

Local  
Boundary  
Commission

- North Slope

2/11/86

Joint CoRA Meeting

Curran filed lawsuit because of Rubini and Greist --  
conflict of interest - Greist resigned when  
suit filed.

(Decision made before petition filed)

other lawsuit - open meetings law

Allow for compensation - would modify decision

Gruenberg - Give me copy of Judge Jones  
decision in removing Rubini.  
Preliminary injunction issued - final decision to  
be issued.

Hensley Others would ~~to~~ <sup>have</sup> come but couldn't get out  
of Kotzebue.  
problem because of family relationships, cultural  
ties, - Did everything we could to work it  
out.

Pg 2

North Slope Borough Boundary was a mistake - I have always seen it as a mistake - 68° parallel, but had nothing to do with culture or traditional use, etc. - I drew boundaries myself for NANA Region - There were no hearings for North Slope Borough boundaries - - one in Anchorage and one in Barrow - that was it.

Statutes are silent on whether or not there has to be compensation - but I would not think we would have to bear any settlement (we being NANA)

"I don't see anything that has been wrong w/ the process."

If process delayed, may not have an opportunity to form borough.

Allegations of conflict of interest -- don't see any -- chagrined when a day before decision, LBC had council, but DCRA had no council --

Bert Geist was like legislator - had an interest in something before him

P93

Jeff Smith

Reason Coor took action he took:  
only way to bring issue to public forum  
was to petition for detachment —  
Did not see this as a public process —

Actual hearing process was not expedited.  
Action would stack up against any  
other public action!

Don't confuse compensation with ~~distrub~~  
distribution of assets and/or liabilities.

In hindsight — we saw that technically the  
LBC should have initiated the petition —  
but we had already done it and we  
kept the petitioner (Dept) and the LBC  
separate.

Pg 4

Herman  
Mayor of Agosuk - City passed resolution  
disapproving detachment

Tony  
shareholder of NANA Region  
born in Kotzebue -

lived in Agosuk 10 yrs

8,200 people 11 communities, only 2 had  
hearings

Anna Norak - Nuiasut

We have used that region for a long time, my relatives  
are buried there.

Hensley we didn't have meetings —

We did have meetings, millions and millions  
of meetings, both in Killik River

Barrow -

Arnold Brower, Jr. -

"Willie should cover himself up this time"

Mine won't make enough money to pay administrative  
expense - State will pay 99% of mine expense.  
Leg should look at what will happen to  
boundaries of surrounding Native Regions

P95

Jack Schaeffer

→ Hensley -

Twice I was hung up on when I was testifying via telephone when teleconference was being held in Kotzebue - Al Adams was answering questions and he hung up on me - I was trying to discuss environmental issues

Willie Goodwin

traditional use - over 40 traditional verification uses were filed when putting in info for right to Region boundaries.

For this one time would like to ask Leg to do nothing about our problem.

Marie Green - Northwest Arctic Borough

traveled and met w/ 11 villages -

much interest in forming boro

730 signatures asking for boro

Will be traveling next week w/ staff to villages for informational meetings on Boro formation.

Page  
Bellisw

LBC

"It was not inordinately quickly done."

Precedent issues: Asked to hear from all boro's - held meeting - no one came only 2 opposed what ~~to~~ we were doing

Each issue is considered separately  
We will not consider this as precedent setting.

Hanson

- We heard nothing new today - all of this has been considered in ~~our~~ our decision process.  
No mood to take land away from boro's.

"I am proud of this process -- doubt if we would have spent more time if this had been spread out over a year."

"We have a great deal of independence and no bias."

Conyon

On pending lawsuits,



Official Business

# Alaska State Legislature

## Senate

### Committee on Community and Regional Affairs

Senator Edna DeVries, Chairman  
Members  
Senator Ferguson, Vice Chairman  
Senator Coghill  
Senator Sturgulewski  
Senator V Fischer

Pouch V  
Juneau, Alaska 99811

February 11, 1986 -- Rm 17, Capitol

Joint Senate/House C&RA Committee Meeting, Rep Goll, Chairing

Public Hearing on the North Slope Borough detachment issue

Teleconference sites on line for listening and comment:  
Barrow, Kotzebue, Anaktuvuk Pass, Atkasuk, Nuiqsut, Point  
Hope, Point Lay, Wainwright, Tahatala (?), Fairbanks (at their  
request), Wrangell (for LBC Member Jo Anderson)

---CONFERENCE MODERATOR REQUESTS TIME AT BEGINNING OF MEETING  
TO POLL EACH SITE IN ORDER TO ASCERTAIN NUMBER OF PERSONS  
WISHING TO TESTIFY --- It is hoped that each person wishing  
to testify will be able to---in view of the fact that tele-  
conference bridge will be needed for another teleconference  
at 5:30p; and further, teleconference facilities are not  
available for continuing this hearing tomorrow.

KBRW Radio, Barrow -- will be taping teleconference.

-----  
AGENDA

- I. Public Hearing
- II. Committee Discussion/Action

-----  
Attached material:

- 1) Data on proposed Chugiak-Eagle River Borough
- 2) Data on petition for detachment from the Matanuska-Susitna  
Borough
- 3) Ltr w/attached Resolution from City of Cordova
- 4) Copy of Petition from North Slope Borough residents
- 5) Ltr from Interior Energy Corp in opposition to North Pole  
annexation

FEBRUARY 10, 1986

BY: HAROLD J. CURRAN  
NORTH SLOPE BOROUGH ATTORNEY

D R A F T

\*\*\*\*\*

CHAIRPERSONS EDNA DEVRICE, PETER GOLL AND MEMBERS OF THE SENATE AND HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES. I AM HAROLD CURRAN. THE NORTH SLOPE BOROUGH ATTORNEY - THE NORTH SLOPE BOROUGH MAYOR, GEORGE AHMAOGAK, SR. HAS DIRECT ME TO PRESENT THE BOROUGH'S VIEWS AND THE VIEWS OF ITS RESIDENTS TO YOU TODAY.

I HAVE BEEN THE NORTH SLOPE BOROUGH ATTORNEY SINCE 1981, THE SAME YEAR I MOVED FROM ANCHORAGE TO BARROW. I SPEAK TO YOU TODAY NOT ONLY AS THE NORTH SLOPE BOROUGH ATTORNEY, BUT AS A MEMBER OF THE NORTH SLOPE BOROUGH GOVERNMENT AND AS A LONGTIME RESIDENT OF THE NORTH SLOPE.

ON NOVEMBER 22, 1985, THE COMMISSIONER OF COMMUNITY AND REGIONAL AFFAIRS PETITIONED THE LOCAL BOUNDARY COMMISSION TO DETACH IN EXCESS OF 2 MILLION ACRES FROM THE NORTH SLOPE BOROUGH'S JURISDICTION ON THE CONDITION THAT A NANA REGION BOROUGH BE FORMED, INCLUDING THE DETACHED AREA. THIS IS THE ONLY TIME A PETITION HAS BEEN FILED BY THE OFFICE OF THE COMMISSIONER.

LESS THAN 60 DAYS LATER, ON JANUARY 19, 1985, THE LOCAL BOUNDARY COMMISSION APPROVED THE PETITION WITHOUT MODIFICATION.

DURING THIS EXPEDITED REVIEW THE OFFICIALS AND RESIDENTS OF THE NORTH SLOPE BOROUGH HAVE PROGRESSIVELY FELT CONCERN, DISAPPOINTMENT AND FRUSTRATION.

IN OCTOBER OF LAST YEAR THE NORTH SLOPE BOROUGH RECEIVED NOTICE THAT THE COMMISSIONER WAS CONSIDERING A PETITION THROUGH A NEWSPAPER ARTICLE ON THE SUBJECT. THE COMMISSIONER HAD MET WITH REPRESENTATIVES OF THE NANA REGION WITHOUT NOTICE TO THE NORTH SLOPE BOROUGH OR A REQUEST OF THE NORTH SLOPE BOROUGH FOR ANY INFORMATION CONCERNING THE DECISION.

THE NORTH SLOPE BOROUGH REQUESTED THE COMMISSIONER TO OPEN UP HIS DECISION MAKING PROCESS AND MAKE IT PUBLIC. HE PERSONALLY MET WITH NSB OFFICIALS AND CONSIDERED THE BOROUGH'S INPUT, BUT DID NOT PUBLICLY NOTICE MEETINGS OR HIS DECISIONS.

DURING NOVEMBER AND DECEMBER THE LOCAL BOUNDARY COMMISSION ADDRESSED THE ISSUE OF AN EXPEDITED REVIEW OF THE PETITION. THE NORTH SLOPE BOROUGH OPPOSED AN ACCELERATED SCHEDULE BECAUSE IT UNDERMINES ADEQUATE TIME FOR BRIEFING AND CONSIDERING ALL ISSUES. THE COMMISSION RECOGNIZES THESE CONCERNS IN ITS REQUIREMENT THAT IF A MUNICIPALITY REQUESTS THAT ITS BOUNDARIES BE ALTERED, SUCH A PETITION BE SUBMITTED BY JULY 1 OF THE YEAR IN WHICH THE PETITION IS TO BE DECIDED. THE PURPOSE OF THE REGULATION IS TO ALLOW ADEQUATE TIME TO CONSIDER A PETITION BEFORE IT IS SUBMITTED TO THE LEGISLATURE. THE LOCAL BOUNDARY COMMISSION IGNORED THE

REASONING SUPPORTING ITS RULE AND ALLOWED THE REVIEW TO BE ACCELERATED.

DURING THE SAME TIME PERIOD THE NORTH SLOPE BOROUGH STRENUOUSLY OBJECTED TO THE THE CONFLICT OF INTEREST OF LOCAL BOUNDARY COMMISSIONER BERT GRIEST WHO IS A SHAREHOLDER, EMPLOYEE AND BOARDMEMBER OF NANA. IT ALSO OPPOSED ASSISTANT ATTORNEY GENERAL JOHN RUBINI'S REPRESENTATION OF BOTH THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS AS PETITIONER AND THE LOCAL BOUNDARY COMMISSION AS A SUPPOSEDLY IMPARTIAL TRIBUNAL. THE LOCAL BOUNDARY COMMISSION, AFTER NOVEMBER 22 AND DECEMBER 9 HEARINGS, REFUSED TO ELIMINATE THESE CONFLICTS.

DUE TO THE COMMISSION'S REFUSAL TO RESPOND TO THE OBVIOUS CONFLICT OF INTEREST OF COMMISSIONER BERT GRIEST AND OF ASSISTANT ATTORNEY JOHN RUBINI, THE NORTH SLOPE BOROUGH FILED A LAWSUIT ON JANUARY 30, 1986.

UPON FILING, BERT GRIEST EXCUSED HIMSELF. AFTER HEARING, ON JANUARY 10, 1986, JUDGE PAUL JONES, WHO SITS IN KOTZEBUE, ENJOINED JOHN RUBINI FROM CONTINUING HIS OBVIOUS CONFLICT OF INTEREST AND DUAL REPRESENTATION.

ALL OF US TAKE PRIDE IN A FUNDAMENTAL PREMISE OF AMERICAN GOVERNMENT CALLED DUE PROCESS WHICH GUARANTEES FAIR PLAY AND PROHIBITS THE OBVIOUS COMPROMISE OF THAT FAIRNESS. THE ACTIONS OF

THE BOUNDARY COMMISSION FORCED THE NORTH SLOPE BOROUGH TO SEEK RELIEF IN COURT TO GUARANTEE IT RECEIVE MINIMAL IMPARTIALITY.

THE FACT THAT THE NORTH SLOPE BOROUGH WAS FORCED TO SEEK JUDICIAL RELIEF FOR THIS OBVIOUS WRONG SUPPORTS A NORTH SLOPE CONVICTION THAT THE LOCAL BOUNDARY COMMISSION'S DECISION WAS PREDETERMINED.

IN FURTHER SUPPORT OF THAT CONVICTION I OFFER THE FOLLOWING FACTS.

NANA APPROACHED THE NORTH SLOPE BOROUGH AS EARLY AS 1983, ASKING THE NORTH SLOPE BOROUGH TO PETITION THE BOUNDARY COMMISSION FOR DETACHMENT OF UP TO 488,000 ACRES OF LAND INCLUDING RED DOG MINE. NANA ALSO ASKED THAT THE NORTH SLOPE BOROUGH SUSPEND ITS TAXING AND ZONING AUTHORITY UNTIL THE AREA WAS DETACHED. INITIALLY, THERE WAS NO REQUEST THAT THE DETACHMENT BE CONDITIONED ON THE FORMATION OF A NANA REGION BOROUGH. THE NORTH SLOPE BOROUGH WAS ALSO INFORMED THAT IF IT DID NOT PETITION THE LOCAL BOUNDARY COMMISSION FOR DETACHMENT THAT NANA WOULD GET THE STATE TO PETITION AND DETACH IN EXCESS OF 2 MILLION ACRES OF AREA.

SUCH A DETACHMENT ONLY BENEFITS NANA AS OWNER OF RED DOG MINE AND ITS SELECTED DEVELOPER COMINCO BECAUSE IT WOULD REMOVE THE COST OF BOROUGH REGULATION AND TAXATION. IT WOULD ALSO

NEGATIVELY IMPACT SUBSISTENCE RESOURCES AND THEIR USERS IN BOTH THE NANA REGION AND THE NORTH SLOPE BOROUGH. NANA OFFERED NO VIABLE SUBSTITUTE FOR THESE CONCERNS, AND TO DATE HAS NOT PROPOSED A BOROUGH EXERCISING THE FULL RANGE OF SERVICES PROVIDED BY THE NORTH SLOPE BOROUGH.

FOR THESE REASONS, NANA'S REPRESENTATIONS TO THE LOCAL BOUNDARY COMMISSION THAT THE PURPOSE OF THE DETACHMENT IS TO ESTABLISH A LOCAL GOVERNMENT, AND TO PROTECT SUBSISTENCE DOES NOT RING TRUE. ALSO, THE SUCCESS OF NANA TO GET OVER TWO MILLION ACRES DETACHED, ON AN EXPEDITED SCHEDULE, AS THREATENED DEMONSTRATES NANA'S POLITICAL POWER IN THE STATE, AND IN ITS OWN REGION. IT IS USING THIS POWER TO BENEFIT THE DEVELOPMENT.

THE LBC'S DECISION FURTHER DEMONSTRATED BIAS. I WILL NOT ATTEMPT TO LIST ALL THE INCONSISTENCIES OF THE DECISION BUT THE FOLLOWING IS AN ILLUSTRATIVE HIGHLIGHT.

THE LBC DETERMINED THAT THE TAX BASE IN THE AREA TO BE DETACHED (PRESENTLY RED DOG MINE) IS ESSENTIAL TO THE FORMATION OF A NANA AREA BOROUGH BECAUSE IT WILL PROVIDE A POSITIVE FLOW OF TAX REVENUE.

WHEN LOOKING AT THE LOSS OF THE TAX REVENUES TO THE NORTH SLOPE BOROUGH, THE LBC STATED, "THE LOSS OF A SMALL PORTION OF THE TAX BASE MAY BE SUBSTANTIALLY IF NOT TOTALLY NEUTRALIZED BY THE AVOIDED COSTS OF BEING RELIEVED FROM THE OBLIGATIONS TO

PROVIDE EXTENSIVE SERVICES IN AND TO THE DETACHED TERRITORY." I ASK YOU, HOW CAN RED DOG MINE BE A TAX BASE FOR A NEW BOROUGH AND ON THE SAME FACTS BE A TAX LIABILITY FOR THE NSB?

YOU HAVE THE AUTHORITY TO INTRODUCE A JOINT RESOLUTION THAT, UPON PASSAGE, VETOES THE LOCAL BOUNDARY COMMISSION'S DECISION. THIS ACTION WOULD FORCE A NEW HEARING AND POSSIBLY GUARANTEE A FAIR HEARING.

I SAY A NEW HEARING BECAUSE I BELIEVE THAT THE LOCAL BOUNDARY COMMISSION, AFTER A FAIR HEARING, COULD RENDER A DECISION THAT IS EQUITABLE AND DEFENSIBLE IN COURT. PASSAGE OF THE RESOLUTION WILL NOT STOP THE DRIVE FOR A NANA BOROUGH. FINALLY, THE NORTH SLOPE BOROUGH SUPPORTS THE FORMATION OF A NANA BOROUGH AFTER A FAIR HEARING AND DECISION. FOR THESE REASONS THE NORTH SLOPE BOROUGH URGES THE INTRODUCTION AND PASSAGE OF SUCH A JOINT RESOLUTION.

WHILE I URGE PASSAGE, IF THAT IS NOT POSSIBLE, AT A MINIMUM THE LEGISLATURE SHOULD PROVIDE THE NSB WITH COMPENSATION FOR ITS LOST TAX REVENUES. SUCH ACTION WILL BENEFIT THE STATE, THE NSB AND THE PROPOSED NANA BOROUGH.

THE ONLY SECURITY TO HOLDERS OF MUNICIPAL BONDS IS THE MUNICIPALITY'S TAX BASE. THE LBC'S DECISION TO REDUCE THE NORTH SLOPE BOROUGH'S TAX BASE WITHOUT PROVIDING COMPENSATION SETS A PRECEDENT THAT ALLOWS UNILATERAL REDUCTION OF THE BOND HOLDERS

SECURITY. THIS LOGICALLY IMPACTS THE MARKET VALUE OF ALL ALASKAN MUNICIPAL BONDS. THE STATE'S PAYMENT OF A PROPORTIONATE SHARE OF THE NORTH SLOPE BOROUGH'S BONDED INDEBTEDNESS DUE TO ITS LOST TAX REVENUES WILL REDUCE THIS IMPACT ON THE ALASKAN MUNICIPAL BOND MARKET. THIS SERVES THE BOROUGH AND STATEWIDE INTEREST OF MAINTAINING THE INTEGRITY OF THE MUNICIPAL BOND MARKET.

OVER THE NEXT TEN YEARS THE PROJECTED REVENUE LOSS TO THE NORTH SLOPE BOROUGH RESULTING FROM DETACHMENT IS IN EXCESS OF \$33,000,000. A STATE APPROPRIATION TO MAY A PROPORTIONATE SHARE OF THE NSB'S BONDED INDEBTEDNESS WILL NOT APPROACH THIS FIGURE.

WITH THE PRESENT PRICE OF OIL, A NORTH SLOPE BOROUGH REQUEST FOR \$33,000,000 FROM THE STATE IS NOT REALISTIC. AS A RESULT, MAYOR AHMAOGAK HAS ASKED THAT I RAISE A SEPARATE ISSUE -- MUNICIPAL LANDS ENTITLEMENT. THE NORTH SLOPE BOROUGH HAS RECEIVED NO MUNICIPAL LANDS AND IS PRESENTLY PROHIBITED FROM SELECTING ANY MUNICIPAL LANDS. LEGISLATION ALLOWING NORTH SLOPE BOROUGH SELECTION OF SUCH LANDS WILL ADDRESS THE NORTH SLOPE BOROUGH'S LOSS WITHOUT DIRECTLY COMPENSATING IT.

A LEGISLATIVE SOLUTION THAT PROVIDES ADEQUATE COMPENSATION WILL, IN EFFECT, AMEND THE LBC'S DECISION, REMOVING MUCH OF ITS SUBSTANTIVE UNFAIRNESS. THIS WILL ELIMINATE MANY OF THE REASONS FOR THE BOROUGH'S PURSUIT OF A LEGAL REMEDY.

IT WILL ALSO ENABLE MAYOR AHMAOGAK TO GO TO HIS ELECTORATE AND RESTORE THEIR CONFIDENCE IN THE MUNICIPAL BOUNDARY PROCESS.

I APPRECIATE THE OPPORTUNITY TO ADDRESS YOU TODAY. I HAVE NOT INTENDED TO OFFEND ANY INDIVIDUAL OR BODY, BUT HAVE MERELY TRIED TO INFORM YOU OF THE NORTH SLOPE BOROUGH'S POSITION, WITH ILLUSTRATIVE EXAMPLES.

I WILL BE GLAD TO ANSWER ANY QUESTIONS WHICH YOU MAY HAVE.

JAN 21 1986



Box 1210 802 Railroad Avenue  
Cordova, Alaska 99574  
Phone: (907) 424-3237  
or 424-3238

*"The Friendly City"*

January 10, 1986

Mayor  
Erling T. Johansen

Council Members  
Joe Gunderson  
Lew L. Cochran  
R. L. Van Brocklin  
Dick Borer  
Don Narance  
Hollis Henrichs

City Manager  
Richard J. Leland

Acting City Clerk  
D. Lynda Plant

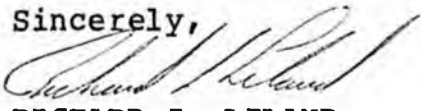
Senator Edna DeVries  
Pouch V  
Juneau, AK 99811

Dear Senator DeVries:

Please be advised that at their regular meeting of 1/6/86, the Mayor and City Council of Cordova took action to adopt the attached Resolution 86-1. The intent of this resolution is to express the City of Cordova's support for the North Star Borough's efforts to protect its boundary.

While we respect the issues being raised on both sides of the argument with regard to the Nana Corporation's interest, our purpose is to support the larger concept of boundary protection. The specific economics of the Nana Region and the North Star Borough will need to be settled by the parties. It is the Council's feeling that the ability for the State to indiscriminately amend municipal boundaries flies in the face of municipal government and our responsibilities to our residents.

We have to count on your efforts to protect the ability of the local entity to maintain its own boundary.

Sincerely,  
  
RICHARD J. LELAND  
City Manager

Enclosure

RESOLUTION 86-1

A RESOLUTION SUPPORTING THE NORTH SLOPE BOROUGH'S EFFORTS TO PROTECT ITS BOUNDARIES

WHEREAS, the Commissioner of the Department of Community and Regional Affairs has petitioned the Local Boundary Commission to alter the North Slope Borough's boundaries, and

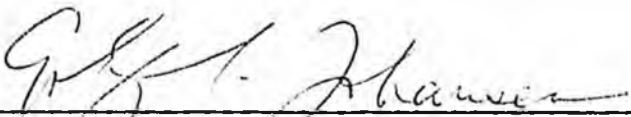
WHEREAS, the voter's of the North Slope Borough rejected a proposition to petition the Local Boundary Commission to alter the Borough's boundaries, and

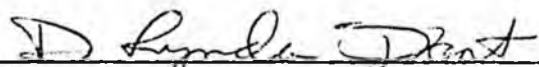
WHEREAS, such action by the State to alter a municipality's boundary without its assent could have a tremendous detrimental impact on the fiscal viability and governmental integrity of all municipalities in Alaska, and

WHEREAS, such action will set a precedent which will have far reaching detrimental impacts on all municipalities in Alaska,

NOW THEREFORE BE IT RESOLVED that the Cordova City Council urges the Local Boundary Commission not to approve the boundary change requested by the Commissioner of the Department of Community and Regional Affairs.

PASSED AND APPROVED THIS 6 DAY OF January, 1986.

  
\_\_\_\_\_  
Mayor Erling T. Johansen

  
\_\_\_\_\_  
Acting City Clerk

ERIC E. WOHLFORTH  
ROBERT B. FLINT  
TIMOTHY G. MIDDLETON  
PETER ARGETSINGER  
ROBERT M. JOHNSON  
GEORGE T. FREEMAN

LAW OFFICES  
WOHLFORTH & FLINT  
A PROFESSIONAL CORPORATION  
900 W. J. 5TH AVENUE, SUITE 502  
ANCHORAGE, ALASKA 99501

M/1.4.11.	SUSITNA BOROUGH
Date Rec'd: 8-11-82	Initials: [initials]
Noted By: _____	TELEPHONE
	AREA CODE 907
	276-6401

August 11, 1982

NSB ATTACHMENT # **AAA**

Mr. Gary Thurlow  
Borough Manager  
Matanuska-Susitna Borough  
P.O. Box B  
Palmer, Alaska 99645

Re: In the Matter of the Detachment of Territory  
from the Matanuska-Susitna Borough

Dear Mr. Thurlow:

In our capacity as bond counsel, you have advised us that there is a pending petition for detachment of certain property from the Matanuska-Susitna Borough. The area proposed to be detached has an assessed valuation amounting to \$6,941,700. The total assessed valuation of the Borough, including the area proposed for detachment, is \$1,220,634,129.

The assessed valuation of the property proposed to be detached is so modest in comparison to the total assessed valuation of the entire Borough as not to create in and of itself a problem in necessary disclosure for future Borough bond financings or to appear to detract from the Borough's power to pay bonded indebtedness and other charges.

However, in our opinion, the successful detachment of the area would create a precedent for future detachments which would warrant disclosure in bond offering documents so as to put potential investors in Borough bonds on notice that the tax base of the Borough may be eroded further and more significantly. To my knowledge, no detachment or disannexation petitions have been granted with respect to those municipalities in the State, including the Matanuska-Susitna Borough, which have sold bonds for their various public purposes. The Matanuska-Susitna Borough is a substantial issuer of public indebtedness now having an outstanding indebtedness understood to be \$61,668,000. In our opinion, a granting of the detachment petition, since it would establish a precedent for future such actions, could

EXHIBIT "B"

Exhibit 1  
18-37

Mr. Gary Thurlow  
August 11, 1982  
Page 2

significantly detract from the Borough's continued ability  
to access public borrowing markets at reasonable rates.

If further information is needed, please call on  
us.

Very truly yours,

WOHLFORTH & FLINT

By Eric E. Wohlforth  
Eric E. Wohlforth

EEW/cm

STATE OF ALASKA  
LOCAL BOUNDARY COMMISSION

STATEMENT OF DECISION

Decision regarding the )  
petition for the detachment )  
of the Lake Louise area )  
containing 432 square miles )  
from the Matanuska-Susitna )  
Borough )

On July 29, 1982 the Department received the Lake Louise petition to detach 432 square miles of territory from the Matanuska-Susitna Borough.

After reviewing the petition for accuracy and completeness it was forwarded to the Matanuska-Susitna Borough on August 6, 1982. In accordance with 19 AAC 10.640, the Matanuska-Susitna Borough Assembly held a public review (August 17) on the petition and returned the petition with the Borough's Answering Brief to the Department on August 20, 1982.

Pursuant to proper notice the Local Boundary Commission held a public hearing on the petition for the proposed detachment on September 25, 1982. The hearing began at 1:00 p.m. in the Evergreen Lodge at Lake Louise. Local Boundary Commission members present were: Sheila Gallagher, Sigvald Strandberg, Bert Geist, and Josephine Anderson. Testimony was presented by Paul Holland, Petitioners' Representative, Gary Thurlow, representing the Matanuska-Susitna Borough, and sixteen additional speakers.

On January 8, 1983 in Juneau, Alaska, at 4:30 p.m. the Commission held its decisional meeting on the Lake Louise detachment petition. Local Boundary Commission members present were: Sheila Gallagher, Bert Geist, Sigvald Strandberg, and Charles Bettisworth.

Upon consideration of the Lake Louise petition to detach 432 square miles of territory from the Matanuska-Susitna Borough, the September 9, 1982 Report of the Department, the November 1, 1982 Supplemental Report of the Department, and the testimony presented at the public hearing, the Local Boundary Commission hereby makes the following findings of fact:

1. The detachment of the Lake Louise area from the Matanuska-Susitna Borough would not be in the best interests of the State, the Lake Louise area, and the Matanuska-Susitna Borough.

The Borough form of government establishes the means of providing local government for an area of the State which is culturally, economically, and geographically related. If the Lake Louise territory was allowed to detach, it would become part of the unorganized borough. In essence, the detachment would remove a portion of an organized borough which has been functioning and providing services on a regional basis for the past eighteen years. The Lake Louise area would then become a part of the State's administrative responsibility. Given the fact that the Matanuska-Susitna Borough was formed by legislative action, and that the removal of the Lake Louise area would only transfer the responsibility of service delivery to the State, the Commission finds no best interest to be achieved for the State. Perhaps most significant with respect to the issue of the State's interest, the Lake Louise area is characteristic of vast areas of the eleven existing organized boroughs and unified municipalities. If this area detaches it could set a precedent that could readily be followed by similar areas.

The Matanuska-Susitna Borough would be adversely affected by the detachment of the Lake Louise area. It would reduce the assessed value by \$6,941,700 which could negatively affect the bonding capacity of the Borough.

The State of Alaska is anticipating distributing 2,635 parcels of land in the Lake Louise area over the next three years. With this potential for future growth and development in the Lake Louise area, it is possible that the community of Lake Louise will have an increasing need for borough areawide services.

- 2) The Matanuska-Susitna Borough has 20,544 square miles with a population of 19,123. Within this immense area there is a diversity of social, cultural and economic settings. More than 70% of all borough residents live outside the four largest communities (Palmer, Wasilla, Houston and Talkeetna). The rural population of the borough has many similarities in that it is distributed along the road system, it experiences high unemployment and seasonal work, and has moved to the rural areas of the Borough within the last 20 years. There are no indications that the residents of the Lake Louise community differ substantially from the majority of the Borough residents residing in the rural areas of the Borough.

- 3) The Matanuska-Susitna Borough currently levies an areawide mill rate of 4.9 mills and a nonareawide mill rate of 0.5 mills. The areawide functions are primarily concerned with the education, school bond debt service, planning, land management and taxation. The remoteness and insignificant school age population of Lake Louise has, from a practical standpoint, limited Borough services. However, that is not to say that with the future anticipated growth within the Lake Louise area that the residents and future residents would not receive services commensurate with the rest of the Matanuska-Susitna Borough and the potential for such services will encourage the area's growth.
  
4. Communications with the Lake Louise area are more difficult than in many other areas of the Matanuska-Susitna Borough. The community has limited telephone service in that it can only be reached through a radio patch phone service in Anchorage. This does make immediate communication between the Borough government and the community relatively difficult. However, the community of Lake Louise is accessible by road on a year round basis. This enables the community to receive scheduled mail service. Therefore, it can be concluded that although communication and transportation services to the Lake Louise area are relatively difficult they do not preclude the exchange necessary for response of an integrated local government.

THEREFORE, the Commission hereby does not approve the petition to detach the Lake Louise area containing 432 square miles of territory from the Matanuska-Susitna Borough and will recommend against such action to the First Session of the Thirteenth Legislature of the State of Alaska; and

THEREFORE, the Commission does recognize that there are areas of the unorganized borough of the State that are receiving the equivalent of municipal services without the responsibility of local tax contributions. Additionally, there are remote areas of the State's organized boroughs that are assessed taxes for the delivery of minimal services which in the unorganized borough are paid for by the State; and

THEREFORE, the Commission recommends to the First Session of the Thirteenth Legislature that it investigate the need for the formation of borough governments in areas of the State that have the economic base available to cover the cost of such government.

Decided on the 8th day of January, 1983.

STATE OF ALASKA LOCAL BOUNDARY COMMISSION

By: Sheila Gallagher Date: 2/28/83  
Sheila Gallagher, Acting Chairman

By: Charles Bettisworth Date: 2/28/83  
Charles Bettisworth, Member

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Bert Greist, Member

By: Sigvald Strandberg (DISSENTING VOTE) Date: 2/16/83  
Sigvald Strandberg, Member

# STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

JAY S. HAMMOND, GOVERNOR

REPLY TO:

- POUCH BH  
JUNEAU, ALASKA 99811  
(907) 465-4707
- 225 CORDOVA STREET, BLDG. B  
ANCHORAGE, ALASKA 99501  
(907) 264-2201
- P.O. BOX 348  
BETHEL, ALASKA 99559  
(907) 543-3475
- P.O. BOX 41  
NOME, ALASKA 99762  
(907) 443-5457
- P.O. BOX 280  
KOTZEBUE, ALASKA 99752  
(907) 442-3675
- 1514 CUSHMAN RM. 211  
FAIRBANKS, ALASKA 99701  
(907) 452-7126

September 22, 1982

## Lake Louise Detachment Petition

To Whom It May Concern:

The Report to the Local Boundary Commission of the State of Alaska on the Petition to Detach the Lake Louise Area from the Matanuska-Susitna Borough, contains two errors. Please note the following changes (underlined material indicates text that is being added and bracketed material in capital letters indicates deletion).

- 1) Page 3 - The second to last sentence in the third paragraph should be amended to read:

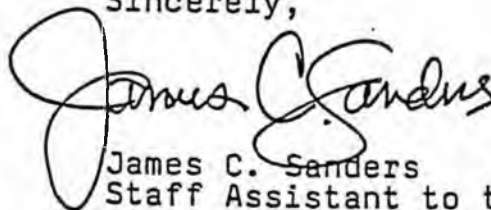
In the past 18 years only [ONE] two boroughs (the North Slope Borough and the Haines Borough) have been established.

- 2) Page 4 The last sentence of the second paragraph should be amended to read:

When this growth does begin to occur, the need for borough areawide services (education [FIRE] and planning) will become evident.

Thank you for your indulgence.

Sincerely,



James C. Sanders  
Staff Assistant to the  
Local Boundary Commission

JCS/sj

NSB ATTACHMENT #

BBB

REPORT TO THE LOCAL BOUNDARY COMMISSION OF THE  
STATE OF ALASKA ON THE  
PETITION TO DETACH THE LAKE LOUISE AREA FROM THE  
MATANUSKA-SUSITNA BOROUGH

Department of Community and Regional Affairs  
Division of Local Government Assistance

September 9, 1982

## I. INTRODUCTION

The Matanuska-Susitna Borough was incorporated on January 1, 1964 under the provisions of Chapter 52, SLA 1963, known as the "Mandatory Borough Act". The Borough is comprised of approximately 20,544 square miles and has an estimated population of 19,123.

The Matanuska-Susitna Borough is the second largest in the State (behind the North Slope Borough), with a land mass exceeding the combined areas of the Haines Borough, Bristol Bay Borough, Kodiak Island Borough, Ketchikan Gateway Borough, City and Borough of Sitka, City and Borough of Juneau and the Municipality of Anchorage. Although much of the Matanuska-Susitna Borough is accessible by road, there are large areas which are remote and inaccessible.

The area of Lake Louise is located in the extreme eastern portion of the Matanuska-Susitna Borough. The area is accessed by an 18 mile road leading from the Glenn Highway to the southern end of Lake Louise. The community, based at the southern end of Lake Louise, is approximately 136 highway miles from Palmer and 45 highway miles from Glennallen. The map at the end of this report identifies the area proposed for detachment from the Matanuska-Susitna Borough.

The majority of the Lake Louise residents are seasonally employed during the summer months. The three lodges on the southern end of Lake Louise provide the economic and population base for the community. The majority of the land within the territory proposed for detachment is owned by the State. The Matanuska-Susitna Borough owns no land within the territory proposed for detachment.

The petition proposes to detach 432 square miles of territory from the Matanuska-Susitna Borough. The area proposed for detachment comprises 2.10% of the Borough territory, and the Lake Louise population (33) represents 0.17% of the Borough population. Of the 432 square miles proposed for detachment, 216 square miles are uninhabited State land.

According to the Borough, there are 28 registered voters and 213 dwellings in the Lake Louise area. Most of these dwellings are recreational in nature. There are 363 tax parcels in private ownership in the Lake Louise area. The property tax to be generated from the territory proposed for detachment during the current fiscal year is approximately \$37,485. The total assessed valuation of the real and personal property at Lake Louise is \$6,941,700 or 0.67% of the total assessed value of the Borough (\$1,037,000,000). The residents of the Lake Louise area contend that they receive no Borough services. The Borough, however, does maintain a public landfill in the Lake Louise area and

offers an educational program for Lake Louise students if they choose to attend school in Glennallen. According to Paul Holland, petitioners' representative, there were no children from Lake Louise attending the Glennallen school last year nor will there be this year. There are only two children in Lake Louise of school age. These students from Lake Louise have chosen a home teaching option which is provided by the Borough and the State of Alaska. The Borough also exercises planning on an areawide basis. Although the effect of the planning activities may not be readily apparent in Lake Louise, the prospect of several thousand new land owners in the area (details below) establishes the need for planning of future growth and development in the Lake Louise area.

According to the Borough, the State of Alaska is going to subdivide and distribute land in the Lake Louise area in the immediate future. An additional 2,635 parcels of land will be transferred from State ownership to private ownership. Therefore, there will likely be significant growth in the Lake Louise area within the next several years. According to the Alaska Department of Natural Resources, the State has classified 102.87 square miles of this territory for remote parcel distribution. In the State fiscal year 1983, approximately 23.44 square miles of this land will be distributed in 30 acre parcels. Additionally, 22.6 square miles of land around the lake have been classified for subdivision disposal. Approximately 3,200 acres (5 square miles) will be distributed by the State during fiscal years 1983 and 1984. These parcels will be 5 to 10 acre plots.

## II. PROCEEDINGS TO DATE

On July 29, 1982 the Department received the Lake Louise petition to detach 432 square miles of territory from the Matanuska-Susitna Borough by the "local action - election" process. This petition was submitted to replace the withdrawn Legislative Review detachment petition submitted on April 20, 1982. After reviewing the current petition for accuracy and completeness it was forwarded to the Matanuska-Susitna Borough on August 6, 1982. In accordance with 19 AAC 10.640, the Matanuska-Susitna Borough Assembly held a public review (August 17) of the petition and returned the petition with the Borough's Answering Brief to the Department on August 20, 1982.

Proper notice has been given for the Local Boundary Commission's public hearing and decisional meeting on the Lake Louise detachment petition. This hearing is scheduled for September 25, 1982 at 1:00 p.m. in the Evergreen Lodge at Lake Louise.

### III. STANDARDS FOR DETACHMENT FROM AN ORGANIZED BOROUGH

The following discussion outlines the considerations the Local Boundary Commission must weigh according to statutes and regulations in reaching a decision on the petition to detach the Lake Louise area from the Matanuska-Susitna Borough.

WILL THE DETACHMENT BE IN THE BEST INTEREST OF THE STATE, THE LAKE LOUISE AREA AND THE MATANUSKA-SUSITNA BOROUGH?  
(19 AAC 10.230)

The issue of best interest must be addressed at each level before an overall consensus can be achieved on this issue. It is difficult to determine what effect the detachment of the Lake Louise area would have upon the State as a whole.

It is fair to state that the Alaska Constitution anticipates that the entire State would be divided into organized boroughs with some areas of the State that could not economically support a borough, becoming the unorganized borough. More than 26 years have passed since the Constitution was ratified by the voters, yet only 25 per cent of the area of the State is organized through borough governments. In the past 18 years only one borough (the North Slope Borough) has been established. No boroughs have been formed in the past 10 years.

The borough form of government establishes a means of providing local government for an area of the State which is culturally, economically and geographically related. If the Lake Louise territory was allowed to detach, it would become part of the unorganized borough. In essence, the detachment would remove a portion of an organized borough which has been functioning and providing services on a regional basis for the past eighteen years. The Lake Louise area would then become a part of the State's administrative responsibility. Given the fact that the Matanuska-Susitna Borough was formed by legislative action, and that the removal of the Lake Louise area would only transfer the responsibility of service delivery to the State, the Department finds no best interest to be achieved for the State. Perhaps most significant with respect to the issue of the State's interest, the Lake Louise area is characteristic of vast areas within the eleven existing organized boroughs and unified municipalities. If this area detaches it could set a precedent that could readily be followed by similar areas. Such would have a significant adverse effect on the State.

The Matanuska-Susitna Borough would be adversely affected by the

detachment of the Lake Louise area. It would reduce the assessed value by \$6,941,700 (0.67%), which would negatively affect the bonding capacity of the borough. As the bonding ability of the Borough is based upon the level of taxable property, the uncertain future of current boundaries could have a debilitating effect upon the Borough's bond rating and capacity to issue bonds. In addition, there are other regions within the Matanuska-Susitna Borough that are in a similar situation to the Lake Louise area and this detachment could, again, set a precedent for future detachment proceedings from the Matanuska-Susitna Borough. Therefore, it would not be possible for the Borough to assure the bonding market of a consistent future valuation.

The residents of the Lake Louise community feel that there are definite benefits in detaching from the Matanuska-Susitna Borough. Primarily they would not be paying taxes for services which they feel are not received. Currently, 73% of the Borough's areawide mill levy is for education, 2% for parks and recreation, 3% for planning, 2% for civil engineering, 2% for assessment and property management and 18% for other costs. The residents of this area feel that the unorganized borough which borders the Lake Louise lake system offers an opportunity to continue living the same lifestyle without the burden of taxation without reciprocal benefits. While the desire to avoid taxation is readily appreciated, this approach ignores the potential for growth following the State distribution of 2,635 parcels of land in the Lake Louise area. When this growth does begin to occur, the need for borough areawide services (education, fire and planning) will become evident.

ARE THE SOCIAL, CULTURAL AND ECONOMIC CHARACTERISTICS OF THE POPULATION OF LAKE LOUISE SUBSTANTIALLY DIFFERENT OR IN CONFLICT WITH THE REMAINDER OF THE POPULATION OF THE BOROUGH?  
(19 AAC 10.230)

The Matanuska-Susitna Borough has 20,544 square miles with a population of 19,123. Within this immense area there is a diversity of social, cultural and economic settings. More than 70 per cent of all borough residents live outside the four largest communities (Palmer, Wasilla, Houston and Talkeetna). The rural population of the Borough has many similarities in that it is distributed along the road system, it experiences high unemployment and seasonal work, and has moved to the rural areas of the Borough within the last twenty years. There are no indications that the residents of the Lake Louise community differ substantially from the majority of Borough residents residing in the rural areas of the Borough.

IS THE GEOGRAPHIC LOCATION OR CONFIGURATION OF THE TERRITORY PRECLUDING THE PROVISION OF BOROUGH SERVICES PROVIDED OTHER AREAS OF THE BOROUGH OR MAKING THE PROVISION OF BOROUGH SERVICES IMPRACTICAL? (19 AAC 10.230)

The Matanuska-Susitna Borough currently levies an areawide mill rate of 4.9 mills and a non-areawide mill rate of 0.5 mills. The areawide functions are primarily concerned with the education, school bond debt service, planning, land management and taxation. The non-areawide functions are primarily concerned with libraries, emergency medical services, solid waste disposal and animal control. The geographic location of the Lake Louise area and its small school age population make the provision of education services to the community impractical at this time. As there is no school in the Lake Louise area, all of the students have opted for education correspondence courses. However, the students do have a choice between the Borough administered correspondence course or the State administered course. The Borough is also willing to pay the Copper River Regional Educational Attendance Area \$2,180 for each child from the Lake Louise area who chooses to attend school in the Glennallen school. The Matanuska-Susitna Borough has made arrangements with the State of Alaska's Department of Education Student Transportation Office for school bus transportation for Lake Louise children who wish to attend the Glennallen school.

The remoteness and insignificant school aged population of Lake Louise has, from a practical standpoint, limited Borough services. However, that is not to say with the future anticipated growth within the Lake Louise area that the residents and future residents would not receive services commensurate with the rest of the Matanuska-Susitna Borough and the potential for such service will encourage the area's growth.

IS THE LACK OF TRANSPORTATION FACILITIES PRECLUDING THE COMMUNICATION AND EXCHANGE NECESSARY FOR RESPONSIVE AND INTEGRATED LOCAL GOVERNMENT? (19 AAC 10.230)

Communications with the Lake Louise area are more difficult than in many other areas of the Matanuska-Susitna Borough. The community has limited telephone service in that it can only be reached through a radio patch phone service in Anchorage. This does make immediate communication between the Borough government and the community relatively difficult. However, the community of Lake Louise is accessible by road on a year-round basis. This enables the community to receive scheduled mail service. Therefore, it can be concluded that although communication and transportation services to the Lake Louise area are relatively difficult they do not preclude the exchange necessary for responsive and integrated local government.

#### IV. CONCLUSIONS AND RECOMMENDATIONS

The detachment proposal has almost total support among the residents of the Lake Louise community. The residents of this area feel that they are paying an inequitable amount of Borough taxes and are being ill-served by a more urban based Borough government. To some degree, the concerns of the Lake Louise residents are justified. Some areawide services provided by the Borough to Lake Louise residents are not available at the same level as those provided to the more populated and accessible areas of the Borough.

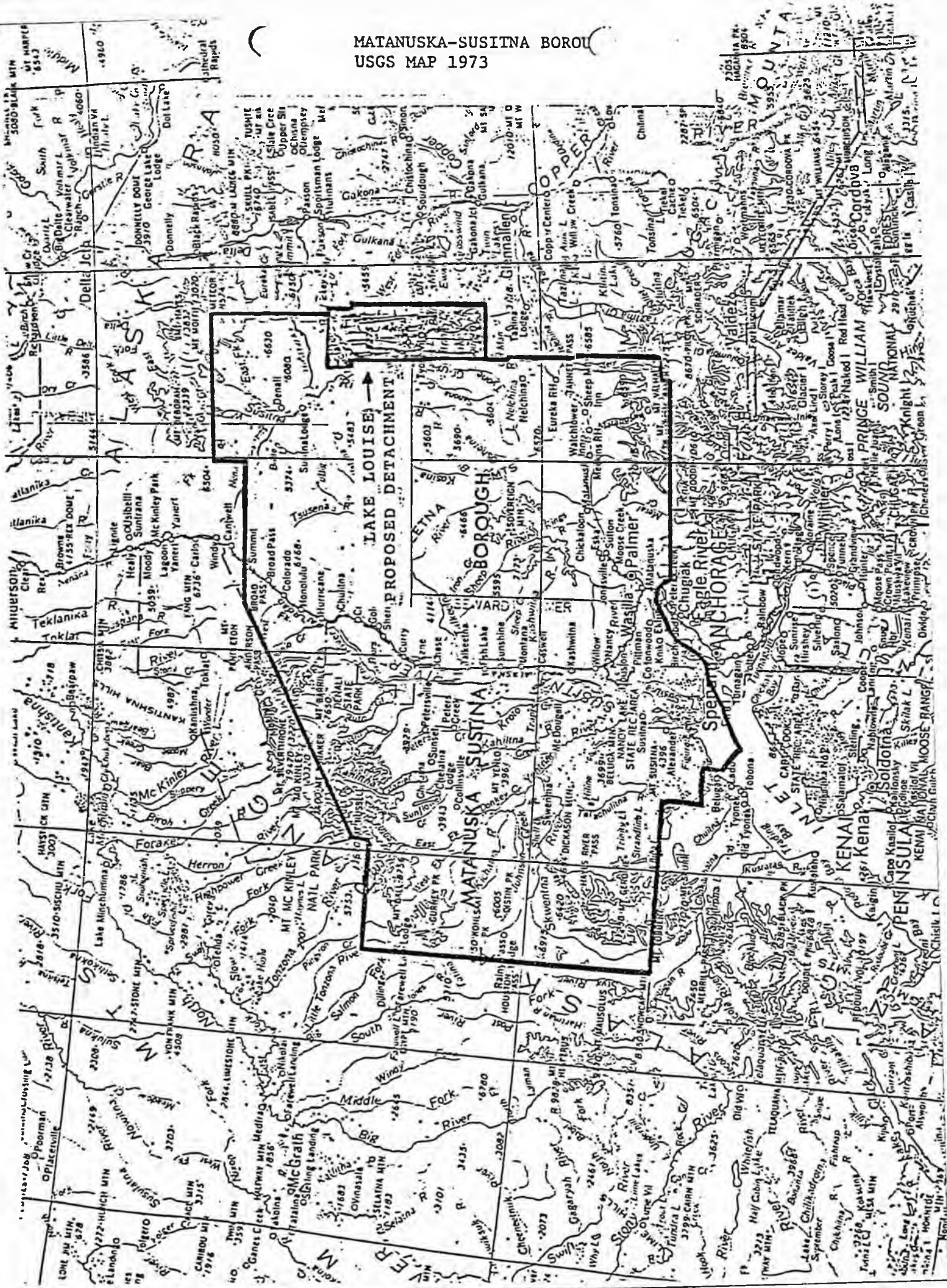
However, as the Matanuska Susitna Borough continues to grow and particularly the Lake Louise area begins to enter a development phase, the commonality of social, cultural and economic interests of both groups will begin to merge.

There are no geographic configurations which preclude the provision of Borough services to the area, and there are facilities which adequately allow proper communication between the Lake Louise area and the Borough seat of government. Further, it is apparent that the proposed detachment is not in the best interests of the State or the Matanuska-Susitna Borough.

In the Department's view the standards for detachment as prescribed in 19 AAC 10.230. have not been met in the Lake Louise petition to detach from the Matanuska-Susitna Borough. Therefore, the Department of Community and Regional Affairs recommends that the Local Boundary Commission deny the detachment proposal in the Lake Louise petition.

The Department further recommends that the Local Boundary Commission, in its annual report to the legislature, address the issue and status of borough government throughout the State. Particularly, there is a need for a thorough review of the inequitable burden for the payment of local services (particularly education) which currently exists within organized boroughs. Hopefully, this would encourage the State to develop a means of resolving this longstanding inequity.

MATANUSKA-SUSITNA BOROU  
USGS MAP 1973



Eagle River Star 1/23/86

— EDITORIALS —

## Councils play important role

The municipal planning commission last week approved an Eagle River rezoning petition despite opposition from neighbors and a unanimous vote (12-0) from the area's community council.

We are concerned, not that the commission based its decision on other criteria than those which led the council to its vote, but with a commission member's opinion regarding councils. Commissioner Alicia Iden dismissed the council vote, saying community councils were not intended to be "another layer of government."

**COMMUNITY COUNCILS ARE** provided for in the charter which is the basis for local government in the Municipality of Anchorage. While Chugiak - Eagle River residents were vehemently opposed to the charter which Anchorage residents succeeded in passing in 1976, many local people had a hand in its preparation.

Having thrice staved off unification during the preceding decade under the banner "It Ain't Writ Rite," they wanted to insure that charter provisions offered the least possible damage. The charter finally did worm its way through the back door and Chugiak - Eagle River residents are happy that their work provided some safeguards.

One of those safeguards is the community council provision. If not the most important item in the charter (retaining the service area concept was the top priority), it certainly is at the head of the list.

**COMMUNITY COUNCIL IMPORTANCE** was so great, in fact, that they are listed in a so-called Bill of Rights. Third of 13 is "the right to establish local community councils to assure maximum community self-determination, exercised in conjunction with others and without infringement upon the rights of other persons."

That importance is further borne out in Article VIII, which deals exclusively with councils. It reads, "The Assembly by ordinance shall provide for establishment of community councils to afford citizens an opportunity for maximum community involvement and self-determination. The ordinance shall include procedures for negotiation between the local government and each community council with respect to the duties and responsibilities of the community council."

If you want to find the planning commission's place in the charter, look to Article XII, Planning. Section one says, "The Assembly by ordinance shall adopt and implement, and from time to time modify, a comprehensive plan setting forth goals, objectives, and policies governing the future development of the municipality." The next section, in just 11 words, deals with the planning commission: "There shall be a planning commission constituted as provided by ordinance." Don't bother looking in the Bill of Rights. The planning commission isn't listed there.

**NOT ALL COUNCILS** throughout Anchorage are effective. None is as active as any of the six Chugiak - Eagle River area councils. Residents here take an interest in what goes on around them. They participate in their councils. Their councils should be given the consideration they deserve.

Councils are not a layer of government. They have no power. But they are the only unified voice residents can have in laying a neighborhood view point before government decision-makers. When you're stuck in one end of a megalopolis, you need all the help you can get to let the folks who occupy the city tower know things look a little different on this side of the mountain.

## Forming a separate borough

People in the Kotzebue area gained an historic victory Monday when the state's local boundary commission granted their petition to separate themselves from the North Slope Borough and form a local government unit of their own.

It was something this community tried unsuccessfully to do a decade ago. Arguments for this week's action echo those raised here.

**THE KOTZEBUE PEOPLE** are benefiting from work done by Chugiak - Eagle River residents. When our petitions were rejected, there were no regulations under which the move could be accomplished.

Ed Willis, then a member of the state senate, gained legislative changes and pushed the administration to promulgate regulations. Attorney Vince Vitale worked with the state to come up with the wording covering detachment of an area from a borough and creation of a separate borough.

The desire to regain independence continues to be expressed here. It is a desire which probably can never come true now that the city is so firmly entrenched in this community.

**WE REJOICE FOR** the new borough in Northwest Alaska. We are glad to have been able to do something to help pave the way for their success. We watch with interest as they move forward.

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

MUNICIPAL & REGIONAL ASSISTANCE DIVISION

February 10, 1986

*Rec'd 4:15 p.m.  
2/10/86 AJA*

The Honorable Edna DeVries  
Chairman  
Senate Community and Regional Affairs Committee  
Pouch V  
Juneau, AK 99811

Dear Senator DeVries:

At the Joint House-Senate Community and Regional Affairs Committees on February 4, certain members of the Committees expressed an interest in the previous efforts to detach territory from the former Greater Anchorage Area Borough to create the Chugiak-Eagle River Borough. Interest was also expressed in the proposed detachment of Lake Louise from the Matanuska-Susitna Borough.

As requested, I have enclosed copies of relevant documents relating to these two actions. The documents consist of the following:

- ° The April 15, 1975 State Supreme Court Opinion determining that the formation of the Chugiak-Eagle River Borough through a special act of the legislature is not valid because it was a special and local act prohibited by Article 2, Section 19 of the Constitution.
- ° The subsequent Petition for the Detachment of the Greater Chugiak-Eagle River Area from the Greater Anchorage Area Borough and the Petition for the Incorporation of the Proposed Chugiak-Eagle River Borough.
- ° The Report of the Department of Community and Regional Affairs on the proposed detachment and incorporation of the Chugiak-Eagle River Borough.
- ° The March, 1976 Statement of Decision of the Local Boundary Commission rejecting the petition for detachment of the Chugiak-Eagle River Area.
- ° The June 7, 1982 Petition for the Detachment of the Lake Louise Area from the Matanuska-Susitna Borough.

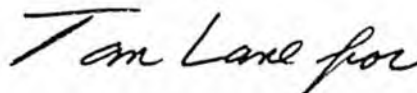
- POUCH BH  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-4707
- 949 E 36TH AVENUE, SUITE 400  
ANCHORAGE, ALASKA 99508  
PHONE: (907) 561-8586
- P.O. BOX 348  
BETHEL, ALASKA 99559  
PHONE: (907) 543-3475
- P.O. BOX 41  
NOME, ALASKA 99762  
PHONE: (907) 443-5457
- P.O. BOX 280  
KOTZEBUE, ALASKA 99752  
PHONE: (907) 442-3675
- 1514 CUSHMAN STREET, ROOM 201  
FAIRBANKS, ALASKA 99701  
PHONE: (907) 452-7126
- P.O. BOX 10041  
DILLINGHAM, ALASKA 99576  
PHONE: (907) 842-2245

The Honorable Edna DeVries  
February 10, 1986  
Page Two

- ° The September 9, 1982 initial report and the November 1, 1982 supplemental report of the Department of Community and Regional Affairs on the petition for the detachment of Lake Louise.
- ° The January 9, 1983 Statement of Decision of the Local Boundary Commission rejecting the petition for detachment of Lake Louise.

If you desire additional information, please advise me.

Sincerely,

A handwritten signature in cursive script that reads "Tom Lane for".

Marty Rutherford  
Director

Enclosure

REPORT TO THE LOCAL BOUNDARY COMMISSION

PROPOSED DETACHMENT AND BOROUGH INCORPORATION OF THE CHUGIAK-EAGLE RIVER AREA

FROM

THE MUNICIPALITY OF ANCHORAGE

The Local Boundary Commission has before it the question of whether the detachment of the Chugiak Eagle-River area from Anchorage, and subsequent incorporation as a second class borough, is in the best interest of the citizens who reside in the area which is proposing detachment and incorporation, in the best interest of the population of the remainder of Anchorage, and in the best interest of the State.

The report to the Commission is based on the following standards, as cited from the Alaska Constitution, Alaska Statutes, and the Alaska Administrative Code.

Alaska Constitution, Article X, Local Government

Section 1. The purpose of this article is to provide for maximum local self-government with a minimum of local governmental units, and to prevent duplication of tax-levying jurisdictions. A liberal construction shall be given to the powers of local government units.

Section 2. All local government powers shall be vested in boroughs and cities. The State may delegate taxing powers to organized boroughs and cities only.

Section 3. The entire State shall be divided into boroughs, organized or unorganized. They shall be established in a manner and according to standards provided by law. The standards shall include population, geography, economy, transportation, and other factors. Each borough shall embrace an area and population with common interests to the maximum degree possible. The legislature shall classify boroughs and prescribe their powers and functions. Methods by which boroughs may be organized, incorporated, merged, consolidated, reclassified, or dissolved shall be prescribed by law.

Alaska Statutes, Title 29, Section 29.18.030, Organized Boroughs

An area may incorporate as an organized borough if it conforms to the following standards:

- (1) the population of the area is interrelated and integrated as to its social, cultural, and economic activities, and is large and stable enough to support organized borough government;
- (2) the boundaries of the proposed borough conform generally to natural geography and include all areas necessary for full development of local services;
- (3) the economy of the area includes the human and financial resources capable of providing local services; evaluation of an area's economy includes land use, property valuations, total economic base, total personal income, resource and commercial development, anticipated functions, expenses, and income of the proposed boroughs;
- (4) land, water, and air transportation facilities allow the communication and exchange necessary for the development of integrated local government.

Alaska Administrative Code, Title 19, Section 15.230

REVIEW BY LOCAL BOUNDARY COMMISSION. (a) The Local Boundary Commission shall review the petition, all exhibits thereto, the resolution and other pertinent data. Such review shall be limited to the following factors:

(1) whether the detachment would be inimical to the interests of the state or any municipality from which detachment of the territory is sought;

(2) whether the territory proposed for detachment is grossly disproportionate in size to the population residing therein, provided, however, that this provision shall not prohibit a detachment merely because the area to be detached consists of or contains uninhabited territory.

The major factors to be considered by the Commission, as spelled out in the Constitution, Statutes, and Code, are as follows:

1. maximum local self-government with a minimum of local government units
2. prevention of duplication of tax-levying jurisdictions
3. interrelation and integration of an area's social, cultural, and economic activities based on standards of population, geography, economy, transportation, and any other relevant factors
4. contiguity of an area, or areas
5. health and safety, and the delivery of services
6. total impact on the proposed new borough and on the remaining borough

All of these factors must be considered within the framework of what will be in the best interests of the State, and the communities involved in the detachment. The detachment of the Eagle River-Chugiak community from Anchorage cannot

be considered as a single, isolated incident in the State. Consideration should be given to the question of whether a precedent will be set by the decision made by the Commission. What total effect will the Commission's decision have on local government in the State?

The Constitution calls for a "minimum of local government units". The major question then is whether the interests and needs of the Eagle River-Chugiak area are so basically different from those of the rest of the Anchorage Borough that creation of two boroughs, where one now exists, justifies maximizing "local government units". The same question must be asked in contemplating the creation of two tax-levying jurisdictions in an area where only one now exists. Is this a "duplication of tax-levying jurisdiction" which it is the intent of the Constitution to avoid in the State's planning for local governments?

The next factor to be considered is whether the detachment of the Eagle River-Chugiak community is justifiable because it is an area which is interrelated and integrated socially, culturally, and economically within its proposed boundaries. Or is the interrelationship and integration, as required in the statutes, existent between the Eagle River-Chugiak area and the remainder of Anchorage?

The basis for determination of the two factors of interrelationship and intergration are population, geography, economy, transportation, and ar other relevant factors. The following data and discussion focus on these criteria.

#### Population

Population estimates as of April 1975

Present total of Anchorage	173,768
Proposed new borough	8,402

Comparison of the proposed new borough's population with the rest of the boroughs in the State shows that the new borough would be larger in population than five of the existing boroughs, and smaller than six of the existing boroughs. A comparison with the Anchorage population is obvious, the proposed new borough being a relatively small fraction of the total Anchorage population.

### Geography

Using the Eagle River shopping center as the population center of the proposed new borough, and downtown Anchorage as the nucleus of the entire area, there is a distance of 15 miles between the two. The two areas are separated by military land, but are not separated by any natural barriers such as unspanned rivers or mountains. Therefore, in one sense the proposed new borough might be considered non-contiguous to the rest of Anchorage because of the military land lying between the two areas. On the other hand, the lack of natural barriers, plus the Glenn Highway which joins the two areas, is an argument in favor of contiguity of the total municipality as it presently exists.

Although there are not other areas in Anchorage which are exactly comparable in character to the Eagle River-Chugiak area, there are areas where distance from the population center of Anchorage would be a stronger argument for non-contiguity. The City of Girdwood is approximately 40 miles from downtown Anchorage, and the community of Portage is approximately 50 miles from downtown Anchorage. However, both of these communities are far smaller in population than the Eagle River-Chugiak community.

Transportation

As has been mentioned, the Glenn Highway joins the proposed new borough and Anchorage. The State Highway Department is in the process of widening this highway to four lanes, the entire distance between Eagle River-Chugiak and Anchorage, because of the increasing volumes of traffic using the highway. The following average daily traffic counts for 1974 have been obtained from the State Department of Highways.

Glenn Highway weigh station (between Eagle River and the military base)

19,400 average daily trips

Muldoon Road and Glenn Highway (between the military base and Anchorage)

18,100 average daily trips

Mirror Lake on the Glenn Highway (between Eagle River-Chugiak and Palmer)

4,374 average daily trips

The last figure was obtained to ascertain how many of the average daily trips between Eagle River-Chugiak and Anchorage might be attributable to traffic coming from beyond the Eagle River-Chugiak area. There was no way of determining how many of the 4,374 average daily trips terminated in the Eagle River-Chugiak area, and how many passed through into Anchorage. However, the traffic counts taken at the other two points indicate a considerable amount of traffic between Eagle River-Chugiak and Anchorage.

The other mode of transportation between the two areas, in addition to vehicles, is by bus. The Anchorage Borough bus system includes a route between Eagle River and Anchorage. During the weeks of April 14 through April 26, 1975, Anchorage counted the number of passengers using the bus system. Following is the total bus ridership during that two-week period.

Eagle River-Anchorage route 1,158

Total of all routes in Anchorage 33,392

While bus ridership figures are not as indicative of intercourse between the two areas as is the traffic counts; the figures do demonstrate that ridership between Eagle River and Anchorage is fairly proportionate in relation to population. The population of Eagle River-Chugiak is about 5% of the total Anchorage population. Bus ridership between Eagle River and downtown Anchorage is approximately 3½ % of the total bus ridership for the Anchorage Borough. When it is taken into account that the bus route does not extend beyond Eagle River to serve the Chugiak area, and the fact that the Eagle River-Anchorage route is the longest bus route in the Anchorage Borough, the relative closeness of the two percentages is surprising.

### Economy

The assessed property evaluations for the 1975-1976 tax year are as follows:

Total present municipality of Anchorage	\$ 2,785,686,960
Chugiak Service Area	53,049,995
Eagle River Service Area	70,648,490
Eagle River Landfill*	10,899,585

\* The Eagle River landfill includes all the area outside the Chugiak Service area and the Eagle River Service Area using the sanitary landfill.

The figures on assessed property evaluation show that the total evaluation for the Eagle River-Chugiak area, which is \$134,598,035, is a relatively small portion of the total tax base of Anchorage. The tax base of Anchorage is large enough so that it will not feel the loss of that portion based on the property evaluations of the proposed new borough. The crucial question is whether the Eagle River-Chugiak tax base is large enough to support necessary services without the support of the larger tax base of the entire Anchorage area as it presently exists.

In addition to assessed property evaluations, consideration should be given to where present and future monies which supply tax dollars are spent. A look at the relatively undeveloped business community in Eagle River-Chugiak, the relatively highly developed business community in the Anchorage area, and the transportation between the two areas as shown by the traffic counts on the Glenn Highway, would indicate that a large portion of the dollars earned and spent by Eagle River-Chugiak residents are now, and will be for some time in the future, flowing into the Anchorage bowl area.

In turn, the larger tax base of Anchorage has helped provide bond monies for construction of schools in the proposed new borough, and supplies a wide range of services available to all Anchorage residents. In fact, according to information gathered on the provision of various services, a higher level of some services is being provided to Eagle River-Chugiak residents than to other outlying areas in Anchorage.

Eagle River is the only area lying outside the major population center of Anchorage which has a health center for the residents of that area. The health center provides a full range of services, including immunization, family planning, and well baby clinics on a regular basis. The clinic is part of the areawide health department, and is completely supported by areawide taxes.

Eagle River also has a library which is part of the non-areawide library power of the Anchorage Borough, and is also completely supported by the entire non-areawide tax base.

In contrast, the Rabbit Creek area, which is also a growing population center outside of central Anchorage, has neither a health clinic nor a library.

Other services provided to the Eagle River-Chugiak area, under the areawide powers of Anchorage, are the three basic services of schools, planning and zoning, and assessment and collection of taxes, as well as transportation, dog control, solid waste management, and environmental protection.

Sewers and a treatment facility exist in the population center of Eagle River under a sewer assessment district. The treatment facility is a lagoon which has the capacity of serving 1,200 people. There are about 1,100 people now being served, so the facility is operating almost at capacity.

In the last legislative session \$100,000 was appropriated for planning and design to expand the system. The Anchorage Department of Public Works is, at this writing, interviewing consultants to perform the planning and design work.

Water in Eagle River-Chugiak is supplied from individual wells, and several small, private water systems, as it is in all areas of Anchorage outside of the major population center.

Two fire service areas provide fire protection to the population centers of Eagle River and Chugiak, respectively.

Formation of a service area for the provision of police protection was defeated at the polls in 1974. The residents have been able to work out an agreement with the Alaska State Troopers to provide "a level of service to the Eagle River-Chugiak area which is more concentrated than that afforded other areas of the State." (Coopers and Lybrand, Profiles of Alternative Municipalities for the Eagle River-Chugiak Area - P.26)

In summary, the basic services which are areawide, or non-areawide powers of Anchorage, are now being provided to the Eagle River-Chugiak area. Additional services are being provided, as in the case of fire protection and sewers, when the residents are willing to increase their taxes in order to pay for them.

Summary of Eagle River-Chugiak Service Area Elections

October 4, 1966--fire protection, Eagle River and Chugiak--failed  
 July 30, 1968--fire protection, Chugiak--passed  
 January 28, 1969--fire protection, Eagle River--passed  
 October 5, 1971--roads and drainage, Eagle River--failed  
 October 2, 1973--parks and recreation, Eagle River and Chugiak--failed  
 March 12, 1974--police protection, Eagle River and Chugiak--failed

The question of delivery of services is directly tied to an area's economy, and its willingness to support necessary services. Consideration of this question rests on the Commission's judgment as to whether the Eagle River-Chugiak area tax base will be able to support mandatory functions (schools, planning and zoning, assessment and taxation). Further, consideration must be given to whether the new borough will be able to support additional municipal services and functions such as health services and facilities, public safety, street and road maintenance, libraries, and other areawide, or non-areawide, functions.

OTHER FACTORS

Other factors to be considered include the status of land and water resources. Patented trust land, belonging to Anchorage, totalling 2,328 acres will lie within the boundaries of the proposed new borough. Most of this land is being used for parks and recreation, with the exception of 192 acres at Fire Lake which is also being used for gravel extraction and sanitary landfill. The loss of these lands by Anchorage serves to reduce considerably the municipality's total patented land. Anchorage's total patented acreage, at this point, is 3,745. This figure includes the 2,328 acres which will lie within the boundaries of the new borough, thus reducing Anchorage's total patented acreage to 1,417 acres if the new borough is formed.

The implications of the loss of this acreage is that Anchorage will need to look for other lands to meet its park and recreational needs. This is going to be difficult because of the shortage of available and useable lands now available in the Anchorage Bowl.

A similar situation exists regarding future need in the Anchorage area for additional water supplies. A report prepared by Tryck, Nyman, Hayes for The City of Anchorage Water Utility and Central Alaska Utility, pinpoints the Eagle River as the most economical source to meet future water requirements for the Anchorage area. The Federal Power Commission has withdrawn most of the Eagle River, and surrounding lands, for use as a future water resource. In the future, when this water resource will be needed, application will be made to the Federal Power Commission for its use. The problem as stated by Frank Nyman of Tryck, Nyman and Hayes regarding the proposed formation of another local government, will be that two local governments will be competing for permits to control the Eagle River water source.

A further complication concerning water sources occurs between two local governments if agreement cannot be reached relative to water uses. Title 29 addresses this question as follows:

29.48.037 (b) A municipality may adopt ordinances to protect its water supply and watershed and may enforce them outside its boundaries. Before this power may be exercised within the boundaries of another municipality, the approval of that municipality must be given by ordinance. This section applies to general law and home rule municipalities.

A hypothetical case in point might be a situation where Anchorage applies to the Federal Power Commission for a permit to divert water from the Eagle River for use in the Anchorage area. The Federal Power Commission issues the permit to Anchorage. The Eagle River lies within the boundaries of the Eagle

River-Chugiak Borough, thereby making it impossible for Anchorage to proceed with the permitted use unless allowed to do so, by ordinance, by the Eagle River-Chugiak Borough.

Considering the above mentioned facts concerning land and water resources, and their implications for Anchorage, it is respectfully proposed that if the Commission makes the determination in favor of detachment, and borough incorporation, the following be required.

1. passage of an ordinance by the new borough giving approval to Anchorage for use of the Eagle River as a future water resource
2. a requirement that all park lands presently belong to Anchorage and lying within the boundaries of the new borough, be held in perpetuity as park land.

#### Assets and Liabilities

In addition to the above proposals, a discussion, and recommendations, concerning the division of assets and liabilities is offered for Commission consideration in the event a decision is made favoring detachment and incorporation.

In the event of detachment Commission responsibility is fixed upon (1) an allocation of the assets and liabilities of Anchorage which may be due the Chugiak-Eagle River Borough on the basis of powers assumed and exercised by the latter, and (2) the division of the assets and liabilities of the respective areas during the transitional year, that is, an allocation of the assets and liabilities during adjustment proceedings.

Involvement of the Local Boundary Commission in such an equitable settlement is without precedent in the State of Alaska. No regulations have been

adopted by the Commission describing a method by which to undertake the division of assets and liabilities.

In the absence of Commission-adopted regulations, a body of state law and lack of precedent within the State, the Department has endeavored to review asset and liability apportionment schemes in other state jurisdictions. Our research was conducted primarily to determine whether there is some form of commonality in the allocation schemes adopted by other states. We believe the identification of such schemes might serve to identify a comprehensive scheme for adjustment and assignment of assets and liabilities in Alaska.

Boundary adjustment poses a most critical question - "What is to be done with the indebtedness and property of the entity which is losing territory in order to adjust for its loss?" Citing the Harvard Law Review: Four general approaches have been tried in other legislation.

(1) No indebtedness changes are effected and the financial status quo is maintained. This solution is common in incorporation legislation. California and North Carolina, for example, require no changes. But it can also be found occasionally in annexation and detachment. This is a highly unrealistic approach which will have two possible results. Whether great unfairness will result from the decreased tax base and continued indebtedness, or needed boundary adjustments will not be effected because undue financial burdens are likely to result.

(2) The second approach is to base allocations of indebtedness upon a formula which can be applied unswervingly in each case. For example, in Indiana the municipality shall be liable upon annexation or incorporation for "so much of such indebtedness of such civil townships in proportion that the assessed valuation of property in such...territory is to the valuation of all property in such townships...prior to the (boundary adjustment)....The approach is a perfect

solution in the normal case; but too often extraneous factors arise, such as the degree of amortization, the ability of the territory's residents to continue to use the facilities for which the indebtedness was incurred, the provisions of bonds limiting assignments, the existence of presently-contracted future obligations, and the degree to which the facility for which the indebtedness was incurred is revenue-producing. (Factors such as inflation impact, depreciation, facility acquisition cost and a multitude of variables could be contended with.) Such occurrences make a formula unattractive since it will too often produce inequities which can be avoided by a more flexible system. Further, the addition of variables into some formula incorporating such variables may well be so costly as to negate the benefit of adopting such formula.

(3) The third method is to require the territory to continue to be liable for all prior indebtedness and to be subject to municipal indebtedness only if it is incurred in the period after the boundary adjustment. Such a system is usual in detachment legislation, but it can be found in other contexts. It has not been widely adopted probably because of the administrative difficulties which would tend to result when different parts of the municipality are taxed at different rates by different entities. Further, political, and perhaps debt ceiling, problems might arise whenever the municipality wished to impose higher tax rates for new improvements since various areas would have different tax rates. Differing assessment practices might further complicate the situation. In addition, a problem might arise as to whether land should be assessed for the purpose of the old township tax on the basis of improvements made after the territory became part of the municipality, or on the value at the time of the boundary adjustment. Thus if a scheme can be established to eliminate overlapping tax jurisdiction, it would be impossible not to overlap tax jurisdictions in the case at hand. (This method may violate the State's Constitutional provision under Article X Section I "duplication of tax-levying jurisdictions" as cited on Pg. 2.)

(4) The fourth method seems to be the most acceptable. A general standard is prescribed as to how the allocation should be carried out and some board or court is empowered to adjust indebtedness in light of that standard. In this case the Local Boundary Commission is assigned a role similar to other Commissions, committees or bodies in other states. For example, in Virginia on incorporation the standard for the court's allocation is "just." In Ohio, upon incorporation the county probate court must make a "proper" allocation of indebtedness and funds. In Minnesota, the Municipal Commission apportions indebtedness upon incorporation, annexation, and detachment on the basis of what is "just and equitable."

This draft adopts this fourth method and uses "fairness and equity" as its basic standard, but is more specific in that it requires consideration of the interests of the groups most directly affected. The determination is made in light of the burdens and benefits resulting from the boundary adjustments as a whole and not just in light of the financial considerations. Thus the detriments of the other allocation methods--unfairness, bars to boundary adjustment, inability to adjust to situations outside the norm, and multiplicity of governments taxing in the territory--are all avoided. Without exception where other state laws address the question of dividing assets and liabilities between public concerns, in an attempt to be "fair and equitable," those state legislatures have adopted statutory criteria based on the concept of "a just proportion of existing debt and assets."

The formula for determining the pro rata share in division of liabilities and non-fixed assets are many and vary with specific circumstances. However, in general, the "just" proportion of existing debt to be assumed by a municipality is the ratio the assessed taxable value in the entire district prior to separation. The percentage figure so obtained is then applied to the total amount of existing debt for which the new municipality shares responsibility in the provision of services.

In addition to pro rata debt assumption and non-fixed assets assumption, in some jurisdictions a new municipality would also pay for a share of the value of public improvements contained within the new area. However, in the absence of state law requiring payment for public improvements from the new municipality to the former municipality, payment would not likely be upheld in a judicial proceeding. As challenged (Norfolk County v. City of Portsmouth 124 Va. 639,659,98 SE. 755, 761-762.)

Whenever compensation for existing public improvements has been allowed, (always by legislative action) the basis for compensation has been the valuation of the improvement.

In the State of Minnesota, state law proscribes that public improvements and/or real property are jointly owned between municipalities after detachment. Each municipality's interest in properties is proportional to their assessed valuation at the time of separation.

In the State of New Jersey, state law proscribes that any public improvements and/or real property shall be and remain the property of the municipality in whose limits the property lies after separation, and any indebtedness then existing which has been incurred for or on account of the property shall become the indebtedness of the municipality within whose limits the property lies.

The Department would recommend that the Division of fixed assets and assignable liabilities (public improvements, and real property) be effected by using the method proscribed under New Jersey law.

The overriding advantage of adopting a method such as proscribed in New Jersey for fixed property division is that no fixed assets and incidental debt remain in mutual contest between municipalities and the question is forever settled.

The Department recommends for Boundary Commission consideration that:

1. The "just and equitable" formula most frequently used in other state jurisdictions be used. i.e.

$$\frac{\text{Total assessed taxable value of Chugiak-Eagle River}}{\text{Total assessed taxable value of the Anchorage Area}}$$

...

equals

Pro rata share of Chugiak-Eagle River debt and non-fixed assets

- a) The percentage figure so obtained would be applied to all fund balances of Anchorage for which Chugiak-Eagle River has vested financial interest. The percentage attributable to Chugiak-Eagle River of the fund balance would become payable to Chugiak-Eagle River from Anchorage.
- b) Funds held by Anchorage that are the funds of a service area that will lie within the boundaries of Chugiak-Eagle River become the assets of Chugiak-Eagle River.
- c) Chugiak-Eagle River shall receive from Anchorage a cash payment equal to the pro rata percentage of value of all non-fixed assets owned by Anchorage on the date of detachment for which Chugiak-Eagle River has vested interest. The determination of value of non-fixed assets may be made by an appraisal of non-fixed properties.

- d) Chugiak-Eagle River Borough accepts a pro rata share of all incidental debt of Anchorage not associated with fixed or real property for which Chugiak-Eagle River has vested interest. The amount of the debt associated therewith and assignable to Chugiak-Eagle River shall be paid by cash from Chugiak-Eagle River to the Anchorage Area.
- e) All fixed assets (public improvements on real property) shall become and remain the property of the borough in which they lie. All debts associated with fixed assets shall become the debt of the borough in whose territory the fixed assets lie.
- 1.) The new borough would be ordered to pass an ordinance giving approval and permission to the Anchorage area to use Eagle River as a possible future water resource.
  - 2.) All lands designated park lands presently belonging to Anchorage, lying within the boundaries of the proposed new borough, would be restricted to the status of park lands

On the basis of the foregoing Anchorage area and petitioners in the Chugiak-Eagle River Area would place before the Commission their respective claims to assets and liabilities. The Commission would be required to arbitrate settlement based on respective argument.

The Commission would need to determine a possible date for which detachment would be effected, so that the formula proposed could be uniformly applied.

Harold S. ABRAMS et al., Appellants,  
v.

STATE of Alaska et al., Appellees,  
v.

Lee B. JORDAN, Mayor of the Second Class  
Borough in the Eagle River-Chuglak  
Area, et al., Appellees.

Lee B. JORDAN, Mayor of the Second Class  
Borough in the Eagle River-Chuglak  
Area, et al., Cross-Appellants,  
v.

Harold S. ABRAMS et al., Cross-Appellees.  
Nos. 2407, 2418.

Supreme Court of Alaska.  
April 15, 1975.

Action was instituted to determine validity of formation of the Eagle River-Chugiak Borough. The Superior Court, Third Judicial District, Anchorage District, Eben H. Lewis, J., upheld validity of the borough and appeal was taken. The Supreme Court, Connor, J., held that statute pertaining to the organization of the Eagle River-Chugiak Borough was special and local in nature; that nothing in nature of the Eagle River-Chugiak area justified departure from general law scheme of incorporating new boroughs and, therefore, the statute pertaining to creation of the borough contravened constitutional prohibition against passage of local or special acts when a general act can be made applicable; and that constitutional provision requiring division of state into boroughs did not grant power to enact special and local laws creating boroughs notwithstanding the prohibition against passage of local or special acts.

Reversed and remanded.

Erwin and Fitzgerald, JJ., did not participate.

1. Statutes ⇨77(1)

Legislative act may affect only one of a few areas and yet relate to a matter of statewide concern and common interest

and, thus, not constitute a local or special act within constitutional prohibition against such acts. Const. art. 2, § 19.

2. Statutes ⇨77(1)

In determining whether a legislative act is a local or special act within constitutional prohibition against such acts, ultimate question is whether the act is reasonably related to a matter of common interest to the whole state. Const. art. 2, § 19.

3. Statutes ⇨76(2)

Statute pertaining to organization of Eagle River-Chugiak Borough constituted both special and local legislation within constitutional prohibition against passage of local or special acts if a general act can be made applicable. Laws 1974, c. 145; AS 29.18.030 et seq.; Const. art. 2, § 19.

4. Statutes ⇨76(2)

Nothing in nature of Eagle River-Chugiak area justified departure from general law scheme of incorporating new boroughs; thus, special and local legislation pertaining to organization of the Eagle River-Chugiak Borough violated constitutional prohibition against passage of a local or special act when a general act can be made applicable. Laws 1974, c. 145; AS 29.18.030 et seq.; Const. art. 2, § 19.

5. Statutes ⇨76(2)

Constitutional provision requiring division of state into boroughs and giving legislature broad power over methods by which boroughs may be organized, incorporated or dissolved did not empower legislature to enact special or local laws pertaining to organization of boroughs despite constitutional prohibition against passage of local and special acts when general acts can be made applicable. Laws 1974, c. 145; AS 29.18.030 et seq.; Const. art. 2, § 19; art. 10, § 3.

6. Statutes ⇨76(1)

Constitutional prohibition against enactment of a local or special act if a general act can be made applicable governs exercise of all legislative powers expressly granted by other portions of the Constitution. Const. art. 2, § 19.

535

Direct

## 7. Constitutional Law ☞15

Different provisions of Constitution should be read so as to avoid conflict whenever possible.

George A. Dickson & John Hedland, David Engles of Rice, Hoppner, Blair & Hedland, Anchorage, for appellants in 2407.

Gerald L. Sharp, City-Borough Atty., Juneau, amicus curiae for appellants in No. 2407.

William F. Tull, Palmer, amicus curiae on behalf of Mat-Su Borough.

John Ken Norman & Gary Thurlow, Anchorage, amicus curiae on behalf of Greater Anchorage Area Borough.

Charles Cranston & Vernon L. Snow, of Gallagher, Snow & Cranston, Anchorage, for appellees in 2407; Cross-Appellants in 2418.

Peter Argetsinger, Asst. Atty. Gen., Anchorage, Avrum Gross, Atty. Gen., Juneau, for State of Alaska.

## OPINION

Before RABINOWITZ, C. J., CONNOR and BOOCHEVER, JJ., and DIMOND, J. Pro Tem.

CONNOR, Justice.

This appeal and cross-appeal present the question of whether the formation of the Eagle River-Chugiak Borough was validly accomplished under the Alaska Constitution. At the center of the conflict are two constitutional provisions:

"The legislature shall pass no local or special act if a general act can be made applicable. Whether a general act can be made applicable shall be subject to judicial determination. Local acts necessitating appropriations by a political subdivision may not become effective unless approved by a majority of the qualified voters voting thereon in the subdivision affected." Alaska Const., art. II, § 19.

"The entire State shall be divided into boroughs, organized or unorganized.

They shall be established in a manner and according to standards provided by law. The standards shall include population, geography, economy, transportation, and other factors. Each borough shall embrace an area and population with common interests to the maximum degree possible. The legislature shall classify boroughs and prescribe their powers and functions. Methods by which boroughs may be organized, incorporated, merged, consolidated, reclassified, or dissolved shall be prescribed by law." Alaska Const., art. X, § 3.

Appellants assert that the prohibition against local or special acts renders invalid Ch. 145 SLA 1974 by which the Eagle River-Chugiak Borough was organized. They argue that the legislature created a borough by a local or special law when a general law could have been made applicable, and that the "general law" constitutional provision controls the operation of legislative power under art. X, § 3, of the Alaska Constitution. They conclude, therefore, that Ch. 145 SLA 1974 is unconstitutional and that the borough created by the legislature is invalid.

Appellees support the validity of the borough by arguing that the legislative act was not local or special legislation, that even if it was local or special legislation the constitutional prohibition does not apply because a general law cannot be made applicable to the particular subject matter of the legislative act, and that the legislature possesses independent power under art. X, § 3, of the Alaska Constitution, apart from the provisions of art. II, § 19, to create the Eagle River-Chugiak Borough.

## I.

The Eagle River-Chugiak area extends from the northeast limits of the City of Anchorage to the Knik River Bridge, and comprises about 738 square miles, slightly less than one-half of the total area of the Greater Anchorage Area Borough as it previously existed. It is located wholly within what was the Greater Anchorage

shed in a manner  
 dards provided by  
 all include popula-  
 my, transportation,  
 ach borough shall  
 l population with  
 the maximum de-  
 legislature shall clas-  
 scribe their powers  
 ods by which bor-  
 ized, incorporated,  
 reclassified, or dis-  
 scribed by law."  
 § 3.

at the prohibition  
 acts renders invalid  
 hich the Eagle Riv-  
 s organized. They  
 re created a bor-  
 ul law when a gen-  
 n made applicable,  
 law" constitutional  
 peration of legisla-  
 § 3, of the Alaska  
 onclude, therefore,  
 is unconstitutional  
 eated by the legis-

validity of the bor-  
 the legislative act  
 al legislation, that  
 special legislation  
 ition does not ap-  
 w cannot be made  
 ar subject matter  
 nd that the legisla-  
 dent power under  
 laska Constitution,  
 ns of art. II, § 19,  
 iver-Chugiak Bor-

giak area extends  
 its of the City of  
 River Bridge, and  
 are miles, slightly  
 e total area of the  
 ea Borough as it  
 is located wholly  
 Greater Anchorage

Area Borough. The area has a population of about 8,500 persons, about 2,500 of whom live in what is regarded as the community of Eagle River. There are no cities of any statutory class within the area. Eagle River lies about 3.7 miles from the corporate limits of the City of Anchorage and about 13 miles from downtown Anchorage. The area is largely residential in land use and most of its work force is employed within what has been the Greater Anchorage Area Borough.

In 1974 the legislature passed Ch. 145 SLA 1974, which became law without the governor's approval. The act provided for an election concurrent with the next statewide election following its passage, to be conducted solely within the Eagle River-Chugiak area, on the question of whether the area should be incorporated as a second class borough. If a majority voted "no" in the first election, the act provided for a subsequent election in which the voters would decide whether the area should be incorporated as a second class city. The election on borough incorporation took place on August 27, 1974, and the proposition passed by a vote of 1,233 to 979. Under the terms of the act, the area then became incorporated.

The act required the Local Boundary Commission to hold a public hearing before the election, and to review the boundaries set forth in the act after the election. Additionally, the Commission was required to promulgate a plan of apportionment, after which the Lieutenant Governor was required to, and did, on December 3, 1974, conduct an election for municipal officers.<sup>1</sup>

1. Other transitional steps include a determination by the Local Boundary Commission, subject to judicial review, of the allocation of debts and assets between the new borough and the Greater Anchorage Area Borough, and written notice by the new borough of its intention to assume its powers. These steps have not been taken, but the act requires that the new borough assume its powers no later than the end of the current fiscal year, i. e., June 30, 1975. In the meantime the Greater Anchorage Area Borough

Prior to the enactment of Ch. 145 SLA 1974 there existed, and still exists, a comprehensive statutory system for the incorporation of boroughs, including those to be established within the boundaries of boroughs already in existence.<sup>2</sup> The general law scheme for organizing a borough consists of a petition to the Department of Community and Regional Affairs, a review of that petition for form by the Department, public hearings by the Local Boundary Commission, and a decision by the Commission as to whether the standards set out in the statutes have been met. In the event of favorable Commission action, an election can be held within the area proposed for incorporation. When a new borough is to be created within an existing one, both a new incorporation and a change in existing boundaries must occur, and the action must be approved at an election within the new borough. The action may also be conditioned upon electoral approval within the existing borough, and it must be submitted to the legislature.

Appellants brought an action on October 30, 1974, seeking to have Ch. 145 SLA 1974 declared unconstitutional and void and seeking to have enforcement of that statute enjoined. On November 22, 1974, appellants sought a preliminary injunction against conducting the election for municipal officers which was scheduled for December 3, 1974. On November 27, 1974, the superior court entered a temporary restraining order which allowed the election to proceed but prohibited certification of the results pending a further hearing. That further hearing was held on Decem-

must continue to assess and collect taxes in the new borough until that date, and allocate to the new borough an amount to be determined by the Local Boundary Commission, subject to judicial review. Under the act the Greater Anchorage Area Borough has been prohibited from transferring assets or authorizing bonded indebtedness in the new borough since September 12, 1974.

2. See AS 29.18.030 et seq.

her 20, 1974. On December 20, 1974, oral argument was presented to the superior court, and that court entered a declaratory judgment to the effect that Ch. 145 SLA 1974 was local and special legislation, but was not violative of art. II, § 19, of the Alaska Constitution. Appellants filed this appeal on December 23, 1974, and were granted a stay pending the decision of the appeal. This court also entered an order expediting the appeal because the questions presented obviously should be decided promptly for the benefit of the affected governmental entities and the public.

## II.

[1] The first question is whether Ch. 145 SLA 1974 is a local or special act. Our previous opinions in *Boucher v. Engstrom*, 528 P.2d 456 (Alaska 1974), and *Walters v. Cease*, 394 P.2d 670 (Alaska 1964), provide background for the resolution of this question. In *Walters v. Cease*, we held that the Mandatory Borough Act, Ch. 52 SLA 1963, was local and special legislation, and that it could not constitutionally be submitted to the voters for adoption by referendum.<sup>3</sup> In *Boucher v. Engstrom*, we held that an initiative to relocate the state capital did not amount to special or local legislation, and thus could be placed upon the ballot. We observed that legislation does not become "local" merely because it operates only on a limited number of geographical areas rather than on a statewide geographical basis. A legislative act may affect only one of a few areas and yet relate to a matter of statewide concern or common interest. *Boucher v. Engstrom*, *supra*, 528 P.2d at 461-62.

[2] *Boucher v. Engstrom* does represent a retrenchment on the definition of

3. Alaska Constitution, art. XI, § 7, provides: "The initiative shall not be used to dedicate revenues, make or repeal appropriations, create courts, define the jurisdiction of courts or prescribe their rules, or enact local or special legislation. The referendum shall not be applied to dedications

"local" found in *Walters v. Cease*. But the ultimate question is whether a legislative act, attacked as "local" or "special", is reasonably related to a matter of common interest to the whole state.<sup>4</sup>

[3] In the case at bar it appears that Ch. 145 SLA 1974 is both special and local legislation. The act provides a method of creating a new borough which is peculiar to the locality where it is applicable. The subject matter can hardly be said to be of statewide interest or impact.

Specifically, the operation and scope of the act are limited to the Greater Anchorage Area Borough. The act creates law which affects only the governmental structure of the Greater Anchorage Area Borough and the Eagle River-Chugiak area lying within it. It can have no effect upon any other part of the state. It purports to create a new local government, and does so without regard to the general statutory provisions that prescribe the method that otherwise governs the creation of new local governmental entities from existing ones. In our opinion the legislation is clearly special and local in nature.

## III.

[4] This brings us to the next question. Appellees argue that even if Ch. 145 SLA 1974 is a local or special act, it is permissible legislation. The Alaska Constitution forbids local or special acts only "if a general act can be made applicable." Whether a general act can be made applicable is subject to judicial determination. We find AS 29.18.030 et seq. to be an applicable general law.

Appellees argue that the Eagle River-Chugiak area is unique and that this justifies the special treatment given to it by the legislature. The trial court found that the

of revenue, to appropriations, to local or special legislation, or to laws necessary for the immediate preservation of the public peace, health, or safety."

4. *Boucher v. Engstrom*, 528 P.2d 456, 463 (Alaska 1974).

Eagle River  
that it has  
the Anchor  
large "ex  
Appellees  
area is se  
Greater An  
Chugiak  
Park, and  
priority of th  
ed against  
Area Bor  
areawide  
area.

We do n  
sive. Nun  
ganized b  
unique in c  
readily to

Douglas  
located on  
capital, ca  
a largely r  
working i  
Douglas w  
Juneau, S  
College, w  
the only  
tral state  
borough o  
ough can  
teristic wh  
of the bor  
ed to just  
then the  
create ma  
on an ad  
is what  
intended.<sup>5</sup>

We fir  
Eagle Riv  
departure

5. *Accord*  
326 P.2  
querque  
v. Swin  
(1964).

6. *Accord*  
Cal.2d (

Eagle River area has a separate identity, that it has been a distinct community in the Anchorage bowl, and that it is the only large "exurban" community in Alaska. Appellees point out additionally that the area is separated from the rest of the Greater Anchorage Area Borough by the Chugach Mountains, the Chugach State Park, and by military reservations. A majority of the electorate of the area has voted against a unified Greater Anchorage Area Borough and against extension of areawide power by the borough over the area.

We do not find this justification persuasive. Numerous other localities within organized boroughs can also claim to be unique in certain respects. Examples come readily to mind.

Douglas, with a 1970 population of 1,243, located on an island across from the state capital, can claim to be distinct, providing a largely residential community for persons working in the capital city. Historically Douglas was a city proudly separate from Juneau. Similarly, it could be claimed that College, with a 1970 population of 3,434, is the only community surrounding the central state university. Nearly every neighborhood or locality within an existing borough can assert some peculiarity or characteristic which distinguishes it from the rest of the borough. If this is all that is needed to justify a departure from general law, then the legislature could, by special act, create many new boroughs out of old ones on an ad hoc basis. We do not think this is what the framers of our constitution intended.<sup>5</sup>

We find nothing in the nature of the Eagle River-Chugiak area which justifies a departure from the general law scheme of

incorporating a new borough. Those unusual aspects which appellees have ascribed to the area present no insurmountable barriers to creating a new borough by following the procedures set forth in AS 29.18-030 et seq. Therefore, we hold that Ch. 145 SLA 1974 contravenes the provisions of art. II, § 19, of the Alaska Constitution.

IV.

[5] Finally, appellees urge that under Art. X, § 3, of the Alaska Constitution the legislature is given broad power over the methods by which boroughs may be organized, incorporated, or dissolved. From this, it is argued, the legislature derives power to enact such laws as Ch. 145 SLA 1974 despite the prohibition of art. II, § 19, of the Alaska Constitution.

[6] But Art. II, § 19, governs the exercise of all legislative powers expressly granted by other portions of the constitution. There is no intimation in its language or in the articles concerning local government which would create an exception to this prohibition against local or special laws.

[7] It is an undisputed maxim of constitutional construction that different provisions of the document shall be read so as to avoid conflict whenever possible. Thus, "[w]henver possible, all provisions should be given effect, and each interpreted in light of the others, so as to reconcile them, if possible, and to render none nugatory." *Lemon v. Bossier Parish School Board*, 240 F.Supp. 743, 744 (W.D.La.1965).<sup>6</sup> We have carefully read the debates and discussions during Alaska's constitutional convention as they relate to the import of art.

5. *Accord*, *State v. Hodgson*, 183 Kan. 272, 326 P.2d 752, 732 (1958); *see also* *Albuquerque Met. Arroyo Flood Control Authority v. Swinburne*, 74 N.M. 487, 304 P.2d 908 (1964).

6. *Accord*, *People v. Western Air Lines*, 42 Cal.2d 621, 268 P.2d 723, 732 (1954), appeal

dismissed, 348 U.S. 850, 75 S.Ct. 87, 90 L.Ed. 077; *Cooper Motors v. Board of County Commissioners*, 131 Colo. 78, 270 P.2d 685, 688 (1955); *Latting v. Cordell*, 197 Okl. 369, 172 P.2d 397, 399 (1946).

535

II, § 19, and art. X.<sup>7</sup> We find nothing in these discussions which would indicate that art. X, § 3, was intended to operate as an exception to the "general law" rule of art. II, § 19. Indeed, if every grant of power were read as an exception to the "general law" provision, that provision would be rendered wholly nugatory in its effect.

We conclude that nothing in the local government articles of the Alaska Constitution overrides the prohibition of art. II, § 19.

Having found the questioned act invalid, we reverse the judgment below and remand for the entry of a judgment in favor of appellants.

7. See Const.Conv.Min. pp. 1760-70, 1774, 1824-27, 2768-71 (Jan. 10-25, 1956).

LOCAL BOUNDARY COMMISSION

In re the petition for detachment )  
of the Chugiak-Eagle River area )  
from the Greater Anchorage Area )  
Borough, and the petition for )  
incorporation of a second class )  
borough in the Chugiak-Eagle River )  
area. )  
\_\_\_\_\_ )

STATEMENT OF DECISION

Whereas, in July, 1975, petitions requesting detachment from the Greater Anchorage Area Borough and subsequent incorporation of a second class Chugiak-Eagle River Borough were submitted to the Department of Community and Regional Affairs in accordance with Title 29 of the Alaska Statutes; and

Whereas, the Department in September, 1975, found the petitions in the proper form with the requisite content and accompanying exhibits; and

Whereas, upon receipt of the sufficient petition the Local Boundary Commission scheduled a public hearing with notice as prescribed by law; and

Whereas, the Local Boundary Commission held a public hearing at the Chugiak High School on October 29, 1975; and

Whereas, the Local Boundary Commission held a public decisional meeting in Anchorage on December 11, 1975, to review the record of the Chugiak-Eagle River petitions;

Now, therefore, the Local Boundary Commission makes the following findings of fact and enters its decision pursuant thereto:

(1) The proposed petition fails to meet statutory and regulatory standards for detachment and incorporation contained in AS 29.18.030 and AAC 19.15.230 in that the area is an integral part of the municipality of Anchorage culturally, socially and economically.

(a) The Glenn Highway, which will ultimately be four-lane between Anchorage and Eagle River joins the two areas. Traffic counts obtained from the State Department of Highways were submitted to the Commission and reflect that between Eagle River and the Glenn Highway entrances to the Fort Richardson military installation there were 19,400 average daily trips, and between Muldoon Road and Anchorage there were 18,100 average daily trips. These figures indicate a great deal of traffic between Anchorage and Eagle River-Chugiak.

(b) In addition to private transportation, figures from the Anchorage Municipal transit system regarding the Eagle River-Anchorage route indicate that in two weeks in 1975, 1158 persons rode the bus between Eagle River and Anchorage. Testimony was introduced at the hearing which indicates that many persons in the Eagle River area work and shop in Anchorage. The traffic figures bear this out. The area is in fact an 'exurban' area or a 'bedroom community' of Anchorage.

(c) The proposed borough further reflects its bedroom status in that there are almost no social or cultural activity centers in the area. The testimony on record reflects that many residents of Eagle River-Chugiak come to Anchorage for movies, theatre, music and other activities of a like nature. This further reinforces the integration of the area with Anchorage.

(2) There are no natural boundaries separating the area from the remainder of the Anchorage municipality. There is a distance of 15 miles between the downtown Anchorage area and the population center of the proposed borough. The only barrier is one of land use, the military

military reservation is not a barrier. In addition, the Glenn Highway runs through the military reservation joining the two areas, furthering the fact of contiguity of the two areas.

(3) The detachment will be inimical to the interest of the State in that the constitutional mandate of a minimum of local government units and tax levying jurisdictions would be violated. The Commission finds that the entire Anchorage area is an integrated area and that the existing borough embraces an area and population with common interests to the maximum degree possible as required by the Constitution.

The record does not reflect that the interests and needs of the Eagle River-Chugiak area differ sufficiently from metropolitan Anchorage to create a separate borough.

(4) The area is not stable enough to support organized borough government in that the Eagle River-Chugiak tax base is not large enough to support necessary services without the support of the larger tax base of the entire Anchorage area. This is based upon the following facts submitted to the Commission.

(a) The assessed valuation for the 1975-6 tax year is \$134,598,035. The population is 8,402. As previously held, the area is a bedroom community of Anchorage with little business development in the Eagle River-Chugiak area. The Eagle River area receives schools, planning and zoning, tax assessment and collection, animal control, sewers, health protection and transportation services from the Anchorage Municipality. The larger tax base of Anchorage has helped provide bond monies for schools in the area. Higher levels of some services are being provided to Eagle River-Chugiak residents than to other areas of Anchorage, i.e., health center and library.

(b) Under the budgets prepared by the then Chugiak-Eagle River Borough, the tax rates would have been 18.96 mills

(Eagle River) and 17.20 mills (Chugiak) as compared to the current rates of 12.61 mills and 11.40 mills. Many residents of the area testified to their belief that the area could not afford a separate government.

(c) A review of Chugiak-Eagle River Service Areas elections since 1966 reflects that only 2 issues passed, fire protection for Eagle River and Chugiak, whereas, the residents turned down an earlier fire issue, roads and drainage, parks and recreation, and as late as March 1974, police protection. The Commission construes these facts as indicating an unwillingness and/or inability to support needed municipal functions.

(5) The Eagle River-Chugiak area is guaranteed representation on the assembly of the Municipality of Anchorage and the charter of the new unified government provides for the creation of Community Councils.

(6) The Service Area concept provided for in Alaska Statutes is retained in the new charter and affords the residents of the Eagle River-Chugiak area an opportunity to request the addition of new services or to increase the level of existing services in the area.

(7) There have been no significant changes other than increase in population in the area since incorporation under the provisions of Chapter 52 SLA 1963, and accordingly, the Commission finds there is no justification for modifying the original boundaries of the Greater Anchorage Area Borough set by the Legislature.

The Commission is aware of the Goat Creek Detachment, the conformance of the Greater Anchorage Area Borough boundaries to metes and bounds description and the correction to the southern boundary description of the Greater Anchorage Area Borough.

In accordance with the above findings, the Local Boundary Commission rejects the detachment petition and therefore does not consider the petition for incorporation of the proposed borough as that issue is moot.

Dated at Anchorage, Alaska, this 15th day of March, 1976.

LOCAL BOUNDARY COMMISSION

Approved:

s/ Sigvald J. Strandberg  
Sigvald J. Strandberg, Chairman

s/ Sheila G. Jones  
Sheila G. Jones

s/ \_\_\_\_\_  
Josephine Anderson

s/ \_\_\_\_\_  
Oliver Leavitt

Dissent:

s/ \_\_\_\_\_  
Gary Ackerman

BEFORE THE DEPARTMENT OF COMMUNITY  
AND REGIONAL AFFAIRS OF THE STATE OF ALASKA

IN RE THE INCORPORATION OF )  
THE PROPOSED NEW CHUGIAK - EAGLE )  
RIVER BOROUGH WHICH INCORPORATES )  
THE GREATER CHUGIAK - EAGLE RIVER )  
AREA DETACHED FROM THE GREATER )  
ANCHORAGE AREA BOROUGH. )

PETITION FOR INCORPORATION AS A BOROUGH OF THE SECOND CLASS

The undersigned qualified voters of the area to be incorporated petition the Department of Community and Regional Affairs to initiate the necessary and proper procedures pursuant to Title 29, Chapter 18, Article 2 of the Alaska Statutes (AS 29.18.050 - 29.18.150), to accomplish the following.

I. PETITIONERS: The designee of the petitioners is:

Chugiak - Eagle River Borough Association

Chairman Lee B. Jordan

1st Vice Chairman Leslie F. Fetrow

2nd Vice Chairman Ernest Brannon

Secretary Gene E. Merchant

Asst. Secretary - Treasurer

Robert C. Johnson

The following are co-sponsors of the Petition:

Charles Graham  
Delores Steeby  
Thomas Brewer  
Ron Stephens  
Elsie Oberg  
Robert Robinson  
Galen Atwater

Elaine Robinson  
Frances Atwater  
Ray Stith  
Joe Kapella  
Thillman Wallace  
Marianna Koehler  
Claire Muetz

The mailing address is P. O. Box 700, Eagle River, Alaska, 99577.

II. CLASS: The petitioners seek to incorporate a borough of the second class.

III. NAME: The name of the proposed borough shall be the Chugiak - Eagle River Borough.

IV. BOUNDARIES: The boundaries of the proposed borough, more particularly stated and illustrated by the map attached as Exhibit A are as follows:

All that land included in the Greater Anchorage Area Borough and lying northerly of the following line: commencing in Knik Arm on the west boundary of the Greater Anchorage Area Borough and on the south boundary of Section 17, T14N, R3W, S. M; thence east along the south boundary of sections 17, 16, 15, 14 and 13, T14N, R3W, S. M; thence east along the south boundary of sections 18, 17, and 16, T14N, R2W, S. M; thence south between sections 21 and 22, thence east along the south boundary of sections 22, 23, and 24, T14N, R2W, S. M; thence southeasterly to the southwest protracted corner of section 1, T12N, R1W, S. M; thence southeasterly to the southwest protracted corner of section 34, T12N, R2E, S. M; thence east along the south boundaries of townships 12N, ranges 2E, 3E, 4E and 5E to the east boundary of the Greater Anchorage Area Borough.

V. COMPOSITION AND APPORTIONMENT OF BOROUGH ASSEMBLY: The borough assembly shall consist of seven members for the first assembly following incorporation and until such time as the reapportionment is accomplished under law. The assembly shall be elected as follows: two members elected from Precinct 147; two members from Precinct 148; and one member each from Precincts 149, 150 and 151 but voted on at large in all three precinct. A mayor shall be elected at large. A school board consisting of five members shall be elected at large.

VI. POWERS: The proposed Chugiak - Eagle River Borough shall exercise the areawide powers and duties prescribed by law, (AS 29.33.250) including assessment and collection of taxes, education, planning, platting and zoning, sewers, health, transportation, dog control, library; all areawide and non-area-wide powers presently performed by the Greater Anchorage Area Borough in the defined area to be incorporated; and any additional areawide powers that may be required in accordance with AS 29.33.250, Additional Areawide Powers.

VII. MAPS, DOCUMENTS, AND OTHER INFORMATION:

- Exhibit A - Legal description of boundaries and map illustrating boundaries
- Exhibit B - 1970 Census and estimate of population
- Exhibit C - The assessed and estimated valuation of all taxable property in the area proposed for incorporation.
- Exhibit D - The rate or rates at which real and personal property are taxed in the area.
- Exhibit E - Narrative on school program
- Exhibit F - The amount and full explanation of any outstanding bonded indebtedness for which the area is wholly or partially responsible.
- Exhibit G - Affidavit of petitioners as to service of petition upon municipalities in or adjoining the area proposed for incorporation.
- Exhibit H - Transitional inter-municipal agreements
- Exhibit I - Affidavit of Petitioners as to sources of information.
- Exhibit J - Written brief supporting reasons

VIII. SIGNATURE AND RESIDENT ADDRESS:

Whereas 2,658 persons in the proposed Chugiak - Eagle River Borough voted in the last general election, November 1974, the following 15% or more petitioners hereby affix their signatures for the following purposes:

- A. To indicate their firm convictions in the allegations of this petition and that the incorporation of the proposed borough would be in the best interest of the communities affected and in the best interest of the State of Alaska as expressed in Article X, Section 3, of the Constitution of the State:

BOROUGHS

SECTION 3. "The entire State shall be divided into boroughs, organized or unorganized. They shall be established in a manner and according to standards provided by law. The standards shall include population, geography, economy, transportation, and other factors. Each borough shall embrace an area and population with common interests to the maximum

degree possible. The legislature shall classify boroughs and prescribe their powers and functions. Methods by which boroughs may be organized, incorporated, merged, consolidated, reclassified, or dissolved shall be prescribed by law."

B. The petitioners submit:

1. The population of the area is interrelated and integrated as to its social, cultural, and economic activities, and is large and stable enough to support organized borough government.
2. The boundaries of the proposed borough conform generally to natural geography and include all areas necessary for full development of local services.
3. The economy of the area includes the human and financial resources capable of providing local services; evaluation of an area's economy includes land use, property valuations, total economic base, total personal income, resource and commercial development, anticipated functions, expenses, and income of the proposed borough.
4. Land, water, and air transportation facilities allow the communication and exchange necessary for the development of integrated local government.

PETITION FOR INCORPORATION OF THE CHUGIAK - EAGLE RIVER AREA AS A SECOND CLASS BOROUGH

Printed Name	Signature	Residence Address	Mailing Address	Voter Reg. No.
EDWARD A. BELLINGER	Edward A. Bellinger	MT. ERKUTNA DRIVE	P.O. Box 90, CHUGIAK, AK	00423624
HARRIET S. BELLINGER	Harriet S. Bellinger	Mt. Erkutna Drive	P. O. Box 90 Chugiak, AK	00741371
ARNOLD L. OLSON	Arnold L. Olson	Mile 18 <sup>Old Glenn</sup> Chugiak	ST. RT. Box 445 Eagle River	00620054
EDITH D. WEST	Edith D. West	Ymate. Ake.	P.O. Box 836 Eagle River	00418509
ARLENE E. OLSON	Arlene E. Olson	St. Rt. Mile 18 Old Glenn	St. Rt. Box 445, Eagle River	00620047
ROSE MARIE SEE	Rose Marie See	Juanita Sp Rd	P.O. Box 144 Eagle River	00418038
MERRY SMITH	Merry Smith	Juanita Sp. Rd.	P.O. Box 144 Eagle River	01743186
CHARLES JOHNSON	Charles Johnson	Juanita Sp Rd	PO Box. 144 Eagle Riv.	01290808
JACK J. SEE	Jack J. See	Juanita Sp Rd	PO Box 144 ER	01223650
LILA C. FERGUS	Lila C. Fergus	Durara Road off Birchwood	PO Box 186 Chugiak	00977611
RAY SMITH	Ray Smith	Crescent Rd.	P.O. Box 438 E.R. AK	00619569
ERNEST T. FOSTER	Ernest T. Foster	JUANITA LOOP Box 83	EAGLE RIVER, AK 99577	01814169
MARY GLORIA BREWER	Mary Gloria Brewer	WHIRLAWAY ST.	PO. BOX 643 ER: AK 99577	01984483
JOHN A. HUNTSMAN	John A. Huntsman	KLONDIKE ST	KLONDIKE ST. BOX 79 CHUGIAK AK 99567	00982132
HOLLY R. WRIGHT	Holly R. Wright	5 mile Eagle River Rd.	St. Rte, Box 196-C, Eagle River	
ELTON B. CROSS	Elton B. Cross	mile 15.5 old Glenn Hwy	Box 407 Eagle River. AK	00619544
EULALIA E. CROSS	Eulalia E. Cross	Mile 15.5 old Glenn Hwy	Box 407 Eagle River AK	Signed this before









BEFORE THE DEPARTMENT OF COMMUNITY  
AND REGIONAL AFFAIRS OF THE STATE OF ALASKA

IN RE THE DETACHMENT OF THE )  
GREATER EAGLE RIVER - CHUGIAK )  
AREA FROM THE GREATER ANCHORAGE )  
AREA BOROUGH. )

PETITION FOR DETACHMENT

The undersigned qualified voters of the area to be detached from the Greater Anchorage Area Borough petition the Department of Community and Regional Affairs to initiate the necessary and proper procedures pursuant to Title 19, Chapter 15, Article 2 of the Alaska Administrative Code (19 AAC 15.170-15.270).

(1) The undersigned qualified voters represent more than 10% of the qualified 4,130 voters residing in the area to be detached.

(2) The designee of the petitioners is:

Chugiak - Eagle River Borough Association

Chairman Lee B. Jordan

1st Vice Chairman Leslie F. Fetrow

2nd Vice Chairman Ernest Brannon

Secretary Gene E. Merchant

Asst. Secretary - Treasurer

Robert C. Johnson

The following are co-sponsors of the Petition:

Charles Graham  
Delores Steeby  
Thomas Brewer  
Ron Stephens  
Elsie Oberg  
Robert Robinson  
Galen Atwater

Elaine Robinson  
Frances Atwater  
Ray Stith  
Joe Kapella  
Thillman Wallace  
Marianna Koehler  
Claire Muetz

The Chugiak - Eagle River Borough Association is an unincorporated association of registered voters of the Chugiak - Eagle River area.

The Chairman, Lee B. Jordan, mailing address P. O. Box 700, Eagle River, Alaska, 99577, is designated as attorney-in-fact to receive service, notice and all other correspondence relating to the proceedings in behalf of the petitioners.

(3) The boundaries of the area to be detached, known as the Chugiak - Eagle River area consisting of Fire Lake, Birchwood, Peters Creek, Eklutna, Eagle River Valley, South Fork, Chugiak and Eagle River, stated in the legal description and illustrated by the map attached as Exhibit A are as follows:

All that land included in the Greater Anchorage Area Borough and lying northerly of the following line: commencing in Knik Arm on the west boundary of the Greater Anchorage Area Borough and on the south boundary of Section 17, T14N, R3W, S.M; thence east along the south boundary of sections 17, 16, 15, 14 and 13, T14N, R3W, S.M; thence east along the south boundary of sections 18, 17, and 16, T14N, R2W, S.M; thence south between sections 21 and 22, thence east along the south boundary of sections 22, 23, and 24, T14N, R2W, S.M; thence southeasterly to the southwest protracted corner of section 1, T12N, R1W, S.M; thence southeasterly to the southwest protracted corner of section 34, T12N, R2E, S.M; thence east along the south boundaries of townships 12N, ranges 2E, 3E, 4E and 5E to the east boundary of the Greater Anchorage Area Borough.

(4) The 1970 Census of Population lists 5,832 persons living in the Eagle River - Chugiak community.

The Greater Anchorage Area Borough publication, Preliminary Comprehensive Development Plan, Volume 1, February 1973, states the following under the heading, "Population Characteristics of Small Areas:"

"Certain communities have shown significant increases in actual and relative population growth. Communities that have grown at a faster rate than the Borough as a whole are Muldoon, Lake Otis, Sand Lake and Eagle River - Chugiak." (Emphasis added)

The same publication projects the population of the Eagle River - Chugiak community as tabulated:

1970	5,832 (U. S. Census)
1975	10,010 (GAAB figures)
1980	12,063
1985	16,979
1990	23,524

The Chugiak - Eagle River Borough Association agrees with the Greater Anchorage Area Borough that the estimated 1975 population is 10,010 based upon the data and evaluation listed in the attached Exhibit B.

(5) The quantity of land within the boundaries of the area to be detached is approximately 53,200 acres or approximately 830 square miles.

(6) The assessed value of all real and personal property within the area to be detached is shown as follows in the Greater Anchorage Area Borough Annual Budget, Fiscal Year 1975 - 1976:

	<u>1974</u>	<u>1975</u>
Eagle River	64,397,015	69,202,215
Chugiak	27,081,925	53,650,025
Balance - Service Area 70	13,203,910	16,424,760
	<hr/> 104,682,850	<hr/> 138,677,000

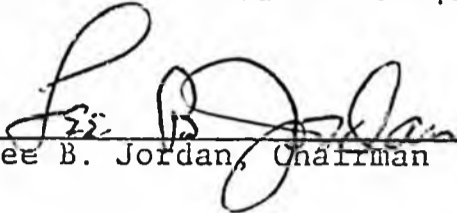
The foregoing assessed value is based on 1975 assessments. Supporting data and evaluation is listed in detail in Exhibit C.

(7) The current (Fiscal Year 1975) rates at which real and personal property are taxed in the area to be detached are as follows:

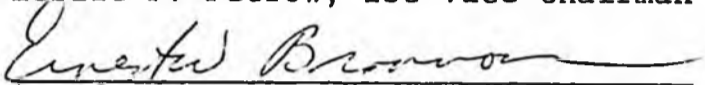
<u>Service Area</u>	<u>Rate</u>
Chugiak	12.445
Eagle River	13.445
Area outside service areas	12.045

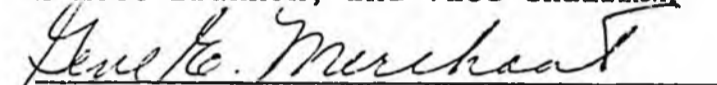
(8) Based on a percentage of assessed value, it has been determined that the area proposed for incorporation has an obligation for 5.27003629% of the 1975 debt of the Greater

Anchorage Area Borough. Of the total of \$107,995,000 principal and \$56,131,791.09 interest, the portion attributable to Chugiak - Eagle River totals \$8,649,540 combined principal and interest. Debt service for Chugiak - Eagle River in Fiscal Year 1976 would be \$560,960 less anticipated state contribution of \$266,456.

  
\_\_\_\_\_  
Lee B. Jordan, Chairman

\_\_\_\_\_  
Leslie F. Fetrow, 1st Vice Chairman

  
\_\_\_\_\_  
Ernest Brannon, 2nd Vice Chairman

  
\_\_\_\_\_  
Gene E. Merchant, Secretary

  
\_\_\_\_\_  
Robert C. Johnson, Asst. Sec.-Treasurer

Printed Name	Signature	Residence Address	Mailing Address	Voter Reg. No.
EDWARD A. BELLINGER	Edward A. Bellinger	MT. EKUTNA DRIVE	P.O. Box 90 CHUGIAK	004123624
HARRIETS BELLINGER	Harrnets Bellinger	MT. EKUTNA Drive	P.O. Box 90, Chugiak	00741371 0041371
EDITH D WEST	Edith d West	Wente Ave.	P.O. Box 836, Eagle River	00418509
Donald L Olson	Donald L Olson	Mile 18 Chugiak	St Rt Box 445 Eagle River	00620054
Arlene E. Olson	Arlene E Olson	Mile 18 Old Glenn	St. Rt., Box 445, Eagle River	00620047
LEONARD SMITH	Leonard Smith	P.O. Box 144	P.O. Box 144 Eagle River	01743178
Charles JOHNSON	Charles Johnson	P.O. Box 144	P.O. Box 144 Eagle River	01290808
LILA C. FERGUS	Lily C Ferguson	Barrow Road Birchwood	PO Box 186 Chugiak	00977611
RAY SMITH	Ray Smith	CORNWADO RD	P.O. Box 438 E. R. AK	00619569
ERNEST T. FOSTER	Ernest T. Foster	JUNITA LOOP BOX 83	EAGLE RIVER, AK. 99577	01814169
MARY GLORIA BREWER	Mary Gloria Brewer	WHIRLAWAY ST.	P.O. BOX 143 ER. AK	01984483
John A. HUNTSMAN	John A. Huntsman	BAR CHWOOD Klondike St. Loop 5047A	CHUGIAK AK. 99567 Box 79	00982132
Holly R. Wright	Holly R Wright	5 mile Eagle River Rd	St. Rte, Box 196-C, Eagle River, AK	
Alton B. Cross	Alton B. Cross	mile 15.5 old Glenn Hwy	Box 407 Eagle River AK	00619544
EULALIA E. CROSS	Eulalia E. Cross	Mile 15.5 Old Glenn Hwy	Box 407 Eagle River AK.	00619015
SAM L. COTTEN	Sam L. Cotten	P.O. Box 296 Semy side st	P.O. Box 296 Eagle River AK.	00418285
KATHLEEN COTTEN	Kathleen Cotten	P.O. Box 296 - EAGLE RIVER Semy side st	P.O. Box 296 EAGLE RIVER AK	00702704









REPORT TO THE LOCAL BOUNDARY COMMISSION OF THE  
STATE OF ALASKA ON THE  
PETITION TO DETACH THE LAKE LOUISE AREA FROM THE  
MATANUSKA-SUSITNA BOROUGH

Department of Community and Regional Affairs  
Division of Local Government Assistance

September 9, 1982

## I. INTRODUCTION

The Matanuska-Susitna Borough was incorporated on January 1, 1964 under the provisions of Chapter 52, SLA 1963, known as the "Mandatory Borough Act". The Borough is comprised of approximately 20,544 square miles and has an estimated population of 19,123.

The Matanuska-Susitna Borough is the second largest in the State (behind the North Slope Borough), with a land mass exceeding the combined areas of the Haines Borough, Bristol Bay Borough, Kodiak Island Borough, Ketchikan Gateway Borough, City and Borough of Sitka, City and Borough of Juneau and the Municipality of Anchorage. Although much of the Matanuska-Susitna Borough is accessible by road, there are large areas which are remote and inaccessible.

The area of Lake Louise is located in the extreme eastern portion of the Matanuska-Susitna Borough. The area is accessed by an 18 mile road leading from the Glenn Highway to the southern end of Lake Louise. The community, based at the southern end of Lake Louise, is approximately 136 highway miles from Palmer and 45 highway miles from Glennallen. The map at the end of this report identifies the area proposed for detachment from the Matanuska-Susitna Borough.

The majority of the Lake Louise residents are seasonally employed during the summer months. The three lodges on the southern end of Lake Louise provide the economic and population base for the community. The majority of the land within the territory proposed for detachment is owned by the State. The Matanuska-Susitna Borough owns no land within the territory proposed for detachment.

The petition proposes to detach 432 square miles of territory from the Matanuska-Susitna Borough. The area proposed for detachment comprises 2.10% of the Borough territory, and the Lake Louise population (33) represents 0.17% of the Borough population. Of the 432 square miles proposed for detachment, 216 square miles are uninhabited State land.

According to the Borough, there are 28 registered voters and 213 dwellings in the Lake Louise area. Most of these dwellings are recreational in nature. There are 363 tax parcels in private ownership in the Lake Louise area. The property tax to be generated from the territory proposed for detachment during the current fiscal year is approximately \$37,485. The total assessed valuation of the real and personal property at Lake Louise is \$6,941,700 or 0.67% of the total assessed value of the Borough (\$1,037,000,000). The residents of the Lake Louise area contend that they receive no Borough services. The Borough, however, does maintain a public landfill in the Lake Louise area and

offers an educational program for Lake Louise students if they choose to attend school in Glennallen. According to Paul Holland, petitioners' representative, there were no children from Lake Louise attending the Glennallen school last year nor will there be this year. There are only two children in Lake Louise of school age. These students from Lake Louise have chosen a home teaching option which is provided by the Borough and the State of Alaska. The Borough also exercises planning on an areawide basis. Although the effect of the planning activities may not be readily apparent in Lake Louise, the prospect of several thousand new land owners in the area (details below) establishes the need for planning of future growth and development in the Lake Louise area.

According to the Borough, the State of Alaska is going to subdivide and distribute land in the Lake Louise area in the immediate future. An additional 2,635 parcels of land will be transferred from State ownership to private ownership. Therefore, there will likely be significant growth in the Lake Louise area within the next several years. According to the Alaska Department of Natural Resources, the State has classified 102.87 square miles of this territory for remote parcel distribution. In the State fiscal year 1983, approximately 23.44 square miles of this land will be distributed in 30 acre parcels. Additionally, 22.6 square miles of land around the lake have been classified for subdivision disposal. Approximately 3,200 acres (5 square miles) will be distributed by the State during fiscal years 1983 and 1984. These parcels will be 5 to 10 acre plots.

## II. PROCEEDINGS TO DATE

On July 29, 1982 the Department received the Lake Louise petition to detach 432 square miles of territory from the Matanuska-Susitna Borough by the "local action - election" process. This petition was submitted to replace the withdrawn Legislative Review detachment petition submitted on April 20, 1982. After reviewing the current petition for accuracy and completeness it was forwarded to the Matanuska-Susitna Borough on August 6, 1982. In accordance with 19 AAC 10.640, the Matanuska-Susitna Borough Assembly held a public review (August 17) of the petition and returned the petition with the Borough's Answering Brief to the Department on August 20, 1982.

Proper notice has been given for the Local Boundary Commission's public hearing and decisional meeting on the Lake Louise detachment petition. This hearing is scheduled for September 25, 1982 at 1:00 p.m. in the Evergreen Lodge at Lake Louise.

### III. STANDARDS FOR DETACHMENT FROM AN ORGANIZED BOROUGH

The following discussion outlines the considerations the Local Boundary Commission must weigh according to statutes and regulations in reaching a decision on the petition to detach the Lake Louise area from the Matanuska-Susitna Borough.

WILL THE DETACHMENT BE IN THE BEST INTEREST OF THE STATE, THE LAKE LOUISE AREA AND THE MATANUSKA-SUSITNA BOROUGH?  
(19 AAC 10.230)

The issue of best interest must be addressed at each level before an overall consensus can be achieved on this issue. It is difficult to determine what effect the detachment of the Lake Louise area would have upon the State as a whole.

It is fair to state that the Alaska Constitution anticipates that the entire State would be divided into organized boroughs with some areas of the State that could not economically support a borough, becoming the unorganized borough. More than 26 years have passed since the Constitution was ratified by the voters, yet only 25 per cent of the area of the State is organized through borough governments. In the past 18 years only one borough (the North Slope Borough) has been established. No boroughs have been formed in the past 10 years.

The borough form of government establishes a means of providing local government for an area of the State which is culturally, economically and geographically related. If the Lake Louise territory was allowed to detach, it would become part of the unorganized borough. In essence, the detachment would remove a portion of an organized borough which has been functioning and providing services on a regional basis for the past eighteen years. The Lake Louise area would then become a part of the State's administrative responsibility. Given the fact that the Matanuska-Susitna Borough was formed by legislative action, and that the removal of the Lake Louise area would only transfer the responsibility of service delivery to the State, the Department finds no best interest to be achieved for the State. Perhaps most significant with respect to the issue of the State's interest, the Lake Louise area is characteristic of vast areas within the eleven existing organized boroughs and unified municipalities. If this area detaches it could set a precedent that could readily be followed by similar areas. Such would have a significant adverse effect on the State.

The Matanuska-Susitna Borough would be adversely affected by the

detachment of the Lake Louise area. It would reduce the assessed value by \$6,941,700 (0.67%), which would negatively affect the bonding capacity of the borough. As the bonding ability of the Borough is based upon the level of taxable property, the uncertain future of current boundaries could have a debilitating effect upon the Borough's bond rating and capacity to issue bonds. In addition, there are other regions within the Matanuska-Susitna Borough that are in a similar situation to the Lake Louise area and this detachment could, again, set a precedent for future detachment proceedings from the Matanuska-Susitna Borough. Therefore, it would not be possible for the Borough to assure the bonding market of a consistent future valuation.

The residents of the Lake Louise community feel that there are definite benefits in detaching from the Matanuska-Susitna Borough. Primarily they would not be paying taxes for services which they feel are not received. Currently, 73% of the Borough's areawide mill levy is for education, 2% for parks and recreation, 3% for planning, 2% for civil engineering, 2% for assessment and property management and 18% for other costs. The residents of this area feel that the unorganized borough which borders the Lake Louise lake system offers an opportunity to continue living the same lifestyle without the burden of taxation without reciprocal benefits. While the desire to avoid taxation is readily appreciated, this approach ignores the potential for growth following the State distribution of 2,635 parcels of land in the Lake Louise area. When this growth does begin to occur, the need for borough areawide services (education, fire and planning) will become evident.

ARE THE SOCIAL, CULTURAL AND ECONOMIC CHARACTERISTICS OF THE POPULATION OF LAKE LOUISE SUBSTANTIALLY DIFFERENT OR IN CONFLICT WITH THE REMAINDER OF THE POPULATION OF THE BOROUGH?  
(19 AAC 10.230)

The Matanuska-Susitna Borough has 20,544 square miles with a population of 19,123. Within this immense area there is a diversity of social, cultural and economic settings. More than 70 per cent of all borough residents live outside the four largest communities (Palmer, Wasilla, Houston and Talkeetna). The rural population of the Borough has many similarities in that it is distributed along the road system, it experiences high unemployment and seasonal work, and has moved to the rural areas of the Borough within the last twenty years. There are no indications that the residents of the Lake Louise community differ substantially from the majority of Borough residents residing in the rural areas of the Borough.

IS THE GEOGRAPHIC LOCATION OR CONFIGURATION OF THE TERRITORY PRECLUDING THE PROVISION OF BOROUGH SERVICES PROVIDED OTHER AREAS OF THE BOROUGH OR MAKING THE PROVISION OF BOROUGH SERVICES IMPRACTICAL? (19 AAC 10.230)

The Matanuska-Susitna Borough currently levies an areawide mill rate of 4.9 mills and a non-areawide mill rate of 0.5 mills. The areawide functions are primarily concerned with the education, school bond debt service, planning, land management and taxation. The non-areawide functions are primarily concerned with libraries, emergency medical services, solid waste disposal and animal control. The geographic location of the Lake Louise area and its small school age population make the provision of education services to the community impractical at this time. As there is no school in the Lake Louise area, all of the students have opted for education correspondence courses. However, the students do have a choice between the Borough administered correspondence course or the State administered course. The Borough is also willing to pay the Copper River Regional Educational Attendance Area \$2,180 for each child from the Lake Louise area who chooses to attend school in the Glennallen school. The Matanuska-Susitna Borough has made arrangements with the State of Alaska's Department of Education Student Transportation Office for school bus transportation for Lake Louise children who wish to attend the Glennallen school.

The remoteness and insignificant school aged population of Lake Louise has, from a practical standpoint, limited Borough services. However, that is not to say with the future anticipated growth within the Lake Louise area that the residents and future residents would not receive services commensurate with the rest of the Matanuska-Susitna Borough and the potential for such service will encourage the area's growth.

IS THE LACK OF TRANSPORTATION FACILITIES PRECLUDING THE COMMUNICATION AND EXCHANGE NECESSARY FOR RESPONSIVE AND INTEGRATED LOCAL GOVERNMENT? (19 AAC 10.230)

Communications with the Lake Louise area are more difficult than in many other areas of the Matanuska-Susitna Borough. The community has limited telephone service in that it can only be reached through a radio patch phone service in Anchorage. This does make immediate communication between the Borough government and the community relatively difficult. However, the community of Lake Louise is accessible by road on a year-round basis. This enables the community to receive scheduled mail service. Therefore, it can be concluded that although communication and transportation services to the Lake Louise area are relatively difficult they do not preclude the exchange necessary for responsive and integrated local government.

#### IV. CONCLUSIONS AND RECOMMENDATIONS

The Detachment proposal has almost total support among the residents of the Lake Louise community. The residents of this area feel that they are paying an inequitable amount of Borough taxes and are being ill-served by a more urban based Borough government. To some degree, the concerns of the Lake Louise residents are justified. Some areawide services provided by the Borough to Lake Louise residents are not available at the same level as those provided to the more populated and accessible areas of the Borough.

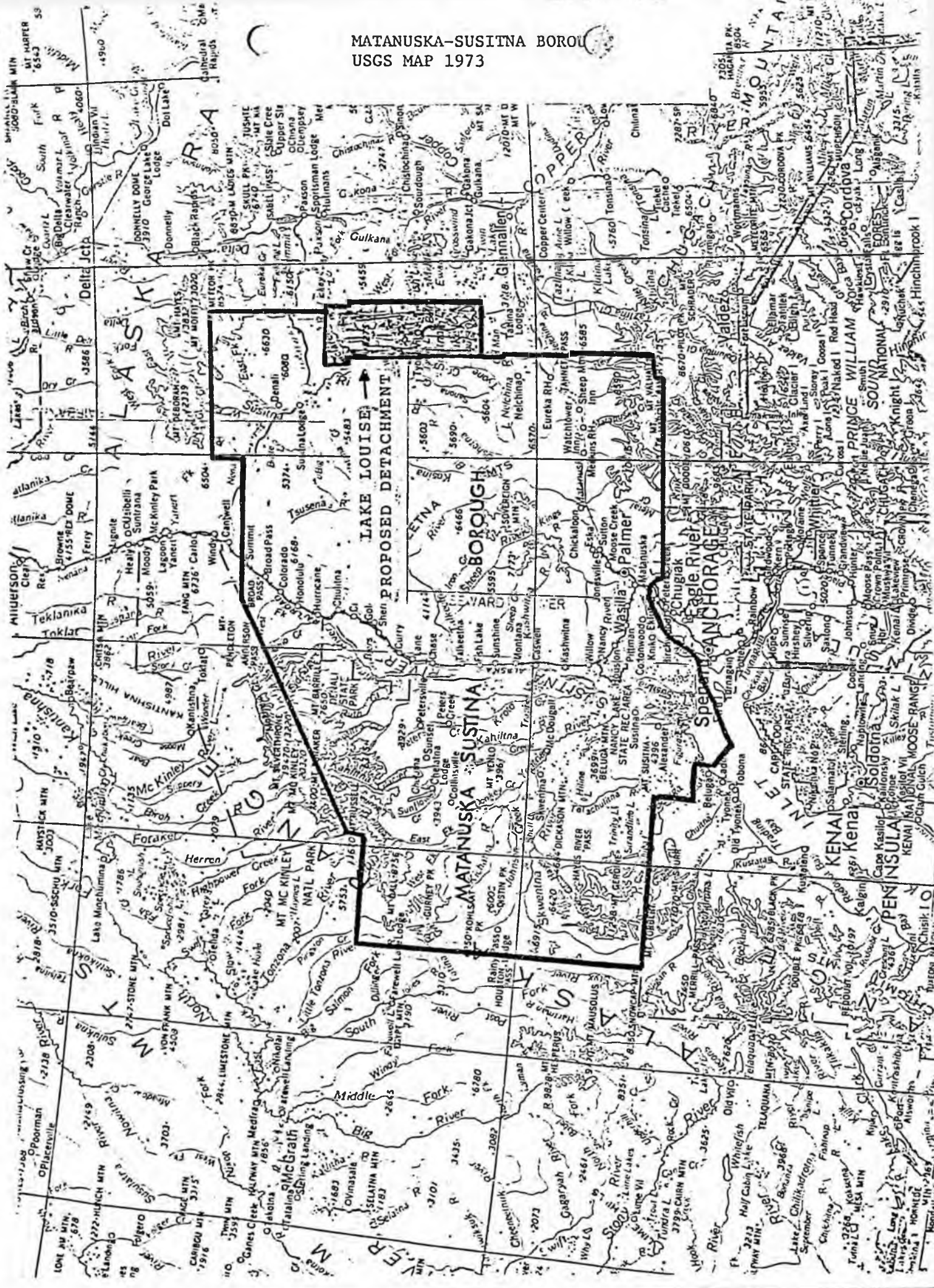
However, as the Matanuska Susitna Borough continues to grow and particularly the Lake Louise area begins to enter a development phase, the commonality of social, cultural and economic interests of both groups will begin to merge.

There are no geographic configurations which preclude the provision of Borough services to the area, and there are facilities which adequately allow proper communication between the Lake Louise area and the Borough seat of government. Further, it is apparent that the proposed detachment is not in the best interests of the State or the Matanuska-Susitna Borough.

In the Department's view the standards for detachment as prescribed in 19 AAC 10.230. have not been met in the Lake Louise petition to detach from the Matanuska-Susitna Borough. Therefore, the Department of Community and Regional Affairs recommends that the Local Boundary Commission deny the detachment proposal in the Lake Louise petition.

The Department further recommends that the Local Boundary Commission, in its annual report to the legislature, address the issue and status of borough government throughout the State. Particularly, there is a need for a thorough review of the inequitable burden for the payment of local services (particularly education) which currently exists within organized boroughs. Hopefully, this would encourage the State to develop a means of resolving this longstanding inequity.

MATANUSKA-SUSITNA BOROUGH  
USGS MAP 1973



Supplemental Report to the State of Alaska  
Local Boundary Commission  
on  
The Proposed Detachment  
of  
Lake Louise  
from  
the Matanuska-Susitna Borough

November 1, 1982

On September 25, 1982 the Local Boundary Commission (LBC) conducted a public hearing in the Lake Louise Evergreen Lodge. This gathering addressed the proposed detachment of 432 square miles of territory surrounding Lake Louise from the Matanuska-Susitna Borough. Several issues were raised by members of the public testifying before the LBC. The Commission felt it could not make a decision on the proposed detachment until additional information was provided to the public and the LBC.

The related issues under examination are: the incorporation proceedings of the Matanuska-Susitna Borough and the rationale for including the Lake Louise area while excluding the Cantwell and Glennallen areas; whether the residents of the Lake Louise area were aware of borough incorporation activities; and what, if any, boundary changes have been made to the original Matanuska-Susitna Borough. Another issue under discussion concerns the distribution of State lands in or adjoining the Lake Louise territory proposed for detachment.

The following section of this report poses the questions central to these issues and reports the information obtained through research by the Department.

Why was Lake Louise included in the original boundaries of the Matanuska-Susitna Borough?

It is evident that the Lake Louise area was included in the original Borough as a result of compliance with the Mandatory Borough Act (Chapter 52, Session Laws of Alaska 1963). This Act provided that Election District 7 would be designated the Matanuska-Susitna Borough. The eastern boundary of Election District 7 fell east of the Lake Louise area and therefore it was included as a result of being within the Election District.

This action was a matter of direct application of boundary determination provisions as contained in the Mandatory Borough Act. For a comprehensive understanding of this action it is necessary to follow the genesis of this aspect of the Mandatory Borough Act from the Alaska State Constitution.

Article X of the Alaska Constitution provides for the creation of local governments throughout the State. Under provisions of this Article, all of Alaska was to be subdivided into boroughs (organized and unorganized) based upon economic, geographic, social and political factors. It further establishes the standards for the determination of these boundary lines.

It was recognized by the framers of the Alaska Constitution that establishing borough government boundaries was "quite an important question and should be under some agency which can establish them along the proper lines. They (boundaries) should not be left to the local community; they should be established by a higher authority". [Alaska Constitutional Convention, "Minutes of the Convention", 1955-56, January 19, 1956 A.M. p. 14.] It is evident that it was the intention of the Constitutional Convention to ensure that local government boundaries should not, in large part, be determined by the local populace but by the State. Following this thinking, Section 12 of Article X of the Alaska Constitution requires that a "local boundary commission or board" be established. "The commission or board may consider any proposed local government boundary change." However, the ultimate authority for acceptance of such boundary issues reviewed by the LBC would lie with the State Legislature.

As explained by the Alaska Supreme Court in Fairview Public Utility District No.1 v. City of Anchorage, 368 P 2d 540 (Alaska 1962), the drafters of Alaska's Constitution gave broad control over local government boundaries to the State because:

". . . The advantage of the method proposed, in the words of the [convention's local government] committee . . . lies in placing the process at a level where area-wide or statewide needs can be taken into account. By placing authority in this third party, (Local Boundary Commission) arguments for and against the boundary change can be analyzed objectively". [The Metropolitan Experiment in Alaska - A Study of Borough Government, Edited by Ronald C. Cease and Jerome R. Saroff, p. 139]

The 1961 State legislature created a borough incorporation deadline by mandating that all school districts (nine) and public utility districts (six) throughout the State could continue to function only until July 1, 1963. Special districts, including school districts and public utility districts, were to be absorbed into these constitutional forms of government (boroughs).

Prior to the convening of the legislature in January, 1963, Representative John L. Rader formulated in broad outline what he thought to be the basic requirements of what would later become the essence of the Mandatory Borough Act of 1963. Among the eleven basic requirements of such a bill was one which is particularly germane to this issue. The bill would need to provide for definite borough boundaries.

In formulating House Bill 90, Mr. Rader decided that defining a borough as either metropolitan or regional in nature would be detrimental. As a practical matter, a bill which provided ultimately for mandatory incorporation must state boundaries with precision. He considered definitions in terms of mountain ranges, shorelines, rivers and water sheds and in terms of longitude and latitude. Finally it was decided that election district lines, which were precise and known to everyone, would be used.

The bill did not force the immediate dissolution of existing school and public utility districts but rather left it to the boroughs to assimilate these units more or less at their convenience but with an ultimate transfer date. Existing local government units would be integrated into constitutional forms of government. If there was no succeeding governmental entity the properties of school districts and public utility districts would revert to the State. "If . . . there is no borough incorporated by local initiative in the populated areas of the State then the bill would provide that the election district lines in which the populations are located are the temporary borough lines until adjusted . . ." [The Metropolitan Experiment in Alaska - A Study of Borough Government, Edited by Ronald C. Cease and Jerome R. Saroff, p. 106] That is, as an expedient for establishing boroughs, election district boundaries were to be used as borough boundaries.

The legislature passed the Mandatory Borough Act in 1963. The act mandated the incorporation of boroughs as of January 1, 1964 in eight areas of the State containing public utility and independent school districts. In some cases the districts were considered too large and in others too small. The areas concerned, however, had the option of petitioning for incorporation and proposing borough boundaries in the time remaining before the deadline. The LBC held public hearings and reviewed local proposals. No agreement between the LBC and the local populace could be reached on boundaries.

Residents of the affected areas were afforded the opportunity to accept the boundaries proposed by the LBC through election. Local option borough elections were held in the fall of 1963. Four local option boroughs were established in the 1963 election under the threat of mandatory incorporation. These were Ketchikan, Sitka, Juneau and Kodiak Island. Borough incorporation election propositions were defeated in the Anchorage, Fairbanks, Kenai Peninsula and Matanuska-Susitna Borough areas. These were mandatorily incorporated on January 1, 1964.

Although given the opportunity to express opinions and suggestions for borough boundaries, the voters within the area containing the proposed Matanuska-Susitna Borough rejected incorporation along the lines provided by the LBC. They thus relinquished boundary determination to the State Legislature.

Accordingly the boundaries for the present Matanuska-Susitna Borough were defined on January 1, 1964 as:

"Palmer-Wasilla-Talkeetna Election District #7".

On February 1, 1966 the LBC recommended that the State Legislature change the boundaries of the Matanuska-Susitna, Greater Anchorage Area and the Kenai Peninsula Boroughs by describing them by metes and bounds. Until this time the areas of election districts defining these boroughs were described by means of river drainages, mountain ridges and other general terms. It was felt that such descriptions were too imprecise to accurately define the corporate limits of municipalities and such loosely defined boundaries may cause future conflicts. It was the LBC's opinion that conflicts could be avoided if the borough boundaries were described by use of precise reference points. It was at this time that the present eastern boundary of the Matanuska-Susitna Borough was described. To see how this compares to the original Election District 7 boundary, see Exhibits "A" and "B".

It is clear then that the Lake Louise area of the Matanuska-Susitna Borough was included in the Borough because it was located within the boundaries of Election District #7. The Alaska Constitutional Convention established the magnitude of the importance of boundary determination. The Alaska Constitution established the authority for the legislature to provide boundary determination. The legislature exercised this authority.

What was the level of public involvement in the Borough incorporation?

It does appear that people in general were aware of incorporation proceedings. In particular, residents in the Wasilla, Palmer and Bay City areas were involved in public hearings and expression of opinion regarding incorporation along the proposed borough boundaries. Upon reviewing testimony presented at public hearings held in Anchorage, Palmer and Wasilla on May 24 and 25, 1963 concerning the Captain Cook Borough, Matanuska-Susitna Borough and Lake George Borough proposals, it can be determined that people were aware of the activities and were holding local meetings to ascertain local opinion regarding boundaries for borough incorporation. However, the testimony presented at these meetings did not evidence any comment from individuals identified as residing within the Lake Louise area.

Have there been any boundary changes affecting Lake Louise subsequent to incorporation of the Borough?

No subsequent changes to the eastern boundary of the Matanuska-Susitna Borough (with the exception of the 1966 redefinition of borough boundaries) have been made.

Why was the Community of Cantwell excluded from the Matanuska-Susitna Borough?

Cantwell was not a part of "Palmer-Wasilla-Talkeetna Election District #7" and therefore was not included within the original boundaries of the Matanuska-Susitna Borough. However, as a result of the February 1, 1966 redescription of borough boundaries in terms of metes and bounds, the LBC recommended inclusion of the Cantwell area in the Matanuska-Susitna Borough. It was subsequently found that the citizens of Cantwell did not have notice of the LBC hearing on June 26, 1965 regarding this recommendation. The LBC thus conducted a hearing in Cantwell on July 26, 1967 and at Palmer on January 25, 1968 to consider whether the Cantwell area should remain in the Matanuska-Susitna Borough. It was found that the citizens of Cantwell and the officials of the Matanuska-Susitna Borough concurred with the recommendation that the Cantwell area was inappropriately included in the Matanuska-Susitna Borough. Exclusion of the Cantwell area would not exclude territory from the Matanuska-Susitna Borough which was included prior to February 1, 1966. The LBC determined that it would be in the best interest of Cantwell area citizens, the Matanuska-Susitna Borough and the State of Alaska for the area to be excluded from the Matanuska-Susitna Borough. Therefore, in accordance with Article X, Section 12 of the Alaska State Constitution, on January 31, 1968 the LBC transmitted to the Alaska State Legislature for consideration the recommendation that the boundaries of the Matanuska-Susitna Borough be changed to exclude the Cantwell area. It was subsequently approved.

Why was Glennallen not included in the Matanuska-Susitna Borough?

Glennallen was excluded because it is located in an election district outside the boundaries of the Matanuska-Susitna Borough Election District. Further, because it contained no special service districts (public utility or school districts), the Valdez-Cordova-Copper River Valley area (assumed to include Glennallen) was not included in the Mandatory Borough Act of 1963. No boroughs have since been established in this part of Alaska.

What is occurring with the State land disposal in the Lake Louise area?

According to Wayne Monday, Resource Manager with the Department of Natural Resources (DNR), there will be a significant land disposal effort in the Lake Louise area during the next three years. The acreage for disposal in the original report dated September 9, 1981 to the LBC on the Lake Louise Detachment accurately reflects the intended land disposals planned by DNR.

The north end of Lake Louise, including Cliff Bay and Dog Bay has been patented to the State. Approximately 270 acres of this land will be disposed this spring (1983). Tentative patent has been given to the State for the west sides of Lake Louise and Lake Susitna. It is anticipated that these lands will be patented to the State by the end of November (1982).

Additionally, the State has received tentative patent to the lands proposed for disposal on the east side of Lake Louise and Lake Susitna. It is hoped that the State will receive patent to these lands within the next twelve months.

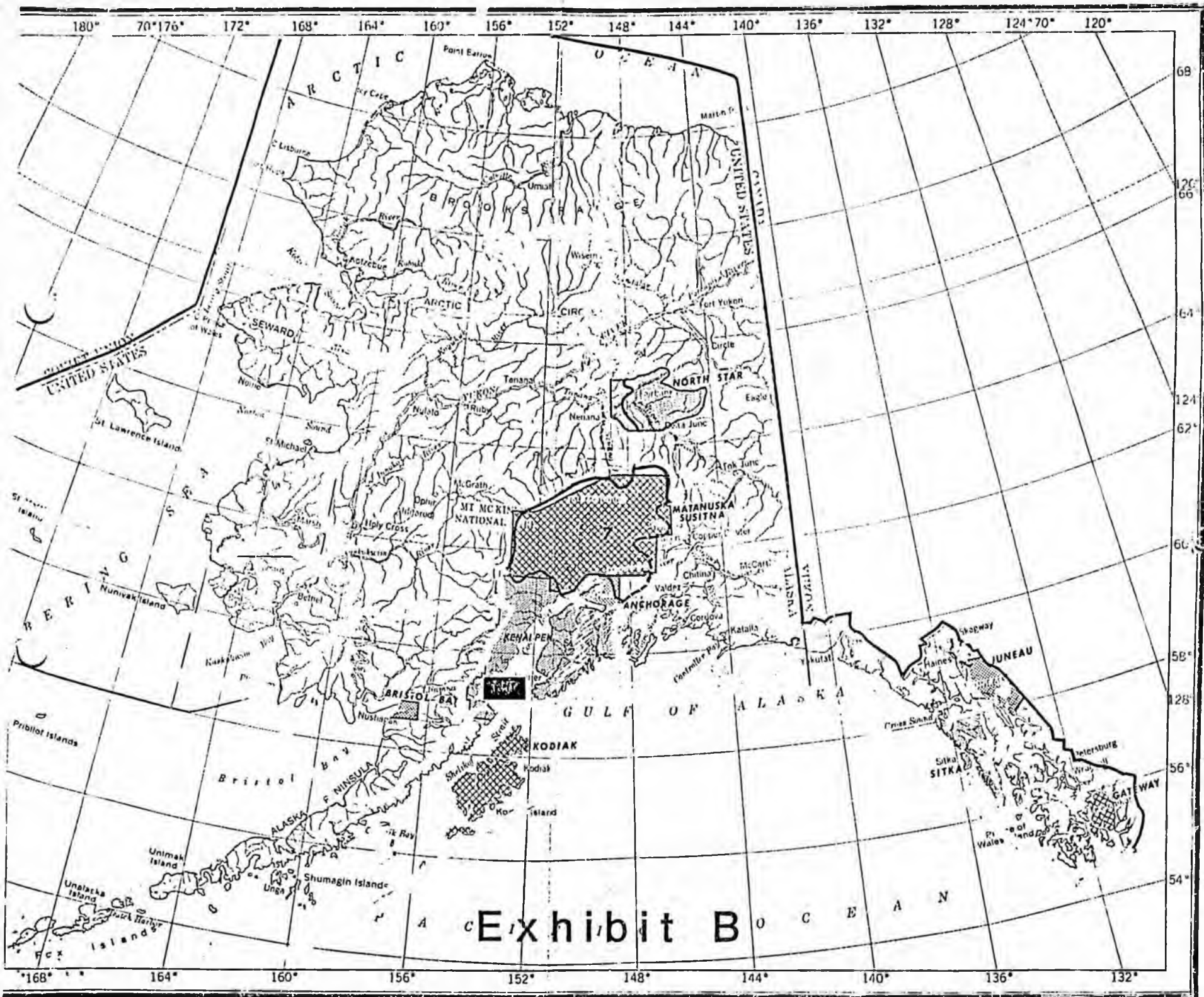
# MATANUSKA - SUSITNA BOROUGH

1960 Census  
POPULATION 5,188  
SQ. MILES 22,909 est.

ANCHOR  
MOUNTAIN VIEW  
CHESTER

## Exhibit A

LAKE LOUISE



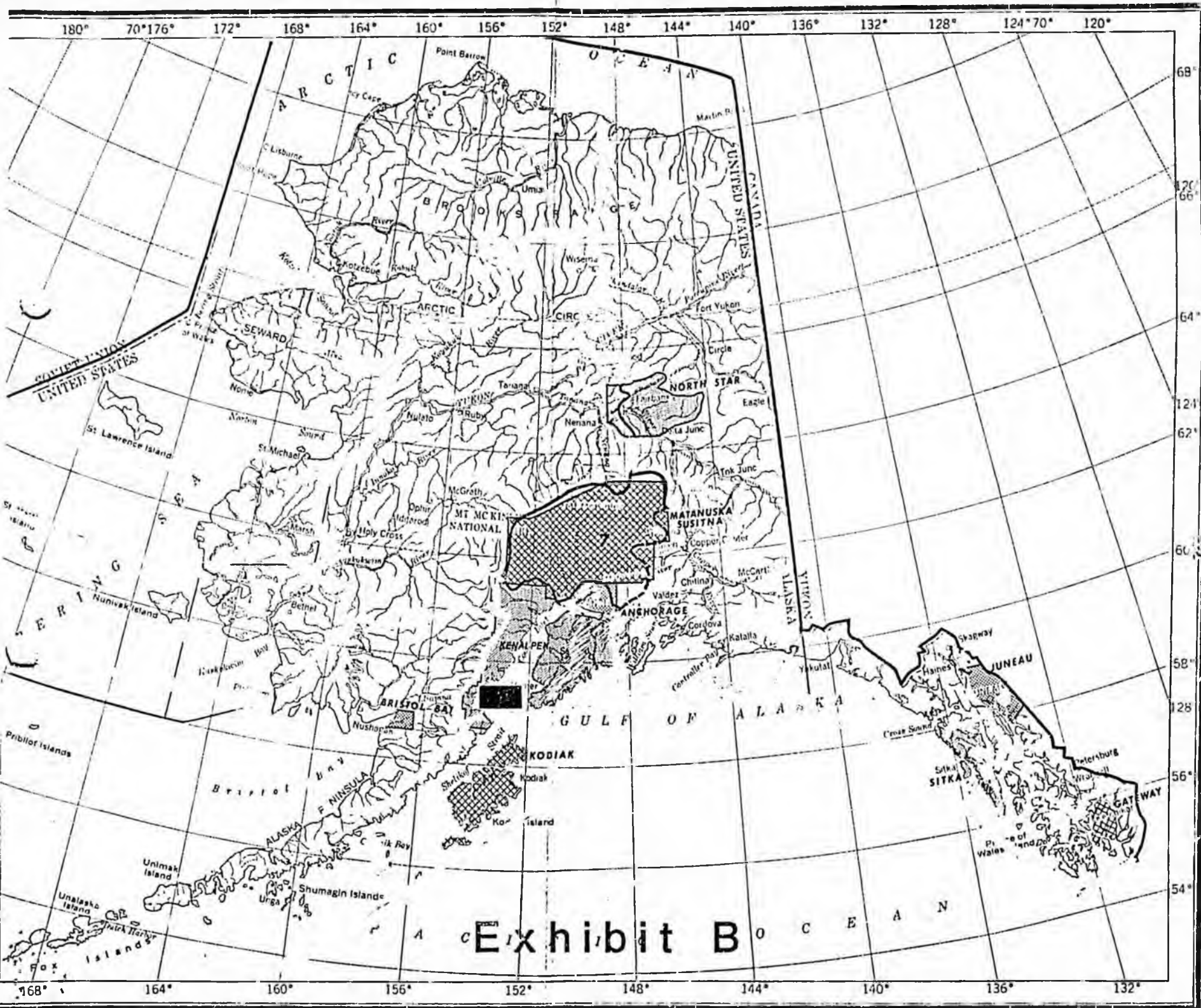


Exhibit B

STATE OF ALASKA  
LOCAL BOUNDARY COMMISSION

STATEMENT OF DECISION

Decision regarding t' )  
petition for the detachment )  
of the Lake Louise area )  
containing 432 square miles )  
from the Matanuska-Susitna )  
Borough )

On July 29, 1982 the Department received the Lake Louise petition to detach 432 square miles of territory from the Matanuska-Susitna Borough.

After reviewing the petition for accuracy and completeness it was forwarded to the Matanuska-Susitna Borough on August 6, 1982. In accordance with 19 AAC 10.640, the Matanuska-Susitna Borough Assembly held a public review (August 17) on the petition and returned the petition with the Borough's Answering Brief to the Department on August 20, 1982.

Pursuant to proper notice the Local Boundary Commission held a public hearing on the petition for the proposed detachment on September 25, 1982. The hearing began at 1:00 p.m. in the Evergreen Lodge at Lake Louise. Local Boundary Commission members present were: Sheila Gallagher, Sigvald Strandberg, Bert Greist, and Josephine Anderson. Testimony was presented by Paul Holland, Petitioners' Representative, Gary Thurlow, representing the Matanuska-Susitna Borough, and sixteen additional speakers.

On January 8, 1983 in Juneau, Alaska, at 4:30 p.m. the Commission held its decisional meeting on the Lake Louise detachment petition. Local Boundary Commission members present were: Sheila Gallagher, Bert Greist, Sigvald Strandberg, and Charles Bettisworth.

Upon consideration of the Lake Louise petition to detach 432 square miles of territory from the Matanuska-Susitna Borough, the September 9, 1982 Report of the Department, the November 1, 1982 Supplemental Report of the Department, and the testimony presented at the public hearing, the Local Boundary Commission hereby makes the following findings of fact:

1. The detachment of the Lake Louise area from the Matanuska-Susitna Borough would not be in the best interests of the State, the Lake Louise area, and the Matanuska-Susitna Borough.

The Borough form of government establishes the means of providing local government for an area of the State which is culturally, economically, and geographically related. If the Lake Louise territory was allowed to detach, it would become part of the unorganized borough. In essence, the detachment would remove a portion of an organized borough which has been functioning and providing services on a regional basis for the past eighteen years. The Lake Louise area would then become a part of the State's administrative responsibility. Given the fact that the Matanuska-Susitna Borough was formed by legislative action, and that the removal of the Lake Louise area would only transfer the responsibility of service delivery to the State, the Commission finds no best interest to be achieved for the State. Perhaps most significant with respect to the issue of the State's interest, the Lake Louise area is characteristic of vast areas of the eleven existing organized boroughs and unified municipalities. If this area detaches it could set a precedent that could readily be followed by similar areas.

The Matanuska-Susitna Borough would be adversely affected by the detachment of the Lake Louise area. It would reduce the assessed value by \$6,941,700 which could negatively affect the bonding capacity of the Borough.

The State of Alaska is anticipating distributing 2,635 parcels of land in the Lake Louise area over the next three years. With this potential for future growth and development in the Lake Louise area, it is possible that the community of Lake Louise will have an increasing need for borough areawide services.

- 2) The Matanuska-Susitna Borough has 20,544 square miles with a population of 19,123. Within this immense area there is a diversity of social, cultural and economic settings. More than 70% of all borough residents live outside the four largest communities (Palmer, Wasilla, Houston and Talkeetna). The rural population of the borough has many similarities in that it is distributed along the road system, it experiences high unemployment and seasonal work, and has moved to the rural areas of the Borough within the last 20 years. There are no indications that the residents of the Lake Louise community differ substantially from the majority of the Borough residents residing in the rural areas of the Borough.

- 3) The Matanuska-Susitna Borough currently levies an areawide mill rate of 4.9 mills and a nonareawide mill rate of 0.5 mills. The areawide functions are primarily concerned with the education, school bond debt service, planning, land management and taxation. The remoteness and insignificant school age population of Lake Louise has, from a practical standpoint, limited Borough services. However, that is not to say that with the future anticipated growth within the Lake Louise area that the residents and future residents would not receive services commensurate with the rest of the Matanuska-Susitna Borough and the potential for such services will encourage the area's growth.
  
4. Communications with the Lake Louise area are more difficult than in many other areas of the Matanuska-Susitna Borough. The community has limited telephone service in that it can only be reached through a radio patch phone service in Anchorage. This does make immediate communication between the Borough government and the community relatively difficult. However, the community of Lake Louise is accessible by road on a year round basis. This enables the community to receive scheduled mail service. Therefore, it can be concluded that although communication and transportation services to the Lake Louise area are relatively difficult they do not preclude the exchange necessary for response of an integrated local government.

THEREFORE, the Commission hereby does not approve the petition to detach the Lake Louise area containing 432 square miles of territory from the Matanuska-Susitna Borough and will recommend against such action to the First Session of the Thirteenth Legislature of the State of Alaska; and

THEREFORE, the Commission does recognize that there are areas of the unorganized borough of the State that are receiving the equivalent of municipal services without the responsibility of local tax contributions. Additionally, there are remote areas of the State's organized boroughs that are assessed taxes for the delivery of minimal services which in the unorganized borough are paid for by the State; and

THEREFORE, the Commission recommends to the First Session of the Thirteenth Legislature that it investigate the need for the formation of borough governments in areas of the State that have the economic base available to cover the cost of such government.

Decided on the 8th day of January, 1983.

STATE OF ALASKA LOCAL BOUNDARY COMMISSION

By: Sheila Gallagher Date: 2/28/83  
Sheila Gallagher, Acting Chairman

By: Charles Bettisworth Date: 2/28/83  
Charles Bettisworth, Member

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Bert Greist, Member

By: Sigvald Strandberg (DISSENTING VOTE) Date: 2/16/83  
Sigvald Strandberg, Member

To: Local Boundary Commission  
c/o Department of Community  
and Regional Affairs  
Local Government Assistance Division  
225 Cordova St. Bldg. B  
Anchorage, Alaska 99501

IN THE MATTER OF DETACHMENT OF TERRITORY FROM THE MATANUSKA-SUSITNA BOROUGH

A PETITION

WITH LOCAL ACTION

Pursuant to the provisions of AS 44.47.557 and 19 AAC 05.050-050 and 19 AAC 15.170-300, Alaska Administrative Code, your petitioners, the undersigned, respectfully petition to provide for the detachment of territory from the Matanuska-Susitna Borough, State of Alaska.

DESCRIPTION OF BOUNDARIES: MAP. Exhibit "A" contains a detailed written description of the boundaries of the borough from which the territory is to be detached; Exhibit "B" contains a detailed written description of the proposed boundaries of the Matanuska-Susitna Borough; Exhibit "C" is a map indicating the boundaries of the borough from which the territory is to be detached, said territory is marked in red ink on the map, all three exhibits are attached hereto and are made a part hereof.

AREA. The quantity of land contained within the borough proposed for detachment is 432 (four hundred and thirty two) square miles.

POPULATION. The estimated number of residents within the area proposed for detachment is 33 (thirty three).

ASSESSED VALUATION. The estimated value of all real and personal property located within the area proposed for detachment is as follows:

REAL PROPERTY \$5,838,250.00  
PERSONAL PROPERTY \$103,440.00

TAXATION. The rate at which taxes are levied by the borough is as follows:

REAL PROPERTY 7.22 MILLS  
PERSONAL PROPERTY 7.22 MILLS  
SALES TAX NONE

OUTSTANDING INDEBTEDNESS. Exhibit "D" is a description and full explanation of any outstanding indebtedness, bonded or otherwise, for which the area affected is wholly or partially responsible. The exhibit is attached hereto and made part hereof.

AFFIDAVIT. Exhibit "E" constitutes an affidavit indicating the source from which information contained within the petition and exhibits was acquired, stating that an estimation of the population within the area to be considered for detachment was made, specifying the date when the estimate was made and circumstances indicating its accuracy. The exhibit is attached hereto and made part hereof.

BRIEF. Exhibit "F" is a brief fully setting forth the reasons why the detachment is desired and demonstrating that the standards for detachment, as specified in 19 AAC 05.050-060, have been met. The exhibit is attached hereto and made part hereof.

SERVICE. Exhibit "G" is an affidavit stating that a copy of the petition and brief together with accompanying exhibits, have been served, by certified mail, upon the chief executive officer of the Matanuska-Susitna Borough and further stating that the petition, brief and all accompanying exhibits are available for inspection by the general public at three specific locations during the hours of 9:00 a.m. to 5:00 p.m., seven days per week.

PETITIONERS REPRESENTATIVE. The name and address of petitioners' representative designated to receive services, notice and all correspondence relating to proceedings in behalf of this petition is:

Paul S. Holland  
c/o Evergreen Lodge  
Star Route "C" Box 8867  
via  
Palmer, Alaska 99645

REGISTERED VOTERS. The number of persons who are currently registered voters resident within the area proposed for detachment is 28 (twenty eight).

WHEREFORE petitioners pray that the aforementioned territory be detached from the Matanuska-Susitna Borough in accordance with the provisions of applicable law.

DATED at Lake Louise, Alaska, this 7th day of June 1982.

SIGNATURES

- ↓ Paul S. Holland SRC Box 8867 Lake Louise 99645
- ↓ Molly Moran Mi 17 Lake Louise Rd Box 482 <sup>Minneapolis, MN 55455</sup>
- ↓ RUTH E. RYAN S.R.C. Box 8860 (Lake Louise) 99645
- ↓ ~~Conrad~~ RY-C Box 8800 PALMER, 99645
- ↓ J. F. Hulse SRC Box 8864 (Lake Louise) 99645
- ↓ ~~Almond~~ SRC Box 8865 Little Lake Louise 99645
- ↓ Emma 477. Max Arthur SRC Box 8865 Palmer Alaska <sup>Little Lake Louise</sup>
- ↓ Charles Hill SRC Box 8864, Lake Louise - 99645
- ↓ Gary M. Sine SRC Box 8888-D PALMER 99645
- ↓ Wilfred W. Chagnon SRC Box 8866 PALMER AK 99645
- ↓ George F. Hopkins Box 8888c Palmer, AK 99645

✓ Philip L. Hall O Mill Lake Lodge Lakeland Ar

✓ J. J. ... Dinty Lake S.R.C.B. 8867  
Palmer

✓ J. ... Dinty Lake S.R.C.B. 8867

✓ Warren K. ... Dinty Lake S.R.C. Palmer

✓ J. Barbara C. ... Wilburine Lodge AK PALMER  
8867 AR

✓ J. ... Wilburine Lodge AK PALMER  
8862 AR

✓ M. D. ... S. Susitna S.B.A. DIXIE AR  
99502

EXHIBIT "A"

PRESENT BOUNDRIES OF THE MAT-SU BOROUGH

Beginning at the N.E. corner of Section 15, T16N, R1E, Seward Meridian, State of Alaska, said corner being at or approximately at the Alaska Railroad Bridge over the Knik River; thence south to the S.W. corner of Section 23, T16N, R1E; thence east to the N.E. corner of Section 25, T16N, R1E; thence south to the S.E. corner of T16N, R1E; thence east to the N.E. corner of T15N, R12E; thence north to the N.E. corner of Section 24, T16N, R12E; thence east to the S.E. corner of T4S, R10W; Copper River Meridian, State of Alaska; thence north to the N.W. corner of T1S, R9W, Copper River Meridian; thence west to the S.W. corner of T1N, R9W, Copper River Meridian; thence north to the N.W. corner of T4N, R9W, Copper River Meridian; thence west to the S.W. corner of T5N, R9W, Copper River Meridian; thence north to the N.W. corner of T5N, R9W, Copper River Meridian; thence east to the N.E. corner of T5N, R7W, Copper River Meridian; thence north to the N.W. corner of T8N, R6W, Copper River Meridian; thence west to the S.W. corner of T9N, R5W, Copper River Meridian; thence north to the N.W. corner of T12N, R5W, Copper River Meridian; thence west to the S.W. corner of T13W, R7E, Copper River Meridian; thence north to the S.E. corner of S.W. 1/4 of Section 32, T22S, R7E, Fairbanks Meridian, State of Alaska; thence west to the S.W. corner of T22S, R7E, Fairbanks Meridian; thence north to the N.W. corner of T17S, R7E, Fairbanks Meridian; thence west to the N.E. corner of T17S, R7W, Fairbanks Meridian; thence west along the north line of T17S, R7W, Fairbanks Meridian to its intersection with the easterly boundry of Mt. McKinley National Park; thence southwesterly along the southerly boundary line of Mt. McKinley National Park to the southwesterly corner of said park; thence west to the N.E. corner of Section 9, T31N, R14W, Seward Meridian, State of Alaska; thence south to the S.E. corner of Section 33, T31N, R14W, Seward Meridian; Thence west to the N.E. corner of T30N, R20W, Seward Meridian; thence west along the northerly line of T30N, R20W, Seward Meridian to the intersection of Longitude 153<sup>0</sup> 00' 00''W; thence south along Longitude 153<sup>0</sup> 00' 00''W to the intersection of the north line of T15N, R21W, Seward Meridian; thence east to

the N.E. corner of T15N, R12W, Seward Meridian; thence south to the N.W. corner of T13N, R11W, Seward Meridian; thence east to the N.E. corner of T13N, R10W, Seward Meridian; thence south to the S.E. corner of T13N, R10W, Seward Meridian, said corner being in Cook Inlet at Longitude  $150^{\circ} 58' 18''$ W, Latitude  $61^{\circ} 10' 00''$ N; thence southeasterly to the S.E. corner of T12N, R9W, said corner being in Cook Inlet at Longitude  $150^{\circ} 46' 37''$ W, Latitude  $61^{\circ} 04' 49''$ N; thence northeasterly to the N.E. corner of T12N, R7W, said corner being in Cook Inlet at Longitude  $150^{\circ} 26' 01''$ W, Latitude  $61^{\circ} 10' 01''$ N; thence northeasterly to the N.E. corner of Section 16, T13N, R4W, said corner being in Knik Arm at Longitude  $149^{\circ} 59' 07''$ W, Latitude  $61^{\circ} 13' 29''$ N; thence northeasterly to the corner of Section 35, T14N, R4W, said corner being in the Knik Arm at Longitude  $149^{\circ} 55' 31''$ W; Latitude  $61^{\circ} 18' 41''$ N; thence northeasterly to the N.W. corner of Section 13, T15N, R3W, said corner being in Knik Arm at Longitude  $149^{\circ} 44' 45''$ W; Latitude  $61^{\circ} 23' 52''$ N; thence northeasterly to the S.E. corner of Section 12, T16N, R1W, said corner being in Knik Arm on the Seward Meridian; thence east to the place of beginning.

EXHIBIT "D"

BONDED INDEBTEDNESS

The bonded indebtedness of the entire Matanuska-Susitna Borough at the present time is \$61,475,000.00. The Matanuska-Susitna Borough has no way of defining the indebtedness of any particular section of the borough. The registered voters of the Lake Louise area have, historically, voted no on all bond proposals by the Matanuska-Susitna Borough.

The total expenditures in the Lake Louise area since 1977 have been \$23,515.09. All of this money was spent on the Lake Louise landfill — which the borough has no permit to operate.

EXHIBIT "E"

AFFIDAVIT

DESCRIPTION OF BOUNDARIES: Information contained in Exhibit "A" and Exhibit "B" and accompanying map Exhibit "C" was obtained from the Matanuska-Susitna Borough.

AREA: Information on the number of square miles in the territory to be detached was obtained from the accompanying map Exhibit "C".

POPULATION: I, Paul S. Holland, (undersigned) do swear that I enumerated the people living on Lake Louise and surrounding waters on March 24th of 1982.

Paul S. Holland

ASSESSED VALUATION: Information on assessed valuation of real and personal property in the proposed area to be detached was obtained from the Matanuska-Susitna Borough.

TAXATION: Information on mill rate levied in the proposed area to be detached was obtained from the Matanuska-Susitna Borough.

OUTSTANDING INDEBTEDNESS: The outstanding indebtedness of the Matanuska-Susitna Borough is \$61,475,000.00. A statement of total bonded indebtedness of the Matanuska-Susitna Borough signed by the Borough Controller and a debt schedule effective July 1, 1982 is attached attached hereto and made a part hereof.

REGISTERED VOTERS: The number of registered voters in the Lake Louise area was

taken from the State of Alaska Precinct Voter Registration List for District 6  
(six) Precinct 13 (thirteen).

EXHIBIT "F"

BRIEF

The social, cultural and economic characteristics of the population of Lake Louise are substantially different and are in conflict with those of the remainder of the population located in the borough. There are no jobs available on Lake Louise and the people living there are -- for the most part -- on a limited, if not fixed income. Over half of the population are seasonally employed and one quarter more are retired on a fixed income. Their primary mode of transportation, during the seven months of winter, is by snowmachine and during the remainder of the year by boat. The people living on Lake Louise and the surrounding area are very dependant on fish and game for a major portion of their food supply. The long distances to Anchorage and Palmer preclude the use of fresh meat, vegetables and fruit on the average table. Most of the residents of the area live away from the road system. A simple trip to town entails starting a snowmachine and driving a few miles to the road and then starting an automobile. There is no communication system and no mail deliveries on Lake Louise. There is no television and only one radio station that can be recieved on the lake. The one radio station that can be recieved is from Glennallen, the social and economic center of the area. Glennallen is a 100 mile round trip from the lake.

The geographic location of Lake Louise makes it extremely impractical if not impossible for the Matanuska-Susitna Borough to provide any of the services that are recieved on a regular basis in other parts of the borough. Most services that have been implemented in other areas of the borough would be rendered impractical on Lake Louise. For example: The ambulance service available at Glacier View School would be of no use what so ever on Lake Louise due to the lack of roads and the distances involved in transportation to the hospital. Aircraft are currently being used for medivac purposes. It is 170 (one hundred and seventy) miles from the north end of the Lake Louise system to

Palmer and of that 30 (thirty) miles is by water in the summer and ice in the winter. The people of Lake Louise are extremely dependant on the weather. There are two months of the year (May and October) when people living away from the road are cut off from all sources of transportation -- due to the ice.

The people of Lake Louise and the surrounding area are guides, trappers, seasonal construction workers and commercial fishermen. There are three lodges, currently in operation, on the lake and there is a heavy influx of tourist in the summer months. The area is used heavily for winter recreation as well. Approximately 60% of the lake frontage on Lake Louise is privately owned -- the publically owned land is mostly state owned. The Matanuska-Susitna Borough owns no land on the lake. The area proposed for detachment, may, at first glance, appear disproportionate to the number of people living on the Lake Louise system, however, we would like the commission to consider the isolation of this small area of the Mat-Su Borough and it's unique difference from the rest of the borough. There are no borough residents living outside the boundaries of the proposed area for detachment within 30 miles in any direction. The other residents of the Mat-Su Borough are predominately urban and can recieve the services that the borough provides quite easily.

EXHIBIT "G"

AFFIDAVIT

A copy of this petition and brief together with the accompanying exhibits has been served on the chief executive officer of the Matanuska-Susitna Borough by certified mail (copy of certified mail receipt is attached).

A copy of this petition has been posted for public inspection at Evergreen Lodge, mile 17 Lake Louise Road, Wolverine Lodge, mile 17 Lake Louise Road and Lake Louise Lodge, mile 17 Lake Louise Road. These copies are available for public inspection from 9:00 a.m. till 5:00 p.m., seven days per week.

Dated at Lake Louise, Alaska this 20th day of July 1982,

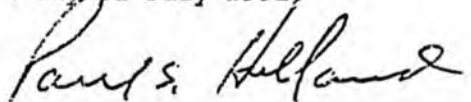
  
\_\_\_\_\_  
Paul S. Holland

EXHIBIT "B"

BOUNDRIES OF THE PROPOSED AREA TO BE WITHDRAWN FROM THE MAT-SU BOROUGH

Begining at N.W. corner of T 5 N, R 9 W, Copper River Meridian, State of Alaska, said corner being at or approximately at S Lake; thence North to the N.W. corner of T 8 N, R 9 W; thence West to the S.W. corner of T9N, R9W; thence north to the N.W. corner of T9N, R9W; thence East to the N.E. corner of T9N, R9W; thence South to the S.E. corner of T9N, R9W; thence East to the N.E. corner of T8N, R9W; thence South to the S.E. corner of T5N, R9W; thence West to the place of begining.

3  
18  
24  
72  
36  
43 2



I

N S

Lake  
Louisa

EUREKA



# Matanuska-Susitna Borough

BOX B, PALMER, ALASKA 99645 • PHONE 745-3248

DEPARTMENT OF ASSESSMENT 4801

April 5, 1982

Mr. Jim Sanders, LGS  
Department of Community and  
Regional Affairs  
Division of Local Government  
Assistance  
225 Cordova, Building B  
Anchorage, Alaska 99501

Dear Mr. Sanders:

As per your and Mr. Paul Holland's request, the following information represents the answers to questions forwarded to me.

1. Enclosure of Borough Map.
2. Enclosure of Legal Description for Lake Louise and Tyone Lake areas (marked in red).
3. The 1981 mill rate for the area was 7.22 mills. The anticipated mill rate for 1982 is 5.9 mills. 5.4
4. Enclosure of bonded indebtedness statement of the Matanuska-Susitna Borough signed by the Borough Controller.
5. The 1982 assessed value of this area is:  
Real: \$6,838,260 (actual); Personal: \$103,440 (approx.)
6. The Matanuska-Susitna Borough does not have any land holdings or other assets within the Lake Louise and Tyone Lake area described.

I believe this answers all the questions that were forwarded to me, and if I can be of further assistance, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Steve Van Sant".

Steve Van Sant  
Borough Assessor/  
Land Management Director

cr

cc: John Musgrove  
Paul Holland



# Matanuska-Susitna Borough

BOX B. PALMER, ALASKA 99645 • PHONE 745-4801

DEPARTMENT OF FINANCE

April 5, 1982

TO WHOM IT MAY CONCERN:

This is to certify that the bonded indebtedness of the Matanuska-Susitna Borough at the present time is \$61,475,000. Attached is a debt schedule effective July 1, 1982 as shown in our 1983 budget.

A handwritten signature in cursive script, reading "Walter Chappel".

Walter Chappel  
Controller

nm

Matanuska-Susitna Borough

COMMENT

fund ~~500~~ department DEBT SERVICE division budget

SCHEDULE OF GENERAL OBLIGATION SCHOOL CONSTRUCTION BONDS

Issue	Amount Issued	Balance After This Payment	Principal Payment	Interest Payment	Total Payment
1964	770,000	115,000	55,000	6,413	61,413
1971 Series E	1,500,000	100,000	100,000	9,400	109,400
1971 Series F	1,500,000	-0-	300,000	15,300	315,300
1973 Series A	4,000,000	3,200,000	200,000	183,400	383,400
1973 Series B	4,000,000	2,700,000	200,000	181,500	381,500
1973 Series C	4,600,000	3,250,000	250,000	252,825	502,825
1974 Series A	6,900,000	6,000,000	200,000	409,900	609,900
1977 Series A	8,460,000	7,000,000	300,000	423,700	723,700
1978 Series A	20,860,000	19,525,000	700,000	1,368,325	2,068,325
1978 Series B	2,010,000	1,880,000	65,000	128,620	193,620
1981 Series	14,870,000	14,665,000	205,000	2,107,500	2,312,500
<b>TOTALS</b>	<b>69,470,000</b>	<b>58,435,000</b>	<b>2,575,000</b>	<b>5,086,883</b>	<b>7,661,883</b>
Wasilla Public Safety Bldg.	150,000	100,000	5,000	5,638	10,638
Lakes Fire Service Area	500,000	457,813	15,876	24,244	40,120
<b>TOTALS</b>	<b>650,000</b>	<b>557,813</b>	<b>20,876</b>	<b>29,882</b>	<b>50,758</b>



February 10, 1986

The Honorable Edna DeVries  
Chairperson  
Senate Community and Regional  
Affairs Committee  
Pouch V  
Juneau, AK 99811

Dear Ms. DeVries:

Because we were not given an opportunity to testify during your February 6th teleconference hearing, we ask that you consider the following written testimony regarding the proposed annexation to the City of North Pole.

For your reference, Interior Energy Corporation (IEC) owns approximately five acres of land within Area #2. On that property we have developed a shopping mall, grocery store, service station, liquor store and bulk fuel storage facility. We respectfully request you amend the boundaries of the annexation to exclude Area #2 from the proposal for the following reasons:

- 1 - We specifically located outside the city limits of the small town of North Pole in order not to subject our customers to municipal sales tax, for which they receive no services.
- 2 - In the responding brief, the City of North Pole acknowledges declining oil revenues and federal shared revenue but states that it is "willing and able to provide municipal services to all annexed areas" after an annexation that will increase the size of the City by 40 per cent. The City also states that "sales tax revenue will replace revenue lost from other sources" because "the residents of North Pole are strongly opposed to increased property taxes".

Of the three areas to be annexed, Area #2 is the only area that will provide sales tax revenue to the City of North Pole at this time.

- 3 - The Boundary Commission states that all areas are in need of municipal services. We disagree. Our fire protection is presently provided by the nearby North Star Fire Department. In the unlikely event of a fire in our bulk fuel storage facility, the City of North Pole is not equipped to handle a fire of that nature.

The City, in its responding brief, expresses a concern for IEC's fire insurance premiums. With all due respect, what we pay for fire insurance should not be a concern of the City of North Pole.

Regarding sewer and water, IEC has gone to considerable expense to provide its own water and septic systems and does not require these services from the City of North Pole.


Regarding road maintenance services, we are located at the intersection of two State-maintained roads. Unless the City is proposing to plow our parking lot, this is not a service we will require.

- 4 - The Boundary Commission in its Findings of Fact states that "the City can provide (municipal services) more efficiently than another municipality." We would like to see the data which supports this claim. With a reported population of just over 1000 the 1985 budget for North Pole is over \$5,000,000.00.
- 5 - The Commission states that "the fuel handling facility in area #2 poses a potential public danger." How will incorporation into the City of North Pole change this? What does the Boundary Commission foresee occurring after annexation?
- 6 - Finally, as non-resident property owners (we live in Fairbanks) we are ineligible to vote in North Pole elections, have no representation on the City Council and have absolutely no say in any future bonded indebtedness the City may incur. We will, however, be forced to support the City through property and sales taxes.

We (and the 1300 individuals who signed an opposition petition) do not feel it is equitable to expect us to support a 40 per cent expansion of the City of North Pole and feel we were included in the annexation solely for the purpose of broadening the City's tax base. The only property owner in Area #2 to agree to the annexation is an Anchorage owner apparently concerned with subdividing into smaller parcels for sales.

If this area is annexed, who will represent us and our customers in exchange for the taxes we will provide for the City of North Pole? If the Legislature cannot insure against the proposed taxation without representation, then it behooves you to honor our request for exclusion from this annexation.

Sincerely  
INTERIOR ENERGY CORPORATION

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

Ms. Sunny Carpenter  
Senior Vice President



Official Business

# Alaska State Legislature

## Senate

### Committee on Community and Regional Affairs

Senator Edna DeVries, Chairman

Members:

Senator Ferguson, Vice Chairman

Senator Coghill

Senator Sturgulewski

Senator V. Fischer

Pouch V

Juneau, Alaska 99811

February 11, 1986 -- Rm 17, Capitol

Joint Senate/House C&RA Committee Meeting, Rep Goll, Chairing

Public Hearing on the North Slope Borough detachment issue

Teleconference sites on line for listening and comment:  
Barrow, Kotzebue, Anaktuvuk Pass, Atkasuk, Nuiqsut, Point  
Hope, Point Lay, Wainwright, Tahatala (?), Fairbanks (at their  
request), Wrangel' (for LBC Member Jo Anderson)

---CONFERENCE MODERATOR REQUESTS TIME AT BEGINNING OF MEETING  
TO POLL EACH SITE IN ORDER TO ASCERTAIN NUMBER OF PERSONS  
WISHING TO TESTIFY --- It is hoped that each person wishing  
to testify will be able to---in view of the fact that tele-  
conference bridge will be needed for another teleconference  
at 5:30p; and further, teleconference facilities are not  
available for continuing this hearing tomorrow.

KBRW Radio, Barrow -- will be taping teleconference.

-----  
AGENDA

I. Public Hearing

II. Committee Discussion/Action

-----  
Attached material:

- 1) Data on proposed Chugiak-Eagle River Borough
- 2) Data on petition for detachment from the Matanuska-Susitna  
Borough
- 3) Ltr w/attached Resolution from City of Cordova
- 4) Copy of Petition from North Slope Borough residents
- 5) Ltr from Interior Energy Corp in opposition to North Pole  
annexation



# Alaska State Legislature

## House of Representatives

### Committee on Community & Regional Affairs

Pouch V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-4833

#### JOINT HOUSE/SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES

Local Boundary Commission Decision  
North Slope Borough Detachment  
February 11, 1986  
3:30 p.m.

#### A G E N D A

##### Witnesses to Testify in Juneau:

Harold Curran, Chief Attorney  
North Slope Borough

Dennis Roper, Special Assistant  
Mayor's Office North Slope Borough

Willie Hensley  
NANA Corporation

##### Witness to Testify from Kotzebue:

Marie Green  
Maniluk Corporation

Teleconference sites which may have testimony relating to the North Slope Borough detachment decision:

Anaktuvuk Pass, Atkasuk, Barrow, Nuiqsut, Point Hope, Wainwright and Kotzebue.

Teleconference facilities are not available past 5:30 p.m. this afternoon nor are they available Wednesday, February 12th. Testimony must be completed during the two hour hearing today in order to be timely.

The Local Boundary Commission has requested the last 10 minutes of the hearing in order to present any position summary or concluding testimony.

BILL SHEFFIELD, GOVERNOR

**DEPT. OF COMMUNITY & REGIONAL AFFAIRS**

**MUNICIPAL & REGIONAL ASSISTANCE DIVISION**

February 10, 1986

*Rec'd 4:15 p.m.  
2/10/86 JJA*

The Honorable Edna DeVries  
Chairman  
Senate Community and Regional Affairs Committee  
Pouch V  
Juneau, AK 99811

Dear Senator DeVries:

At the Joint House-Senate Community and Regional Affairs Committees on February 4, certain members of the Committees expressed an interest in the previous efforts to detach territory from the former Greater Anchorage Area Borough to create the Chugiak-Eagle River Borough. Interest was also expressed in the proposed detachment of Lake Louise from the Matanuska-Susitna Borough.

As requested, I have enclosed copies of relevant documents relating to these two actions. The documents consist of the following:

- The April 15, 1975 State Supreme Court Opinion determining that the formation of the Chugiak-Eagle River Borough through a special act of the legislature is not valid because it was a special and local act prohibited by Article 2, Section 19 of the Constitution.
- The subsequent Petition for the Detachment of the Greater Chugiak-Eagle River Area from the Greater Anchorage Area Borough and the Petition for the Incorporation of the Proposed Chugiak-Eagle River Borough.
- The Report of the Department of Community and Regional Affairs on the proposed detachment and incorporation of the Chugiak-Eagle River Borough.
- The March, 1976 Statement of Decision of the Local Boundary Commission rejecting the petition for detachment of the Chugiak-Eagle River Area.
- The June 7, 1982 Petition for the Detachment of the Lake Louise Area from the Matanuska-Susitna Borough.

- POUCH BH  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-4707
- 949 E. 36TH AVE., SUITE 400  
ANCHORAGE, ALASKA 99508  
PHONE: (907) 561-8586
- P.O. BOX 348  
BETHEL, ALASKA 99559  
PHONE: (907) 543-3475
- P.O. BOX 41  
NOME, ALASKA 99701  
PHONE: (907) 443-5451
- P.O. BOX 260  
KOTZEBUE, ALASKA 99752  
PHONE: (907) 442-3675
- 1514 CUSHMAN STREET, ROOM 201  
FAIRBANKS, ALASKA 99701  
PHONE: (907) 452-7126
- P.O. BOX 10041  
DILLINGHAM, ALASKA 99576  
PHONE: (907) 842-2245

The Honorable Edna DeVries  
February 10, 1986  
Page Two

- ° The September 9, 1982 initial report and the November 1, 1982 supplemental report of the Department of Community and Regional Affairs on the petition for the detachment of Lake Louise.
- ° The January 9, 1983 Statement of Decision of the Local Boundary Commission rejecting the petition for detachment of Lake Louise.

If you desire additional information, please advise me.

Sincerely,



Marty Rutherford  
Director

Enclosure

REPORT TO THE LOCAL BOUNDARY COMMISSION

PROPOSED DETACHMENT AND BOROUGH INCORPORATION OF THE CHUGIAK-EAGLE RIVER AREA

FROM

THE MUNICIPALITY OF ANCHORAGE

The Local Boundary Commission has before it the question of whether the detachment of the Chugiak Eagle-River area from Anchorage, and subsequent incorporation as a second class borough, is in the best interest of the citizens who reside in the area which is proposing detachment and incorporation, in the best interest of the population of the remainder of Anchorage, and in the best interest of the State.

The report to the Commission is based on the following standards, as cited from the Alaska Constitution, Alaska Statutes, and the Alaska Administrative Code.

Alaska Constitution, Article X, Local Government

Section 1. The purpose of this article is to provide for maximum local self-government with a minimum of local governmental units, and to prevent duplication of tax-levying jurisdictions. A liberal construction shall be given to the powers of local government units.

Section 2. All local government powers shall be vested in boroughs and cities. The State may delegate taxing powers to organized boroughs and cities only.

Section 3. The entire State shall be divided into boroughs, organized or unorganized. They shall be established in a manner and according to standards provided by law. The standards shall include population, geography, economy, transportation, and other factors. Each borough shall embrace an area and population with common interests to the maximum degree possible. The legislature shall classify boroughs and prescribe their powers and functions. Methods by which boroughs may be organized, incorporated, merged, consolidated, reclassified, or dissolved shall be prescribed by law.

Alaska Statutes, Title 29, Section 29.18.030, Organized Boroughs

An area may incorporate as an organized borough if it conforms to the following standards:

- (1) the population of the area is interrelated and integrated as to its social, cultural, and economic activities, and is large and stable enough to support organized borough government;
- (2) the boundaries of the proposed borough conform generally to natural geography and include all areas necessary for full development of local services;
- (3) the economy of the area includes the human and financial resources capable of providing local services; evaluation of an area's economy includes land use, property valuations, total economic base, total personal income, resource and commercial development, anticipated functions, expenses, and income of the proposed boroughs;
- (4) land, water, and air transportation facilities allow the communication and exchange necessary for the development of integrated local government.

Alaska Administrative Code, Title 19, Section 15.230

REVIEW BY LOCAL BOUNDARY COMMISSION. (a) The Local Boundary Commission shall review the petition, all exhibits thereto, the resolution and other pertinent data. Such review shall be limited to the following factors:

(1) whether the detachment would be inimical to the interests of the state or any municipality from which detachment of the territory is sought;

(2) whether the territory proposed for detachment is grossly disproportionate in size to the population residing therein, provided, however, that this provision shall not prohibit a detachment merely because the area to be detached consists of or contains uninhabited territory.

The major factors to be considered by the Commission, as spelled out in the Constitution, Statutes, and Code, are as follows:

1. maximum local self-government with a minimum of local government units
2. prevention of duplication of tax-levying jurisdictions
3. interrelation and integration of an area's social, cultural, and economic activities based on standards of population, geography, economy, transportation, and any other relevant factors
4. contiguity of an area, or areas
5. health and safety, and the delivery of services
6. total impact on the proposed new borough and on the remaining borough

All of these factors must be considered within the framework of what will be in the best interests of the State, and the communities involved in the detachment. The detachment of the Eagle River-Chugiak community from Anchorage cannot

be considered as a single, isolated incident in the State. Consideration should be given to the question of whether a precedent will be set by the decision made by the Commission. What total effect will the Commission's decision have on local government in the State?

The Constitution calls for a "minimum of local government units". The major question then is whether the interests and needs of the Eagle River-Chugiak area are so basically different from those of the rest of the Anchorage Borough that creation of two boroughs, where one now exists, justifies maximizing "local government units". The same question must be asked in contemplating the creation of two tax-levying jurisdictions in an area where only one now exists. Is this a "duplication of tax-levying jurisdiction" which it is the intent of the Constitution to avoid in the State's planning for local governments?

The next factor to be considered is whether the detachment of the Eagle River-Chugiak community is justifiable because it is an area which is interrelated and integrated socially, culturally, and economically within its proposed boundaries. Or is the interrelationship and integration, as required in the statutes, existent between the Eagle River-Chugiak area and the remainder of Anchorage?

The basis for determination of the two factors of interrelationship and intergration are population, geography, economy, transportation, and any other relevant factors. The following data and discussion focus on these criteria.

#### Population

Population estimates as of April 1975

Present total of Anchorage	173,768
Proposed new borough	8,402

Comparison of the proposed new borough's population with the rest of the boroughs in the State shows that the new borough would be larger in population than five of the existing boroughs, and smaller than six of the existing boroughs. A comparison with the Anchorage population is obvious, the proposed new borough being a relatively small fraction of the total Anchorage population.

### Geography

Using the Eagle River shopping center as the population center of the proposed new borough, and downtown Anchorage as the nucleus of the entire area, there is a distance of 15 miles between the two. The two areas are separated by military land, but are not separated by any natural barriers such as unspanned rivers or mountains. Therefore, in one sense the proposed new borough might be considered non-contiguous to the rest of Anchorage because of the military land lying between the two areas. On the other hand, the lack of natural barriers, plus the Glenn Highway which joins the two areas, is an argument in favor of contiguity of the total municipality as it presently exists.

Although there are not other areas in Anchorage which are exactly comparable in character to the Eagle River-Chugiak area, there are areas where distance from the population center of Anchorage would be a stronger argument for non-contiguity. The City of Girdwood is approximately 40 miles from downtown Anchorage, and the community of Portage is approximately 50 miles from downtown Anchorage. However, both of these communities are far smaller in population than the Eagle River-Chugiak community.

Transportation

As has been mentioned, the Glenn Highway joins the proposed new borough and Anchorage. The State Highway Department is in the process of widening this highway to four lanes, the entire distance between Eagle River-Chugiak and Anchorage, because of the increasing volumes of traffic using the highway. The following average daily traffic counts for 1974 have been obtained from the State Department of Highways.

Glenn Highway weigh station (between Eagle River and the military base)

19,400 average daily trips

Muldoon Road and Glenn Highway (between the military base and Anchorage)

18,100 average daily trips

Mirror Lake on the Glenn Highway (between Eagle River-Chugiak and Palmer)

4,374 average daily trips

The last figure was obtained to ascertain how many of the average daily trips between Eagle River-Chugiak and Anchorage might be attributable to traffic coming from beyond the Eagle River-Chugiak area. There was no way of determining how many of the 4,374 average daily trips terminated in the Eagle River-Chugiak area, and how many passed through into Anchorage. However, the traffic counts taken at the other two points indicate a considerable amount of traffic between Eagle River-Chugiak and Anchorage.

The other mode of transportation between the two areas, in addition to vehicles, is by bus. The Anchorage Borough bus system includes a route between Eagle River and Anchorage. During the weeks of April 14 through April 26, 1975, Anchorage counted the number of passengers using the bus system. Following is the total bus ridership during that two-week period.

Eagle River-Anchorage route	1,158
Total of all routes in Anchorage	33,392

While bus ridership figures are not as indicative of intercourse between the two areas as is the traffic counts; the figures do demonstrate that ridership between Eagle River and Anchorage is fairly proportionate in relation to population. The population of Eagle River-Chugiak is about 5% of the total Anchorage population. Bus ridership between Eagle River and downtown Anchorage is approximately 3½ % of the total bus ridership for the Anchorage Borough. When it is taken into account that the bus route does not extend beyond Eagle River to serve the Chugiak area, and the fact that the Eagle River-Anchorage route is the longest bus route in the Anchorage Borough, the relative closeness of the two percentages is surprising.

#### Economy

The assessed property evaluations for the 1975-1976 tax year are as follows:

Total present municipality of Anchorage	\$ 2,785,686,960
Chugiak Service Area	53,049,995
Eagle River Service Area	70,648,490
Eagle River Landfill*	10,899,585

\* The Eagle River landfill includes all the area outside the Chugiak Service area and the Eagle River Service Area using the sanitary landfill.

The figures on assessed property evaluation show that the total evaluation for the Eagle River-Chugiak area, which is \$134,598,035, is a relatively small portion of the total tax base of Anchorage. The tax base of Anchorage is large enough so that it will not feel the loss of that portion based on the property evaluations of the proposed new borough. The crucial question is whether the Eagle River-Chugiak tax base is large enough to support necessary services without the support of the larger tax base of the entire Anchorage area as it presently exists.

In addition to assessed property evaluations, consideration should be given to where present and future monies which supply tax dollars are spent. A look at the relatively undeveloped business community in Eagle River-Chugiak, the relatively highly developed business community in the Anchorage area, and the transportation between the two areas as shown by the traffic counts on the Glenn Highway, would indicate that a large portion of the dollars earned and spent by Eagle River-Chugiak residents are now, and will be for some time in the future, flowing into the Anchorage bowl area.

In turn, the larger tax base of Anchorage has helped provide bond monies for construction of schools in the proposed new borough, and supplies a wide range of services available to all Anchorage residents. In fact, according to information gathered on the provision of various services, a higher level of some services is being provided to Eagle River-Chugiak residents than to other outlying areas in Anchorage.

Eagle River is the only area lying outside the major population center of Anchorage which has a health center for the residents of that area. The health center provides a full range of services, including immunization, family planning, and well baby clinics on a regular basis. The clinic is part of the areawide health department, and is completely supported by areawide taxes.

Eagle River also has a library which is part of the non-areawide library power of the Anchorage Borough, and is also completely supported by the entire non-areawide tax base.

In contrast, the Rabbit Creek area, which is also a growing population center outside of central Anchorage, has neither a health clinic nor a library.

Other services provided to the Eagle River-Chugiak area, under the areawide powers of Anchorage, are the three basic services of schools, planning and zoning, and assessment and collection of taxes, as well as transportation, dog control, solid waste management, and environmental protection.

Sewers and a treatment facility exist in the population center of Eagle River under a sewer assessment district. The treatment facility is a lagoon which has the capacity of serving 1,200 people. There are about 1,100 people now being served, so the facility is operating almost at capacity.

In the last legislative session \$100,000 was appropriated for planning and design to expand the system. The Anchorage Department of Public Works is, at this writing, interviewing consultants to perform the planning and design work.

Water in Eagle River-Chugiak is supplied from individual wells, and several small, private water systems, as it is in all areas of Anchorage outside of the major population center.

Two fire service areas provide fire protection to the population centers of Eagle River and Chugiak, respectively.

Formation of a service area for the provision of police protection was defeated at the polls in 1974. The residents have been able to work out an agreement with the Alaska State Troopers to provide "a level of service to the Eagle River-Chugiak area which is more concentrated than that afforded other areas of the State." (Coopers and Lybrand, Profiles of Alternative Municipalities for the Eagle River-Chugiak Area - P.26)

In summary, the basic services which are areawide, or non-areawide powers of Anchorage, are now being provided to the Eagle River-Chugiak area. Additional services are being provided, as in the case of fire protection and sewers, when the residents are willing to increase their taxes in order to pay for them.

Summary of Eagle River-Chugiak Service Area Elections

October 4, 1966—fire protection, Eagle River and Chugiak--failed  
 July 30, 1968--fire protection, Chugiak--passed  
 January 28, 1969—fire protection, Eagle River--passed  
 October 5, 1971--roads and drainage, Eagle River--failed  
 October 2, 1973--parks and recreation, Eagle River and Chugiak--failed  
 March 12, 1974--police protection, Eagle River and Chugiak--failed

The question of delivery of services is directly tied to an area's economy, and its willingness to support necessary services. Consideration of this question rests on the Commission's judgment as to whether the Eagle River-Chugiak area tax base will be able to support mandatory functions (schools, planning and zoning, assessment and taxation). Further, consideration must be given to whether the new borough will be able to support additional municipal services and functions such as health services and facilities, public safety, street and road maintenance, libraries, and other areawide, or non-areawide, functions.

OTHER FACTORS

Other factors to be considered include the status of land and water resources. Patented trust land, belonging to Anchorage, totalling 2,328 acres will lie within the boundaries of the proposed new borough. Most of this land is being used for parks and recreation, with the exception of 192 acres at Fire Lake which is also being used for gravel extraction and sanitary landfill. The loss of these lands by Anchorage serves to reduce considerably the municipality's total patented land. Anchorage's total patented acreage, at this point, is 3,745. This figure includes the 2,328 acres which will lie within the boundaries of the new borough, thus reducing Anchorage's total patented acreage to 1,417 acres if the new borough is formed.

The implications of the loss of this acreage is that Anchorage will need to look for other lands to meet its park and recreational needs. This is going to be difficult because of the shortage of available and useable lands now available in the Anchorage Bowl.

A similar situation exists regarding future need in the Anchorage area for additional water supplies. A report prepared by Tryck, Nyman, Hayes for The City of Anchorage Water Utility and Central Alaska Utility, pinpoints the Eagle River as the most economical source to meet future water requirements for the Anchorage area. The Federal Power Commission has withdrawn most of the Eagle River, and surrounding lands, for use as a future water resource. In the future, when this water resource will be needed, application will be made to the Federal Power Commission for its use. The problem as stated by Frank Nyman of Tryck, Nyman and Hayes regarding the proposed formation of another local government, will be that two local governments will be competing for permits to control the Eagle River water source.

A further complication concerning water sources occurs between two local governments if agreement cannot be reached relative to water uses. Title 29 addresses this question as follows:

29.48.037 (b) A municipality may adopt ordinances to protect its water supply and watershed and may enforce them outside its boundaries. Before this power may be exercised within the boundaries of another municipality, the approval of that municipality must be given by ordinance. This section applies to general law and home rule municipalities.

A hypothetical case in point might be a situation where Anchorage applies to the Federal Power Commission for a permit to divert water from the Eagle River for use in the Anchorage area. The Federal Power Commission issues the permit to Anchorage. The Eagle River lies within the boundaries of the Eagle

River-Chugiak Borough, thereby making it impossible<sup>2</sup> for Anchorage to proceed with the permitted use unless allowed to do so, by ordinance, by the Eagle River-Chugiak Borough.

Considering the above mentioned facts concerning land and water resources, and their implications for Anchorage, it is respectfully proposed that if the Commission makes the determination in favor of detachment, and borough incorporation, the following be required.

1. passage of an ordinance by the new borough giving approval to Anchorage for use of the Eagle River as a future water resource
2. a requirement that all park lands presently belong to Anchorage and lying within the boundaries of the new borough, be held in perpetuity as park land.

#### Assets and Liabilities

In addition to the above proposals, a discussion, and recommendations, concerning the division of assets and liabilities is offered for Commission consideration in the event a decision is made favoring detachment and incorporation.

In the event of detachment Commission responsibility is fixed upon (1) an allocation of the assets and liabilities of Anchorage which may be due the Chugiak-Eagle River Borough on the basis of powers assumed and exercised by the latter, and (2) the division of the assets and liabilities of the respective areas during the transitional year, that is, an allocation of the assets and liabilities during adjustment proceedings.

Involvement of the Local Boundary Commission in such an equitable settlement is without precedent in the State of Alaska. No regulations have been

adopted by the Commission describing a method by which to undertake the division of assets and liabilities.

In the absence of Commission-adopted regulations, a body of state law and lack of precedent within the State, the Department has endeavored to review asset and liability apportionment schemes in other state jurisdictions. Our research was conducted primarily to determine whether there is some form of commonality in the allocation schemes adopted by other states. We believe the identification of such schemes might serve to identify a comprehensive scheme for adjustment and assignment of assets and liabilities in Alaska.

Boundary adjustment poses a most critical question - "What is to be done with the indebtedness and property of the entity which is losing territory in order to adjust for its loss?" Citing the Harvard Law Review: Four general approaches have been tried in other legislation.

(1) No indebtedness changes are effected and the financial status quo is maintained. This solution is common in incorporation legislation. California and North Carolina, for example, require no changes. But it can also be found occasionally in annexation and detachment. This is a highly unrealistic approach which will have two possible results. Whether great unfairness will result from the decreased tax base and continued indebtedness, or needed boundary adjustments will not be effected because undue financial burdens are likely to result.

(2) The second approach is to base allocations of indebtedness upon a formula which can be applied unswervingly in each case. For example, in Indiana the municipality shall be liable upon annexation or incorporation for "so much of such indebtedness of such civil townships in proportion that the assessed valuation of property in such...territory is to the valuation of all property in such townships...prior to the (boundary adjustment)...The approach is a perfect

solution in the normal case; but too often extraneous factors arise, such as the degree of amortization, the ability of the territory's residents to continue to use the facilities for which the indebtedness was incurred, the provisions of bonds limiting assignments, the existence of presently-contracted future obligations, and the degree to which the facility for which the indebtedness was incurred is revenue-producing. (Factors such as inflation impact, depreciation, facility acquisition cost and a multitude of variables could be contended with.) Such occurrences make a formula unattractive since it will too often produce inequities which can be avoided by a more flexible system. Further, the addition of variables into some formula incorporating such variables may well be so costly as to negate the benefit of adopting such formula.

(3) The third method is to require the territory to continue to be liable for all prior indebtedness and to be subject to municipal indebtedness only if it is incurred in the period after the boundary adjustment. Such a system is usual in detachment legislation, but it can be found in other contexts. It has not been widely adopted probably because of the administrative difficulties which would tend to result when different parts of the municipality are taxed at different rates by different entities. Further, political, and perhaps debt ceiling, problems might arise whenever the municipality wished to impose higher tax rates for new improvements since various areas would have different tax rates. Differing assessment practices might further complicate the situation. In addition, a problem might arise as to whether land should be assessed for the purpose of the old township tax on the basis of improvements made after the territory became part of the municipality, or on the value at the time of the boundary adjustment. Thus if a scheme can be established to eliminate overlapping tax jurisdiction, it would be impossible not to overlap tax jurisdictions in the case at hand. (This method may violate the State's Constitutional provision under Article X Section I "duplication of tax-levying jurisdictions" as cited on Pg. 2.)

(4) The fourth method seems to be the most acceptable. A general standard is prescribed as to how the allocation should be carried out and some board or court is empowered to adjust indebtedness in light of that standard. In this case the Local Boundary Commission is assigned a role similar to other Commissions, committees or bodies in other states. For example, in Virginia on incorporation the standard for the court's allocation is "just." In Ohio, upon incorporation the county probate court must make a "proper" allocation of indebtedness and funds. In Minnesota, the Municipal Commission apportions indebtedness upon incorporation, annexation, and detachment on the basis of what is "just and equitable."

This draft adopts this fourth method and uses "fairness and equity" as its basic standard, but is more specific in that it requires consideration of the interests of the groups most directly affected. The determination is made in light of the burdens and benefits resulting from the boundary adjustments as a whole and not just in light of the financial considerations. Thus the detriments of the other allocation methods--unfairness, bars to boundary adjustment, inability to adjust to situations outside the norm, and multiplicity of governments taxing in the territory--are all avoided. Without exception where other state laws address the question of dividing assets and liabilities between public concerns, in an attempt to be "fair and equitable," those state legislatures have adopted statutory criteria based on the concept of "a just proportion of existing debt and assets."

The formula for determining the pro rata share in division of liabilities and non-fixed assets are many and vary with specific circumstances. However, in general, the "just" proportion of existing debt to be assumed by a municipality is the ratio the assessed taxable value in the entire district prior to separation. The percentage figure so obtained is then applied to the total amount of existing debt for which the new municipality shares responsibility in the provision of services.

In addition to pro rata debt assumption and non-fixed assets assumption, in some jurisdictions a new municipality would also pay for a share of the value of public improvements contained within the new area. However, in the absence of state law requiring payment for public improvements from the new municipality to the former municipality, payment would not likely be upheld in a judicial proceeding. As challenged (Norfolk County v. City of Portsmouth 124 Va. 639, 659, 98 SE. 755, 761-762.)

Whenever compensation for existing public improvements has been allowed, (always by legislative action) the basis for compensation has been the valuation of the improvement.

In the State of Minnesota, state law proscribes that public improvements and/or real property are jointly owned between municipalities after detachment. Each municipality's interest in properties is proportional to their assessed valuation at the time of separation.

In the State of New Jersey, state law proscribes that any public improvements and/or real property shall be and remain the property of the municipality in whose limits the property lies after separation, and any indebtedness then existing which has been incurred for or on account of the property shall become the indebtedness of the municipality within whose limits the property lies.

The Department would recommend that the Division of fixed assets and assignable liabilities (public improvements, and real property) be effected by using the method proscribed under New Jersey law.

The overriding advantage of adopting a method such as proscribed in New Jersey for fixed property division is that no fixed assets and incidental debt remain in mutual contest between municipalities and the question is forever settled.

The Department recommends for Boundary Commission consideration that:

1. The "just and equitable" formula most frequently used in other state jurisdictions be used. i.e.

$$\frac{\text{Total assessed taxable value of Chugiak-Eagle River}}{\text{Total assessed taxable value of the Anchorage Area}}$$

...

equals

Pro rata share of Chugiak-Eagle River debt and non-fixed assets

- a) The percentage figure so obtained would be applied to all fund balances of Anchorage for which Chugiak-Eagle River has vested financial interest. The percentage attributable to Chugiak-Eagle River of the fund balance would become payable to Chugiak-Eagle River from Anchorage.
- b) Funds held by Anchorage that are the funds of a service area that will lie within the boundaries of Chugiak-Eagle River become the assets of Chugiak-Eagle River.
- c) Chugiak-Eagle River shall receive from Anchorage a cash payment equal to the pro rata percentage of value of all non-fixed assets owned by Anchorage on the date of detachment for which Chugiak-Eagle River has vested interest. The determination of value of non-fixed assets may be made by an appraisal of non-fixed properties.

- d) Chugiak-Eagle River Borough accepts a pro rata share of all incidental debt of Anchorage not associated with fixed or real property for which Chugiak-Eagle River has vested interest. The amount of the debt associated therewith and assignable to Chugiak-Eagle River shall be paid by cash from Chugiak-Eagle River to the Anchorage Area.
- e) All fixed assets (public improvements on real property) shall become and remain the property of the borough in which they lie. All debts associated with fixed assets shall become the debt of the borough in whose territory the fixed assets lie.
- 1.) The new borough would be ordered to pass an ordinance giving approval and permission to the Anchorage area to use Eagle River as a possible future water resource.
  - 2.) All lands designated park lands presently belonging to Anchorage, lying within the boundaries of the proposed new borough, would be restricted to the status of park lands

On the basis of the foregoing Anchorage area and petitioners in the Chugiak-Eagle River Area would place before the Commission their respective claims to assets and liabilities. The Commission would be required to arbitrate settlement based on respective argument.

The Commission would need to determine a possible date for which detachment would be effected, so that the formula proposed could be uniformly applied.

Harold S. ABRAMS et al., Appellants,  
v.

STATE of Alaska et al., Appellees,  
v.

Lee B. JORDAN, Mayor of the Second Class  
Borough in the Eagle River-Chugiak  
Area, et al., Appellees.

Lee B. JORDAN, Mayor of the Second Class  
Borough in the Eagle River-Chugiak  
Area, et al., Cross-Appellants,  
v.

Harold S. ABRAMS et al., Cross-Appellees.  
Nos. 2407, 2418.

Supreme Court of Alaska,  
April 15, 1975.

Action was instituted to determine validity of formation of the Eagle River-Chugiak Borough. The Superior Court, Third Judicial District, Anchorage District, Eben H. Lewis, J., upheld validity of the borough and appeal was taken. The Supreme Court, Connor, J., held that statute pertaining to the organization of the Eagle River-Chugiak Borough was special and local in nature; that nothing in nature of the Eagle River-Chugiak area justified departure from general law scheme of incorporating new boroughs and, therefore, the statute pertaining to creation of the borough contravened constitutional prohibition against passage of local or special acts when a general act can be made applicable; and that constitutional provision requiring division of state into boroughs did not grant power to enact special and local laws creating boroughs notwithstanding the prohibition against passage of local or special acts.

Reversed and remanded.

Erwin and Fitzgerald, JJ., did not participate.

1. Statutes  $\Rightarrow$ 77(1)

Legislative act may affect only one of a few areas and yet relate to a matter of statewide concern and common interest

and, thus, not constitute a local or special act within constitutional prohibition against such acts. Const. art. 2, § 19.

2. Statutes  $\Rightarrow$ 77(1)

In determining whether a legislative act is a local or special act within constitutional prohibition against such acts, ultimate question is whether the act is reasonably related to a matter of common interest to the whole state. Const. art. 2, § 19.

3. Statutes  $\Rightarrow$ 76(2)

Statute pertaining to organization of Eagle River-Chugiak Borough constituted both special and local legislation within constitutional prohibition against passage of local or special acts if a general act can be made applicable. Laws 1974, c. 145; AS 29.18.030 et seq.; Const. art. 2, § 19.

4. Statutes  $\Rightarrow$ 76(2)

Nothing in nature of Eagle River-Chugiak area justified departure from general law scheme of incorporating new boroughs; thus, special and local legislation pertaining to organization of the Eagle River-Chugiak Borough violated constitutional prohibition against passage of a local or special act when a general act can be made applicable. Laws 1974, c. 145; AS 29.18.030 et seq.; Const. art. 2, § 19.

5. Statutes  $\Rightarrow$ 76(2)

Constitutional provision requiring division of state into boroughs and giving legislature broad power over methods by which boroughs may be organized, incorporated or dissolved did not empower legislature to enact special or local laws pertaining to organization of boroughs despite constitutional prohibition against passage of local and special acts when general acts can be made applicable. Laws 1974, c. 145; AS 29.18.030 et seq.; Const. art. 2, § 19; art. 10, § 3.

6. Statutes  $\Rightarrow$ 76(1)

Constitutional prohibition against enactment of a local or special act if a general act can be made applicable governs exercise of all legislative powers expressly granted by other portions of the Constitution. Const. art. 2, § 19.

535

West

## 7. Constitutional Law ⇨15

Different provisions of Constitution should be read so as to avoid conflict whenever possible.

George A. Dickson & John Hedland, David Engles of Rice, Hoppner, Blair & Hedland, Anchorage, for appellants in 2407.

Gerald L. Sharp, City-Borough Atty., Juneau, amicus curiae for appellants in No. 2407.

William F. Tull, Palmer, amicus curiae on behalf of Mat-Su Borough.

John Ken Norman & Gary Thurlow, Anchorage, amicus curiae on behalf of Greater Anchorage Area Borough.

Charles Cranston & Vernon L. Snow, of Gallagher, Snow & Cranston, Anchorage, for appellees in 2407; Cross-Appellants in 2418.

Peter Argetsinger, Asst. Atty. Gen., Anchorage, Avrum Gross, Atty. Gen., Juneau, for State of Alaska.

## OPINION

Before RABINOWITZ, C. J., CONNOR and BOOCHEVER, JJ., and DIMOND, J. Pro Tem.

CONNOR, Justice.

This appeal and cross-appeal present the question of whether the formation of the Eagle River-Chugiak Borough was validly accomplished under the Alaska Constitution. At the center of the conflict are two constitutional provisions:

"The legislature shall pass no local or special act if a general act can be made applicable. Whether a general act can be made applicable shall be subject to judicial determination. Local acts necessitating appropriations by a political subdivision may not become effective unless approved by a majority of the qualified voters voting thereon in the subdivision affected." Alaska Const., art. II, § 19.

"The entire State shall be divided into boroughs, organized or unorganized.

They shall be established in a manner and according to standards provided by law. The standards shall include population, geography, economy, transportation, and other factors. Each borough shall embrace an area and population with common interests to the maximum degree possible. The legislature shall classify boroughs and prescribe their powers and functions. Methods by which boroughs may be organized, incorporated, merged, consolidated, reclassified, or dissolved shall be prescribed by law." Alaska Const., art. X, § 3.

Appellants assert that the prohibition against local or special acts renders invalid Ch. 145 SLA 1974 by which the Eagle River-Chugiak Borough was organized. They argue that the legislature created a borough by a local or special law when a general law could have been made applicable, and that the "general law" constitutional provision controls the operation of legislative power under art. X, § 3, of the Alaska Constitution. They conclude, therefore, that Ch. 145 SLA 1974 is unconstitutional and that the borough created by the legislature is invalid.

Appellees support the validity of the borough by arguing that the legislative act was not local or special legislation, that even if it was local or special legislation the constitutional prohibition does not apply because a general law cannot be made applicable to the particular subject matter of the legislative act, and that the legislature possesses independent power under art. X, § 3, of the Alaska Constitution, apart from the provisions of art. II, § 19, to create the Eagle River-Chugiak Borough.

## I.

The Eagle River-Chugiak area extends from the northeast limits of the City of Anchorage to the Knik River Bridge, and comprises about 738 square miles, slightly less than one-half of the total area of the Greater Anchorage Area Borough as it previously existed. It is located wholly within what was the Greater Anchorage

shed in a manner  
standards provided by  
shall include popula-  
city, transportation,  
each borough shall  
population with  
the maximum de-  
legislature shall clas-  
scribe their powers  
by which bor-  
ized, incorporated,  
reclassified, or dis-  
scribed by law."

3.  
at the prohibition  
acts renders invalid  
which the Eagle Riv-  
s organized. They  
re created a bor-  
d law when a gen-  
al made applicable,  
law" constitutional  
peration of legisla-  
§ 3, of the Alaska  
nclude, therefore,  
is unconstitutional  
eated by the legis-

validity of the bor-  
the legislative act  
al legislation, that  
special legislation  
ition does not ap-  
w cannot be made  
lar subject matter  
d that the legisla-  
ent power under  
aska Constitution,  
ns of art. II, § 19,  
iver-Chugiak Bor-

giak area extends  
its of the City of  
River Bridge, and  
are miles, slightly  
e total area of the  
ea Borough as it  
is located wholly  
Greater Anchorage

Area Borough. The area has a population of about 8,500 persons, about 2,500 of whom live in what is regarded as the community of Eagle River. There are no cities. Eagle River lies about 3.7 miles from the limits of any statutory class within the area. The corporate limits of the City of Anchorage and about 13 miles from downtown Anchorage. The area is largely residential in land use and most of its work force is employed within what has been the Greater Anchorage Area Borough.

In 1974 the legislature passed Ch. 145 SLA 1974, which became law without the governor's approval. The act provided for an election concurrent with the next statewide election following its passage, to be conducted solely within the Eagle River-Chugiak area, on the question of whether the area should be incorporated as a second class borough. If a majority voted "no" in the first election, the act provided for a subsequent election in which the voters would decide whether the area should be incorporated as a second class city. The election on borough incorporation took place on August 27, 1974, and the proposition passed by a vote of 1,233 to 979. Under the terms of the act, the area then became incorporated.

The act required the Local Boundary Commission to hold a public hearing before the election, and to review the boundaries set forth in the act after the election. Additionally, the Commission was required to promulgate a plan of apportionment, after which the Lieutenant Governor was required to, and did, on December 3, 1974, conduct an election for municipal officers.<sup>1</sup>

1. Other transitional steps include a determination by the Local Boundary Commission, subject to judicial review, of the allocation of debts and assets between the new borough and the Greater Anchorage Area Borough, and written notice by the new borough of its intention to assume its powers. These steps have not been taken, but the act requires that the new borough assume its powers no later than the end of the current fiscal year, i. e., June 30, 1975. In the meantime the Greater Anchorage Area Borough

Prior to the enactment of Ch. 145 SLA 1974 there existed, and still exists, a comprehensive statutory system for the incorporation of boroughs, including those to be established within the boundaries of boroughs already in existence.<sup>2</sup> The general law scheme for organizing a borough consists of a petition to the Department of Community and Regional Affairs, a review of that petition for form by the Department, public hearings by the Local Boundary Commission, and a decision by the Commission as to whether the standards set out in the statutes have been met. In the event of favorable Commission action, an election can be held within the area proposed for incorporation. When a new borough is to be created within an existing one, both a new incorporation and a change in existing boundaries must occur, and the action must be approved at an election within the new borough. The action may also be conditioned upon electoral approval within the existing borough, and it must be submitted to the legislature.

Appellants brought an action on October 30, 1974, seeking to have Ch. 145 SLA 1974 declared unconstitutional and void and seeking to have enforcement of that statute enjoined. On November 22, 1974, appellants sought a preliminary injunction against conducting the election for municipal officers which was scheduled for December 3, 1974. On November 27, 1974, the superior court entered a temporary restraining order which allowed the election to proceed but prohibited certification of the results pending a further hearing. That further hearing was held on Decem-

must continue to assess and collect taxes in the new borough until that date, and allocate to the new borough an amount to be determined by the Local Boundary Commission, subject to judicial review. Under the act the Greater Anchorage Area Borough has been prohibited from transferring assets or authorizing bonded indebtedness in the new borough since September 12, 1974.

2. See AS 29.18.030 et seq.

her 20, 1974. On December 20, 1974, oral argument was presented to the superior court, and that court entered a declaratory judgment to the effect that Ch. 145 SLA 1974 was local and special legislation, but was not violative of art. II, § 19, of the Alaska Constitution. Appellants filed this appeal on December 23, 1974, and were granted a stay pending the decision of the appeal. This court also entered an order expediting the appeal because the questions presented obviously should be decided promptly for the benefit of the affected governmental entities and the public.

## II.

[1] The first question is whether Ch. 145 SLA 1974 is a local or special act. Our previous opinions in *Boucher v. Engstrom*, 528 P.2d 456 (Alaska 1974), and *Walters v. Cease*, 394 P.2d 670 (Alaska 1964), provide background for the resolution of this question. In *Walters v. Cease*, we held that the Mandatory Borough Act, Ch. 52 SLA 1963, was local and special legislation, and that it could not constitutionally be submitted to the voters for adoption by referendum.<sup>3</sup> In *Boucher v. Engstrom*, we held that an initiative to relocate the state capital did not amount to special or local legislation, and thus could be placed upon the ballot. We observed that legislation does not become "local" merely because it operates only on a limited number of geographical areas rather than on a statewide geographical basis. A legislative act may affect only one of a few areas and yet relate to a matter of statewide concern or common interest. *Boucher v. Engstrom*, *supra*, 528 P.2d at 461-62.

[2] *Boucher v. Engstrom* does represent a retrenchment on the definition of

3. Alaska Constitution, art. XI, § 7, provides: "The initiative shall not be used to dedicate revenues, make or repeal appropriations, create courts, define the jurisdiction of courts or prescribe their rules, or enact local or special legislation. The referendum shall not be applied to dedications

"local" found in *Walters v. Cease*. But the ultimate question is whether a legislative act, attacked as "local" or "special", is reasonably related to a matter of common interest to the whole state.<sup>4</sup>

[3] In the case at bar it appears that Ch. 145 SLA 1974 is both special and local legislation. The act provides a method of creating a new borough which is peculiar to the locality where it is applicable. The subject matter can hardly be said to be of statewide interest or impact.

Specifically, the operation and scope of the act are limited to the Greater Anchorage Area Borough. The act creates law which affects only the governmental structure of the Greater Anchorage Area Borough and the Eagle River-Chugiak area lying within it. It can have no effect upon any other part of the state. It purports to create a new local government, and does so without regard to the general statutory provisions that prescribe the method that otherwise governs the creation of new local governmental entities from existing ones. In our opinion the legislation is clearly special and local in nature.

## III.

[4] This brings us to the next question. Appellees argue that even if Ch. 145 SLA 1974 is a local or special act, it is permissible legislation. The Alaska Constitution forbids local or special acts only "if a general act can be made applicable." Whether a general act can be made applicable is subject to judicial determination. We find AS 9.18.030 et seq. to be an applicable general law.

Appellees argue that the Eagle River-Chugiak area is unique and that this justifies the special treatment given to it by the legislature. The trial court found that the

of revenue, to appropriations, to local or special legislation, or to laws necessary for the immediate preservation of the public peace, health, or safety."

4. *Boucher v. Engstrom*, 528 P.2d 456, 463 (Alaska 1974).

Eagle River  
that it has  
the Anchor.  
large "exu  
Appellees  
area is set  
Greater An  
Chugiak  
Park, and b  
priority of th  
ed against  
Area Boro  
areawide pr  
area.

We do not  
ive. Num  
ganized bo  
unique in co  
readily to

Douglas,  
located on  
capital, can  
largely re  
working in  
Douglas w  
Juneau. St  
College, wi  
the only ce  
tral state  
borough or  
ough can a  
teristic wh  
of the boro  
ed to justifi  
then the b  
create man  
on an ad h  
is what th  
intended.<sup>5</sup>

We find  
Eagle Rive  
departure

5. *Accord*,  
328 P.2d  
querque v  
v. Swinbi  
(1964).

6. *Accord*,  
Cal.2d 62

Eagle River area has a separate identity, that it has been a distinct community in the Anchorage bowl, and that it is the only large "exurban" community in Alaska. Appellees point out additionally that the area is separated from the rest of the Greater Anchorage Area Borough by the Chugach Mountains, the Chugach State Park, and by military reservations. A majority of the electorate of the area has voted against a unified Greater Anchorage Area Borough and against extension of areawide power by the borough over the area.

We do not find this justification persuasive. Numerous other localities within organized boroughs can also claim to be unique in certain respects. Examples come readily to mind.

Douglas, with a 1970 population of 1,243, located on an island across from the state capital, can claim to be distinct, providing a largely residential community for persons working in the capital city. Historically Douglas was a city proudly separate from Juneau. Similarly, it could be claimed that College, with a 1970 population of 3,434, is the only community surrounding the central state university. Nearly every neighborhood or locality within an existing borough can assert some peculiarity or characteristic which distinguishes it from the rest of the borough. If this is all that is needed to justify a departure from general law, then the legislature could, by special act, create many new boroughs out of old ones on an ad hoc basis. We do not think this is what the framers of our constitution intended.<sup>5</sup>

We find nothing in the nature of the Eagle River-Chugiak area which justifies a departure from the general law scheme of

incorporating a new borough. Those unusual aspects which appellees have ascribed to the area present no insurmountable barriers to creating a new borough by following the procedures set forth in AS 29.18.030 et seq. Therefore, we hold that Ch. 145 SLA 1974 contravenes the provisions of art. II, § 19, of the Alaska Constitution.

IV.

[5] Finally, appellees urge that under Art. X, § 3, of the Alaska Constitution the legislature is given broad power over the methods by which boroughs may be organized, incorporated, or dissolved. From this, it is argued, the legislature derives power to enact such laws as Ch. 145 SLA 1974 despite the prohibition of art. II, § 19, of the Alaska Constitution.

[6] But Art. II, § 19, governs the exercise of all legislative powers expressly granted by other portions of the constitution. There is no intimation in its language or in the articles concerning local government which would create an exception to this prohibition against local or special laws.

[7] It is an undisputed maxim of constitutional construction that different provisions of the document shall be read so as to avoid conflict whenever possible. Thus, "[w]henver possible, all provisions should be given effect, and each interpreted in light of the others, so as to reconcile them, if possible, and to render none nugatory." *Lemon v. Bossier Parish School Board*, 240 F.Supp. 743, 744 (W.D.La.1965).<sup>6</sup> We have carefully read the debates and discussions during Alaska's constitutional convention as they relate to the import of art.

5. *Accord*, *State v. Hodgson*, 183 Kan. 272, 328 P.2d 752, 762 (1958); see also *Albuquerque Met. Arroyo Flood Control Authority v. Swinburne*, 74 N.M. 487, 394 P.2d 908 (1964).

6. *Accord*, *People v. Western Air Lines*, 42 Cal.2d 621, 268 P.2d 723, 732 (1954), appeal

dismissed, 348 U.S. 850, 75 S.Ct. 87, 99 L.Ed. 677; *Cooper Motors v. Board of County Commissioners*, 131 Colo. 78, 279 P.2d 685, 688 (1953); *Latting v. Cordell*, 197 Okl. 369, 172 P.2d 397, 399 (1946).

535  
Blount

II, § 19, and art. X.<sup>7</sup> We find nothing in these discussions which would indicate that art. X, § 3, was intended to operate as an exception to the "general law" rule of art. II, § 19. Indeed, if every grant of power were read as an exception to the "general law" provision, that provision would be rendered wholly nugatory in its effect.

We conclude that nothing in the local government articles of the Alaska Constitution overrides the prohibition of art. II, § 19.

Having found the questioned act invalid, we reverse the judgment below and remand for the entry of a judgment in favor of appellants.

7. See Const.Conv.Min. pp. 60-70, 1774, 1824-27, 2768-71 (Jan. 10-25, 1956).

LOCAL BOUNDARY COMMISSION

In re the petition for detachment )  
of the Chugiak-Eagle River area )  
from the Greater Anchorage Area )  
Borough, and the petition for )  
incorporation of a second class )  
borough in the Chugiak-Eagle River )  
area. )

---

STATEMENT OF DECISION

Whereas, in July, 1975, petitions requesting detachment from the Greater Anchorage Area Borough and subsequent incorporation of a second class Chugiak-Eagle River Borough were submitted to the Department of Community and Regional Affairs in accordance with Title 29 of the Alaska Statutes; and

Whereas, the Department in September, 1975, found the petitions in the proper form with the requisite content and accompanying exhibits; and

Whereas, upon receipt of the sufficient petition the Local Boundary Commission scheduled a public hearing with notice as prescribed by law; and

Whereas, the Local Boundary Commission held a public hearing at the Chugiak High School on October 29, 1975; and

Whereas, the Local Boundary Commission held a public decisional meeting in Anchorage on December 11, 1975, to review the record of the Chugiak-Eagle River petitions;

Now, therefore, the Local Boundary Commission makes the following findings of fact and enters its decision pursuant thereto:

(1) The proposed petition fails to meet statutory and regulatory standards for detachment and incorporation contained in AS 29.18.030 and AAC 19.15.230 in that the area is an integral part of the municipality of Anchorage culturally, socially and economically.

- (a) The Glenn Highway, which will ultimately be four-lane between Anchorage and Eagle River joins the two areas. Traffic counts obtained from the State Department of Highways were submitted to the Commission and reflect that between Eagle River and the Glenn Highway entrances to the Fort Richardson military installation there were 19,400 average daily trips, and between Muldoon Road and Anchorage there were 18,100 average daily trips. These figures indicate a great deal of traffic between Anchorage and Eagle River-Chugiak.
- (b) In addition to private transportation, figures from the Anchorage Municipal transit system regarding the Eagle River-Anchorage route indicate that in two weeks in 1975, 1158 persons rode the bus between Eagle River and Anchorage. Testimony was introduced at the hearing which indicates that many persons in the Eagle River area work and shop in Anchorage. The traffic figures bear this out. The area is in fact an 'exurban' area or a 'bedroom community' of Anchorage.
- (c) The proposed borough further reflects its bedroom status in that there are almost no social or cultural activity centers in the area. The testimony on record reflects that many residents of Eagle River-Chugiak come to Anchorage for movies, theatre, music and other activities of a like nature. This further reinforces the integration of the area with Anchorage.

(2) There are no natural boundaries separating the area from the remainder of the Anchorage municipality. There is a distance of 15 miles between the downtown Anchorage area and the population center of the proposed borough. The only barrier is one of land use, the military

military reservation is not a barrier. In addition, the Glenn Highway runs through the military reservation joining the two areas, furthering the fact of contiguity of the two areas.

(3) The detachment will be inimical to the interest of the State in that the constitutional mandate of a minimum of local government units and tax levying jurisdictions would be violated. The Commission finds that the entire Anchorage area is an integrated area and that the existing borough embraces an area and population with common interests to the maximum degree possible as required by the Constitution.

The record does not reflect that the interests and needs of the Eagle River-Chugiak area differ sufficiently from metropolitan Anchorage to create a separate borough.

(4) The area is not stable enough to support organized borough government in that the Eagle River-Chugiak tax base is not large enough to support necessary services without the support of the larger tax base of the entire Anchorage area. This is based upon the following facts submitted to the Commission.

(a) The assessed valuation for the 1975-6 tax year is \$134,598,035. The population is 8,402. As previously held, the area is a bedroom community of Anchorage with little business development in the Eagle River-Chugiak area. The Eagle River area receives schools, planning and zoning, tax assessment and collection, animal control, sewers, health protection and transportation services from the Anchorage Municipality. The larger tax base of Anchorage has helped provide bond monies for schools in the area. Higher levels of some services are being provided to Eagle River-Chugiak residents than to other areas of Anchorage, i.e., health center and library.

(b) Under the budgets prepared by the then Chugiak-Eagle River Borough, the tax rates would have been 18.96 mills

(Eagle River) and 17.20 mills (Chugiak) as compared to the current rates of 12.61 mills and 11.40 mills. Many residents of the area testified to their belief that the area could not afford a separate government.

(c) A review of Chugiak-Eagle River Service Areas elections since 1966 reflects that only 2 issues passed, fire protection for Eagle River and Chugiak, whereas, the residents turned down an earlier fire issue, roads and drainage, parks and recreation, and as late as March 1974, police protection. The Commission construes these facts as indicating an unwillingness and/or inability to support needed municipal functions.

(5) The Eagle River-Chugiak area is guaranteed representation on the assembly of the Municipality of Anchorage and the charter of the new unified government provides for the creation of Community Councils.

(6) The Service Area concept provided for in Alaska Statutes is retained in the new charter and affords the residents of the Eagle River-Chugiak area an opportunity to request the addition of new services or to increase the level of existing services in the area.

(7) There have been no significant changes other than increase in population in the area since incorporation under the provisions of Chapter 52 SLA 1963, and accordingly, the Commission finds there is no justification for modifying the original boundaries of the Greater Anchorage Area Borough set by the Legislature.

The Commission is aware of the Goat Creek Detachment, the conformance of the Greater Anchorage Area Borough boundaries to metes and bounds description and the correction to the southern boundary description of the Greater Anchorage Area Borough.

In accordance with the above findings, the Local Boundary Commission rejects the detachment petition and therefore does not consider the petition for incorporation of the proposed borough as that issue is moot.

Dated at Anchorage, Alaska, this 15th day of March, 1976.

LOCAL BOUNDARY COMMISSION

Approved:

s/ Sigvald J. Strandberg  
Sigvald J. Strandberg, Chairman

s/ Sheila G. Jones  
Sheila G. Jones

s/ \_\_\_\_\_  
Josephine Anderson

s/ \_\_\_\_\_  
Oliver Leavitt

Dissent:

s/ \_\_\_\_\_  
Gary Ackerman

BEFORE THE DEPARTMENT OF COMMUNITY  
AND REGIONAL AFFAIRS OF THE STATE OF ALASKA

IN RE THE INCORPORATION OF )  
THE PROPOSED NEW CHUGIAK - EAGLE )  
RIVER BOROUGH WHICH INCORPORATES )  
THE GREATER CHUGIAK - EAGLE RIVER )  
AREA DETACHED FROM THE GREATER )  
ANCHORAGE AREA BOROUGH. )

PETITION FOR INCORPORATION AS A BOROUGH OF THE SECOND CLASS

The undersigned qualified voters of the area to be incorporated petition the Department of Community and Regional Affairs to initiate the necessary and proper procedures pursuant to Title 29, Chapter 18, Article 2 of the Alaska Statutes (AS 29.18.050 - 29.18.150), to accomplish the following.

I. PETITIONERS: The designee of the petitioners is:

Chugiak - Eagle River Borough Association

Chairman Lee B. Jordan

1st Vice Chairman Leslie F. Fetrow

2nd Vice Chairman Ernest Brannon

Secretary Gene E. Merchant

Asst. Secretary - Treasurer

Robert C. Johnson

The following are co-sponsors of the Petition:

Charles Graham

Delores Steeby

Thomas Brewer . . .

Ron Stephens

Elsie Oberg

Robert Robinson

Galen Atwater

Elaine Robinson

Frances Atwater

Ray Stith

Joe Kapella

Thillman Wallace

Marianna Koehler

Claire Muetz

The mailing address is P. O. Box 700, Eagle River, Alaska, 99577.

II. CLASS: The petitioners seek to incorporate a borough of the second class.

III. NAME: The name of the proposed borough shall be the Chugiak - Eagle River Borough.

IV. BOUNDARIES: The boundaries of the proposed borough, more particularly stated and illustrated by the map attached as Exhibit A are as follows:

All that land included in the Greater Anchorage Area Borough and lying northerly of the following line: commencing in Knik Arm on the west boundary of the Greater Anchorage Area Borough and on the south boundary of Section 17, T14N, R3W, S. M; thence east along the south boundary of sections 17, 16, 15, 14 and 13, T14N, R3W, S. M; thence east along the south boundary of sections 18, 17, and 16, T14N, R2W, S. M; thence south between sections 21 and 22, thence east along the south boundary of sections 22, 23, and 24, T14N, R2W, S. M; thence southeasterly to the southwest protracted corner of section 1, T12N, R1W, S. M; thence southeasterly to the southwest protracted corner of section 34, T12N, R2E, S. M; thence east along the south boundaries of townships 12N, ranges 2E, 3E, 4E and 5E to the east boundary of the Greater Anchorage Area Borough.

V. COMPOSITION AND APPORTIONMENT OF BOROUGH ASSEMBLY: The borough assembly shall consist of seven members for the first assembly following incorporation and until such time as the reapportionment is accomplished under law. The assembly shall be elected as follows: two members elected from Precinct 147; two members from Precinct 148; and one member each from Precincts 149, 150 and 151 but voted on at large in all three precinct. A mayor shall be elected at large. A school board consisting of five members shall be elected at large.

VI. POWERS: The proposed Chugiak - Eagle River Borough shall exercise the areawide powers and duties prescribed by law, (AS 29.33.250) including assessment and collection of taxes, education, planning, platting and zoning, sewers, health, transportation, dog control, library; all areawide and non-area-wide powers presently performed by the Greater Anchorage Area Borough in the defined area to be incorporated; and any additional areawide powers that may be required in accordance with AS 29.33.250, Additional Areawide Powers.

VII. MAPS, DOCUMENTS, AND OTHER INFORMATION:

- Exhibit A - Legal description of boundaries and map illustrating boundaries
- Exhibit B - 1970 Census and estimate of population
- Exhibit C - The assessed and estimated valuation of all taxable property in the area proposed for incorporation.
- Exhibit D - The rate or rates at which real and personal property are taxed in the area.
- Exhibit E - Narrative on school program
- Exhibit F - The amount and full explanation of any outstanding bonded indebtedness for which the area is wholly or partially responsible.
- Exhibit G - Affidavit of petitioners as to service of petition upon municipalities in or adjoining the area proposed for incorporation.
- Exhibit H - Transitional inter-municipal agreements
- Exhibit I - Affidavit of Petitioners as to sources of information.
- Exhibit J - Written brief supporting reasons

VIII. SIGNATURE AND RESIDENT ADDRESS:

Whereas 2,658 persons in the proposed Chugiak - Eagle River Borough voted in the last general election, November 1974, the following 15% or more petitioners hereby affix their signatures for the following purposes:

- A. To indicate their firm convictions in the allegations of this petition and that the incorporation of the proposed borough would be in the best interest of the communities affected and in the best interest of the State of Alaska as expressed in Article X, Section 3, of the Constitution of the State:

BOROUGHES

SECTION 3. "The entire State shall be divided into boroughs, organized or unorganized. They shall be established in a manner and according to standards provided by law. The standards shall include population, geography, economy, transportation, and other factors. Each borough shall embrace an area and population with common interests to the maximum

degree possible. The legislature shall classify boroughs and prescribe their powers and functions. Methods by which boroughs may be organized, incorporated, merged, consolidated, reclassified, or dissolved shall be prescribed by law."

B. The petitioners submit:

1. The population of the area is interrelated and integrated as to its social, cultural, and economic activities, and is large and stable enough to support organized borough government.
2. The boundaries of the proposed borough conform generally to natural geography and include all areas necessary for full development of local services.
3. The economy of the area includes the human and financial resources capable of providing local services; evaluation of an area's economy includes land use, property valuations, total economic base, total personal income, resource and commercial development, anticipated functions, expenses, and income of the proposed borough.
4. Land, water, and air transportation facilities allow the communication and exchange necessary for the development of integrated local government.

PETITION FOR INCORPORATION OF THE CHUGIAK - EAGLE RIVER AREA AS A SECOND CLASS BOROUGH

Petition No. 20B Page No. 1

Printed Name	Signature	Residence Address	Mailing Address	Voter Reg. No.
EDWARD A. BELLINGER	<i>Edward A. Bellinger</i>	MT. EKLUINA DRIVE	P.O. Box 90, CHUGIAK, AK	00423624
HARRIET S. BELLINGER	<i>Harriet S. Bellinger</i>	Mt. Eklutna Drive	P.O. Box 90 Chugiak, AK	00741371
<i>Ronald L. Olson</i>	<i>Ronald L. Olson</i>	Mile 18 <sup>Old Glenn</sup> Chugiak, AK	STRT. Box 445 Eagle River	00620054
EDITH D. WEST	<i>Edith D. West</i>	Ymate, Ale.	P.O. Box 836 Eagle River	00418509
ARLENE E. OLSON	<i>Arlene E. Olson</i>	St. Rt. Mile 18 Old Glenn	St. Rt. Box 445, Eagle River	00620047
ROSE MARIE SEE	<i>Rose Marie See</i>	Juanita Loop Rd	P.O. Box 144 Eagle River	00418038
MERRY SMITH	<i>Merry Smith</i>	Juanita Loop Rd.	P.O. Box 144 Eagle River	01743186
CHARLES JOHNSON	<i>Charles Johnson</i>	Juanita Loop Rd	P.O. Box 144 Eagle River	01290808
JACK J. SEE	<i>Jack J. See</i>	Juanita Loop Rd	P.O. Box 144 ER	01223650
LILA C. FERGUS	<i>Lila C. Fergus</i>	Curran Road Birchwood	P.O. Box 186 Chugiak	00977611
RAY STITH	<i>Ray Stith</i>	Curran Road	P.O. Box 438 E.R. AK	00619569
ERNEST T. FOSTER	<i>Ernest T. Foster</i>	JUANITA LOOP Box 83	EAGLE RIVER, AK 99577	01814169
MARY GLORIA BREWER	<i>Mary Gloria Brewer</i>	WHIRLAWAY ST.	P.O. Box 643 ER: AK 99577	01984483
JOHN A. HUNTSMAN	<i>John A. Huntsman</i>	KLONDIKE ST	KLONDIKE ST. BOX 79 CHUGIAK AK 99567	00982132
HOLLY R. WRIGHT	<i>Holly R. Wright</i>	5 mile Eagle River Rd.	St. Rte, Box 196-C, Eagle River	
ALTON B. CROSS	<i>Alton B. Cross</i>	mile 15.5 old Glenn Hwy	Box 407 Eagle River, AK	00619544
<i>Eulalia E. Cross</i>	<i>Eulalia E. Cross</i>	Mile 15.5 old Glenn Hwy	Box 407 Eagle River AK	Signed this 10/1/77









BEFORE THE DEPARTMENT OF COMMUNITY  
AND REGIONAL AFFAIRS OF THE STATE OF ALASKA

IN RE THE DETACHMENT OF THE )  
GREATER EAGLE RIVER - CHUGIAK )  
AREA FROM THE GREATER ANCHORAGE )  
AREA BOROUGH. )

PETITION FOR DETACHMENT

The undersigned qualified voters of the area to be detached from the Greater Anchorage Area Borough petition the Department of Community and Regional Affairs to initiate the necessary and proper procedures pursuant to Title 19, Chapter 15, Article 2 of the Alaska Administrative Code (19 AAC 15.170-15.270).

(1) The undersigned qualified voters represent more than 10% of the qualified 4,130 voters residing in the area to be detached.

(2) The designee of the petitioners is:

Chugiak - Eagle River Borough Association

Chairman Lee B. Jordan

1st Vice Chairman Leslie F. Fetrow

2nd Vice Chairman Ernest Brannon

Secretary Gene E. Merchant

Asst. Secretary - Treasurer

Robert C. Johnson

The following are co-sponsors of the Petition:

Charles Graham

Delores Steeby

Thomas Brewer

Ron Stephens

Elsie Oberg

Robert Robinson

Galen Atwater

Elaine Robinson

Frances Atwater

Ray Stith

Joe Kapella

Thillman Wallace

Marianna Koehler

Claire Muetz

The Chugiak - Eagle River Borough Association is an unincorporated association of registered voters of the Chugiak - Eagle River area.

The Chairman, Lee B. Jordan, mailing address P. O. Box 700, Eagle River, Alaska, 99577, is designated as attorney-in-fact to receive service, notice and all other correspondence relating to the proceedings in behalf of the petitioners.

(3) The boundaries of the area to be detached, known as the Chugiak - Eagle River area consisting of Fire Lake, Birchwood, Peters Creek, Eklutna, Eagle River Valley, South Fork, Chugiak and Eagle River, stated in the legal description and illustrated by the map attached as Exhibit A are as follows:

All that land included in the Greater Anchorage Area Borough and lying northerly of the following line: commencing in Knik Arm on the west boundary of the Greater Anchorage Area Borough and on the south boundary of Section 17, T14N, R3W, S.M; thence east along the south boundary of sections 17, 16, 15, 14 and 13, T14N, R3W, S.M; thence east along the south boundary of sections 18, 17, and 16, T14N, R2W, S.M; thence south between sections 21 and 22, thence east along the south boundary of sections 22, 23, and 24, T14N, R2W, S.M; thence southeasterly to the southwest protracted corner of section 1, T12N, R1W, S.M; thence southeasterly to the southwest protracted corner of section 34, T12N, R2E, S.M; thence east along the south boundaries of townships 12N, ranges 2E, 3E, 4E and 5E to the east boundary of the Greater Anchorage Area Borough.

(4) The 1970 Census of Population lists 5,832 persons living in the Eagle River - Chugiak community.

The Greater Anchorage Area Borough publication, Preliminary Comprehensive Development Plan, Volume 1, February 1973, states the following under the heading, "Population Characteristics of Small Areas:"

"Certain communities have shown significant increases in actual and relative population growth. Communities that have grown at a faster rate than the Borough as a whole are Muldoon, Lake Otis, Sand Lake and Eagle River - Chugiak." (Emphasis added)

The same publication projects the population of the Eagle River - Chugiak community as tabulated:

1970	5,832 (U. S. Census)
1975	10,010 (GAAB figures)
1980	12,063
1985	16,979
1990	23,524

The Chugiak - Eagle River Borough Association agrees with the Greater Anchorage Area Borough that the estimated 1975 population is 10,010 based upon the data and evaluation listed in the attached Exhibit B.

(5) The quantity of land within the boundaries of the area to be detached is approximately 53,200 acres or approximately 830 square miles.

(6) The assessed value of all real and personal property within the area to be detached is shown as follows in the Greater Anchorage Area Borough Annual Budget, Fiscal Year 1975 - 1976:

	<u>1974</u>	<u>1975</u>
Eagle River	64,397,015	69,202,215
Chugiak	27,081,925	53,650,025
Balance - Service Area 70	13,203,910	16,424,760
	<hr/> 104,682,850	<hr/> 138,677,000

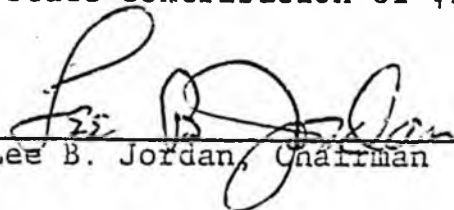
The foregoing assessed value is based on 1975 assessments. Supporting data and evaluation is listed in detail in Exhibit C.

(7) The current (Fiscal Year 1975) rates at which real and personal property are taxed in the area to be detached are as follows:

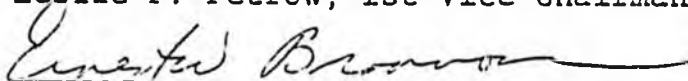
<u>Service Area</u>	<u>Rate</u>
Chugiak	12.445
Eagle River	13.445
Area outside service areas	12.045

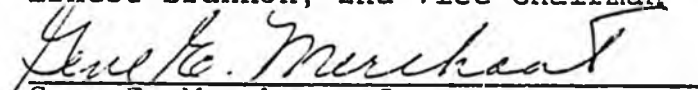
(8) Based on a percentage of assessed value, it has been determined that the area proposed for incorporation has an obligation for 5.27003629% of the 1975 debt of the Greater


Anchorage Area Borough. Of the total of \$107,995,000 principal and \$56,131,791.09 interest, the portion attributable to Chugiak - Eagle River totals \$8,649,540 combined principal and interest. Debt service for Chugiak - Eagle River in Fiscal Year 1976 would be \$560,960 less anticipated state contribution of \$266,456.

  
\_\_\_\_\_  
Lee B. Jordan, Chairman

\_\_\_\_\_  
Leslie F. Fetrow, 1st Vice Chairman

  
\_\_\_\_\_  
Ernest Brannon, 2nd Vice Chairman

  
\_\_\_\_\_  
Gene E. Merchant, Secretary

  
\_\_\_\_\_  
Robert C. Johnson, Asst. Sec.-Treasurer

Printed Name	Signature	Residence Address	Mailing Address	Voter Reg. No.
EDWARD A. BELLINGER	Edward A. Bellinger	MT. EKUTNA DRIVE	P.O. Box 90 CHUGIAK	00123624
HARNETT B. BELLINGER	Harnett B. Bellinger	MT. EKUTNA DRIVE	P.O. Box 90, Chugiak	00741371 0041371
EDITH D. WEST	Edith D. West	Monte Ave.	P.O. Box 836, Eagle River	00418509
DONALD L. OLSON	Donald L. Olson	Mile 18 Chugiak	St Rt Box 445 Eagle River	00620051
ARLENE E. OLSON	Arlene E. Olson	Mile 18 Old Glenn	St. Rt., Box 445, Eagle River	00620047
LEONARD SMITH	Leonard Smith	P.O. Box, 144	P.O. Box 144 Eagle River	01743178
CHARLES JOHNSON	Charles Johnson	P.O. Box, 144	P.O. Box 144 Eagle River	01290808
LILA C. FERGUS	Lila C. Ferguson	Barrow Rd off Birchwood	PO Box 186 Chugiak	00977611
RAY SMITH	Ray Smith	Cokawado Rd	P.O. Box 438 E.R. AK	00619569
ERNEST T. FOSTER	Ernest T. Foster	JUANITA LOOP BOX 83	EAGLE RIVER, AK. 99577	01814169
MARY GLORIA BREWER	Mary Gloria Brewer	WHIRLAWAY ST.	P.O. BOX 643 ER. AK	01984483
John A. HUNTSMAN	John A. Huntsman	KLONDIKE ST. Loop 5047	CHUGIAK AK. 99567 Box 79	00982132
HOLLY R. WRIGHT	Holly R. Wright	5 mile Eagle River Rd.	St. Rt, Box 196-C, Eagle River, AK	
ALTON B. CROSS	Alton B. Cross	mile 15.5 old Glenn Hwy	Box 407 Eagle River AK	00619544
EULALIA E. CROSS	Eulalia E. Cross	Mile 15.5 Old Glenn Hwy	Box 407 Eagle River AK.	00619015
SAM L. COTTEN	Sam L. Cotten	P.O. Box 296 Summit St. Eagle River	P.O. Box 296 Eagle River AK.	00418285
KATHLEEN COTTEN	Kathleen Cotten	P.O. Box 296 - EAGLE RIVER	P.O. Box 296 EAGLE RIVER AK.	00702704









REPORT TO THE LOCAL BOUNDARY COMMISSION OF THE  
STATE OF ALASKA ON THE  
PETITION TO DETACH THE LAKE LOUISE AREA FROM THE  
MATANUSKA-SUSITNA BOROUGH

Department of Community and Regional Affairs  
Division of Local Government Assistance

September 9, 1982

## I. INTRODUCTION

The Matanuska-Susitna Borough was incorporated on January 1, 1964 under the provisions of Chapter 52, SLA 1963, known as the "Mandatory Borough Act". The Borough is comprised of approximately 20,544 square miles and has an estimated population of 19,123.

The Matanuska-Susitna Borough is the second largest in the State (behind the North Slope Borough), with a land mass exceeding the combined areas of the Haines Borough, Bristol Bay Borough, Kodiak Island Borough, Ketchikan Gateway Borough, City and Borough of Sitka, City and Borough of Juneau and the Municipality of Anchorage. Although much of the Matanuska-Susitna Borough is accessible by road, there are large areas which are remote and inaccessible.

The area of Lake Louise is located in the extreme eastern portion of the Matanuska-Susitna Borough. The area is accessed by an 18 mile road leading from the Glenn Highway to the southern end of Lake Louise. The community, based at the southern end of Lake Louise, is approximately 136 highway miles from Palmer and 45 highway miles from Glennallen. The map at the end of this report identifies the area proposed for detachment from the Matanuska-Susitna Borough.

The majority of the Lake Louise residents are seasonally employed during the summer months. The three lodges on the southern end of Lake Louise provide the economic and population base for the community. The majority of the land within the territory proposed for detachment is owned by the State. The Matanuska-Susitna Borough owns no land within the territory proposed for detachment.

The petition proposes to detach 432 square miles of territory from the Matanuska-Susitna Borough. The area proposed for detachment comprises 2.10% of the Borough territory, and the Lake Louise population (33) represents 0.17% of the Borough population. Of the 432 square miles proposed for detachment, 216 square miles are uninhabited State land.

According to the Borough, there are 28 registered voters and 213 dwellings in the Lake Louise area. Most of these dwellings are recreational in nature. There are 363 tax parcels in private ownership in the Lake Louise area. The property tax to be generated from the territory proposed for detachment during the current fiscal year is approximately \$37,485. The total assessed valuation of the real and personal property at Lake Louise is \$6,941,700 or 0.67% of the total assessed value of the Borough (\$1,037,000,000). The residents of the Lake Louise area contend that they receive no Borough services. The Borough, however, does maintain a public landfill in the Lake Louise area and

offers an educational program for Lake Louise students if they choose to attend school in Glennallen. According to Paul Holland, petitioners' representative, there were no children from Lake Louise attending the Glennallen school last year nor will there be this year. There are only two children in Lake Louise of school age. These students from Lake Louise have chosen a home teaching option which is provided by the Borough and the State of Alaska. The Borough also exercises planning on an areawide basis. Although the effect of the planning activities may not be readily apparent in Lake Louise, the prospect of several thousand new land owners in the area (details below) establishes the need for planning of future growth and development in the Lake Louise area.

According to the Borough, the State of Alaska is going to subdivide and distribute land in the Lake Louise area in the immediate future. An additional 2,635 parcels of land will be transferred from State ownership to private ownership. Therefore, there will likely be significant growth in the Lake Louise area within the next several years. According to the Alaska Department of Natural Resources, the State has classified 102.87 square miles of this territory for remote parcel distribution. In the State fiscal year 1983, approximately 23.44 square miles of this land will be distributed in 30 acre parcels. Additionally, 22.6 square miles of land around the lake have been classified for subdivision disposal. Approximately 3,200 acres (5 square miles) will be distributed by the State during fiscal years 1983 and 1984. These parcels will be 5 to 10 acre plots.

## II. PROCEEDINGS TO DATE

On July 29, 1982 the Department received the Lake Louise petition to detach 432 square miles of territory from the Matanuska-Susitna Borough by the "local action - election" process. This petition was submitted to replace the withdrawn Legislative Review detachment petition submitted on April 20, 1982. After reviewing the current petition for accuracy and completeness it was forwarded to the Matanuska-Susitna Borough on August 6, 1982. In accordance with 19 AAC 10.640, the Matanuska-Susitna Borough Assembly held a public review (August 17) of the petition and returned the petition with the Borough's Answering Brief to the Department on August 20, 1982.

Proper notice has been given for the Local Boundary Commission's public hearing and decisional meeting on the Lake Louise detachment petition. This hearing is scheduled for September 25, 1982 at 1:00 p.m. in the Evergreen Lodge at Lake Louise.

### III. STANDARDS FOR DETACHMENT FROM AN ORGANIZED BOROUGH

The following discussion outlines the considerations the Local Boundary Commission must weigh according to statutes and regulations in reaching a decision on the petition to detach the Lake Louise area from the Matanuska-Susitna Borough.

WILL THE DETACHMENT BE IN THE BEST INTEREST OF THE STATE, THE LAKE LOUISE AREA AND THE MATANUSKA-SUSITNA BOROUGH?  
(19 AAC 10.230)

The issue of best interest must be addressed at each level before an overall consensus can be achieved on this issue. It is difficult to determine what effect the detachment of the Lake Louise area would have upon the State as a whole.

It is fair to state that the Alaska Constitution anticipates that the entire State would be divided into organized boroughs with some areas of the State that could not economically support a borough, becoming the unorganized borough. More than 26 years have passed since the Constitution was ratified by the voters, yet only 25 per cent of the area of the State is organized through borough governments. In the past 18 years only one borough (the North Slope Borough) has been established. No boroughs have been formed in the past 10 years.

The borough form of government establishes a means of providing local government for an area of the State which is culturally, economically and geographically related. If the Lake Louise territory was allowed to detach, it would become part of the unorganized borough. In essence, the detachment would remove a portion of an organized borough which has been functioning and providing services on a regional basis for the past eighteen years. The Lake Louise area would then become a part of the State's administrative responsibility. Given the fact that the Matanuska-Susitna Borough was formed by legislative action, and that the removal of the Lake Louise area would only transfer the responsibility of service delivery to the State, the Department finds no best interest to be achieved for the State. Perhaps most significant with respect to the issue of the State's interest, the Lake Louise area is characteristic of vast areas within the eleven existing organized boroughs and unified municipalities. If this area detaches it could set a precedent that could readily be followed by similar areas. Such would have a significant adverse effect on the State.

The Matanuska-Susitna Borough would be adversely affected by the

detachment of the Lake Louise area. It would reduce the assessed value by \$6,941,700 (0.67%), which would negatively affect the bonding capacity of the borough. As the bonding ability of the Borough is based upon the level of taxable property, the uncertain future of current boundaries could have a debilitating effect upon the Borough's bond rating and capacity to issue bonds. In addition, there are other regions within the Matanuska-Susitna Borough that are in a similar situation to the Lake Louise area and this detachment could, again, set a precedent for future detachment proceedings from the Matanuska-Susitna Borough. Therefore, it would not be possible for the Borough to assure the bonding market of a consistent future valuation.

The residents of the Lake Louise community feel that there are definite benefits in detaching from the Matanuska-Susitna Borough. Primarily they would not be paying taxes for services which they feel are not received. Currently, 73% of the Borough's areawide mill levy is for education, 2% for parks and recreation, 3% for planning, 2% for civil engineering, 2% for assessment and property management and 18% for other costs. The residents of this area feel that the unorganized borough which borders the Lake Louise lake system offers an opportunity to continue living the same lifestyle without the burden of taxation without reciprocal benefits. While the desire to avoid taxation is readily appreciated, this approach ignores the potential for growth following the State distribution of 2,635 parcels of land in the Lake Louise area. When this growth does begin to occur, the need for borough areawide services (education, fire and planning) will become evident.

ARE THE SOCIAL, CULTURAL AND ECONOMIC CHARACTERISTICS OF THE POPULATION OF LAKE LOUISE SUBSTANTIALLY DIFFERENT OR IN CONFLICT WITH THE REMAINDER OF THE POPULATION OF THE BOROUGH?  
(19 AAC 10.230)

The Matanuska-Susitna Borough has 20,544 square miles with a population of 19,123. Within this immense area there is a diversity of social, cultural and economic settings. More than 70 per cent of all borough residents live outside the four largest communities (Palmer, Wasilla, Houston and Talkeetna). The rural population of the Borough has many similarities in that it is distributed along the road system, it experiences high unemployment and seasonal work, and has moved to the rural areas of the Borough within the last twenty years. There are no indications that the residents of the Lake Louise community differ substantially from the majority of Borough residents residing in the rural areas of the Borough.

IS THE GEOGRAPHIC LOCATION OR CONFIGURATION OF THE TERRITORY PRECLUDING THE PROVISION OF BOROUGH SERVICES PROVIDED OTHER AREAS OF THE BOROUGH OR MAKING THE PROVISION OF BOROUGH SERVICES IMPRACTICAL? (19 AAC 10.230)

The Matanuska-Susitna Borough currently levies an areawide mill rate of 4.9 mills and a non-areawide mill rate of 0.5 mills. The areawide functions are primarily concerned with the education, school bond debt service, planning, land management and taxation. The non-areawide functions are primarily concerned with libraries, emergency medical services, solid waste disposal and animal control. The geographic location of the Lake Louise area and its small school age population make the provision of education services to the community impractical at this time. As there is no school in the Lake Louise area, all of the students have opted for education correspondence courses. However, the students do have a choice between the Borough administered correspondence course or the State administered course. The Borough is also willing to pay the Copper River Regional Educational Attendance Area \$2,180 for each child from the Lake Louise area who chooses to attend school in the Glennallen school. The Matanuska-Susitna Borough has made arrangements with the State of Alaska's Department of Education Student Transportation Office for school bus transportation for Lake Louise children who wish to attend the Glennallen school.

The remoteness and insignificant school aged population of Lake Louise has, from a practical standpoint, limited Borough services. However, that is not to say with the future anticipated growth within the Lake Louise area that the residents and future residents would not receive services commensurate with the rest of the Matanuska-Susitna Borough and the potential for such service will encourage the area's growth.

IS THE LACK OF TRANSPORTATION FACILITIES PRECLUDING THE COMMUNICATION AND EXCHANGE NECESSARY FOR RESPONSIVE AND INTEGRATED LOCAL GOVERNMENT? (19 AAC 10.230)

Communications with the Lake Louise area are more difficult than in many other areas of the Matanuska-Susitna Borough. The community has limited telephone service in that it can only be reached through a radio patch phone service in Anchorage. This does make immediate communication between the Borough government and the community relatively difficult. However, the community of Lake Louise is accessible by road on a year-round basis. This enables the community to receive scheduled mail service. Therefore, it can be concluded that although communication and transportation services to the Lake Louise area are relatively difficult they do not preclude the exchange necessary for responsive and integrated local government.

#### IV. CONCLUSIONS AND RECOMMENDATIONS

The detachment proposal has almost total support among the residents of the Lake Louise community. The residents of this area feel that they are paying an inequitable amount of Borough taxes and are being ill-served by a more urban based Borough government. To some degree, the concerns of the Lake Louise residents are justified. Some arewide services provided by the Borough to Lake Louise residents are not available at the same level as those provided to the more populated and accessible areas of the Borough.

However, as the Matanuska Susitna Borough continues to grow and particularly the Lake Louise area begins to enter a development phase, the commonality of social, cultural and economic interests of both groups will begin to merge.

There are no geographic configurations which preclude the provision of Borough services to the area, and there are facilities which adequately allow proper communication between the Lake Louise area and the Borough seat of government. Further, it is apparent that the proposed Detachment is not in the best interests of the State or the Matanuska-Susitna Borough.

In the Department's view the standards for detachment as prescribed in 19 AAC 10.230. have not been met in the Lake Louise petition to detach from the Matanuska-Susitna Borough. Therefore, the Department of Community and Regional Affairs recommends that the Local Boundary Commission deny the detachment proposal in the Lake Louise petition.

The Department further recommends that the Local Boundary Commission, in its annual report to the legislature, address the issue and status of borough government throughout the State. Particularly, there is a need for a thorough review of the inequitable burden for the payment of local services (particularly education) which currently exists within organized boroughs. Hopefully, this would encourage the State to develop a means of resolving this longstanding inequity.



Supplemental Report to the State of Alaska  
Local Boundary Commission  
on  
The Proposed Detachment  
of  
Lake Louise  
from  
the Matanuska-Susitna Borough

November 1, 1982

On September 25, 1982 the Local Boundary Commission (LBC) conducted a public hearing in the Lake Louise Evergreen Lodge. This gathering addressed the proposed detachment of 432 square miles of territory surrounding Lake Louise from the Matanuska-Susitna Borough. Several issues were raised by members of the public testifying before the LBC. The Commission felt it could not make a decision on the proposed detachment until additional information was provided to the public and the LBC.

The related issues under examination are: the incorporation proceedings of the Matanuska-Susitna Borough and the rationale for including the Lake Louise area while excluding the Cantwell and Glennallen areas; whether the residents of the Lake Louise area were aware of borough incorporation activities; and what, if any, boundary changes have been made to the original Matanuska-Susitna Borough. Another issue under discussion concerns the distribution of State lands in or adjoining the Lake Louise territory proposed for detachment.

The following section of this report poses the questions central to these issues and reports the information obtained through research by the Department.

Why was Lake Louise included in the original boundaries of the Matanuska-Susitna Borough?

It is evident that the Lake Louise area was included in the original Borough as a result of compliance with the Mandatory Borough Act (Chapter 52, Session Laws of Alaska 1963). This Act provided that Election District 7 would be designated the Matanuska-Susitna Borough. The eastern boundary of Election District 7 fell east of the Lake Louise area and therefore it was included as a result of being within the Election District.

This action was a matter of direct application of boundary determination provisions as contained in the Mandatory Borough Act. For a comprehensive understanding of this action it is necessary to follow the genesis of this aspect of the Mandatory Borough Act from the Alaska State Constitution.

Article X of the Alaska Constitution provides for the creation of local governments throughout the State. Under provisions of this Article, all of Alaska was to be subdivided into boroughs (organized and unorganized) based upon economic, geographic, social and political factors. It further establishes the standards for the determination of these boundary lines.

It was recognized by the framers of the Alaska Constitution that establishing borough government boundaries was "quite an important question and should be under some agency which can establish them along the proper lines. They (boundaries) should not be left to the local community; they should be established by a higher authority". [Alaska Constitutional Convention, "Minutes of the Convention", 1955-56, January 19, 1956 A.M. p. 14.] It is evident that it was the intention of the Constitutional Convention to ensure that local government boundaries should not, in large part, be determined by the local populace but by the State. Following this thinking, Section 12 of Article X of the Alaska Constitution requires that a "local boundary commission or board" be established. "The commission or board may consider any proposed local government boundary change." However, the ultimate authority for acceptance of such boundary issues reviewed by the LBC would lie with the State Legislature.

As explained by the Alaska Supreme Court in Fairview Public Utility District No.1 v. City of Anchorage, 368 P 2d 540 (Alaska 1962), the drafters of Alaska's Constitution gave broad control over local government boundaries to the State because:

". . . The advantage of the method proposed, in the words of the [convention's local government] committee . . . lies in placing the process at a level where area-wide or statewide needs can be taken into account. By placing authority in this third party, (Local Boundary Commission) arguments for and against the boundary change can be analyzed objectively". [The Metropolitan Experiment in Alaska - A Study of Borough Government, Edited by Ronald C. Cease and Jerome R. Saroff, p. 139]

The 1961 State legislature created a borough incorporation deadline by mandating that all school districts (nine) and public utility districts (six) throughout the State could continue to function only until July 1, 1963. Special districts, including school districts and public utility districts, were to be absorbed into these constitutional forms of government (boroughs).

Prior to the convening of the legislature in January, 1963, Representative John L. Rader formulated in broad outline what he thought to be the basic requirements of what would later become the essence of the Mandatory Borough Act of 1963. Among the eleven basic requirements of such a bill was one which is particularly germane to this issue. The bill would need to provide for definite borough boundaries.

In formulating House Bill 90, Mr. Rader decided that defining a borough as either metropolitan or regional in nature would be detrimental. As a practical matter, a bill which provided ultimately for mandatory incorporation must state boundaries with precision. He considered definitions in terms of mountain ranges, shorelines, rivers and water sheds and in terms of longitude and latitude. Finally it was decided that election district lines, which were precise and known to everyone, would be used.

The bill did not force the immediate dissolution of existing school and public utility districts but rather left it to the boroughs to assimilate these units more or less at their convenience but with an ultimate transfer date. Existing local government units would be integrated into constitutional forms of government. If there was no succeeding governmental entity the properties of school districts and public utility districts would revert to the State. "If . . . there is no borough incorporated by local initiative in the populated areas of the State then the bill would provide that the election district lines in which the populations are located are the temporary borough lines until adjusted . . ." [The Metropolitan Experiment in Alaska - A Study of Borough Government, Edited by Ronald C. Cease and Jerome R. Saroff, p. 106] That is, as an expedient for establishing boroughs, election district boundaries were to be used as borough boundaries.

The legislature passed the Mandatory Borough Act in 1963. The act mandated the incorporation of boroughs as of January 1, 1964 in eight areas of the State containing public utility and independent school districts. In some cases the districts were considered too large and in others too small. The areas concerned, however, had the option of petitioning for incorporation and proposing borough boundaries in the time remaining before the deadline. The LBC held public hearings and reviewed local proposals. No agreement between the LBC and the local populace could be reached on boundaries.

Residents of the affected areas were afforded the opportunity to accept the boundaries proposed by the LBC through election. Local option borough elections were held in the fall of 1963. Four local option boroughs were established in the 1963 election under the threat of mandatory incorporation. These were Ketchikan, Sitka, Juneau and Kodiak Island. Borough incorporation election propositions were defeated in the Anchorage, Fairbanks, Kenai Peninsula and Matanuska-Susitna Borough areas. These were mandatorily incorporated on January 1, 1964.

Although given the opportunity to express opinions and suggestions for borough boundaries, the voters within the area containing the proposed Matanuska-Susitna Borough rejected incorporation along the lines provided by the LBC. They thus relinquished boundary determination to the State Legislature.

Accordingly the boundaries for the present Matanuska-Susitna Borough were defined on January 1, 1964 as:

"Palmer-Wasilla-Talkeetna Election District #7".

On February 1, 1966 the LBC recommended that the State Legislature change the boundaries of the Matanuska-Susitna, Greater Anchorage Area and the Kenai Peninsula Boroughs by describing them by metes and bounds. Until this time the areas of election districts defining these boroughs were described by means of river drainages, mountain ridges and other general terms. It was felt that such descriptions were too imprecise to accurately define the corporate limits of municipalities and such loosely defined boundaries may cause future conflicts. It was the LBC's opinion that conflicts could be avoided if the borough boundaries were described by use of precise reference points. It was at this time that the present eastern boundary of the Matanuska-Susitna Borough was described. To see how this compares to the original Election District 7 boundary, see Exhibits "A" and "B".

It is clear then that the Lake Louise area of the Matanuska-Susitna Borough was included in the Borough because it was located within the boundaries of Election District #7. The Alaska Constitutional Convention established the magnitude of the importance of boundary determination. The Alaska Constitution established the authority for the legislature to provide boundary determination. The legislature exercised this authority.

What was the level of public involvement in the Borough incorporation?

It does appear that people in general were aware of incorporation proceedings. In particular, residents in the Wasilla, Palmer and Bay City areas were involved in public hearings and expression of opinion regarding incorporation along the proposed borough boundaries. Upon reviewing testimony presented at public hearings held in Anchorage, Palmer and Wasilla on May 24 and 25, 1963 concerning the Captain Cook Borough, Matanuska-Susitna Borough and Lake George Borough proposals, it can be determined that people were aware of the activities and were holding local meetings to ascertain local opinion regarding boundaries for borough incorporation. However, the testimony presented at these meetings did not evidence any comment from individuals identified as residing within the Lake Louise area.

Have there been any boundary changes affecting Lake Louise subsequent to incorporation of the Borough?

No subsequent changes to the eastern boundary of the Matanuska-Susitna Borough (with the exception of the 1966 redefinition of borough boundaries) have been made.

Why was the Community of Cantwell excluded from the Matanuska-Susitna Borough?

Cantwell was not a part of "Palmer-Wasilla-Talkeetna Election District #7" and therefore was not included within the original boundaries of the Matanuska-Susitna Borough. However, as a result of the February 1, 1966 redescription of borough boundaries in terms of metes and bounds, the LBC recommended inclusion of the Cantwell area in the Matanuska-Susitna Borough. It was subsequently found that the citizens of Cantwell did not have notice of the LBC hearing on June 26, 1965 regarding this recommendation. The LBC thus conducted a hearing in Cantwell on July 26, 1967 and at Palmer on January 25, 1968 to consider whether the Cantwell area should remain in the Matanuska-Susitna Borough. It was found that the citizens of Cantwell and the officials of the Matanuska-Susitna Borough concurred with the recommendation that the Cantwell area was inappropriately included in the Matanuska-Susitna Borough. Exclusion of the Cantwell area would not exclude territory from the Matanuska-Susitna Borough which was included prior to February 1, 1966. The LBC determined that it would be in the best interest of Cantwell area citizens, the Matanuska-Susitna Borough and the State of Alaska for the area to be excluded from the Matanuska-Susitna Borough. Therefore, in accordance with Article X, Section 12 of the Alaska State Constitution, on January 31, 1968 the LBC transmitted to the Alaska State Legislature for consideration the recommendation that the boundaries of the Matanuska-Susitna Borough be changed to exclude the Cantwell area. It was subsequently approved.

Why was Glennallen not included in the Matanuska-Susitna Borough?

Glennallen was excluded because it is located in an election district outside the boundaries of the Matanuska-Susitna Borough Election District. Further, because it contained no special service districts (public utility or school districts), the Valdez-Cordova-Copper River Valley area (assumed to include Glennallen) was not included in the Mandatory Borough Act of 1963. No boroughs have since been established in this part of Alaska.

What is occurring with the State land disposal in the Lake Louise area?

According to Wayne Monday, Resource Manager with the Department of Natural Resources (DNR), there will be a significant land disposal effort in the Lake Louise area during the next three years. The acreage for disposal in the original report dated September 9, 1981 to the LBC on the Lake Louise Detachment accurately reflects the intended land disposals planned by DNR.

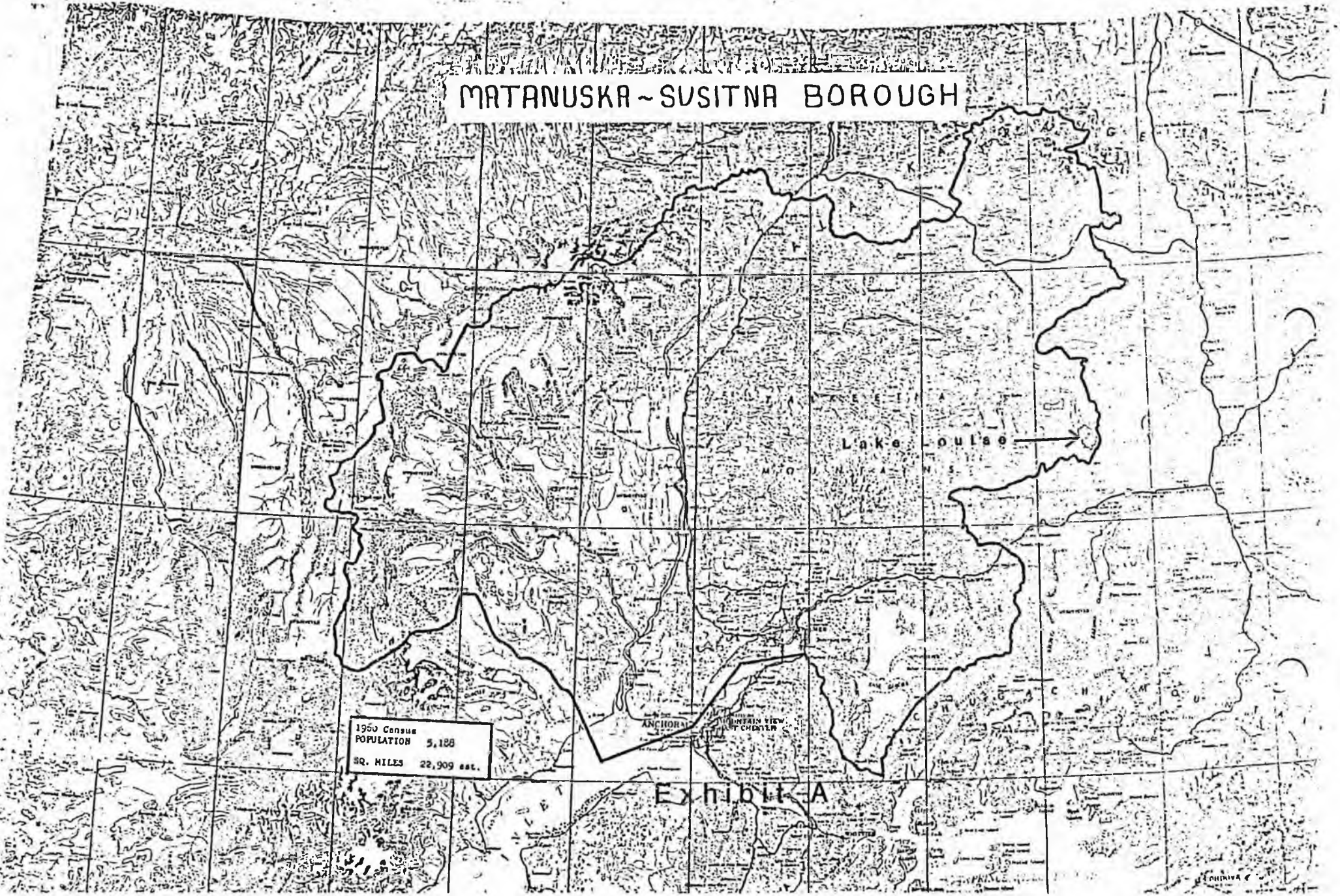
The north end of Lake Louise, including Cliff Bay and Dog Bay has been patented to the State. Approximately 270 acres of this land will be disposed this spring (1983). Tentative patent has been given to the State for the west sides of Lake Louise and Lake Susitna. It is anticipated that these lands will be patented to the State by the end of November (1982).

Additionally, the State has received tentative patent to the lands proposed for disposal on the east side of Lake Louise and Lake Susitna. It is hoped that the State will receive patent to these lands within the next twelve months.

# MATANUSKA-SUSITNA BOROUGH

1950 Census  
POPULATION 5,188  
SQ. MILES 22,909 est.

EXHIBIT A



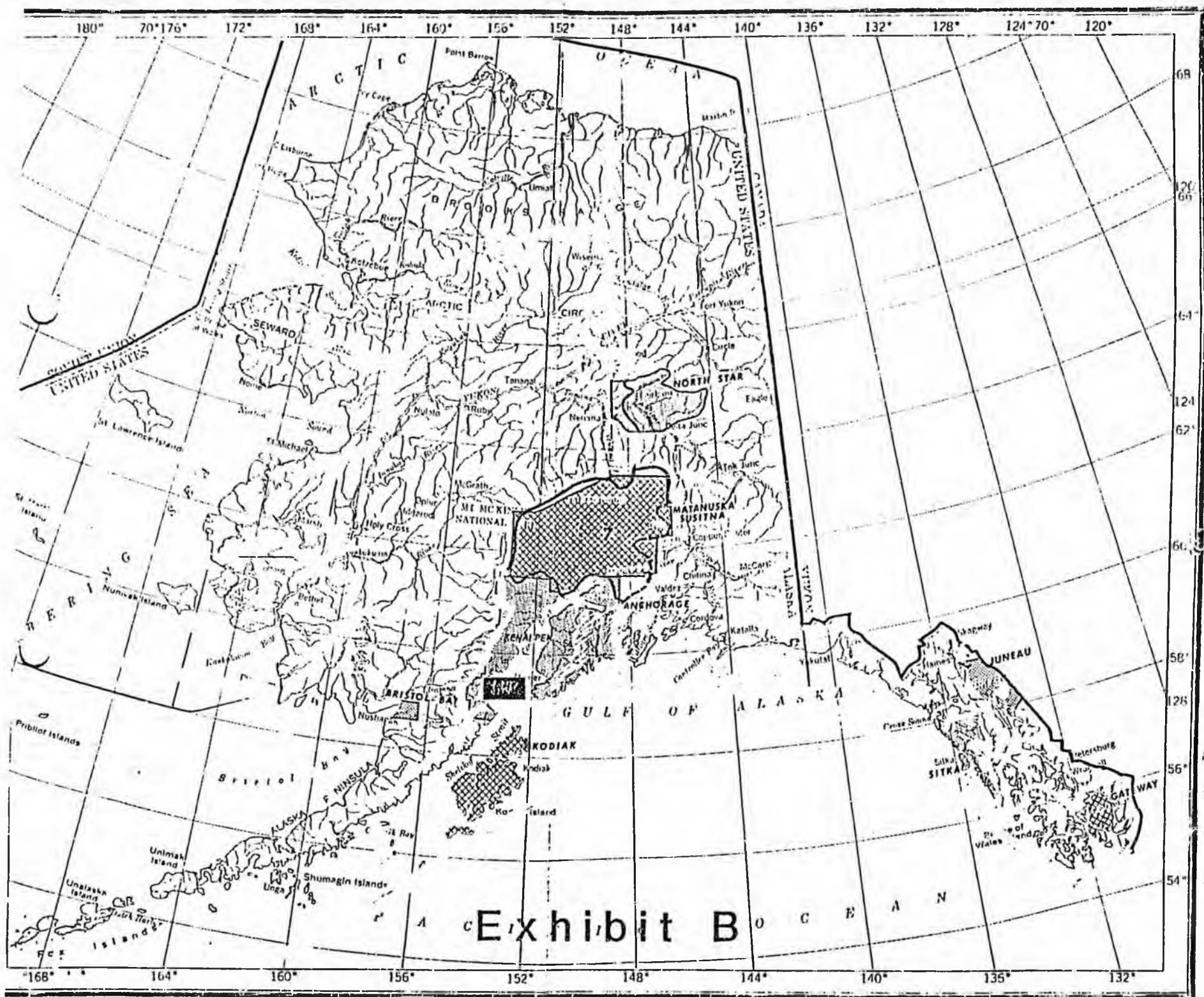


Exhibit B

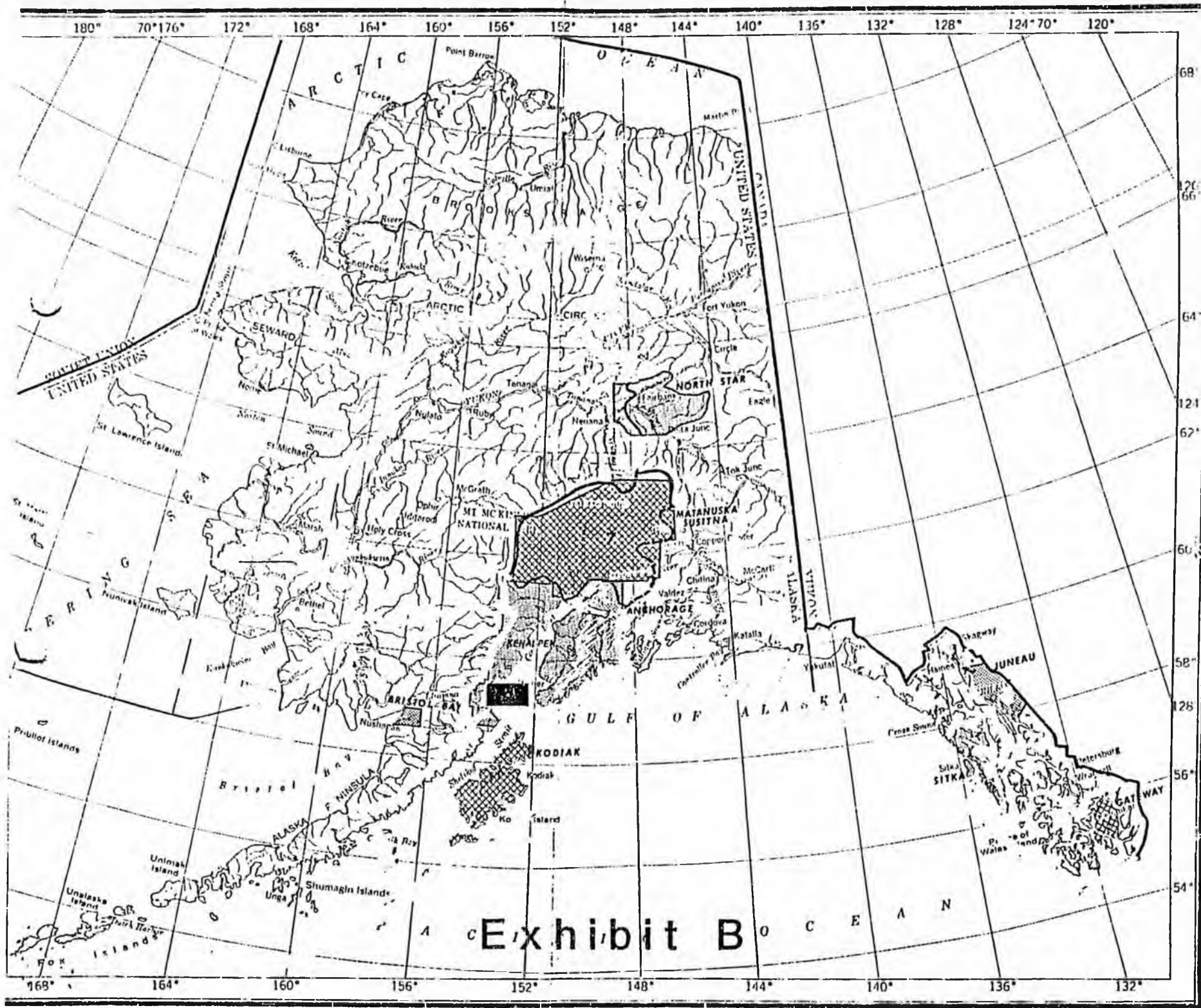


Exhibit B

STATE OF ALASKA  
LOCAL BOUNDARY COMMISSION

STATEMENT OF DECISION

Decision regarding the )  
petition for the detachment )  
of the Lake Louise area )  
containing 432 square miles )  
from the Matanuska-Susitna )  
Borough )

On July 29, 1982 the Department received the Lake Louise petition to detach 432 square miles of territory from the Matanuska-Susitna Borough.

After reviewing the petition for accuracy and completeness it was forwarded to the Matanuska-Susitna Borough on August 6, 1982. In accordance with 19 AAC 10.640, the Matanuska-Susitna Borough Assembly held a public review (August 17) on the petition and returned the petition with the Borough's Answering Brief to the Department on August 20, 1982.

Pursuant to proper notice the Local Boundary Commission held a public hearing on the petition for the proposed detachment on September 25, 1982. The hearing began at 1:00 p.m. in the Evergreen Lodge at Lake Louise. Local Boundary Commission members present were: Sheila Gallagher, Sigvald Strandberg, Bert Greist, and Josephine Anderson. Testimony was presented by Paul Holland, Petitioners' Representative, Gary Thurlow, representing the Matanuska-Susitna Borough, and sixteen additional speakers.

On January 8, 1983 in Juneau, Alaska, at 4:30 p.m. the Commission held its decisional meeting on the Lake Louise detachment petition. Local Boundary Commission members present were: Sheila Gallagher, Bert Greist, Sigvald Strandberg, and Charles Bettisworth.

Upon consideration of the Lake Louise petition to detach 432 square miles of territory from the Matanuska-Susitna Borough, the September 9, 1982 Report of the Department, the November 1, 1982 Supplemental Report of the Department, and the testimony presented at the public hearing, the Local Boundary Commission hereby makes the following findings of fact:

1. The detachment of the Lake Louise area from the Matanuska-Susitna Borough would not be in the best interests of the State, the Lake Louise area, and the Matanuska-Susitna Borough.

The Borough form of government establishes the means of providing local government for an area of the State which is culturally, economically, and geographically related. If the Lake Louise territory was allowed to detach, it would become part of the unorganized borough. In essence, the detachment would remove a portion of an organized borough which has been functioning and providing services on a regional basis for the past eighteen years. The Lake Louise area would then become a part of the State's administrative responsibility. Given the fact that the Matanuska-Susitna Borough was formed by legislative action, and that the removal of the Lake Louise area would only transfer the responsibility of service delivery to the State, the Commission finds no best interest to be achieved for the State. Perhaps most significant with respect to the issue of the State's interest, the Lake Louise area is characteristic of vast areas of the eleven existing organized boroughs and unified municipalities. If this area detaches it could set a precedent that could readily be followed by similar areas.

The Matanuska-Susitna Borough would be adversely affected by the detachment of the Lake Louise area. It would reduce the assessed value by \$6,941,700 which could negatively affect the bonding capacity of the Borough.

The State of Alaska is anticipating distributing 2,635 parcels of land in the Lake Louise area over the next three years. With this potential for future growth and development in the Lake Louise area, it is possible that the community of Lake Louise will have an increasing need for borough areawide services.

- 2) The Matanuska-Susitna Borough has 20,544 square miles with a population of 19,123. Within this immense area there is a diversity of social, cultural and economic settings. More than 70% of all borough residents live outside the four largest communities (Palmer, Wasilla, Houston and Talkeetna). The rural population of the borough has many similarities in that it is distributed along the road system, it experiences high unemployment and seasonal work, and has moved to the rural areas of the Borough within the last 20 years. There are no indications that the residents of the Lake Louise community differ substantially from the majority of the Borough residents residing in the rural areas of the Borough.

- 3) The Matanuska-Susitna Borough currently levies an areawide mill rate of 4.9 mills and a nonareawide mill rate of 0.5 mills. The areawide functions are primarily concerned with the education, school bond debt service, planning, land management and taxation. The remoteness and insignificant school age population of Lake Louise has, from a practical standpoint, limited Borough services. However, that is not to say that with the future anticipated growth within the Lake Louise area that the residents and future residents would not receive services commensurate with the rest of the Matanuska-Susitna Borough and the potential for such services will encourage the area's growth.
  
4. Communications with the Lake Louise area are more difficult than in many other areas of the Matanuska-Susitna Borough. The community has limited telephone service in that it can only be reached through a radio patch phone service in Anchorage. This does make immediate communication between the Borough government and the community relatively difficult. However, the community of Lake Louise is accessible by road on a year round basis. This enables the community to receive scheduled mail service. Therefore, it can be concluded that although communication and transportation services to the Lake Louise area are relatively difficult they do not preclude the exchange necessary for response of an integrated local government.

THEREFORE, the Commission hereby does not approve the petition to detach the Lake Louise area containing 432 square miles of territory from the Matanuska-Susitna Borough and will recommend against such action to the First Session of the Thirteenth Legislature of the State of Alaska; and

THEREFORE, the Commission does recognize that there are areas of the unorganized borough of the State that are receiving the equivalent of municipal services without the responsibility of local tax contributions. Additionally, there are remote areas of the State's organized boroughs that are assessed taxes for the delivery of minimal services which in the unorganized borough are paid for by the State; and

THEREFORE, the Commission recommends to the First Session of the Thirteenth Legislature that it investigate the need for the formation of borough governments in areas of the State that have the economic base available to cover the cost of such government.

Decided on the 8th day of January, 1983.

STATE OF ALASKA LOCAL BOUNDARY COMMISSION

By: Sheila Gallagher Date: 2/28/83  
Sheila Gallagher, Acting Chairman

By: Charles Bettisworth Date: 4/29/03  
Charles Bettisworth, Member

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Bert Greist, Member

By: Sigvald Strandberg (DISSENTING VOTE) Date: 2/16/83  
Sigvald Strandberg, Member

To: Local Boundary Commission  
c/o Department of Community  
and Regional Affairs  
Local Government Assistance Division  
225 Cordova St. Bldg. B  
Anchorage, Alaska 99501

IN THE MATTER OF DETACHMENT OF TERRITORY FROM THE MATANUSKA-SUSITNA BOROUGH

A PETITION

WITH LOCAL ACTION

Pursuant to the provisions of AS 44.47.557 and 19 AAC 05.050-050 and 19 AAC 15.170-300, Alaska Administrative Code, your petitioners, the undersigned, respectfully petition to provide for the detachment of territory from the Matanuska-Susitna Borough, State of Alaska.

DESCRIPTION OF BOUNDARIES: MAP. Exhibit "A" contains a detailed written description of the boundaries of the borough from which the territory is to be detached; Exhibit "B" contains a detailed written description of the proposed boundaries of the Matanuska-Susitna Borough; Exhibit "C" is a map indicating the boundaries of the borough from which the territory is to be detached, said territory is marked in red ink on the map, all three exhibits are attached hereto and are made a part hereof.

AREA. The quantity of land contained within the borough proposed for detachment is 432 (four hundred and thirty two) square miles.

POPULATION. The estimated number of residents within the area proposed for detachment is 33 (thirty three).

ASSESSED VALUATION. The estimated value of all real and personal property located within the area proposed for detachment is as follows:

REAL PROPERTY	\$5,838,250.00
PERSONAL PROPERTY	\$103,440.00

TAXATION. The rate at which taxes are levied by the borough is as follows:

REAL PROPERTY	7.22 MILLS
PERSONAL PROPERTY	7.22 MILLS
SALES TAX	NONE

OUTSTANDING INDEBTEDNESS. Exhibit "D" is a description and full explanation of any outstanding indebtedness, bonded or otherwise, for which the area affected is wholly or partially responsible. The exhibit is attached hereto and made part hereof.

AFFIDAVIT. Exhibit "E" constitutes an affidavit indicating the source from which information contained within the petition and exhibits was acquired, stating that an estimation of the population within the area to be considered for detachment was made, specifying the date when the estimate was made and circumstances indicating its accuracy. The exhibit is attached hereto and made part hereof.

BRIEF. Exhibit "F" is a brief fully setting forth the reasons why the detachment is desired and demonstrating that the standards for detachment, as specified in 19 AAC 05.050-060, have been met. The exhibit is attached hereto and made part hereof.

SERVICE. Exhibit "G" is an affidavit stating that a copy of the petition and brief together with accompanying exhibits, have been served, by certified mail, upon the chief executive officer of the Matanuska-Susitna Borough and further stating that the petition, brief and all accompanying exhibits are available for inspection by the general public at three specific locations during the hours of 9:00 a.m. to 5:00 p.m., seven days per week.

PETITIONERS REPRESENTATIVE. The name and address of petitioners' representative designated to receive services, notice and all correspondence relating to proceedings in behalf of this petition is:

Paul S. Holland  
c/o Evergreen Lodge  
Star Route "C" Box 3867  
via  
Palmer, Alaska 99645

REGISTERED VOTERS. The number of persons who are currently registered voters resident within the area proposed for detachment is 28 (twenty eight).

WHEREFORE petitioners pray that the aforementioned territory be detached from the Matanuska-Susitna Borough in accordance with the provisions of applicable law.

DATED at Lake Louise, Alaska, this 7th day of June 1982.

SIGNATURES

✓ Paul S. Holland SRC Box 8867 Lake Louise 99645  
✓ Molly Moran m: 17 Lake Louise Rd Box 482 <sup>Wenatchee, WA 99645</sup>  
✓ Rusty & Runyan S.R.C. Box 8860 (Lake Louise) 99645  
✓ ~~\_\_\_\_\_~~ RT-C Box 8826 Palmer, 99645  
✓ ~~\_\_\_\_\_~~ SRC Box 8864 (Lake Louise) 99645  
✓ ~~\_\_\_\_\_~~ SRC Box 8865 Little Lake 99645  
✓ Emma 417. 417111 Main Catalina SRC Box 8865 Palmer, Alaska <sup>Little Lake Louise</sup>  
✓ ~~\_\_\_\_\_~~ SRC Box 8864, Lake Louise - 99645  
✓ Larry Mc Line SRC Box 8888-D PALMER 99645  
✓ ~~\_\_\_\_\_~~ SRC Box 8866 PALMER AK 99645  
✓ George F Hopkins Box 8888c Palmer, AK 99645



EXHIBIT "A"

PRESENT BOUNDRIES OF THE MAT-SU BOROUGH

Beginning at the N.E. corner of Section 15, T16N, R1E, Seward Meridian, State of Alaska, said corner being at or approximately at the Alaska Railroad Bridge over the Knik River; thence south to the S.W. corner of Section 23, T16N, R1E; thence east to the N.E. corner of Section 25, T16N, R1E; thence south to the S.E. corner of T16N, R1E; thence east to the N.E. corner of T15N, R12E; thence north to the N.E. corner of Section 24, T16N, R12E; thence east to the S.E. corner of T4S, R10W; Copper River Meridian, State of Alaska. thence north to the N.W. corner of T1S, R9W, Copper River Meridian; thence west to the S.W. corner of T1N, R9W, Copper River Meridian; thence north to the N.W. corner of T4N, R9W, Copper River Meridian; thence west to the S.W. corner of T5N, R9W, Copper River Meridian; thence north to the N.W. corner of T5N, R9W, Copper River Meridian; thence east to the N.E. corner of T5N, R7W, Copper River Meridian; thence north to the N.W. corner of T8N, R6W, Copper River Meridian; thence west to the S.W. corner of T9N, R6W, Copper River Meridian; thence north to the N.W. corner of T12N, R5W, Copper River Meridian; thence west to the S.W. corner of T13N, R7E, Copper River Meridian; thence north to the S.E. corner of S.W. 1/4 of Section 32, T22S, R7E, Fairbanks Meridian, State of Alaska; thence west to the S.W. corner of T22S, R7E, Fairbanks Meridian; thence north to the N.W. corner of T17S, R7E, Fairbanks Meridian; thence west to the N.E. corner of T17S, R7W, Fairbanks Meridian; thence west along the north line of T17S, R7W, Fairbanks Meridian to its intersection with the easterly boundry of Mt. McKinley National Park; thence southwestery along the southerly boundary line of Mt. McKinley National Park to the southwestery corner of said park; thence west to the N.E. corner of Section 9, T31N, R14W, Seward Meridian, State of Alaska; thence south to the S.E. corner of Section 33, T21N, R14W, Seward Meridian; Thence west to the N.E. corner of T30N, R20W, Seward Meridian; thence west along the northerly line of T30N, R20W, Seward Meridian to the intersection of Longitude 153<sup>0</sup> 00' 00''W; thence south along Longitude 153<sup>0</sup> 00' 00''W to the intersection of the north line of T15N, R21W, Seward Meridian; thence east to

the N.E. corner of T15N, R12W, Seward Meridian; thence south to the N.W. corner of T13N, R11W, Seward Meridian; thence east to the N.E. corner of T13N, R10W, Seward Meridian; thence south to the S.E. corner of T13N, R10W, Seward Meridian, said corner being in Cook Inlet at Longitude  $150^{\circ} 58' 18''$ W, Latitude  $61^{\circ} 10' 00''$ N; thence southeasterly to the S.E. corner of T12N, R9W, said corner being in Cook Inlet at Longitude  $150^{\circ} 46' 37''$ W, Latitude  $61^{\circ} 04' 49''$ N; thence northeasterly to the N.E. corner of T12N, R7W, said corner being in Cook Inlet at Longitude  $150^{\circ} 25' 01''$ W, Latitude  $61^{\circ} 10' 01''$ N; thence northeasterly to the N.E. corner of Section 15, T13N, R4W, said corner being in Knik Arm at Longitude  $149^{\circ} 59' 07''$ W, Latitude  $61^{\circ} 13' 29''$ N; thence northeasterly to the corner of Section 35, T14N, R4W, said corner being in the Knik Arm at Longitude  $149^{\circ} 55' 31''$ W; Latitude  $61^{\circ} 18' 41''$ N; thence northeasterly to the N.W. corner of Section 13, T15N, R3W, said corner being in Knik Arm at Longitude  $149^{\circ} 44' 45''$ W; Latitude  $61^{\circ} 23' 52''$ N; thence northeasterly to the S.E. corner of Section 12, T16N, R1W, said corner being in Knik Arm on the Seward Meridian; thence east to the place of beginning.

◊ EXHIBIT "D"

BONDED INDEBTEDNESS

The bonded indebtedness of the entire Matanuska-Susitna Borough at the present time is \$61,475,000.00. The Matanuska-Susitna Borough has no way of defining the indebtedness of any particular section of the borough. The registered voters of the Lake Louise area have, historically, voted no on all bond proposals by the Matanuska-Susitna Borough.

The total expenditures in the Lake Louise area since 1977 have been \$23,515.09. All of this money was spent on the Lake Louise landfill — which the borough has no permit to operate.

EXHIBIT "E"

AFFIDAVIT

DESCRIPTION OF BOUNDARIES: Information contained in Exhibit "A" and Exhibit "B" and accompanying map Exhibit "C" was obtained from the Matanuska-Susitna Borough.

AREA: Information on the number of square miles in the territory to be detached was obtained from the accompanying map Exhibit "C".

POPULATION: I, Paul S. Holland, (undersigned) do swear that I enumerated the people living on Lake Louise and surrounding waters on March 24th of 1982.

Paul S. Holland

ASSESSED VALUATION: Information on assessed valuation of real and personal property in the proposed area to be detached was obtained from the Matanuska-Susitna Borough.

TAXATION: Information on mill rate levied in the proposed area to be detached was obtained from the Matanuska-Susitna Borough.

OUTSTANDING INDEBTEDNESS: The outstanding indebtedness of the Matanuska-Susitna Borough is \$61,475,000.00. A statement of total bonded indebtedness of the Matanuska-Susitna Borough signed by the Borough Controller and a debt schedule effective July 1, 1982 is attached hereto and made a part hereof.

REGISTERED VOTERS: The number of registered voters in the Lake Louise area was

taken from the State of Alaska Precinct Voter Registration List for District 6  
(six) Precinct 13 (thirteen).

EXHIBIT "F"

BRIEF

The social, cultural and economic characteristics of the population of Lake Louise are substantially different and are in conflict with those of the remainder of the population located in the borough. There are no jobs available on Lake Louise and the people living there are — for the most part — on a limited, if not fixed income. Over half of the population are seasonally employed and one quarter more are retired on a fixed income. Their primary mode of transportation, during the seven months of winter, is by snowmachine and during the remainder of the year by boat. The people living on Lake Louise and the surrounding area are very dependant on fish and game for a major portion of their food supply. The long distances to Anchorage and Palmer preclude the use of fresh meat, vegetables and fruit on the average table. Most of the residents of the area live away from the road system. A simple trip to town entails starting a snowmachine and driving a few miles to the road and then starting an automobile. There is no communication system and no mail deliveries on Lake Louise. There is no television and only one radio station that can be recieved on the lake. The one radio station that can be recieved is from Glennallen, the social and economic center of the area. Glennallen is a 100 mile round trip from the lake.

The geographic location of Lake Louise makes it extremely impractical if not impossible for the Matanuska-Susitna Borough to provide any of the services that are recieved on a regular basis in other parts of the borough. Most services that have been implemented in other areas of the borough would be rendered impractical on Lake Louise. For example: The ambulance service available at Glacier View School would be of no use what so ever on Lake Louise due to the lack of roads and the distances involved in transportation to the hospital. Aircraft are currently being used for medivac purposes. It is 170 (one hundred and seventy) miles from the north end of the Lake Louise system to

Palmer and of that 30 (thirty) miles is by water in the summer and ice in the winter. The people of Lake Louise are extremely dependant on the weather. There are two months of the year (May and October) when people living away from the road are cut off from all sources of transportation -- due to the ice.

The people of Lake Louise and the surrounding area are guides, trappers, seasonal construction workers and commercial fishermen. There are three lodges, currently in operation, on the lake and there is a heavy influx of tourist in the summer months. The area is used heavily for winter recreation as well. Approximately 50% of the lake frontage on Lake Louise is privately owned -- the publically owned land is mostly state owned. The Matanuska-Susitna Borough owns no land on the lake. The area proposed for detachment, may, at first glance, appear disproportionate to the number of people living on the Lake Louise system, however, we would like the commission to consider the isolation of this small area of the Mat-Su Borough and it's unique difference from the rest of the borough. There are no borough residents living outside the boundaries of the proposed area for detachment within 30 miles in any direction. The other residents of the Mat-Su Borough are predominately urban and can recieve the services that the borough provides quite easily.

EXHIBIT "G"

AFFIDAVIT

A copy of this petition and brief together with the accompanying exhibits has been served on the chief executive officer of the Matanuska-Susitna Borough by certified mail (copy of certified mail receipt is attached).

A copy of this petition has been posted for public inspection at Evergreen Lodge, mile 17 Lake Louise Road, Wolverine Lodge, mile 17 Lake Louise Road and Lake Louise Lodge, mile 17 Lake Louise Road. These copies are available for public inspection from 9:00 a.m. till 5:00 p.m., seven days per week.

Dated at Lake Louise, Alaska this 20th day of July 1982.

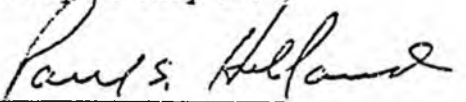
  
\_\_\_\_\_  
Paul S. Holland

EXHIBIT "B"

BOUNDRIES OF THE PROPOSED AREA TO BE WITHDRAWN FROM THE MAT-SU BOROUGH

Begining at N.W. corner of T 5 N, R 9 W, Copper River Meridian, State of Alaska, said corner being at or approximately at S Lake; thence North to the N.W. corner of T 8 N, R 9 W; thence West to the S.W. corner of T9N, R9W; thence north to the N.W. corner of T9N, R9W; thence East to the N.E. corner of T9N, R6W; thence South to the S.E. corner of T9N, R6W; thence East to the N.E. corner of T8N, R6W; thence South to the S.E. corner of T5N, R6W; thence West to the place of begining.

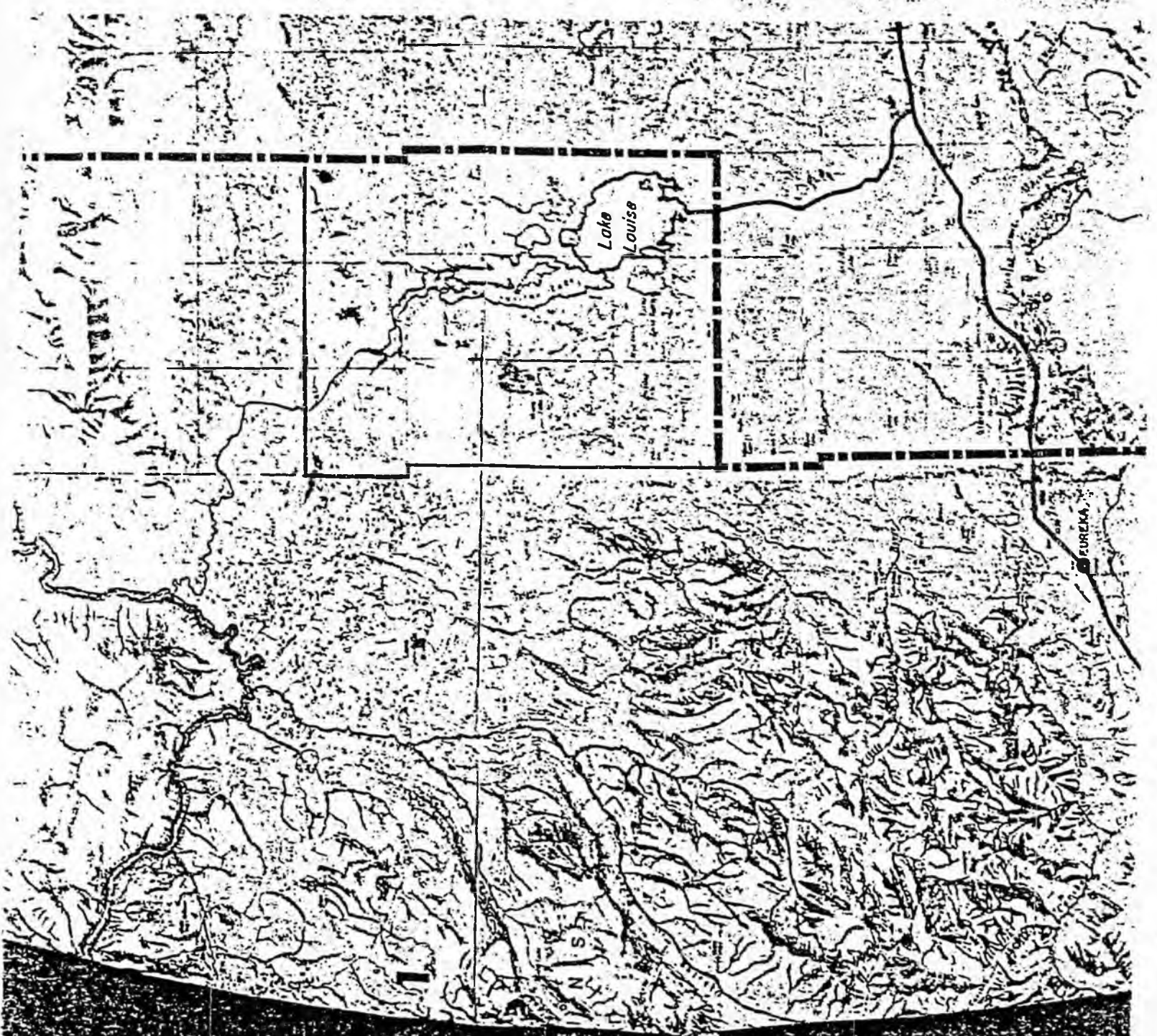
3  
18  
24  

---

72  
36  

---

032





# Matanuska-Susitna Borough

BOX B, PALMER, ALASKA 99645 • PHONE 745-3248

DEPARTMENT OF ASSESSMENT

4801

April 5, 1982

Mr. Jim Sanders, LGS  
Department of Community and  
Regional Affairs  
Division of Local Government  
Assistance  
225 Cordova, Building B  
Anchorage, Alaska 99501

Dear Mr. Sanders:

As per your and Mr. Paul Holland's request, the following information represents the answers to questions forwarded to me.

1. Enclosure of Borough Map.
2. Enclosure of Legal Description for Lake Louise and Tyone Lake areas (marked in red).
3. The 1981 mill rate for the area was 7.22 mills. The anticipated mill rate for 1982 is 5.9 mills. 5.4
4. Enclosure of bonded indebtedness statement of the Matanuska-Susitna Borough signed by the Borough Controller.
5. The 1982 assessed value of this area is:  
Real: \$6,838,260 (actual); Personal: \$103,440 (approx.)
6. The Matanuska-Susitna Borough does not have any land holdings or other assets within the Lake Louise and Tyone Lake area described.

I believe this answers all the questions that were forwarded to me, and if I can be of further assistance, please do not hesitate to contact me.

Sincerely,

Steve Van Sant  
Borough Assessor/  
Land Management Director

cr

cc: John Musgrove  
Paul Holland



# Matanuska-Susitna Borough

BOX B. PALMER, ALASKA 99645 • PHONE 745-4801

DEPARTMENT OF FINANCE

April 5, 1982

TO WHOM IT MAY CONCERN:

This is to certify that the bonded indebtedness of the Matanuska-Susitna Borough at the present time is \$61,475,000. Attached is a debt schedule effective July 1, 1982 as shown in our 1983 budget.

Handwritten signature of Walter Chappel in cursive script.

Walter Chappel  
Controller

nm

Matanuska-Susitna Borough

COMMENTARY

fund <del>500</del>	department DEBT SERVICE	division	budget
---------------------	-------------------------	----------	--------

SCHEDULE OF GENERAL OBLIGATION SCHOOL CONSTRUCTION BONDS

Issue	Amount Issued	Balance After This Payment	Principal Payment	Interest Payment	Total Payment
1964	770,000	115,000	55,000	6,413	61,413
1971 Series E	1,500,000	100,000	100,000	9,400	109,400
1971 Series F	1,500,000	-0-	300,000	15,300	315,300
1973 Series A	4,000,000	3,200,000	200,000	183,400	383,400
1973 Series B	4,000,000	2,700,000	200,000	181,500	381,500
1973 Series C	4,600,000	3,250,000	250,000	252,825	502,825
1974 Series A	6,900,000	6,000,000	200,000	409,900	609,900
1977 Series A	8,460,000	7,000,000	300,000	423,700	723,700
1978 Series A	20,860,000	19,525,000	700,000	1,368,325	2,068,325
1978 Series B	2,010,000	1,880,000	65,000	128,620	193,620
1981 Series	14,870,000	14,665,000	205,000	2,107,500	2,312,500
<b>TOTALS</b>	<b>69,470,000</b>	<b>58,435,000</b>	<b>2,575,000</b>	<b>5,086,883</b>	<b>7,661,883</b>
Wasilla Public Safety Bldg.	150,000	100,000	5,000	5,638	10,638
Lakes Fire Service Area	500,000	457,813	15,876	24,244	40,120
<b>TOTALS</b>	<b>650,000</b>	<b>557,813</b>	<b>20,876</b>	<b>29,882</b>	<b>50,758</b>

# Petition to Residents of the North Slope Borough

ANL DAILY NEWS  
1-18-86

We, the undersigned residents of the North Slope Borough, do strongly oppose any effort or attempt by the State of Alaska to remove lands from the North Slope Borough without the approval of our local government and people of said borough.

## Iniqsrutinat North Slope Borough-m Inunisa

Uvagut ativut aglaktavut uumuna maqpigaaumun inuuniaqtuaguvluta North Slope Borough-mi akilliqrupigatagikput State of Alaska ilannaqsiniagun North Slope Borough-m nunaninnik, ivigaumaginaunnagu Kavamanatalu inunisalu taaptuma Borough-m.

### Anaktuvuk Pass

Jacob Ahgook  
Harry K. Hugo  
Gilbert Lincoln  
Benjamin Hopson  
Allen T. Paneak  
Rebecca Hugo  
Paul Hugo  
Vera Lincoln  
Minnie Meldana  
Bob Ahgook  
Laheman Burrow  
Jenny Wells  
Rhoda Ahgook  
Holly Stemmen  
Cecilia Ding  
Ellen Hugo  
Dorothy Hopson  
Rebecca Meldana  
Susan Hugo  
Naida Paneak  
Denny Hugo Sr.  
Betsy Meldana  
Luzuya Rutland  
Raymond Paneak  
Timothy Ahgook  
Jaunita Bean  
Suzie Kunaknana  
Jack Morry  
Larry Morry  
Masu Morry  
Bert Simpson  
R.C. Plamino  
Lillian Kalgalek  
Nancy Ahgook  
Victor Meldana  
Lana Kadrya  
Grace Ekak  
Henry Hugo  
Rodney Rutland  
Elizabeth Patkotak  
Cyrus Mekiana  
Grant Spearman  
Dede Thomson  
Beverly Hugo  
Anna P. Hugo  
Noah Ahgook  
James M. Nageak  
Marie Paneak  
Dorcas Hugo  
Effie Lincoln  
Chris P. Hugo  
Efrada Ahgook  
John Rutland  
Jerry Sivayugak  
David Bell  
Bill Michael  
Terri Voss  
Robin Norris  
Judy Ahgook  
Winda Burrow  
Stan Morry  
Grant Funk  
Patrick Hugo  
Joshua Ruffino  
Steve Wells  
Laura Ticker  
Thomas K. Gordon  
Ben Ahgook  
Elizabeth Paneak  
James Ahgook  
Maxine Morry  
Nora Tsalak  
Martina Morry  
Lulu Simpson  
Earl Williams  
Dora Nukapigak  
Shirley Ahgook  
Don Meldana  
Ruth Rutland  
Teresa Tidwell  
Scott Szymd  
Minnie Szymd  
James R. Luke  
Terry Sivayugak  
Roger Thorson  
Margaret Gordon  
Patrick Mekiana  
Richard Ahgook  
Angie Nageak  
Alice Ahgook  
Reid Morry  
Ada Lincoln  
Sarah Tobak  
Anna Nageak  
Rhoda Kasak  
George O. Paneak  
Eather Hugo  
Mark Voss  
Bobbie Gilbert  
Jack Norris  
Vickie Paneak  
Lenna Gail Funk  
Zachanas Hugo  
Suzie Paneak  
Philip Ahgook  
Riley Morry  
Dons Hugo  
John Tidwell  
Marylyn Gordon  
Elizabeth Ahgook  
Sarah Kunaknana  
Charles Ramsey  
Laura Kunaknana  
Maryann Ahgook  
Joy Mekiana  
Oliva Morry

Bernice Ipalook  
Cornelia Sovakik  
Charles Ahgook  
Ken Elliott  
Bass P. Gordon  
Prisc Gordon  
Molly Ahgook  
Jack Ahgook  
Mary Mekiana  
Ada Hugo  
**Akpaauk**  
Johnny Ahngasuk  
Herman Kignak  
Tommy Shugluk  
Paul Carr  
Leroy Gunderson  
Janice Felder  
Elizabeth Hollingsworth  
Mika Shugluk  
Debbie Outcher  
Caleb Nayukok  
Walter Akpak  
Perry Kignak  
Thomas Brower Jr.  
Joann Hopson  
Daniel Smith  
Tony Soosok  
Belva Kignak  
Donna Carr  
Mary Gunderson  
Joseph Akpak  
Lucy Ita  
Thomas Kanayurak  
Mary Kay Bodiloh  
Herbert Akpak  
James Allan  
Jim Haroff  
Thomas Ita Sr.  
Margaret Ahngasuk  
Chris Bordeaux  
Robert Akpak  
Alice Akpak  
Betty Kignak  
Ruth Ivanoff  
Clara Soosok  
Daisy Shugluk  
Gerald Kanayurak  
Judy Soesles  
Fred Kanayurak  
Judy Soesles  
Peter Kippi  
Georgianne Simmonds  
Sam K. Hopson

### Kaktovik

Mary Soplu  
Nathan Gordon  
Morris Pearson  
Elmer Browder  
Gary Lawrence  
Marie Solomon  
George Tagarook  
Loren Ahlers  
Lillian Akootchook  
Thomas Panningonna  
George Kaleak  
Mildred Rexford  
Edward Rexford  
Mary Ann Gordon  
Ina J. Gordon  
Billy Gordon  
Mosy Oloak  
Nora Aglak  
Diane Akootchook  
Anabel Coleman  
Joseph Soplu  
Norman Aishanna  
George Aglak  
Benny Akootchook  
Charles M. Brower  
Payne Brower  
Carolyn Pearson  
Linda Browder  
Robert G. Harding  
Leonard Solomon  
Duane Daniels  
Eva K. Ahlers  
Isaac Akootchook  
Darrel Akootchook  
Noreen Aglak  
Herman Rexford  
Perry Akootchook  
Freddie Aishanna  
M. Akootchook  
Eunice Simms  
Evelyn Gordon  
James Lampe  
Sandra Lampe  
Alice Aglak  
Nelson Soplu  
Mildred Aishanna  
Mary T. Akootchook  
Nancy Soesates  
Edna Soplu  
Laura Galovin  
Kelly Tagarook  
Sandra Lawrence  
George Galovin  
Tommy O. Gordon  
Garey Stevens  
Suzie Akootchook  
Mary S. Akootchook  
Rebecca James  
Russell Tagarook  
Marie Rexford

George A. Iestchook  
John Tagarook  
Jonas Ningook  
Glen Chandrae  
Frances Lampe  
Susan Gordon  
Leonard Akootchook  
Annie Soplu  
Ethel Gordon  
Herman Aishanna  
Roy Akootchook

### Nuqaut

Annie Lampe  
Cora Taleak  
Suzie Nukapigak  
Jeanette Bowers  
Clint Burness  
Ira Kunaknana  
Water Oysgak  
Dorcas Nukapigak  
Louise Kildie  
Job Kasak  
David P. Szymd  
Joy Oysgak  
Annie T. Allen  
Arnold Kildie  
Betty Ertelook  
Roy H. Kasarook  
Alice Woods  
Zachariah Ahmakak  
Margie Hopson  
Emma Bok  
Virginia Kasak  
Nannie Pausanna  
Joe Nukapigak  
Brad Bowers  
Sarah Kunaknana  
Tom Tingle  
Brian Dexter  
Phillip Masuleak  
Rhoda Bennett  
John Ahnupkana  
Teresa Hopson  
Ahtungovruk  
Edward Nukapigak  
Brower Michael Hopson  
Norman Lampe  
Ruth Sleak  
Nannie Woods  
Jim T. Allen  
Thomas Napageak  
George Sleak  
Margaret Tegoseak  
Helen Kasak  
Margorie Ahnupkana  
Thomas Shaw  
Ronald Ahvakana  
Diana Dexter  
Lydia Sovakik  
Bernie Tingle  
Hannah Pausanna  
Heater Gerka  
Ruth Nukapigak  
Loise Akviana  
Paul Kitzik  
Bertha Sleak  
Lloyd Ipalook  
Job Woods  
Harriet Kasak  
Alice Ipalook  
Tulda  
Joe Nukapigak

### Pt. Hope

George Kingit  
Elijah Rock Sr.  
Rex Allen Rock Sr.  
Frank Lane  
Luka Koonook St.  
Evelyn Hickes  
Ethel Booshu  
Jack Sheaffer  
Angelina Koonook  
Rochon  
Tony Highes  
Solomon Kibigvuk  
Mabel Hank  
Lloyd Vincent  
Lydia Nashookvuk  
Nina Ovik  
Dorold Tuckfield  
Rex Tuzroyluk Jr.  
Robert Dinkis  
Roy Koonuk  
Rayona Rock  
Emily Lane

Charles Mumford  
Laurie Kingit  
Carolyn Koonook  
Rosebella Rexford  
Carol Omnik  
Isaac Atungane  
Nick Hank  
Joe Oksalik  
Ernest Frankton  
Ronald Ovik Sr.  
John Long Sr.  
Isaac Wood III  
Raymond Stone  
David Stone  
Judy Nash  
Dennis Beckland  
Clement Frankton  
Sarah Kingit  
Bernard Nash  
Maude  
Norman Omnik  
Albert Kibigvuk  
Patrick Atungane  
Mona B.  
Diane  
Nick Timothy

### Wainwright

Ida Panik  
David Bodfish Sr.  
Willa Bodfish  
Matsamastook  
Andrew Ekak  
Judy Segevan  
Teddy Segevan  
Jack Panik  
Cyrus Segevan  
Franklin Ahsook  
Cora Drega  
Grace Ahngasuk  
Riley Nayvak  
Monie Kagak  
Laelle Avooganna  
George Patkotak  
Abby Ungudruk  
Marie Patkotak  
Warner Avoogak  
Benny Segevan  
Luka Kagak  
Wayne Bodfish  
Gregg Tagarook  
Arthur Segevan  
Billy Akpak  
Nancy Bodfish  
Jim Avooganna  
Hannah  
Kay F. Kagak  
Alma Bedrian  
William Ningook  
Max Akpak  
Jacob Kagak  
Allen Ahlakook  
Charles Nayvak  
Frank Beater  
David Bodfish

### Barrow

Jimmy E. Ningook Sr.  
Johnny Akootchook  
Joseph Neashainik  
Rebecca Hopson  
Mary Avooganna  
Eleanor R. Oysgak  
El Tuide  
Jim Allan  
Johnny Eivaguk Jr.  
Pita M. Okpeaha  
Etta Ekakook  
Georgiana Oomrituk  
Eveline Leavitt  
James H. Soesles  
Beverly M. Ahgook  
Gladys Nungasak  
Tini Kaleak  
Mabel Panigeo  
Daniel Frantz  
El Warner  
Robert Lozano  
Pat Tyson  
William Kaleak  
Kevin Rielly  
Larry Okomalluk  
Jeanette Hopson  
Margaret Opie  
Harry Ovik Sr.  
Harry Meller  
Stanley Brower  
Joie Brower  
Guy E. Ovakok

Dora E. Inuaraq  
Jeanette Ahnuganurak  
Clarence E. Ita  
Clara P. Segevan  
Patrick J. Hopson  
Robert Mercier  
P. J. Finley  
Ricardo Vasquez  
Jim Pederson  
Ellen Akpak  
David Baumgartner  
Clarence Solomon  
Abel Akpak  
Willard P. Neakok  
Eileen MacLean  
Robert Edwardeen  
Raymond P. Masuleak  
Harvey Mongoyak  
Manuel Ahvakana  
Vera K. Ita  
Flora Drega  
Georgiana Hopson  
Mable Kaleak  
Ginger Saganna  
Emma Tuide

Alden A. Numnik  
Virginia Oysgak  
Joanna Ovik Jr.  
Sarah Allen  
Lois Matsson  
Lucy Hopson  
Martha Stewart  
Rex Ovakok  
Debbie M. Nayvak  
Jack Panik  
Fred Behr  
Perry K. Okpeaha  
Milla Murphy  
Valene R. Tuide  
Emory Hopson  
Elmer Avoosak  
Lucy Warden  
James Matumak  
Howard Kitzik  
Alfred R. Hopson  
Eileen Boakokaly  
Marie L. Simmonds  
Terry Kanayurak  
Isabel H. Brower  
Ine Ita  
Suzie M. Nungasak  
Linda J. Hopson  
Lillian Nageak  
Clara E. Kaleak  
Lucille Adams  
Ginger L. Ahvakak  
Van E. Edwardeen  
Bernice Okpeaha  
Dorothy M. Edwardeen  
Rose Ahtungaruk  
Donald Nungingina  
Glenn Edwards  
William C. Ita  
Harold Nungasak  
Carl E. Hussey  
Emily Ipalook  
Emiliu H. Gueco  
Michael Stots  
Claudia Jackson  
Jerry Hoffingworth  
Thomas Akootchook  
Marie Libourne  
Albert Driggs  
Oliver Ahngasuk  
Jaren DuBeau  
George Saganna  
Dorcas Ahngasak  
Clifford A. Daniels  
Margaret Oysgak  
Eunice Leavitt  
Mildred Akpak  
Jerry Cogdill  
Edna S. Fausak  
John F. Alkan  
George Adams  
Anthony Keeler  
Margaret Panigeo

Juanita Ipalook  
Kaiser Segevan  
Pat Wright  
Charles E. Hopson  
Tyg Ignatowski  
Dorothy Kibear  
Mary I. Ahivgak  
Sherry Hopson  
Curtis Hopson  
Karta Kolaak  
Dorcas Stone  
Ron Naklak  
Etta Ahivgak  
Daisy Edwardeen  
Mary Jane Brower  
Ned Aray  
Bertha Leavitt  
Ross Ahngasuk  
Kunak Brower  
Rebecca Adams  
Tawni Taylor  
Terri Nashookok  
Emma Mongoyak  
David A. Miller  
Ronald Ningook  
David Weber  
David Hopson

Frederick Rice  
Arnold Brower Jr.  
Vera Williams  
Patsy Amodi  
Connie M. Frichel  
Dzie Figgina  
Caroline Ahvakana  
Herman Kignak Sr.

David Stone Sr.  
Nolan Solomon  
Charles Janson  
Darren Esenhower  
Brad Koeler  
Leonard Felder  
Kathleen N. Davis  
Hugh S. Patkotak  
Jeff N. Ahivgak  
Roland Toovak  
Forrest D. Olemann  
Hazel Pebley

Johnny Leavitt  
Lloyd Panigeo  
Patrick Okpeaha Jr.  
Lewie Brower  
George Burnett  
Lucy Brown  
Cora Ansell  
Clayton Lambrecht

Harley Brown  
Wayne T. Bodfish  
Gregg Tagarook  
Arthur Segevan  
Gave Aguvluk  
L. Marie Bodfish  
Carolyn Akpak  
Frances Hopson  
Albert Driggs Jr.  
Allen Upickovuk  
Leo Ahtungovruk  
Willa Tukrook  
Dennis Young  
Karen Palmer  
Chester Lampe Jr.  
Steve Palmer  
Aloe Neesok  
Billy K. Neesokook  
Bill Bemmels  
Svend Ahngasak  
Ben Frantz

Rita Felder  
Edith Nashookok  
Mark T. Hamlin  
Alfred Leavitt  
Sally J. Brower  
K.L. Smith  
Marie Neesok  
Price E. Brower  
Ray Kalayuk  
William Solomon  
Terry Jones  
Thomas Simmonds Sr.  
Grant Kignak  
Carolyn Kous  
James Ansell

Donald Tootak  
Luka Kagak  
Jacob Kagak  
Allen Ahlakook  
Charles Nayvak  
Abram Kagak  
Hanna Ekak  
Homer Bodfish  
Nancy Lampe  
Charles Tuckfield  
Kase Peterson  
Amy Nukapigak  
Ben Neesok  
Ruth Pitok  
Jacob Stalker Jr.  
Ione Eastwood  
Hels Martin  
Rosie Aiken  
Roy Hugo

Tim Scott  
Evelyn Donovan  
Ida E. Ahngan  
Arlene Nuglene  
Arnold Brower Sr.  
Thomas C. Brower III  
Larry C. Landis  
Maehie Nageak  
Harry Brower Jr.  
Bob L. Castro  
Richard Williams  
Eli Solomon Sr.  
Ed Burnett Jr.  
Anna Jack  
Martha Ipalook  
Steven Harne

Lorraine Danner  
Franklin Ahsoak  
Cora Drega  
Grace Anshugak  
Eleanor Bodfish  
Sieve Ungudruk  
Woodrow Avooganna  
Samuel Simmonds  
Nannie Kagak  
Joanne Neesok  
Betsy Stalker  
Annie Martin  
Hernet Tukrook  
Denny Pitok  
Eather Tuckfield  
Bill Tracy  
Emily Ahtungovruk  
Martha Tukrook

