

ALASKA LEGISLATURE COMMITTEE FILES 1985-1986 80/2
3829 SCRA LOCAL BOUNDARY COMMISSION (FILE 2) - (FILE 3) 705



Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

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

JOINT HOUSE/SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES

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

A G E N D A

Witnesses to Testify in Juneau:

Harold Curran, Chief Attorney
North Slope Borough

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

Willie Hensley
NANA Corporation

Witness to Testify from Kotzebue:

Marie Green
Maniluk Corporation

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

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

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

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

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

MUNICIPAL & REGIONAL ASSISTANCE DIVISION

February 10, 1986

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

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

Dear Senator DeVries:

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

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

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

- POUCH BH
JUNEAU, ALASKA 99811
PHONE: (907) 465-4707
- 949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508
PHONE: (907) 561-8586
- P.O. BOX 348
BETHEL, ALASKA 99559
PHONE: (907) 543-3475
- P.O. BOX 41
NOME, ALASKA 99762
PHONE: (907) 843-5457
- P.O. BOX 280
KOTZEBUE, ALASKA 99752
PHONE: (907) 442-2675
- 1514 CUSHMAN STREET, ROOM 201
FAIRBANKS, ALASKA 99701
PHONE: (907) 452-7126
- P.O. BOX 10041
DILLINGHAM, ALASKA 99576
PHONE: (907) 842-2245

The Honorable Edna DeVries
February 10, 1986
Page Two

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

If you desire additional information, please advise me.

Sincerely,



Marty Rutherford
Director

Enclosure

LOCAL BOUNDARY COMMISSION

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

STATEMENT OF DECISION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

LOCAL BOUNDARY COMMISSION

Approved:

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

s/ Sheila G. Jones
Sheila G. Jones

s/ _____
Josephine Anderson

s/ _____
Oliver Leavitt

Dissent:

s/ _____
Gary Ackerman

JAN 23 RECD

LAW OFFICES OF
ZIEGLER, CLOUDY, KING & PETERSON

307 BAWDEN STREET
KETCHIKAN, ALASKA 99901

AREA CODE 907
225-9401

A. H. ZIEGLER
1915-1972 (DECEASED)

ROBERT H. ZIEGLER, SR.
C. L. CLOUDY
EDWARD G. KING
JOHN W. PETERSON
CRYSTAL SOMMERS BRAND
ANNE M. PRESTON

January 21, 1986

VIA EXPRESS MAIL

Senator Edna DeVries
Alaska State Legislature
Pouch V (MS - 3100)
Juneau, Alaska 999811

Re: Estate of Hans J. Furuseth
Our File 15.023.17

Dear Senator DeVries:

Thank you very much for taking the time yesterday to discuss the Furuseth annexation matter. Enclosed herewith please find the materials which we have forwarded to Senator Ziegler and Representatives Taylor and Sund. We believe that they accurately reflect our position and the relevant facts.

We look forward to hearing from Yvonne Alford in the very near future regarding the Legislative Hearing date. Thank you again for your time and interest.

Very truly yours,

ZIEGLER, CLOUDY, KING & PETERSON

By *Trevor N. Stephens*
Trevor N. Stephens

TNS:em

Enclosures:

Answering Brief
05/30/85 Petition
08/21/85 Notti ltr
KTN Reply Brief

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BEFORE THE LOCAL BOUNDARY COMMISSION

ESTATE OF HANS J. FURUSETH,)	
)	
Respondent,)	
)	
v.)	ANSWERING BRIEF
)	
CITY OF KETCHIKAN,)	
)	
Appellee.)	

The Ketchikan City Council has voted to petition the Local Boundary Commission in an effort to annex certain properties owned by respondent. This brief is filed pursuant to the requirements of 19 AAC 10.550.

I
BACKGROUND

In April of 1983 the Ketchikan City Council directed staff to begin preparations for the annexation of certain properties adjacent to the City limits. On January 16, 1984, Ketchikan's Assistant City Manager presented an annexation report to the Mayor and City Council which identified the properties to be annexed and recommended that the Council direct the staff to prepare the necessary ordinances, petitions, and supporting

ZIEGLER, CLOUDY, KING & PETERSON
Phone (907) 225-9401
307 Bowden Street
Ketchikan, Alaska 99901

1 papers. On February 2, 1984, the City Council directed staff to
2 proceed with the preparation of these documents.

3 The Estate of Hans J. Furuseth owns properties located
4 at USS 1229, Tract E (hereinafter "Furuseth Addition") and
5 USS 2635, Tracts C and D, and Lots 1-54 (hereinafter "Gisse-
6 Furuseth Property"); more particularly described in attached
7 Exhibit A.

8 This office represents the Furuseth Estate. On June 3,
9 1985, we received a letter from Ketchikan's City Manager inform-
10 ing us for the first time that the City Council, at its June 6
11 meeting, would be considering a resolution to annex the
12 above-described Furuseth properties.

13 On June 4 we requested that the City Council defer
14 consideration of this resolution until its June 20 meeting in
15 light of the fact that we had been afforded only three (3) days'
16 notice of the June 6 meeting and that the attorney handling the
17 Estate was to be out of town on business. The City Council
18 agreed to defer consideration of the annexation resolution until
19 June 20.

20 I appeared before the City Council on June 20 and
21 outlined our opposition to the proposed annexation. The City
22 Council nonetheless approved the resolution.

23 The resolution, No. 85-1431 (Exhibit A), listed the
24 following two (2) justifications for the annexation of both the
25 Furuseth Addition and the Gisse-Furuseth Property:

26 1. The property is "likely to experience
27 future growth and development and that annexation . . .
28 will enable the city . . . to plan for and control that
29 development."

30 2. The "properties [are] receiving certain
31 services without commensurate property tax contribu-
32 tions."

1 (c) The answering brief shall indicate the
2 factual information thought to be incorrectly
3 or incompletely presented in the petition or
4 the petitioner's brief and shall demonstrate
5 the manner in which the proposed boundary
6 change fails to satisfy the appropriate
7 standards prescribed in this chapter. The
8 brief shall include a discussion of the
9 considerations set forth in 19 AAC 10.500.

6 (Emphasis added).

7 The standards referred to in 19 AAC 10.550(c) are
8 listed at 19 AAC 10.070(a):

9 19 AAC 10.070. ANNEXABLE TERRITORY.

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

13 (1) the contiguous territory is
14 totally surrounded by the city's
15 boundaries;

16 (2) the land in the territory is
17 wholly owned by the city;

18 (3) the territory is urban in
19 character;

20 (4) the territory is in need of
21 municipal services which the city
22 can provide more efficiently than
23 another municipality;

24 (5) there is a reasonable likeli-
25 hood that future growth and devel-
26 opment will occur within the
27 territory and that annexation of
28 the territory will enable the city
29 to plan for and control that
30 development;

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

(7) the extension into the terri-
tory of city services or facilities
is necessary to enable the city to
provide adequate service to city
residents, and it is impossible or
impractical for the city to extend
the facilities or services unless
the territory is within the city's
boundaries;

1 (8) residents or property owners
2 within the territory receive or may
3 be reasonably expected to receive,
4 directly or indirectly, the benefit
5 of city government without commensurate
6 property tax contributions,
7 whether city services are rendered
8 or received inside or outside the
9 territory;

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

13 (Emphasis added).

14 19 AAC 10.500 governs the required contents of the City
15 Council's brief:

16 19 AAC 10.500. BRIEFS.

17 The petition must be accompanied by a written
18 brief. the brief shall fully set forth the
19 reasons supporting the boundary change and
20 shall demonstrate that the boundary change
21 meets the applicable standards established in
22 this chapter for annexation or detachment.
23 The commission will, in its discretion,
24 require additional information which it
25 determines will be useful for evaluation of
26 the petition.

27 (Emphasis added).

28 19 AAC 10.080(a) governs the application of the above
29 standards, and reads as follows:

30 19 AAC 10.080. APPLICATION OF STANDARDS.

31 (a) The commission will not approve an
32 annexation unless the annexing city demon-
33 strates to the satisfaction of the commission
34 that it is capable of extending, and is
35 willing to extend, services to the annexed
36 area as follows:

37 (1) full municipal services shall
38 be extended to the annexed area
39 immediately unless

40 (A) the annexation is
41 pursuant to 19 AAC 10.735
42 - 19 AAC 10.790; or,

43 (B) the immediate exten-
44 sion of full municipal
45 services to the annexed
46 area is impossible
47 because of lack of
48 necessary facilities, in

1 which case the annexing
2 city shall satisfy the
3 commission that it will
4 provide the services
5 within a reasonable time;

6

7 (Emphasis added).

8 The copy of the City Council's petition we have re-
9 ceived does not contain a document identifying itself as a
10 "brief." However, Resolution 85-1431 (Exhibit A) which is
11 attached to the petition identifies 19 AAC 10.070(a)(5) and (8)
12 as the standards justifying the annexation of both the Furueth
13 Addition and the Gisse-Furueth Property.

14 Neither the resolution nor the petition make reference
15 to the City's plans concerning the extension of services to
16 either parcel of property.

17 A. THE FURUETH ADDITION

18 The Furueth Addition currently receives no City
19 services. The property is, however, located in relatively close
20 proximity to Sixth Avenue and residential areas. The City can
21 thus make a colorable claim that 19 AAC 10.070(a)(5), and perhaps
22 (a)(8), justify its annexation.

23 However, as discussed above, the City Council's peti-
24 tion and accompanying documents do not demonstrate that the City
25 is capable and willing to immediately extend City services to
26 this property. The City Council has also failed to claim and
27 show that this property qualifies for the 19 AAC 10.080(a)(1)
28 exceptions.

29 19 AAC 10.520 addresses this situation as follows:

30 19 AAC 10.520. REVIEW OF PETITION.

31 (a) The department will review the petition
32 and brief and determine whether they

1 (1) are in substantially the
2 proper form; and,

3 (2) contain the factual informa-
4 tion required by this chapter.

5 (b) If the department determine that the
6 petition or brief is deficient as to form or
7 content it will return the defective petition
8 or brief for correction or completion. If
9 the department determines that the petition
10 and brief are in substantial compliance with
11 these regulations, it will notify the peti-
12 tioner that the petition and brief have been
13 accepted.

14 (Emphasis added). The City Council has failed to meet the
15 petition content requirements as outlined in 19 AAC 10.500 and 19
16 AAC 10.080, therefore, 19 AAC 10.520(b) requires that the commis-
17 sion return the defective petition for correction or completion.

18 B. THE GISSE-FURUSETH PROPERTY.

19 The portion of the petition concerning the
20 Gisse-Furusetth Property contains the same "form and content"
21 defect discussed above.

22 In addition, unlike the Furusetth Addition, the 19
23 AAC 10.070(a)(5) and (8) standards relied on by the City Council
24 are clearly inapplicable to the Gisse-Furusetth Property. Ad-
25 dressing (a)(5) first, the City Council cannot show a "reasonable
26 likelihood that future growth and development will occur" on this
27 property. The property is comprised of some fifty-five (55)
28 acres of trees and muskeg situated adjacent to the City's pres-
29 ently operating Sanitary Landfill, and is not in close proximity
30 to residential areas. Also, Ketchikan has been experiencing a
31 very depressed economy for some time. There is no indication
32 that an economic recovery is likely in the reasonably near
future. There is also no indication that the present landfill
site will be abandoned in the reasonably near future.

1 Council with directions that it correct or complete the petition
2 by indicating the City's capability and willingness to extend
3 services to both the Furuseth Addition and the Gisse-Furuseth
4 Property.

5 The portion of the petition concerning the Gisse-
6 Furuseth Property should in any event be denied because the two
7 (2) standards listed by the City Council as justifying the
8 annexation are clearly inapplicable, given the location and
9 condition of the property, as well as Ketchikan's economic
10 condition.

11 Dated at Ketchikan, Alaska, this 7th day of October,
12 1985.

13
14 ZIEGLER, CLOUDY, KING & PETERSON

15
16 By EDWARD G. KING
17 Edward G. King

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ZIEGLER, CLOUDY, KING & PETERSON
Phone (907) 225-9401
307 Bowden Street
Ketchikan, Alaska 99901

TNS:EGK:em
15.023.17
E1TNS

THE CITY OF KETCHIKAN, ALASKA

RESOLUTION NO. 85-1431

A RESOLUTION OF THE COUNCIL OF THE CITY OF KETCHIKAN, ALASKA, FILING AN ANNEXATION PETITION FOR CERTAIN PRIVATE PROPERTY AND PUBLIC PARK RESERVES (TO BE KNOWN AS THE GISSE-FURUSETH-SPEAR ADDITIONS) AS AUTHORIZED BY 19 AAC 10.470 and A.S. 29.68.010; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Council of the City of Ketchikan finds the hereinafter described properties situated contiguous to and adjoining the City of Ketchikan, to be properties likely to experience future growth and development and that annexation of said properties will enable the City of Ketchikan to plan for and control that development; and

WHEREAS, the Council of the City of Ketchikan finds the said properties to be receiving certain City services without commensurate property tax contributions; and

what service

WHEREAS, the Council of the City of Ketchikan finds and determines said properties should now be annexed to the City; and

WHEREAS, 19 AAC 10.470 provides for annexation of territory by petition of the governing body of the municipality whose boundaries are to be changed.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KETCHIKAN, ALASKA, AS FOLLOWS:

Section 1: Annexation of Real Property. The State of Alaska is hereby petitioned to grant the annexation to the City of Ketchikan, Alaska, of these certain contiguous tracts of land, the boundaries of said parcels of real property being more particularly described as follows:

Furuseth Addition

The parcel of land known as Tract E, U. S. Survey 1229, as shown on recorded plat #84-6, Ketchikan Recording District, First Judicial District, State of Alaska, more particularly bounded and described as follows:

Beginning at the southeastern most corner of Tract F, said corner being in common with the northeastern most corner of Lot 12A, Block 6, U. S. Survey 1229, this being the point of beginning;

- thence N-89°48'-W a distance of 299.83 feet;
- thence North a distance of 15 feet;
- thence N-89°48'-W a distance of 175.27 feet;
- thence along a curve concave to the South (Radius=30 feet) an arc distance of 23.24 feet;
- thence along a curve concave to the North (Radius=30 feet) an arc distance of 77.38 feet;
- thence N-89°48'-W a distance of 100.42 feet;
- thence North a distance of 200.00 feet;
- thence S-89°48'-E a distance of 650.00 feet;
- thence South a distance of 200.00 feet to the point of beginning.

The hereinabove described parcel of land contains 2.879 acres more or less.

Gisse-Furuseth Addition

That portion of U. S. Survey 2635, Ketchikan Recording District, First Judicial District, State of Alaska, more particularly bounded and described as follows:

Beginning at corner 7 of U. S. Survey 2635 as shown on recorded plat #77-43, said corner being a B.L.M. monument, and being in common with the eastern most corner of U.S. Survey 1381, this point being the point of beginning;

thence N-59°41'00"-W a distance of 275.88 feet;
thence N-31°01'00"-E a distance of 438.88 feet;
thence N-64°52'00"-E a distance of 60.26 feet;
thence N-85°26'00"-E a distance of 81.61 feet;
thence N-70°22'00"-E a distance of 84.19 feet;
thence N-83°56'00"-E a distance of 78.15 feet;
thence S-38°42'00"-E a distance of 74.86 feet;
thence S-59°18'00"-E a distance of 57.46 feet;
thence S-73°59'00"-E a distance of 129.34 feet;
thence N-29°21'17"-W a distance of 309.00 feet;
thence N-47°23'23"-W a distance of 355.00 feet;
thence N-6°40'44"-E a distance of 352.94 feet;
thence North a distance of 87.00 feet;
thence N-66°29'31"-W a distance of 239.64 feet;
thence West a distance of 126.00 feet;
thence N-39°10'00"-W a distance of 115.01 feet;
thence North a distance of 178.24 feet;
thence East a distance of 1311.97 feet;
thence South a distance of 147.18 feet;
thence East a distance of 460.35 feet;
thence South a distance of 1623.60 feet;
thence West a distance of 1483.68 feet to the point of beginning.

The hereinabove described parcel of land contains 55.26 acres, more or less.

Spear Addition

That parcel of land known as Tract A, U. S. Survey 2635, Ketchikan Recording District, First Judicial District, State of Alaska, more particularly bounded and described as follows:

Beginning at corner 1 of U.S.S. 2635 according to the official government plat thereof;

thence S-21°47'-W a distance of 34.65 feet;
thence East a distance of 116.94 feet;
thence S-23°00'00"-W a distance of 140.89 feet;
thence N-59°34'-W a distance of 255.40 feet;
thence N-79°15'-E a distance of 174.24 feet
to the point of beginning.

The hereinabove described parcel of land contains 0.47 acres, more or less.

Section 2: Effective Date. This resolution shall be effective upon its passage and approval.

PASSED AND APPROVED this ____ day of _____, 1985.

Charles E. Freeman, Mayor

ATTEST:

Karen Miles, City Clerk

TO: Emil Notti
Commissioner
Department of Community and Regional Affairs
Pouch B
Juneau, Alaska 99811

RE: In the matter of the annexation of an area to the City
of Ketchikan, initiated by the Council of the City of
Ketchikan as per 19 AAC 10.470

DATE: May 28, 1985

(1) PETITION FOR ANNEXATION.

Pursuant to the provisions of AS 29.68.010 and 19 AAC 10.450-.620 the Council of the City of Ketchikan respectfully petitions for approval of a boundary change by the annexation of the territory hereinafter described to the City of Ketchikan, Alaska.

(2) NAME AND MAILING ADDRESS OF PETITIONER.

This petition is submitted by:

City of Ketchikan
334 Front Street
Ketchikan, Alaska 99901

(3) PETITIONER'S REPRESENTATIVE.

The name, telephone number, and mailing address of petitioner's representative designated by petitioner to receive service, notice and all correspondence relating to the proceedings on behalf of petitioner with regard to this petition is:

James A. Van Altvorst
City Manager
City of Ketchikan
334 Front Street
Ketchikan, Alaska 99901
(907) 225-3111 extension 335

(4) LEGAL BOUNDARY DESCRIPTION OF AREA PROPOSED TO BE ANNEXED.

The legal boundary description of the property proposed to be annexed is set forth on Exhibit A hereto.

(5) DESCRIPTION OF BOUNDARIES OF MUNICIPALITY SHOULD ANNEXATION BE EFFECTED.

The legal description of the boundaries of the City should the boundary change be effected is set forth on Exhibit B hereto.

(6) ASSESSED VALUE OF TAXABLE PROPERTY (1985).

The assessed (or estimated) value of taxable property located within the area proposed to be annexed is:

(a) real property: \$1,152,150.00 (assessed value).

(b) personal property: -0-

(7) NUMBER OF RESIDENTS IN AREA PROPOSED TO BE ANNEXED.

The estimated total number of current residents within the area proposed to be annexed is: 4

(8) REAL AND PERSONAL PROPERTY TAX RATES (1984).

The current rates at which real and personal property are taxed within the City of Ketchikan is: 8.9 mills

(9) SALES AND USE TAX RATES.

The current rates of sales and use taxes within the City of Ketchikan are:

- (a) sales: 4%
- (b) use: 0

(10) OUTSTANDING INDEBTEDNESS.

Ratio of general bonded debt to assessed value is 4.01%. There are no service districts or other bonded debt sources. Given the above stated assessed value the outstanding bonded indebtedness of this property is \$46,201.21. Total Borough general bonded debt is \$23,019,000 (1984) and total City general debt is \$10,840,000 as of April 1985.

(11) POPULATION AND AREA OF MUNICIPALITY.

- (a) The estimated current population of the City of Ketchikan to which annexation is sought is: 8,414
- b) The total area of the City is: 1,254 acres (1,673 including offshore city limits)

EXHIBITS

1. Exhibit "A" attached hereto is the legal boundary description of the property proposed to be annexed.
2. Exhibit "B" attached hereto is the legal description of the boundaries of the City should the boundary change be effected.
3. Exhibit "C" attached hereto is a map showing the present boundaries of the municipality and the boundaries of the municipality if the proposed boundary change becomes effective.
4. Exhibit "D" attached hereto is an Affidavit stating the source from which information contained in this petition and/or attached exhibits was acquired, including but not limited to, population figures, stating how an estimate of the population of the area proposed to be annexed was made and circumstances indicating its accuracy.
5. Exhibit "E" attached hereto is a certified copy of the resolution authorizing the municipality to file the petition.
6. Exhibit "F" attached hereto is the affidavit of the petitioner that service of the petition has been made in compliance with 19 AAC 10.510.
7. Exhibit "G" attached hereto is a written brief in support of the annexation as required by 19 AAC 10.500.

Dated _____

CITY OF KETCHIKAN, ALASKA

By: _____
James A. Van Altvorst
City Manager

ATTEST:

Karen Miles, City Clerk

MH/854

Gisse-Furuseth Addition

That portion of U. S. Survey 2635, Ketchikan Recording District, First Judicial District, State of Alaska, more particularly bounded and described as follows:

Beginning at corner 7 of U. S. Survey 2635 as shown on recorded plat #77-43, said corner being a B.L.M. monument, and being in common with the eastern most corner of U.S. Survey 1381, this point being the point of beginning;

thence N-59°41'00"-W a distance of 275.88 feet;
thence N-31°01'00"-E a distance of 438.88 feet;
thence N-64°52'00"-E a distance of 60.26 feet;
thence N-85°26'00"-E a distance of 81.61 feet;
thence N-70°22'00"-E a distance of 84.19 feet;
thence N-83°56'00"-E a distance of 78.15 feet;
thence S-38°42'00"-E a distance of 74.86 feet;
thence S-59°18'00"-E a distance of 57.46 feet;
thence S-73°59'00"-E a distance of 129.34 feet;
thence N-29°21'17"-W a distance of 309.00 feet;
thence N-47°23'23"-W a distance of 355.00 feet;
thence N-6°40'44"-E a distance of 352.94 feet;
thence North a distance of 87.00 feet;
thence N-66°29'31"-W a distance of 239.64 feet;
thence West a distance of 126.00 feet;
thence N-39°10'00"-W a distance of 115.01 feet;
thence North a distance of 178.24 feet;
thence East a distance of 1311.97 feet;
thence South a distance of 147.18 feet;
thence East a distance of 460.35 feet;
thence South a distance of 1623.60 feet;
thence West a distance of 1483.68 feet to the point of beginning.

This hereinabove described parcel of land contains 55.26 acres, more or less.

Spear Addition

That parcel of land known as Tract A, U. S. Survey 2635, Ketchikan Recording District, First Judicial District, State of Alaska, more particularly bounded and described as follows:

Beginning at corner 1 of U.S.S. 2635 according to the official government plat thereof;

thence S-21°47'-W a distance of 34.65 feet;
thence East a distance of 116.94 feet;
thence S-23°00'00"-W a distance of 140.89 feet;
thence N-59°34'-W a distance of 255.40 feet;
thence N-79°15'-E a distance of 174.24 feet
to the point of beginning.

The hereinabove described parcel of land contains 0.47 acres, more or less.

EXHIBIT A

Furuseth Addition

The parcel of land known as Tract E, U. S. Survey 1229, as shown on recorded plat #84-6, Ketchikan Recording District, First Judicial District, State of Alaska, more particularly bounded and described as follows:

Beginning at the southeastern most corner of Tract E, said corner being in common with the northeastern most corner of Lot 12A, Block 6, U. S. Survey 1229, this being the point of beginning;

thence N-89°48'-W a distance of 299.83 feet;
thence North a distance of 15 feet;
thence N-89°48'-W a distance of 175.27 feet;
thence along a curve concave to the South (Radius=30 feet) an arc distance of 23.24 feet;
thence along a curve concave to the North (Radius=30 feet) an arc distance of 77.38 feet;
thence N-89°48'-W a distance of 100.42 feet;
thence North a distance of 200.00 feet;
thence S-89°48'-E a distance of 650.00 feet;
thence South a distance of 200.00 feet to the point of beginning.

The hereinabove described parcel of land contains 2.879 acres more or less.

MH/8415

EXHIBIT A

City of Ketchikan - Metes and Bounds

The corporate limits of the City of Ketchikan, Alaska, a parcel of real property located in the Ketchikan Gateway Borough, First Judicial District, Alaska, more particularly bound and described as follows:

Commencing at the northeast corner of the Homer Lode, U. S. Mineral Survey 769;

thence N 29°36' E, a distance of 1200.00 feet to the true point of beginning.

thence N 29° 36' E a distance of 9.12 feet;
thence a bearing of East, a distance of 270.60 feet;
thence southward along the centerline of Ketchikan Creek approximately 700 feet;
thence S 79°15' W a distance of 205.26 feet;
thence S 21° 47' W a distance of 34.65 feet;
thence a bearing of East a distance of 1890.24 feet;
thence a bearing of South a distance of 147.18 feet;
thence a bearing of East a distance of 460.35 feet;
thence a bearing of South a distance of 1623.60 feet;
thence a bearing of West a distance of 1483.68 feet;
thence S 33° 28' W a distance of 348.42 feet;
thence S 56° 30' E a distance of 2649 feet;
thence S 51° 57' W a distance of 2965.52 feet;
thence N 54° 53' 54" W a distance of 8487.96 feet;
thence N 65° 35' 45" W a distance of 2633.28 feet;
thence N 49° 25' 17" W a distance of 4796.14 feet;
thence N 29° 20' E a distance of 1502.90 feet;
thence S 60° 40' E a distance of 1261.90 feet;
thence S 29° 20' W a distance of 130 feet;
thence a bearing of East a distance of 424.38 feet;
thence a bearing of South a distance of 559.55 feet;
thence a bearing of East a distance of 542.52 feet;
thence a bearing of North a distance of 208 feet;
thence N 1° 10' E a distance of 419.44 feet;
thence N 9° 49' E a distance of 604.98 feet;
thence a bearing of North a distance of 632.37 feet;
thence a bearing of East a distance of 4601.93 feet;
thence a bearing of South a distance of 1591.27 feet;
thence a bearing of West a distance of 1117.31 feet;
thence a bearing of South a distance of 300.00 feet;
thence a bearing of West a distance of 297.64 feet;
thence a bearing of South a distance of 856.12 feet;
thence S 89° 48' E a distance of 236.46 feet;
thence S 0° 12' W a distance of 100 feet;
thence S 89° 48' E a distance of 245 feet;
thence S 0° 12' W a distance of 440 feet;
thence a bearing of East a distance of 166.48 feet;
thence a bearing of South a distance of 200.58 feet;
thence S 89° 48' E a distance of 81.65 feet;

EXHIBIT B

854/Master
City w/Gisse-Furuseth-Spear

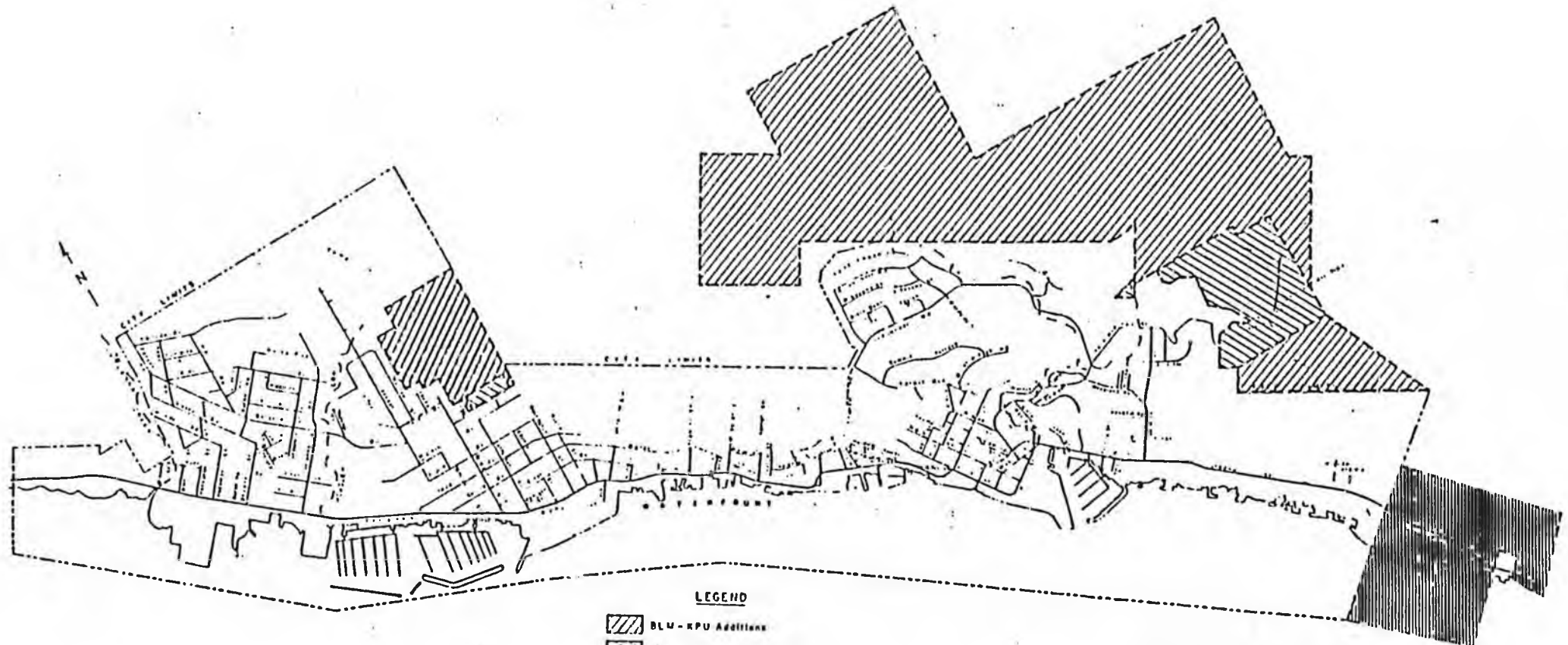
-1-

Ketchikan Metes and Bounds







thence a bearing of North a distance of 200.00 feet;
thence S 89° 48' E a distance of 650.00 feet;
thence a bearing of South a distance of 200.00 feet;
thence S 89° 48' E a distance of 37.31 feet;
thence a bearing of North a distance of 311.43 feet;
thence S 59° 38' E a distance of 4953.69 feet;
thence N 37° 52' E a distance of 14.20 feet;
thence N 59° 26' E a distance of 163.16 feet;
thence N 58° 35' E a distance of 108.98 feet;
thence N 31° 25' W a distance of 124.93 feet;
thence N 3° 30' E a distance of 999.50 feet;
thence N 39° 25' E a distance of 170 feet;
thence N 70° 51' 48" E a distance of 343.48 feet;
thence S 73° 40' E a distance of 550 feet;
thence N 16° 20' E a distance of 20 feet;
thence S 59° 35' E a distance of 3471.29 feet
to the true point of beginning.

854/Master
City w/Gisse-Furuseh-Spear

-2-



LEGEND

-  BLM - KPU Additions
-  Glass - Ferrosch - Spear Additions
-  University of Alaska Addition
-  U.S. Coast Guard Addition
-  Existing Roads (S - Streets)
-  Platted Road (not built)

NOTE: Some roads are stairs/boardwalks

**PROPOSED 1985 ANNEXATIONS
KETCHIKAN, ALASKA**
 NOT TO SCALE
 For Illustrative Purposes Only

AFFIDAVIT AS TO THE SOURCE OF INFORMATION CONTAINED
IN THE CITY OF KETCHIKAN PETITION FOR THE ANNEXATION
OF GISSE-FURUSETH-SPEAR ADDITIONS, U.S.S. 2635 AND
U.S.S. 1220

STATE OF ALASKA)
) SS:
FIRST JUDICIAL DISTRICT)

I, James A. Van Altvorst, being duly sworn, hereby declare and say:

The information contained in the City of Ketchikan's petition for the annexation of Gisse-Furuseth-Spear Additions, U.S.S. 2635 and U.S.S. 1220, was obtained from the records of the Ketchikan Gateway Borough Tax Assessor, the Ketchikan Gateway Borough Planning Department and the City of Ketchikan Public Works Department. Population estimates were derived from the most current municipal population estimate certified by the State of Alaska, Department of Community and Regional Affairs and by telephone survey of the Spear residence conducted by the City of Ketchikan Public Works Department May 23, 1985.

DATED AND EXECUTED at Ketchikan, Alaska, the ___ day of _____, 1985.

James A. Van Altvorst
City Manager

SUBSCRIBED AND SWORN to before me this ___ day of _____, 1985.

NOTARY PUBLIC FOR ALASKA
My Commission Expires: _____

(SEAL)

EXHIBIT D

AFFIDAVIT THAT COPIES OF THE CITY OF KETCHIKAN'S
PETITION FOR THE ANNEXATION OF GISSE-FURUSETH-SPEAR
ADDITIONS HAVE BEEN SERVED IN ACCORDANCE WITH 19 AAC
10.510

STATE OF ALASKA)
) SS:
FIRST JUDICIAL DISTRICT)

I, James A. Van Altvorst, being duly sworn, hereby declare and say:

A copy of the City of Ketchikan's petition and brief for the annexation of Gisse-Furusetth-Spear Additions, U.S.S. 2635 and U.S.S. 1220, together with accompanying exhibits has been served by certified mail upon the Ketchikan Gateway Borough, 344 Front Street, Ketchikan, Alaska 99901, the sole municipality in the territory proposed for annexation. The petition, exhibits and brief have been made available for inspection by the general public at the Office of the City Clerk, 334 Front Street, Ketchikan, Alaska 99901.

In addition a copy of the City of Ketchikan's petition, brief and supporting exhibits has been served on the following owners of record of the Gisse-Furusetth-Spear Additions: Clarence and Virginia Gisse, 3578 Tide Creek, Deer Island, OR 97054; Hans Furusetth Estate, Attn: Edward King, 707 Bawden, Ketchikan, AK 99901; William Spear, 1322 Park (Box 5421), Ketchikan, AK 99901; Ketchikan Gateway Borough, 344 Front Street, Ketchikan, AK 99901; and U.S. Forest Service, 313 Federal Building, Ketchikan, AK 99901.

DATED AND EXECUTED at Ketchikan, Alaska, the ____ day of _____, 1985.

James A. Van Altvorst
City Manager

SUBSCRIBED AND SWORN to before me this ____ day of _____, 1985.

NOTARY PUBLIC FOR ALASKA
My Commission Expires: _____

(SEAL)

EXHIBIT F

May 29, 1985

Commissioner Emil Notti
Department of Community and
Regional Affairs
State of Alaska
Pouch B
Juneau, Alaska 99811

Dear Commissioner Notti:

Re: Brief in support of the annexation of the Gisse-Furuseth-Spear Additions, USS 2635 and USS 1220 to the City of Ketchikan, Alaska.

In accordance with the requirements of 19 AAC 10.500, the City's petition for annexation of the captioned property, legally described in the petition attached hereto, must be accompanied by a written brief supporting the boundary change. The proposed annexation of this property exceeds the minimum standards for the annexation of contiguous territory as set out by 19 AAC 10.070.

1. There is a reasonable likelihood that future growth and development will occur within this territory. The three-acre Furuseth property on Sixth Avenue (below the college) is adjacent to residential development and to City street access, sewer, and water. The fifty-eight acre Gisse-Furuseth area has been platted for development for a number of years. Annexation of these areas will enable the City to plan for and to control this development. The half-acre Spear property has already been developed. It is bordered on three sides by the City boundary and is adjacent to planned residential development. Also within the Gisse-Furuseth area are five small park reserves. Three belong to the Ketchikan Gateway Borough, one to the City of Ketchikan, and one to the U.S. Forest Service. They are platted to be adjacent to residential housing and are appropriate for annexation to the boundary of the City of Ketchikan.

2. The Spear residents and the Furuseth (Sixth Avenue) and Gisse-Furuseth property owners within this territory receive the benefit of City government without commensurate property tax contributions. These properties utilize City streets as the only access to their properties, and they benefit from City police and fire services due to their proximity to municipal residents and property owners. It would be an ethical problem and an economic hazard to not respond to calls to protect life and property in these areas.

LT2/150

EXHIBIT G

3. The territory is in need of municipal services which the City of Ketchikan can provide more effectively than other municipalities. The roads into these areas are all extensions of streets of the City of Ketchikan and can only be reached from the City. When sewer and water services become necessary, only the City of Ketchikan will be in a position to efficiently provide them. The Ketchikan Gateway Borough does not provide police and fire services to these areas, and City police and fire services are provided (formally) up to their borders. The State police provide police services outside the City, but it is not efficient for them to serve properties that are on short, dead-end roads above the City. These properties are not served by the rural fire districts that lie north and south of the City.

4. The land in this territory is contiguous to the City of Ketchikan and will be virtually surrounded by the City's boundaries should other proposed annexation petitions by the City of Ketchikan be approved.

5. This annexation, in the instance of the Spear residents, is necessary to accomplish a valid public purpose in that it will enable them to participate in the democratic process which guides the City's direction and growth.

The Borough provides no additional services to this area other than those provided all residents of the Borough (including the City); specifically, planning and zoning, animal control, taxation, and schools. Therefore, there are no tangible assets that would require transfer to city control as a result of this proposed annexation.

In consideration of the preceding, the City of Ketchikan submits that the Gisse-Furusest-Spear additions described in these documents properly belongs within the municipal limits of Ketchikan and hereby petitions the local Boundary Commission to support this annexation.

Dated: _____

James A. Van Aitvorst
City Manager

ATTEST:

Karen Miles, CMC
City Clerk

LT2/150



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

10/31/89
Date

Local
Boundary
Commission

3 of 4



Official Business

Alaska State Legislature

Senate

Pouch V
State Capitol
Juneau, Alaska 99811

FEB 25 1986

MEMORANDUM

TO: Senator Edna DeVries, Chairman
Senate Community and Regional Affairs
Committee

FROM: Frank R. Ferguson *FR*
Alaska State Senate

DATE: February 25, 1986

SUBJ: North Slope Detachment

Attached for your information is an article which was in the Northland News (Fairbanks). I thought this would be of interest to your committee.

Thank you.

FRF/mjs

Attachment

*Forwarded w/atch to members
of Senate C&RA 3/3/86*

-y-

Preparations for borough vote begin

By DAN JOLING

News-Miner Bureau

JUNEAU—It's been nearly 14 years since a new borough formed in Alaska, so the state Department of Community and Regional Affairs may be a little rusty in the routine as it oversees a possible new borough in the Northwest corner of the state.

"Needless to say, we're pretty excited about all this," said Deputy Commissioner Jeff Smith of the proposed Northwest Arctic Borough.

The last borough to form was the vast North Slope Borough, which came into being July 1, 1972. The Northwest Arctic Borough would contain 2.1 million acres, including a portion of what's now in the North Slope Borough.

The new political unit would match the boundaries of NANA Inc., the Northwest Arctic Native Association, as well as the Northwest Arctic School Board.

The proposed detachment was hotly contested by officials of the North Slope Borough. Although approved by the Local Boundary Commission, the Legislature has until midnight March 8 to overturn detachment. If it's not overturned, the Local Boundary Commission must next decide if the area has met the standards set by law for incorporation.

Assuming an affirmative decision, the commission will inform the lieutenant governor, who has 30 days to choose a date for an election for voters to approve incorporation. The election has to be at least 30 days and no more than 120 days after its announcement of the election.

"We're working toward a May 20 election," Smith said.

Residents of the proposed borough would pick a mayor and 11 assembly members on the same ballot as their decision about forming the new borough, said Dan Bockhorst, a grants supervisor in the department's Division of Municipal and Regional Assistance.

Candidates must be registered to vote, at least 18 years old, residents of the state and the area for at least 30 days, and in agreement to serve if elected. To get on the ballot, they must turn in a petition with 50 signatures of residents.

The 11-member assembly would represent districts but be elected at large. That means candidates must be residents within the district they seek to represent and all residents will vote on all candidates.

That matches how members of the Northwest Arctic School Board are elected now.

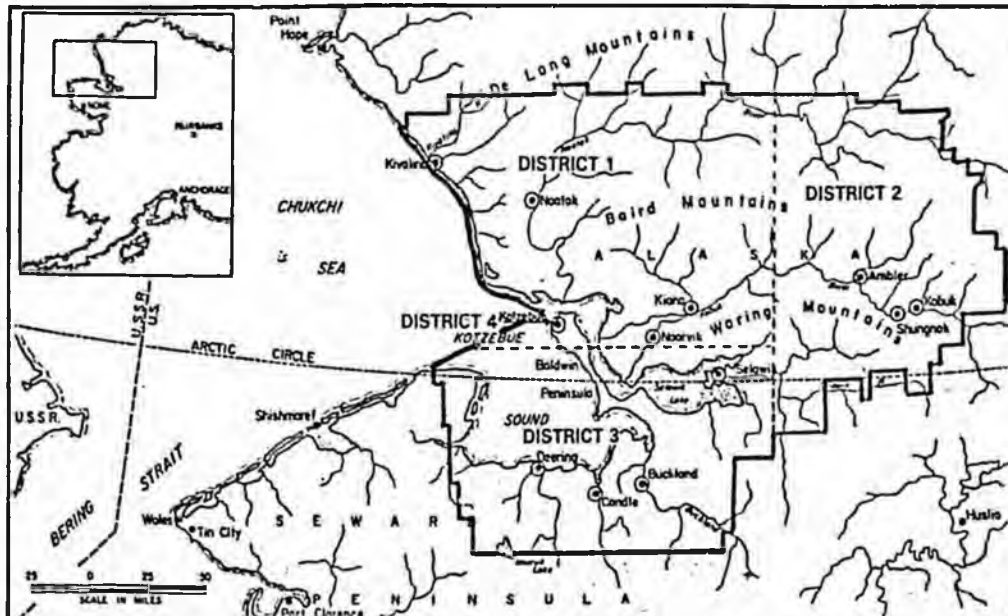
Kotzebue, with a population of 2,054, would have five seats or one per every 410.8 people. A district composed of Kivalina, Nootak, Kiama, Noorvik and Baird Mountains would have three seats for 1,405 people, or one for every 468.6 people. One representative would cover Ambler, Shugnak, Kobuk and the rest of the Kobuk area, where an estimated 457 people reside.

Two seats would be picked from Selawik, Deering, Buckland, Candle, Fink Creek, the Selawik area and Baldwin Peninsula, which have 914, or 457 per representative.

If the vote is against forming the borough, the land will not be detached. Smith said the state has no interest in seeing land go from a borough to an unorganized area.

Assuming a positive vote, "I would think they'd be in business no later than July 1" once the election is certified, Smith said.

The new borough would begin life



DISTRICT 1: Seats A, B, C

DISTRICT 2: Seats D

DISTRICT 3: Seats E, F

DISTRICT 4: Seats G, H, I, J, K

debt-free. However, even supporters acknowledge that it will be able to afford only the minimal services required by law until the tax rolls grow from anticipated Red Dog Mine development.

Those minimum powers include area-wide power of education, assessment and tax collection, and land use, including platting and planning.

State law provides that there will be some financial help for start-up costs. A new borough receives \$300,000 from the state its first year of existence, \$200,000 the second, and \$100,000 the third.

The Community and Regional Affairs Department will also provide technical assistance, especially in the area of assessment and setting up an effective tax system.

According to briefs filed in the application for detachment, the projected budget for the new borough is \$21.6 million. The biggest chunk by far is \$20 million for education. The remainder is planned for mayoral and assembly operations (\$329,570), the administration and finance department (\$243,675), the planning and community affairs department, (\$200,255), the law department

(\$40,000), and the assessing department (\$111,000).

For staffing, the plan calls for paid positions of mayor, administrative assistant, borough clerk and a secretary. The finance department would hire a director/controller, one full-time accountant and one part-time accountant.

Planning and community affairs would require a planning director, a planner and a part-time secretary. Legal advice would be purchased by contract.

One of the biggest tasks will be setting up the assessing department, and Bockhorst said the department is attempting to estimate the cost of assessments as well as estimate the time it will take for getting the job done.

The job involves determining what land and property is private, its value and whether it's subject to taxation.

"It's a fairly phenomenal and involved task," Bockhorst said.

Ten of the 11 communities are organized in the proposed borough. "None of them levy a property tax. You're starting from scratch," Bockhorst said.

It's critical to have assessments done by the end of the year so that

collections can begin in 1987, Bockhorst said.

The budget proposes no sales tax, but a 3-mill real property tax assessment is expected to produce \$377,000. State funding is expected for the rest of revenues.

Bockhorst said his department is roughing out figures for anticipated property tax earnings in the future, and four years from now, they could climb to more than \$1 million.

The initial budget anticipates state education funding to provide \$20.7 million. An organizational grant would account for \$300,000, municipal assistance for \$35,000, revenue sharing for \$65,000, a coastal management grant for \$142,500, and fisheries tax shared revenues for \$5,000.

Taxable real property was estimated to be \$139.6 million.

Smith said he expects the borough to adopt the home-rule charter government within a year or two.

That would mean they would write their own charter laying out what services they'll provide.

A home-rule municipality can provide any services that are not prohibited by law.

Community and Regional Affairs officials will visit the proposed borough all next week for informational meetings in each of the 11 villages.

Bockhorst said department representatives will give a presentation and collect information to help the Local Boundary Commission decide on approving or rejecting incorporation.

Slope cries foul over state review

by Mary Scarpinato
Times Writer

While one department of state government has proposed slicing off more than 2 million acres of the North Slope Borough for a new local government, another state government department has been chosen to review the proposal.

It's a choice that's hardly fair, according to the borough, which stands to lose the highly-prized Red Dog lead-zinc deposit under the land "detachment" being proposed by the Department of Community and Regional Affairs.

The borough had wanted some consultant outside government for the review.

"It simply rankles," assistant borough attorney David Weber said after Community and Regional Affairs officials suggested the Office of Management and Budget as the review agency.

However, the state Local Boundary Commission decided Wednesday night that OMB's staff had the professional expertise for the job, and heard advice from the state attorney general's office that one department overseeing another was both proper and usual practice.

Commissioner David Hanson added that the Local Boundary Commission "has a long track record of being very independent from the recommendations" of government agencies and weighs such recommendations against public hearing testimony and other information.

In the last 1½ years, Hanson said the boundary commission has either rejected or modified 30 to 40 percent of the government recommendations placed before it.

Proposals such as the North Slope Borough detachment must be approved by the boundary

commission in order to be passed on to the legislature for final approval.

During the meeting debate before the boundary commission's decision, Weber had argued that one department reviewing another's work was "a close legal question."

He told the commissioners, "You are entitled to a consultant that will serve the commission and no other master."

The detachment was first sought by NANA Regional Corp., the powerful Kotzebue-based native firm that owns the massive Red Dog deposit.

NANA wants a new borough formed in Northwest Alaska so more local control can be exerted over the mine, said William Hensley, president-elect of NANA.

"We do want ability to control the development of our mine," Hensley said at the boundary commission's Wednesday meeting. "We do want to enjoy the environmental controls, platting and taxing powers they have in the North Slope (over such developments as the Prudhoe Bay oil and gas fields)."

North Slope Borough voters turned down NANA's proposal for a detachment in an October election. After that, the Community and Regional Affairs Department took up the proposal, saying that the state also wishes to encourage local governments.

The boundary commission will take up the detachment question again at a Dec. 7 meeting, when it will hear debate on how many public hearings should be held on the proposal.

NANA believes it would be sufficient to hold two — one in Kotzebue and one in Barrow. However, the North Slope Borough wants more extensive hearings.

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January 22, 1986

No. 16

concern to the Commission, to municipalities proposing boundary changes and petitioners for municipal incorporation. The Federal Voting Rights Act requires that any change which affects or has the potential to affect voting rights must be precleared by the U.S. Department of Justice. The ramifications of this requirement, as it relates to matters concerning the Local Boundary Commission, are significant. Under provisions of the Act, any and all municipal incorporations, dissolutions, boundary changes, mergers and consolidations are subject to preclearance. Some of the matters requiring preclearance might not be immediately identifiable as affecting voting rights, such as the annexation of uninhabited territory contiguous to a municipality.

The Act provides that the Department of Justice has 60 days after receipt of a request for preclearance to object to the proposed change. Significantly, during the 60-day period, the change may not be enforced. It is also not uncommon for the Department of Justice to notify a submitting authority on or near the 60th day subsequent to receipt of a request for preclearance that additional information is required to enable the Department of Justice to make a final determination whether to grant preclearance. This is especially likely in the case of major changes such as controversial annexations or municipal incorporations. If the Department of Justice requests additional information, or if the petitioning municipality submits supplemental information, a new 60-day review period begins on the day the Department of Justice receives the information.

Adherence to the requirements of the Voting Rights Act can thus place extreme demands upon municipalities and others proposing virtually any action properly brought before the Commission. The Commission makes no specific recommendations to the Legislature in this regard, but has determined that the Legislature should be aware of the issue.

IV. RECOMMENDATION FOR THE ANNEXATION OF TERRITORY TO THE CITY OF ANGOON

IN THE MATTER OF THE PETITION)
FOR ANNEXATION BY THE CITY OF)
ANGOON, ALASKA, OF APPROXIMATELY)
87 SQUARE MILES, CONSISTING)
OF KOOTZNOOWOO INLET INCLUDING)
MITCHELL, FAVORITE AND)
KANALKU BAYS, KILLISNOO ISLAND,)
A PORTION OF TABLE AND SAND)
ISLANDS AND HOOD BAY, INCLUDING)
NORTH ARM)

SUMMARY OF PROPOSED ACTION

On August 7, 1985, the City of Angoon submitted a petition for annexation of approximately 87 square miles, consisting of Kootznoowoo Inlet, including Mitchell, Favorite and Kanalku Bays, Killisnoo Island, a portion of Table and Sand Islands and Hood Bay, including North Arm. The annexation was submitted pursuant to Section 29.68.010(a) of the Alaska Statutes (i.e. the process requires concurrence from the State Legislature).

The Local Boundary Commission conducted a hearing on the petition in Angoon on November 22, 1985. Members of the Commission present at the hearing were Acting Chairman Charles Bettisworth, Dave Hanson and Bert Greist.

Opposition to the proposed annexation was lodged by several property owners in the Hood Bay area. These individuals expressed a desire to remain in an unincorporated area and contended that they would accrue no measurable benefits as a result of the proposed annexation. They also stated that the City would not benefit by annexing the residents' property. Briefs opposed to the proposed annexation were also filed by the Alaska Pulp Corporation and Snee Atika, Inc.

The Commission conducted a decisional session on the petition in Anchorage on December 9, 1985. Present at the decisional session were Acting Chairman Charles Bettisworth, Dave Hanson, Jo Anderson and Bert Greist.

FINDINGS OF FACT

In arriving at its findings, documents and other evidence considered by the Commission included, but were not limited to, the petition and supporting briefs of the City of Angoon, briefs in opposition to the annexation filed by the Alaska Pulp Corporation and Snee Atika, Inc., the Report and Recommendation of the Department of Community and Regional Affairs and testimony provided at the Commission's November 22, 1985

hearing. Following its deliberations on this matter, the Local Boundary Commission made the following findings of fact:

1. The petitioner and residents of the community perceive a need to control land use and development of the area proposed for annexation in order to monitor and appropriately regulate growth, development and tourism activities in the area. Annexation of the unincorporated area will afford the City an opportunity to more efficiently protect the area's significant economic resources, historical and cultural resources and the livelihood of its residents.
2. A demonstrated need exists for the extension of municipal services to those areas planned for development in the near future, particularly Killisnoo Island.
3. A road to Favorite Bay across Village corporation lands is planned by the City to secure an additional water source. The road would open up the area for additional homesites, a new dump site and a cemetery. The petitioner has estimated that thirty additional homesites will be needed to accommodate increased resident population.
4. The City of Angoon provides search and rescue operations and related services in the area proposed for annexation. However, the City does not have the authority to provide such services extrajurisdictionally. If this territory is annexed, it will allow the City to continue such activity without the present liabilities associated with the lack of municipal jurisdiction.
5. In its deliberations, the Commission noted that the area most likely to be impacted by development in the near future is Killisnoo Island. A subdivision containing approximately fifty 1-acre parcels exists on the eastern half of the Island. Another 190 acres is owned by the village corporation. The City is not presently providing services to this area, but is the logical entity to provide services as the area develops.
6. The 660 feet of land immediately above the mean high tide line in the Mitchell, Kanaku and Favorite Bay area is almost entirely owned by the Kootznoowoo Corporation. All development on these lands are subject to PL 96-487, Alaska National Interest Lands Conservation Act (ANILCA) section 506.(a)(3)(C), which strictly limits development and activities on this land to ensure protection of subsistence resources and its uses.
7. The area of Hood Bay is also an economically important subsistence hunting and fishing area to the people of Angoon. The strong cultural links to the area were pointed out at the public hearing on the petition conducted by the Commission on November 22, 1985. Specifically, testimony

III. ISSUES TO BE BROUGHT TO THE ATTENTION OF THE LEGISLATURE

There are two issues which the Local Boundary Commission wishes to bring to the attention of the Legislature. The first relates to the desire of certain residents of the State to dissolve their municipal governments in favor of Native governments. The second issue concerns the impacts of the Federal Voting Rights Act upon the State and its political subdivisions on matters relating to Local Boundary Commission proceedings.

Dissolution of Municipal Governments

As was discussed in Section III of this Report, last year the Local Boundary Commission denied a petition of residents of the City of Akiachak for the dissolution of their municipal government. It has been reported that residents of a number of other communities are also contemplating attempts to dissolve their municipal governments.

While the Commission denied the petition for dissolution of the City of Akiachak, it was sympathetic to the desire of the residents of Akiachak for self-determination in that matter. It was amply demonstrated to the Commission that dissolution of the City of Akiachak and the vesting of all local government powers in the Akiachak IRA Council was strongly desired by many of the residents of the community.

The petition was denied simply because the present structure of State law concerning this matter would not permit the dissolution of the City under the current circumstances. The Commission suspects that residents of Akiachak may now simply ignore their municipal government.

The Commission believes that this circumstance poses several significant public policy questions which encompass matters which are far beyond the responsibilities of the Local Boundary Commission. The Commission does not advocate any particular position in this matter, rather it believes that the matter should be considered carefully by the Governor and the Legislature.

Policy questions relating to this matter include the following:

- impacts of dissolution on both the State and the community;
- equitable delivery of public services to unincorporated communities;
- civil rights of citizens of Alaska;
- distribution of assets and liabilities of a municipal government in the event of dissolution; and
- standards and procedures for dissolution.

Federal Voting Rights Act

The impact of the Federal Voting Rights Act upon matters brought before the Local Boundary Commission is of particular

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indicated that some 80% of the residents of the community grew up in Hood Bay and that the area is presently used extensively by community residents. The Commission also heard testimony that there is need for law enforcement services in the Bay.

8. The petitioner indicated that residents of the community desire the City to regulate, to the extent possible, development and tourist activity on the Angoon Community Association (IRA) parcel in the Hood Bay area and in the general vicinity of Hood Bay. Annexation of the territory would provide the City with the authority to do so.
9. Three land owners of the Hood Bay area opposed the annexation petition. The landowners submitted a letter to the Local Boundary Commission objecting to the annexation, contending that is nothing to be gained by the annexation, either by the City or themselves. There is one permanent resident living in this area.
10. The Kootznoowok Corporation, the local village Native corporation, owns approximately 190 acres of Killisnoo Island and another 3,200 acres adjacent to the community. In addition, there are five Native Allotments within the territory proposed for annexation. The U.S. Forest Service Admiralty Monument is the largest land holder within the area proposed for annexation. The potential for many private land transfers and the prospect of upcoming ANCSA 14(c) land conveyances to residents and the City of Angoon have raised concerns regarding future development on important cultural and subsistence lands.
11. The population of a portion of the territory, specifically Killisnoo Island and Favorite Bay, may stem from growth of the City beyond its legal boundaries. Most of the territory proposed for annexation contains very steep slopes and is fairly remote. Growth is more likely to occur on Killisnoo Island. The growth may be attributed to a "spilling over" of present City population and the availability of City services such as sewer, water, police and fire protection.
12. Portions of the territory to be annexed may be valuable for reason of their suitability for prospective urban purposes. Specifically, Killisnoo Island may be suitable for additional residential development. The Island is immediately adjacent to the present City limits, and is most likely to receive City services in the future.
13. There are no other municipalities in or near the territory proposed for annexation.
14. The City maintains that its volunteer fire department is in the position to provide service to the Killisnoo Island area. The City also states that it now currently serves

and would respond with City fire equipment whenever feasible to all lands proposed for annexation.

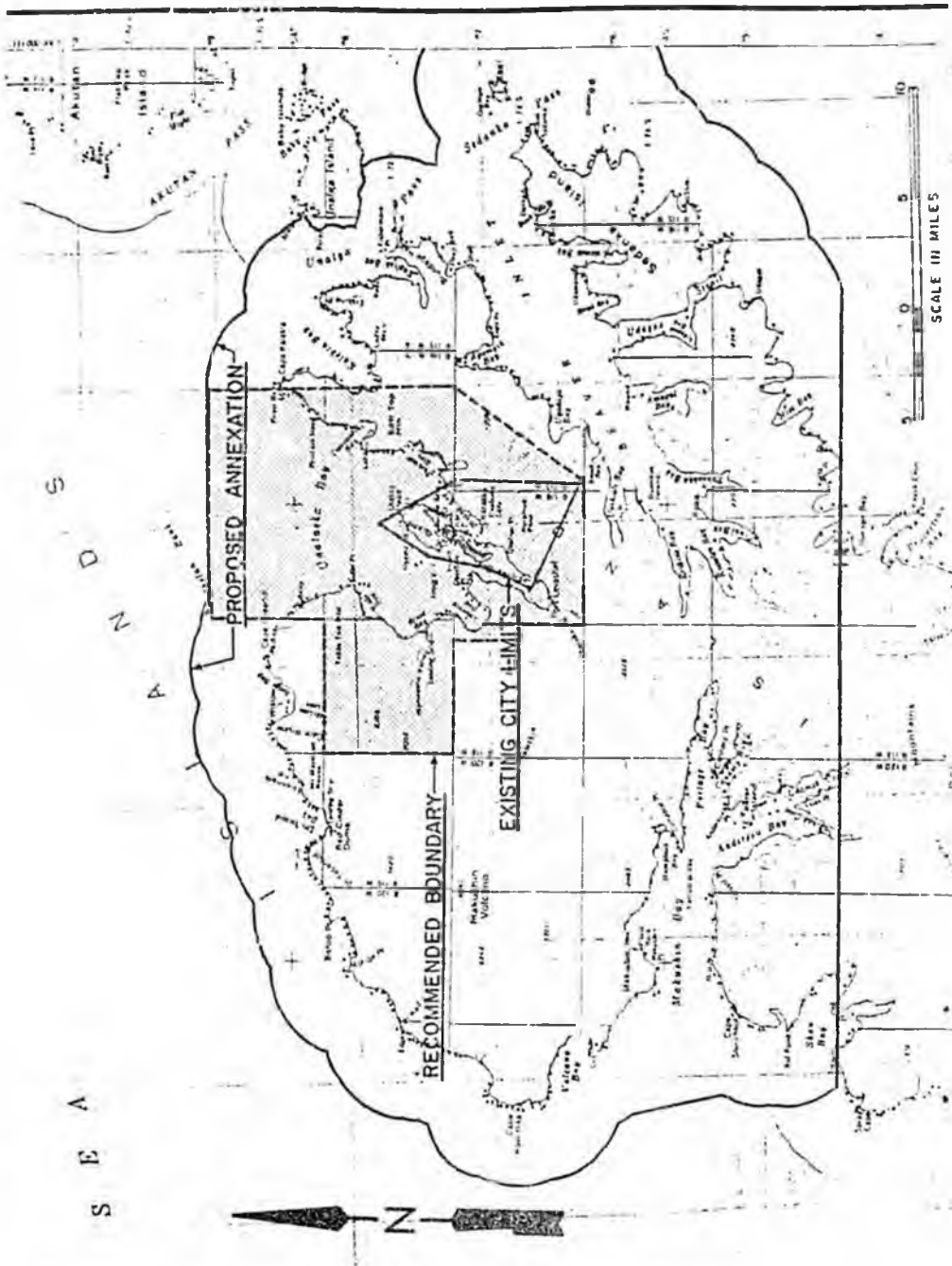
15. Fire service is provided by the Federal government for all Federal lands and for Kootznoowoo corridor lands in Mitchell, Kanalku and Favorite Bays.
16. The City may be called upon to provide emergency services to Killisnoo Island, which is adjacent to the City and most likely to develop. The City may also be called upon to provide search and rescue and police protection to the Killisnoo Harbor area.
17. The potential for private or public development in the territory will determine the need by the City of Angoon to exercise municipal planning authority. The City has indicated in its petition that annexation of the territory will enable the City to plan for and control anticipated development. The petitioner lists anticipated development as a cold storage facility in Killisnoo Harbor, toilet facilities at the ferry terminal on Killisnoo Island, a road to Favorite Bay, a fish hatchery in Favorite Bay, on-site development on village corporation lands and the development of tourism and recreation in Hood Bay.
18. Local testimony at the Commission's public hearing on November 22, 1985 called for increased law enforcement service to Favorite and Hood Bays. Testimony was provided indicating that the City has the capability to provide such services to the areas.
19. Anticipated development pressures on Killisnoo Island may create a need for public services and facilities. Also, the proximity of this area to existing City services makes it most likely to develop in the near future. In addition, a road and hatchery may be developed in the Favorite Bay area.
20. Residents of Angoon testified at the November 22, 1985 hearing that they feel the protection of their subsistence resources, their livelihood and their way of life (which has been a major viable economy), and their cultural heritage are valid public purposes that would be protected through the annexation of this territory and subsequent land use controls that will lead to carefully planned and reasonably regulated development.
21. The Commission finds that the residential subdivision on Killisnoo Island and development of tourist interests, such as two lodges, may impact the cultural and subsistence resources of the entire Angoon community. The Commission concurs that a valid public purpose will be served by annexation of this area.

XII. RECOMMENDATION FOR THE DETACHMENT OF TERRITORY FROM THE NORTH SLOPE BOROUGH

IN RE:)
THE DETACHMENT FROM THE NORTH)
SLOPE BOROUGH OF TERRITORY)
WITHIN AND ADJACENT TO THE)
NANA REGION)

Included in this Report and incorporated in this recommendation by reference is a copy of the Commission's formal Statement of Decision regarding the detachment of territory from the North Slope Borough, along with the Appendixes to that Statement of Decision which consist of a written summary of the Commission's evaluation of each of the 15 factors considered in this matter (labeled as "Appendix A") and a transcript of that portion of the Commission's decisional session when those factors were evaluated and the conclusions of the Commission were made (labeled as "Appendix B"). Because of the voluminous nature of this material it is included in the back of this Report as Section XIV, the Appendix.

The Local Boundary Commission hereby respectfully submits its recommendation to the Second Session of the Fourteenth Legislature for the detachment of the territory from the North Slope Borough which is described in the November 22, 1985 Petition of the Commissioner of the Department of Community and Regional Affairs and which is shown on the attached map.



22. Only a portion of the territory proposed for annexation is reasonably likely either to demand or to receive City services, particularly emergency medical and fire services and police protection, in the near future. This area is known as Killisnoo Island and Killisnoo Haroor, the private landholdings in the Hood Bay area and the Favorite Bay area.
23. There is a reasonable likelihood that future growth and development will occur in the vicinity of Angoon. However, the Commission anticipates that that this development will be limited to Killisnoo Island, Killisnoo Haroor, Hood Bay, and Favorite Bay.

CONCLUSIONS OF LAW

Applying the standards for annexation, only a portion of the area proposed for annexation can be justified for inclusion within the boundaries of the City of Angoon. This territory includes that area generally described as Killisnoo Island, Killisnoo Haroor, Favorite Bay, Hood Bay and the lands south and west of the existing municipal boundaries of the City of Angoon. The area encompasses approximately 30.14 square miles.

STATEMENT OF DECISION

Based upon the Findings of Fact and Conclusions of Law stated above, IT IS ORDERED:

Upon tacit approval of the Second Session of the Fourteenth Legislature under the provisions of Article X, Section 11 of the State Constitution, the municipal boundaries of the City of Angoon shall be as follows:

Beginning at the NW corner Section 2, T51S, R67E, Copper River Meridian (C.R.M.); thence S to the SW corner of Section 11, T51S, R67E, C.R.M.; thence E to the SE corner of Section 7, T51S, R68E, C.R.M.; thence S to the SW corner of Section 20, T51S, R68E, C.R.M.; thence E to the SE corner of Section 20, T51S, R68E, C.R.M.; thence S to the SW corner of Section 23, T51S, R68E, C.R.M.; thence E to the SE corner of Section 23, T51S, R68E, C.R.M.; thence N to the SW corner of the NW 1/4 of Section 10, T52S, R68E, C.R.M.; thence E to the center of Hood Bay; thence meandering in an easterly direction along the center of Hood Bay to the center of North Arm of Hood Bay; thence meandering in a northeasterly direction along the center of North Arm of Hood Bay to a point with its intersection with the east boundary of Section 5, T52S, R69E, C.R.M.; thence N to the NE corner of Section 5, T52S, R69E, C.R.M.; thence W to the NW corner of Section 2, T52S, R68E, C.R.M.; thence N to the NE corner of Section 22, T51S, R68E, C.R.M.; thence E to the SE corner of Section 13, T51S, R63E, C.R.M.; thence N to the NE corner of Section 12, T51S,

R63E, C.R.M.; thence W to the NW corner of Section 10, T51S, R63E, C.R.M.; thence N to the NE corner of Section 4, T51S, R63E, C.R.M.; thence W to the NW corner of Section 4, T51S, R63E, C.R.M.; thence N to the NE corner of Section 12, T50S, R63E, C.R.M.; thence W to the NW corner of Section 12, T50S, R63E, C.R.M.; thence N to the NE corner of Section 19, T50S, R63E, C.R.M.; thence W to the NW corner of the NE 1/4 of the NE 1/4 of Section 23, T50S, R67E, C.R.M.; thence S to the NW corner of the NE 1/4 of the NE 1/4 of Section 2, T51S, R67E, C.R.M.; thence W to the NW corner of Section 2, T51S, R67E, C.R.M.; the point of beginning.

The Local Boundary Commission hereby respectfully submits its recommendation to the Second Session of the Fourteenth Legislature for the annexation of the territory included in the above description and shown on the attached map.

west to a point 3 nautical miles north of the intersection of the west boundary of T71S, R117W, S.M.; thence south 3 nautical miles to the point of beginning.

Containing 115.84 Sq. miles of land, more or less, and 98.56 sq. miles of water, more or less for a total combined area of 214.4 sq. miles, more or less.

The Local Boundary Commission hereby respectfully submits its recommendation to the Second Session of the Fourteenth Legislature for the annexation of the territory included in the above description and shown on the attached map.

the Makushin Valley. Although these areas may be restricted to receiving emergency services for the near future due to the cost of providing such other services as water, sewer, and roads.

CONCLUSIONS OF LAW

1. That the standards established in State Statutes and Administration Regulations are met by part, but not all, of the territory requested in the original petition.
2. The territory immediately adjacent to the present boundaries of the City, the wetland around Mateekin Bay, Tabletop Mountain, a portion of the Makushin Valley and areas in and around Captains Bay and Unalaska Bay meet the standards for annexation to a sufficient degree to warrant inclusion within the boundaries of the City. This territory comprises approximately 189 square miles.

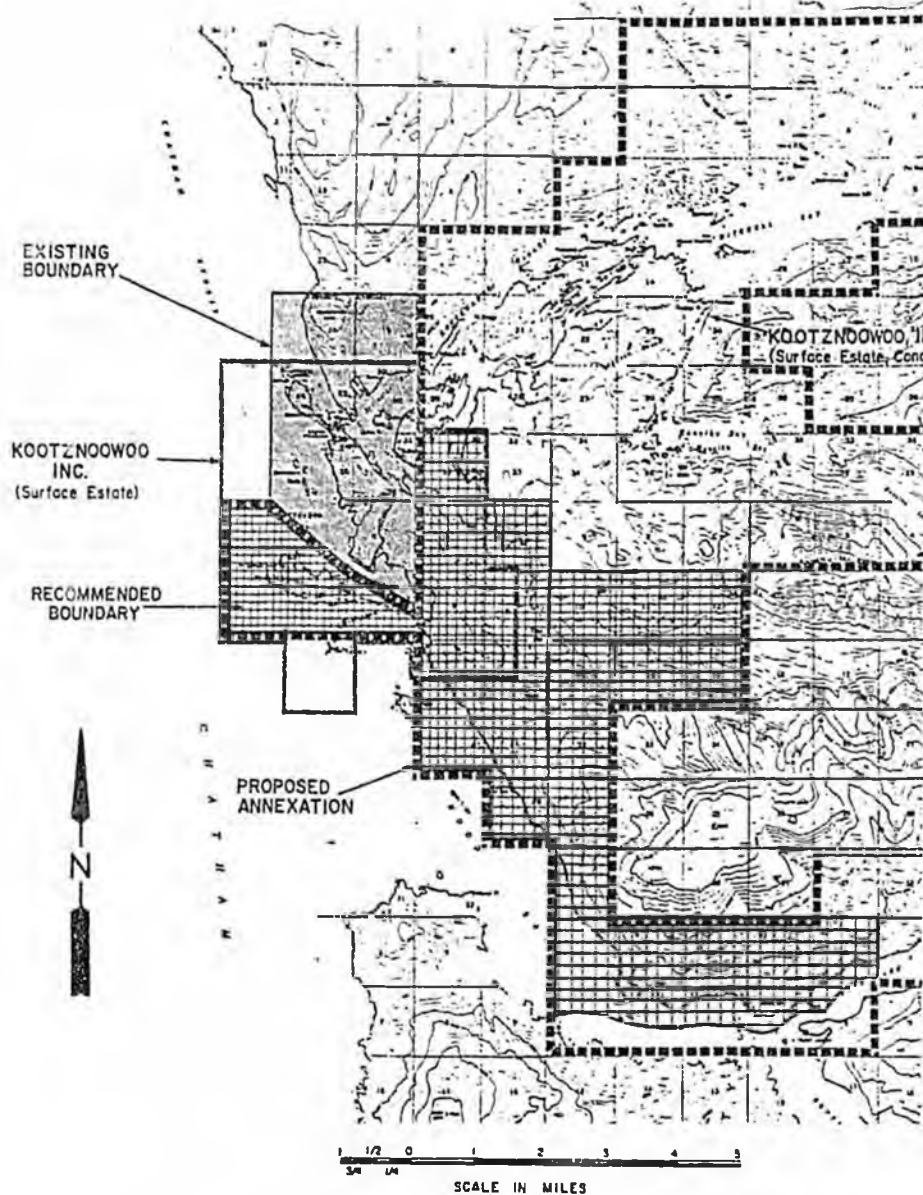
STATEMENT OF DECISION

Based upon the Findings of Fact and Conclusions of Law stated above, IT IS ORDERED:

The annexation of approximately 189 square miles of territory to the City of Unalaska, as described in the amended petition of the City of Unalaska, is hereby approved by the Local Boundary Commission. However, in recognition of the historical and current use of the territory proposed for annexation for subsistence hunting purposes, the Commission recommends or suggests that the City of Unalaska not extend the prohibition on the use of firearms to this area.

That upon tacit approval of the Second Session of the Fourteenth Legislature, in accordance with the provisions of Article X, Section 12 of the State Constitution, the municipal boundaries of the City of Unalaska shall be as follows:

Beginning at the intersection of the west boundary of T71S, R117W, Seward Meridian (S.M.) and the mean high tide line of the Bering Sea; thence south to the protracted NE corner of T72S, R116W, S.M.; thence west to the NW corner of T72S, R118W, S.M.; thence south to the SW corner of T72S, R116W, S.M.; thence east to the NW corner of Section 1, T73S, R119W, S.M.; thence south to the SW corner of Section 13, T73S, R119W, S.M.; thence east to the SE corner of Section 13, T73S, R119W, S.M.; thence south to the SW corner of T73S, R118W, S.M.; thence east to the SE corner of the W1/2 of Section 31, T73S, R117W, S.M.; thence in a northeasterly direction to the SE corner of the W1/2 of Section 35, T72S, R116W, S.M.; thence north to the intersection of the east border of the W1/2 of Section 23, T71S, R116W, S.M.; thence continuing north a distance of 3 nautical miles; thence



V. RECOMMENDATION FOR THE ANNEXATION OF THE BLM-KPU
ADDITIONS TO THE CITY OF KETCHIKAN

IN THE MATTER OF THE PETITION)
FOR ANNEXATION BY THE CITY OF)
KETCHIKAN, ALASKA OF)
APPROXIMATELY 515.62 ACRES,)
DESCRIBED AS THE BLM-KPU ADDITIONS)

SUMMARY OF PROPOSED ACTION

On June 26, 1985, the City of Ketchikan petitioned for the annexation of approximately 515.62 acres contiguous to the City and described as the BLM-KPU Additions. On November 24, 1985, the Local Boundary Commission held a public hearing in Ketchikan on the petition. The petition was submitted pursuant to Section 29.68.013(a) of the Alaska Statutes (i.e. the process which requires concurrence from the Legislature).

The majority of area proposed for annexation to the City of Ketchikan is owned by the United States Bureau of Land Management and the City of Ketchikan Public Utilities. Annexation will permit the City to provide needed urban services in an area where growth is anticipated and the City is the only logical entity to provide such services. The territory is readily accessible only via territory within the jurisdiction of the City of Ketchikan.

The territory is not urban in character. It is largely undeveloped open space, with the exception of a sanitary landfill and improvements related to the Ketchikan municipal water supply.

The territory will most probably be in need of municipal services as the community confronts growth caused by the development and operation of the U.S. Borax mine. The petitioner maintains that the City can provide services to the site more efficiently than any other municipality.

The petitioner asserts that there is a reasonable likelihood that the territory will become further developed in the foreseeable future. This assertion is based upon the City's contention that the area contains the surveyed right-of-way of a proposed bypass route linking the eastern and western portions of the City of Ketchikan; it contains lands identified for disposal and residential development and it has been identified as a probable location for future development related to operation of the U.S. Borax molybdenum mine. The petitioner maintains that it is prudent for the City to prepare for possible settlement and urban use of the territory.

The Ketchikan Gateway Borough has expressed no objection to the proposed annexation.

there exists no need or demand for municipal services, except for the possibility of extending planning authority.

12. The petitioner has made no claim that the welfare or safety of residents of Unalaska is endangered by any current or prospective condition in the territory proposed for annexation. However, at the Commission's hearing on January 4, 1986, residents did testify to the need for control of dumping of bilge water and garbage in the bays in proximity to the City. It is reasonable to conclude the City will need to impose some degree of control over this activity in those bays just outside its jurisdiction, such as Captains Bay and Unalaska Bay.

13. The petitioner claims that the potential for the development of geothermal energy resources exists twelve miles west of Unalaska at the base of Mt. Makushin. Available evidence indicates that this resource holds potential for development into a feasible utility that could meet a substantial portion of the community's power requirements. However, a formal feasibility study of the potential development has not yet been completed. Development of this resource would require the creation of a transmission corridor between the source and the community. It is likely that the City will play a role in the development of these energy resources, perhaps in the form of a utility enterprise. However, it would not be necessary for the area containing the geothermal resources to be annexed in order for the City to participate in such development of the resources.

Testimony received by the Commission at its January 4, 1985 hearing indicated that the geothermal project will not be operable for some time. Therefore, if the territory in the vicinity of the Makushin Volcano is not annexed at this time, the City of Unalaska retains the option of developing another petition to annex the Makushin Volcano area at a later date.

14. The petitioner has acknowledged that it does not routinely provide services, other than search and rescue and emergency medical response, on an extraterritorial basis. Considering that only four individuals reside within the vast territory proposed for annexation, it is not reasonable to conclude that these four individuals expect to receive City services. Further, it is questionable whether the City will be able to provide services to the four residents in the territory. Even though all cities generally have the function of providing an array of public services and facilities to the resident population of that City, there is a "threshold population" or minimum population size necessary to provide the demand that justifies that function. It is more likely that the City will provide services to areas just outside the present City limits such as Captains Bay, Broad Bay, Wide Bay, and

6. City services, other than those emergency services referenced previously, are not presently provided in the territory proposed for annexation, nor is there any indication that such services are either needed or desired by individuals residing within the territory. The Ounalashka Corporation also expressed concern regarding the need for extension of planning and zoning authority over such a remote territory.
7. Evidence indicates that it is reasonable to expect the City may be called upon to provide emergency services such as fire, ambulance and police to both oil rigs and floating seafood processors moored in the bays and narrows located in the immediate vicinity of the City yet outside the present municipal boundaries.
8. Floating processors are transient but locate primarily in Unalaska Bay, Iliuliuk Bay, and Captains Bay. The Commission found persuasive the petitioner's argument that the City of Unalaska should be empowered to exercise control over these bays since the processors impact water quality, require City services and use City facilities. Offshore floating processors are likely to impact the community by bringing in a transient labor force which places demands on both emergency medical and local law enforcement services.
9. The present land status of the territory proposed to be annexed may inhibit it from being developed immediately. Again, much of the land is owned by the Native Corporation. The corporations have, for the most part, received interim conveyance to their land selections. The Ounalashka Corporation has indicated that it has no immediate plans to open up land for development. Lands owned by the Ounalashka Corporation that are in the immediate vicinity of the existing City, however, would more likely be developed before the more remote areas if the Corporation elects to develop its land. It is unlikely that these more remote areas will be requiring or demanding City services in the near future.
10. The Commission finds that annexing the land area adjacent to Beaver Inlet and Makushin Bay merely to control processors in these waters is not justified under the guise of "planning authority" alone. The Alaska Coastal Management Program (ACMP) provides the City with an alternative means for planning and regulating land use within the territory proposed for annexation. Under the ACMP, districts are authorized to develop a coastal management program for their area of jurisdiction. Districts include first-class cities such as the City of Unalaska and also Coastal Resource Service Areas.
11. The Commission finds it is inappropriate for a municipal government to annex vast amounts of territory in which

FINDINGS OF FACT

In arriving at its findings, documents and evidence considered by the Commission included, but were not limited to, the petition of the City of Ketchikan, the Report and Recommendation of the Department of Community and Regional Affairs and oral testimony provided at the November 24, 1985 hearing. After due consideration, the Commission finds that the area proposed for annexation conforms to several of the regulatory standards governing annexation. The extent to which these standards are met is stated below.

1. The territory will be in need of municipal services if a planned local land disposal and consequent residential development occurs. The City of Ketchikan can provide necessary services to the site more efficiently than any other municipality.
2. The health, welfare or safety of City residents could potentially be endangered if the watershed located within the area proposed for annexation were substantially disturbed. The referenced territory is in close proximity to residential areas, and this access poses increased potential for fire hazards in the watershed and for vandalism to water service facilities. It is prudent for the City of Ketchikan extend police and fire protection services to the territory.
3. There is a reasonable likelihood that future growth and development will occur within the territory and that annexation of the territory will enable the City to prudently plan for and control that development pursuant to [19 AAC 10.070(5)].

CONCLUSIONS OF LAW

The annexation of territory known as the BLM-KPU Addition to the City of Ketchikan, as described in the petition of the City of Ketchikan, sufficiently meets standards for annexation to warrant inclusion within the boundaries of the City of Ketchikan.

STATEMENT OF DECISION

Based upon the Findings of Fact and Conclusions of Law stated above, IT IS ORDERED:

Upon tacit approval of the Second Session of the Fourteenth Legislature in accordance with the provisions of Article X Section 12 of the State Constitution, the territory described below shall be annexed to the City of Ketchikan:

A parcel of land located in the Ketchikan Recording District (K.R.D.), First Judicial District, State of Alaska, more particularly bounded and described as follows:

Beginning at the northernmost corner of Lot 2, Block 4, U.S.M.S. 769, a brass cap monument as shown on plat 73-8, K.R.D.; thence northwesterly along the northern boundary of the Utica Lode Claim to the NW corner of said claim as shown on the plat of the Claim of James A. Davis, Mineral Survey 769, recorded May 7, 1904, Juneau Land District; thence southwesterly to the NE corner of the Columbia Lode Claim; thence northwesterly to the NW corner of the Columbia Lode Claim, this point being in common with the western boundary of U.S.M.S. 769; thence northeasterly along said boundary to the NW corner of U.S.M.S. 769, this point being in common with the NW corner of the Cosmos Lode Claim; thence southeasterly along the north boundary of U.S.M.S. 769 to its point of intersection with the western boundary of the E 1/2 of the NW 1/4 of protracted section 19, T75S, R91E, Copper River Meridian (CRM); thence north to the NW corner of the E 1/2 of the NW 1/4 of protracted section 19, T75S, R91E, C.R.M.; thence east to the NE corner of the W 1/2 of the NE 1/4 of protracted section 19, T75S, R91E, C.R.M.; thence south to the northern boundary line of U.S.M.S. 769; thence southeasterly along said boundary line to its intersection with the north boundary of the NE 1/4 of the SE 1/4 of protracted section 19, T75S, R91E, C.R.M.; thence east to the NE corner of the SW 1/4 of protracted section 20 T75S, R91E, C.R.M.; thence south to the northern boundary of U.S.M.S. 769; thence southeasterly along said boundary to the NE corner of U.S.M.S. 769, this corner being in common with the NE corner of the Sterling Lode Claim; thence southwesterly along the eastern boundary of U.S.M.S. 769 to its point of intersection with the east boundary of U.S.S. 2635; thence north to corner 5 of U.S.S. 2635 as shown on plat 77-43, K.R.D.; thence west to corner 4 of U.S.S. 2635; thence north to corner 3 of U.S.S. 2635; thence west to corner 2 of U.S.S. 2635; thence north to corner 1 of U.S.S. 2635; thence northeasterly to corner 4 of U.S.S. 2435 according to the official government plat thereof; thence northerly along the centerline of the Ketchikan Creek to corner 3 of U.S.S. 2435; thence southwesterly to corner 2 of U.S.S. 2435; thence southwesterly to the NE corner of Washington Lode Claim; thence northeasterly along the northern boundary of the Washington, Tuscarora, and Utica Claims to the point of beginning.

The Local Boundary Commission hereby respectfully submits its recommendation to the Second Session of the Fourteenth Legislature for the annexation of the territory included in the above description and shown on the attached map.

not in need of municipal services and that the present municipal boundaries of the City of Unalaska contain areas which are suitable for development but not yet developed.

FINDINGS OF FACT

1. Most of the territory proposed for annexation is not platted or held for sale for residential or commercial purposes. The territory proposed for annexation is vast and remote and is largely undeveloped.
2. The population density of the territory proposed for annexation does not approximate that of the territory within the present boundaries of the City of Unalaska. The City's petition indicates that four individuals reside within the 1,294 square miles proposed for annexation. The population density of the territory proposed for annexation is 0.0031 people per square mile. By comparison, 1,922 individuals reside within the present boundaries of the City of Unalaska (which encompass approximately 25.4 square miles). The population density within the City is 75.7 persons per square mile.
3. The population of the territory proposed for annexation does not stem primarily from actual growth of the City beyond its legal boundaries. This is due, in part, to the difficulty in developing the lands outside the major river valleys and relatively accessible bay areas. In addition, a significant portion of the territory proposed for annexation is held by the village Native corporation and is not platted and available for purchase.
4. Portions of the territory proposed for annexation may be valuable by reason of their suitability for prospective urban purposes. Specifically, the land areas around Broad Bay, Wide Bay, Mateekin Bay, the Makushin Valley, and Summers Bay may be suitable for additional rural/low density residential development. In addition, Captains Bay presently harbors processors and oil rigs. It is likely that this activity will continue and even increase in the future.
5. The petitioner has acknowledged that the City of Unalaska does not routinely provide services outside its corporate limits. However, in 1984 the City emergency medical services staff responded to 56 marine calls. According to the City of Unalaska, the majority of these calls were to vessels moored in nearby bays that are outside the City limits. The City normally responds to marine calls by transporting rescue and emergency medical equipment to the harbor tug so City personnel can undertake rescue and emergency fire operations. Much of the demand on the City ambulance and fire services is from offshore seafood processors frequently anchored in Captains Bay and parts of Unalaska Bay.

XI. RECOMMENDATION FOR THE ANNEXATION OF TERRITORY TO THE CITY OF UNALASKA

IN THE MATTER OF THE PETITION)
FOR ANNEXATION BY THE CITY OF)
UNALASKA, ALASKA OF)
APPROXIMATELY 1,294 SQUARE MILES,)
CONSISTING OF A PORTION OF)
UNALASKA ISLAND, AMAKNAK ISLAND,)
EGG ISLAND, HOG ISLAND,)
SEDANKA ISLAND AND THE TERRITORY)
THREE NAUTICAL MILES SEAWARD OF)
THESE ISLANDS)

SUMMARY OF PROPOSED ACTION

On August 21, 1985, the City of Unalaska petitioned for the annexation of approximately 1,294 square miles of territory contiguous to the City and described as Unalaska Island north of Township 76 and the islands of Sedanka, Hog, Egg and Amaknak, including the territory three nautical miles seaward from these islands. On January 4, 1986, the Local Boundary Commission conducted a public hearing in Unalaska on the petition. The petition was submitted pursuant to Section 29.66.010(a) of the Alaska Statutes (i.e. the process which requires concurrence from the Legislature).

The majority of the area proposed for annexation (approximately 60 per cent) is land, the remainder is water. The petitioner asserts that annexation will permit the City to provide needed urban services in an area where growth is anticipated and the City is the only logical entity to provide such services.

The territory is not urban in character. It is largely undeveloped and uninhabited open space and water, with a only four residents, according to the petitioner.

The petitioner asserts that there is a reasonable likelihood that portions of the territory will become further developed in the foreseeable future. This assertion is based upon the City's belief that there is a demand for vacant, developable land to meet the needs of the oil and bottomfish industries. The petitioner also referenced the interest of private sector developers in the commercial geothermal potential of the Makushin Volcano area, which is located in the area proposed for annexation.

During the course of its proceedings, the Commission considered testimony, both written and oral, including that provided by the Unalaska Corporation. The Unalaska Corporation, which is a primary land holder in the area proposed for annexation, contended that much of the territory proposed for annexation is



VI. RECOMMENDATION FOR THE ANNEXATION OF THE
GISSE-FURUSETH-SPEAR ADDITIONS TO THE CITY OF
KETCHIKAN

IN THE MATTER OF THE PETITION)
FOR ANNEXATION BY THE CITY OF)
KETCHIKAN, ALASKA OF)
APPROXIMATELY 59.609 ACRES)
CONSISTING OF THREE SEPARATE)
PARCELS, COLLECTIVELY DESCRIBED)
AS THE GISSE-FURUSETH-SPEAR)
ADDITIONS)

SUMMARY OF PROPOSED ACTION

On June 26, 1985, the City of Ketchikan petitioned for the annexation of three separate areas totalling approximately 59.609 acres of land contiguous to the City. The referenced petition was submitted pursuant to Section 29.68.013(a) of the Alaska Statutes (i.e. the process which requires Legislative concurrence).

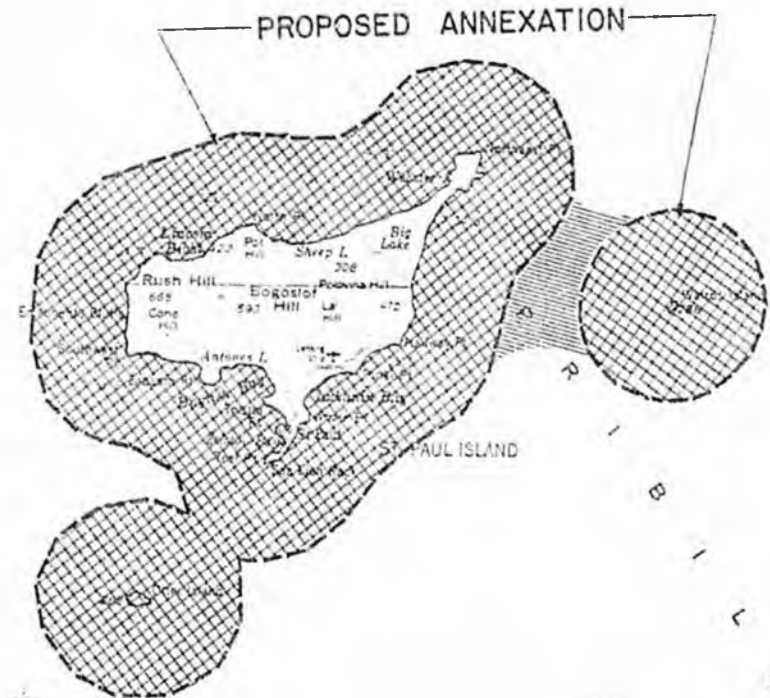
The territory proposed for annexation consists of the three parcels identified and described as follows and collectively described as the Gisse-Furuseth-Spear Additions:

1. the Furusetn Addition is in the northwest portion of the City adjacent to the University Addition and consists of 2.879 acres;
2. the Spear Addition, in the southeast part of the City, is virtually surrounded by property already within the boundaries of the City and consists of 0.47 acres; and
3. the Gisse-Furuseth Addition, an approved subdivision plat located near the Spear Addition, consists of 55.26 acres.

The Furusetn Addition is undeveloped and unpopulated. The Spear Addition is essentially one lot with a single-family dwelling, and it is almost entirely surrounded by territory within the City limits. The Gisse-Furuseth Addition is a 54 lot undeveloped subdivision, platted in the 1970's. The Gisse-Furuseth Addition is accessible by the Ketchikan Lakes Road, which also provides access to the sanitary landfill.

The petitioner states that its motive for proposing the annexation is to prepare for anticipated community growth and to resolve questions over service delivery.

The Gisse-Furuseth Addition is accessible, platted land which will be suitable for development as the demand for housing increases in the Ketchikan vicinity. The Furusetn Addition is undeveloped land which would be wholly surrounded by the City,



B E R I N G

become even more important with the expansion of outside fishing vessels using the St. Paul harbor as a base of operations.

10. The City will likely require additional revenue to provide basic services in the maritime territory proposed for annexation. If this territory is annexed, the City can collect a share of the raw fish tax revenues currently collected by the State for operations within the territory proposed for annexation.

CONCLUSIONS OF LAW

The annexation of territory described as the three mile nautical perimeter surrounding St. Paul Island, Walrus Island and Otter Island including Walrus Island and Otter Island to the City of St. Paul, as proposed in the petition of the City of St. Paul, sufficiently meets standards for annexation to warrant inclusion within the boundaries of the City of St. Paul.

STATEMENT OF DECISION

Based upon the Findings of Fact and Conclusions of Law stated above, IT IS ORDERED:

Upon tacit approval of the Second Session of the Fourteenth Legislature under the provisions of Article X Section 12 of the State Constitution, the jurisdictional boundaries of the City of St. Paul shall be as follows:

All of the territory contained within a three nautical (geographical) mile perimeter and lying above the mean low water line surrounding St. Paul Island, Sea Lion Rock, Walrus Island and Otter Island of the Pribilof Group at Latitude 57° 13' N and Longitude 170° 15' W.

The Local Boundary Commission hereby respectfully submits its recommendation to the Second Session of the Fourteenth Legislature for the annexation of the territory included in the above description and shown on the attached map.

if property owned by the University of Alaska is annexed by the City. The annexation of the University of Alaska's property has been requested by University officials, and a petition for annexation of the property has been approved by the Commission for submission to the Second Session of the Fourteenth Legislature. The Furusetn Addition is adjacent to City streets and residential development. Like the Gisse-Furusetn Addition, the Furusetn Addition will be suitable for development as the demand for housing increases in the Ketchikan vicinity. The Furusetn Addition is an undeveloped, unpopulated parcel surrounded on three sides by the proposed University Addition annexation, and on the fourth side by the territory within the boundaries of the City of Ketchikan. It is conveniently accessible only from territory within the municipal boundaries of the City of Ketchikan.

The Spear Addition consists of a 1/2 acre lot containing a single-family dwelling. The Spear Addition is, for all practical purposes, totally surrounded by territory already within the City. The Spear family receives City water and sewer service, access to its property over City streets, and benefits from City fire and police protection due to the proximity of its property to the existing boundaries of the City of Ketchikan.

FINDINGS OF FACT

In arriving at its findings, documents and evidence considered by the Commission included, but were not limited to, the petition of the City of Ketchikan, the Report and Recommendation of the Department of Community and Regional Affairs, the opposing brief from Edward King on behalf of the Furusetn Estate, and oral testimony provided at the November 24, 1985 hearing. After due consideration, the Commission finds that all three areas proposed for annexation conform to several of the regulatory standards governing annexation. The extent to which these standards are met is stated below.

1. Two of the three areas are urban in character pursuant to [19 AAC 10.070(a)(3)]. The Gisse-Furusetn Addition is judged to be urban in character principally because of its status as an approved subdivision plat and its potential for residential development. The Spear addition is urban in character because it is presently used for urban residential purposes.
2. All three areas are in need of municipal services which the City can provide more efficiently than another municipality [19 AAC 10.070(a)(4)]. These services include municipal sewer and water utilities, fire protection and police protection. Of the three areas, only the Spear Addition requires all of these services; the Gisse-Furusetn Addition requires only fire and police protection at this time.

3. The Furusetn Addition will be attractive for residential development as the demand for housing increases in the Ketchikan vicinity. There is a reasonable likelihood that future growth and development will occur within the territory and that annexation of the territory will enable the City to plan for and control that development [19 AAC 10.070(a)(5)].
4. Residents or property owners within the territory receive or may be reasonably expected to receive, directly or indirectly, the benefit of city government without commensurate property tax contributions [19 AAC 10.070(a)(8)]. This is particularly evident with respect to the Spear addition, the residents of which receive an entire range of basic city services without a concomitant tax contribution.
5. Further, the Commission considered the request by a representative of the Furusetn estate to reject the petition or to omit parcels owned in whole and in part by the Furusetn Estate. The Commission determined that this request should not be granted since the property in question met the above-referenced standards for annexation.

CONCLUSIONS OF LAW

The annexation of territory known as the Gisse-Furusetn-Spear Addition to the City of Ketchikan, as described in the petition of the City of Ketchikan, sufficiently meets standards for the annexation of territory to warrant inclusion within the boundaries of the City of Ketchikan.

STATEMENT OF DECISION

Based upon the Findings of Fact and Conclusions of Law stated above, IT IS ORDERED:

Upon tacit approval by the Second Session of the Fourteenth Legislature in accordance with the provisions of Article X Section 12 of the State Constitution, the territory described below shall be annexed to the City of Ketchikan:

Gisse-Furusetn Addition

That portion of U.S. Survey 2635, Ketchikan Recording District, First Judicial District, State of Alaska, more particularly bounded and described as follows:

Beginning at corner 7 of U.S. Survey 2635 as shown on recorded plat #77-43, said corner being a B.L.M. monument, and being in common with the eastern most corner of U.S. Survey 1381, this point being the point of beginning;

thence N-59°41'00"-W a distance of 275.88 feet;
thence N-31°01'00"-E a distance of 438.88 feet;

4. With respect to the capabilities of other municipalities to provide these needed services, the Commission noted that the only other municipality in the area is the City of St. George, which is located approximately 40 miles southeast of St. Paul. This situation is particularly relevant with respect to 19 AAC 10.070(a)(4).
5. Potential development in the territory proposed for annexation warrants the provision of municipal planning authority in the territory. Sufficient evidence exists that there will likely be continued development of both the fisheries industry and offshore oil industry within and adjacent to the area proposed for annexation. Currently, the bottom fishing industry is rapidly expanding in the Pribilof area.
6. In addition to the development of the onshore fish processing industry, there also exists the potential for increased offshore processing. It is reasonable to conclude that the City will both desire and require control over waters contiguous to the existing municipal boundaries since processors impact water quality and utilize certain City services and facilities. Offshore floating processors will likely impact the community by bringing in large numbers of transient workers who, in turn, place a demand on both emergency medical and local law enforcement services.
7. The City of St. Paul is currently a Coastal District established under the Alaska Coastal Management Program (ACMP). Under the ACMP, districts are authorized to develop a coastal management program for their area of jurisdiction. In the case of St. Paul, expansion of its municipal boundaries seaward three nautical (geographical) miles will extend the City's planning jurisdiction over that territory. Presently, the City only has jurisdiction for coastal management to the shoreline.
8. A portion of the territory proposed for annexation is now part of the Alaska Maritime National Wildlife Refuge and is protected by the Federal government. However, an extension of the City's municipal boundaries to include this area would allow the City to provide coastal management planning to regulate impacts upon the coastal resources contiguous to the Refuge. The Refuge is identified by the Alaska Department of Fish and Game as part of the same coastal biophysical area as St. Paul Island proper.
9. As previously stated, the residents of St. Paul use the waters surrounding the Island for day fisheries operations and subsistence activities. Because there are no U.S. Coast Guard rescue facilities on or near St. Paul Island, the City provides marine rescue services. If the City is to legally provide such services, the marine territory must be within its municipal boundaries. The service will

of the proposed annexation. After reviewing the testimony, briefs and other material, the Commission conducted a decisional session on the proposed annexation in Anchorage on December 9, 1985.

FINDINGS OF FACT

In arriving at its findings, documents and evidence considered by the Commission included, but were not limited to, the petition and supporting briefs of the City of St. Paul, the Report and Recommendation of the Department of Community and Regional Affairs, the opposing briefs from the Aleut Community of St. Paul and the Tanadusix Corporation, oral testimony provided at the November 24, 1985 hearing and information provided by Community and Regional Affairs staff after conducting an informational meeting in St. Paul on December 2, 1985. After due consideration, the Commission finds that all three areas proposed for annexation conform to several of the regulatory standards governing annexation. Following its deliberations on this matter, the Local Boundary Commission made the following findings of fact:

1. The City of St. Paul is now working toward diversifying the community's economy by reducing its dependence upon the seal harvesting industry and broadening the economic base of the community. To accomplish this, the City is developing a port facility to promote local development of the bottom fishing industry. St. Paul residents are investing in small boats and fishing off the coast of St. Paul Island. In addition, numerous other fishing boats and floating processors are operating immediately off the coast of St. Paul Island in the area proposed for annexation.
2. The City of St. Paul provides search and rescue operations and related services to the waters contiguous to its current municipal boundaries. However, the City does not have the authority to provide such services extraterritorially. If this territory is annexed, it will allow the City to continue such activity without the present liabilities associated with the lack of municipal jurisdiction. Testimony provided by the petitioner indicated that the City of St. Paul is involved in an average of at least two search and rescue missions per month. Thus the health, welfare or safety of City residents is endangered in the absence of such municipal jurisdiction.
3. The City of St. Paul also provides potable water to the floating processors and fishing boats operating offshore of the Island. As the fishing industry grows in the region, the City of St. Paul will be an increasingly important municipal service. To accommodate anticipated impacts, the City is currently preparing to develop alternative potable water sources.

thence N-64°52'00"-E a distance of 60.26 feet;
 thence N-85°16'00"-E a distance of 81.61 feet;
 thence N-70°22'00"-E a distance of 84.19 feet;
 thence N-33°56'00"-E a distance of 78.15 feet;
 thence S-38°42'00"-E a distance of 74.86 feet;
 thence S-59°18'00"-E a distance of 57.46 feet;
 thence S-73°59'00"-E a distance of 129.34 feet;
 thence N-29°21'17"-W a distance of 309.00 feet;
 thence N-47°23'23"-W a distance of 355.00 feet;
 thence N-6°40'44"-E a distance of 352.94 feet;
 thence North a distance of 87.00 feet;
 thence N-66°29'31"-W a distance of 239.64 feet;
 thence West a distance of 126.00 feet;
 thence N-39°13'00"-W a distance of 115.01 feet;
 thence North a distance of 178.24 feet;
 thence East a distance of 1311.97 feet;
 thence South a distance of 147.18 feet;
 thence East a distance of 460.35 feet;
 thence South a distance of 1623.60 feet;
 thence West a distance of 1483.68 feet to the point of beginning.

The hereinabove described parcel of land contains 55.26 acres, more or less.

Spear Addition

That parcel of land known as Tract A, U.S. Survey 2635, Ketchikan Recording District, First Judicial District, State of Alaska, more particularly bounded and described as follows:

Beginning at corner 1 of U.S.S. 2635 according to the official government plat thereof;
 thence S-21°47'-W a distance of 34.65 feet;
 thence East a distance of 116.94 feet;
 thence S-23°00'00"-W a distance of 140.89 feet;
 thence N-59°34'-W a distance of 255.40 feet;
 thence N-79°-15'-E a distance of 174.24 feet to the point of beginning.

The hereinabove described parcel of land contains 0.47 acres, more or less.

Furusetz Addition

The parcel of land known as Tract E, U.S. Survey 1229, as shown on recorded plat #84-6, Ketchikan Recording District, First Judicial District, State of Alaska, more particularly bounded and described as follows:

Beginning at the southeastern most corner of Tract E, said corner being in common with the northeastern most corner of Lot 12A, Block 6, U.S. Survey 1229, this being the point of beginning;

thence N-89°43' -W a distance of 299.83 feet;
 thence North a distance of 15 feet;
 thence N-89°43' -W a distance of 175.27 feet;
 thence along a curve concave to the South, (Radius=30
 feet) an arc distance of 23.24 feet;
 thence along a curve concave to the North (Radius=30
 feet) an arc distance of 77.38 feet;
 thence N-89°48' -W a distance of 100.42 feet;
 thence North a distance of 200.00 feet;
 thence S-89°48' -E a distance of 650.00 feet;
 thence South a distance of 200.00 feet to the point of
 beginning.

The hereinabove described parcel of land contains 2.879 acres,
 more or less.

The Local Boundary Commission hereby respectfully submits its
 recommendation to the Second Session of the Fourteenth
 Legislature for the annexation of the territory included in the
 above description and shown on the attached map.

X. RECOMMENDATION FOR THE ANNEXATION OF TERRITORY TO THE
 CITY OF ST. PAUL

IN THE MATTER OF THE PETITION)
 FOR ANNEXATION BY THE CITY OF)
 ST. PAUL, ALASKA OF APPROXIMATELY)
 194 SQUARE MILES CONSISTING OF)
 OTTER ISLAND, WALRUS ISLAND AND)
 THE TERRITORY THREE NAUTICAL)
 MILES SEAWARD FROM THESE ISLANDS)

SUMMARY OF PROPOSED ACTION

On July 11, 1985, the City of St. Paul petitioned the State of
 Alaska for the annexation of Otter Island, Walrus Island and
 the territory three nautical (geographical) miles seaward from
 these islands. The total area of the territory proposed for
 annexation is approximately 194 square miles, consisting of 193
 square miles of water and 1 square mile of land. The
 annexation was submitted pursuant to Section 29.68.010(a) of
 the Alaska Statutes (i.e. the process which requires
 concurrence from the State Legislature).

On November 7, 1985, the Commission held a public hearing on
 the petition in St. Paul. Chairman Robert Eder and
 Commissioners Greist, Hanson and Bettisworth participated in
 the hearing. Testimony was offered by eleven individuals.

The petitioner indicated that the proposed annexation is based
 upon the following assertions:

That a need exists to enhance the City's tax base by expanding
 its municipal boundaries seaward so that raw fish tax revenue
 paid to the State by floating fish processors operating
 immediately offshore of St. Paul Island may be shared with the
 City. That a need exists to control the impact upon the
 Community of development by the fishing and oil exploration
 enterprises on Walrus and Otter Islands and to control land use
 and development through planning in a larger area.

During the hearing, the Commission received testimony that the
 Aleut Community of St. Paul Island (IRA) and the Tanadusix
 Corporation, the major land holder in the area, oppose the
 proposed annexation.

The Commission considered briefs opposing the proposed
 annexation prepared on behalf of the Aleut Community of St.
 Paul Island and a response to the opposition brief filed by the
 City of St. Paul. In arriving at its decision, the Commission
 also considered the Report and Recommendation of the Department
 of Community and Regional Affairs on the proposed annexation,
 and an opinion by the Department of Law regarding the
 determination of the contiguity of Walrus Island in the context

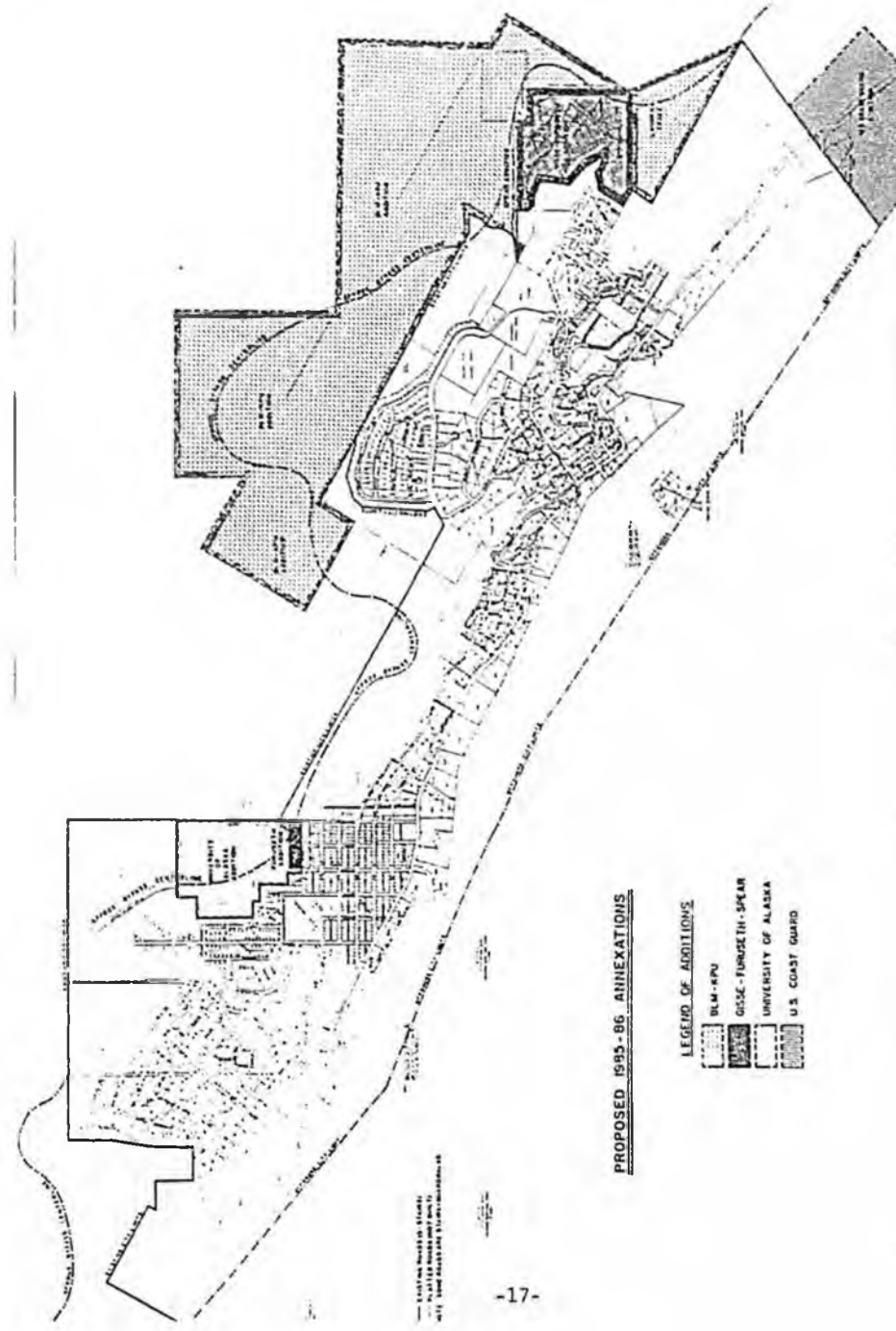
*Property Annexation
to City of North Pole*



ROEN
DESIGN ASSOCIATES
1000 W. 10TH AVENUE
ANCHORAGE, ALASKA 99501
TELEPHONE: 263-1111

Existing Area 2.51 sq. miles
Added Area 1.14 sq. miles
Total Area 3.65 sq. miles

--- Existing City Boundary
--- Signed City Boundary



PROPOSED 1985-86 ANNEXATIONS

- LEGEND OF ADDITIONS
- BLM-FPU
 - GASC-FUNDGETH-SPEAR
 - UNIVERSITY OF ALASKA
 - U.S. COAST GUARD

VII. RECOMMENDATION FOR THE ANNEXATION OF THE UNIVERSITY OF
ALASKA ADDITION TO THE CITY OF KETCHIKAN

IN THE MATTER OF THE PETITION)
FOR ANNEXATION BY THE CITY OF)
KETCHIKAN, ALASKA OF)
APPROXIMATELY 48.30 ACRES,)
UNIVERSITY OF ALASKA ADDITION)

SUMMARY OF PROPOSED ACTION

On June 26, 1985, the City of Ketchikan petitioned for the annexation of approximately 48.30 acres contiguous to the City. On November 24, 1985, the Local Boundary Commission held a public hearing in Ketchikan on the petition. The petition was submitted pursuant to Section 29.68.010(a) of the Alaska Statutes (i.e. the process which requires concurrence from the Legislature).

The area proposed for annexation to the City of Ketchikan is owned by the University of Alaska. A representative of the University, Ketchikan Community College Campus President Jonn Menzie, offered testimony in support of the proposed annexation. The University also submitted a letter supporting the proposed annexation. The petitioner has asserted that submission of the petition was predicated on assumptions that the parcel is likely to undergo development and that the City of Ketchikan is the most logical municipality to provide needed services to the site. Anticipated development is associated with the proposed expansion of the Ketchikan Community College campus and the addition of dormitory housing and additional classroom space. The territory also contains a portion of the Ketchikan by-pass route right-of-way, a proposed arterial linking the east and west portions of the City of Ketchikan.

The City is not now providing services to the property, but is the logical entity to provide services as a need develops. The City maintains a policy of providing services only within municipal boundaries. The Ketchikan Gateway Borough provides no special services to this area, except those which are provided areawide to all residents of the Borough: planning and zoning; taxation; education; and animal control.

FINDINGS OF FACT

In arriving at its findings, documents and evidence considered by the Commission included, but were not limited to, the petition of the City of Ketchikan, the Report and Recommendation of the Department of Community and Regional Affairs and oral testimony provided at the November 24, 1985 public hearing in Ketchikan. After due consideration, the Commission finds that the area proposed for annexation conforms to certain of the regulatory standards governing annexation. The extent to which these standards are met is stated below.

Further, the Commission considered the request of the IEC to omit the five acre parcel owned by IEC in Area #2. The Commission determined that this request should not be granted since the five acres met the same standards as the remainder of Area #2 and that the parcel would be surrounded on three sides by territory within the jurisdiction of the City of North Pole if the petition were amended to exclude the referenced parcel. The referenced parcel would also be geographically separated from territory outside municipal jurisdiction by the Thirtymile Slough.

Further, the Commission finds that the City of North Pole is capable of extending and is willing to extend full municipal services as defined by 19 AAC 10.840(9). As such, annexation pursuant to Section 29.68.010(a) of the Alaska Statutes is deemed the most appropriate procedure for this boundary change.

On the basis of the above findings, the Commission approved without modification the petition for annexation of approximately 1.14 square miles by the City of North Pole.

The Commission hereby respectfully submits its recommendation to the Second Session of the Fourteenth Legislature for the annexation of the territory described in the City of North Pole's petition of June 10, 1985, and shown on the attached map.

effectiveness of response to any such future emergencies (provision of fire protection services on an extraterritorial basis is not authorized by the Alaska statutes).

FINDINGS OF FACT

In arriving at its findings, documents and evidence considered by the Commission included, but were not limited to, the petition of the City of North Pole, the Report and Recommendation of the Department of Community and Regional Affairs, the opposing brief from IEC, the response brief from the City of North Pole, the petition bearing signatures of more than 1,300 individuals opposed to the annexation of IEC's businesses and oral testimony provided at the October 26, 1985 hearing. After due consideration, the Commission finds that all three areas proposed for annexation conform to several of the regulatory standards governing annexation. The extent to which these standards are met is stated below.

- Each of the three areas is urban in character [19 AAC 10.070(a)(3)]. Area #1 is judged to be urban in character principally because of its potential for development. Area #2 is urban in character because of its existing development north of the Morning Star Subdivision and potential for development of the Morning Star Subdivision. Area #3 is urban in character because of its extensive industrial development.
- All three areas are in need of municipal services which the City can provide more efficiently than another municipality [19 AAC 10.070(a)(4)]. These services include municipal sewer and water utilities, fire protection, police protection and road maintenance.
- There is a reasonable likelihood that future growth and development will occur within the territory and that annexation of the territory will enable the City to plan for and control that development [19 AAC 10.070(a)(5)].
- The health, welfare or safety of residents will likely be endangered by the lack of sewer and water utilities since the areas have a high water table [19 AAC 10.070(6)]. Further, the fuel handling facility in Area #2 poses a potential public danger.
- Residents or property owners within the territory receive or may be reasonably expected to receive, directly or indirectly, the benefit of city government without commensurate property tax contributions [19 AAC 10.070(8)]. This is particularly evident in the extension of fire protection services.
- Construction of an underpass of the Richardson Highway is currently underway which will more closely link Area #2 and the areas within the existing boundaries of the City of North Pole.

1. Anticipated development in the area will generate the need for municipal services which the City can provide more efficiently than another municipality, pursuant to [19 AAC 10.070(a)(4)]. These services would include municipal sewer and water utilities and fire protection.
2. There is a reasonable likelihood that future growth and development will occur within the territory and that annexation of the territory will enable the City to plan for and control that development pursuant to [19 AAC 10.070(a)(5)].
3. The University of Alaska has identified the site for future dormitory housing, and formally supports the proposed annexation. The Addition also abuts residential housing areas on two sides, and there are City streets and roads which lead to the site.

CONCLUSIONS OF LAW

The petition for annexation of territory known as the University of Alaska Addition to the City of Ketchikan, as described in the petition of the City of Ketchikan, sufficiently meets standards for annexation to warrant inclusion within the boundaries of the City of Ketchikan.

STATEMENT OF DECISION

Based upon the Findings of Fact and Conclusions of Law stated above, IT IS ORDERED:

Upon tacit approval by the Second Session of the Fourteenth Legislature in accordance with the provisions of Article X Section 12 of the State Constitution, the territory described below shall be annexed to the City of Ketchikan:

That portion of U.S. Survey 1229, Ketchikan Recording District, First Judicial District, State of Alaska, more particularly bounded and described as follows:

Beginning at Corner No. 2, the northeast corner of said U.S. Survey 1229, thence South 1591.27 feet to the true point of beginning:

thence West a distance of 1117.31 feet;
thence South a distance of 300.00 feet;
thence West a distance of 297.70 feet;
thence South a distance of 856.12 feet;
thence S-89°48'-E a distance of 236.46 feet;
thence S-0°12'-W a distance of 100.00 feet;
thence S-89°48'-E a distance of 245.00 feet;
thence S-0°12'-W a distance of 440.00 feet;
thence S-89°43'-E a distance of 161.92 feet;
thence South a distance of 200.00 feet;
thence S-89°48'-E a distance of 36.21 feet;

thence North a distance of 200.00 feet;
 thence S-89°48'-E a distance of 650.00 feet;
 thence South a distance of 200.00 feet;
 thence S-89°48'-E a distance of 37.31 feet;
 thence North a distance of 1901.07 feet to the true
 point of beginning.

The hereinabove described parcel of land contains 43.30 acres,
 more or less.

The Local Boundary Commission hereby respectfully submits its
 recommendation to the Second Session of the Fourteenth
 Legislature for the annexation of the territory included in the
 above description and shown on the attached map.

IX. RECOMMENDATION FOR THE ANNEXATION OF TERRITORY TO THE
 CITY OF NORTH POLE

SUMMARY OF THE PROPOSED ANNEXATION

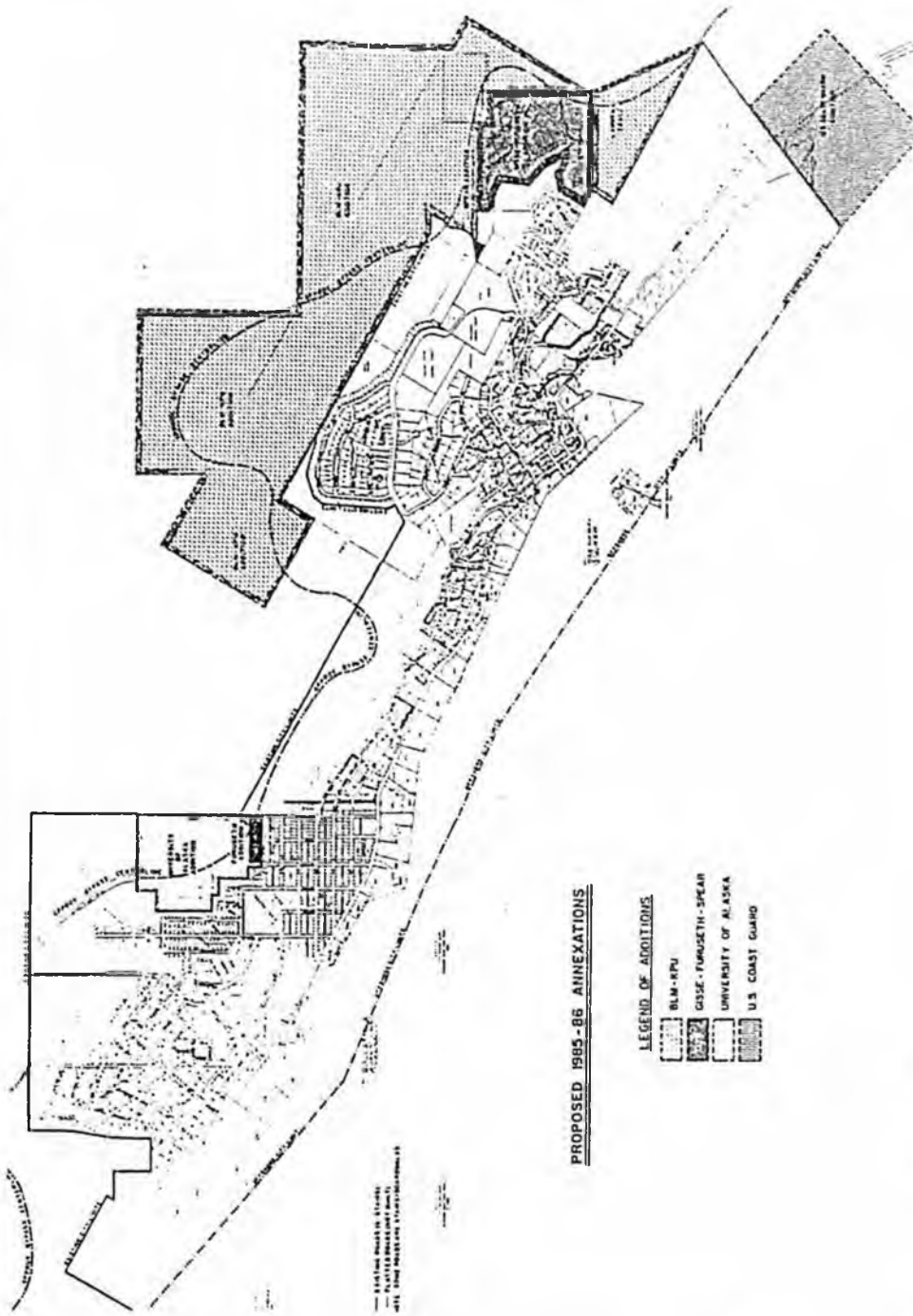
On June 10, 1985, the City of North Pole petitioned for the
 annexation of three separate areas totalling approximately
 729.6 acres (1.14 square miles) of land contiguous to the
 City. The annexation proposal was made pursuant to Section
 Article X Section 12 of the State Constitution (i.e. the
 process which requires concurrence from the State Legislature).

The first of these three separate areas, referred to as
 Area #1, is northwest of the existing municipal boundaries and
 is comprised of approximately 605 acres (0.95 square miles).
 This territory consists primarily of undeveloped parcels of
 land ranging in size from 5 to 110 acres. Testimony provided
 to the Commission at its hearing conducted on this matter in
 North Pole on October 26, 1985, indicated that a majority of
 the land owners in Area #1 support the proposed annexation.

The area referred to as Area #2 is east of the existing
 municipal boundaries and is comprised of approximately 73 acres
 (0.11 square miles). Area #2 contains the Morning Star
 Subdivision and several parcels with small businesses north of
 the subdivision. The owner of the subdivision supports the
 proposed annexation. However, the Interior Energy Corporation
 (IEC), which owns a number of businesses in this area, opposed
 the proposed annexation. IEC's property holdings in Area #2
 include a shopping mall, truck stop and fuel sales facility.
 In addition to submitting a brief opposing the proposed
 annexation, IEC representatives offered considerable oral
 testimony at the October 26 hearing on the petition by the
 Local Boundary Commission. The IEC opposition brief requested
 that the Commission deny the petition, "or alternatively, (deny
 the petition) insofar as it applies to the portion of proposed
 Area #2 north of the Morning Star Subdivision."

During the course of its deliberations, the Commission duly
 considered the brief and oral testimony relating to the
 annexation of that portion of Area #2 owned by IEC.

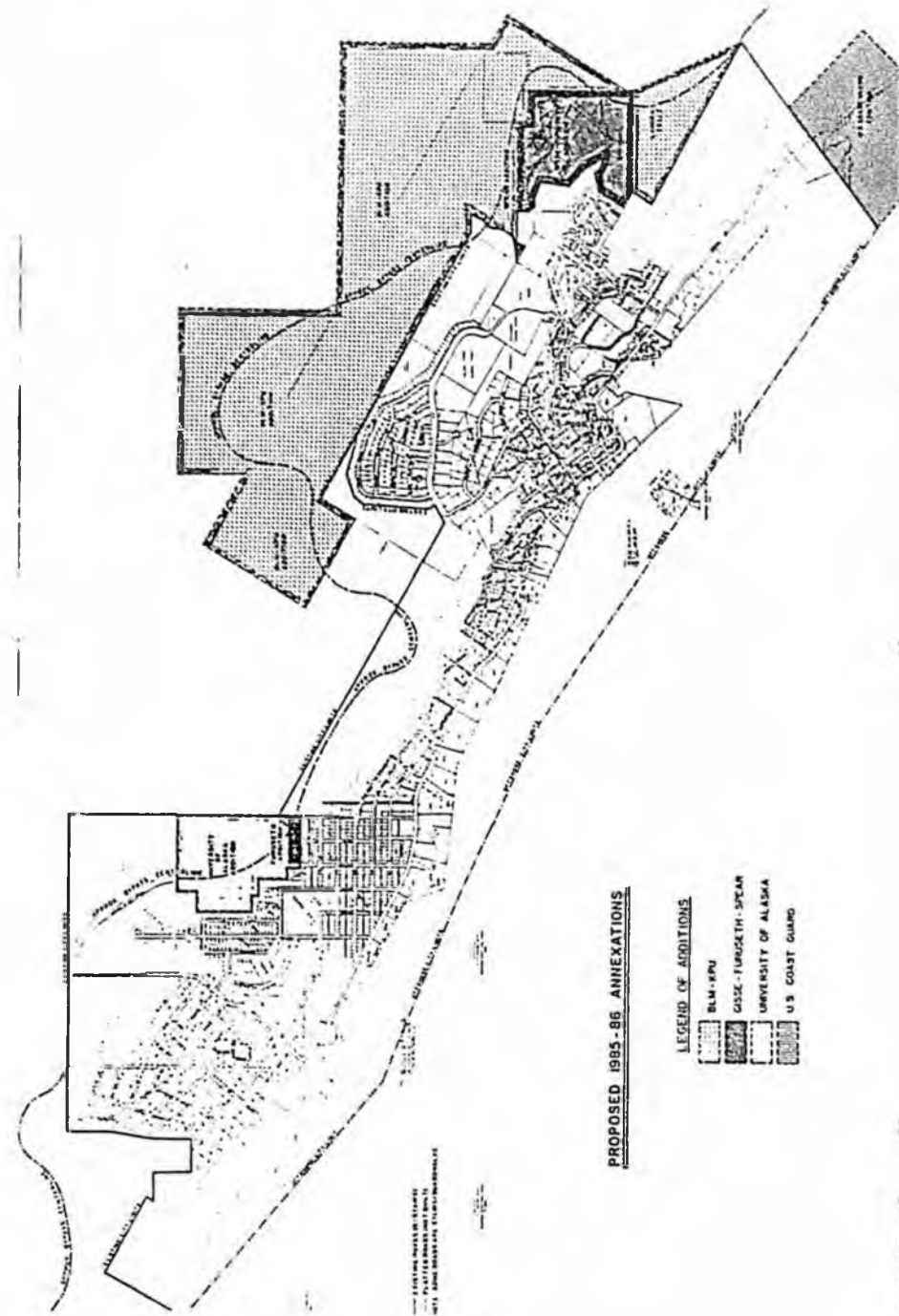
The area referred to as Area #3 is south of the existing
 municipal boundaries and contains approximately 51 acres
 (0.08 square miles). Area #3 contains the recently constructed
 Petro Star refinery, the owners of which have expressed support
 for the proposed annexation, both in writing to the City of
 North Pole and in oral testimony before the Commission. At the
 public hearing on the petition conducted by the Commission on
 October 26, 1985, a representative of the Petro Star refinery
 testified concerning a recent fire at the facility and the need
 for municipal fire protection at the facility to maximize



PROPOSED 1985-86 ANNEXATIONS

LEGEND OF ADDITIONS

- BLM-RFU
- GSSE-FURGETH-SPEAR
- UNIVERSITY OF ALASKA
- U.S. COAST GUARD



PROPOSED 1985-86 ANNEXATIONS

LEGEND OF ADDITIONS

- BLM-RFU
- GSSE-FURGETH-SPEAR
- UNIVERSITY OF ALASKA
- U.S. COAST GUARD

VIII. RECOMMENDATION FOR THE ANNEXATION OF THE U.S. COAST
GUARD ADDITION TO THE CITY OF KETCHIKAN

IN THE MATTER OF THE PETITION)
FOR ANNEXATION BY THE CITY OF)
KETCHIKAN, ALASKA OF)
APPROXIMATELY 121.31 ACRES)
DESCRIBED AS THE U.S. COAST GUARD)
ADDITION)

SUMMARY OF PROPOSED ACTION

On June 26, 1985, the City of Ketchikan petitioned for the annexation of approximately 121.31 acres contiguous to the City. The petition was submitted pursuant to Section 29.68.010(a) of the Alaska Statutes (i.e. the process which requires Legislative concurrence).

51.24 acres of the 121.31 acres proposed for annexation to the City of Ketchikan are currently within the confines of the U.S. Coast Guard Base in Ketchikan. The remaining acreage consists of coastal waters contiguous to existing offshore City of Ketchikan municipal boundaries. The existing City boundaries already encompass 9.23 acres of the Coast Guard Base's total 60.47 acres. The Base contains a variety of facilities including the Base Commander's residence, dormitory housing for the 32 enlisted personnel, buoy storage, munitions storage, rifle range, equipment storage and vacant land. The annexation would result in the addition of 32 residents to the City of Ketchikan. The existing municipal boundaries pass through the middle of a warehouse on the base.

FINDINGS OF FACT

In arriving at its findings, documents and evidence considered by the Commission included, but were not limited to, the petition of the City of Ketchikan, the Report and Recommendation of the Department of Community and Regional Affairs and oral testimony provided at the November 24, 1985 hearing. After due consideration, the Commission finds that the area proposed for annexation conforms to two of the regulatory standards governing annexation. The extent to which these standards are met is stated below.

1. The area is urban in character pursuant to [19 AAC 10.070(a)(3)]. The Coast Guard Addition is judged to be urban in character principally because of the status of the most of the area as an operating Coast Guard facility and the residence of 32 Coast Guard personnel.
2. The area is in need of municipal services which the City can provide more efficiently than another municipality [19 AAC 10.070(a)(4)]. These services include municipal sewer and water utilities and fire protection.

CONCLUSIONS OF LAW

The territory proposed for annexation, known as the Coast Guard Addition, sufficiently meets standards for annexation to warrant inclusion within the boundaries of the City of Ketchikan. However, if approved as requested, the proposed annexation would create a 2.3 acre enclave outside the jurisdiction of the City which would be nearly surrounded by territory within the jurisdictional boundaries of the City. It is the conclusion of the Commission that such circumstances would likely cause difficulties in the delivery of municipal services. After reviewing the petition and conducting a hearing on the proposed annexation, the Local Boundary Commission concludes that the boundaries of the territory proposed for annexation shall be reduced to 85.59 acres to preclude the creation of the enclave.

STATEMENT OF DECISION

Based upon the Findings of Fact and Conclusions of Law stated above, IT IS ORDERED:

Upon tacit approval by the Second Session of the Fourteenth Legislature under the provisions of Article X Section 12 of the State Constitution, the territory described below shall be annexed to the City of Ketchikan:

A parcel of land within the Ketchikan Recording District, First Judicial District, State of Alaska, more particularly bounded and described as follows:

Beginning at Corner 2 of U.S. Survey 1667 Ketchikan Lighthouse Reserve as shown on the official government plat thereto;

thence S-43°58'-E a distance of 441.72 feet to the true point of beginning;
thence S-43°58'-E a distance of 1702.52 feet;
thence S-46°06'-W a distance of 1986.44 feet;
thence N-48°28'-W a distance of 1927.73 feet;
thence N-51°57'-E a distance of 2149.14 feet; to the true point of beginning

The hereinabove described parcel contains 85.59 acres.

The Local Boundary Commission hereby respectfully submits its recommendation to the Second Session of the Fourteenth Legislature for the annexation of the territory included in the above description and shown on the attached map.

Fight erupts over borough

Times
1/9/86

by Beth Barrett
Times Writer

The battle over the huge Red Dog mineral deposit and adjacent Arctic lands in northwest Alaska has turned into a high stakes financial battle between two Eskimo groups.

A hearing before the state Local Boundary Commission in Anchorage Wednesday dealt as much with Wall Street matters, the plans of an international corporation, and complicated tax matters as it did with local government concerns.

The fight between North Slope Borough leaders and the advocates of a new Kotzebue-based borough concerns 2.1 million acres, including the Red Dog lead and zinc deposit.

The land is now controlled by the North Slope, but at least 4 percent of the property — and the mineral deposit — is owned by the native NANA Regional Corp.

Advocates of the new Northwest Arctic Borough, led by NANA president-elect Willie Hensley, want the state to detach the mine and surrounding vacant lands from the North Slope Borough.

The proposed Red Dog Mine, to be developed by Cominco Alaska, a subsidiary of Canadian-based Cominco Ltd., would become the heart of the infant borough's tax base, he said.

North Slope Borough leaders said they don't want to give up

See Red Dog, page A-10

Red Dog mine sparks fight

Continued from page A-1

the land, because any change in the borough's tax base would scuttle attempts to improve the borough's fragile bond rating. The borough's rating dropped to triple B in the summer of 1983 when it was revealed that spending practices had resulted in a \$1.2-billion debt.

North Slope Borough finance director Jim Sharpe said the borough's efforts to get an A rating by this summer may hinge on retaining Red Dog within borough borders. Regardless, Sharpe said the borough will pay off its debt by 1996 — about a decade sooner than originally planned.

Hensley said the natives living in the Kotzebue region deserve the same advantages North Slope Borough natives won when their borough was formed in 1972. He said the Northwest Arctic Borough's tax base would be modest — \$250 million when the mine is operating — compared to the North Slope's massive Prudhoe Bay oilfield tax base.

"If anyone has any doubts who is reaching for the tax box, the North Slope Borough has a tax base of \$12.1 billion," Hensley said.

Mark Gardiner, a bond consultant for the state, said the North Slope Borough's bond rating isn't going to be altered by the loss of the mineral deposit. He said the borough has always

relied for credit on oil and gas properties. The borough's large debt is the primary reason for its lower bond rating, he said.

Bob Richards, an Anchorage banker and Republican candidate for governor, testified at the hearing that financial investors are sensitive to changes in boundaries, and that Alaska has a questionable reputation for stability. He said the North Slope Borough has legitimate concerns about the detachment: "It is not crying wolf."

"The question is, to what extent are we able to covet our neighbors' property?" Richards asked.

Hensley and North Slope Mayor George Ahmaogak traded charges on nearly every aspect of the proposed detachment, questioning one another's motives, debating the history of the two native groups, and arguing over the way the North Slope Borough has treated residents living in its remote areas.

Ahmaogak asked, "How can you give away a quarter of a billion dollars to a corporation (NANA, the native for-profit corporation)?" Ahmaogak said he was further upset when NANA representatives asked the North Slope to suspend its planning and regulatory powers for three years while Red Dog was being developed.

Ahmaogak said it appeared advocates for the new borough

just wanted to create a favorable regulatory and tax climate for Red Dog.

Hensley said, "I object to Mayor Ahmaogak's portrayal of this as a greedy reach for profits. I resent the portrayal of this as some corporate scheme of some sort."

The NANA leader said the proposal that North Slope regulations be temporarily suspended was simply a "bargaining tool." Hensley said he knew it was impossible not to regulate the mine.

Citing difficulties with North Slope Borough planning procedures, Hensley said the advocates of a new borough wanted to oversee Red Dog in the early stages and did not want to have to depend on the borough.

Hensley said a petition to form the new borough has already been signed by 700 residents and submitted to the state.

The hearings were continuing today in Noatak and Kotzebue. The commission will go to Point Hope and Barrow Friday. An 11 a.m. hearing in Fairbanks Saturday will conclude the series.

Emil Notti, commissioner of the Department of Community and Regional Affairs, submitted the petition for the detachment because there was no Arctic government to do so. The state is supporting the detachment, and says it encourages local government formation, especially in rural Alaska.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

LOCAL BOUNDARY COMMISSION

949 EAST 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508
PHONE: (907) 561-8586

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JAN 10 RECD December 23, 1985

- Members:
- Robert Eder
Chairman
 - Josephine Anderson
First Judicial District
 - Bert Greist
Second Judicial District
 - Dave Hanson
Third Judicial District
 - Charles Bettisworth
Fourth Judicial District

The Honorable Edna DeVries
State Senator
P.O. Box 321
Palmer, Alaska 99645

Dear Senator DeVries:

As you know, the Alaska Local Boundary Commission has scheduled a series of public hearings on the petition to detach territory from the North Slope Borough. As indicated on the attached notice, the first hearing will begin at 10:00 a.m., January 8, 1985, in Anchorage.

It is the Commission's intention to make the most efficient possible use of the limited time available for the subsequent hearings scheduled in Barrow, Kotzebue, Noatak and Pt. Hope. To this end, I request that to the extent possible, official statements of organizations should be given at the Anchorage hearing. In order to receive testimony from as many individuals as possible, the petitioner (the Department of Community and Regional Affairs), and the respondent (the North Slope Borough) are requested to make their complete statements at the January 8 meeting. At each subsequent hearing, the petitioner and respondent will be requested to restrict their comments to a maximum of fifteen minutes. I would also appreciate it if interested parties would attempt to avoid redundant statements. I have directed staff to plan to provide, in the initial stages of each hearing, a brief summary of testimony received to date in order to ensure continuity in the testimony.

Individuals wishing to comment to the Commission via teleconference should submit those comments, when possible, in their respective region. For example, a person residing in Ambler who wishes to comment upon the proposed detachment by teleconference should do so when the Commission receives teleconference testimony in Kotzebue. Similarly, residents of Wainwright would most appropriately offer their comments via teleconference at the Barrow hearing.

Edna DeVries
December 23, 1985
Page 2

Thank you for your cooperation in this matter.

Sincerely,

Jan Kow
for
Robert Eder

Robert Eder
Chairman

Enclosure: Notice of Public Hearings/Meetings

ALASKA LOCAL BOUNDARY COMMISSION
NOTICE OF PUBLIC HEARINGS/MEETINGS

JAN 10 RECD

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Notice is hereby given that the Alaska Local Boundary Commission will hold a series of public hearings and meetings to consider and act upon the petition by the Alaska Department of Community and Regional Affairs for the detachment of approximately 3,298 square miles from the North Slope Borough.

The hearings will be subject to the procedures outlined in 19 AAC 10.420. The Chairman of the Local Boundary Commission may impose reasonable limitations of the time allotted to each speaker and may curtail repetitive and irrelevant statements.

The hearings are scheduled to occur as follows:

- JANUARY 8, 1986 - 10:00 A.M. at the following location:
University Plaza Building
949 East 36th Avenue, Suite 404
Anchorage, Alaska
- JANUARY 9, 1986 - 10:00 A.M. at the following location:
Noatak School
- JANUARY 9, 1986 - 7:00 P.M. at the following location:
Kotzebue Senior Citizens Center

This hearing will also be conducted using telephonic communications (conference telephones) at the following locations:

Kivalina - McQueen School
Ambler - City Office Building
Shungnak - Shungnak School
Noorvik - Noorvik High School
Selawik - IRA Conference Room
Buckland - Buckland School
Deering - Deering School
Kiana - Kiana Elementary School

- JANUARY 10, 1986 - 10:00 A.M. at the following location:
Point Hope High School Library
- JANUARY 10, 1986 - 7:00 P.M. at the following location:
Barrow High School Auditorium

This hearing will also be conducted using telephonic communications (conference telephones) at the following locations:

Anaktuvuk Pass - Anaktuvuk Pass School
Atkasuk - Atkasuk School
Nuiqsut - Nuiqsut School
Point Lay - Cully School
Wainwright - Alak High School
Kaktovik - Kaktovik School

Following the hearings, the Commission will conduct a decisional session in Fairbanks as follows:

- JANUARY 11, 1986 - 11:00 A.M. at the following location:
Noel Wien Library Auditorium
1215 Cowles Street
Fairbanks, Alaska

The Commission may, in its discretion, conduct additional meetings concerning this matter. Notice of any additional meetings will be provided to the greatest extent practicable. Individuals wishing to receive notice of such meetings should write or telephone the following individual (collect calls will be accepted):

Linda Sandison
Municipal and Regional Assistance
Department of Community and Regional Affairs
949 East 36th Avenue
Anchorage, Alaska 99508
Telephone: (907) 561-8586

If, for any reason, (e.g. transportation delays, telephonic communication equipment malfunction, inadequate meeting room capacity, etc.), the Local Boundary Commission is unable to conduct a hearing/meeting at the time and/or place specified in this notice, the hearing/meeting will be delayed until later that day or will be rescheduled to a new date, as early as is practicable. Notice of such delay or rescheduling will be formally provided at the time and location of the hearing/meeting as originally scheduled.

The Commission may, in its discretion, consider matters other than those referenced above.

For further information or a copy of the meeting agenda, contact Gene Kane, Staff Assistant to the Local Boundary Commission, at the telephone number or address listed above (collect calls will be accepted).

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REPORT TO THE LOCAL BOUNDARY COMMISSION
ON THE PETITION TO DETACH CERTAIN LANDS
FROM THE NORTH SLOPE BOROUGH

Gordon S. Harrison
Office of Management and Budget
State of Alaska

January 3, 1986

Report To The Local Boundary Commission
On The Petition To Detach Certain Lands
From The North Slope Borough

I. Introduction

In a memorandum dated November 20, 1985 (Attachment 1), the Commissioner of the Department of Community and Regional Affairs (DCRA) delegated to me the responsibility of preparing a report to the Local Boundary Commission under 19 AAC 10.570 on the petition before the Commission regarding the detachment of certain lands from the North Slope Borough. This document is my report on the matter, in accordance with that delegated responsibility.

II. Summary and Background of Petition

The petition for detachment submitted to the Local Boundary Commission by DCRA seeks to detach approximately 3,298 square miles of territory from the North Slope Borough. The proposed detachment area includes the Red Dog Mine development site, several other known mineral deposit areas, and additional

lands. The petition asks that any decision in favor of detachment take effect only upon the incorporation of a borough within the Northwest Alaska Native Association (NANA) region, which borough shall include the proposed detachment territory.

The Red Dog Mine development site is the most noteworthy feature of the territory proposed for detachment. The mine site is located on land principally owned by NANA Regional Corporation, Inc., and is slated for joint development by NANA and Cominco Alaska, Inc. The mine site occupies approximately 1,336 acres (2.1 square miles) of a total 2.1 million acres (3,298 square miles) proposed for detachment. If developed, the mine is expected to create approximately three hundred and fifty to four hundred jobs and have a lifespan of approximately fifty years.

The territory proposed for detachment, particularly the Red Dog Mine development site, also bears directly on a separate proposal which may soon come before the Local Boundary Commission. This proposal is for the creation of a borough for the NANA region, to be called the Northwest Arctic Borough. NANA region representatives, who view the proposed detachment as essential for the proposed borough's viability, currently are preparing an incorporation petition for the proposed borough.

During the past three years, NANA region representatives and North Slope Borough representatives met on a number of occasions to discuss the possibility of detaching the Red Dog Mine site and additional lands from the North Slope Borough. Also, several public workshops and hearings on the matter were held in the Kotzebue and Barrow areas. (Details on the discussions and hearings involved can be found in the detachment petition, briefs, and attachments.) These discussions and meetings were not sufficient to resolve the question of detachment, however. On October 1, 1985, North Slope Borough residents voted against a proposition for detachment in a borough-wide advisory (non-binding) referendum. On November 22, 1985, DCRA submitted its petition for detachment to the Local Boundary Commission.

Ordinarily, DCRA reviews all petitions submitted to the Local Boundary Commission. Because DCRA is the Petitioner in the present case, however, the Office of Management and Budget, Division of Strategic Planning, was designated to serve as the reviewing agency.

Review requirements for Local Boundary Commission petitions encompass two levels of review. One is a compliance review (required under 19 AAC 10.520), to assure that the petition and accompanying brief submitted to the Commission are in the proper form and contain the factual information required by existing regulations (19 AAC 10.450-530). I fulfilled this

review requirement in my November 22, 1985, memorandum to the Petitioner, which held that the DCRA petition substantially complied with established form and content requirements (Attachment 2).

The second level of mandatory review is a report (required under 19 AAC 10.570) to the Local Boundary Commission on the boundary change proposed by the petition. The report must summarize the issues raised in the petition and briefs, comment on issues relevant to the proposed action, and contain recommendations to the Commission. The present report fulfills this requirement.

III. Discussion of Petition

I have carefully reviewed the DCRA petition, the brief supporting the petition and attachments thereto, the briefs and attachments submitted by the NANA Regional Corporation and the North Slope Borough, and the reply of the Petitioner to the opposing brief by the North Slope Borough. Further, I have independently researched certain issues raised in the petition, such as the designation of the southern boundary of the North Slope Borough and the potential public financial impact of detachment on the North Slope Borough.

There are two aspects to the detachment proposal: one is substantive, and the other is procedural. Careful consideration must be given to each aspect, as each conditions the recommendation made in this report.

A. Substantive Aspects

From a substantive point of view, I believe that a persuasive case exists for the proposed detachment. The case is based on considerations of equity, and is discussed below.

The North Slope Borough has access to public wealth that, when viewed in per capita terms, is staggering. The tax base of the North Slope Borough currently exceeds \$12 billion, for example, while the number of its permanent residents is less than 8,000. The magnitude of such wealth is indicated by the fact that the Borough's 1984 per capita assessed value exceeded the statewide average per capita assessed value by a factor of 12, and the per capita assessed value of the Anchorage Municipality by a factor of 18. Further, it is expected that the North Slope Borough tax base will continue to increase at least through the end of this decade, and may exceed \$16 billion by the early 1990's.