


Introduction: 4/6/72
Reference: Local Government

1 IN THE SENATE

BY THE LOCAL GOVERNMENT
COMMITTEE BY REQUEST

2  SENATE BILL NO. 405

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to development cities."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 * Section 1. LEGISLATIVE FINDINGS. The legislature finds that the
9 development of natural resources in isolated and relatively unpopulated areas
10 requires state policy which encourages well-planned, diversified and economi-
11 cally sound new communities. It is the further finding of the legislature
12 that if private enterprise is to develop the resources of the state it should
13 not be burdened with the development of new cities and thereby diverting
14 activities and resources best utilized for the private sector. A policy and
15 a procedure are required which will provide financial and other assistance
16 necessary for encouraging orderly development of well-planned, diversified
17 and economically sound new cities necessary to support industry. It is the
18 purpose of this Act to provide that each development city created under the
19 Act will be the result of the private and public sectors recognizing their
20 mutual responsibilities to the orderly development of the state.

21 * Sec. 2. AS 29 is amended by adding a new chapter to read:

22 CHAPTER 76. DEVELOPMENT CITIES.

23 Sec. 29.76.010. DEVELOPMENT CITIES. A development city is a
24 municipal corporation with home rule powers. It has all legislative
25 powers not prohibited by law or charter.

26 Sec. 29.76.020. INCORPORATION. An area not served by an existing
27 municipality and which is not feasible to be served by an existing
28 municipality may be incorporated as a development city by

29 (1) petition of the industrial developer to the Local Affairs

1 Agency; or

2 (2) act of the legislature.

3 Sec. 29.76.030. PETITION FOR INCORPORATION. A development city
4 incorporation petition proposed by an industrial developer shall
5 include the following information about the proposed city:

6 (1) class;

7 (2) name;

8 (3) boundaries;

9 (4) composition of the council;

10 (5) maps, documents, preliminary economic development pro-
11 jections, preliminary population projections, outline of the industrial
12 developer's investigative and development expenditures and its proposed
13 capital program, and other information required by the Local Affairs
14 Agency to show that the proposed city meets the standards for incorpora-
tion.

15 Sec. 29.76.040. REVIEW. The Local Affairs Agency shall review
16 the petition for content and shall return deficient petitions for
17 correction and completion.
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19 Sec. 29.76.050. INVESTIGATION. If the petition contains the
20 required information, the Local Affairs Agency shall investigate the
21 proposal to determine if the development expenditures and proposed
22 capital program by the developer demonstrate a probability of being
23 carried forward to a successful conclusion.

24 Sec. 29.76.060. REPORT. (a) The Local Affairs Agency shall
25 report its findings to the Local Boundary Commission with its recom-
26 mendations regarding the incorporation within 60 days of receipt of
27 the petition for incorporation.

28 (b) The Local Boundary Commission shall review the petition and
29 the findings and recommendations of the Local Affairs Agency within

1 60 days of receiving them.

2 Sec. 29.76.070. DECISION ON DEVELOPMENT CITY INCORPORATION. (a)
3 The Local Boundary Commission may reject a petition for incorporation
4 only if it finds that it is improbable that the proposed development
5 will take place.

6 (b) A commission decision under this section may be appealed
7 under the Administrative Procedure Act (AS 44.62).

8 Sec. 29.76.080. LAND SELECTION. (a) The Department of Natural
9 Resources shall assist in transferring all the available federally
10 owned land located within the boundaries of a development city into
11 state ownership. After the transfer, a development city may select
12 50 per cent of the vacant, unappropriated, unreserved state land located
13 within its boundaries. Nothing in this section affects a valid exist-
14 ing claim, location, or entry under the laws of the state or the United
15 States whether for homestead, mineral, right-of-way or other purposes
16 or affects the rights of an owner, claimant, locator, or entryman to
17 the full use and enjoyment of the land so occupied.

18 (b) If land desired by the development city is unsurveyed at the
19 time of its selection, the Department of Natural Resources shall survey
20 or approve a survey by the city of the exterior boundaries of the area
21 requested without interior subdivision and shall issue a patent for the
22 selected area in terms of the exterior boundary survey. The cost of
23 the survey is borne by the city. If land desired by the city has been
24 surveyed at the time of its selection, the boundaries of the areas
25 requested must conform to the public land subdivisions established by
26 the approval of the survey. Land selected by the city under this
27 section is patented to the city by the Department of Natural Resources.

28 (c) After the selection of the land by the development city but
29 before the issuance of final patent, the city may execute conditional

1 leases and make conditional sales of selected land.

2 Sec. 29.76.090. DEVELOPMENT CITY COUNCIL. The city council of
3 a development city has three members consisting of the director of the
4 Local Affairs Agency and two members designated by the major developer
5 corporation providing the industrial base of the city as measured by
6 employment and capital investment. The designated councilmen need not
7 be residents of the city during its development stage.

8 Sec. 29.76.100. TRANSITION. (a) When a development city has
9 400 permanent residents, elections shall take place according to the
10 following schedule:

11 (1) in the first year, two additional councilmen are
12 elected for three-year terms;

13 (2) in the second year, a councilman is elected for a three-
14 year term to replace one of the councilmen designated by the industrial
15 developer;

16 (3) in the third year, a councilman is elected for a three-
17 year term to replace the director of the Local Affairs Agency;

18 (4) in the fourth year, a councilman is elected for a three-
19 year term to replace the remaining councilman designated by the indus-
20 trial developer; a sixth councilman is elected for a three-year term;
21 a mayor is elected; and an election is held on a proposed city charter
22 which may be amended as provided by law or the charter.

23 (b) If, within a period of five years from the incorporation of
24 a development city, the number of permanent residents does not equal
25 400, the Local Affairs Agency shall order an election for city officials
26 and designate a successor class of city based on population. If the
27 agency designates a successor class of city, the provisions of this
28 title relating to that class of city apply.

29 Sec. 29.76.110. PROCEDURES. The council may provide for

1 conference telephone or radiophone meetings at times determined by the
2 council and shall determine its own rules and order of business.

3 Sec. 29.76.120. FILLING A VACANCY. If a vacancy occurs in the
4 original designated city council, other than the director of the Local
5 Affairs Agency, the major developer corporation shall designate a
6 replacement during the five-year development stage of the city.

7 Sec. 29.76.130. POWERS AND DUTIES OF DEVELOPMENT CITY EXECUTIVE
8 DIRECTOR. The council shall appoint an executive director of the
9 development city, who may be one of its members, to serve at the pleasure
10 of the council. The executive director shall have the powers and
11 duties of all city officials set out in this title in order to develop
12 the city under a comprehensive community development plan.

13 Sec. 29.76.140. POWERS AND DUTIES OF COUNCIL. The council shall
14 have all the powers and duties of the city council of a home rule city.
15 The council may exercise all the powers and duties of a school board
16 if the city is not located within an organized borough.

17 Sec. 29.76.150. ADDITIONAL POWERS. A development city may, from
18 the time of the appointment of the first city council for a period of
19 10 years following the first election of councilmen,

20 (1) act as its own housing and urban renewal authority
21 under AS 18.55;

22 (2) act as its own housing finance agency under AS 18.56.

23 Sec. 29.76.160. SALES AND USE TAX. The council may by ordinance
24 assess and collect sales and use taxes not to exceed three per cent.

25 Sec. 29.76.170. PLANNING COMMISSION. The city council of a develop-
26 ment city shall exercise the powers and duties of a planning commission
27 under AS 29.33.080.

28 Sec. 29.76.180. DEVELOPMENT CITY GRANTS. (a) Development cities
29 have a priority on all funds appropriated annually by the state not

1 specifically earmarked in the appropriation for

- 2 (1) sewers and sewage treatment facilities;
- 3 (2) harbors, wharves and other marine facilities;
- 4 (3) health and hospital facilities;
- 5 (4) water facilities;
- 6 (5) community center facilities;
- 7 (6) libraries;
- 8 (7) recreation;
- 9 (8) airports;
- 10 (9) highways;
- 11 (10) schools; and
- 12 (11) other public facilities supported by grants and shared

13 revenues.

14 (b) State agencies shall disburse the maximum capital grants
15 allowable under state law to a development city which may, when possible,
16 utilize funds for matching federal aid programs being secured as part
17 of the overall development program.

18 (c) State agencies not authorized to disburse funds directly to
19 a development city because of policies of the federal agencies adminis-
20 tering the particular programs, shall reprogram priorities and take all
21 steps necessary to meet the development plans of a development city.

22 (d) A development city shall receive shared revenue and other
23 state funds on the same basis as a city or borough of the first class.

24 Sec. 29.76.190. APPLICABILITY OF OTHER PROVISIONS OF THIS TITLE.
25 All relevant provisions of this title not in conflict with this chapter
26 apply to development cities.
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