a distance of 14.20 feet along the Schoenbar Road right-of-way boundary;

**thence** N 59° 26' E a distance of 163.16 feet along the Schoenbar Road right-of-way boundary;

**thence** N 58° 35' E a distance of 108.98 feet along the Schoenbar Road right-of-way boundary to the south corner of Lot 28, Block 4, U.S.M.S. 769, Bear Valley Addition;

**thence** N 31° 25' W a distance of 124.93 feet to a point on the westerly boundary of Lot 27, Block 4, U.S.M.S. 769, Bear Valley Addition;

**thence** N 3° 30' E a distance of 999.50 feet to a point on the westerly boundary of Lot 15, Block 4, U.S.M.S. 769, Bear Valley Addition;

**thence** N 39° 25' E a distance of 170 feet to a point on the northwest boundary of Lot 13, Block 4, U.S.M.S. 769, Bear Valley Addition;

**thence** N 70° 51' 48" E a distance of 343.48 feet to a point on the north boundary of Lot 9, Block 4, U.S.M.S. 769, Bear Valley Addition;

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**thence** S 73° 40' E a distance of 550 feet to the northeast corner of Lot 3, Block 4, U.S.M.S. 769, Bear Valley Addition;

**thence** N 16° 20' E a distance of 20 feet to the north corner of Lot 2, Block 4, U.S.M.S. 769, Bear Valley Addition, this point being on the northeast boundary of Utica Lode Claim, U.S.M.S. 769;

**thence** northwesterly along the northeast boundary of the Utica Lode Claim to the northwest corner of said claim as shown of the plat of the Claim of James A. Davis, Mineral Survey 769, recorded May 7, 1904, Juneau Land District;

**thence** southwesterly to the northeast corner of the Columbia Lode Claim;

**thence** northwesterly to the northwest corner of the Columbia Lode Claim, this point being in common with the western boundary of U.S.M.S. 769;

**thence** northeasterly along said boundary to the northwest corner of U.S.M.S. 769, this point being in common with the northwest corner of the Cosmos Lode Claim;

**thence** southeasterly along the north boundary of U.S.M.S. 769 to its point of intersection with the western boundary of the east 1/2 of the northwest 1/4 of protracted Section 19, T75S, R91E, Copper River Meridian (C.R.M.);

**thence** north to the northwest corner of the east 1/2 of the northwest 1/4 of protracted Section 19, T75S, R91E, C.R.M.

**thence** east to the northeast corner of the west 1/2 of the northeast 1/4 of protracted Section 19, T75S, R91E, C.R.M.;

**thence** south to the northern boundary line of U.S.M.S. 769;

**thence** southeasterly along said boundary line to its intersection with the north boundary of the northeast 1/4 of the southeast 1/4 of protracted Section 19, T75S, R91E, C.R.M.;

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**thence** east to the northeast corner of the southwest 1/4 of protracted Section 20, T75S, R91E, C.R.M.;

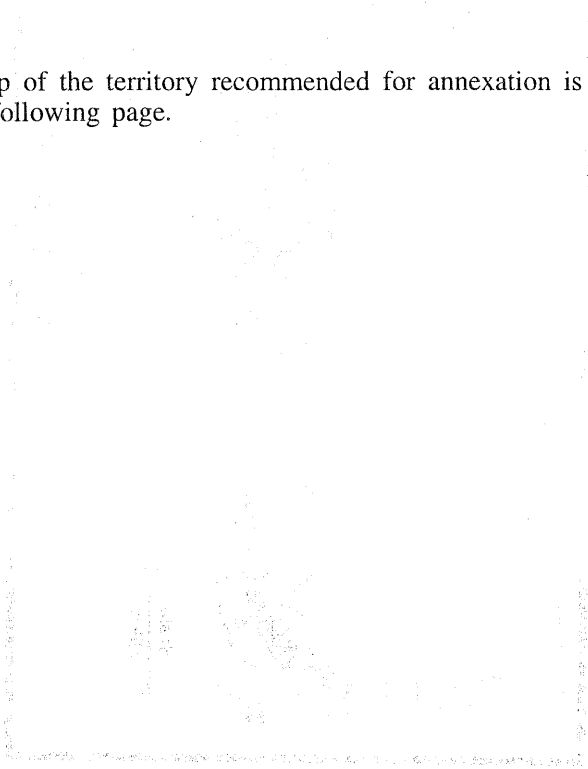
**thence** south to the northerly boundary of U.S.M.S. 769;

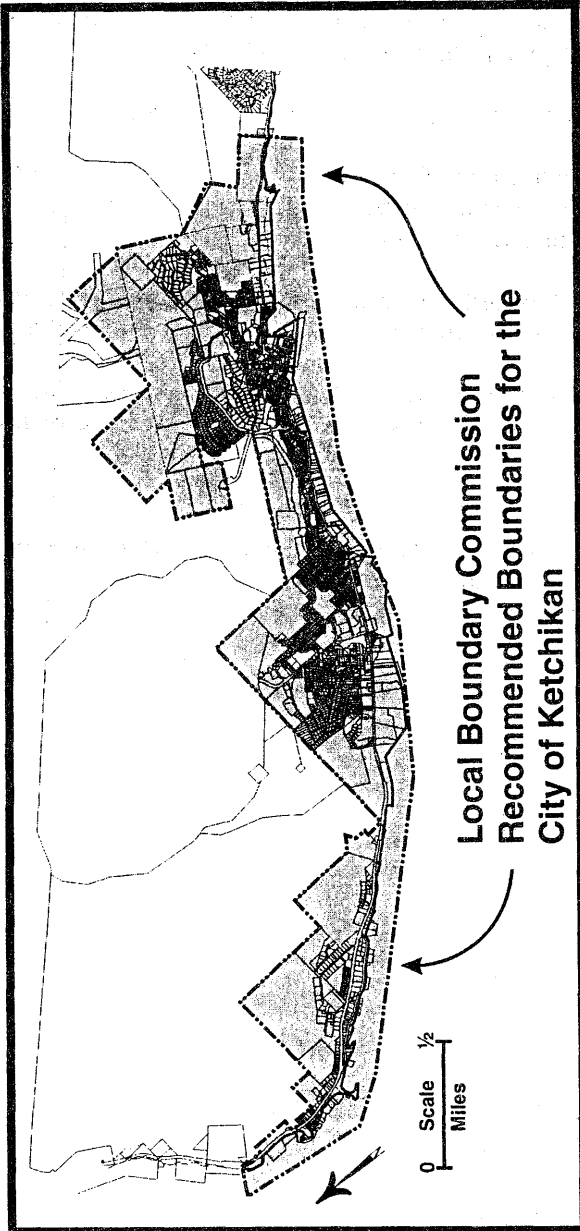
**thence** southeasterly along said boundary to the northeast corner of U.S.M.S. 769, this corner being in common with the northeast corner of the Sterling Lode Claim;

**thence** southwesterly along the eastern boundary of U.S.M.S. 769 to its point of intersection with the east boundary of U.S.S. 2635;

**thence** a bearing of south to the true point of beginning, containing approximately 3539 acres or 5.5 square miles, more or less.

The map of the territory recommended for annexation is presented on the following page.





**Addendum Number 1 to the  
“Report of the Local Boundary Commission to the  
Second Session of the Twenty-first Alaska Legislature”  
dated January 19, 2000**

Modify the second paragraph of Section III of “*Recommendation Number Two of the Local Boundary Commission to the Second Session of the Twenty-First Alaska Legislature*” on page 59 of the above-titled report [on page 50 of the House & Senate Joint Journal Supplement No. 10] to read as follows:

**The Commission has stipulated in its order approving annexation that the effective date of annexation shall be deferred until January 1, 2001. The deferral will allow officials of the City of Ketchikan and Ketchikan Gateway Borough, as well as other citizens of the greater community of Ketchikan an interim period to explore consolidation of the two local governments and other local government options. [AS PROVIDED BY] In accordance with** Article X, Section 12 of Alaska’s constitution, if the Legislature does not reject this recommendation within 45 days of the date it was submitted or at the end of the session, which occurs first, it will result in boundaries for the City of Ketchikan **on January 1, 2001** as described on the following page and as shown on the map that accompanies this description.

(text that is underlined has been inserted and text within brackets has been deleted)

**The complete report of the Local Boundary Commission to the Second Session of the Twenty-first Alaska State Legislature dated January 19, 2000, is available through the Local Boundary Commission's website at [http://www.dced.state.ak.us/mra/Mrad\\_lbc.htm](http://www.dced.state.ak.us/mra/Mrad_lbc.htm) or by calling (907) 269-4560.**