

LOCAL
BOUNDARY
COMM.

*F. Strandberg
Commission*

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Office 276-4555
Res. 243-1772

Sigvald J. Strandberg
Broker/Owner

Suite 201
555 W. Northern Lights Blvd.
Anchorage, Alaska 99503

February 15, 1978

Honorable Joseph L. Orsini, Chairman
Community & Regional Affairs Committee
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator Orsini:

Enclosed is my résumé in conjunction with review of my reappointment to the State Local Boundary Commission.

Thank you for the many courtesies extended to me while I testified before your committee last week.

Sincerely,

Sigvald J. Strandberg
Sigvald J. Strandberg

Enclosure

Resume

Sigvald John Strandberg, 7235 Blackberry Street, Anchorage, Alaska 99502

Personal Data

Birth Date: January 29, 1943 Birth Place: Anchorage, Alaska

Height: 5 ft. 10 in. Weight: 165 lbs. Hair Color: Dark Blonde
Eyes: Brown

Married: Wife, Arlene, sons, Sigvald, Jr. (6/8/68) and Neil (1/18/70)

Health: Excellent

Education

Primary & Secondary:

Entered first grade 1948 @ Chugach School, attending through first half of sophomore year @ Anchorage High School; thence to Fairbanks (family move) in January 1957, enrolling in Fairbanks Lathrop High School through May, 1959 when family returned to Anchorage. Graduated from Anchorage High School in 1961. Member, National Honor Society.

Post Second: Attended Willamette University, Salem, Oregon, 1961/62. General studies preparatory to law school. Transferred to Alaska Methodist University in 1962 and graduated therefrom in 1965 with B. A. degree (major concentration in math, chemistry and physics). Attended fall semester 1965 at Long Beach State College, Long Beach, California, taking supplemental courses in chemistry prior to entrance into graduate school. Attended night school at AMU fall semester 1966.

Military

Contracted recruitment in the Alaska Army National Guard in spring 1966. Served in Kenai, Anchorage and Juneau units. Honorably discharged 1972 after completing 6 years enlistment. Rank Spec. 5. Scored highest in State in 1971 and 1970 M.O.S. (occupational speciality) exams.

Personal History

Lifelong Alaskan resident, member of Pioneer gold (placer) mining family. Grandfather, David Strandberg, participated in Fairbanks gold rush in early 1900, and walked, snowshoed and dogsledded much of Alaska's Interior (walked from tidewater at Seward through Anchorage prior to its establishment and across the Alaska Range). Father, E. Odin Strandberg, born in Flat, Alaska in 1915 and family established permanent winter residency in Anchorage in 1923, the year after President Harding drove the golden spike in the Alaska Railroad at Nenana. Mother, Marie Strandberg. Three brothers.

Wife a 30 year Alaskan resident raised in Southeastern Alaska. Her late father a career Coast Guardsman, having extensive world travel and sea duty throughout Alaskan waters including Bering Sea ice patrols.

Interests

Having had the opportunity to serve in policy-making capacity in State Government, I am interested in continuing participation in community and state affairs. (See elaboration of state government duties in Work History section.)

Am very much personally committed to continuing my public service contribution to help ensure that Alaska State and local government continues to operate under policies which respect orderly growth and responsibly control resource and community development.

Served as chairman of the State Local Boundary Commission by appointment of Governor Jay S. Hammond from December 1974 through February 1, 1978. Extensive travel throughout Alaska and acquainted with community leadership and diverse economy of State and in its various regions. As chairman conducted hearings throughout Alaska from small villages such as Selawik, Kasaan and Angoon to cities such as Kodiak on matters relating to municipal services and jurisdiction.

Presently Vice President of Sand Lake Community Council, and past President and currently serving on the Alaska Methodist University Alumni Association board of directors. Past director of the Anchorage Board of REALTORS and the Alaska Association of REALTORS.

Republican candidate from District 12 in the August 1976 Alaska House Primary.

Work History

1974 - present Private businessman involved in real estate sales.

Spring 1977 along with several partners, formed First Equity, Inc. REALTORS, and First Equity, Inc. (an Alaskan corporation) with principal offices in Anchorage.

Real estate broker, March 1977 till present, associate broker 1976 until 1977. Also have an Alaskan business license to perform appraisal work and other real estate services; counselor, property development consultant.

1973 - 1974 Independent contractor in municipal consulting.

July, 1972 Director, Division of Local Government Assistance,
to Department of Community and Regional Affairs.
August, 1973

January 5, 1971 Senior Local Government Specialist on Local Affairs
to Agency, Office of the Governor, staff.
July 23, 1972

March 23, 1972 Honorably discharged from the Alaska Army National Guard, 910th Engineers Company, after completing 6 years enlistment.

Work History -
1971

to

1960

and

Personal
Interests

and

References

- See Attached -

RESUME

Sigvald John Strandberg

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Work History
continued

December, 1969
to January 4,
1971

Appointed by Governor Keith H. Miller to direct the functions of the Local Affairs Agency. Supervised five professional level staff members (four local government specialists and the State Assessor) and four clerical personnel. Functions of the agency involved extensive contacts and coordination with other Departments and programs in the Executive Branch. Appeared frequently before legislative local government and other committees to offer testimony on bills impacting municipal governments. Supervised development and implementation of agency advisory city manager program, serving selected cities throughout the State with comprehensive interim professional municipal managerial assistance. Keyed to development of council-manager form of local government, assistance was directed to cities of Haines, Dillingham, Unalaska, among others. Supervised preparation and publication of the agency's Alaska Municipal Bond Report to the Governor and Legislature. Other publications included the agency's Fiscal Manual and Chart of Accounts for Small and Medium Sized Cities, and the agency Residential Cost Appraisal Manual for Alaskan Assessors and Appraisers. Coordinated Local Boundary Commission public hearings and meetings involving boundary changes proposed by the cities of Anchorage, Fairbanks, Valdez, Cordova and Haines, among others. Supervised the development and implementation of Federal Title IX (Demonstration Cities and Metropolitan Development Act of 1966), Title VIII (Housing Act of 1964) Community development training services, and 701 (Housing Act of 1954) Community Development Advisory Services programs. Other functions included representation of the Governor's Office on the Rural Alaska Community Action Program Board of Directors and Executive Committee, and Chairman of the State Geographic Board.

February 19, 1968
to December
1969

Transferred from Department of Labor to Office of the Governor, Local Affairs Agency as Local Government Specialist. Working under the supervision of the Agency Director, provided technical assistance to municipalities including development of ordinances, budgeting and accounting advice, and interpretation of Alaska municipal law. Duties also involved specific research in municipal service allocation schemes and analysis of the structure and function of the Alaskan borough and city systems of local government. Served in staff capacity to the State Local Boundary Commission, an independent agency attached to the State Executive Branch for administrative services. Arranged for and attended public hearings and meetings of the Commission. Participated in the drafting and review of proposed standards and procedures for municipal boundary changes. Assisted in the formulation of administrative procedures governing State Aid to Local Government Program (Revenue Sharing).

RESUME

Sigvald John Strandberg

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Work History
continued

- September 27, 1967 to February, 1968 Returned to former position as employment interviewer at Alaska State Employment Service, Juneau Local Office.
- May 15, 1967 to September 11, 1967 Active Duty training, Alaska Army National Guard 6 month obligation (24 March 1966 date of enlistment ANG). Duty completed at Fort Bragg, North Carolina and Fort Belvoir, Virginia. Seven week powerman course in U.S. Army Engineer School at Ft. Belvoir; graduated number 1 in class of 62.
- March to May 1967 Employed by Department of Labor, Employment Security Division, Alaska State Employment Service, Juneau Local Office: employment interviewer. Interview unemployed individuals, determine suitable occupation from analysis of previous work background, educational level, skills, knowledge, abilities and personal preference. Refer applicants to existing job openings. Arrange interviews with employment counselor for those people who are not job-ready. Recruit and screen for various Federally sponsored programs such as MDTA and Job Corps. Administer proficiency tests to clerical applicants. Make employer visits to determine manpower needs. Coordinate with various State and Federal agencies such as Vocational Rehabilitation, State Division of Welfare, Bureau of Indian Affairs, Neighborhood Youth Corps and Youth Opportunity Campaign. Assist Unemployment Insurance personnel in claims filing.
- November through January 1966 Employed by Department of Army, Petroleum Distribution Office, Anchorage Terminal: petroleum pumping equipment operator. Defueled ocean-going tankers at Port of Anchorage, unloaded railroad tank cars into storage facilities at depot. Issued diesel oil and automotive gasoline to military base stations. Issued jet fuel and aviation gasoline to hydrants under aprons at Elmendorf Air Force Base.
- October to November 1966 Employed by Department of Army. Drove 45 passenger school bus transporting military dependent children to and from schools on Ft. Richardson.
- February through September 1966 Installation, operation and maintenance of diesel, dual fuel, and spark fired natural gas engines driving AC generators, supplying power to City of Kenai and Wildwood Air Force Station. Supervised up to four other operators and mechanics.

RESUME

Sigvald John Strandberg

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Work History
continued

- 1964 through 1965 During college terms, employed by Alaska Methodist University doing miscellaneous work, including messenger services, custodial work.
- 1961 through 1965 Summers employed at Consolidated Utilities, Ltd., Kenai, Alaska. Job duties same as noted above.
- 1960 through 1961 Part-time winters, part-time June through August employed by E. Odin Strandberg & Associates, Anchorage, Alaska. Chairman and rodman, general land, tideland and commercial surveys.
- 1957 to 1960 Summers (June through September) employed at Strandberg Mines, Inc., Folger, Alaska. Operating engineer and general mine operations: stripping, clean-ups, maintenance of camp landing field and facilities, mine survey work.

Personal Interests

Since 1961 I have been interested in aviation. This has enabled me to see a large portion of Alaska on business and pleasure flights. Private Pilot License (airplane single-engine land) obtained in 1963; 250 hours logged to date.

Family interests include sport fishing and cross-country skiing.

References

Mr. John R. Beard, 7014 Madalyne Way, Anchorage, Alaska 99504

Mr. M. Roy Goodman, 7030 Foothill Drive, Anchorage, Alaska 99504.

Mr. John S. Hedland, Rice, Hoppner, Blair & Hedland, Suite A, 1016 6th Avenue, Anchorage, Alaska 99501

Sigvald J. Strandberg 2/15/78
Prepared by Sigvald J. Strandberg



Official Business

Alaska State Legislature

Senate
Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

January 27, 1978

Mr. Sigvald Strandberg
Chairman
Local Boundary Commission
7235 Blackberry
Anchorage, AK 99502

Dear Mr. Strandberg *Sig*

Further to your telephone conversation this morning with my Administrative Assistant, I would like to invite you and any other members of the Local Boundary Commission to attend the hearings which the Senate Community and Regional Affairs Committee will be holding in regard to your recommendations on the proposed annexations by the Cities of Skagway and Petersburg and the Haines Borough.

The committee meeting is scheduled for 3:00 P.M. in Room 100 of the Assembly Building Tuesday, February 7, 1978.

I look forward to seeing you and any other Commission members who wish to attend at that time.

Sincerely,

Joe Orsini

Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

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LOCAL BOUNDARY COMMISSION

✓ Mr. Sigvald Strandberg Chairman 7235 Blackberry Anchorage, AK 99502	243-1772 home 276-4555 business
Mrs. Shiela Jones 3201 G. Street, Suite 201 Anchorage, 99503	276-8356 home 276-7614 business
✓ Mrs. Josephine Anderson P. O. Box 351 Wrangell, 99929	874-3590 home 874-3621 business
Mr. Jim Dodson 2.5 Mi, Steese Highway Fairbanks, 99701	452-5671 home 456-7670 business
Mr. Edwin Hobson P. O. Box 143 Barrow, 99723	852-5141 home 852-6970 or 852-6930 business



City of Kodiak

PHONE (907) 486 - 3224
P.O. BOX 1397
KODIAK, ALASKA 99615

Local Boundary Commission

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April 24, 1978

April 24, 1978

Local Boundary Commission
Department of Community and
Regional Affairs
111 West Fourth Avenue
Anchorage, Alaska 99501

Gentlemen:

As I understand it, the Boundary Commission is holding a hearing in Kodiak to consider three items. The first is to make a decision on the Mill Bay Road annexation. This was heard by the Boundary Commission on December 12, 1977. The second item is to discuss two 1968 annexations: one involving the City's airport property and the other is the Frontier Southern Baptist Church property. The third item is to discuss the boundary question in the total urban area of Kodiak.

The City of Kodiak has supplied the Boundary Commission with a great deal of information regarding the Mill Bay annexation. The Borough has gone ahead with their plans to create a service area in the Kodiak urban area adjacent to the city limits. The City of Kodiak has decided to stop this service area creation through the court system. If it turns out that the courts will not allow the service area to be created, the responsibility will be placed on the City of Kodiak to provide services to the projected service area.

There is another area that I would like to bring to your attention as well. This includes the Coast Guard Base adjacent to the City of Kodiak. At the present time, the State of Alaska leases part of the Coast Guard Base for the State airport and is currently considering expansion of that facility. The Coast Guard Base, including the airport, is not within the boundaries of the Kodiak Island Borough; therefore, we have a difficult situation.

The City of Kodiak Police Department is the security agency involved at the airport. Our police officers provide the necessary anti-hijacking protection for the State. There are areas at the airport that are leased to individuals and the property is not taxed in any way. As the airport grows and develops, increased commercial activity will be present at that facility. It is obvious that the Kodiak Island Borough

is missing out on a great deal of personal property tax at the airport. I am not certain about the real property taxes since it is Federal property.

Another issue is the fact that Kodiak Native Corporation is receiving excess property from the Coast Guard. There are plans to develop this property, of course. As long as the property remains outside of the jurisdiction of the Planning and Zoning function, the area could be developed without adequate controls. I feel it is important that the Boundary Commission take a look at this situation as well.

The immediate concern is to annex the State airport. I believe that part of the Coast Guard Base could be annexed without any residents taken in. I realize this is another whole dimension to the boundary situation in the Kodiak urban area; however, I think that if you are going to be looking at the total urban area around the City of Kodiak, the Coast Guard facility and State airport should be taken into consideration.

I have done some research regarding the formation of boroughs and utilization of service areas in the context of what is happening currently in the Kodiak urban area. I must apologize that the amount of research done and the limits of my resources does not make this study a complete one; however, the basic issues as I see them are presented below.

The most adequate source of information is a publication called "The State and Local Government System" by Thomas A. Morehouse and Victor Fisher. I was only able to find the SFG Interim report #23, March, 1970.

I would like to take the liberty of quoting the specific paragraphs and furnishing you with Xerox copies of specific pages of the report. By utilizing this method, I will not take things out of context and give you incomplete information. This, of course, will make this communication to you a rather lengthy one; however, I think the end result will be much more convincing.

Since the subject report was published in March of 1970, I am certain the research was done in 1969 and before. That means that at least for the last year or so the State of Alaska has been aware of the problems existing between cities and boroughs. There are references to other publications in this study that show that the State of Alaska has been aware of the problem prior to 1968. Due to lack of resources and adequate time, I will not go into a long dissertation regarding the Constitutional Convention, creation of boroughs and other instrumentalities of local government. However, I do plan to dwell on the issues that were brought out by Mr. Morehouse and Mr. Fisher that relate to the specific problem that the Boundary Commission is concerned with in the Kodiak urban area.

On Page I-18, the situation that we now have here is presented. At the top of the page, it mentions the Boundary Commission's responsibilities and ability to effectuate the necessary controls. The next paragraph talks about the borough form of government and I quote: "In its current stage of evolution, then, the borough possesses the form but not the substance of authoritative area-wide government. It is 'general government' within which a powerful special government--the school district--has maintained and even increased its autonomy. It has 'exclusive authority' for area-wide functions, but in practice, its functions are divided and shared with independent city and school administrations. It is a 'regional government' but it competes with city government for both territory and function. It speaks of promoting 'area-wide' policy and programs but it is so structured as to facilitate the expression of local self-interest and localized service area needs"

The next paragraph on Page I-18 and I-19 further develop this idea: "The basic problem is that in most areas two forms of local government--the city and the borough--are attempting to occupy political and physical 'space' where there is room only for one. This is so particularly where a borough centers on a single urban core served by a well established city (Anchorage, Fairbanks, Sitka, Ketchikan). The case for a single urban area-wide governmental unit for these places would seem clear. Much less clear, however, is the rationale used for superimposing the borough as a second unit for local general government on the existing municipal base in these more developed regions of the State. On the other hand, where the borough, as a regional government, might serve smaller numbers of settlement and rural areas, as well as region-wide needs, more room could be considered available for both borough and city governments (e.g. Kenai, Kodiak, Matanuska-Susitna)."

The fact that growth in the last nine years has placed the City of Kodiak in the same situation as Anchorage, Fairbanks, Sitka and Ketchikan is pointed out by your addressing the same issues as discussed in the report.

On Page I-21, at the top of the page, there is a discussion regarding cities. "City boundaries should be so located as to encompass an entire 'natural' socio-economic and political community. Since most of Alaska's urban settlements are small and relatively compact, there is no technical reason why this criterion cannot easily be met. This would minimize the need for service areas in organized boroughs to perform urban services that can be performed by a city."

On the same page there is a discussion regarding service areas. This goes on to the next page as well and is certainly germane to the discussion at hand. "While it is generally desirable that matters of government organization and functions

be determined locally, past experience of borough-city conflict over annexation and the creation and operation of service areas indicate that the State probably through the Boundary Commission should review local action and play a mediating role. The purpose would be to insure that appropriate incorporation and annexation standards are met, that a new service area is actually warranted and, if so, that it is properly constituted. Any area bordering on a city should be subject to annexation rather than permitting its establishment as a borough service area or its incorporation as a separate city. If annexation or incorporation is not feasible or desirable, expansion of an existing service area would be considered providing that a determination is made that the existing service area should not itself be annexed or incorporated. Only after each of these options is considered in order should it be permissible to establish a new service area and then only with a clear understanding that it is subject to future adjustment within the broader system of organized local government."

Further on in the study, on Page IV-37, the same kind of information is presented. "The State was to assume a continuing responsibility for the overall design and performance of the local governmental system. Specifically for this purpose two new State agencies were mandated by the Constitution: a Local Boundary Commission and a 'local government agency'. The Boundary Commission would assure that borough and city boundaries were properly aligned in the first instance and subsequently were responsive to changing needs and conditions. The Commission was thus authorized by the Constitution to 'consider any proposed local government boundary changes' and subject to legislative veto it could implement such changes."

On Pages VI-16 and VI-17 there is a discussion of city versus borough. "It was apparent from the start that a potential stalemate between cities and boroughs was built into the new local governmental system set forth in the Constitution. Boroughs and the cities within them were very likely to compete with each other for territorial jurisdiction over urbanizing areas outside city limits. To service these places the borough would need to acquire additional powers or create special service areas. If additional area-wide powers were sought these would be at the direct expense of city authority since area-wide powers assumed by the borough are denied to the cities. If nonarea-wide (outside city) powers were sought or if service areas were created, these could constitute blocks to city expansion."

On Page VI-18, there is a discussion of annexation versus service areas. "As viewed by the Public Administration Service (PAS) in its report to the Statehood Committee in 1959, there were two contrasting approaches to local government reorganization in the more urbanized areas of the state. On the one hand, the borough could be established with a view toward eventual absorption of the city within it. On the other, the jurisdiction of the city could be expanded through annexation of the urbanizing areas around it. In most of urban Alaska, there appeared to be no need for more than one unit of local government to provide urban services.

Population and economic bases were small and duplication of governmental machinery would be wasteful. 'By all odds' reported PAS, 'the most direct and least complicated line of evolution for many communities would be expansion of the central city with all of its existing plant, political structure, credit and fiscal base and political know-how'. But, 'if this line of reasoning is valid, what foreseeable use is there for organized boroughs . . . ?'

PAS concluded: "It may be that the best solution for the problems of urban government in most areas will be to concentrate the full responsibility in a single level, the city, or the completely consolidated city-borough. On the other hand, it may be that the borough will provide a very useful agency in rural Alaska for the exercise of local responsibility for administration and at least partial financing of education and a growing list of local or regional services such as local roads, fire protection, utilities (water, sewer and others), health, recreation, etc., some of which would be provided on a borough-wide basis and some in special service areas organized and governed under the authority of the borough."

"Ignoring these considerations, the State layered borough government over the cities of urban Alaska and established no borough units in rural Alaska."

On Page VI-20, this thought continues. "At the same time, the borough service area has been available as a vehicle for meeting service needs for developed enclaves outside the city. This tends to neutralize whatever attraction city annexation may have for those seeking more and higher quality urban services. With the borough service area, residents outside the city may select the particular mix of services they wish and be assured of paying, through differential mill rates, only for those additional services directly received in their immediate area of residence. For this reason, however, service areas also fragment the borough. The separate suburban enclaves develop a built-in resistance to unified or consolidated area tax and service structures, and service area status insulates their residents from the cost of city facilities and services that they share or benefit from, perhaps most obviously as owners of property whose value is enhanced simply because the city is accessible."

I find that the above paragraph gets to the heart of the problem and I think that to go further would just elaborate this very same thinking and belabor the point.

One of the outgrowths of the current Kodiak Borough-City conflict has been the idea of unifying the governments in the Kodiak Island Borough. Resolutions have been passed by both the City of Kodiak and the Kodiak Island Borough regarding unification. At the Borough Assembly meeting on April 7, the Borough Assembly

did adopt a Resolution to put the question on the ballot next October. Hopefully, the Boundary Commission will look at the problem in the immediate context of what is going on now rather than what might happen in the future. I am certain that you are aware of the unification procedures and the fact that the Kodiak Island Borough is fragmented with a home rule city, five second class cities and the Borough. In addition, there are many residents outside of the cities that compound the complexity of unification. While I personally see unification as the only answer and ultimately it is bound to occur, the process will probably take two to three years before unification becomes a reality.

The Boundary Commission is the only body that has the power, authority and responsibility to mediate the conflicts described above. I feel that the State of Alaska is certainly at fault by allowing the borough-city annexation-service area conflicts to exist in the first place. In the last nine or ten years the situation has gotten worse and it has even reached Kodiak Island which in itself is isolated from the rest of Alaska. This is certainly not the time nor the place to lay blame but to look at answers within the context of legalized solutions.

The obvious is clear. The Boundary Commission should consider steps to annex the total urban area into the City of Kodiak by using the stipulation for differential taxation as described in 19AAC 05.020 (3) and (4). Without the total picture being reviewed and the Boundary Commission taking appropriate action, I see this situation continuing for a number of years. Since the Boundary Commission decided not to act on the Mill Bay Road annexation when you were here in December because of a decision to look at the entire urban area, I think it is incumbent that the Boundary Commission act positively to stop the squabbling and hassles that have resulted because of the City-Borough conflicts.

If Kodiak were an isolated case and our problems were unique to Alaska, I would be the first one to bring that to your attention; however, it is clear that since the creation of the Kodiak Island Borough and the fact that City Council members do not sit on the Borough Assembly and removal of the weighted voting provision, many conflicts were bound to result. Only through the good offices of the Boundary Commission will the Kodiak Island taxpayers and residents see a resolution to their problem.

Hopefully, unification is the final solution to the problems, perhaps, that is what this is all about. The Constitutional Convention was aware that unification was probably the only answer; however, they did not deem it practical to mandate that from the beginning. It seems as though the only answer is unification, however, in the meantime we must look to the political realities of that process. As mentioned above, the City is taking legal action against the Borough to stop the formation of the service district immediately outside of the city limits. The Borough plans on utilizing City water and sewer to serve the residents of these service areas. As long as the Boundary Commission refuses to take positive annexation action,

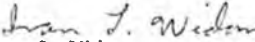
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the taxpayers will be the losers. In addition, the residents of Kodiak will divide up into groups and destroy the harmonious relationships that have developed over many years. The Boundary Commission has the responsibility and authority to resolve this problem before it gets carried to extremes. Your assistance will be greatly appreciated. Hopefully, the Boundary Commission will remedy the situation by annexing all the urban area of Kodiak to the City of Kodiak.

Thank you for your time and attention.

Very truly yours,

CITY OF KODIAK


Ivan L. Widom
City Manager

ILW/lp

cc: Governor Hammond
Senator Poland
Representative Snider
Representative Rudd
Senator Orsini
Commissioner McAnerny
Borough Assembly

Encs.

4. The state was to control local government boundary changes that could be made objectively in response to changes in urban population and economic growth patterns. Just as the Boundary Commission was unable to substitute its authority for local determinations in the initial setting of borough boundaries, so it has since played a minor role in controlling subsequent alterations of borough and city boundaries. As in pre-statehood days, most significant boundary changes are subject to several procedural checks and to elections in the areas immediately affected. The commission has not been in a position to counter or withstand the political pressures brought to bear, particularly when proposed boundary changes are perceived as affecting values associated with local autonomy, suburban separatism, or tax and service independence.

In its current stage of evolution, then, the borough possesses the form but not the substance of authoritative areawide government. It is a "general government" within which a powerful special government -- the school district -- has maintained and even increased its autonomy. It has "exclusive authority" for areawide functions, but in practice these functions are divided and shared with independent city and school administrations. It is a "regional government," but it competes with city governments for both territory and functions. It speaks of promoting "areawide" policies and programs, but it is so structured as to facilitate the expression of local self-interest and localized service area needs.

The basic problem is that in most areas two forms of local government -- the city and the borough -- are attempting to occupy political and physical

"space" where there is room only for one. This is so particularly where a borough centers on a single urban core served by a well established city (Anchorage, Fairbanks, Sitka, Ketchikan). The case for a single, urban areawide governmental unit for these places would seem clear. Much less clear, however, is the rationale used for superimposing the borough, as a second unit of local general government, on the existing municipal base in these more developed regions of the state. On the other hand, where the borough, as a regional government, might serve smaller areas of settlement and rural areas, as well as region-wide needs, more room could be considered available for both borough and city governments (e.g., Kenai, Kodiak, Matanuska-Susitna).

Borough government does not exist at all in most of Alaska, for the "unorganized borough" does not function. Current developments in unorganized Alaska suggest, however, that the social and political conditions for increased local self-government are now emergent. Therefore, in considering the governmental needs for unorganized Alaska, it will be necessary to avoid outmoded notions of the "readiness" of its residents for self-government. In the absence of formal governmental institutions, Native leaders are building their own regional organizations and promoting local participation in a number of federally funded social and economic development programs. Unless these realities are taken fully into account, local government policies developed at the state level will meet with no more success in rural Alaska during the 1970's than did state policies concerning the organized borough in urban Alaska during the 1960's.

The momentum of the statehood movement has been spent, making it all the more difficult to effect basic alterations in the existing scheme.

3. Cities. Cities are viewed as the basic units of local government, located both within and outside of organized boroughs. City boundaries should be so located as to encompass an entire "natural" socio-economic and political community. Since most of Alaska's urban settlements are small and relatively compact, there is no technical reason why this criterion cannot easily be met. This would minimize the need for service areas and organized boroughs to perform urban services that can be performed by a city.

The city classification scheme should parallel the borough's. That is, there should be but two classes of municipal corporation -- home rule and general law. As in the case of organized boroughs, general law cities should have the option of assuming home rule status and privileges.

4. Service Areas. Service areas in organized and unorganized boroughs would be vehicles primarily for meeting special service needs and applying differential tax rates, as at present. In unorganized borough areas, they would be directly under the jurisdiction of the state and the advisory councils. The service area should not be used as a substitute for organized borough or city status. The determination of the need to establish a service area should be based upon consideration of settlement patterns within the borough, proximity to a city or existing service area, the desire for special types and levels of service on the part of the area's residents, and their capacity to provide the additional revenues necessary to support the desired types and levels of services.

While it is generally desirable that matters of government organization and functions be determined locally, past experience of borough-city conflict over annexation and the creation and operation of service areas

indicate that the state, probably through the Boundary Commission, should review local action and play a mediating role. The purpose would be to ensure that appropriate incorporation and annexation standards are met, that a new service area is actually warranted and, if so, that it is properly constituted. Any area bordering on a city should be subject to annexation rather than permitting its establishment as a borough service area, or its incorporation as a separate city. If annexation or incorporation is not feasible or desirable, expansion of an existing service area would be considered, providing that a determination is made that the existing service area should not itself be annexed or incorporated. Only after each of these options is considered in order, should it be permissible to establish a new service area, and then only with clear understanding that it is subject to future adjustment within the broader system of organized local government.

Functions and Finances

Issues of governmental structure, functions, and finances are closely interrelated; one cannot properly be considered in isolation from the others. State policies such as the following would help create and reinforce the local government structure outlined above.

1. Financial incentives. State financial aid policies should be designed to (a) eliminate current disincentives to local incorporation or annexation, and (b) provide positive incentives for performance of urban area functions by cities and regional functions (including special service areas) by boroughs. The state should re-examine all provisions of law and fiscal relations (e.g., tax and revenue sharing) that tend

to the long term goal of a unified local governmental system, and provisions were included in the constitution for the purpose of encouraging close cooperation between boroughs and cities within them.

Cities, then, would continue to exist within the new boroughs and, between them, they would eventually exercise all local government powers in the state. Special districts, including school districts and public utility districts, would be absorbed into these two constitutional forms of local government. While elective school boards could remain in existence, they would be under the general budgetary control of the borough assemblies.

The state was to assume a continuing responsibility for the overall design and performance of the local governmental system. Specifically for this purpose, two new state agencies were mandated by the constitution: a local boundary commission and a "local government agency." The boundary commission would assure that borough and city boundaries were properly aligned in the first instance, and subsequently were responsive to changing needs and conditions. The commission was thus authorized by the constitution to "consider any proposed local government boundary change" and, subject to legislative veto, it could implement such changes. The local government agency, on the other hand, would broadly "advise and assist local governments . . . review their activities," and perform other functions assigned by law.

Within this very open and apparently simple constitutional framework, the state legislature was to specify and elaborate essential features of local government and state-local relations. The ultimate goal, however, was not state control, but maximum local control of the internal

serve the city and is obligated to work with the borough planning staff. In the hopeful words of the state's Attorney General, "the system is a carefully balanced one which demands a great deal of cooperation between city and borough."¹⁷

Thus, although the borough presumably has "exclusive" planning and zoning authority, effective arrangements are anything but clear-cut. They are, in part, the outcome of practical, and often unstable, compromises in the writing and interpretation of statutory provisions. Complicating the issue in this case is a concept of planning that does not account for differences in scale or level. Consequently, political and administrative accommodations must be reached at the local level in order that even routine planning tasks -- at project, neighborhood, city, and areawide levels -- can be accomplished. By denying planning authority to the city, the borough act tended to complicate rather than clarify borough-city administrative relationships -- it helped create a structure within which conflict was bound to occur, and one that has in some cases operated to eliminate city planning functions altogether. But the planning conflict only reflects larger differences between the city and borough.

City Vs. Borough

It was apparent from the start that a potential stalemate between cities and boroughs was built into the new local governmental system set forth in the constitution. Boroughs and the cities within them were very likely to compete with each other for territorial jurisdiction over urbanizing areas outside city limits.¹⁸ To service these places, the borough

¹⁷Quoted in Alaska, Local Affairs Agency, Alaska Local Government, Vol. VII, No. 7, October 1964, p. 4.

¹⁸See PAS, op. cit., pp. 63-73.

would need to acquire additional powers or create special service areas. If additional areawide powers were sought, these would be at the direct expense of city authority, since areawide powers assumed by the borough are denied to the cities. If non-areawide (outside city) powers were sought, or if service areas were created, these could constitute blocks to city expansion. Moreover, borough assemblymen from outside the city could be expected to resist city annexation cutting into their constituency. And if, at the same time, this meant that assemblymen from the city would acquire the weighted vote advantage because of an increase of the city population (to a majority of the borough population), the resistance would be all the more intense.

Assembly Structure

Since the city is represented on the assembly by city council members, the ground is already prepared for city-suburban splits and polarization because of the assembly's own internal structure. This can directly channel and reinforce the internal divisions that would in any case exist because of the normal political reality of competition and conflict among the different interests that assemblymen are elected to represent.¹⁹ Direct city representation, as required by the constitution,²⁰ enhances certain naturally unstable aspects of the political process that have already been

¹⁹Cf. Paul Yivisaker, "Some Criteria for a 'Proper' Areal Division of Governmental Powers," Area and Power, Arthur Maass, ed. (Glencoe, Ill.: The Free Press, 1959), p. 35.

²⁰Alaska, Constitution, Article X, Section 4. This, it should be noted, is the only instance in which the article prescribes a specific feature of internal organization, a practice otherwise avoided, and deliberately so, by the article's framers.

built into the borough structure. Another method of city representation (e.g., borough sections, at-large, or some combination of both) would not mean the elimination of conflict. Indeed, it is possible that confrontations between completely separate city and borough governments might even be more intense in the absence of assembly "screening" and internal stalemating. However, these confrontations would more likely occur in political arenas larger than the assembly structure, often forcefully presenting themselves for more definitive resolution at the state level.

Annexation Vs. Service Areas

As viewed by the Public Administration Service (PAS) in its report to the Statehood Committee in 1959, there were two contrasting approaches to local government reorganization in the more urbanized areas of the state. On the one hand, the borough could be established with a view toward eventual absorption of the city within it. On the other, the jurisdiction of the city could be expanded through annexation of the urbanizing areas around it. In most of urban Alaska, there appeared to be no need for more than one unit of local government to provide urban services. Population and economic bases were small, and duplication of governmental machinery would be wasteful. "By all odds," reported PAS, "the most direct and least complicated line of evolution for many communities would be expansion of the central city with all of its existing plant, political structure, credit and fiscal base, and political know-how." But, "if this line of reasoning is valid, what foreseeable use is there for organized boroughs . . .[?]"²¹ PAS concluded:

²¹PAS, op. cit., p. 71.

It may be that the best solution for the problems of urban government in most areas will be to concentrate the full responsibility in a single level, the city, or the completely consolidated city-borough. On the other hand, it may be that the borough will provide a very useful agency in rural areas for the exercise of local responsibility for administration and at least partial financing of education and a growing list of local or regional services such as local roads, fire protection, utilities (water, sewer, and others), health, recreation, etc., some of which would be provided on a borough-wide basis and some in special service areas organized and governed under the authority of the borough.²²

Ignoring these considerations, the state layered borough governments over the cities of urban Alaska and established no borough units in rural Alaska.

As described above, the state was confronted with the problem of "integrating" all areas served by special districts. City annexation of all, or even a larger part, of these surrounding areas appeared to be politically out of the question. Even in the case of a small public utility district completely encompassed by the city of Anchorage, opposition to city annexation was intense, although the annexation was finally accomplished. In this case, the Boundary Commission exercised its constitutional prerogative of ordering the annexation, subject to legislative veto, without a vote of the residents of the district. Its action was upheld by the state Supreme Court.²³ This was a relatively simple case of a special district that was required under the constitution to be integrated into a city or borough. Completely surrounded by Anchorage, it was an obviously practicable and logical move for the city to annex it. On the other hand, the Boundary Commission had been most respectful of political realities in cases where suburban residents, often fearing that the cost in new taxes will outweigh the benefits of additional services received, object

²² *Ibid.*

²³ *City of Anchorage vs. Fairview Public Utility District No. 1, Alaska Supreme Court (1962).*

to city annexation. Certain groups of outside-city residents have also been extremely possessive of their identity and autonomy, much in the tradition of suburban and rural separatism, with central cities often cast in somewhat morally suspect roles.²⁴

At the same time, the borough service area has been available as a vehicle for meeting service needs of developed enclaves outside the city. This tends to neutralize whatever attraction city annexation may have for those seeking more and higher quality urban services. With the borough service area, residents outside the city may select the particular mix of services they wish and be assured of paying, through differential mill rates, only for those additional services directly received in their immediate area of residence. For this reason, however, service areas also fragment the borough. The separate suburban enclaves develop a built-in resistance to unified or consolidated area tax and service structures, and service area status insulates their residents from the cost of city facilities and services that they share or benefit from, perhaps most obviously as owners of property whose value is enhanced simply because the city is accessible.

So, following the line of least relative resistance, boroughs were established in large part to solve the special district problem. Critical by-products of this action were the blocking of significant annexation activity by the cities within them and, in several cases, the fragmenting of the urban area. This outcome was foreseen by PAS in its 1959 report: "The conclusion is inescapable that it would often be more difficult to

²⁴ Although Alaska's "central cities" are really small and medium-sized towns by U.S. standards, such anti-city sentiments often seem to be magnified here. This is, in part, the result of Alaska's peculiar socio-economic characteristics and political "culture" as described in Chapter III above, as well as traditional American attitudes toward the "city."



Official Business

Alaska State Legislature

Senate
Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

February 28, 1978

Mr. Sigvald Strandberg
Chairman
Local Boundary Commission
7235 Blackberry
Anchorage, Alaska 99502

Dear Mr. Strandberg:

The Senate Community and Regional Affairs Committee would like to express its support for your reappointment by Governor Jay Hammond to serve an additional term of office on the Local Boundary Commission.

The Committee deeply appreciates your years of public service on the Commission and looks forward to the continuation of your work.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joe".

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd



Official Business

Alaska State Legislature

Senate
Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

January 27, 1978

Mr. Sigvald Strandberg
Chairman
Local Boundary Commission
7235 Blackberry
Anchorage, AK 99502

Dear Mr. Strandberg *Sig*

Further to your telephone conversation this morning with my Administrative Assistant, I would like to invite you and any other members of the Local Boundary Commission to attend the hearings which the Senate Community and Regional Affairs Committee will be holding in regard to your recommendations on the proposed annexations by the Cities of Skagway and Petersburg and the Haines Borough.

The committee meeting is scheduled for 3:00 P.M. in Room 100 of the Assembly Building Tuesday, February 7, 1978.

I look forward to seeing you and any other Commission members who wish to attend at that time.

Sincerely,

Joe Orsini

Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb



Official Business

Alaska State Legislature

Senate

Office of the Secretary

*F: Local
Boundary
Commission*

Pouch V
State Capitol
Juneau, Alaska 99811

January 31, 1978

MEMORANDUM:

TO: Chairman, Community & Regional Affairs
SUBJECT: Governor's Appointments - Information only

The following appointment is not specifically required by statute and is submitted for your information only:

LOCAL BOUNDARY COMMISSION

*Sigvald Strandberg, Anchorage, term expiring January 31, 1983

*Reappointed

*F. Strandberg
Chairman*

7235 Blackberry Street
Anchorage, AK 99502
January 30, 1978

Honorable Lisa Rudd, Chair
Alaska House of Representatives
Community & Regional Affairs Committee
Pouch V
Juneau, AK 99811

Dear Lisa:

Have discussed your scheduled hearings (February 6 & 8 @ 9:00 a.m. & February 7 @ 3:00 p.m.) with my fellow commissioners and they request that I represent the Commission on the matters submitted for legislative review.

I'm looking forward to appearing before your committee and, on behalf of the commission, wish to thank you for your courteous invitation.

Sincerely yours,

Sigvald J. Strandberg
Sigvald J. Strandberg
Chairman

cc: Senator Joseph Orsini ✓
Commissioner Lee McAnerney
Local Gov't. Specialist Patrick Poland
LBC Commissioners