

387

SCRA

SUR 9

-

SUR 40

"Don't annex" say voters

THE SEWARD PHOENIX LOG

Vol. XI. No. 7 * Thursday, November 4, 1976 * Seward, Alaska 99664 * Price: 20 Cents

Teachers to vote bargaining agent

by Katherine Parker

With the Board in the middle, and the Kenai Peninsula Education Association and Kenai Peninsula Federation of Teachers vying to represent the teachers as bargaining agent, the Board's arrangements for an election November 4 left nobody happy at the School Board meeting Monday night.

An executive session to consider a grievance from KPEA brought a protest from attorney Ted Carson, representing the KPFT, who asked that the KPFT join the session since the grievance pertained to the election. Though the grievance concerned neither borough finances or personalities, the contract agreement with KPEA provides for closed-

Tom Murphy, KPEA president, first asked the Board to hold off on setting an election until July 1977 "as per the negotiations agreement with KPEA." After a motion was passed for the election, he then asked that the election be held in abeyance until "adequate appeal of the grievance and resolution is accomplished," referring to a third-party appeal and resolution.

The Board, however, also rejected this request.

As set up the teachers would vote from 3 p.m. to 6 p.m. with Borough Clerk Frances Brymer in charge of the election.

All principals and administrators would be voting with a yellow ballot, as their right to be part of the election as KPEA members has been challenged by the KPFT. This would make it handy to discount these ballots should this legal technicality later be decided in favor of the KPFT. On the other hand, the KPEA has

teacher-of-the-year was selected.

By reducing the hallway area including the foyer, and providing an elevator rather than ramps for handicapped use of the second floor, the \$650,000 was subtracted from the \$2.8 million plan for expanding the school.

Though the administration felt the original plan was legitimate as the first phase for the 9-classroom project, allowing for later additions, the reduced cost "could make a difference in whether the project passes the bond issue," said Supt. Paul Gallaher. "The savings could be translated into additional construction in the Homer area," he added.

A Mr. Hackett, architect on the Homer Hospital, said, "There is a lot of sentiment in Homer about completion of the middle school."

Keith Simons, a teacher at the Bob Bartlett school in Tyonek for the past seven years, was named the Borough's teacher of the year

Results of an annexation straw poll taken during the state and federal election Tuesday showed conclusively that people both inside and outside the city limits of Seward reject annexation of both the Lowell Point area (south portion), and the Bear Creek, Salmon Creek area (north portion). Annexation of the two areas was considered by the City to help bring about planned and orderly growth of the entire Seward area. Mayor Neve, some members of Council and the city ad-

Area follows statewide trend in balloting

Fifty four percent of the registered voters turned out: in Seward Precincts 1 and 2 to vote in the federal and state election held Tuesday. Area voters followed closely the state trends, supporting President Ford and Congressman Don Young and voting along state lines for the various bonds and propositions on the ballot.

The two Seward precincts and Bear Creek precinct gave President Ford 403 votes to 289 for Jimmy Carter. Libertarian candidate MacBride received 52 votes.

Area voters gave Congressman Don Young 556 votes to 196 for Eben Hobson in Hobson's bid to unseat Young.

State Senator Jalmar Kerttula got a healthy 547 votes to Jean Marsh's 191. Running unopposed to retain his seat as this District's representative in the Legislature, Keith Spocking received 626 votes.

Area voters gave Willow the most votes for the capital relocation site with 420 votes to 124 for Larson Lake and 96 for Mount Yenlo.

Proposition No. 1, "Action on

administration feel that the Gulf of Alaska oil exploration and drilling will greatly impact the community and fear that unplanned growth might be dangerous to the entire area.

The people, however, expressed definitely negative feelings about annexation—at least at this time. The vote was not a formal one, but conducted in conjunction with the election in progress and drew "poll watchers" from the outlying areas where residents are adamantly opposed to annexation.

Seward Precinct 1 voted 71 yes to 115 no on annexation of the Lowell Point area, and 63 yes and 124 no on the north portion annexation. Seward Precinct 2 voted 119 yes to 215 no on Lowell Point, 102 yes and 234 no on annexation of the Bear Creek, Salmon Creek area. As might be expected, Bear Creek Precinct voters turned out in force and expressed more disfavor toward annexation than their neighbors inside the city. Bear Creek tallies were 35 yes to 164 no for Lowell Point annexation and 13 yes to 192 no on the Bear Creek, Salmon Creek proposal.

The vote followed two months of controversy and meetings between the Council and representatives of the people residing outside the city limits. An aggressive anti-annexation campaign had been waged the last week by the Bear Creek League, as some of the outside city residents call

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

JAY S. HAMMOND, GOVERNOR

DIVISION OF LANDS

323 F. 4TH AVENUE - ANCHORAGE 99501

August 3, 1976

Thomas Taggart
P.O. Box 1195
Seward, Alaska 99664

Dear Mr. Taggart:

Please excuse our tardiness in answering your inquiry.

After researching the land records of the area known as Fourth of July Valley, it is found that it has not yet been classified as a critical habitat area.

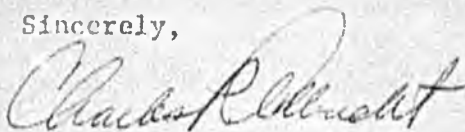
|| The area has been suggested to the legislature as a critical habitat area by the ||
Department of Fish & Game.

Therefore, there are at this time no stipulations other than our classifications as to its use.

Again we apologize for any inconvenience this delay may have caused you.

If we may be of further service please contact us.

Sincerely,



Charles P. Albrecht
Information Officer
Alaska Division of Lands

FRIENDS OF THE EARTH

1895 PIONEER WAY

FAIRBANKS, ALASKA 99701

(907) 479-3684

JIM KOWALSKY, *Alaska Representative*

January 25, 1977

Testimony regarding Seward land annexation

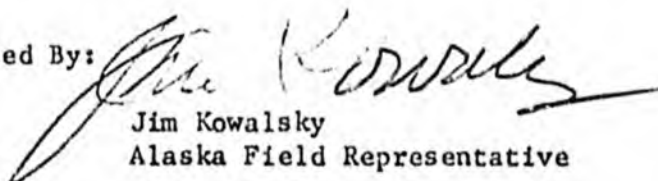
To be submitted in a hearing, January 31, 1977:

Friends of the Earth opposes annexation of the area known as "Fourth of July Creek" by the City of Seward.

The Alaska Department of Fish and Game, in its publication "Alaska's Wildlife and Habitat" has recommended this area and similar landforms within the game management unit as essential habitat for black bear. Also, the offshore waters provide habitat for several species of marine mammals.

We oppose the change in land status because the wildlife values in the area are best protected by leaving the land in a natural state.

Submitted By:


Jim Kowalsky
Alaska Field Representative

January 17, 1977

Representative Hugh Malone
Pouch V
Juneau, Ak. 99811

Dear Hugh:

The Boundary Commission has recommended that the City of Seward be allowed to annex an area known as 4th of July Creek. This matter goes to the legislature to be either approved or disapproved.

The members of the Kachemak Bay Conservation Society recognize that the 4th of July Creek area is highly valuable for ~~salmon spawning~~, black bear habitat, and recreational use, and that it is being considered for critical habitat status. We do not believe that its best use is for annexation and industrial development.

In addition, the Boundary Commission's decision apparently contains some erroneous statements regarding testimony at a public hearing, and we believe that its recommendations are contrary to the will of the citizens of Seward and the surrounding area.

To disapprove this boundary change, a resolution passed by both houses is necessary. We ask that you sponsor such a resolution and give it your strong support.

Sincerely,

Nancy Lord
President

K
A
C
H
E
M
A
K
B
A
Y
C
O
N
S
E
R
V
A
T
I
O
N
S
O
C
I
E
T
Y
9
9
8
1
1

10 28-76

Letters TO THE EDITOR

Letter to

Letter to Editor

The citizens of Seward will be given the opportunity to voice their opinion via the ballot box on November 2 showing how they feel about the city's present plans on annexation.

As a member of the City Council I would of necessity weigh the outcome very seriously if the citizens were properly informed on this issue. At the moment I'm convinced they are not, because I do not believe the city has addressed itself to all the pro's and con's of this most ambitious move on the part of the city of Seward since its founding.

The proposed annexation to the south of the city, if successful, represents an area at least three times as large as our present boundaries; a large part of which is vertical coastline. Very little of this can be utilized by industry or residents.

I shudder to think of a school bus full of children traveling over the present road during the spring because of snowslides. What would be the city's legal position if a severe accident did happen? Heck! I wouldn't permit a child of mine to travel the present road come next spring. If we assume responsibility and attempt to bring it up to first class status, it could be a severe financial drain that would threaten the city's bonding position. At present, we have other problem of a much higher priority.

The city may be successful in annexing this area because there are few residents to oppose it; however, I feel we will impoverish the city for years to come if we do.

The area to the north upon which the city has been slathering for as long as ten years is a potential powder keg of dissent. When they raise the oft repeated question; what's in it for us, there seems to be no reasonable answers.

At present I don't believe the city can tell these prospective new

citizens what their taxes might be. Will they have additional fire protection? Will trailers still be permitted? How about the city's present ordinance on animals; will it apply equally? Will the electric surcharge be dropped? Who will maintain the roads in the area? How much additional revenue will be generated for the city? Will it purchase additional street maintenance equipment? Can it support more police officers? Can our present ordinances have a double standard? I don't think they can nor should they.

Until it was recently agreed upon to give the citizens of Seward a chance to vote on this issue I felt we were holding every citizen in contempt, they may not favor this power play.

I feel our present course is not based upon sound reasoning and business sense. It can do nothing but self destruct if finalized. We have failed to get our facts up front. Our desire to complete this move is based entirely upon what a few think or hope will happen. At present there are no firm commitments in hand. The negative side of this issue is right up front. We cannot afford it at this time. We have not convinced many that we can, nor have we established a critical need to do so.

If at this late date annexation is not the topic of the day we had better turn off the T.V. and get turned on about what's happening here in town. I admit the city may acquire a few more assets, but frankly it's our added liabilities that scare me to death. If you are not up to date on annexation I suggest you pick up the phone and call your Council people. Call anyone except me. Shucks, I'm still trying to find something out myself.

Respectfully,
Bill Vincent

Letter to Editor

Salmon hatcheries can business for all Al... quote Dr. William... world-recogni... salm-

RE: limited Entry As a longtime Ala boat and gear (years) and as a Limited Entry F somewhat to say

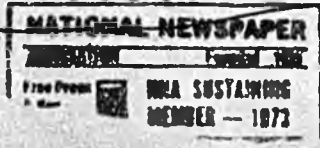
It is my studi limited Entry lastardly breact great bastion of free enterprise should be totally c polls by those America, free mocracy and l Alaska, the L

Remember the all and Communist domina ties have limited enti about that.

I will not attempt to er all the inequities and in in the present situ sake of brevity v

One of our now well forward second arrily. which dau, have boats three ar. respective. fishermen w. fished and ov and ven because years he in Viet N

There ar in our own ce ous to mentir to the total would be L long as one qualify has person wh Limited WE th. do it To r say t who



I. INTRODUCTION

This report is an attempt to identify the geologic factors which should be considered in planning for potential on-shore facilities in upper Resurrection Bay. The report is based on a review of the available literature and a brief inspection of sites near the head of Resurrection Bay by DGGS personnel.

The essence of this report is that significant geologic constraints, in particular submarine slope stability and potential for inundation by seawaves, are present at 4 of the 5 sites considered here. As indicated by the tables in Section VI, there are presently not adequate data available for many of the geologic factors upon which to base site-specific conclusions regarding potential effects of the geologic factors on construction and operations at the sites. However, it is not the intent of this report to recommend or imply that planning for utilization of lands adjacent to upper Resurrection Bay cannot be undertaken due to geologic factors. Rather, the purpose of the report is to list the geologic factors which should be considered during planning, and to suggest where additional data are required for a more complete evaluation of each factor.

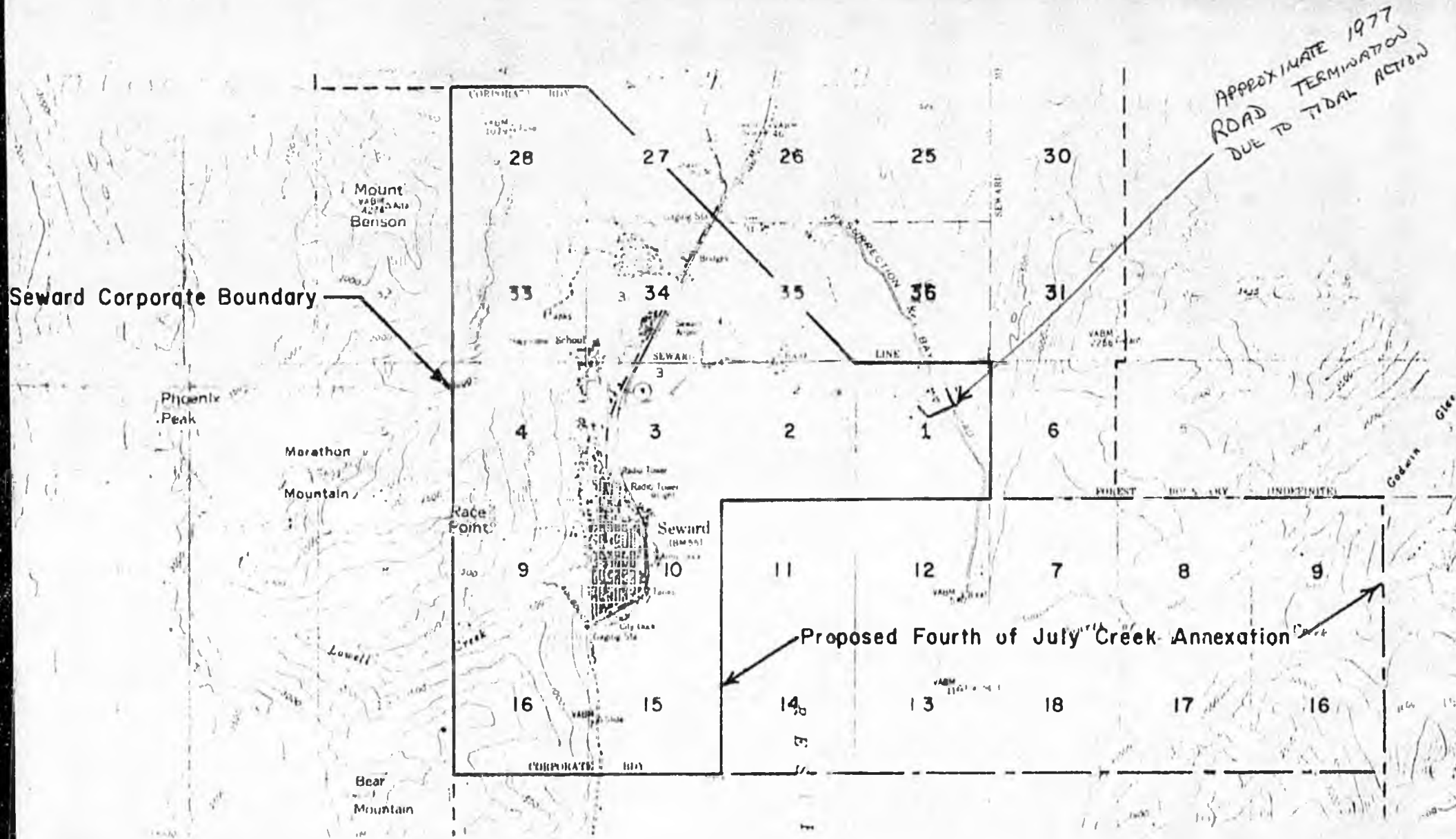
THE 4 SITES ARE:
(1) 4TH OF JULY
(2) T. JONES COVE
(3) L. WELLS Pt
(4) END OF BAY

II. SCOPE AND PURPOSE OF REPORT

Two Division of Geological and Geophysical Surveys personnel visited upper Resurrection Bay to inspect potential sites of on-shore facilities for three days in October of 1976. The investigation was undertaken at the request of the Department of Community and Regional Affairs, State of Alaska. The Survey team drove to Seward; site inspections were carried out on foot, and an overflight of the coastline was made by air charter. Due to limitations of time and of land access, most inspections were confined to the beaches and to existing roads.

Seward Corporate Boundary

APPROXIMATE 1977
ROAD TERMINATION
DUE TO TIDAL ACTION



SJR

30

SENATE COMMUNITY AND REGIONAL AFFAIRS
 COMMITTEE LIST 2-7-78

Name	Representing	Intent to testify?	
		YES	NO
① W ^r K. Mearig	City of Petersburg		
② W. C. Ruddy	" City Atty	✓	
③ JR FLODEN	" City Engr	✓	
④ Frances G. Westre	(WESTRE) " city council	✓	
⑤ David A. Moffat	" City Mgr	✓	
⑥ Gene T. Owens	(OWENS)	✓	
⑦ - Arnold R. Strandling	Local Boundary Commission	✓	
⑧ - Eric J. Saper	Dept CRA Box 1027 Petersburg AK		✓
⑨ Sunny A. Dick	Box 588 Petersburg AK	✓	
⑩ Gertrude Lyons	(Eide) Box 942 Petersburg AK	✓	
⑪ Lars Eide	(LAPEYRI) Box 852 Petersburg AK	✓	
⑫ - James F. Petrum	319 Seward St. Juneau	✓	
Annette Smith	H & RA		✓
Bruce Aronson	DC & RA		✓
Kirk Simpson	"		✓

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE LIST 2/7/78

<u>Name</u>	<u>Representing</u>	<u>Intent to testify?</u>	
		YES	NO

2/7/78

<i>Arnold J. Stranby</i>	<i>Local Boundary Commission</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
--------------------------	----------------------------------	-------------------------------------	--------------------------

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

February 7, 1978

Present: Chairman Orsini, Senators Willis, Hackney and Sumner. Wm. K. Mearig; J.R. Floden; Frances G. Westre; David A. Moffat; Gene Owens; Sigvald J. Strandberg; Erick J. Simpson; Sunny A. Hick; Gertrude Lyons; Lars Eide; Ed Lapeyri; James F. Petersen; Annette Smith; Bruce Aronson.

Absent: Senator Ferguson

Chairman Orsini convened the hearings at 3:15 PM. He announced that the Committee would take testimony on SJR 38, 39 & 40 but would take no action on the resolutions that day.

SJR 39 (Proposed Annexation by Haines Borough):

Chairman Orsini asked Sigvald Strandberg, Chairman of the Boundary Commission, to give the circumstances behind the proposed annexation of land on which stood fuel tanks formerly operated by the military. Mr. Strandberg described the action as pro forma in nature to allow the Haines Borough to eliminate a pocket of non-borough land inside its borders. He explained that the final disposition of tank farm property, which would be handled by the General Services Administration, would not be affected by the Borough's action and that the military had not objected to the proposed annexation. Mr. Strandberg also stated that no objections had been made by members of the public during the Boundary Commission's hearings in Haines. No one else wished to testify on SJR 39 and Chairman Orsini closed the hearings on the resolution.

SJR 38 (Proposed Annexation by the City of Skagway):

Mr. Strandberg noted that the City of Skagway originally requested ~~to~~ to extend its boundary to the Canadian border and that of the Haines Borough. He noted that this raised the question in the Boundary Commission's opinion of what properly constituted city government versus that of a borough. The Commission therefore recommended a smaller extension of the City's boundaries and informed the City that it could, if conditions warranted, petition the Commission in the future to move its jurisdiction to the Canadian border. The City of Skagway supported this action by the Commission and agreed with the recommendation. Strandberg acknowledged that public testimony by persons residing outside the present City boundaries was opposed to annexations since they believed that they were already paying for municipal services through the sales tax. In response to questions from Committee members, he said that the Commission had not considered the inclusion of the Dyea area into the City of Skagway and that such an action would require ~~that it~~ SEPARATE Commission action.

William Ruddy, an attorney representing the City of Skagway, said that public opposition had been expressed to the proposed annexation but that it was not organized.

jointly. Mr. Mearig stated that the 1975 annexation vote concerned the proposed annexation of West Petersburg, which has now incorporated separately as the City of Kupreanof, and did not pertain to the present recommendation. He noted that the Environmental Protection Agency was requiring the extension of sewer and water facilities to outlying areas. Either the City of Petersburg would provide these services or they would be mandated at the state or federal level. In response to questions from the Committee members, Mearig concurred that Petersburg's economic future lay with fishing and stated that any expansion of fishing facilities would probably occur at the four plants currently within the City's boundaries. Because of environmental and esthetic concerns, little or no development is likely to take place in the Narrows. He commented that strictly speaking it was illegal for the City to provide municipal services to the outlying area.

James Petersen, the attorney representing the plaintiffs in the court suit opposing the proposed annexation, testified that his clients opposed the annexation on the grounds that insufficient study had been given to the revenue, tax burden, and expense of the action. He stated that the original petition requesting annexation had been hastily put together and that the municipal ordinance had had its first reading with no public input. The second and third readings took place on the same night. Studies were lacking on population density, cost of police protection, cost of water and sewer facilities, and cost of electric power extension. Petersen said that his clients were not opposed to annexation per se and believed that the establishment of a service district (outside of the municipal boundary) could provide a viable solution. He emphasized that it was not only residents of outlying areas who opposed annexation but the residents of the City as well.

Frances Westre testified, as a member of the Petersburg City Council, that the Council had unanimously approved the proposed annexation as being in the best interests of the community of Petersburg and its environs. She said that the apparent haste in acting upon the petition was due to the legal requirement to submit all annexation recommendations to the Legislature by the tenth day of session. She pointed out that Petersburg and Wrangel were jointly studying a proposal for hydroelectric development in the Thomas Bay area that would provide relatively inexpensive power for economic development, ~~in the area.~~ Ms. Westre said that Bruce Aronson of the Department of Community and Regional Affairs had originally raised the annexation question in Petersburg several years ago.

Lars Eide read to the Committee a letter he sent on December 12, 1977, to Commissioner of Community and Regional Affairs Lee McAnerney protesting the proposed annexation as contrary to the wishes of the majority of the people of Petersburg. He stated he was part owner of Mitkof Lumber Company which employes approximately 23 persons about 75% of whom lived in the City and 90% of the company's production was exported.

David Moffat, City Manager of Petersburg, said that the impetus for annexation had originated from residents in the outlying areas and that he had heard of little opposition to the proposal from within the City. He noted that, without the existence of the City of Petersburg, it would be unlikely that industries outside city limits would have located in the area. Moffat pointed out that the City has a

In the absence of further public testimony, Chairman Orsini closed the hearings on the resolution.

SJR 40 (Proposed Annexation by the City of Petersburg):

Mr. Strandberg said that public hearings had been held by the Commission in Petersburg January 9 before an overflow crowd with the testimony being broadcast live over the local radio station. On January 16 the commissioners held a telephonic conference and approved a recommendation for the extension of the City of Petersburg boundary.

He explained that the Commission's recommendation called for the city boundary to be extended only over the northern portion of Mitkof Island, an area of approximately 45 square miles. The City had originally petitioned for the annexation of all Mitkof Island, an area of approximately 211 square miles. Mr. Strandberg said that the Commission respected the City's reasons for the larger request, which included concerns about Coastal Management and municipal selection of state lands. He said that this again raised the question of borough versus city government and that the Commission had recommended an area for annexation that would take in almost all residents, but not all the territory, of Mitkof Island. He noted that, in the Commission's view, the natural development of the City of Petersburg lay along Mitkof Highway and that the outlying areas did benefit from municipal services. The incorporation of this area would remove the present tax inequity between the residents of the City and the outlying district. Mr. Strandberg pointed out that the City of Petersburg has a narrow tax base, but a fairly heavy bonded indebtedness. The 2126 City residents have a bonded indebtedness of \$3.7 million against a property valuation of \$34 million. This gives the City a debt/valuation ratio of approximately 11% as opposed to a 5.4% ratio for the City and Borough of Juneau and 3% for the City of Ketchikan. He noted that there were considerable private land holdings south of Petersburg along the Mitkof Highway.

In response to questions from Committee members, Mr. Strandberg made the following comments: The City indicated that it would assess one-half, or 7 mills, of the present City mill rate against the residents of the outlying area for the first year after annexation. Petersburg City Councilmen run at large and therefore there would be no Council seat per se representing the annexed outlying area. During the public hearings in Petersburg, public sentiment ran about four to one against annexation. The August 26, 1975, election during which City voters rejected annexation was a straw vote on another proposed annexation and for which sketchy data had been gathered in regard to potential tax revenues. Service areas in the Unorganized Borough could be established by the Legislature only if the same services could not be provided by annexation to existing local governments.

The vote of the Commission had been three to one for the proposed annexation. Children in the outlying area presently attend City schools which receive tuition payments from the State. The economic future of Petersburg lies fishing and some logging. Industry would find it attractive to locate in the outlying area following annexation.

William Ruddy, the attorney representing the City of Petersburg, and William Mearig, representing the Petersburg city government, testified

of Petersburg currently lives outside the city limits. This means that those inside the city pay 19% more for municipal services than they just share, while those outside pay 19% less. Mr. Floden said that without the extension of planning and zoning powers to the present outlying areas they were likely to develop in a haphazard manner leading to severe water and sewage problems in the future. There were instances in the outlying area where land was being subdivided into ~~very small~~ lots too small handle on-site sewage and water. Mr. Floden said that the City's goal in the annexed area would be to maintain large lots so as to prevent the need to establish sewer and water lines to high density residential and commercial dwellings. Additionally the projected linkage of Mitkof Highway with a proposed Stikine Highway could result in unrestrained commercial development of gas stations, drive-ins, etc. along the way unless proper planning and zoning authority existed to control it. In response to Committee members' questions, he said he believed a comprehensive community development plan for Petersburg had been prepared in 1965/66.

Gertrude Lyons, a plaintiff in the court suit against the proposed annexation and a member of the Board of Directors of the Petersburg Indian Association, testified that the increased costs association with the extension of services to outlying areas would work an undue hardship on Native residents of Petersburg who were primarily dependent upon seasonal employment. Ms. Lyons said that the membership of the Petersburg Indian Association was approximately 185 adult persons and that the Association was the combined organization for the Tlingit-Haida Central Council, the Alaska Native Brotherhood, the Alaska Native Sisterhood, and Sealaska Corporation.

Sunny Hicks, a resident of the Petersburg area and opponent of the proposed annexation, characterized the community atmosphere of Petersburg as a "local Watergate situation" where neighbors were divided against one another and conversations were surreptitiously recorded. She believed that local animosities had been inflamed by the City's handling of the annexation petition. She stressed that the residents of the outlying area considered themselves to be members of the general Petersburg community and were willing to assume their share for local services. She questioned whether the City was capable of efficiently carrying out its present obligations, much less undertake more extensive ones without the compensation of major new revenues.

William Mearig requested to testify a second time to present his views as a private citizen in addition to his capacity as a city official. He said that the proposed annexation offered outlying residents their first chance to participate in the political decisions affecting them locally, even in the absence of a separate election district for the area. He stated that participation in local government in such matters as Coastal Management offered residents more protection than if they remained unorganized and allowed either the State or federal government to impose regulations on them.

In the absence of further public testimony on SJR 40, Chairman Orsini concluded public hearings on the resolution and adjourned the Committee at 6:28 PM.

significant interest in exercising planning for Coastal Management for Mitkof Island as well as achieving a wider basis for future municipal selection of state land. He also noted that the possibility of a deep water port had been studied for the southern tip of Mitkof Island.

Ed Lapeyri, a resident and General Manager of Mitkoff Lumber Company, a plaintiff in a court suit against the annexation, testified that outlying residents did not receive municipal services for which they did not pay. He stated that residents outside city limits paid a 15% surcharge for electricity and a 50% surcharge for water. As for fire protection, the State paid the City \$7.50 per capita for residents outside City limits. He submitted to the Committee the following petition signed by 543 residents of the general Petersburg area:

"WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION."

Mr. Lapeyri said that these signatures were obtained within three days last week and that every reasonable effort was made to insure that resident adults were the only persons who signed. He told the Committee that of the 543 petition signers, 193 lived outside the City and 350 lived within the City limits.

Mr. Lapeyri charged that during the City Council deliberations on the annexation petition, a show of hands indicated that only 11 of the 98 persons present supported annexation and that, of the 6 who testified in favor of the measure, four were city employees or relatives of Council members. He said that real property valuation for the 1975 proposed annexation was \$6.3 million and in 1977 only \$6.7 million for a slightly different area. He also cited an unidentified study undertaken by a local private firm that indicated no significant economic development in Petersburg in the future. In response to Committee members' questions he acknowledged that fishing was considerably more important economically to Petersburg than logging which he characterized as "shakey".

Gene Owens, a resident of Petersburg, testified in support of the proposed annexation. He stressed that the State had consistently urged localities to assume local government control in the Unorganized Borough in such matters as Coastal Management planning. Mr. Owens said that the annexation of land on Mitkof Island by Petersburg was consistent with that objective.

John Floden, city engineer for Petersburg, spoke in favor of the annexation recommendation and pointed out that the City had basically proposed a service area concept. He noted that 19% of the population

said that public hearings had been held by the Commission in Petersburg January 9 before an overflow crowd with the testimony being broadcast live over the local radio station. On January 16 the commissioners held a telephonic conference and approved a recommendation for the extension of the City of Petersburg boundary.

He explained that the Commission's recommendation called for the city boundary to be extended only over the northern portion of Mitkof Island an area of approximately 45 square miles. The City had originally petitioned for the annexation of all Mitkof Island, an area of approximately 211 square miles. Mr. Strandberg said that the Commission

AMENDMENT

SENATE JOINT RESOLUTION NO. 30

BY ORSINI

To page 1 line 13, after the second period add the following:

Regular

sessions are limited to ninety days. The legislature may extend the session for a period not to exceed twenty days by a concurrent resolution approved by a majority vote of the membership of each house; and an additional period not to exceed ten days by a concurrent resolution approved by a two-thirds majority vote of the membership of each house.



Alaska State Legislature

SENATE CALENDAR

OFFICIAL BUSINESS OF THE SENATE

WEDNESDAY

February 15, 1978
10:00 a.m.

Reverend Alfred Wakefield, Chaplain

THIRTY-EIGHTH LEGISLATIVE DAY

SECOND READING OF SENATE RESOLUTIONS

SJR 30 Proposing amendments to the Constitution of
the State of Alaska relating to regular and
special sessions of the legislature
(Judiciary report pg. 236)

SECOND READING OF SENATE BILLS

SB 367 An Act relating to special sessions of the
legislature
_____ eff. date
(Judiciary report pg. 237)

FIRST READING AND REFERENCE OF HOUSE BILLS

CS COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 373 by the
 HB Finance Committee, entitled:

373

"An Act creating a net income tax deduction for child adoption expenses; and providing for an effective date."

was read the first time and referred to the Health, Education and Social Services Committee and the Finance Committee.

HB HOUSE BILL NO. 675 by Representatives Malone and Cotten,
 675 entitled:

"An Act relating to transfer of control of a certificated public utility; and providing for an effective date."

was read the first time and referred to the Commerce Committee and the Finance Committee.

COMMUNICATIONS

The Secretary read a letter from Foster Diebold, Chief Administrator, University of Alaska stating that Gerald Bowkett, Director of Information Services for the University of Alaska will be in Juneau for a day and a half each week on Wednesday's and Thursday's and can be reached at 789-2101.

The Secretary announced receipt of a letter from B Allen, Commissioner, Department of Administration transmitting a report on contracting out data processing. Copies of the above are on file in the Senate Secretary's Office.

STANDING COMMITTEE REPORTS

SJR The Judiciary Committee has had SENATE JOINT RESOLUTION
 30 NO. 30 (proposing amendments to the Constitution of the State of Alaska relating to regular and special sessions of the legislature) under consideration and the committee reports it back as follows: Senator Hohman, Chairman, signed "no recommendation". Senator Ziegler signed "do not pass" and Senator Tillion signed "do pass".

SEN
 SENATE JOINT RESOLUTION
 Rules Committee
 February 10, 1978
 The Judiciary
 (Ballot)
 amend

SJR

38

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

FEBRUARY 7, 1978

Present: Chairman Orsini, Senators Willis, Hackney and Sumner. Wm. K. Mearig; J. R. Floden; Frances G. Westre; David A. Moffat; Gene Owens; Sigvald J. Strandberg; Erick J. Simpson; Sunny A. Hick; Gertrude Lyons; Lars Eide; Ed Lapeyri; James F. Petersen; Annette Smith; Bruce Aronson.

Absent: Senator Ferguson

Chairman Orsini convened the hearings at 3:15 PM. He announced that the Committee would take testimony on SJR 38, 29 & 40 but would take no action on the resolutions that day.

SJR 39 (Proposed Annexation by Haines Borough):

Chairman Orsini asked Sigvald Strandberg, Chairman of the Boundary Commission, to give the circumstances behind the proposed annexation of land on which stood fuel tanks formerly operated by the military. Mr. Strandberg described the action as pro forma in nature to allow the Haines Borough to eliminate a pocket of non-borough land inside its borders. He explained that the final disposition of tank farm property, which would be handled by the General Services Administration, would not be affected by the Borough's action and that the military had not objected to the proposed annexation. Mr. Strandberg also stated that no objections had been made by members of the public during the Boundary Commission's hearings in Haines. No one else wished to testify on SJR 39 and Chairman Orsini closed the hearings on the resolution.

SJR 38 (Proposed Annexation by the City of Skagway):

Mr. Strandberg noted that the City of Skagway originally requested to extend its boundary to the Canadian border and that of the Haines Borough. He noted that this raised the question in the Boundary Commission's opinion of what properly constituted city government versus that of a borough. The Commission therefore recommended a smaller extension of the City's boundaries and informed the City that it could, if conditions warranted, petition the Commission in the future to move its jurisdiction to the Canadian border. The City of Skagway supported this action by the Commission and agreed with the recommendation. Strandberg acknowledged that public testimony by persons residing outside the present City boundaries was opposed to annexations since they believed that they were already paying for municipal services through the sales tax. In response to questions from Committee members, he said that the Commission had not considered the inclusion of the Dyea area into the City of Skagway and that such an action would require separate Commission action.

William Ruddy, an attorney representing the City of Skagway, said that public opposition had been expressed to the proposed annexation but that it was not organized.

In the absence of further public testimony, Chairman Orsini closed the hearings on the resolution.

SJR 40 (Proposed Annexation by the City of Petersburg):

Mr. Strandberg said that public hearings had been held by the Commission in Petersburg January 9 before an overflow crowd with the testimony being broadcast live over the local radio station. On January 16 the commissioners held a telephonic conference and approved a recommendation for the extension of the City of Petersburg boundary.

He explained that the Commission's recommendation called for the city boundary to be extended only over the northern portion of Mitkof Island, an area of approximately 45 square miles. The City had originally petitioned for the annexation of all Mitkof Island, an area of approximately 211 square miles. Mr. Strandberg said that the Commission respected the City's reasons for the larger request, which included concerns about Coastal Management and municipal selection of state lands. He said that this again raised the question of borough versus city government and that the Commission had recommended an area for annexation that would take in almost all residents, but not all the territory, of Mitkof Island. He noted that, in the Commission's view, the natural development of the City of Petersburg lay along Mitkof Highway and that the outlying areas did benefit from municipal services. The incorporation of this area would remove the present tax inequity between the residents of the City and the outlying district. Mr. Strandberg pointed out that the City of Petersburg has a narrow tax base, but a fairly heavy bonded indebtedness. The 2,126 City residents have a bonded indebtedness of \$3.7 million against a property valuation of \$34 million. This gives the City a debt/valuation ratio of approximately 11% as opposed to a 5.4% ratio for the City and Borough of Juneau and 3% for the City of Ketchikan. He noted that there were considerable private land holdings south of Petersburg along the Mitkof Highway.

In response to questions from Committee members, Mr. Strandberg made the following comments: The City indicated that it would assess one-half, or 7 mills, of the present City mill rate against the residents of the outlying area for the first year after annexation. Petersburg City Councilmen run at large and therefore there would be no council seat per se representing the annexed outlying area. During the public hearings in Petersburg, public sentiment ran about four to one against annexation. The August 26, 1975, election during which City voters rejected annexation was a straw vote on another proposed annexation and for which sketchy data had been gathered in regard to potential tax revenues. Service areas in the unorganized Borough could be established by the Legislature only if the same services could not be provided by annexation to existing local governments.

The vote of the Commission had been three to one for the proposed annexation. Children in the outlying area presently attend City schools which receive tuition payments from the State. The economic future of Petersburg lies fishing and some logging. Industry would find it attractive to locate in the outlying area following annexation.

William Ruddy, the attorney representing the City of Petersburg, and William Meariq, representing the Petersburg city government, testified

jointly. Mr. Mearig stated that the 1975 annexation vote concerned the proposed annexation of West Petersburg, which has now incorporated separately as the City of Kupreanof, and did not pertain to the present recommendation. He noted that the Environmental Protection Agency was requiring the extension of sewer and water facilities to outlying areas. Either the City of Petersburg would provide these services or they would be mandated at the state or federal level. In response to questions from the Committee members, Mearig concurred that Petersburg's economic future lay with fishing and stated that any expansion of fishing facilities would probably occur at the four plants currently within the City's boundaries. Because of environmental and esthetic concerns, little or no development is likely to take place in the Narrows. He commented that strictly speaking it was illegal for the City to provide municipal services to the outlying area.

James Petersen, the attorney representing the plaintiffs in the court suit opposing the proposed annexation, testified that his clients opposed the annexation on the grounds that insufficient study had been given to the revenue, tax burden, and expense of the action. He stated that the original petition requesting annexation had been hastily put together and that the municipal ordinance had had its first reading with no public input. The second and third readings took place on the same night. Studies were lacking on population density, cost of police protection, cost of water and sewer facilities, and cost of electric power extension. Peterson said that his clients were not opposed to annexation per se and believed that the establishment of a service district (outside of the municipal boundary) could provide a viable solution. He emphasized that it was not only residents of outlying areas who opposed annexation but the residents of the City as well.

Frances Westre testified, as a member of the Petersburg City Council, that the Council had unanimously approved the proposed annexation as being in the best interests of the community of Petersburg and its environs. She said that the apparent haste in acting upon the petition was due to the legal requirement to submit all annexation recommendations to the Legislature by the tenth day of session. She pointed out that Petersburg and Wrangel were jointly studying a proposal for hydroelectric development in the Thomas Bay area that would provide relatively inexpensive power for economic development in the area. Ms. Westre said that Bruce Aronson of the Department of Community and Regional Affairs had originally raised the annexation question in Petersburg several years ago.

Lars Eide read to the Committee a letter he sent on December 12, 1977, to Commissioner of Community and Regional Affairs Lee McNerney protesting the proposed annexation as contrary to the wishes of the majority of the people of Petersburg. He stated he was part owner of Mitkof Lumber Company which employes approximately 23 persons about 75% of whom lived in the City and 90% of the company's production was exported.

David Moffat, City Manager of Petersburg, said that the impetus for annexation had originated from residents in the outlying areas and that he had heard of little opposition to the proposal from within the City. He noted that, without the existence of the City of Petersburg, it would be unlikely that industries outside city limits would have located in the area. Moffat pointed out that the City has a

significant interest in exercising planning for Coastal Management for Mitkof Island as well as achieving a wider basis for future municipal selection of state land. He also noted that the possibility of a deep water port had been studied for the southern tip of Mitkof Island.

Ed Lapeyri, a resident and General Manager of Mitkoff Lumber Company, a plaintiff in a court suit against the annexation, testified that outlying residents did not receive municipal services for which they did not pay. He stated that residents outside city limits paid a 15% surcharge for electricity and a 50% surcharge for water. As for fire protection, the State paid the City \$7.50 per capita for residents outside City limits. He submitted to the Committee the following petition signed by 543 residents of the general Petersburg area:

"WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION."

Mr. Lapeyri said that these signatures were obtained within three days last week and that every reasonable effort was made to insure that resident adults were the only persons who signed. He told the Committee that of the 543 petition signers, 193 lived outside the City and 350 lived within the City limits.

Mr. Lapeyri charged that during the City Council deliberations on the annexation petition, a show of hands indicated that only 11 of the 98 persons present supported annexation and that, of the 6 who testified in favor of the measure, four were city employees or relatives of Council members. He said that real property valuation for the 1975 proposed annexation was \$6.3 million and in 1977 only \$6.7 million for a slightly different area. He also cited an unidentified study undertaken by a local private firm that indicated no significant economic development in Petersburg in the future. In response to Committee members' questions he acknowledged that fishing was considerably more important economically to Petersburg than logging which he characterized as "shakey".

Gene Owens, a resident of Petersburg, testified in support of the proposed annexation. He stressed that the State had consistently urged localities to assume local government control in the Unorganized Borough in such matters as Coastal Management planning. Mr. Owens said that the annexation of land on Mitkof Island by Petersburg was consistent with that objective.

John Floden, city engineer for Petersburg, spoke in favor of the annexation recommendation and pointed out that the City had basically proposed a service area concept. He noted that 19% of the population

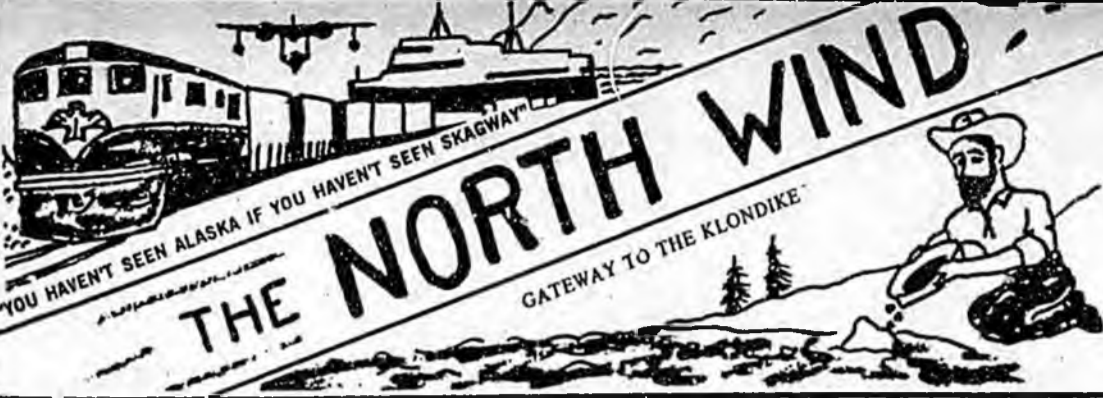
of Petersburg currently lives outside the city limits. This meant that those inside the city pay 19% more for municipal services than their just share, while those outside pay 19% less. Mr. Floden said that without the extension of planning and zoning powers to the present outlying areas they were likely to develop in a haphazard manner leading to severe water and sewage problems in the future. There were instances in the outlying area where land was being subdivided into lots too small handle onsite sewage and water. Mr. Floden said that the City's goal in the annexed area would be to maintain large lots so as to prevent the need to establish sewer and water lines to high density residential and commercial dwellings. Additionally the projected linkage of Mitkof Highway with a proposed Stikine Highway could result in unrestrained commercial development of gas stations, drive-ins, etc. along the way unless proper planning and zoning authority existed to control it. In response to Committee members' questions, he said he believed a comprehensive community development plan for Petersburg had been prepared in 1965/66.

Gertrude Lyons, a plaintiff in the court suite against the proposed annexation and a member of the Board of Directors of the Petersburg Indian Association, testified that the increased costs association with the extension of services to outlying areas would work an undue hardship on Native residents of Petersburg who were primarily dependent upon seasonal employment. Ms. Lyons said that the membership of the Petersburg Indian Association was approximately 185 adult persons and that the Association was the combined organization for the Tlingit-Haida Central Council, the Alaska Native Brotherhood, the Alaska Native Sisterhood, and Sealaska Corporation.

Sunny Hicks, a resident of the Petersburg area and opponent of the proposed annexation, characterized the community atmosphere of Petersburg as a "local Watergate situation" where neighbors were divided against one another and conversations were surreptitiously recorded. She believed that local animosities had been inflamed by the City's handling of the annexation petition. She stressed that the residents of the outlying area considered themselves to be members of the general Petersburg community and were willing to assume their share for local services. She questioned whether the City was capable of efficiently carrying out its present obligations, much less undertake more extensive ones without the compensation of major new revenues.

William Mearig requested to testify a second time to present his views as a private citizen in addition to his capacity as a city official. He said that the proposed annexation offered outlying residents their first chance to participate in the political decisions affecting them locally, even in the absence of a separate election district for the area. He stated that participation in local government in such matters as Coastal Management offered residents more protection than if they remained unorganized and allowed either the State or federal government to impose regulations on them.

In the absence of further public testimony on SJR 40, Chairman Orsini concluded public hearings on the resolution and adjourned the Committee at 6:28 PM.



Published by "Cy" Coyne
 P.O. Box 395, Skagway, Alaska 99840
 Tel. (907) 983-2200

Printed in U.S.A.

12 Issues: \$2.00 locally,
 \$2.50 in U.S., \$3.50 in Canada

Skagway - Home of the North Wind

SKAGWAY-DYEA-Finnegan's Point-Canyon City-Sheep Camp-Chilkoot Pass-Llarsville-White Pass City-Dead Horse Gulch-White Pass

Volume 14 No. 12

SKAGWAY, ALASKA 99840 - (since 1963)

January 27, 1978

HAPPY NEW YEAR

Extend warm greetings for a healthy and prosperous New

Trust you can live with an ir-
 issue, or so, being a bit on
 dy side, as a business & vacati
 is mandatory.
 is feeling much better after
 ration and appreciates the
 sses, flowers and cards.
 ope to increase our editions
 ar; give better local coverage;
 sent a better paper.

. PATTY SAID SO !

. Patty is a feature writer
 Seattle Times and is an auth-
 n Alaska and adjacent Canada.
 ould be as his father was a
 President of the University of
 and mining operator in Yukon.
 rote a special article on
 in the Seattle Times, Sunday,
 8, 1978 and concluded with:
 ES(Alaska) TO WATCH this year:
 , for one, with completion of
 highway soon into Carcross and
 on Territory, plus growth of
 Klondike Gold Rush National
 skagway will blossom!
 Patty stated to this publisher
 expected to be in Skagway this
 and note how the Park Develop-
 s doing and ride across the
 way.

SHOWS MERGE

Day's of '98 Variety Show &
 py Show expect to merge for
 mer season of 1978, according
 nt reports. The '98 Show is
 ed by the Eagles and Eagles
 rry, and has been off and on
 r 50 years, while the "Soapy"
 s about 5 years old, but which
 realistic resume' of "Soapy"
 Skagway's most famous Gold
 aracter.
 Mighty Moose show is expected
 rate agin this year, which will
 o star attractions. in 1978.

EDITORIAL WITH A PLEA! - - - - -

AN OPEN LETTER TO

THE STATE LEGISLATURE

SKAGWAY IS AN IMPORTANT GATEWAY &
 RICH IN HISTORICAL AND OTHER POTEN-
 TIALITIES - PAST, PRESENT AND FUTURE.

UNFORTUNATELY IT IS IN AN UNORGAN-
 IZED BOROUGH, WITH BUT A SMALL PORT-
 ION OF THE AREA BEING AN ORGANIZED
 CITY.

THE PROBLEMS ARE SO COMPLEX THAT
 THE PRESENT RECOMMENDATIONS FOR ANNEX-
 ING A SMALL PORTION OF THE AREA INTO
 THE CITY DOESN'T GO FAR ENOUGH; THE
 NUMBER OF PERSONS LIVING OUTSIDE THE
 CITY MAKES IT A GROWING PROBLEM TO
 GET TOGETHER WITH THE CITY AND AGREE
 ON AN APPROVED PLAN FOR COMMERCIAL
 AND PERSONAL USE OF THE VALUABLE &
 NEEDED WATERFRONT OUTSIDE OF THE CITY,
 PLUS OTHER PROBLEMS OF: MORE VISITORS;
 A NEW HIGHWAY TO ALASKA HIGHWAY; THE
 NEW NATIONAL PARK; A SUBSTANTIAL
 GROWTH AND DEVELOPMENT OF OIL & OTHER
 MINERALS IN YUKON AND NORTHWESTERN
 BRITISH COLUMBIA PORTIONS OF CANADA.

IT WOULD PRESENTLY APPEAR IMPOSS-
 IBLE FOR THE STATE GOVERNMENT TO RE-
 SOLVE IMPORTANT MATTERS FOR THE COM-
 MON GOOD OF THE AREA & ALASKA, WITH
 THE GROWING, DIVERGENT VIEWS OF PER-
 SONS BOTH WITHIN AND WITHOUT THE CITY.

IT IS, THEREFORE, RECOMMENDED THAT
 THE LEGISLATURE APPOINT A TASK FORCE
 COMMITTEE TO INVESTIGATE THIS UNFOR-
 TUNATE SITUATION TO ENDEAVOR TO COME
 UP WITH RECOMMENDATIONS WHICH WOULD
 BE TO THE BEST INTERESTS OF THE AREA,
 THE STATE AND THAT OF OUR CANADIAN
 NEIGHBORS.

IN SHORT: PLEASE DO NOT LET US BE
 LOCKED UP IN SUCH A WAY THAT WOULD
 HINDER THE GREATEST AND BEST USE FOR
 VISITOR AND COMMERCIAL PURPOSES KEEP-
 ING MIND THAT SKAGWAY HAS BEEN AN
 IMPORTANT GATEWAY FOR CANADIAN VISI-
 TORS AND OTHER BUSINESS FOR 79 YEARS,
 AND THE IMMEDIATE FUTURE PROSPECTS
 FOR GREATLY IMPROVED VISITOR & BUS-
 INESS USE FROM THIS SOURCE VIA THE
 NEW HIGHWAY, THE EXISTING RAILWAY &
 INCREASED AIR SERVICE IS SIGNIFICANT
 AND SHOULDN'T BE TAKEN LIGHTLY.

GOODBYE "PRINCESS P

C.P.Rail announces that
 the last year of the Alask
 ner PRINCESS PATRICIA alo
 Passage to Skagway as the
 mio prospects make requir
 ifications prohibitive.

It is a sad day for the
 Skagway to learn of this

The PRINCESS LINES ser
 de Passage before, during
 the KLONDIKE GOLD RUSH of
 later named the B.C.C.S(B
 bia Coastal Service) of t
 Pacific Railway. (Referenc
 PRINCESS (Lines) STORY on
 ious Canadian Book Stores)

It is regretted that th
 Pacific will sacrifice the
 Yukon missionary work
 in an attractive mineral
 appeal in the last frontie
 western America.

We will miss the office
 Ships' Personnel as well as
 als of the great Canadian
 Railway.

PRINCESS PATRICIA: Built
 Govan, Scotland; Gross Ton
 Speed-23.5, Cruising 18 km
 ing & 56 feet wide; 320 p
 90 crew; 152 cabins; Gan
 try and Crew; Launched 10/
 Princess Patricia (Lady P
 Eamsay), daughter of Duke
 6/16/49 Day ship on Tri-G
 handling 2,000 passengers
 5/31/63 Converted to Alask
 Service; 1965-66 & 1966-6
 ter to Princess Cruises, In
 winter season Los Angeles

HEALTH CA

We were supposed to su
 showing what health care
 ould be proposed for Skag
 lateness of this edition
 doing much about it. Cont
 Mulvihill, local director
 Alaska Health Systems Age
 be able to assist, althou
 ing was (or is) at Ketchi
 22nd.

F. 512 38
25¢

**A
LEGISLATIVE
PLEA!**

**Good-bye
'Princess Pat'**



THE NORTH WIND
GATEWAY TO THE KLONDIKE

"YOU HAVEN'T SEEN ALASKA IF YOU HAVEN'T SEEN SKAGWAY"

Published by "Cy" Coyne
P.O. Box 395, Skagway, Alaska 99840
Tel. (907) 983-2700

Printed in U.S.A.

12 Issues: \$2.00 locally,
\$2.50 in U.S., \$3.50 in Canada

Skagway — Home of the North Wind

SKAGWAY-DYEA-Finnegan's Point-Canyon City-Sheep Camp-Chilkoot Pass-Liarsville-White Pass City-Dead Horse Guich-White Pass

Volume 14 No. 12

SKAGWAY, ALASKA 99840 - (since 1963)

January 27, 1978

H A P P Y N E W Y E A R

We extend warm greetings for a happy, healthy and prosperous New Year!

We trust you can live with an irregular issue, or so, being a bit on the tardy side, as a business & vacati on trip is mandatory.

May is feeling much better after her operation and appreciates the good wishes, flowers and cards.

We hope to increase our editions this year; give better local coverage; and present a better paper.

EDITORIAL WITH A PLEA - - - - -

AN OPEN LETTER TO

THE STATE LEGISLATURE:

SKAGWAY IS AN IMPORTANT GATEWAY & RICH IN HISTORICAL AND OTHER POTENTIALITIES - PAST, PRESENT AND FUTURE.

UNFORTUNATELY IT IS IN AN UNORGANIZED BOROUGH, WITH BUT A SMALL PORT - ION OF THE AREA BEING AN ORGANIZED CITY.

GOODBYE "PRINCESS PATRICIA"

C.P.Rail announces that this will be the last year of the Alaska Cruise Id-ner PRINCESS PATRICIA along the Inside Passage to Skagway as the ship's economic prospects make required major modifications prohibitive.

It is a sad day for the Yukon and Skagway to learn of this decision.

The PRINCESS LINES served the Inside Passage before, during and since the KLONDIKE GOLD RUSH of 1898. It was later named the B.C.C.S (British Columbia Coastal Service) of the Canadian

STAN. PATTY SAID SO!

Stan. Patty is a feature writer for The Seattle Times and is an authority on Alaska and adjacent Canada.

He should be as his father was a former President of the University of Alaska and mining operator in Yukon.

He wrote a special article on Alaska in the Seattle Times, Sunday, January 8, 1978 and concluded with:

"CITIES(Alaskan) TO WATCH this year: Skagway, for one, with completion of the new highway soon into Carcross and the Yukon Territory, plus growth of the new Klondike Gold Rush National Park, Skagway will blossom!"

Mr. Patty stated to this publisher that he expected to be in Skagway this summer and note how the Park Development was doing and ride across the new Highway.

S H O W S M E R G E

The Day's of '98 Variety Show & the Soapy Show expect to merge for the summer season of 1978, according to recent reports. The '98 Show is sponsored by the Eagles and Eagles Auxiliary, and has been off and on for over 50 years, while the "Soapy" Shows is about 5 years old, but which gave a realistic resume' of "Soapy" Smith, Skagway's most famous Gold Rush Character.

The Mighty Moose show is expected to operate again this year, which will make two star attractions in 1978.

THE PRESENT RECOMMENDATIONS FOR ANNEXING A SMALL PORTION OF THE AREA INTO THE CITY DOESN'T GO FAR ENOUGH; THE NUMBER OF PERSONS LIVING OUTSIDE THE CITY MAKES IT A GROWING PROBLEM TO GET TOGETHER WITH THE CITY AND AGREE ON AN APPROVED PLAN FOR COMMERCIAL AND PERSONAL USE OF THE VALUABLE & NEEDED WATERFRONT OUTSIDE OF THE CITY; PLUS OTHER PROBLEMS OF: MORE VISITORS; A NEW HIGHWAY TO ALASKA HIGHWAY; THE NEW NATIONAL PARK; A SUBSTANTIAL GROWTH AND DEVELOPMENT OF OIL & OTHER MINERALS IN YUKON AND NORTHWESTERN BRITISH COLUMBIA PORTIONS OF CANADA.

IT WOULD PRESENTLY APPEAR IMPOSSIBLE FOR THE STATE GOVERNMENT TO RESOLVE IMPORTANT MATTERS FOR THE COMMON GOOD OF THE AREA & ALASKA, WITH THE GROWING, DIVERGENT VIEWS OF PERSONS BOTH WITHIN AND WITHOUT THE CITY.

IT IS, THEREFORE, RECOMMENDED THAT THE LEGISLATURE APPOINT A TASK FORCE COMMITTEE TO INVESTIGATE THIS UNFORTUNATE SITUATION TO ENDEAVOR TO COME UP WITH RECOMMENDATIONS WHICH WOULD BE TO THE BEST INTERESTS OF THE AREA, THE STATE AND THAT OF OUR CANADIAN NEIGHBORS.

IN SHORT: PLEASE DO NOT LET US BE LOCKED UP IN SUCH A WAY THAT WOULD HINDER THE GREATEST AND BEST USE FOR VISITOR AND COMMERCIAL PURPOSES KEEPING MIND THAT SKAGWAY HAS BEEN AN IMPORTANT GATEWAY FOR CANADIAN VISITORS AND OTHER BUSINESS FOR 79 YEARS, AND THE IMMEDIATE FUTURE PROSPECTS FOR GREATLY IMPROVED VISITOR & BUSINESS USE FROM THIS SOURCE VIA THE NEW HIGHWAY, THE EXISTING RAILWAY & INCREASED AIR SERVICE IS SIGNIFICANT AND SHOULDN'T BE TAKEN LIGHTLY.

Pacific Railway. (Reference: THE PRINCESS (Lines) STORY on sale in various Canadian Book Stores).

It is regretted that the Canadian Pacific will sacrifice the awakening Yukon missionary work that resulted in an attractive mineral and visitor appeal in the last frontier in North-western America.

We will miss the officers and other Ships' Personnel as well as the officials of the great Canadian Pacific Railway.

PRINCESS PATRICIA: Built 1949 at Govan, Scotland; Gross Tons-6,062; Speed-23.5, Cruising 18 knots; 374 feet long & 56 feet wide; 320 passengers & 90 crew; 152 cabins; Canadian Registry and Crew; Launched 10/5/48 by Princess Patricia (Lady Patricia Eamsay), daughter of Duke of Connaught; 6/16/49 Day ship on Tri-Caitly service handling 2,000 passengers & 60 Cars; 5/31/63 Converted to Alaska Cruise Service; 1965-66 & 1966-67 under charter to Princess Cruises, Inc., for winter season Los Angeles-Acapulco.

H E A L T H C A R E

We were supposed to run a story showing what health care changes should be proposed for Skagway, but, the lateness of this edition precluded doing much about it. Contact Carl Mulvihill, local director of S.E. Alaska Health Systems Agency, who may be able to assist, although next meeting was (or is) at Ketchikan Jan. 21 & 22nd.

MOVE THE CAPITOL

A majority of Alaska's voters said move the Capitol between Anchorage & Fairbanks because Juneau is 2 time zones away, foggy most of the time, etc

While applyin-g the principal of using the constitutional convention as reason to buck the move, not enough people give a dam.

An effort is being made to vote on the cost of moving same. Maybe it will make it and maybe it won't.

Recent papers and other media carry stories that it will cost 2½ billion to effect such a move.

Governor Hammond is reported as stating he would set up shop in a tent, if necessary, to affect an early move.

MAYBE THE REAL ANSWER IS MAKE SOUTHEASTERN ALASKA the 51st State.

WHAT'S DOING IN 1978!

1978 is expected to be a big Year in the North with more visitors, business development, more persons riding the Railway, more persons walking over Chilkoot Pass, more freight and more jobs.

The Gram Mine in Yukon, near Anvil, hopes to have a complete feasibility study finalized by April 1st: Millions are reported to have been spent so far

The White Pass & Yukon Railway is reported to have 57,000 advanced passenger reservations.

Hotels should be s. cked; Carcross Road section of Klondike International Highway should be completed in late summer; more persons are expected to hike over Chilkoot Pass; more building should be seen and the proposed State & Local port development should be

★★★ BUSINESS DIRECTORY ★★★

AIR SERVICESSKAGWAY AIR SERVICE

Charter Flights-Anywhere-Anytime
Phones: 983-2233 & 983-2218
BENNY LINGLE

L.A.B. FLYING SERVICE, INC.

Scheduled Twin-Engine Service bet.
SKAGWAY-HAINES-JUNEAU, Ex. Sunday.
Lv. Skagway 2:45 P.M.-Lv. Juneau 1:30.
Also charters-PH:Haines 766-2222.

BANKCURIO & GIFT SHOPSCORRINGTON'S ALASKA IVORY CO.

IVORY-JADE-GOLD-ALASKAN CORAL
(Open all year)

P.O. Box 382, Skagway, AK. 99840
(Phone: 907-983-2580)

BARANOF GIFT SHOP

Novelties - Gifts
Baranof Hotel Lobby
Juneau, Alaska Phone: 586-2660

HOTELSKLONDIKE HOTEL

Outdoor Bar-B-Q--Dining all Meals
Live Entertainment-Lounge

ICE-CREAM LIGHT LUNCHESSWEET TOOTH SALOON

Ice Cream - Donuts
Sandwiches on Homemade Bread
Open: 8:00am Tele: 983-2405

INSURANCECHILKOOT AGENCIES

Insurance - Bonds

Bank Building-Phone: 983-2240

PHOTO SUPPLIES-GIFTSDEDMAN'S PHOTO SHOP

Cameras-Film-Developing-Pictures
Books-Gifts-Greeting Cards
Broadway, Skagway, Alaska 99840
Tele: 983-2353

PLUMBING & HEATINGHAINES PLUMBING & HEATING

Box 436 - Haines, Alaska 99827
24 hour phone: Plumbing, Heating,
Large & Small Heating Systems and
Parts. PHONE: 766-2527

PRINTINGCHILKAT PRESS

Job Printing-Publishing
Haines, Alaska 99827
TEL: 766-2388

REAL ESTATECHILKOOT-REAL ESTATE

Lots-Homes-Businesses
List your real estate with us

started.

IT SHOULD BE A GREAT YEAR.

Tele: 983-2291 -- Skagway, Alaska

Bank Building Phone: 983-2200

NEW ARRIVALS

MASON, Matthew Brian, a son to Terry & Marlein Mason, Dec.13th., 6 Lbs., 10½oz., at Skagway.

TAYLOR, Mark Lawrence, a son to Paul & Denise Taylor, Dec.15th., at Whitehorse. 8 Lbs-7 oz.



SEE YOU IN AN IGLOO



"JACKET"

Many Sizes & Colors

Igloo Bar &
Igloo Liquor Store

MARIE A. KALSTROM-Proprietor
Skagway, Alaska - PH:2522



Pop its cap.

PEOPLE

Abbie Sparks (Wife of late Vic. Sparks, former painter, and resident) is in Mt. St. Vincent's Nursing Center 4831 35th., SW, Seattle, WA, 98126, and would like to hear from former neighbors.

Saw the Larry McGuane in San Mateo who wish to be remembered to everyone. They report daughter Sharon husband Otto Steinbronn and two daughters are still in Holland.

Ethyl Villevik in Olympic Memorial Hospital, Port Angeles, WA., with broken hip.

Spoke with George Villevik & Bill Dewar who send their best wishes.

Ditto Jackie & Gail Budd from Hansville, WA.

Juliette Meville returned from Maine & Vermont.

Neila & Pat McNamara dropped into hospital to see May.

May (Coynes) is out of hospital & hopes to have continued on her originally scheduled trip, (by the time you read this).

DEDICATION

The Pioneer Square in Seattle symbolizes the area where many persons took off from headed for the Klondike Gold Fields at Dawson City, Yukon, Canada, via the Skagway and nearby Dyea gateways, from 1897 onward.

It is part of the Klondike Gold Rush Historical National Park.

The National Park Service is making arrangements to dedicate this important take-off spot and hope to finalize arrangements this year, according to Russell E. Dickensen, Regional Director of the National Park Service, Seattle.

Dick Larkin and Bill Feero dropped by and said hello (In Seattle).

Art. Tunley left Anchorage for Los Gatos, CA., and Phoenix.

The Donald Buttles were due to leave for Portland, Ore.

Ms. Elsie Buttles said the Assembly of God Church would like to thank local people for Halloween Trick or Treat contributions for Alaska Youth Village in Juneau which was \$130.39 of \$250.00 sent that facility.

Peter Herpst of Skagway Band & Chorus has been nominated to "Who's Who in Music", a national organization Bx 2 29, Tuscaloosa, Alabama 35401.

IMPORTANT CITY BUSINESS SINCE JAN. 1st

The Chamber of Commerce is greatly concerned with the impact the pipeline through Canada will have on the City of Skagway.

On January 17, there was a Public HEW (Health, Education & Welfare) meeting. The purpose was to determine interest in establishing a Health Council for Skagway and area. The Health Council would consist of a group of people not actively involved in the medical profession, but attuned to local health needs and priorities.

Sewer and water projects are holding due to the cold weather. Streets and roads are being sanded as the wind permits. The City is aware of the slippery conditions, but the high winds make sanding difficult at times.



NEW CITY CLERK

The Above Pix shows Jim Arrington, new City Clerk, City of Skagway succeeding Dee Bolton, (who resigned to go into business).

Jim is former projects manager on newly constructed sewer and water projects and has a handle on local problems.

BIRTHS:

Sue & Robert Messegue produced a new voter, Emily Ann, at 1:10 a.m. on January 15th. The Mayor's new daughter weighed in at 9 lbs. 5 oz.

Let's talk...
about state property taxes.

P.S. PARKS-CANADA is expected to carry on the trails from U.S./Canadian Borders at Chilkot and White Passes near Skagway, and, have permanent commemorations at Bennett, B.C., on the White Pass & Yukon Railway, Whitehorse, and Dawson, where it all began, and where the Canadian Government is restoring historical buildings, sites, etc.

P.S. # 2. We are unofficially informed that the Province of British Columbia has taken a step towards co-operating in this permanent Klondike Gold Rush Historical Effort.

SKAGWAY HARDWARE



PHONE 2233

HARDWARE-BUILDING SUPPLIES
FURNITURE-FURNISHINGS-
FISHING TACKLE-RIFLES-GUNS

Bill Barstow,
Alaska Accounting Manager,
Exxon USA



Q I read where the owners of the trans-Alaska pipeline made the highest property tax payment to the State of Alaska that has ever been made to any taxing jurisdiction. Do all businesses in Alaska pay a State property tax?

A No. Only oil and gas related property in Alaska is subject to property taxes at the State level. Until recent years, property taxes in Alaska were assessed and collected only at the local (municipal) level. This system still applies to all property except petroleum industry properties. The 1973 Special Session of the Legislature enacted what is commonly referred to as the "20-Mill Hardware Tax," which became effective January 1, 1974. Properties taxable under this law include virtually all facilities and equipment used in Alaska for oil and gas exploration, production and pipeline transportation. This special law enabled the State to begin taxing the oil industry for its Prudhoe Bay and pipeline facilities three years before production began.

Q Are cities and boroughs also allowed to tax oil and gas property?

A Yes. State and local governments share in taxation and in tax revenues. The municipality

in which the property is located levies and collects its own taxes, based on the State assessed value, at the same tax rate as applied to other locally assessed property. Taxes paid to municipalities may be credited against the 20-mill State levy.

Q How significant is this tax as a source of State and local revenues?

A With the rapid pace of construction and final completion of the pipeline and the Prudhoe Bay Production facilities, the 20-mill tax, which is 2 percent of value, has quickly become a major revenue source for both the State and the municipalities. For fiscal 1977, the tax amounted to about \$169 million, of which approximately \$139 million went to the State and about \$30 million to local governments. For the 1978 fiscal year, this tax is expected to be the State's largest single source of tax revenue, providing about \$200 million to State and local governments.

Q What effect does the sharing of oil and gas property tax revenue have on local tax rates?

A When the value of oil and gas property is added to the tax base of a municipality, it permits the municipality to raise a given amount of revenue at a lower tax rate. This tax reduction benefits homeowners and local businesses but does not benefit oil companies since any reduction in municipal tax is offset by a corresponding increase in state taxes. The corresponding increase is due to oil companies being required to pay a combined total state and municipal property tax of 20 mills.

Q Are there other State taxes that apply only to the Petroleum industry?

A Yes. Alaska has four taxes which are levied only on oil and gas operations. The oldest of these is the Oil and Gas Properties Production Tax (severance tax). This tax has been increased several times since the discovery of Prudhoe Bay, and in 1977 the legislature increased the tax rate again by approximately 50% for oil and by 150% for gas. The other three taxes—the 20-mill property tax, the Oil and Gas Regulation and Conservation Tax and the Oil and Gas Reserves Tax (which applies only for 1976 and 1977)—were enacted in the past four years. Such a proliferation of state tax legislation on a single industry is unprecedented in this nation's history.

EXXON

MARK LEE RETIRES

Story and photos by Carl Mulvihill
(From: White Pass CONTACT)
Locomotive Engineer Mark H. Lee has recently retired from the railroad after 43 year of service.

Mark began his railroad career in April 1934 working on the maintenance-of-way track crews until he entered



MARK LEE

engine service in July 1937. He was promoted to engineer status effective September 1942. Except for World War II, when Mark served in the U.S. Army, he spent his entire adult life railroading on the White Pass

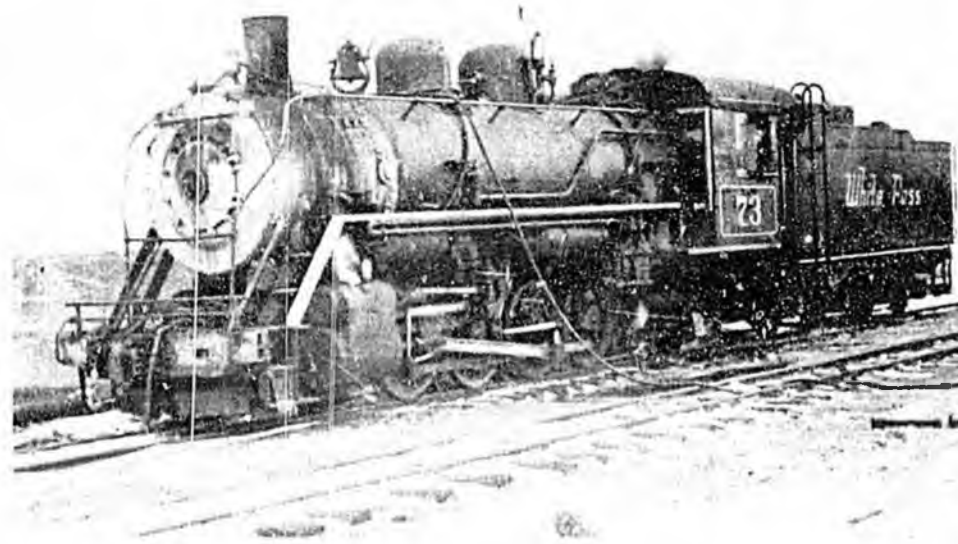
Mark has seen many changes over the years with White Pass as it has grown to meet the demands of the times. Possibly the most dramatic is with the locomotive power itself. When Mark started, the principle road power were the 59-class steam locomotives which could pull a 115 ton train up the "Big Hill" from Skagway. 1938 saw the arrival of the first Mikado which could haul 180 tons on the grade.

more hauling capacity than the 70-class engine, has its biggest advantage in its ability to have several diesel locomotives coupled in tandem and operated by only one engine crew.

Before Mark retired, it wasn't uncommon to see him hobnobbing up the track, at the head of 5 or 6 diesel locomotive units, which in themselves were probably longer in overall length than some of the entire prewar trains, pulling some 75 cars up the hill with a gross tonnage in excess of 1400 tons.

Mark vividly remembers the old steam engines, particularly after constantly shoveling scoopful after scoopful of coal into the firebox, hour after hour, just to maintain enough steam pressure to climb up the mountain grades. The steam engine cabs were never as comfortable as the modern diesel and Lee recalls during the "Good old days" in the winter, "you froze your butt on one side and roasted it on the other." Mark prefers riding the diesel - but fondly reminisces about the steam days.

Mark plans to take it easy for a while, getting lots of rest, and adjusting to a regular life - a real change from the irregular hours of a railroader who can be called for a run any time of the day or night. Mark figures that he is finally going to be able to finish some of his many projects, one of which is his "Liarsville" homestead just north of Skagway.



THOSE WERE THE DAYS

.....

(The author and photographer Carl Mulvihill is a train dispatcher at Skagway and has been acknowledged by many authors as their source of historical information about Skagway and White Pass. Ed.)



grades. The "70's" were the mainstay of the White Pass motive power until the advent of the diesel locomotive in 1954. During this period, when the trains were long and heavy, it was common practice to couple in the train one or more "helper engines" to assist it up the steep grades. Each of the helper engines had its own crew consisting of an engineer and a fireman. The 90-class diesel locomotive, rate at 200 tons, or only 40 tons

ALASKA

Christine Vaughan, Mgr.

L
I
Q
U
O
R

2 4 6 6

STORE

ACROSS FROM OLD
RAILWAY DEPOT:-

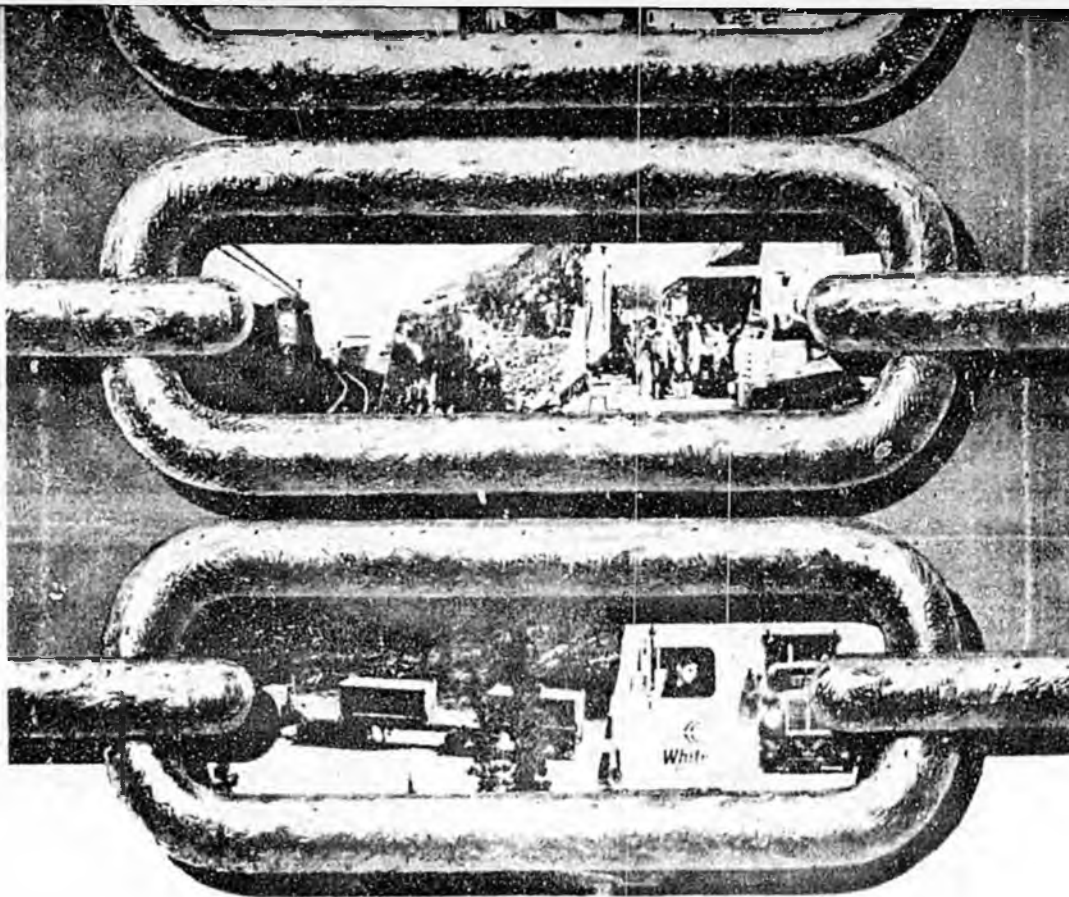


MOE's

*Frontier Bar
and
Liquor Store*

Phone: 2238

BROADWAY-Bet 4th & 5th.



The links of the chain

As the successor to the rugged Trail of '98, White Pass has forged communication and transportation links for Northern Canada using ships, trains and trucks. Each link is strong, independent and self-sufficient. Yet, each link looks to the others to complete the chain

The water link between Vancouver and Skagway is provided by two modern container-tanker ships, the M.V. Frank H. Brown and M.V. Klondike. Each week a ship departs from Vancouver for Skagway, to move your freight into the North, and returns with mineral concentrates. The rail link operates up to three trains daily in each

direction, hauling freight between Skagway and Whitehorse and returning with minerals destined for markets throughout the world. The highway link utilizes heavy duty trucks specially designed to handle efficiently all types of freight including general supplies, petroleum, bulk chemicals and mineral products.

Whether your goods are inbound to the North or outbound for southern Canada you can move them more efficiently and at lower cost through the White Pass chain. We forged these links to serve you and they grow stronger every year.



**White
Pass**

& Yukon chain of Hotels and Reservation complex.

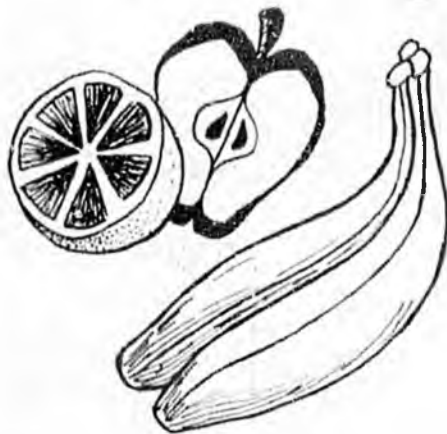
Failed to state Mel Tucker's name when Alaska Visitors held organizing meeting here in November. He has marketing venture in Anchorage and a good guy to know.

Trustees for Alaska wants us to join, but, we feel that this may be an organization which would lock up Skagway and Alaska from progressing. Time will tel just what kind of an organization this is.

Volunteer Firemen says thanks for for donation-they sure need a lot of help both in person-power and dough.

THE FAIRWAY STORE

GROCERIES, MEATS
FRUITS, VEGETABLES,
FROZEN FOODS



PHONE: 2 2 2 0

Legal Notice

NOTICE OF UTILITY APPLICATION

The ALASKA PUBLIC UTILITIES COMMISSION hereby gives notice of the filing of an application (Docket U-77-80) for transfer of Certificate of Public Convenience and Necessity No. 181, which authorizes the furnishing of cable television telecommunications service at Skagway, Alaska, from Jack Brown d/b/a SKAGWAY NETWORK TELEVISION to RICHARD G. DEDITUS d/b/a SKAGWAY NETWORK TELEVISION.

The transferee (Deditus) has been granted authority conditionally to furnish similar services at Craig, Klawock, Kake and Hydaburg. The application indicates that the transferee has had 7 years experience with cable television service and that no changes are proposed at present in the existing cable television rates in the transferor's tariff which is on file with the Commission.

More detailed information may be obtained from the transferee whose address is Box 2459, Juneau, Alaska 99803 or from Jack Brown, Box 233, Skagway, Alaska 99840. The complete filing is available for inspection also at the offices of the Alaska Public Utilities Commission, 1100 Mackay Building, 338 Denali Street, Anchorage, Alaska 99501.

Any interested person may file with the Commission by 4:30 P.M. January 30, 1978, a statement of views and specific reasons in favor of, or in opposition to, the transfer of Certificate of Public Convenience and Necessity No. 181 together with written confirmation that the same statement has been mailed or delivered to Jack Brown or Richard G. Deditus.

DATED at Anchorage, Alaska, this 29th day of December, 1977.

ALASKA PUBLIC UTILITIES COMMISSION
/s/ J. Lowell Jensen
J. Lowell Jensen
Executive Director

TED STEVENS

United States Senator
For Alaska



**ALASKA EXCLUDED FROM
COAL CONVERSION REQUIREMENT**

The House-Senate Conference Committee is continuing to hammer out the differences between the Senate and House versions of the National Energy Policy package. Work is now proceeding on two fronts. One group is working on the non-tax aspects of the package, while a second group just took up the tax-related portions last week.

The second of four non-tax parts, the Coal Conversion bill, was completed last week. The conferees agreed to prohibit new electric power plants and new major fuel-burning installations from burning oil or natural gas. New facilities are defined as those which were not under construction before April 20, 1977. Existing electric power plants and major fuel-burning installations will be prohibited from burning gas after January 1, 1990, and in some cases the Secretary of Energy is authorized to order existing facilities to convert to coal before that date. The Secretary may order existing oil-burning facilities to convert, either in categories or on a case-by-case basis.

Exemptions from these prohibitions are provided for many cases, including the unavailability of coal or alternate fuel source at reasonable costs, inadequate transportation capacity to bring the coal to the user, process requirements and technical infeasibility of burning coal, incompatibility with environmental regulations, and electric utility reliability factors.

Existing facilities in Alaska were excluded from the conversion requirements in the Senate version. Coal, although plentiful in Alaska, is not yet developed sufficiently to handle the demand if existing facilities are forced to convert. Existing transportation links would be inadequate and the cost of converting the facilities would be extremely high. The impact on consumer costs in Alaska would be severe.

M.V. AIRWEATHER



The pix shown above shows Westours' new passenger vessel being placed in the Juneau-Skagway service from May 20th., to September 28th, 1978. It will sail from Yankee Cove, 34.5 miles north of Juneau at 1:30 PM daily for Skagway, and Leave Skagway at 8:00 A.M for Juneau.

The new vessel is 102 foot long and will carry 149 passengers; cruising speed-18 knots; 1-way trip about 5½ hours; it will have 747 type seating and 4 stewardesses to make customers comfortable.

Power is 3 diesel engines generating 2,500 horsepower. Beam is 22 ft.

Skagway School Basket Ball Scores:

Christmas Tournament hosted here December 28-30. Wrangell, Haines and White Horse participated. Skagway played Wrangell for the championship and lost a close one by only three points, 51-48. Wrangell is a Class A school and Skagway is Class B.

January 6 & 7 found the Skagway Cagers at Hoona, where they won both games. The scores were 76-25 & 103-49!

Yakatat was here January 16 & 17. Once again, Skagway was victorious in both games - 60-44 on Monday and 56-45 on Tuesday.

THE KLONDIKE HOTEL



**Skiing isn't just fun,
glamour and
excitement.**

**It's health, fitness
and happiness too.**

Skiers really know how to live. And knowing how to live is one of the secrets of a long life. To live better... to live longer, means taking the simple care to exercise well. Because regular exercise is the only way to keep all of your 600 muscles in shape. Especially the most important one - your heart.

So, check into skiing at a ski area or shop near you. Or hike, or bike or play squash or swing a tennis racket. Join the people going for the good life.



Public Service Advertisement
for the President's Council
on Physical Fitness

"New LUNCHEON SPECIALS"

SERVED FROM 11:30 A.M. TO 1:30 P.M.
MONDAY THRU FRIDAY

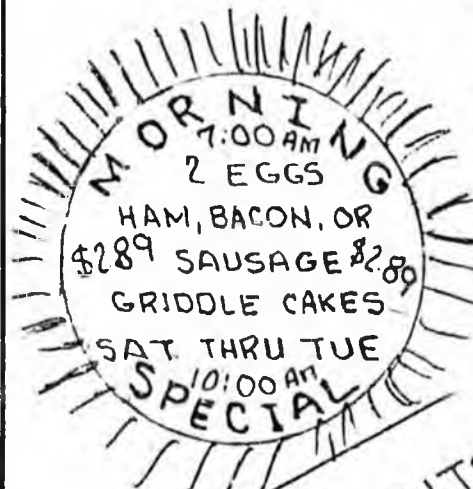
SIZZLING STEAK SANDWICH ON GRILLED FRENCH LOAF WITH FRIES AND GARNISH - \$3.69

HOT PASTERAMI ON RYE SERVED WITH KOSHER DILL AND FRIES - \$2.79

SUPER DOG, A PLUMP KNOCKWURST ON A BUN WITH SAURKRAUT AND FRIES - \$2.19

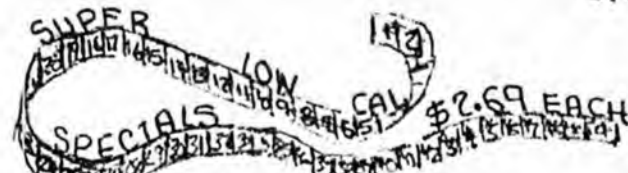
CHEESEBURGER DELUXE, A QUARTER POUND OF CHOICE BEEF WITH FRIES & GARNI - \$2.79

HIGH NOONER, BEEF HAM OR TURKEY PILED HIGH ON A ROLL WITH CHIPS AND KOSHER DILL - \$1.89



UP-COMING SPECIAL EVENTS
Watch for Nickie Beer Night - Coming up soon!
Another "Two Fingers" Tequila party with prizes and surprises for all!!

LADIES CARD DAY
WEDNESDAYS FROM
1:30 P.M. TO 4:00 P.M.
DRINKS HALF PRICE



A) FRESH GRAPEFRUIT, ORANGE, BANANA AND CHERRIES - CUP OF BOULLION, ONLY 335 CALORIES

B) ROLLED ROAST BEEF - CHEDDAR CHEESE WEDGE - TOSSED GREEN SALAD - CUP OF BOULLION - ONLY 255 CALORIES

C) TOMATOE STUFFED WITH TUNA SALAD - CUP OF BOULLION - ONLY 195 CALORIES

BONANZA LOUNGE
HOURS
11:30 - 1:30 FOR LUNCHES
5:00 - TIL ? EVENINGS
CLOSED SUNDAY



ENTERTAINMENT

SCHEDULE
STARTING JAN. 17 - 1978

DANCE MUSIC BY
"DARKLY GEORGE"
TUE. THRU SAT.

COMING IN FEBRUARY

CRACKERS & WITES
WITH
"DOLCIE"

SPORTS NIGHT

FOR ALL THE A&W
CHAIR Q.B.S & YOU
RETIRED COACHES;
THIS IS YOUR CHANCE
COMING SOON!

'TAX LOSS' IS REAL GAIN HERE

by Barbara D. Kalen

Following the somewhat sensational news story of a couple of months ago concerning possible adverse effects financially on Skagway due to the tax loss of property purchased by the Park, the National Park staff, with help from Skagway's City Hall, have worked up an accurate estimate of the tax loss, plus a run-down of income to Skagway due to National Park spending.

The six properties acquired so far, would have paid taxes of \$2,178.60. Eight more, expected to be purchased in 1978, will make an additional tax loss of \$2,794.49. Another four are planned for purchase in 1979, with a present tax revenue of \$2,389.28. The total potential loss by 1980 will come to \$7,362.37, which Skagway will not have really lost, as the Federal Grants in lieu of taxes will cover the first five years of ownership, and our Park people still firmly expect to be able to return most of the property to private ownership once it has been restored.

On the plus side, the National Park Service spent, not including land acquisition, \$109,600.00 in fiscal 1977. Estimating that half of this (mostly salaries) was spent locally, sales tax revenue would have been \$822.00. Indirect tax revenue, calculated on a multiplier effect, estimating that the locally spent money changes hands 3½ times, gives an estimate of another \$5,754.00 in local taxes.

So for the year of 1977,

Skagway landmark goes up in flames

by Barbara D. Kalen

Skagway lost a living landmark when an early morning fire gutted the famed "White House" hotel on Dec. 20. The alarm sounded at 4:20 a.m., and the Skagway Volunteer Fire Dept., plus a couple dozen or more helpers, battled for more than four hours before the last ember was out.

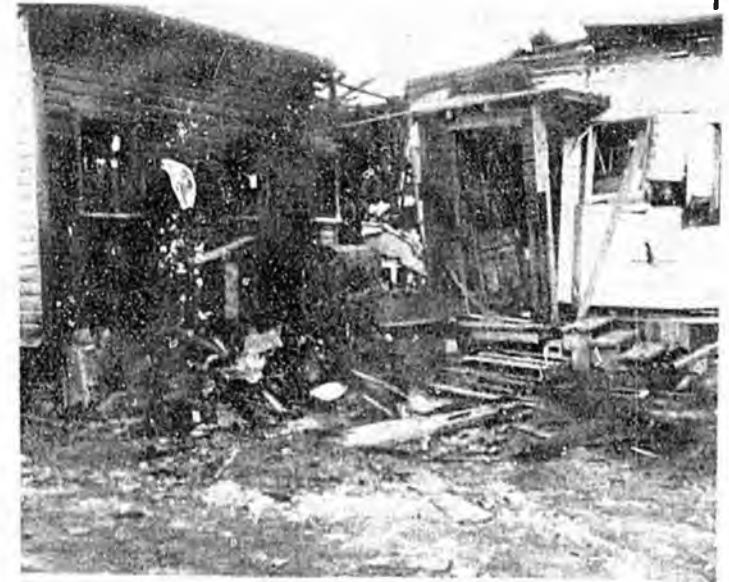
Built in the early 1900's by gambler Lee Guthrie, the White House was the finest built home in Skagway, and had the most lavish furnishings. It was also owned by early day druggist Britt, and in the late teens a Mr. Dickensen added a second story to the house. In the 1920's and 30's the White House was owned and operated by Mr. and Mrs. Frank Suffecool, who maintained showplace gardens. Mr. Suffe-

cool was owner of the Alaska Transfer Co.

During World War II, the U.S. Army took over the White House, adding a barracks wing, which was equipped to be used as an emergency hospital, though fortunately it was not need for this purpose. After the war, Nova Warner bought the White House, and he and his wife Wanda lived there, using it as both a family home and a small apartment-hotel complex.

The White House proper contained nine very large rooms, and the barracks had 12 more, plus two small apartments, and there were nine bathrooms.

The fire started in the north end of the barracks building, which was vacant and unheated for the winter. Warners smelled the smoke, located the fire and called in alarm while the fire was still quite small.



—photos by Dedman's Photo Shop, Skagway

It spread quickly through the one-story army building, and thence to the big house, and finally burned through nearly all of the roof, gutting the entire second floor of the house, and half the downstairs.

The Warner family lived in the farthest end from the fire, and with help, did manage to remove most of their furniture and personal belongings before the fire and water damaged them. No one was hurt, and only the youngest Warner child, Stewart, was still living at home. They have moved to Joe Herpst's rental house at the end of State St., and are still working at picking up the pieces. Nova works as a longshoreman, and is the local propane gas dealer; his wife Wanda is our post-mistress. We all join in extending our sympathy for their loss, and many have helped with the difficult and discouraging salvage job.

The building was uninsured.

was an estimated new money spent in Skagway of \$54,800.00, creating a direct tax gain of \$822.00 plus an indirect gain of \$5,754.00. 1978 appropriations have not yet passed Congress, but it is expected that spending will be considerably more than 1977, which was just a partial year, getting our new National Park established.

NEW FIREFIGHTER HELMETS

Three new style Cairns protective helmets have just been purchased by the Volunteer Firefighters. The new polycarbonate helmets have several features which make them superior to the older style "standard" plastic helmets.

Most prominent is their appearance, which closely resembles a football helmet and gives the firefighter better head protection from falling objects. The new helmet also has a snap-down face shield for added protection, especially for the eyes. One feature the firefighters really appreciate is the much higher melting point of the new helmets of 450° F. This is more than twice that of the older helmets, thus giving better protection in the high fire temperatures, which are usually in excess of 1000° in a fully involved building.

The winter liner, made from Nomex, a fire-retardant material, contributes by protecting the ears and neck from the intense heat.

The older helmets will gradually be replaced on the first run apparatus, as funds become available from the firefighter benefit programs and donations.

PERSONAL

Personal

Personal

Dear Norman (wherever you are),

We miss you! Please come home! I guess you're mad at me because I sold your rifle to pay for that last ad. Norman, dear, the children need you. Even Mamma misses you. Just the other day she said, "Where's Norman?" Please come home, Norman, it's been almost six months. Mamma says she'll give you back your bowling ball. She doesn't need it anymore for her wig since she wears it all the time now. You must admit dear, you weren't very nice to laugh at Mamma's wig. Noone else thinks she looks like George Washington.

Surprise, Norman, I bought a new rifle for you and it didn't cost us any money. I save so much money and time doing our laundry and dry cleaning at the KLOTHES RUSH coin drycleaning and laundry store on 5th and Broadway right next to the Skagway Artist's Co-op. The other day while I did my shopping I had those heavy living room draperies cleaned. It's much cheaper than buying new drapes this year.

Oh, you'll never guess who I saw at the KLOTHES'RUSH the other day - Carlton! He's single and doesn't have anyone to take care of him. He just found out about the Bundle Drop Service the KLOTHES RUSH has. He takes all his laundry there, even his bedspreads, blankets, towels, and rugs. They wash it, dry it, and fold it for him and he picks it up the next day. He says they do such a nice job. He even lets them launder his favorite blanket. He has to get that back the same day though since he can't sleep without it.

I'll be saving more time and money as soon as I can quit taking a taxi. Don't worry dear, none of us were hurt when I ran into the Chief of Police's car.

Your loving wife,

Claise

(Adv.)

CHAMBER OF COMMERCE

met at Klondike Dining Room Dec. 7th., with M.P. Taylor presiding. Newly elected president, John O'Daniel, was unable to be present and take office. Hope to install Dec. 26th. Treasurer's report was good; more brochures was discussed as was local brochure for visitors after arrival; Gary Danielson reported on Alaska Visitors Ass'n local efforts indicating 42 members; Information Center-6,000 persons signed register in 1977; Volunteer Fire Dept. was thanked for many things; Bank to expand; Boy Scout to organize; Annexation; and other subjects; Cy. Coyne resigned from Executive Board account of absence, and, recommended that Richard Hoffman be considered as he was Sup't of National Park Service and there should be a strong liason situation between the Service and the Chamber.

BANK TO EXPAND

The National Bank of Alaska is planning to expand their local facilities here by taking over the space rented to Chilkoot Agencies; Chilkoot Real Estate & former auto supply & clothing store, which will provide 6 teller windows, new furniture & equipment and what have you.

The local bank is part of a state-wide change, and, it is a pleasure to note that this said state-wide banking system began here in Skagway.

Hugh Hall is local manager and cashier.

ALASKA VISITORS ASS'N

T H A N K S !

The Publisher wishes to thank the National Park Service for the many Certificates of Appreciation issued locally to the persons and organizations which assisted in the Dedication of the Klondike Gold Rush National Historical Park here June 4, 1977, and for other purposes.

THE NORTH WIND and the Publisher received one each, and a glamorous Pix of said publisher taken June 4th.

T H E N O R T H W I N D

Next issue, or two, may be a bit off schedule. We plan on 12 plus issues this year beginning with Volume 15, plus a special summer edition for visitors.

We have had offers to sell this paper, and a new owner may do better with same; but, our view is that it will take a few years to be self-sustaining as we have had to dig in our pocket over the years.

However, we are trying to give more local news and will keep on trying.

Skagway Churches

ASSEMBLY OF GOD: 8th & State
Morning Worship at 11 A.M.
Evening Service at 7:30 P.M.
Pastor Micheal L. Roberts-983-2350

SKAGWAY BAPTIST MISSION:
(At Presbyterian Church)
Sunday School - 2 PM
Worship 3 PM
Rev. James Spencer PH: 2503

St. TERESE CATHOLIC CHURCH: 9th & State
Mass 7 P.M. Saturday
11 A.M. Sunday
Father James D. Cronin-983-2271

FIRST PRESBYTERIAN CHURCH: 5th & Main
Sunday School at 9:30 A.M.
Family Worship at 11: A.M. 983-2530
Rev. Ralph Weeks



REALTOR

OFFICE MOVED

ANNOUNCING THE REMOVAL

OF OUR OFFICE TO THE

SAVINGS



BUILD YOUR
STAKE WITH
ALASKA'S
PIONEER

met December 15th., and made further arrangements to make our Community more appealing to visitors; Guests; Ray Pederspn & Frank Wiggins of West-ours; Objectives discussed; as were committees: Legislative-Dorothy Shaplin; V.I.P. Barbara Moore, Jodi Bales & Phyllis Lytle; Chamber-Susan Slettevold; Rour operation liason-Dave Stevens; Pcs Pat Committee-Barbara Moore; next meeting February?; Trying to host various directors meetings & organization annual meetings; winter sports; folk festivals; P.R. Dept; Lease sternwheeler vessel on Lake Bennett; Gas line impact; Clean Up; Snow Rotary; Street Shows; Charter Fishing;

PLEASE PATRONIZE OUR ADVERTISERS!!!!!!

RED CEDAR LUMBER

Decorative Red Cedar Lumber
32¢ per Board Foot.

Beautiful Cottonwood - - - -
18¢ per Board Foot

ROUGH CUT TO ORDER - - - - -

PACIFIC CEDAR PRODUCTS
P.O. Box 129
HAINES. ALASKA 99827

PHONE: 766-2878

- home loan closings
- tax-deferred retirement savings accounts
- safety insured
- offices throughout Alaska

ALASKA FEDERAL SAVINGS
301 NORTH FRANKLIN STREET
JUNEAU, ALASKA 99801
586-1010



ADVERTISING & SUBSCRIPTION RATES
THE NORTH WIND

Box 395, Skagway, Alaska, 99840
Cyril A. "Cy" Coyne - Publisher
PH: (907) 983-2200 - - - - -

Page size: 10" x 15-7/8 High
printing area with three 3 1/4"
columns per page. Photo off-set
process; B&W photo (Color OK in
some instances).

RATES: Full page-\$100.00; 1/2-\$52.00;
1/3-\$27.00; 1/8th-\$14.00 for 48 col.
inch; 24"; 12" & 6" respect.
Basic column inch is \$2.50.

Legal & Classified 35¢ Col. LINE;
6 lines per column. \$2.50 Min.

SUBSCRIPTIONS: \$2.00 in town;
\$2.50 U.S.A; CANADA is \$3.50 &
first class. 12 issues. Monthly,
except June-July-August & Sept.,
twice a month; with Special Sum-
mer edition.

Close: 15th., month; Summer 1st &
15th. Summer-SPECIAL EDITION close
May 10th. CIRCULATION: 500 to
1,000 per issue; Summer edition
2,000+.

BUSINESS DIRECTORY-12 issues is
\$28.50.

FORMER FAIRWAY STORE
BUILDING ON FIFTH AVE.
PHONES: 2200 & 2240 -

CHILKOOT - REAL ESTATE

P. O. Box 395
Bark Bldg.
Phone (907) 983-2200
Skagway, Alaska 99840

THE NORTH WIND
Cyril A. "Cy" Coyne
Skagway, Alaska 99840

BILL RAY
165 BEHRENS AVE.
JUNEAU, AK 99801

Send the North Wind to friends and relatives.

FIRST CLASS MAIL



CITY OF SKAGWAY

GATEWAY TO THE GOLD RUSH OF "98"
P. O. BOX 415 SKAGWAY, ALASKA 99840

F: SJR
38

February 2, 1978

Senator Joseph L. Orsini
Chairman, Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Please reference your letter of 23 January 1978 concerning the recommendations of the Local Boundary Commission for annexation of land by the City of Skagway.

The views of all interested citizens of the Skagway community were considered by the City Council in the development of its annexation petition. Similarly, in the development of its recommendation, the Local Boundary Commission offered an opportunity for public participation and all views expressed by the City Council and concerned citizens were given full consideration. Although the boundary descriptions contained in the L.P.C. recommendations differ from those proposed in the City's petition, it is considered that they reflect an equitable compromise. Accordingly, the City Council recommends that the lands as described in the L.B.C. recommendation be annexed to the City of Skagway.

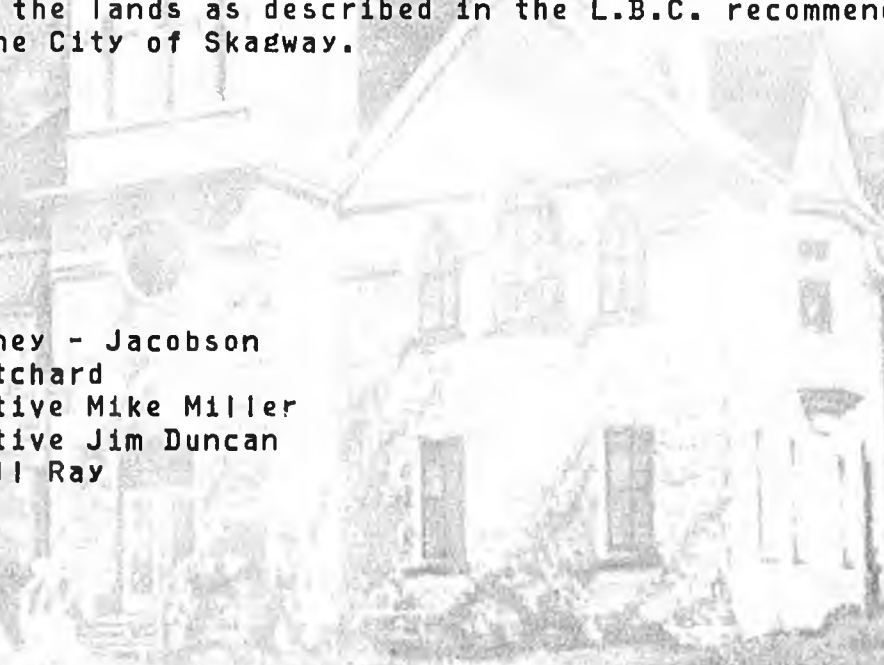
Sincerely,

G.D. Acker

G.D. Acker
City Manager

cc: City Attorney - Jacobson
DCRA - Pritchard
Representative Mike Miller
Representative Jim Duncan
Senator Bill Ray

GDACP





Official Business

Alaska State Legislature
House of Representatives

Office of the Majority Leader

F. SR
38
Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

February 3, 1978

To: Representative Lisa Rudd
From: Representative Mike Miller *lm*

Lisa--

I have advised the city of Skagway that unless they hear otherwise from you or from me, it should not be necessary for them to attend the hearings on the resolutions annulling Skagway's annexation. My understanding is that there is no opposition to the annexation and that the boundary commission will be explaining its annexation recommendations to you. If for any reason you feel my advice to the city was not correct, or if you know of some objection that I'm unaware of, I would appreciate your letting me know.

cc: Senator Orsini, Chairman Community and Regional Affairs Committee

✓ 1. Joe
2. F. 5312-38

COMMENTS BY SKAGWAY CITY MANAGER G.D. AKER RE SKAGWAY
BOUNDARY ANNEXATION RECOMMENDATION (SJR ³⁸40) 2-2-78

Aker said that the City had mailed today a letter to the Committee expressing its support of the Boundary Commission's recommendation.

Aker said that this recommendation was an "equitable compromise" between two views which had not been satisfactorily settled at the time of the commission's meetings. Apparently the original petition was drawn up requesting the maximum area last year. The City Council then in office pared down the request to a smaller area but maintained the documentation which supported the larger request. New city elections occurred last year and a new City Council was elected which wanted the larger area annexed. It was explained to them that the petition could not be amended by the Commission or the Legislature but only rejected. The Council then agreed to go ahead with the petition as the first City Council had approved. If further land was desired, it was agreed that a new petition would be drawn up. In the meantime, the City was eager to extend its boundaries to the extent outlined in SJR 40. ³⁸

Aker said that the Boundary Commission was very cooperative with the City in light of the confusion between the two boundary limits. As a result, the City fully supported the Commission's recommendation as presented in SJR 40. ³⁸

According to Aker, the City does not plan to send a representative to Juneau to testify at the hearings unless we believe that their presence is necessary.

Ben Harding



Official Business

Alaska State Legislature

Senate
Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

January 31, 1978

Mr. John R. Edwards
Mayor
City of Skagway
P.O. Box 415
Skagway, Alaska 99840

Dear Mr. Edwards:

On February 7, the Senate Community and Regional Affairs Committee will hold hearings on the recommendations made by the Local Boundary Commission regarding the annexation of land by the Haines Borough SJR 39 and the Cities of Petersburg SJR 40 and Skagway SJR 38.

The Senate C&RA meetings are scheduled for 3:00 P.M. in Room 106 of the Assembly Building and public testimony will be taken prior to Committee action on the recommendations. Comments may also be submitted in writing prior to February 7 by those who wish to testify but are unable to travel to Juneau.

In the event that the hearings are not completed on February 7, further hearings will be held at the same time and place on February 9.

Sincerely,

A handwritten signature in cursive script that reads "Joe Orsini".

Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

SJR

39

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

FEBRUARY 7, 1978

Present: Chairman Orsini, Senators Willis, Hackney and Sumner. Wm. K. Mearig; J. R. Floden; Frances G. Westre; David A. Moffat; Gene Owens; Sigvald J. Strandberg; Erick J. Simpson; Sunny A. Hick; Gertrude Lyons; Lars Eide; Ed Lapeyri; James F. Petersen; Annette Smith; Bruce Aronson.

Absent: Senator Ferguson

Chairman Orsini convened the hearings at 3:15 PM. He announced that the Committee would take testimony on SJR 38, 29 & 40 but would take no action on the resolutions that day.

SJR 39 (Proposed Annexation by Haines Borough):

Chairman Orsini asked Sigvald Strandberg, Chairman of the Boundary Commission, to give the circumstances behind the proposed annexation of land on which stood fuel tanks formerly operated by the military. Mr. Strandberg described the action as pro forma in nature to allow the Haines Borough to eliminate a pocket of non-borough land inside its borders. He explained that the final disposition of tank farm property, which would be handled by the General Services Administration, would not be affected by the Borough's action and that the military had not objected to the proposed annexation. Mr. Strandberg also stated that no objections had been made by members of the public during the Boundary Commission's hearings in Haines. No one else wished to testify on SJR 39 and Chairman Orsini closed the hearings on the resolution.

SJR 38 (Proposed Annexation by the City of Skagway):

Mr. Strandberg noted that the City of Skagway originally requested to extend its boundary to the Canadian border and that of the Haines Borough. He noted that this raised the question in the Boundary Commission's opinion of what properly constituted city government versus that of a borough. The Commission therefore recommended a smaller extension of the City's boundaries and informed the City that it could, if conditions warranted, petition the Commission in the future to move its jurisdiction to the Canadian border. The City of Skagway supported this action by the Commission and agreed with the recommendation. Strandberg acknowledged that public testimony by persons residing outside the present City boundaries was opposed to annexations since they believed that they were already paying for municipal services through the sales tax. In response to questions from Committee members, he said that the Commission had not considered the inclusion of the Dyea area into the City of Skagway and that such an action would require separate Commission action.

William Ruddy, an attorney representing the City of Skagway, said that public opposition had been expressed to the proposed annexation but that it was not organized.

In the absence of further public testimony, Chairman Orsini closed the hearings on the resolution.

SJR 40 (Proposed Annexation by the City of Petersburg):

Mr. Strandberg said that public hearings had been held by the Commission in Petersburg January 9 before an overflow crowd with the testimony being broadcast live over the local radio station. On January 16 the commissioners held a telephonic conference and approved a recommendation for the extension of the City of Petersburg boundary.

He explained that the Commission's recommendation called for the city boundary to be extended only over the northern portion of Mitkof Island, an area of approximately 45 square miles. The City had originally petitioned for the annexation of all Mitkof Island, an area of approximately 211 square miles. Mr. Strandberg said that the Commission respected the City's reasons for the larger request, which included concerns about Coastal Management and municipal selection of state lands. He said that this again raised the question of borough versus city government and that the Commission had recommended an area for annexation that would take in almost all residents, but not all the territory, of Mitkof Island. He noted that, in the Commission's view, the natural development of the City of Petersburg lay along Mitkof Highway and that the outlying areas did benefit from municipal services. The incorporation of this area would remove the present tax inequity between the residents of the City and the outlying district. Mr. Strandberg pointed out that the City of Petersburg has a narrow tax base, but a fairly heavy bonded indebtedness. The 2,126 City residents have a bonded indebtedness of \$3.7 million against a property valuation of \$34 million. This gives the City a debt/valuation ratio of approximately 11% as opposed to a 5.4% ratio for the City and Borough of Juneau and 3% for the City of Ketchikan. He noted that there were considerable private land holdings south of Petersburg along the Mitkof Highway.

In response to questions from Committee members, Mr. Strandberg made the following comments: The City indicated that it would assess one-half, or 7 mills, of the present City mill rate against the residents of the outlying area for the first year after annexation. Petersburg City Councilmen run at large and therefore there would be no council seat per se representing the annexed outlying area. During the public hearings in Petersburg, public sentiment ran about four to one against annexation. The August 26, 1975, election during which City voters rejected annexation was a straw vote on another proposed annexation and for which sketchy data had been gathered in regard to potential tax revenues. Service areas in the unorganized Borough could be established by the Legislature only if the same services could not be provided by annexation to existing local governments.

The vote of the Commission had been three to one for the proposed annexation. Children in the outlying area presently attend City schools which receive tuition payments from the State. The economic future of Petersburg lies fishing and some logging. Industry would find it attractive to locate in the outlying area following annexation.

William Ruddy, the attorney representing the City of Petersburg, and William Meariq, representing the Petersburg city government, testified

jointly. Mr. Mearig stated that the 1975 annexation vote concerned the proposed annexation of West Petersburg, which has now incorporated separately as the City of Kupreanof, and did not pertain to the present recommendation. He noted that the Environmental Protection Agency was requiring the extension of sewer and water facilities to outlying areas. Either the City of Petersburg would provide these services or they would be mandated at the state or federal level. In response to questions from the Committee members, Mearig concurred that Petersburg's economic future lay with fishing and stated that any expansion of fishing facilities would probably occur at the four plants currently within the City's boundaries. Because of environmental and esthetic concerns, little or no development is likely to take place in the Narrows. He commented that strictly speaking it was illegal for the City to provide municipal services to the outlying area.

James Petersen, the attorney representing the plaintiffs in the court suit opposing the proposed annexation, testified that his clients opposed the annexation on the grounds that insufficient study had been given to the revenue, tax burden, and expense of the action. He stated that the original petition requesting annexation had been hastily put together and that the municipal ordinance had had its first reading with no public input. The second and third readings took place on the same night. Studies were lacking on population density, cost of police protection, cost of water and sewer facilities, and cost of electric power extension. Peterson said that his clients were not opposed to annexation per se and believed that the establishment of a service district (outside of the municipal boundary) could provide a viable solution. He emphasized that it was not only residents of outlying areas who opposed annexation but the residents of the City as well.

Frances Westre testified, as a member of the Petersburg City Council, that the Council had unanimously approved the proposed annexation as being in the best interests of the community of Petersburg and its environs. She said that the apparent haste in acting upon the petition was due to the legal requirement to submit all annexation recommendations to the Legislature by the tenth day of session. She pointed out that Petersburg and Wrangel were jointly studying a proposal for hydroelectric development in the Thomas Bay area that would provide relatively inexpensive power for economic development in the area. Ms. Westre said that Bruce Aronson of the Department of Community and Regional Affairs had originally raised the annexation question in Petersburg several years ago.

Lars Eide read to the Committee a letter he sent on December 12, 1977, to Commissioner of Community and Regional Affairs Lee McAnerney protesting the proposed annexation as contrary to the wishes of the majority of the people of Petersburg. He stated he was part owner of Mitkof Lumber Company which employes approximately 23 persons about 75% of whom lived in the City and 90% of the company's production was exported.

David Moffat, City Manager of Petersburg, said that the impetus for annexation had originated from residents in the outlying areas and that he had heard of little opposition to the proposal from within the City. He noted that, without the existence of the City of Petersburg, it would be unlikely that industries outside city limits would have located in the area. Moffat pointed out that the City has a

significant interest in exercising planning for Coastal Management for Mitkof Island as well as achieving a wider basis for future municipal selection of state land. He also noted that the possibility of a deep water port had been studied for the southern tip of Mitkof Island.

Ed Lapeyri, a resident and General Manager of Mitkoff Lumber Company, a plaintiff in a court suit against the annexation, testified that outlying residents did not receive municipal services for which they did not pay. He stated that residents outside city limits paid a 15% surcharge for electricity and a 50% surcharge for water. As for fire protection, the State paid the City \$7.50 per capita for residents outside City limits. He submitted to the Committee the following petition signed by 543 residents of the general Petersburg area:

"WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION."

Mr. Lapeyri said that these signatures were obtained within three days last week and that every reasonable effort was made to insure that resident adults were the only persons who signed. He told the Committee that of the 543 petition signers, 193 lived outside the City and 350 lived within the City limits.

Mr. Lapeyri charged that during the City Council deliberations on the annexation petition, a show of hands indicated that only 11 of the 98 persons present supported annexation and that, of the 6 who testified in favor of the measure, four were city employees or relatives of Council members. He said that real property valuation for the 1975 proposed annexation was \$6.3 million and in 1977 only \$6.7 million for a slightly different area. He also cited an unidentified study undertaken by a local private firm that indicated no significant economic development in Petersburg in the future. In response to Committee members' questions he acknowledged that fishing was considerably more important economically to Petersburg than logging which he characterized as "shakey".

Gene Owens, a resident of Petersburg, testified in support of the proposed annexation. He stressed that the State had consistently urged localities to assume local government control in the Unorganized Borough in such matters as Coastal Management planning. Mr. Owens said that the annexation of land on Mitkof Island by Petersburg was consistent with that objective.

John Floden, city engineer for Petersburg, spoke in favor of the annexation recommendation and pointed out that the City had basically proposed a service area concept. He noted that 19% of the population

of Petersburg currently lives outside the city limits. This meant that those inside the city pay 19% more for municipal services than their just share, while those outside pay 19% less. Mr. Floden said that without the extension of planning and zoning powers to the present outlying areas they were likely to develop in a haphazard manner leading to severe water and sewage problems in the future. There were instances in the outlying area where land was being subdivided into lots too small handle onsite sewage and water. Mr. Floden said that the City's goal in the annexed area would be to maintain large lots so as to prevent the need to establish sewer and water lines to high density residential and commercial dwellings. Additionally the projected linkage of Mitkof Highway with a proposed Stikine Highway could result in unrestrained commercial development of gas stations, drive-ins, etc. along the way unless proper planning and zoning authority existed to control it. In response to Committee members' questions, he said he believed a comprehensive community development plan for Petersburg had been prepared in 1965/66.

Gertrude Lyons, a plaintiff in the court suite against the proposed annexation and a member of the Board of Directors of the Petersburg Indian Association, testified that the increased costs association with the extension of services to outlying areas would work an undue hardship on Native residents of Petersburg who were primarily dependent upon seasonal employment. Ms. Lyons said that the membership of the Petersburg Indian Association was approximately 185 adult persons and that the Association was the combined organization for the Tlingit-Haida Central Council, the Alaska Native Brotherhood, the Alaska Native Sisterhood, and Sealaska Corporation.

Sunny Hicks, a resident of the Petersburg area and opponent of the proposed annexation, characterized the community atmosphere of Petersburg as a "local Watergate situation" where neighbors were divided against one another and conversations were surreptitiously recorded. She believed that local animosities had been inflamed by the City's handling of the annexation petition. She stressed that the residents of the outlying area considered themselves to be members of the general Petersburg community and were willing to assume their share for local services. She questioned whether the City was capable of efficiently carrying out its present obligations, much less undertake more extensive ones without the compensation of major new revenues.

William Mearig requested to testify a second time to present his views as a private citizen in addition to his capacity as a city official. He said that the proposed annexation offered outlying residents their first chance to participate in the political decisions affecting them locally, even in the absence of a separate election district for the area. He stated that participation in local government in such matters as Coastal Management offered residents more protection than if they remained unorganized and allowed either the State or federal government to impose regulations on them.

In the absence of further public testimony on SJR 40, Chairman Orsini concluded public hearings on the resolution and adjourned the Committee at 6:28 PM.

LETTER TO MAYORS OF: HAINES BOROUGH
CITY OF PETERSBURG
CITY OF SKAGWAY
(cc: CITY OF HAINES)

Dear _____

On February 7, the Senate Community and Regional Affairs Committee will hold hearings on the recommendations made by the Local Boundary Commission regarding the annexation of land by the Haines Borough ^(SSR 39) and the Cities of Petersburg ^(SSR 40) and Skagway ^(SSR 38).

The Senate C & RA meetings are scheduled for 3:00 PM in Room ¹⁰⁶ ~~100~~ of the Assembly Building and public testimony will be taken prior to Committee action on the recommendations. Comments may also be submitted in writing prior ^{to} ~~of~~ February 7 by those who wish to testify but are unable to travel to Juneau.

In the event that the hearings are not completed on ~~the~~ February 7, further hearings will be held at the same time and place on February 9.

Sincerely,
Joe Orsini
Chairman, etc.

cc Rich Simpson
DC+RA



Official Business

Alaska State Legislature

Senate Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

January 31, 1978

David A. Black
Mayor
Haines Borough
Box H
Haines, Alaska 99827

Dear Mr. Black:

On February 7, the Senate Community and Regional Affairs Committee will hold hearings on the recommendations made by the Local Boundary Commission regarding the annexation of land by the Haines Borough SJR 39 and the Cities of Petersburg SJR 40 and Skagway SJR 38.

The Senate C&RA meetings are scheduled for 3:00 P.M. in Room 106 of the Assembly Building and public testimony will be taken prior to Committee action on the recommendations. Comments may also be submitted in writing prior to February 7 by those who wish to testify but are unable to travel to Juneau.

In the event that the hearings are not completed on February 7, further hearings will be held at the same time and place on February 9.

Sincerely,

A handwritten signature in cursive script that reads "Joe Orsini".

Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

cc: City of Haines
City Clerk - Paul Swift
Erick Simpson
Department of Community &
Regional Affairs

SJR

40

Petersburg Alaska

June 7, 1978

F: 532

40

The Honorable Joe Ossini, Senator

Pouch V

Juneau Alaska

Dear Senator,

This letter is to let you know my opinion on a certain portion of your news letter which you sent to me. It is in regards to a certain sentence of para. 1, page 3, viz.

"No one guaranteed it would be easy, but with — — — — —".

This last sentence states that elected officials should be removed from office if they flout the collective opinion of the the public. I heartily agree with you on this statement.

As you well remember, there were public hearings before the Senate and House Community and Regional Affairs Committees

Concerning the annexation of certain lands to the city of Petersburg. There was testimony that showed that the public was against the annexation by a margin of almost 3½ to 1. The resolution was allowed to die in Committee and was not let out on the floor to be voted on by the legislature as a whole. Now, is that a way to preserve a democracy as you so nobly state in the fore part of the same paragraph.

Because of the stand taken by the above mentioned committees and the flouting of the will of the majority, the community of Petersburg is suffering from animosities and divisions created by the inaction of the afore-mentioned committees. Irreparable harm has been done to the community and it will years for the wounds of this dissension to heal. And, all of this was caused by the flouting

of the opinions of the majority of the electorate
by the elected and appointed officials from
the city level to the legislative level.

Again, let me state, that I concur
whole heartedly with your statement
that elected officials should not flout the
opinions of the majority of the electorate.
Let us hope that this will not happen
again.

Sincerely
Larry Eide
P.O. Box 942
Petersburg Alaska
99833

Slagway - generally opposed any annexation in testimony
felt support it, by sales tax

Ruddy - Slagway atty

Petersburg

1/9/78 hearing in Peters. - well attended & local broadcast

1/16 telephonic decisional meeting

Initially, city wanted all Mithof Is.

Coast Mgmt

State selectable land

"City" purposes - delivery of services & city jurisdiction

in unincorporated
(as 14 mil)

7 mil levy on new area for 1 yr; review for other tax/lev

Outside residents benefitting from City, but not paying

Six port holdings outside of City along levy

Pete - "narrow" tax base - \$34M annual 2126 pop Gov Bond \$3.75M

\$1700 debt/cap ~ 11% debt to road

- label Council hearing
- Com notes
- pop's
- for future
- credit now
- groups see
- can't do plan?

date: Hearing testimony 4:1 opposed

"Windward" appraisal in '75 (Aug 26, 1975 election)

(78

Com Strand, Anderson, Haysom, Dodson (all abs)

Dodson dissented, feeling Com act'g to fast

(2)

state tuition students

Readdy - Jacobsen is main man

Mearing - City employee - electric util supt ——— ^{less mile 18} incorp 1910
expansion is down the highway - attractive area

75 elec was for area across channel - organ Kuperus of (3rd
class city - geog very large)

Ruddy - support LBC, but would like more

City has been supplying svc

out businesses: mill, logging, const/logging
restaurant, some retail busn

services - fire, pol, aml, educ, hydro power, w + s

no svc dist

expansion of pwr. would prob take place as expansion
of existing facil. Other poten sites but
not environ feas.

So of proposed area: 35 pop

Peterson - main concern is lack of information - hasty decision
erroneous information - (?)

Initial ordinance - rushed - 80% approved

Power plant not incl; bulk of 17 not incl;
bulk of st elec not incl; rec sites not incl;
logging ops not incl

(3)

no info on svc cost to city -

non-res pay surcharge on elec

no study on pop ~~density~~ density & cost of svc

service dist concept would mitigate some of opposition

Westre - City Council

- supports annexation; ^{unanimous support - 6 memb} former elec. was
opposed due to non-city area in '75

Five parts a real problem

W & S are never funded

Other indus possible w/cheaper elec power

OEDP upgrading

Eide - 34 yr res. of Petersburg ^{Smithoff} owns Lumber Co (out of city)

no change in citizen opposition to annex.

1 mile of rd w/ no accidents - rest of area reported

75% of workers in City limits; export products

40 acre Co.

Moffat - City Mgr. 1 1/2 yr mgr (in City that long)

residents outside of city generated petition of annex.

a "number of calls"

resolved as a matter of necessity

(4)

500
12
600

the 50% levy covers soc already provided

Standby - troops will remain in Petersburg

Outside people wanted annexation, Ahrenson came to them & talked (discouraged them from trying annex. pet.) went to Council & Com. initiated action

Japanier - city resident & mgr. of Mittleff Lumber Co.

50-70 people @ ordinance hearing, passed anyway

98+ people @ LBE hearing ~ 25% favored annex in testimony
~ 11% favor on show of hands

water & elec ~~15%~~ surcharge - 15% elec, 50% water
Fire supt is \$7.50 rev shar dist

City sales tax figures are 3x higher than actual to be ^{\$150K}

Petition oppose 353 in 193 out

'75 assess val \$6.3M; \$6.7='77 (all of Mittleff Co)

Survey on future dev of Peters. - Not much growth
reduction of boundaries ~ 15 yrs ago

Outside pop of 402

Timber ~ 25 cu ft per acre ~ 200

5

34 M / 2000 6.5 M / 400 4

cash flow during annex.

Owens - favors annexation due to CEM
lives made city

Floden - City resident & City Engr
50% (7 miles) will pay for present svc - are proposing
svc. area approach.
if 500+ signatures, that is ~ 1/3 of adult residents

Increase P+Z Comm by 2, these to be from new area

Dangerous sewage extension now in subdivisions now -
future problems
Comp Plan 1965±

Lynn - City resident for 5+ generations Peter's Indian Assn
oppose A for hardship on Native people - mostly unemployed

Wicks - outside - owns Beachcomer Inn

City has problems to overcome prior to annexation
May cost city more than less

People in & out of city are concerned about health
of city - limits to expansion

185 adults

6

△

Mearig = as a citizen

wave outside members 1 yr residency for membership in council

form separate SE Ah. Coast Pol Group to protect self from
state & feds. Loc govt is better protic from st/fed
govt.

FOR: Senate Community and Regional Affairs Committee members

1/5

PREPARED BY: Ben Harding, Senate C/RA Committee Staff

DATE: February 16, 1978

SUMMARY OF ECONOMIC AFFECTS OF PETERSBURG ANNEXATION

GENERAL

Revenue Gains

High estimate:	\$238,600 *
Low estimate:	<u>\$138,600</u> **

(*using sales tax estimate of \$150,000 annually)

**using sales tax estimate of \$50,000 annually)

Revenue Losses or Added Expenses

High estimate:	\$182,000 *
Low estimate:	<u>\$157,000</u> **

These estimates are based on the following assumptions:

- a) No added water and power services to annexed areas (per City policy).
- b) No added police, ambulance, or fire services (per City statements that these services are already funded through State revenues sharing).

(*using high estimate for increased administrative costs)

**using low estimate for increased administrative costs)

FINANCIAL BREAK-DOWN BY CATEGORIES

Revenue Gains

1) Sales Tax Revenues:	High estimate:	\$150,000
	Low estimate:	\$ 50,000

The City has estimated that a sales tax could raise approximately \$150,000 annually in new revenues from the annexed area. Annexation opponents contend that this figure is greatly inflated and that a more realistic estimate is closer to \$50,000. The City has acknowledged that its estimate is very rough and that it was not able to obtain firm data on which to base its figures.

2) Electricity Rate Increases

\$1 a month for residential and
commercial users

\$2 a month for industrial users

Estimated revenue: \$19,000

It is the City's intent that electricity rate increases will equal and offset revenue losses from the elimination of surcharges on water and electricity to users in the previously outlying areas.

3) State Revenue Sharing (using a population increase of 500)

Police	\$6,000
Air and Water Pollution	1,000
Parks and Recreation	2,500
Transportation	2,500
Roads (est. 3 miles)	4,500
Health Service	1,000
Regular*	850
Liquor*	1,100
Amusement and games*	150
Gross receipts tax**	1,000
Total Revenue:	\$20,600

(*from Department of Revenue estimates)

(**Department of Revenue estimates \$2,000 in revenue sharing from gross receipts. However over \$1,000 annually appears already to have been inadvertently shared with the City)

4) Property Tax Revenue

7 mills on an estimated \$7 million in real and
personal property \$49,000

Revenue losses of Increased Expenses:

1) New Administrative Costs

High estimate:	\$50,000 *
Low estimate:	\$25,000 **

This figure is derived from the assumption that increased administrative responsibilities, such as Planning and Zoning, for the annexed area will require an increase in City administrative personnel.

(*using high estimate of 1 officer and 1 secretary plus office start up costs)

(**using low estimate of 1 secretary/clerk plus office start up costs)

2) Elimination of State Tuition Payments

\$97,700

This figure is based on the calculation that 100 students will come from the annexed area. For 1977/78 payments, the Department of Education is using \$976.74 per pupil. Currently 115 students from outlying areas (including 5 from Kupreanof) attend Petersburg schools. The City's own loss projection was \$47,000 which was calculated on the Department of Education payments per pupil of \$443.61. That was the rate of payment used by the State last year. These payments will more than double this year.

3) Other Expenses

- a) Electricity and water extension costs \$ 0 *
- b) Police, ambulance and fire service costs \$ 0 **

(*City plans no extension of power and water service beyond present level)

(**City plans to maintain these services at present level using existing State revenue sharing funds)

BACKGROUND

In its original annexation petition, the City of Petersburg requested the annexation of all Mitkof Island, an area of approximately 211 square miles.

The Local Boundary Commission recommended instead the annexation of the northern end of Mitkof Island, or about 45 square miles. The Commission's rationale was that 211 square miles would have created a territory calling for a borough organization without Petersburg having gone through the borough government process. The Commission believed that a city government provides essentially direct services to its citizens whereas a borough exercises regional responsibilities. As a result, its recommendation provided for the City of Petersburg to annex areas containing virtually all the population of Mitkof Island, but excluded uninhabited or yet-to-be-developed areas.

Following annexation, the City has said that it would increase electricity rate charges by \$1 a month for residential and commercial users and be \$2 a month for industrial customers. The present surcharges to outlying residents for City water and electricity would then be dropped. The City's intent is that the rate increases would equal the loss of revenue resulting from the elimination of the surcharges.

The City has no plans to extend water or electricity, beyond its present service level, to the annexed area. Police, fire and ambulance services to these areas are projected to remain unchanged and funded through State revenue sharing. (Confirmed in telephone conversation with Petersburg City Manager by Staff)

Other revenue-raising means the City plans to use include: a 7 mill tax levy on approximately \$7 million in real and personal property located in the annexed area, a sales tax on transactions under \$1,000, and the receipt of increased State revenue sharing funds.

Major revenue losses or increased expenses resulting from annexation include the dropping of State tuition payments, surcharge elimination, and the cost of probable added administrative services.

The proposed annexation has been strongly opposed by plaintiffs in a court suit who charge that inadequate study and planning have gone into the proposal. They cite poor or expensive municipal services and a high bonded indebtedness as evidence of the City's inability to take on added municipal obligations. A petition containing the signatures of 543 Petersburg residents in opposition to the annexation was presented to the Senate Community and Regional Affairs Committee February 7.

ANALYSIS

A major charge made by opponents of annexation is that the City is presently overextended financially and could under no circumstances assume additional financial obligations without the assurance of at least matching revenues. The annexation opponents contend that any new sources of revenue in the outlying area are minor and would be more than off-set by increased expenses.

The City acknowledges that its data on the economic impact of annexation

are fragmentary and based on rough estimates open to challenge. In fact, the attorney for the City wrote to the Boundary Commission that "I am strongly inclined to agree with that assessment about a short-term negative cash flow but similarly inclined to discount its magnitude predicated on the knowledge that many of the general services... have been provided heretofore." The attorney, L.B. Jacobson, further noted, "...nor was I of the opinion that financial viability of an annexation proposal was one of the standards promulgated in (state regulations) or the Alaska Constitution."

A summary economic analysis indicates, however, that the City has a fair chance of breaking even financially in the event of annexation, provided it does not extend to the annexed area any services it is presently not making available. The annexation would reduce somewhat, the City's unusually high (11%) bonded indebtedness to property valuation ratio. It would also increase City valuation by an estimated \$7 million in real and personal property from the annexed area. (See attached table to compare Petersburg population and bonded indebtedness with similar Alaskan communities.)

It would appear from testimony presented by a number of city officials at the Senate hearings, however, that the proposed annexation does not directly address the real reasons which impelled the City to request the annexation of Mitkof Island in the first place.

Those reasons are threefold: 1) the desire to plan for the Coastal Management of Mitkof Island, 2) the desire to obtain an adequate land base for later municipal selection of state lands, and 3) the desire to plan for the rational and orderly development of Mitkof Island. None of these objectives is significantly met by the proposed annexation of the northern quarter of Mitkof Island. In fact, from one viewpoint, the recommended annexation only adds to the City's problems without providing any of the benefits which the incorporation of the entire island would entail.

Nevertheless, the Boundary Commission's question, i.e. would the annexation of the 211 square miles of Mitkof Island create a de facto borough government rather than a city?, appears valid.

The implementation of the proposed annexation would not however settle the issue. The City of Petersburg supports the Boundary Commission's recommendation for the smaller area annexation despite its desire to annex all of Mitkof Island. But the City has also expressed the intention to renew its petition next year for the incorporation of all Mitkof Island under the City's jurisdiction. At that time, the same issues and the same arguments of city versus borough government and the need for local regional control will have to be addressed again.

TABLE V

VALUATION, POPULATION AND G.O. BONDED DEBT

CITIES	FULL VALUE DETERMINATION 1-1-77	CIVILIAN POPULATION 7-1-77	G.O. BONDED DEBT 7-1-77	PER CAPITA DEBT	PER CAPITA VALUATION	DEBT % TO VALUATION
CORDOVA	33,047,580	2,406	1,169,200	486	13,735	3.54
CRAIG	5,295,655	467	143,040	306	11,340	2.70
DILLINGHAM	17,140,840	1,269	135,000	106	13,507	.78
EAGLE	1,413,250	145			9,747	
GALENA	2,670,800	631			4,233	
HOONAH	5,332,800	848			6,289	
HYDABURG	1,438,405	380			3,785	
KAKE	2,394,685	679			3,527	
KING COVE	2,863,490	408	393,860	965	7,018	13.75
KLAWOCK	1,025,850	323			3,176	
NENANA	5,373,975	493	253,000	513	10,901	4.71
HOME	33,747,720	2,585	830,000	321	13,055	2.46
PELICAN	4,639,275	169			27,451	
PETERSBURG	34,048,060	2,126	3,750,000	1,764	16,015	11.01
ST. MARY'S	1,415,000	415			3,410	
SELAWIK	1,250,365	521			2,400	
SKAGWAY	29,850,185	854	627,000	734	34,953	2.10
UNALASKA	16,571,530	510			32,493	
VALDEZ	1,211,561,410	7,483	13,036,000	1,742	161,909	1.08
WRANGELL	37,599,610	3,152	575,000	182	11,929	1.53
YAKUTAT	10,149,240	442			22,963	
TOTAL CITIES	1,458,829,725	26,306	20,912,100	795	55,456	1.43
STATE	17,105,126,829	398,983	530,068,000	1,328	42,872	3.10
MUNICIPAL	14,001,074,809	368,406	519,599,526	1,410	38,004	3.71
STATEWIDE TOTAL	17,105,126,829	398,983	1,049,607,526	2,631	42,872	6.14

Alaska Taxable 1977
(Issued January, 1978)

OK

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE

FEBRUARY 16, 1978

Present: Chairman Orsini, Senators Willis and Hackney. Bruce Aronson; Doug Griffin.

Absent: Senator Sumner and Senator Ferguson

The meeting was called to order by Chairman Orsini at 3:10 PM.

STRANDBERG CONFIRMATION

Chairman Orsini asked if Committee members wished to hold separate confirmation hearings on the reappointment of Sigvald Strandberg to the Local Boundary Commission. Committee members expressed the view that they were familiar with Mr. Strandberg's work on the commission and did not believe that separate hearings would be necessary.

PETERSBURG ANNEXATION (SJR - 40)

Chairman Orsini drew the members' attention to a SC/RA staff study analyzing the economic effects of the recommended annexation of land by the City of Petersburg. He noted that the figures indicated the probability of the City's expenses and new revenue from annexation balancing out, provided the City maintained its present level of services to the annexed area.

Senator Willis noted that the Boundary Commission could have held an advisory election in Petersburg to determine local support for the annexation but that the legislature had no authority to instruct the Commission.

Pending action by the House CRA Committee, Committee members agreed to hold action on SJR 40 unless the members wished the issue to be brought up again for discussion.

COASTAL ZONE MANAGEMENT

Chairman Orsini said that the Guidelines and Standards for the Alaska Coastal Management Program would require a detailed review if the Committee wished to deal specifically with the many points being raised regarding the implementation of the Coastal Management Program.

Senator Hackney said that he was impressed by the Petersburg situation where one of the motivations for annexation was a desire to secure local control over the coastal management of Mitkof Island.

The Committee members expressed their desire to undertake a sectional review of the draft Guidelines and Standards.

OTHER

Chairman Orsini discussed with Committee members the status of CSIB 133 before the House Finance Committee and its Senate counterpart,

CSSB 241.

The Chairman also informed members about the provisions of SB 501 pertaining to binding arbitration and stated that he intended to schedule hearings on the bill within two to three weeks.

Chairman Orsini called an executive session of the Committee to discuss Budget and Audit Committee actions with respect to Coastal Management.

The meeting was adjourned at 4:00 PM.

TELEGRAM

Fi 572-42

RCA ALASKA COMMUNICATIONS, INC.

PHONE: 386-6440

JUNEAU, ALASKA 99801

#D

78 MAR 1 PM 3 05

23014 PETERSBURG ALASKA 31 03-01 300P PST

PMS THE HONORABLE JOE ORSINI, CHAIRMAN

SENATE COMMUNITY AND REGIONAL AFFAIRS

ALASKA STATE LEGISLATURE

POUCH V

JUNEAU "

THE PETERSBURG CHAMBER OF COMMERCE URGENTLY REQUESTS

THAT YOUR COMMITTEE SEND THE RESOLUTION REGARDING

ANNEXATION ON MITKOF ISLAND OUT OF COMMITTEE FOR

CONSIDERATION ON THE FLOOR BEFORE SATURDAY MARCH 4

SINCERELY

LARS EIDE, PRESIDENT.