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CHAPTER 18. DEVELOPMENT CITIES

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**** Repeal.

1 CHAPTER 18. DEVELOPMENT CITIES

2 (Article 4. DEVELOPMENT CITIES)

3 Sec. 29.18.010. (Sec. 29.18.220.) LEGISLATIVE FINDINGS. The legislature
4 finds that the development of natural resources in isolated and relatively
5 unpopulated areas requires a policy and procedure which will provide planning,
6 financial and other assistance necessary for encouraging orderly development
7 of well-planned, diversified and economically sound new cities necessary to
8 support the sound development of the state's resources by both the private
9 and public sector. It is the purpose of Secs. 220-460 of this chapter to
10 set out the mutual responsibilities of the private and public sectors to
11 achieve these objectives with a view to securing information valuable to
12 future legislatures so that general legislation applicable to the establish-
13 ment of development cities may be perfected.

14 Sec. 29.18.020. (Sec. 29.18.230.) DEVELOPMENT CITIES. Subject to
15 reclassification under Sec. 200(c) [Sec. 400(c)] of this chapter, a develop-
16 ment city is a city of the class designated by the Department of Community
17 and Regional Affairs.

18 Sec. 29.18.030. (Sec. 29.18.240.) INCORPORATION. An area not served
19 by an existing municipality which is not reasonably practicable to be served
20 by an existing municipality may be incorporated as a development city by

21 (1) petition of the industrial developer to the Department of
22 Community and Regional Affairs to be acted on by the Local Boundary Com-
23 mission; or

24 (2) act of the legislature.

25 Sec. 29.18.040. (Sec. 29.18.250.) PETITION FOR INCORPORATION. A
26 development city incorporation petition proposed by an industrial developer
27 shall include the following information about the proposed city:

28 (1) class,
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1 (2) name,

2 (3) boundaries,

3 (4) composition of the council,

4 (5) maps, documents, preliminary economic development projections,
5 preliminary population projections, outline of the industrial developer's
6 investigative and development expenditures and its proposed capital program,
7 and other information required by the Department of Community and Regional
8 Affairs to show that the proposed city meets the standards for incorporation,

9 (6) the proposed agreement required under Sec. 120 (Sec. 330) of this
10 chapter .

11 Sec. 29.18.050. (Sec. 29.18.260.) REVIEW. The Department of Community
12 and Regional Affairs shall review the petition for content and shall return
13 deficient petitions for correction and completion.

14 Sec. 29.18.060. (Sec. 29.18.270.) INVESTIGATION. If the petition
15 contains the required information, the Department of Community and Regional
16 Affairs shall investigate the proposal to determine whether the development
17 expenditures and proposed capital program by the developer serve the public
18 interest and demonstrate a probability of being carried forward to a suc-
19 cessful conclusion.

20 Sec. 29.18.070. (Sec. 29.18.280.) REPORT. (a) The Department of
21 Community and Regional Affairs shall report its findings to the Local Boundary
22 Commission with its recommendations regarding the incorporation within 60
23 days of receipt of the petition for incorporation.

24 (b) The Local Boundary Commission shall review the petition and
25 the findings and recommendations of the Department of Community and Regional
26 Affairs within 60 days of receiving them.

27 Sec. 29.18.080. (Sec. 29.18.290.) DECISION ON DEVELOPMENT CITY INCOR-
28 PORATION. (a) The Local Boundary Commission may reject a petition for
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1 incorporation if it finds that

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

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

6 (3) the program and activities contemplated by this chapter
7 may be undertaken through expansion of the corporate limits of an existing
8 city and then declares that city to be a development city for the purpose of
9 preferential designation under Secs. 10 and 130-460 (Secs. 10 and 340 460)
10 of this chapter;

11 (4) the program and activities contemplated by this chapter
12 may be undertaken by establishing a service area within an existing organized
13 borough for a development project, and declares the service area to be
14 eligible for preferential designation under Secs. 200 and 230 (Secs. 410 and
15 450) of this chapter;

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

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

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

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

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

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

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

9 Sec. 29.18.090. (Sec. 29.18.300.) PRELIMINARY PLANNING. The city
10 shall prepare and submit to the state preliminary plans in advance of com-
11 pletion of the final basic comprehensive plan for the city. The preliminary
12 plans shall include

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

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

20 Sec. 29.18.100. (Sec. 29.18.310.) REVIEW AND REPORT. (a) The division
21 of planning and research, in conjunction with the Departments of Community
22 and Regional Affairs, Natural Resources, and Environmental Conservation and
23 other departments as determined appropriate by the division of planning and
24 research, shall review the preliminary planning and additional data may be
25 requested.

26 (b) The division of planning and research shall coordinate the
27 preparation of a report and recommendations, if any, which shall be sub-
28 mitted to the governor within 60 days of receipt by the state of the pre-
29 liminary plans from the city. The city may proceed to the completion of

1 the final basic comprehensive plan upon satisfying any specific recommenda-
2 tions contained in the report.

3 (c) During the course of planning toward completion of the basic
4 comprehensive development plan the division of planning and research and the
5 Department of Community and Regional Affairs shall be kept currently informed
6 and the final plan shall be subject to review and recommendation by the
7 division of planning and research, which shall act in its coordinating
8 capacity to secure review by the Department of Environmental Conservation
9 and other state agencies as appropriate.

10 Sec. 29.18.110. (Sec. 29.18.320.) LIMITATION. The city may not proceed
11 with commitment of funds or formal undertakings for physical development
12 until it has a signed contract or contracts for sale of the company's pro-
13 ducts in quantities shown in the economic data and submitted by the company
14 to be adequate to sustain an economically viable operation. The company may
15 submit alternative valid evidence that the projected operation will proceed.
16 The company shall notify the Department of Community and Regional Affairs of
17 the meeting of this requirement. Unless the Department of Economic Develop-
18 ment makes a determination that the data is insufficient, the city may
19 proceed.

20 Sec. 29.18.120. (Sec. 29.18.330.) LOCAL HIRE. In consideration of
21 the incorporation of a development city under this chapter, the major develop-
22 shall enter into an agreement with the appropriate agencies of the state
23 concerning

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

27 (2) establishing resident hire goals in terms of percent of
28 employees at the end of the first year, second year and third year of operatio-
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1 (3) establishing the responsibilities of the various state
2 agencies towards providing technical assistance, manpower procurement,
3 relocation assistance, job opportunity services to residents in the area,
4 supplemental vocational training, and the scope of effort each state agency
5 has in this regard with specific commitments in terms of numbers of residents,
6 time schedule and dollar value of training;

7 (4) establishing the penalties and conditions of noncompliance
8 with the agreement.

9 Sec. 29.18.130. (Sec. 29.18.340.) DEVELOPMENT CITY COUNCIL. The
10 council of a development city has five members consisting of the commissioner
11 of the Department of Community and Regional Affairs, or his designee, and
12 four public members designated by the governor. The governor shall appoint
13 no fewer than two public members from a list of nominees designated by the
14 major developer providing the industrial base of the city as measured by
15 employment and capital investment. The council shall serve at the pleasure
16 of the governor. The designated councilmen need not be residents of the
17 city during its development stage.

18 Sec. 29.18.140. (Sec. 29.18.350.) FILLING A VACANCY. If a vacancy
19 occurs in the council as constituted under Sec. 130 (Sec. 340) of this
20 chapter, the applicable appointing authority shall designate the replacement
21 during the development stage of the city.

22 Sec. 29.18.150. (Sec. 29.18.360.) POWERS AND DUTIES OF THE COUNCIL.
23 During the development stage the council of a development city may

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

26 (2) exercise the powers and duties of a planning commission under
27 AS 29.42.020 (AS 29.33.080), except that during the first five years or
28 until the development city has 400 permanent residents, zoning and zoning
29 changes will be reviewed and approved by the division of planning and research
and the Department of Environmental Conservation.

1 Sec. 29.18.160. (Sec. 29.18.370.) POWERS AND DUTIES OF DEVELOPMENT
2 CITY EXECUTIVE DIRECTOR. During the development stage the council shall
3 appoint an executive director of the development city, who may be one of its
4 members, to serve at the pleasure of the council. The executive director
5 shall have the powers and duties of all executive and administrative city
6 officials set out in this title in order to develop the city under a compre-
7 hensive community development plan.

8 Sec. 29.18.170. (Sec. 29.18.380.) PROCEDURES. During the development
9 stage, the council may provide for conference telephone or radiophone meetings
10 at times determined by the council and shall determine its own rules and
11 order of business.

12 Sec. 29.18.180. (Sec. 29.18.390.) DEVELOPMENT CITY CAPITAL IMPROVEMENT
13 FUNDS. All state agencies shall, where appropriate, adopt procedures to
14 insure that, during the development stage, the needs of a development city
15 are carefully considered in the allocation of funds available for capital
16 improvement projects where those funds have not otherwise been committed by
17 the legislature.

18 Sec. 29.18.190. (Sec. 29.18.400.) TRANSITION. (a) When a development
19 city has 400 permanent residents elections shall take place according to the
20 following schedule:

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

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

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

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

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

7 (c) If, within a period of five years from the incorporation of a
8 development city, the number of permanent residents does not reach 400, the
9 Department of Community and Regional Affairs shall order an election for
10 city officials and designate a successor class of city based on population
11 as provided in this title. If the department designates a successor class
12 of city, the provisions of this title relating to that class of city apply,
13 and the city shall be reclassified accordingly.

14 Sec. 29.18.200. (Sec. 29.18.410.) HOUSING POWERS. From the time of
15 the appointment of the first city council and for a period of 10 years fol-
16 lowing the first election of councilmen, the council may act as its own
17 housing and urban renewal authority if such powers have been granted to
18 cities under applicable provisions of law.

19 Sec. 29.18.210. (Sec. 29.18.430.) REVENUE BONDS. Revenue bonds may
20 be issued by a development city under the provisions of AS 29.51.340-29.51.320
21 (AS 29.58.200-29.58.220). However, no vote of the people is required to
22 issue revenue bonds during the development stage. During the development
23 stage revenue bonds may be issued by a majority vote of the city council.

24 Sec. 29.18.220. (Sec. 29.18.440.) SHARED REVENUE. A development city
25 is entitled to shared revenue and other state funds on the same basis as a
26 city or organized borough of the first class or, if reclassified under Sec.
27 200(c) [Sec. 400(c)] of this chapter, on the basis of the reclassification.
28 During the development stage the Department of Community and Regional Affairs
29 may establish an assumed population figure which shall be used to determine
shared revenue based on population on per capita grants.

1 Sec. 29.18.230. (Sec. 29.18.450.) APPLICABILITY OF OTHER PROVISIONS
2 OF THIS TITLE. All applicable provisions of this title consistent with the
3 provisions of this chapter apply to development cities. Provisions of this
4 chapter prevail over other provisions of this title which are inconsistent.

5 Sec. 29.18.240. (Sec. 29.18.460.) DEFINITION. In this chapter
6 "development stage" means that period of time extending from the date of
7 incorporation of a development city until such time as the city may attain a
8 population of 400 permanent residents, or five years from the date of incor-
9 poration, whichever is earlier.

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