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to receive any benefit from the tax that they are going to pay. I say they are going to pay, we must operate at a profit over time obviously enough our cost increase, ticket costs will increase a like amount. And those residents of the small villages are to have to bear some of that cost. I think a case can be made for excluding the airport or at least applying a different some different formula for taxing the airport which would relate to the services which are provided. Since most of the services that you ordinarily think of in terms of the police protection are being provided, can be provided by the state, since it is state land. The other point to be had is that we currently are paying with Alaska Airlines somewhere in the neighborhood of \$7,000 a month to have a policeman come out and watch the boarding process, and we do not feel that if we are taxed that we will have to pay any less for that policeman and I think that just points to our underlying premises. What benefit will we receive that we are not currently receiving or what relationship will the tax that we pay bear to the benefits that we receive here in Nome.

Palmer McCarter: Any questions of Mr. Maloney?

C. B. Bettisworth: Who do you hire to pay or do the security there? Is that the city?

Dennis Maloney: We currently hire the city, the city police.

Palmer McCarter: Any other questions? Thank you. George I notice you indicate you want to testify on behalf of Bering Straits. Did you want to represent individual testimony or

George Walters: I was, Mr. Chairman. Martin Olesen chairman of our Board there, I didn't know if he was going to arrive or not so I was gonna testify below and then he arrived and I would like to have him sit in my spot to testify. Could I say one thing briefly on my testimony on the resolution that was passed by AFN. There is some, maybe concern here about Bert Griss sitting on the resolution committee of AFN. If that resolution was brought up from the floor, it was not, it did not go to Bert as he was sitting on the Resolutions committee to make it not look like a (indiscernible). It was brought up from the floor and passed on the floor.

Palmer McCarter: Thank you. Let me move on down then if the other you indicated

George Walters: Mr. Olesen

Palmer McCarter: Is this Craig Olesen?

George Walters: No. Martin Olesen.

Palmer McCarter: Let me go with the agenda then if I could and add you on. Craig Olesen and then Vernon Kukthruk. Craig Olesen. Is Craig Olesen here? Vernon Kukthruk followed by Harold Hargraves I believe.

Vernon Kugzruk: Thank you. My name Vern Kugzruk, I'm from Teller. I would like to give you, just an idea of how we might affect the outlying villages. First of all, let me say that I am also a stockholder of Sitnasauk Native Corporation as well as Bering Straits Native Corporation. I ought to state that the testimony as presented by Bering Straits Native Corporation, Alaska Gold and Sitnasauk Native Corporation I concur, and also that of Wien's. First of all if the airport should be annexed, we feel that some of the villages within the surrounding area of Nome will feel the brunt of some increase in passenger rates and freight increases as a result of annexing the airport. I lived in Nome previously and in the time that I had lived here in Nome there has been some number of hearings and I would like to point out that I have attended as many hearings as I could and just about every hearing that I attended 85 percent were against the annexation. The other 15 percent were for or were undecided. Now there is a question of whether it would be, I am talking of the larger annexation boundaries. This new one which just came out tonight was a total surprise to me. I had not heard of that, I was not prepared to make any comments on that area there. So I feel that if there was to be any type of revisions made by the City they should have given us some opportunity to respond or to at least study the change. Now I also feel that there has been some misinformation given during some of the informational meetings that the city has presented. As I recall in the last couple weeks, two or three weeks there were two of them, one of which I attended. I would like to make one thing clear or clarify one piece of item that is relating to the allotment.

During the information meeting the city stated that the allotments were the result of the Alaska Native Claims Settlement Act and I would like to clarify that and perhaps somebody else will to is that the allotment act was an entirely different and separate from the Alaska Native Claims Settlement Act. The Allotment Act was passed in 1903 and not in 1971.

Also I have questions the feasibility of the annexation bid on the City.

Palmer McCarter: Go ahead. Another 30 seconds.

Vernon Kugzruk: Okay. Very quickly 40 per cent of the income of the power and lights come from outside the City. That's 40 per cent. That's almost one-half of the income that the city power get, and that comes from the outside of the city. Now, if this area is annexed, those annexed areas there rates will go down lower and in effect sometime soon the City would have to make adjustments to lower those rates and therefore there would be a substantial loss of income revenue from power source itself. And I am not sure if the City can absorb that loss. And of course the business can will probably pass the loss on to the consumers. Thank you very much.

Palmer McCarter: Mr. Hargraves followed by Myron Michaels. And I would again ask you to please be cautious of the time.

Darrell Hargraves: Commissioners I am Darrell Hargraves, superintendent of Nome City School District. Although I am here tonight at the request of the School Board, I'd like to point out that the facts and figures which I'll be giving you can be substantiated. However any recommendations or inferences which I might make would not come as direct expression of the Nome School Board. A review of the prospects of annexation of areas outside of the present city limits of Nome brings to light several points for consideration as they affect the Nome City School District, and the student population attending the Nome city schools. At the present time the Nome City School District serves approximately 88 students who resides

outside of the Nome city limits. These children attend the Nome city schools in grades kindergarten through 12. In consideration of these 88 students currently attending a school district in which they do not reside, I would like to clarify the following points. One has to do with tuition payments. The Nome City School District based upon the FY80 audit will receive tuition payments in the amount of \$362.68 per student. Tuition payments are made to the School District by the State of Alaska for students who do not reside within the district boundaries. The 68 students living outside of the City of Nome will generate \$31,915.00. If the annexation brought these students into the City of Nome, other tuition payments would not be made. However there are issues surrounding these tuition payments, these tuition students which are directly the result of their being outside of the Nome City District. These issues include strained relationships between two school districts, the ability of one school district to threaten the removal of these students from the other for various and sundry reasons. The status of these tuition students can always be held as a club over the Nome City School District. At present these students do attend the Nome City School District as tuition students without the consent of the Bering Strait REAA. The student attend under an order given by the State Commission of Education which is his authority to make and to order under state statutes. The next issue has to do with PL874 payments. The Nome City School District receives federal funds under the PL874 mechanism for students who reside in the district and whose parents live on and/or work on federal property. Outside of the City of Nome among these 88 students who come into the city district under the tuition payments provided by the State of Alaska, there are 29 students whose parents live on, work on federal properties. As long as these students are outside of the city limits of Nome the State of Alaska collects the federal PL874 payments. If these students were residing in the City of Nome, the school district would collect from this federal PL874 source something between 35 and 40 thousand dollars. Therefore the loss of tuition from these 88 students residing outside of the

City of Nome would be exceeded by the federal PLH74 payments. There would be in a bill another issue that to be considered and that would be the improvement of district relations. The creation of REAA's should have provided tremendous improvement in the delivery of elementary and secondary educational programs to the students of our region. There are many good and justifiable position which can be taken in support of the creation of the REAAs. Unfortunately the creation of the REAAs on the Seward Peninsula where Nome is located created something of a vacuum. Nome became the hole in a doughnut with a rather large group of students living outside of our district boundaries. But completely dependent upon a Nome city school district for educational opportunities at a level suitable for their needs and aspirations. All other alternatives for these students which might be considered as opposed to their attendance in the Nome city school district appears to be totally unacceptable alternatives. This was noted by a large number of parents who supported the Nome city school district's request to acquire the title to the Nome Beltz facility and tremendous support for keeping the Nome City School District as the best of the alternatives for their own children's education. At the time the Nome City School District provides the education for these 88 students, the district also suffers the threat of financial and/or legal repercussions from the outlying REAA School District. I can see no reason to believe that relationships--that the relationship would deteriorate any further because of this proposed annexation. I can see sufficient reason to believe that the drawing of more clearly defined lines which would greatly enhance the relationship between the two districts. The other issue the voting rights of parents outside of the City of Nome. Typically citizens of the United States resent anything which takes from them the right to have a say through the ballot box in the matters pertaining to their local state and federal government. Historically they have preferred that schools be an issue of local importance controlled and directed by local citizens. The truth is that the parents of the 88 children currently attending the Nome City School District cannot

vote in city school district elections. The Nome City School District has attempted to be accomodating and hopefully we have succeeded in numerous situations which has reaffirmed we have succeeded and worked in many situations which continually reaffirms the disenfranchisement of th's group of pupils--of people. I would suggest that the issue of education and the right to control it by the local people at the local level is an important issue to be given full consideration when considering increasing the Nome city boundaries. In summary, I would to say or to suggest that there are many factors to be considered. The most pressing factor as it affects children in the public schools is not taxes which may or may not be placed on the properties under consideration. It has more to do with the defacto segregation of the student body which could have an adverse affect upon the quality of education made available to the individual students. Thank you.
Questions?

J. Anderson: Do you plan on leaving a copy that with the Commission?

Darrell Hargraves: I would regret leaving a copy of this the way it is. If you would like to let me have your address I'd see that you got a retyped version.

(Laughter)

Palmer McCarter: Mr. Myron Michaels followed by Judy Martinson.

Myron Michaels: Mr. Chairman, members of Board, I'll be very brief. Essentially I simply want to make it a matter of the record that I am opposed to proposed annexation.

Palmer McCarter: Mr. Michaels would you state your residence please.

Myron Michaels: I live approximately 1.2 miles north of the current city boundaries. One of the primary reasons why I'm opposed to this is because it wasn't brought up for a popular vote. I understand that the city had a right to do it the way they are doing it, however I don't think just the mere fact that they are supposed to be our representatives in an issue of th's importance justifies this sort of thing. Mr. Widom himself as he earlier referred to a quote in the Bering

Straits I'd like to refer to one of his: "With a vote you never know what is gonna happen, with the Boundary Commission at least we have a fighting chance." And I would certainly say that suggests that he knows he didn't have prayer of passing this thing. I would also like to say that I think that what Mr. Ruddy suggested at least suggested in my mind earlier that this original proposal was so ridiculous that it obviously didn't have a prayer. I don't think that they ever intended this thing to pass as originally proposed. I believe that the current proposal, the revised one that they made this evening is what they intended all along and that you folks are simply supposed to be so impressed with their generosity in this recent compromise that you would be more apt to go along with it. Thank you very much.

Palmer McCarter: Questions. Okay. Judy Martinson followed by Francis Elmore.

Judy Martinson: My name is Judy Martinson. I live at mile One on the Nome-Teller Highway. I'm married with two children and I am representing my family. I am opposed to annexation, clearly and thoroughly opposed. I feel there must be a better solution than what is now before us. If the city is allowed to annex, they cannot offer people outside of Nome any services commensurate to the taxation. It is my understanding that annexation cannot be for taxation only. Any services people outside of Nome now have, except fire protection, are already being paid for through extra costs for water, electricity and paying city sales tax. Fire service is one thing that a service charge should be put upon. These services are good. Anything the city could possibly offer would only be inferior with the added pinch of being taxed for inferior services. From the majority of people talked to, annexation is not wanted. As we see it, no one will benefit from it. The average person in town will be paying for our services out of town. There are many areas in Nome right now that do not have sewer and water and roads, and yet the city planners say they are willing to give some sort of service to an area three times larger than the City of Seattle. They haven't even provided it within their own city limits now. The city says

annexation is for the purpose of growth of future planning. The city cannot show any growth. The federal government survey of 1974 and 75 shows 2,585 people. The city survey of 1978 shows 2,892 people inside Nome and 252 outside of Nome. Now, the preliminary federal government count for 1980 shows 2,200. 385 less than is shown in 1974 and 75. The city maintains this figure is incorrect. However I could find nothing from a city census to dispute it. No growth. Miners who have claims within the annexed area will be taxed, causing just one more hardship on an industry that is full of struggles and red tape already. Finally annexation will certainly not benefit and could possibly fatally wound Nome's largest independent employer by reaping taxes on Alaska Gold's dredges, land, gold and tailings. This would really affect my family's life as my husband is an employee of Alaska Gold. This fact of gathering new money was pointed out by a city official. No services for Alaska Gold was mentioned, only what taxes could be taken from them. Perhaps if this were something of the people, by the people, as our American lives are founded on, perhaps it would be a little easier to swallow instead of government crammed down our throats. All the city has said is we want this and that. They have shown us no schedule of useful services, no tax schedule. The city council will not even allow us to vote on it. One of our American rights to vote to have and to govern our lives is once again being sought to be taken from us. We hope you will not allow it. Thank you.

Palmer McCarter: Any questions? Okay. Francis Elmore followed by Bonnie Hahn I believe.

Francis Elmore: Thank you. My name is Francis Elmore. I reside outside the current city limits and I would like to address the topics of planning and service the City of Nome feels it can provide for the area of proposed annexation. I would like to point out that this was prepared before they brought down their proposal so some of it quite as accurate as it was or I tried to make it. In the time between September 26, 1977 when the city signed its resolution to petition the Local Boundary Commission for annexation and July 17, 1980 when the brief supporting the petition was signed and submitted, just under

three years, the City of Nome has not been able or perhaps had no intention of proposing a concrete plan for services. Tax rates, exemptions zoning or any other specifics a property owner potential taxpayer has a right to know before coming under a new governing body. In the past two months a sincere scramble to collect the specific needs began. I submit that the city wasted two planning years. Case in point. On November 16, 1980, just five nights ago, Craig Olesen, utility board president for the city of Nome, asked a public information hearing why the utility board has never been asked how annexation might affect the utilities. He proceeded to say that when the city limits were expanded and the cost differentials for electricity and trucked water were no longer in effect, that probably the rates would go up for all utility customers. The utility board apparently has facts and figures waiting to submit. They simply were never asked. This is a typical city of plans, city plan for City of Nome. The City of Nome expects to provide services with monies collected from their new tax base which appears logical, excuse me, appears logical. But in the two month scramble that I mentioned before, they've promised to waive another portion of their tax base every time they've met with resistance to the proposed annexation. Until they have proposed away the majority of their new business tax base. Case in point. A proposed sliding scale tax base for the airport businesses in a meeting with them, no tax on reindeer furs or reindeer grazing land. I feel that a reindeer herd is a business with inventory. They have publically stated that there will be no tax on fish camps because they are temporary structures and I propose that they just happen to house some commercial fish operations. I would point out that I don't blame these special interests groups for going or trying to bargain for the best deal they can get. But as you can see -- you can see where it's leading. Excuse me. The bulk of the new tax burden will be on the small business and property owner. I would also point out that these same pockets of resistance, I would point out to these same pockets of resistance, that these tentative proposals and promises are just that. The City of Nome town council has not passed any resolution or committed themselves. They have

only sent an emissary of good will. Approximately one year ago, and I'm not sure of these date, there was a great hue and cry that the city of Nome taxpayers were being strangled having to provide services to non-taxable properties owned by federal, state and church entities. Now they propose to take on a couple hundred square miles of native lands that are non-taxable for 20 years after title conveyance per D2 legislation. I already hear the objection that they won't be any services needed or provided but the city will be the governing body responsible for those lands and we'll have to provide police and fire protection whether it's taxable land or not once they fall inside the city limits. If the above examples are prime examples of the city of Nome's preparedness and ability to govern additional area, as a person in potential jeopardy of annexation, I say thanks but no thanks. Thank you.

Palmer McCarter: Questions of Miss Elmore? Bonnie Hahn I believe followed by Neil Foster.

Bonnie Hahn: My name is Bonnie Hahn--

Palmer McCarter: Hahn, I'm sorry--

Bonnie Hahn: and I've lived in Nome all my life. I'm a home owner in Nome and I have been a property owner for the last 35 years. I object to the annexation mainly because of probable increases in taxes. I do own several pieces of property in Nome. The last three years my property taxes have from \$300.00 a year to \$1,009.00 a year, and I feel that if the city is annexed we will the home owners the property owners will be going to absorb the increased taxes and I am against that. Not only am I against the annexation, if the city does--does this is for the small portion that they've decided on now recently, I intended to speak on the larger portion because I also have a piece of property down at Cape Nome and I'm not at all--I don't feel confident at all that the city might not go after the larger portion next year. I don't see anything that's going to hold them off next so I'd like to speak just for a second on that area. I have some property down at Cape Nome and when the city originally made this map this line here came straight down. Somebody in the city decided I might be good pickings down there

and they decided to put a little jog on the map which includes my property and I object to that I know that I won't get any services clear down there, the city--the roads are closed nine months out of the year and that's 14 miles out of the city. So I would like to state that I'm opposed to that as well. Thank you.

Palmer McCarter: Any questions of Miss Hahn? Neil Foster followed by Ron Sheardown.

Neil Foster: I'm Neil Richard Foster. I'm a resident of Nome. I've been a resident all my life and I represent Air Taxi at the Nome State Airport. I have before me a protest against the City of Nome annexation plan which in three minutes I can't possibly give you so I'm going to submit it to you in writing, the substance of which states that on the nine standards all listed as prerequisites for annexation none of them are substantially met by the city. I have all the air taxies out at Nome State Airport signing this protest, it being Foster Aviation, Bering Air, and Seward Peninsula Flying Service. We all feel that the state already provides services at the airport. We don't feel, we don't see how the city could possibly substitute itself and provide a more efficient service at the airport. At the current time the state provides snow removal on the taxiways, the runways, they provide all routine and runway maintenance on the airport. They already control and regulate it very strictly, I'd like to add. And if the city took it over I can't possibly see and neither can the other air taxies, how the expenses could come down. The expenses are obviously are going to go up. Taxes are going to be levied and with the city substituting itself in lieu of the state on services, we feel in that event the service will go down. So here in this case we have expenses going up and service going down and none of us feel that this represents any kind of progress in such a remote area that we live. We feel it's a backward step. I have the nine standards here listed going down one by one. I'll just take the last one and the summary. The application of the City of Nome states annexation serves the public purpose of community involvement and democratic participation and this has been gone over before. We'd like to point out that there was no city or area vote to determine the public's support or non-support for annexation and thus

the ultimate logical method of democratic participation and involvement was avoided. In summary the opinion of the undersigned, Foster Aviation, Bering Air and Seward Peninsula, that the City of Nome's application for annexation is not so much a sincere offering to extend or provide services, but rather an obvious attempt to establish a larger base for taxation, and we respectfully request that the Nome State Airport be excluded from any consideration of annexation. I also have before me a resolution from the Gambell City Council signed by the mayor which I am also submitting resolution 80-3 stating in effect the same thing that they would like the Nome State Airport to remain under the guise of the State of Alaska, and they also protest it because of the possible higher rate in freight and fares and how they affect villages. In the same regard I have a letter here from Mr. Bill Lass, formerly a resident of Nome, now a resident of Council, Alaska approximately 75 miles to the east, stating basically the same thing and he is a land owner in Nome at the present time and he feels that annexation is not the answer. That's all I got, thank you.

Palmer McCarter: Any questions for Mr. Foster? Mr. Sheardown followed by Louise Bockman.

Ron Sheardown: I think I'm Sheardown.

Palmer McCarter: Oh I'm sorry, Sheardown.

Ron Sheardown: My name is Ron Sheardown, and I'm president of Greatland Exploration. We hold patented and unpatented mining claims within the proposed annexation. We also hold offshore permits within the area. I think historically cities and mining have not got along for two or three simple reasons. One is that from a planning standpoint, they can destroy the mining plan. I've never seen a city yet take and hire a planning company with a mining engineer on staff to plan and once a city is developed, such as Butte, Montana is an example, it's-it can destroy, the mine has got to be where it is because the ore is there. You can't change that. But the city planners can put streets over you, roads you, and

facilities over you that will totally destroy that. And that costs us all in the long run. We all pay for those metals, from the automobile to the fire truck. I'd like to take exception to the city attorney saying that this is new information on the wall here. I see information on that map that starts in 1898. The--in fact very little of that information is new. The most of the patents in this area go back to from 1903 when they started to first get patent to about 1920. I'd say about 90 percent of the patents are in the era. The--allotment act as Mr. Krugzruk stated was 1903 which takes in alot of the fish camps and alot of the allotments that are within this proposed annexed area. The Alaska Native Claims Settlement Act I believe was 1971. Most of the selections were made by I believe September 1976 with some outside selection going into 1978. So he has stated that this was -- information that was not available before tonight. I can only say this --most of this information has been available for years and years. Which is again what I say about planning and development in this area. Nome is a unique area because of the mining that is here and the natives that are here. I think some consideration should be given that there is a trend coming out of our state government because of oil revenues that there will be more monies coming to these local governments so I'm not sure that the City of Nome needs it--this additional revenue. If anything I can see revenue coming from other areas that will supplement that. That's all I've got to say.

Palmer McCarter: Any questions? Louise Bockman followed by Barbara Shaffer.

Louise Bockman: I'm Louise Bockman representing the executive committee of the Norton Sound Health Corporation. This committee is on record against annexation proposals submitted for the City of Nome. At this time annexation does not appear to enhance nor improve the health status of residents of this area. An adequate reasonable safe water supply and sewage disposal services are fine health concerns. Although the City of Nome has moved forward in these areas, much improvement is still needed within the confines of current city boundaries. To attempt further

expansion before meeting current needs within the city is questionable. We wish to call attention to statements in the brief presented to you by the City of Nome which need careful scrutiny. Reference to brief on page 2 which states, the City of Nome joint utility system currently provides electrical, water and sewer services to Nome residents. As of this date the City of Nome joint utility does not provide sewer services to all residents. Those residents to whom the City of Nome has never made sewer services available must provide septic tanks or subscribe at their own expense to private business which collect honey bucket waste. The cost of honey bucket services for family of four runs around \$28.84 a month, whereas sewer services run about \$10. a month. Those residents not on sewer must also find some means of disposing the waste water. Run off of this water does not enhance health conditions. On page 3 of the brief, ambulance services are provided in Nome by members of volunteer group to a local hospital. On page 4, the city of Nome currently provides to nine residents within the area proposed for annexation free fire protection services, ambulance services and sanitary fill. Ambulance services are made available in Nome inside the city limits and outside the city limits by a volunteer group operating an ambulance owned by the Norton Town Health Corporation. Payments for ambulance services is expected from residents and non-residents alike. The City of Nome does not provide free ambulance services. Page 4 and 5. As with piped water, no price differential is charged for trucked water services outside the municipal boundaries. Mr. Widom mentioned this in this first statement this evening that there would be no differential after annexation. But in the brief it indicated there was none now. There is a differential that does exist. On page 10, water presently must be hauled by truck to Icy View, the State Highway Department complex, the airport and east end. Having lived in Nome for 28 years and lived on trucked water, I'm still living on a trucked water route. In addition, water must be hauled to other neighborhoods within the city limits not mentioned in the brief. One area is near the center of Nome and that's

been mentioned earlier this afternoon--this evening, and another area is Delmont Point which is near the western boundaries of the current city. We are not aware of plans to extend water and sewer systems to these areas. It would be interesting to know what percentage of water customers living in Nome are or what it is who purchase water delivered by truck. I tried to find this out from the city utility, they told me they were working on the figures. The executive committee of the Norton Town Health Corporation board of directors appreciates the opportunity to express its concerns and opposition to the City of Nome's annexation proposal.

Palmer McCarter:

Are there any questions for Ms. Bockman?
Barbara Shaffer followed by Doug Doyle.

Barbara Shaffer:

I am Barbara Shaffer. Until rec--I live with in the City of Nome and until recently was a member of the City Council. I recently lost a run off election partly on the matter of annexation so I feel like I have some standing to speak this evening. Since it's been recorded that the motion or the action of the City Council was unanimous you know that I must have voted for it. And I did vote for annexation, the members of the council and people at the hearings those times will say that I wanted somewhat different borders than boundaries than were in the final petition. I think we need to look at the validity of looking at of a larger area. The current area of Nome is obviously very small. Postage stamp size or smaller. The original proposal they said it was 250 times the current size. Sure when you start out with nearly nothing. Now the land that has been discussed in more detail this evening obviously isn't that kind of percentage. When you start off really small the percentage is going to count. What you need to really look at is the service area. I think you need to look at the employment area, the residential area, and the recreation area. You need to look at city services including transportation, education, water sheds, other things like that. I think these are broad stroke statements of things-of areas that need to be taken into consideration. I think there's some myths that have been bandied about that need to be looked at more closely. A lot of people

have inferred that annexation will create some enormous change in lifestyle and yet I can see none projected. If there might be small improvements in terms of availability of some services, there is lots of discussion this evening and I'm not in a position to discuss whether those would or would not be available at a reasonable or prompt manner. But there is not going to be any change in owns the land. Some people have inferred that this is a way of moving natives off their land, or inferring that they could no longer control their destiny. The city will not own one acre more than they own at the present time. Whether they own 16 developable lots or 100 or none at all. It's ownership of the land won't change. Its government of the land, it's the municipal government would change. So that this is kind of myth that needs to be exploded. So I repeat I go on record in favor of annexation and consideration that you look at the boundaries that are by your staff and by the petition and ranges in between.

Palmer McCarter: Any questions of Ms. Shaffer? Bert?

Bert Griss: You were in favor of the original annexation or the one that the city just put up.

Barbara Shaffer: At the time I was on the council it was unanimous consent for the larger one. I understand this afternoon from testimony given today, I mean this evening, the city council has informally gone on record to the smaller amount. I was not privy to that because I'm not on the council at present. So I voted for the larger one yes, as did everybody else. It was unanimous.

Palmer McCarter: Are there other questions for Ms. Shaffer? Doug Doyle followed by the representative for Alaska Miners Association.

Doug Doyle: Yes my name is Doug Doyle, I reside inside the city limits. I'm here to speak on behalf of C. M. Reader who is sick and apologized that he cannot come. I work for him. Mr. Reader owns 80 acres of land that is in-just north of Nome. It's in the area that the council has now changed their tune and scaled down area. An obvious concern is they say that they were the taxation was \$200.00 a year-

Ivan Widom: For 20 acres, \$10.00 an acre.

Doug Doyle: \$10.00 an acre for mining property. That's what they're saying now but there is nothing to prove that that might change. They've changed their scope from 258 miles to 13 miles so this can change also. Also I was born in Nome, I've lived here all my life and there's property that is inside of the City of Nome that's not being utilized. There is quite an area on the east end of town, northeast end of town that's not developed and I think that we should develop that land first. That's all I have to say.

Palmer McCarter: Any questions of Mr. Doyle?

C. B. Bettisworth: I don't quite understand where the property is that Mr. Reader has.

Doug Doyle: Are you familiar with the road that's-- A half mile outside the city limits right now.

C. B. Bettisworth: The 80 acres are just a half mile outside the existing city limits. Okay, so it would be within the proposed area.

Doug Doyle: Yes it is, it's right in here.

C. B. Bettisworth: Okay, great, that's all.

Palmer McCarter: Any other questions of Mr. Doyle? Thank you. Is there a representative for the Alaska Miners Association? That will be followed by I believe it's L. A. Douglas.

Thom Frank: My name's Thom Frank, I'm chairman for the Nome branch of the Alaska Miners Association. I live in Icy View. And I'd just like to read the resolution that was passed at the Alaska Miners Assoc--by the Alaska Miners Association at its annual Board of Directors meeting held on October 23, 1980, at Anchorage, Alaska which adopted the following resolution. Whereas the City of Nome, Alaska has expressed an attempt to annex vast tracts of privately owned mineral land, excuse me, non-mineral lands and native association lands that include several ongoing mine operations both large and small. And that such annexation plan does not include a plan to provide any municipal services to the annexed lands or operation. And whereas the purpose of said annexation is perceived as a revenue generating action and that such

action will have a deleterious economic impact upon such lands and operations and will be contrary to philosophy espoused by the State of Alaska in regard to resource conservation. Now, therefore, be it resolved the the Alaska Miners Association urges its membership to oppose this annexation move by the Nome City Council. And that's about it. The Nome Alaska Miners Association has approximately 43 members in the Nome area.

Palmer McCarter:

Are there any questions of Mr. Frank? Thank you. L. A. Douglas followed by Virginia White I believe it is.

L. A. Douglas:

My name is L. A. Douglas. I live here in the boundaries of the City of Nome. I myself came to one of the meetings that the city manager had in this city hall. His first remark was they're exploring for oil down there, we gotta annex so we can rip em off, so we can tax 'em. The city council before they were on city council they said well let's develop the shrimp, let's develop the crab industry. But once they get on the city council developing anything is beyond their comprehension, and they brag about what the city did out at Dredge 5. I myself work for Alaska Gold. I don't know where Dredge 5 is, I don't know where Dredge 6 is, I haven't even been in the shop or the power plant. But they never--the attorney says it's about time Alaska Gold does something for the City of Nome. I have business people here that know that I work for Alaska Gold and they asked me when are they gonna close down. I said I don't know. And they say we want to close our store, we want to change the hours because we don't have to have it open if they don't have the employee. In January, February and March the businesses complain, there's not enough sales tax sent into the city because the Alaska Gold is not in operation and so what they say they got plans and what they're gonna do to this land what they annex, to me the only thing they want to do is to tax the people and keep them out of our city. I don't think they have any idea of what they're gonna do or how they're gonna handle it. And I myself believe there is about one man on the council that has any idea about taxation and how to handle it and the man had

experience I believe and it's the city manager because he was city manager in other areas. But I believe everybody else on the counsel has no idea of taxing or how to go about it any they don't even have an appraiser in town here that can go around and set the value of land or buildings or anything. So this is my idea that they have nothing to go on to annex such a great amount of land what they want.

Palmer McCarter:

Thank you any questions for Mr. Douglas. Okay Virginia White I believe its Virginia White, followed by Robert E. Bean. Is Virginia White here? Robert E. Bean, followed then by Mr. Oleson or excuse me Olafson. Olsen, I'm sorry.

Bob Bean:

Ladies and gentlemen of the Commission, citizens of Nome. My name is Bob Bean, and I have been a resident outside the city limits for about the past five years. I currently reside inside the city limits. I would like to correct what I feel is one misstatement made on the city's behalf and that was in reference to one area which undeveloped within the city limits in central core area. It was stated that a subdivision was attempted and applied for and at that point that it was denied and did not progress because the developers did not have the money to support the cost of development. In fact what happened in that particular case was that the city did not have comprehensive plan for a subdivision and consequently the developer approached the city planning commission and requested guidance on how to proceed. He received that guidance on December 18, 1979, and proceeded with that. And when he presented his plan in conformance with that guidance it was rejected and in fact for additional stipulations made at that time. That is why it is in litigation. Basically the other points that I had have already been made and I do not have anything else to add. Thank you very much for your time.

Palmer McCarter:

Is there a question of Mr. Bean.

C. B. Bettisworth:

Are you in favor of or opposed to the annexation. He didn't even say.

Bob Bean:

Well from a personal stand point, if I had an opportunity to read the proposal that the city presented as far as their differential

taxation program, which I requested, a number of months and years ago, and it was equitable I would probably be for it. Our being taxed for services that are being provided and not taxed for those services that were not being provided. I would probably go along with it. But to take a pig in a poke so to speak or to sign on for a job when you don't know what the wages are going to be or the benefits I think is a little bit foolish. If I knew what the music was going to sound like when it was being played, I might be more interested in (indiscernible).

Palmer McCarter:

Are there other questions of Mr. Bean? Mr. Olsen followed by Lee Rasmussen.

Martin Olesen:

I'm Martin Olesen. A resident of Galovin. I used to live in Nome. I have property in Nome. I am also the chairman of the board of Bering Straits Native Corporation and this is where I get involved because Sitnasauk Native Corporation, King Island Native Corporation and we're theoretically the parent organization although if you read if you read the newspapers we really haven't done very good in that situation. However, I do feel involved. And I don't have a prepared statement. The reason is George is here he made a presentation as the president of Bering Straits Native Corporation to go ahead and put everything out. I stayed home. In fact I'm staying at George's house so I listen to FM radio on KICY. I heard everything on there. I heard all these presentations and what I really read while I was hearing this was somebody went right along and changed the rules in the middle of the road. George was addressing a great big annexation from Cape to Cape Nome and there several people have done that. All of a sudden within the last two or three days you people in collusion with the City of Nome have decided to change that. Why? I think you people are pro-annexation. Why? I thought you were unbiased big brother up here gonna resolve help us resolve our own. Turns out you're not. You propose your own. And the City of Nome went ahead and went along right with you. Now, us people that went

ahead and responded to this original situation in a matter of two or three day we haven't had a chance to go and respond to that. And I don't feel that you people on the Boundary Commission at this present time, due to your pro-annexation philosophy that you have just showed are not in a position to judge this. Because you went ahead and offered advice and offered a little map. You did that. You could have said just here I thought we were addressing one issue. Now all of a sudden we're raising two. There are people here that are not--don't have the time frame to go ahead and respond to this second situation as come up in the last couple of days. So I just don't feel that --. I just don't feel that you're being fair to the land owners in this area. And I think that there should be--this meeting right here should be for this great big vast area Nome originally wanted to annex. And that's it. If they want to change it, go ahead and put out an order, say that we want to change this and we realize the error or our ways and all this you know. But that's not what happened. All of a sudden we--the City of Nome change their position. And you people went right along with them. I don't think it's fair. I don't think its fair for us people that in opposition to Nome's situation to go ahead all of a sudden in about a two day period, be able to come up with a really comprehensive reason why we're--we're given a reason, but then we have to do a little research and everything. And I really don't feel that you people are treating us fair. You're railroading this whole thing through. You right along with the City of Nome. And I don't feel that you people have the authority, the ability, cause you should have seen this yourselves, to go ahead and rule on this particular move.

Palmer McCarter: Are there any questions or responses to Mr. Olesen, please.

C. B. Bettisworth: I guess what I'd like to say as acting chairman of the Commission is that the proposal has been put before us that the city has accepted for the revised boundaries. The proposal was developed by the staff of the Boundary Commission. Not the proposal

was drawn by any of the three of us or the members who are not here. It was prepared so that we might take it under consideration and that's what we're doing, is taking it under consideration.

Martin Olesen: In other words, you already said this is going to be annexed so let's go ahead and make it.

C. B. Bettisworth: This is not true.

Martin Olesen: You be prepared it in anticipation of that.

C. B. Bettisworth: No, I'm afraid that's not true.

Martin Olesen: Well, that's the way I feel about it. Whether it's true or not that's the way I feel about it.

Palmer McCarter: Mayor Rasmussen.

L. Rasmussen: Well collusion isn't on my mind. But its interesting to see that the issue of annexation has put our linen on the line and I found that most of it to be dirty tonight. There's one issue I think that would run almost counter to this and the number of people that would show up and I'm going to have to revise my estimates on that, a dog ordinance usually brings out a large crowd but the Boundary Commission has done a better job and my commendations to you for that. I would like to speak I hope rather briefly to what the process was that we went through on this annexation that came forward. The city will be the pundit for what is taking place tonight and I guess rightfully so. But in the process I became mayor in 1977 and there was sort of a ramrod annexation that was taking place at that time, and I felt that as long and as well as the rest of the council did that the public deserved a better shot at the annexation proposal that was coming up. We delayed the action that took place at that time and I sought authority and appointed a committee of 8 members to work in conjunction with the 5 member planning commission to gain a wider input into annexation and its whole scope. There was an attorney appointed who is now the attorney for Sitnasauk Native

Village Corporation, there were three members Sitnasauk Native Village Corporation, one from King Island, there was a member from Icy View, a member of the school board, and the manager of Alaska Gold was a member of that committee. They worked in conjunction over a series--through a series of hearings to begin to put forward a more comprehensive annexation than had been proposed in any of the previous three attempts. I'll remind you annexation has been on the minds of Nome since about 1964 when they first started considering passing ordinances to set up extra territorial rates for their services that were going free beyond their boundaries. And as an alternative annexation came to the forefront and still sits there today as an alternative to going through and setting up a system by ordinance of charging rates for fire, for police, schools, water resources, use of our streets, planning authority now coastal zone, the different sources of revenue that we get one way or another that also encompass the areas outside the city limits. In the planning commission with the 8 advisory members serving as an annexation committee, they went through a process of three public hearings. They made a recommendation to the city council, the council set up an ordinance procedure which went into its first reading and then throughout the next six months the process of four additional public hearings. All seven hearings were advertised for the purposes of gaining input into annexation. (indiscernible) hearing the council at that time by a vote of five to nothing passed the annexation proposal which is before you. And of course until it comes before the boundary commission I suppose nobody wishes to put forth public input. There it is tonight. I really haven't heard much said other than the superintendent's of schools whose spoke in behalf of our schools which exist outside the city limits. We have problems with the REAA. There is slightly more than 1/5 of their students

attending our school here in Nome. I see as solving a majority of the problems for us. We have a great pride in running a first rate first class school system. Its taken a period of time after the state dominated it for a period of years to pick up the remnants and the mess and clean it up to bring it back to what we feel is the good system. I feel that this is a very viable reason for annexation in fact of those that I talked to with exception of a couple who were rabidly against annexation and couldn't be talked to, almost everybody agreed that there were some valid reasons for annexation of which schools was primary. Second was our water resources. And I would mention to some extent that this proposal here does not cover the full scope of water resources. The apparent source of water and this is not substantiated by an engineering report but by a mining report comes basically from the Nome river basin through a fissure in the Anvil Mountain. The airport is a very driving factor. I hear many comments that if we tax the airport the price of ticket goes up. My thoughts on this is how far do you split the price down to increase how much the cost of a ticket. Taxes on the airport would not be that great by any means. In fact if what is going to take place as suggested by the governor in his budget request this year, taxes very likely could be cut in half. If they go even farther with other proposals, property tax may very well be a thing of the past. Just as much as very well oil development may take place offshore. Our proper authority of planning is probably the most important thing. Almost everything that takes place, and mind you there are about three times as many mining operations operating out of Nome than there was last year. They are demanding on our facilities as small as they are and inside our 560 acres and it does not leave us adequate area to move, to plan, to provide for the future. I've been told many times clean up your act and at the same time there is twice as much taking place outside of

our current city limits, that is driving us to operate a maintenance type of operation instead of a futuristic type of operation. If the area is annexed, there will be substantial increases in state revenue sharings. Although that could change with the legislature, I expect the revenue sharing to continue up. Federal revenue sharing does continue at the present time and that would come to the local level for the additional people in the area that we would service. The areas living outside the city of Nome would have at this time no immediately access to grants or other programs that are supplied by the state or federal government and the city in its ultimate wisdom can provide this access of those people, of their areas whether it be the mining company or Sitnasauk Native Village Corporation, or the airlines, to this access of dealing with government. One thing I would like to say, I am mayor of the town, I own a business, I own a house here in town, I also own land in the area that will be annexed or may be annexed. And I too will become a taxpayer out in that area. At the present time its undeveloped land or near developable what we're calling developable land. I will more than willingly pay taxes assuming there are taxes in that area as I feel that as long as I have that land there I too am driving this local government in the direction that it cannot control. I will summarize. I think that we have if annexation takes place, an accomodatable, workable situation in the present city government and that problems that may or appear to exist can be solved very accomodatingly with the present government. I would like to commend the Boundary Commission for putting up for the length and the depth and I also would like to thank the people who showed up who've tended to show a very high quality of testimony tonight. We haven't impaired your ears too much. Thank you very much.

Palmer McCarter: Are there any questions of Mayor Rasmussen?
Bert?

B. Griss: I'd like to hear your position on (indiscernible).

L. Rasmussen:

I have some reservations on the boundaries. That's as an individual. My council has made their, their consensus of what they're going to do. That doesn't preclude that I have different idea. There are areas in there the plans on rezoning the railroad one of these days, that is not in the proposed limits or the consensus limits that we're talking about. The water resources that we will need if we end with oil and gas or well outside. I very well understand we can pass an ordinance to accomodate that situation but your (indiscernible) be in court just as well and you can anything to court.

Palmer McCarter:

As previously indicated on the record the Boundary Commission in one of our brief recessions indicated that although it was an optional item on their agenda for business that they will now be conducting at 9:00 tomorrow there will be no decision made on this Nome annexation either tonight or tomorrow. The decisional meeting will be scheduled it will be properly noticed. Both the city and respondents have been invited to offer written responses to each others briefs prior to that decisional meeting. Are there any other (indiscernible)

Bob Hicks:

(indiscernible) . . . that all briefs have to be in ten days from today or something.

Palmer McCarter:

I'll defer that to the acting chairman.

(Indiscernible conversation.)

Palmer McCarter:

The acting chairman has indicated that the briefs by the city and the respondents will have a deadline of December 5th for submission. Are there any others who came after the time that you were allowed to sign up that would like to offer final comments? Yes sir. Come forward.

?

I'm currently a member of the city council. And I'm in favor of annexation. I think there is a few areas and I would say services most of the sewer and water the town put out by the public health service. Which if the City of Nome had done it themselves we have to put out a very large amount. (Indiscernible.)

expanding their sewer system. You can only expand by how much money. And the city has been in debt, or they were in debt (indiscernible). I think if the city plans to move out in a progressive manner, you have to have more land to progress with. (Indiscernible) to talk to the public. Are there any questions?

C. B. Bettisworth: I take it you're in favor of the revised proposals.

?

Part.

Palmer McCarter: Are there any other questions? Okay the public hearing is now closed at 11:05. I appreciate the attendance and the cooperation that all of you gave this hearing.

S. Gallagher:

Dec. 11, 1980

Decisional meeting of the Local Boundary Commission is hereby convened. Commission members present Bert Griss, C. B. Bettisworth from Fairbanks, Sig Strandberg from Anchorage, Josephine Anderson from Wrangell, myself Shiela Gallagher from Anchorage and staff member Dan Bockhorst. The first thing on the agenda is consideration in rendering a decision regarding the City of Nome petition to annex 150,816 acres. Do I hear a motion that we can begin discussion or are there some preliminary matters that need to be discussed.

Sig Strandberg:

Yes, one. I submitted a letter indicating I thought I had a conflict of interest so I didn't attend the public hearing. That letter is in the file if you want to read it. It has to do with business negotiations and contacts I've had through my family with the Alaska Gold Company and there is a distinct possibility that we will be continuing our business contacts with the Gold Company. I've had direct contact with Mr. Egan of the Alaska Gold Company.

S. Gallagher:

Okay, and you expect to continue your relationship

Sig Strandberg:

Yes.

S. Gallagher:

Would your contact or your business with Alaska Gold have any influence or impact on your decision in this matter?

Sig Strandberg:

I would expect that if by motion of the Commission that I were required to participate I would certainly uphold the oath of my office which would require me to put any other interest aside when I consider this matter.

S. Gallagher:

Are you privy through the business relationships of any information that has not been expressed either in paperwork or at the public hearing that would have any bearing on this annexation?

Sig Strandberg:

At this particular point I'd have to say I've had no discussions of any items that I would consider of serious concern that would influence me on how I would vote.

S. Gallagher:

Have you discussed the annexation petition at all with members of the Alaska Gold.

Sig Strandberg:

I've had brief contact with Mr. Egan during the Alaska Miners Convention in which I mentioned the annexation proposal, the discussion we had was very generalized.

S. Gallagher: Do members of the Commission have any comments? I don't think you should participate for starters. Are there any other comments?

J. Anderson: I think I would feel that way.

S. Gallagher: Not that we don't appreciate your words of wisdom, and I'd like it'd be nice to have a full Commission.

Sig Strandberg: Up til now I haven't said anything to my fellow commissioners that would influence them in one way or another on this proposal.

S. Gallagher: In an effort to keep the record as pure as possible

C. B. Bettisworth: I would move that we excuse Sig from participating in the Nome annexation decision making.

S. Strandberg: I second that.

S. Gallagher: You can't second that, I'll second that. Any objections? Okay. Sig you can sit in the corner

C. B. Bettisworth: While you're at it could you get me a cup of coffee?

S. Gallagher: Yes please, me too. Might as well be useful Sig since you're here.

Okay, the other preliminary thing that needs to be discussed is whether or not we are going to accept the brief, reply brief of the Bering Straits Native Corporation, which was filed late. There was one extension given, requested?

D. Bockhorst: Requested but

S. Gallagher: Not given.

D. Bockhorst: It was the impression of counsel that the deadline would be December 3rd not December 5th.

S. Gallagher: Oh there it is, I didn't even see it, I'm lazy.

C. B. Bettisworth: Is there supporting information to the effect of the request to accept the petition, or, accept the response?

S. Gallagher: All it is is that affidavit of machine malfunction. However, if I were presented with a problem like that I would take it elsewhere and have it typed. The problem is of course that she already had it on the recorded disc, but you know, you're not suppose to do everything at the last minute, although I'm guilty of that, as I sat here reading it. I don't know. I think the time line should be adhered to. Everybody had to submit by the 5th, right? Everything else was received timely. The 5th was Friday?

- D. Bockhorst: Correct.
- S. Gallagher: So they brought it in at noon, afternoon on Monday.
- C. B. Bettisworth: I guess the other part of that is that they expected that the deadline was the 3rd and asked for a request for extension and it would seem to me that they must have been able to, they had 2 days in which to get it together and they didn't. So I guess my feeling is. . . (indiscernible) It's not all having to do with. . . (indiscernible).
- S. Gallagher: I don't think so either, and the idea of having the timeline is so we can have the time to study it and so that other people can review it and respond to it, it makes no sense having deadlines that are well publicized if you don't stick to them. I do not believe that we should consider this.
- J. Anderson: You want a motion to that effect? I would move that we do not consider this brief because it was received beyond the deadline.
- S. Gallagher: Second to that?
- C. B. Bettisworth: I'll second it.
- S. Gallagher: Okay. Any objections? Okay. Did you have any information
- B. Griss: Yes. One. Thank you. I didn't know that the . . . (indiscernible). . . misfiled.
- S. Gallagher: So, this will not be part of the record. Now, have all members of the Commission had an opportunity to review the material the reply brief of the city, that was of the Alaska Gold Company and the additional letters that were submitted subsequent to the hearing? Okay, everyone has done that?
- C. B. Bettisworth: I've personally reviewed most of it.
- S. Gallagher: Do you wish an additional few minutes or
- C. B. Bettisworth: I've actually been through everything.
- S. Gallagher: Okay. All right. Well, who would like to open the discussion.
- C. B. Bettisworth: Um, let me see. In order to put the thing on the table I guess what I would move is that we accept the petition for - what is the exact procedure here. . . We accept the petition as submitted?

- J. Anderson: Or as amended. The boundary am/_____ request was amended.
- C. B. Bettisworth: Well I think what we should do is accept it as submitted as part of an amendment to our decision we can amend the boundary.
- S. Gallagher: Okay.
- C. B. Bettisworth: The petition of the City of Nome for the annexation, I move that that be accepted.
- J. Anderson: I'll second that.
- S. Gallagher: Okay. Discussion to the motion.

(Laughter)

Is there any discussion. I was not able to attend the hearing but I have read all the material so I will think the rest. . . (indiscernible).

- C. B. Bettisworth: I guess my feeling after the testimony that was given by both the city and the respondents is that the village boundaries that were recommended by the staff, Local Boundary Commission staff, had a potential for being acceptable at least to the city and has the potential for being acceptable to the Bering Straits Native Corporation and to the Sitka. . . Village Corporation. . . Sitkasauk. . . and that being the case I'd like to move that we adopt those boundaries as devised by the Commission staff in their report to the Commission. I don't know the date of the report was.
- D. Bockhorst: November 18.
- S. Gallagher: Okay. What was the significant difference between, was there a significant difference between the original petition and the amended boundary.
- C. B. Bettisworth: No the original bound, well let me. . .
- S. Gallagher: 535 acres your speaking
- C. B. Bettisworth: 235 square miles and the new boundaries is 14-1/2.
- D. Bockhorst: The original petition requests that the area outlined in brown, and that's approximately 236 square miles, these are the boundaries recommended by the department staff on November 18. And they comprise approximately 14-1/2 square miles including the existing .85 square miles of the city as it exists now.

S. Gallagher: And that takes in the area that's populated, did at 14-1/2.

C. B. Bettisworth: Including the school. . .

There are an estimated 252 residents in the 236 square mile area and this includes 246 I believe of the 252 all but a very few of the residents in the area.

S. Gallagher: Okay.

C. B. Bettisworth: To continue the discussion, oh we made that motion. I guess we can discuss that amendment. There was, my part in looking at that boundary described by the staff, it seemed that it would be advisable, what that boundary does on the east side is cuts through I think a half a section and that what would be advisable in order to make that boundary more simplified would be to follow the section line on the east side and again, I guess I'll have to go to the map to point out what I'm talking about. This area right here where they've drawn a diagonal across this area here which is across the quarter township line I think is what they are dealing with, the quarter section line. If, that again would be easier to understand and clearer and simpler if it were all to follow a section line and I'd like to further amend the amendment to indicate what those boundary lines are. It would be to the--

Do you know what the townshi. range numbers are?

(Indiscernible)

C. B. Bettisworth: I'll call off the section numbers in the what was that again, what was that township number?

D. Bockhorst: 33 West

C. B. Bettisworth: Okay. Township 33 west, range 33 west, townshi 11 south it would be sections it would be the east boundary line of sections 30, 19, 18, 7 and the bottom one here, must be 31.

J. Anderson: Yeah, thats 31.

C. B. Bettisworth: . . .The northeast corner of section 7.

J. Anderson: Run that by me again, the northeast corner of section 7?

C. B. Bettisworth: It would be the top most.

(Indiscernible.)

C. B. Bettisworth: Yeah, what the Commission found through the staff the boundary looked like this. What we're doing is we're moving it over to this line right here, to that point and then across to here.

With respect to the western side of the annexation, Dan, the most far western boundary here, that's on a quarter section. Is that the quarter section line? And that's there to accommodate the area in full, the full airport

(Indiscernible)

Actually extends beyond the area established.

(Indiscernible - studying map.)

Okay, I guess what I was told is would be to have the furthest most western boundary which encompasses the eastern quarter of section 28, range 34 west, township 11 south, and the inch and a quarter of section 21 to the north boundary then continue due east to the eastern boundary of section 22. . . (indiscernible)

? How large is that?

C. B. Bettisworth: Each one takes in about a half of a square mile, 3/4s of a square mile.

S. Gallagher: How many?

D. Bockhorst: 3/4ths of a square mile thus making

S. Gallagher: So it would be 18-1/2. But that would round it out. Okay.

C. B. Bettisworth: Is it clear what I propose or not?

? I guess I still have . . . (indiscernible).

B. Griss: What's the difference between that and basically what the city had agreed to with the community and regional affairs boundary?

C. B. Bettisworth: Okay we've had first the Bering Strait Native Corporation, Sitnasauk, the city, the counsel itself - adopted the boundaries that the staff had recommended and, I'm just - you know this issue is pretty hot and I'd hate to make it even hotter by adding more land before. . . we amend extra land because I'm afraid that the city will change their

mind - I mean Bering Strait and Sitnasauk will change their minds. So as with the other proponents of the new boundary that - What I'm saying is now that we got the community together and agreeing to a boundary, I'm afraid of coming up with a new boundary and. . .

C. B. Bettisworth: Having the agreement fall apart.

B. Griss: And the agreement will fall apart and we're going to end up with breaking up - severing relations in the local community of what we had finally established and kind of get the people to live and work with each other.

C. B. Bettisworth: I guess my proposals are mostly just housekeeping type of proposals. There, my real - my only concern really on the east side is the business of that it does and Alaska Gold's brief points out and it did occur that that addition of the Roadhouse property occurred somewhere between the time our proposal was initially issued that the staff's proposal was initially issued and the time that we arrived in Nome for the hearing and with respect to gerrymandering it looks like that and it just seemed like it would be better to make that boundary clear and simple and according to aliquot parte, and what I would propose in lieu of amending the boundaries to include the section lines would be to eliminate the Roadhouse.

S. Gallagher: Which would then make it along (indiscernible) again.

C. B. Bettisworth: Quarter section line.

S. Gallagher: What's in that 4 square miles that you added into your proposal?

C. B. Bettisworth: Not very much. Some Alaska Gold property. Did you see this exhibit A which was prepared by the Village Corporation.

(Indiscernable conversation re Exhibit A)

Actually this is Sitnasauk's boundary proposal . . . and the ministrations was a little bit different than that. It includes this section down for the Roadhouse.

S. Gallagher: Okay, but this is in general what the different groups agree to.

C. B. Bettisworth: Well basically all the different groups agreed to the proposal as submitted by staff.

S. Gallagher: The 14-1/2?

C. B. Bettisworth: Right. (Indiscernible)

S. Gallagher: How much does Alaska Gold's land included in the 1400.

? Most. . . (indiscernible conversation)

B. Griss: I'd be inclined to agree with you and doing some housekeeping if there's no substantial impact on the community since I'm interested in keeping the community together

S. Gallagher: Well that's why I asked what is contained in that 4 square miles. And what impact, if any, do you see by (indiscernible).

C. B. Bettisworth: I don't think very much. Actually on the western boundary there is also an opportunity to expand the boundary, the western most boundary north to the northern boundary pretty well to the northern most boundary sort of squaring the thing up around having a dog leg in there. What that does is that takes in a whole bunch Sitna-Village Corporation land and their selected property. That land would have utilities some day in the future should Nome begin to develop because it's directly accessible to the airport.

S. Gallagher: But you're not proposing it?

(Indiscernible)

S. Gallagher: But that would have an impact?

C. B. Bettisworth: It would have an impact on them. Actually and even the ones to the west through the east it impacts Alaska Gold though. This is a very tough problem from the stand point that we are really dealing with few major land holders and we don't want to seem like we're making decisions based upon the convenience of one or two or either of the two of the land holders.

B. Griss: (Indiscernible). . .lands legislation any private landholder can make an agreement too (indiscernible) the properties would not be taxed. . .(indiscernible) I'm not exactly sure what the legal ramifications are because we haven't had a chance to study. . . (indiscernible).

- S. Gallagher: Well, do you have a continuing objection to including that four square miles?
- C. B. Bettisworth: How do you. . . ?
- J. Anderson: Well I seconded your motion.
- C. B. Bettisworth: Yeah, right, okay.
- J. Anderson: But if it's going to cause community problems I don't think I would wish to go on with it.
- C. B. Bettisworth: Do you have an opinion?
- S. Gallagher: No. But if it's basically vacant land there doesn't appear to be a substantial impact on any one person and it does square up the boundaries. . . (indiscernible).
- J. Anderson: I like the fact that it (indiscernible) the boundaries.
- C. B. Bettisworth: I think that as long as we stick with existing major aliquot parts, major being section lines, aliquot part divisions I think we're safer.
- B. Griss: . . . (Indiscernible). . . 1970 proposal is just slightly smaller. The private land owners if they choose not to develop that land then they can make an agreement with the state or the feds.
- C. B. Bettisworth: Is this any private landholder or just the corporation?
- B. Griss: Any private land owner is authorized (indiscernible) written agreement with secretary (indiscernible) or used this land for (indiscernible) federal land, state land, federal and state land or state land (indiscernible). Also any private land owner described in section (d)(2) whose lands do not adjoin (indiscernible). . . directly affect either federal or state land . . . (indiscernible).
- (Indiscernible conversation)
- C. B. Bettisworth: A private land individual could enter into an agreement with the secretary of interior to remove lands from the tax rolls.

- S. Gallagher: The lands have to adjoin or (indiscernible) the lands have to directly affect federal lands - federal and state lands.
- B. Griss: But there are some other provisions in there for entering an agreement even if your lands do not adjoin.
- S. Gallagher: . . . (indiscernible) directly affect. Also is entitled, why didn't they just say any pers. . . (laughter).
- B. Griss: I can live with that. (Indiscernible) not that much different than 1970. . . respect to the 236 square miles we'd have the Alaska Gold Company, the school district, Foster Aviation, Sitnasauk, Eering Straits Native Corporation, the Arctic Native Eskimo Community, King Island, King Island Native Corporation (indiscernible) residents oppose the bigger boundary. Then the city came in and went along with the proposed boundaries that the staff Community and Regional Affairs had put together.
- I think that. . . I would be inclined to think that others would follow or agree with the - what the city has agreed.
- J. Anderson: I'd like to call for the question. . . no one has anything else to say.
- S. Gallagher: No further discussion?
- ? (Indiscernible)
- S. Gallagher: You've had an opportunity to review the minutes and give a synopsis of each and every person's testimony.
- C. B. Bettisworth: Is it understood what the amended boundaries will be?
- S. Gallagher: Can you recite the chapter and verse?
- C. B. Bettisworth: No. Dan can.
- D. Eockhorst: I'm aware of the. If you want me to repeat them, I'll. . . (indiscernible).
- S. Gallagher: Well can you get a different colored pen and pen them in so that we can then all be sure what's going on.

?

I have a rea one.

D. Bockhorst:

Follow this, the black line except (indiscernib:
As a procedure matter, since you have a motion
to amend an amendment and then an amendment,
and then a motion on each of the two should
be voted on.

S. Gallagher:

You called the question on these amendments to
amendment. All those in favor of the amendment
to the amendment which adds that 4 square
miles to the area signify by saying aye.

Aye.

Aye.

Aye.

S. Gallagher:

No opposition. So, call the question on the
amendment.

C. B. Bettisworth:

Right.

S. Gallagher:

And that amendment is now to annex the area
encompassing approximately 18 square miles.
Is ther any opposition to that? Hearing
no opposition (indiscernible). So the
annexation petition as amended is approved.
Did you hear that? (directed to Hicks.)

Arli's

2-19-81
Thursday

Nome Annexation

1. Only action at this meeting will be disapproval of LBC action.

Rep Fuller called Sen. Gilman to say they do not have wording on a further resolution yet.

David Dye expects committee to ~~address~~ be very short

2. You may want to raise policy question on directing DCRA to work in community before Rep Fuller + Sen Ferguson have submitted (or prepared) a resolution to the CRA Committee

3. If you do want to raise issues at this meeting, they might include

(1) who should DCRA be directed to work with - specify city council, outlying residents and major land public and private land holders

(2) Subject of DCRA work - ~~to develop means of meeting public needs for~~ ~~renewal, protection of city's~~

Local issues

1. Land ownership
2. Areas in need of services
3. Areas receiving services without paying taxes
4. Potential hazard to city water supply
5. Coordination of dock project with upland owners
6. Need to control land use related to OCS development

2.) Subject of DCRA hearings

← local views on need for annexation

- alternative ways of meeting these public concerns, including alternatives to annexation

3.) If annexation is considered, ~~from~~

- provide alternative annexation proposals for public review, such as
 - scheduling annexation to timing of service extension
 - differential tax areas related to level of services,
 - etc

4) Hearings + Reports

- Requires local hearing on results of 2 + 3 above

- DCRA transmit final report to NOME and legislature

- ## 5) Final action on pursuing annexation has to be left to NOME - for either local vote or petition to LBC. Legislative resolution should not direct LBC

Don,

Here's the SJR on Nome.
It will require at least
one change, i.e. the legislature
cannot direct dep't heads,
you have to ask the
governor to direct a
department head. What
do you think of the
last resolve on p. 3?
It's a little bit of a
slap at the Local
Boundary Commission—
but not too strong.

David

OK w/me is
it meets Ferguson/
Foller Requirements

Yes

Relating to an annexation of territory to the City of Nome

WHEREAS the City of Nome petitioned the commissioner of Community and Regional Affairs for annexation of 235.65 square miles to the City of Nome; and

WHEREAS the Department of Community and Regional Affairs recommended to the Local Boundary Commission annexation of 14.5 square miles to the City of Nome; and

WHEREAS the Local Boundary Commission recommended in its report to the Legislature the annexation of 17.83 square miles to the City of Nome; and

WHEREAS the Legislature, by its adoption of Senate Joint Resolution 16, has disapproved the annexation submitted by the Local Boundary Commission; and

WHEREAS, after opportunity for public comment it appears that a plan for providing city services to the annexed territory was not available for public review and comment; and

WHEREAS there is evidence in the record that growth and development are occurring in the area; and

WHEREAS population growth and development have in some areas created a situation which endangers the public health and requires that certain services be provided; and

WHEREAS city services are presently extended outside existing legal boundaries without commensurate tax contributions;

BE IT RESOLVED by the Alaska State Legislature that the Governor is respectfully requested to direct the commissioner of the Department of Community and Regional Affairs immediately

to

(1) work with the appropriate departments of state government, City of Nome, Sitnasuak Native Corporation, Bering Straits Native Corporation and private land owners to develop a mutually acceptable plan for annexation as well as other alternatives to meet the public needs;

(2) work with the city and residents of the proposed annexed territory to examine alternatives and the impact of services to be provided to the area, including but not limited to:

(A) staged annexation by which an area would be annexed to match the timing of extension of services;

(B) annexation, with a city plan for providing services which may provide for differential tax zones based on the level of services provided;

(C) any other methods of providing services throughout the annexed territory; and

(3) convene one or more public meetings with interested residents of the area for the purpose of ascertaining the nature and degree of essential services and to review information relating to costs and benefits of the various alternatives for deliberating services; and be it

FURTHER RESOLVED that the commissioner of the Department of Community and Regional Affairs evaluate, after consultation with the City of Nome, the alternatives and recommend a plan of implementation; and be it

FURTHER RESOLVED that the commissioner of Community and Regional Affairs transmit a report to the City of Nome and to the Second Session of the Twelfth Legislature no later than January ____, 1982; and be it

FURTHER RESOLVED that should the City of Nome submit a petition for annexation to the commissioner of Community and Regional Affairs, the Local Boundary Commission will closely follow prescribed procedures and guidelines in evaluating the petition in terms of the standards for annexation.

WORK ORDER REQUEST FORM

12-0863

KEYWORDS: boundaries

ASSIGNED TO Cook

REQUEST FOR: BILL RESOLUTION SCR RESEARCH OTHER

SUBJECT Annexation - City of Rome

REQUESTED FOR SCRA BY David Dye EXT. 6037

* DELIVER TO Senator Gilman TAKEN BY Cook

INSTRUCTIONS, EXPLANATIONS As attached relating to annexations and City of Rome.

OBTAIN

SPECIAL DRAFTING INSTRUCTIONS ATTACHED

AUTHORIZED TO CONFER WITH _____

RETURN _____

TO REQUESTER

APPROVED: BGH Director, Legal Services

REVIEWED _____

IN 7/3 DUE _____

TYPED - Draft _____ DATE _____

Final _____ DATE _____

PROOFED _____ DELIVERED _____

SPECIAL INSTRUCTIONS TO TYPIST/PROOFREADER

DRAFT

FINAL

LOCAL
BOUNDARY
COMMISSION
REPORT



Official Business

Alaska State Legislature

Senate

Committee on Labor & Commerce

Pouch V
State Capitol
Juneau, Alaska 99811

February 9, 1982

Senator Don Gilman, Chairman
Senate Community and
Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Don:

I am happy to be able to confirm the Department of Community and Regional Affairs statement that the proposed annexation of the U.S. Coast Guard Reservation by the Kodiak Island Borough has not resulted in one letter or call to me, so that it is going forward very quietly and with no apparent opposition.

Sincerely,

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

Senator Bob Mulcahy, Chairman
Senate Labor & Commerce Committee

BM:hp

February 3, 1982

Representative Fred F. Zharoff
Pouch V
Juneau, Alaska 99811

Dear Mr. Zharoff:

This past year the Local Boundary Commission approved the annexation of the U.S. Coast Guard Reservation (54.93 square miles) by the Kodiak Island Borough. The Local Boundary Commission also approved an annexation by the City of Kodiak of the submerged lands surrounding Near, Gull and Uski Islands (1.42 square miles).

We have been informed by the Department of Community and Regional Affairs that these annexations were not controversial. If you concur with the Department's evaluation, we will not hold a committee hearing on this year's Local Boundary Commission actions.

Thank you for your consideration on this matter.

Sincerely,

Don Gilman
Chairman
Senate Community and
Regional Affairs Committee

February 3, 1982

Senator Bo. Mulcahy
Pouch V
Juneau, Alaska 99811

Dear Senator Mulcahy:

This past year the Local Boundary Commission approved the annexation of the U.S. Coast Guard Reservation (54.93 square miles) by the Kodiak Island Borough. The Local Boundary Commission also approved an annexation by the City of Kodiak of the submerged lands surrounding Near, Gull and Uski Islands (1.42 square miles).

We have been informed by the Department of Community and Regional Affairs that these annexations were not controversial. If you concur with the Department's evaluation, we will not hold a committee hearing on this year's Local Boundary Commission actions.

Thank you for your consideration on this matter.

Sincerely,

Don Gilman
Chairman
Senate Community and
Regional Affairs Committee



JUNEAU, ALASKA

Alaska State Legislature
Senate

M E M O R A N D U M

January 20, 1982

TO: Senator Gilman
Chairman
Community and Regional Affairs
Committee

FROM: Peggy Mulligan *Peggy M.*
Secretary of the Senate

President Kerttula referred the attached Local Boundary Commission Report to your Committee.

These recommended boundary changes 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.

Extra copies of the report (Senate and House Supplement No. 3) are available in the Documents Room.

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, Governor

POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700

January 19, 1982

The Honorable Jalmar Kerttula
President
Alaska Senate
Pouch V
Juneau, Alaska 99811

sent (1)

Dear Senator Kerttula:

Attached hereto is the Report to the Second Session of the Twelfth Legislature by the Local Boundary Commission. The report contains recommendations for changes to the boundaries of three municipalities which, pursuant to Article X, Section 12 of the State Constitution and AS 29.68.010, are to be presented to the Legislature. These recommended boundary changes 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.

Also attached is the executive summary of the study requested last year by Legislative Resolve Number 15 concerning the jurisdictional needs of the City of Nome. This study was conducted on behalf of the Department of Alaska Economics, Incorporated. The Department concurs with the study recommendations, except as indicated in the attached Local Boundary Commission Report.

Sincerely,

Lee McAnerney
Lee McAnerney
Commissioner

RECEIVED
JAN 20 1982



JUNEAU, ALASKA

Alaska State Legislature
Senate

January 19, 1982

Commissioner Lee McAnerney
Department of Community & Regional Affairs
Juneau, Alaska

Dear Commissioner McAnerney:

The Local Boundary Commission Report to the Second Session of the Twelfth Legislature was received January 19, 1982 at 4:25 p.m. - the ninth day of the Session.

Thank you.

Sincerely,

Peggy Mulligan
Secretary of the Senate

T

STATE OF ALASKA
LOCAL BOUNDARY COMMISSION

REPORT TO THE SECOND SESSION
OF THE TWELFTH LEGISLATURE

JANUARY 19, 1982

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SUMMARY OF ACTIVITIES OF THE
LOCAL BOUNDARY COMMISSION DURING 1981

During the last year the Local Boundary Commission dealt with petitions concerning the following proposed municipal incorporations and boundary changes:

- 1) City of Nome - The Commission approved the annexation of approximately 17.56 square miles, contingent upon Legislative concurrence.
- 2) Kodiak Island Borough - The Commission approved the annexation of the U.S. Coast Guard Reservation (54.93 square miles), contingent upon Legislative concurrence.
- 3) City of Kodiak - The Commission approved the annexation of approximately 1.42 square miles, contingent upon Legislative concurrence.
- 4) Cold Bay - The Commission approved a petition for the incorporation of Cold Bay as a city of the second class, pursuant to AS 29.18. Cold Bay voters subsequently approved the proposed incorporation. The City's boundaries encompass approximately 66 square miles.
- 5) City of Fairbanks - The Commission approved the annexation of approximately 12 acres requested by all of the property owners and residents involved, pursuant to AS 29.68.010(3).
- 6) City of Alakanuk - The Commission approved the annexation of 28.8 square miles, contingent upon voter approval pursuant to AS 29.68.010(1). The voters subsequently approved the measure.
- 7) City of Houston - The Commission approved the annexation of 0.25 square miles, contingent upon voter approval pursuant to AS 29.68.010(1). The voters subsequently approved the measure.
- 8) City of Palmer - The Commission approved three separate petitions for the annexation of territory requested by all of the property owners and residents involved, pursuant to AS 29.68.010(3).
- 9) City of Grayling - The Commission approved a correction to the community's boundary description.

- 10) City of Tuluksak - The Commission approved a correction to the community's boundary description.
- 11) City of Kodiak - The Commission approved two separate petitions for the annexation of territory requested by all of the property owners and residents involved, pursuant to AS 29.68.010(3).

The action of the Local Boundary Commission regarding the foregoing items one, two and three require review by the Legislature. A formal recommendation for each of these three actions begins on page 3 of this report. Article X, Section 12 of the Alaska Constitution and AS 29.68.010 provide that boundary changes recommended in this report 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.

STATE OF ALASKA
LOCAL BOUNDARY COMMISSION

RECOMMENDATION NUMBER ONE TO THE
SECOND SESSION OF THE
TWELFTH LEGISLATURE

RECOMMENDATION FOR THE ANNEXATION
OF TERRITORY TO THE CITY OF NOME

WHEREAS, the First Session of the Twelfth Legislature adopted Legislative Resolve Number 15 calling for a study of the jurisdictional needs of the City of Nome; and

WHEREAS, said study was been completed by an independent consultant whose recommendations were presented to the Department of Community and Regional Affairs in September, 1981; and

WHEREAS, on November 5, 1981 the City of Nome submitted a petition to the Local Boundary Commission (hereinafter "Commission") through the Department of Community and Regional Affairs (hereinafter "Department") in accordance with applicable laws and regulations of the State of Alaska, which requested the annexation of approximately 17.56 square miles; and

WHEREAS, on November 9, 1981 the Department determined the petition to be acceptable as to form and content; and

WHEREAS, the Department caused to be published, public notice of filing of the petition for annexation; and

WHEREAS, on December 7, 1981 the Commission held a public hearing in Nome, with prescribed notice, on the petition for annexation; and

WHEREAS, on December 8, 1981 the Commission rendered its decision on the petition for annexation;

THEREFORE, based upon the extensive briefing of the petitioner, the independent consultant's report of the jurisdictional needs of the City of Nome, the investigation and report of the petition by the Department, and the information obtained from the Nome public hearing, the Commission made the following findings of fact and entered its decision pursuant thereto:

The territory proposed for annexation by the City of Nome conforms to the consultant's report, with two exceptions. The tidelands and submerged lands out to the 50 foot contour were included by the City in anticipation of the development of a port facility. Secondly, the consultant's recommended boundaries had excluded a small portion of the current City boundaries.

The following described territory, shown on the map labeled "Exhibit A" warrants annexation to the present corporate territory of the City of Nome for the following reasons:

1. The territory is urban in character. Currently, there are 206 residents within the territory recommended for annexation.

Virtually all of this population stems from actual growth of the City of Nome beyond its legal boundaries, to the extent that approximately 6.7 percent of the greater-Nome population is now found in the territory. Icy View, a large subdivision, is located in the territory. Virtually all of the land is in private ownership. Much of the territory has been mined by dredging and is among the most readily developable property in the area due to its gravel base and melted permafrost. Some of the land in private ownership has been held for sale in the past.

2. The territory is in need of municipal services which the City of Nome can provide most efficiently. There is no other municipality in the vicinity. The City of Nome is providing many municipal services to the territory at the present time, and the City is capable of, and willing to extend additional services to the territory. The municipal services necessary to the territory include fire protection, law enforcement, education, street maintenance, solid waste disposal, water, electricity, health and construction regulation, animal control and planning.
3. The history of Nome and the present trend indicate that future growth and development of the community will likely occur within the territory. Potential development of remaining lots within the existing boundaries of the City of Nome is hampered by extensive wetland problems, substantial private holdings not held for sale

during the past decades, and the availability of more attractive lots for development on melted permafrost at such locations as Icy View Subdivision. Annexation of the territory will enable the City of Nome to plan for and control that development which has occurred, and which will continue to occur within the territory.

4. The health and safety of City residents presently is endangered by existing problems in the territory relating to animal control, flood control, fire protection, law enforcement and solid waste disposal. Annexation will alleviate these conditions by expanding enforcement jurisdiction, enabling planning and regulation and producing the tax base necessary for extending services to the territory.
5. The formal extension of police, fire protection, health, education and planning services to the territory is necessary to enable the City of Nome to provide adequate services to City residents. It is economically impractical and illegal for the City of Nome to extend these services unless the territory is within the boundaries of the City.
6. Residents and owners of property in the territory receive the benefit of City services without commensurate property tax contributions. These services include education and schools, fire protection, port facilities, cemeteries, city street maintenance, museum, library and solid waste disposal. Differential pricing of water and electrical

utilities, where in effect, does not contribute to the bonding base necessary to replace or upgrade aging capital facilities. No alternative method for offsetting the costs of providing services has been found satisfactory to the Commission. Therefore, differential tax zones are not appropriate.

7. The annexation is otherwise necessary to accomplish the valid public purpose of enfranchising the residents of the territory who are receiving substantial services without the opportunity to formally participate in the government. Annexation of the territory is also necessary to accomplish the valid public purpose of unifying the educational jurisdiction of the public school system. More generally, annexation is necessary to accomplish the public purpose of promoting a sense of community in the entire Nome area.

THEREFORE, the Commission hereby recommends to the Second Session of the Twelfth Legislature of the State of Alaska, annexation of the following described territory to the City of Nome:

Beginning at the common corner of protracted Section 2, 3, 10, and 11, T11S, R34W, Kateel River Meridian (K.R.M.); thence South 2.5 miles to the common quarter-corner of protracted Sections 22 and 23, T11S, R34W, K.R.M.; thence West 2 miles to the common quarter-corner of protracted Sections 20 and 21, T11S, R34W, K.R.M.; thence South to the mean high tideline of the Bering Sea; thence leaving the shoreline on a mean true bearing South $15^{\circ} 36' 25.03''$ West for a distance of 8,866.73 feet to a point on the Bering Sea Latitude $64^{\circ} 29' 05.2499''$ North,

Longitude 165° 30' 49.8598" West; thence South 74° 23' 10" East for a distance of 27,373.47 feet to a point on the Bering Sea Latitude 64° 27' 52.7364" North, Longitude 165° 20' 48.4693" West; thence in a northeasterly direction approximately 8,825 feet to the intersection point of an extension of the eastern right-of-way limit of the Beam Road and the mean high tideline of the Bering Sea; thence northeasterly along said extension of the eastern right-of-way limit of the Beam Road to the point of intersection of the eastern right-of-way limit of the Beam Road and the northern right-of-way limit of the Nome Council Road; thence northeasterly along the eastern right-of-way limit of the Beam Road to the point of intersection with the northernmost east-west sixteenth line of protracted Section 32, T11S, R33W, K.R.M.; thence West to the point of intersection with the monumented eastern corporate boundary of the City of Nome lying at Longitude 165° 20' 39" West; thence North along said monumented eastern corporate boundary of the City of Nome to the monumented northeastern corner of the corporate boundary of the City of Nome lying at Latitude 64° 31' 01" North, Longitude 165° 20' 39" West; thence West along the monumented northern corporate boundary of the City of Nome to a point of intersection with the West 16th line of protracted Section 19, T11S, R33W, K.R.M.; thence North to the northernmost point of intersection with Mineral Survey No. 1177, thence continuing along the boundary of Mineral Survey No. 1177 in a westerly direction to the first point of intersection with the boundary of Mineral Survey No. 1228, thence westerly along the boundary of Mineral Survey No. 1228 to the point of intersection with the East 16th line of protracted Section 12, T11S, R34W, K.R.M., thence North along the East 16th line of protracted Section 12, T11S, R34W, K.R.M. to the northernmost point on the East 16th line of protracted Section 12, T11S, R34W, thence West to the common corner of protracted Sections 11, 12, 1 and 2, T11S, R34W, K.R.M.; thence North 1/4 mile to the common 16th corner of protracted Sections 1 and 2, T11S, R34W, K.R.M.; thence West 1 mile to the common 16th corner of protracted Sections 2 and 3, T11S, R34W, K.R.M.; thence South, 0.25 miles to the common corner of protracted Sections 2, 3, 10 and 11, T11S, R34W, K.R.M., the true point of beginning.



EXHIBIT A

NOME BOUNDARIES
APPROVED BY THE
LOCAL BOUNDARY COMMISSION

EXHIBIT A

35
33
35
33
3850000
FEET
64°30'
752000m



STATE OF ALASKA
LOCAL BOUNDARY COMMISSION

RECOMMENDATION NUMBER TWO TO THE
SECOND SESSION OF THE
TWELFTH LEGISLATURE

RECOMMENDATION FOR THE ANNEXATION OF
TERRITORY TO THE KODIAK ISLAND BOROUGH

WHEREAS, on November 17, 1981 the Kodiak Island Borough submitted a petition to the Local Boundary Commission (hereinafter "Commission") through the Department of Community and Regional Affairs (hereinafter "Department") in accordance with applicable laws and regulations of the State of Alaska, which requested the annexation of approximately 54.93 miles; and

WHEREAS, on November 19, 1981 the Department determined the petition to be acceptable as to form and content; and

WHEREAS, the Department caused to be published, proper notice of filing of the petition for annexation; and

WHEREAS, on December 13, 1981 the Commission held a public hearing in Kodiak, with prescribed notice, on the petition for annexation; and

WHEREAS, on December 17, 1981 the Commission rendered its decision on the petition for annexation;

THEREFORE, based upon the extensive briefing of the petitioner, the investigation and report of the petition by the Department, and the information obtained from the Kodiak public hearing, the Commission made the following findings of fact and entered its decision pursuant thereto:

The Kodiak Island Borough petitioned to annex the United States Coast Guard Reservation (formerly the Kodiak Naval Station) which was excluded from the territory originally incorporated as the Kodiak Island Borough. "Exhibit B" provides a map of the territory recommended for annexation. The subject territory is recommended for annexation for the following reasons:

1. The United States Coast Guard Reservation is entirely surrounded by, but is excluded from the Kodiak Island Borough.
2. Residents and leaseholders of property on the United States Coast Guard Reservation receive the benefit of organized borough services without commensurate property tax contributions. There are twenty-nine leaseholders on the State airport portion of the

Coast Guard Reservation which are currently enjoying property tax exempt status.

3. The residents of the Coast Guard Reservation constitute over twenty-five percent of the population of Kodiak Island. The residents of this territory are directly affected by actions of the Borough government, which includes the Borough school system. However, since these residents of the Island live outside of the jurisdiction of the Borough, they are denied the opportunity to vote in local elections. Annexation of the territory would enfranchise those residents.

THEREFORE, the Commission hereby recommends to the Second Session of the Twelfth Legislature of the State of Alaska, annexation of the following described territory to the Kodiak Island Borough:

All of the United States Coast Guard Reservation (formerly the Kodiak Naval Station) excluded in the Kodiak Island Borough Certificate of Incorporation dated July 18, 1968, and more specifically described as follows:

All of the United States Coast Guard Reservation located within and adjacent to United States Survey 2539 and including United States Surveys 1464 and 1673.

EXHIBIT B

U.S. COAST GUARD
RESERVATION

U.S. COAST GUARD
RES.

EXHIBIT B

COAST GUARD RESERVATION
RECOMMENDED FOR ANNEXATION
TO THE
KODIAK ISLAND BOROUGH



STATE OF ALASKA
LOCAL BOUNDARY COMMISSION

RECOMMENDATION NUMBER THREE TO THE
SECOND SESSION OF THE
TWELFTH LEGISLATURE

RECOMMENDATION FOR THE ANNEXATION
OF TERRITORY TO THE CITY OF KODIAK

WHEREAS, on November 16, 1981 the City of Kodiak submitted a petition to the Local Boundary Commission (hereinafter "Commission") through the Department of Community and Regional Affairs (hereinafter "Department") in accordance with applicable laws and regulations of the State of Alaska, which requested the annexation of approximately 1.42 square miles; and

WHEREAS, on November 19, 1981 the Department determined the petition to be acceptable as to form and content; and

WHEREAS, the Department caused to be published, proper notice of filing of the petition for annexation; and

WHEREAS, on December 13, 1981 the Commission held a public hearing in Kodiak, with prescribed notice, on the petition for annexation; and

WHEREAS, on December 17, 1981 the Commission rendered its decision on the petition for annexation;

THEREFORE, based upon the extensive briefing of the petitioner, the investigation and report of the petition by the Department, and the information obtained from the Kodiak public hearing, the Commission made the following findings of fact and entered its decision pursuant thereto:

Near, Gull and Uski Islands are already a part of the City of Kodiak. These islands were annexed in 1960 by Local Boundary Commission action. However, the Commission, in submitting its recommendation to the Legislature, only referenced the islands by name; the subsequent "Certification of Boundaries for the City of Kodiak" made no reference to the submerged lands surrounding the islands. This recommended annexation would clearly establish the City's jurisdiction throughout the subject submerged lands. "Exhibit C" provides a map of the area recommended for annexation. The subject boundary change is recommended for the following reasons:

1. The territory is urban in character. The area will soon be the location of a major port and harbor facility. The area recommended for annexation should be controlled by the City to allow full comprehensive

planning and management of the port facility.

2. There is a likelihood that future growth and development of the City of Kodiak will occur within the territory proposed for annexation. In addition to the development of the port facility, a bridge is planned to connect Near Island with the community of Kodiak.

THEREFORE, the Commission hereby recommends to the Second Session of the Twelfth Legislature of the State of Alaska, annexation of the following territory to the City of Kodiak:

Beginning at M.C. 6, U.S. Survey No. 2873, identical to M.C. 1, U.S. Survey No. 3066; thence S 32°24' E, 1,162.00 feet along the easterly boundary of ATS 49 to the intersection point with the Directors Line in the middle of Kodiak Channel, said point being the TRUE POINT OF BEGINNING; thence,

- (1) S 42°22'00" W, 5,200.00 feet; thence,
- (2) S 0°50'00" E, 1,644.70 feet; thence,
- (3) S 58°06'00" W, 7,479.21 feet; thence,
- (4) N 34°55'37" W, 4,891.19 feet to intersect with the U.S. Coast Guard Boundary, identical with the southerlymost corner of the territory described in City of Kodiak Ordinance No. 493. Thence along the boundaries described in City of Kodiak Ordinance No. 493, the following courses.
 - (5) N 63°21'52" E, 1,644.99 feet, thence,
 - (6) N 15°34'00" W, 1,090.00 feet to intersect with the original meander line of U.S. Survey 2537 B (Kodiak Townsite Survey), thence,
 - (7) N 78°45'00" E, 227.62 feet along said meander line to the Northwest corner of ATS 49; thence the following courses along the boundary of ATS 49.
 - (8) S 15°34'00" E, 1,250.00 feet;

- (9) N 71°22'00" E, 3,710.00 feet;
- (10) " 57°13'00" E, 3,600.00 feet;
- (11) " 68°33'30" E, 4,663.50 feet to the point of beginning.



EXHIBIT C

AREA RECOMMENDED FOR
ANNEXATION TO THE
CITY OF KODIAK

Kodiak

EXHIBIT C

GUARD
TION

CHINI
AK
BAY

CHINI
AK

Monashka Mountain

MONASHKA BAY

I S L A N D

Devils
Pillars

Pillar Mountain

CORPORATE BAY

Near Kodiak Island

WOODY ISLAND

CHINI
AK
BAY

CHINI
AK

GUARD
TION

Mountain

1:250,000

1:250,000

**NOME
ANNEXATION
STUDY**

(EXECUTIVE SUMMARY)

report prepared for the

**Alaska Department of Community & Regional Affairs
Division of Local Government Assistance**

September 29, 1981

**David M. Reaume
ALASKA ECONOMICS, INC.**

8453 KIMBERLY ST. • SPOKANE, ALASKA 99801 • (907) 336-9677

Alaska Economics, Incorporated, has conducted an intensive review and study of Nome area economics and municipal structure. The following conclusions have been reached.

- (1) Nome City boundaries should be expanded to agree with those shown on the accompanying map and described as follows

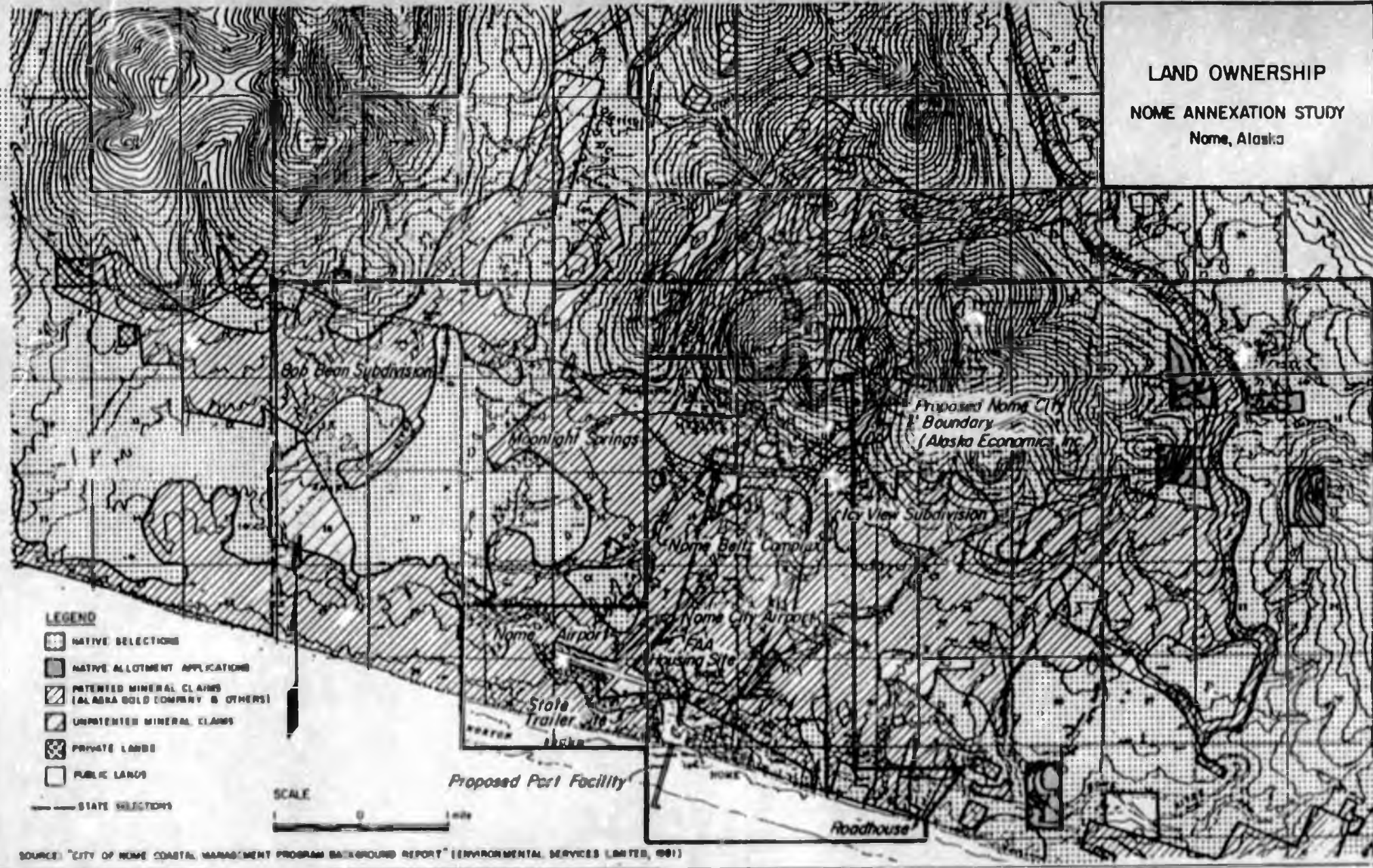
Beginning at the common corner for section 2/3/10/11, T.11S., R.34W., Kateel River Meridian (K.R.M.); thence south along the section line, a distance of 2.5 miles to the common 1/4 corner, section 22/23, T.11S., R.34W., K.R.M.; thence west a distance of 2 miles to the common 1/4 corner, section 20/21, T.11S., R.34W., K.R.M.; thence south, 1.5 miles to Norton Sound; thence within Norton Sound, east - 2 miles; south - 1 mile; east - 3 miles; thence north - 0.25 miles, more or less, to a point on the southerly right-of-way limits of Nome-Council Road; thence northeasterly along the easterly right-of-way limits of Beam Road, 0.75 miles, more or less, to the N 1/4 line, section 32, T.11S., R.33W., K.R.M.; thence west, 1 mile, more or less, to the NW 1/16 corner, section 31, T.11S., R.33W., K.R.M.; thence north, 4.25 miles to the W 1/16 corner, section 7, T.11S., R.33W., K.R.M.; thence west, 1.25 miles to the common corner of section 11/12/1/2, T.11S., R.33W., K.R.M.; thence north, 1/4 mile to the S 1/16 corner, section 2, T.11S., R.33W., K.R.M.; thence west, 1 mile to the S 1/16 corner, section 3, T.11S., R.33W., K.R.M.; thence south, 0.25 miles to the common corner, section 2/3/10/11, T.11S., R.34W., K.R.M., the true point and place of beginning.

Containing 9,720 acres, more or less.

Annexation should proceed under either 19 AAC 10 or 19 AAC 15, as the City of Nome sees fit.

- (2) The only public services which need to be immediately extended to the area proposed for annexation are municipal planning, animal control, and

LAND OWNERSHIP
NOME ANNEXATION STUDY
Nome, Alaska



LEGEND

- NATIVE SELECTIONS
- NATIVE ALLOTMENT APPLICATIONS
- PATENTED MINERAL CLAIMS (ALASKA GOLD COMPANY & OTHERS)
- UNPATENTED MINERAL CLAIMS
- PRIVATE LANDS
- PUBLIC LANDS

STATE SELECTIONS



SOURCE: "CITY OF NOME COASTAL MANAGEMENT PROGRAM BACKGROUND REPORT" (ENVIRONMENTAL SERVICES LIMITED, 1991)

road maintenance (including snow removal).¹ Extension of these services will add an estimated \$67,250 to the City budget in the first year.

- (3) The City of Nome should request the Alaska Department of Public Safety to provide day-to-day police services in the area proposed for annexation and to increase the Nome trooper detachment as required.
- (4) The Nome Joint Utilities Board should remove the service charge differentials which it presently levies on customers living outside the present boundaries of the City of Nome and re-establish its rates on a breakeven, user cost basis.
- (5) The area proposed for annexation and the present City of Nome should be defined to be separate differential tax zones for purposes of property tax assessment and collection. Taxpayers living outside the City's present boundaries should have their property tax rates adjusted to reflect the provision of day-to-day police services by the Alaska State Troopers, and the extension of animal control services, municipal planning, and road maintenance.

(By the "present" boundaries of the City of Nome we mean the 1905 Townsite boundaries. This in no way implies an opinion on the validity of the 1901 "Noyes" boundaries.)

¹Road maintenance in the area proposed for annexation is presently provided by the Alaska Department of Transportation and Public Facilities.

Annexable Territory

Under Title 19 of the Alaska Administrative Code, annexation of territory to a municipality can be approved only if one or more of the published criteria for annexation are satisfied (19 AAC 05.010). This is a necessary but not a sufficient condition. Other critical steps in the procedure for Legislative Review Annexation (19 AAC 10) include the filing of a petition by the annexing city, approval by the Local Boundary Commission, and Legislative approval (failure to disapprove). In the case of annexation by Local Action (19 AAC 15), approval of the annexation must be given by voters in the territory proposed for annexation (19 AAC 15.080 to 19 AAC 15.140), rather than by the Alaska Legislature.

Quoting directly and entirely 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, or owners of property in, the territory 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."

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

Full discussions of the fulfillment of these criteria are given in Section III of the complete report. Here we will briefly summarize our answers, highlighting those points which we have determined most strongly justify the recommended annexation. Margin numbers refer to subsections of 19 AAC 05.010.

(a1) None of the territory proposed for annexation is within the 1905 Townsite boundaries. That which lies within the 1901 "Noyes" boundaries and outside of the 1905 boundaries is proposed for annexation on other grounds. (Again, this does not imply a judgment on the validity of the 1901 boundaries.)

(a2) The City of Nome owns 12⁺ acres at Moonlight Springs and 43⁺ acres at the Nome-Beltz complex

(a3) All of the territory proposed for annexation is deemed urban in character either because it is platted for development (Icy View, Bob Baron

Subdivision) or because it is developed or proposed for development (airport, planned port facility) or because it lies within one mile of the Nome-Teller Road or the Nome-Council Road and within a "reasonable" distance of the City core and is, therefore, valuable for development purposes.

- (a4) Municipal services which are needed by Nome area residents living outside the present Townsite boundaries but are not presently provided include animal control and municipal planning. Road maintenance (including snow removal) is presently provided outside Nome City either by the landowners themselves or by the Alaska Department of Transportation and Public Facilities (as the case may be). Road maintenance and snow removal should be provided by Nome City if the annexation is approved.
- (a5) There is a likelihood that future growth and development will occur in the area proposed for annexation. Sources of growth include migration from the present City area, as well as a projected net gain in area population of up to two percent per year.
- (a6) The health and safety of Nome City residents is endangered by four conditions: absence of animal control, absence of municipal control over the placement and maintenance of septic tanks and drainfields, fire hazard associated with fuel stored near the barge facility, and insufficient area around Mounlight Springs to assure the quality and quantity of Nome City water.

(a7) In our opinion, there is no territory outside the present Nome boundaries that qualifies for annexation under this criteria, other than the additional acreage around Moonlight Springs (additional to the 12⁺ acres presently owned by Nome City), which we have proposed for annexation.

(a8) This is the principal criteria upon which we have based our proposal for annexation. For this reason a complete response is given here.

Persons living or working outside Nome's taxing jurisdiction receive fire protection services without paying for them. The fact that the area so protected outside Nome proper has a class 9 fire protection rating rather than a class 10 rating is tangible evidence of the uncompensated benefit bestowed on them.

The lack of compensation for fire protection is not, however, a particularly compelling argument in favor of annexation. The City of Nome could simply cease to provide such services. Residents of Icy View and other landowners outside Nome could band together, purchase fire-fighting equipment, and supply their own fire protection. Self provision would be costly, but not so costly as to be out of the question.¹

The principal argument in favor of annexation under this item is the fact that persons living or working in the Nome area outside the present Townsite boundaries enjoy the social, economic, and recreational benefits that are

¹ According to the Alaska Department of Transportation, a fully equipped 1,300 square foot fire hall could be built for about \$350,000. The O'Neill-Seagrave Company quoted us a price of \$105,000 FOB Anchorage, for a new 800 gallon pumper. Less expensive pumpers are available on the used equipment market. State grants conceivably could lessen the financial burden on the local citizenry.

available to a concentrated population, without paying a full share of the necessary overhead costs of governing that population. Stated differently, restaurants, night clubs, movie theatres, doctors, churches, a variety of shops, an assortment of persons from whom to choose one's friends, and other similar features of town life are only available where the population is large enough and concentrated enough to support their existence. By the same token, however, a concentrated population requires government and its attendant overhead in the form of clerks, clerical workers, city officials, election expenses, facility expenses (construction, heat, light, upkeep), office supplies, and other associated overhead expenses. The cost of the provision of city services is not simply the budgeted amount for visible services such as police, fire, schools, roads, and utilities. The cost includes administrative overhead.

City overhead is paid out of property taxes and sales taxes in Nome. While it can fairly be argued that Nome area residents and businesses outside the City pay their fair share of sales taxes because they presumably make retail purchases in Nome proper, the portion of City overhead paid for out of property tax collections is borne solely by residents of and businesses in Nome City itself.

The Nome situation described here is an example of what economists term a benefit spillover, or positive externality enjoyed by persons and businesses outside the Townsite's boundaries. In effect, Nome property taxpayers are partially subsidizing those who live or own businesses outside the City's present jurisdiction.

Having said this, an observation on the unique situation of the Alaska Gold Company is in order. It can fairly be argued that Alaska Gold's operations could proceed just as smoothly, if not more smoothly than they do now, if the City of Nome and its associated concentration of people did not exist. Self-sufficient, independent mining operations exist in numerous places around the World and in Alaska (for example at Prudhoe Bay). Nevertheless, Alaska Gold does receive benefits in the form of fire protection, community housing and policing of its workforce, and whatever labor productivity increases it benefits from because its workforce has available the recreational facilities in Nome. If Nome did not exist, Alaska Gold would need to provide housing for its workers, recreational facilities, kitchen facilities, and fire protection, and would have to police its own workers when they are off duty, and, finally, would have to incur the overhead costs associated with providing these services to itself. In our opinion, therefore, Alaska Gold Company also receives uncompensated benefits from the taxpayers of Nome. The discussion does not end here, however.

The size of Alaska Gold's land holdings in the area proposed for annexation is so great and their possible assessed value so high, as to bring into question the issue of over taxation. Property value is not a particularly fine measure of benefits received in this context.¹ A simple assessment of property values in the area proposed here for annexation and the levying of a common millage

¹This is a much repeated criticism of the property tax. See for example the classic work by Dick Netzer, Economics of The Property Tax, (Brookings Institution, Washington D.C.) 1966, pp. 59 and 60. He says "In general, the existing American property tax does not measure up well as a user charge for any important public service."

rate could result in Alaska Gold's being taxed greatly in excess of any benefits the company receives from Nome. In effect, the present situation would be more than reversed. This reasoning and further reasoning discussed below, lies behind our recommendations for differential tax zones.

(a9) Our answer is similar to that given by the City of Nome in its 1980 petition. Annexation of the proposed territory would extend voting rights in vital local matters to some 250 persons presently without those rights. Presently, persons residing outside the present Townsite boundaries have no representation on the school board, yet send nearly 90 students to Nome's schools. They have no representation on the Nome Joint Utilities Board, yet they are dependent on services provided by the Board.

In our opinion, the entire area is one community with mutual and interacting interests that could be better served if all people recognized their commonality, joined forces and began to work for their future.

Differential Tax Zones

We recommend that police services be provided in the area proposed for annexation by the Alaska State Troopers, and that the property tax millage rate imposed in this area reflect this. We also recommend that initial land classification and property appraisal in the new area be handled by a planning consultant and that new area taxpayers pay for this initial planning study as well as the appropriate incremental costs of the extension of animal control, municipal planning services, and road maintenance.

These recommendations suggest the need for two differential tax zones: the present Nome City area, and the area proposed for annexation. We estimate that the cost of the additional services extended to the new area (inclusive of the initial planning study) will be \$67,250 in the first year (1981 \$). Annexation and the establishment of differential tax zones will lead to an estimated two to three mill reduction in the property tax rate applicable to Nome's present taxpayers and a rate applicable to taxpayers in the new area which is approximately zero to four mills lower than that paid by taxpayers presently on the rolls. In the absence of the comprehensive property appraisal proposed as part of the initial planning study, a precise enumeration of rates is not possible. Over time, the two tax rates will vary in the absolute and relative to each other in accordance with the level and pattern of City expenditure, the size of alternative revenue flows, and respective changes in the two tax zone property tax bases.

We believe that the establishment of differential tax zones will equitably apportion the cost of municipal services among Nome taxpayers.