

SCR

66

COMMITTEE REPORT

SENATE

FURTHER: None

4/25/80

Date: 4-29-80

Mr. President:

COMMUNITY AND REGIONAL
AFFAIRS

The Committee on _____ has had SCR 66

Directing the Alaska Legislative Council to revise AS 29

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Handwritten Signature]

[Handwritten Signature]

[Handwritten Signature]

[Handwritten Signature]

[Handwritten Signature]

CHAIRMAN

Committee Log Book - 1980

SENATE C/RA

Committee

Tape Number XXV

Side Number 1

Dates 4/29/80 to --

PRESENT: Chairman Sturgulewski, Senators Kelly, Stimson, Mulcahy and Rodey.

Bill Numbers Discussed

SCR 66	CSSB 562	CSHB 192 am						
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Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:40	005	SCR 66	Chairman Sturgulewski reviews SCR 66
	(063)		Recorder started to work better....
	124		Senator Rodey
	140		Senator Rodey moved to "do pass"
	154	CSSB 562	Chairman reviews SB 562
	193		Senator Mulcahy
	228		Representative Osterback
	288		Dep. Commissioner Marie Matsumo/ Dept. C/RA
	399		Chairman Sturgulewski and Murray Walsh/ Coastal mgmt.
	446		Sen. Rodey - REAA's
			Chairman Sturgulewski, Veronica Clark - Dept. C/RA
			Sen. Stimson
	558		Senator Mulcahy moves to pass CSSB 562
	580	CSHB 192	Chairman Sturgulewski, and Representative Gardiner
	753		Representative Gardiner suggests amendment
	138		Chairman Sturgulewski referred action to next date
			Discussion re Jack Krienharter/ amendments devised by Rep. Rogers, etc.
	456		Larry Crawford/ Gene Husick of Anch. Municipality
	760		Chairman Sturgulewski re scheduling for more work..

Committee Log Book - 1980

Tape Number XXIV

SENATE C/RA - Chairman Sturgulewski

Side Number 1

Committee
Mbrs: Senators Mulcahy, Kelly, Stimson, Rodey
All members present. Sen. Rodey came in late.

Dates 4/24/80 to --

Bill Numbers Discussed

CSHB 782									
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Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
4/24/80 1:40	001	782	Sen. Sturgulewski on CSHB 782
	040	"	John Scribner/DOT/PF
	117	"	Terry Earley, Dept. C/RA - no spec. comments
	132		Chairman Sturgulewski, Section by Section
	139		Royce Weller, Representative Malone's Office
	159		Section 1
	194		" 2
	201		" 3-4-5
	280		Senator Kelly, Chrmn. Sturgulewski, Royce State's Authority
	300		Section 6
	327		Chrmn. Sturgulewski reads statutes
	362		Section 7
	398		Section 8
	407		Section 7
	425		Chrmn. Sturgulewski - Section 9, 10, 11, 12
	469		Sen. Rodey explains "royalties"
	489		Section 12
	495		Chrmn. Sturgulewski

514

Sen. Stimson - Procedure explanation

567

"DO PASS" move

581

Sen. Sturgulewski - Day Care Assistance

Title 29

612

New Resol.

Sen. Sturgulewski - C/ra Consideration in House Title 29 Resolution

SUGGESTED AMENDMENT

Line 21, and following to page 2, line 9:

BE IT RESOLVED by the Alaska State Legislature that under the provisions of AS 24.20.090 and Uniform Rule 48(c) the Alaska Legislative Council is directed to prepare a revision of Title 29 of the Alaska Statute (Municipal Government) by directing the legal services division of the Legislative Affairs Agency to prepare the revision with the assistance of a policy advisory group representative of the concerned public from all areas of the state and a working group of persons experienced in the application of AS 29, and soliciting the advice of the Alaska Code Revision Commission; and be it

FURTHER RESOLVED that the policy advisory group consist of two members of each House of the Legislature appointed by the presiding officer and other members selected by the presiding officers of each house from persons recommended by legislative members, by the Department of Community and Regional Affairs, the Alaska Municipal League, the Rural Alaska Community Action Program, Inc., and other interested parties; and that the working group consist of municipal attorneys, municipal managers, municipal clerks or other municipal staff, appointed by the director of legal services of the Legislative Affairs Agency, representatives of the Departments of Community and Regional Affairs and Law and a member of the staff of the legal services division; and be it

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE (Revised)

I. REQUEST

Bill/Resolution No. SCR No. 66 & HCR No. 70
 Title Directing the Alaska Legislative Council to revise AS 29
 Requested by _____ Date 5/12/80

II. FISCAL DETAIL

Agency Affected Legislative Affairs Agency
 Program Category Affected General Government
 BRU, Program, or Subprogram(s) Affected Legal Services
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	Option 1		Option 2		FY 82	FY 83	FY 84	FY 85
	FY 81	FY 81	FY 81	FY 81				
100 PERSONAL SERVICES .	14.0	7.0	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	37.8	37.8	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	1.0	1.0	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	1.0	1.0	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT								
600 LAND & STRUCTURES								
700 GRANTS, CLAIMS, ETC.								
TOTAL	53.8	46.8	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

	FY 81	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND	53.8	46.8				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME						
PART TIME	1	1				
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Personal Services - Option 1
 Range 14 - 6 mos = \$13,986 Option 2
 Range 14 6 mos. half-time = \$6,993

Travel - Advisory group (3 meetings for 12 people @\$451 travel/per diem----- = 16,236
 Working group (8 meetings for 6 people @\$451 travel/per diem ----- = 21,648

Contractual - \$1,000 for miscellaneous printing and other costs ----- 1,000

Commodities - \$1,000 for office supplies ----- 1,000

IV. DATE 5/12/80

PREPARED BY Richard B. Berg, Director
 AGENCY Legislative Affairs Agency
 PHONE 465-3350

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

II. FISCAL DETAIL

Agency Affected Legislative Affairs AgencyProgram Category Affected General GovernmentBudget Request Unit(s) Affected Legal ServicesEXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES			24.0	-0-	-0-	-0-
200 TRAVEL			55.9	-0-	-0-	-0-
300 CONTRACTUAL			5.0	-0-	-0-	-0-
400 COMMODITIES			2.0	-0-	-0-	-0-
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			86.9	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND			86.9	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME			1	-0-	-0-	-0-
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Personal Services - Range 14 for 9 months.

Travel - Advisory group (3 meetings for 20 people at \$451 travel/pd) = \$27,060

Working group (8 meetings for 8 people at \$451 travel/pd) \$28,864

Contractual - \$5,000 for miscellaneous printing and other costs

Commodities - \$2,000 for office supplies.

IV. DATE 4/17/80PREPARED BY Richard G. Berg, Director
AGENCY Legislative Affairs AgencyPHONE 465-3850

Original: Legislative Finance

cc. Budget and Management

Prime Sponsor (First Legislator Named)

Senator Clem Tillion

-2-

March 31, 1980

project. A draft bill will be ready for January 1981.

It is anticipated that \$20,000 should cover the cost of this project.
Any funds remaining would be returned.

Thank you for your attention to this matter.

April 28, 1980

J. D. Nordale
Borough Attorney
Fairbanks North Star Borough
Box 1267
Fairbanks, Alaska 99707

Dear Jim:

Enclosed is a copy of SCR 66 which directs the Alaska Legislative Council to revise AS 29, Municipal Government. I'm also attaching a copy of my March 31 memo to Senator Clem Tillion which spoke to this issue. The Senate Concurrent Resolution was drawn as a result of that memorandum. The fiscal note is much higher than I anticipated, however, I think it is important that there be an advisory group and working group, and that funds be provided to bring people together.

I would appreciate whatever support you can lend to see the passage of SCR 66. I will be contacting the House Community and Regional Affairs Committee to request that they introduce a similar resolution on their side, and expedite it as fast as possible through the system. I will be bringing SCR 66 to the Senate Community and Regional Affairs Committee Tuesday, April 29.

Kindest personal regards,

Arliss Sturgulewski
Senator, District 10-H

Enclosure

FAIRBANKS NORTH STAR BOROUGH

Box 1267, Fairbanks, Alaska 99707

April 1, 1980

Senator Arliss Sturgulewski
Pouch V
Juneau, Alaska 99811

Re: Municipal Code Revisions

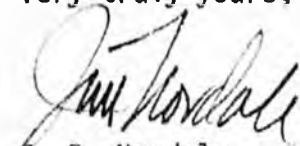
Dear Arliss:

Both because of Alan Teshe's letter of March 18 to you and a recent conversation with Ginny Chitwood, I would urge you to make every effort to provide for the interim review of AS 29. I would urge that the Alaska Municipal League be a participant in the review process either as a contractor, a co-sponsor or in some other capacity. Based upon the discussions at the Local Government Symposium as well as comments received by the Joint House-Senate C & RA hearings, I think that participation from the unorganized borough is desirable.

A good deal of the criticism of and antagonism toward local government stems from inflexibility in portions of the code and vagueness in other parts. The writers of the Constitution were wise in their recognition that strong and flexible local government could best meet the needs of the diverse areas of this state. Too often local governments are unable to respond effectively because of unrealistic restrictions imposed by the state.

I hope that there is something that you can do to accomplish this review, and if I can be of any assistance, please let me know.

Very truly yours,



J. D. Nordale
Borough Attorney

JDN/sy



Matanuska-Susitna Borough

BOX B, PALMER, ALASKA 99645 • PHONE 745-3246

BOROUGH ATTORNEY'S OFFICE

March 18, 1980

The Honorable Arliss Sturgulewski
Alaska State Senate
Pouch V
State Capital
Juneau, Alaska 99811

Dear Arliss:

Re. Municipal code revisions.

Attached with this letter is a list of examples of various provisions of Title 29 which should be clarified through revision of that title. This list is by no means exhaustive and I am sure that other attorneys and municipal officials throughout the state could add additional examples and support a thorough revision of Title 29.

As we discussed some time ago in Juneau, I recommend that the Legislature form an interim committee to review AS 29 during the next two years and that the committee be empowered to seek assistance from municipal attorneys throughout the state, hold hearings as it deems appropriate, and present a new municipal code to the Legislature in 1981 or 1982. I have received expressions of support from attorneys representing several municipalities throughout the state and am confident they will assist the Legislature in preparing a revised municipal code.

Thank you very much for your continued attention to this matter. If there are additional questions I can answer regarding Title 29 or if the Legislature is prepared to take action in this matter, please do not hesitate to contact me.

Cordially,

A handwritten signature in cursive script, appearing to read "Allan E. Tesche".

Allan E. Tesche
Borough Attorney

er

cc: Jerry Wertzbaugher
Tom Klinkner
Jim Nordale
Russ Walker
Lee Sharp

Title
29

January 4, 1980

Mr. Thomas F. Klinkner
Law Offices of Richard W.
Garnett III
900 West 5th Avenue, Suite 540
Anchorage, Alaska 99501

Dear Tom:

Thank you very much for your comments regarding the Local Government Study. Our final report is due out very soon and I will see that you are added to this mailing list. Overall, I am pleased with the results of this study. Although the proposals may seem modest, they seem to follow well the constitutional directions set for local governments and certainly can bring some cohesiveness and coordination to the delivery of services to rural Alaska. Your indepth comments and support can certainly help in seeing that this needed legislation is adopted by this session of the Legislature.

Your voice adds to a growing chorus speaking to the need for thorough technical revision of Title 29 of the Alaskan Statutes. When a certain number of amendments have been made to the Statutes, a recommendation is made for a revision of the Title. This is the case, as I understand it, with Title 29 and the recommendation is being made that Title 29 be the next title to be revised. I have had preliminary discussions with Representative Bill Parker regarding this and with several other interested parties, such as the Alaska Municipal League. One possible approach might be the establishment of a short-term committee composed of chairs of the Senate and House Community and Regional Affairs, Mr. Jack Chenoweth, from the Legislative Legal Department, other attorneys who are familiar with working on the Statutes, and other interested persons. I would see this as a working group that would produce revisions to Title 29 for introduction to the next Legislature. It seems to me there needs to be a careful delineation of the so-called house-keeping aspects and other issues that may be of major policy impact. For example, issues dealing with service areas, annexation procedures, etc., may take some special review and consideration.

January 4, 1980

I will discuss this matter further with Mrs. Ginny Chitwood, Alaska Municipal League, and with Representative Bill Parker as to possible methods for best proceeding with the revision of Title 29. I am sending copies of this letter to a number of people in hopes that both you, Tom, and the ones receiving copies will send me their thoughts and comments as to how best to proceed. It would be very helpful to have some input as to the number of policy issues, in addition to overall revisions that may well need to be addressed. Again, thank you for your interest and I will look forward to hearing from you further on this.

Sincerely,

Arliss Sturgulewski
Senator, District 10-H

cc: Mr. Lee Sharp
Juneau City Attorney
Mr. Bruce Aronson
Petersburg City Manager
Mrs. Ginny Chitwood, Ex. Dir.
Alaska Municipal League
Mr. Alan Tesche
Mat-Su Borough Attorney
Mr. Jim Nordale
North Star Borough
The Honorable Bill Parker
House of Representatives
Mr. Jim Nordale
North Star Borough

LAW OFFICES OF
RICHARD W. GARNETT III

THOMAS F. KLINKNER
SUITE 540, 900 WEST FIFTH AVENUE
ANCHORAGE, ALASKA 99501

TEL. (907) 276-2221

December 5, 1979

Senator Arliss Sturgulewski
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Arliss:

I appreciated the opportunity to attend your discussion group on local government in rural Alaska, and thank you for sending me a copy of the report resulting from that session. I regret that I have not responded sooner to your request for implementation proposals.

While it certainly is not an essential prerequisite to the program you propose, I suggest that you consider as a complementary project a thorough technical revision of Title 29 of the Alaska Statutes. As an attorney for general law municipalities who has had substantial experience working with Title 29, I frequently am exposed to its legal inadequacies as a charter for the operation of small municipalities. Title 29 is at once too vague to be helpful in some areas and too restrictive in others. A new rural municipality can ill afford the added expense of developing a home rule charter and detailed municipal code merely to avoid the deficiencies of Title 29. While the structure of local government organization under Title 29 is basically sound, many of its procedural and administrative provisions do not provide the support and instruction that those who administer small, rural municipalities require.

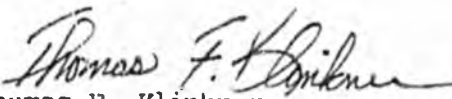
I believe that if there were support for the project in the legislature it would not be difficult to assemble a committee of attorneys and others with day to day experience in the operation of general law municipalities to undertake a revision of Title 29 to make it more useful to those who operate under it—generally the smaller, more rural municipalities in the state.

LAW OFFICES OF
RICHARD W. GARNETT III

Senator Sturgeulewski
December 5, 1979
Page 2

Please let me know if you would be interested in
pursuing such a project.

Yours truly,


Thomas F. Klinkner

TFK:pac

File: Title 29

Revisions

I need for a ^{CRA} file that
we can track in
stuff re revisions
in title 29. These
are for background
only

91

Introduced by: Chairman of the Assembly
at the request of the Mayor
Prepared by: Department of Law
For Reading: July 31, 1979

*Subbed
10-1*

ANCHORAGE, ALASKA
AO NO. 79-138

AN ORDINANCE PROVIDING FOR THE SUBMISSION OF A BALLOT PROPOSITION TO QUALIFIED VOTERS AT THE OCTOBER 2, 1979 REGULAR ELECTION PROPOSING AN AMENDMENT TO ARTICLE II OF THE HOME RULE CHARTER FOR THE MUNICIPALITY OF ANCHORAGE.

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. A ballot proposition containing the following language shall be submitted to qualified voters at the regular election set for October 2, 1979:

PROPOSED CHARTER AMENDMENT

Shall Article II of the Home Rule Charter for the Municipality of Anchorage be amended by addition of a new subsection (14) to read as follows:

- (14) The right to free and unfettered access to an Assemblyman on any issue or matter before the Assembly.

Section 2. As the current wording of Article II of the Charter would not be changed by addition of a new subsection (14), the existing provisions of Article II need not be indicated on the ballot proposition.

Section 3. Upon the concurrence of a majority of the qualified voters voting on the amendment proposed in this ordinance and thirty days after certification of the regular election of October 2, 1979, this amendment shall become effective.

Section 4. This ordinance shall take effect upon passage and approval.

Passed and approved by the Anchorage Assembly, this _____ day of _____, 1979.

Chairman

ATTEST:

Municipal Clerk

Introduced by: Chairman of the Assembly
at the request of the Mayor
Prepared by: Department of Law
For Reading: July 31, 1979

ANCHORAGE, ALASKA
AO NO. 79-139

AN ORDINANCE PROVIDING FOR THE SUBMISSION OF A BALLOT PROPOSITION TO QUALIFIED VOTERS AT THE OCTOBER 2, 1979 REGULAR ELECTION PROPOSING AN AMENDMENT TO SECTION 3.02(d) OF THE HOME RULE CHARTER FOR THE MUNICIPALITY OF ANCHORAGE.

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. A ballot proposition containing the following language shall be submitted to qualified voters at the regular election set for October 2, 1979:

PROPOSED CHARTER AMENDMENT

Amended
11 0

Shall Section 3.02(d) of the Home Rule Charter for the Municipality of Anchorage be amended to read as follows:

- (d) An initiative petition is void if the Assembly enacts substantially the same measure prior to the election. A referendum petition is void if the Assembly repeals the ordinance in question prior to the election.

The present language of Section 3.02(d) of the Charter reads as follows:

- (d) An initiative petition is void if the Assembly enacts an identical measure prior to the election. A referendum petition is void if the Assembly repeals the ordinance in question prior to the election.

Section 2. Upon the concurrence of a majority of the qualified voters voting on the amendment proposed in this ordinance and thirty days after certification of the regular

election of October 2, 1979, this amendment shall become effective.

Section 3. This ordinance shall take effect upon passage and approval.

Passed and approved by the Anchorage Assembly, this _____ day of _____, 1979.

Chairman

ATTEST:

Municipal Clerk

Introduced by: Chairman of the Assembly
at the request of the Mayor
Prepared by: Department of Law
For Reading: July 31, 1979

ANCHORAGE, ALASKA
AO NO. 79-140

AN ORDINANCE PROVIDING FOR THE SUBMISSION OF A BALLOT PROPOSITION TO QUALIFIED VOTERS AT THE OCTOBER 2, 1979 REGULAR ELECTION PROPOSING AN AMENDMENT TO SECTION 4.04(d) OF THE HOME RULE CHARTER FOR THE MUNICIPALITY OF ANCHORAGE.

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. A ballot proposition containing the following language shall be submitted to qualified voters at the regular election set for October 2, 1979:

PROPOSED CHARTER AMENDMENT

Shall Section 4.04(d) of the Home Rule Charter for the Municipality of Anchorage be amended to read as follows:

- Passed
11-0*
- (d) voting shall be by roll call, electronic device or other public method as defined by Assembly Rule. The votes of all Assemblymen shall be recorded.

The present language of Section 4.04(d) of the Charter reads as follows:

- (d) Except on procedural motions, voting shall be by roll call or electronic device, and the votes of all assemblymen shall be recorded.

Section 2. Upon the concurrence of a majority of the qualified voters voting on the amendment proposed in this ordinance and thirty days after certification of the regular election of October 2, 1979, this amendment shall become effective.

Section 3. This ordinance shall take effect upon passage and approval.

Passed and approved by the Anchorage Assembly, this _____ day of _____, 1979.

Chairman

ATTEST:

Municipal Clerk

Introduced by: Chairman of the Assembly
at the request of the Mayor
Prepared by: Department of Law
For Reading: July 31, 1979

ANCHORAGE, ALASKA
AO NO. 79-141

AN ORDINANCE PROVIDING FOR THE SUBMISSION OF A BALLOT PROPOSITION TO QUALIFIED VOTERS AT THE OCTOBER 2, 1979 REGULAR ELECTION PROPOSING AN AMENDMENT TO SECTION 9.01 OF THE HOME RULE CHARTER FOR THE MUNICIPALITY OF ANCHORAGE.

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. A ballot proposition containing the following language shall be submitted to qualified voters at the regular election set for October 2, 1979:

PROPOSED CHARTER AMENDMENT

Shall Section 9.01 of the Home Rule Charter for the Municipality of Anchorage be amended to read as follows:

Section 9.01 Service Areas

(a) A service area to provide special services may be established, altered or abolished only by ordinance ratified by a majority of the qualified voters voting on the question who reside in the area where the special services are to be established, altered or abolished, or, if no qualified voter resides in that area, by the written consent of all owners of real property in that area; provided that the Assembly by ordinance may require that voters in a larger area vote on the question. The Assembly by ordinance may consolidate service areas providing substantially the same level of special services.

(b) The Assembly by ordinance shall adopt procedures for establishing, altering, abolishing and operating service areas. The Assembly may provide for appointed or elected boards of supervisors to supervise the

*Table
Table 5.6
1976 and July
1971*

furnishing of special services in service areas. Special services provided in a service area shall be financed by a uniform tax levy within the area.

(b) Special services are services not provided on an areawide basis throughout the municipality, or services provided at a higher or different level than provided on an areawide basis throughout the municipality. Special services do not include the exercise of regulatory powers as determined by the Assembly.

The present language of Section 9.01 of the Charter reads as follows:

Section 9.01 Service Areas

(a) A service area may be created, altered, or abolished only with the approval of a majority of those voting on the question within the area affected, or, if no qualified voter resides within the area, with the written consent of the owners of all real property within the area affected. However, the Assembly, by ordinance may consolidate service areas in which services are provided by the municipality at the same level in each of the areas to be consolidated.

(b) The Assembly by ordinance shall adopt procedures for creating, altering, abolishing and operating service areas. Services provided in a service area shall be financed by a uniform tax levy within the area.

(c) The Assembly may provide for appointed or elected boards to supervise the furnishing of special services in service areas.

Section 2 Upon the concurrence of a majority of the qualified voters voting on the amendment proposed in this ordinance and thirty days after certification of the regular election of October 2, 1979, this amendment shall become effective.

Section 3. This ordinance shall take effect upon passage and approval.

Passed and approved by the Anchorage Assembly, this _____ day of _____, 1979.

Chairman

ATTEST:

Municipal Attorney

Introduced by: Chairman of the Assembly
at the request of the Mayor
Prepared by: Department of Law
For Reading: July 31, 1979

ANCHORAGE, ALASKA
AO NO. 79-142

AN ORDINANCE PROVIDING FOR THE SUBMISSION OF A BALLOT PROPOSITION TO QUALIFIED VOTERS AT THE OCTOBER 2, 1979 REGULAR ELECTION PROPOSING AN AMENDMENT TO SECTION 9.02 OF THE HOME RULE CHARTER FOR THE MUNICIPALITY OF ANCHORAGE.

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. A ballot proposition containing the following language shall be submitted to qualified voters at the regular election set for October 2, 1979:

PROPOSED CHARTER AMENDMENT

Shall Section 9.02 of the Home Rule Charter for the Municipality of Anchorage be amended to read as follows:

Section 9.02 Assessment Districts

(a) The assembly by ordinance may establish assessment districts to provide and finance capital improvements specially benefiting real property. Assessments shall be proportionate to the special benefit received from the improvement. The assembly by ordinance shall prescribe uniform criteria for allocating the cost of the improvement within an assessment district.

(b) An assessment district may be created or extended only with the approval of the property owners who would bear more than 50% of the estimated cost of the improvement. An assessment district may be dissolved by assembly resolution at any time after the district's share of the cost of the improvement has been paid.

The present language of Section 9.02 of the Charter reads as follows:

*failed
2-9*

*ordinance by measure
or assembly by measure of the body*

Section 9.02 Assessment Districts

(a) The Assembly by ordinance may establish assessment districts to provide and finance capital improvements by means of an assessment, or services by means of a tax levy. The assessment or levy shall be proportionate to the benefit received from and the burden imposed upon the improvement or service. The Assembly by ordinance shall prescribe uniform criteria for allocating the cost of the improvement or service within an assessment district.

(b) An assessment district may be created or extended only with the approval of the property owners who would bear more than fifty per cent (50%) of the estimated cost of the improvement or service. An assessment district created to finance a capital improvement may be dissolved by Assembly resolution at any time after the district's share of the cost of the improvement has been paid. An assessment district created to finance a service may not be dissolved without the approval of the property owners who bear more than fifty per cent (50%) of the cost of providing the service.

(c) A special assessment for capital improvements, with interest and collection charges, is a lien on the property assessed, second only to property taxes and prior special assessments.

(d) A special assessment may not be contested by civil action unless the action is brought within sixty (60) days after confirmation of the assessment roll.

(e) An account or accounts for each special assessment district shall be created and kept separate from all other municipal accounts. Revenues collected within a special assessment may be applied only to costs incurred with respect to that assessment district.

Section 2 Upon the concurrence of a majority of the qualified voters voting on the amendment proposed in this

ordinance and thirty days after certification of the regular election of October 2, 1979, this amendment shall become effective.

Section 3. This ordinance shall take effect upon passage and approval.

Passed and approved by the Anchorage Assembly, this _____ day of _____, 1979.

Chairman

ATTEST:

Municipal Clerk

For August 1-10
Chase
Hatch
Mack
Rudd
Smith
Bali
Kumler
Rose
Brammer
Selby
Marr

Introduced by: Chairman of the Assembly
at the request of the Mayor
Prepared by: Department of Law
For Reading: July 31, 1979

ANCHORAGE, ALASKA
AO NO. 79-143

AN ORDINANCE PROVIDING FOR THE SUBMISSION OF A BALLOT PROPOSITION TO QUALIFIED VOTERS AT THE OCTOBER 2, 1979 REGULAR ELECTION PROPOSING AN AMENDMENT TO SECTION 18.01 OF THE HOME RULE CHARTER FOR THE MUNICIPALITY OF ANCHORAGE.

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. A ballot proposition containing the following language shall be submitted to qualified voters at the regular election set for October 2, 1979:

PROPOSED CHARTER AMENDMENT

Shall Section 18.01 of the Home Rule Charter for the Municipality of Anchorage be amended to read as follows:

Section 18.01 Vote Required

This Charter may be amended only upon the concurrence of a majority of the qualified voters of Anchorage voting on a proposed amendment.

The present language of Section 18.01 of the Charter reads as follows:

Section 18.01 Vote Required

This Charter may be amended only upon the concurrence of a majority of the qualified voters of Anchorage voting on a proposed amendment, except that a proposed amendment which would diminish any right referred to in Article II or any provision of Section 16.02 requires approval by three-fifths (3/5) of the qualified voters voting on the amendment.

100%

Section 2. Upon the concurrence of a majority of the qualified voters voting on the amendment proposed in this ordinance and thirty days after certification of the regular election of October 2, 1979, this amendment shall become effective.

Section 3. This ordinance shall take effect upon passage and approval.

Passed and approved by the Anchorage Assembly, this _____ day of _____, 1979.

Chairman

ATTEST:

Municipal Clerk

Introduced by: Chairman of the Assembly
at the request of the Mayor
Prepared by: Department of Law
For Reading: July 31, 1979

ANCHORAGE, ALASKA
AO NO. 79-144

AN ORDINANCE PROVIDING FOR THE SUBMISSION OF A BALLOT PROPOSITION TO QUALIFIED VOTERS AT THE OCTOBER 2, 1979 REGULAR ELECTION PROPOSING AN AMENDMENT TO SECTION 17.13 OF THE HOME RULE CHARTER FOR THE MUNICIPALITY OF ANCHORAGE.

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. A ballot proposition containing the following language shall be submitted to qualified voters at the regular election set for October 2, 1979:

PROPOSED CHARTER AMENDMENT

8-7
Shall Section 17.13 of the Home Rule Charter for the Municipality of Anchorage be amended by addition of a new subsection (e) to read as follows:

(e) "interest in lands" means any estate in real property or improvements thereon excluding revocable permits or licenses, rights of way, or easements which the Assembly finds to be without substantial value to the Municipality.

Section 2. As the current wording of Section 17.13 of the Charter would not be changed by addition of a new subsection, the existing provisions of Section 17.13 need not be indicated on the ballot proposition.

Section 3. Upon the effective date of the amendment to the Charter proposed herein, the existing subsections of Section 17.03 of the Charter shall be redesignated alphabetically.

Section 4. Upon the concurrence of a majority of the qualified voters voting on the amendment proposed in this ordinance and thirty days after certification of the regular election of October 2, 1979, this amendment shall become effective.

Section 5. This ordinance shall become effective immediately upon passage and approval.

Passed and approved by the Anchorage Assembly, this _____ day of _____, 1979.

Chairman

ATTEST:

Municipal Clerk

Introduced by: Chairman of the Assembly
at the request of the Mayor
Prepared by: Department of Law
For Reading: July 31, 1979

Handwritten signature and date: Howard [unclear] 7/31/79

ANCHORAGE, ALASKA
AO NO. 79-145

AN ORDINANCE PROVIDING FOR THE SUBMISSION OF A BALLOT PROPOSITION TO QUALIFIED VOTERS AT THE OCTOBER 2, 1979 REGULAR ELECTION PROPOSING AN AMENDMENT TO ARTICLE 17 OF THE HOME RULE CHARTER FOR THE MUNICIPALITY OF ANCHORAGE.

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. A ballot proposition containing the following language shall be submitted to qualified voters at the regular election set for October 2, 1979:

PROPOSED CHARTER AMENDMENT

11.0 Shall Article 17 of the Home Rule Charter for the Municipality of Anchorage be amended by deletion of Section 17.06?

The present language of Section 17.06 of the Charter reads as follows:

Section 17.06 Notice of Claims

The Municipality shall not be liable in damages for injury to person or property by reason of negligence or gross negligence unless, within four (4) months after the injury occurs, the person damaged, or his representative, serves written notice on an officer upon whom process may be served. The notice shall state that the person intends to hold the municipality liable for damages. It shall set forth with clarity the time and place of the injury, the manner in which it occurred, the nature of the act or defect complained of and the extent of the injury so far as known, and the names and addresses of witnesses known to be the claimant. The Assembly by ordinance may provide for exceptions to the requirements of this section for the administration of minor and routine claims.

Section 2. Upon the concurrence of a majority of the qualified voters voting on the amendment proposed in this ordinance and thirty days after certification of the regular election of October 2, 1979, this amendment shall become effective.

Section 4. This ordinance shall take effect upon passage and approval.

Passed and approved by the Anchorage Assembly, this _____ day of _____, 1979.

Chairman

ATTEST:

Municipal Clerk

Who owns land
Are there residents
Never requires public hearing

The Development City concept by itself changes the values and practices that have built our free enterprise system.

In the past, the self sufficient family farm has been accepted as the necessary first step to developing an economy in undeveloped land.

The Development Cities Act, on the other hand, allows major developers to control and develop large resources with no concern or participation to the family unit who seeks (now more than ever) the security and satisfaction of being self supporting and controlling their own destiny.

My wife and I on that basis alone object to development cities entirely.

In my presentation this morning, however, I will approach the Act solely from the viewpoint of protecting Alaska interest within the Development City context.

The law in general must separate clearly the city and the developer and their relationship to each other, allowing the city to be an entity in itself, open to the general public and commerce.

We now have new information from Afognak City's first attempt. This information has created new questions that are not adequately dealt with under the existing law. It is my opinion that law as it is written is grossly deficient in protecting Alaska's interest and dealing with social and economic needs of our State.

29-18-230 to 29-18-340

This section of the law deals with procedures of the petitioner which must be made to include financial investigation of the petitioners over the previous ten years in order to develop a reasonable assurance that the petitioner has the management experience, stability and capital to execute such an undertaking to a desirable conclusion.

29-18-340 DEVELOPMENT CITY COUNCIL

It is clear that the governor has complete control of the city, with the city council serving at his pleasure. The city council members do not have to be residents during the first five years. A developing city is going to need a city council which is present and public to deal effectively with actual growth and need of a city just getting off the ground. Further, after being appointed, the city council should serve at no one's pleasure other than their public, and all members elected after they have their first forty permanent residents with specific language used to tie down who and who is not a permanent resident.

It is important here to look down the road a bit and realize the power that would be given the governor if, perhaps, ten to fifteen of these cities are being developed and all at the control of one governor, with the possibility of major developers coming

clearly not in the public interest.

A city council must live in the development city and be available to the public. The law as it reads now doesn't even say the city council has to be in Alaska. This means that a citizen would be required to pay long distance rates to talk to his appointed rulers.

29-18-380 PROCEDURES -

This allows no public participation of any kind. It has been suggested that the meetings be put on public address systems, but this would still severely hamper the needed exchange between the community and its appointed rulers.

29-18-390 DEVELOPMENT OF CITY CAPITAL IMPROVEMENT FUND

This should be clarified to specific purposes and be implemented in stages as required by specific development. For example, the needs for fun in a paper stage will be different from those of implementation.

29-18-400(4)

Correct

This section should read "appointed" from the public by the governor, not "nominated by the developer".

²⁹
29-18-360(2) POWERS AND DUTIES

This section isolates the development city from existing borough planning if one exists. Therefore, there is no recourse for the general geographic area and existing economy to participate in decisions that might affect them, i.e., offshore experimental drilling facility in Afognak Bay, which is a reasonable assumption if Afognak City is there with the dock facility which the Afognak Native Corporation plans to build. The impact would certainly affect all of Kodiak Island Borough.

indiv. have option to buy into it.

Some consideration must be given to existing residence. In the initial petition, the eighty-five of us presently living there became 1/85 of the taxable tax base and 1/85 of the liability of a \$2 million project. ANCSA 21(d) states that Native lands are not taxable and (22) miscellaneous states that no liens, exclusions or judgments of any kind can be executed within twenty years.

State is supporting one w/s state tax money

Further, each revenue bond must show its relevance to the city sector as opposed to corporation development. This particular train of thought should be questioned throughout the Act. Our purpose and improvements on land at end of 75 yrs (tax dollars) should be spent to aid in the cost of the city, and not in the development of the resource. In a case where the purpose of a facility services both, the cost should be divided between the city and the developer proportionally.

EXAMPLE

If a city dock that would serve the city alone could be built for \$500, but to meet the needs of the developer must now cost \$2,000.

The developer should have to generate \$1500 capital outside of the bonds. My concern here is the (tax liability of the bond on the city) *wrong - on the bk, corp etc.* should the industry fail to be profitable and the collateral not redeemable as under ANCSA (22) or not of sufficient value to satisfy its creditors. It appears to me that if the debts are kept reasonable that city could possibly survive the loss of its major developer by participating in existing economics such as fishing. On the other hand, if town liabilities are allowed to far exceed those of a realistic population projections ability to handle the city would most probably end up a ghost with many

citizens losing their shirts, as well as their dreams.

29-18-450 APPLICABILITY OF OTHER PROVISION OF THIS TITLE

This paragraph was not applied nor adhered to in Community and Regional Affairs' administration of the Act as it applied to the Afognak City's first petition, though it sheds a lot of light on the intent and composition of the Act. In its sweeping centralization, however, it creates contradiction within the law itself.

EXAMPLE

29-18-050(8) THE PROVISION FOR A FIRST CLASS CITY INCORPORATION

The signature and residence address of 50 permanent resident voters within the proposed municipality, which with eighty-five residents as applicable and Title 29-18-240 are both in Chapter 18. Hence, 29-18-240 has to be improved and clarified giving guidelines for public participation under a democratic government, as the character of its location changes from unpopulated - no existing economy - to populated with existing economies population and borough government.

Don't follow inc stat because it diff. presumes there are no people.

First and most important, there is no provision under the law that necessitates the establishment of public sector. There must be land made available to the general public and general business community.

This land must in no way be controlled by the developers other than its original planning and zoning. Land should be sold at a fixed percentage above cost and a provision requiring development within a given time to discourage land speculation. My concern here is that the law permits the possibility of Alaska's future growth to be exactly like Prudho Bay, where a group of corporations owns

public at the public's own discretion. Finally, I feel the State or petitioner should advertise the new city to the national business community, asking for their economic participation in fields other than that of the founding developer. For example, offshore oil exploration drilling support facilities and bottom-fishing processors are very real possibilities in the Afognak City and would go a long way in ensuring orderly development of well planned, diversified and economically sound new cities necessary to support the sound development of the State resources by both private and public sector.

Monday, March 12, 1979

Letters

Land Question

Dear Editor:

Last week Jack Anderson's nationally syndicated column included the disturbing statement that "Federal investigators are convinced that Koniag, Inc., has attempted fraudulently to obtain more than 600,000 acres of valuable land it is not entitled to." Koniag, with headquarters in Kodiak, is one of the defendants in a pending court suit that contends that one of Koniag's certified villages was erroneously created through mistake or fraud. The contested village corporation, Lesnoi (Woody Island), was the subject of a November article in the Alaska Advocate. The Advocate described a court deposition from a Lesnoi enrollee, who stated that the affidavit she signed to enroll in the village was not true and that she "never lived there;" a deposition from the BIA investigator who recommended certification; and a deposition from a 33-year Woody Island resident, indicating that no native village existed on Woody Island in 1970.

On the other hand, in a letter to Congressman Morris Udall, Edward Weinberg, attorney for Koniag, labelled the charges "bunk" and "the screams of the disappointed."

The issues are important: part of the contest involves the fate of 320,000 acres on Afognak Island. Afognak is national forest land, but—for the proposed Koniag amendment in pending d-2 legislation—Koniag would not be allowed to claim the land under the Claims Settlement Act. Another part of the amendment would have Congress certify seven villages that were originally declared ineligible by the Secretary of Interior.

Because the charges are so serious, the public deserves to know the truth about them. For the good of everyone concerned with the Claims Settlement Act, all the evidence should be exposed to the public scrutiny. We have the right to expect our legislators to be interested in seeking the truth through a full hearing. I urge every concerned citizen to write Senator Ted Stevens and Congressman Dor Young, asking them to call for Congressional hearings into the land claims issue on Kodiak. The truth can only benefit us all.

Sincerely,
Pat Szabo

WASHINGTON merry-go-round

Land juggling in Alaska

By JACK ANDERSON

WASHINGTON — Koniag Inc. is a Native Alaskan development corporation that federal investigators believe has attempted one of the biggest public-lands ripoffs of this century. Evidence gathered by the Justice and Interior Departments indicates that Koniag claimed more than 600,000 acres of valuable government land for "phantom" Native villages that exist only on paper.

A federal grand jury indictment of some of the parties involved was quashed by a former Bureau of Indian Affairs official. So we sent our associate Hal Bernton on an investigative foray into Alaska, where he dug up the facts.

KONIAG CLAIMED the land under provisions of the 1971 Alaska Native Claims Settlement Act. The law was designed to give the state's Eskimo, Aleut and Indian population an economic base with which to ease their transition from the isolated village life of their ancestors to the realities of the 20th century.



But the driving force behind Koniag Inc. is no simple, semi-literate Eskimo fisherman or Indian trapper. He is an articulate, acerbic ex-newspaper editor with a talent for lobbying and a weakness for alliterative invective toward anyone who crosses him. His name is Karl Armstrong and he is Koniag's executive vice president.

When residents of Kodiak banded together to fight Koniag's attempted land grab, Armstrong described the Citizens Action Group in a local newspaper he helped to found as a "mysterious mob of malcontents making malicious mischief through misleading information."

HE ADDED DARKLY: "It is not easy to find out just what this weird secret society is — or who it is. Like the Ku Klux Klan, it hides."

Armstrong was stretching poetic license to the point of arrant nonsense. Our associate Hal Bernton had no trouble locating members of the Citizens Action Group, and he found them neither weird nor mysterious.

They are local businessmen, ranchers, hunters and fishermen who are concerned and angry about what they see as Koniag's illegal move to gain ownership of valuable timberland worth millions of dollars. The land that Koniag seeks is located on the federal owned island of Afognak.

Seven of the 16 villages for which Koniag Inc. claims federal land under the 1971 act have been challenged as paper phantoms, imaginary entities that are not entitled to grants of federal land. After initially certifying all seven as eligible, the Bureau of Indian Affairs was reversed by higher-ups in the Interior Department on six of the alleged villages.

THE ONE VILLAGE that was given final certification is now being contested in court by Kodiak Island's citizens group.

Whether a court suit can overcome Koniag's clout in Washington remains to be seen. There seems little doubt that Armstrong has been an effective lobbyist in both the state and federal capitals. Backed by the increasing political strength of the native American corporations that have become Alaska's biggest private landowners, Armstrong is not above playing on the guilt of the white majority over the historically shabby treatment of Natives.

Those who question the validity of Koniag's villages are "trash, human trash, people who are here whom I would rather not have here," in Armstrong's words. "As far as I am concerned," he told our reporter, "the villages are there because they (the Natives) said they are there. If that is where they have a sense of place, who am I to argue with them?"

ARMSTRONG WAS ONCE the editor of the Kodiak Daily Mirror. His successor in the editorship, Nell Waage, won a national award for her editorial writing. But when the Mirror published some articles critical of some of Armstrong's friends, he denounced Waage as a "racist bigot."

The odd thing about Armstrong's fierce championing of Native Alaska rights is that his credentials as a Native — and thus his credibility as the executive officer of the Native development corporation — are almost as ephemeral as the villages that Koniag Inc. has claimed land for.

Armstrong's initial application to the Bureau of Indian Affairs for certification as a Native was rejected because he could show only that he was only three-sixteenths Native Alaskan. Eligibility for "Native" status requires at least one-fourth Native ancestry. But Armstrong protested, and the BIA gave him legal status as a Native.

ARTICLE 2. INCORPORATION OF DEVELOPMENT CITIES

Section

40. Incorporation standards

50. Application of standards

60. Incorporation of territory located within a municipality

19 AAC 10.040. INCORPORATION STANDARDS. (a) A community may not incorporate as a development city if the commission finds that:

(1) the area proposed for incorporation is served by an existing municipality or could be better served by an existing municipality;

(2) it is improbable that the proposed development will take place during the development stage;

(3) the program and activities contemplated may be undertaken through an expansion of the corporate limits of an existing city. The commission would then declare that city to be a development city for the purpose of preferential designation under AS 28.18.010, 340, and 460;

(4) the program and activities contemplated for development may be better undertaken by establishing a service area within an existing organized borough for a development project, and declares the service area to be eligible for preferential designation under AS 29.18.410 and 450;

(5) the proposed program and activities contemplated by the industrial developer do not serve the public interest as determined by the development city legislation under AS 29.18.220-460; and

(6) it is improbable that the proposed development city will meet the standards for incorporation as required by 19 AAC 10.010 by the end of the development stage.

(b) If the commission finds that a service area within an organized borough is to be designated for preferential treatment under (a) (4), the borough assembly may undertake the development project in the manner of a development city by forming a service area according to AS 27.63.090 and shall present to the commission a contractual agreement for their approval outlining the responsibilities assumed by the borough and the developer to implement the proposed development program.

(c) The assembly may decline the findings under (b) of this section to establish a service area and, in the alternative, request the commission to approve the incorporation of a development city.

(d) The commission may dissolve a development city established under AS 29.18.220 subsequent to its incorporation:

(1) the major economic development projected does not occur within a period of five years;

(2) the development project had been reviewed as a new project, and the commission determines that it is improbable that the proposed development would have taken place; and

(3) after five years, the development city not longer meets the standards for incorporation as required by 19 AAC 10.010.

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

Authority:

19 AAC 10.050. APPLICATION OF STANDARDS (a) No incorporation of territory located within an organized borough shall be allowed unless petitioners demonstrate to the satisfaction of the commission that the service and functions to be exercised by the proposed development city encourage orderly development of a well planned, diversified, and economically sound city. This requirement is considered satisfied if:

(1) the assembly of the borough in which the proposed city is located has passed, and the commission has approved, a resolution stating that the municipal services proposed could more economically and efficiently be provided by the development city form of government than by a service area of the borough;

(2) the proposed city is located in a relatively isolated area at least ten miles from the borough seat and is not connected by a primary or secondary state highway; and

(3) the proposed city is located primarily on land to which the developer owns or has conveyance of title;

(b) A petition for incorporation of territory within an organized borough will not be considered until petitioners have submitted, and the commission has approved, a contractual agreement between the proposed development city and the borough outlining the planning and zoning powers and responsibilities assumed by each party during the development stage.

(c) A petition for incorporation of territory will not be considered until the petitioners have submitted, and the commission has approved, a local hire agreement required by AS 29.18.330.

(d) A petition for incorporation of a community as a city of the first class shall be denied unless petitioners can demonstrate to the commission that the community has the ability to generate sufficient local revenues to pay for the local share of costs of any mandatory first class services. The amount of funds necessary shall include the funds to pay for an annual audit of city accounts and funds necessary to exercise the planning and zoning powers at a level sufficient to qualify the city for State Aid to Local Governments.

(e) The commission shall conduct a public hearing or an investigation prior or subsequent to the effective dates of an incorporation before entering into a decision pursuant to 19 AAC 10.040.

(f) The commission may conduct public hearings or investigations subsequent to the effective dates of an incorporation to determine whether the provision of municipal services is proceeding pursuant to the required schedule, and if it is not, the commission may institute dissolution proceedings under Article 5 of chapter 10.

Authority:

19 AAC 10.060. INCORPORATION OF TERRITORY LOCATED WITHIN A MUNICIPALITY.

(a) In the case of any incorporation of territory within an organized borough which is providing services to the territory that the city will provide upon incorporation, the commission will determine the method by which assets, debts, and liabilities are to be distributed between the newly incorporated city and the municipality formerly providing services.

(b) In determining the method of transfer of service responsibility and the distribution of assets, debts, and liabilities, the commission will approve any fair and equitable agreement between the municipalities affected, but will independently review any proposed agreement.

(c) If, within two (2) years of the date of incorporation, the borough and the development city involved have failed to reach an agreement as to the transfer of assets, debts, and liabilities, the commission shall determine the fair and equitable agreement which shall be binding on all municipalities affected.

(d) If, in exercising its responsibilities under (c) of this section, the commission determines it necessary to employ the service of professional accountants or consultants, it may do so and charge the municipalities for any costs incurred.

Authority:

The Development City concept by itself changes the values and practices that have built our free enterprise system.

In the past, the self sufficient family farm has been accepted as the necessary first step to developing an economy in undeveloped land.

The Development Cities Act, on the other hand, allows major developers to control and develop large resources with no concern or participation to the family unit who seeks (now more than ever) the security and satisfaction of being self supporting and controlling their own destiny.

My wife and I on that basis alone object to development cities entirely.

In my presentation this morning, however, I will approach the Act solely from the viewpoint of protecting Alaska interest within the Development City context.

The law in general must separate clearly the city and the developer and their relationship to each other, allowing the city to be an entity in itself, open to the general public and commerce.

29-10-220 LEGISLATIVE FINDING

We now have new information from Afognak City's first attempt. This information has created new questions that are not adequately dealt with under the existing law. It is my opinion that law as it is written is grossly deficient in protecting Alaska's interest and dealing with social and economic needs of our State.

29-18-230 to 29-18-340

This section of the law deals with procedures of the petitioner which must be made to include financial investigation of the petitioners over the previous ten years in order to develop a reasonable assurance that the petitioner has the management experience, stability and capital to execute such an undertaking to a desirable conclusion.

29-18-340 DEVELOPMENT CITY COUNCIL

It is clear that the governor has complete control of the city, with the city council serving at his pleasure. The city council members do not have to be residents during the first five years. A developing city is going to need a city council which is present and public to deal effectively with actual growth and need of a city just getting off the ground. Further, after being appointed, the city council should serve at no one's pleasure other than their public, and all members elected after they have their first forty permanent residents with specific language used to tie down who and who is not a permanent resident.

It is important here to look down the road a bit and realize the power that would be given the governor if, perhaps, ten to fifteen of these cities are being developed and all at the control of one governor, with the possibility of major developers coming

into the State with only one person's consideration. This is clearly not in the public interest.

A city council must live in the development city and be available to the public. The law as it reads now doesn't even say the city council has to be in Alaska. This means that a citizen would be required to pay long distance rates to talk to his appointed rulers.

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This allows no public participation of any kind. It has been suggested that the meetings be put on public address systems, but this would still severely hamper the needed exchange between the community and its appointed rulers.

29-18-390 DEVELOPMENT OF CITY CAPITAL IMPROVEMENT FUND

This should be clarified to specific purposes and be implemented in stages as required by specific development. For example, the needs for fun in a paper stage will be different from those of implementation.

29-18-400(4)

This section should read "appointed" from the public by the governor, not "nominated by the developer".

20-18-360(2) POWERS AND DUTIES

This section isolates the development city from existing borough planning if one exists. Therefore, there is no recourse for the general geographic area and existing economy to participate in decisions that might affect them, i.e., offshore experimental drilling facility in Afognak Bay, which is a reasonable assumption if Afognak City is there with the dock facility which the Afognak Native Corporation plans to build. The impact would certainly affect all of Kodiak Island Borough.

29-18-430 REVENUE BOND

Some consideration must be given to existing residence. In the initial petition, the eighty-five of us presently living there became 1/85 of the taxable tax base and 1/85 of the liability of a \$2 million project. ANCSA 21(d) states that Native lands are not taxable and (22) miscellaneous states that no liens, exclusions or judgments of any kind can be executed within twenty years.

Further, each revenue bond must show its relevance to the city sector as opposed to corporation development. This particular train of thought should be questioned throughout the Act. Our purpose and tax dollars should be spent to aid in the cost of the city, and not in the development of the resource. In a case where the purpose of a facility services both, the cost should be divided between the city and the developer proportionally.

EXAMPLE

If a city dock that would serve the city alone could be built for \$500, but to meet the needs of the developer must now cost \$2,000. The developer should have to generate \$1,500 capital outside of the bonds. My concern here is the tax liability of the bond on the city should the industry fail to be profitable and the collateral not redeemable as under ANCSA (22) or not of sufficient value to satisfy its creditors. It appears to me that if the debts are kept reasonable that city could possibly survive the loss of its major developer by participating in existing economics such as fishing. On the other hand, if town liabilities are allowed to far exceed those of a realistic population projections ability to handle the city would most probably end up a ghost with many

citizens losing their shirts, as well as their dreams.

29-18-450 APPLICABILITY OF OTHER PROVISION OF THIS TITLE

This paragraph was not applied nor adhered to in Community and Regional Affairs' administration of the Act as it applied to the Afognak City's first petition, though it sheds a lot of light on the intent and composition of the Act. In its sweeping centralization, however, it creates contradiction within the law itself.

EXAMPLE

29-18-050(8) THE PROVISION FOR A FIRST CLASS CITY INCORPORATION

The signature and residence address of 50 permanent resident voters within the proposed municipality, which with eighty-five residents as applicable and Title 29-18-240 are both in Chapter 18. Hence, 29-18-240 has to be improved and clarified giving guidelines for public participation under a democratic government, as the character of its location changes from unpopulated - no existing economy - to populated with existing economies population and borough government.

First and most important, there is no provision under the law that necessitates the establishment of public sector. There must be land made available to the general public and general business community.

This land must in no way be controlled by the developers other than its original planning and zoning. Land should be sold at a fixed percentage above cost and a provision requiring development within a given time to discourage land speculation. My concern here is that the law permits the possibility of Alaska's future growth to be exactly like Prudho Bay, where a group of corporations owns

all the land and commerce. Any city in Alaska must be open to the public at the public's own discretion. Finally, I feel the State or petitioner should advertise the new city to the national business community, asking for their economic participation in fields other than that of the founding developer. For example, offshore oil exploration drilling support facilities and bottom-fishing processors are very real possibilities in the Afognak City and would go a long way in ensuring orderly development of well planned, diversified and economically sound new cities necessary to support the sound development of the State resources by both private and public sector.

CONCLUSION

In conclusion it is extremely important to consider our states goals and values as we now look at our future.

International bankers and multinational corporation have acted and planned far in advance of the political concepts of the nation_ state by cutting off our states opportunity to proceed in its family oriented past by completely stopping land transfer to public and regulating every thing from limited entry to placer mining out of reach of most of the general public. They now have created a state of mind in Alaska that believes our only future is to develop on a big scale with major multinational corporation, If we go that route the future is clear. If the only future development in Alaska is with big corporation then we will be allowing our main stream economy to be controlled by multinational corporations.

It is my opinion that we should guard our six trillion dollars of natural resource like a miser, his purse only developing them in as much as it allows us to develop a free enterprise family oriented economy in aquaculture, farming, musk ox, reindeer and small mining.

What we need is a development of family oriented business act and not a development cities act.

February 13, 1979

Mr. Dodd Shay
P.O. Box 2913
Kodiak, Alaska 99615

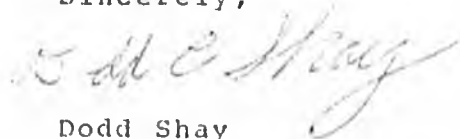
Dear Legislator:

International bankers and multinational corporations have acted and planned far in advance of the political concepts of the nation state by cutting off our states opportunity to proceed in it's family oriented past by completely stopping land transfer to the public and regulating everything from limited entry to placer minning out of reach of most of the general public. Implimenting the Development Cities Act, is the next step in thier far ranging plan to control our states economy.

I would appreciate your time and consideration of the emclosed presentation as was given to members of the House and Senate Community and Regional Affairs committees, in Kodiak, on Sunday, February 11, 1979.

In closing, I would ask if there are questions, or more information needed, that you schedule a conference via the Legislative Teleconference Network.

Sincerely,



Dodd Shay

Exact source of ignition was not known, but the oil spray created an explosive atmosphere and any spark, or electrical short circuit could have caused it to ignite, the board said.

The board determined that the probable cause of the accident was:

"The failure of poorly coordinated and inadequately supervised personnel at pump station number eight to follow precisely the written procedures for performing maintenance work and starting the pumps.

"Contributing to the accident was the absence of sole authority or station manager in complete control of all activities within the pump station during this critical startup period.

— designating a manager or management team at each pump station on the pipeline which would have the authority to require all personnel to comply with written safety rules and operating procedures.

— reviewing all startup and operating procedures for the pump stations to insure they are being done in a safe manner.

— installing a control in the pump room which will allow the pumps to be shut down from that location.

— installing a control in the pump room to operate the pump valves from that location.

— reviewing the company's training program for adequacy.

Anchorage Times March 7, 1978

State Agency Will Review Afognak Petition March 15

A controversial petition for a first class development city on Afognak Island, about 40 miles off Kodiak Island, will be reviewed March 15 in Juneau.

The proposal, filed in November by a native village corporation, Natives of Afognak, got tentative approval in January from the state Department of Community and Regional Affairs.

However, a number of protests have come in, prompting the review, says Pat Poland, state Local Boundary Commission staff assistant headquartered in Anchorage.

The protests are chiefly from other native corporations holding land in the area, as well as from residents, he said.

Under state law, a development first class city may be established in areas that are basically uninhabited, thus giving incorporators the added borrowing power needed for fast de-

velopment. Except for development cities, requirements for setting up a first class city specify a certain number of residents already living in the area.

The Afognak petition stated that the 825-mile area to be incorporated had no residents. However, Poland said, it appears that there are actually 41 residents of the area. The area proposed as a city includes about half of Afognak Island and all of Whale and Raspberry Islands, with only about half of the proposed area being land, he said.

Land holders and residents basically are protesting incorporation on grounds that they would be subject to taxation and land uses they did not approve.

The hearing on incorporation will be held in the Juneau office of Community and Regional Affairs, headed by Commissioner Lee McAnerney.

Lost River near Nome, the only

development city to have been incorporated under the state's development city law, was dissolved several years ago.

The Afognak natives' group holds lands suitable for a logging operation. The corporation was formed from residents of both the old village of Afognak on Afognak Island and from Port Lyons on Kodiak Island. The latter village was formed after the 1964 earthquake rendered the former city uninhabitable.

The development city act anticipates that a new city is reasonably capable of growing to at least 400 inhabitants within five years.

Judge Closes Target Range

A controversial Hillside shooting range was put out of operation Wednesday when an Anchorage judge decreed the range was operating without a noise permit.

Superior Court Judge J. Justin Ripley ordered the Hillside Ammunition-Rifle Club of Anchorage (Parca) range be closed until a noise permit is obtained. However, testimony during a two-day hearing disclosed that operators did apply for a noise permit in February but were denied the permit.

One municipal noise inspector testified the range did not violate municipal noise standards. But the permit was denied because the range allegedly did not meet safety standards, was the subject of complaints by community residents and was in a location not considered suitable by municipal officials.

Parca operators have contended the shooting range is safe and does not interfere with residential life in the community. The 75-acre gravel pit which contains the range is located on Cange Road just off O'Malley Road.

Parca founder Dave Sharukshahyn said Wednesday the club plans to pursue the noise permit through mu-

Hawaii Judge Finds Attorney in Contempt

(Continued from Page 2)

was planning to return to Hawaii, but received a subpoena for testimony, "so I stayed," he testified at the March 7 hearing. He then was told to remain in Anchorage until the hearing. "I felt it was an attempt to keep me from my work in Hawaii," he said, "but I stayed."

He talked to the judge at the Monday hearing and he had to return to Hawaii.

The hearing continued until 11:30 p.m. but left the island at 12:30 p.m. and arrived in Hawaii at 1:30 p.m.

He had been ordered by the court to appear at the hearing or face contempt charges. The court ordered him to appear or face contempt charges. The court ordered him to appear or face contempt charges.

He will open a file and gather evidence in the matter, such as copies of the various Hawaiian court orders and possibly portions of the hearing transcripts. If warranted, he said the hearing committee will meet to determine if Talbot has violated the code of professional ethics.

That committee, which is made up of lawyers and laymen, will hear his presentation, along with Talbot's, not unlike a small trial, Garrison said.

The committee then will make a recommendation to the bar association's board of governors, who can reject, amend or approve the committee's findings.

Depending upon the board's decision — and assuming he even is found guilty of an ethics violation — Talbot could be disbarred, reprimanded or a public notice of his action could be published. Court records

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Discussion planned on development act

By DEBORAH NELSON
Mirror Staff Writer

Onion Bay resident Dodd Shay, who wants to see the Development Cities Act rewritten, has organized a no host breakfast in the Sheffield banquet room this Sunday at 8 a.m. to discuss the issue.

Chairperson for the Senate Community and Regional Affairs committee Arliss Sturgulewski, said she plans to attend the breakfast and said some legislators from both the House and Senate Community and Regional Affairs committees are planning to attend the meeting. Sturgulewski's office said Rep. Fred Zharoff and his wife have reported they will be present, but Sen. Bob Mulcahy said he wasn't sure if he would be able to fit the meeting into his schedule.

Shay said he plans to speak for about 15 minutes on the Development Cities Act and then plans to turn the issue over to those assembled for discussion.

Shay explained that while he was going over the statutes concerning the Development Cities Act, he found areas "extremely lacking."

"The way the statutes on the Act are currently written," stated Shay, "it doesn't deal with Alaska's social and economic problems. It will compound the problems that we already have if it is not rewritten before it is put

into effect."

However, it may be a race against the statutory clock for Shay, because the Natives of Afognak are gearing up for another attempt to establish the Development City of Afognak.

The planning and zoning commission waived the platting requirements for the Ouzinkie and Afognak Corporations, Wednesday, allowing them to complete a major exchange of land. According to Marvin Frost, general manager for the Natives of Afognak, this was the biggest step before the corporation once again places a petition for the establishment of a development city before the Department of Community and Regional Affairs.

Shay said he expected Frost to attend the Sunday breakfast. Frost said this morning he didn't know if he would be in attendance for the meeting or not.

Natives of Afognak had filed a petition for a development city in November 1977. The Local Boundary Commission had granted tentative approval for the development city in January 1978, however, it rescinded its decision in May of that year.

Shay, who owns five acres and a house on Onion Bay of Raspberry Island was involved in attempting to stop the 1977 Natives of Afognak petition for a development city. During the Democratic Convention held in Kodiak last April, Shay was successful in obtaining a party endorsed resolution opposing the Development Cities Act.

The development Cities Act has never been tested, however, it has remained on the books since 1972, when a Canadian-based firm proposed developing mineral deposits and establishing a town near Nome called Lost River.

That proposal was abandoned, but the cities act remained in the statutes, which permits

(Continued on Page 2)

*File, 9, 1979
Kodiak Daily Mirror*

Discussion

(Continued from Page 1)

uninhabited or unorganized areas within the state to become first class cities. The Development Cities Act also allows for a governor appointed city council which pre-empts residents from electing council members until the city has 100 permanent residents.

Legislators attend cities act meeting

Feb. 13,
1979

By DEBORAH NELSON
Mirror Staff Writer

Something good must be said for the democratic process when a carpenter living in a remote region of the state can gather together at least 10 state legislators and other state officials to listen to his cause.

In his opening remarks to the group Sunday morning, Onion Bay resident Dodd Shay told the legislators he had arranged the breakfast meeting to inform them about discrepancies he has discovered in the Development Cities Act, "so that you can deal with the issue in the legislature."

"It is my opinion," Shay stated, "that the law as it is written is grossly deficient in protecting Alaska's interest, and in dealing with the social and economic needs of our state."

Shay, who had obviously done much research concerning the act, went over the statutes pertaining to the Development Cities Act and explained to the

group what he found to be faulty statements.

Among the statutes Shay addressed was a statute pertaining to the initial government of a development city. This statute states that city council members do not have to be residents of a development city during the first five years of its incorporation, and that the governor has the power to appoint the initial city council members.

In his rebuttle to this statute, Shay stated, "it is clear the governor has clear control of the city, with the city council serving at his pleasure." Shay stated it was important to realize the power a governor could accrue "if perhaps, 10 to 15 of these cities are being developed, and all at the control of one governor."

"The law as it reads now doesn't even say the city council has to be in Alaska," declared Shay. "This means that a citizen would be required to pay long distance rates to talk to his appointed rulers."

In his concluding remarks, Shay stated that international bankers and multinational corporations have been "cutting off our state's opportunity to proceed in its family oriented past by completely stopping land transfer to the public, and regulating everything from limited entry to placer mining out of the reach of the general public."

Shay went on to say these corporations have created the state of mind in Alaska which

Meeting

(Continued from Page 1)

scale development by multinational corporations.

After Shay's presentation, the floor was opened for discussion. Borough Manager Stuart Denslow announced to the legislators that Shay was not alone in his concern over the Development Cities Act. He said other individuals expressed their concern over the issue to the borough.

When the discussion turned to the expected repetition of the Natives of Afognak for the incorporation of a development city, Palmer McCarter, director of the local government assistance division, stated that it was "a sham, if you will, of the initial Afognak presentation."

McCarter stated that he believed, however, that Shay was "being parochial in assuming that all development cities would have residents like Afognak." McCarter said that many areas in the state would not have residents.

However, Local Boundary Commission representative Sig Stranberg disagreed with McCarter. Stranberg stated the

original petition of the Natives of Afognak for a development city was not a sham. He said the original petition "was valid, and it had punch to it," and that it was quite in line with the Development Cities Act. "It had flaws," said Stranberg, "but it wasn't incurable."

Stranberg explained that the initial petition for a development city of Afognak was requested by developers from within the state; "so the boundary commission greeted it with more enthusiasm." He said the commission also considered the original petition from the standpoint of encouraging development in Alaska.

Sen. Arliss Sturgulewski stated that perhaps now was the time to attend to the adjustments in the Development Cities Act, before the act was actually put into effect. The Development Cities Act has been on the books since 1972, when a Canadian based firm proposed developing mineral deposits and establishing a town near Nome called Lost River. That proposal was subsequently abandoned.

Chairman of the House Community and Regional Affairs Committee Bill Parker commented to Shay, "I think what you have pointed out to us, is that this little law didn't die with Lost River."

Many of the legislators present at the meeting did not appear to be very familiar with the Development Cities Act, but judging from the comments generated after Shay's presentation, Shay had impressed the group with his dedication in pursuing the issue.

Rep. Fred Zheroff, who was present at the meeting, said he thought Shay had posed some very interesting questions. He said he would like to see the Local Boundary Commission investigate the issue and come up with some recommendations.

"I am very pleased all of you came to hear me today," stated Shay at the dispersal of the meeting. "This is something my wife and I are very concerned about, and I am very pleased that you would all turn out just to hear one citizen."

Manager of the Natives of Afognak, Marvin Frost was invited by Shay to present the corporation's position concerning development cities to the group, but Frost did not attend the meeting.

We are still being attacked.

Have not yet been sent to

all legislators - Hdg per your request.

Mr. Dodd Shay
Box 2913
Kodiak, Alaska

Dear Mr. Shay:

February 13, 1979

Mr. Dodd Shay
P.O. Box 2913
Kodiak, Alaska 99615

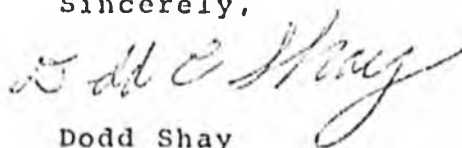
Dear Legislator:

International bankers and multinational corporations have acted and planned far in advance of the political concepts of the nation state by cutting off our states opportunity to proceed in it's family oriented past by completely stopping land transfer to the public and regulating everything from limited entry to placer minning out of reach of most of the general public. Implimenting the Development Cities Act, is the next step in thier far ranging plan to control our states economy.

i would appreciate your time and consideration of the emclosed presentation as was given to members of the House and Senate Community and Regional Affairs committees, in Kodiak, on Sunday, February 11, 1979.

In closing, I would ask if there are questions, or more information needed, that you schedule a conference via the Legislative Teleconference Network.

Sincerely,

A handwritten signature in cursive script that reads "Dodd Shay".

Dodd Shay

exact source of ignition was not known, but the oil spray created an explosive atmosphere and any spark, or electrical short circuit could have caused it to ignite, the board said.

The board determined that the probable cause of the accident was:

"The failure of poorly coordinated and inadequately supervised personnel at pump station number eight to follow precisely the written procedures for performing maintenance work and starting the pumps.

"Contributing to the accident was the absence of sole authority or station manager in complete control of all activities within the pump station during this critical startup period.

— designating a manager or management team at each pump station on the pipeline which would have the authority to require all personnel to comply with written safety rules and operating procedures.

— reviewing all startup and operating procedures for the pump stations to insure they are being done in a safe manner.

— installing a control in the pump room which will allow the pumps to be shut down from that location.

— installing a control in the pump room to operate the pump valves from that location.

— reviewing the company's training program for adequacy.

Anchorage Times March 7, 1978

State Agency Will Review

Afognak Petition March 15

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(Continued on Page 2)

*Feb. 9, 1979
Kodiak Daily Mirror*

Discussion

(Continued from Page 1)

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Feb. 13, 1979

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Borough Manager for the Afognak, Marvin F. Fritts, invited by Shay to the corporation's presentation concerning development group, but Frost did not attend the meeting.

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§ 29.18.220

MUNICIPAL GOVERNMENT

§ 29.18.240

Article 4. Development Cities.

Section

- 220. Legislative findings
- 230. Development cities
- 240. Incorporation
- 250. Petition for incorporation
- 260. Review
- 270. Investigation
- 280. Report
- 290. Decision on development city in-
corporation
- 300. Preliminary planning
- 310. Review and report
- 320. Limitation
- 330. Local hire
- 340. Development city council
- 350. Filling a vacancy

Section

- 360. Powers and duties of council
- 370. Powers and duties of develop-
ment city executive director
- 380. Procedures
- 390. Development city capital im-
provement funds
- 400. Transition
- 410. Housing powers
- 420. Land selection
- 430. Revenue bonds
- 440. Shared revenue
- 450. Applicability of other provisions
of this title
- 460. Definition

Revisor's note (1972).—Provisions
virtually identical to §§ 220—460 of
this chapter were originally enacted
as AS 29.76, in ch. 106, SLA 1972.

Also see ch. 110, SLA 1972, which in-
corporated the development city of
Lost River.

Sec. 29.18.220. Legislative findings. The legislature finds that the development of natural resources in isolated and relatively unpopulated areas requires a policy and procedure which will provide planning, financial and other assistance necessary for encouraging orderly development of well-planned, diversified and economically sound new cities necessary to support the sound development of the state's resources by both the private and public sector. It is the purpose of §§ 220—460 of this chapter to set out the mutual responsibilities of the private and public sectors to achieve these objectives with a view to securing information valuable to future legislatures so that general legislation applicable to the establishment of development cities may be perfected. (§ 19 ch 118 SLA 1972)

Sec. 29.18.230. Development cities. Subject to reclassification under § 400(c) of this chapter, a development city is a city of the class designated by the Department of Community and Regional Affairs. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency."

Sec. 29.18.240. Incorporation. An area not served by an existing municipality which is not reasonably practicable to be served by an existing municipality may be incorporated as a development city by

- (1) petition of the industrial developer to the Department of Community and Regional Affairs to be acted on by the Local Boundary Commission; or

(2) act of the legislature. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency" in paragraph (1).

Sec. 29.18.250. Petition for incorporation. A development city incorporation petition proposed by an industrial developer shall include the following information about the proposed city:

- (1) class,
- (2) name,
- (3) boundaries,
- (4) composition of the council,
- (5) maps, documents, preliminary economic development projections, preliminary population projections, outline of the industrial developer's investigative and development expenditures and its proposed capital program, and other information required by the Department of Community and Regional Affairs to show that the proposed city meets the standards for incorporation,
- (6) the proposed agreement required under § 330 of this chapter. (§ 19 ch 118 SLA 1972; am §§ 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency" in paragraph (5).

Sec. 29.18.260. Review. The Department of Community and Regional Affairs shall review the petition for content and shall return deficient petitions for correction and completion. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency."

Sec. 29.18.270. Investigation. If the petition contains the required information, the Department of Community and Regional Affairs shall investigate the proposal to determine whether the development expenditures and proposed capital program by the developer serve the public interest and demonstrate a probability of being carried forward to a successful conclusion. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

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Sec. 29.18.280. Report. (a) The Department of Community and Regional Affairs shall report its findings to the Local Boundary Commission with its recommendations regarding the incorporation within 60 days of receipt of the petition for incorporation.

(b) The Local Boundary Commission shall review the petition and the findings and recommendations of the Department of Com-

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munity and Regional Affairs within 60 days of receiving them. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 nity and Regional Affairs" for "Local amendment, effective July 1, 1972, Affairs Agency" in subsections (a) substituted "Department of Commu- and (b).

Sec. 29.18.290. Decision on development city incorporation. (a) The Local Boundary Commission may reject a petition for incorporation if it finds that

(1) the area proposed for incorporation is served by an existing municipality or could be served by an existing municipality;

(2) it is improbable that the proposed development will take place;

(3) the program and activities contemplated by this chapter may be undertaken through expansion of the corporate limits of an existing city and then declares that city to be a development city for the purpose of preferential designation under §§ 10 and 340—460 of this chapter;

(4) the program and activities contemplated by this chapter may be undertaken by establishing a service area within an existing organized borough for a development project, and declares the service area to be eligible for preferential designation under §§ 410 and 450 of this chapter;

(5) the proposed development does not serve the public interest.

(b) If the Local Boundary Commission finds that a service area within an organized borough is to be designated for preferential treatment under (a) (4) of this section, the assembly may undertake the project in the manner of a development city and shall present to the Local Boundary Commission a contractual agreement outlining responsibilities assumed by the borough and the industrial developer to implement the proposed development program.

(c) The assembly may decline findings under (b) of this section to establish a service area and in the alternative request the Local Boundary Commission to approve incorporation of a development city.

(d) The Local Boundary Commission may dissolve a development city established under § 20 of this chapter if subsequent to its incorporation

(1) the major economic development projected does not occur within a period of five years; and

(2) if the development project had been reviewed as a new project the Local Boundary Commission determines it would have rejected the petition on the basis that it is improbable the proposed development would have taken place.

(e) A commission decision under this section may be appealed under the Administrative Procedure Act (AS 44.62). (§ 19 ch 118 SLA 1972)

Sec. 29.18.300. Preliminary planning. The city shall prepare and submit to the state preliminary plans in advance of completion of the final basic comprehensive plan for the city. The preliminary plans shall include

(1) maps, documents, preliminary economic development projections, preliminary population projections, outline of the industrial developer's investigative and development expenditures and its proposed capital program, and other information required by reviewing agencies of the state;

(2) a report on the physical and biological character of the proposed city's site and a land and water use plan and the design and siting of the community to be developed based upon these natural factors. (§ 19 ch 118 SLA 1972)

Sec. 29.18.310. Review and report. (a) The division of planning and research, in conjunction with the Departments of Community and Regional Affairs, Natural Resources, and Environmental Conservation and other departments as determined appropriate by the division of planning and research, shall review the preliminary planning and additional data may be requested.

(b) The division of planning and research shall coordinate the preparation of a report and recommendations, if any, which shall be submitted to the governor within 60 days of receipt by the state of the preliminary plans from the city. The city may proceed to the completion of the final basic comprehensive plan upon satisfying any specific recommendations contained in the report.

(c) During the course of planning toward completion of the basic comprehensive development plan the division of planning and research and the Department of Community and Regional Affairs shall be kept currently informed and the final plan shall be subject to review and recommendation by the division of planning and research, which shall act in its coordinating capacity to secure review by the Department of Environmental Conservation and other state agencies as appropriate. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, in subsection (a), deleted "Local Affairs Agency and the" following "conjunction with the" and inserted "Community and Regional Affairs" following "Departments of." In subsection (c), the amendment substituted "Department of Community and Regional Affairs" for "Local Affairs Agency."

Sec. 29.18.320. Limitation. The city may not proceed with commitment of funds or formal undertakings for physical development until it has a signed contract or contracts for sale of the company's products in quantities shown in the economic data and submitted by the company to be adequate to sustain an economically viable operation. The company may submit alternative valid evidence that the projected operation will proceed. The company shall notify the

Department of Community and Regional Affairs of the meeting of this requirement. Unless the Department of Economic Development makes a determination that the data is insufficient, the city may proceed. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency" in the third sentence.

Sec. 29.18.330. Local hire. In consideration of the incorporation of a development city under this chapter, the major developer shall enter into an agreement with the appropriate agencies of the state concerning

(1) establishing and maintaining an approved Department of Labor on-the-job training program to qualify Alaska residents lacking in the requisite technical skills of the activities to be undertaken;

(2) establishing resident hire goals in terms of per cent of employees at the end of the first year, second year and third year of operation;

(3) establishing the responsibilities of the various state agencies towards providing technical assistance, manpower procurement, relocation assistance, job opportunity services to residents in the area, supplemental vocational training, and the scope of effort each state agency has in this regard with specific commitments in terms of numbers of residents, time schedule and dollar value of training;

(4) establishing the penalties and conditions of noncompliance with the agreement. (§ 19 ch 118 SLA 1972)

Sec. 29.18.340. Development city council. The council of a development city has five members consisting of the commissioner of the Department of Community and Regional Affairs, or his designee, and four public members designated by the governor. The governor shall appoint no fewer than two public members from a list of nominees designated by the major developer providing the industrial base of the city as measured by employment and capital investment. The council shall serve at the pleasure of the governor. The designated councilmen need not be residents of the city during its development stage. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, in the first sentence, substituted "commissioner" for "director" following "consisting of the" and substituted "Department of Community and Regional Affairs" for "Local Affairs Agency."

Sec. 29.18.350. Filling a vacancy. If a vacancy occurs in the council as constituted under § 340 of this chapter, the applicable appointing authority shall designate the replacement during the development stage of the city. (§ 19 ch 118 SLA 1972)

Sec. 29.18.360. Powers and duties of council. During the development stage the council of a development city may

(1) exercise the powers and duties of a school board if the city is located outside an organized borough;

(2) exercise the powers and duties of a planning commission under AS 29.33.080, except that during the first five years or until the development city has 400 permanent residents, zoning and zoning changes will be reviewed and approved by the division of planning and research and the Department of Environmental Conservation. (§ 19 ch 118 SLA 1972)

Sec. 29.18.370. Powers and duties of development city executive director. During the development stage the council shall appoint an executive director of the development city, who may be one of its members, to serve at the pleasure of the council. The executive director shall have the powers and duties of all executive and administrative city officials set out in this title in order to develop the city under a comprehensive community development plan. (§ 19 ch 118 SLA 1972)

Sec. 29.18.380. Procedures. During the development stage, the council may provide for conference telephone or radiophone meetings at times determined by the council and shall determine its own rules and order of business. (§ 19 ch 118 SLA 1972)

Sec. 29.18.390. Development city capital improvement funds. All state agencies shall, where appropriate, adopt procedures to insure that, during the development stage, the needs of a development city are carefully considered in the allocation of funds available for capital improvement projects where those funds have not otherwise been committed by the legislature. (§ 19 ch 118 SLA 1972)

Sec. 29.18.400. Transition. (a) When a development city has 400 permanent residents elections shall take place according to the following schedule:

(1) in the first year two additional councilmen who shall be city residents elected for three-year terms;

(2) in the second year two councilmen who shall be city residents elected for three-year terms to replace one of the councilmen nominated by the industrial developer and one of the public members designated by the governor;

(3) in the third year two councilmen who shall be city residents elected for three-year terms to replace the commissioner of the Department of Community and Regional Affairs and one of the councilmen nominated by the industrial developer;

(4) in the fourth year a mayor who shall be a city resident elected for a three-year term to replace the remaining councilman nominated by the industrial developer.

(b) At the time of the election under (a) (4) of this section, or any time after it, the electorate may exercise the right to become a home rule city as authorized under this title.

(c) If, within a period of five years from the incorporation of a development city, the number of permanent residents does not reach 400, the Department of Community and Regional Affairs shall order an election for city officials and designate a successor class of city based on population as provided in this title. If the department designates a successor class of city, the provisions of this title relating to that class of city apply, and the city shall be reclassified accordingly. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "commissioner of the Department of Community and Regional Affairs" for "local affairs director" in paragraph (3) of subsection (a). The amendment also substituted "Department of Community and Regional Affairs" for "Local Affairs Agency" in the first sentence of subsection (c) and substituted "department" for "agency" in the second sentence of that subsection.

Sec. 29.18.410. Housing powers. From the time of the appointment of the first city council and for a period of 10 years following the first election of councilmen, the council may act as its own housing and urban renewal authority if such powers have been granted to cities under applicable provisions of law. (§ 19 ch 118 SLA 1972)

Sec. 29.18.420. Land selection. (a) The Department of Natural Resources shall attempt to secure the transfer of the available federally owned land located within the boundaries of a development city into state ownership. After the transfer, a development city may select 10 per cent of the vacant, unappropriated, unreserved state land located within its boundaries. Nothing in this section affects a valid existing claim, location, or entry under the laws of the state or the United States whether for homestead, mineral, right-of-way or other purposes or affects the rights of an owner, claimant, locator, or entryman to the full use and enjoyment of the land so occupied.

(b) If land desired by the development city is unsurveyed at the time of its selection, the Department of Natural Resources shall survey or approve a survey by the city of the exterior boundaries of the area requested without interior subdivision and shall issue a patent for the selected area in terms of the exterior boundary survey. The cost of the survey is borne by the city. If land desired by the city has been surveyed at the time of its selection, the

SEE LAST
PAGE

boundaries of the areas requested must conform to the public land subdivisions established by the approval of the survey. Land selected by the city under this section is patented to the city by the Department of Natural Resources.

(c) After the selection of the land by the development city but before the issuance of final patent, the city may execute conditional leases and make conditional sales of selected land. (§ 19 ch 118 SLA 1972)

Sec. 29.18.430. Revenue bonds. Revenue bonds may be issued by a development city under the provisions of AS 29.58.200—29.53.220. However, no vote of the people is required to issue revenue bonds during the development stage. During the development stage revenue bonds may be issued by a majority vote of the city council. (§ 19 ch 118 SLA 1972)

Sec. 29.13.440. Shared revenue. A development city is entitled to shared revenue and other state funds on the same basis as a city or organized borough of the first class or, if reclassified under § 400(c) of this chapter, on the basis of the reclassification. During the development stage the Department of Community and Regional Affairs may establish an assumed population figure which shall be used to determine shared revenue based on population on per capita grants. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency" in the second sentence.

Sec. 29.18.450. Applicability of other provisions of this title. All applicable provisions of this title consistent with the provisions of this chapter apply to development cities. Provisions of this chapter prevail over other provisions of this title which are inconsistent. (§ 19 ch 118 SLA 1972)

Sec. 29.18.460. Definition. In this chapter "development stage" means that period of time extending from the date of incorporation of a development city until such time as the city may attain a population of 400 permanent residents, or five years from the date of incorporation, whichever is earlier. (§ 19 ch 118 SLA 1972)

Alaska Statehood Act, 72 Stat. 339, and any other land designated solely for school revenues;

(11) "university land" means all sections 33 reserved to the university under 38 Stat. 1214, as amended (48 U.S.C. 353) and all land granted to or reserved for the benefit of the university;

(12) "vacant, unappropriated, unreserved land" means general grant land as defined in (4) of this section, excluding minerals as required by § 6(i) of the Alaska Statehood Act, which

(A) has not been set aside by statute for one or more particular uses or purposes;

(B) has not been approved for patent to a municipality under §§ 201 — 213 of this chapter or former §§ 190 and 200 of this chapter repealed by this act; or

(C) is unclassified or, if classified under AS 38.05.300, is classified for agricultural, grazing, commercial, industrial, private recreational, residential, utility or open-to-entry purposes, or where classified in accordance with an agreement between a municipality and the state providing for state management of land of the municipality. (§ 2 ch 180 SLA 1978)

Article 4. Development Cities.

Section
420. [Repealed]

Sec. 29.18.420. Land selection.

Repealed by § 5 ch 180 SLA 1978, effective July 1, 1978.

Cross reference. — As to general grant land, see 29.18.201 et seq.

Editor's note. — The repealed section derived from § 19, ch. 118, SLA 1972.

As to purpose of repealing act, see § 1, ch. 180, SLA 1978, effective July 1, 1978, in the 1978 Temporary and Special Acts and Resolutions in Binder 9.

Article 5. Capital City Incorporation.

Section
510. Incorporation
520. Boundaries
530. City council
540. Filling a vacancy
550. Appointment of city officials

Section
570. Transition
580. Planning and zoning authority
590. Transfer of utilities to capital city
600. Definitions
610. Short title

Cross references. — As to new capital city mortgage loans, see AS 18.56.094. For provisions that the Alaska municipal bond bank authority reserve fund includes accounts created to secure payment of bonds issued by the capital city established by AS 29.18.510, see AS 44.58.270 (d). As to

the Alaska Capital City Development Corporation, see AS 44.07.

Effective date of article. — Section 7, ch. 143, SLA 1978, provides: "This Act takes effect 30 days after certification that a bond issue for costs of relocation of the

Title 29 - How to proceed w/ revision.

1 - you have this in your "ideas" file
for CRA - Tell you. If so, send
memo

9/

Title 29

Can Development Cities
be incorporated?

T
We should have an
"idea" file for C + RA.
i.e. we know title 29
needs revision. This might
be one approach to
problem. a/

Lack of information
in Lisa Pudd's
Commissions that Dept C+RA should do as regular
part of activity
of committee
Filed too late forwarded by C+RA.
Probably needs further guidelines to carry out.
 INTRODUCED: 1/10/78
 REFERRED: Community &
 Regional Affairs and Finance
 BY THE RULES COMMITTEE BY
 REQUEST OF THE GOVERNOR

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HOUSE BILL NO. 585

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act establishing a local government study commission; and providing for an effective date."

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

* Section 1. LOCAL GOVERNMENT STUDY COMMISSION. There is established in the Department of Community and Regional Affairs a temporary local government study commission.

* Sec. 2. MEMBERSHIP OF COMMISSION. The commission has the following members:

- (1) the commissioner of community and regional affairs or his designee;
- (2) the chairman of the senate community and regional affairs committee;
- (3) the chairman of the house community and regional affairs committee;
- (4) four municipal officials appointed by the governor, one of whom must be from an organized borough or unified municipality, one from a first-class or home rule city located within an organized borough, and two from cities located within the unorganized borough;
- (5) two residents of the unorganized borough, outside cities, appointed by the governor.

* Sec. 3. POWERS AND DUTIES OF THE COMMISSION. (a) The commission shall make recommendations to the governor and the legislature concerning the sufficiency of the existing local government structure and measures by which it may be improved, and toward that end, it shall

later Committee
develop guidelines.

1 (1) study and evaluate existing and alternative means of local
2 government finance;

3 (2) study and evaluate the differences between governmental
4 services and burdens in organized boroughs and the unorganized borough;

5 *See attached* (3) study and evaluate the relationships between the state and
6 local governments;

7 *See primary* (4) study and evaluate existing and alternative local government
8 structures;

9 (5) hold public hearings in organized boroughs, cities and the
10 unorganized borough;

11 (6) after one year of study, submit an interim report to the
12 governor and the legislature;

13 (7) after two years of study, submit a final report with find-
14 ings and recommendations to the governor and the legislature.

15 (b) In exercising its powers and fulfilling its responsibilities, the
16 commission may:

17 (1) establish sub-committees to study each of the subjects set
18 out in (a)(1) through (4) of this section;

19 (2) contract through the Department of Community and Regional
20 Affairs for the professional services it considers necessary to prepare its
21 final report. ✓

22 * Sec. 4. DISSOLUTION OF COMMISSION. After presenting its final re-
23 port, the commission is dissolved.

24 * Sec. 5. STAFF. The Department of Community and Regional Affairs
25 through the division of local government assistance shall provide the staff
26 for the commission.

27 * Sec. 6. EFFECTIVE DATE. This Act takes effect July 1, 1978.
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29



Matanuska-Susitna Borough

BOX B, PALMER, ALASKA 99645 • PHONE 745-3246

BOROUGH ATTORNEY'S OFFICE

March 18, 1980

The Honorable Arliss Sturgulewski
Alaska State Senate
Pouch V
State Capital
Juneau, Alaska 99811

Dear Arliss:

Re. Municipal code revisions.

Attached with this letter is a list of examples of various provisions of Title 29 which should be clarified through revision of that title. This list is by no means exhaustive and I am sure that other attorneys and municipal officials throughout the state could add additional examples and support a thorough revision of Title 29.

As we discussed some time ago in Juneau, I recommend that the Legislature form an interim committee to review AS 29 during the next two years and that the committee be empowered to seek assistance from municipal attorneys throughout the state, hold hearings as it deems appropriate, and present a new municipal code to the Legislature in 1981 or 1982. I have received expressions of support from attorneys representing several municipalities throughout the state and am confident they will assist the Legislature in preparing a revised municipal code.

Thank you very much for your continued attention to this matter. If there are additional questions I can answer regarding Title 29 or if the Legislature is prepared to take action in this matter, please do not hesitate to contact me.

Cordially,

A handwritten signature in cursive script, appearing to read "Allan E. Tesche".

Allan E. Tesche
Borough Attorney

er

cc: Jerry Wertzbaugher
Tom Klinkner
Jim Nordale
Russ Walker
Lee Sharp

AS 29: Revisions Needed

29.08

Although an attempt has been made in this Chapter to classify the various kinds of Alaskan municipalities, more recent amendments to Title 29 and unification of several cities and boroughs have resulted in confusion over definitions of "cities", "boroughs", and "municipalities". It is not clear, for instance, whether the unified Municipality of Anchorage is a city, a borough, or unified municipality or all three forms of government within existing provisions of AS 29.

29.13.100

The Code should contain a uniform system for designating statutes that expressly apply to home rule municipalities and all such statutes should be consistently cross referenced.

29.23.050

The statutory residence requirement prescribed in this section is probably invalid. It is suggested that such residence requirements throughout AS 29 be reduced to a maximum of one year.

29.23.060(d)

Circumstances, other than financial interests, which allow a member to abstain should be better defined.

29.23.080

The procedure for determining vacancies under this section conflicts with the procedure established under AS 29.23.570.

29.23.130(B)

Once again, the three residency requirement in this section should probably be reduced to one year to assure its constitutional validity.

29.23.150 and AS 29.23.470

Both require assembly appointment of an acting borough manager in the absence of or disability of the manager. If these sections address different policy questions, they are unclear; if they do not, one should be eliminated as redundant.

29.23.170

This provision does not specify when a veto becomes effective or specify any time limit for the overriding of the veto. Moreover, it does not indicate what is the status of an ordinance between the time its veto is announced and the time the Assembly first has an opportunity to override the veto. For instance, if the mayor vetoes a line

item in the budget, may expenditures be made under that item until the mayor announces the veto at the next regular assembly meeting, or does the veto immediately strike the item until the veto is overridden?

29.23.200

The three year residency requirement here is also probably invalid.

29.23.210

As with the provisions for boroughs, this section should provide more definite standards for abstention on other than conflict of interest grounds.

29.23.250

Another probably invalid three year residency requirement.

29.23.270

This provision has the same ambiguities with regard to the effectiveness of a veto and a veto override as the provision applying to boroughs.

29.23.555

This section has been superceded by AS 39.50.

29.33.070-245

Serious thought should be given to the purpose of the planning, platting and zoning provisions in this code. Should they only prescribe minimum due process standards for rezonings and other land use decisions or should they detail all of the administrative procedures to be followed by local governments in this area. This article presently tries to do little of both and does neither very well.

29.33.190

This section makes it unlawful for any person to sell or attempt to sell land located within a subdivision which has not yet been approved by the borough platting authority and subjects violators to certain criminal sanctions. But AS 29.53.100 requires that the borough assessor assess real property to "the owner of record as shown on the records of the district recorder" even though that person may be the owner of record only by virtue of an illegal subdivision in violation of AS 29.33.190. Moreover, AS 29.53.310 allows persons holding security interest in illegally subdivided lands to obtain release for portions of lots or tracts originally subdivided even though such lands were illegally subdivided in violation of AS 29.33.190.

29.33.070

It is unclear whether platting powers can be delegated to a second class borough or a city within the borough under this section.

29.33

The current language of this chapter, as it incorporates a traditional definition of zoning and makes zoning along with platting the principal means of land use regulations, is unduly restrictive and should be revised to allow more innovative forms of land use regulation by boroughs and municipalities.

29.33.250

Presumably the transfer required is one from all cities exercising the power rather than from a city.

29.33 and 29.38

Should there be a provision for a borough to exercise a power in some but not all cities (for example in second class cities but not in first class cities)?

29.48.030(b) AS 29.48.035(b) and (c)

These provisions are redundant. The limitations on the powers of second class boroughs should be stated in a more concise fashion in one easily accessible part of the code.

Moreover, AS 29.48.030 and .035, inasmuch as those sections distinguish between "regulation" and provision of "municipal facilities and services", are at the very least confusing and perhaps unnecessary.

29.48.030(a)(12)

The term transportation "system" used in this section should be defined.

29.48.260

Provisions of this section governing disposal of municipal properties should be clarified and revised to reflect increased land values throughout the state, to state who makes determinations of the value of land offered for sale and the date upon which such valuations must be based. Moreover, the statute should be clarified to either include or exclude rights-of-way or easements from its provisions.

29.53.135

The language regarding the composition of the Board of Equalization is unclear. The statute presently requires "at least that number of members of the assembly over and above the number required for a quorum to transact business"; the statute is unclear when applied to a lay board to whom the equalization function is delegated.

29.53

Should be amended to require payment of all taxes, even those due for more recent assessments on properties whose owners have requested issue of a quitclaim repurchase deed. Present law mandates issue of a quitclaim repurchase deed to the owner of record upon payment of those taxes assessed for the tax year stated in the clerk's deed even though the same property is the subject of other foreclosure proceedings brought in subsequent years. An amendment to AS 29.53 which would require payment of all taxes owing on a parcel before a quitclaim repurchase deed can be issued would eliminate substantial confusion in the minds of taxpayers, and would reduce administrative complexity for borough finance departments presently confronted with multiple foreclosure actions on the same parcels.

22.63.090

The present statute governing service areas does not adequately address the question of whether a service area may be used for exercise of a governmental regulatory power rather than for provision of municipal or services.

8.60.050-100

Regulation of junk yards in this section should be cross-referenced to those sections of Title 29. relating to areawide planning, platting and zoning powers.

9.25.110-120

It is unclear whether public records statutes apply at all to municipal government. If it is the intention of the Legislature to apply the public records laws of AS 9.25.110-120 to cities and boroughs, then those sections should be amended accordingly with an appropriate cross references to Title 29.

DEVELOPMENT CITY - Title 29

Senate Community and Regional Affairs
Arliss Sturgulewski

February 1979

Notes by Ann Shest

It must be remembered that this statute was written for the Lost River project located near Nome in an unorganized borough containing no inhabitants. When Community and Regional Affairs received the petition for a development city on Afognak Island from the Afognak Island Native Association, they were given the impression that this area was devoid of inhabitants and proceeded on this assumption. Most of the inhabitants are, in fact, transient cannery workers and may not wish for a voice in the development stage of a development city. It is not clear if all of the land is owned by the Native Corp. and if so, on whose land are the remaining inhabitants residing. If these inhabitants do not own land, they will not be subject to property tax even when it becomes a first class city. (they must pay tax only on improvements on the land).

29-18-050 (8) Provision for a first class city incorporation

This should be changed if there are inhabitants in the area. This section of the statute does not follow the standard incorporation procedures because it was assumed that a development city would result in an uninhabited area.

29-18-340 Development City Council

Change statute to "the Governor shall appoint no fewer than two public members from a list of nominees designated by the major developer providing the industrial base of the city as measured by employment and capital investment; and two members who are state residents preferably residing in the surrounding area or borough if the development city is located in a borough".

29-18-360 Powers and Duties of the Council

Considerable controversy has arisen over this provision as it gives planning & zoning powers to the division of planning and research and the Dept. of Environmental Conservation during the development stage. The original project for which this was written (Lost River) was located in an unorganized borough whereas Afognak is located within a borough which may want some control over development within its confines. An addition which may alleviate this problem is "except within an organized borough unless the borough waives DPD powers over development, planning, and zoning".

Actually, according to 29-18-290, the petition for a development city may be rejected

Actually, according to 29-18-290, the petition for a development city may be rejected under (4) if the organized borough is capable and willing to carry out the program and activities being considered or if the borough wishes to promote a development city within its area (5) (a) the assembly may "present to the Local Boundary Commission a contractual agreement outlining responsibilities assumed by the borough and the industrial developer to implement the proposed development program."

29-18-380 Procedures

Add "meetings shall be made public".

29-18-390 Development City Capital Improvements

Regulations presently being written by Community and Regional Affairs will clarify this.

29-18-430 Revenue Bonds

Mr. Shey is incorrect in his assumption that issuance of Revenue Bonds would result in the 85 residents becoming 1/85 of the taxable base. Revenue bonds are issued from a corporation or bank based on the value of the project or facility thereby placing no liability on the tax payers. In the development stage, the inhabitants will not be taxed, and unless they own property, they will be taxed only on improvements on land when the development city is incorporated. The state may support the area with funds for certain capital improvement projects thereby representing the use of general tax monies. Mr. Shey gives an example of the building of a dock for which he says his concern is "the tax liability of the bond on the city should the industry fail to be profitable. . ." The facility would be liable in the case of Revenue bonds not the city.

Therefore, there are four alternatives before us:

1. Change the law to apply to locations which include a population; providing for a more democratic process in the development state of the project.
2. Repeal the law and in the process disallow certain developments that may be needed and beneficial to Alaska in uninhabited areas of the state.
3. Limit the law to only those areas in unorganized boroughs that have no inhabitants.
4. Leave the statute as is, counting on the regulations from Community and Regional Affairs to clarify the less definitive and confusing aspects of the law.