

ALASKA LEGISLATURE COMMITTEE FILES 1985-1986 86/2

3831 SCRA LOCAL BOUNDARY COMMISSION (FILE 3) 707

MATANUSKA-SUSTINA BOROU
USGS MAP 1973



Eagle River Star 1/23/86

— EDITORIALS —

Councils play important role

The municipal planning commission last week approved an Eagle River rezoning petition despite opposition from neighbors and a unanimous vote (12-0) from the area's community council.

We are concerned, not that the commission based its decision on other criteria than those which led the council to its vote, but with a commission member's opinion regarding councils. Commissioner Alicia Iden dismissed the council vote, saying community councils were not intended to be "another layer of government."

COMMUNITY COUNCILS ARE provided for in the charter which is the basis for local government in the Municipality of Anchorage. While Chugiak - Eagle River residents were vehemently opposed to the charter which Anchorage residents succeeded in passing in 1976, many local people had a hand in its preparation.

Having thrice staved off unification during the preceding decade under the banner "It Ain't Writ Rite," they wanted to insure that charter provisions offered the least possible damage. The charter finally did worm its way through the back door and Chugiak - Eagle River residents are happy that their work provided some safeguards.

One of those safeguards is the community council provision. If not the most important item in the charter (retaining the service area concept was the top priority), it certainly is at the head of the list.

COMMUNITY COUNCIL IMPORTANCE was so great, in fact, that they are listed in a so-called Bill of Rights. Third of 13 is "the right to establish local community councils to assure maximum community self-determination, exercised in conjunction with others and without infringement upon the rights of other persons."

That importance is further borne out in Article VIII, which deals exclusively with councils. It reads, "The Assembly by ordinance shall provide for establishment of community councils to afford citizens an opportunity for maximum community involvement and self-determination. The ordinance shall include procedures for negotiation between the local government and each community council with respect to the duties and responsibilities of the community council."

If you want to find the planning commission's place in the charter, look to Article XII, Planning. Section one says, "The Assembly by ordinance shall adopt and implement, and from time to time modify, a comprehensive plan setting forth goals, objectives, and policies governing the future development of the municipality." The next section, in just 11 words, deals with the planning commission: "There shall be a planning commission constituted as provided by ordinance." Don't bother looking in the Bill of Rights. The planning commission isn't listed there.

NOT ALL COUNCILS throughout Anchorage are effective. None is as active as any of the six Chugiak - Eagle River area councils. Residents here take an interest in what goes on around them. They participate in their councils. Their councils should be given the consideration they deserve.

Councils are not a layer of government. They have no power. But they are the only unified voice residents can have in laying a neighborhood viewpoint before government decision-makers. When you're stuck in one end of a megalopolis, you need all the help you can get to let the folks who occupy the city tower know things look a little different on this side of the mountain.

Forming a separate borough

People in the Kotzebue area gained an historic victory Monday when the state's local boundary commission granted their petition to separate themselves from the North Slope Borough and form a local government unit of their own.

It was something this community tried unsuccessfully to do a decade ago. Arguments for this week's action echo those raised here.

THE KOTZEBUE PEOPLE are benefitting from work done by Chugiak - Eagle River residents. When our petitions were rejected, there were no regulations under which the move could be accomplished.

Ed Willis, then a member of the state senate, gained legislative changes and pushed the administration to promulgate regulations. Attorney Vince Vitale worked with the state to come up with the wording covering detachment of an area from a borough and creation of a separate borough.

The desire to regain independence continues to be expressed here. It is a desire which probably can never come true now that the city is so firmly entrenched in this community.

WE REJOICE FOR the new borough in Northwest Alaska. We are glad to have been able to do something to help pave the way for their success. We watch with interest as they move forward.

ALASKA LOCAL BOUNDARY COMMISSION
NOTICE OF PUBLIC HEARINGS/MEETINGS

Yonnie
DEC 19 1986

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).

Yonnie

STATE OF ALASKA
LOCAL BOUNDARY COMMISSION

Rec'd 1/16/86

SUMMARY OF ACTION
FINDINGS OF FACT
STATEMENT OF DECISION

IN THE MATTER OF THE DISSOLUTION)
OF THE CITY OF AKIACHAK,)
ALASKA, A CITY OF THE SECOND)
CLASS:)
_____)

SUMMARY OF PROPOSED ACTION

Sixty-two individuals registered to vote in Akiachak petitioned for dissolution of the community's second class city government, pursuant to Section 29.68.500-580 of the Alaska Statutes.

The City of Akiachak has a recorded population of 451 (according to 1985 state revenue sharing records) and municipal boundaries encompassing approximately 12 square miles.

The Commission conducted a hearing on the petition at the Akiachak Contract School on March 2, 1985. The Commission held a decisional session on the petition in Anchorage on May 18, 1985. Members of the Commission participating in the May 18 decisional session were Chairman Gillian Smythe, Bert Greist, Charles Bettisworth and Josephine Anderson. At the May 18 meeting, the Commission voted to reject the petition for dissolution. On August 2, 1985, the Commission agreed to reconsider its denial of the petition at the request of the petitioners' representative.

Accordingly, the Commission met on November 9, 1985, and again examined whether the petition conformed to the standards for municipal dissolution. Members of the Commission participating in the reconsideration were Chairman Robert Eder, Bert Greist, Charles Bettisworth and Dave Hanson.

FINDINGS OF FACT

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

I. THE PETITIONERS HAVE ADEQUATELY DEMONSTRATED THAT THE CITY IS FREE OF DEBT OR THAT THE CITY HAS SATISFIED EACH OF ITS CREDITORS AS REQUIRED BY SECTION 29.68.520 (1) OF THE ALASKA STATUTES.

In making this determination, the Commission is charged with ascertaining whether the City is free of debt, or if in debt, whether each of its creditors are satisfied with a method of repayment. A city may not be legally dissolved unless it is free of bonded or other indebtedness, or else has a plan to repay its creditors which has been approved by the creditors.

On the basis of information provided to the Commission by representatives of the petitioners for dissolution of the City of Akiachak, the Commission is satisfied that the City of Akiachak's debts have been adequately identified. Good faith efforts had been made to identify and satisfy all known obligations. Obligations (including a debt to the Internal Revenue Service) had been met. The Department of

Community and Regional Affairs had previously recommended in its report to the Local Boundary Commission that a complete financial audit be conducted of the assets and liabilities of the City of Akiachak. However, due to the unavailability of funds, the recommended audit was not undertaken, but the Department informed the Commission that it had received no indication that any outstanding municipal debts remained. It was the conclusion of the Commission that the responsibility for satisfaction of debts had been fulfilled by the petitioners for dissolution of the City of Akiachak.

Therefore, the Commission finds that this standard for dissolution of the City of Akiachak has been met.

II. THE CITY STILL MEETS THE MINIMUM STANDARDS PRESCRIBED FOR CORPORATION.

In making this determination, the Commission is charged with considering whether the community still has the human and financial resources necessary to provide local services, whether the population of the community is stable enough to support local government, whether there is a demonstrated need for local government and whether the boundaries of the City include all areas necessary to provide municipal services on an efficient scale.

Documents had been submitted to the Department of Community and Regional Affairs indicating that funds had been received and expended by the City of Akiachak for the purpose of providing municipal services during the most recent two year period.

No reference was given nor specific indication made in any testimony provided to the Commission that the community had suffered any significant population decrease or that the population of the community was not stable enough to support local government. Nor was it demonstrated that the community lacked the financial or human resources necessary to support local government. Further, it was determined that there is a continued need for the provision of basic municipal types of local government services in Akiachak.

While it has been amply demonstrated that dissolution of the City of Akiachak and the vesting of all local government powers in the local IRA Council is strongly desired by the petitioners, there are numerous communities in Alaska which enjoy the benefits of both IRA Councils and municipal governments. It has not been adequately demonstrated that the existence of an active IRA Council in the community is necessarily incompatible with the existence of a functioning municipal government in the community. The Commission determined that it has also not been demonstrated that the potential ramifications of municipal dissolution on the provision of basic municipal services to all Akiachak residents, both present and future, were adequately considered by the petitioners.

In summary, the Commission determined that while an argument may be made that the City of Akiachak may have technically failed to fully function as a municipal government in the recent past, the community of Akiachak still clearly meets the minimum standards for municipal incorporation set forth in Section 29.18.011 of the Alaska Statutes.

In its deliberations, the Commission noted that several issues were raised in the course of its consideration of the petition to dissolve the City of Akiachak. The Commission determined that these issues merit review by the Alaska Legislature, and expressed an intent to request guidance from the Second Session of the Fourteenth Legislature. The issues raised include the following:

- A. That a need for review of statutes governing dissolution of Alaska municipal governments exists. The goal of the suggested review would be to more clearly identify the circumstances in which a municipal government may be dissolved when dissolution is desired by its residents but when the community continues to conform to the minimum standards for municipal incorporation.
- B. That a summary of the issues, and Commission proceedings, be forwarded to the Governor with the recommendation that the following questions be addressed through administrative and legislative processes:
1. Other than those circumstances provided by statute and regulation, are there other circumstances when dissolution of a municipal government may be termed appropriate?
 2. What, if any, statutory and/or regulatory standards and procedures should be established to dissolve a municipal government when dissolution of the government is desired by residents of a community which otherwise meets the standards for municipal incorporation?
 3. Shall the IRA local tribal council form of government be recognized as a part of the state system of government?
 4. If so, what procedures must be established to implement this recognition?

STATEMENT OF DECISION

The Commission decides as follows:

Chairman Eder, Member Charles Bettisworth and Member Dave Hanson voted to deny the petition after reconsideration. Member Bert Greist voted to accept the petition. Since three negative votes were cast to reject the petition, the petition was rejected.

That the petition for dissolution of the City of Akiachak as a city of the second class fails to satisfy requirements of Section 29.68.520(a)(2) of the Alaska Statutes. Specifically, the community continues to meet the minimum standards for municipal incorporation and the City of Akiachak has not ceased to use each and every one of its mandatory powers.

That the petition for the dissolution of the City of Akiachak is rejected on the basis of the determinations by the Local Boundary Commission stated herein.

APPROVED December 31, 1985.

BY:

Robert O Eder

Robert Eder, Chairman

Dave Hanson

Dave Hanson, Member

Bert Greist

Bert Greist, Member

Charles Bettisworth

Charles Bettisworth, Member

Presentation by Sen. Vic Fischer to
Local Boundary Commission
11/9/85

BOROUGH GOVERNMENT IN ALASKA

A Study of State-Local Relations

by

Thomas A. Morehouse
and
Victor Fischer



Institute of Social, Economic and Government Research

University of Alaska
College, Alaska 99701

ISEGR Report No. 29

March 1971

Price: \$5.00

legislature could reserve to itself authority over education generally or school financing in particular, and then grant it directly to local school authorities. This issue was not pursued, however, due to its obvious conflict with the borough provisions then already accepted.

State Organization and Role

The lack of any general government beyond the city; a tradition of territorial responsibility for services beyond incorporated communities; the varying levels of local government capability and of the requirements for local services throughout Alaska; and, finally, the realization that further detailed study and planning was necessary to establish a new governmental system—these factors militated strongly in the direction of continuing state responsibility for local affairs. In short the Constitutional Convention viewed the role of the state as critical in making the local governmental system work. Here, as elsewhere in its local government deliberations, the convention left much to be determined later in the state legislative and administrative process.

In addition to dealing with local government organization, Article X includes the following provisions for state authority and responsibility:

—responsibility is vested in the legislature for establishing procedures and standards under which boroughs will be created and classified;⁴⁴

—the legislature is established as the governing body for unorganized boroughs and has responsibility for provision of services in such boroughs;⁴⁵

⁴⁴*Constitution*, Article X, Section 3.

⁴⁵*Constitution*, Article X, Section 6.

—a state-level local boundary commission is given responsibility for changes in local government boundaries;⁴⁶

—an executive agency is established in state government to deal with local affairs;⁴⁷ and

—authorization is granted for joint exercise of powers by local governments and the state.⁴⁸

In providing for—indeed, in mandating—a major role for the state in local affairs, the Alaska constitution was taking a lead position nationally in the intergovernmental field. The concept of the boundary commission has still not been replicated in similar scope elsewhere and probably cannot be due to the frozen structures of county government and the near permanency of existing municipal boundaries in most states. Only in recent years have states created instrumentalities with some jurisdiction over annexation and incorporation. Similarly, the provision for a top-level local affairs agency preceded by several years the recent movement to create such agencies in other states.⁴⁹

Local Boundary Commission

The Local Government Committee and the convention concluded that establishment and revision of local government boundaries should be primarily a state responsibility. Several considerations led to this conclusion: first, the delineation of boroughs required a statewide analysis of pertinent considerations; second, the state had a direct interest, since the borough was

⁴⁶*Constitution, Article X, Section 12.*

⁴⁷*Constitution, Article X, Section 14.*

⁴⁸*Constitution, Article X, Section 13.*

⁴⁹See Appendix F for brief descriptions of local affairs and related agencies in the United States at the end of 1968.

to serve not only as a local government but also as a unit for the provision of state services; third, it was generally believed that an objective analysis of relationships between adjacent local units could only be made at a higher level; and fourth was the belief that strictly local political decisions do not usually create proper boundaries.⁵⁰ Because similar considerations applied, city boundaries were also included under the jurisdiction of a boundary commission or board to be established in the executive branch of the state government. Boundary changes under this system could be made by the commission upon petition or on its own initiative.⁵¹

Convention delegates from the beginning considered it appropriate that boundary changes proposed by the commission be subject to legislative veto. In addition, there was some feeling on the part of the Local Government Committee "that the citizens of a local unit should have some check upon any proposed revision."⁵² The issue was again raised on the convention floor,⁵³ but no requirement for a referendum was included in the constitution.

Initially, the Local Government Committee draft article stipulated that proposed changes be submitted to the legislature during the first ten days of any session and that they would "become effective at the end of the session unless disapproved by a resolution concurred in by a majority of all members of each house."⁵⁴ Subsequently, it was further provided that a change would be "effective forty-five days after presentation or at the end of the session, whichever is earlier . . ."⁵⁵ This amendment was adopted so that acceptable changes would not be unnecessarily delayed because of prolonged legislative sessions.

⁵⁰Minutes, 18th Meeting; *General Discussion*, pp. 6-7.

⁵¹Minutes, 19th Meeting; *General Discussion*, p. 6.

⁵²Minutes, 18th Meeting.

⁵³Proceedings, pp. 2667, 2752.

⁵⁴Committee Proposal/6/a.

⁵⁵Constitution, Article X, Section 12.

While the legislature is thus given the veto power over boundary revisions and is also required to prescribe standards and methods for establishment of boroughs, the constitution does not grant it authority over Boundary Commission activities⁵⁶ or over the manner in which boundary changes are effected. The Boundary Commission in addition has the authority, subject to law, to "establish procedures whereby boundaries may be adjusted by local action."⁵⁷

The Local Government Agency

The prominence that the convention gave to the state role in local affairs is evidenced by the fact that the "local government agency" is the only administrative agency specifically required under the constitution. Delegates generally subscribed to the principle that, unless a grave need existed, no agency, department, commission, or other body be specified in the constitution. As one delegate stated in regard to the local government agency, "Unless there is some very, very compelling reasons given for including such an agency as proposed in Section 14 in the constitution, I think we're violating the principles and policies we've already adopted here."⁵⁸ However, in view of the general belief that success of the local government plan was dependent upon existence of an effective agency at the state level, provision for a mandatory agency was included in the constitution.

Thus, Section 14 of Article X, establishing the local government agency, provides:

⁵⁶*Proceedings*, p. 2750.

⁵⁷*Constitution*, Article X, Section 12. It would appear questionable, therefore, whether the legislature has any direct or implied constitutional power to authorize annexation or other boundary changes by local action, since this power rests in the boundary commission.

⁵⁸*Proceedings*, p. 2670.

Local Boundary Commission
Sat - 5:00 p.m. - November 9, 1985.

Vic Fischer - State has been delinquent in carrying out its responsibilities under the Constitution
State is responsible for Borough government
Commission

Charles Edwardson

Comm has become a corporate entity of the Governor to make political decisions.

Boro went to Court and our boundaries were established by Court

I was the petitioner that helped create our boundary - I have a vested interest in that boundary -

Hanson ~~bettsworth?~~ made clear to everybody - we start from a position of complete neutrality

Earl Finkler - North Slope Boro Planning Comm.

Chairman - Petition will be arriving in mid November

(6 people from North Slope Boro were present)

Weber - Attorney for Boro

Do not question integrity of B. Commission

C&RA C. Regulations changes request
Regs changed 20th
petition submitted on 22nd

N.S. Boro Requested additional public hearings

Attorney - do not feel appropriate for Dept of C&RA
to file petition and then the staff of DC&RA
set up all hearings and arrangements for
consideration of the petition -
shud hire an independent attorney

Rutherford asked to prepare petition by
Commissioners, plans to submit petition
on Nov 22 -

petition for detachment is legal
"if he should file it"

North Slope Boro has filed TRO against Dept of C&RA
information - 61 by the Dept to the Boro on Nov 6th

Weber support formation of Nana Boro - but do not
support the method being used by Comm of C&RA
to change boro boundaries

(Dave Hanson, Cont.)

Ed Bush - Manulake - will have petition for Boro To C&RA in early Dec

Bob Hicks preparing new regulations for local Bndry Contor

Is it legal to have someone else review the petition? Rutherford
Shiela Gallagher review or Bob Hicks

MEMORANDUM

State of Alaska


Community & Regional Affairs

TO: Local Boundary Commission

DATE: November 4, 1985

FILE NO: 0268L

TELEPHONE NO: (907)561-8586

FROM:  Mark W. Rutherford
Director
Municipal and Regional
Assistance Division

SUBJECT: Brief in support
of petition for
dissolution of the
City of Akiachak

The enclosed briefs were received by the Department on October 18 and October 31, respectively. These briefs have been submitted by the petitioners' attorney at this time in order to enable you to consider the information they contain prior to the hearing on the petition for dissolution of the City of Akiachak scheduled for for 5:00 p.m., November 9, at the Community and Regional Affairs conference room in Anchorage.

The October 31 supplemental brief states, in relevant part, that:

"Petitioners' attorney submitted a memorandum to the Local Boundary Commission on October 17, 1985 demonstrating that the City of Akiachak is free of debt. Local Boundary Commission staff have reviewed this memorandum and concur with Petitioners' conclusion."

The Department disputes this contention since the Department's analysis of the referenced memorandum is contained in this memorandum. DCRA staff had not concluded its review of the October 17 memorandum when the October 31 brief was submitted. It was therefore premature and speculative to contend that Department staff concurred with the petitioners' conclusion.

The October 18 brief contends that by virtue of demonstrating satisfaction of municipal debts, all standards for dissolution of the City of Akiachak have been met, pursuant to AS 29.68.520(a). A notarized affidavit signed by Charles K. James contains a certification that following payment of outstanding debts, \$29,931.41 remains in "Akiachak's" checking account(s).

In determining whether standards for dissolution are met, the Commission is charged with ascertaining whether the City is free of debt, or if in debt, each of its creditors are satisfied with a method of repayment. A city may not be legally dissolved unless it is free of bonded or other indebtedness, or else has a plan to protect the interest of its creditors which has been approved by the creditors.

The Commission's May 31 statement of decision rejecting the petition contains the following statement.

"On the basis of testimony heard by the Commission at the Akiachak hearing and other submissions, it is highly questionable whether the total amount of the City of Akiachak's debt has been identified. It appeared that certain efforts were being made to identify and satisfy certain obligations, such as the debt to the Internal

Revenue Service, but uncertainty remained concerning the size and legitimacy of this obligation. The Department of Community and Regional Affairs had recommended in its report to the Local Boundary Commission that a complete financial audit be conducted of the assets and liabilities of the City of Akiachak. In addition, the petitioners had stated at the March 2 hearing that formal permission to access Internal Revenue Service records regarding the City of Akiachak would be provided to the Department of Community and Regional Affairs and the Commission. A 45 day period was made available for the petitioners to undertake a financial review and to conduct further work on clarifying the City of Akiachak's financial status. At the time of the decisional session, neither a financial audit nor the permission to access Internal Revenue Service records had been forthcoming. The burden of proof is upon the petitioner to demonstrate that standards are met. It was the conclusion of the commission that this responsibility had not been fulfilled by the petitioners for dissolution of the City of Akiachak.

Therefore, the Commission finds that this standard has not been met."

The Commission also determined that the petitioners failed to demonstrate that Akiachak no longer meets the standards for municipal incorporation. The statement of decision explained the Commission's rationale as follows:

"In making this determination, the Commission is charged with considering such activities as whether municipal elections have been held in the manner provided by law, whether the community still has the human and financial resources necessary to provide local services, whether the population of the community is stable enough to support local government and whether there is a demonstrated need for local government.

Official documents had been submitted to the Department of Community and Regional Affairs indicating that funds had been received and expended by the City of Akiachak for the purpose of providing municipal services during the most recent two years.

No reference and no indication was made in any testimony provided to the Commission that the community had suffered any radical population decrease or that the population of the community was not stable enough to support local government. Nor was it demonstrated that the community lacked the financial resources to support local government. Further, it was agreed that there was a need for local government services in Akiachak.

In summary, the Commission determined that while the City of Akiachak has ceased to function as a municipal government, Akiachak still meets the minimum standards for municipal incorporation."

When you reconsider whether the petitioners have demonstrated satisfaction of municipal debts, you may wish to also reconsider whether the community still meets minimum incorporation standards.

RECOMMENDATION

If the Commission approves the petition for dissolution of the City of Akiachak, the Department recommends that the Commission stipulate that such approval not take effect until a formal agreement between DCRA and the City of Akiachak has been executed to identify and develop a formal transition mechanism with respect to the assets of the City.

Local Boundary Commission
November 4, 1985
Page 4

The attached list is a compilation of known debts of the City of Akiachak (as of 11/1/85). Information concerning these debts was supplied by the petitioners. Those creditors randomly contacted by the Department in recent weeks (White's R&J Services, Erickson's Insurance, United Utilities) have indicated that the city's obligations to them have been satisfied. The contested Internal Revenue Service billing has also been settled, according to a document submitted on behalf of the petitioners.

The Department is not presently aware of any other outstanding debts of the City of Akiachak.

If you have any questions or comments regarding this matter, please contact me.

cc: Jeff Smith
Marty Rutherford
Dan Bockhorst/Gene Kane
Irene Rowan
Ken Hamm

*4th floor May - Comm J, S
delayed twice*

NORTH POLE ANNEXATION PUBLIC HEARING

RECONSIDERATION OF DENIAL OF PETITION FOR DISSOLUTION
OF CITY OF AKIACHAK

*949 E 36th
5:00 P.M.*

Notice is hereby given that a hearing of the Alaska Local Boundary Commission will be held at 7:00 p.m., October 26, 1985, on the proposed annexation of territory to the City of North Pole. Following consideration of and possible action on the North Pole annexation petition, the Commission will reconsider its earlier denial of the petition for the dissolution of the City of Akiachak.

The hearing and reconsideration will be held at the following location:

North Pole City Hall
Council Chambers
North Pole, Alaska

In addition, teleconference facilities will be established in Anchorage to permit certain members of the Commission and other interested parties who are unable to travel to North Pole to participate in these proceedings. The teleconference facilities will be established at the following location:

Division of Municipal and Regional Assistance
Department of Community and Regional Affairs
949 East 36th Avenue, Suite 404 (Conference Room)
Anchorage, Alaska 99508

The following three generally described areas, comprising a total of approximately 1.14 square miles, are proposed for annexation to the City of North Pole (refer to City's petition for details):

- Area 1 - An area adjacent to the northwest corner of the current City boundaries, located within Sections 4, 5 and 6, T2S, R2E, Fairbanks Meridian;
- Area 2 - an area east of the intersection of the Richardson Highway and Badger Road, including the area known as the Morning Star Subdivision and properties owned by the Interior Energy Corporation north of the Morning Star Subdivision;
- Area 3 - an area to the south of the current City boundaries, containing the Petro Star, Inc., refinery.

Following its hearing, the Commission may reach a decision on the petition for annexation of territory to the City of North Pole. The Commission may take any one of the three following actions in this regard:

- 1. reject the petition;
- 2. amend the boundaries of the territory proposed for annexation and approve the petition, or;
- 3. approve the petition as submitted.

Decisions of the Commission may be appealed.

Individuals wishing to review the petition and supporting documents concerning either the proposed annexation to North Pole or the proposed dissolution of the City of Akiachak prior to the meeting should contact the individual listed below:

Gene Kane
Division of Municipal and Regional Assistance
Department of Community and Regional Affairs
949 East 36th Avenue, Suite 401
Anchorage, Alaska 99508
(Telephone 561-8586)

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

The Commission may conduct other business during its meeting on October 26. For further information or a copy of the meeting agenda, contact Gene Kane at the address or telephone number listed above.

BILL SHEFFIELD, GOVERNOR

Dept. of Community & Regional Affairs

OFFICE OF THE COMMISSIONER

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

☐ 949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508
PHONE: (907) 563-1073

REPORT AND RECOMMENDATION TO THE ALASKA LOCAL BOUNDARY COMMISSION ON THE PETITION BY THE CITY OF UNALASKA FOR THE ANNEXATION OF A PORTION OF UNALASKA ISLAND, AMAKNAK ISLAND, HOG ISLAND, EGG ISLAND, SEDANKA ISLAND AND THE TERRITORY THREE NAUTICAL MILES SEAWARD OF THESE ISLANDS.



SEPTEMBER, 1985

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I. PREFACE

Petitions for annexation of territory to municipalities are processed under the provisions of State laws and administrative regulations. The Alaska Local Boundary Commission reviews and acts on petitions for annexations such as the one submitted by the City of Unalaska in accordance with Section 29.68.010 of the Alaska Statutes (AS 29.68.010) and Title 19, Chapter 10, Sections 065-080 and 450-620 of the Alaska Administrative Code (19 AAC 10.065-080 and 19 AAC 10.450-620).

The Alaska Local Boundary Commission consists of five members, one from each of the four Judicial Districts of the state, plus one member who serves from the state at large. Commission members serve without compensation at the pleasure of the Governor.

The current members of the Local Boundary Commission are:

Robert D. Eder, Chairperson, serving at large;

Josephine Anderson, serving from the First Judicial District (Southeast Alaska);

Bert Greist, serving from the Second Judicial District (Northwest Alaska);

Dave Hanson, serving from the Third Judicial District (Southcentral Alaska);

Charles Bettisworth, serving from the Fourth Judicial District (Interior Alaska).

Technical assistance and administrative support are provided to the Local Boundary Commission by the Department of Community and Regional Affairs, Municipal and Regional Assistance Division. The Director of the Municipal and Regional Assistance Division is Ms. Marty Kutnerford.

State regulations (19 AAC 10.520 and 19 AAC 10.570) require the Department of Community and Regional Affairs to review proposals for annexation such as the one submitted by the City of Unalaska and to report its findings to the Local Boundary Commission.

The following is the report and recommendation of the Department of Community and Regional Affairs to the Local Boundary Commission regarding the petition for the annexation of Unalaska Island north of Township 76, Hog Island, Egg Island, Amaknak Island, Sedanka Island and the territory which lies three nautical miles seaward from these islands.

11. INTRODUCTION/EXECUTIVE SUMMARY

The City of Unalaska has petitioned the State of Alaska for the annexation of all those lands on 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. The total area of the territory proposed for annexation is approximately 1,294 square miles- approximately 60% is land and 40% is water. Exhibit A is a map illustrating the territory proposed for annexation.

BASIS FOR REQUEST

In its petition for annexation, the City of Unalaska has presented several reasons for the request:

1. To control land use and development through planning on a regional basis.
2. To tap revenues from fish processors ("floaters") and oil rigs in Unalaska and Iliuliuk Bays.
3. To provide municipal services cost effectively to those areas most likely to develop in the near future.

COMMUNITY PROFILE - UNALASKA

POPULATION	1,922 (1985 State Revenue Sharing Figures)
CITY	Airport, boat harbor, dock,
SERVICES	electrical utility, water utility, sewer utility, sanitary landfill, road maintenance, recreation, police, fire protection, emergency medical services, civil defense, education and planning
COMMUNITY FACILITIES	Community health clinic, telephone utility, private commercial and industrial facilities
SCHOOLS	Primary and secondary schools
TRANSPORTATION SYSTEMS	Air (Keeve Aleutian Airways, Air Pacific, Mark Air and others), Alaska Marine Highway (ferries 5 times per year)
MAJOR EMPLOYMENT	Government, fishing, fish processing and the trans-shipment of cargo

III. BACKGROUND

A. General Description of the Community:

The City of Unalaska is located on Unalaska and Amaknak Islands, in the northern part of the Aleutian Islands. The City is approximately 800 air miles southwest of Anchorage (2 hours by jet). Unalaska is the economic center of the Aleutian Islands. Dutch Harbor, the only deepwater port west of Kodiak, is within the corporate limits of the City. Unalaska is the base for crabbing and bottom fishing fleets, salmon fishing and oil exploration activities. Related industries have developed to support the fishing and shipping activities. Dutch Harbor, the center of the community's fishing, fish processing and trans-shipment industries, is located across Iliuliuk Bay on Amaknak Island. A bridge links Amaknak and Unalaska Islands.

The City of Unalaska was incorporated as a first class city on March 3, 1942. The City expanded its boundaries in 1967 through an annexation approved by the Local Boundary Commission and the State Legislature. The City is not within an organized borough. Presently, the City has a council/manager form of government.

B. Socio-Economic Setting

(1) Population

The Department of Community and Regional Affairs has certified the year-round population of the City of Unalaska to be 1,922 (1985 population figures used to determine State Shared Revenue). However, Unalaska experiences seasonal population and employment fluctuations commonly associated with communities having a fishery based economy. The City estimates that the population doubles during the height of the fishing season (phone contact 9-18-85 with City Planning Director).

(2) Economic Base

Commercial fishing and associated seafood processing activities are the backbone of Unalaska's economy. Unalaska has been one of the largest, in terms of dollar value, fish harvesting and processing centers in the United States. According to the St. George Basin Lease Sale 80, Environmental Impact Statement, (Minerals Management Services, April, 1985) several of the shore-based plants operate floating processors or have contractual agreements with operators of floating processors ("floaters"). There are seven large floating processors capable of processing more than 2.5 million pounds of product per day that have in the past operated in the vicinity of Unalaska Island (data compiled from City Planning Director contacts with ADFG and local residents). However, according to ADFG, only three of these processors are presently operating.

Most of the bottom fish processors, according to the Dutch Harbor office of the Alaska Department of Fish and Game (contact: August 12, 1985) are offshore processors located primarily in Unalaska Bay, Captains Bay, Makushin Bay, and Beaver Inlet- all of which are included in the annexation request by the City. Other processors locate in Chernofski Harbor (located on the southwest corner of Unalaska Island) and between January and April these processors move to Akutan Bay and Lost Harbor. Crab floating processors are primarily found in Unalaska Bay.

(3) Land Base for Growth

There are a total of 16,300 acres of land and water in the current municipal boundaries (25.4 square miles) or 10,300 acres of land plus 6,000 acres of water (Tryck, Nyman and Hayes, Recommended Land Use Plan, 1977- confirmed by the City of Unalaska Planning Director, September 6, 1985). Approximately 8,400 acres are considered "undevelopable" due to steep slope and/or flood hazard. Of the 1,900 acres suitable for development, 400 are already developed. There are approximately 1,275 acres remaining that are suitable for residential development and capable of accommodating not only the existing population but a projected capacity population of 30,800-32,700, assuming that the bottom fishing industry growth rate increases dramatically and, as a result, the land is developed to the fullest extent possible (Dames and Moore, Aleutian Regional Airport Project Document, February 1982). This includes the townsite, Unalaska Valley and Pyramid Creek Valley. The remaining acreage, amounting to approximately 225 acres, is sufficient to accommodate both industrial and commercial uses. In summary, the existing land base is sufficient to accommodate even the most liberal population growth projections.

C. Proceedings to Date

Upon receipt of the petition and supporting documentation, the Department of Community and Regional Affairs formally determined the material to be sufficient as to form and content. The City subsequently provided public notice of the filing of the petition in accordance with State administrative regulations by posting notice in the three public and/or prominent locations within the community and also in both the Aleutian Eagle and Anchorage Daily News. On August 27, 1985, the Department staff held an informational meeting in Unalaska. Fifteen citizens attended, including a representative from the Unalaska Corporation. Notice of the informational meeting was published in two consecutive issues of the Aleutian Eagle and the Anchorage Daily News.

IV. APPLICATION OF STANDARDS

19 AAC 10.065-080 provides nine standards to be used in judging the merits of a proposal for the annexation of contiguous territory to a city. This section of the report lists each of these standards (stated in bold capital letters), followed immediately by the Department's analysis of the extent to which each standard is met with respect to the petition by the City of Unalaska for the annexation of territory. It should be noted that all nine standards need not be met. The Local Boundary Commission could determine the annexation is meritorious if only one standard is met. The LBC may approve a presentation for annexation as presented, may reject it or may modify proposed boundaries and approve it.

1. **THE CONTIGUOUS TERRITORY IS TOTALLY SURROUNDED BY THE CITY'S BOUNDARIES.**

The current boundaries of the City do not surround the territory proposed for annexation in that all of the area proposed for annexation lies outside the City's boundaries.

2. **THE LAND IN THE TERRITORY IS WHOLLY OWNED BY THE CITY.**

None of the territory proposed for annexation is owned by the City. The vast majority of the territory proposed for annexation is owned by regional and village Native Corporations created pursuant to the Alaska Native Claims Settlement Act. Exhibit B is a land status map of the territory proposed for annexation.

3. **THE TERRITORY IS URBAN IN CHARACTER.**

In making a determination as to whether this standard has been met, 19 AAC 10.070 (d) states that the Local Boundary Commission shall consider: (1) whether the property is platted or held for sale for residential or commercial purposes; (2) whether the population density of the territory approximates that of the annexing city; (3) whether the population of the territory stems primarily from actual growth of the city beyond its legal boundaries, and; (4) whether the property is valuable primarily by reason of its suitability for prospective urban purposes.

(1) Most of the territory to be annexed 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. At present, the major landowners- the regional and village Native corporations- have not received patent for the land from the Federal government. The Aleut Regional Corporation is due to receive patent for a 7,000 acre parcel in the Makushin mountain area this September. However, the regional and village Native corporations have received interim conveyance for their lands outside the present City limits.

(2) The population density of the territory does not approximate that of the annexing city. 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 inside the 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 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 flatter bay areas; plus, the territory to be annexed is in the hands of the village Native corporation (see Exhibit B) and is not platted and available for purchase. As stated in the community overview, most of the island contains very steep slopes. Within the present City boundaries, approximately 81% of the land available for development (available for purchase or lease) is considered "undevelopable" due to steep slopes and/or flood hazard.

(4) Portions of the territory to be annexed may be valuable by reason of its suitability for prospective urban purposes. Specifically, the land areas around Broad Bay, Wide Bay, Nateekin 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. The 1977 Land Use Plan (recommended, not adopted) also identifies these areas as suitable for future residential development (Tryck, Nyman, Hayes 1977).

4. THE TERRITORY IS IN NEED OF MUNICIPAL SERVICES WHICH THE CITY CAN PROVIDE MORE EFFICIENTLY THAN ANOTHER MUNICIPALITY.

The City of Unalaska provides the following municipal services: airport terminal facilities, boat harbor, dock, education, electricity, police, recreation, road maintenance, sanitary landfill, emergency medical services, civil defense, water, and a community sewer system (under construction with completion expected June, 1986). Quasi-governmental services include a volunteer fire department and volunteer ambulance service. Garbage collection and disposal are provided by a private firm, Williwaw Services, Inc., through a contract with the City (See petition for additional detail on services). The City also provides a picnicking area at Summers Bay with road maintenance to the area. This area is owned by the Unalaska Corporation and is outside the City limits. In addition to these services, the City provides for planning and zoning within the City limits.

The petitioner acknowledges in its brief that, "The City of Unalaska does not routinely provide services outside its corporate limits." However, in 1984 the City ambulance responded to 56 marine calls. So far in 1985, the City ambulance has responded to 46 marine calls (statistics provided by the City Emergency Services Director, August 27, 1985). According to the Emergency Medical Services Director 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 perform rescue/emergency/fire operations. Much of the demand on the City ambulance and fire services is from the offshore processors located in Captains Bay and parts of Unalaska Bay.

City services, other than those emergency services described above, 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. Nor is the City legally responsible for providing services to the territory. Public testimony at the informational meeting held August 27 indicated that several residents outside the City prefer not to receive City services such as sewer, water and garbage collection. Plus, several residents and a representative of the village Native corporation expressed concern with the City's ability to provide municipal services to much of the territory proposed for annexation due to its inaccessibility. Other residents from outside the City and a representative from the Unalaska Corporation also expressed concern regarding the extension of planning and zoning authority over such a remote territory.

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 "floaters" moored in the bays and harbor located in the immediate vicinity of the City yet outside the present City limits.

5. 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.

There are three major issues that must be discussed when applying this standard to the petition: (1) private or public development that warrants municipal planning authority in the territory; (2) land status of the territory as it either promotes development or is a barrier to development; (3) alternative mechanisms that achieve the same goals as traditional planning and zoning and the effectiveness of those alternatives.

(1) Private or public development that warrants planning authority in the territory: The City states that the petition for annexation is, "motivated by the need to promote and control land use and development through a planning authority effective throughout the region." The City argues that anticipated growth in both the bottom fishing industry and the community's role in providing logistical support for present and future offshore oil exploration and development activities warrants the extension of the City's planning authority to the territory proposed for annexation.

The petitioner states in its brief that, "over the next several years, there will be a significant expansion of the bottom fishing industry in our area." According to the City of Unalaska's Planning Director (September 4, 1985), Universal Seafoods (Unisea) has recently purchased the Pacific Pearl Corporation and plans on constructing a surimi plant by the end of this year.

However, according to agency forecasts and reports reviewed by the Department, the feasibility of a significant onshore bottom fishing industry in the area is, as yet, uncertain. There is now a surplus of such facilities within the present boundaries of the City of Unalaska due to the recent drastic decline in crab resources. The existing surplus of processing facilities should be able to absorb the future demands from onshore bottom fish development.

Virtually all indications from the fishing industry are that bottom fish development in the area is most likely to continue along the lines of increased at-sea (offshore) processing of bottom fish products. Any municipal authority over this type of activity will be limited to the bays and harbors where processors locate during the season. As stated in the community overview, processors are transient but locate primarily in Unalaska Bay, Iliuliuk Bay, and Captains Bay. It is reasonable to expect that the City of Unalaska would both want and need control over these bays as the processors impact water quality, require City services and use City facilities. However, it is uncertain if an increase in offshore processing activity will bring with it a commensurate increase in demand for City services other than emergency services. Offshore "floaters" can impact the community by bringing in large amounts of transients who in turn place a demand on both emergency medical and local law enforcement services. The Department believes 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. (See additional discussion of planning options within this section).

The Department does, however, agree that Unalaska will likely play a role in the logistic support for future offshore oil exploration and development. However, activity related to that potential logistic support is most likely to occur within the existing boundaries of the City.

(2) Land Status: The present land status of the territory to be annexed may inhibit it from being developed immediately. The corporations have received interim conveyance with the exception of the 7,000 acre parcel the Aleut Corporation expects to receive patent for this September. In addition to the land status, the Ounalashka Corporation has indicated 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. It is unlikely that these more remote areas will be requiring or demanding City services in the near future.

(3) Alternative Planning Mechanisms: 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 like the City of Unalaska and also "coastal resource service areas" or CRSA's.

A Coastal Resource Service Area (CRSA) is empowered to conduct coastal management planning in the region. The CRSA gives the regions planning authority for coastal management of the "coastal zone" and is not limited to one city or one district. The CRSA can use its coastal management plan to guide uses and activities that occur in the region. However, implementation of the CRSA coastal management plan is accomplished through State and Federal processes and permitting. Decisions are not made at the local level-although the City would have the ability to make recommendations and to interpret the plan at the local level.

The policies expressed in a district coastal management program are the enforceable rules and serve as standards for development. Once the district coastal management program is adopted locally and by the State and Federal governments, it is incorporated in the ACMP. These policies have the effect of State law. While these policies may not be as specific as provisions found in a typical municipal zoning ordinance, the policies are a form of land use regulation and can govern development in the region's coastal zone.

Located in the unorganized borough, CRSA's have boundaries similar to the Regional Education Attendance Areas (REAA) and operate like the REAA school boards. The territory within the boundaries of the Aleutian Region REAA #8, includes the City of Unalaska. In 1981, the REAA was divided into two areas for purposes of formally organizing CRSA's. The region east of Unimak Pass is designated as the Aleutians East CRSA and the region west of Unimak Pass (which includes Unalaska) is referred to as the Aleutians West. The Aleutians East CRSA has formally organized and is currently developing its coastal management program. That program will be considered for approval by the Alaska Coastal Policy Council this fall.

To date, the western Aleutian communities have not yet organized a CRSA. The City of Unalaska, like several other communities in the region, has the ability to petition a general election to organize the CRSA. In September 1981, the City of Unalaska passed a resolution requesting that the Alaska Coastal Policy Council conduct an election on the question of organization of the Aleutians West CRSA. The City, however, withdrew its request in mid-1982 before an election was scheduled.

However, the formation of an Aleutians West CRSA is not a dead issue. The Department is presently working with Unalaska and other western Aleutian communities to discuss CRSA formation. By late September, the Department should know if there is an interest in establishing the Aleutians West CRSA. In addition, Unalaska has requested funds to do a coastal management program for the City. The Department is holding grant funds available for this purpose pending the outcome of the Aleutians West CRSA organizing efforts.

The Department believes it is inappropriate for a city government to annex vast amounts of territory in which there exists no need or demand for municipal services, except for the possibility of extending planning authority.

The formation of the Aleutians West CRSA would provide an alternative planning mechanism for control of the regional impacts, such as offshore processors and/or oil development. It is agreed that the City may want to have more local control and enforcement over land use in the bay just outside the present City limits. This can be achieved by an annexation of much smaller scale (see recommendations and attached map depicting amended petition boundaries-Exhibit C).

6. THE HEALTH, WELFARE OR SAFETY OF CITY RESIDENTS IS ENDANGERED BY CONDITIONS EXISTING OR DEVELOPING IN THE TERRITORY AND ANNEXATION WILL ENABLE THE CITY TO REMOVE OR RELIEVE THESE CONDITIONS.

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 informational meeting on August 27, residents did testify to the need for control of dumping of bilge water and garbage in the bays around the City. The City at present has the authority to control this activity within its municipal limits. Several citizens testified at the August 27 informational meeting to the City's inability to enforce current ordinances within the existing boundaries, let alone over an expanded territory. It is reasonable to assume the City would want to control this activity in those bays just outside its jurisdiction, such as Captains Bay and Unalaska Bay.

It should be noted, with regards to extending emergency services, that the safety of residents inside the City is threatened when these are provided extraterritorily. The first priority of the City is to provide services to those residents legally entitled to receive them. The Coast Guard presently has jurisdiction over the waters in the outlying areas and provides the necessary emergency services.

The Department is not aware of any other conditions in the territory proposed for annexation, outside those bays mentioned above, that warrants concern with regard to the health and safety of Unalaska residents.

7. THE EXTENSION INTO THE TERRITORY 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.

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. This resource offers good prospects for development into a feasible utility that could supply Unalaska with a substantial portion of the community's power requirements (Reconnaissance Study of Energy Requirements and Alternatives, Appendix: Unalaska, Alaska Power Authority, April 1984). Development of this resource would require the creation of a transmission corridor between the source and the community core. 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. Energy development such as this will be of State concern and will involve more than just the City of Unalaska. Although, under the new provisions of Title 29, the City will not be able to exercise the power of eminent domain to acquire the corridor necessary for the extension of the transmission lines; it will be to the advantage of both the regional and village corporations to develop a cooperative working agreement with the City. As profit making corporations, the development and sale of energy may be to the advantage of both the regional and village corporations.

Apart from the issue regarding geothermal energy development, the physical characteristics of the territory make it impractical for the City to extend facilities or services. The area is very steep and inaccessible. The likelihood of the City providing typical municipal services such as emergency medical, sewer, water and garbage is remote. The cost would be prohibitive and undoubtedly not the best use of City dollars.

8. 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, WHETHER CITY SERVICES ARE RENDERED OR RECEIVED INSIDE OR OUTSIDE THE CITY.

As stated earlier, the City has acknowledged that it does not routinely provide services 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 doubtful that 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 the Makushin Valley. Although these areas may be restricted to emergency services at this time due to the cost of providing such other services as water, sewer, and roads.

9. THE ANNEXATION IS OTHERWISE NECESSARY TO ACCOMPLISH A VALID PUBLIC PURPOSE.

The Department is not aware of any other public purpose to be accomplished through the annexation of this large amount of territory, nor has the petitioner provided evidence that indicates such a public purpose exists.

CONCLUSION

The City of Unalaska has petitioned the State of Alaska for the annexation of approximately 1,294 square miles of land and water. The territory is largely remote and undeveloped and has a population of only four individuals. Based on the preceding detailed analysis of the annexation proposal, the Department concludes that the annexation is not warranted in whole, but only in part.

The Department believes that only an area encompassing approximately 162.8 square miles can be justified for annexation. This territory includes that area generally described as Priest Rock, Princess Head, Split Top Mountain, Summers Bay, Captains Bay, Nateekin Bay, a portion of the Makushin Valley, Wide Bay, Broad Bay, a portion of Table Top Mountain and that area three nautical miles seaward from Priest Rock and Cape Cheerful.

RECOMMENDATION

Following its investigation and analysis of this proposed annexation, the Department recommends to the Local Boundary Commission that the petition be approved after the boundaries of the territory proposed for annexation be reduced to those shown and described in Exhibit C. The territory recommended for annexation encompasses an area of approximately 162.8 square miles.

This smaller area meets a substantial number of the regulatory standards governing annexation (particularly standards three, four, five and eight), whereas the remainder of the territory proposed for annexation does not. The extent to which these standards are met is summarized below:

STANDARD 3: A portion of the territory to be annexed may be valuable primarily by reason of its suitability for prospective urban purposes- specifically Broad Bay, Wide Bay, Summers Bay, the Makushin Valley. These areas may develop in an "urban" fashion similar to the Unalaska and Pyramid Creek Valleys.

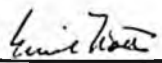
STANDARD 4: Only a portion of the territory proposed for annexation is likely either to demand or to receive City services in the near future. This area includes the bays mentioned in (1) above and should also include Unalaska Bay, Iliuliuk Bay, and Captains Bay. The City presently provides emergency services to vessels moored in these bays.

STANDARD 5: There is a reasonable likelihood that future growth and development will occur in the vicinity of Unalaska. However, the type of development and potential impacts are not sufficient to warrant the City exercising planning authority over the size of territory as petitioned. It is reasonable to assume the City should want and need to have planning authority over a more limited area, namely those bays and harbors that

are in the immediate vicinity of Unalaska, such as Captains Bay, all of Unalaska Bay, Iliuliuk Bay, Broad Bay, Wide Bay and out to the three-mile limit. The offshore fish processors and oil rigs which moor in these harbors, impact water quality and require City services. It is also reasonable to assume that the City should want to receive compensation, i.e. tax revenues, from the fish processors and oil rigs moored in these bays. Directing these revenues to the local government entity increases that jurisdiction's economic viability. Should the City wish to ensure that planning occurs on a more regional basis, the Department believes the City should work towards the formal creation of the Aleutians West Coastal Resource Service Area. The creation of that entity will provide the means to plan and establish policies regulating development not only in the area proposed for annexation, but also on a regional scale.

STANDARD 8: The Department acknowledges the fact that the City may be called upon to provide some City services outside its present limits but disagrees as to the extent these services will be in demand. Considering that only four individuals reside within the territory proposed for annexation, it is not reasonable to conclude that these four expect to receive City services. Plus, the City does not have responsibility to respond to emergency situations in the territory now. It is also questionable as to the City's ability to provide services to this remote area. The costs to both the public and private sectors because of the distance to which urban services, facilities and utilities would have to be extended is prohibitive, even considering the revenues to be gained by the fish tax. Plus, the possibilities for tax inequities exists where the entire taxing jurisdiction would bear the cost of providing for the needs of the outlying area (in other words- subsidized delivery of services to the outlying area). However, it is not unreasonable to conclude that the City will need to provide some services to those areas in the immediate vicinity (see adjusted annexation boundaries).

For informational purposes, maps depicting both the boundaries of the territory proposed for annexation, land status, and the Department's recommended adjusted boundaries are attached to this report as Exhibits A, B, and C.



Emil Notti, Commissioner
Department of Community and Regional
Affairs

Date: 9/25/85

EXHIBITS

Exhibit A Petition Map Depicting Requested Corporate Boundary

Exhibit B Land Status Map

Exhibit C Department Recommended Corporate Boundary

REFERENCES

- 1) Aleutians East Coastal Management Plan, Conceptual Approval, DCRA, July 1985
- 2) Aleutian Regional Airport Project Document, Dames and Moore, February 1982
- 3) City of Unalaska Recommended Community Development Plan, Tryck, Nyman and Hayes, 1977
- 4) North Aleutian Basin Sale 92, Draft Environmental Impact Statement, U.S. Department of the Interior Minerals Management Service, January 1985
- 5) Reconnaissance Study of Energy Requirements and Alternatives, Appendix: Unalaska, Alaska Power Authority, April 1984
- 6) St. George Basin Sale 89, Final Environmental Impact Statement, U.S. Department of the Interior Minerals Management Service, April 1985
- 7) Verbal contacts with the Alaska Department of Fish and Game in Kodiak, August 12, 1985
- 8) Other "contacts" include staff, trip reports, files

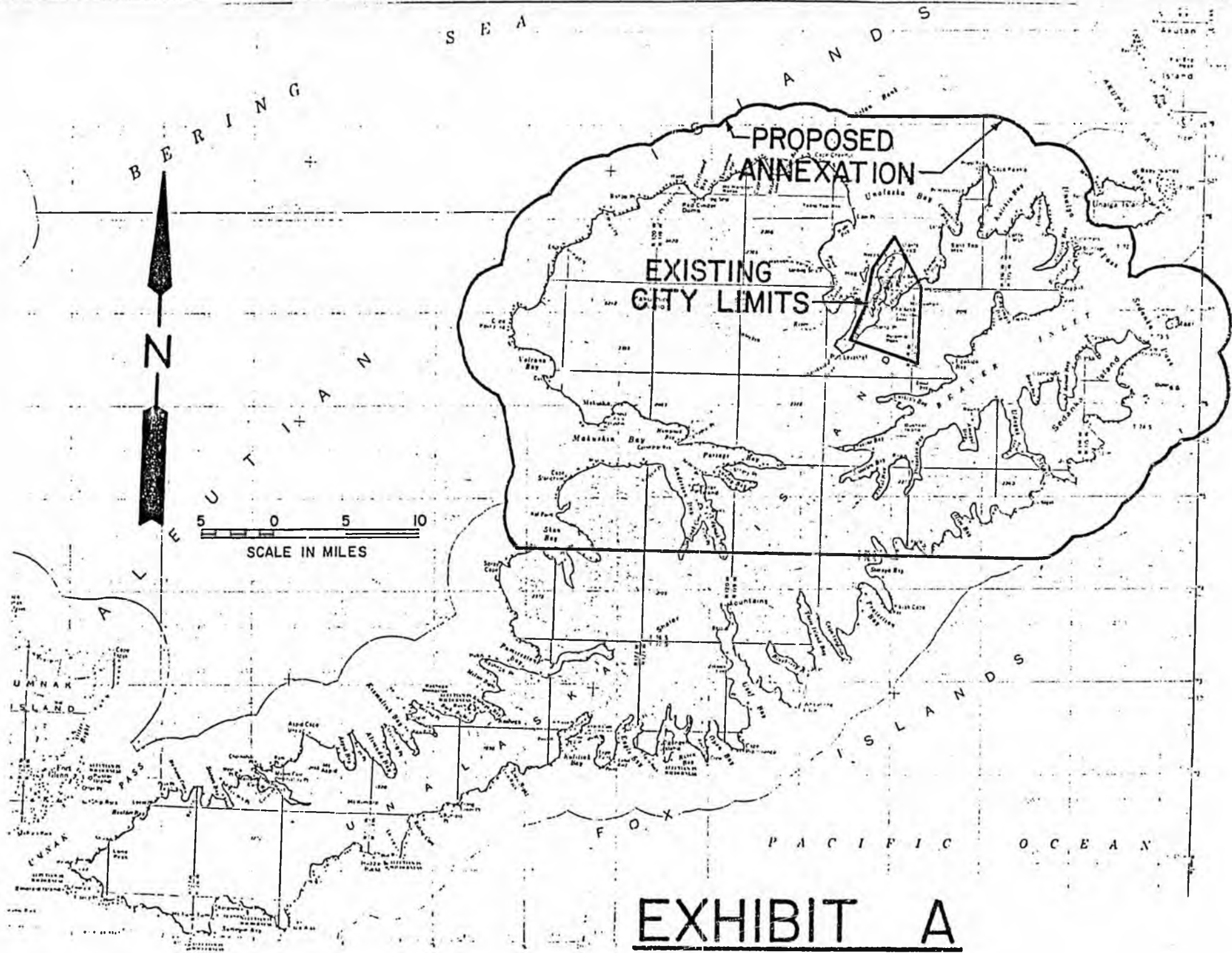


EXHIBIT A

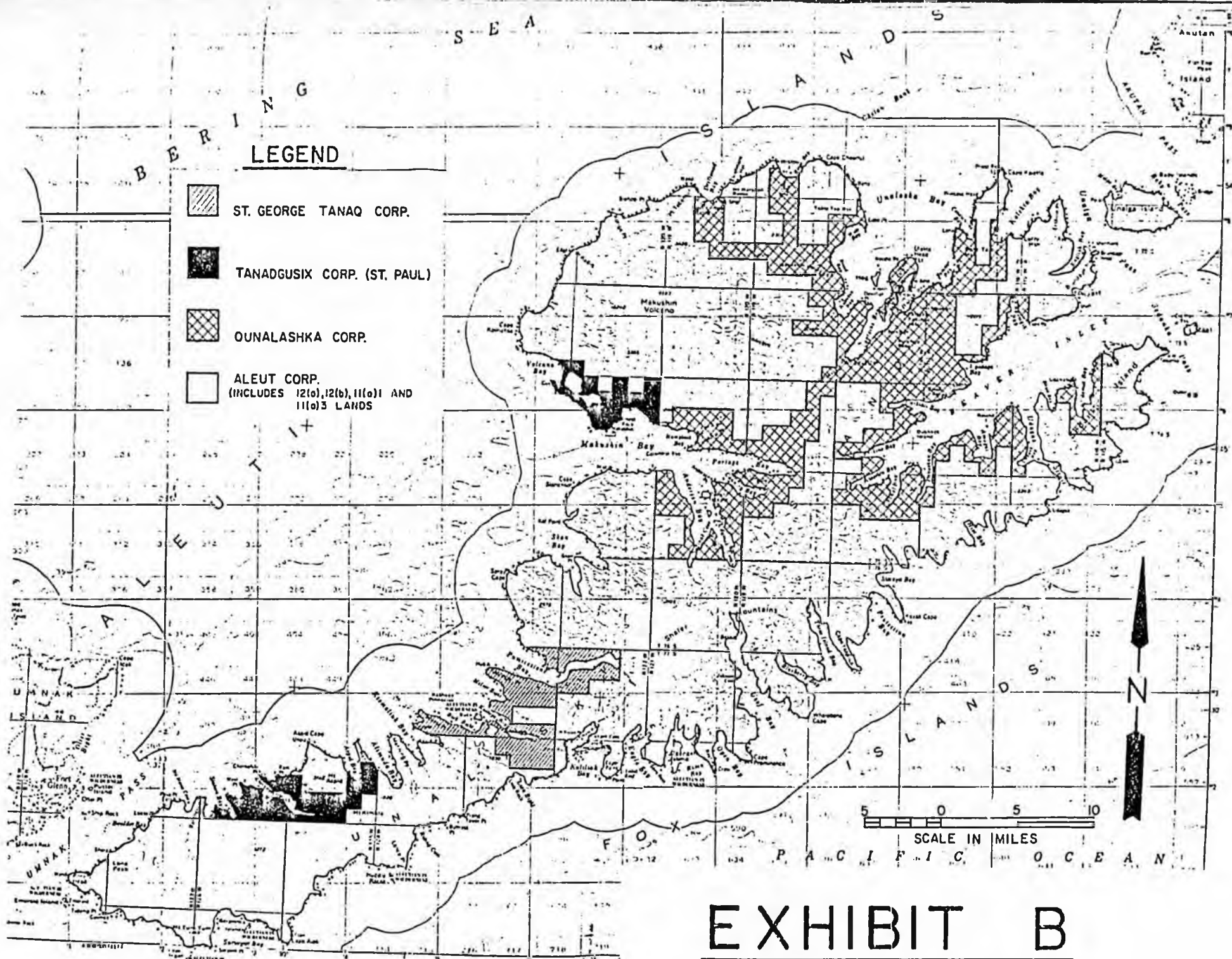


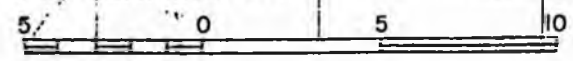
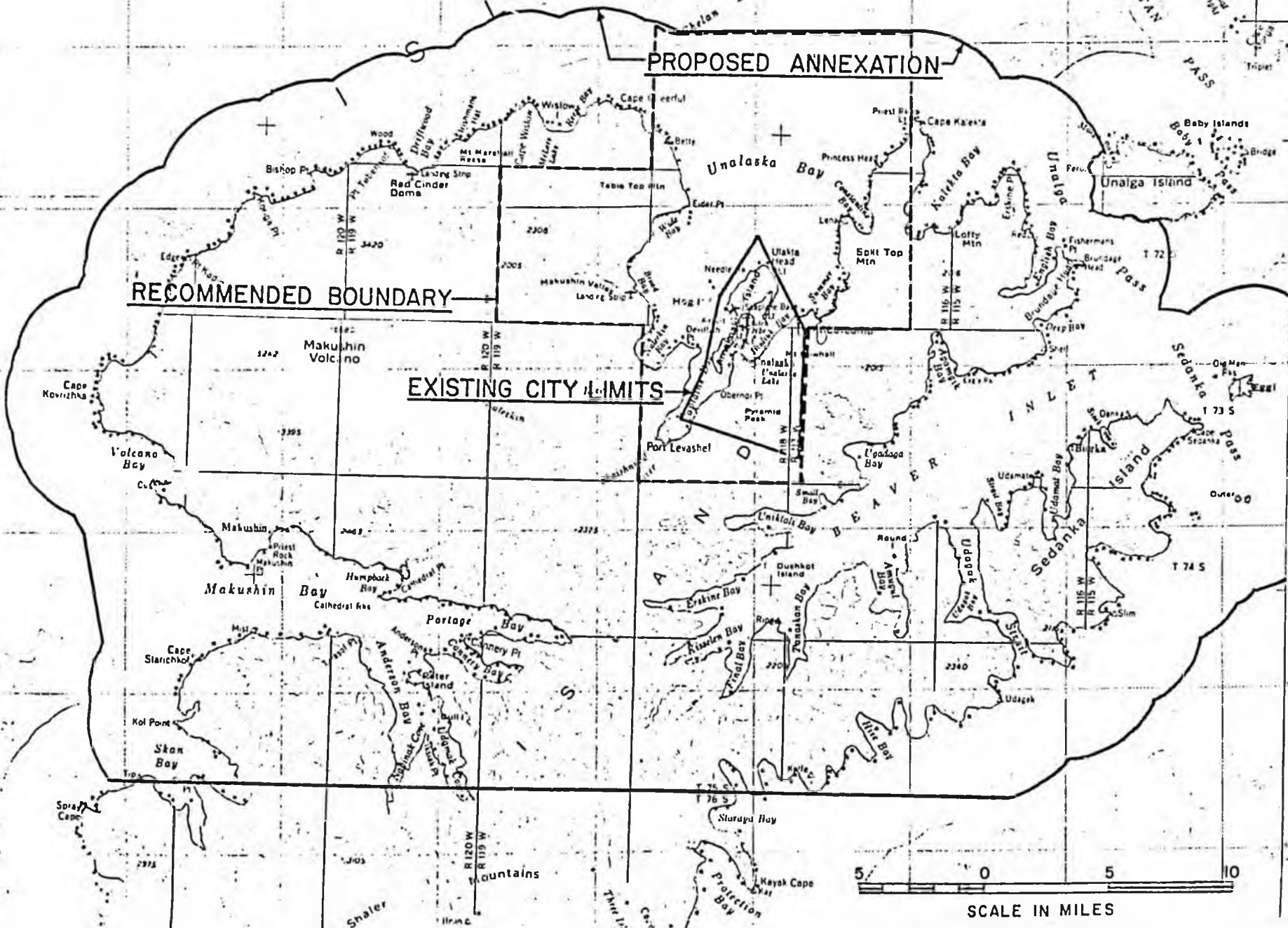
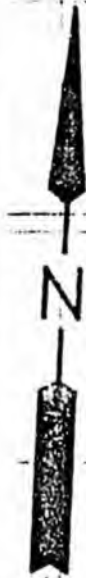
EXHIBIT B

LAND STATUS

S E A

EXHIBIT C

A N D S



SCALE IN MILES

Legal Description of Recommended
Boundary - City of Unalaska Annexation
September 17, 1985

The Land within the following:

- T 715 R118W S.M.
Sections 1-36
- T 715 R117W S.M.
Sections W1/2 23, W1/2 26, 34, W1/2 35
- T 725 R119W S.M.
Sections 1-36
- T 725 R118W S.M.
Sections 1-36
- T 725 R117W S.M.
Sections W1/2 2,3,4,5,6,7,8,9,10,W1/2 11,W1/2
14,15,16,17,18,19,20,21,22,W1/2 23,W1/2
26,27,28,29,30,31,32,33,34,W1/2 35.
- T 735 R118W S.M.
Sections 1-36
- T 735 R117W S.M.
Sections W1/2 6, W1/2 7, W1/2 18, W1/2 19, W1/2 30, W1/2 31

Containing 98.56 square miles of land more or less.

The waters in and northerly of Unalaska Bay from a point north
3 nautical miles offshore from the west border Section 30, T
715 R118W S. M. easterly to a point north 3 nautical miles
offshore from the east border of the W1/2 Section 23, T 715
R117W S.M.

Containing 98.56 square miles of water more or less.

For a total combined area of 197.12 square miles more or less.

Pending Legislative Review Annexation Petitions

1. City of Angoon: Territory proposed for annexation consists of approximately 87 square miles (55,680 acres) including the areas described as Killisnoo Island, the Favorite Bay area, Mitchell Bay and the Hood-Bay area; (A hearing is scheduled for 1:00 p.m., November 24, in the City of Angoon.)

3. City of Ketchikan (four separate petitions):
A. Coast Guard Addition, approximately 121.31 acres;
(All four hearings are scheduled for 7:00 p.m., November 24, 1985, in the City of Ketchikan.)

City of Ketchikan:

- B. University of Alaska Addition; (approximately 48.30 acres)

City of Ketchikan:

- C. BLM-KPU Addition (approximately 515.62 acres)

City of Ketchikan:

- D. Gisse, Furuseth and Spear Additions (approximately approximately 58.61 acres)

4. City of North Pole: Three separate areas (totalling approximately 1.14 square miles); A hearing was held October 26, 1985 in the City of North Pole. (A decisional session on the petition is scheduled for November 9, 1985, in Anchorage.)

5. City of Unalaska: 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. The total area of the territory proposed for annexation is approximately 1,294 square miles. (Approximately 60% of the territory proposed for annexation is land and 40% is water.) A hearing was scheduled for November 8, 1985, in the City of Unalaska. The hearing was cancelled due to weather conditions in Unalaska and has been tentatively rescheduled for January 11, 1986.)

Pending Local Action (election) Annexations:

6. City of Kodiak: has petitioned to annex approximately 81.3 acres of land contiguous to the present City limits in the area referred to as the Mission Lake Neighborhood. (A teleconferenced hearing was scheduled for November 4, 1985, in Kodiak, but was cancelled due to Kodiak weather conditions. A new date for a hearing will be established.)

Draft

Other Pending Actions

7. Reconsideration of the petition for dissolution of the City of Akiachak. This has been scheduled for discussion and possible action at the November 9, 1985 meeting of the Commission in Anchorage.
8. Detachment of NANA Regional Corporation Lands from the North Slope Borough

The area in question consists of approximately 3,298 square miles of territory. The attached memorandum from the Department of Community and Regional Affairs outlines specific developments regarding this matter.

DRAFT
STATE OF ALASKA
LOCAL BOUNDARY COMMISSION-MINUTES
MEETING OF OCTOBER 26, 1985

MEMBERS PRESENT:

Robert Eder, Chairman
Dave Hanson
Josephine Anderson

PLACE:

City of North Pole
Council Chambers
North Pole, Alaska

STAFF PRESENT:

Gene Kane, LBC Staff Assistant
Dan Bockhorst, LBC Program
Supervisor

SUBJECT:

Hearing on a petition for
annexation of 1.14 square
miles (approximately)
submitted by the City of
North Pole

OTHERS PRESENT:

Connie Oehring
Sunny Carpenter
Michael A. Sims
Dallas G. Smith
Ed Pitt
Kent M. Herman
Larry D. Carpenter
Charles D. Leslie
Carol V. Leslie
William Walgaman
Thomas Maher

James D. Nordale
Terry Miller
John D. Arnold
Mark Roy
Bill Skorick
Russ Cary
Ray Lund
Betty Zabek
David Haywood
Louise Haywood

Chairman Robert Eder called the meeting to order at 7:00 p.m.

M/S Dave Hanson/Jo Anderson: to approve the agenda as submitted. The motion was approved unanimously.

M/S Jo Anderson/Dave Hanson: to approve the minutes of the August 2, 1985, meeting of the Commission. The motion was approved unanimously.

Staff Assistant Gene Kane provided a brief summation of the Department's report to the Local Boundary Commission concerning the proposed annexation.

Chairman Eder invited the public to offer testimony on the petition. Testimony was given by:

Carleta Lewis
Sunny Carpenter
Larry Carpenter
Kent M. Herman
Thomas Maher
William Wangaman
Curt Ostrem

James Nordale
Alan Platt
Ray Lund
Terry Miller
Betty Zabek
John Miles

After hearing testimony, the Commission discussed scheduling of the reconsideration of the petition for dissolution of the City of Akiachak.

M/S Dave Hanson/Jo Anderson: to schedule a decision session on the North Pole annexation petition concurrent with reconsideration of the petition for dissolution of the City of Akiachak on November 9, 1985, in Anchorage. The motion was approved unanimously.

DRAFT

M/S Jo Anderson/Dave Hanson: to appoint Charles Bettisworth standing acting chairman during absences of Chairman Eder. The motion was approved unanimously.

M/S Dave Hanson/Jo Anderson: to adjourn. The meeting was adjourned at 9:05 p.m.

APPROVED:

Robert Eder, Chairman

Date

ATTESTED:

Gene Kane
Staff Assistant to the
Local Boundary Commission

Date