



LAWS OF ALASKA

1972

Source

CSSB 405 (Resources)

Chapter No.

106

AN ACT

Relating to development cities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. LEGISLATIVE FINDINGS. The legislature finds that the development of natural resources in isolated and relatively unpopulated areas requires a policy and procedure which will provide planning, financial and other assistance necessary for encouraging orderly development of well-planned, diversified and economically sound new cities necessary to support the sound development of the state's resources by both the private and public sector. It is the purpose of this Act to set out the mutual responsibilities of the private and public sectors to achieve these objectives with a view to securing information valuable to future legislatures so that general legislation applicable to the establishment of development cities may be perfected.

* Sec. 2. AS 29 is amended by adding a new chapter to read:

CHAPTER 76. DEVELOPMENT CITIES.

Sec. 29.76.010. DEVELOPMENT CITIES. Subject to reclassification under sec. 140(c) of this chapter, a development city is a city of the class designated by the Local Affairs Agency.

Sec. 29.76.020. INCORPORATION. An area not served by an existing municipality which is not reasonably practicable to be served by an existing municipality may be incorporated as a development city by

(1) petition of the industrial developer to the Local Affairs Agency to be acted on by the Local Boundary Commission; or

(2) act of the legislature.

Sec. 29.76.030. PETITION FOR INCORPORATION. A development city incorporation petition proposed by an industrial developer shall include the following information about the proposed city:

- (1) class,
- (2) name,
- (3) boundaries,
- (4) composition of the council,
- (5) maps, documents, preliminary economic development projections, preliminary population projections, outline of the industrial developer's investigative and development expenditures and its proposed capital program, and other information required by the Local Affairs Agency to show that the proposed city meets the standards for incorporation,
- (6) the proposed agreement required under sec. 75 of this chapter.

Sec. 29.76.040. REVIEW. The Local Affairs Agency shall review the petition for content and shall return deficient petitions for correction and completion.

Sec. 29.76.050. INVESTIGATION. If the petition contains the required information, the Local Affairs Agency shall investigate the proposal to determine whether the development expenditures and proposed capital program by the developer serve the public interest and demonstrate a probability of being carried forward to a successful conclusion.

Sec. 29.76.060. REPORT. (a) The Local Affairs Agency shall report its findings to the Local Boundary Commission with its recommendations regarding the incorporation within 60 days of receipt of the petition for incorporation.

(b) The Local Boundary Commission shall review the petition and the findings and recommendations of the Local Affairs Agency within 60 days of receiving them.

Sec. 29.76.070. DECISION ON DEVELOPMENT CITY INCORPORATION. (a) The Local Boundary Commission may reject a petition for incorporation if it finds that

- (1) the area proposed for incorporation is served by an existing municipality or could be served by an existing municipality;
- (2) it is improbable that the proposed development will take place;
- (3) the program and activities contemplated by this chapter may be undertaken through expansion of the corporate limits of an existing city and then declares that city to be a development city for the purpose of preferential designation under secs. 10 and 80 - 190 of this chapter;

(4) the program and activities contemplated by this chapter may be undertaken by establishing a service area within an existing organized borough for a development project, and declares the service area to be eligible for preferential designation under secs. 150 and 180 of this chapter;

(5) the proposed development does not serve the public interest.

(b) If the Local Boundary Commission finds that a service area within an organized borough is to be designated for preferential treatment under (a)(4) of this section, the assembly may undertake the project in the manner of a development city and shall present to the Local Boundary Commission a contractual agreement outlining responsibilities assumed by the borough and the industrial developer to implement the proposed development program.

(c) The assembly may decline findings under (b) of this section to establish a service area and in the alternative request the Local Boundary Commission to approve incorporation of a development city.

(d) The Local Boundary Commission may dissolve a development city established under sec. 20(1) or (2) of this chapter if subsequent to its incorporation

(1) the major economic development projected does not occur within a period of five years; and

(2) if the development project has been reviewed as a new project the Local Boundary Commission determines it would have rejected the petition on the basis that it is improbable the proposed development would have taken place.

(e) A commission decision under this section may be appealed under the Administrative Procedure Act (AS 44.62).

Sec. 29.76.072. PRELIMINARY PLANNING. The city shall prepare and submit to the state preliminary plans in advance of completion of the final basic comprehensive plan for the city. The preliminary plans shall include

(1) maps, documents, preliminary economic development projections, preliminary population projections, outline of the industrial developer's investigative and development expenditures and its proposed capital program, and other information required by reviewing agencies of the state;

(2) a report on the physical and biological character of the proposed city's site and a land and water use plan and the design and siting of the community to be developed based upon these natural factors.

Sec. 29.76.074. REVIEW AND REPORT. (a) The division of planning and research, in conjunction with the Local Affairs Agency and the Departments of Natural Resources and Environmental Conservation and other departments as determined appropriate by the division of planning and research, shall review the preliminary planning and additional data may be requested.

(b) The division of planning and research shall coordinate the preparation of a report and recommendations, if any, which shall be submitted to the governor within 60 days of receipt by the state of the preliminary plans from the city. The city may proceed to the completion of the final basic comprehensive plan upon satisfying any specific recommendations contained in the report.

(c) During the course of planning toward completion of the basic comprehensive development plan the division of planning and research and the Local Affairs Agency shall be kept currently informed and the final plan shall be subject to review and recommendation by the division of planning and research, which shall act in its coordinating capacity to secure review by the Department of Environmental Conservation and other state agencies as appropriate.

Sec. 29.76.075. LIMITATION. The city may not proceed with commitment of funds or formal undertakings for physical development until it has a signed contract or contracts for sale of the company's products in quantities shown in the economic data and submitted by the company to be adequate to sustain an economically viable operation. The company may submit alternative valid evidence that the projected operation will proceed. The company shall notify the Local Affairs Agency of the meeting of this requirement. Unless the Department of Economic Development makes a determination that the data is insufficient, the city may proceed.

Sec. 29.76.078. LOCAL HIRE. In consideration of the incorporation of a development city under this chapter, the major developer shall enter into an agreement with the appropriate agencies of the state concerning

- (1) establishing and maintaining an approved Department of Labor on-the-job training program to qualify Alaska residents lacking in the requisite technical skills of the activities to be undertaken;
- (2) establishing resident hire goals in terms of per cent of employees at the end of the first year, second year and third year of operation;
- (3) establishing the responsibilities of the various state agencies towards providing technical assistance, manpower procurement, relocation assistance, job opportunity services to residents in the area, supplemental vocational training, and the scope of effort each state agency has in this regard with specific commitments in terms of numbers of residents, time schedule and dollar value of training;
- (4) establishing the penalties and conditions of noncompliance with the agreement.

Sec. 29.76.080. DEVELOPMENT CITY COUNCIL. The council of a development city has five members consisting of the director of the Local Affairs Agency, or his designee, and four public members designated by the governor. The governor shall appoint no fewer than two public members from a list of nominees designated by the major developer providing

the industrial base of the city as measured by employment and capital investment. The council shall serve at the pleasure of the governor. The designated councilmen need not be residents of the city during its development stage.

Sec. 29.76.090. FILLING A VACANCY. If a vacancy occurs in the council as constituted under sec. 80 of this chapter, the applicable appointing authority shall designate the replacement during the development stage of the city.

Sec. 29.76.100. POWERS AND DUTIES OF COUNCIL. During the development stage the council of a development city may

- (1) exercise the powers and duties of a school board if the city is located outside an organized borough;
- (2) exercise the powers and duties of a planning commission under AS 29.33.080, except that during the first five years or until the development city has 400 permanent residents, zoning and zoning changes will be reviewed and approved by the division of planning and research and the Department of Environmental Conservation.

Sec. 29.76.110. POWERS AND DUTIES OF DEVELOPMENT CITY EXECUTIVE DIRECTOR. During the development stage the council shall appoint an executive director of the development city, who may be one of its members, to serve at the pleasure of the council. The executive director shall have the powers and duties of all city officials set out in this title in order to develop the city under a comprehensive community development plan.

Sec. 29.76.120. PROCEDURES. During the development stage, the council may provide for conference telephone or radiophone meetings at times determined by the council and shall determine its own rules and order of business.

Sec. 29.76.130. DEVELOPMENT CITY CAPITAL IMPROVEMENT FUNDS. All state agencies shall, where appropriate, adopt procedures to insure that, during the development stage, the needs of a development city are carefully considered in the allocation of funds available for capital improvement projects where those funds have not otherwise been committed by the legislature.

Sec. 29.76.140. TRANSITION. (a) When a development city has 400 permanent residents elections shall take place according to the following schedule:

- (1) in the first year two additional councilmen who shall be city residents elected for three-year terms;
- (2) in the second year two councilmen who shall be city residents elected for three-year terms to replace one of the councilmen nominated by the industrial developer and one of the public members designated by the governor;
- (3) in the third year two councilmen who shall be city residents elected for three-year terms to replace the local affairs director and one of the councilmen nominated by the industrial developer;

(4) in the fourth year a mayor who shall be a city resident elected for a three-year term to replace the remaining councilman nominated by the industrial developer.

(b) At the time of the election under (a)(4) of this section, or any time after it, the electorate may exercise the right to become a home rule city as authorized under this title.

(c) If, within a period of five years from the incorporation of a development city, the number of permanent residents does not reach 400, the Local Affairs Agency shall order an election for city officials and designate a successor class of city based on population as provided in this title. If the agency designates a successor class of city, the provisions of this title relating to that class of city apply, and the city shall be reclassified accordingly.

Sec. 29.76.150. HOUSING POWERS. From the time of the appointment of the first city council and for a period of 10 years following the first election of councilmen, the council may act as its own housing and urban renewal authority if such powers have been granted to cities under applicable provisions of law.

Sec. 29.76.160. LAND SELECTION. (a) The Department of Natural Resources shall attempt to secure the transfer of the available federally owned land located within the boundaries of a development city into state ownership. After the transfer, a development city may select 10 per cent of the vacant, unappropriated, unreserved state land located within its boundaries. Nothing in this section affects a valid existing claim, location, or entry under the laws of the state or the United States whether for homestead, mineral, right-of-way or other purposes or affects the rights of an owner, claimant, locator, or entryman to the full use and enjoyment of the land so occupied.

(b) If land desired by the development city is unsurveyed at the time of its selection, the Department of Natural Resources shall survey or approve a survey by the city of the exterior boundaries of the area requested without interior subdivision and shall issue a patent for the selected area in terms of the exterior boundary survey. The cost of the survey is borne by the city. If land desired by the city has been surveyed at the time of its selection; the boundaries of the areas requested must conform to the public land subdivisions established by the approval of the survey. Land selected by the city under this section is patented to the city by the Department of Natural Resources.

(c) After the selection of the land by the development city but before the issuance of final patent, the city may execute conditional leases and make conditional sales of selected land.

Sec. 29.76.165. REVENUE BONDS. Revenue bonds may be issued by a development city under the provisions of AS 29.50.050 - 29.50.070. However, no vote of the people is required to issue revenue bonds during the development stage. During the development stage revenue bonds may be issued by a majority vote of the city council.

Sec. 29.76.170. SHARED REVENUE. A development city is entitled to shared revenue and other state funds on the same basis as a city or organized borough of the first class or, if reclassified under sec. 140(c) of this chapter, on the basis of the reclassification. During the development stage the Local Affairs Agency may establish an assumed population figure which shall be used to determine shared revenue based on population or per capita grants.

Sec. 29.76.180. APPLICABILITY OF OTHER PROVISIONS OF THIS TITLE. All applicable provisions of this title consistent with the provisions of this chapter apply to development cities.

Sec. 29.76.190. DEFINITION. In this chapter "development stage" means that period of time extending from the date of incorporation of a development city until such time as the city may attain a population of 400 permanent residents, or five years from the date of incorporation, whichever is earlier.