

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672
6785 HOUSE COMMUNITY & REGIONAL AFFAIRS



CITY/BOROUGH OF JUNEAU
★ ALASKA'S CAPITAL CITY

May 16, 1990

Mr. Gene Kane
Division of Municipal and Regional Assistance
Department of Community and Regional Affairs
949 E. 36th, Room 407
Anchorage, Alaska 99508

Dear Mr. Kane:

The City and Borough of Juneau Assembly requests the Local Boundary Commission (LBC) allow the CBJ until June 15 to make a formal response.

We request that the LBC's plan to hold a public hearing in Juneau on Friday, July 13 at 7:00 p.m. be reconsidered. July 13 is a Friday and thus not a good day of the week for an evening meeting. We recommend Thursday, July 12 and we would be glad to provide a hearing room either in our Assembly Chambers or Centennial Hall.

Please advise if there are additional arrangements we can make.

Sincerely,


Kevin Ritchie
City Manager

KCR:smo

RECEIVED

MAY 16 1990

Dept. of Comm. & Reg. Affairs
Div. of Municipal & Reg. Asst.

May 14, 1990

Dan Bockhorst, LBC Component
Department of Community and
Regional Affairs
949 E. 36th Avenue, Room 405
Anchorage, Alaska 99508

Dear Mr. Bockhorst:

My husband and I are full-time residents of Funter Bay which falls into the area your commission has recommended to be included in the Greens Creek annexation by the City and Borough of Juneau. My husband and I are opposed to this annexation proposal. The City and Borough of Juneau is not committed to the annexation of any territory other than the area around the Greens Creek Mine, and the community of Funter Bay has expressed a desire not be annexed by any borough.

There are no City or State services provided or requested. We are a responsible community that takes pride in doing for ourselves. Our houses are built at least to code for fire and building safety purposes and septic systems are installed as a matter of course. We haven't done these things because inspectors were breathing down our necks rather we've done them because we recognize the importance of prevention. We provide all our own service needs of electricity, water, sewer and trash removal with no help from any State or Federal agency. There is no scheduled freight system servicing our community. There are no schools for the two school-age children. The children are being educated through home schooling. Government wants in for the purpose of regulation and taxation. It's difficult for us to see what we gain in return.

We appreciate the fact that you want to draw the lines and square the corners so to speak. However, we're having trouble accepting that in this squaring up we should end up as a part of the Juneau Borough. We have what has been referred to as a minimalist attitude toward government which is the term that was used to describe the Community of Gustavus. The State Constitution recognizes the unorganized borough when it states that all areas will be included in boroughs both organized and unorganized. With this in mind we feel we would be better served by remaining in an unorganized borough status.

RECEIVED

JUN 01 1990

Dept. of Comm. & Reg. Affairs
Div. of Municipal & Reg. Asst.

Letter to Dan Bockhorst
May 14, 1990
Page 2

Thank you for taking public comment. Please keep us informed of your actions.

Sincerely,

Karey H. Cooperrider
Joseph M. Giefer
Karey Cooperrider and
Joseph Giefer
4 Crab Cove
Funter Bay, AK 99850

cc: Southeast Regional LBC
Honorable Dick Eliason
Honorable Peter Goll
Kevin Ritchie

Sam and Helen Pekovic
P.O. Box 20885
Juneau, AK 99802

May 14, 1990

RECEIVED
MAY 16 1990
Dept. of Comm. & Reg. Affairs
Div. of Municipal & Reg. Assk.

Local Boundary Commission Component
Department of Community and Regional Affairs
949 E. 26th Avenue, Room 405
Anchorage, AK 99508

Dear Sir or Madam:

This letter is to object to the local boundary commissions recommendation that the City and Borough of Juneau annex all of Mansfield Peninsula and other areas as well, such as Green's Creek, etc.

My wife and I are property owners and part-time residents in Funter Bay and plan to be full time residents there in two to three years.

I can see no reason in the world why Funter Bay, Green's Creek, or any other community should be annexed into the Juneau Borough, or any other borough for that matter.

We are self sufficient in Funter Bay and have not asked to be annexed, nor have we asked for any services: and though we buy our supplies in Juneau or Hoonah, we pay premium prices for getting them to Funter Bay. Often times the freight comes to more being shipped from Juneau to Funter Bay than from Seattle to Juneau.

We supply our own water, sewer, electricity etc. and have no state or borough roads: no police or fire protection, and no schools. We also have no t.v., telephone, mail, freight, ferry or any other services. The latter services are not borough functions, although they might like them to be!

I fail to see how Juneau, Hoonah, Angoon, Haines, or anybody for that matter, is going to do one damn thing for Funter Bay residents except tax them for nothing. Somehow that does not seem right or fair to me, and I hope to you.

I might add that whatever service they could try to give would be ineffective and inefficient, costing far more to try and provide than it's worth, but government being what it is, I suppose that won't make any difference to the powers that be.

As a life long Alaskan, resident and property owner of both Juneau and Funter Bay, I am somewhat concerned with the new mentality of some of the voters and public officials who seem to have the attitude of "get all you can get no matter who or what it hurts", in the name of so called "Governmental Progress" (or further the empire).

Sincerely,



Sam Pekovich

cc: Peter Freer, Local Boundary Commission
The Honorable Dick Eliason, Alaska State Senator
The Honorable Peter Goll, Alaska State Representative
Mr. Kevin Ritchie, Juneau City Manager
The Honorable Jim Duncan, Alaska State Senator
The Honorable Fran Ulmer, Alaska State Representative
The Honorable Bill Hudson, Alaska State Representative

RECEIVED

MAY 16 1990

Dept. of Comm. & Reg. Affairs
Div. of Municipal & Reg. Asst.

Sarah and Charles Lupro
3051 Nowell Avenue
Juneau, Alaska 99801
May 14, 1990

Local Boundary Commission Component
Department of Community and Regional Affairs
949 E. 36th Ave., Room 405
Anchorage, Alaska 99508

Dear Sirs:


As residents and property owners in Juneau and owners of property in Funter Bay we request your records to show we are in strong opposition to the annexation of Funter Bay by the Juneau Borough.

Funter Bay can be reached from Juneau only by float plane or small boat and both are restricted by weather conditions. None of the services such as fire and police protection, streets, water and sewer services can be provided or are wanted in the area.

Although the Juneau Borough could increase their tax base by this annexation, the administration alone will become an added expense to the Borough. The cost of holding city/borough elections, being requested to provide police services, the correct type of firefighting equipment and firefighters in the case of a fire will be an additional expense to the Borough. We as taxpayers of Juneau object to another increase in our taxes for something that is not needed or wanted.

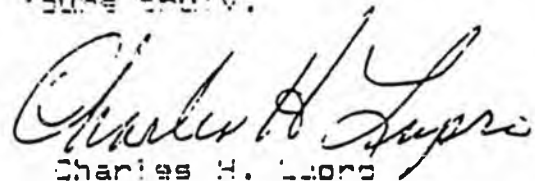
We feel this proposed annexation should not be considered without input from the residents and property owners of Funter Bay. There should be a public hearing held in Funter Bay so all concerned parties have a chance to express their views.

Yours truly,



Sarah Luoro

Yours truly,



Charles H. Luoro

cc: Honorable Dion Ellison
Honorable Peter Goff
Dr. Kevin Preece
Local Boundary Commission, 12 Region

RECEIVED

MAY 18 1990

David A. Horton, Jr.
P.O.Box 021032
Juneau, Alaska, 99802

Dept. of Comm. & Reg. Affairs
Div. of Municipal & Reg. Ass't.

May 14, 1990

Local Boundary Commission Component
Department of Community and Regional Affairs
949 E 36 Ave., Rm 405
Anchorage, Alaska 99508

Gentlemen:

I wish to state that I own four waterfront lots that were former fish trap sites on Mansfield Peninsula on Admiralty Island and to date have built two cabins with outbuildings on two of these four lots. I have plans to build two more cabins in the near future and do not look forward to dealing with Juneau Borough Building Codes nor taxes if this area is annexed by Juneau Borough or any other borough for that matter.

I do not agree that the state of New York has the right to tax my Wall Street investment portfolio, nor do I believe Juneau Borough should have the right to tax my investments on Admiralty Island. I spent 22 months in Vietnam and gave a part of my body for this great fair nation. I would do it again if asked because I believe in fairness and enjoy the freedoms that National defence provided. However, I do not see any direct benefit to me from any taxes I would have to pay to the Juneau Borough or any other borough if my land and investments end up in an organized borough. In all fairness, I have to get Veterans hospital services out of Seattle or Anchorage as Juneau just knows how to mess it up. My investments within the City/Borough of Juneau already pay for what community service benefits I receive. I am in opposition to my land being annexed by any borough.

For the record, I am opposed to annexation of Greens Creek Mine by any borough in that they struck a compromise with Juneau Borough where they would not house the work force at the mine site, which probably may have proven more cost effective for the mining company. However, wishing to be good neighbors, agreed to contribute to Juneau's economy by housing mine workers in Juneau housing which is taxed to support the hospital, airport and all other community services. I do not see the fairness of this annexation either and therefore I am in opposition to annexation of Greens Creek mine by any borough also.

Page 2 Horton
May 14, 1990

Thank-you for your time. I hope you will give this life time Alaskan a break and restore my faith in this great U.S.A. Please make this part of the public record.

Sincerely

A handwritten signature in cursive script that reads "David A. Horton, Jr." The signature is written in dark ink and is positioned above the printed name.

David A. Horton, Jr.



Clyff Kobayashi
7691 Glacier St
Juneau, AK 99801

5/13/90

To Whom it may Concern:

I would like a copy of your report suggesting Annexation of Areas of the Mansfield Pen. on Admiralty Island by the CBJ. I would also like reasons for this proposal. Presently there are several proposals to include the Mansfield Pen. to Admiralty National Monument as was originally proposed in A-2 legislation. Presently both the Public Lands Trust and Nature Conservancy are considering

Purchasing private no "dungs"
on Admiralty Island for
additions to the monument.

I hope the report reflects
these points and includes
that Sen. Stevens, Murkowski,
and Rep Young support
legislation to purchase lands
on the island by Congress
to add to the monument.

I oppose the CBJ annexation
of ~~the~~ areas on Admiralty
Island and await a copy
of your report.

RECEIVED

MAY 16 1993

Dept. of Comm. & Reg. Affairs
Div. of Municipal & Reg. Asst.

Yours truly,
Cliff Hoban
7691 Glacier Hwy.
Juneau, AK 99801

5/10/90

Local Boundary Commission
To; ~~Mayor and Assembly~~

From; William, Kathleen, and Ernest Brent

Our family has lived on the West Side of Admiralty Island for 8 of the last 11 years. Our family has build a life out their we are proud of.

The private land is part of a 1916 patent Homestead, Survey No. 1159. Homestead Entry Survey 85.

Its South of Hawk Inlet 5 miles and North of O Cube Cove 7 miles.

In the past 10 years we have build a log home and 3 out Building with all the lumber milled on site.

Plus we have build 20 raise Beds for growing our food.

We have had some ^{lean} years with less than \$5000.00 in thousand a year.

RECEIVED

MAY 16 1990

Dept. of Comm. & Reg. Affairs
Div. of Municipal & Reg. Asst.

Most of our income has come from the working on the north slope, while my wife keep the Homestead working by herself.

We fly in and out of Juneau and spend most of our money there.

There are 10 other land holders that own part of the Homestead, some where around 70 acres of private land altogether.

So speaking for myself only and family, we do not want to become part of the C.J. Ball we see is a land grab, to get money with no services.

If we did go into a Borough, we would like to go into the Chatman Borough.

Thanks you
The Brents

William Kathleen Ernest

15011 33 43

Juneau, Alaska

99703

En - 170-421

Philip & Donna Emerson
3 Crisp Cove
Funter Bay, AK 99550-0140

May 10, 1990

RECEIVED

MAY 14 1990

Local Boundary Commission
949 E. 36th Ave., Suite 405
Anchorage, AK 99508

Dept. of Comm. & Reg. Affairs
Div. of Municipal & Reg. Asst.

Commission Members:

We wish to reiterate to you that we are adamantly opposed to inclusion in the City and Borough of Juneau's "ideal boundaries". The State of Alaska, through your actions, is forcing the community of Funter Bay into an organized borough against our wishes and best interests. The City and Borough of Juneau has asked that we be removed from the annexation proposal. The CBJ recognizes the validity of our arguments against annexation; however, they would possibly succumb to pressure from your agency with their annexation of Greens Creek at stake.

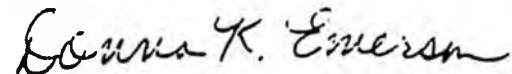
The Local Boundary Commission has not at any time contacted any bona fide resident of Funter Bay to inform us of the activities they have undertaken and which affect us so vitally. It would be most informative to peruse the mailing list of the "1,000 copies of an informational tabloid on the Chatham/Juneau model borough boundary map project" which it states in the Draft Proposal dated 4/9/90 were mailed to "152 municipalities, organizations, business and other interested parties on 12/7/89". I received a copy of the Draft Proposal and tabloid from Representative Peter Goll's office at my request, on May 2, 1990. Does this kind of exclusionary action show the state to be truly "inviting comments on or before January 10, 1990"?

We further feel that should the LBC feel compelled to include Funter Bay in an "ideal boundary", we be included in the Haines ideal boundary. Many arguments could be made to align our community with Haines: let it be enough to cite the paragraph on page 14 of the above mentioned Draft Proposal. It refers to the "minimalist attitude" of Gustavus toward government. This can certainly be said of Funter Bay in an even stronger vein, as we have NO state provided or subsidized services in this community.

We again request that the Commission hold public hearings in Funter Bay to gather the testimony of the permanent residents of the community prior to taking any action on this matter. We also request that our protests be made a matter of record. We further request that all proceedings that in-

give these matters be made known to us in ample time for us to comment by mail, or to attend any open meetings. All of these requests certainly seem to us to be well within the intent of the laws of the State of Alaska.

Sincerely,



Donna K. Emerson



Philip J. Emerson

cc: Senator Dick Eliason
Representative Peter Goli
Kevin Ritchie, City Manager of Juneau
Peter Freer, Supervisor, SE Regional Office of LSC

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

P.O. BOX 3-1000
JUNEAU, ALASKA 99802
PHONE: (907) 789-6261

SOUTHEAST REGIONAL DIRECTOR

May 10, 1990

RECEIVED

MAY 14 1990

LBC Component
Alaska Department of Community
and Regional Affairs
949 East 36th Avenue, Room 405
Anchorage, Alaska 99508

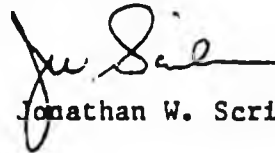
Dept. of Comm. & Reg. Affairs
Div. of Municipal & Reg. Ast.

Ladies or Gentlemen:

We have reviewed the draft report concerning 'ideal boundaries' of existing and prospective boroughs in Southeast Alaska (including the proposal by the City and Borough of Juneau to annex Greens Creek Mine).

We have no comments to offer at this time.

Sincerely,



Jonathan W. Scribner

cc: Peter Freer, Supervisor, Southeast Regional Office, Department of
Community and Regional Affairs
Mark S. Hickey, Commissioner, Department of Transportation
and Public Facilities

JOEL BENNETT PRODUCTIONS

114 WEST SIXTH STREET

JUNEAU, ALASKA 99801

U.S.A. (907) 586-1255

May 9, 1990

RECEIVED

MAY 14 1990

Dept. of Comm. & Reg. Affairs
Div. of Municipal & Reg. Asst.

Local Boundary Commission
Department of Community and Regional Affairs
949 E. 36th Ave. Room 405
Anchorage, AK 99801

Dear Members of the Commission,

This is to strongly object to the Local Boundary Commission's recommendation that the City and Borough of Juneau annex all of Mansfield Peninsula, as well as other areas, and Greens Creek.

I am a property owner and part-time resident of Funter Bay, with a history of over 20 years of use of the area. In my view, there is no good reason at this time to place the small community of Funter in a borough that can provide no services to it.

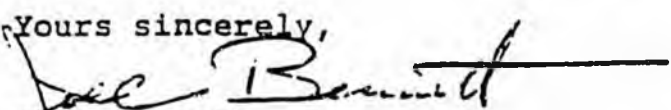
Non road-connected areas in the State must be treated differently for purposes of Borough annexation, unless (1) the residents request annexation, or (2) a reasonable level of services can be provided. It is clearly unreasonable otherwise.

Moreover, borough annexation of Mansfield Peninsula would run counter to the very essence of why persons have chosen to locate there. Surely this is not a policy in the best interests of either the State or the local government.

Please modify your recommendation to exclude Funter and the Mansfield Peninsula from annexation to any borough. Additionally, no hearing has been held for the benefit of Funter bay residents. No final action should be taken until this occurs.

This is a very serious matter to all of us concerned. Please reconsider your recommendation, in view of the objections of the property owners involved.

Yours sincerely,


Joel Bennett

cc: Southeast Regional Office, Local Boundary Comm'n
Senator Dick Eliason
Representative Peter Goll
Mr. Kevin Ritchie, Juneau City Mgr

Philip J. Emerson
3 Crab Cove
Funter Bay, AK.
99850-0140
May 9, 1990

Dear Mayor Botelho and fellow assembly members,

Due to the fact that it is economically impossible for me to attend current and future assembly meetings and that with weekly mail service I can only write letters every other week, would you please read this letter at the next assembly meeting that pertains to the annexation of Mansfield Peninsula.

I would like to reiterate on the comments made by two of the residents of Funter Bay at your May 7th meeting.

First I would like it to go on record that the community of Funter Bay was not informed by the Local Boundary Commission of any potential changes in our status as an unorganized borough. It was stated by Mr. Gene Kane at the May 7th CBJ meeting that all concerned communities were sent information on the formation of ideal borough boundaries and this was not true because Funter Bay was never informed. I also noticed that Mr. Kane stated that the whole state must be divided up into boroughs. For some reason he left out the whole law; Article X, section 3 of the Alaska state constitution states that, "The entire state shall be divided into boroughs, organized and unorganized." Funter Bay is part of the unorganized borough and wishes to remain as such. There was also a statement made that Funter Bay would not exist except for Juneau. I've never heard such obscure reasoning in my life. Would Juneau exist except for Seattle?

I have heard there have been a number of comments made by various members of the assembly on both television and radio concerning the fact that Funter Bay does not pay it's fair share of borough services. My family and I spend on the average three weeks a year in Juneau. I usually run my fishing boat the three and a half hours to Auke Bay where my moorage fees are \$5.72 a day + tax, I rent a car for approx. \$40 a day + tax, I buy fuel for this car + tax. We buy all our meals in town and occasionally rent a motel room + tax. For every service we use and for everything we consume in Juneau we pay taxes. How do we differ from the people from Hoonah, Pelican, Elfin Cove, Haines etc. that come to Juneau and take advantage of what is available? If the CBJ were to annex every community that buys groceries, building supplies and does their banking in Juneau you would certainly have your hands full. The criteria set up by the Model Boundaries Commission Study states, "Alaska's constitution requires that each borough shall embrace an area and population with common interests to the maximum degree possible."

My total income is derived from trolling, in the last 10 years I've sold 4 king salmon in Juneau, my economic and social life centers on my fishing and involves the communities of Excursion Inlet, Hoonah, Elfin Cove, Gustavus and Pelican. I have built my own house here at Funter, installed my own water system, generate my own power, live on a poverty level income and have never had to seek state or federal assistance. My wife teaches our children, we do not have roads and we do not own a car. We harvest a large amount of our food from the sea and land, and the community of Funter Bay has never solicited monetary aid or assistance from any state, federal, or local agency. I ask you, do I share common interests with you?

As a fisherman I travel to many of the small communities and I see that the state has supplied them all with telephones, t.v. dishes, community generators, subsidized electric bills and when there are 7 school age children present the state supplies a teacher and school facilities.

Does the borough take over this responsibility when it annexes a community? Does a borough also take over the responsibility of the state marine floats? Does the borough have the responsibility of collecting all the trash that accumulates from "recreational vessels"?

Due to the fact that Funter Bay does not share common interests with the U.B.I. to the maximum degree possible, we do not want to be included in the ideal borough boundaries of Juneau.

Respectfully yours,

Philip J. Emerson

Donna K. Emerson

Funter Bay, Alaska

May 7, 1990

RECEIVED

MAY 14 1990

Local Boundary Commission Component
Department of Community and Regional Affairs
949 E. 36th Ave., Suite 405
Anchorage, AK 99508

Dept. of Comm. & Reg. Affairs
Div. of Municipal & Reg. Asst.

Gentlemen:

Along with our neighbors, my wife and I wish to be placed on record as opposing annexation of northern Mansfield Peninsula by the City and Borough of Juneau. Such action would include our small community of Funter Bay and would not benefit us or CBJ. For that matter, we see no advantages to being included in any Organized Borough. The only apparent beneficiary would be the Local Boundary Commission, whose concept of "ideal" boundaries would be satisfied.

Our primary objection to annexation is that, due to our location and lack of surface transportation, no services could be expected from CBJ. Funter Bay is not connected to Juneau by road, nor is it a port-of-call on the State Ferry System. Travel here is mainly by air, which is expensive and often subject to weather delays. CBJ would not benefit, despite being able to collect taxes without providing services, as appraisal and collection costs would likely exceed monies received.

A stronger case for annexation could be made if Funter Bay and northern Mansfield Peninsula had economic and population growth potential. It does not. Only fishing and/or logging could accomplish this, but the cannery and the once numerous fish buyers are gone, and the timber is of low grade. In addition, little private land on which to build homes is available.

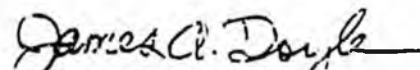
For the information of the Local Boundary Commission, Funter Bay has existed as a community since about 1900. Its present population of eleven - eight adults, three children - has been stable for many years. Also, for these same years, we have been completely ignored by the State and Federal Governments whenever matters concerning Admiralty Island were under discussion. To these entities, Angoon was and is the only settlement on Admiralty Island, and the one whose views are solicited and considered. This annexation matter is a good example. It was only by chance that Funter Bay residents learned of it and were able to obtain, a short two

weeks ago, a copy of Draft Report and Recommendation (dated 4/9/90). We object to this arbitrary and unfair treatment.

If, at some time in the future, it becomes mandatory that all areas in the State become part of an Organized Borough, we feel our interests would be better served by annexation to Haines, rather than CBJ. We have more in common with that entity and would have a larger voice in Borough affairs. Only a minor amendment in the Draft "ideal" boundaries would be required.

Finally, we must remind the LSC that Funter Bay is in the Chatham School District. Our State Senator is in Sitka, our Representative in Haines. Annexation by CBJ would require these to be changed.

Sincerely,



James A. Doyle

1 Crab Cove

Funter Bay, AK 99850-0140

cc: Peter Freer, DCRA
State Rep. Peter Goll
State Sen. Dick Eliason
Kevin Ritchie, Juneau City Manager

4410 N. Douglas Hwy.
Juneau, Alaska 99801
May 9, 1990

LBC Component
Department of Community and Regional Affairs
949 E. 36th Avenue, Room 405
Anchorage, Alaska 99508

RECEIVED

MAY 14 1990

Gentlemen:

Dept. of Comm. & Reg. Aff
Div. of Municipal & Reg. A

I have read over the DRAFT report to the Local Boundary Commission concerning "ideal boundaries" of existing and prospective boroughs in central Southeast Alaska.

My wife and I own a small piece of property (15 acres) on northwest Admiralty Island five and one-half miles north of Funter Bay. We use our land as a base for subsistence hunting and fishing to feed our family. We are not opposed to the City and Borough of Juneau Annexing the Green's Creek Mine area (140 square miles), as per their original proposal to the Department of Community and Regional Affairs. We are very strongly opposed to the DCRA proposal to include in the annexation all of the Mansfield Peninsula including Funter Bay, the Glass Peninsula, Hawk Inlet, and Horse and Colt Island (1,116 square miles). Unless it is allowable to annex only the 140 square miles surrounding the Green's Creek Mine we are opposed to any annexation by the City and Borough of Juneau.

The annexation of our subsistence hunting and fishing property on the Mansfield Peninsula would result in additional property taxes, building permits, sewage disposal and water system permits from the City and Borough of Juneau which would make building a cabin on our property prohibitively expensive and troublesome. The added costs for property taxes and higher building costs would likely result in us having to sell our property. There are absolutely no benefits to us from annexation by the City and Borough of Juneau and we are completely opposed to it. Our family lives in Juneau and pays high taxes for the benefits we receive. We do not wish to be taxed on our remote property because we would then be taxed twice for the same benefits. We are living on a retirement income. All of the Admiralty Island property owners and hunting cabin owners from Funter Bay, Hawk Inlet, Horse and Colt Island, Mansfield Peninsula, and Seymour Canal that we have talked to are opposed to being annexed, taxed, and regulated by the City and Borough of Juneau.

Please allow only the annexation of the area immediately around the Green's Creek Mine or do not allow any annexation at all by the City and Borough of Juneau. Thank you.

Sincerely,

Phillip L. Gray

Phillip L. Gray

cc: Senator Jim Duncan
Representative Fran Ulmer
Representative Bill Hudson
CBJ Assembly members
CBJ Planning Commission members

Philip J. Emerson
3 Crab Cove
Funter Bay, AK.
99850-0140
May 8, 1990

Local Boundry Commission Component
Dept. of Community and Regional Affairs
949 E. 36th Ave. Room 405
Anchorage, AK 99508

RECEIVED

MAY 9 - 1990

Dear Mr. Rutherford,

Dept. of Comm. & Reg. Affairs
Div. of Municipal & Reg. Asst.

First I would like to say that the community of Funter Bay would like to be notified about any further potential changes in our social, cultural and economic activities. We have once a week mail service when weather permits but this can stretch to a month or more during the winter storms.

The community of Funter Bay is located on the western shore of Mansfield Peninsula approx. 10 miles south of Point Retreat and 10 miles north of Hawk Inlet. We are in the Angoon voting and Chatham school district, our Senator is Dick Eliason from Sitka, our Representative is Peter Goll in Haines. I have been a resident of Funter Bay since 1972 and make my living as a commercial fisherman, my fish are sold in Hoonah, Excursion Inlet, Pelican, Gustavus, and Elfin Cove. Like most small island bush people I go to Juneau a few times a year to buy groceries and other supplies. Funter Bay receives no services from CBJ. When I am in Juneau I am charged moorage on my boat, pay a bed tax at the motels, pay a tax for the car I rent and tax on the fuel for the car. The schooling for my children is State of AK. correspondence and the library and other services for my childrens' education are through the State of Alaska. Our once a week mail service with Ward Air of Juneau is paid for by the Federal Dept. of Transportation.

Each island community has it's different needs. At Funter Bay we have no roads, each household supplies it's own services and as a community we have never asked for monetary aid or assistance from any local or State agency. As a small community we do not need any revenue generating capacity to provide local services, and do not need to belong to a borough that would be geographically separate and physically difficult to reach. To attend a CBJ meeting it would cost approx. \$300 roundtrip airfare and probably \$100 a day to stay in Juneau, this is a very large expense for my subsistence lifestyle.

I cannot see that Funter Bay is in need of any services the CBJ has to offer. If police are needed there are State Troopers (in 18 years I've never had to call the police), if we are in need of medical help we call the closest floatplane or helicopter and get to the hospital. I'm sure if you checked with the CBJ firedepartment as to the response time to a fire in Funter Bay there would be no

point in coming. Mansfield Peninsula is basically owned by the federal government and state and they do a more than adequate job of managing their waters and land. I would also tend to say that our houses are better built, zoned better and have more "green strips" than most areas of the CBJ.

In the Model Boundries Study newsletter of Dec. 1989 it states, "The Commission and the Department agree that this project should not call for the creation of regional governments until the local residents want them." "...local residents seek the incorporation voluntarily and their area must not lose financial resources." The residents of Funter Bay have made no requests to join any borough.

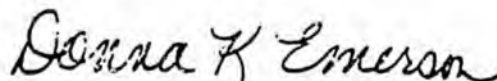
I think the McDowell report covers many of my views. All the communities in the unorganized borough have such diversified needs that each one should be responsible for themselves. The unorganized borough of Southeast should remain the same and then there would be no conflict of tax revenue grabbing from short term projects like Greens Creek and logging camps. Does Greens Creek conform to the Natural Geography of CBJ when one has to cross two bodies of water and two islands?

Philip J. Emerson



Respectfully yours,

Donna K. Emerson



cc: Sen. Dick Eliason
Rep. Peter Goll
Kevin Ritchie, City Manager of Juneau
SE Regional Office of LBC

RECEIVED

MAY 7 - 1990

Dept. of Comm. & Reg. Affairs
Div. of Municipal & Reg. Asst.

May 3, 1990

Funter Bay, Alaska
99850-0140

State of Alaska
Department of Community and Regional Affairs
949 East 36th Avenue, Suite 400
Anchorage, AK 99506-4302

Dear Sir:

We strongly object to the Greater Juneau Burrough's efforts to incorporate the area known as the Mansfield Peninsula which includes Funter Bay and the Green Creek Mine.

The Greater Juneau Burrough is now the largest burrough in the nation and its greedy tentacles are reaching out for more people to tax.

Ordinarily, the purpose of a burrough or county is to assist with needed utilities like sewer, water, fire and police protection. In our case, we are over fifty miles from Juneau on Admiralty Island and far removed from the Juneau Burrough. They would not be able to provide us with anything of any value whatsoever. Our community is composed of several low-income commercial fishermen and their families who can ill afford the heavy and unnecessary Burrough taxation. This would create a terrific hardship on all who live there.

We therefore most urgently request your personal assistance do everything possible to stop this burrough takeover.

Respectfully,

William E. Hixson

William and Helen Hixson

RECEIVED

MAY 04 1990

MRAD
DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

Philip & Donna Emerson
3 Crab Cove
Funter Bay, AK 99850-0140

April 29, 1990

Local Boundary Commission Component
Department of Community and Regional Affairs
949 E. 36th Ave. Room 405
Anchorage, AK 99508

RECEIVED

MAY 7 1990

Attn: Mr. Marty Rutherford, Director

Dept. of Community & Reg. Affairs
Div. of Municipal & Reg. Assi.

Dear Mr. Rutherford,

We are permanent, full time residents of Funter Bay, and are writing out of concern for the current proposal of the Local Boundary Commission regarding the City and Borough of Juneau annexing a portion of Admiralty Island.


We want it noted on record that we are in opposition to being annexed into any Borough at this time. At present, the city of Juneau provides no services to this community, there are no services which the city could feasibly provide, and, we do not desire any services to be provided. Our livelihood is not in any way tied to Juneau. There is no road connection from Funter Bay to Juneau, there is no ferry connection, either. Funter Bay is not a bedroom community relying on Juneau for services.

The proposal as stands would cause a tax burden on this family. Even at the "low" mil rate accorded similar roadless areas, the amount would be substantial to us within the context of our income.

We are requesting that there be a public hearing on this issue in Funter Bay, to allow the residents an opportunity to voice their opinions on this matter. It is prohibitively expensive for us to fly to Juneau.

Please take note of our objections, and keep us informed of all meetings and the outcome of these meetings.

Respectfully yours,


Philip J. Emerson


Donna K. Emerson

cc: Sen. Dick Eliason
Rep. Peter Goll
Kevin Ritchie, City Manager
SE Regional Office of LBC



Forest Products, Inc.

January 30, 1990

Alaska Local Boundaries Commission
949 East 36th Ave., Room #405
Anchorage, Alaska 99508

Gentlemen:

In the December, 1989, issue of the Local Boundaries Commission publication, a model boundaries study was proposed for the Chatham/Juneau area. As a timber owner with operations on the west side of Admiralty Island, Atikon Forest Products is very interested in this proposal.

We would like to go on record as opposing the expansion of current Juneau borough. We see no benefits to including our property at Cube Cove as a part of an expanded borough. On the other hand, we see several negative implications from the standpoint of additional tax burdens.

Please keep us informed as the Boundaries Commission progresses on its study to establish expanded boundaries for the current Juneau borough.

Sincerely,

Richard Hirschberg
President/CEO

RH/sh

cc: John Sturgeon
Jim Senna
Dick Buhler

RECEIVED

FEB 5 1990

Dem...
...

STEVE COWPER. GOVERNOR

DEPARTMENT OF LABOR

OFFICE OF THE COMMISSIONER

P O. BOX 21149
JUNEAU, ALASKA 99802-1149
PHONE: (907) 465-2700

FAX: (907) 465-2784

January 25, 1990

C. B. Bettisworth, Chairman
Local Boundary Commission
949 East 36th Avenue, Suite 404
Anchorage, AK 99508

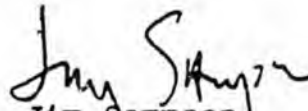
Dear Mr. Bettisworth:

Enclosed you will find comments prepared by staff of the Research and Analysis Section of the Department of Labor, concerning the Model Boundaries Study.

Should you have questions on these comments, please feel free to contact Greg Williams, State Demographer, at 465-4500.

We appreciate the opportunity to comment on the Study and apologize for the lateness of our response.

Sincerely,


Jim Sampson
Commissioner

Enclosure

JS/gd

COMMENTS ON THE MODEL BOUNDARIES STUDY

In general, the following principals should guide the formation of boroughs throughout the State and Southeast:

1. It is important that all areas of the state be included in boroughs as the basis for future economic development and allocation of state resources.
2. It is important that boroughs have as large a population as possible.
3. Boroughs should have as large a contiguous geographic area as possible. Islands should be included in their entirety in one borough to facilitate future infrastructure development. "Doughnut" boroughs and the formation of boroughs which isolate small economically untenable areas should also be avoided.
4. Boroughs must be large enough to already have resources, or be able to work toward development of substantial economic, service, and tax bases.
5. Small community-based boroughs should be avoided because they lack the economic base for future growth. Too many small boroughs make governance and provision of services difficult. They contribute to inefficient operation of state and local government programs because of their small scale of operations.
6. It is important that independent communities be able to retain their local governments and cultural heritage within boroughs. Therefore, existing city boroughs annexing territory should not absorb existing communities into the city/borough government.

In my opinion, Southeast should be divided into five or six boroughs. This could be done primarily through the creation of one or two new boroughs and the annexation of the remaining territory to the other four existing boroughs in Southeast. Population estimates are for 1988. I would oppose the formation of a separate Chatham Borough. It would have a population of only 2,593 and no economic or population center. It would also leave the Yakutat area, which cannot economically support a separate borough, completely isolated.

Southeast Island Borough - This borough would consist of most of Wrangell-Petersburg Census Area, and the Prince of Wales part of the Prince of Wales-Outer Ketchikan Census Area. This borough would include the Petersburg, Wrangell, Kake and Southeast Island School Districts. The population of the borough would be 10,630 people and would have economy based on logging, fishing, and possible port facilities for products from Canada in the future.

Ketchikan Borough - Ketchikan-Gateway Borough should annex the area currently in the Outer Ketchikan part of the Prince of Wales-Outer Ketchikan Census Subarea. Most of this area is occupied by Misty Fjords and is uninhabited. The population of the borough would be 12,770 people and include the communities of Hyder and Meyers Chuck in addition to the existing Ketchikan Gateway Borough. This annexation would add any future economic activity from the Quartz Hill Mine to the borough economy.

The Metlakatla Indian Reservation with 1,596 persons would probably wish to form its own borough. The legal status of Metlakatla as a reservation and its unique Tsimshian culture may require a separate borough. The small population and limited economy of Metlakatla, however, would suggest that it should be in some way allied to Ketchikan Gateway Borough.

Sitka Borough - Sitka Borough should be expanded through annexation to include all of Baranof and Chichagof Islands. This would mean the annexing of Port Alexander and the communities of Hoonah, Elfin Cove, Tenakee Springs and Pelican. I recommend that Sitka Borough be a different unit from Sitka City to allow retention of independent city governments in the annexed areas. This borough would have a population of 9,726.

Juneau Borough - Juneau Borough should be expanded through annexation to include all of Admiralty Island and all of the area along the Canadian Border to the Southeast Island Borough. This would include the communities of Angoon and Hobart Bay as well as the Greens Creek Mine. Again, I recommend that Juneau Borough be different from Juneau City to allow the City of Angoon to retain independent government. The population would be 25,611. It might be cleaner to leave Juneau as a City/Borough and annex the City of Angoon to Sitka Borough. This would mean splitting Admiralty Island between two boroughs.

Glacier Bay Borough - Haines Borough should be expanded through annexation to include Skagway, Klukwan, Yakutat, Gustavus and

Glacier Bay National Park. The population would be 3,757 persons. This borough would have the largest geographic area and the smallest population in Southeast. While the Park and Yakutat areas are difficult to access from Haines, the population of this area (about 800 persons) is too small to form a separate borough that could be economically self-supporting. Since Haines Borough is currently the second smallest borough in Alaska, the addition of this contiguous population and land area would benefit Haines. Future mining and tourism would aid the borough economically.

631 WEST 11th STREET
JUNEAU, ALASKA 99801
OCTOBER 12, 1989

ALASKA DEPT. OF COMMUNITY AND REGIONAL AFFAIRS
949 EAST 36th AVENUE - ROOM 405
ANCHORAGE, ALASKA 99508

ATTENTION: DAN BOCKHORST

DEAR MR. BOCKHORST:

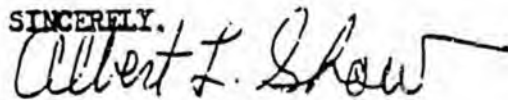
IN RESPONSE TO YOUR NOTICE OF FILING OF A PETITION FOR ANNEXATION OF THE MANSFIELD PENINSULA AND THE GREEN CREEK MINE BY THE CITY AND BOROUGH OF JUNEAU LET ME SUGGEST THE FOLLOWING.

MY #1 SUGGESTION IS THAT YOU ATTACH ALL OF THE NORTHERN HALF OF ADMILITARY ISLAND TO THE CITY AND BOROUGH OF JUNEAU. YOU START AT THE PRESENT SOUTHWEST CORNER OF THE JUNEAU BOROUGH AND DRAW A LINE WEST TO THE NORTHEAST CORNER OF THE SITKA BOROUGH THEN NORTHWEST UP CHATHAM STRAIT TO THE SOUTHEAST CORNER OF THE HAINES BOROUGH. AS A MEMBER OF THE COMMITTEE THAT DREW THE PRESENT BOUNDARIES OF THE JUNEAU BOROUGH I WOULD HAVE INCLUDED ALL OF THE ABOVE WHEN WE FORMED THE JUNEAU BOROUGH BUT DIDN'T THINK WE COULD HAVE GOTTEN IT THROUGH BOUNDARIE COMELSSION. THIS WOULD SQUARE UP THE PRESENT BOROUGH AND STILL ALLOW ROOM FOR RURAL BOROUGH TO BE FORMED IF DESIRED.

MY #2 SUGGESTION IS THAT YOU DRAW A LINE FROM THE MOUTH OF HAWK INLET TO THE SOUTHEAST CORNER OF THE HAINES BOROUGH. THIS WOULD BE BETTER THEN THE SPOT ANNESATION THAT IS BEING PREPOSED.

JUNEAU IS THE SERVICE CENTER FOR ALL OF THE ABOVE AREA AND ALTHOUGH THEY COULD EXIST WITH OUT US IT WOULD BE MORE EXPENSIVE AND DIFFICULT. THEIR QUALITY OF LIFE IS BETTER BECAUSE OF THE EXISTANCE OF THE JUNEAU BOROUGH.

SINCERELY,



ALBERT L. SHAW

RECEIVED
OCT 16 1989

Dept. of Comm. & Reg. Affairs
Div. of Municipal & Reg. Affs.

24

Dept. of Comm. & Reg. Affairs
Div. of Municipal & Reg. Affs.

OCT 6 1989
RECEIVED

4410 N. Douglas Hwy.
Juneau, AK 99801
September 26, 1989

Dan Bockhorst
Department of Community and Regional Affairs
949 East 36th Ave., Room 405
Anchorage, AK 99508

Dear Mr. Bockhorst:

My wife and I own a small piece of property (15 acres) on northwest Admiralty Island (Mansfield Peninsula area). It is about five miles south of Point Retreat and five and one-half miles north of Funter Bay. There are no structures on the property, although we plan to build a small hunting cabin at some future date. The property is used for subsistence hunting and fishing and recreation only.

Our concern is over efforts of the City and Borough of Juneau during 1989 to annex part or all of the Mansfield Peninsula for taxation and regulation purposes. The original intent of CBJ appears to have been to annex mainly the Greens Creek mine for taxation purposes, but more recently their long-range intent is to annex all of the Mansfield Peninsula. We are not opposed to the Greens Creek mine area only being taxed, especially if CBJ incurs extra expenses for schools, etc., because of the mine operation and influx of workers to Juneau. Other communities such as Angoon, Hoonah, Tenakee, Gustavus and Haines also have shown interest in annexing all or part of the Mansfield Peninsula on Admiralty Island for taxation and regulation purposes.

We are very much opposed to our subsistence hunting and fishing property on Admiralty Island being annexed, taxed, and regulated by any community inasmuch as there are no services that could be provided that would justify any tax whatsoever. We purchased our land on Admiralty Island with the knowledge that it was outside the boundaries of CBJ and exempt from taxation. Also we are living on a retirement check and cannot afford more taxation, especially where no services are provided. We own a home in Juneau and already pay high taxes for all the services we receive in the Juneau Borough. We are also strongly opposed to any annexation because of new building regulations that would affect the building of even small cabins. We cannot afford to build a cabin unless it is constructed of salvaged materials because of our limited income. We also prefer to design our own water and sewage disposal systems rather than having CBJ tell us how to install them at prohibitive expense to us.

We have attended several public meetings by CBJ in Juneau on the proposed annexation and all property owners on North Admiralty Island were strongly opposed to being annexed, taxed, and regulated (Funter Bay, Horse and Colt Island, Barlow Cove). I have also called numerous property owners and cabin owners on the Mansfield Peninsula and all have been opposed to annexation by CBJ.

We strongly prefer that the Mansfield Peninsula on Admiralty Island not be annexed by the City and Borough of Juneau or any other community. If forced into annexation by state regulation, we prefer that the Mansfield Peninsula be annexed by a borough or community other than CBJ. The City and Borough of Juneau would likely impose the highest tax rate and the most severe building and land use regulations on remote area landowners.

Most of Admiralty Island is a national monument. There are questions as to whether private holdings surrounded by a national monument or U.S. Forest Service land can be taxed by the CBJ. Also, can private cabins on land leased from the U.S. Forest Service be taxed?

Please keep our name on your mailing list to receive materials concerning annexation of the Mansfield Peninsula on Admiralty Island (hearing notices, draft/final reports, etc.). Thank you.

Sincerely,

Phillip L. Gray

Carol J. Gray

Phillip L. Gray
Carol J. Gray

CITY
OF
ANGOON

P.O. BOX 189
ANGOON
ALASKA
99820

PHONE:
(907) 788-3653

RECEIVED
JAN 3 1989

June 2, 1989

Dept. of Comm. & Reg. Affairs
Div. of Municipal & Reg. Asst.

Gene Kane
Local Government Specialist
Dept. of Community & Regional Affairs
949 E. 36th Ave., Suite 406
Anchorage, Alaska 99508

Dear Mr. Kane,

At a special meeting held on May 31, 1989 the council of the City of Angoon passed a motion to "proceed with the formation of a borough to include the Admiralty Island in it's entirety."

This action is a follow-up to the previous Resolution sent to the Local Boundry Commission. There should not be any annexation of any portion of Admiralty Island allowed.

During the next 60 days the council of the City of Angoon will be reviewing the boundaries to be included in the petition for the borough formation.

We will keep you posted as the petition developes.

Sincerely yours,


Edward J. Gamble, Sr.
Mayor

cc: Sen. Dick Eliason
Rep. Peter Goll
Peter Freer, Supervisor
Community & Regional Affairs

eg:ak

RESOLUTION NO. 89-06

RESOLUTION FOR THE LOCAL BOUNDARY COMMISSION.

WHEREAS, The City of Angoon has been included in the Chatham Borough Study without the request of the Council of the City of Angoon, and

WHEREAS, The City of Juneau is proposing to annex a portion of Admiralty Island during the upcoming Legislative Session, and

WHEREAS, The City of Angoon has been working on a study that involves the Western Shores of Admiralty Island or the entire Admiralty Island, and

WHEREAS, The study of the Chatham Borough and the proposal by the City and Borough of Juneau is directly in conflict with the interests of annexation of Admiralty Island by the only community located on the Island, and

WHEREAS, The City of Angoon is involved with the Department of Community and Regional Affairs on a Borough Study and annexation of Western portion of Admiralty Island,

NOW THEREFORE BE IT RESOLVED: that the City of Angoon strongly urges the Local Boundary Commission not to accept or approve any annexation proposals, prior to the presentation by the Council of the City of Angoon, on lands located on Admiralty Island.

Passed and approved by the Angoon City Council this May 17, 1989 by a vote of 5 Yeas, 2 Nays, 2 Absent, 2 Abstain.

For the City of Angoon


Mayor

ATTEST: Cynthia J. Paul
City Clerk

SEAL



GREENS CREEK MINING COMPANY

a subsidiary of BP MINERALS AMERICA

3000 Vintage Blvd. / Suite 200
Juneau, Alaska 99801
Telephone: (907) 789-4171
Facsimile: (907) 789-7112
H.M. "Ward" Wimborne
General Manager

May 18, 1989

The Honorable David G. Hoffman
Alaska Dept. of Community
and Regional Affairs
P.O. Box B
Juneau, Alaska 99811

Dear Commissioner Hoffman:

Greens Creek commissioned the McDowell Group to review the Draft Chatham-Region Borough Feasibility Study. In general, the McDowell Group's response makes it clear there is not a sufficient economic relationship between the communities within the proposed borough to warrant a creation of a borough, and that the cost of the proposed borough government has been underestimated in the study. Finally, the McDowell Group review recognizes that the relationship Greens Creek has with any community is with Juneau, where the mine workers reside and where Greens Creek's head offices are.

Greens Creek endorses the study and asks that you give it full consideration in your review of comments.

Sincerely,

H.M.W. Dean Van Dyke

H. M. Wimborne
General Manager

61.39
HMW/cj

RECEIVED

Dept. of Community & Regional Affairs
Div. of Community & Regional Affairs

hand delivered
RECEIVED

MAY 19 1989

COMMISSIONER'S OFFICE
COMMUNITY & REGIONAL AFFAIRS

THE McDOWELL GROUP
MANAGEMENT AND ECONOMIC CONSULTANTS

a division of



DATA DECISIONS GROUP, INC.

May 15, 1989

Mr. Ward Wimborne
Greens Creek Mining Company
3000 Vintage Blvd.
Juneau, Alaska 99801

Dear Mr. Wimborne:

Regarding our review of the Alaska Department of Community and Regional Affairs' *Draft Chatham-Region Borough Feasibility Study*, we have the following comments.

Contrary to the assessment made implicitly by Community and Regional Affairs (CRA), the proposed borough does not satisfy Alaska borough formation standards that requires "the population [in the proposed borough] is socially, culturally, and economically interrelated." In fact, communities within the proposed borough fall into one of three sets of communities that are quite diverse socially and culturally. These communities are economically similar in certain respects but they are not economically interrelated. Further, there is no economic relationship, either direct or indirect, between the Greens Creek mine (which would represent nearly half of the boroughs assessed property value) and the communities within the proposed borough. The financial viability of the proposed borough would be radically altered if the tax base represented by Greens Creek were dedicated to offsetting mine population-related costs in the borough (the City and Borough of Juneau) which supports mine operations and serves mine workers and their families. Finally, CRA may have understated the personnel and other operating costs associated with development and administration of such a large and diverse borough. Further study is warranted.

These and other points are discussed in more detail below.

Economy and demographics: The economy of the proposed Chatham Region Borough is based on a mix of the seafood and timber industries, primarily, as well as some tourism industry activity. Large scale mining occurs within the proposed borough boundaries, but this mining activity (at the recently opened Greens Creek mine) does not impact the resident population of the proposed borough. The economy that supports the region's population is seasonal, with peak economic activity during the summer fishing, timber and tourism seasons. This principally

resource-based economy is subject to the often erratic world prices for timber and seafood products. The uncertain nature of these markets and prices for these commodities would significantly impact borough revenues (from fluctuating Tongass Timber receipts and shared fish taxes).

The Greens Creek mine could only be artificially included in the proposed borough's economy. The mine is geographically closer to Juneau than any population centers within the proposed borough's boundaries, the mine's labor force and their dependents live in Juneau (there is no resident population at the mine site) and most of the mine's goods and services flow through Juneau (what does not flow through Juneau is shipped directly to the mine site). The Greens Creek mine now plays a significant role in the Juneau economy but generates almost no impact on the economy and population of the proposed borough. Further, the mine does not impact the lifestyles or the traditional subsistence activities of region residents.

The communities within the proposed borough are economically similar only to the extent that the seafood industry plays a part in most but not all of the communities. The Kake economy is a mix of seafood harvesting and processing, timber harvesting and subsistence. Angoon, the most traditional of the region's villages, is reliant on commercial and subsistence seafood harvesting and a small volume of tourism business. Commercial fishing and tourism account for most of what little economic activity occurs in the community of Tenakee Springs. Hoonah is a mixed economy including seafood harvesting and processing and some timber industry related activity. Pelican is a seafood processing center (though with an uncertain future as a seafood processor) and commercial fishing port. Tourism is playing an increasingly important role in Elfin Cove, traditionally a snug harbor, refueling stop and fish buying station for the troll fleet. The seafood industry has little impact on Gustavus, a community where most economic activity is tourism-related. The region's logging communities, Cube Cove, Hobart Bay, Freshwater Bay, and Eight Fathom Bight, are obviously solely dependent on the timber industry.

While these communities share common basic industries (growth in these industries is encouraged in some communities and discouraged in others), there is very little economic interaction between the communities. None of the communities serves as a service or supply center for the region (Juneau fulfills this role, as does Sitka for the southern-most communities) and in general there is relatively little freight or passenger traffic between the communities.

Regarding the social and cultural composition of the proposed borough's population, there are essentially three very different types of communities. Most of the area's population is centered in the traditional Native villages of Hoonah, Angoon, and Kake. Villages are culturally and socially related and travel is common among them. The primarily non-Native communities of Gustavus, Elfin Cove, Pelican, and Tenakee Springs account for about one-quarter of the region's population. Logging camps make up another distinct population. These sets of

communities obviously have quite dissimilar political priorities, differing attitudes about the role of local government and some fundamentally differing philosophies on development issues. These sets of communities are not socially or culturally interrelated.

Borough government expenses: Minimally, borough governments assume the mandatory powers of education and planning. The CRA draft feasibility study assumes total personnel costs of just under \$300,000 for six full-time employees, including a mayor, borough clerk, finance officer, one planner and two secretaries. Legal counsel and property assessment would presumably be contracted. This estimate of administrative employment appears low given the size and diversity of the proposed borough. Further more detailed costs estimated are probably warranted.

Based on CRA estimates, one planner, for example, would be responsible for over 14,000 square miles of land, with a mix of federal, state, local and private ownership. Federal land in the proposed borough falls under a variety of land use designations ranging from national park to wilderness to multiple use. Private lands range from huge tracts of Native corporation-held timber lands to small recreation tracts with significant to little or no development. The borough planner would face a maze of state and federal regulations that govern development on these lands. A comprehensive coastal management plan would have to be developed and implemented. A professional borough planner contacted for purposes of this review was of the opinion that no meaningful borough planning effort would be possible with only one planner.

For some of the same reasons the CRA estimate of the borough's property assessment budget appears low. The proposed borough includes thousands of acres of remote private property with highly variable values. These properties (15 remote private property locations throughout the proposed borough totaling over 3,000 parcels), many of which are accessible by charter only, will require on-site inspection approximately once every three years. Development of a valid assessment role from scratch (with the exception of Pelican which already has an assessment role developed) for this large and diverse region would almost certainly cost more than CRA's estimate of \$225,000. Consultation with an established Southeast Alaska real estate appraiser estimated that development of an assessment role would cost about \$350,000.

CRA estimates of borough education costs may also be low. The cost per student estimate of \$7,700 for the boroughs 781 students does not appear adequate when compared to the Chatham School District's FY 1988 cost of \$9,211 per ADM (per student), which would include about 40% of the borough's total enrollment, and Kake's \$9,454 per ADM (23% of the borough's total enrollment). Hoonah's costs per student was \$6,682 in FY 1988 and no data is available for Pelican (*Alaska School District Profiles and Differential Study, Volume II*). The weighted average for these districts (excluding Pelican) is \$8,457 per student. Considering that the school district

would include 11 geographically separate sites, administrative savings would probably amount to no more than salaries for a few administrative jobs. With administrative savings of \$250,000, for example, per student costs would be about \$8,140.

General comments on the feasibility study: In summary, three fundamental issues surfaced during our review of the CRA draft feasibility study. The first is the implied assumption that the population within the proposed borough was "socially, culturally and economically interrelated." Indeed this is not at the case and it may be difficult to develop a borough government that could satisfy the needs of the very different social and cultural segments within the region.

The second issue is more a philosophical issue. It is apparent from the CRA study that the Greens Creek mine would be the financial foundation for borough operations. In fact, without the tax base represented by the Greens Creek mine, borough formation would probably not be financially feasible. The unanswered philosophical question is "What justification is there for this proposed borough levying a tax on a major industrial facility such as the Greens Creek mine when the burden of servicing and supporting the mine and the mine-related population falls on another nearby borough?" A true test of the feasibility of borough formation, it would seem, would be to measure the economy that supports the population of the area—an economy that does not include Greens Creek—against the resources necessary to support borough formation and operation.

Finally, the CRA draft feasibility study may understate the cost of borough development and administration. More detailed cost analysis is warranted.

This brief critique of the CRA Chatham region borough feasibility study is not intended to downplay the importance of borough formation for many of Southeast's outlying communities. Most of these communities do not have revenue generating capacity sufficient to provide adequate local services. Further, greater control over nearby watersheds and resources, long denied many of Alaska's Native villages, is rightfully due. What is recommended, however, is more careful assessment of the costs of borough formation in this part of Southeast Alaska. It is further suggested that more careful consideration of relevant issues may reveal other more equitable solutions for establishing a financial base and granting political control to the smaller communities in Southeast.

Sincerely,



Eric McDowell
Principal



ROSS CO.

INTER AND HEATING
BOX 34244 JUNEAU ALASKA 99808
907 739-9391

*TKAD - P. Vassan
for file/info
for*

May 10, 1989

RECEIVED
MAY 11 1989
DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

David Hoffman
Commissioner
Alaska Dept. of Community and Regional Affairs
P.O. Box B
Juneau, AK 99811

Dear Commissioner Hoffman,

Of course I want to see Juneau prosper, my business hinges on it, but I want to go on record supporting a Chatham-Regional Borough proposal to contain the Greens Creek project, and on record as opposing Juneau's attempt to annex Greens Creek.

My reasoning is as follows:

- From a physical boundary point of view, Greens Creek in a Chatham area Borough makes sense.
- Juneau will get tax base anyway from the Greens Creek people and operations currently within the Juneau Bureau.
- For the sake of economic diversification in Southeast, and the local human needs, these little towns in Southeast need a tax base to germinate and grow. As State oil money declines, how are they going to make it if the big cities are allowed to ever expand by snapping up every juicy piece of tax base?
- Juneau already has a disproportionate share of tax base simply because the State Capitol is here.

Thank you for your consideration.

Sincerely,

Ross Writer
Ross Writer

RECEIVED

MAY 11 1989

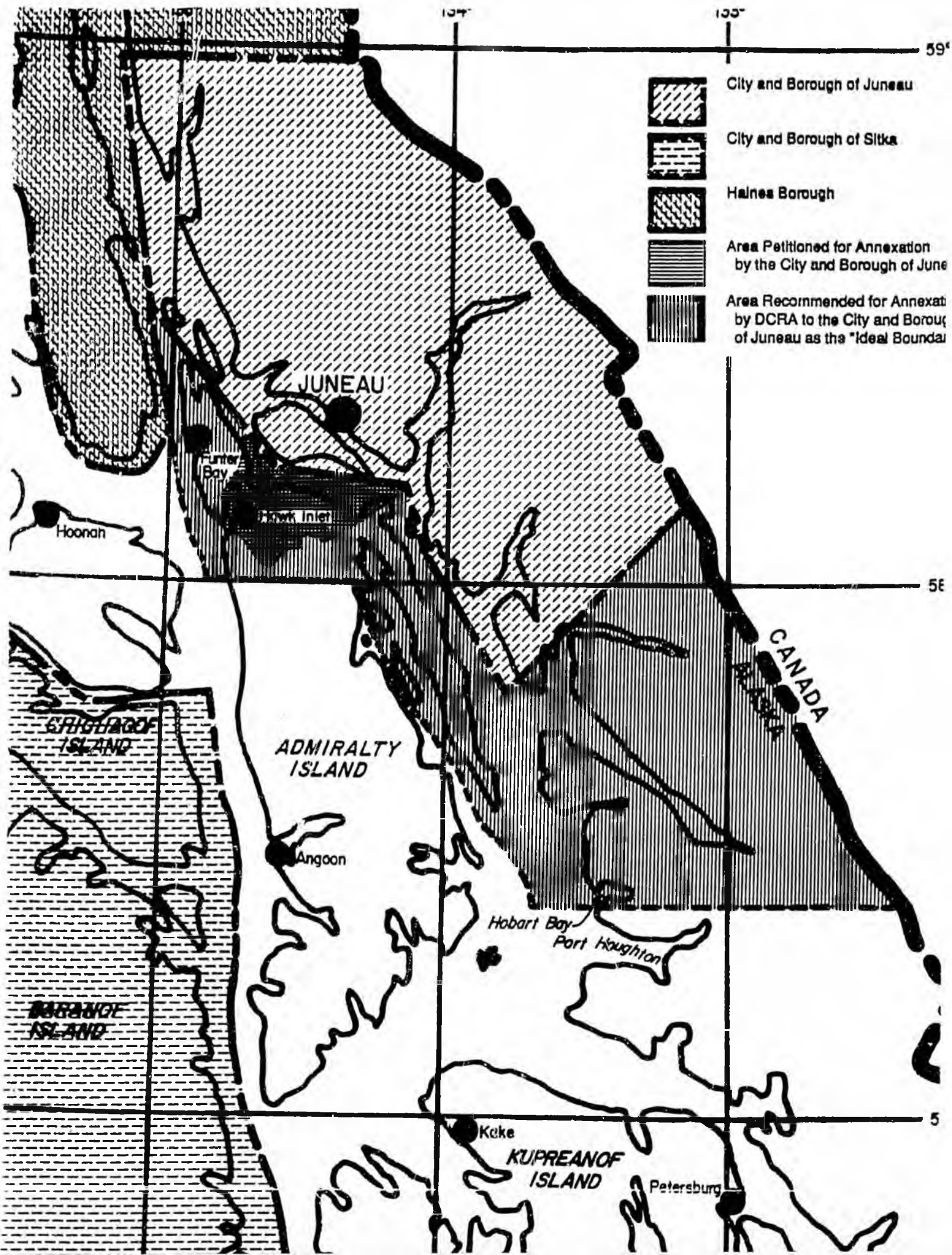
COMMISSIONER'S OFFICE
COMMUNITY & REGIONAL AFFAIRS

Div. of Municipal Affairs
1989

JUNEAU ANNEXATION/MODEL BOUNDARIES

EXHIBIT B

**MAP OF AREA PROPOSED FOR ANNEXATION BY CITY AND
BOROUGH OF JUNEAU AND DCRA RECOMMENDED IDEAL
CBJ BOUNDARIES**



JUNEAU ANNEXATION/MODEL BOUNDARIES

EXHIBIT C

RECOMMENDED 'IDEAL' BOUNDARIES OF THE CITY AND BOROUGH OF JUNEAU

Beginning at Eldred Rock Light in Lynn Canal at 58°58.3' North Latitude and 135°13.2' West Longitude;

Thence easterly in a straight line to Mt. Neselrode Boundary Peak Number 98 at 58°57'44.96" North Latitude and 134°18'42.03" West Longitude on the Alaska/Canada boundary line;

Thence southeasterly along the Alaska/Canada boundary line to the intersection with the southern boundary of protracted T51S, Copper River Meridian;

Thence west along the southern boundary of protracted T51S, Copper River Meridian to a point mid-channel in Stephens Passage;

Thence northerly along a course mid-channel in Stephens Passage to a point mid-channel at the mouth of Seymour Canal;

Thence northerly along a course mid-channel in Seymour Canal and west of Tiedeman and Swan Islands to a point mid-channel at the entrance to Swan Cove;

Thence northwesterly along a course mid-channel in Swan Cove to the line of mean low tide;

Thence north to 58°00'00" North Latitude;

Thence west along 58°00'00" to a point mid-channel in Chatham Strait;

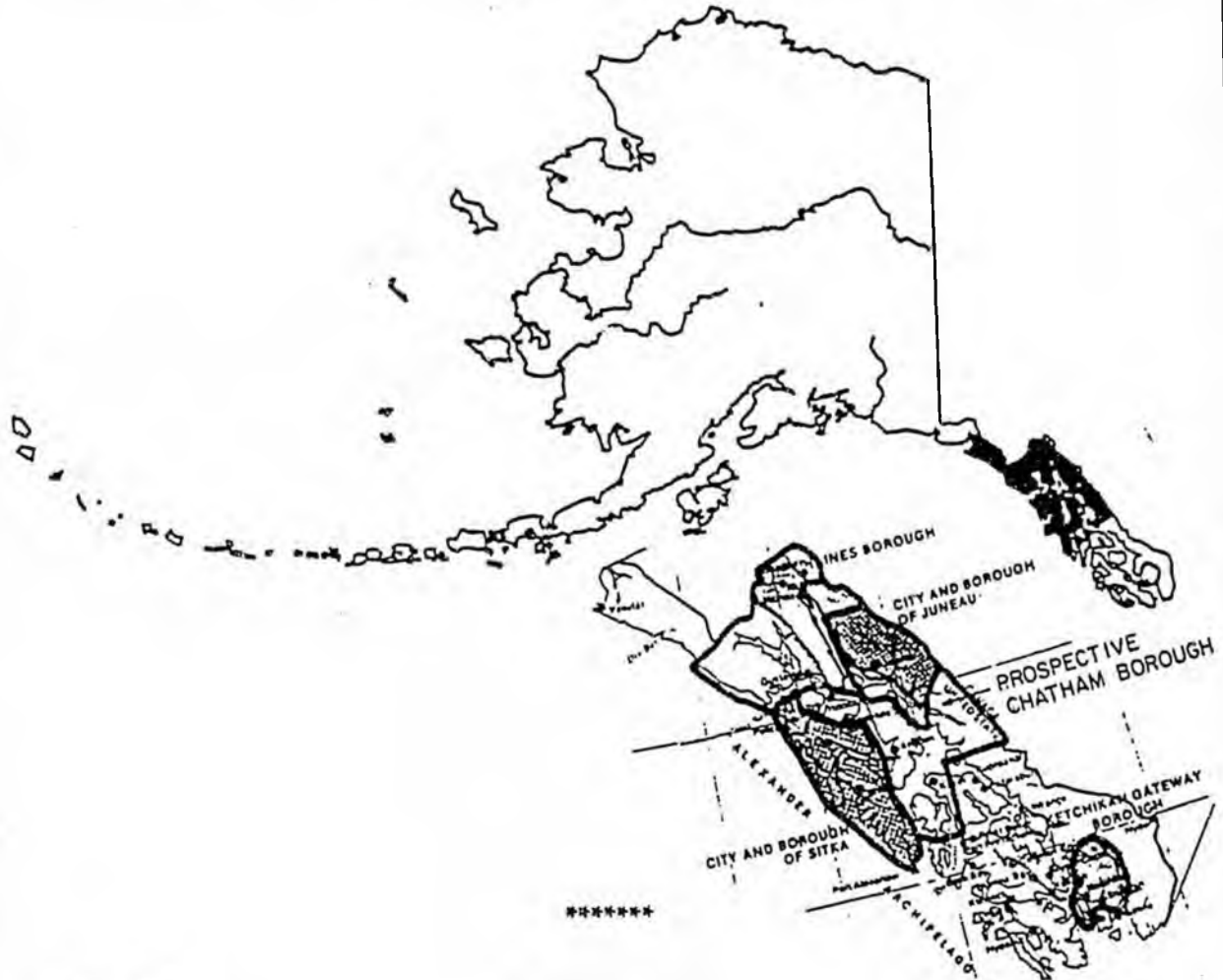
Thence northerly along a course mid-channel in Chatham Strait and continuing northerly along a course mid-channel in Lynn Canal to a point midway between Lincoln Island on the east and the mainland on the west, located at 58°30' North Latitude and 135°4.25' West Longitude;

Thence northerly in a straight line to Eldred Rock Light, the point of beginning.

Containing 6,190 square miles of territory, more or less, all in the First Judicial District, State of Alaska.

MODEL BOROUGH BOUNDARIES REVIEW
CENTRAL SOUTHEAST ALASKA

HAINES BOROUGH
CITY AND BOROUGH OF SITKA
CHATHAM UNORGANIZED BOROUGH
CITY AND BOROUGH OF JUNEAU
and
MODEL SOUTHERN BOUNDARY OF THE
PRINCE WILLIAM SOUND/YAKUTAT UNORGANIZED BOROUGH



AUGUST, 1990



STEVE COWPER
GOVERNOR

DAVID G. HOFFMAN
COMMISSIONER



MODEL BOROUGH BOUNDARIES REVIEW

SECTION IV

MODEL BOUNDARIES OF PROSPECTIVE CHATHAM BOROUGH

A. Historical Background

When the Local Boundary Commission first established the boundaries of the Greater Juneau Borough and Greater Sitka Boroughs in 1963, it deferred inclusion of Admiralty Island in either. The record reflects that the Commission determined that:

Although Admiralty Island should be included within a borough or boroughs, the Commission is of the opinion that a decision on the matter is best postponed until the Greater Sitka and Greater Juneau Boroughs are in operation and until further information on the island's relationship to the Sitka and Juneau-Douglas areas is available. (Alaska, Office of the Governor, Local Affairs Agency, Incorporation of the Greater Sitka Borough: Report to the Local Boundary Commission on a Proposal to Incorporate an Organized Borough in the Sitka Area. (July, 1963)

In 1965, the Greater Juneau Borough attempted to annex much of Admiralty Island, including the community of Angoon. The petition was denied by the Local Boundary Commission. At that time, the Director of the Local Affairs Agency stated:

Although the commission reiterates an earlier policy statement that Admiralty Island should eventually be included within a borough or boroughs, it considers annexation of Admiralty to either the Juneau or Sitka boroughs premature at this time. (Juneau Empire, 10/14/65)

The Local Boundary Commission's decision may be considered as, among other things, acknowledging the potential for borough government options for the Angoon area other than annexation to Juneau. Most recently, discussion of formation of a Chatham Borough concept was initiated by City of Hoonah with a request for a Borough feasibility study in 1988. Interest in examining the formation of a Chatham Borough developed on the part of the City of Hoonah because of several factors, not the least of which were the attractiveness of the Greens Creek Mine as a tax base and the mounting costs of basic local government services and contributions to education being borne by first class and home rule cities in the unorganized borough.

The area examined in the 1989 feasibility study encompassed most of the Chatham REAA, with the exclusion of roughly the northern one third. In addition to written

MODEL BOROUGH BOUNDARIES REVIEW

comments, public input was received through informational meetings on the draft Chatham Borough Feasibility Study conducted in Gustavus, Hoonah, Angoon, Tenakee Springs and Kake on May 30-31, 1989.

A fairly intense level of local interest in issues relating to borough formation and the proposed City and Borough of Juneau annexation of Greens Creek was evident. Similar sentiments were expressed during June 8, 1989, teleconferenced public meetings regarding the draft study which included participation from the Pelican City Council and interested residents of Elfin Cove. In general, public sentiment was opposed to borough formation along the lines of the feasibility study area.

B. Angoon Key Admiralty Island Community

The community of Angoon has traditionally sought to protect Admiralty Island from development and preserve a traditional subsistence lifestyle. Community organizations have expressed the view that the proper boundaries of Angoon include all of Admiralty Island. In a June 20, 1990 letter to the Department of Community and Regional Affairs, Frank W. Sharp, President of Kootznoowoo, Inc., reflects this view.

We here in Angoon say to Juneau, Hoonah and other off Island communities. Your communities are not contingent to Greens Creek; large bodies of water separate you from Admiralty Island.

Angoon is and has been the only City on Admiralty Island. We are the most connected to it. History shows we have been here even before Juneau was discovered.

We don't want outsiders Annexing our Island. We don't want boroughs managed by outsiders governing us or our Island.

We say if these things are to be then we should be the managers, because we have always fought to keep Admiralty Island pure, we have put our money where our mouth is defending our Island. Time and time again. (Complete text in Exhibit B.)

When the City and Borough of Juneau filed its petition to annex the Greens Creek Mine, the Angoon City Council adopted a resolution to "proceed with the formation of a borough to include the Admiralty Island in its entirety". The Angoon City Council expressed its intention to determine the boundaries of that proposed borough by the end of July, 1989. Although no petition has yet been lodged, local interest in the matter appears to persist.

MODEL BOROUGH BOUNDARIES REVIEW

Unlike the strong ties expressed between Angoon and the rest of Admiralty Island, no strong links to other communities are evident on the basis of information provided by Angoon community organizations.

Nevertheless, there are certain factors which could, at least in theory, promote consideration of borough formation by area residents in the future. As noted previously, in 1965, the City and Borough of Juneau sought annexation of much of Admiralty Island, including Angoon. The petition was rejected by the Local Boundary Commission. This rejection can be construed, at least in part, as tacit recognition of the historical independence of Angoon.

That the Angoon community's sense of historical identity and independence is still very vital is expressed in Mr. Sharp's letter of June 21. This attitude would appear inconsistent with inclusion of Angoon in a borough with either Juneau or Sitka. A regional government linking Angoon with the large, urban populations of either Juneau or Sitka would have a difficult task. To propose such a union might likely result in reaction by Angoon residents against the threat of diminution of their voting rights, actual or perceived.

C. Angoon - Hoonah - Kake Exhibit Similar Characteristics

Linking Angoon with other communities of more similar size in a looser structure would likely be more conducive to the preservation of the unique identity of Angoon than inclusion in either a Juneau or Sitka based borough.

Angoon (population 685), Kake (population 678) and Hoonah (population 894), are similar in several respects.

For example:

Each is a old, established, geographically isolated community with strong traditions of both tribal and municipal government.

In spite of their relatively small populations, each of the communities is sophisticated with respect to education programs and administration. Angoon is the administrative headquarters for the Chatham REAA. Kake and Hoonah operate their own school districts.

When examined in the context of the state as a whole, the geographic distances between Hoonah, Angoon and Kake are relatively slight.

However, as is often the case in Alaska, travel and transportation patterns orient the

MODEL BOROUGH BOUNDARIES REVIEW

communities of Angoon, Kake, and Hoonah not to each other, but to the nearest major urban centers, Juneau and Sitka.

D. Relationship of Hoonah to Glacier Bay National Park and Preserve

The area identified by the City of Hoonah for examination in the Chatham Borough Feasibility Study extended from Dry Bay to the vicinity of Kake. Included within this area is the Glacier Bay Park and Preserve.

The historical relationship of the Tlingit inhabitants of Hoonah with Glacier Bay has long been recognized.

Local legend tells of an original ancestral home in Glacier Bay, before the last glacial advance. A glacier destroyed the village, and as a result, small bands of people were forced to relocate. (Community Profile Environmental Services Limited, 1983)

While the historic and continuing relationship between Hoonah and the Glacier Bay area is noteworthy, it is essentially extraneous to the issue of borough boundaries. For instance:

The subsistence use of the area by Hoonah residents is unlikely to change regardless of which organized or unorganized borough (or boroughs) eventually encompasses the Glacier Bay Park and Preserve.

Organized or unorganized borough boundary configurations are likely to have little direct effect upon management of the Park and Preserve by the Federal Government.

As was examined in the discussion of Gustavus, current transportation patterns are such that goods and services required by Park and Preserve personnel and visitors to the area are likely to be principally supplied via communities other than Hoonah.

A relatively low level of communication and exchange is evident between Gustavus and Hoonah.

E. Recommended Chatham Unorganized Borough Boundary

Available information suggests that the Chatham Unorganized Borough should include the cities of Angoon, Hoonah and Kake.

MODEL BOROUGH BOUNDARIES REVIEW

As noted previously, the three communities exhibit similar characteristics in terms of their population sizes and long successful histories of both municipal and tribal government institutions.

Clearly, strong arguments could be made for inclusion of these communities in either the Juneau or Sitka Boroughs. However, such linkages are rendered less than optimal for the following reasons:

Both the City and Borough of Juneau and the City and Borough of Sitka are urban economies;

Inclusion of these communities in either the CBJ or CBS would not be conducive to maximum local self government to the extent that formation of a Chatham Borough would.

A map of the recommended model Chatham Borough boundaries is included in Exhibit A.

City of Kake

"HOME OF THE WORLD'S LARGEST TOTEM POLE"

P.O. BOX 500
KAKE, AK 99530
907-785-3804

RECEIVED
JUL 11 1990

Dept. of Comm. & Econ. Affairs
Div. of Municipal Affairs

July 11, 1990

Alaska Local Boundary Commission
949 East 36th Avenue
Anchorage, Alaska 99508

Dear Sir:

Reference: Juneau annexation


The citizens of Kake opposed this proposal in that the larger Cities who have hired Administrators that can spend many hours working to pick the rich plums, thereby leaving scraps for the villages such as, Angoon, Hoonah, and Kake, "Help Us"!!

It is unfair to continue to give to the wealthy while, without knowing, and understanding we in the villages keep getting the short end of the stick. We need help!! Time!! & etc. to be educated on what a borough means and learn the benefits derived from being a borough. Help us!!

Therefore, I must protest in the most severe manner that the iceworm villages are ending up as potential "Wards of the State". Help us!!

The State of Alaska and DCRA has not done a proper job in emphasizing the importance, and education our native people on how important it is, and what effect this has upon us. Help us!!

Sincerely,


Lonnie Anderson, Mayor
City of Kake

CC: Peter Goll, Representative,
Richard Eliason, Senator

RECEIVED
JUN 5 1989

June 2, 1989

Dept. of Comm. & Reg. Affairs
Div. of Municipal & Reg. Asst.

Gene Kane
Local Government Specialist
Dept. of Community & Regional Affairs
949 E. 36th Ave., Suite 406
Anchorage, Alaska 99508

Dear Mr. Kane,

At a special meeting held on May 31, 1989 the council of the City of Angoon passed a motion to "proceed with the formation of a borough to include the Admiralty Island in it's entirety."

This action is a follow-up to the previous Resolution sent to the Local Boundry Commission. There should not be any annexation of any portion of Admiralty Island allowed.

During the next 60 days the council of the City of Angoon will be reviewing the boundaries to be included in the petition for the borough formation.

We will keep you posted as the petition developes.

Sincerely yours,


Edward J. Gamble, Sr.
Mayor

cc: Sen. Dick Eliason
Rep. Peter Goll
Peter Freer, Supervisor
Community & Regional Affairs

eg:ak

RESOLUTION NO. 89-06

RESOLUTION FOR THE LOCAL BOUNDARY COMMISSION.

WHEREAS, The City of Angoon has been included in the Chatham Borough Study without the request of the Council of the City of Angoon, and

WHEREAS, The City of Juneau is proposing to annex a portion of Admiralty Island during the upcoming Legislative Session, and

WHEREAS, The City of Angoon has been working on a study that involves the Western Shores of Admiralty Island or the entire Admiralty Island, and

WHEREAS, The study of the Chatham Borough and the proposal by the City and Borough of Juneau is directly in conflict with the interests of annexation of Admiralty Island by the only community located on the Island, and

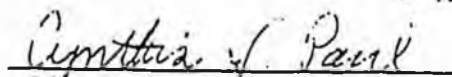
WHEREAS, The City of Angoon is involved with the Department of Community and Regional Affairs on a Borough Study and annexation of Western portion of Admiralty Island,

NOW THEREFORE BE IT RESOLVED: that the City of Angoon strongly urges the Local Boundary Commission not to accept or approve any annexation proposals, prior to the presentation by the Council of the City of Angoon, on lands located on Admiralty Island.

Passed and approved by the Angoon City Council this May 17, 1989 by a vote of 5 Yeas, 2 Nays, 2 Absent, 0 Abstain.

For the City of Angoon


Mayor

ATTEST: 
City Clerk

SEAL



KOOTZNOOWOO, INC.

P.O. Box 116 - ANGOON, ALASKA 99820 - PHONE: 907-788-3571 - FAX: 907-788-3892

June 20, 1990

Dept. of Community & Regional Affairs
949 E 36th Avenue Suite 400
Anchorage, AK 99508-4302

RECEIVED
JUN 20 1990
Dept. of Comm. & Reg. Affairs
Div. of Municipal & Reg. Asst.

Dear Sir:

The Juneau City Assembly has decided to go ahead with plans to Annex Lands surrounding the Greens Creek Mine on the North End of Admiralty Island.

Isn't that kind of them? Since it has been reported that this action could bring in an additional \$300,000. - 400,000. Annually to the Juneau City Coffers through taxes on Greens Creek Revenues. This money in addition to the substantial revenues from the 200-300 Mine Employees and their families who live in Juneau.

Assembly members and others Cite some of the reasons for pushing for the annexation or Borough formation of the Greens Creek Area as the tremendous expenses to the City of Juneau in Providing Public Services to all of those new residents. Poor Juneau, having to put up with a multi-million dollar mine in the area with 200-300 new people who are renting/buying/shopping in Juneau stores.

Their supposed reasons for Annexation is that Juneau is the Base of manpower supply and services for Greens Creek.

If that criteria had been used to determine qualifying for annexation we would all now be within the Seattle City Boundaries. We lifelong Alaska Residents know that for as long as anyone can remember the vast majority of the workforce in Alaska, the Commerce and Transportation Systems have primarily originated out of Seattle and still do.

I think the Juneau Chamber of Commerce and the Juneau Assembly have forgotten that just a few short years back when the Capital move was the big issue how the small communities of Southeast Alaska fought to keep the Capital in Juneau. Ask yourselves what the Economy of Juneau would have been if that effort had been successful?

Dept. of Community & Regional Affairs
June 21, 1990
Page Two

Ask yourselves and investigate how it came about that the Employee's of Greens Creek have to live in Juneau and be transported to and from work. You will find that Angoon and the Environmental Community's opposition to Commercial Development on Admiralty Island played a major part in achieving that Agreement so as to lessen the effects of the Mine and its employee's on the wilderness of Admiralty Island.

Angoon again true to form chose their subsistence way of life and in part because of this Juneau benefited through Angoon's efforts to keep Admiralty Island the Jewel of Southeast.

But obviously that effort was not enough. Juneau's Economy got a Big boost by getting all of the Greens Creek Employee's and Commerce and now Juneau wants the rest of the pie.

We here in Angoon say no way! Keep your cotton pickin hands off of Admiralty Island!

We here in Angoon say to Juneau, Hoonah and other off Island Communities. Your communities are not contingent to Greens Creek; large bodies of water separate you from Admiralty Island.

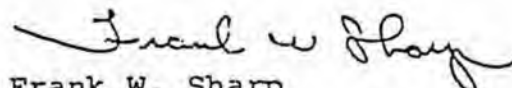
Angoon is and has been the only City on Admiralty Island. We are the most connected to it. History shows we have been here even before Juneau was discovered.

We don't want outsiders Annexing our Island. We don't want boroughs managed by outsiders Governing us or our Island.

We say if these things are to be then we should be the managers, because we have always fought to keep Admiralty Island pure, we have put our money where our mouth is defending our Island. Time and time again.

An old Tlingit Legend translates into English "All who come are welcome, but don't break the dish".

Sincerely,



Frank W. Sharp
President

File: FS0629

CITY of HOONAH

P.O. Box 360
Hoonah, Alaska 99829
(907) 945-3663

CCR-89-13

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF HOONAH, ALASKA
OPPOSING THE PROPOSAL BY THE CITY AND BOROUGH OF JUNEAU TO ENCOMPASS
THE GREEN'S CREEK MINE WITHIN THEIR BOUNDARIES THROUGH THE ANNEXATION
PROCESS.

WHEREAS, the interest in borough formation stems from the pressure of HE 1 and the awareness that borough formation might provide opportunities to effectively cope with recent and continuing decreases in state and federal aid to local governments; and

WHEREAS, in February of 1988 the City of Hoonah by resolution requested the Department of Community and Regional Affairs to study the feasibility of forming a borough from Dry Bay, south of Yakutat to kake; and

WHEREAS, among those unincorporated areas included in the study's boundaries is the Green's Creek Mine which would provide for nearly half of the tax base of the proposed borough; and

WHEREAS, we do not feel that it is fair for existing boroughs to seize, through the annexation process, those potential areas that would make borough formation feasible for the unincorporated communities showing interest in such borough formation.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Hoonah opposes the proposal by the City and Borough of Juneau to encompass the Green's Creek Mine within their boundaries through the annexation process and strongly urges that the Boundary Commission do not approve the City and Borough of Juneau's petition to annex the Green's Creek Mine within their boundaries at this time.

PASSED AND APPROVED this 20th day of June, 1989.

VOTES: 5 Yeas 0 Nays 0 Absent

Liv C. Gray
Liv C. Gray, Mayor

ATTEST:

Sharon A. Parks
Sharon A. Parks, City Clerk



Goldbelt

GOLDBELT PLACE, SUITE 300 / 801 W. 10TH STREET / JUNEAU, ALASKA 99801

TELEPHONE:
BUSINESS OFFICE: (907) 463-4846
TELEFAX: (907) 463-4856

1

COMMENTS BY GOLDBELT, INC.
ON REPORT AND RECOMMENDATION
TO THE LOCAL BOUNDARY COMMISSION
CONCERNING INCLUSION OF HOBART BAY
WITHIN THE IDEAL BOUNDARIES
OF THE CITY AND BOROUGH OF JUNEAU
JULY 13, 1990
JOSEPH G. WILSON
PRESIDENT & CEO

I am the president and chief executive officer of Goldbelt, Inc. Goldbelt owns approximately 27,000 acres of land in the Hobart Bay area, which is 70 miles south of Juneau. I am here to testify against the inclusion of Hobart Bay within the ideal boundaries of the city and borough of Juneau. I have reviewed the report from the Department of Community and Regional Affairs to the Local Boundary Commission and I do not believe that the facts support the conclusions of the DCRA. As a result, this Commission should not adopt those conclusions; at the very least, it should examine the premises upon which the DCRA's report is based.

The report relies on a letter from the City Manager of Juneau that contains some dubious assumptions and some outright errors. For example, the letter claims that the CBJ supplies emergency services to the area south of the current borough boundaries. What does this mean? Certainly CBJ does not provide fire or police protection services to Hobart Bay. In the past five years, there have been three emergency trips from Hobart Bay to Juneau for medical purposes. While this is undoubtedly a benefit to the residents of

Hobart Bay, three trips over five years hardly constitutes the kind of social and economic integration that would justify annexation.

The community at Hobart Bay has two of its own Emergency Medical Technicians. Most medical problems can be dealt with without an airlift to Juneau. We all appreciate that when there is a medical emergency in Southeast, help can be found here in town. But this does not mean that Angoon, Gustavus, Hobart Bay, or any of the small towns and villages that look to Juneau for emergency care should all be added to the City and Borough of Juneau. Providing occasional emergency health care is not a sufficient reason for incorporating any of these outlying areas into the City and Borough of Juneau.

The letter from the City Manager also notes that Juneau-based commercial operators transport goods and people to Hobart Bay. That is true, but so do Ketchikan, Petersburg, and the Seattle-based commercial operators. In fact, about 50% of the supplies barged in to Hobart originate in Ketchikan. Another 10% are brought in from Petersburg. Juneau is not the only source - or even the most important source -- of supplies for Hobart Bay. Petersburg is only 40 miles from Hobart, while Juneau is 70 miles away. The City Manager and the Department of Community and Regional Affairs ignore these geographical facts when they claim that Hobart Bay is more socially and economically integrated with Juneau than with any other region.

Finally, the City Manager has some fundamental misunderstandings about the situation at Hobart Bay. He says, and I quote, that "A Juneau-based

corporation, Goldbelt, conducts logging activities in Windham Bay and Hobart Bay." This statement is wrong in two respects. First of all, there is no logging under way at Windham Bay. Second, Goldbelt is the landowner at Hobart. The logging of our timber is being carried out by Klukwan Forest Products, a corporation that is based in Haines, Alaska. In addition, some timber rights are held by ITT-Rayonier, a Delaware corporation. Despite these connections, neither the town of Haines or the state of Delaware have attempted to annex Hobart Bay.

The City Manager's letter is therefore a poor basis for decision making. It was a mistake for the DCRA to adopt the CBJ's conclusory and misinformed reasons as a warrant for the expansion of the Borough, and it would be a mistake for the Boundary Commission to compound this error. Letting the CBJ determine what area is appropriate to annex is backwards logic. Instead, the Commission should listen to the needs of those who live on and own property in the areas that will become part of the proposed borough.

Goldbelt, which will be directly affected if the CBJ annexes some 27,000 acres of its land at Hobart Bay, objects to the scope of the "model borough" created by the Department. Boroughs should be composed of people with common interests who are socially and economically integrated. Hobart Bay does not have these common interests and it should not be forced into the boundaries of an expanded City and Borough of Juneau.



SOUTHEAST
ISLAND
SCHOOL
DISTRICT

1621 TONGASS AVENUE SUITE 301
POST OFFICE BOX 8340
KETCHIKAN, ALASKA 99901
1907 225-9658 OR 225-9659

Robert Weinstein
SUPERINTENDENT

RECEIVED
JUL 02 1990

June 28, 1990

Dan Bockhorst
Department of Community and Regional
Affairs
949 East 36th Avenue, Suite 400
Anchorage, Alaska 99508-4302

Dept. of Comm. & Reg. Affairs
Div. of Municipal & Regional Affairs

Dear Mr. Bockhorst:

We recently received a copy of an Alaska Local Boundary Commission document entitled "Model Boundaries Study, Southeast Island/Ketchikan Regions."

Of interest in the document was a map on page B-2 which, among other things, shows "ideal" boundaries of a proposed Chatham Borough. I have been directed by the Southeast Island School District Board of Education to express concern regarding, and object to, the southern boundary of the proposed Chatham Borough as shown on this map.

In the Chatham Borough feasibility study dated August, 1989, the study area of the proposed borough was, at its southern end, similar to the existing boundary between the Chatham and Southeast Island school districts, with the exception that Kake and a certain adjacent area at the north end of Kupreanof Island were to be included in the Chatham Borough. In the map referenced above in the Southeast Island/Ketchikan Regions document, there is boundary shift south of Kake which incorporates a fairly large area which is currently part of Southeast Island School District, and which includes Rowan Bay, one of our communities.

In a conversation with a member of your staff, I was advised that the reason for this change was due to subsistence activities by Kake residents in this area. While I have no personal knowledge of the area which Kake residents use for subsistence activities, I find it very difficult to believe that the entire area outlined south of Frederick Sound on the map is used for those purposes on any kind of regular basis. Also, if an area of that size is deemed to be appropriate for subsistence activities for one community, it seems to me that there are going to be significant problems when you look at similar areas for subsistence activities for other communities within our boundaries, such as Port Alexander, Point Baker, and Port Protection, from which residents probably engage in subsistence activities in the above referenced area.

Furthermore, it seems to me that people in Kake will continue to use whatever area they have traditionally used for subsistence, irrespective of any artificial boundaries established by the State for governance. Therefore, while I do appreciate the importance of subsistence to residents of many communities in this and other parts of the State, I am not sure that subsistence use is an appropriate consideration for the drawing of borough boundaries.

Of more concern to me as Superintendent of Southeast Island School District is the apparent process which the Department has used. Since the issuance of the Chatham Borough Feasibility Study in August, 1989, to my best knowledge this school district has had no contact from the Department of Community and Regional Affairs regarding a significant change in boundaries which affects this school district, several communities which are within this school district, and a possible future borough in southern Southeast Alaska. I suspect that, if we have not been contacted, there has been a similar

lack of contact with the communities of Port Alexander, Port Protection, Point Baker, Rowan Bay, and other persons and corporations which might have an interest in the proposed boundaries. In any case, I am requesting that the Department review its process so that there is regular communications with all those who will be affected by such proposals.

Sincerely,



Robert Weinstein
Superintendent

RW:CM

c: Board Members
City of Port Alexander
Port Protection Community Association
C. B. Bettisworth

SHEE ATIKA, INCORPORATED

330 SEWARD STREET - ROOM 207
SITKA, ALASKA 99835
PHONE (907)747-3534
or 747-3539
FAX (907)747-5727

January 17, 1990

CB Bettisworth
Alaska Local Boundary Commission
949 East 36th Avenue, Suite 404
Anchorage, Alaska 99508

RE: Proposed Chatham Borough

Dear Mr. Bettisworth:

Let me say that Shee Atika, Incorporated appreciates the opportunity to comment on the proposed Chatham Borough in Southeast Alaska. For your information Shee Atika, Incorporated is the urban Native Corporation for Sitka and we own 23,000 acres on Admiralty Island which would be situated within this Borough if it were to be created.

A logging community of approximately 200 residents has grown around the logging operations on our land at Cube Cove, Admiralty Island. This community is essentially self sufficient having its own school, church, utilities, post office and telephone. There is very little that a Borough could offer this community, but a great deal that could be taken away.

We can not support this borough unless we can be convinced that a borough government could in some way benefit our land holdings on Admiralty. We are not enamored with the idea of facing possible property and sales tax on our operations. This would do nothing but harm our development of this property without any foreseeable benefit to us.

I have encouraged the residents of Cube Cove to comment on this proposal so hopefully you will be hearing from them soon.

Again, thank you for the opportunity to comment, and please keep us informed as to future developments.

Sincerely,

SHEE ATIKA, INCORPORATED



Dennis J. Girardot
Administrative Manager

Dept. of Community & Regional Affairs
June 21, 1990
Page Two

Ask yourselves and investigate how it came about that the Employee's of Greens Creek have to live in Juneau and be transported to and from work. You will find that Angoon and the Environmental Communitys opposition to Commercial Development on Admiralty Island played a major part in achieving that Agreement so as to lesson the effects of the Mine and its employee's on the wilderness of Admiralty Island.

Angoon again true to form chose their subsistence way of life and in part because of this Juneau benefited through Angoons efforts to keep Admiralty Island the Jewel of Southeast.

But obviously that effort was not enough. Juneaus Economy got a Big boost by getting all of the Greens Creek Employee's and Commerce and now Juneau wants the rest of the pie.

We here in Angoon say no way! Keep your cotton pickin hands off of Admiralty Island!

We here in Angoon say to Juneau, Hoonah and other off Island Communities. Your communities are not contingent to Greens Creek; large bodies of water separate you from Admiralty Island.

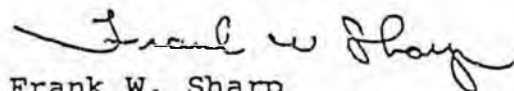
Angoon is and has been the only City on Admiralty Island. We are the most connected to it. History shows we have been here even before Juneau was discovered.

We don't want outsiders Annexing our Island. We don't want boroughs managed by outsiders Governing us or our Island.

We say if these things are to be then we should be the managers, because we have always fought to keep Admiralty Island pure, we have put our money where our mouth is defending our Island. Time and time again.

An old Tlingit Legend translates into English
"All who come are welcome, but don't break the dish".

Sincerely,



Frank W. Sharp
President

File: FS0629

Gustavus Community Association

P.O. Box 62
Gustavus, Alaska 99826

Rec'd
1/16/90
DB

January 6, 1990

C.B. Bettisworth, Chairman
Local Boundary Commission
949 F. 36th Ave., Suite 404
Anchorage, AK 99508

Dear Mr. Bettisworth,

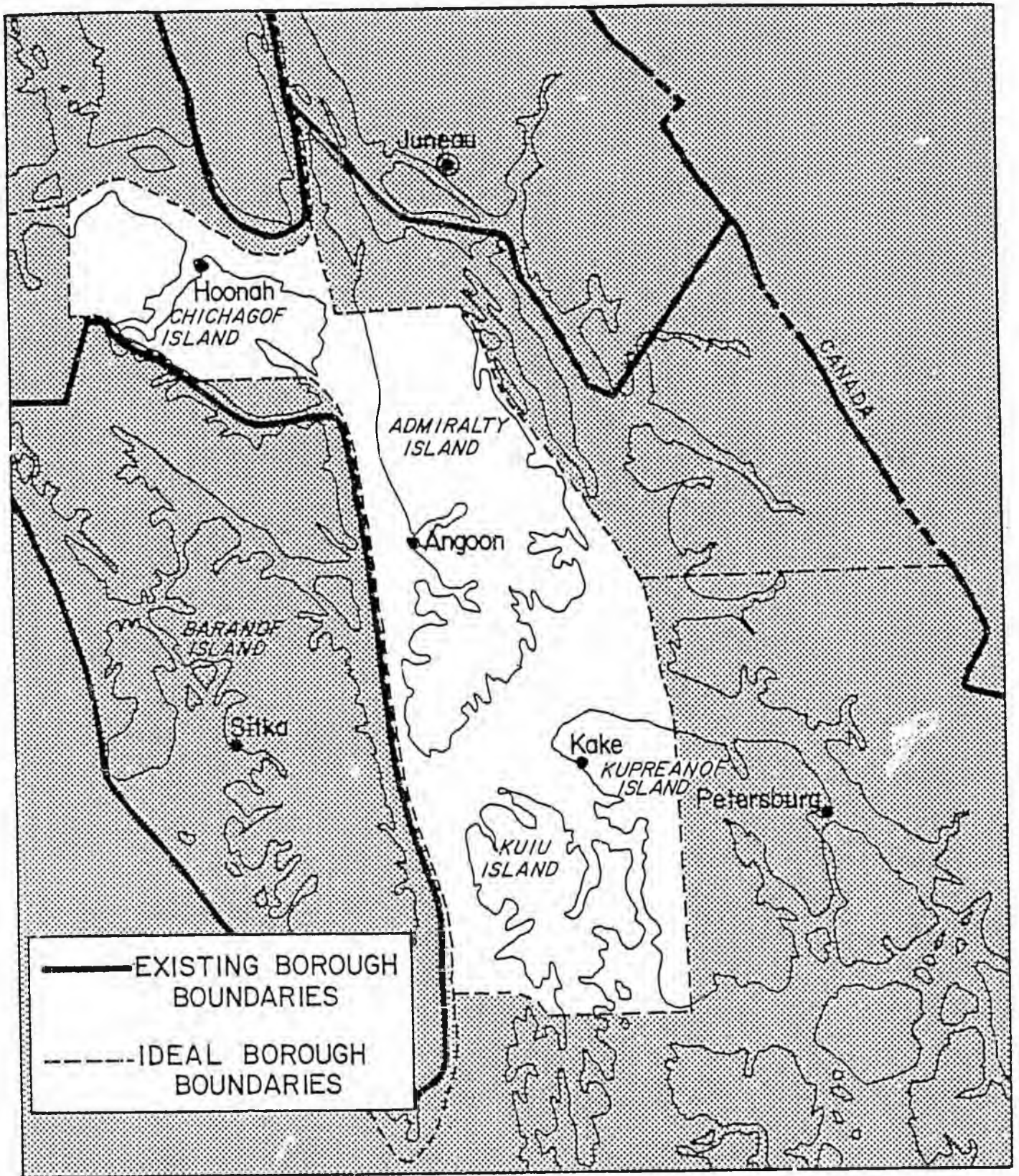
Enclosed please find our response to your request for "model" borough boundaries resulting from a Gustavus Community Association meeting held on January 4, 1990.

This response echos sentiment expressed by the community last May on two separate occasions: 1) when a petition and letter were forwarded to Gene Kane, Community & Regional Affairs, Anchorage, on May 9, 1989, and 2) when signatures of Gustavus residents were gathered at a meeting conducted on May 30, 1989, by Gene Kane, C&RA. (See enclosures.) Although part of these communications dealt only with the proposed Chatham Area Borough, the Gustavus Community Association remains opposed to Gustavus being included in any borough.

Best regards,

Ann E. Mackovjak
Ann E. Mackovjak
GCA Executive Secretary

Enclosures



59°



City and Borough of Juneau



City and Borough of Sitka



Haines Borough



Area Petitioned for Annexation by the City and Borough of Juneau



Area Recommended for Annexation by DCRA to the City and Borough of Juneau as the "Ideal Boundaries"

JUNEAU

Furber Bay

Hawk Inlet

Hoonah

58°

CHIGLAGOF ISLAND

ADMIRALTY ISLAND

CANADA
ALASKA

Angoon

Hobart Bay
Port Houghton

BARANGOF ISLAND

57°

Kake

KUPREANOF ISLAND

Petersburg

STATE OF ALASKA
LOCAL BOUNDARY COMMISSION

IN THE MATTER OF THE ANNEXATION)
OF THE GREENS CREEK MINE AND)
SURROUNDING TERRITORY TO THE CITY)
AND BOROUGH OF JUNEAU)
_____)

AFFIDAVIT OF CLIFF DAVIS

STATE OF ALASKA)
 :
FIRST JUDICIAL DISTRICT)

I, Cliff Davis, being first duly sworn, under oath, do depose and state as follows:

1. I have been involved in the mining industry for 27 years. I have been the Manager of Greens Creek Mine, operated by KGCMC for 1.5 years.

2. The CBJ is not presently providing municipal services to the mine and there is no need for such services. The mine provides all of its own support services, including emergency medical treatment. There has never been a need for use of police assistance at the mine area. Were such a need to arise, our plan calls for flying in State Troopers from Juneau. Support services for employees in Juneau are paid for by property taxes paid for by our employees in the CBJ.

3. The Greens Creek Mine is not currently profitable and will not be profitable under current circumstances. In order for the mine to become profitable, the worldwide prices of zinc, lead and silver must go up substantially. Alternatively, expanding the size of the mill and mine operations to an optimum level may improve profitability.

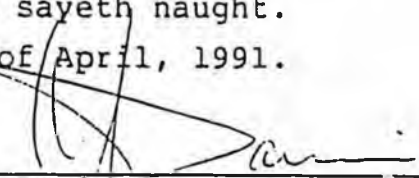
4. Since KGCMC can do nothing about the world market price for lead, zinc and silver, it is evaluating the potential of expanding the mill and the mine. This will require an increased capital expenditure at a time when the mine is already unprofitable. The added tax and regulatory burdens which annexation would cause could jeopardize the willingness of KGCMC to go forward with such an expansion project.

5. Because the world prices for lead, zinc and silver have dropped so low, and because it is unlikely that the mine will be profitable in 1991, or 1992, on April 5, 1991, we asked the employees of KGCMC to take an across the board pay cut of approximately 10%.

6. I have read the draft recommendation on the proposal to defer the effective date of the annexation of the Greens Creek Mine prepared by the Department of Community and Regional Affairs. No one in the Department has consulted with me regarding the economic situation of the Greens Creek Mine. I know of no basis for the statement of Warren Meyers from Merrill Lynch & Company in New York set forth in the Anchorage Times article of February 25, 1991 cited at page 6 of its draft for the proposition that Greens Creek "is nicely in the black ink." I have no knowledge of the "reports" referred to by the Department at page 6 of the draft.

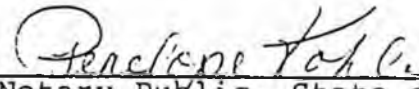
FURTHER YOUR affiant sayeth naught.

DATED this 15th day of April, 1991.



Cliff Davis

SUBSCRIBED and SWORN to before me this 15th day of April, 1991.



Notary Public, State of Alaska
My commission expires: 11/14/94

STATE OF ALASKA
LOCAL BOUNDARY COMMISSION

RECEIVED

FEB 11 1991

DEPT. OF COMM. & REG. AFFAIRS
OFF. OF MUNICIPAL & REG. ASST.

1
2
3 IN THE MATTER OF THE ANNEXATION)
4 OF THE GREENS CREEK MINE AND)
5 SURROUNDING TERRITORY TO THE CITY)
6 AND BOROUGH OF JUNEAU)

ANSWERING BRIEF OF GREENS CREEK MINING COMPANY

INTRODUCTION

8 On November 10, 1990, the Local Boundary Commission (LBC)
9 granted Kennecott Greens Creek Mining Company's (KGCMC's) request
10 that the LBC reconsider its September 6, 1990 and October 8, 1990
11 decisions rejecting the City and Borough of Juneau's August request
12 to defer the effective date of the annexation of Greens Creek until
13 January 1, 1994. The LBC limited reconsideration to the sole issue
14 of whether to defer the effective date of the CBJ annexation.

GREENS CREEK'S POSITION

15
16 KGCMC supports the CBJ's request for a deferred effective
17 annexation date of January 1, 1994, and urges that this request be
18 granted.

19 The LBC has broad legal authority to accomplish
20 annexations under its general grant of authority "to consider any
21 proposed boundary change" under Article X sec. 12 of the Alaska
22 Constitution. This broad power allows the LBC to assist a local
23 government by tailoring an annexation to meet the specific needs of
24 the community. The LBC has used this authority in two other
25 situations to delay or condition the effective dates of local
26 government petitions based on the factual circumstances facing the
communities:

ROBERTSON, MONAGLE & EASTAUGH, P.C.
COURT PLAZA BUILDING, SUITE 800
240 MAIN STREET
P.O. BOX 21211, JUNEAU, ALASKA 99802
PHONE (907) 586-3340

1 (1) In 1984, the LBC approved the delay requested in the
2 annexation petition of the City of Haines for two years contingent
3 on the holding of an election for the unification of the Borough of
4 Haines and City of Haines. The city found it prudent to defer
5 annexation to await the results of the election before completing
6 the annexation.

7 (2) In 1985, the LBC approved a petition for detachment
8 of an area from the North Slope Borough contingent on the
9 organization of a newly-formed adjacent borough in the NANA region.
10 There, the local government needed the assurance that it would have
11 an adequate and necessary land base to finance its government.
12 In each case, the LBC sought advice from the Department of Law
13 (DOL) which advised the LBC that based on the LBC's broad
14 constitutional authority, it could approve a petition with a
15 delayed effective date.

16 Not only does the authority exist to defer annexation, it
17 is good public policy to meet the needs of a local community in an
18 annexation as expressed by local government. The Public Services
19 Administration, hired by the then newly-formed State of Alaska to
20 offer guidance on the structure of state government stated:

21 "[The LBC] determinations should be based, not only
22 upon a careful assembling and weighing of relevant
23 geographic, demographic, fiscal and governmental
24 facts, but also with due regard to expressions of
25 judgment and sentiment by the public officials and
26 citizens most directly concerned."

"Local Government Under The Alaska Constitution," Public
Administration Service.

ROBERTSON, MONAGLE & EASTAUGH, P.C.
COURT PLAZA BUILDING, SUITE 800
240 MAIN STREET
P.O. BOX 21211, JUNEAU, ALASKA 99802
PHONE (907) 586-3340

1 Approval of the deferred effective date requested in this
2 case would serve a valid public purpose on a statewide level and
3 also meet the economic needs of the City and Borough of Juneau.
4 The CBJ has made a carefully considered analysis of what would be
5 good for the community in terms of Juneau's and Greens Creek's
6 future economic viability. The LBC's decision should also reflect
7 the community's judgment on this issue.

8 Furthermore, the Department of Community and Regional
9 Affairs (DC&RA) has fully researched the issue of whether the
10 Greens Creek Mine meets the statutory standards for annexation to
11 the CBJ. In its recommendation to the LBC, the DC&RA stated that
12 no other community has the social, economic, cultural and
13 geographic ties to the mine as does the CBJ. Since no other
14 community could meet the standards, deferring the effective date of
15 this annexation would not lock up parts of the unorganized borough
16 any more than an immediate annexation. Therefore, there is no harm
17 caused to the state by a deferred effective date.

18 CONCLUSION

19 The LBC has the authority to approve the CBJ's request
20 for a deferred effective date. In the past, the LBC has exercised
21 its discretion to meet the specific needs of local communities. In
22 this case both the CBJ and Greens Creek are in agreement as to
23 whether an annexation should occur and when it should be effective.
24 This is rarely the case in the annexation process.

25
26

STATE OF ALASKA
LOCAL BOUNDARY COMMISSION

STATEMENT OF DECISION

IN THE MATTER OF THE ANNEXATION)
OF THE GREENS CREEK MINE AND)
SURROUNDING TERRITORY TO THE)
CITY AND BOROUGH OF JUNEAU)

SECTION I
BACKGROUND

On May 25, 1989, the Assembly of the City and Borough of Juneau (CBJ) adopted Resolution No. 1382 authorizing the submission of a petition for the annexation of approximately 140 square miles. The area authorized for annexation included the Greens Creek Mine on Admiralty Island.

The CBJ's annexation petition was filed with the Department of Community and Regional Affairs (DCRA) on June 1, 1989. Six days later, the Local Boundary Commission (LBC) announced that it had postponed consideration of all pending proposals for borough annexation and incorporation. The postponement was to allow the LBC the opportunity to develop a boundary guideline map which identifies 'ideal' or 'model' boundaries for existing and potential future boroughs throughout Alaska.

Following a review of the petition, DCRA notified CBJ officials on July 7, 1989 that the form and content of the petition were in substantial compliance with applicable laws.

Notice of filing of the petition was published in the August 4, 11, and 18, 1989 editions of the Juneau Empire, the Petersburg Pilot, the Sitka Sentinel and the Wrangell Sentinel. In addition, DCRA sent a copy of the notice of filing to 162 potentially interested parties and also arranged for publication of the notice in the Alaska Administrative Journal.

On April 12, 1990 DCRA released its draft report and recommendation concerning the proposed annexation and ideal boundaries for the CBJ to 258 interested parties. Public comments on the report were accepted over a period of more than 5 weeks.

On June 22, DCRA distributed its final report and recommendation on the proposed annexation and model boundaries for the CBJ to 207 individuals. Included were three informational brochures concerning the proposed annexation and model boundaries.

DCRA recommended in its final report that the annexation be approved on the condition that the area be expanded to encompass all of the territory within the CBJ's ideal boundaries. The ideal boundaries identified by DCRA extended to Hobart Bay on the mainland and included the Glass Peninsula and other areas on Admiralty Island. DCRA recommended that the area to be annexed be expanded from 140 square miles to more than 3,000 square miles.

The LBC scheduled a hearing on the annexation petition and CBJ model boundaries for July 13, 1990 in Juneau. Arrangements were made to allow residents of the communities of Angoon, Hoonah, Kake and Petersburg to participate in the hearing via teleconference.

Notice of the hearing was published in the Juneau Empire on June 12, June 20, June 26, July 3 and July 11, 1990. Notice was also published in the Alaska Administrative Journal. In addition, copies of the notice were mailed to 232 individuals.

STATEMENT OF DECISION
CBJ ANNEXATION
PAGE THREE

withdrawal on July 13. I am pleased to report that we have been able to achieve a satisfactory conclusion to this matter through the efforts of Mr. Davidson. We understand that he will move tonight to condition annexation upon the LBC's acceptance of a January 1, 1994 operative date for the annexation.

Officials of the Greens Creek Mine and the CBJ were aware that the request for the deferred effective date would be considered by the LBC on September 6. Indeed, Mr. Jim Hall, Assistant Manager for the CBJ was present at that meeting. Mr. Jim Clark, Attorney for the Greens Creek Mine, provided written comments for consideration by the Commission at that meeting. Mr. Clark's comments supported the proposal to defer the effective date and concluded with the statement "we urge the LBC to accept the resolution as submitted by the CBJ".

The basis for the LBC's action on the request for the deferred effective date is outlined in Section IV of this Statement of Decision.

On September 17, James F. Clark, Attorney for the Greens Creek Mine, notified the LBC that he would seek reconsideration of the LBC's decision not to defer the effective date of the annexation. Later that same day, the CBJ Assembly adopted Resolution No. 1469 agreeing to the March, 1991 effective date on the condition that the LBC deny the anticipated request for reconsideration by the Greens Creek Mine officials.

On September 22, 1990, the LBC adopted a motion stating that the action taken by the CBJ Assembly through Resolution No. 1469 satisfied the terms stipulated by the LBC on September 6 and that the petition would move forward. The motion was adopted by a vote of 4 to 1. Commissioner Cotten again cast the dissenting vote.

SECTION II
FINDINGS AND CONCLUSIONS OF COMMISSION MAJORITY

Based upon the evidence before the Commission, including but not limited to, the petition for annexation to the CBJ, the testimony given at the hearing conducted by the Commission on the proposed annexation and CBJ model boundaries, the report and recommendations of the Department of Community and Regional Affairs and written comments from interested parties, the Commission makes the following findings and conclusions.

Conclusion Number One

The area is in need of municipal services which the CBJ can provide more efficiently than another municipality or the State. Thus, the standard set out in 19 AAC 10.190(a)(3) is satisfied. This conclusion is based upon the following findings.

While the area has no permanent residents, it is a major industrial site in close proximity to Juneau. More than 200 individuals reportedly work at the Greens Creek Mine. All of these individuals are believed to reside within the boundaries of the CBJ.

The CBJ would provide the following direct services to the area upon annexation:

- emergency police services (offered in a limited capacity and only in emergencies);

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

STATE OF ALASKA
LOCAL BOUNDARY COMMISSION

STATEMENT OF DECISION

IN THE MATTER OF THE ANNEXATION)
OF THE GREENS CREEK MINE AND)
SURROUNDING TERRITORY TO THE)
CITY AND BOROUGH OF JUNEAU)

SECTION I
BACKGROUND

On May 25, 1989, the Assembly of the City and Borough of Juneau (CBJ) adopted Resolution No. 1382 authorizing the submission of a petition for the annexation of approximately 140 square miles. The area authorized for annexation included the Greens Creek Mine on Admiralty Island.

The CBJ's annexation petition was filed with the Department of Community and Regional Affairs (DCRA) on June 1, 1989. Six days later, the Local Boundary Commission (LBC) announced that it had postponed consideration of all pending proposals for borough annexation and incorporation. The postponement was to allow the LBC the opportunity to develop a boundary guideline map which identifies 'ideal' or 'model' boundaries for existing and potential future boroughs throughout Alaska.

Following a review of the petition, DCRA notified CBJ officials on July 7, 1989 that the form and content of the petition were in substantial compliance with applicable laws.

Notice of filing of the petition was published in the August 4, 11, and 18, 1989 editions of the Juneau Empire, the Petersburg Pilot, the Sitka Sentinel and the Wrangell Sentinel. In addition, DCRA sent a copy of the notice of filing to 162 potentially interested parties and also arranged for publication of the notice in the Alaska Administrative Journal.

On April 12, 1990 DCRA released its draft report and recommendation concerning the proposed annexation and ideal boundaries for the CBJ to 258 interested parties. Public comments on the report were accepted over a period of more than 5 weeks.

On June 22, DCRA distributed its final report and recommendation on the proposed annexation and model boundaries for the CBJ to 207 individuals. Included were three informational brochures concerning the proposed annexation and model boundaries.

DCRA recommended in its final report that the annexation be approved on the condition that the area be expanded to encompass all of the territory within the CBJ's ideal boundaries. The ideal boundaries identified by DCRA extended to Hobart Bay on the mainland and included the Glass Peninsula and other areas on Admiralty Island. DCRA recommended that the area to be annexed be expanded from 140 square miles to more than 2000 square miles.

The LBC scheduled a hearing on the annexation petition and CBJ model boundaries for July 13, 1990 in Juneau. Arrangements were made to allow residents of the communities of Angoon, Hoonah, Kake and Petersburg to participate in the hearing via teleconference.

Notice of the hearing was published in the Juneau Empire on June 12, June 20, June 26, July 3 and July 11, 1990. Notice was also published in the Alaska Administrative Journal. In addition, copies of the notice were mailed to 232 individuals.

STATEMENT OF DECISION
CBJ ANNEXATION
PAGE TWO

On July 13, the Assembly of the CBJ adopted a motion to withdraw its annexation petition. This action was taken approximately 6 hours prior to the time of the scheduled hearing by the LBC.

Notwithstanding the action of the CBJ Assembly, the LBC proceeded with the hearing on the proposed annexation and the CBJ model boundaries on the basis that: 1) extensive notice of the hearing had been given; 2) the petition had been pending before the LBC for more than one year, as such it was anticipated that many individuals in Juneau and surrounding communities had spent considerable time and effort preparing for the hearing and that they would prefer to express their positions on the matter to the LBC at a formal proceeding; 3) the CBJ Assembly may have acted hastily in its attempt to withdraw the petition due to a concern that the recommendation of DCRA for the expansion of the territory proposed for annexation would be approved by the LBC; 4) there is no mechanism set out in statute or regulation by which a petitioner may unilaterally "withdraw" a petition submitted to the LBC.

Although teleconference facilities were available in Petersburg and Hoonah, no one from those communities participated at the hearing. Residents from Angoon and Kake did, however, testify at the hearing via teleconference.

On July 14, the LBC adopted a motion to approve the annexation of the 140 square mile area requested in the CBJ petition on the condition that the CBJ Assembly rescind its withdrawal of the petition. The motion was approved by a vote of four to one. Commissioner Cotten cast the dissenting vote. Subsequently, Commissioner Cotten requested that the basis for his dissenting position on the matter be expressed in this Statement of Decision (see Section III).

On August 20, 1990, the CBJ Assembly adopted Resolution No. 1462 (Substitute) which reinstated the CBJ's annexation petition subject to the condition that the LBC defer the effective date of the annexation to January 1, 1994.

On September 6, 1990, the LBC voted unanimously to reject the request of the CBJ Assembly to defer the effective date of the annexation until January 1, 1994. In a separate motion which was also adopted unanimously, the LBC established September 22, 1990 as the deadline for CBJ Assembly concurrence with an effective date of March, 1991 in accordance with Article X, Section 12 of the Constitution of the State of Alaska; otherwise the petition was to be denied.

To the extent that the proposed deferred effective date would be an amendment to the petition, the significant effects of such an amendment would have been limited to the financial interests of the Greens Creek Mine, the City and Borough of Juneau and the State of Alaska. Not only were officials of the Greens Creek Mine and the CBJ aware of the proposed amendment, they worked cooperatively in the development of the request for the deferred effective date. According to the testimony attached to Kevin Ritchie's letter of August 22, Cliff Davis noted:

We have been working with Deputy Mayor Davidson, the Mayor and others since that time to work out a response to the LBC which would achieve the original purposes for which annexation was sought, but avoid the problems which caused us to request

withdrawal on July 13. I am pleased to report that we have been able to achieve a satisfactory conclusion to this matter through the efforts of Mr. Davidson. We understand that he will move tonight to condition annexation upon the LBC's acceptance of a January 1, 1994 operative date for the annexation.

Officials of the Greens Creek Mine and the CBJ were aware that the request for the deferred effective date would be considered by the LBC on September 6. Indeed, Mr. Jim Hall, Assistant Manager for the CBJ was present at that meeting. Mr. Jim Clark, Attorney for the Greens Creek Mine, provided written comments for consideration by the Commission at that meeting. Mr. Clark's comments supported the proposal to defer the effective date and concluded with the statement "we urge the LBC to accept the resolution as submitted by the CBJ".

The basis for the LBC's action on the request for the deferred effective date is outlined in Section IV of this Statement of Decision.

On September 17, James F. Clark, Attorney for the Greens Creek Mine, notified the LBC that he would seek reconsideration of the LBC's decision not to defer the effective date of the annexation. Later that same day, the CBJ Assembly adopted Resolution No. 1469 agreeing to the March, 1991 effective date on the condition that the LBC deny the anticipated request for reconsideration by the Greens Creek Mine officials.

On September 22, 1990, the LBC adopted a motion stating that the action taken by the CBJ Assembly through Resolution No. 1469 satisfied the terms stipulated by the LBC on September 6 and that the petition would move forward. The motion was adopted by a vote of 4 to 1. Commissioner Cotten again cast the dissenting vote.

SECTION II FINDINGS AND CONCLUSIONS OF COMMISSION MAJORITY

Based upon the evidence before the Commission, including but not limited to, the petition for annexation to the CBJ, the testimony given at the hearing conducted by the Commission on the proposed annexation and CBJ model boundaries, the report and recommendations of the Department of Community and Regional Affairs and written comments from interested parties, the Commission makes the following findings and conclusions.

Conclusion Number One

The area is in need of municipal services which the CBJ can provide more efficiently than another municipality or the State. Thus, the standard set out in 19 AAC 10.190(a)(3) is satisfied. This conclusion is based upon the following findings.

While the area has no permanent residents, it is a major industrial site in close proximity to Juneau. More than 200 individuals reportedly work at the Greens Creek Mine. All of these individuals are believed to reside within the boundaries of the CBJ.

The CBJ would provide the following direct services to the area upon annexation:

- ° emergency police services (offered in a limited capacity and only in emergencies);

STATEMENT OF DECISION
CBJ ANNEXATION
PAGE FOUR

- ° search and rescue;
- ° emergency medical services;
- ° planning, zoning and coastal management;
- ° tax assessment and collection; and
- ° building inspection.

In addition, services delivered by the CBJ in other locations, but available to the workers in the annexed area include:

- ° Juneau public school system;
- ° Juneau International airport;
- ° Juneau hospital;
- ° Juneau harbor facilities;
- ° social services;
- ° cemeteries;
- ° libraries;
- ° convention facilities; and
- ° museums.

Conclusion Number Two

The annexation is necessary to accomplish a valid public purpose. Thus, the standard set out in 19 AAC 10.190(a)(8) is met. This conclusion is based upon the following findings.

- A. Development which increases demands for municipal services (even indirectly) should support the cost of those services.

The petitioners argue that "[T]he local government which provides the support services for the development and which experiences the impact from the development should have the best opportunity to acquire the [tax] revenues associated with the development." The Commission concurs.

Since the mine is located outside the CBJ's municipal boundaries, the CBJ receives no property taxes from the development. Further, retail sales to areas outside the CBJ's boundaries, including the mine, are exempt from the CBJ sales tax.

If the mine site were annexed, it is estimated that the CBJ would gain approximately \$336,000 per year in property taxes (based upon current areawide levy of 5.42 mills). In addition, the CBJ estimates that it would gain \$150,000 in annual sales tax revenues since the sale of goods for the Greens Creek Mine would no longer be exempt from its sales tax if the area were annexed.

It should be noted, however, that annexation of the mine would reduce the level of State education funding to the CBJ by an estimated \$248,000 beginning in FY 94.

- B. Inclusion of the area would better satisfy the Constitutional standards for borough boundaries.

Article X, Section 3 of the Alaska Constitution stipulates that boroughs "shall be established . . . according to standards . . . the standards shall include population, geography, economy, transportation and other factors . . . each borough shall embrace an area and population with common interests to the maximum degree possible".

The social, cultural, economic and transportation characteristics of the 140 square mile area are most closely linked to the CBJ. Thus, annexation of this territory would more fully satisfy the constitutional provisions concerning boroughs.