

ALASKA LEGISLATION COMPILED FILES 1979-1980 86/2

680 HCRA NOTEBOOK: KODIAK ANNEXATION

680

KODIAK

ANNEX.

(NOTE BOOK)

TO: Arliss Sturgulewski
Bob Mulcahy
Terry Stimson
Tim Kelly
Pat Rodey

Bill Parker
Pat Corney
Charles Pass
Fred Zharoff
Patric O'Connell
Margaret Branson
Ray Metcalfe

FROM: City of Kodiak

SUBJECT: Information

The attached materials are presented for purposes of background information relative to the proposed annexation.

They are as follows:

1. City Finance Director's memorandum concerning the City's financial ability to handle annexation.
2. City Finance Director's affidavit concerning financial capabilities of the City.
3. Consulting report from Dick Berg concerning annexation.
4. Statement issued by Sweeney Insurance concerning fire rates.
5. Resolution 5-79 concerning issues of concern to annexation area residents.
6. Borough Assessor's estimated value of personal property tax memorandum.
7. City Building Inspector's memo concerning building permits.
8. Memorandum to joint committee on Community and Regional Affairs concerning economic analysis for annexation vs service district.
9. Presentation made at public hearing before the annexation committee by City Manager, Clair Harmony.
10. Affidavit of Richard Sims; Rolland Jones; Charles Powell; and Wilton White.
11. City testimony at Local Boundary Commission hearing.
12. Memorandum from Public Works Superintendent concerning Island Lake road system.
13. Typical assessments for water distribution system and estimates of costs.
14. State roads priority list.
15. City published brochure on annexation information.

Clair Harmony

City Manager

January 23, 1979

To: City Manager - Clair W. Harmony
From: Finance Director - H. R. Hyde
Subject: Proposed Annexation

You requested some information regarding the City's finances as related to the proposed annexation area.

The City has taken certain steps in anticipation of annexation being approved. We have included in the 1978/79 amendatory budget a contingency account to cover certain costs if annexation is approved. They are as follows:

1. Facilities Planning Report.

It is estimated that this initial planning report will cost approximately \$40,000.00. It would be financed by the following:

Grant from Environmental Protection Agency	75%	- \$30,000.
Grant from Alaska Department of Environmental Conservation	12-1/2%	5,000.
City of Kodiak	12-1/2%	5,000.

The City's \$5,000.00 is included in the contingency account previously mentioned.

2. Design Sanitary Sewer Extension.

In connection with the design of sewer collector lines, there is a grant available from the Alaska Department of Environment Conservation for 50% of the costs. The City would have to match these State funds.

For the design of the interceptor lines the Environmental Protection Agency will give a Grant for 75% of the costs and the Alaska Department of Environmental Conservation will give a Grant for 12-1/2% of the costs. The City must finance the remaining 12-1/2%.

3. Design Waterline Extension.

The Alaska Department of Environmental Conservation will give a Grant for 50% of the design costs. The City must match with its 50% of the costs. There is \$48,000.00 included in the contingency account in the amendatory budget to cover its estimated share of the costs for designing the waterline extension.

The City has sufficient cash on hand to cover all "up front" costs in connection with the Facilities Planning Report and the design of the two systems before the various Grants are processed and payments received.

Memo to City Manager - Clair W. Harmony
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At this time, there has been no definite decisions made beyond the design of the water and sewer line systems. Probably the actual construction costs would be recovered by the formation of assessment districts. It may be necessary for the City to issue bonds to cover some portion of the costs of constructing these utility systems.

Based upon the best information that the Borough Assessor can furnish at this time, the City would receive approximately \$23,000.00 for each Mill levied on real property in the annexation area. This would start in 1980. If the City were to retain its present 9.1 Mill rate, the real property tax revenue would be approximately \$209,000.00. However, the intent is to have this area zoned for different tax rates based upon the City services each zone would receive. It is my estimate that because of the different zones, the City would probably receive about \$150,000.00 annually in real property taxes from the annexation area.

Since the City presently is paying the Borough Personal Property Tax for all personal property within the City; this cost must be taken into consideration. Again, based upon the best information the Borough Assessor can furnish; the payment of the Borough Personal Property Tax for the Annexation Area would cost the City approximately \$25,000.00 annually.

For fiscal year 1978/79, the City is receiving \$65,550.00 from the Borough for fire protection services in the area to be annexed. With annexation, the City would lose most if not all of this revenue.

Annexation of this area should increase the revenue of the water/sewer utility fund. It has been estimated that there are approximately 125 residences that would probably immediately tie in to existing sewer collector lines. At the present residential sewer rates, this would be approximately \$22,500.00 additional annual revenue to the Water/Sewer Utility Fund.

The City will have additional costs for the Public Works Department to maintain the roads and remove snow. Also, there would be increased costs for police and fire protection. It is difficult to estimate the amount of these additional costs at this time. These additional costs would include both additional personnel and equipment. It is my opinion that the City is financially able to meet these additional costs for services. Further, with annexation, I believe that there will be considerable growth in this area which should increase the City's tax base.

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT KODIAK

CITY OF KODIAK,)
Plaintiff,)
vs.)
KODIAK ISLAND BOROUGH and)
BETTY WALLIN, Mayor of)
Kodiak Island Borough,)
Defendants.)

No. 3KO-78-120 Civ.

AFFIDAVIT OF HARRY R. HYDE IN SUPPORT OF
PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT

STATE OF ALASKA)
THIRD JUDICIAL DISTRICT) ss.

HARRY R. HYDE, being first duly sworn, upon oath, deposes and says:

1. I am the finance director for the City of Kodiak ("the City"). This affidavit is prepared and submitted in support of plaintiff's Motion for Summary Judgment.
2. I have been employed as finance director for the City since March 1, 1976. For the eleven years preceeding that date I was finance director for a water service district in California.
3. As part of my official duties, I am responsible for the preparation of the City's budget, for the payment of bonded indebtedness of the City, for preparation of cost evaluations for the municipal services, assisting in the preparation of grant applications, investment of City funds, and am obligated to be aware of and knowledgeable on the City's financial capabilities.
4. Both the administration and the City Council are in the process of amending the City's 1978/79 budget. The budget ordinance has already had first reading before the City Council. Public hearing on the second reading of the ordinance is to be held in the future.
5. In the amended budget there is allocated a total of One Hundred Thirty-Three thousand Dollars (\$133,000.00) of City funds as the

City's portion of matching funds for grants that are available at the present time from the State and federal governments. Five Thousand Dollars (\$5,000.00) of the above total is budgeted for the City's twelve and one half percent (12-1/2%) share of a facilities planning report, which will survey the services and facilities needed in Service District One of the Mill Bay/Monashka Service Area if that area is annexed to the City. There is Eighty Thousand Dollars (\$80,000.00) in the above stated sum earmarked for the City's matching share of grants presently available for design of the sanitary sewer extension into the Service District One of the Mill Bay/Monashka Service Area if that area is annexed to the City. There is Forty-Eight Thousand Dollars (\$48,000.00) earmarked in the above stated sum as the City's portion of a grant presently available for the design of water line extensions in Service District One of the Mill/Bay Monashka Service Area if that area is annexed to the City. The City has sufficient cash on hand to cover all required matching funds in connection with the facility planning report and the designs of the sanitary sewer and water line extensions before the various grants are processed and payments received by the City.

6. The City, at the present time, has access to the same sources of Federal and State funds as does the Kodiak Island Borough.
7. The City, in the past, has sold both general obligation bonds and revenue bonds and presently has a bond rating of BAA, said rate established by Moody's Bond Rating.
8. The Borough presently has a bond rating of BAA1.
9. The City's assessed valuation represents approximately eighty percent (80%) of the total assessed valuation of the Kodiak Island Borough. The Borough is presently in the process of reappraising the urban areas of the Kodiak Island Borough. At the present time, the City's assessed valuation is approximately Eighty-Six Million Dollars (\$86,000,000.00) with an anticipated increase as a result of reappraisal to One Hundred Twenty-Eight Million Dollars (\$128,000,000.00).
10. The assessed valuation of the area encompassed by Service District One of the Mill Bay/Monashka Service Area is approximately

Seventeen Million Dollars (\$17,000,000.00).

11. If Service District One of the Mill Bay/Monashka Service Area is annexed to the City, the City has the financial capability to provide the services of sewer, water, roads and the full range of general government services such as police, fire protection, parks and recreation and libraries.

12. If the Kodiak Island Borough has to sell bonds to finance capital improvements in Service District One of the Mill Bay/Monashka Service Area and if the full faith and credit of the Kodiak Island Borough is pledged to support those bond issues, the City's bonding capacity will be reduced.

DATED this 1 day of February, 1979.

Harry R. Hyde
HARRY R. HYDE

SUBSCRIBED AND SWORN to before me this 1st day of February, 1979.

Thomas M. Goodwin
Notary Public in and for Alaska.
My commission expires: Nov 4 1981

MINUTES OF A REGULAR MEETING OF THE COMMON COUNCIL OF THE CITY OF KODIAK, ALASKA
HELD ON NOVEMBER 12, 1970

I. MEETING CALLED TO ORDER

Mayor Resoff called the meeting to order at 7:30 p.m. Present were Council Members Berg, Craig, Dyson, Powell and Sutcliff. Councilman Sims arrived at 7:45 p.m.

II. PREVIOUS MINUTES

a. Minutes of a Regular Meeting of October 28, 1970.

Councilman Berg moved for approval of the minutes as presented, seconded by Councilman Powell. Roll call was unanimously favorable.

b. Minutes of a Special Meeting of November 10, 1970.

Councilman Sutcliff moved for the approval of the minutes of the special meeting, seconded by Councilman Berg. Roll call was unanimously favorable.

III. PERSONS TO BE HEARD

a. Mr. Milton White, Borough Chairman

Chairman White presented a step annexation program, proposed petitions, and map of the proposed annexation area. Spruce Cape Road and the Mill Bay side of Island Lake were the proposed areas.

The residents would pay a portion of the City tax and the Borough tax with the percentage adjusted over a period of four years until the areas could receive full City fire protection, police protection, water, and road maintenance. The increased revenues would provide the necessary money for the cost of providing the increased service over the four year period.

The Mayor asked about the representation of these areas. Chairman White replied that the step annexation gave the residents time to get representation, and it was pointed out that several Council members have holdings in these areas now.

Councilman Powell moved that the Council approve the step annexation program presented by the Borough and recommended to the Borough that the Monashka Bay side of Island Lake and Dark Lake be included with the proposed areas. It was seconded by Councilman Berg.

Councilman Sims stated that funding from Federal agencies would be more easily obtained with this annexation because the agencies are not interested in funding just the City area, but the community as a whole. He also felt that taking the Monashka Bay side of Island Lake and Dark Lake would be too much at this time. The Council was in agreement with this.

Chairman White suggested that this area become a third area to be annexed. City Manager Jones recommended that Councilman Powell's

motion be amended in this way, and this was agreeable to the Council.

Roll call was unanimously favorable.

IV. OLD BUSINESS

a. Wrean's Bay Appraisal Report

The Council felt that the appraised rental was too high on this property. Councilman Sims proposed renting only part of this area and perhaps using Borough land near the dock to store pots. This would involve transporting the pots about one mile.

Different areas were discussed for possible pot storage.

Mr. Ole Harder said that if a boat harbor and/or dock were not combined in the same area, the purpose of leasing this land would not be accomplished.

Transporting pots to various areas, how they could be transported, and the cost involved was discussed. The Council felt that pot storage areas were available until such time that a dock and pot storage area combined could be developed.

No action was necessary by the Council. City Manager Jones will pursue negotiations.

b. Gibson Cove Appraisal Report

City Manager Jones stated that this area has been appraised and will be advertised for sale. No action from the Council was necessary.

V. NEW BUSINESS

a. Letter of Congratulation to Chief Rhines.

A letter of congratulation to Chief Rhines on his graduation from the F.B.I. Academy was read by City Manager Jones and signed by the Council.

b. Letter Concerning Lt. Henderson as Acting Chief

A letter recommending a merit pay increase for Lt. Henderson was read by City Manager Jones. Councilman Dyson moved that the Council approve the merit pay increase and asked unanimous consent. It was seconded by Councilman Sims. There were no objections and the motion was approved.

c. Resolution 70-17 - Surplusing Gibson Cove Property

Councilman Berg moved for approval of this Resolution, seconded by Councilman Dyson. Councilman Powell recommended a change on page one, paragraph three, the first sentence the word "now" be changed to "not" so that it reads "WHEREAS, . . . not using said . . . and". This change was incorporated into the motion. Roll call was unanimously favorable.

d. Municipal League Dues

City Manager Jones said that the Municipal League is proposing to double the dues in order to put another staff member in Juneau to work on the State and Federal aid programs.

MINUTES OF A REGULAR MEETING OF THE COMMON COUNCIL OF THE CITY OF KODIAK, ALASKA
HELD ON JANUARY 13, 1972

I. MEETING CALLED TO ORDER

The Mayor called the meeting to order at 7:30 p.m. Present were Council Members Anderson, Dyson, Lovett, Powell and Sutliff.

II. PREVIOUS MINUTES

Councilman Powell moved for approval of the Minutes of the meetings of December 9 and December 23 held on December 22, seconded by Councilman Dyson. Roll call was unanimously favorable.

III. PERSONS TO BE HEARD

a. Mr. Wally Hickerson and Mr. Richard Guzy RE: Techite Pipe

Mr. Guzy stated that his company was low bidder on supplying this pipe to the contractor on the Menashka Creek project, but Techite was taken out of the specifications. He also stated that the contractor would like to use the pipe, but without a vote from the Council this could not be done.

Mr. Hickerson then presented background information on Techite Pipe: its development, use and testing.

No action was taken at this time.

b. Mr. Beittenger RE: State Highway Route Systems

Mr. Beittenger asked that the City Council request the State Division of Highways to reclassify Rezanof as a Secondary Route rather than a primary, remove the secondary classification from Mill Bay and Spruce Cape--from the cutoff road to the Loran Station--and classify them as local state roads.

These requests were stated in Resolution 2-72 which the Mayor read by title. Councilman Dyson moved for approval, seconded by Councilman Sutliff. Roll call was unanimously favorable.

c. Mr. Fred Street RE: Cab zones

A letter from Mr. Street was read by the Mayor. Mr. Street felt that public interest would best be served by the abolishment of cab zones within the mall parking lot. Discussion followed.

Councilman Sutliff moved that a study of cab zones be made by the Chief of Police and the City Manager to be presented at the next Council meeting, seconded by Councilman Dyson. Roll call was unanimously favorable.

d. Mr. Wilton White RE: Annexation

Mr. White and the Council discussed the recommendation of the Boundary Commission for full rather than step annexation and the inclusion of a larger area than had been requested.

Councilman Powell moved that the Council go on record as opposing the Boundary Commission's position on annexation as presented to the Council, seconded by Councilman Sutliff. Roll call was unanimously favorable.

IV. OLD BUSINESS

a. Halfway House

Councilman Sutliff moved that the City have no objection to the Kodiak Council on Aleutian making improvements as outlined by them to meet the specifications of the Sanitarian and the Fire Chief, seconded by Councilman Lovett. Roll call was unanimously favorable.

Councilman Powell moved that the actual lease agreement between the

TO: Mayor and Council

FROM: R. G. Berg

SUBJECT: Annexation and Pillar Mt. Reports

DATE: January 23, 1979

The Council following my tenure as City Manager asked that I continue in an advisory/coordination capacity covering two subjects:

1. The Pillar Mountain potential slide, and
2. Annexation as recommended by the State Local Boundary Commission.

I agreed to follow through on the above, and with the excellent and cooperative help of the City staff believe we may properly assume at least partial success.

ANNEXATION:

The Local Boundary Commission after presentation by City of Kodiak representatives of limited areas contiguous to the City and residents of the proposed annexation area chose to recommend annexation of a larger area to the City of Kodiak as the most logical manner in which to supply necessary municipal services. This recommendation was in contradiction to the proposal of the establishment of the service district by the Kodiak Island Borough.

We proceeded to gather data from Wrangell, Petersburg and other municipalities that had faced Local Boundary Commission recommendations of a similar nature. We also met with representatives of the Department of Community and Regional Affairs in regard to the Boundary Commission recommendations in their capacity as staff representatives to the Boundary Commission. The Council caused to be prepared and passed Resolution 24-78. A committee of persons knowledgeable in the area of municipal affairs who presently reside in the proposed annexation area was appointed by Mayor Stevens. These persons are Mrs. Marion Johnson, Bob Waage, Emil Horton, Pete Resoff, Bob Brooks and Nick Szabo. This committee met a number of times with the City Manager, City Engineer and the writer to determine the most basic needs of the area and in what manner they could be financed and made a reality. Under the auspices of this committee's activity, the City staff and I prepared differential tax areas, phase I for wastewater and water service as well as road construction and reconstruction, established and reserved an area for a fire substation and prepared recommendations to the City Council covering these subjects as well as visual displays for the use of the committee at a public hearing held and attended by interested residents of the area.

The public meeting was attended by approximately 30 people including staff members from the City and both our State Senator, Bob Mulcahy, and Representative Fred Zharoff. Inserts for the newspaper were prepared on two occasions outlining briefly in the first issue some annexation considerations and full coverage in the second edition as to recommendations of the committee on differential taxation and services that could be offered by the City of Kodiak. Two work files were prepared for use by your representative, Bob Hartig, in Juneau by me inclusive of all information available in City files since 1968 covering the annexation subject. A number

of press interviews were granted to representatives of the two local papers covering the subject and the writer met with Mr. Hartig as well as Representative Zharoff and Senator Mulcahy.

After the public meeting held by the Mayor's Annexation Committee, the Committee determined that there was no viable alternative to annexation to the City of Kodiak. All the committee members in attendance at this meeting were in agreement and made their recommendation known in writing to the City Council. Mr. Nick Szabo was not in attendance at this meeting, although, he had been invited. Recently there was a letter to the Editor in the Kodiak Mirror and Kodiak Times referring to Mr. Szabo's term on the annexation committee which contained a number of misleading statements. The writer was rather flattered that anyone who had resided in this community for any length of time could feel that the members of the Mayor's Committee could be influenced by his argumentative ability over their best judgement.

At the present time Mr. Hartig is prepared to represent you in Juneau and the City Manager has visual presentations for his use.

It appears to me that the Kodiak Island Borough is not in good shape to contend that they can supply services to the area due to their failure to obtain passage of non-area-wide service powers. For your information, substantial financial support for the Anti Annexation Committee appears to be coming from the ownership of the Beachcombers which are probably concerned that restrictive police powers and/or hours might be a greater likelihood if they were incorporated within the City than otherwise.

I believe an extremely fair attempt has been made to educate the public in regard to annexation and that the Mayor's Committee did an excellent job devoting many hours to the subject. The direct mail advertising recently received by residents and boxholders in Kodiak from the Borough Residents for Autonomy is comparable to the Szabo letter to the Editor and contains a number of rather naive attitudes such as "after annexation takes place, the City can levy any tax rate it wishes regardless of the wishes of the area residents". I suspect any tax increase that residents did not wish to take place would not be enacted by their representatives or if they were, Council membership would be changed at the next general election.

Mr. Bob Brooks has circulated petitions that will be forwarded to Mr. Hartig for his use indicating both the number of City residents and annexation area residents who support annexation to the City as the least costly and most efficient method to obtain the necessary services. Anything you can do to clarify points raised by the Borough residents for Autonomy will be helpful. There is no doubt in the writer's mind that the most economical and efficient way to solve some of our local problems in the annexation area is for the residents to agree with annexation. There is no great advantage to the City to incorporate the area from either a bonding or financial basis but the long-range effect can be most

beneficial to all concerned.

The Kodiak Island Borough Assembly obviously continues to belabor under the impression that their activities (i.e. service district) will fulfill the desire and needs of the majority as during their meeting of January 12, 1979 they enjoyed a packed house arranged by the citizens group known as the Citizens for Autonomy. After numerous impassioned pleas to support their efforts by scolding Mayor Wallin and the Borough Attorney retained for the purpose, Joan Katz, to Juneau to lobby against annexation, the Assembly moved to support "commensurate with what support toward annexation the City proposes . . .". The effect of this, of course, is as usual, if the City taxpayer spends (through the Council) \$10,000 to support annexation and the Kodiak Island Borough (through the Assembly) spends \$10,000 to try to defeat for a total of \$20,000, the City taxpayer has paid \$18,000 of the total. Of course, the Borough and the Citizens for Autonomy contend they pay 50% of the City sales tax but what they don't mention is that this neither jibs with population figures or values on income as can be measured by tangible wealth (value of property). In other words, a City resident appears to own 80%+ of real estate, and pay 80% of Borough local taxes so there must be an inequity in values of that real estate since the monies spent by various residents are usually transformed into some tangible property, i.e. remodeling additions, various improvements and luxuries including boats, cars, trucks, etc.

Realism has little to do with problems of annexation and I suspect that those most vocal would be against any progress in their area except that they would enjoy as a gift at someone else's expense.

I could recommend under any normal situation that the City simply let the residents do whatever they want to solve their own problem. However, you and I both know that those same residents and the KIB who are the most vociferous against annexation will be the first to criticize the only logical deliverer of services to the area the City. Further, I would fully expect the City to face increasing litigation over the sewage treatment plant and on the expanded use of the City water collection and distribution systems. I am sure after reviewing the many cost analysis factors and assuming that people need adequately planned and realistically engineered water and sewer service that must be connected to existing City services to avoid unnecessary duplication. The most economical way to accomplish the goal is through annexation to the City of Kodiak.

PILLAR MOUNTAIN LAND SLIDE:

Neither I nor most residents of the Kodiak community can become too excited about an actual hazard existing at any greater risk than that which most of the fishing fleet may face any day.

There are, however, inherent economic and social dangers connected with the USGS report that must bear concern. The USGS warning of potential hazard was precipitated by the KIB in that their consultant (Kramer, Chin and Mayo) on the Comprehensive Plan requested various State and Federal officials to review the potential hazard which resulted in the USGS warning notice. This level of warning, however is the least serious of the notices that can be issued by the USGS according to the Federal Register. Further, it (the report) has a number of interesting qualifiers. One of which is that a major slide of the type that could do maximum damage is an "extreme case". It is interesting to note, no other similar studies were conducted in the area even though similar surface situations exist along the State Highway System, (i.e. Old Woman's Mt., USCG support Center).

After issuance of the USGS report and the warning notice's distribution to numerous Federal and State agencies as required by the Federal Register, the following took place.

1. The L.A. Times Science Editor took notice or was advised and wrote a "scare story" on the mountain that was picked up as worthy copy by a number of large newspapers including the Miami Herald.
2. The KIB consultant, Kramer, Chin and Mayo, caused to be printed a summary document of the Comprehensive Plan that included numerous references to the Pillar Mt. hazard and implied that no further dock or port expansion could take place until the problem was resolved. Although this document was not supposedly to be distributed until it was approved by the Assembly, the KIB staff chose to furnish copies to the local press.
3. Numerous insurance carriers contacted their local agents to determine the validity of the report.
4. On July 1, 1978, the City's insurance carrier, Insurance Company of North America, excluded coverage related to Pillar Mt. on the General Liability Policy.
5. Much concern was expressed locally as to future availability of investment monies, industrial financing, boat insurance, port expansion, bond sale costs, additional cannery expansion, new freight routes and foreign investment considering Kodiak favorably in the future due to the "hazard".
6. The KIB under took a planning study to explore the joint management of a port in conjunction with the City and Koniag, Inc.

As there appeared to be no further follow up from the KIB, the

City staff immediately contacted the State congressional delegation outlining the problem and seeking guidance and assistance.

Until late fall of 1978, little was accomplished except the passage of letters in the many State and Federal bodies all of which expressed concern but none of whom, including the USGS, offered any concrete aid.

The City staff and writer did, however, undertake the gathering of all available data on Pillar Mt. and related studies and incidents that were felt to be pertinent. These included contact with the previous Alaska Road Commission (territorial) Superintendent, Kodiak, Bureau of Public Roads representatives, consultant reports, dock engineering studies, Department of Transportation and Department of Highways reports, theoretical thesis on effects of predictions, reports of University of Pennsylvania, University of Colorado, Colorado State and others.

At our request, Senator Ted Stevens was instrumental in forcing the USGS to review the problem their prediction could create economically and socially and was helpful in forcing the establishment of the Geotechnical review committee which was initially established December 3, 1978.

The KIB on December, 7, 1978 helpfully passed a resolution covering the formation of the Geotechnical group and charged them with various responsibilities. After a six to eight month hiatus their concern was appreciated by the City staff but rather late and misdirected. Regardless, the Geotechnical Committee met and considered the problem on January 9, 10, 11, 1978 and as expected, the Committee was unable to furnish us with true probabilities of the extreme hazard outlined in the USGS report. Neither the USGS representatives nor other members of the Committee are willing to indicate whether there is a possibility of a major slide within any framework of probability or degree of chance. Therefore, it is probably important for the City to consider remedial action without a great deal of further study because such studies will be qualified and without resolution. Any activity to reduce the seriousness of the possibility of a slide in the area should be undertaken with such monies as may be made available.

The State monitoring system which was initiated at the request of the City through the State Geologist Office will merely give us an indication whether or not we have surface movement. I would liken the results to the United Nations--Much rhetoric, no action.

My recommendation to the Council follows:

1. That further studies are an exercise in futility and that even the most expensive study considered including all phases of work at \$900,000 will not result in essential knowledge.
2. That the problem if it is to be solved will be solved by the

City of Kodiak and that little or no help will be available elsewhere including the KIB. Although the Borough will insist on any study of the problem being a "planning function".

3. Continue close coordination with Senator Stevens office and staff all of whom have been extremely helpful.

a. Senator Gravel has expressed some interest in helping and of course continue to keep Representative Young apprised of the situation.

4. With the aid of your own consultant without extensive studies determine remedial action that can be undertaken locally or in conjunction with other agencies.

i.e. without triggering a slide, start removal of material next to RCA (try to get site surplus due to limited traffic) and dump at toe of slope, fill behind sheet piling, create both dock, van parking and buffer in case of slide, etc. as outlined to you previously. Tie into breakwater construction and allow commercial excavation within controlled engineering plan.

According to those geologists, soils mechanics, etc. we have talked to unofficially, not only do they doubt the possibility of a major ballistic type slide they are of the opinion that removal of the top and portion of the slope by terracing can reduce the center of gravity of a major slide and considerably reduce the potential hazard. There are, however, other ways that this might be accomplished as described to you by Mr. Frank Patton.

Your City staff will continue to evaluate the situation and inform you of possibilities to alleviate the hazard. The attached copy of a Kodiak Fish Wrapper editorial is as accurate, in my estimation, as anything written on the subject.

Council #4
[Signature]

SWEENEY INSURANCE, INC.

P. O. BOX 1395 • KODIAK, ALASKA 99615 • PHONE 907 486-3101

W E S T E R N

TO **GEORGE MAGNUSSEN**
FIRE CHIEF
KODIAK, ALASKA

SUBJECT **FIRE FIGHTERS - AND**
I.S.O. RATING.

DATE **February 22, 1978**

In response to your call on the extension of the fire protection service to Island Lake and Monashka Bay areas, the City of Kodiak has at this time a rating of Class 5. With the present rate of new homes and businesses in the City and the amount of fire fighters that you now have, it is not going to be adequate to keep the Class 5 rating, as the ISO rating is based on population and full time fire fighters on duty. The City could be changed from a Class 5 to a Class 7. The cost to homeowners and businesses with the increase in rates could be as high as 20%.

You also asked about lowering the Class for Island Lake and Monashka Bay area. IC has to structure any Class change. As you know, they would have to have a

W E S T E R N

minimum of a 6" water line with fire hydrants. Even with an independent fire district, this would not solve anything, as you would still need the fire hydrants along the roads.

In talking to the ISO agent, you are getting close to having the inability with the present full time fire fighters to match the growth of the City of Kodiak. In response to table #25, the ISO rating is in disagreement, as you would need additional fire fighters.

SIGNED

[Signature]
Leo Bourneau, Agent

FOR POSTAGE OR BUSINESS REPLY, USE ZIP CODE 99615
DO NOT WRITE IN THESE SPACES
1. KEEP YELLOW COPY. 2. BRING WHITE AND PINK COPIES WITH ORIGINAL CONTACT. 3. WRITE REPLY. 4. DETACH BLUE. KEEP PINK COPY. RETURN WHITE COPY TO SERVICE.

CITY OF KODIAK
RESOLUTION NO. 5-79

A RESOLUTION EXPRESSING THE INTENT OF THE COUNCIL OF THE CITY OF KODIAK WITH REGARD TO TREATMENT OF ISSUES OF CONCERN TO RESIDENTS OF THE PROPOSED ANNEXATION AREA.

WHEREAS, the Boundary Commission for the State of Alaska has determined to recommend to the legislature that areas generally referred to as Mill Bay and Spruce Cape be annexed to the City of Kodiak; and

WHEREAS, a Committee of citizens concerned with the annexation has held meetings, gathered information and made recommendations to the Council of the City of Kodiak; and

WHEREAS, the Council has determined to accept recommendations from the Committee and desires to adopt these recommendations by Resolution for implementation by ordinance following legislative action on the annexation.

NOW, THEREFORE BE IS RESOLVED by the Council of the City of Kodiak, Alaska, as follows:

Section 1. During such time as full services are not available, differential taxation shall be established and utilized in the area proposed for annexation, pursuant to the tax zone map attached hereto and incorporated by reference, and taxes within those zones shall be based on the following percentages of the City of Kodiak mill rate: Zone 1 - 100%; Zone 2 - 75%; Zone 3 - 35%.

Section 2. Trailers shall be permitted outside established trailer parks in the area proposed for annexation under such terms, in such locations and for such periods of time as will be established by ordinance to be developed after public hearings utilizing comments, information and recommendations received from residents of the area to be annexed.

Resolution No. _____

Page One

Section 3. The city staff shall continue preliminary planning and engineering efforts relating to extension of water and sewer facilities to the area to be annexed, and shall investigate the availability of grants for partial or total funding of such extensions, so that water & sewer service may be made available to the area to be annexed as expeditiously as possible.

PASSED and APPROVED this 25th day of January,
1979.

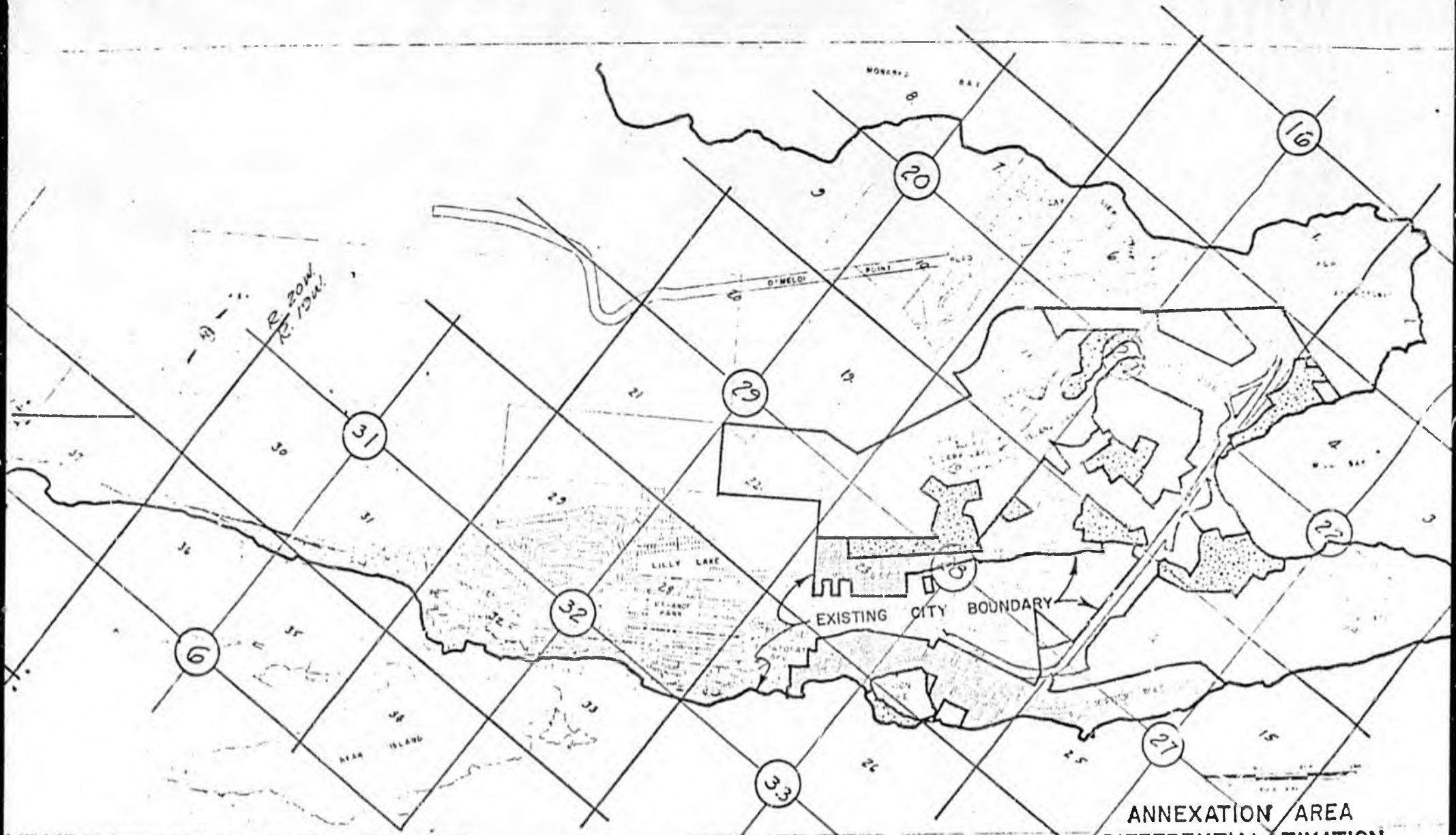

MAYOR

ATTEST:


City Clerk

Resolution No. 5-79

Page Two



**ANNEXATION AREA
DIFFERENTIAL TAXATION**

- ZONE 1 - FULL SERVICES
- ZONE 2 - LIMITED SERVICES
- ZONE 3 - INADEQUATE POLICE & FIRE PROTECTION

KODIAK ISLAND BOROUGH

MEMORANDUM:

TO: HARRY HYDE, FINANCE DIRECTOR
FROM: ED HANEY, BOROUGH ASSESSOR
DATE: DECEMBER 21, 1978

RE: ESTIMATED VALUE OF PERSONAL PROPERTY

THE ESTIMATED VALUE OF PERSONAL PROPERTY IN THE FIRE DISTRICT
(TCA 8) THAT PORTION PROPOSED BY THE BOUNDARY COMMISSION TO
BE ANNEXED INTO THE CITY OF KODIAK WILL TOTAL APPROXIMATELY
3,591,630.00 \pm . THE 1978 MILL RATE OF 7.00 MILLS WOULD BE
APPROXIMATELY \$25,141.00 TAX DOLLARS.

MEMORANDUM

TO: Clair W. Harmony, City Manager
FROM: Morris L. Lee, Building Inspector
SUBJ: Borough Building Permits in the Proposed
Annexation Area
DATE: December 26, 1978

The building permits issued in the subject area for the past five years are as follows:

<u>YEAR</u>	<u>TOTAL VALUATION</u>	<u>TOTAL FEES</u>
1974	\$ 73,900.00	\$ 337.00
1975	\$102,400.00	\$ 481.00
1976	\$173,650.00	\$ 818.00
1977	\$866,968.00	\$3,288.00
1978	\$509,400.00	\$1,804.00

The year 1978 was January through June only. The City relinquished the Borough Building Permit Program as of July 1, 1978.

MLL/lkg

TO: Arliss Sturgulewski
Bob Mulcahy
Terry Stimson
Tim Kelly
Pat Rodey

Bill Parker
Pat Corney
Charles Pass
Fred Zharoff
Patric O'Connell
Margaret Branson
Ray Metcalfe

FROM: Clair Harmony, City Manager

SUBJECT: Economic Analysis of Annexation vs Service District

The following analysis attempts to deal with existing costs and minimum costs that might exist. It is an attempt to evaluate, with qualifications, costs that could reasonably be expected.

ANNUAL SERVICE DISTRICT COSTS	SERVICES	ANNUAL CITY/ANNEXATION COSTS
\$300	Sewer Rates	\$180
\$165	Water Rates	\$120
\$619	Fire Insurance	\$306
\$115	Fire Dist. Rates	-0-
\$350	Borough Tax Rate	\$350
-0-	City Tax Rate	\$455
\$1,549	(All Services)	\$1,411

Plus Personal Property Tax
(Real Total)

Minus Personal Property Tax
(Real Total)

SEWER RATES--The current monthly sewer rate is \$15 both within and those few areas served outside the City boundaries; however, a recent analysis by the Public Works Department has indicated that a self-supporting enterprise sewer rate should be upwards of \$25 per month. Rather than increasing this cost to the citizens of Kodiak, the City Council transferred \$104,000 from the general fund into the sewer enterprise fund. However, should the City contract for services with a service district, it would be reasonable to assume that a fair and self-supporting rate be established in that contract. The rate would be in excess of \$22 per month and more probably as much as \$25. This explains the higher annual figure for service districts.

WATER RATES--Current water rates in the City are \$120 annually. Rates outside the City are \$165 annually. The increased rate is a standard procedure in many cities to allow for administrative services, real overhead and initial capital investment.

FIRE INSURANCE RATES--Within the City of Kodiak, a \$50,000 home would be charged \$306 for fire insurance. However, most of the proposed annexation area has a fire insurance rating of 9 in comparison to the City's which is 5; therefore, the proposed annexation area residents would pay \$619. The critical factor here is that the City can provide fire hydrants and water mains at an accelerated rate efficiently and effectively because of its expertise and experience, fire services policies and goals, than can single-purpose oriented service districts.

FIRE DISTRICT RATES--Borough residents in the annexation area currently are levied a 2.3 fire district mill rate. If annexation occurs, the residents would not have to pay this mill rate.

BOROUGH TAX RATE--The Borough mill rate of 7.0 would remain whether annexation occurred or not.

CITY TAX RATE--If annexation occurred, the current mill rate of 9.1 would be levied, thus, a \$50,000 property would equal \$455 annually. Of course, with the City mill rate all City services would be provided.

SUB-TOTALS--Annexation for most of the residents and area would cost \$138 less than if annexation did not occur and the Borough were to provide services through a service district.

REAL TOTALS--Since the City pays the personal property tax for its residents to the Borough, there would be a further reduction for City residents and, of course, a further increase for Borough residents.

PRESENTATION MADE BEFORE THE ANNEXATION COMMITTEE
December 12, 1978
By City Manager Clair Harmony

- I. Should annexation become a reality this January, we at City Hall have tried to set up a preliminary plan:
1. What will take place
 2. What the 2,000 residents of the new area might expect in the way of effective delivery of services and of course, what their concerns are now.

We are here tonight to present our best estimates as to costs, taxes, location of services and to offer some options.

We are not in an advocate role, but are simply trying to do some preplanning for an action, which at this point in time, has been initiated and recommended by the Local Boundary Commission and will be going before the State Legislature in January.

The existence of the Annexation Committee and this public hearing before that body are sincere efforts to encourage expressions of public concern and input. Hopefully the committee will formulate a policy statement that can be adopted by the Kodiak City Council, which will provide for the following:

1. Early and special representation.
 2. Reasonable differential property taxing zones.
 3. Efficient priorities on road improvements.
 4. Quality Police and Fire services.
 5. Good delivery of water and sewer services.
 6. Ultimate expansion of Parks/Recreation and Library services.
 7. Modifications that might be envisioned by the community at large, the public here tonight and the committee through its deliberations.
1. As to early representation:
 - a. Voting franchise rights would become effective immediately.
 - b. In addition, a special representative would be elected from the new area, to serve in an advisory capacity with the City Council for three (3) years.

2. The differential taxation zones would attempt to provide some equity based on the delivery of services like roads, police and fire. As long as the City cannot get a fire truck into a home because of poor access routes, there should be less of a tax burden on that homeowner, and so on.

Basically the difference between Fire Zones 1, 2 and 3 are that zone 1 would receive 100% delivery of City services, therefore the full mill rate (9.10). Zone 2 would have no effective delivery of fire service and are those areas where the roads are not maintainable, thus 75% mill rate.

Zone 3 would pay a 50% mill rate and would have poor delivery of police, fire and road improvements. All zones would be changed over the next several years as these services are upgraded.

Annexation Committee Presentation
Page 2
December 12, 1978

3. Improvements to roads would progress at a reasonable rate, funded by increased shares in State Revenue Sharing, highway funding and hopefully the commitment by the State Legislature to fund greater levels of capital improvements. This could excellerate quality delivery of services to the annexation area.
4. Police and fire services can be expanded from revenue sharing funds, together with the slow phasing out of the State Troopers.
5. Water and sewer services which are funded through assessment districts, State and Federal grants could proceed in higher density areas, and be in as early as 1980 in those areas shown on the map here tonight.
6. Parks/Recreation and Library services would expand on a somewhat slower basis, I would guess, and generally would be funded by general assessments and grants.

II. Briefly, advantages of annexation would include:

1. relief to the polluted conditions of Island Lake.
2. Better fire and rescue.
3. Quality delivery of water at a lesser user rate.
4. Exemption of personal property taxes.
5. Reduction in fire insurance rates.
6. An equal voting status with your neighbors inside the present City boundaries.
7. Plus other factors which will insure for the general health and welfare of the whole area.

III. Conclusion

In conclusion, we are here tonight to answer questions about annexation, which may or may not take place. It is sort of out of our hands. We have tried to research the various possibilities without spending an exorbitant amount of time and City dollars. What is really needed are the expressions on your concerns which can help the City Council provide reasonable alternatives and effective delivery of service should annexation become a reality.

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

THIRD JUDICIAL DISTRICT AT KODIAK

CITY OF KODIAK)
Plaintiff,)
vs)
KODIAK ISLAND BOROUGH and)
BETTY WALLIN, Mayor of)
Kodiak Island Borough,)
Defendants.)

No. 3KO-78-120 Civ.

AFFIDAVIT OF RICHARD H. SIMS IN SUPPORT
OF PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT

STATE OF ALASKA)
THIRD JUDICIAL DISTRICT) ss.

1. I have been a resident of Kodiak for the past thirteen years.
2. I served on the City Council for the City of Kodiak from the fall of 1969 to the fall of 1972. I served on the Kodiak Island Borough Assembly from the fall of 1970 to the fall of 1972.
3. I have read the affidavits of Stuart O. Denslow, Ed Haughton and Betty Wallin submitted in support of the Borough's opposition to the City's motion for summary judgment. I have read the Borough's counterclaim and affirmative defenses to the City's complaint.
4. Contrary to what is stated in the affidavits, the Borough has not continuously engaged in trying to secure water and sewer service to the residents outside the City. The Borough did not have sewer or water powers and the attitude of the Borough Assembly was to let the City solve the problem of water and sewers and would refer individual applicants for water and sewer to the City.
5. Contrary to what is stated in the affidavits, the Borough Assembly was well aware of the fact that the City would require, when feasible, that individuals residing outside the City and who wanted to hook up to water or sewer to annex to the City.
6. On November 12, 1970, the Borough Chairman, Wilton White came before the City Council with a step annexation proposal that would provide for the annexation of the Spruce Cape Road area and the Hill Bay side of Island

Lake. These areas were consistent with the areas that EPA was trying to force into the sewage collection system. EPA had consistently tried to force a massive sewage project on to the Kodiak Island urban and commercial area. In revising the Comprehensive Plan, in developing the Regional Water Quality Management Plan and in the proposals of the engineering firm of Tryck, Nyman and Hayes, it was both the City's and the Borough's intent to limit the sewage systems proposed in those plans to the areas that the Borough proposed be annexed to the City.

7. The Borough did not have the financial means to pay for any sewer costs, the areas of Spruce Cape and Island Lake could not stand the assessments that would be levied to pay for extensions and it was clearly understood that the areas would go onto the sewer and water systems when the population grew enough to support assessment districts and could be annexed to the City.

8. To assert that the City has secretly harbored theories and misrepresented its position to the Borough is ridiculous. From the formation of the Kodiak Island Borough to, I believe 1974 when the Borough Assembly was reapportioned, two members of the City Council of Kodiak also served as members of the Borough Assembly. As stated before, I served both on the City Council and the Borough Assembly for two years.

9. Had there been any intent for the Borough to become involved in the business of sewer collection and water distribution, the City would have required that the Borough contribute to the costs being incurred by the City in developing the systems.

10. As for the agreements and resolutions and ordinances passed by the Borough Assembly and City Council, they were to meet the demands of EPA and the State in order that the sewer project could be built.

11. During the period I was on the Borough Assembly and the City Council, it was understood that the urban areas outside the City would be served with sewer and water when those areas annexed to the City. That was the understanding of the City government and the Borough government.

12. I was personally active as a Borough Assemblyman in trying to have step annexation of the Spruce Cape and Island Lake areas occur. It was a result of the position of the Local Boundary Commission that a larger area

than was requested and a higher level of services and taxation would be imposed that the legislative annexation attempt is rejected at the request of the City and the Borough.

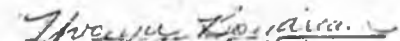
13. It has never been my understanding that any agreement existed between the City and the Borough regarding the City servicing areas outside the City with sewers. See Borough Assembly minutes of June 17, 1971 and July 1, 1971 which I have attached to this affidavit.

14. In preparing this affidavit, I have reviewed both City Council and Borough Assembly minutes for the years 1970-1972.

DATED this 15th day of February, 1979.


RICHARD H. SIMS

Subscribed and sworn to before me this 1st day of January, 1979.


Notary Public in and for Alaska
My commission expires: Nov. 4, 1981

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT KODIAK

CITY OF KODIAK)
)
 Plaintiff,)
)
 vs.)
)
 KODIAK ISLAND BOROUGH and)
 BETTY MAILIN, Mayor of)
 Kodiak Island Borough,)
)
 Defendants.)

No. 3KO-78-120 Civ.

AFFIDAVIT OF ROLLAND JONES IN SUPPORT OF
PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

ROLLAND JONES, being first duly sworn, upon oath, deposes
and says:

1. I have been a resident of Kodiak since 1964.
2. From June of 1970 to July of 1972, I was City Manager for the City of Kodiak.
3. I have reviewed an agreement dated July 2, 1970, signed by myself, between the City and the Borough. It is my recollection that the agreement simply stated that the Borough did not have sewer powers and the City did and was the only agency capable of applying for grant funds.
4. That it has been my understanding that Alaska law does not allow a service district to be formed if the services could be provided by a city and that any action taken by me as city official would have been with that premise in mind.

DATED this 1st day of February, 1979.

Rolland A. Jones
ROLLAND JONES

SUBSCRIBED AND SWORN to before me this 1st day of February, 1979.

Thomas M. Bondman
Notary Public in and for Alaska.
My commission expires: Feb 1, 1981

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT KODIAK

CITY OF KODIAK)
)
 Plaintiff,)
)
 vs.)
)
 KODIAK ISLAND BOROUGH and)
 BETTY WALLIN, Mayor of)
 Kodiak Island Borough,)
)
 Defendants.)

No. 3K0-78-120 Civ.

AFFIDAVIT OF CHARLES A. POWELL IN SUPPORT OF
PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT

STATE OF ALASKA)
) ss.
 THIRD JUDICIAL DISTRICT)

CHARLES A. POWELL, being first duly sworn, upon oath, deposes

and says:

1. I have been a resident of Kodiak since August of 1957.
2. I served on the City Council of the City of Kodiak for the fall of 1971 to the fall of 1974. I served on the Borough Assembly from the fall of 1972 to the fall of 1974 and during that period was the presiding officer of the Assembly and Deputy Mayor of the City of Kodiak. I was the first Borough Chairman for the Kodiak Island Borough, serving from 1964 to 1965. I was a member of the State Legislature in 1967-68.
3. During my service on the City Council, the Borough Assembly and as Borough Chairman there was never any doubt that the areas outside the City would be served by the City's sewer and water systems when those areas became urbanized sufficiently to be annexed to the City.
4. It has always been my understanding of municipal law in Alaska that a service area or district could not be formed next to a City, that the Constitution and State Statutes prohibited that.
5. It was understood by the City that when it came time to provide sewer services to the Spruce Cape and Island Lake areas, that they would be annexed to the City.

6. In the agreements and resolutions and ordinances concerning the City's sewer project, the only intent expressed was that the City was the only entity capable of building the sewer system and getting the grant funds and that the Borough would cooperate with the City to do that. It was assumed that when the City extended the sewer it would be to areas that were annexed to the City.

DATED this ____ day of _____, 1979.

CS/
CHARLES A. POWELL

SUBSCRIBED AND SWORN to before me this ____ day of _____, 1979.

Notary Public in and for Alaska.
My commission expires: _____

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT KODIAK

CITY OF KODIAK,
Plaintiff,)
vs.)
KODIAK ISLAND BOROUGH and)
BETTY WALLIN, Mayor of)
Kodiak Island Borough,)
Defendants.)

No. 3K0-78-120 Civ.

AFFIDAVIT OF WILTON T. WHITE IN SUPPORT OF
PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT

STATE OF ALASKA)
THIRD JUDICIAL DISTRICT)

ss.

WILTON T. WHITE, being first duly sworn, upon oath, deposes and says:

1. I have been a resident of Kodiak since July of 1919.
2. I was the Borough Chairman of the Kodiak Island Borough from the fall of 1965 to 1967. I was a member of the City Council of the City of Kodiak in 1968. I was the Borough Chairman of the Kodiak Island Borough again from the fall of 1969 through 1973. I was again on the City Council of the City of Kodiak in 1974 and 1975 and also sat on the Borough Assembly in 1974 and 1975. I am presently on the City Council of the City of Kodiak having been elected in the fall of 1978.
3. During my years as Borough Chairman that position was an elective office and the Chairman was the chief administrative officer of the Borough government.
4. From 1969 to at least 1975, the total staff of the Kodiak Island Borough consisted of the Borough Chairman, the Borough Clerk, one secretary, an assessor or assessor's clerk and a bookkeeper.

When the City began to apply for funding to build the sewer treatment system, the Borough government was in no position to even consider participating in the financing or construction of sewers outside the City. In 1970 or 1971, the people of the entire Borough passed a school bond issue. All of the bids for construction came in over the amount of bond monies available. Recognizing the simple facts that there

was very limited financial resources and a very limited Borough staff, the efforts of the Borough government were directed at getting the schools built. During this period of time, the Kodiak Island Borough could not have created a sewer service district. It would have been impossible in terms of Borough staff and the tax base to support it. The City already had the departments, manpower, expertise and the financial capability to develop and construct the sewers and treatment system. The Borough was more than happy to let the City do it.

6. I have reviewed: an agreement dated July 2, 1970, marked as Exhibit 1 to Stuart O. Denslow's affidavit; the affidavit of Stuart O. Denslow; the affidavit of Betty Wallin; the affidavit of Ed Naughton; Kodiak Island Borough Resolution No. 73-15A; the 1971 Kodiak Metropolitan Area Interim Water Quality Management Plan and Defendant's memorandum in opposition to Plaintiff's motion for summary judgement.

7. It is my distinct recollection that there never was any discussion with the Kodiak Island Borough government and the City of Kodiak regarding any agreement for furnishing sewer service outside the city limits of Kodiak. We all knew that there was a problem with sewage in the Island Lake and Spruce Cape area but the Borough was in no position to do anything about it. It was recognized that as the population of those areas increased something would have to be done. We knew that the Borough did not have sewer powers and could not spend monies even if we had had funds available. The only logical solution appeared to be that as the areas outside the City became more populated that they should be annexed to the City.

8. The cooperation of the Kodiak Island Borough with the City of Kodiak in solving the sewer problem was to assist in having the areas in need of sewers annexed to the City. Three large scale annexations were attempted. The first two failed at the polls. The third attempt was a joint effort of the City and Borough with legislative annexation. When the recommendation of the Local Boundary Commission was made to the legislature, it was so different in terms of area and the requirements imposed for immediate services that the City and Borough jointly requested of the legislature that the annexation be disapproved.

9. There was one joint service agreement entered into between the City and the Borough during the years set forth above. That was an agreement for fire and ambulance service. I, as Borough Chairman, negotiated that agreement for the Borough with the City. If there had been any agreement between the Borough and the City regarding sewers, I would have negotiated it

also. There was no agreement.

10. In the fall of 1973, Ross Wood became Borough Chairman and I told him that now that the schools were pretty much completed that the priority facing the Borough was to try to resolve the sewage problems in the Spruce Cape and Island Lake areas. At that time, annexation appeared to be the only viable alternative and still to this day it is the only economically feasible solution.

DATED this 31st day of JANUARY, 1979.

Wilton T. White
WILTON T. WHITE

SUBSCRIBED AND SWORN to before me this 31st day of January, 1979.

Thomas M. Dandaneau
Notary Public in and for Alaska
My commission expires: Nov. 4, 1981

As you are aware, the main item on the agenda is the annexation of Mill Bay Road, from the City limits to Cut-off Road. However, there is a much bigger issue that will be discussed later on. The City's presentation tonight will be a summary of services now being provided to the residents of the City of Kodiak. I will say a few words about each service the City is currently providing and the department head who is responsible for that service will be available if you have any questions.

The City Clerk filed a petition with Community and Regional Affairs on October 19, 1977 and with the Borough on the same date. Public notice of the annexation was published on October 21, 25, 26 and 28, 1977.

In the Alaska Administrative Code, 19AAC 05.010 - 19AAC 20.010, one can find the criteria necessary for qualification for annexation.

Item 1 refers to contiguity with the City. This criteria is met as you can see by the map.

Item number three asks if the property is platted or held for sale for urban residential or commercial purposes. In this case, the land is platted and is for sale for urban residential purposes. The population does not now equal that of the City, however, it is only a matter of time until all the buildable land is utilized, either for residential or commercial purposes. Population of the territory being considered for annexation stems primarily from actual growth of the City beyond its legal boundaries. The property is valued high for prospective urban purposes.

Item number four of the regulations asks if the City can provide services more efficiently than another municipality, if the services are needed. This is certainly so since the only other municipality is the Kodiak Island Borough and with its present powers and staffing it is not in a position to offer any services similar to what the City of Kodiak is now providing its own residents. In most cases, if not all instances, the Borough would have to contract with the City or establish duplicate structures and purchase necessary equipment to provide the same services. This of course, would raise the cost for those utilizing those services. The need for additional services is there because the area is becoming increasingly urban. An ordinance passed on second reading at the last Borough Assembly meeting for service areas actually includes the property under consideration this evening. The ordinance establishing the service area excludes all territory in the City as of November 1, 1977.

Item number five discusses the future development and growth of the City and how that will be felt in the annexed area. The City is currently planning on expansion of utilities in this specific area that will be discussed a little later on.

Item number six speaks to the health or safety of City residents. In the area covered by this proposed annexation, there is a definite need for sewage facilities. The City of Kodiak is the only entity able to provide that sewage service. By annexation of this area the City would be able to alleviate the potential health problems.

Item number seven, there are many areas adjacent to the City where the City limits go back and forth across roads, etc. If a definite straightened boundary existed, the police, fire and other services would be able to serve the City residents much better. In some instances, City employees and services must cross land outside the city limits to necessarily serve residents of the City due to this boundary situation. This also causes problems serving areas inside the City because of the inability to get easements, etc. for water and sewer lines.

Number eight is one of the most important items as it asks what City services are received without tax contribution. At the present time, residents of the area outside the City are receiving limited protection from the City police department, as our officers are authorized to assist the Troopers when necessary. The parks and recreation department, boat harbor, cargo dock and municipal airfield serve everyone and the museum is an attraction to all. In addition, the ferry dock serves all residents. The City is responsible for the landfill for all the Kodiak urban area and the cemetery is also free to Borough and City residents alike. The Borough residents are also using City streets to go to and from work and shopping that are cleared of snow and paid for by the City of Kodiak taxpayers. Water and sewer is provided for the different businesses in town and those living outside the City who are working in town also benefit from that. At the present time, the Borough does pay the City for library and fire protection, however I am certain that a case could be made that whatever is contributed is not equal to the usage, i.e. major equipment expenditures in the fire department.

The present assessed valuation of personal and real property within the City of Kodiak is \$127,48,101. The assessed valuation outside the City limits of Kodiak within the entire Kodiak Island Borough is \$32,806,810. This is a total of \$160,554,911. In percentages, the City of Kodiak has 79.57% or 80% of the assessed valuation of the Kodiak Island Borough. The Borough has 20.43% or 20%.

In terms of dollars and cents, for every dollar that the Borough collects from the taxpayers and ultimately spends, 80 cents comes from City taxpayers and 20 cents comes from Borough taxpayers outside the city limits.

The Borough does give the City \$15,000 for library services. We have facts and figures that show that library usage by the Borough residents is 40% of the total, while City residents use the library 60%. If we take the 80% figure for taxes paid by residents within the city limits, \$15,000 of that \$12,000 comes from City taxpayers. So while the Borough keeps telling us how much they give us for library services, they are actually giving us 80% or \$12,000 of City money and only \$3,000 from Borough taxpayers.

It also can be said that the cargo dock, boat harbor, water and sewer departments are enterprise funds. However, a case can be made that the administrative time taken by the City Council and others is time for by residents outside the City. It is also obvious that if it were not for the City of Kodiak taxpayers in the first place, the people outside of the City boundaries would never be able to enjoy the services they now have. It is the City of Kodiak taxpayers that make it all possible.

At this time I would like to go through the different departments of the City and explain the services that the City now provides.

PARKS AND RECREATION. Each of you has a copy of the services the City is now providing all residents, Borough and City alike, in this important function. The 1977-78 budget is \$128,946 while estimated revenues for this year are \$20,000. That leaves a total of \$108,946 that comes out of general fund revenues which are paid for by City taxpayers. The City does receive State revenue sharing funds for parks and recreation. However, only the population of the City is allowed to be used.

I might mention that the City does utilize the Borough school facilities to provide some recreation services. We are told time and again that this is the contribution from the Borough to the parks and recreation budget. However, that does not hold much water because school facilities are here and they were paid for out of taxes paid in part by the residents of the City. Only 20% of that local support comes from the Kodiak Island Borough residents. If any of you have any questions, Ian Fulp, the City's parks and recreation director, is here to answer them for you.

PUBLIC WORKS. The next department is public works. The City now has a 12-inch water main which is extended to Lot 18 of the proposed annexation area and we are now furnishing water to Lots 1, 14, 15, 16 and 17 in the proposed area. It would be desirable to extend this main through the area and to tie into an existing 12-inch line at Cut-off Road. This would establish another loop in our system which in turn would add more volume of water to the northeast portion of the system for fire fighting purposes. This line will also provide water service to the homes in the area and fire hydrants where such protection is not now available.

The City now has a sewer main extended to the lot line of Lot 15 and has budgeted an additional amount of money to extend it to Lot 18. Should this area be annexed, it would be feasible to extend this line to Lot 23 from this direction and cover the remaining area from a sewer already installed on the northeast side.

The municipal airstrip is partially involved in this annexation. The City has interest in and owns parts of the property involved. It would be advantageous to have it inside the City so periodic maintenance on the field is performed.

Mr. Herman Boukers, the Superintendent of Public Works, is also available to answer any questions you might have.

LIBRARY The library has already been mentioned; however, I will go over that again in case there are any questions. For the first five months of a reregistration period, approximately 40% of the library borrowers were residents of the Borough while 60% were residents of the City.

These figures are for persons who come into the library regularly. The books that are sent to the villages are usually sent to the village schools and are not included in the above statistics. I have already mentioned the library budget and the contribution of the Borough. Elizabeth Carroll, our Library Director is also present tonight.

FIRE. A different situation exists in the fire department. The fire district located in the Borough is in the proposed area under discussion.

The City and Borough have an agreement whereby the City provides fire protection for areas in the Borough. This is based on the mill rate for the fire department that the residents inside the City pay for that service. The basic figures for fire calls, losses and man-hours spent on fires in the Borough is enclosed with your information. So far in 1977, the Kodiak fire department has answered 26 calls in the Borough.

The City of Kodiak also operates the ambulance service for the Kodiak urban area. Recently the Kodiak Island Borough purchased an ambulance and turned it over to the City of Kodiak for the City to operate. In other cities that I have been in, the ambulance service is operated by the hospitals. We do appreciate having an additional ambulance available to answer calls in the Kodiak urban area; however, it is important to note that with health powers, the Borough should have this responsibility. I do not want to belabor the point because of the "generosity" of the Borough in allowing the City to use its ambulance.

Getting back to fire, in the area of insurance, for a \$70,000 home, the City rate at class 5 is \$559. The same \$70,000 home in the Borough without the adequate water and response time is \$1,115 for a difference of \$556. The point is that by having water and adequate fire service available, a resident taxpayer in the Borough would save approximately half the cost he is now paying for fire insurance.

It is also important to note that the City does conduct fire inspections of the residences and businesses in the annexed area.

Chief Magnusen will answer any questions you might have.

CITY ENGINEER. The City Engineer feels that the organization which operates and maintains a utility system should have the final say in how and when the system is developed. For example, in the case of the City water system, he does not believe any extension should be permitted unless it meets the following criteria: (1) The proposed extension conforms to an approved water system development plan. (2) Construction is done in accordance with City standard specifications and (3) Construction is monitored by a City inspector. In short, the City being the owner and operator of the system should control development of that system. There are only two ways in which this could be accomplished, annexation of lands prior to development or a Borough ordinance requiring all new water system to meet the above criteria. He feels it can be easily shown that annexation is the more positive method allowing all water users an equal voice in the organization which operates the system.

One example of the Borough's inability to handle their responsibility is in the area of subdivision development. At the present time, the Sarch Street sewer line is being reconstructed due in part to inadequate control of subdivision development by the Borough.

In the case of sanitary sewer facilities, there is one additional option that may be considered. That is having the Borough own and operate the waste water treatment

plant and take over the responsibility of operating and maintaining the total waste water collection system. This concept is not considered practical, however, as it requires two municipal organizations to control utility systems which overlap.

In conclusion, he feels that orderly growth and development of water and sewer systems within our community is best accomplished by placing all areas served by these systems within the same municipal boundaries. Anything short of this would be a detriment to all concerned.

BOAT HARBOR. The City Council from 1965 to 1971 authorized general fund expenditures to assist the small boat harbor. These expenditures total approximately \$50,000. In 1974, the City Council, in an effort to equalize taxation, placed the harbor on an enterprise system and subsequently wrote off a \$50,000 deficit. From 1972 through 1975, the City expended general fund monies for capital improvements in the boat harbor which included (1) redecking work on the loading dock 1, (2) installing two 3,000 gallon waste oil tanks, (3) building Shelikof Street loading dock, (4) installation of electrical meters, (5) dredging sludge from drainage culverts.

The above capital improvements total approximately \$53,000. Since the small boat harbor was rebuilt in 1965 to the present time, the City has expended in the neighborhood of \$100,000 for the small boat harbor operations.

CARGO DOCK. The 1977/78 budget has an amount from the general fund of \$149,703. This is a deficit that the City is presently incurring in the cargo terminal operation and is due to contract differences with Sea-Land. Many of the improvements at the cargo dock are paid for out of State funds. It is important to note that the City does spend general fund revenues when problems arise. George Cutrell, the Port Operations Manager is here to answer any questions you might have.

POLICE SERVICES. The Police Chief feels that the proposed annexation would benefit the citizens. When they call for emergency and routine service at the present time, it is confusing to the dispatcher whether to dispatch a police officer or State trooper. This is especially true when street addresses are nonexistent.

Due to the broken configuration of property, liability could result if a police officer mistakenly took action in an area out of the City's jurisdiction. There should be no additional cost to the City for providing this service since the police officers are utilizing Mill Bay Road at the present time to reach other areas within the City.

Probably the best document that I can present to you this evening is the petition by the registered voters of the proposed new first class city Spread Eagle. It calls for fire and road services only. These would be provided by the new city.

Duplication of road and fire services will be quite a burden on these taxpayers. If they purchase additional fire equipment, build a building and have volunteers, the fire service would not be any better than it is right now. I believe the only way to improve service would be if the new city hired fire fighters on a full time basis. This has already proven to be too costly for the existing fire district when they hired their firefighters.

Regarding the road service, it is important to note that it would probably be contracted out to a private company would be a considerable expense.

On page 5 of the brief of the petition for incorporation of Spread Eagle, there is a discussion of the aim of the proposed City which would be to maintain large lots and low density housing in order to preserve the existing forest. The manner in which this would best be accomplished would be to give the residents the power to control the development of and provide the services for the area in which they reside.

First class city incorporation will not protect lot size and density. The only way this could be accomplished would be to incorporate as a first or second class borough and have planning and zoning powers. Another city is definitely not the answer.

In conclusion, I would like to reiterate my main points.

1. The property is used for urban purposes, is platted and is an extension of the City's boundaries. The value of the land is due to the proximity to the City.
2. The City can provide services more efficiently than any other municipality.
3. Expansion of utilities is planned for the area.
4. Sewage facilities are needed to protect the health of the residents.
5. A straightened boundary of the City is definitely needed.
6. I have made the point several times regarding City services received by Borough residents without tax contribution. The most obvious problem with the Borough's thinking is they feel they are actually giving the City something. The idea is like a Federal or State grant instead of the City being part of the Borough. Just because there are two separate municipalities involved does not mean we are not the same people.

KODIAK FIRE DEPARTMENT

Office of the Fire Chief
George Magnusen



Post Office Box 1397
Kodiak, Alaska 99615
Phone 486 - 5728 - Res. 486 - 5562

December 7, 1977

Fire Calls & Losses In the Borough

Year	Calls	Dollar Loss
1970	13	Unknown
1971	17	8,600.00
1972	20	17,800.00
1973	22	6,360.00
1974	20	33,265.10
1975	18	6,400.00
1976	22	21,600.00

This brings the total calls in the Borough in the above period to 134 calls with a dollar loss of \$94,225.10. So far in 1977 the Department has answered 26 calls in the Borough and a dollar loss of \$66,550.00.

Man Power & Man Hours

Year	Man power	Man Hours	Average Per Call
1970	Unavailable		
1971	301	300.6	16.7
1972	284	445.8	15.7
1973	170	261.8	11.9
1974	244	353.5	17.6
1975	294	261.1	15.6
1976	213	278.8	12.7
1977	271	514.0	19.4

(figures for 1977 incomplete due to one more month for the year.)

MEMORANDUM

TO: Dick Berg
 FROM: Herman Beukers, Supt. of Public Works
 SUBJ: Island Lake Roads
 DATE: November 21, 1978

In accordance with your instructions, the following information is submitted:

MAINTAINABLE ROADS

Island Lake Road from Mill Bay to Lake	2,500 feet
Back Island Lake Road (Platted)	3,800 feet
Balika from Island Lake to Mill Bay Road	2,500 feet
Road from Island Lake to Mike Brechan's	750 feet
Ram Site Road	1,900 feet

2 1/5 Miles TOTAL 11,450 feet

It is estimated that the cost per mile for maintaining roads, which includes grading, drainage, snow removal and dust control will be approximately \$12,000 per mile per year.

Shahafka Acres Road	1,600 feet
Melnitsa Lane	200 feet

TOTAL 1,800 feet

The above roads will be maintainable with some surfacing work and widening which can be done with City forces. The estimated cost to upgrade these two roads is \$7,200. They then would be part of the maintainable system which would then consist of two and one-half miles of road.

The area is gaining access to its lots on roads that are barely trails and are not constructed in the platted right-of-ways. Eventually the proper roads will have to be constructed. Some could be built in the platted right-of-way, others, especially on the back side, would require acquisition of the right-of-way.

Because of the timber in the area and normal construction problems, it is estimated construction costs would be high, especially as we are required to follow our ordinance which states the right-of-way shall be cleared and a 40 foot gravel surface street shall be constructed. It is estimated that the cost would be \$400,000 per mile. This figure is based on Brechan's costs on Lake View Drive in the area with a 20% (10% a year) inflation factor.

HITB/lkg

TYPICAL ASSESSMENTS

11-21-78

WATER DISTRIBUTION SYSTEM

ESTIMATED TOTAL PROJECT COST \$1,112,460.00
 LESS ADEC GRANT (50%) 556,230.00
 CITY CONTRIBUTION \$556,230.00
 ASSESSABLE AREA 3,000,000 s.f.

ASSESSMENT -
 $\frac{\$556,230}{3,000,000 \text{ s.f.}} = \$0.185410/\text{s.f.}$

SHANAFKA ACRES \$5,291.14
 Block 1, Lot 5A
 28,538 s.f.

MILLER POINT 1st ADD. \$4,311.38
 Block 5, Lot 2
 23,253 s.f.

ISLAND LAKE SUBDIVISION \$1,254.30
 Block 1, Lot 8
 6765 s.f.

ISLAND LAKE SUBDIVISION \$1,668.69
 Block 1, Lot 5
 9,000 s.f.

TYPICAL ASSESSMENTS

11-21-78

WASTEWATER COLLECTION SYSTEM

I. MISSION ROAD

ESTIMATED TOTAL PROJECT COST \$343,620
 LESS ADEC GRANT (50%) 171,810
 CITY CONTRIBUTION \$171,810

ASSESSABLE AREA 1,147,075 s.f.

ASSESSMENT -
 $\frac{\$171,810}{1,147,075 \text{ s.f.}} = \0.149781

U.S.S. 3100 \$2,696.06
 Lot 7
 18,000 s.f.

U.S.S. 3100 \$3,594.74
 Lot 16
 24,000 s.f.

U.S.S. 3101 \$3,819.41
 Lot 3
 25,000 s.f.

U.S.S. 3101 \$2,022.04
 Lot 7
 13,500 s.f.

U.S.S. 3101 \$5,392.11
 Lot 21 A
 36,000 s.f.

II ISLAND LAKE - DARK LAKE AREA

ESTIMATED TOTAL PROJECT COST	#2,088,240
LESS EPA GRANT (75% of Interceptor)	536,445
LESS ADEC GRANT (50% of City Cost)	<u>775,897.50</u>
CITY CONTRIBUTION	#775,897.50

ASSESSABLE AREA 2,842,655 s.f.

ASSESSMENT -

$$\frac{\$775,897.50}{2,842,655 \text{ s.f.}} = \$0.272948$$

SHAHAFKA ACRES #7,789.26
 Block 1, Lot 5 A
~~552~~ 28,538 s.f.

MILLER POINT 1st ADD. #6,346.92
 Block 5, Lot 2
 23,253 s.f.

ISLAND LAKE SUBDIVISION #1,846.49
 Block 1, Lot 8
 6765 s.f.

ISLAND LAKE SUBDIVISION #2,456.53
 Block 1, Lot 5
 9,000 s.f.

Approved 10/20/78

STATE OF ALASKA
 FFY 79
 PROJECT PRIORITY LIST

Rank	Project	Score	EPA Project Number	Project Step	Target Award Date	Project Description *	Est. Eligible Cost \$1,000	EPA Grant Amount \$1,000	Cummulative Total \$1,000	FFY 79 Cummulative Total \$1,000
1	Eagle River	980	C-020061-02	3	79	STP	4,953	3,715	3,715	3,715
2	King Salmon (Bristol Bay Borough)	960	C-020081-02	2 & 3	79	INT & STP	2,762	2,072	5,787	5,787
3	Fairbanks Sludge Disposal	930	C-020083-01	1	79	Upgrade	40	30	5,817	5,817
4	Fairbanks Sludge Disposal	920	C-020088-02	2	80	Upgrade	200	150	5,967	---
5	Fairbanks Sludge Disposal	910	C-020088-03	3	80	Upgrade	2,000	1,500	7,467	---
6	Seward	884	C-020051-02	2	79	INT & STP	388	291	7,758	6,108
7	Soldotna	880	C-020076-03	3	79	STP	2,003	1,502	9,260	7,610
8	Anchorage I/I & SSES	880	C-020087-01	1	79	Rehab	1,000	750	10,010	8,360
9	Seward	874	C-020051-03	3	80	INT & STP	6,782	5,087	15,097	----
10	Ketchikan Phase II	832	C-020053-04	3	80	INT & STP	7,849	5,887	20,984	---
11	Kodiak Island Lake	830	C-020069-01	1	79	INT	40	30	21,014	8,390
12	Sitka Phase I	828	C-020052-03	3	79	STP	8,288	6,216	27,230	14,606
13	Kodiak Island Lake	820	C-020069-02	2	80	INT	325	244	27,474	---
14	Wasilla	818	C-020073-02	2	79	INT & STP	450	358	27,812	14,944
15	Nome	810	C-020062-03	3	79	STP	2,378	1,784	29,596	16,728

16	Kodiak Island Lake	810	C-020089-03	3	81	INT	4,857	3,628	53,224	---
17	Naknek (Bristol Bay Borough)	795	C-020082-02	2 & 3	80	INT & STP	2,762	2,072	35,296	---
18	Anchorage 78" W. Interceptor	790	C-020087-10	3	80	INT	8,250	6,188	41,484	---
19	Kenai	784	C-020077-02	2	79	INT & STP	180	135	41,619	16,863
20	Fairbanks Ballaine Lake	770	C-020083-02	2	79	INT	50	38	41,657	16,901
21	Fairbanks Ballaine Lake	760	C-020083-03	3	80	INT	500	380	42,037	---
22	Wasilla	758	C-020073-03	3	80	INT & STP	6,983	5,237	47,274	---
23	Homer Spit	750	C-020056-02	2 & 3	79	STP	492	369	47,643	17,270
24	Unalaska	731	C-020064-02	2	79	INT & STP	550	413	48,056	17,683
25	Sitka Phase II	730	C-020052-04	3	80	INT	6,738	5,054	53,110	---
26	Sitka Phase III	730	C-020052-05	3	81	INT	5,475	4,106	57,216	---
27	Kenai	724	C-020077-03	3	79	INT & STP	3,570	2,678	59,894	20,361
28	Unalaska	721	C-020064-03	3	80	INT & STP	8,200	6,150	66,044	---
29	Ketchikan Phase I	715	C-020053-03	3	79	INT & STP	7,231	5,423	71,467	25,784
30	Fairbanks Airport Interceptor	680	C-020084-01	1	79	INT	40	30	71,497	25,814
31	Fairbanks Airport Interceptor	670	C-020084-02	2	80	INT	700	525	72,022	---
32	Seldovia	661	C-020071-02	2	79	INT & STP	107	80	72,102	25,894
33	Fairbanks Airport Interceptor	660	C-020084-03	3	81	INT	7,420	5,565	77,667	---
34	Whittier	653	C-020080-02	2 & 3	79	INT & STP	1,850	1,388	79,055	27,282
35	Seldovia	651	C-020080-03	3	80	INT & STP	1,920	1,440	80,495	---
36	Eagle River Road Interceptor	640	C-020061-03	2	79	INT	76	57	80,552	27,339
37	Eagle River Road Interceptor	630	C-020061-06	3	79	INT	814	611	81,163	27,950



City of Kodiak

SPECIAL REPORT

ANNEXATION

The area outlined below has been recommended for Annexation by the State of Alaska Boundary Commission. It generally encompasses the area from the existing City limits to Spruce Cape along the water — then to Abercrombie and along Lake View Drive.

ISLAND LAKE ANNEXATION HISTORY

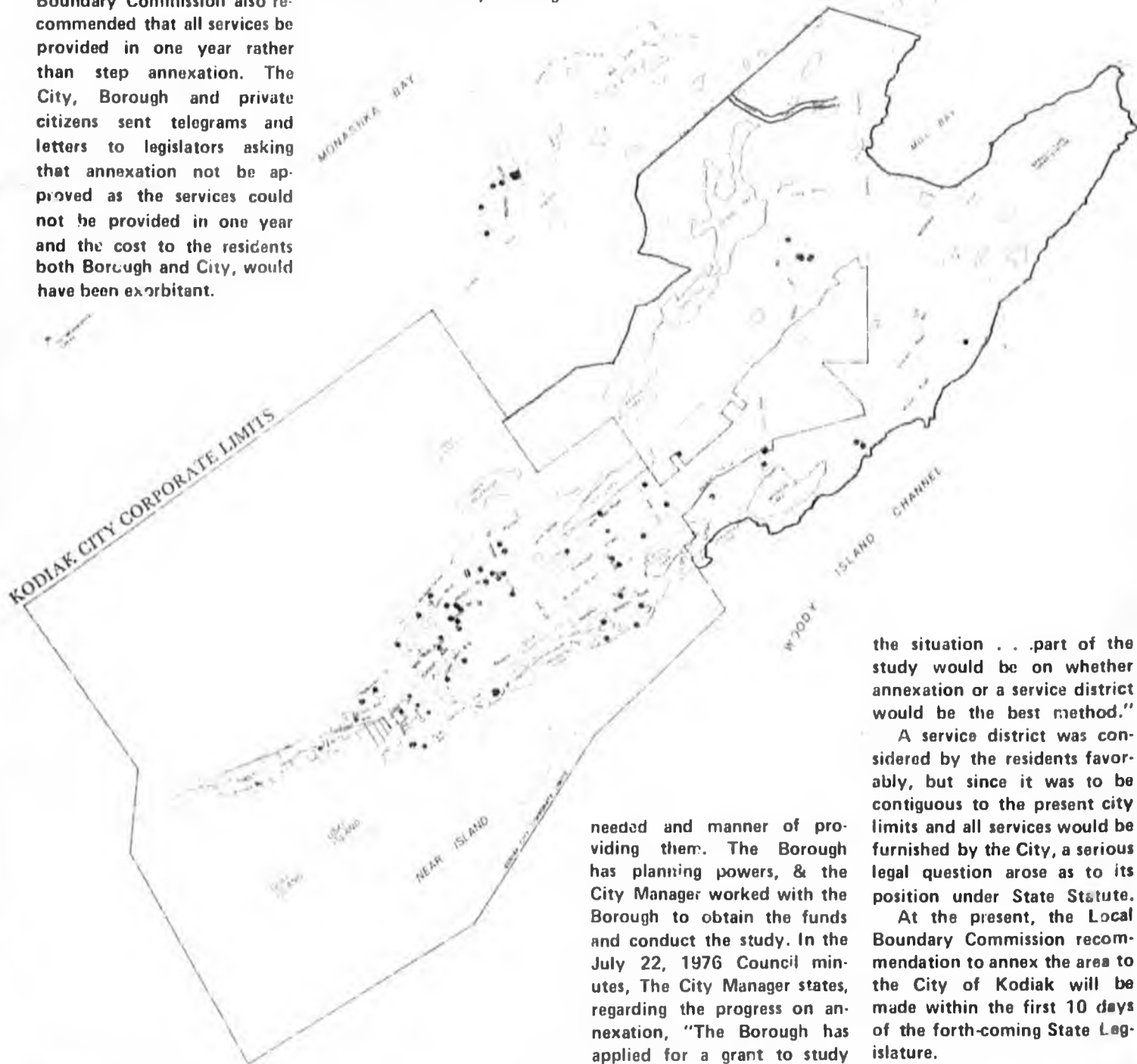
In 1968, the first attempt at annexing Island Lake and Spruce Cape occurred. The main reason for the residents request appears to be fire protection. An election was held and the annexation question was defeated.

In 1970, the Borough initiated step annexation of certain areas (including Island Lake). The Boundary Commission recommendation included a larger area. The Boundary Commission also recommended that all services be provided in one year rather than step annexation. The City, Borough and private citizens sent telegrams and letters to legislators asking that annexation not be approved as the services could not be provided in one year and the cost to the residents both Borough and City, would have been exorbitant.

In 1972, petitions were received from Island Lake residents requesting annexation. However, Municipal, Boundary regulations were being revised by the State. After the new regulations were established, the City was told that the petition would have to be done under the new regulations. The City Manager at that time, met several times with the residents of Island Lake concerning annexation.

Then the City Manager

discussed the problem with the Council and it was agreed that the City should proceed rather than asking the people to present another petition. It was then discovered that planning Grant funds would be available for a comprehensive study of the services



the situation . . . part of the study would be on whether annexation or a service district would be the best method."

A service district was considered by the residents favorably, but since it was to be contiguous to the present city limits and all services would be furnished by the City, a serious legal question arose as to its position under State Statute.

At the present, the Local Boundary Commission recommendation to annex the area to the City of Kodiak will be made within the first 10 days of the forth-coming State Legislature.

needed and manner of providing them. The Borough has planning powers, & the City Manager worked with the Borough to obtain the funds and conduct the study. In the July 22, 1976 Council minutes, The City Manager states, regarding the progress on annexation, "The Borough has applied for a grant to study

CITY RESIDENTS CHARGES FOR SERVICES

— BY MILL RATE —

PRESENT CITY

ANNEXATION AREA

	1978/79 Budget	Less:	Charges for Services Cargo			Payments From Sales Tax		%	X 9.1 Mills	X	1978/79 Real Property Assessed Valuation	
			Cargo Dock	Boat Harbor	Water/Sewer Utilities							
Legislative & Legal	72,500										17,646,115	3,353
Executive	79,660		4,672	9,983	7,966							3,000
City Clerk	86,358		2,892	4,376	8,752							3,353
Finance	242,799		19,604	11,541	34,708							8,647
Police	873,129											42,174
Fire	351,284											16,940
Public Works	771,650		91,862	4,000	359,061							18,175
Parks & Recreation	111,802											5,470
Library & Museum	172,679											8,294
Engineering	184,092											8,823
Non-Departmental												
Borough Personal Property Tax	431,600											20,822
Capital project transfer	588,807					588,807						
Bond Payments	137,158											6,705
Miscellaneous (1)	306,356											14,823
Totals	\$4,409,874		\$59,030	\$23,900	\$410,487	\$588,807	\$3,327,650	100%	9.10	X	\$17,646,115	160,579

(1) Insurance	115,000
Public utilities, Street Lights	80,000
Council on Alcoholism	204,60
Senior Citizens of Kodiak	2,500
Miscellaneous	39,000
Contingency	44,396
Total	306,356



Rates vary within Districts depending on distance of dwelling from Hydrants & Station as well as accessibility.

HOMEOWNERS FIRE INSURANCE RATING AS THE AREA IS AT THIS TIME (example)

Town Class	House Valuation	Island Lake Area Class
Class 5		Class 9
\$306	\$50,000	\$619
	WITH FIRE SUBSTATION BUT NO HYDRANT	
\$306	\$50,000	\$536
	WITH FIRE HYDRANTS BUT NO FIRE HOUSE	
\$306	\$50,000	\$338
	WITH STATION & HYDRANTS	
\$306		\$306

The area that is presently served by contract with the city pays 2.3 mills for fire service.

EXAMPLES OF MILL RATES

Borough	7.0	City	
Fire Service (Bell's Flats)	2.3	All services	16.1
	7.2		

Borough residents in the proposed annexation area now pay:

Borough	7.0
Fire Service	2.3
Total	9.3

Borough residents at Bell's Flats pay:

Borough	7.0
Road Service	7.2
Total	14.2



WHAT ABOUT PARKS/RECREATION/LIBRARY

City Recreation Program system utilized approximately /
City Library System utilized approximately

28% Borough
40% Borough

Residents outside the City
Residents outside the City

Expanded Library Service expected for additional Boro/City Residents as Funds allow

Suggested Park Development Priority

1. Mill Bay Ocean Park
2. Boy Scout - Island Lake
3. Russian Mill Site - Mill Bay
4. Park at Oceanside - Abercrombie (Cry of Ram) Area.

List of Programs

Teen Center
City League Volleyball
Badminton
Women's Exercise Program
Swimming Pool Superision & Lessons
Summer Recreation Program
Tennis Lessons & Tournaments
Softball and Baseball
Cross Country Ski Classes
Special Recreation for Handicapped
Crab Festival Games
A.A.U. Programs - Swimming

WHAT ELSE WOULD YOU
LIKE CONSIDERED ?

WHAT ABOUT WATER & SEWER



The City of Kodiak engineering department has been doing preliminary planning for water and sewer service to the proposed annexation area so that construction could begin as soon as possible, if annexation were approved. Previous studies have been incorporated. It is anticipated that grants will be received for 50% to 75% of the costs.

The City has to the best of its ability incorporate the previous work of the citizens and engineering firm retained by the Borough. Plans showing proposed water and sewer lines will be available at the public meeting.

One unusual concept advanced is to allow acceptable Septic Systems in low density hard to reach areas in order to keep cost down and to allow assessment relief for the life of the System. Detailed engineering can not be realized until annexation is a reality & appropriate Grant monies can be applied for.

WHAT ABOUT ROADS

1st Priority?

1. Unamed Road in U.S.S. 3457
2. Track A Island Lake
3. Unamed Road in U.S.S. 3219, 3103, 3464 Island Lake
4. Cliffside & Cliffside Loop
5. Seabreeze & Woodland
6. Unamed Road in U.S.S. 3099



2nd Priority? What else should be done.

Reconstruct for purpose of snow removal, road grading, fire & police coverage.

There are 2½ miles of maintainable roads in the area. Maintenance means grading, drainage, snow removal and dust control.

With a minimum of work another 2½ miles of road would be maintainable.

WHAT ABOUT POLICE

Available on maintainable road system with one year or more additional coverage of state police - dispatch available on personal, telephone, or C.B. contact. Additional policemen and vehicles will be added as necessary to cover the entire area.

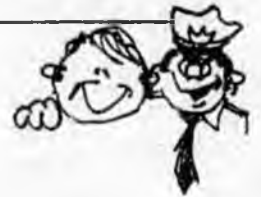


DIFFERENTIAL TAXATION?

WHAT IS IT? A method of allowing new residents a break on taxation until they receive the same type and quantity of services as other residents.

Zone No. 1

Generally that area next to Mission Road outside the present boundaries that may enjoy all City services afforded present City residents. Present Mill Rate for City purposes at 100% would apply.



Zone No. 2

Generally that area north of Mill Bay USS 2467, Shafaka Acres, Block 7 Monashka Bay subdivision that cannot receive full services. Mill Rate at 75% would apply.

Zone No. 3



Generally that area of Woodland Acres, and back of Island Lake that the city is presently unable to reach adequately with fire & police due primarily to present road conditions. 50% of the City Mill rate.

SEE THE CITY'S MAP

EARLY & SPECIAL REPRESENTATION

Early representation is afforded by a City Charter provision which allows any resident who has lived in the newly annexed for 2 years and in Alaska for 3 years the ability to run for Mayor or Council.

Also, the City Council by special provision will ask for the election of a special representative from the annexed area to serve as an advisor with the council for 3 years. Residents of the annexed area will of course vote for all council members and mayor as their respective terms expire.

THE CITY MADE THE FOLLOWING PROMISES IN RESOLUTION NO. 24 - 78

CITY OF KODIAK
RESOLUTION NO. 24 - 78

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska as follows:

1. The City will, to the extent possible, establish and implement in the areas to be annexed, a system of differential taxation for any such areas that do not receive all services of the City supported by taxation or which receive these services at a level different from that provided in other areas of the City.

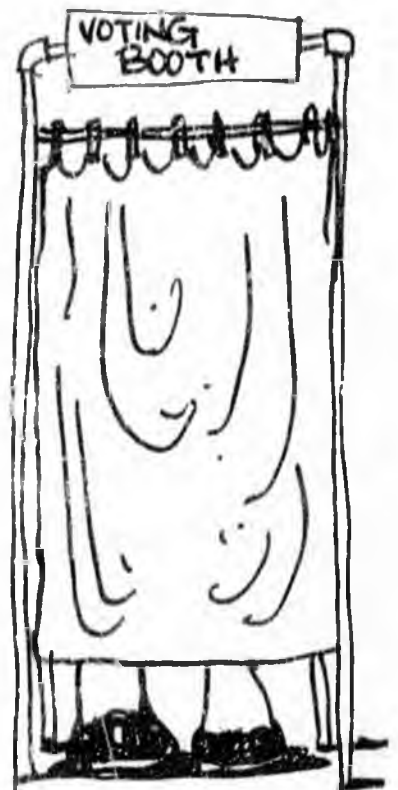
2. The City Manager is hereby directed to develop tentative plans for the provision of services to the areas proposed for annexation and to determine whether the City may be prevented by requirements for capital improvements or for other reasons from providing full services to portions of those areas for any temporary period of time. On or before October 1, 1978, the City Manager shall report to the Council and advise of the areas where provision of full services may be temporarily delayed, the level of service that will be provided and the estimated differential in cost between full services and the services to be provided.

3. The City Manager and the City Attorney shall explore existing legal requirements regarding residency requirements for voting and elective office, and the existing number of Council Members and make recommendations to the Council on or before October 1, 1978, regarding possible changes in law or policy to provide residents of newly annexed areas with representation within the City comparable to that currently available to City residents, and any recommendations regarding required changes in ordinances to implement that objective.

4. The City shall engage in an information program regarding the proposed annexation with the objective of making the public and the legislature aware of the need for and benefits of annexation, and shall employ the services of a qualified person, to the extent determined advisable, to actively support approval of the annexation by the Alaska legislature.

PASSED AND APPROVED this 24th day of August, 1978.

LET THE CITY KNOW WHAT OTHER WRITTEN PROMISES YOU WANT:



GOT A QUESTION?

Annexation Committee:	Phone Number
Bob Waage	486 - 4493
Emil Norton	486 - 5178
Marion Johnson	486 - 5171
Bob Brooks	486 - 5815
Nick Szabo	486 - 3853
Pete Resoff	486 - 4463
City Manager - Clair Harmony	486 - 3224

PUBLIC MEETING

These Ideas are proposals and the City Needs your input.

A Public meeting with the Annexation Committee will be held on December 12, 1978 at 7 p.m. in the Council Assembly Chambers.



1962 - LEGISLATIVE BOUNDARY COMMISSION
 REVIEW BOUNDARY RELOCATION TO AVOID
 1978:
 1) CITY IS CAPABLE
 2) TOWNships meet SERVICE DAC
 3) " " " " 45,000
 QUESTION ARE (ECONOMIC, POL) " " "

WELL KNOWN AREA

CITY
 COUNTY
 TOWNships
 NOT SERVICE BOUNDARY, BUT SERVICE GO ANALYSIS

CITY
 WOULD BE...
 400...
 SIX...
 1) ...
 2) ...

CITY
 SERVICE...
 CITY IS... ON SERVICE...
 SERVICE... NOT...

DEC
 BLOND LIKE ONLY
 STATE SHOULD NOT QUICKLY

- CITIZENS
- LEILINER
 - NICHOL
 - + DINE
 - CO
 - N.L.
 - MURKIN
 - LOUD

- LOUIS LINDSON

SPRUCE COPE

- JO HUTON

SPRUCE COPE

+ TOM SWEENEY

BUSINESSMAN

- CHUCK PSWELL

C-C

- T.T. JACKSON

TRAILER MAN (OUTSIDE)

- MARVIN RANDOLPH

SPRUCE COPE

- DEWITT FIELDS

INSIDE AND OUTSIDE

- TOM SIMPLER

MILL BAY

- JUHE JUELSON

SPRUCE COPE

- DICK JUELSON

SPRUCE COPE

+ EDWIN LECHNER

CITY COUNCIL (C-15)

- DON OGG

... (MAYBE NOT HERE)

+ GAYNE HATCHER

CITY COUNCIL

- JOE WELLS

WON'T TALK

- JIM ESKUS

SPRUCE COPE

- DICK POYB

SPRUCE COPE

- BOB SZABO

ISLAND LAKE

- ELLEN AND BILL RYS

ISLAND LAKE

- PETER BOULEY

ISLAND LAKE

+ PETER	<u>RESOFF</u>	CLIFFSIDE	POOD
- BILL	<u>BARKER</u>	WOODLAND	UCKES
	<u>DICK</u>	CITY	(CANTON) COUNCILMAN + DISCH...
+ MORLON	<u>JOHNSON</u>		
- DUKE	<u>CHANDLER</u>		
+ KEN	<u>POLAND</u>	CITY	(AND BOWEN)
+ IAN	<u>FILIP</u>	ISLAND	LAKE
- TOM	<u>LOAN</u>	CITY	
+ BOB	<u>BROWN</u>	SPRING	CAPE
- VOLVO	<u>PAGE</u>	SPRING	CAPE
-	<u>OH</u>	SPRING	CAPE
- MICHAEL	<u>LI GAY</u>	SPRING	CAPE
- DR. BOB	<u>JOHNSON</u>		
- TIM	<u>DURDS</u>	SPRING	CAPE
- DOUG	<u>DALTON</u>	ISLAND	LAKE
- JOHN	<u>WIDENEN</u>	MILLER	POINT
- WALTER	<u>BUSH</u>	CITY	
- BILL	<u>GLAN</u>	CITY	(...)
- JOHN	<u>PEREZ</u>	CANTON	(CRESIDENT SUPERVISOR)
+ MARIE	<u>CORY</u>	CITY	<u>SIEMENS</u>
- DUANE	<u>FREEMAN</u>	ISLAND	LAKE
+ TOM	<u>WELBY</u>	CITY	(+ BOND)
+ ERIC	<u>NORSON</u>	CLIFFSIDE	
- TONY	<u>PEREZ</u>	SPRING	CAPE

STATIONERY DEPT.
COLUMBIA

Unification Vote Oct. 3, 1979

		YES	NO
Madison	In City 1	95	137
	2	80	143
	3	107	148
		282	428

Total Votes Cast 486 1003

DOCUMENTS/ Basic

1. Map
2. Local Boundary Commission Recommendations re Annexation
3. HJR 10
4. SJR 12
5. 19 AAC 05.010 re Annexation Standards
6. Testimony of Jack Chenoweth to House C&RA Committee re role of State in review of Annexations
7. Memo from Jack Chenoweth re courses of action open to Legislature
8. Kramer, Chin, Mayo Kodiak Island Borough Comp. Plan

KODIAK BOROUGH/Documents

- A. Statement of the Position of the Commanding Officer, U.S. Coast Guard Support Center, Kodiak, with respect to the Proposed Annexation of the U.S. Coast Guard Support Center, Kodiak
- B. Respondent's Brief in Matter of Annexation of Certain Property along the Mill Bay Road (Dec. 9, 1977)
- C. Respondent's Brief re Proposed Annexation of Certain Lands in Kodiak Urban Areas to the City of Kodiak (May 19, 1978) with summary statement.
- D. Kodiak Island Borough Economic Analysis, by G. Hoyden Green Ph.D., and P.J. Hill, Ph.D.
- E. Memorandum, May 19, 1978, to Local Boundary Commission from Kodiak Island Borough re Local Boundary Commission Report Proposing Annexation of Certain Borough Lands to the City of Kodiak

CITY OF KODIAK/Documents

- I Letter from Ivan Widom, City Mgr., re Kodiak Island Borough Ordinance 77-35-0, Nov. 14, 1977
- II Notice of Public Hearing re annexation of Mill Bay Road Area, Dec. 12, 1977
- III Letter from Ivan Widom, City Mgr., to Sigvald Strandberg, re reply to Respondent's Brief, Dec. 16, 1977
- IV Kodiak Mirror Article, March 28, 1978
- V Letter from City of Kodiak re general City/Borough problems, April 24, '78
- VI Letter to Sheila Gallagher, Chairman, Local Boundary Commission, from Ivan Widom, City Mgr., re City services and Proposed Annexation Budget, 5/20/78

LOCAL BOUNDARY/Documents

- 100 AS 44.19.250.300 re Creation of Local Boundary Commission
- 101 Report to Local Boundary Commission on the Proposal to Annex Certain Lands to the City of Kodiak, by Dept. of C/RA, Dec. 8, 1977
- 102 Report to Local Boundary Commission on Proposal to Annex Certain Lands in the Kodiak Urban Areas to the City of Kodiak, by Dept. of C&RA, May 17, 1978

CHRONOLOGY OF EVENTS
RELATED TO ANNEXATION

- Oct. 19, 1977 City submits petition for annexation of the Mill Bay Road area.
- Dec. 12, 1977 Mill Bay Road /Cutoff Road Annexation/ Public Hearing by Local Boundary Commission in Kodiak.
As a result of the December hearing, the Commission elected to postpone action on the City's petition.
- Spring, 1978 Borough plans election on the establishment of a service area for sewer, water and roads. The area roughly covers the same area as the existing Fire District I. (Monashka Mill Bay)
City asks for injunction claiming the election should not be held as services should be provided by annexation. Court ruled that the election be held.
- April 18, 1978 Establishment of Mill Bay Monashka Service Area (water, sewer, roads) approved by voters.
- May 17, 1978 Department of Community & Regional Affairs report to the Local Boundary Commission on the Proposal to Annex Certain Lands in the Kodiak Urban Areas.
- May 20, 1978 Public Hearing in Kodiak held by Local Boundary Commission to consider annexation of Spruce Cape, Mill Bay, Monashka Bay and the U.S. Coast Guard Station to the City of Kodiak.
- August 16, 1978 Final decisional meeting held by Local Boundary Commission.
- October 3, 1978 Voters of both the City of Kodiak and of the areas outside the City of Kodiak reject unification, of the City and Borough. (005-486/428-282)
- January 23, 1979 Local Boundary Commission submits recommendation for annexation of the Spruce Cape and Mill Bay areas to the City of Kodiak for legislative review.

BASIC

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 31, 1979

SUBJECT: Annexation to the City of Kodiak

TO: Representative Bill Parker, Chairman
House Community & Regional Affairs Committee

FROM: John B. Chenoweth, Legislative Counsel

May I take this opportunity to clarify and expand on one point of discussion and inquiry concerning yesterday's testimony.

I suggested that I thought there were four courses of action open to the Legislature with respect to the Local Boundary Commission's recommendation to annex territory to the City of Kodiak. It could, of course, adopt HJR 10, setting aside the recommendation in its entirety. It could, in the alternative, take no action, allowing the annexation to become effective sometime around March 9.

The other alternatives derive from the precedent of an annexation to the City of Seward in 1954. In that year, the Legislature provided that an extensive area to the north of that city be made a part of the municipality. In the next year, 1965, the Legislature sought to provide by direct legislation for detachment of the territory. The House adopted the measure, but the Senate substituted its own resolution, asking the Local Boundary Commission to reconsider portions of the 1964 recommendation during the following interim. The Commission did respond to the Senate's request, submitting a recommendation in 1966 by which portions of the territory which was earlier annexed by Legislative act was subsequently detached. This recommendation was reviewed by the Legislature and not annulled, thus effecting a second boundary adjustment to the City of Seward.

Representative Bill Parker
Page 2
January 31, 1979

I would see, then, the precedent of the Seward annexation as a third possible alternative, together with its converse, the adoption of HJR 10 (annulling the Kodiak City annexation) and the adoption of a separate concurrent resolution requesting the Boundary Commission to reconsider its decision. Representative Parr's observation to the effect that the Legislature cannot "guarantee" a Local Boundary Commission is entirely correct, but I do think that this approach adds a little to the Legislature's ability to assure rational and equitable results in local boundary change matters.

JBC:nem

2665-66
2742-53
2789-61

Extended Home Rule Powers

SECTION 10. The legislature may extend home rule to other boroughs and cities.

Boundaries

SECTION 11. A home rule borough or city may exercise all legislative powers not prohibited by law or by charter.

SECTION 12. A local boundary commission or board shall be established by law in the executive branch of the state government. The commission or board may consider any proposed local government boundary change. It may present proposed changes to the legislature during the first ten days of any regular session. The change shall become effective forty-five days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house. The commission or board, subject to law, may establish procedures whereby boundaries may be adjusted by local action.

Agreements: Transfer of Powers

SECTION 13. Agreements, including those for cooperative or joint administration of any functions or powers, may be made by any local government with any other local government, with the State, or with the United States, unless otherwise provided by law or charter. A city may transfer to the borough in which it is located any of its powers or functions unless prohibited by law or charter, and may in like manner revoke the transfer.

Local Government Agency

SECTION 14. An agency shall be established by law in the executive branch of the state government to advise and assist local governments. It shall review their activities; collect and publish local government information, and perform other duties prescribed by law.

Special Service Districts

SECTION 15. Special service districts existing at the time a borough is organized shall be integrated with the government of the borough as provided by law.

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and
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THE PERSONS WHO APPEAR BEFORE YOU MAY BE AS BROAD, AS IMAGINATIVE, EVEN AS UNRELATED TO THE PARTICULARS OF THE SUBJECT MATTER BEFORE YOU AS IT IS POSSIBLE FOR THEM TO BE. THERE ARE NO LIMITATIONS ON WHAT YOU MAY REQUIRE: THERE IS BUT ONE THING THAT YOU MAY DO -- THE RESOLUTION OFFERED BY MR ZHAROFF IS THE VEHICLE FOR ANNULING THE RECOMMENDED ANNEXATION IN ITS ENTIRETY; YOU CANNOT REDRAW THE LINES. (THAT IS NOT TO SAY THAT, IN THE EVENT YOU CHOOSE TO RECOMMEND ANNULMENT, YOU CANNOT ADOPT THE RESOLUTION OF MR ZHAROFF BUT, AT THE SAME TIME, REQUIRE THE COMMISSION TO RECONSIDER SPECIFIC BOUNDARY CHANGES OF THE CITY, SPECIFYING THE AREAS OF YOUR CONCERN. ALTERNATIVELY, IF THERE ARE AREAS WHICH THE BOUNDARY COMMISSION EXCLUDED FROM ANNEXATION BUT WHICH YOU BELIEVE SHOULD BE RECONSIDERED FOR INCLUSION, YOU MAY DIRECT THAT, BY RESOLUTION, TO THE ATTENTION OF THE COMMISSION.)

NOW, I DON'T KNOW WHETHER THESE MUSINGS FULFILLED THE INTENT OF THE CHAIRMAN IN EXTENDING AN INVITATION FOR ME TO SIT IN THIS CHAIR. BUT I HOPE IT CONTRIBUTES SOMETHING TO YOUR DELIBERATIONS, AND THAT IT MAKES THIS EFFORT AT LEGISLATIVE REVIEW MORE MEANINGFUL TO YOU. I DON'T ENVY YOU THE TASK.

IF THERE ARE ANY QUESTIONS WITH RESPECT TO ANY OF THESE POINTS, I WILL TRY TO RESPOND.

THANK YOU.

MENT UNIT INVOLVED IN AN ANNEXATION, TO SEE WHETHER THE CITY (AS IN THIS INSTANCE) OR BOROUGH (IF THAT WERE THE CASE) WERE CAPABLE OF PROVIDING SERVICES THROUGHOUT AN EXPANDED AREA.

NEXT, I BELIEVE THE LEGISLATURE MAY PROPERLY INQUIRE INTO THE ANTICIPATED EFFECT OF THE BOUNDARY CHANGE OF THE PEOPLE INVOLVED, PRINCIPALLY THE RESIDENTS OF THE AREA IN QUESTION, BUT ALSO THOSE WHO ALREADY RESIDE WITHIN THE UNIT OF GOVERNMENT AND WHO MAY SEE CURRENT SERVICE LEVELS DILUTED IN AN EXTENSIVE AREAWIDE EXPANSION OR, IN THE ALTERNATIVE, AN INCREASE IN THE TAX BURDEN. TAXATION IS ALWAYS THE CENTRAL FACTOR IN ANNEXATION DECISIONS, BUT IT IS ALMOST NEVER PROPERLY FOCUSED. THE QUESTION IS NOT ONE OF TAX INCREASE THAT NORMALLY ATTENDS THE INCLUSION OF NEW TERRITORY INTO AN EXISTING TAX-LEVYING JURISDICTION, BUT RATHER, WHETHER, FIRST, LEVELS OF TAXATION CAN BE RELATED TO LEVELS OF SERVICE TO BE OFFERED AND, SECOND, WHETHER ANNEXATION, WITH ITS ATTENDANT TAX BURDEN CHANGES, WILL CONTRIBUTE TO A BETTER SHARING OF THE BURDENS AND OPPORTUNITIES FOR LOCAL GOVERNMENT THROUGHOUT A METROPOLITAN REGION, EVEN IF, AS IN THIS INSTANCE, THE METROPOLIS IS ONLY THE SIZE OF "GREATER KODIAK."

FOURTH, I WOULD SUGGEST AS A FACTOR OR ELEMENT WARRANTING LEGISLATIVE EXAMINATION IS THE RESULTANT RELATIONSHIP OF THE ANNEXATION ON CITY/BOROUGH RELATIONS. IN TWO DECADES, IT HAS BECOME RATHER CLEAR THAT THE THEORETICAL DIFFERENCES PERCEIVED BY THE FRAMERS OF THE CONSTITUTION WHICH WARRANTED A CONCLUSION ON THEIR PART THAT THERE BE TWO TYPES OF LOCAL GOVERNMENT -- THE CITY AND THE BOROUGH -- GIVE RISE TO OTHER DIFFERENCES IN PRACTICE. CITY-BOROUGH RELATIONSHIPS THROUGH THE LAST 20 YEARS CAN ONLY BE DESCRIBED AS "STORMY."

THE CASE BOOKS AND MEETINGS OF MUNICIPAL GOVERNMENTS ARE REplete WITH THE RESULTS OF LITIGATION, THREATS OF LITIGATION, AND REACTIONS TO LITIGATION AS CITIES AND BOROUGHS STRIVE FOR POLITICAL ACCOMODATION, IF NOT FOR POLITICAL BALANCE. IN THREE MAJOR URBAN AREAS, ANCHORAGE, JUNEAU, AND SITKA, THE PROBLEM HAS BEEN RESOLVED BY UNIFICATION. IN OTHERS, NOTABLY FAIRBANKS AND KETCHIKAN, MINOR BOUNDARY ADJUSTMENTS HAVE SERVED TO ACHIEVE THAT BALANCE. THAT SAME PROCESS MAY NOW BE UNFOLDING IN THE KODIAK ANNEXATION. THE LEGISLATURE MAY DO WELL TO CONSIDER WHETHER FULFILLMENT OF THE ANNEXATION WILL HAVE AN EFFECT ON THE RANGE OF POLITICAL, SERVICE AND OTHER RELATIONSHIPS BETWEEN THE CITY AND THE BOROUGH AND WHETHER, IN THE SHORT-RANGE AND IN THE LONG-RUN, THOSE RELATIONSHIPS WILL GROW STRONGER.

FIFTH, LASTLY, IS THE OPPORTUNITY FOR THE LEGISLATURE TO REVIEW THE DECISION OF THE LOCAL BOUNDARY COMMISSION FOR COMPLIANCE WITH PROPER ADMINISTRATIVE PROCEDURES. WAS THE HEARING PROPERLY NOTICED? WERE THOSE IN ATTENDANCE GIVEN OPPORTUNITY TO COMMENT? DID THE COMMISSION ENTER A DECISION ON THE RECORD? DID THE COMMISSION ADHERE TO ITS OWN REQUIREMENTS? PROCEDURAL COMPLIANCE IS IMPORTANT. AT LEAST ONE ANNEXATION OF THE COMMISSION HAS BEEN SET ASIDE BY THE COURTS FOR FAILURE OF THE COMMISSION TO ATTEND TO STATUTORY REQUIREMENTS. THE LEGISLATURE COULD SAVE TIME AND LITIGATION BY REFUSING AN ANNEXATION, NO MATTER HOW MERITORIOUS, IF THERE HAS BEEN A SUBSTANTIAL FAILURE TO MEET ADMINISTRATIVE REQUIREMENTS.

THE PART OF THE LOCAL BOUNDARY CHANGE PROCESS WHICH REQUIRES OR ALLOWS LEGISLATIVE REVIEW OF A BOUNDARY COMMISSION DECISION IS VERY MUCH A POLITICAL PROCESS. THE INQUIRIES YOU DIRECT TO

*12/11
Jan P. 2
Kody
J. H. H.*

Introduced: 1/24/79
Referred: Community &
Regional Affairs

1 IN THE HOUSE

BY ZHAROFF

2 HOUSE JOINT RESOLUTION NO. 10

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 Relating to Local Boundary Commission
6 Recommendation I of January 23, 1979
7 for annexation of territory to the
8 City of Kodiak.

9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 WHEREAS, under art. X, sec. 12 of the Constitution of the State of
11 Alaska, the Local Boundary Commission has presented to the legislature its
12 Recommendation I of January 23, 1979, entitled "Recommendation for annexation
13 of territory to the City of Kodiak"; and

14 WHEREAS recommendations of the Local Boundary Commission presented to
15 the legislature become effective 45 days after presentation or at the end of
16 the session, whichever is earlier, unless disapproved by a resolution con-
17 curred in by the majority of the members of each house;

18 BE IT RESOLVED by the Alaska State Legislature that Local Boundary Com-
19 mission Recommendation I of January 23, 1979 for annexation of territory to
20 the City of Kodiak is disapproved.

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Introduced: 1/25/79
Referred: Community &
Regional Affairs

1 IN THE SENATE

BY MULCAHY

2 SENATE JOINT RESOLUTION NO. 12

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 Relating to Local Boundary Commission
6 Recommendation I of January 23, 1979
7 for annexation of territory to the
8 City of Kodiak.

9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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19 mission Recommendation I of January 23, 1979 for annexation of territory to
20 the City of Kodiak is disapproved.

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TITLE 19. DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

PART 1. LOCAL BOUNDARY COMMISSION

Chapter

- 05. Standards for Boundary Changes
- 10. Procedures for Boundary Changes
- 15. Boundary Changes by Local Action
- 20. Miscellaneous Provisions

CHAPTER 05. STANDARDS FOR BOUNDARY CHANGES

Article

- 1. Annexation to Cities
- 2. Detachment from Cities
- 3. Dissolution of Cities
- 4. Merger of Cities
- 5. Annexation to Organized Boroughs
- 6. Merger of Boroughs
- 7. Merger of City and Borough

ARTICLE 1. ANNEXATION TO CITIES

Section

- 10. Annexable territory
- 20. Application of standards
- 30. Annexation of incorporated territory

19 AAC 05.010. ANNEXABLE TERRITORY.

(a) Territory which is contiguous to a city may be annexed to that city if one or more of the following standards are met:

- (1) all land to which the territory is contiguous is within the city's boundaries; or
- (2) all land in the territory is wholly owned by the city; or
- (3) the territory is urban in character. In determining whether territory is urban in character, the commission may consider, without limitation, whether the property is platted or held for sale for urban, residential or commercial purposes, whether the population density of the territory approximates that of the annexing city, whether the population of the territory stems primarily from actual growth of the city beyond its legal boundaries, and

whether the property is valuable primarily by reason of its suitability for prospective urban purposes; or

(4) the territory is presently in need of a municipal service or services which the city can provide more efficiently than another municipality; or

(5) there is a likelihood that future growth and development of the city will occur within the territory and annexation of the territory will enable the city to plan for and control that development; or

(6) the health or safety of city residents is endangered by conditions existing or developing in the territory and annexation will enable the city to remove or alleviate those conditions; or

(7) the extension into the territory of city water, sewer, street, or other facilities, or of city police, fire, health or other services is necessary to enable the city to provide adequate service to city residents; and it is impossible or impractical for the city to extend such facilities or services unless the territory is within the city's boundaries; or

(8) residents of, or owners of property in, the territory receive or may be reasonably expected to receive the benefit of city services without commensurate tax contributions whether such services are rendered or received inside or outside the territory. In determining whether this standard is met, the commission will consider alternate methods available to the city for offsetting the cost of providing services to individuals or property beyond its property taxation powers; or

(9) the annexation is otherwise necessary to accomplish a valid public purpose.

(b) Territory which is not contiguous to the city may be annexed to the city if

(1) all the land in the territory is wholly owned or leased by the city or used primarily for the performance of city functions; and

(2) annexation is necessary to enable the city to achieve adequate control, protection or management of the property.

(c) Territory which does not meet the requirements of (a) of this section may nevertheless be annexed to a city if such territory lies between the city boundary and territory which could be annexed under (a) of this section but for the requirement of contiguity. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 05.020. APPLICATION OF STANDARDS. No annexation will be approved unless the annexing city demonstrates to the satisfaction of the commission that it is capable of extending and willing to extend services to the annexed area as follows:

(1) except in the case of an annexation pursuant to 19 AAC 10.190-19 AAC 10.240, full municipal services shall be extended to the annexed area immediately except where impossible for want of necessary capital facilities. Where full municipal services may not be provided immediately, the annexing city shall satisfy the commission that it will provide those services within a reasonable time;

(2) in the case of an annexation under 19 AAC 10.190-19 AAC 10.240, annexation will be approved only if the commission is satisfied that the city's plan for gradual extension of services is reasonably correlated with the gradual extension of taxation and provides for extension of full municipal services to the annexed area within the transitional period;

(3) notwithstanding (1) and (2) of this section, annexation by a city possessing authority to establish and operate differential taxation zones may be approved if the commission is satisfied that the city is willing and able to use such authority to

(A) provide the territory with such services as may be necessary; and

(B) insure that the annexed area is not subjected to unfair taxation for services not available in the annexed area;

(4) the commission may conduct public hearings or investigations subsequent to the effective date of any annexation to determine

whether the extension of services or taxation, and/or utilization of differential taxation zones, is proceeding in a reasonably expeditious and equitable manner. If the commission determines that the extension of services or taxation, and/or utilization of differential taxation zones, is not progressing in a reasonably expeditious and equitable manner, it may institute detachment proceedings under 19 AAC 05.050. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 05.030. ANNEXATION OF INCORPORATED TERRITORY. (a) In the case of any annexation of territory of another incorporated city, or of an incorporated borough which is providing services to the territory that the city will provide upon annexation, the commission will determine the method by which assets, debts, and liabilities are to be distributed between the city and the municipality formerly providing services.

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

(c) Territory which is part of an incorporated city shall not be annexed to another city unless the commission determines the annexation to be in the best interests of the annexing city, the municipality from which the annexed territory is taken, and the annexed area, all considered as a whole; and unless the commission determines that the annexation will not result in a temporary or permanent loss of service to the annexed area.

(d) No separate or additional proceedings are required for detachment of territory within an incorporated city or borough which has become annexed to another city, but the detachment is effected by and at the same time as the annexation itself. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

**CHAPTER 10. PROCEDURES
FOR BOUNDARY CHANGES**

Article

- 1. Annexation, Detachment, Merger, Incorporation and Dissolution
- 2. Step Annexation

**ARTICLE I. ANNEXATION,
DETACHMENT, MERGER,
INCORPORATION AND
DISSOLUTION**

Section

- 10. Petition
- 20. Petitioner
- 30. Form and contents
- 40. Exhibits
- 50. Briefs
- 60. Service
- 70. Review of petitions
- 80. Notice of petition
- 90. Call for hearing
- 100. Answering brief
- 110. Reply brief
- 120. Department report
- 130. Hearing
- 140. Decisional meeting
- 150. Non-compliance
- 160. Determination of procedure
- 170. Certification of boundary changes
- 180. Public meetings

19 AAC 10.010. PETITION. A request for a local government boundary change under this chapter is initiated by filing an original and six copies of a petition and supporting brief with the commissioner of the Department of Community and Regional Affairs. (Eff. 9/26/72, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.020. PETITIONER. (a) A petition may be initiated by

- (1) a municipality whose boundaries are to be changed; or
- (2) an organized borough in which the territory is located; or

(3) at least 10 percent of the qualified voters residing in the territory to be annexed, detached, or in the municipality to be dissolved, or in each municipality to be merged; or

(4) the Commissioner of the Department of Community and Regional Affairs.

(b) The person or entity initiating the petition shall be designated petitioner. (Eff. 9/26/72, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260

19 AAC 10.030. FORM AND CONTENTS. (a) The petition shall be addressed to the Local Boundary Commission and shall bear a caption which clearly identifies the nature of the boundary change and the municipality or municipalities whose boundaries are to be changed.

(b) The petition shall contain the following:

- (1) the name, resident address and mailing address of each petitioner;
- (2) the name and mailing address of the attorney or other representative designated by the petitioner(s) to receive service, notice, and all other correspondence relating to the proceedings on behalf of the petitioner(s);

(3) a legal boundary description of the territory affected by the proposed boundary change;

(4) the quantity of land contained in the territory;

(5) the assessed or estimated value of all taxable property, giving separate totals for real and personal property in the territory;

(6) the number of residents in the territory.

(7) the rate or rates at which real and personal property are taxed in the territory;

(8) the rate or rates of any sales tax levied by and/or collected in the territory.

(9) the amount and a full explanation of any outstanding bonded indebtedness for which the territory is wholly or partially responsible. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260 (a)(2)

19 AAC 10.040. EXHIBITS. There shall be appended to the petition the following exhibits:

(1) a map or maps showing

(A) the present boundaries of the territory whose boundaries are to be changed;

(B) the maps shall be sufficiently detailed to show all streets and roadways. All copies of the maps submitted as exhibits to copies of the petition shall conform in color and other distinguishing markings, to the original exhibit;

(2) also, an affidavit of the petitioner, or his representative or attorney who prepared the petition, indicating the source from which the information contained in the petition was acquired; and stating that a census or other reliable enumeration of the territory was conducted by him, or under his direct supervision, specifying the dates when the census or enumeration was begun and completed and verifying that it was taken accurately. If an official census has been made of the territory by the federal, state or municipal government within one year of the date of the petition, a copy of that census may be appended to the petition in lieu of a census affidavit;

(3) all inter-municipal agreements regarding transitional provisions of services and distribution of assets and liabilities;

(4) a certified copy of the resolution or ordinance authorizing the municipality to file the petition if the petitioner is a municipality;

(5) the affidavit of petitioner or his representative or attorney, that service of the petition has been made in compliance with sec.

60 of this chapter. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.050. BRIEFS. The petition shall be accompanied by a written brief. The brief shall fully set forth the reasons supporting the boundary change and shall demonstrate that the boundary change meets the standards prescribed in ch. 5 of this title. The commission may require such additional information as in its view will be useful for evaluation of the petition. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.060. SERVICE. (a) The petitioner shall by certified mail, serve a copy of the petition and brief, together with accompanying exhibits, upon every municipality in or adjoining the territory. Such service shall be made at the same time that the petition is filed with the Commissioner of the Department of Community and Regional Affairs.

(b) The petitioner shall arrange that the petition, exhibits and brief will be available for inspection by the general public at a designated place in or near the territory between the hours of 9:00 a.m. and 4:30 p.m. The affidavit required under sec. 40 of this chapter shall specify the exact location where the petition is available for inspection. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.070. REVIEW OF PETITIONS. The Department of Community and Regional Affairs shall review the petition and brief and determine whether they

(1) are in substantially the proper form; and

(2) contain the factual information required by these regulations.

If the department determines that the petition or brief is deficient as to form or content, it shall return the defective petition or brief to the

correction or completion. If the department determines that the petition and brief are in substantial compliance with these regulations, it shall notify the petitioner that the petition and brief have been accepted. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.080. NOTICE OF PETITION. (a) Upon receipt of notice from the department that the petition and brief have been accepted, the petitioner shall cause notice of the filing of the petition to be published in a newspaper of general circulation in the territory. Such notice shall be in the form specified by the Commissioner of the Department of Community and Regional Affairs and shall include a brief explanation of the proposed boundary change, the name of the petitioner, the name of each municipality whose boundaries are to be changed, and shall indicate the place where the petition and brief may be inspected by the public as provided in sec. 60 of this chapter.

(b) The petitioner shall furnish the Commissioner of the Department of Community and Regional Affairs with proof of compliance with (a) of this section. Upon receipt of such proof, the commissioner shall submit the petition and brief to the commission.

(c) No petition filed with the commissioner shall be deemed to be pending before the commission until the petition and brief have been submitted to the commissioner pursuant to this section. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.090. CALL FOR HEARING. The commission shall determine the time and place of the hearing which shall be held in or near the territory. At least fifteen days prior to the date of the hearing, the commissioner shall cause notice of the hearing to be given and served by certified mail upon:

(1) all municipalities specified at sec. 60 of chapter; and

(2) any person or municipality who has filed an answering brief pursuant to sec. 100 of this chapter. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.100. ANSWERING BRIEF. (a) A person residing or owning property in the territory or municipality whose boundaries are to be changed or in the governing body of any municipality may file a brief in opposition to the proposed boundary change. The original of the brief shall be filed with the commissioner together with proof that one copy was served upon petitioner or designated representative.

(b) A person or municipality filing an answering brief shall be designated a respondent.

(c) The answering brief shall indicate any factual information thought to be incorrectly or incompletely presented in the petition or petitioner's brief and shall demonstrate the manner in which the proposed boundary change fails to satisfy the standards prescribed in ch. 5 of this title. The brief shall include a discussion of the considerations set forth in sec. 50 of this chapter.

(d) The commission shall consider the respondent to have acquiesced in facts or arguments asserted in the petition and petitioner's brief which are not challenged or controverted in the respondent's brief. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.110. REPLY BRIEF. Prior to the hearing, the petitioner may file a brief in reply to any new matter raised in an answering brief. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.120. DEPARTMENT REPORT. The Department of Community and Regional Affairs shall prepare a report on the proposed boundary change. The report shall summarize the issues raised in the petition and briefs and may comment upon those issues or any other issue which the department deems to be relevant to the proposal. The report may contain recommendations to the commission. The report shall be filed with the commission prior to the date of hearing. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.130. HEARING. (a) The petitioners shall first proceed to support the petition through exhibits, testimony and such other means as bear upon the issues raised by the petition. The presentation shall proceed in substantially the following manner:

(1) the presentation shall be conducted by the petitioner or his designated representative or attorney;

(2) the presentation shall be opened with a brief discussion of the nature of the proposed boundary change and the reasons to be advanced in its support. At the conclusion of the opening statement, petitioner shall submit an outline naming the persons who will give statements in support of the petition. Outlines shall be submitted in sextuplicate and copies shall be served upon all adverse parties;

(3) petitioner shall proceed to conduct his presentation in the manner indicated in his outline. The chairman may allow petitioner to deviate from his outlined presentation.

(b) Upon completion of the petitioner's presentation each respondent shall proceed, in the manner established by the chairman and in the same manner as prescribed for the petitioner, to present his views. Respondent's presentation shall include all information and argument which respondent wishes to advance in rebuttal of petitioner's presentation.

(c) Upon completion of the respondent's presentation, petitioner shall have an opportunity to offer rebuttal.

(d) Upon completion of petitioner's rebuttal, the commission will hear the views of all other interested persons or political subdivision, not a petitioner or respondent. To obtain the floor, a person must be recognized by the chairman and must state his name, address and the nature of his interest. A person purporting to speak on behalf of a municipality shall demonstrate his authority to do so. The chairman may impose reasonable limitation of the time allotted each speaker and may curtail repetitive and irrelevant statements.

(e) Members of the commission may at any time pose questions or comment on matters raised during the hearing; however, representatives of the department with consent of the chairman may pose questions or comment on matters raised during the hearing.

(f) The chairman may temporarily suspend the order of proceedings set forth in this section to allow rebuttal, counter-rebuttal, or general public comment on a particular issue or issues. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.140. DECISIONAL MEETING. (a) The commission shall consider all aspects of the written and oral testimony before it and any other relevant and reliable data available to it concerning a boundary change proposal. A majority of the total membership of the commission may decide the issue. The commission shall prepare a written statement of its decision including an explanation of the major consideration upon which it relied in reaching its decision.

(b) Any decision of the commission shall be mailed immediately to the petitioner and to all parties who have submitted a reply brief and to any other interested parties who give written notice to the Commissioner of the Department of Community and Regional Affairs that they desire a copy of the decision. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.150. NON-COMPLIANCE. Compliance with the regulations of this chapter may be waived by the commission if substantial rights of interested parties are not prejudiced by such waiver. Any deviation from the procedures set forth in this chapter is waived by the commission unless the commission or a party objects. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.160. DETERMINATION OF PROCEDURE. Where there are alternative procedures for effecting a boundary change, the commission may select the procedures which it deems most appropriate under the circumstances. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.170. CERTIFICATION OF BOUNDARY CHANGES. Within 30 days after a boundary change becomes effective, in accordance with Art. X, Sec. 12 of the Constitution, the Department of Community and Regional Affairs shall prepare a certificate of the change. The department shall transmit duplicate originals of the certificate to the organized borough in which the boundary change has taken place and/or to the municipality whose boundaries have been changed. The department shall also record a copy of the certificate in the recording district in which the boundary change has taken place. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.180. PUBLIC MEETINGS. The commission, at its discretion and prior to consideration of any petition requesting a boundary change, may require municipalities whose boundaries are proposed to be changed to conduct meetings or hearings in the area to be annexed to acquaint residents with the purposes sought to be accomplished and the benefits which are expected to be derived by residents should the boundary change be made and to solicit public opinions on the proposed annexation. The Local Boundary Commission

may require that transcripts or minutes be taken of such meetings or hearings for the commission's use and may require that the municipality certify to the commission that such meetings or hearings were conducted as directed by the commission. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(1)

ARTICLE 2. STEP ANNEXATION.

Section

- 190. Petition
- 200. Local election
- 210. Taxes
- 220. Voting
- 230. Ordinances
- 240. Borough services

19 AAC 10.190. PETITION. An annexation petition submitted to the Local Boundary Commission may request that during each of not more than five full fiscal years after the annexation takes effect, the rate of taxation for city services on the annexed properties shall be at a specified percentage of the full city tax rate. The proposal shall provide an increase from fiscal year to fiscal year until the percentage equals 100 percent of the full city tax rate. The city may not tax annexed property at a rate other than the percentage authorized for that year. Provided, however, that the municipality pursuant to AS 29.53.405 may levy taxes in the annexed area at a different percentage from that authorized for the year in question, if such difference is attributed to the cost of provision in the territory of a special service not supported by the general municipal levy. (Eff. 2/28/65, Reg. 14; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 29.53.405
AS 44.19.260(a)(2)

19 AAC 10.200. LOCAL ELECTION. The Local Boundary Commission will require the governing body of the municipality to which annexation is sought to submit the proposal to the voters in the area to be annexed. The municipality shall bear all expenses of said election and shall submit to the Department of Community and Regional Affairs or Local

Boundary Commission such information and/or reports that either may require prior to, during or subsequent to the election. No such election shall be valid unless the notices pertaining to such election, the way in which the proposal is phrased on the ballot, and the timing of the election have been approved by the Commissioner of the Department of Community and Regional Affairs. (Eff. 2/28/65, Reg. 14; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.210. TAXES. The percentage of city taxes on newly annexed properties is determined as follows:

(1) city services to be provided during each year are scheduled by the petitioners or the Local Boundary Commission in consultation with city officials;

(2) the cost of each service as a percentage of the gross general fund expenditure for the fiscal year immediately preceding the annexation is computed;

(3) newly annexed residents pay a percentage of the full city property tax rate equal to the total percentage cost of all services provided. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.220. VOTING. Residents in the newly annexed territory have the same voting privileges as other city residents. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.230. ORDINANCES. City sales tax ordinances and all other city ordinances except those applicable to city services not yet provided are immediately effective in the annexed territory. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.240. BOROUGH SERVICES. The city must accept immediate responsibility non-arcawide borough services currently provided in the newly annexed territory. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

CHAPTER 15. BOUNDARY CHANGES BY LOCAL ACTION

Article

- 1. Annexation to Municipalities
- 2. Detachment from Municipalities

ARTICLE 1. ANNEXATION TO MUNICIPALITIES

Section

- 10. Initiation of request for boundary change
- 20. Form and contents of petition
- 30. Exhibits
- 40. Annexation of territory of another municipality
- 50. Filing of petition
- 60. Sufficiency
- 70. Review by Local Boundary Commission
- 80. Election
- 90. Notice of election
- 100. Conduct of election
- 110. Form of ballot
- 120. Canvassing of election
- 130. Effective date of annexation
- 140. Annexation without election
- 150. Annexation of municipally-owned property
- 160. Timeliness

19 AAC 15.010. INITIATION OF REQUEST FOR BOUNDARY CHANGE. (a) A request for an annexation under secs. 10-160 of this chapter may be initiated by a petition signed by at least ten percent of the currently registered voters residing within the territory proposed to be annexed, or by a petition of the municipality seeking annexation.

(b) The person or entity initiating the petition shall be designated petitioner. (Eff. 4/1/73, Reg. 45)

Authority: Art. X, Sec. 12
State Constitution
AS 29.68.010(b)
AS 44.19.260(a)(2)

19 AAC 15.020. FORM AND CONTENTS OF PETITION. (a) The petition shall be addressed to the Department of Community and Regional Affairs and shall bear a caption which clearly identifies the nature of the boundary change and

the municipality whose boundary is to be changed.

(b) The petition shall contain:

(1) the name, residence address, and mailing address of each petitioner;

(2) the name and mailing address of the attorney or other representative designated by the petitioner(s) to receive service, notice and all other correspondence relating to the proceedings in behalf of the petitioner(s);

(3) a legal description of the territory affected by the proposed boundary change;

(4) the estimated number of residents within the territory proposed to be annexed;

(5) the quantity of land contained within the territory proposed to be annexed;

(6) the assessed or estimated value of all real and personal property within the territory proposed to be annexed;

(7) the rate or rates at which real and personal property are taxed within the municipality to which annexation is proposed;

(8) the rate or rates of any sales or use tax levied by and/or collected within the municipality to which annexation is proposed;

(9) the amount of and a full explanation of any outstanding bonded indebtedness for which the territory proposed to be annexed is wholly or partially responsible;

(10) the population and area of the annexing municipality. (Eff. 4/1/73, Reg. 45)

Authority: Art. X, Sec. 12
State Constitution
AS 29.68.010(b)
AS 44.19.260(a)(2)

19 AAC 15.030. EXHIBITS. There shall be appended to the petition the following exhibits;

(1) a map or maps showing the boundaries of the territory proposed for annexation; and

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HOUSE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

Matter of the annexation of territory to the City of Kodiak

January 29, 1979

YOU HAVE ASKED ME HERE BRIEFLY TO PROVIDE AN OVERVIEW OF THE ROLE ENVISIONED FOR THE LEGISLATURE IN ITS REVIEW OF AN ANNEXATION WHICH HAS BEEN RECOMMENDED BY THE STATE'S LOCAL BOUNDARY COMMISSION. THAT IS NOT AN EASY TASK. AND, WHILE MY REMARKS SHOULD BE UNDERSTOOD BY YOU TO BE LESS IN THE NATURE OF "RULES" THAT MUST BE FOLLOWED THAN THEY ARE "OBSERVATIONS" OR "SUGGESTIONS" THAT MAY BE CONSIDERED, I HOPE THAT THEY WILL HELP YOU TO FOCUS ON THE MERITS OF THE ARGUMENTS THAT ARE TO BE PRESENTED ON BOTH SIDES OF THE MATTER FREE OF THE EMOTIONALISM THAT IS CHARACTERISTIC OF VIRTUALLY EVERY SIGNIFICANT BOUNDARY CHANGE.

THERE IS A PURPOSE TO THIS PROCESS. IT IS A MANDATE OF THE ALASKA CONSTITUTION THAT THE ALASKA LEGISLATURE REVIEW AND CONSIDER BOUNDARY CHANGES FAVORABLY RECOMMENDED BY THE STATE'S LOCAL BOUNDARY COMMISSION. THE SOURCE OF THAT MANDATE IS ARTICLE X, SECTION 12, PART OF THE LOCAL GOVERNMENT ARTICLE OF THE STATE CONSTITUTION:

A local boundary commission or board shall be established by law in the executive branch of the state government. The commission or board may consider any proposed local boundary change. It may present proposed changes to the legislature during the first ten days of any regular session. The change shall become effective 45 days after presentation or at the end of the session, whichever

is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house.

THAT RESOLUTION, HOUSE JOINT RESOLUTION 10, OFFERED BY REPRESENTATIVE ZHAROFF, IS, OF COURSE, THE MECHANISM BY WHICH THE LEGISLATURE MAY EXPRESS ITS DISAPPROVAL.

OVER THE WEEKEND, I SPENT SEVERAL HOURS RESEARCHING ANY INFORMATION THAT WOULD SHED LIGHT ON WHAT WAS INTENDED BY THIS CONSTITUTIONAL PROCEDURE. I FOUND SIGNIFICANT COMMENTARY CONCERNING THE ROLE AND RESPONSIBILITY OF A PROPOSED (FROM THE PERSPECTIVE OF 1955-56) COMMISSION OR BOARD TO CONCERN ITSELF WITH DEVELOPMENT OF A LOCAL GOVERNMENT FRAMEWORK ADAPTABLE TO MEET THE NEEDS OF DIFFERENT AREAS OF THE STATE AND THE PRINCIPAL ROLE ASSIGNED TO IT OF REVIEWING AND TAKING ACTION ON CHANGES IN BOUNDARIES OF MUNICIPALITIES. TYPICAL WERE THESE COMMENTS, COMPOSED AFTER THE CONSTITUTION HAD BEEN DRAFTED BUT BEFORE THE PROCLAMATION OF STATEHOOD WHICH WOULD GIVE LIFE TO THE PROPOSED CONSTITUTION:

The constitutional provision regarding local boundaries contained in article X, sec. 12, was written for the purpose of unfreezing municipal boundaries and making them readily adjustable to changing needs resulting from the growth and movement of population and from changes in the demands for local services. The section of the Constitution was designed to overcome roadblocks which vested local interests and prejudices in small segments of natural communities often put in the way of a proper readjustment of local boundary lines. . . .

FURTHER ALONG IN THE SAME DOCUMENT, THERE APPEARS THIS ADDITIONAL OBSERVATION:

The basic assumption in this discussion of annexation is one which is implicit in the local government article of the State Constitution. The assumption is that worthwhile local home rule depends upon the thoughtful and courageous exercise of the state's responsibility for establishing and maintaining ... responsible self-government. The State cannot discharge its responsibility for local institutions by automatically ratifying the petitions or votes of any groups of local citizens that may happen to express themselves favorably or unfavorably with respect to ... annexation. To pursue such a course would result in such a conglomeration of local jurisdictions as would make a mockery of the whole concept of local self-government.

TWO POINTS, THEN, WITH REFERENCE TO THE MATERIAL QUOTED: FIRST, THE ADAPTATION OF LOCAL GOVERNMENT TO CONTINUALLY CHANGING CONDITIONS IS A CHARACTERISTIC OF ALASKA'S LOCAL GOVERNMENT SYSTEM; SECOND, THAT DECISION MUST BE TAKEN NOT BY THOSE IMMEDIATELY AFFECTED BUT BY A STATE AGENCY (THE LOCAL BOUNDARY COMMISSION) ON THE BASIS OF INDEPENDENT EVALUATION.

NOW, WHILE THERE IS A SIGNIFICANT AMOUNT OF MATERIAL ANALYZING OR COMMENTING UPON THE NECESSITY FOR AND PROPER ROLE OF A STATE BOARD TO REVIEW AND CONSIDER LOCAL BOUNDARY CHANGES, THERE IS VIRTUALLY NOTHING TO DESCRIBE THE PURPOSE OF LEGISLATIVE OVERSIGHT. THE COMMENTARY OFFERED BY THE DRAFTSMEN OF THE STATE CONSTITUTION IS UNENLIGHTENING. OTHER SOURCES, NOTABLY EFFORTS BY THE LEGIS-

LATURE AND THE COURTS TO FILL THE GAP, ARE USEFUL AS COMMENTARY, BUT OFFER NO FIRM RULES. LET ME OFFER, THEN, SOME OF MY OWN THOUGHTS.

YOU MUST UNDERSTAND, FIRST, THAT THE CITIES AND BOROUGHS OF THE STATE OF ALASKA ARE POLITICAL SUBDIVISIONS OF THE STATE -- CREATURES OF THE STATE, SOMEONE HAS CALLED THEM, AND, AS THE ELEVENTH BIENNIAL LEGISLATURE WENDS ITS WAY INTO HISTORY, AND YOU ARE CALLED UPON TO CONSIDER TESTIMONY ON ONE OR ANOTHER BILLS BEARING ON LOCAL GOVERNMENT STRUCTURE, FUNCTION, AND FINANCES, YOU WILL BETTER UNDERSTAND THE CHOICE OF THAT WORD "CREATURES." AS POLITICAL SUBDIVISIONS, THE CITIES AND BOROUGHS WHICH HAVE BEEN INCORPORATED ARE ESTABLISHED TO PERFORM PORTIONS OF THE STATE'S RESPONSIBILITIES FOR GOVERNMENT THAT THEY ARE CAPABLE OF PERFORMING. GENERALLY, THE MORE THAT CAN BE PERFORMED AT THE INSTANCE OF LOCAL OFFICIALS, WITHOUT DETAILED ATTENTION FROM STATE OFFICIALS, HOPEFULLY, THE BETTER FOR ALL CONCERNED. BUT THE STATE CANNOT ESCAPE RESPONSIBILITY FOR THE ESSENTIAL QUALITY AND COMPETENCE OF THE UNITS OF LOCAL GOVERNMENT WHICH EXIST AND OPERATE IN ACCORDANCE WITH APPLICABLE STATE STATUTES. THUS, THE LEGISLATURE'S ROLE -- FROM THE OUTSET, EVEN WITH RESPECT TO ANNEXATIONS -- IS ONE OF OVERSIGHT.

LOCAL GOVERNMENT INVOLVES THE DISCHARGE OF LEGAL RESPONSIBILITIES, BOTH THOSE THAT MAY BE ACCEPTED BY THE VOTERS OF THE COMMUNITY AND THOSE WHICH MAY BE IMPOSED BY THE STATE. THE LEGISLATURE SHOULD UNDERSTAND, AND I THINK IT DOES GENERALLY UNDERSTAND, THAT THE CAPACITIES AND ABILITIES OF MUNICIPALITIES TO ACCEPT AND DISCHARGE THOSE RESPONSIBILITIES GREATLY VARIES. THUS, THE REVIEW PROCESS OFFERS AN OPPORTUNITY TO GAUGE THE CAPACITIES OF THE LOCAL GOVERN-

MENT UNIT INVOLVED IN AN ANNEXATION, TO SEE WHETHER THE CITY (AS IN THIS INSTANCE) OR BOROUGH (IF THAT WERE THE CASE) WERE CAPABLE OF PROVIDING SERVICES THROUGHOUT AN EXPANDED AREA.

NEXT, I BELIEVE THE LEGISLATURE MAY PROPERLY INQUIRE INTO THE ANTICIPATED EFFECT OF THE BOUNDARY CHANGE OF THE PEOPLE INVOLVED, PRINCIPALLY THE RESIDENTS OF THE AREA IN QUESTION, BUT ALSO THOSE WHO ALREADY RESIDE WITHIN THE UNIT OF GOVERNMENT AND WHO MAY SEE CURRENT SERVICE LEVELS DILUTED IN AN EXTENSIVE AREAWIDE EXPANSION OR, IN THE ALTERNATIVE, AN INCREASE IN THE TAX BURDEN. TAXATION IS ALWAYS THE CENTRAL FACTOR IN ANNEXATION DECISIONS, BUT IT IS ALMOST NEVER PROPERLY FOCUSSED. THE QUESTION IS NOT ONE OF TAX INCREASE THAT NORMALLY ATTENDS THE INCLUSION OF NEW TERRITORY INTO AN EXISTING TAX-LEVYING JURISDICTION, BUT RATHER, WHETHER, FIRST, LEVELS OF TAXATION CAN BE RELATED TO LEVELS OF SERVICE TO BE OFFERED AND, SECOND, WHETHER ANNEXATION, WITH ITS ATTENDANT TAX BURDEN CHANGES, WILL CONTRIBUTE TO A BETTER SHARING OF THE BURDENS AND OPPORTUNITIES FOR LOCAL GOVERNMENT THROUGHOUT A METROPOLITAN REGION, EVEN IF, AS IN THIS INSTANCE, THE METROPOLIS IS ONLY THE SIZE OF "GREATER KODIAK."

FOURTH, I WOULD SUGGEST AS A FACTOR OR ELEMENT WARRANTING LEGISLATIVE EXAMINATION IS THE RESULTANT RELATIONSHIP OF THE ANNEXATION ON CITY/BOROUGH RELATIONS. IN TWO DECADES, IT HAS BECOME RATHER CLEAR THAT THE THEORETICAL DIFFERENCES PERCEIVED BY THE FRAMERS OF THE CONSTITUTION WHICH WARRANTED A CONCLUSION ON THEIR PART THAT THERE BE TWO TYPES OF LOCAL GOVERNMENT -- THE CITY AND THE BOROUGH -- GIVE RISE TO OTHER DIFFERENCES IN PRACTICE. CITY-BOROUGH RELATIONSHIPS THROUGH THE LAST 20 YEARS CAN ONLY BE DESCRIBED AS "STORMY."

THE CASE BOOKS AND MEETINGS OF MUNICIPAL GOVERNMENTS ARE REPLET WITH THE RESULTS OF LITIGATION, THREATS OF LITIGATION, AND REACTIONS TO LITIGATION AS CITIES AND BOROUGHS STRIVE FOR POLITICAL ACCOMODATION, IF NOT FOR POLITICAL BALANCE. IN THREE MAJOR URBAN AREAS, ANCHORAGE, JUNEAU, AND SITKA, THE PROBLEM HAS BEEN RESOLVED BY UNIFICATION. IN OTHERS, NOTABLY FAIRBANKS AND KETCHIKAN, MINOR BOUNDARY ADJUSTMENTS HAVE SERVED TO ACHIEVE THAT BALANCE. THAT SAME PROCESS MAY NOW BE UNFOLDING IN THE KODIAK ANNEXATION. THE LEGISLATURE MAY DO WELL TO CONSIDER WHETHER FULFILLMENT OF THE ANNEXATION WILL HAVE AN EFFECT ON THE RANGE OF POLITICAL, SERVICE AND OTHER RELATIONSHIPS BETWEEN THE CITY AND THE BOROUGH AND WHETHER, IN THE SHORT-RANGE AND IN THE LONG-RUN, THOSE RELATIONSHIPS WILL GROW STRONGER.

FIFTH, LASTLY, IS THE OPPORTUNITY FOR THE LEGISLATURE TO REVIEW THE DECISION OF THE LOCAL BOUNDARY COMMISSION FOR COMPLIANCE WITH PROPER ADMINISTRATIVE PROCEDURES. WAS THE HEARING PROPERLY NOTICED? WERE THOSE IN ATTENDANCE GIVEN OPPORTUNITY TO COMMENT? DID THE COMMISSION ENTER A DECISION ON THE RECORD? DID THE COMMISSION ADHERE TO ITS OWN REQUIREMENTS? PROCEDURAL COMPLIANCE IS IMPORTANT. AT LEAST ONE ANNEXATION OF THE COMMISSION HAS BEEN SET ASIDE BY THE COURTS FOR FAILURE OF THE COMMISSION TO ATTEND TO STATUTORY REQUIREMENTS. THE LEGISLATURE COULD SAVE TIME AND LITIGATION BY REFUSING AN ANNEXATION, NO MATTER HOW MERITORIOUS, IF THERE HAS BEEN A SUBSTANTIAL FAILURE TO MEET ADMINISTRATIVE REQUIREMENTS.

THE PART OF THE LOCAL BOUNDARY CHANGE PROCESS WHICH REQUIRES OR ALLOWS LEGISLATIVE REVIEW OF A BOUNDARY COMMISSION DECISION IS VERY MUCH A POLITICAL PROCESS. THE INQUIRIES YOU DIRECT TO

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J. P. 2
K. S.
J. S.*

THE PERSONS WHO APPEAR BEFORE YOU MAY BE AS BROAD, AS IMAGINATIVE, EVEN AS UNRELATED TO THE PARTICULARS OF THE SUBJECT MATTER BEFORE YOU AS IT IS POSSIBLE FOR THEM TO BE. THERE ARE NO LIMITATIONS ON WHAT YOU MAY REQUIRE: THERE IS BUT ONE THING THAT YOU MAY DO -- THE RESOLUTION OFFERED BY MR ZHAROFF IS THE VEHICLE FOR ANNULING THE RECOMMENDED ANNEXATION IN ITS ENTIRETY; YOU CANNOT REDRAW THE LINES. (THAT IS NOT TO SAY THAT, IN THE EVENT YOU CHOOSE TO RECOMMEND ANNULMENT, YOU CANNOT ADOPT THE RESOLUTION OF MR ZHAROFF BUT, AT THE SAME TIME, REQUIRE THE COMMISSION TO RECONSIDER SPECIFIC BOUNDARY CHANGES OF THE CITY, SPECIFYING THE AREAS OF YOUR CONCERN. ALTERNATIVELY, IF THERE ARE AREAS WHICH THE BOUNDARY COMMISSION EXCLUDED FROM ANNEXATION BUT WHICH YOU BELIEVE SHOULD BE RECONSIDERED FOR INCLUSION, YOU MAY DIRECT THAT, BY RESOLUTION, TO THE ATTENTION OF THE COMMISSION.)

NOW, I DON'T KNOW WHETHER THESE MUSINGS FULFILLED THE INTENT OF THE CHAIRMAN IN EXTENDING AN INVITATION FOR ME TO SIT IN THIS CHAIR. BUT I HOPE IT CONTRIBUTES SOMETHING TO YOUR DELIBERATIONS , AND THAT IT MAKES THIS EFFORT AT LEGISLATIVE REVIEW MORE MEANINGFUL TO YOU. I DON'T ENVY YOU THE TASK.

IF THERE ARE ANY QUESTIONS WITH RESPECT TO ANY OF THESE POINTS, I WILL TRY TO RESPOND.

THANK YOU.

2665-66
2748-57
2749-60

Extended Home Rule

SECTION 10. The legislature may extend home rule to other boroughs and cities.

Home Rule Powers

SECTION 11. A home rule borough or city may exercise all legislative powers not prohibited by law or by charter.

Boundaries

SECTION 12. A local boundary commission or board shall be established by law in the executive branch of the state government. The commission or board may consider any proposed local government boundary change. It may present proposed changes to the legislature during the first ten days of any regular session. The change shall become effective forty-five days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house. The commission or board, subject to law, may establish procedures whereby boundaries may be adjusted by local action.

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and
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Appli

Agreements:
Transfer of Powers

SECTION 13. Agreements, including those for cooperative or joint administration of any functions or powers, may be made by any local government with any other local government, with the State, or with the United States, unless otherwise provided by law or charter. A city may transfer to the borough in which it is located any of its powers or functions unless prohibited by law or charter, and may in like manner revoke the transfer.

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Local Government Agency

SECTION 14. An agency shall be established by law in the executive branch of the state government to advise and assist local governments. It shall review their activities; collect and publish local government information, and perform other duties prescribed by law.

Initia
Elect

Special Service Districts

SECTION 15. Special service districts existing at the time a borough is organized shall be integrated with the government of the borough as provided by law.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 31, 1979

SUBJECT: Annexation to the City of Kodiak

TO: Representative Bill Parker, Chairman
House Community & Regional Affairs Committee

FROM: John B. Chenoweth, Legislative Counsel

May I take this opportunity to clarify and expand on one point of discussion and inquiry concerning yesterday's testimony.

I suggested that I thought there were four courses of action open to the Legislature with respect to the Local Boundary Commission's recommendation to annex territory to the City of Kodiak. It could, of course, adopt HJR 10, setting aside the recommendation in its entirety. It could, in the alternative, take no action, allowing the annexation to become effective sometime around March 9.

The other alternatives derive from the precedent of an annexation to the City of Seward in 1964. In that year, the Legislature provided that an extensive area to the north of that city be made a part of the municipality. In the next year, 1965, the Legislature sought to provide by direct legislation for detachment of the territory. The House adopted the measure, but the Senate substituted its own resolution, asking the Local Boundary Commission to reconsider portions of the 1964 recommendation during the following interim. The Commission did respond to the Senate's request, submitting a recommendation in 1966 by which portions of the territory which was earlier annexed by Legislative act was subsequently detached. This recommendation was reviewed by the Legislature and not annulled, thus effecting a second boundary adjustment to the City of Seward.

Representative Bill Parker
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January 31, 1979

I would see, then, the precedent of the Seward annexation as a third possible alternative, together with its converse, the adoption of HJR 10 (annulling the Kodiak City annexation) and the adoption of a separate concurrent resolution requesting the Boundary Commission to reconsider its decision. Representative Parr's observation to the effect that the Legislature cannot "guarantee" a Local Boundary Commission is entirely correct, but I do think that this approach adds a little to the Legislature's ability to assure rational and equitable results in local boundary change matters.

JBC:nem

SENATE
JOURNAL SUPPLEMENT

January 24, 1979

Wednesday

No. 3

STATE OF ALASKA
LOCAL BOUNDARY COMMISSION
JUNEAU, ALASKA

RECOMMENDATIONS OF THE LOCAL BOUNDARY COMMISSION
SUBMITTED TO THE ELEVENTH STATE LEGISLATURE
FIRST SESSION ASSEMBLED

SUBMITTED JANUARY 23, 1979

M. B. 9

RECOMMENDATIONS

• Recommendation for annexation of territory to the City of Kodiak.

✓ • Recommendation for correcting an error in the present corporate boundary description of the Kenai Peninsula Borough.

STATE OF ALASKA
LOCAL BOUNDARY COMMISSION
JUNEAU, ALASKA

RECOMMENDATION FOR ANNEXATION
OF TERRITORY TO THE
CITY OF KODIAK, ALASKA

SUBMITTED TO THE ELEVENTH LEGISLATURE,
FIRST SESSION ASSEMBLED

SUBMITTED JANUARY 23, 1979

RECOMMENDATION FOR ANNEXATION OF TERRITORY

to the

City of Kodiak

WHEREAS, the petitioner, the City of Kodiak, has requested that certain property in the Mill Bay area be annexed to the city, to wit: twenty five lots contiguous to and North and East of the City of Kodiak, including residential and commercial properties; and

WHEREAS, upon receipt of the petition, the Department of Community and Regional Affairs determined that the petition was sufficient; and

WHEREAS, subsequent to giving proper notice, the Local Boundary Commission held a public hearing at Kodiak, Alaska, on December 12, 1977, in the Kodiak City Council Chambers; and

WHEREAS, as a result of that public hearing, the Local Boundary Commission determined other urban lands in addition to those defined in the petition might be suitable for annexation to the City of Kodiak; and

WHEREAS, after giving proper public notice, the Local Boundary Commission held an additional public hearing at Kodiak on April 26, 1978, to consider annexation of geographical areas generally described as the Spruce Cape area, the Mill Bay area, the Monashka Bay area, and the United States Coast Guard Station to the City of Kodiak; and

WHEREAS, after giving proper public notice, the Local Boundary Commission held a public meeting in Anchorage on August 16, 1973, to review the record of proceedings on the

petition; and

WHEREAS, the City of Kodiak has stated to the Local Boundary Commission that it is financially capable of providing its full range of general fund services to the area encompassed by the Local Boundary Commission decision; and

WHEREAS, the Local Boundary Commission has determined that the territory to be annexed ~~meets~~ the standards for annexation set forth at 19 AAC 05.010(3) in that the area is generally urban in character, as evidenced by Kodiak Island Borough population estimates, property valuations, and the relatively high level of commercial activity; and

WHEREAS, the Local Boundary Commission has determined that the territory to be annexed meets the standards for annexation set forth at 19 AAC 05.010(4) in that evidence gathered at the public hearings shows that the area to be annexed is in need of municipal services which can be most efficiently provided by the City of Kodiak; and

WHEREAS, the Local Boundary Commission has determined that the territory to be annexed meets the standards for annexation set forth at 19 AAC 05.010(5) in that Kodiak Island Borough planning documents indicate there is likelihood that growth and development will occur in the territory and annexation will enable the city to plan for and control that development and ~~expand~~ the most efficient municipal services plan to accommodate the expected growth;

NOW, THEREFORE, the Local Boundary Commission recommends that, pursuant to Article X, Section 12, of the Alaska

stitution, and Alaska Statutes §4.19.260, the petition to

~~amend~~
~~amend~~ the territory generally described as the Spruce Cape
and the Mill Bay area be approved and that the boundaries

d the City of Kodiak be amended to read as follows:

Beginning at Corner 3 of U.S. Survey 3945,
said point being the true point of beginning;
thence,

(1) S 55°21'W, 10,868.88 feet to Corner 2 of
U.S. Survey 3945; thence,

(2) S 34°34'E, 4250.40 feet to Corner 1 of
U.S. Survey 3945; thence,

(3) S 5°06'E, 957.66 feet to Corner 2 of
U.S. Survey 2537-B, identical with Corner 15,
U.S. Survey 3945; thence,

(4) S 5°05'30"E, approximately 260.74 feet,
more or less, to a point intersecting with
the Northerly ROW of the Abbert Highway;
thence,

(5) along the said ROW in a Westerly and
then Southerly direction to a point located
upon the common boundary of Public Land
Orders 5566 (parcel 2) and 5550, located
within U.S. Survey 1673; thence,

(6) S 45°00'E, 2000 feet; thence,

(7) Southeasterly 3,280 feet, more or less,
to point "A", said point "A" lying: S 15°34'E,
1,290 feet, more or less, to the center of
the channel of St. Paul Harbor from the
Southwest corner of Lot 6, Block 20 of U.S.
Survey 2537-B; thence,

(8) N 58°06'E, 7,470 feet to a point in the
channel North of the Easterly tip of Crooked
Island; thence,

(9) N 0°50'W, 1,644.7 feet to a point located
in the channel between Near Island and Holiday
Island; thence,

(10) N 42°22'E, 5,200 feet, to Point "B",
said point "B" lying: S 42°22'W, 3,037.1
feet, more or less, from a point on an

isolated rock which bears S 51°50'E, 191.95 feet from WC 6 MC, U.S. Survey 1822, said point also lying S 32°24'E, 1,162 feet, more or less, from MC 6, U.S. Survey 2873; thence,

(11) N 32°24'W, to a point in the channel which is 1,000 feet from the mean high water line of Kodiak Channel; thence,

(12) along a line, 1000 feet seaward, from the meander line of mean high water in a Northeasterly and then Northwesterly direction to a point 1,000 feet Northerly from the most Northerly tip, at mean high water, of Spruce Cape; thence,

(13) continuing along a line, 1,000 feet seaward, from the meander line of mean high water, proceeding around Mill Bay in a Southwesterly, Northwesterly, and then Northeasterly direction, to a point which is located upon the projected extension seaward of the Northern boundary of Lot 17, Block 1, Second Addition of Miller Point Subdivision, plat approved 11/29/66, said boundary being more specifically described as a line bearing S 73°01'E from the Division of Lands Witness Corner monument located 15 feet West of the Northeast Corner of Lot 17, Block 1, of said subdivision; thence,

(14) N 73°01'W, 1,000 feet to the Northeast Corner of Lot 17, Block 1, of said subdivision; thence,

(15) N 73°01'W, along the Northerly boundary of Lot 17, Block 1, of said subdivision, 327.41 feet, and continuing on approximately the same bearing an additional 1728.59 feet to WC 6 of Lot 3, U.S. Survey 3462; thence,

(16) S 47°56'W, 2551.56 feet to Corner 1, Lot 3, U.S. Survey 3462, identical to the East Corner of Lot 3 of Block 6, Monashka Bay Subdivision, plat approved 9/19/67; thence,

(17) S 45°42'59"W, 295.41 feet, to the South Corner of Lot 3, Block 6 of said subdivision; thence,

(18) N 44°05'04"W, approximately 115 feet, along the Southwesterly boundary of Lot 3, Block 6 of said subdivision to a point which bears N 50°13'26"E from the South Corner of