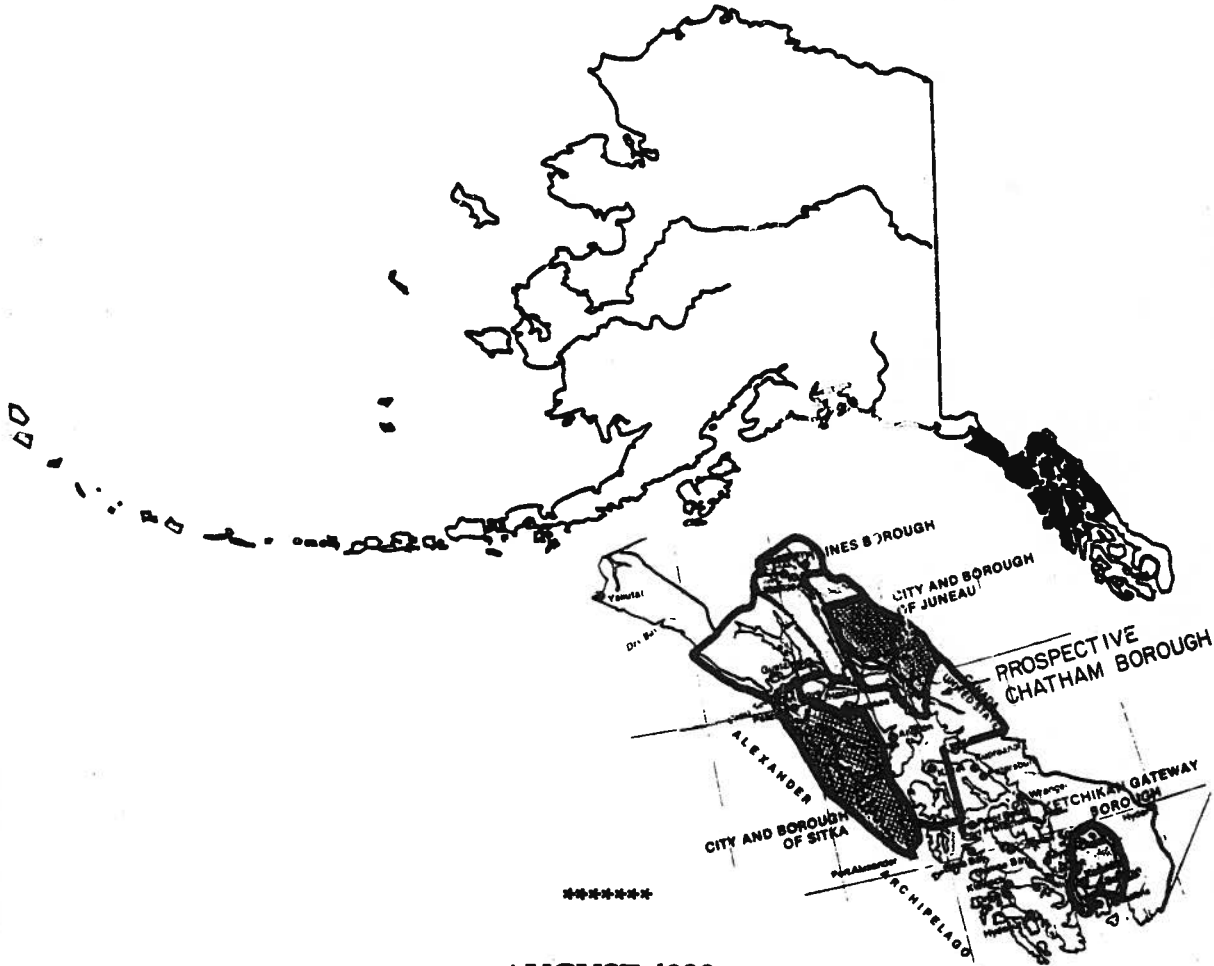


MODEL BOROUGH BOUNDARIES REVIEW
CENTRAL SOUTHEAST ALASKA

**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



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SECTION I INTRODUCTION

This document conveys the Department of Community and Regional Affairs' report and recommendations to the Alaska Local Boundary Commission (LBC) regarding five basic borough government boundary questions relating to central Southeast Alaska. These include the following:

To what extent do the boundaries of the City and Borough of Sitka (CBS) conform to the ideal ultimate boundaries of the CBS?

To what extent do the boundaries of the Haines Borough conform to the ideal ultimate boundaries of the Haines Borough?

How would the ideal boundaries of a prospective future Chatham borough be configured?

If Yakutat were to be included within the boundaries of a regional government, how would the southern boundary of that regional government be configured?

To what extent do the boundaries of the City and Borough of Juneau conform to its "ideal" boundaries.

A. Role of the Alaska Local Boundary Commission

The Local Boundary Commission (LBC) was created under Alaska's Constitution to act upon petitions for municipal incorporation, boundary changes and related actions. It is one of only two State boards established by the Constitution (the other being the University Board of Regents).

Thirty-four years ago, the delegates to Alaska's Constitutional Convention concluded, after considerable study and debate, that establishment and revision of local government boundaries should be the responsibility of the State. Thus, the Constitution (Article X, Section 12) provides that:

A local boundary commission or board shall be established by law in the executive branch of state government. The commission or board may consider any proposed local government boundary change . . .

Shortly after Statehood, the Alaska Supreme Court summed up the extensive considerations which led the Constitutional Convention delegates to this position:

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An examination of the relevant minutes of [a series of 31 meetings held by the Committee on Local Government at the Constitutional Convention] shows clearly the concept that was in mind when the local boundary commission section was being considered: that local political decisions do not usually create proper boundaries and that boundaries should be established at the state level. The advantage of the method proposed, in the words of the committee — “lies in placing the process at a level where areawide or statewide needs can be taken into account. By placing authority in this third-party, arguments for and against boundary change can be analyzed objectively.” (Fairview Public Utility District No. 1 v. City of Anchorage; 368 P.2d 540).

A wide variety of municipal boundary issues come before the LBC. These include proposals for: 1) annexations to cities, boroughs and unified municipalities, 2) incorporations of cities and boroughs, 3) merger and consolidations of cities, boroughs and unified municipalities, 4) detachments from cities, boroughs and unified municipalities and 5) dissolution of cities, boroughs and unified municipalities.

The Commission’s authority to “make studies of local government boundary problems” was specifically provided through (AS 44.47.567)

B. Composition of the Local Boundary Commission

The Commission consists of five members appointed by the Governor. In order to provide statewide representation, one member is appointed from each of Alaska’s four judicial districts. The Chairman is appointed from the state at-large. Commission members serve terms of five years. The Commission is independent of all State agencies, however, the Alaska Department of Community and Regional Affairs provides technical and administrative support to the Commission. Members are appointed “on the basis of interest in public affairs, good judgment, knowledge and ability in the field”. The Local Boundary Commission is a citizen commission, that is, members do not serve as State employees and receive no compensation for service.

C. Present Membership of the Commission

Provided below is a brief introduction to each of the five members of the Commission:

C.B. Bettisworth, Chairman. Mr. Bettisworth was appointed to the Commission in 1980, serving from the Fourth Judicial District. In 1987 he was appointed Chairman

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of the Commission. Mr. Bettisworth is an architect by profession and manages his own architecture, planning and project development firm. Mr. Bettisworth has served as a member of the Local Boundary Commission under three Governors. As LBC Chairman, Mr. Bettisworth serves at-large. He lives in Fairbanks.

Shelley Dugan, Vice Chairman. Ms. Dugan was appointed to the Local Boundary Commission in 1987 serving from the Fourth Judicial District. She was elected Vice-Chairman of the Commission the following year. Ms. Dugan is the City Clerk/Treasurer for the City of North Pole. She resides in Fairbanks.

Jo Anderson. Ms. Anderson was appointed to the Commission in 1975 serving from the First Judicial District. She is employed by the Alaska Department of Health and Social Services. During her tenure with the Commission, Ms. Anderson has served three Governors. She resides in Wrangell.

Lamar Cotten. Mr. Cotten was appointed to the Local Boundary Commission in 1988 serving from the Third Judicial District. He is employed as the Borough Administrator of the Aleutians East Borough. Mr. Cotten resides in Anchorage.

Guy Martin. Mr. Martin was appointed to the Commission in May of 1989. He is employed as the Lands Manager for the Bering Straits Native Corporation. Mr. Martin resides in Nome.

D. Technical Support For the Commission

The Alaska Department of Community and Regional Affairs (Department or DCRA) provides technical and administrative support to the LBC.

However, the Commission and the Department are independent of each other. The Department's recommendations, such as those contained in this report, are not binding upon the Commission.

The Department's report often serves as a catalyst to focus thought and discussion upon basic issues which emerge when borough boundaries are designed. The Commission typically seeks further information from residents, property owners and other interested parties as these issues are examined in the Commission's public deliberative process.

E. 'Model' Borough Boundary Project

On June 7, 1989, the LBC published notice that it was postponing consideration of pending proposals for all borough annexation and incorporation petitions. This

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decision affected petitions from the City and Borough of Juneau, the Matanuska-Susitna and Fairbanks North Star Boroughs. In addition, two petitions for incorporation of boroughs were affected (Denali and Valleys Boroughs).

A statement issued by the Commission at that time read:

The action taken by the Commission will delay consideration of the annexation and incorporation proposals for about one year. During this time, the Commission will develop a boundary guideline map which identifies 'ideal' boundaries for existing and potential future boroughs throughout Alaska.

Accordingly, the Local Boundary Commission directed its staff to recommend model borough boundaries from among various potential options for the configuration of borough government in central Southeast Alaska.

F. Basis for Borough Form of Government

Article X, Section 3, of Alaska's Constitution requires that:

The entire State shall be divided into boroughs, organized or unorganized. They shall be established in a manner and according to standards provided by law. 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.

Alaska's First State Legislature made a number of attempts to divide the State into boroughs in order to implement Article X, Section 3 of the Constitution. One measure would have initially divided the state into 24 unorganized boroughs. Another proposal would have created 14 organized boroughs, but left "pioneer areas" of Alaska outside of organized boroughs until they developed a tax base. Altogether, at least five different measures were introduced. While all of these proposals received serious consideration, none were adopted.

The 1961 legislature enacted a law simply placing the entire state — all 586,412 square miles of lands and 78,125 square miles of tidelands and submerged lands — into a single unorganized borough. Clearly, this act failed to 'divide the state into boroughs according to standards so that each borough embraced an area and population with common interests to the maximum degree possible' as the Constitution required. However, by the same act, the legislature established Alaska's first statutes creating a process for formation of organized boroughs through local action.

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Legislative hopes that residents of the state would take the initiative to divide Alaska into organized and unorganized boroughs evaporated over the next two years. By 1963, only the relatively small (873 square miles) Bristol Bay Borough had incorporated and 99.9 per cent of the state remained outside of organized boroughs. In 1963, the legislature required that organized boroughs be formed in eight regions. These were Juneau, Ketchikan, Sitka, Kodiak, Kenai, Anchorage, Mat-Su and Fairbanks. Additionally, the legislature expressed the intent that:

No area incorporated as an organized borough shall be deprived of state services, revenues, or assistance or be otherwise penalized because of incorporation.

In 1968, the state withheld funding from the Haines Independent School district, forcing the creation of the Haines Borough. After 1968, serious pressure from the state to form boroughs ceased. With the singular exception of the North Slope Borough, Prudhoe Bay oil revenues eliminated the incentive for both borough formation and new local tax efforts. The appearance of new wealth from Prudhoe Bay allowed lawmakers and local residents to maintain the status quo with respect to boroughs through the mid-1980's. By 1986, however, Alaska's oil revenues had begun to decline.

The continued erosion of oil revenues has promoted an unprecedented level of interest in the extension of borough government through both annexation and incorporation. Boroughs which were formed under the Mandatory Borough Act of 1963 with the false promise of indemnity regarding state services and revenues began to seek new tax bases to make up further cuts in state support. Borough incorporation efforts were successfully initiated in several relatively resource rich areas within the unorganized borough.

During the past four years, the Local Boundary Commission has received 11 petitions for the formation of new boroughs or the alteration of boundaries of existing organized boroughs. During this period, the Commission has approved the extension of organized borough government through incorporation or annexation of more than 100,000 square miles covering 25% of the "Unorganized Borough." However, the 1961 law placing all "areas of the state which are not within the boundaries of an organized borough" into a single unorganized borough remains on the books. As such, Alaska's single unorganized borough still encompasses nearly two-thirds of the state.

Under this law, Hoonah, Angoon, Pelican and Skagway are included in the same borough (the unorganized borough) as Diomedes, Bethel, Dillingham, Glennallen, Attu and Nome. Such a diverse group of interests as represented by the communi-

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ties of Alaska's unorganized borough clearly fail to meet the constitutionally established borough boundary standards.

In a sense, the unorganized borough has evolved into a sort of administrative vacuum. This has led to a variety of consequences, for instance:

First class and home rule cities in the unorganized borough assume broad responsibilities for education and basic borough type municipal services;

Certain businesses and individuals benefit from the present lack of regional government in the unorganized borough and oppose change, which they equate with taxation and government control.

When significant economic development begins, expansion of the boundaries of adjacent regional governments is often promoted. If this pattern continues, the unorganized borough could become even more economically and politically disadvantaged relative to the rest of Alaska.

A number of problems have resulted from the failure to properly divide Alaska into organized and unorganized boroughs in the interval — more than three decades — since statehood. Almost without exception, every proposal to form an organized borough or to significantly change the boundaries of an existing borough has generated intense regional conflicts. These conflicts commonly promote extended and often rather inconclusive legal battles which drain financial and human resources of the affected regions. In fact, every borough incorporation and major boundary change over the past 22 years has resulted in a legal challenge.

When regional interest groups compete for the chance to benefit from the revenue potential represented by taxable development such as a world class mine, a stretch of trans-Alaska pipeline or a fish processing center, the returns to the winner of such a contest can be high.

Often, separate regions can advance persuasive arguments that large undeveloped areas should be included within their regional government and the LBC's task is to determine which potential future regional government the contested area should be properly linked.

For example, in the course of the current study, it is clear that several of the communities have economic, social and cultural ties to all or part of the more than 5,000 square miles encompassed by the Glacier Bay National Park and Preserve.

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These communities include Yakutat, Hoonah, Gustavus, Haines and others. While these communities have strong ties to the Park, not all have strong ties to each other.

Ultimately, the challenge falls upon the Local Boundary Commission to identify and examine these competing interests from a statewide perspective. It is intended that thoughtful application of the standards in the light of local testimony will facilitate identification of ideal unorganized borough boundaries. Identification of such unorganized borough boundaries would be used for various purposes, including:

guides to the formation of new organized boroughs (as they are desired);

as safeguards to help preclude inappropriate or unnecessary expansion of boundaries of existing boroughs.

The web of conflict surrounding the extension of borough government in the first three decades of statehood might have been avoided or at least greatly diminished by dealing with with these issues in a deliberate manner.

The model boundary study being conducted by the Commission encourages communities and others to take the opportunity to anticipate the likely impacts of organized borough government.

Often, local proposals are hastily prepared in reaction to some perceived threat. Preparing petitions under such rushed, high pressure conditions can inhibit the careful planning and public input which is desirable when appropriate disposition of such sensitive issues is sought.

G. Designation of Multiple Unorganized Boroughs

The delegates to the Constitutional Convention continually stressed the inter-relatedness of local areas and the necessity for cooperative behavior. In January, 1961, the Alaska Legislative Council and the Local Affairs Agency raised the issue in the Final Report on Borough Government. The report stated:

The question may be asked, as it has been before: Why must Alaska create unorganized boroughs? The reasons are numerous. First, a constitutional mandate is satisfied by the establishment of unorganized boroughs. Second, the establishment of unorganized boroughs enables the legislature to provide for the establishment of service areas in areas needing local services, but not ready for city or borough government. Third, the change in the status of existing special districts, as provided

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for in the constitution, can be accomplished. For example, school districts could be integrated into the city or organized borough school systems and public utility districts either can be incorporated as cities, annexed to cities or re-established as service areas. Fourth, the creation of the unorganized borough would force recognition of the state's responsibility to develop the capacity for local self government. (pg.62).

In 1972, the Governor introduced to the second session of the Seventh Legislature a series of bills dealing with local government.

The first of these was HB 596, which would have provided for establishment of unorganized borough boundaries. The boundaries of these unorganized boroughs would be devised to conform to statutory and constitutional standards. The unorganized boroughs so formed would serve as units for administering state services and distributing state revenue. A companion bill, HB 597, provided that funds would be held in separate accounts for each unorganized borough. The share of each unorganized borough would be determined by a distribution formula.

Today, portions of rural Alaska still do not contain an economy sufficient to support borough government. Before these areas are encouraged or allowed to incorporate as boroughs, it would appear necessary for fundamental changes in conditions. For instance, a proposal similar to those unsuccessfully proposed in 1972 could be advanced. Financial aid programs of the State could be modified to facilitate revenue equalization and ensure financial viability of boroughs in the less prosperous regions.

The Commission wishes to accomplish, for planning purposes, what the Constitution (ratified by the voters of Alaska in 1956) requires.

H. Economic Conditions Foster Chronic Borough Annexation and Incorporation Issues

Economic and social conditions increase the likelihood that the pressure to organize new areas of the state will continue to grow. Continued declines in state revenues, coupled with the upcoming reapportionment of the state legislature (which will be in place for the 1992 elections) will shift more political power to areas already organized. This, in turn, may bring about further legislative mandates concerning borough formation.

MODEL BOROUGH BOUNDARIES REVIEW**I. Relationship of Present Economic Conditions to Ideal Boundaries**

In applying the incorporation standards, the Commission will place emphasis on those factors which involve an area's physical, social and transportation features related to the model boundaries. Since the intent of the model borough boundaries exercise is not to initiate borough formation in these areas at this time, less consideration will be given to those factors which concern present financial viability of borough government in any particular area.

While an area's economic viability is among the most important considerations relevant to creation of borough boundaries, it is not the most critical consideration. With this in mind, the Commission has taken the position that ideal borough boundaries should not be "gerrymandered" to ensure economic viability.

J. Recent Central Southeast Alaska Boundary Issues

During the past two years, there have been several expressions of interest in borough formation in the region. These have been expressed by municipal officials of the Cities of Angoon, Hoonah and Kake. Examination of the feasibility of establishing a 'Chatham' borough encompassing the Greens Creek Mine had been underway since February, 1988. Ultimately, although both the Hoonah and Angoon City Councils independently expressed intent to promote development of petitions for borough incorporation of the area encompassing the Greens Creek Mine, no Chatham Borough incorporation petition has been lodged.

In June of 1989, a review of existing and prospective borough boundaries of that portion of the state which lies outside of any organized borough was initiated in order to draw "model borough boundaries".

Nearly 1,000 copies of an informational tabloid on the Chatham model borough boundary map project were mailed to 152 municipalities, organizations, businesses and other interested parties on December 7, 1989. The 8-page publication provided general information on the LBC's Model Map Project, but also focused upon boundary issues in the Chatham/Juneau region. Recipients were invited to comment on or before January 10, 1990. Comments relating to the model boundaries of the Haines, Sitka and potential Chatham boroughs received in response to this solicitation are included as Exhibit B.

Once established, the "ideal" boundaries will guide decisions concerning future borough annexation and incorporation proposals. The effort to define "ideal" boundaries is not specifically intended to promote incorporation of new boroughs or the annexation of territory to existing boroughs. Except, however, that the

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"model" boundaries may be used to promote consideration of amendments to boundary proposals which have been formally initiated at the local level.

The Commission intends to conduct hearings on the model boundaries for the City and Borough of Juneau, the Haines Borough, the City and Borough of Sitka and for the prospective Chatham unorganized Borough during the fall or winter of 1990\-'91.

K. Boundary Criteria

As noted previously, the factors which will guide the commission in defining "model borough" boundaries are set forth in the State constitution, statutes and the LBC's own regulations.

The constitution provides that "each borough shall embrace an area and population with common interests to the maximum degree possible". The constitution also provides for "maximum local self-government with a minimum of local government units". The constitution directs that boroughs shall be established "according to standards provided by law. The standards shall include population, geography, economy, transportation, and other factors."

According to Victor Fischer's Alaska Constitutional Convention, initial principles set forth for consideration in the formation of Alaska's areawide governments included the following:

Provision should be made for subdividing all Alaska into local units, (boroughs) based on economic, geographic, social, and political factors; initially, not all need be organized.

Units should be large enough to prevent too many subdivisions in Alaska; they should be so designed as to allow the provision of all local services within the boundaries of a single unit, thus avoiding multiplicity of taxing jurisdiction and overlapping, independent districts.

The state should have power to create, consolidate, subdivide, abolish and otherwise change local units.

Creation of units should be compulsory, with provision for local initiative.

Boundaries should be established at the state level to reflect statewide considerations as well as regional criteria and local interests, and must

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remain flexible in order to permit future adjustment to growth and changing requirements for the performance of regional functions.

Units should cover large geographic areas with common economic, social, and political interests.

Local units should have the maximum amount of self-government and have authority to draft and adopt charters; organized units should have the authority to perform any function, to adopt any administrative organization, and to generally undertake any action that is not specifically denied by the legislature.

Alaska's legislature duly established borough incorporation standards as required by the Constitution. These consist of the following:

- The population must have social, cultural and economic ties and it must be large and stable enough to support a borough.
- The boundaries must generally conform to natural geography and must include all areas necessary for full development of municipal services.
- The economy of the area must have the human and financial resources necessary to provide borough services.
- Transportation services in the area must be developed enough to allow communication and the delivery of services.

The standards enacted by the legislature are fairly broad. In an effort to further define these standards, the Commission adopted regulations providing that:

- There must be at least 1,000 residents and two communities in a proposed borough.
- Communities within a proposed borough must be linked by highway or there must be weekly scheduled or charter transportation services available.
- The area must be able to generate sufficient funds to provide the minimum services required of a borough (education, planning and possibly tax collection).

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- The area must include one entire regional educational attendance area, unless a smaller area otherwise meets the borough incorporation standards. [19 AAC 10.160(4)]

L. Does Community Isolation Prevent Communication and Exchange Necessary to Support Borough Government?

Throughout Alaska, community isolation is commonly cited as an argument against borough formation. Not surprisingly, residents of Southeast Alaska have tended to stress the transportation difficulties inherent in a roadless area comprised of numerous precipitous islands. An example of this perspective was cogently conveyed in a May 4, 1989 letter from Tenakee Springs Mayor Robert P. Wagner regarding the Chatham Borough Feasibility Study. He stated:

... There is no scheduled air and or water transportation between all the communities, indeed even all those communities on the single land mass of North Chichagof Island do not have this. Tenakee Springs residents can only 'commuter fly' (for \$50) to one community (Angoon, not even on Chichagof) to go to other communities requires chartering and it would be cheaper to fly to Seattle! This same scenario applies to all the communities on the study area, 'commuter' air links between any two communities are rare and if existing go through Juneau at the rate minimally \$120 - \$150 for a casual, neighborly visit between borough communities. Tenakee Springs residents can also only travel by ferry to two of the communities with any amount of consistency. (The full text of referenced letter may be found in Exhibit B.)

The Alaska Marine Highway system regularly links the communities of the region. Sitka is approximately 8.8 hours from Juneau via ferry. The importance of the ferry system's role in facilitating local communication and exchange cannot be ignored. The isolation of communities in Southeast Alaska is often cited by residents as a major obstacle to borough formation. However, when viewed in the context of the state as a whole, the transportation infrastructure in that portion of Southeast Alaska discussed in this report is relatively well developed.

The concept of single community boroughs has frequently been advanced. Suggestions for such compact city-boroughs have come from citizens of such divergent communities as Cordova, Yakutat, Skagway, Livengood, Central, Galena, Tanana, Angoon and McCarthy.

When the Alaska Constitutional Convention delegates discussed the establishment

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of the borough form of government for Alaska, the following comment was made. "I don't believe there is any of us in this room that think that one city or any one area exists by itself, independent of and complete and sufficient unto itself. All of us know that we live and must work with and do our business with our neighbors not only in town but also in the surrounding area."

When viewed in the context of the state as a whole, the isolation of Southeast Alaska communities does not constitute an insurmountable barrier to the communication and exchange necessary to support borough government. Indeed, when compared to other isolated communities located within the same Alaskan Borough, such as Kaktovik and Point Hope in the North Slope Borough, the distance and difficulty of travel between Southeast communities does not appear inordinate.

MODEL BOROUGH BOUNDARIES REVIEW**SECTION II**
MODEL BOROUGH BOUNDARIES OF THE HAINES BOROUGH**A. History of Haines Borough Boundaries**

In 1963 the new Alaska Legislature adopted the Mandatory Borough Act. As noted in information developed for the Haines Centennial Commission in 1980:

In the original bill [Mandatory Borough Act], Haines was included because of the Independent School District which included a large area outside the city limits. But because Petersburg, Wrangell and Skagway were not required to form boroughs, our representative from Skagway was able to get us removed from the mandatory list. We, however, were aware that our school district was no longer legal and that we should perhaps look at advantages of a borough form of government.

During the next three years, borough incorporation was placed before area voters twice and both times the proposal was rejected by the electorate. In 1967, the State began withholding funding because of the illegal status of the school district. This prompted another election on the question of borough formation. Then, according to the Centennial Commission report, more local discussion and debate followed:

After the defeat at the polls, a group of citizens met to try to find what people really wanted for a local government. The discussions always led to the same conclusions - we want a school district and nothing more. Someone suggested why don't we call this a Third Class Borough - one which just has two powers, taxation and education. We sent a delegation to the Legislature to explain what we wanted, we wrote letters and much to the surprise of many, the 1968 legislature passed the Third Class Borough Act. Early in the fall this question was placed before the voters and it was overwhelmingly approved.

The boundaries of the Haines Borough were expanded through annexation in 1975. The annexation brought a new source of revenue, tax generated from Excursion Inlet fish processing, within the boundaries of the Haines Borough.

On June 28, 1990, Haines voters rejected a proposition to upgrade from a third class to a second class borough. Haines thus remains the only municipal government of its kind in Alaska. (State law no longer provides for creation of third class boroughs.)

MODEL BOROUGH BOUNDARIES REVIEW**B. Haines as Regional Transportation and Service Hub**

Haines has historically been an important Southeast Alaska transportation hub. Access to the Alaska Highway is available via a 150 mile drive on the Haines Highway. Ferry service links Haines to Juneau and other major communities of central Southeast Alaska. The Alaska Marine Highway System makes about 30 northbound (to Skagway) and southbound monthly departures during the summer months and about half that many during the winter. During 1988, Haines had more than 100 cruise ship dockings.

Several state agencies have offices in Haines. These include the Departments of Fish and Game, Natural Resources, Public Safety and Transportation and Public Facilities.

Geographic, social, cultural and economic considerations support the conclusion that areas adjacent to the Haines Borough have more in common with the Haines region than with other existing or prospective boroughs.

C. Skagway

The City of Skagway contains an estimated population of 704. In 1980, the City of Skagway annexed all the territory between the Haines Borough boundary and the Canadian Border. The annexation expanded the area within the city limits from eleven square miles to approximately 443.1 square miles. Geography essentially renders Skagway an enclave of the Haines Borough. Skagway does not satisfy the standards for independent borough incorporation, particularly those relating to population, size and the regional nature of borough government. As such, options for Skagway appear to be limited.

Skagway has traditionally cherished its independence. As stated in the Skagway Coastal Management Program (Concept approved draft);

Since statehood in 1957, Alaska has become increasingly bureaucratic. As a result, small, proudly conservative and independent cities have been pressed with more state and federal paper work and more local involvement in State politics. Furthermore, Skagway politics and administration were becoming increasingly complex with the local activities of other bureaucracies like the National Park Service, the U.S. Environmental Protection Agency and the ADOTPF. The advent of oil monies together with the loss of isolation made it particularly necessary for the City to maintain a full-time manager as well as occasional contracted planners.

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The responsibilities of Skagway have grown in another way. Between 1978 and 1981, Skagway grew from a mere 11 square miles encompassing 90 city blocks and waterfront to 443 square miles. In the process the City nominated 500 acres for municipal selection in the vicinity of the town. These lands will eventually be disposed of that is sold to the public for development. Despite the growth in area to the size of Los Angeles, Skagway remains a First Class city and has chosen not to form or unite with a borough government as Haines has done. Its concentrated population does not warrant it.

In its letter of May 16, 1990, responding to the an earlier draft version of this report and recommendation, Skagway's City Manager noted:

In theory, there are broad, commendable reasons for including Skagway in an expanded Haines Borough. If the details of actual practice are examined, however, it is clear that this prospect would increase service costs and cause loss of control over important local services. To include Skagway in the Haines Borough would impose an unnecessary administrative structure upon an efficient and cost-effective local government.

Independent sentiments notwithstanding, given the limitations of geography and size, as well as the interests which residents of Skagway share with their neighbors in Haines (marine transportation, fishing, tourism, mining, economic relations with Canada, etc.) it appears most appropriate that Skagway would be a part of the ideal boundaries of the same borough as Haines.

As noted elsewhere, such conclusions are not intended to promote borough annexations or incorporations. No person or group appears to be contemplating, much less advocating, any effort to link Haines and Skagway through annexation at the present time.

D. Klukwan

Klukwan is a unincorporated community of 160 residents located 22 miles north of Haines. Klukwan is an enclave of the Haines Borough and is linked to Haines by the Haines Highway. It is evident that at such time as the community becomes part of an organized borough, inclusion in the Haines Borough is the only viable option.

The first of the Local Boundary Commission's eight basic regulatory criteria defining annexable contiguous territory is met when the territory sought for annexation is totally surrounded by the organized borough's boundaries. [19 AAC 10.190(a)(1)].

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Developments relating to delivery of education which have occurred since the incorporation of the Haines Borough would appear to negate the principal reason for exclusion of Klukwan from the Haines Borough. At the time that the Haines Borough was established, education for residents of Klukwan was provided through the Bureau of Indian Affairs (BIA). Since areawide third class borough powers are limited to education and taxation, inclusion of Klukwan in the borough would have been irrelevant to the borough's primary purpose. Currently, as an enclave of the unorganized borough, Klukwan residents are provided with education services from the Chatham REAA, which is headquartered in Angoon. From the standpoint of convenience and proximity this arrangement would appear both more difficult and less efficient than inclusion of Klukwan within the Haines Borough School District.

Here again, this report is not advocating annexation of Klukwan nor is there any current effort by the Haines Borough to annex the community.

E. Haines/Gustavus Share Transportation Links/Lifestyle

Gustavus residents have invariably expressed negative attitudes toward borough government characteristic of the independent nature of Southeast Alaska communities. Nevertheless, it is evident that the community has links to Haines. The minimalist attitude toward government expressed by Gustavus residents is more consistent with that of the Haines Borough than with other regional governments in vicinity. The other existing boroughs in the area (CBJ and the City and Borough of Sitka) are unified home rule municipalities which offer a more extensive range of services than the Haines Borough. The Haines Borough is a third class borough whose areawide powers are limited to education and tax assessment/collection. In relation to the other boroughs, the Haines Borough offers fewer services.

In response to the December, 1989 model boundary survey, Haines Borough Mayor Frederick L. Shields recommended that "all the area currently in Glacier Bay National Monument, including that area in and around Gustavus adjoining the Glacier Bay National Monument" be included in the model boundaries of the Haines Borough.

Existing and anticipated conditions appear to support Mayor Shields' position on the issue of Gustavus most appropriately lending itself to inclusion in the model boundaries of the Haines Borough.

Daily scheduled air transportation exists between Haines and Gustavus, whereas connections between Yakutat and Gustavus are infrequent and only on a charter basis.

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While Juneau and Hoonah also have transportation links to Gustavus, inclusion of Gustavus within the model boundaries of the Haines Borough would appear more reasonable for the following reasons.

The Haines Borough is more rural than the CBJ, thus rendering Haines Borough issues more consistent with those of Gustavus than the CBJ's would tend to be.

Gustavus voters would represent a proportionally much larger share of the total Haines Borough electorate than the Juneau electorate. Linking Gustavus to the Haines Borough would thus afford greater representation to Gustavus voters than if they were included in the CBJ.

In May, 1989, the Gustavus Community Association initially expressed the aversion of Gustavus residents to inclusion in a Chatham Borough. A letter submitted on January 6, 1990 expressed the organization's objection to inclusion in any borough. As noted several times earlier in this report, the model boundary study is not necessarily attempting to promote organized borough annexation or incorporation.

Clearly, Gustavus shares an economic relationship with Haines. It is reasonably accessible to Haines through air travel, particularly during the summer months.

F. Gustavus Linked to Glacier Bay Park and Preserve

Gustavus enjoys strong ties to the 3.3 million acre Glacier Bay National Park and Preserve. Gustavus sits near the entrance to Glacier Bay and is virtually surrounded by the National Park and Preserve. Gustavus serves as a principal access point for visitors to Glacier Bay. Haines too, has economic ties to Glacier Bay. For example, Haines based aircraft provide transportation services to and from Gustavus during the summer. In addition, these airlines provide tours of Glacier Bay to numerous visitors who travel to Haines on the Marine Highway or the Haines Highway. Thus, Haines, Gustavus and Glacier Bay are linked economically, socially and geographically.

However, economic ties between Yakutat and that portion of the Park and Preserve lying as far south as Cape Fairweather (including the waters offshore) cannot be ignored. Cape Fairweather represents the southern boundary of the Yakutat fishing district. According to the Department of Fish and Game, the commercial salmon fishery in Dry Bay is fished almost exclusively by Yakutat fishermen. Therefore, the area north of Cape Fairweather arguably has stronger ties to the Yakutat region.

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Since Glacier Bay tourism is likely to continue to grow, it is reasonable to anticipate that the communication and exchange between Haines and Gustavus will probably persist or be enhanced.

One of the noteworthy aspects of the Yakutat proposal (discussed at length in a separate report) is its exclusion of Gustavus from its boundaries. Yakutat's exclusion of Gustavus, an unincorporated community with an estimated population of 143, appears reasonable. It indicates that Yakutat policy makers do not discern a sufficient community of interest between Gustavus and Yakutat to propose inclusion of both within the same regional government. This is not surprising, since routine travel to Yakutat from Gustavus would require either a 340 mile (roundtrip) aircraft charter or travel to Juneau to make connections. Travel between Gustavus and Yakutat would be much more difficult than travel between Gustavus and Hoonah or Haines.

This is consistent with Haines Borough Mayor Shields' statement that Gustavus is most appropriately linked with the Haines Borough.

Claims by the City of Yakutat that Yakutat has greater ties to the portion of Glacier Bay Park and Preserve south of Cape Fairweather appear tenuous, at best.

On the other hand, links between Gustavus and Glacier Bay Park and Preserve are extensive and include the following:

Bartlett Cove is the administrative headquarters of the Glacier Bay Park and Preserve and is located only about seven road miles west of Gustavus.

Quarters for the naturalist, superintendent and certain Park Service staff are located in Gustavus.

Glacier Bay Lodge, a concession serving visitors to the Park and Preserve, is located at Bartlett Cove and is reached via Gustavus.

Commercial crabbers working in Glacier Bay are based in Gustavus.

Thousands of passengers annually are transported between Gustavus and Bartlett Cove by bus-limo.

G. Recommended Haines Borough Model Boundary

Existing circumstances indicate that the model boundaries of the Haines Borough

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should encompass Skagway, Klukwan and Gustavus and that they should extend as far north as Cape Fairweather.

A map showing the Department's recommended ideal boundaries of the Haines Borough is presented in Exhibit A.

MODEL BOROUGH BOUNDARIES REVIEW**SECTION III
MODEL BOUNDARIES OF THE CITY AND BOROUGH OF SITKA****A. Historical Background**

Sitka, like Juneau, has a long history of municipal government. A second class city was incorporated in 1913. Greater Sitka was also one of the eight regions of the state to be covered by the Mandatory Borough act of 1963.

The Greater Sitka Borough was incorporated by local action at an election conducted on September 24, 1963.

Upon consideration of the findings of the Local Affairs Agency and the testimony given at the hearing, the Commission voted to accept the petition without alterations, but indicated that future boundary adjustments would be necessary:

The Commission feels that the communities of Hoonah, Pelican and Tenakee should be part of either the Greater Sitka or Greater Juneau Borough. All three areas have need of local services that can adequately be provided only by the joint efforts of several communities within a borough. The Commission, however, has declined to recommend the addition of these communities to either proposed borough at this time, since it is not clear to which area, Sitka or Juneau-Douglas, they have the economic and cultural ties. The Commission feels that a decision to recommend the addition of the northern half of Chichagof Island to the Greater Sitka Borough or to the Greater Juneau Borough should be deferred pending further investigation.

On December 23, 1971, the City and Borough of Sitka was organized as a unified municipality by the adoption of a home rule charter.

In 1973, the community of Port Alexander was detached from the City and Borough of Sitka and incorporated as a separate second class city.

B. Other Chichagof Island Communities

The unincorporated community of Elfin Cove, the first class City of Pelican and the second class Cities of Tenakee Springs and Port Alexander are all predominantly non-Native communities with economies based on fishing, tourism or a combination of fishing and tourism. In comments submitted to the Department on May 15, 1989, Eric McDowell described Pelican as a seafood processing center (though with

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an uncertain future as a seafood processor) and commercial fishing port. Elfin Cove is traditionally a snug harbor, refueling stop and fish buying station for the troll fleet, but tourism is growing in importance to the community's economy. Commercial fishing and tourism also account for most of what little economic activity occurs in the City of Tenakee Springs.

These communities, separated by water and rugged topography and containing small populations, would not appear to possess sufficient size, tax base, organization or ready incentive to support formation of a separate borough government. However, logic would dictate that the location and characteristics of the communities would support their inclusion in the City and Borough of Sitka, should extension of borough government be desired by residents or legislatively mandated.

C. Revenue Disincentives Promote Opposition to Sitka Expansion

All told, State, federal and local revenues amount to the equivalent of 'a 100 mill ad valorem tax levy' according to a recent statement by one City and Borough of Sitka Assembly member. Yet, the local tax rates are relatively low in comparison to other major municipalities (6 mill property tax and 4% sales, bed and liquor taxes). In light of such circumstances, it is easy to understand why the Sitka Assembly wishes to maintain the status quo.

At a meeting of the Sitka Assembly on May 22, 1990, the issue of the model boundaries study and its relation to the Sitka borough assembly was openly discussed.

Specific comments regarding the model boundaries effort made at that time by CBS Assembly members included the following:

'It would be very difficult for the CBS to serve Pelican, Elfin Cove, Tenakee Springs and Port Alexander. Communication and transportation difficulties would create hardships in terms of service delivery and administration of local government affairs'.

'The unified status of the CBS would effectively eliminate any measure of local control in the smaller communities.'

'By undertaking the boundary study, the State is trying to transfer its burdens (particularly with respect to education) to communities such as Sitka. Sitka is already getting an unfair share of education funds'.

'[The model boundaries study is threatening]; there are other options besides

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waiting for the State to force some undesirable option upon us and our neighbors, such as electing responsible legislators. Consideration should be given to some tax alternative (e.g. "school tax" or "income tax".)

'The boundaries presented in the draft report show that the Department doesn't know the area . . . Hoonah and Angoon have a long-standing and bitter rivalry — they shouldn't be in the same borough . . . it is inappropriate to divide the communities along "racial lines" (i.e. including Pelican, Elfin Cove, Tenakee Springs and Port Alexander within Sitka's model boundaries and Hoonah, Angoon and Kake in a separate "Chatham Borough") . . . Angoon has more in common with Sitka than Hoonah, the Natives in Sitka and Angoon share strong ties.'

As it is presently configured, the City and Borough of Sitka essentially comprises a single community borough. Clearly, it fails to fully comport with the Alaska Constitution's intent that boroughs should cover large geographic areas with common economic, social, and political interests. Inclusion of Pelican, Elfin Cove, Tenakee Springs and Port Alexander within the same regional government as Sitka would result in a regional government geographically analogous to the existing Kodiak Island Borough.

D. West Chichagof Island Borough Not A Promising Alternative

On May 5, 1989, Pelican Mayor Ruben Yost wrote to convey the comments of the Pelican City Council regarding the Chatham Borough Feasibility Study. In the letter, he stated:

The general feeling of the council is that we do not wish to be part of any borough. However, if participation in a borough was inevitable, we would prefer to be part of the Sitka Borough or a West Chichagof borough, including Elfin Cove, Tenakee Springs, Phonograph, Sunnyside, etc. (Complete text of letter included in Exhibit B.)

A borough with such a configuration would not presently meet the 1,000 minimum population standard set forth in 19 AAC 10.160(4). Whether the area contains the human resources capable of supporting a borough government is viewed by the department as questionable, at best (see discussion of Yakutat on page 30).

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Pelican	251*
Tenakee Springs	108*
Elfin Cove	60**
<u>Gustavus</u>	<u>175**</u>
TOTAL	594

*(1990 SRS Program)

** (Preliminary FY '91 State Revenue Sharing figures). The population of Gustavus might be as high as 275, according to recent unofficial reports.

However, inclusion of Hoonah and Game Creek in a Chichagof Borough would provide the additional population necessary to meet the minimum threshold requirement of the Administrative Code. No one has proposed such a configuration. Whether the social, cultural and economic ties between Hoonah and the communities of Pelican, Tenakee Springs, Elfin Cove and Gustavus are sufficient to sustain borough government is questionable, but might merit further examination.

E. Recommended Model Sitka Borough Boundary

The ideal boundaries of the City and Borough of Sitka include Pelican, Tenakee Springs, Elfin Cove and Port Alexander. A map showing the Department's recommended ideal boundaries of the City and Borough of Sitka is presented in Exhibit A.

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

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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.

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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

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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.

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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.

MODEL BOROUGH BOUNDARIES REVIEW**SECTION V**
YAKUTAT BOROUGH**A. Historical Background**

Interest in Yakutat borough formation has been under scrutiny by Yakutat residents since statehood. Ironically, about 30 years ago, the LBC identified Yakutat as being part of an area which meets Constitutional standards for borough formation (being part of the Prince William Sound, Copper River area). In its report to the First Alaska Legislature, the Commission stated:

Yakutat residents appear to prefer being aligned with the coastal cities of Cordova and Valdez; closer economic ties are being developed between these cities; and the Commission was advised that recently improved air service was inaugurated between Cordova and Yakutat. . . . any future attempt by a group to organize a borough in the First Judicial Division and to include Yakutat would be foreclosed [because of the boundary recommendations made in 1960].

Yakutat's isolation and, since 1973, its status as a first class city in the unorganized borough has led to the City of Yakutat delivering borough services. These include the mandatory borough powers of planning, tax assessment and collection and education.

Some of the factors helping to shape the City of Yakutat's perspective toward borough formation in recent years are concisely stated in the 1983 Yakutat Comprehensive Development Plan.

For a number of years now the formation of a borough on the Yakutat foreland has been urged by the state and debated by local residents. While state law controlling borough formation would appear to allow formation on the Yakutat foreland, the state's administrative regulations clearly preclude that possibility.

The document also notes the minimal level of local planning powers which could be exercised over the vast, essentially unpopulated coastal areas adjacent to Yakutat through a Coastal Resource Service Area. It suggests that practical limitations inherent in CRSA planning powers render borough government an option for future consideration.

Should the time come when these standards can be met on the Yakutat foreland; or should the regulations be changed or waived by the

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Department of Community and Regional Affairs, the city should then consider the formation of a borough more seriously.

B. Regulatory Impediments Thwart Yakutat Borough Effort

The City of Yakutat has recently initiated an effort to seek favorable interpretation of, or amendment to, the two regulatory standards for incorporation of boroughs which would not be met by the greater Yakutat area. These are:

- the requirement that a borough include at least two communities (19 AAC 10.160(1));
- the requirement that a borough include at least 1,000 residents (19 AAC 10.160(4)).

Since statutory standards do not include these requirements, the City of Yakutat questions the degree to which they are binding. Specifically;

The City questions whether the Commission may impose stricter standards than those in statute.

The City believes regulations may be interpreted so that those regions which meet the two regulatory standards will automatically meet the applicable statutory standards, but those that do not meet the regulatory standards do not necessarily fail the statutory standards (it then falls to the discretion of the LBC).

C. Population Standard Supported by Historical Precedent

On the other hand, the concept that a borough should have "at least 1,000 residents" dates back to the very first Local Boundary Commission. In its February 2, 1960 report to the legislature, the Commission stated its belief that "The minimum population within a borough should be at least 1,000 in number regardless of the classification". The Commission later enacted this standard in its regulations.

D. Yakutat Borough Raises Constitutional Issues

In the Department's view, several provisions in the Alaska Constitution appear relevant to the issues raised by the prospect of a Yakutat Borough. These include the following:

1. Article X, Section 1 calls for "maximum local self-government with a

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minimum of local government units." The City of Yakutat argues that to apply the regulatory standards would deny it the right to fully exercise self government through the borough form of government as envisioned by the Constitution.

2. Article X, Section 3 "The entire State shall be divided into boroughs organized or unorganized . . Each borough shall embrace an area and population with common interests to the maximum degree possible. . ."
3. It is also argued by the City of Yakutat that since the powers of a first-class borough are essentially identical to those of a first-class city in the unorganized borough, it is illogical to impose a stricter standard upon borough incorporation than upon city incorporation.

E. Yakutat's Population Minimal in Context of Alaska Boroughs

Proponents of a Yakutat Borough contend that Yakutat has so little in common with adjacent communities that to include it with other communities would violate Article X, Section 3.

A review of population data of existing organized boroughs serves to emphasize the minimal level of population within a Yakutat Borough. The lowest population of any existing borough is the Bristol Bay Borough's 1,451, the highest is Anchorage's 222,950. The mean population of Alaska's fourteen boroughs is 32,290 and the median is 10,444.

In a June 29, 1990, letter submitted by legal counsel on behalf of the City of Yakutat, (see attachment B) James Brennan indicates that as of that date at least 549 persons resided within the City of Yakutat. He also maintains that the area between Cape Spencer and Cape Suckling has at least 800 permanent residents with a seasonal population exceeding 1,000.

Yakutat's population is minimal even in the context of Alaska first class cities. State Revenue Sharing Program 1990 population figures indicate that Yakutat's population is lower than 18 of the 22 first class cities in Alaska.

F. Extension of Yakutat Borough to Cape Spencer Proposed

The borough boundaries originally advocated by the City of Yakutat extended as far south as Cape Fairweather. As stated by the City of Yakutat in Resolution 87-7, (10/23/87):

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...since the expected [CRSA or borough] boundaries include Cape Suckling and Cape Fairweather it is necessary in order to indicate to State-wide Planners that a strong local interest and tradition exists in selecting these points as boundaries to be officially recognized in the future planning of this area.

More recently, Yakutat's policy makers have begun promoting ideal Yakutat Borough boundaries stretching farther south. In his June 29 letter, Mr. Brennan asserts that the area extending from Cape Suckling to Cape Spencer should be included within a prospective Yakutat Borough.

The boundaries of the proposed Borough would subsume the Gulf Coast, with a western boundary of Cape Suckling and a southeastern boundary at Cape Spencer.

This area has traditionally been viewed as a separate and distinct region of Alaska and not as a part of either the Prince William Sound region to the northwest nor the Southeast Alaska region to the south.

Mr. Brennan concedes that Yakutat's ties with the area from Cape Fairweather to Cape Spencer are less extensive than its ties with coastal areas farther north.

While the economic/fisheries connection between this region and Yakutat is not as close as is the case north of Cape Fairweather, such ties do exist. Yakutat fishing boats do have occasion to use the few harbors in this area (Lituya Bay, Dixon Harbor, Torch Bay and Graves Harbor). Moreover, some of these harbors are used by fish buyers operated by Sitka Sound Seafoods to service the offshore trolling fleets, half of which fish are processed at Sitka Sound's facility in Yakutat.

He infers that the City of Yakutat's preference is that the area be excluded from the Haines Borough.

While Yakutat will acknowledge that its social/economic connection with the Cape Fairweather to Cape Spencer coast is no stronger than that of certain Icy Straits communities such as Hoonah, Yakutat certainly has a much stronger economic and geographic connection with this area than does the Haines Borough.

Yakutat-area boundary issues are more fully examined in the draft Prince William Sound and Yakutat Regions Ideal Boundaries of Respective Unorganized Boroughs.

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That draft document examines an area that includes all of the region within the boundaries of the Chugach Corporation and the northern portion of the Sealaska Corporation. Communities within those recommended model boundaries include Chenega Bay, Valdez, Whittier, Tatitlek, Cordova and Yakutat.

G. Cape Fairweather As Ideal Southern Boundary of Yakutat Borough

Given the location of the City of Yakutat and the obvious orientation of Gustavus to Bartlett Cove and the Park and Preserve, a compromise between the position expressed by Haines Borough Mayor Shields and that expressed by Yakutat officials would appear to be a preferred approach to the issue. As noted previously, the Yakutat Fisheries Management Area extends from Cape Suckling to Cape Fairweather. Inclusion of the Yakutat fishing district within the model boundaries of a borough encompassing Yakutat is consistent with earlier actions by the LBC.

In 1987, a similar compromise was made to include the Ilnik Fishing District within the Aleutians East Borough.

H. Regional Educational Attendance Area (REAA) Considerations

As noted previously, as a first class city in the unorganized borough, the City of Yakutat has its own municipal school district. However, the unincorporated portions of the area extending to 141st meridian are encompassed by the boundaries of the Chatham REAA (#18). The Chatham REAA extends to a boundary south of Angoon and just north of Kake. In 1975, using standards roughly similar to those required today for borough boundaries, the Unorganized Borough was broken into REAA's. Standards applied at that time state, in part;

As far as practicable, each regional educational attendance area shall contain an integrated socio-economic, linguistically and culturally homogeneous area. In the formation of the regional educational attendance areas, consideration shall be given to the transportation and communication network to facilitate the administration of education and communication between communities . . .

Since Yakutat has had an independent school district and not been a part of the Chatham REAA, the practical consequences of separating the Yakutat region from the Chatham REAA would likely be minimal.

I. Yakutat-Prince William Sound Borough

The potential for inclusion of Yakutat within a Prince William Sound Borough has

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been discussed since the earliest days of the State of Alaska. In fact, nearly three decades ago the Local Boundary Commission's report to the first Alaska Legislature included a concept map of borough boundaries with such a boundary configuration. Those conceptual boundaries were prepared on the basis of borough incorporation standards and linked the Prince William Sound and Yakutat regions with the Copper River, Alaska Gateway and Delta Junction Regions. A map reflecting those boundaries is included in Exhibit A. As noted previously, the Department's detailed discussion and analysis of the subject is presented in Ideal Borough Boundaries of the Prince William Sound and Yakutat Regions, which was released in draft form in August, 1990 and is available for review.

Model Yakutat-Prince William Sound Borough boundaries suggested in that document encompass Whittier and Chenega on the west and extend southeast to Cape Fairweather.

I. Recommendation for Yakutat Borough Southern Boundary

The southern boundary of a Prince William Sound/Yakutat Borough should be established at Cape Fairweather.

MODEL BOROUGH BOUNDARIES REVIEW**SECTION VI****MODEL BOUNDARIES OF THE CITY AND BOROUGH OF JUNEAU****A. History of Existing CBJ Boundaries**

The Greater Juneau Borough was incorporated in 1963, prompted by the passage of the Mandatory Borough Act. At that time, the area sought for inclusion in the borough encompassed the Independent School District and the Auke Bay Public Utilities District.

The Local Boundary Commission approved the boundaries proposed by Juneau, but stated that Admiralty Island should be within a borough, either Juneau's or Sitka's. However, the commission decided to let the Sitka and Juneau Boroughs begin functioning before dealing with the issue of where Admiralty should belong.

Two years later, in 1965, Juneau went back to the Local Boundary Commission asking to annex all of Admiralty Island as well as mainland territory south of Juneau. The area proposed for annexation included the community of Angoon, Funter Bay, Hawk Inlet and Colt Island.

Sitka also approached the Boundary Commission seeking jurisdiction over parts of Admiralty Island. After due deliberation, the Boundary Commission decided there was too much controversy, and they approved neither request. The mayor of Juneau at the time, Claude Millsap, was very disappointed - calling the LBC's decision "a major political and financial setback for Juneau".

In 1970, the Greater Juneau Borough, the City of Juneau and the City of Douglas unified to form the City and Borough of Juneau. The boundaries of the CBJ have never been extended beyond those of the former Greater Juneau Borough.

B. Model Boundaries

When the City and Borough of Juneau petitioned to annex a 140 square mile area encompassing the Greens Creek Mine, the Department examined the petition in the context of the Local Boundary Commission's model boundaries effort. In the DCRA Report and Recommendation to the Local Boundary Commission regarding the CBJ annexation proposal, it was suggested that areas adjacent to the 140 square miles proposed for annexation appear to belong within the model boundaries of the City and Borough of Juneau. These include Funter Bay, Horse Island, Colt Island, the Glass Peninsula, Windham Bay and Hobart Bay.

Six hours before the Commission's July 13, 1990 hearing on the petition, the CBJ

MODEL BOROUGH BOUNDARIES REVIEW

withdrew the annexation petition upon the request of representatives of the Green's Creek Mine. Nevertheless, the LBC opted to conduct a hearing on the merits of the petition. At the conclusion of the hearing, the Commission acted to defer establishing the ideal boundaries of the City and Borough of Juneau until such time as the model boundaries of the Chatham, Sitka, Haines and Yakutat boundaries are addressed.

The Commission also conditionally approved the annexation of the Greens Creek Mine to the CBJ, contingent upon action by the CBJ Assembly to rescind its recision of the annexation petition within a 45 day period (by 8-28-90).

The Department's preliminary recommendation concerning the model boundaries of the CBJ (issued April 9, 1990) did not suggest inclusion of any of the mainland south of the current boundaries of the CBJ. However, in a letter dated May 22, the City-Borough Manager requested the inclusion of certain mainland areas to the south (see Exhibit B). Specifically, the letter noted:

We also request changes in the ideal boundary map for Central Southeast Alaska. The ideal boundary map should be reviewed to determine whether the mainland section of the proposed Chatham Borough should be divided between a possible northern addition to the proposed Petersburg/Wrangell Borough and a possible southern addition to the CBJ. The mainland area immediately south of Juneau is more within the CBJ's area of responsibility than that of a potential new borough. A Juneau-based corporation, Goldbelt, conducts logging activities in Windham Bay and Hobart Bay and Juneau residents recreate in these areas. The CBJ already supplies emergency services in this area and several Juneau-based commercial operators transport people and goods to various location south of the ideal boundaries of the CBJ as proposed by DCRA.

In the Department's view, the rationale put forward by the CBJ City-Borough Manager warrants the expansion of the boundaries to include those areas.

Residents and property owners in these areas appear to have greater social, cultural and economic ties to Juneau than to a prospective Chatham Borough or any other region. Further, residents of Juneau make extensive recreational use of these areas.

C. Impact Upon Financial Viability of Chatham Borough

Concern has occasionally been expressed that annexation of the Greens Creek Mine to the City and Borough of Juneau would significantly diminish the tax base of a

MODEL BOROUGH BOUNDARIES REVIEW

prospective Chatham Borough. The mine infrastructure has an estimated taxable value of \$62,000,000, which would represent nearly half of the estimated taxable property value of a prospective borough encompassing Kake, Hoonah and Angoon.

While the relative value of the mine is significant in terms of a prospective Chatham Borough, its exclusion from that prospective borough could actually function to increase its viability. Inclusion of the mine in the CBJ would increase its required local contribution to schools by \$248,000 — the same would hold true for a Chatham Borough.

This circumstance notwithstanding, the Department and the Commission agreed at the inception of the 'model' boundaries study that boundaries should not be gerrymandered to ensure financial viability of a borough in a particular region. We do not suggest that financial viability is not an important issue, but rather that it is an issue which should be considered independently of the boundary issue.

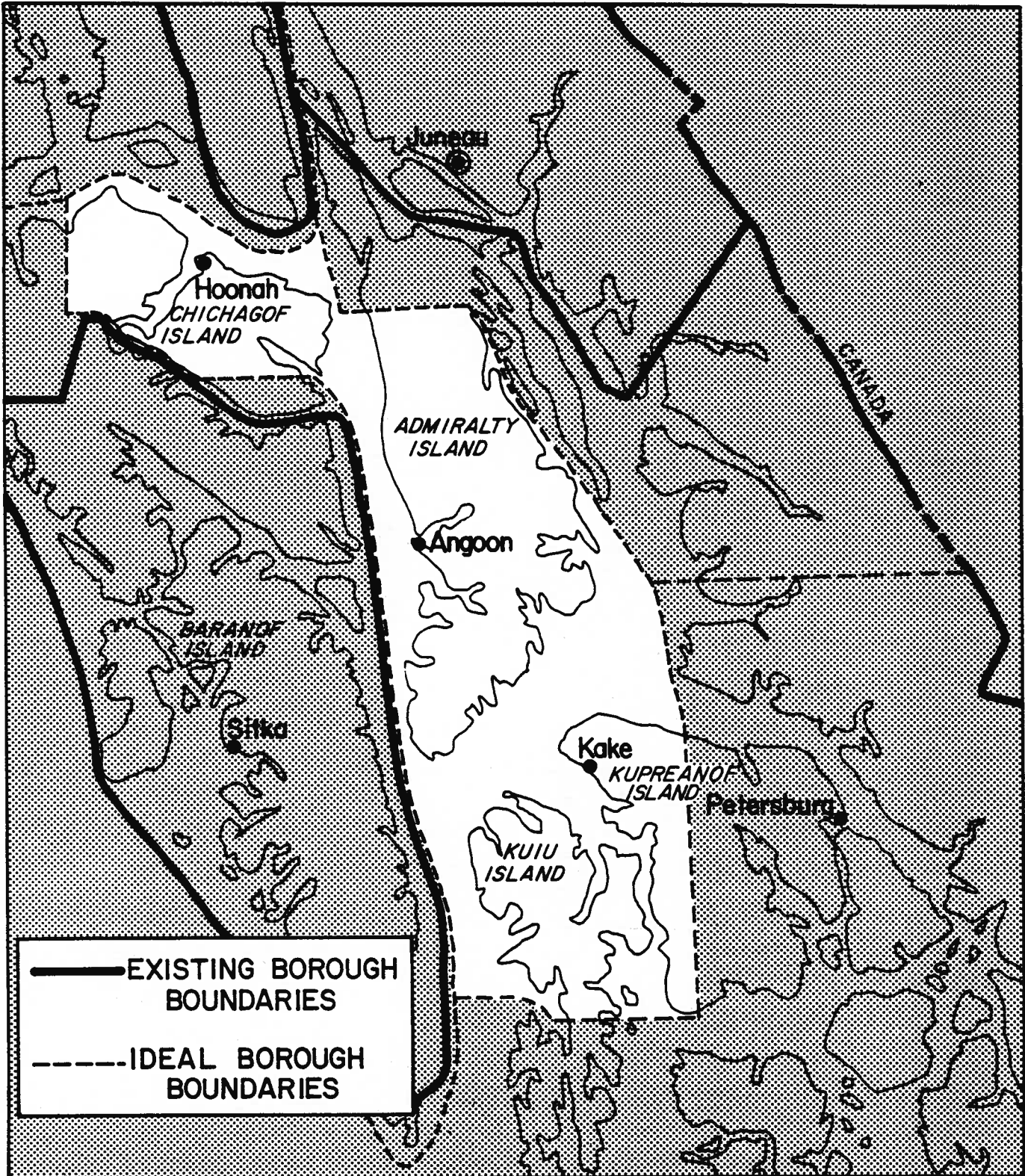
In view of available information, the Department concludes that the Windham Bay and Hobart Bay areas are more closely linked to the CBJ. Other areas within the model CBJ boundaries would include Funter Bay, Horse Island, Colt Island and the Glass Peninsula.

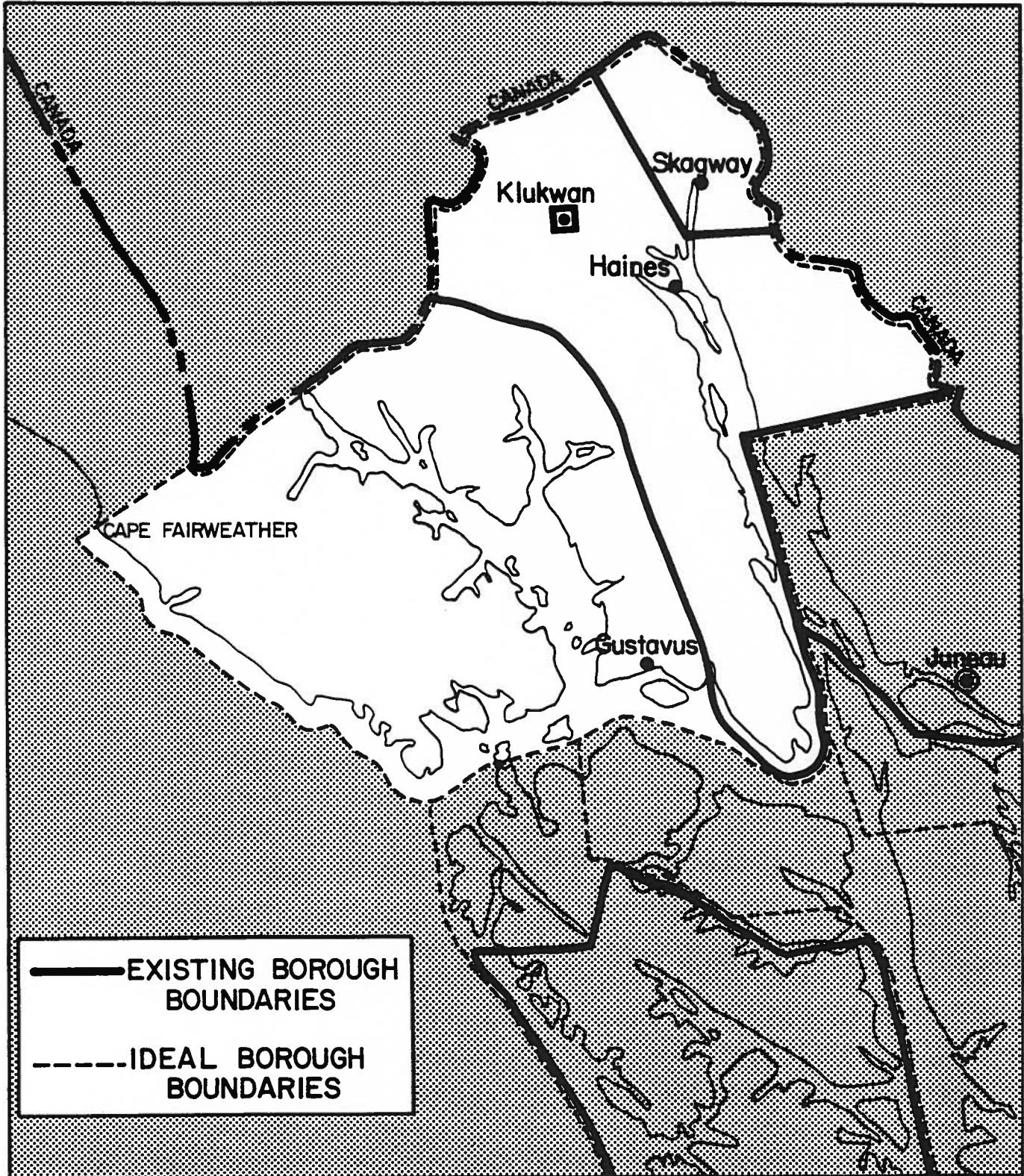
MODEL BOROUGH BOUNDARIES REVIEW**SECTION VII**
CONCLUSIONS/RECOMMENDATIONS

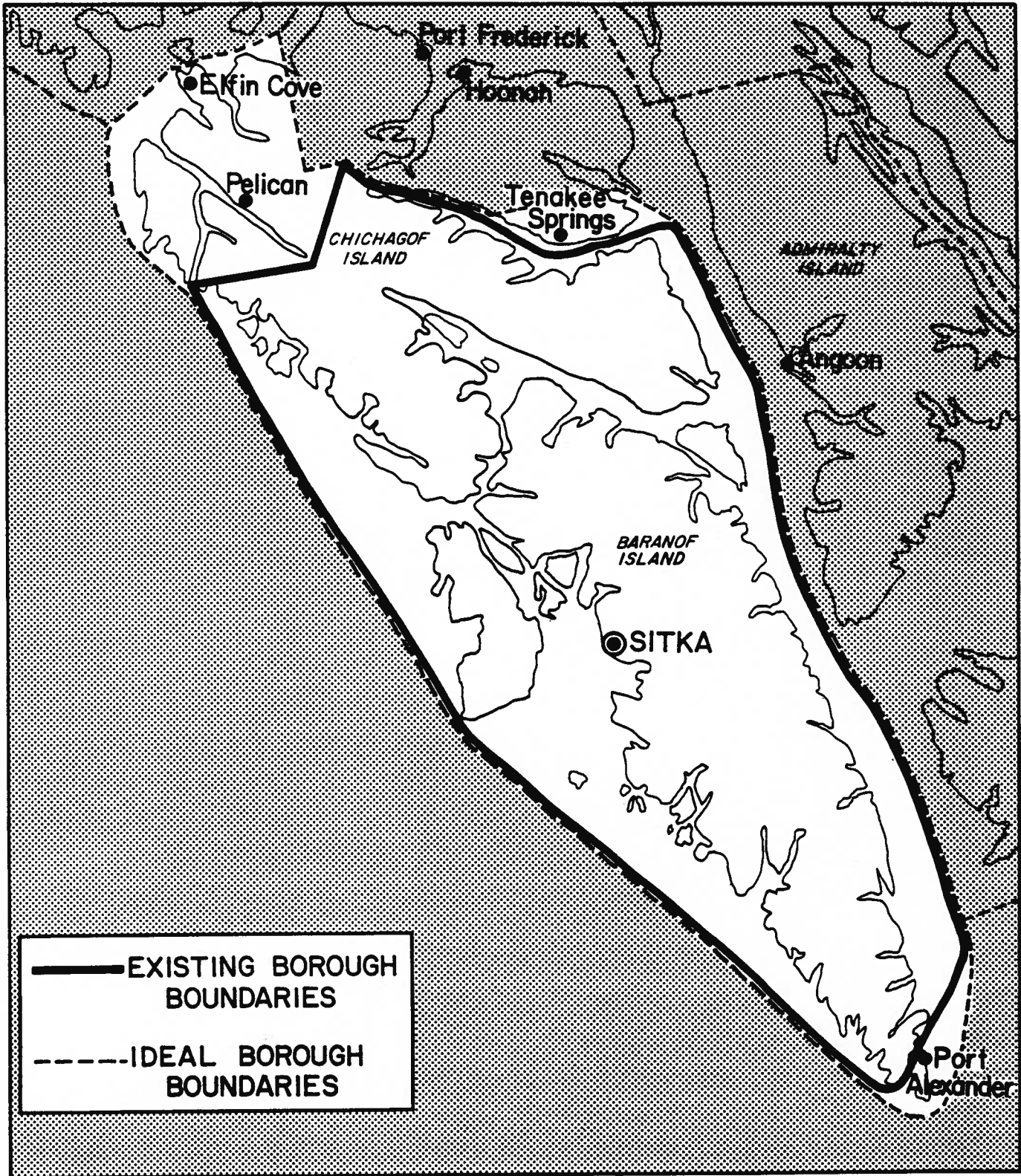
1. That the model boundaries of the Haines Borough include Skagway, Klukwan and Gustavus and all of the Glacier Bay National Park and Preserve up to the westernmost tip of Cape Fairweather.
2. The model boundaries of the Sitka Borough include Pelican, Tenakee Springs, Elfin Cove and Port Alexander.
3. A Chatham Unorganized Borough's model boundaries should include Angoon, Cube Cove, Hoonah and Kake. Designation of a separate Chatham Unorganized Borough encompassing these communities could help preserve the autonomy of these smaller, but independent municipal governments. Such a non-binding administrative designation by the Local Boundary Commission should be implemented as a mechanism to encourage planning for equitable distribution of resources to the region.
4. The southern boundary of a Prince William Sound/Yakutat Borough should be designated at Cape Fairweather.
5. The model CBJ boundaries include Funter Bay, Horse Island, Colt Island, the Glass Peninsula, Windham Bay and Hobart Bay.

EXHIBIT A

MAPS OF MODEL BOROUGH BOUNDARIES







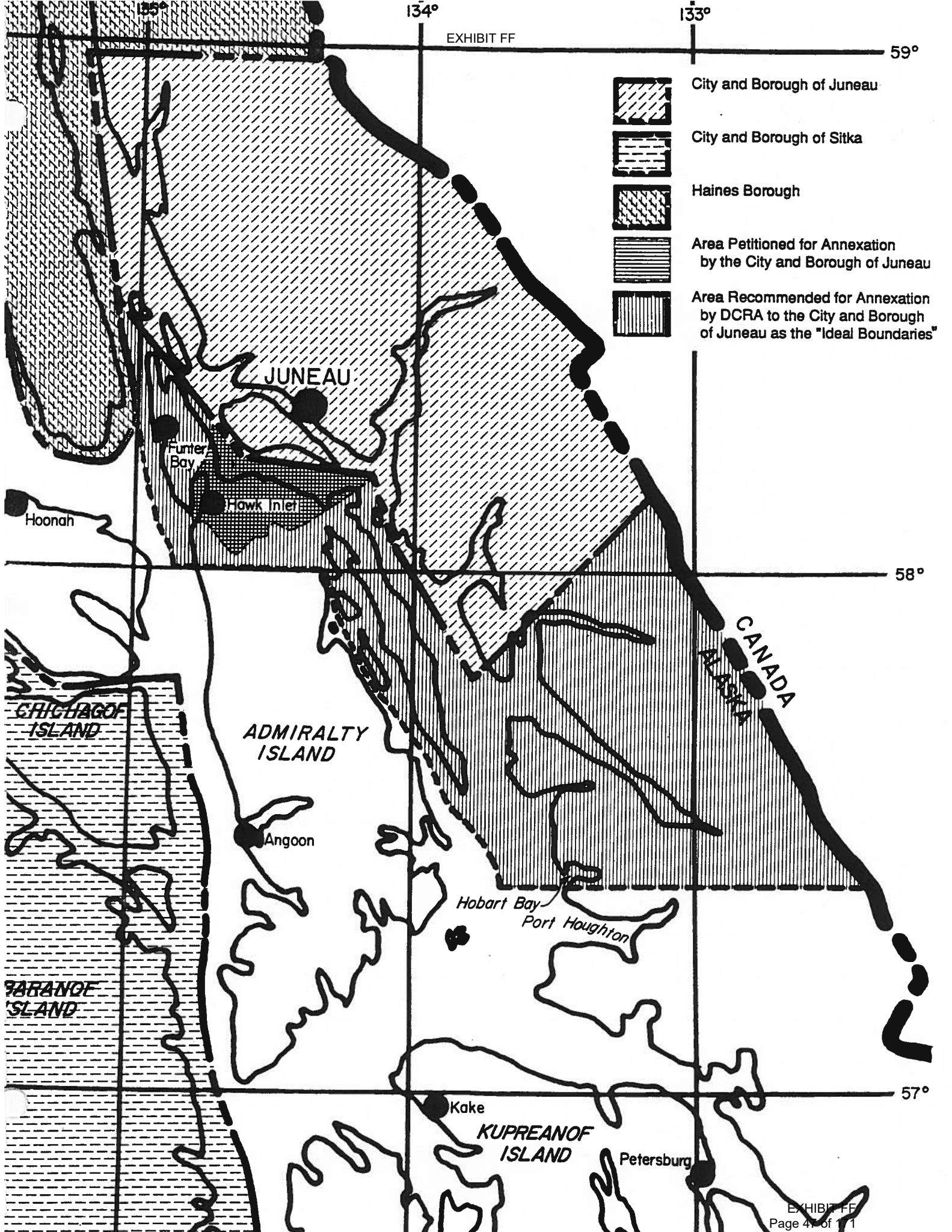


EXHIBIT FF

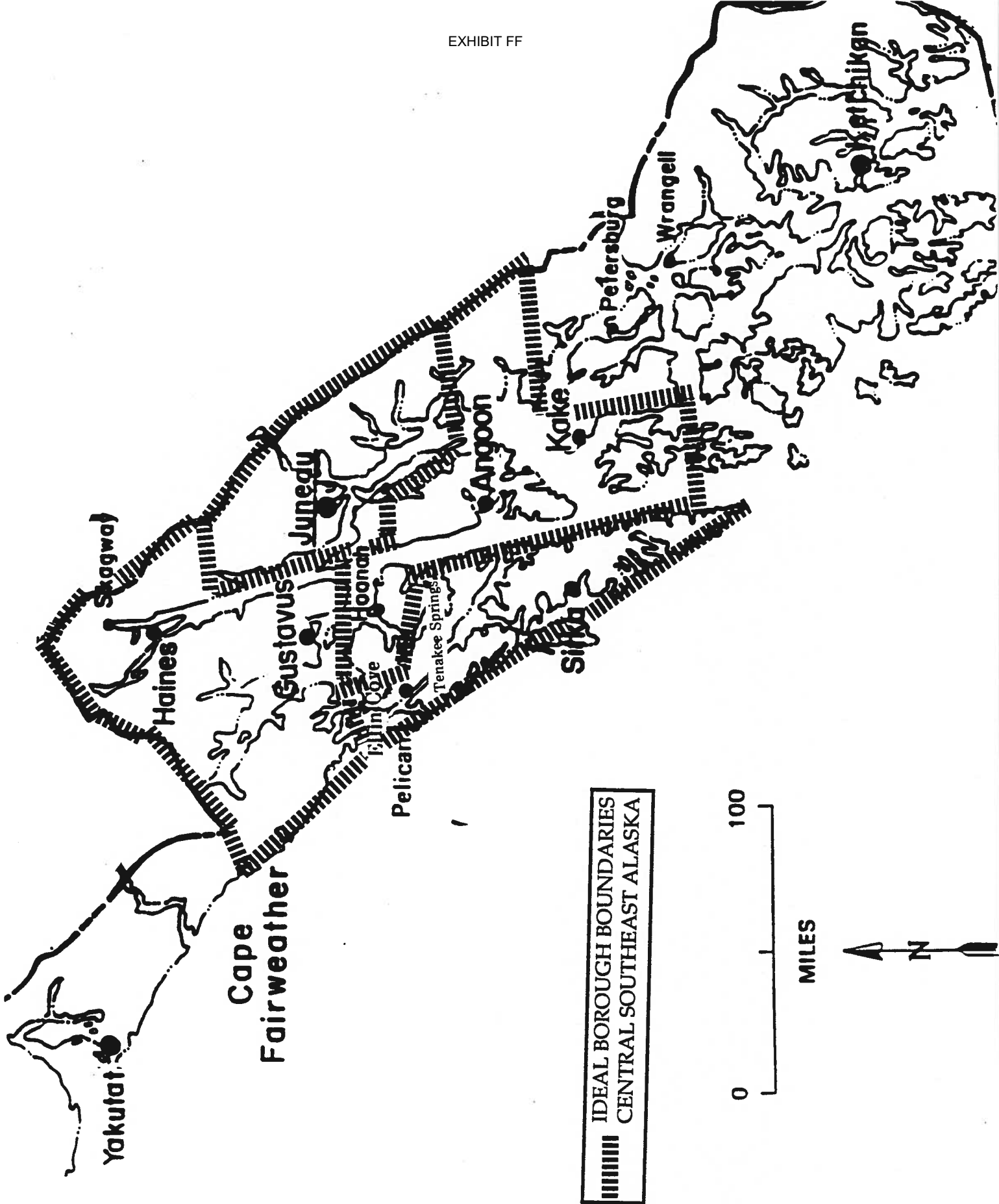


EXHIBIT B

CORRESPONDENCE

NOTE: In the interests of relevance and brevity, a distinction was made between letters either solely or principally relating to the CBJ petition for annexation of the Greens Creek Mine and those concerning the broader topic of model borough boundaries.

To the extent possible, correspondence included in this exhibit relates only to the model boundaries of the organized and unorganized boroughs addressed in this document. Letters which are principally focused on the CBJ annexation petition are included in a separate report issued in June, 1990.

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

1



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

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.



Alliance for Juneau's Future, Inc.

JULY 13, 1990 STATEMENT OF THE ALLIANCE FOR JUNEAU'S FUTURE, INC. ON THE PROPOSED ANNEXATION OF TERRITORY TO THE CITY & BOROUGH OF JUNEAU

I am John A. Sandor, Executive Director of the Alliance for Juneau's Future, Inc., 3311 Foster Avenue, Juneau, Alaska 99801. The Alliance has reviewed this expanded annexation proposal. This is a brief summary of our concerns.

Alliance members and other citizens have not been adequately informed and have not had the opportunity to evaluate the impacts of this greatly expanded proposal on their individual property management situation and lifestyle.

Existing businesses within the area to be annexed have not had the opportunity to evaluate the impacts of this proposal on their business situation. We have not had the opportunity to consider the proposal's impact on the attraction of investment capital to our community and region.

Neighboring communities, in closer proximity to some of the areas involved, strongly object to the annexation proposal; these communities have historic, cultural and economic ties to the areas involved. These are our neighbors; we are a part of the larger community of Southeast Alaska that has developed over the years. The communities of Southeast Alaska have a special relationship to each other. We are linked together by a number of unique geographic, historic, social and economic ties. The imposition of an "ideal number" of Boroughs with "ideal boundaries" on the "Southeast Alaska Community" will have profound impacts on the individual communities and the relationships between those communities.

All of the communities of Southeast Alaska should have the opportunity to carefully study the so-called "ideal boundaries" and "ideal number" of Boroughs to cover our entire region. There should be a socio-economic impact assessment of the preferred alternative. More importantly, there should be a discussion within and between the communities of Southeast Alaska of what is "ideal" for the region. The Southeast Conference would provide one forum in which the "Mega-Borough" concept for all of Southeast Alaska could be considered.

Finally, the Mayor's Task Force on Fiscal Policy cautions us to resist accepting additional program responsibilities unless revenues offset the added costs. The implications of doubling the geographic area of the CBJ must be assessed.

The Alliance for Juneau's Future strongly recommends the CBJ Assembly withdraw its request and support for any form of annexation at this time.



F. W. INGLEDUE
4815 GLACIER HWY
JUNEAU, AK 99801

7/11/90

RECEIVED

JUL 13 1990

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

Alaska local
Boundary Commission
949 East 36th ave
Room 405 Anchorage Ak. 99508

Dear Sir

I understand the Juneau Borough
is trying to annex a large portion
of Admiralty Island and a big
chunk of the mainland.

In my opinion they have more
area than take care of already.

I am very much opposed to
this proposed new boundary.

I can see no good it could
possibly for the few people that
live in this area. I have a
hunting cabin in Semour Canal.

Am sure it would do me no good.

Sincerely
F W Ingledue

LAW OFFICES

HEDLAND, FLEISCHER, FRIEDMAN, BRENNAN & COOKE

A PROFESSIONAL CORPORATION

ANCHORAGE:

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BETHEL:

CHRISTOPHER R. COOKE

July 11, 1990

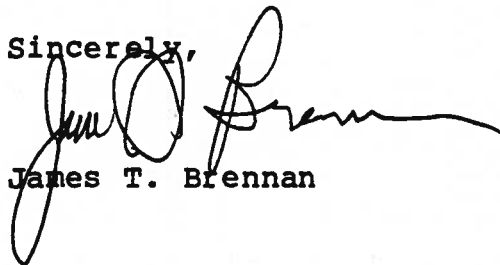
Alaska Local Boundary Commission
949 East 36th Avenue, #400
Anchorage, Alaska 99508-4302

RE: Errata to June 29, 1990 Letter

Dear Commission Members:

My letter to you dated June 29, 1990 concerning the Model Boundaries Study; Prince William Sound/Yakutat Regions contains an error at page 11 which may be misleading. The letter refers to the "area of the Glacier Bay Lodge", which should have been a reference to the Glacier Bear Lodge, which is located a few miles outside of Yakutat. The City of Yakutat has no interest in formation of a borough which would include the environs of Glacier Bay itself; rather, it seeks to form a borough with the southern terminus at Cape Spencer, including a section of coast line which is a part of the Glacier Bay National Park.

Sincerely,



James T. Brennan

JTB/bjf

cc: Larry Powell, Mayor

664/90-8

RECEIVED

JUL 13 1990

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

Donald C. Madsen
Post Office Box 33679
Juneau, Alaska 99803-3679

July 11, 1990

Alaska Local Boundary Commission
949 East 36th Avenue Room 405
Anchorage, Alaska 99508

Re: Annex of Admiralty Island by
the City & Borough of Juneau

Gentlemen;

As a large property owner in the City & Borough of Juneau (CBJ), I am very much against the annexation of Admiralty Island. I do believe that this annexation will do harm to both property owners in Juneau and those on Admiralty Island.

I am also a property owner on Admiralty Island and in this capacity am extremely opposed to the CBJ getting there hands on the island. I currently use my property on Admiralty Island for hunting and fishing and do not want anything to do with the CBJ.

Sincerely,



Donald C. Madsen

RECEIVED
JUL 11 1990

Dept. of Comm. & Reg. 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!!

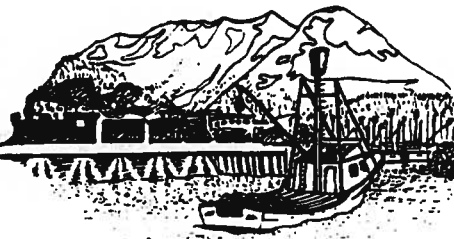
Sincerely,


Lonnie Anderson, Mayor
City of Kake

CC: Peter Goll, Representative,
Richard Eliason, Senator

CITY OF CORDOVA

EXHIBIT FF



July 6, 1990

JUL 16 1990

Local Boundary Commission
Mr. C.B. Bettisworth, Chair
949 East 36th Ave. Room 405
Anchorage, Alaska 99508

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

Dear Commissioners,

We are writing to submit our comments regarding where the boundaries should be for a "model" Prince William Sound Borough. The Model Boundaries Study tabloid which addresses the Prince William Sound/Yakutat Region identifies several primary issues to be considered when drawing these boundaries. We will discuss two of them below.

I. What Should the Eastern Boundary of the Prince William Sound Borough Be?

The City of Cordova has commented on a number of occasions that the eastern boundary of a Prince William Sound Borough and the western boundary of any Southeast borough including Yakutat should be Meridian 141. The Cordova Planning Commission took this position in three instances; when Yakutat made its CRSA proposal, when Yakutat requested funding for a borough feasibility study, and when the Local Boundary Commission was looking at "model" boundaries for potential Southeast boroughs. The City Council held a Public Hearing on this issue on February 21 and afterward, voted unanimously to recommend Meridian 141 as the logical western boundary of any Southeast or Yakutat borough. The City Council and the Planning Commission took this position because they found that:

1. Meridian 141 was the boundary used in the Prince William Sound Borough Feasibility Study which was completed in 1988. The Study concluded that the boundaries used delineated an area that met the state standards for borough incorporation. Specifically, the Study found that (a) the population was socially, economically, and culturally integrated and stable enough to support a borough and (b) the boundaries as drawn generally conform to the natural geography.

2. Meridian 141 is the eastern boundary of the Chugach Regional Education Attendance Area (REAA). Generally, proposed boroughs are expected to include one entire REAA within their boundaries. Presumably, the Chugach REAA Boundaries were selected because the area encompassed within was determined to be socially and economically well integrated.

Local Boundary Commission
Page 2

3. Meridian 141 is the eastern boundary of the Chugach Alaska Native Corporation lands. To a large extent, ANCSA boundaries were drawn based on historical ties to the land. This further supports the argument that the area from Cape Suckling east to Meridian 141 is culturally more closely associated with the eastern Prince William Sound region than it is the Yakutat region.

4. The communities in the Prince William Sound region have historical and well established economic interests in the region between Cape Suckling and Meridian 141. Many Cordova commercial fishermen fish in that area. The Copper River Fisherman's Cooperative processes fish caught in set nets in the area. A number of Cordova based hunting and fishing guides have well established guiding areas there. Finally, Chugach Alaska Corporation owns fairly extensive lands and timber holdings there.

We would further like to note two things for the record:

1. In the tabloid on page B-3 it states that Yakutat did not participate in the Prince William Sound Borough Government Feasibility Study because it was only requested by and for the communities in the Chugach REAA. The Cordova Planning Commission distinctly remembers that the City of Yakutat stated clearly that it did not want to participate in that study.

2. We agree with the comments submitted by the Chugach Alaska Corporation dated May 16, 1990 regarding the inclusion of Yakutat in a Southeast area borough. Yakutat is culturally and historically most closely tied to the Southeast region. We do not understand why Yakutat was not considered fully in the Southeast area model boundary study draft, especially since it is in the Chatham REAA and the same legislative, judicial, and other administrative districts as Southeast communities. We believe that by not giving serious consideration to placing Yakutat in a Southeast Borough, the Local Boundary Commission has necessarily biased any future decisions about placing Yakutat in a Prince William Sound Borough or its own borough.

II. Whittier as Part of the Municipality of Anchorage

The Cordova Planning Commission believes that it is much more appropriate for Whittier to be included within a Prince William Sound Borough than the Municipality of Anchorage. Whittier has much more in common with the communities of Prince William Sound than it does Anchorage. This includes natural geography, location on the Sound itself, and common economic interests such as tourism, sport hunting and fishing, recreation, commercial fishing and so on.

Local Boundary Commission
Page 3

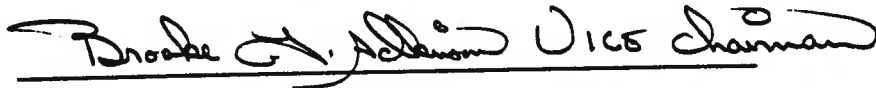
Whittier would play an important role in making a Prince William Sound Borough economically viable. It is also a vital link in the regional transportation system.

We have enclosed a copy of a map which contains our suggested boundaries for an "ideal" Prince William Sound Borough. Our boundaries are consistent with the boundaries used in the Prince William Sound Borough Government Feasibility Study.

Thankyou for the opportunity to comment and we look forward to reviewing your first Draft Executive Summary and Draft Full Report.

Sincerely,

The Cordova Planning Commission

 Brooke G. Johnson Vice Chairman

Jacqueline Fowler, Chair

CITY OF PORT ALEXANDER

RECEIVED

P.O. Box 8725 Port Alexander, AK 99836 909/568-2211

JUL 13 1990

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

July 9, 1990

C. B. Bettisworth
Local Boundary Commission
Department of Community & Regional Affairs
949 E. 36th Ave., Room 405
Anchorage, Ak. 99508

Dear Sirs:

After review of the Model Boundaries Study, a motion was made at our last council meeting to continue to oppose the inclusion of Port Alexander in any borough.

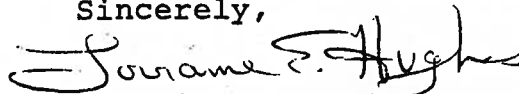
In late 1973, after years of letters and petitions, an election was held in Port Alexander for de-annexation from the City/Borough of Sitka. No services were received from the borough, the city was not part of the social, economic or cultural units of the borough and residents desired to run their own affairs locally.

Since that time, little has changed. Residents continue to prefer a self-sufficient lifestyle. Although transportation and communication have improved, any other "ties" remain minimal. There seems to be little, if anything, the borough could offer that local residents would not rather provide themselves.

Basic conflicts exist between Port Alexander and Sitka. While Sitka is becoming more of a fish processing area, it is still predominantly timber oriented. There is also more interest in development and tourism which is practically non-existent in Port Alexander.

These are by no means the only reasons we continue to oppose annexation. However, as this is a "Study" for evaluation of future proposals, more detail and additional reasons would hopefully be accepted at a later date if an actual proposal were made.

Sincerely,



Lorraine E. Hughes, Mayor

LEH:sl

cc: Senator Richard I. Eliason
Representative Ben Grussendorf

LAW OFFICES

HEDLAND, FLEISCHER, FRIEDMAN, BRENNAN & COOKE

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June 29, 1990

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BETHEL:

CHRISTOPHER R. COOKE

RECEIVED

JUL - 4 1990

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

Alaska Local Boundary Commission
949 East 36th Avenue, #400
Anchorage, Alaska 99508-4302

RE: Model Boundaries Study; Prince William
Sound/Yakutat Regions

Dear Commission Members:

The following comments are submitted on behalf of the City of Yakutat, for consideration in the draft full report relating to the study of model borough boundaries in the Prince William Sound and Yakutat regions. I request that these comments also be considered by your staff in connection with preparation of their final report and recommendation to you concerning ideal boundaries of the Haines Borough and of a prospective Chatham Region Borough.

The City of Yakutat is currently in the process of preparing a petition for incorporation of a Yakutat Borough, in accordance with AS 29.05.060. The boundaries of the proposed Borough would subsume the Gulf Coast, with a western boundary of Cape Suckling and a southeastern boundary at Cape Spencer. This area has traditionally been viewed as a separate and distinct region of Alaska and not as a part of either the Prince William Sound region to the northwest nor the Southeast Alaska region to the south. Measured by the Alaska constitutional standards of Article X, Section 3, and the statutory standards of AS 29.05.031, this is clearly an area of "common interests", "interrelated and integrated as to its social, cultural and economic activities", with boundaries which "conform generally to natural geography".

In reviewing Yakutat's pending application for a Coastal Resource Service Area which would be coterminous with the

Local Boundary Commission
July 2, 1990
page 2

proposed Borough¹, the Municipal and Regional Assistance Division (MARAD) staff recommendation of August 22, 1989 stated, in part, that the outer coast which was the subject of Yakutat's CRSA application

. . . is a distinct region from the Alexander Archipelago and Inside Passage that characterizes Southeast Alaska. It is also geographically distinct from Prince William Sound, which is characterized by offshore islands and numerous bays, ports, arms and inlets that comprise a separately identifiable area.

The staff also referred to this entire coastal area as a "Coastal Lowland . . . distinct from surrounding areas such as Southeast Alaska or Prince William Sound. . . ." The MARAD staff also recognized that commercial fishing was an "economic activity that is unifying throughout the area" from Cape Suckling to Cape Fairweather. Historically and culturally, the staff recommendation pointed out that the entire Cape Suckling to Cape Spencer area has been used and/or settled by Alaska Natives, the greatest number of whose descendents reside in Yakutat, pointing out that the contemporary connection between Prince William Sound area Chugach Natives with this region is not nearly as strong as that of Yakutat:

Thus, historically, Chugach Natives can claim residency in the area. But it is a contemporary fact, according to De Laguna, that these earlier inhabitants eventually migrated to Yakutat as the population center for the region.

The reference is to anthropologist Frederica De Laguna, whose work, Under Mount Saint Elias: The History and Culture of the Yakutat Tlingit, that

The story of Yakutat is in many respects that of the whole Gulf of Alaska from Cross Sound to the edge of Prince William Sound.

¹Processing of the CRSA Application was suspended by DCRA Commissioner Hoffman on October 20, 1989, pending the LBC's finalization of its model borough boundaries identification.

Local Boundary Commission
July 2, 1990
page 3

In summary, given the maritime focus of all the relevant geographic, social and economic considerations, it seems beyond argument that the oceanic coast from Cape Suckling to Cape Spencer constitutes a separate and distinct region from the inside waters of Southeast Alaska and Prince William Sound. Aside from concerns regarding technical compliance with the regulatory two-community, 1,000 person criteria, which will be discussed in the following section, the only "boundary" issues concern (1) the area from the 141st meridian to Cape Suckling, on the west side and (2) the area from Cape Fairweather to Cape Spencer, on the southeast side.

Coastal Area from Cape Suckling to 141st Meridian.

There has been suggestion from some quarters that a Prince William Sound Borough should extend beyond Cape Suckling, eastward to the 141st meridian, a dividing line of no geographic significance located approximately halfway between Icy Bay and Yakutat. Such a boundary, based upon an abstract dividing line, would not "conform generally to natural geography" as required by AS 29.05.031(a)(2); the coastal lands lying to the west of the 141st meridian are highly similar to the lands to the east, and are quite dissimilar from the geography of Prince William Sound. The only significance to the 141st meridian is that it divides the boundaries of Chugach REAA 21 and Chatham REAA 18. This is of no significance to the statutory criteria of AS 29.05.031, but relates to the discretionary criterion adopted by the Commission in 19 AAC 10.160(5), requiring that a borough include a minimum of one entire REAA unless the Commission determines that a smaller area can otherwise meet borough government standards.² In fact however, as stated in the Commission's April, 1990 tabloid relating to the model boundary study, such REAA boundaries may not make sense as the best borough boundaries, a conclusion reached by the Commission in each of the last three boroughs formed.

Yakutat's proposal to form a Coastal Resource Service Area (CRSA) including the coast from Cape Suckling to Cape Spencer has resulted in discussion and analysis of the same

²As discussed in the following area, there is no legal authority for the Commission to adopt, by regulation, a requirement for formation of a borough when such standard has not been specified by the legislature.

Local Boundary Commission
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or similar issues as those represented by the model borough boundaries study. Interestingly, MARAD initially recommended that the proposed Yakutat CRSA not extend westward beyond the 141st meridian. Following agency and public comment, MARAD reversed its recommendation in this regard, and recommended that a Yakutat CRSA be formed which extended westward beyond the 141st meridian to Cape Suckling.³ This appears to have resulted, in part, from the comments of Bruce Baker, Acting Director, Habitat Division, Department of Fish and Game, whose July 5, 1989 memorandum to MARAD states, in part:

Economic and Cultural Ties: While the City of Yakutat's cultural and economic ties to the area omitted by ADCRA (i.e., the area from the 141st meridian to Cape Suckling) are not exclusive, the City's ties are extensive and appears to be substantially stronger than any other Prince William Sound (PWS) municipalities . . . ADCRA's draft recommendation would cut the Yakutat commercial fishing district in half, completely omitting the Yakataga commercial fishing subdistrict (Icy Cape to Cape Suckling). All portions of the Yakutat commercial fishing subdistrict are fished almost exclusively by Yakutat residents, the fish are purchased and processed within the Yakutat fishing district. The Tsiu River, which ADCRA recommended be excluded from the CRSA, is the largest Coho producer in the Yakutat fishing district. The majority of the commercial catch of Coho Salmon are taken in the Yakataga subdistrict. Similarly, recent studies by Subsistence Division, ADF&G, and others suggest that Yakutat area residents have tighter cultural ties with the omitted area than the PWS municipalities of Cordova and Valdez. Yakutat residents extensively use the area for subsistence hunting and fishing.

Mr. Baker's memorandum goes on to point out that the 141st meridian, adopted years ago as a boundary between Regional Native Corporations under the Alaska Native Claims Settlement Act and between REAA's, was an arbitrary determination which, if reevaluated today, would probably result in a line

³ See, staff boundary recommendation dated August 22, 1989.

westward of the 141st meridian, because this outer coast is more closely linked with Yakutat than with either Cordova or Valdez. The LBC has not in the past tied itself to arbitrary boundaries drawn for other purposes, and should not do so in this case.

Viewed in terms of the statutory criteria for incorporation of a borough, the area from the 141st meridian to Cape Suckling belongs in a Yakutat borough, not a Prince William Sound borough because (1) the social, cultural and economic activities of the area are more closely tied to Yakutat; (2) natural geography of the area is more closely tied to Yakutat; and (3) transportation links between this area is closer with Yakutat than with Cordova or Valdez. The community of Yakataga, located in this area, formerly had regularly scheduled air service to Cordova; this has been replaced by regular air service to Yakutat. Additionally, the logging camp community in Icy Bay is connected by regular air service to Yakutat, and otherwise has far stronger economic ties to Yakutat than with either Cordova or Valdez.

Some of the logging activities proposed by the Department of Natural Resources in this Cape Suckling/Yakutat region were recently challenged in State Court by the City of Yakutat, in City of Yakutat v. Alaska Department of Natural Resources and University of Alaska, Case No. 3JU-88-172 Civil, Superior Court for the State of Alaska, First Judicial District at Juneau. Yakutat's legal "standing" to bring the appeal was challenged on grounds that it lacked sufficient interests in the areas where logging was proposed -- areas near Cape Yakataga and in the Suckling Hills above Cape Suckling. The Court rejected these arguments, and determined that the City of Yakutat had sufficient connections with the areas in question to entitle it to bring the appeal.⁴

In summary, the connections of Yakutat to the area from the 141st meridian to Cape Suckling are much stronger than the connections of the Prince William Sound communities, when viewed in light of the statutory criteria of AS 29.05.031.

⁴This appeal, which was consolidated with another appeal brought by Yakutat Fishermens Association and other appellants, has resulted in a June 18, 1990 decision by Superior Court Judge Craske reversing and remanding the agency decision.

Local Boundary Commission
July 2, 1990
page 6

These statutory criteria should govern the determination of model borough boundaries, rather than an arbitrary 141st meridian boundary, previously used for purposes of REAA and regional corporation boundaries but bearing no relation to the constitutional and statutory criteria for formation of boroughs.

Coastal Area from Cape Fairweather to Cape Spencer.

As previously discussed, this is a coastal lowland area far more geographically similar to the remainder of the Gulf Coast surrounding Yakutat than to the inland waters of Southeast Alaska. While the economic/fisheries connection between this region and Yakutat is not as close as is the case north of Cape Fairweather, such ties do exist. Yakutat fishing boats do have occasion to use the few harbors in this area (Lituya Bay, Dixon Harbor, Torch Bay and Graves Harbor). Moreover, some of these harbors are used by fish buyers operated by Sitka Sound Seafoods to service the offshore trolling fleets, half of which fish are processed at Sitka Sound's facility in Yakutat.

While Yakutat will acknowledge that its social/economic connection with the Cape Fairweather to Cape Spencer coast is no stronger than that of certain Icy Straits communities such as Hoonah, Yakutat certainly has a much stronger economic and geographic connection with this area than does the Haines Borough. The Department's draft recommendation for model boundaries of the Haines Borough included all of Glacier Bay National Park and Preserve, including the subject section of coast line, with which the Haines Borough has absolutely no connection, geographically, economically, or otherwise.

The Two-Community, 1000 Person Minimums Required in the Regulation Should Not be used to Prevent Identification of a Model Yakutat Borough

In connection with Yakutat's application to DCRA for a Yakutat Borough formation feasibility study, Commissioner Hoffman indicated that some question existed as to whether the area proposed met two specific regulatory standards for borough incorporation found in 19 AAC 10.160, specifically that: (1) the area contains at least two separate communities, and (2) that there are at least 1,000 people located within the area.

This regulation should not be used as a basis for not identifying a prospective Yakutat Borough with model

boundaries at Cape Suckling and Cape Spencer. There are three reasons for this: (1) if these regulations are construed by the LBC to automatically preclude formation of the borough, such regulatory restriction is without statutory authorization and in violation of the rights of the residents of this area to receive fair consideration for borough formation; (2) the regulation, as written, is nonmandatory, and not restrictive of the LBC's power to consider a Yakutat Borough application on its own merits; and (3) even if the regulation were valid and binding upon the LBC, current trends in the proposed Yakutat Borough are such that these pre-conditions will soon be satisfied, and a model boundaries study should take such future development into account. These points are discussed separately below.

Regulatory Restrictions on Borough Formation not Authorized by Statute are Invalid

AS 29.05.031 contains the four specific standards which must be met for borough incorporation to occur, and AS 29.05.100 provides that, if the LBC determines that the proposed municipality [borough] fails to meet the standards, it shall reject the petition; however, if the Commission determines that the standards are met, ". . . it shall accept the petition." The statutory standards do not include a requirement that there be two separate communities, or that there be a population of 1,000 persons.⁵ AS 29.05.031(a)(3) does provide that the petitioner must show

. . . the economy of the area includes the human and financial resources capable of providing municipal services; valuation of an area's economy includes land use, property values, total economic base, total personal income, resource and commercial development, anticipated functions, expenses, and income of the proposed borough;

However, this determination is to be made on a case-by-case basis by the LBC, not by adoption of a blanket rule not specified by statute, by which one LBC's selection of such

⁵ In fact, a February 2, 1960, First Report of the Local Boundary Commission to the legislature recommended adoption of a statutory, 1,000 person minimum requirement for borough formation. The legislature rejected this recommendation.

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rule would preclude a future LBC from fairly considering a borough formation petition.

The regulatory provisions imposing stricter standards than the mandatory ones contained in the statute are not legally valid. The statutes establishing the Local Boundary Commission did not authorize the Commission to develop such standards. AS 44.47.567 specified the Commission's powers and duties, specifically authorizing the Commission to develop substantive and procedural regulations relating to annexations and service areas, but not to borough or municipal formation:

(a) The Local Boundary Commission shall

(1) make studies of local government boundary problems;

(2) develop proposed standards and procedures for changing local boundary lines;

(3) consider a local government boundary change requested of it by the legislature, the Commissioner of Community and Regional Affairs, or a political subdivision of the State; and

(4) develop standards and procedures for the extension of services and ordinances of incorporated cities into contiguous areas for limited purposes upon majority approval of the voters of the contiguous area to be annexed and prepare transition schedules and prorated tax mill levies as well as standards for participation by voters of these contiguous areas in the affairs of the incorporated cities furnishing services. (Emphasis added.)

The legislature thus authorized the LBC to develop the substantive and procedural standards for annexations and service areas, but created its own statutes to exclusively set forth the substantive standards for formation of a borough, in AS 29.05.031.

AS 44.62.020 provides that each regulation adopted by a State agency must be within the scope of authority conferred upon it by the legislature, and in accordance with the

standards proscribed by other provisions of law. Another statute, AS 44.62.030, provides:

If, by express or implied terms of a statute, a state agency has authority to adopt regulations to implement, interpret, make specific or otherwise carry out the provisions of the statute, a regulation adopted is not valid or effective unless consistent with the statute and reasonably necessary to carry out the purpose of the statute.

These statutes have been the basis for judicial invalidation of regulations which were either not authorized by statute or were inconsistent with statutory authorization. Beran v. State, 705 P.2d 1280, 1287 (Alaska App. 1985); State v. Alyeska Pipeline Service Co., 723 P.2d 76, 78-9 (Alaska 1986). No authority can be found in either Title 44, Chapter 47 (forming the Local Boundary Commission) or in Title 29, Chapter 05 (standards for formation of boroughs) for the Local Boundary Commission to adopt regulations adding further criteria for formation of boroughs. Moreover, the legislature clearly intended to "preempt" the field in specifying these criteria by statute in AS 29.05.031, and the addition of regulatory preconditions requiring two communities and 1,000 persons is inconsistent with the statutory criteria.

Additionally, if the regulatory two-community, 1,000 person standard is used to preclude, as a matter of law, the citizens of the Yakutat Gulf coast from forming their own borough as opposed to being tied in with a Prince William Sound or Southeastern Alaska borough, this will deprive them of their rights to "maximum local self-government" under Article X of the Alaska Constitution, which provides, in Section 3, that:

The entire State shall be divided into boroughs, organized or unorganized . . . each borough shall embrace an area and population with common interests to the maximum degree possible. . . .

The Gulf Coast area of Alaska is perhaps unique in that it is the only area in the State of such size and economic-geographic cohesiveness with only one major settlement. Arbitrary standards should not be used to preclude formation of a borough otherwise in accordance with constitutional mandate. Recognition of the Yakutat area's unique circumstances would not preclude the LBC from viewing the two-community, 1,000 person criteria as a guideline to be

Local Boundary Commission
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followed in other regions of the State, where such standard is not preclusive because local residents have the option of meeting the standard by combining with other villages in a manner not disruptive to economic/geographic cohesiveness.

Regulatory Criteria as Permissive Guidelines Rather than Mandatory Preconditions.

19 AAC 10.160 provides that an area "may" incorporate as an organized borough if it meets certain specific requirements, including two separate communities and a minimum of 1,000 people. The regulation does not explicitly preclude formation of a borough if these criteria are not met. Had such absolute preclusion been intended, the regulation could have been worded differently, such as 19 AAC 10.170(b), which states explicitly that:

The Commission will not consider a petition for incorporation as a borough of an area whose boundaries include only a portion of a city. (Emphasis added).

The "may incorporate" language of 19 AAC 10.160 can be viewed as a guideline, waivable by the Commission where the statutory criteria for borough formation of AS 29.05.031 are met.⁶ This approach should be taken in the case of a Yakutat borough to further the constitutional intent for formation of boroughs embracing an area and population with common interests.

Even Presuming the Regulatory Criteria are Valid, a Yakutat Borough will soon be able to Satisfy the Two-Community, 1,000 persons Requirements.

The proposed Yakutat Borough presently has at least two "separate communities" and, under present trends, will soon satisfy the 1,000 person requirement. Assuming the validity of these regulatory standards, therefore, a model boundaries study focusing on sensible long-term governmental units should reserve the region from Cape Suckling to Cape Spencer for a Yakutat Borough.

⁶ Indeed, as described above, AS 29.05.110(a) mandates acceptance of a borough incorporation petition if the statutory standards are met.

In 1989, the population residing within the boundaries of the City of Yakutat was estimated at 527, by DCRA, for revenue sharing purposes. Since the time of that estimate, the City is aware of an additional 22 residents within the City limits. Outside the City limits, in areas connected with Yakutat by road, are several groupings of residents which could be characterized as communities. The Silver Bay Logging Camp, two miles outside of the City, has 62 permanent residents. The State Camp residential area has 24 residents. At the Yakutat airport, five miles out of Yakutat, 51 persons reside. In the area of the Glacier Bay Lodge, another 50 persons permanently reside.

Approximately 80 miles to the west of Yakutat, the Icy Bay Logging Camp has 41 permanent residents. Several lodges in the Yakutat forelands have a total of 10 residents, and a coastal mining camp in this area has 3 residents. Farther to the west, the community of Yakataga has 5 year-round residents.

An additional number of people reside in the proposed borough area during the summer months. Sitka Sound Seafood, Inc. employs approximately 85 persons during the summer months in Yakutat, with an additional 11 persons at Dry Bay, in the Cape Fairweather area. Six additional persons reside at the Yakutat Lodge in the summer, and an additional 4 summer employees reside at the Glacier Bear Lodge.

Additionally, 25 of the Yakutat area fishing permits, representing approximately 60 fisherpersons who spend their summers in the Yakutat area, belong to individuals not otherwise counted as Yakutat residents. The City estimates that an additional 50 itinerant fisherpersons reside at camps along the Gulf Coast during the summer months.

In total, therefore, it appears that there are at least 800 permanent residents in the proposed borough, and possibly over 1,000 persons presently living within the area for a substantial part of the year.⁷ These populations are unquestionably increasing; the 1970 census showed a Yakutat population of 190 (though the City considered this to be erroneously low) as compared to a 1980 census of 449. If the actual total population is 800, an increase of only 2%

⁷Note that 19 AAC 10.160(f) does not refer to 1,000 "residents", but 1,000 people "located within the area."

Local Boundary Commission
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per year would result in a population of 1,000 in a little over 12 years. Present trends far exceed this pace.

The regulation does not define what is viewed as a "separate community". The persons residing in the Silver Bay Logging Camp, the State Camp, the Yakutat Airport, and the Glacier Bear Lodge area live in distinct, cohesive areas which could be viewed as separate communities. Yakataga is a settled, developed community with a long history, 100 miles to the west of Yakutat. The Icy Bay settlement has been recognized by the Department of Education as a "community" requiring provision for a local school. 4 AAC 05.040 requires an elementary school in each "community" with 8 or more children available to attend the school. The Icy Bay School has been in continuous operation, and will resume classes in the fall of 1990.

Particularly during the summer months, the Dry Bay settlement may be viewed as a separate community.

The Proposed Borough Meets the Statutory Criteria

As described above, the statute mandates that a borough incorporation be approved if it meets the criteria of AS 29.05.031. Rather than focusing on a two-community, 1,000 person requirement, the real question which should be addressed is whether, under AS 29.05.031(a)(3),

. . . The economy of the area includes the human and financial resources capable of providing municipal services; evaluation of an area's economy includes land use, property values, total economic base, total personal income, resource and commercial development, anticipated functions, expenses and income of the proposed borough.

The City of Yakutat has demonstrated a long history of responsible, fiscally sound management which has accrued not only to the benefit of those residents within the Yakutat city limits, but also those who reside outside the city limits but depend upon Yakutat's infrastructure. There is no reason why an economy which would support a successful city government would not also support a successful borough government.

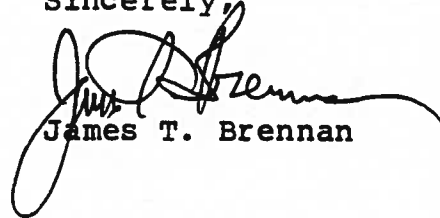
In summary, the City of Yakutat asks that your model borough study take into account the natural connections of the Cape Suckling to Cape Spencer gulf coast with the City of Yakutat, and the present and future capabilities of this

Local Boundary Commission^{EXHIBIT FF}
July 2, 1990
page 13

area to support a responsible borough government. Gulf coast areas whose geographic and economic ties are with Yakutat should not be severed for inclusion with other prospective boroughs based on an assumption that a Yakutat borough will not be viable.

Thank you for your attention to these comments.

Sincerely,



James T. Brennan

JTB/bjf

664C/90-7



SOUTHEAST ISLAND SCHOOL DISTRICT EXHIBIT FF

1621 TONGASS AVENUE SUITE 301
POST OFFICE BOX 8340
KETCHIKAN, ALASKA 99901
(907) 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






Robert Weinstein
Superintendent

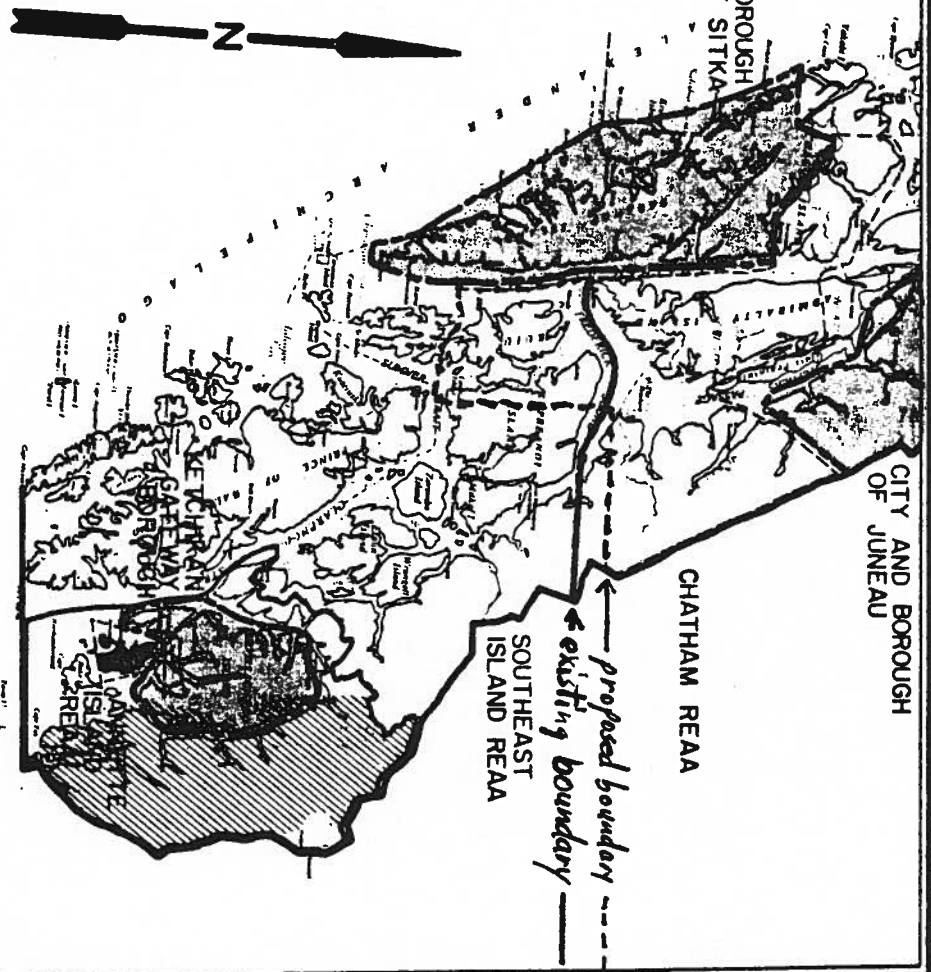
RW:CM

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

MODEL BOUNDARIES STUDY MAY, 1990

Scale: 1 inch = 53 miles

- LEGEND**
-  Existing Boroughs
 -  REAA Boundaries
 -  Misty Fjords National Monument
 -  Ideal Boundaries of Proposed Chatham Borough
 -  Ketchikan Borough Boundaries as Proposed in 1963 Mandatory Borough Act



A variety of existing and proposed boundaries will be considered when designing "model" boundaries. These may include existing REAA Boundaries as well as proposed model boundaries of adjacent areas, such as the Sitka Borough and the potential Chatham Borough.

INPUT NEEDED ON BOROUGH BOUNDARIES

In 1983, a draft boundary study prepared by the borough noted;

... your organization's position regarding the best



SOUTHEAST ISLAND SCHOOL DISTRICT EXHIBIT FF

1621 TONGASS AVENUE SUITE 301
POST OFFICE BOX 8340
KETCHIKAN, ALASKA 99901
(907) 225-9658 OR 225-9659

Robert Weinstein
SUPERINTENDENT

June 28, 1990

C. B. Bettisworth, Chair
Alaska Local Boundary Commission
949 East 36th Avenue, Room 405
Anchorage, Alaska 99508

Dear Mr. Bettisworth:

This letter is to comment on the report recently issued by the Department of Community and Regional Affairs regarding a possible enlargement of the City and Borough of Juneau. On page 17 of the report, there is a statement regarding the operation of Hobart Bay School. There are several points which need clarification.

First, for certain historical reasons the Southeast Island School District does operate a school at Hobart Bay for the Chatham School District. However, this school district currently has no plans to continue operation of a school at Hobart Bay should this area become part of the Juneau Borough.

Second, AS 14.17.210 directly describes what occurs with respect to state financial aid when an REAA school becomes a borough school. Taken together with the remainder of the school funding statutes, it appears that Juneau would have to provide a local contribution to the operation of a school at Hobart Bay, or for that matter, anywhere else in the Juneau Borough area. Upon the expiration of one fiscal year after becoming part of a borough, while state law would allow this district to operate a school at Hobart Bay, it would not provide the same level of funding for such an operation as it does if the school remains part of an REAA. To do otherwise once the area became part of an organized borough does not appear to be allowable under current statute.

Third, while the future of logging in the Hobart Bay area is uncertain at best, it is my understanding that Congress, as part of its legislation on Tongass National Forest, is considering some kind of land trade which would provide lands which are currently part of the Tongass National Forest in the Hobart Bay area to a native corporation in exchange for land which it holds elsewhere. I am certainly not in a position to predict the success of such a land exchange proposal, nor its potential impact on future logging in the Hobart Bay area.

Finally, I would like to note that the Southeast Island School District was not contacted by the Department of Community and Regional Affairs during the development of this report, even though we are mentioned, and even though an implication is made that this school district would do certain things. It would be helpful if the Commission could assure that in the future the Department has appropriate communications with various agencies which are involved in such reports and/or are potentially impacted by recommended actions.

Sincerely,

A handwritten signature in cursive script that reads "Bob Weinstein".

Robert Weinstein
Superintendent

RW:CM

c: Bruce Johnson



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 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.

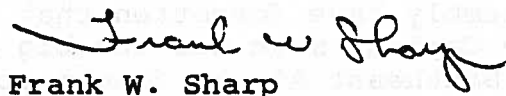
Angoon is and has been the only City on Admiralty Island. We are the most connected to it. History shows we have been here even before Juneau was discovered.

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

June 12, 1990

Honorable Jim Duncan
Alaska State Senate
P.O. Box V
Juneau, AK 99811

Dear Jim:

Reference is made to our previous phone conversation regarding the annexation of Funter Bay and Admiralty Island by the City and Borough of Juneau.

As a matter of record and as a property owner at Funter Bay, I am voicing opposition to annexation of the Mansfield Peninsula by the City and Borough of Juneau for the following reasons:

1. we do not want Juneau's debts. Juneau's debt obligation is 46 million dollars (RE: CBJ financial report 1989), including school bonds, hospital bonds, general obligation bonds, etc. Example: Why should Funter Bay pay for a proposed ice rink ?
2. taxation without reciprocal service is unjust; The City of Juneau uses the argument that Funter Bay residents utilize the Borough-provided boat harbor and airport facilities. This is true, however, the people of Hoonah also use these facilities but are not taxed because Juneau is a regional center. Furthermore, these services are enterprise-funded and paid for individually by the users through moorage fees of which Funter Bay pays its fair share.
3. loss of subsistence lifestyle and rights would occur with the annexation of Funter Bay as the rural status, which exists for subsistence rights on fish and game, would be reclassified to urban;
4. no city services are wanted
5. no school services are provided. If annexed, there are children in Funter Bay whose parents will pay for the Juneau School Districts debt retirement through property taxes and not receive any benefits from the taxation. Every year the CBJ assembly makes up the difference in CBJ schools budget funding not covered by State funding. This year that amount is approximately 11 million dollars and is funded by general fund monies which includes property

June 12, 1990

taxes. The children of Funter Bay will currently receive no additional benefits, however, the CBJ will receive state education monies for each child residing in Funter Bay.

The only property owner willing to be annexed at this point is Greens Creek Mine. Greens Creek is willing only because it is better represented by Juneau than the Chatham Borough. All of the mines workers live in Juneau and use Juneau's municipal services.

Do the remaining Admiralty Island property owners' opinions mean anything?

By its own admission, stated by the Juneau City Manager, the city of Juneau is not interested in annexing anything but Greens Creek. My question to you is *why is the local boundary commission philosophy of neat lines and square corners so inflexible?* There is no state mandate to organize all lands within the state. *Why must the boundary commission's mission from God be to organize the entire state ?*

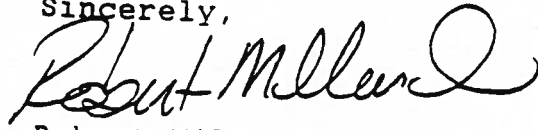
I talked with Mayor Gray of Hoonah this morning and asked her what the Chatham Borough's intentions are towards the communities it is organizing. Her philosophy is that the smaller communities of SE have different lifestyles and interests and that the larger government bodies such as Juneau and Boroughs should be organized by those interests. Juneau's economy base is government employees while smaller communities which are less affluent depend on fishing, timber, etc.. Presently, Chatham Borough is not proposing a property tax, however, in the event of property tax in the Chatham Borough, Funter Bay would then be represented by an elected person as a community. Will Juneau give Funter Bay a seat on the assembly or a say in how our 5.42 million in taxes are spent ? Possibly, but not likely.

If Admiralty Island must be organized, our interests are better represented by Chatham Borough communities or the Haines Borough, which is physically closer than Juneau and Funter Bay should have a community voice.

June 12, 1990

My personal opinion is that our chances of avoiding annexation by of Juneau are as good as a snowball in a hot place, however, realizing this is a David and Goliath syndrome, our sling shots are loaded with determination to remain independent Alaskans.

Sincerely,



Robert Millard

cc: CBJ Assembly
Residents of Funter Bay
Representative Fran Ulmer
Representative Bill Hudson
Senator Dick Eliason
Representative Peter Goll
Local Boundary Commission
Liv Gray, Mayor of Hoonah

Robert Millard - PO Box 210923 - Auke Bay - Alaska - 99821

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

June 11, 1990

Mr. Gene Kane
Local Government Specialist
Department of Community and Regional Affairs
949 East 36th Ave., Suite 400
Anchorage, AK 99508-1073

Dear Mr. Kane,

Thank you for your letter in response to our letters expressing our continued concern regarding the actions of the Local Boundary Commission and the City and Borough of Juneau. We appreciate the information about the public hearing scheduled for July 13th.

We would like to reiterate our position that if the Local Boundary Commission is to proceed with their drawing of ideal boundaries throughout the State of Alaska, our preference and feelings of kinship would be with the boundaries being drawn for the Haines borough. We feel that the government of the borough of Haines is much more attuned to the lifestyle we have enjoyed in Funter Bay for the past 18 years. We are also physically closer to the boundary for the Haines borough at this time. We have economic and social ties with the community of Gustavus, which is being included in the Haines ideal boundary.

In closing, let me restate that our first preference is to remain within the unorganized borough of Alaska. We are adamantly opposed to inclusion in the Juneau borough, now or in the future.

Sincerely,

RECEIVED

JUN 13 1990

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

Phil Emerson
Phil Emerson

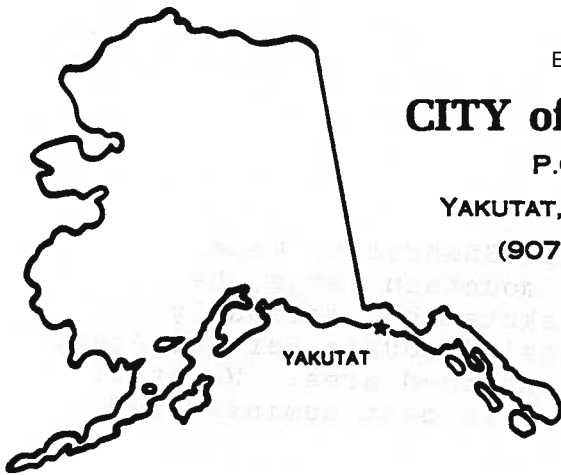
Donna Emerson
Donna Emerson

CITY of YAKUTAT

P.O. Box 6

YAKUTAT, ALASKA 99689

(907) 784-3323



RECEIVED

JUN 14 1990

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

June 8, 1990

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

RE: *Draft* Boundary Decision for central Southeast Alaska

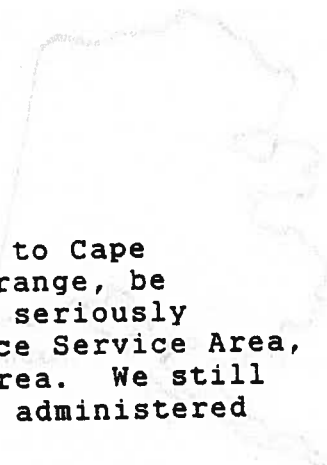
Dear Ms. Rutherford, and ALBC Commission Members:

The City of Yakutat is in receipt of the *Draft* Boundary Decision for central Southeast Alaska. We wish to offer the following comments on the above stated document.

On page 15 of the boundary study it is stated that the areas of Cape Fairweather and Dry Bay are strongly tied to Yakutat. This is inarguable. We would like to reinforce the importance of this area to Yakutat. In the 1986 ADF&G subsistence report 44% of Yakutat households used the Dry Bay area for subsistence activities. During the 1989 peak fishing effort 28 Yakutat permit holders utilized the Alsek river. This region is included in the Yakutat Fishery Management area administered by ADF&G.

The City of Yakutat is strongly opposed to the concept of the Haines Borough encompassing all of Glacier Bay National Park. The maritime/coastal region falls more readily into the sphere of Yakutat, or Hoonah. The natural geography of the mountain range which separates Haines from the coast dictates that the area be included in the management of a more closely tied community.

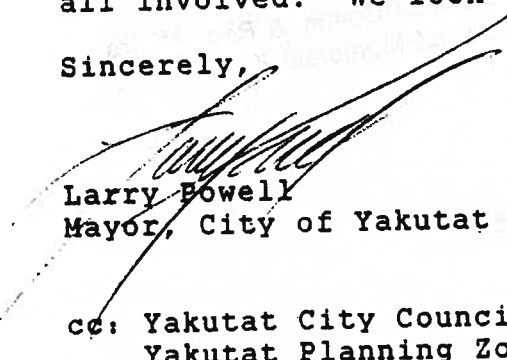
CITY OF YAKUTAT
PLANNING DEPARTMENT
1000 W. 10TH AVENUE
YAKUTAT, ALASKA 99575



We propose that the region from Cape Spencer to Cape Fairweather, from the coast to the mountain range, be included in the Yakutat region. Yakutat has seriously researched the formation of a Coastal Resource Service Area, and borough, including the above mentioned area. We still hold that the management of the area is best administered through Yakutat.

Thank you for this opportunity to comment. We sincerely believe that our recommendation is in the best interest of all involved. We look forward to hearing from you.

Sincerely,


Larry Powell
Mayor, City of Yakutat

cc: Yakutat City Council
Yakutat Planning Zoning Commission
Representative Peter Goll

[Faint, mirrored text from the reverse side of the page, including phrases like 'The City of Yakutat is located in the western part of the state of Alaska' and 'The City of Yakutat is currently administered by ADAA']

CITY OF YAKUTAT
PLANNING AND ZONING COMMISSION
RESOLUTION PZ 90 - 1

A RESOLUTION RECOMMENDING THE FORMATION OF A BOROUGH HAVING THE SAME BOUNDARIES AS THE PROPOSED YAKUTAT COASTAL RESOURCE SERVICE AREA.

WHEREAS, the Yakutat Planning and Zoning Commission has studied the needs and benefits of a Coastal Resource Service Area extending from Cape Suckling to Cape Spencer; and

WHEREAS, the Alaska Local Boundary Commission, and other Alaskan communities are studying borough formation up to, and within the Yakutat proposed boundaries; and

WHEREAS, the same logic for the Yakutat Coastal Resource Service Area boundaries applies to Yakutat Borough boundaries;

NOW, THEREFORE BE IT RESOLVED; that the Yakutat Planning and Zoning Commission recommends formation of a borough having the same boundaries as the proposed Coastal Resource Service Area.

PASSED AND APPROVED THIS 14th DAY OF May, 1990.

Caroline Powell
CHAIRPERSON

ATTEST:

Chase Stockton
CITY CLERK



CITY/BOROUGH OF JUNEAU
★ **ALASKA'S CAPITAL CITY**

RECEIVED

MAY 25 1990

May 22, 1990
 Dept. of Comm. & Regional Affairs
 Div. of Municipal Affairs

Mr. Dan Bockhorst
 Grants and Local Boundary Commission Supervisor
 Division of Municipal and Regional Assistance
 Department of Community and Regional Affairs
 949 East 36th, Room 405
 Anchorage, Alaska 99508

Re: Draft Report to LBC on CBJ Annexation Petition
 and Ideal Boundary Study

Dear Mr. Bockhorst:

The City and Borough of Juneau (CBJ) is pleased to have this opportunity to comment on the Department of Community and Regional Affairs' (DCRA) draft report to the Local Boundary Commission (LBC) on the CBJ's annexation petition and the "ideal boundaries" for the central portion of Southeast Alaska. The CBJ's comments are as follows:

1. The CBJ did not attempt to annex all of the Mansfield Peninsula or any of the Glass Peninsula in its annexation petition submitted to the LBC. The annexation petition was intended to solve the problem of having a large number of CBJ citizens who work beyond the CBJ boundaries. Additional annexation is beyond the scope of the CBJ's present petition.
2. The CBJ does not object to the establishment of broader boundaries if the LBC finds that this is in the best interests of the state, Juneau, and the affected communities and residents. However, considerable public notice and discussion should take place before final boundaries are drawn. The standards for annexation discussed in the CBJ's petition may or may not be met with respect to those areas which are being suggested by DCRA as appropriate for annexation because they are within the recommended "ideal boundaries" of the CBJ.
3. The CBJ received no objections from property owners in the area proposed for annexation in the CBJ's petition. However, with respect to the expanded annexation boundaries proposed by DCRA, the CBJ has received nothing but objections from property owners within the proposed expanded

Mr. Dan Bockhorst

-2-

May 22, 1990

boundary area. These objections have been voiced most strongly by the residents of Funter Bay.

4. The CBJ is very concerned with the apparent lack of notice of the ideal boundary study given to property owners in the area of the ideal CBJ boundaries as proposed by DCRA. The testimony and written comments received by the CBJ from these property owners has uniformly reflected a lack of notice from DCRA as to the existence or nature of the study. The CBJ strongly urges DCRA to give notice to all property owners, including Forest Service lease holders, within DCRA's proposed ideal CBJ boundaries of the upcoming public hearings on the CBJ's annexation petition and DCRA's report and recommendations.
5. The draft report states that the CBJ's petition does not meet the annexation standard set forth in 19 AAC 10.190(a)(7). That standard reads: "Residents or property owners within the territory receive or may reasonably be expected to receive, directly or indirectly, the benefit of organized borough services without commensurate property tax contributions, whether such services are rendered or received inside or outside the territory."

The area proposed for annexation will be much like the Taku River, Lucky Me, Shelter Island, and Taku Harbor areas; all of these areas are already within the CBJ. These areas receive all areawide services although the number of full-time residents in these areas is low. Many of the property owners in these areas own their property for recreation purposes, and also own urban property within the CBJ for residential purposes. The CBJ also collects property taxes from their place of work if it is privately owned.

Greens Creek is the only private business which employs a substantial number of CBJ residents that pay property taxes on only a small portion of its facilities, i.e., its corporation headquarters in Juneau. However, Greens Creek employees generate as much public service cost as 200 employees of a mine development located within the boundaries of the CBJ. Thus, without the annexation, the citizens and businesses within the CBJ will be required to subsidize the public service costs which would otherwise have been paid for in part by property taxes on the mine. These costs will not be paid in full by the property taxes collected on the Greens Creek headquarters and the property of the Greens Creek employees located within the CBJ boundaries. The property owner within the territory proposed for annexation (Greens Creek) is receiving the benefit of CBJ services without commensurate property tax contributions. Therefore, annexation standard 19 AAC 10.190(a)(7) is met.

Mr. Dan Bockhorst

-3-

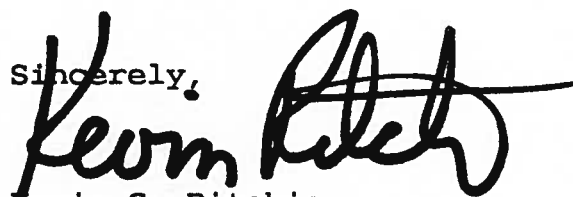
May 22, 1990

6. We also request changes in the ideal boundary map for Central Southeast Alaska. The ideal boundary map should be reviewed to determine whether the mainland section of the proposed Chatham Borough should be divided between a possible northern addition to the proposed Petersburg/Wrangell Borough and a possible southern addition to the CBJ. The mainland area immediately south of Juneau is more within the CBJ's area of responsibility than that of a potential new borough. A Juneau-based corporation, Goldbelt, conducts logging activities in Windham Bay and Hobart Bay and Juneau residents recreate in these areas. The CBJ already supplies emergency services in this area and several Juneau-based commercial operators transport people and goods to various locations south of the ideal boundaries of the CBJ as proposed by DCRA.
7. 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, as Friday is not a good day of the week for an evening meeting. The CBJ recommends Thursday, July 12, at 7:00 p.m. for the public hearing in Juneau. The CBJ strongly recommends that the LBC also hold a public hearing in Funter Bay, the largest community in the expanded annexation area proposed by DCRA.

Let me know if there is any further information you need from the CBJ, and please send us DCRA's final report and the LBC's hearing schedule as soon as these items are available. Also, thank you for granting the CBJ the extension until June 15 to respond to the draft report. However, with this submittal of these comments, the extension is no longer necessary.

We look forward to continuing to work with DCRA and the LBC on this matter.

Sincerely,



Kevin C. Ritchie
City-Borough Manager

KCR/BJB/mjm

cc: Mayor and Assembly
Planning Commission
Barbara J. Blasco, City-Borough Attorney
Murray Walsh, Community Development Director

Jordan Creek Center
8800 Glacier Highway, Suite 223
Juneau, Alaska 99801

RUDDY, BRADLEY & KOLKHORST

A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW

P.O. Box 34338
Juneau, Alaska 99803-4338
Telephone (907) 789-0047
Fax (907) 789-0783

William G. Ruddy
James B. Bradley
Kathryn M. Kolkhorst

May 17, 1990

RECEIVED
MAY 21 1990

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

Local Boundary Commission Component
Department of Community & Regional
Affairs
949 East 36th Avenue, Room 405
Anchorage, AK 99508

Re: Proposed annexation of Mansfield Peninsula by
the City and Borough of Juneau

Dear Persons:

I am an owner of real property in Funter Bay and am strongly opposed to the proposed annexation. Some of the reasons for my opposition are as follows:

1. There is virtually no community of interest between CBJ and Funter Bay. Indeed, most of the people who go to Funter do it to escape Juneau. Is it really necessary to allow the City to pursue them?

2. If annexation took place, the City and Borough of Juneau would provide absolutely no services to Funter Bay except, perhaps, planning and zoning, which, to the best of my knowledge and belief, no one in Funter wants anyway. Beyond that, the City is incapable of delivering any service. That may not be too bad because the people of Funter don't want any City services anyway. However, it is strikingly mindless to believe that it makes sense to take a community of people who do not wish to be brought into the city, bring them in against their will, give them no services and make them pay for the privilege. That sort of a result can only be the product of an overzealous and uncaring bureaucracy.

3. There has, in limited circles, been discussion of placing all land within the state into one borough or another thereby ignoring the concept of the unorganized borough which has served the state so well over the years. While such an organizational move is possible, I believe the concept is highly unlikely to survive serious legislative scrutiny. If time proves me wrong and it

Local Boundary Commission
May 17, 1990
Page 2

becomes necessary to place Funter Bay into some borough, the problem can be dealt with at that time. For the present, Funter is in the unorganized borough and wants to stay there.

Thank you for your time and attention.

Very truly yours,

RUDDY, BRADLEY & KOLKHORST


James B. Bradley

JBB:gm

cc: Local Boundary Commission, Juneau
Honorable Dick Eliason
Honorable Peter Goll
Mr. Kevin Ritchie, Juneau City Manager
F. O. Eastaugh




City and Borough of Sitka

304 LAKE STREET · SITKA, ALASKA · 99835

MEMORANDUM

TO: Stuart Denslow, Administrator
Mayor Keck and Members of the Assembly

FROM: Wells Williams, Planning Director 

SUBJECT: Model Boundary Study

DATE: May 17th, 1990

Boundary Commission staff is planning on making Tuesday's Assembly meeting and we are enclosing some additional information that was received by fax. A large map of Southeast Alaska is also enclosed. This map can be used in exploring the model boundaries and the three communities listed in the report are marked.

At the last Assembly meeting, Mr. Richards and Mr. Denslow suggested that the board take advantage of this unique opportunity and come up with creative proposals. In the coming years, the outlying areas may change unexpectedly due to mineral development or resource related village expansion. A carefully worded position that maintains Sitka's options may very well work to our advantage later.

We've listed some sample criteria for you to consider over the weekend. These criteria are simply designed to facilitate discussion and a few of them may be combined into an official Assembly response.

Sample Annexation Criteria

Any major community development or expansion on:

Baranof Island
Admiralty Island
Kuiu Island
Chichagof Island
Yakobi Island

should be considered grounds for inclusion into the City and Borough of Sitka.

Model Boundary Study
May 17, 1900
Page 2



Any major industrial, mineral, timber, or industrial development should be reviewed for inclusion into the Borough.

Any request by:

- Hoonah
- Elfin Cove
- Pelican
- Angoon
- Pillar Bay

would merit careful consideration for annexation and inclusion into the City and Borough of Sitka. Should be considered preferable to the formation of a new Chatham Borough.

Ability to pay for services required from taxes generated from area to be annexed.

The Boundary Commission staff will look forward to covering the full range of possibilities with you. I'm sure that everyone will enjoy the discussion.

CITY OF TENAKEE SPRINGS

ROBERT P. WAGNER
MAYOR

ADMINISTRATION
(907) 736-2221

May 16, 1990

C.B. Bettisworth
LBC Component
Department of Community & Regional Affairs
949 E. 36th Avenue, Room 405
Anchorage, Alaska 99508

Dear Mr. Bettisworth:

In response to your request for comments on the Model Boundaries Study, together with "Draft Report and Recommendation to the Alaska Local Boundary Commission" by the Department of Community and Regional Affairs, we offer the following comments and suggestions:

While the City of Tenakee Springs remains strongly opposed to borough formation or annexation, it appears likely that, over the long term, some form of borough government will be visited upon all of rural Alaska.

In an effort to wrest every available tax dollar, this growth in government will rise not from the "grass roots", but rather as an imperative of the bureaucracy and legislature faced with the financial crisis resulting from declining oil revenues.

Whether the scheme will result in more efficient, local government, improving the quality of life of those to be so served is disputable.

In so far as Tenakee Springs is concerned, the Department of Community and Regional Affairs's draft boundaries for the City and Borough of Sitka, with several grave reservations, better answer our concerns rather than the original Chatham Proposal.

It is a paramount concern of ours that independent city governments be retained in any annexation.

The Department of Community and Regional Affairs report, in emphasizing the similarities of communities within its "ideal" boundaries, fails to even note the quite dissimilar political priorities, differing attitudes about the rate of local government and some fundamentally differing philosophies on development issues pointed out in the McDowell Group's Review.

Despite recent growth in its seafood industry, Sitka remains primarily a pulp mill and timbering town. It is beyond the bounds of credibility to expect the Sitka Planning Commission to respond realistically to the concerns of Tenakee Springs and its opposition to development for development's sake.

Indeed, Planning and Zoning administered from a distant government seat would be unworkable.

C.B. Bettisworth
5/15/90

Page 2.

Our residents appear satisfied with the level and type of municipal services currently provided. It would appear the only "service" required of the annexing government would be for education, assessment, and taxation.

Moreover, Tenakee Springs holds considerable assets in utilities and land, and has no debt. Local ownership and control of these assets is of vital importance to the continued uniqueness and individuality of our community, and without which it would become just another suburb.

Obviously, our concerns will require changes in current statute. We urge that the Commission and the Department include recommendations for such changes as they further develop their studies.

We are concerned that the Department, as part of its recommendations, now calls for the Commission to hold one hearing in the "areas" in the recommendation, instead of hearings in each of the affected communities as was promised at the beginning of the planning process.

We are aware that bureaucratic pledges are oft set in crumbling mortar, but still believe we deserve better than relegation to a "teleconference". Such cavalier disregard to commitment made, calls into question the repeated claim that "this project will not promote or require the formation of any regional government."

The Bard cautioned as to frequently made protestations, which in light of the change in public hearing plans only increase our disquiet. We remain opposed to borough formation and annexation at this time.

Sincerely,
CITY OF TENAKEE SPRINGS



Robert P. Wagner
Mayor

cc: David G. Hoffman, Commissioner DCRA
Tenakee Springs City Council
Senator Richard I. Eliason
Representative Ben Grussendorf
City and Borough of Sitka
City of Pelican
Community of Elfin Cove
City of Port Alexander



RECEIVED

MAY 17 1990

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

May 16, 1990

Local Boundary Commission
Mr. C. B. Bettisworth, Chairman
949 East 36th Avenue, Room 405
Anchorage, Alaska 99508

Dear Commissioners:

This is to follow up our letters of January 8 and April 3, 1990 concerning the Southeast area model boundary study. We are in receipt of the April 9 draft report and make the following recommendations.

The report should include a better analysis of the inclusion of Yakutat in a Southeast area borough boundary. Yakutat is culturally and historically most closely tied to the Southeast region, yet the draft only mentions Yakutat to propose that a future southeast borough boundary stop short of the Yakutat area. In fact, Yakutat is in the Chatham Rural Education Attendance Area as well as the same legislative, judicial and other administrative districts as are its neighboring, Southeast communities.

Yakutat's relationship to a future southeast area borough(s) is of concern to Chugach Alaska Corporation because of the implications of the Southeast area report will have on Local Boundary Commission actions concerning Chugach/Prince William Sound area borough issues. As you know, we have previously discussed with your staff that there are three options for expanding local government at Yakutat; 1) incorporating into a Chatham or Haines borough, 2) annexing additional property as a first class city, or 3) incorporating into a Chugach area borough. The boundaries of the Southeast boroughs will necessarily affect the boundaries of a Chugach/Prince William Sound borough.

Although we received assurances that the inclusion of Yakutat in a southeast borough would be considered in the draft, it is not. Moreover, none of CAC's correspondence or testimony on this issue is included in the public record attached to the draft. These omissions, combined with the detailed discussion of Yakutat interests in the Prince William Sound/Chugach tabloid, bias the Commission's study toward the creation of a separate Yakutat borough.

Local Boundary Commission
Mr. C. B. Bettisworth, Chairman
May 16, 1990
Page Two

In closing, we strongly recommend that the final draft be delayed until this important matter can be adequately addressed and thereby provide the best possible information base for future Local Boundary Commission decisions.

Sincerely,

CHUGACH ALASKA CORPORATION

E. Bettisworth

Edgar Blatchford
Chairman

EXHIBIT FF
CITY OF SKAGWAY

GATEWAY TO THE GOLD RUSH OF "98"
P. O. BOX 415 SKAGWAY, ALASKA 99840
(PHONE) 907-983-2297
(FAX) 907-983-2151

VIA FACSIMILE TRANSMITTAL: ORIGINAL TO FOLLOW

May 16, 1990

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

RECEIVED
MAY 21 1990
Dept. of Comm. & Reg. Affairs
Div. of Municipal & Reg. Asst.

Dear Sirs;

The City of Skagway, in commenting on the draft report to the Local Boundary Commission concerning "ideal boundaries" of existing and prospective boroughs in Southeast Alaska, wishes to object to the conclusion that Skagway be included in an expanded Haines Borough.

The critical question is, if existing boundaries do not place Skagway in the Haines Borough, what change has or will occur that would compel its inclusion now or in the future?

Inclusion of Skagway in the Haines Borough might be advantageous if there is a clear indication that this would result in efficiencies in the delivery of local governmental services. As in most regions in Alaska, however, the extremes of natural geography and weather--not artificial governmental boundaries--often decide if the local governmental structures are efficient or not. It is the opinion of the City that the delivery of area-wide services in Skagway by a borough government based in Haines would not enhance the delivery of governmental services.

Transportation services between Skagway and Haines are developed to the extent allowed by the Marine Highway budget, terrain and local weather conditions. The communities are connected by road, but the journey requires going into Canada and driving a distance equivalent to traveling from Seattle to Idaho. The weather and the severe natural terrain often mock the apparent proximity of the towns and create a sense of separation far in excess of the fifteen miles between Skagway and Haines. This "distance" imposed by natural geography and weather conditions acts as a significant deterrent to a sharing of services between the two towns and would exert the same pressures--and costs--on any attempts to provide borough services to Skagway.

For example, the operation of the local school is a matter of significant local concern and pride. Under a borough, Skagway's school district would become part of the Haines Borough school district. Skagway would lose an important sense of local control and oversight of school administration by having its voice diminished, if effect, by trading a local school board for minority representation on a borough school board.

The notion that expanded boroughs would make for more efficient operation of small districts is false in Skagway's case. The Skagway school district presently operates at a minimum level of staffing necessitated not by what is perceived as an inherent inefficiency of small school districts but by inequities in the state's funding formula that do not provide Skagway and other small districts with the proper level of funding. This is a matter of prime importance in Skagway and it is an issue that inclusion in a borough will not address. If inclusion in a borough will do anything to education in Skagway, it will increase district costs due to travel required for school board members, staff and administrative personnel.

CITY OF SKAGWAY

LBC Component
5/16/90
Page Two

The delivery of other area-wide government services in Skagway by a Haines Borough would require abandonment of the present third-class status of the borough in favor of a first- or second-class borough. The delivery of services would encounter difficulties similar to those shown above. An expanded borough would increase administrative requirements for tax assessment and collection and planning and zoning. The economical, small-scale and, in Skagway's case, part-time manner in which these services are presently performed would evolve into a larger and more costly administrative process. In addition to concern over higher service delivery costs, Skagway would be concerned that these costs be fairly apportioned, so that Skagway will not incur a disproportionate burden of funding area-wide services.

The economy of Skagway shares similarities with that of the Haines Borough, but there are significant differences. Skagway is dependent upon transportation and tourism. The Haines area is dependent upon timber and fishing. While diversity provides strength to a regional economy, it may also generate conflicts. Although Skagway recognizes the interdependence of regional economies, the historic independence of Skagway and its ability to pursue economic initiatives is a prized local asset. Inclusion in a borough might be seen generally as a dilution of Skagway's ability to plan and implement its economic goals.

In theory, there are broad, commendable reasons for including Skagway in an expanded Haines Borough. If the details of actual practise are examined, however, it is clear that this prospect would increase service costs and cause a loss of local control over important local services. To include Skagway in the Haines Borough would impose an unnecessary administrative structure upon an efficient and cost-effective local government.

Thank you for the opportunity to comment on the draft report. If you have any questions, please advise.

Sincerely,



Thomas Healy
City Manager

STATE OF ALASKA

EXHIBIT FF

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

SOUTHEAST REGIONAL DIRECTOR

STEVE COWPER, GOVERNOR

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

May 10, 1990

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MAY 14 1990

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

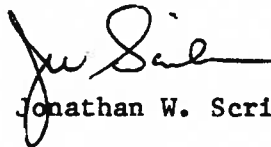
Dept. of Comm. & Reg. Affairs
Div. of Municipal & Reg. Asst.

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

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

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-

volve 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

Donna K. Emerson

Philip J. Emerson

Philip J. Emerson

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

Funter Bay, Alaska

May 9, 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.

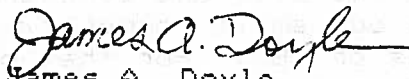
For the information of the Local Boundary Commission, Funter Bay has existed as a community since about 1900. It's present population of eleven - eight adults, three children - has been stable for many years. Also, for these same years, we have been completely ignored by the State and Federal Governments 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 LBC 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

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 aprox. \$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

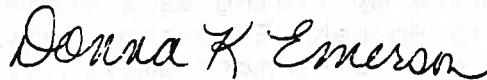
point in coming. Mansfield Peninsula is basically owned by the federal government and state and they do a more than adequate job of managing their waters and land. I would also tend to say that our houses are better built, zoned better and have more "green strips" than most areas of the CBJ.

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 bourough 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

Mt. Bethel Bible Center at Game Creek, Inc.

BOX 95 HOONAH, ALASKA 99829
(907) 945-3234
April 20, 1990

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

Gentlemen:

I am writing this letter on behalf of the Board of Directors of Mt. Bethel Bible Center at Game Creek. We would like to go on record as being opposed to including the Game Creek Community in the "Chatham Borough" as proposed in the April 9, 1990, DRAFT of the Report and Recommendation to the Alaska Local Boundary Commission.

We know of no one in this community who has spoken in favor of our being included in the proposed borough. We furthermore can see no benefit to our community in this proposal.

Please find enclosed a petition which was circulated in our community. We feel it accurately reflects the feeling of the community toward this issue, and it is included to support our position that Game Creek should be removed from consideration for inclusion in the proposed Chatham Borough.

Respectfully,



Michael J. O'Connell
Registered Agent for the
corporation

MJO:m
enclosures

RECEIVED

MAY 3 - 1990

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

TO WHOM IT MAY CONCERN

WE THE UNDERSIGNED RESIDENTS OF GAME CREEK COMMUNITY
ARE OPPOSED TO
 BEING INCLUDED IN ANY BOROUGH

NAME

ADDRESS

Michael Sowers	Box 95 Hoonah AK. 99829
Zena Robinson	Box 95 Hoonah AK 99829
Sophie Bure	Box 95 Hoonah, AK 99829
Judith K. Clark	Box 95 Hoonah, AK 99829
Michael O'Connell	PO Box 95 Hoonah, AK 99829
Blonde E. Lawhorne	P.O. Box 95 Hoonah, Ak. 99829
Aryn Bos	PO Box 95 Hoonah Ak 99829
Rachel O'Connell	P.O. Box 95 Hoonah AK 99829
Victoria Carey	P.O. Box 95 Hoonah, Ak 99829
James J. Carey	P.O. Box 95 Hoonah, Ak. 99829
Susan Lawhorne	P.O. Box 95 Hoonah, AK 99829
Ken M. Lawhorne	P.O. Box 95 Hoonah, AK 99829

Angela McLaie	P.O. Box 95 Hoonah, AK 99829
Elizabeth McLaie	P.O. Box 95 Hoonah, AK 99829
Jim Bos.	P.O. Box 95 Hoonah AK 99829
David Austin	P.O. Box 95 Hoonah AK 99829
Madeline Dailey	P.O. Box 95 Hoonah Ak 99829
William E. Burrell IV	P.O. Box 95 Hoonah Ak 99829

RECEIVED

MAY 3 - 1990

TO WHOM IT MAY CONCERN

WE THE UNDERSIGNED RESIDENTS OF GAME CREEK COMMUNITY
ARE OPPOSED TO
BEING INCLUDED IN ANY BOROUGH

NAME

ADDRESS

<i>Matt W. Lawton</i>	<i>Box 95</i>	<i>HOONAH AK. 99829</i>
<i>Marc Punisher</i>	<i>Box 95</i>	<i>Hoonah, AK 99829</i>
<i>Greg Austin</i>	<i>Box 95</i>	<i>Hoonah, AK 99829</i>
<i>Jonna Austin</i>	<i>Box 95</i>	<i>Hoonah, AK 99829</i>
<i>Gary J. Lebowitz</i>	<i>Box 95</i>	<i>Hoonah AK 99829</i>
<i>Rosemary Lebowitz</i>	<i>" "</i>	<i>Hoonah AK 99829</i>
<i>William Carey</i>	<i>Box 95</i>	<i>Hoonah ak. 99829</i>
<i>Robert Clark</i>	<i>Box 95</i>	<i>Hoonah AK 99829</i>
<i>Julie Delaplaine</i>	<i>Box 95</i>	<i>Hoonah ak 99829</i>
<i>Frank Peltz</i>	<i>Box 95</i>	<i>Hoonah AK 99829</i>

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MAY 3 - 1990
Dept. of Comm. & Reg. Affairs
Div. of Municipal & Reg. Asst.

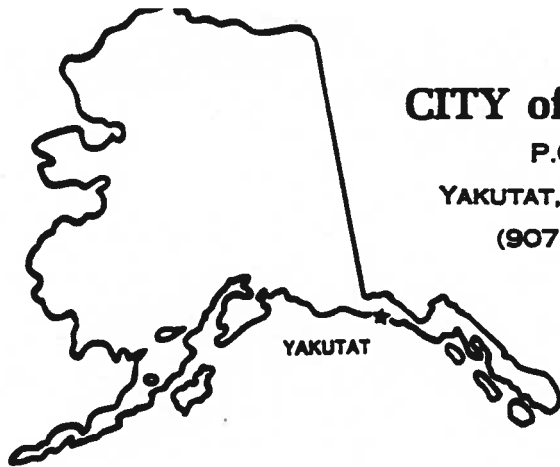


EXHIBIT FF
CITY of YAKUTAT

P.O. Box 6
YAKUTAT, ALASKA 99689
(907) 784-3323

*cc: Peter Freer
Dan Bockhorst*

RECEIVED

APR 9 1990

April 5, 1990

COMMISSIONER'S OFFICE
COMMUNITY & REGIONAL AFFAIRS

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

Dear Commissioner Hoffman:

Under the cover of this letter you will find copies of letters which the City of Yakutat has drafted for submission to the Alaska Local Boundary Commission. They justify the community's request for a borough which will extend from Cape Suckling to the Cape Fairweather region.

As has been previously stated, this region is imperative to continued existence of the local economy. However, we are willing to compromise. The northwestern boundary of the Grand Plateau Glacier is acceptable to the community. We feel that the region conforms strongly to the natural geography of the area.

Of course, the originally requested region is preferred and we hope that it will be thoroughly considered. If you have any questions please contact either myself or Mayor Powell. The community appreciates your help in this matter.

Thank you.

Sincerely,

Beth McKibben
City Planner

RECEIVED

APR 10 1990

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

enclosures

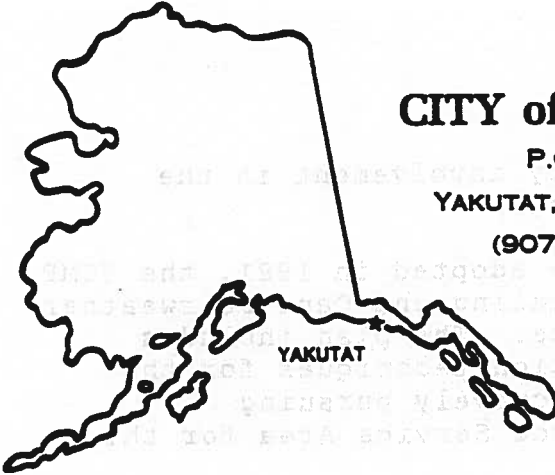


EXHIBIT FF

CITY of YAKUTAT

P.O. Box 6

YAKUTAT, ALASKA 99689

(907) 784-3323

April 5, 1990

ALASKA LOCAL BOUNDARY COMMISSION

949 East 36th Avenue, Suite 400

Anchorage, AK 99508

The City of Yakutat would like to submit the following information in support of the boundaries which we have proposed for the Yakutat Borough. This letter will demonstrate that the region is socially, culturally, and economically interrelated and integrated, conforms to natural geography, is able to support a borough government, and is capable of meeting other statutory standards relating to borough incorporation.

SOCIAL

The proposed Yakutat Borough encompasses the land area which is an integral part of the community's economy. Without the greater area, Yakutat would, indeed, cease to exist. Yakutat has always recognized this fact, and as a municipality has assumed the responsibility of seeing that the resources of the region are properly planned for and managed. The City's active participation and involvement in regional plans and developments demonstrates our long-standing concern for the proposed borough region from Cape Suckling to the vicinity of Cape Fairweather.

The Yakutat Borough will be an extension of our past and ongoing planning efforts. Yakutat has been allowed to respond to issues in the greater area, and we believe that our participation has improved the management of the area. Our participation has not been ensured, however, as Yakutat sits in rather a "gray area" between southeast and southcentral, and is frequently not notified of activities which affect our residents. The establishment of a borough will rectify the situation.

Examples of Yakutat's contemporary involvement in the Borough area include the following:

Yakutat Coastal Management Plan - adopted in 1981, the YCMP defines the area between Cape Suckling and Cape Fairweather as the Yakutat sphere of influence. The plan includes resource analysis and implementation techniques for the entire area. We have also been actively pursuing establishment of a Coastal Resource Service Area for this same region.

Oil and Gas Development - Yakutat was the only community in the Gulf Lease/Sale 55 to work with state and federal agencies to mitigate possible negative impacts of such development, and to ensure that the region's fisheries resources were protected. This sale resulted in 11 holes drilled off the coast of Cape Yakataga.

Forest Service Planning - Yakutat has been a participant in USFS for the Forelands during forest-wide efforts (such as TLMP revisions) and more localized efforts such as the Situk River management plan.

National Park Service Planning - We have long been actively involved in the planning activities of both the Wrangle-St. Elias and Glacier Bay National Park and Preserves.

City of Yakutat v. University of Alaska - to protect the fisheries habitat, the City is currently involved in litigation to prevent the transfer of timber rights to the University of Alaska from DNR. The three parcels in dispute are located between Icy Bay and Cape Suckling.

Yakataga State Game Refuge - legislation was initiated by the City of Yakutat and local fishing groups. Refuge status would bring the land within refuge boundaries under management of ADF&G for the purpose of protecting fish and game habitat and the public use thereof.

These activities demonstrate Yakutat's vigorous participation and involvement throughout the proposed borough. We have exercised our right to see that regulations reflect the lifestyle and needs of the local residents. Through resource analysis and region wide planning, which will result from borough formation, the residents will see the concept of "balanced resource use" actualized.

Within the boundaries of the proposed Yakutat Borough, there are many different landowners and managers. Among these are the federal and state governments, Native corporations, Native allotment holders, and other private individuals.

The existence of Native allotments in the area between Icy Bay and Cape Suckling further documents the use of this area by Yakutat residents. In order to receive title under the Native allotment program, an individual must show use and occupancy of the parcel. Of the thirteen allotments applications in this region, eleven are from Yakutat and comprise 97% of the 1,360 acres for which an application was submitted. A list of Native allotment applicants, as provided by BLM is enclosed as Attachment 1.

The City of Yakutat recognizes the status of Chugach Alaska Corporation as a land holder within the boundaries of the proposed borough. The Corporation is one of several land holders in the region, and as such will enjoy the same rights and protection that will benefit all land owners.

CULTURAL

The traditional culture of the Yakutat Tlingit and their relationship to the land within the proposed borough has been extensively studied and documented by Dr. Fredrerica de Laguna. Also, in 1983 the Chugach Corporation commissioned an Archaeological Inventory which acknowledges extensive use of the area west of Yakutat by the Yakutat Tlingit. Therefore, we will focus our discussion on contemporary aspects of the culture which have a bearing on the borough boundary determination.

The subsistence use of resources is an important part of the culture and lifestyle of Yakutat. In May of 1986, the Division of Subsistence, ADF&G, published a 237 page technical report documenting contemporary patterns and changes of subsistence use in the Yakutat area. The abstract of this report states, "The average household harvested 1,105 pounds of fish and wildlife during 1984, or 368 pounds per household member, from the waters and uplands between the Deception Hills near Dry Bay, north to Cape Suckling, a distance of over 200 miles." The report shows on page 73 that over two-thirds of the population had fished and over one-third had hunted in 1984.

This report also shows the percentage of Yakutat households that have used an area for subsistence purposes during their lifetime; which is summarized below.

AREA	PERCENTAGE OF HOUSEHOLDS USING AREA
------	--

Dry Bay	44
Dangerous River	36
Situk River	90
Manby Shore	40
Yahtse River	20
Icy Bay	26
Cape Yakataga	8
Tsiu/Kaliakh	20
Cape Suckling	2

A more recent study, conducted by the University of Alaska Institute of Social and Economic Research in 1988, confirms the high rate of subsistence use among Yakutat area residents. ISER estimated that the per capita harvest rate in Yakutat is 398 pounds. Local individuals can easily compile a list of over 45 Yakutat residents who have trapped, fished, or hunted for bear, seal, goat, or moose in recent years in and around Icy Bay alone. Such a list is enclosed as Attachment 2.

Another facet of the culture and lifestyle of the Yakutat community which is relevant to the boundary determination is the residents' mobility and use of the proposed borough area. During the summer season, not only do the permit holders move to the rivers, but often entire families travel to "fish camp," moving from one river to the next as the strengths of the various runs peak and wane. At least 20 Yakutat families have cabins between Yakutat and Dry Bay. A list of cabin owners near Cape Suckling is attached, as are a set of pictures depicting life at a Kaliakh River fish camp and at an Icy Bay camp.

ECONOMIC CONSIDERATIONS

For the community of Yakutat, commercial fishing is the major, long-term, and dependable activity which brings cash into the local economy. The management of uses and activities which impact the streams within the proposed borough directly affects the life and livelihood of this community.

The Commercial Fisheries Entry Commission (CFEC) has data available for the City of Yakutat. In 1985, CREC statistics show 143 individuals of an area-wide population of 651 fished 209 permits with estimated gross earnings of \$2,702,601.

Local fishermen fish the rivers within the Yakutat Fisheries Management Area which extends from Cape Suckling to Cape Fairweather. This area is managed by the Yakutat and Juneau offices of Alaska Department of Fish and Game (ADF&G). The major fishery in the area is the Yakutat setnet fishery. In 1989, there were 164 active permits, 119 of which show a Yakutat address. The permit holders spread their effort over 95% of the proposed borough coastline of 370 miles as follows:

PEAK EFFORT

RIVER	DISTANCE FR. YAKUTAT	NO. PERMITS
Alsek	60 mi. to the S.E.	28
East	65 - SE	92
Akwe	40 - SE	16
Italio	30 - SE	3
Dangerous	25 - SE	3
Situk	10 - S	94
Lost	10 - S	4
Yakutat Bay		47
Manby	25 - NW	25
Yahtse	50 - NW	9
Kaliakh	150 - NW	11
Tsiu	110 - NW	24

Of the permits fishing west of Icy Bay to Cape Suckling during the last five years, one per year is known to come from Cordova. The others are predominantly from the Yakutat area. This knowledge, coupled with an understanding of fishing patterns, reveals that approximately 45% of the Yakutat setnet fishermen fish the area to the west of Yakutat.

Within the past 10 years, at least 69 Yakutat residents have participated in the Yakataga fisheries, while about 10 Cordova residents have fished the same area (pers. comm., Gordy Woods, ADF&G). A list showing Yakutat based participation in the Yakataga District fisheries is enclosed as Attachment 3.

There are 30 "Eshamy permits" which enable the holder to participate in both the Prince William Sound and Yakataga area fisheries. Of the 30 eshamy permits, 25+ are held by Yakutat fishermen. While Eshamy permit participation within the proposed borough area has been low in the past 20 years, these fishermen will also benefit from the sound area planning which will result with borough formation.

Harvest statistics for 1989 show that Yakutat area setnet fishermen harvested 582,777 salmon in the proposed borough. The combined production of 506,410 coho and sockeye represents 14.7% of the total Southeast Alaska catch of these species by all gear groups, including hatcheries.

The dollar value to fishermen of the Yakutat setnet salmon fishery was \$5,077,589 in 1987, \$8,944,228 in 1988, and \$4,174,510 in 1989. Total finfish income for the Yakutat Fisheries in 1989 was \$11,220,922.

In addition to the dollar value to fishermen, the fisheries found within the proposed borough generates secondary cash benefits through associated economic activities such as fish processing. The City, as owner and lessor of a fish processing facility, has received rents and royalties in recent years as follows: 1986 - \$94,979; 1987 - \$83,091; 1988 - \$259,845; 1989 - \$202,904. The City also benefited from \$525,555 in raw fish tax revenues in 1987, \$137,342 in 1988, and \$258,270 in 1989.

Fishing activity in 1988 generated a payroll of over \$1,500,000, at the City owned facility. The coho salmon catch from the westward rivers translated into a local payroll of about \$132,000.

The above figures do not show all income and economic activity generated by the Yakutat area fisheries, as other processors are involved as well. Throughout the season, Yakutat hosts transient, floating fish buyers and processors, and in 1988 a second, full-season buyer/processor operated within the City limits.

The salmon catch is harvested throughout the proposed borough boundaries. Of all salmon harvested in 1988 by Yakutat setnet fishermen, the streams and rivers between Pt. Manby and Cape Suckling contributed 20% of the catch. Yakutat Bay provided 23%, while the systems toward Cape Spencer provided 65%. Of course, these figures vary by species and from year to year as is shown on the attached Tables 1 and 2. Approximately 33% of the coho purchased by the City owned facility originate from rivers between Pt. Manby and Cape Suckling.

Crab are another important contribution to the local economy. An estimated 65% of the 1.7 million pounds purchased locally in 1988 by Sitka Sound Seafoods came from the area within the proposed borough west of Yakutat. In 1989 1.9 million pounds of dungeness were harvested in the Yakutat Fisheries Management Area, with an average price of \$1.10 per pound, the total income to fishermen was \$2,057,000. The payroll, at the local facility, generated by crab from this area was approximately \$250,000 in 1988.

It has been shown that the Yakutat fishing effort extends throughout the proposed borough. A fishery of statewide significance, it represents the mainstay of the economy.

Further documentation of the economic importance to Yakutat of the area between Icy Bay and Cape Suckling can be provided by an October, 1988 ruling by the Superior Court of Alaska. In this case, Superior Court Judge Craske upheld the interest of the City of Yakutat in the area to the west of Icy Bay. In ruling that the City has standing to appeal a DNR decision, the Court found that the City has an interest in this area which could be adversely affected by the transfer of timber rights by the State of Alaska, and which is "... manifested through the ownership and leasing of the fish processing facility and the development of that area through the Coastal Management Service Resource organization..."

Just as the community is dependent upon the resources of the borough region, development in the region is dependent upon Yakutat. Of particular importance is the Yakutat airport. With all-weather capability, it plays a vital role in servicing activities throughout the borough region. All of the major development activities occurring in this region have been supported out of the Yakutat port or airport.

Icy Bay is only 77 air miles from Yakutat, versus 155 air miles from Cordova. Yakataga is 107 air miles from Yakutat versus 125 air miles from Cordova. These distances relate directly to air time and corresponding costs involved, as well much more difficult geographic features from Cordova.

Aviation services from Yakutat presently provide the bulk of support for the Icy Bay logging camp personnel, and also transport a growing number of mountain climbers and skiers. Although regular mail service to the logging camp is out of Cordova, it should be noted that a great deal of mail is delivered by Gulf Air (out of Yakutat) due to timeliness. Essentially all salmon harvested in this region are transported by air to Yakutat.

Activities associated with mineral development are known to cause great demand in aviation services. For example, FAA aviation statistics show 5,470 enplanements (deboarding passengers) at the Yakutat airport in 1975. In 1977, the peak year of oil exploration, enplanements jumped to 10,564. As exploration activities drew to a close, enplanements fell to 5,790 by 1980. In 1988 there were 8,721 enplanements.

Yakutat is now looking at industry plans for offshore gold dredging, another oil and gas lease sale, a copper/cobalt/gold/silver mine in the Alsek River drainage basin in British Columbia, and possible mining under Brady Glacier. There are also a small number of placer mines in the Yakutat vicinity. Although Sale 114 was delayed due to the Prince Williams Sound oil spill, these developments will utilize Yakutat as a support base and will depend on the enviable capability of our airport.

Another indicator of the importance of Yakutat to the area within the borough are recent freight and cargo statistics. In 1988 alone, the Icy Bay logging operation generated roughly 50 tons of freight handled at the Yakutat Cargo Dock.

GEOGRAPHY

The proposed Yakutat Borough boundaries conform to natural geography. While the boundaries do not conform to political subdivisions, they do conform generally to a large number of boundaries established for resource planning and management purposes.

Natural Geography

As is readily apparent, the area proposed for inclusion in the borough includes the uninterrupted coastline from Cape Suckling to the Cape Fairweather region. Cape Suckling is a natural point of demarcation where the coastline changes in direction from southwesterly to northwesterly. Cape Fairweather is the southern boundary for the Yakutat Fishery Management Area. Yakutat occupies the geographic center of the proposed borough. Dr. Edward Packes of the University of Alaska prepared a paper on the ecology of the area proposed for borough formation. Dr. Packes refers to this region as Coastal Lowland, distinct from the surrounding areas of Southeast, and Prince Williams Sound.

Political Boundaries

The proposed borough boundaries do not conform with other political boundaries. Interested parties have raised various objections to the proposed boundaries, and have asserted that the borough boundaries should correspond to REAA and Native Corporation boundaries.

Regional Native Corporation Boundaries

The 141st meridian was established to define Native corporation boundaries. This boundary, initially used for convenience sake, was legislatively mandated. In 1976, Congress amended the Alaska Native Claims Settlement Act by setting the boundary between the Sealaska and Chugach Regions. This change in boundary occurred because, prior to the change in boundary, Sealaska Corporation could not select lands of its own.

It should be noted that the basic reason the 141st meridian came into prominence was because of a stipulation by BLM in order for Chugach to select in areas east of Cape Suckling. Sealaska recognized that Chugach was hard pressed to select lands close to their area of historical association. In order for Chugach to select lands east of Cape Suckling, BLM required that the 141st meridian be recognized as the Corporation boundaries to minimize the potential of future litigation caused by one corporation selecting lands within the regional boundary of another. These boundaries have no existence or historical importance to Yakutat Tlingits prior to ANSCA.

Regional Education Attendance Areas

The regional educational attendance areas (REAAs) were developed using the boundaries or sub-boundaries of the regional corporations. These boundaries do not suit all situations and purposes, and are most likely unsuitable for purposes other than that for which they were intended. If approved, the Yakutat Borough will include portions of two REAAs.

Borough incorporation standards state that the area must include at least one entire REAA. Combining portions of two REAAs is not prohibited. The special characteristics of Alaska and its varying regions and communities require adaptability and flexibility. Government structures must be designed to accommodate geographic features and economic variability to best serve the multiple regions of the state.

The area between Icy Bay and Cape Suckling is a central factor to the economic viability of a Yakutat borough. This area is clearly needed to provide a tax base to make the potential borough feasible. It was included in the Prince Williams Sound study only because it conformed to the REAA boundary, not because it adhered to geographical characteristics or was necessary to provide financial resources required to support mandatory borough services. Actually the study does not address Icy Bay or Cape Yakataga in its discussion of transportation, education, or economics.

Resource Management Boundaries

The area proposed for inclusion in the borough conforms with a significant number of existing boundaries which relate to the use of coastal resources. Particularly significant among these are the following:

Southeast Regional Fish and Game Council - Dixon Entrance to Cape Suckling ("that part of Game Unit 6 east of Cape Suckling")

Yakutat Fisheries Management Area - Cape Fairweather to Cape Suckling

Southeastern Alaska Shellfish regulations - Dixon Entrance to Cape Suckling

Subsistence Fishing Regulations - Cape Suckling to Cape Fairweather

Sportfish Regulations - Cape Suckling to Cape Fairweather

Pacific Halibut Fishery, area 3A - Cape Spencer to about Kodiak

Yakutat Coastal Management Plan, 1981 - Sphere of influence, Cape Suckling to Cape Fairweather

CONCLUSION

The intention of the borough form of regional government as we understand it, is to provide for "Maximum local self-government with a minimum of local government units, and to prevent duplication of tax-levying jurisdictions." Yakutat meets all statutory requirements for borough formation. Yakutat has always performed responsibly and efficiently to protect and enhance the lifestyle and needs of the local residents. A borough form of government will only reassure protection of the local way of life, while at the same time

realizing the goal of the Alaska Constitution.

The community of Yakutat appreciates the careful attention which the Alaska Local Boundary Commission devotes to these issues. We thank you for your time and consideration.

Sincerely,

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

Beth McKibben
City Planner

Attachment #.1

NATIVE ALLOTTMENT APPLICATIONS
CAPE SUCKLING TO CAPE SITKAGI

CONVEYED

Martha Nelson, Yakutat	159 acres
Jerry Nelson, Yakutat	159 acres
Bert Hansen, Yakutat	80 acres
Harvey Milton, Yakutat	40 acres
Walter Johnson, Yakutat	160 acres
Mary James, Yakutat	160 acres

ACTIVE AND AWAITING CERTIFICATION

Edna Watson, Cape Yakataga	10.5 acres
John Bremner Sr., Yakutat	80.0 acres
Rose Hagen, Manley Hot Springs	40.0 acres
Esther D. Bremner, Yakutat	70.0 acres
Clifford Williams, Yakutat	80.0 acres
Ken Hansen, Yakutat	160.0 acres
Samuel Johnson, Yakutat	160.0 acres

Attachment #2

ICY BAY USERS

The following is a list of Yakutat residents who have trapped, fished and hunted (seal, mountain goat, moose, brown bear, waterfowl) in the Icy Bay area including both sides of the bay and Yahtse River.

Bernard Henniger Sr.	Alex Johnson	Bert Hansen
Kenneth Hansen	Benny Benson	Walter Johnson
Jerry Nelson	Joe Nelson	Robert Henry
Howard Bremner	John McKay	George Adams
Harvey Milton	Clarence Milton	David Milton
Peter Harry	William Thomas	Frank Johnson
George Nelson	Ray Smith	Billy Williams
Samuel Johnson	Ben Durkee	Andrew Gray
Harold Gray	Ben Hur Valle	Myron Johnson
Sampson Harry	Sampson Harry Jr.	George Ramos
John Ellis	Willie Brown Jr.	Fred Bremner
Brandon Powell	Mary James	Jennie McKay
Jessie George	Emma Williams	Sara Williams
Martha Nelson	Helena Nelson	David Phillips
Minnie Johnson	John Pavlik	Andy Pavlik
Rudy Pavlik	Paul Pavlik	Tom Schmidt
John Bremner Jr.	Allen Bremner	Byron Mallott
Russ Hensler	John D. Firestack	Lane Halverson
Dale Wells	Jay Lowenstein	Fred Bemis
Jimmy Jackson	John Bremner Sr.	Peter Milton

Attachment #3

YAKATAGA FISHERIES PARTICIPATION

The following is a list of Yakutat based permit holders who fished the Yakutat district in the Yakutat fishery area in the past 10 years.

The following permits fished one or more rivers in the Yakataga District in 1988:

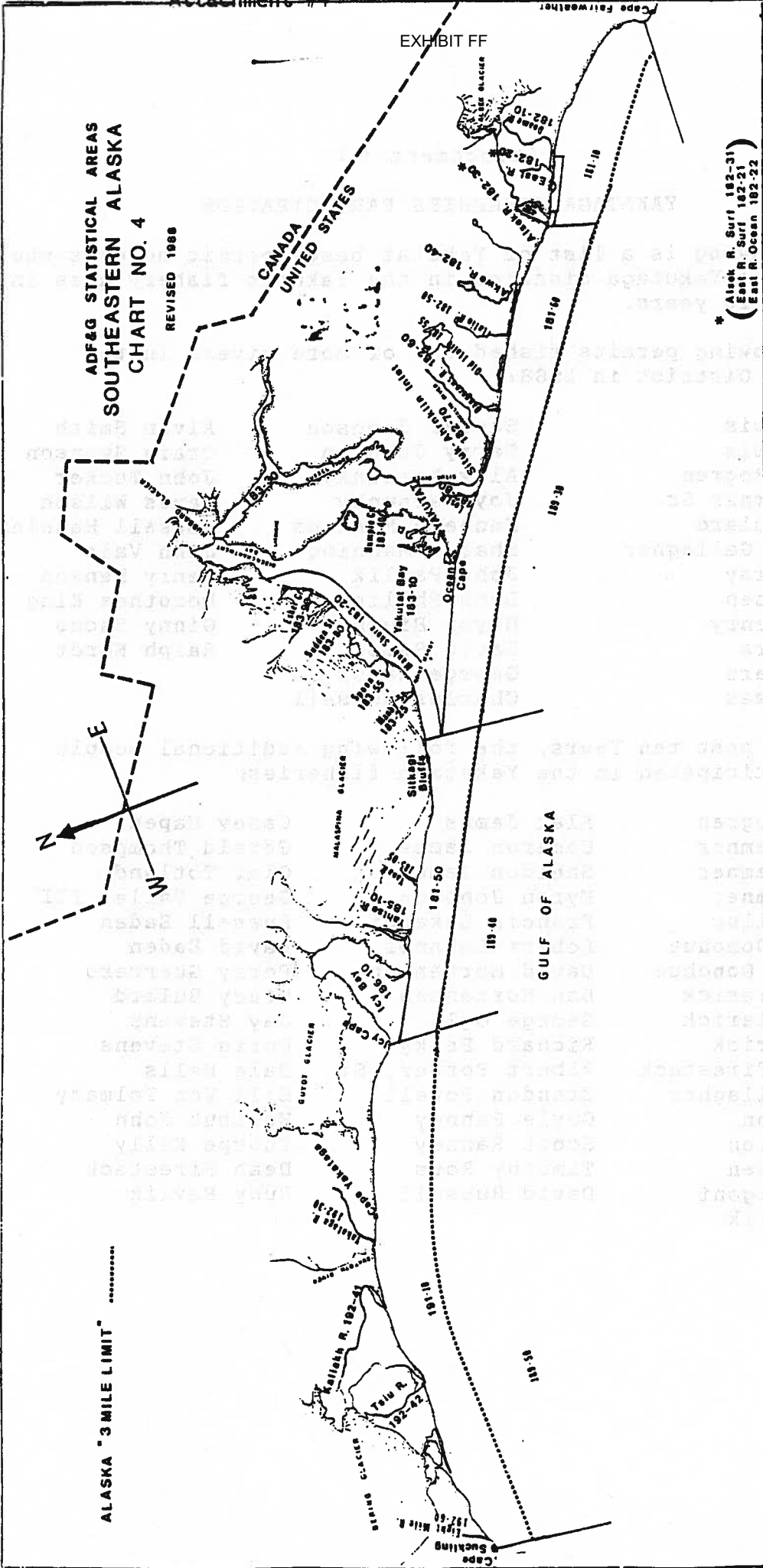
Larry Bemis	Samuel Johnson	Alvin Smith
Robin Bemis	Terry Johnson	Craig Swanson
Russell Bogren	Alex Karsunky	John Tucker
John Bremner Sr.	Joy Karsunky	James Wilson
Robert Bulard	Kenneth Mankins	Russell Hansler
Terrance Gallagher	Sharon Manning	John Vale
Harold Gray	John Pavlik	Henry Benson
Bert Hansen	Leon Phillips	Dorothea King
Arlene Henry	Bryan Piernot	Ginny Sacco
Mike Ivers	David Ramos	Ralph Nordt
Wayne Ivers	George Ramos	
Daryl James	Charles Russell	

Over the past ten Years, the following additional people also participated in the Yakataga fisheries:

George Bogren	Alex James	Casey Mapes
Allen Bremner	Cameron James	Gerald Thompson
James Bremner	Sheldon James	Olaf Totland
Troy Bremner	Myron Johnson	George Valle, III
Betty Buller	Francis Lekanof	Russell Eaden
Patrick Donohue	Robert Lakanof	David Eaden
Caroline Donohue	David Mortensen	Perry Guerrero
Robert Dierick	Dan Mortensen	Tracy Bulard
Darcia Dierick	George Ogle	Jay Stevens
Greg Dierick	Richard Pelky	Doris Stevens
John D. Firestack	Albert Porter, Sr.	Dale Wells
Terry Gallagher	Brandon Powell	Bill Von Tolmacy
Eli Hanlon	Gayle Ranney	Halibut John
Inga Hanlon	Scott Ranney	Thorpe Kelly
Nina Hansen	Timothy Ross	Dean Firestack
Albert Rigoni	David Russell	Rudy Pavlik
Andy Pavlik		

ADF&G STATISTICAL AREAS
SOUTHEASTERN ALASKA
CHART NO. 4

REVISED 1988



* Alaska R. Surri 182-31
East R. Surri 182-21
East R. Ocean 182-22

CITY OF YAKUTAT
PLANNING AND ZONING COMMISSION
RESOLUTION PZ 90 - 1

A RESOLUTION RECOMMENDING THE FORMATION OF A BOROUGH HAVING THE SAME BOUNDARIES AS THE PROPOSED YAKUTAT COASTAL RESOURCE SERVICE AREA.

WHEREAS, the Yakutat Planning and Zoning Commission has studied the needs and benefits of a Coastal Resource Service Area extending from Cape Suckling to Cape Spencer; and

WHEREAS, the Alaska Local Boundary Commission, and other Alaskan communities are studying borough formation up to, and within the Yakutat proposed boundaries; and

WHEREAS, the same logic for the Yakutat Coastal Resource Service Area boundaries applies to Yakutat Borough boundaries;

NOW, THEREFORE BE IT RESOLVED; that the Yakutat Planning and Zoning Commission recommends formation of a borough having the same boundaries as the proposed Coastal Resource Service Area.

PASSED AND APPROVED THIS 14th DAY OF May, 1990.

ATTEST:

Caroline C Powell
CHAIRPERSON

Gene Stockton
CITY CLERK

SOUTHEAST ALASKA VETERINARY CLINIC, INC.

CLIFF LOBAUGH, D.V.M.
PATRICK M. TAYLOR, D.V.M.
LISA KRAMER, D.V.M.

7691 GLACIER HIGHWAY
JUNEAU, ALASKA 99803
PHONE 789-7551



July 13, 1990

Alaska Local Boundary Commission
155 South Seward
Juneau, AK. 99801

Dear Gentlemen:

The CBJ Assembly displayed great wisdom and foresight when they passed the resolution requesting the Mansfield Peninsula, adjoining Admiralty Island National Monument, be considered for roadless recreation in the Southeast Conference Report on the Management of the Tongass National Forest. (SERIAL # 1368)

The past decade has been an exciting, active and positive period for Admiralty Island after being held in contention for over 80 years. The next decade is proving to be as productive for the protection of the island.

Presently, private agencies, such as; Public Lands Trust and Nature Conservancy have been actively pursuing and purchasing inholdings on Admiralty Island National Monument. SEALASKA is in negotiations for subsurface rights adjoining Green Creek Mine on Admiralty Island National Monument lands. If Sealaska, Kennecott and Mitsubishi are sincerely interested in developing these valuable subsurface areas in the monument, they will have to give the public something of like value in return.

The logical move to facilitate negotiations would be for these corporate entities to support the remaining acreage of Admiralty Island be placed in monument status and furnish monies for purchasing inholdings.

Now is not the time for the CJB to annex areas on Admiralty Island, even if only for taxation purposes.

Sincerely,

Cliff D. Lobaugh

Dr. Cliff D. Lobaugh, DVM

lcc

rll

Pelican School District

P.O. Box 603 • Pelican, Alaska 99832
Phone (907) 735-4411

May 15, 1990

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

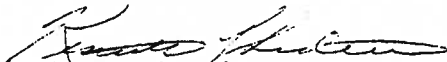
Gentlemen:

Following review of available materials the Pelican City School Board agreed to go on record as adamantly opposing the formation and/or creation of any new boroughs until we can be shown how the new boroughs will benefit us.

Providing quality education is the goal of this District and maintaining local control will enable us to continue with this process.

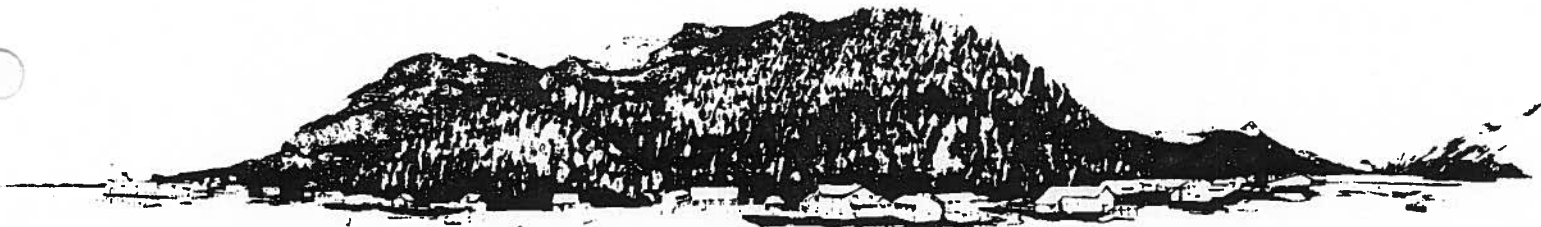
Yours truly,

PELICAN SCHOOL BOARD


Kenneth Siderius
Superintendent

cc: City of Pelican
Alaska Association of School Boards

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



Community of Elfin Cove Non-Profit Corporation

POST OFFICE BOX ONE
ELFIN COVE, ALASKA 99825
(907) 697-8131

May 15, 1990

C.B. Bettisworth, Chairman
Local Boundary Commission
949 E. 36th Ave., Suite 405
Anchorage, Alaska 99508

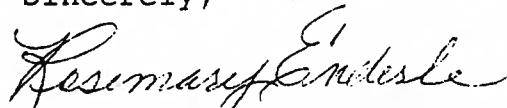
Dear Mr. Bettisworth,

Our community commends the effort extended by the Commissioners to establish model borough boundaries for central S.E., your findings show insight to the diverse character of the communities involved.

We wish to comment on the placement of Inian Islands. The few residents of the Islands are registered voters in Elfin Cove and are active participants in our corporate affairs. They receive vital services, mail, fuel, air service and fish buying stations in Elfin Cove. Also, the Islands are registered in the Sitka District. Our members, including these residents request that you reconsider the boundary recommendations to include them with Elfin Cove in the final report.

Though we continue to stand firm opposing our inclusion in any borough, if regional government should ever befall us, this adjustment will allow Inian Island residents a feasible opportunity to represent their interest.

Sincerely,



Rosemary Enderle, Chairman

cc: Dept. of Community and Regional Affairs

RECEIVED

MAY 3 1990

RECEIVED

MAY 22 1990

COMMISSIONER'S OFFICE
COMMUNITY & REGIONAL AFFAIRS



April 3, 1990

Local Boundary Commission
949 E. 36th Avenue, Suite 405
Anchorage, Alaska 99508

Dear Commissioners:

Enclosed, please find Chugach Alaska Corporation's testimony on the model borough boundary study - Chatham area recently delivered to the City Council of Cordova. This testimony follows our letter to you of January 8, 1990 on the same subject. The Cordova Council voted unanimously to support CAC's position on this matter.

Also enclosed are additional CAC comments on the City of Yakutat's proposal to form a single-city borough following our testimony before the Local Boundary Commission in Juneau on February 13.

Please keep us informed of your progress on these issues. If we can be of further assistance, do not hesitate to contact Peter Nagel at 563-8866.

Sincerely,

CHUGACH ALASKA CORPORATION

Edgar Blatchford

Edgar Blatchford, Chairman

Attachments

RECEIVED
APR 6 1990
Dept. of Community Affairs
Div. of Municipal & Reg. Affs.

April 2, 1990

COMMENTS BY
CHUGACH ALASKA CORPORATION TO
THE LOCAL BOUNDARY COMMISSION REGARDING
PROPOSED YAKUTAT BOROUGH FORMATION

1. Chugach Alaska Corporation's Stake in the Proposed Borough Formation

The western area within the proposed Yakutat Borough includes 85,000 acres of land owned by Chugach Alaska Corporation ("CAC") and 200,000 acres of land selected by CAC pursuant to the Alaska Native Claims Settlement Act ("ANCSA"). Also within the area, CAC's wholly-owned subsidiary, Chugach Timber Corporation, has purchased 20 million board feet of timber from State of Alaska lands. There are no CAC shareholders residing in Yakutat, the only permanent community within the proposed borough. Therefore CAC would not have an equal voice in the region's political and planning processes effecting over one-quarter of its ANCSA lands. CAC selected these lands, which are located within the Chugach region, on the basis that the lands would be subject to statewide planning jurisdiction based in the Chugach region. Inclusion of CAC's land in a separate borough outside the Chugach region completely undermines CAC's ability to impact land use decisions through political participation. It would be entirely inappropriate to subject CAC's lands to jurisdiction of a regional governmental unit centered outside of Prince William Sound.

2. The Establishment of Boroughs is a Matter of Regional and Statewide Concern. Not Solely an Issue of Local Concern

Within the western portion of the proposed borough area stand approximately 2.8 billion board feet of timber on State land, including that belonging to the University of Alaska, and 80 million board feet of timber on private (CAC) land. Much of this

timber will be harvested by CAC's wholly owned subsidiary Chugach Timber Corporation and processed at the new Seward Sawmill, within the Chugach Region, not to mention the State of Alaska. On installation of two full shifts by the end of 1990, the sawmill will be the largest year-round employer on the Kenai Peninsula. During its sawmill site-selection analysis, CAC picked Seward because of its multimodal access, central location in the Chugach Region and proximity to the regional timber supply.

The western area also holds substantial oil and gas and placer mineral potential as well as fisheries, recreation and tourism resources of substantial importance to the Chugach Region. As the regional Native corporation for the area, CAC has planned its corporate strategy to solidify its permanent, broad-based presence in the area and integrate these ANCSA assets into the Chugach regional economy. (See attached letter to Representative Menard.)

The City of Yakutat is the only permanent community within the proposed borough area. Incorporation of this borough would subject the entire region to planning authority dictated entirely by the City of Yakutat, a commercial fishing village which, according to its mayor, catches approximately one-third of its annual take from the western portion of the proposed borough area. The Local Boundary Commission's function is to provide an "objective administrative body to make state-level decisions regarding local boundary changes, thus avoiding the chance that a small, self-interested group could stand in the way of boundary changes which were in the public interest." *Port Valdez Co., Inc. v. City of Valdez*, 522 P.2d 1147, 1150 n.7 (Alaska 1974) (emphasis added). In this situation, a small self-interested group, the City of Yakutat, is attempting to institute boundary changes which would not be in the state's interest, but only in the interest of the City of Yakutat.

The determination of borough and city boundaries is a matter of statewide concern. In particular, "the subject of expansion of municipal boundaries is legitimately the concern of the state as a whole, and not just that of the local

community." *Fairview Public Utility District v. City of Anchorage*, 368 P.2d 540, 546 (Alaska 1962). See also *City of Douglas v. City and Borough of Juneau*, 484 P.2d 1040, 1043 (Alaska 1971); *Oesau v. City of Dillingham*, 439 P.2d 180, 184 (Alaska 1968). Vesting this responsibility with the state rather than local governments is at the heart of Article X, Section 12 of the Alaska Constitution, establishing the Local Boundary Commission. "[T]he concept that was in mind when the local boundary commission section of the Constitution was being considered by the constitutional convention was that local political decisions do not usually create proper boundaries and the boundaries should be established at the state level." *Oesau*, 439 P.2d at 183-84. There is no legitimate statewide interest in granting a first class city of less than 1,000 persons the sole authority and jurisdiction to regulate and tax such an enormous expanse of privately-owned and State land.

3. Incorporation would Contravene the Alaska Constitution, Statutes, and Regulations

The incorporation of the proposed borough would violate the Alaska Constitution, the Alaska statutes, and the regulations promulgated by the Local Boundary Commission. The Alaska Constitution provides:

Section 3. Boroughs. The entire State shall be divided into boroughs, organized or unorganized. They shall be established in a manner and according to standards developed by law. 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 legislature shall classify boroughs and prescribe their powers and functions. Methods by which boroughs may be organized, incorporated, merged, consolidated, reclassified, or dissolved shall be prescribed by law.

Alaska Const., Article X, Section 3. The proposed Yakutat borough does not "embrace an area in population with common interests to the maximum degree possible." The population is located solely in the City of Yakutat. That population has no common interest with the major landowner in the region, CAC. Moreover, the proposed borough would not be established in accordance with the standards of population, geography, economy, and transportation which have been established pursuant to Article X, Section 3.

The standards for incorporating a borough are provided in Alaska Statutes 29.05.031 and 19 A.A.C. 10.160. The proposed borough does not meet the enumerated standards. There are no regularly scheduled transportation services between Yakutat and other points within the area to facilitate the communication and exchange necessary for the development of an integrated borough government. A.S. 29.05.031; 19 A.A.C. 10.160. There is only one community within the area, the City of Yakutat, and the regulation requires that the area include two separate communities. 19 A.A.C. 10.160(1). Moreover, there are not at least 1,000 people located within the area, as required by 19 A.A.C. 10.160. Therefore, the population is not large and stable enough to support borough government as required by A.S. 19.05.131(a)(1).

The City of Yakutat attempts to circumvent the regulation by claiming that it does not deserve the same deference as the statute, and positing that the Commission has the discretion to waive the regulatory standards. However, when a regulation has been promulgated pursuant to an agency's delegated legislative authority to make law through rules, it is accorded the same deference as a statute. See 2 Davis, Treatise on Administrative Law § 7-8, § 7-21 (1979). This regulation was promulgated pursuant to the Local Boundary Commission's authority under the Alaska Constitution,

Article X, Section 12, and A.S. 44.47.980. Therefore, it is not within the Commission's discretion to ignore its own regulation at the request of the City of Yakutat.¹

4. The Proposed Borough is Analogous to Annexation of Yakutat

The proposed borough would amount to an effective expansion by annexation of the City of Yakutat to the limits of the boundaries of the proposed borough. There is no question that the City of Yakutat would not be able to expand its boundaries to encompass the area in the proposed borough under the standard which must be met for contiguous territory to be annexed to a city, pursuant to 19 A.A.C. 10.070. The land is not totally surrounded by the city's boundaries, is not wholly owned by the city, and is not urban in character. 19 A.A.C. 10.070(a)(1), (2), (3). Neither is the area in need of municipal services. 19 A.A.C. 10.070(a)(4). There is no reasonable likelihood that future municipal growth will occur to encompass the entire area within the proposed borough. 19 A.A.C. 10.070(a)(5). There are no conditions endangering city residents within the area which the city would be able to remove or relieve by annexation or incorporation of a borough. 19 A.A.C. 10.070(a)(6). Incorporation of the borough is not necessary to provide adequate services to city residents. 19 A.A.C. 10.070(a)(7).

The City of Yakutat could never succeed in enlarging its municipal boundaries to include the proposed borough, because it could not meet any of the requirements for annexation of that area of land. Therefore, the City should not be allowed to accomplish the same goal through incorporation of a borough.

¹The Alaska Constitution mandates that when a general law scheme of incorporating a new borough can be made applicable, the legislature may not pass a local or special act in order to allow an area to incorporate as a borough that otherwise could not. Alaska Const. art. II, § 19; *Abrams v. State*, 534 P.2d 91, 94 (Alaska 1975). Likewise, the Local Boundary Commission should not promulgate or repeal regulations in order to allow the Yakutat proposed borough to incorporate because it does not meet the requirements under the general law.

The borough in Alaska "... corresponds generally to the county in other states." *Walters v. Cease*, 388 P.2d 263, 264 n.1 (Alaska 1964). It is a political subdivision containing multiple communities which cooperate in a regional government. There is no state interest in establishing two separate governments within a single community. See *Oesau v. City of Dillingham*, 439 P.2d at 184. It is within the State's interest and the Commission's responsibility, to avoid "multiplication of facilities and services, duplication of tax burdens, and inevitable jurisdictional conflict and chaos." *Id.*

The City of Yakutat's proposal must be seen as the latest attempt by the City to control resource management in the area. Previously, the City petitioned the Department of Community and Regional Affairs to establish a Coastal Resource Service Area in the same area between Cape Suckling and Cape Spencer. Since it has not been successful in that endeavor, the City is now attempting to achieve the same ends through incorporation of a borough. However, land use and resource planning authority should not be vested in a small community with limited ties or connection to the lands it seeks to govern. That authority is more appropriately vested in statewide planning agencies, or in a regional planning unit based in the Chugach Region.



Statewide Office of Land Management
Butrovich Building • Suite 211 • 910 Yukon Drive • Fairbanks • Alaska • 99775
(907) 474-7421 • FAX: (907) 474-7554

March 26, 1990

Alaska Local Boundary Commission
949 East 36th Avenue, Suite 400
Anchorage, Alaska 99508

RE: Yakutat, et al., v. University of Alaska, et al.
Alaska Superior Court Case No. 1JU-88-271 Civil

Subject: Waiver of Standards for Proposed Yakutat Borough

Dear Commission Members:

I am writing to you on behalf of the University of Alaska (University) in response to the City of Yakutat's (Yakutat's) request that the Local Boundary Commission waive certain standards and requirements for borough formation. Yakutat is proposing formation of a new borough with boundaries stretching from Cape Fairweather to Cape Suckling. The University owns land and timber at White River, Cape Yakataga and Cape Suckling. These areas fall within the boundaries of the proposed borough. The University requests that it be kept informed regarding the possible formation of a borough in this area and be given the opportunity to comment.

In order to go forward with its borough proposal, Yakutat must seek waiver of the requirements that the area include at least two separate communities and, that there are at least 1000 people located within the area. 19 AAC 10.160(2) and (4). These standards address the fundamental issue of when formation of an organized borough is warranted. It is the University's position that formation of a Yakutat Borough is clearly unwarranted and we therefore oppose the waiver of these important standards.

The only population center and community within the boundaries of the proposed borough is Yakutat itself. It has a population of 750 persons. The year-round population of the Icy Bay-Cape Suckling area was listed at 4 by the Department of Natural Resources in its recently published Site-Specific Plan for Yakataga. That population can hardly be considered "large and stable enough to support borough government," as required by AS 29.050.031. In addition, the Icy Bay/Cape Suckling area does not include "human and financial resources capable of providing municipal services," also required by that statute. Thus, Yakutat's proposal is inconsistent with regulatory and statutory requirements.

RECEIVED

MAR 28 1990

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

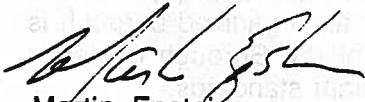
Local Boundary Commission
March 26, 1990
Page 2

The primary constitutional and statutory goal of the formation of an organized borough is to allow health, educational, safety, cultural and other municipal services to be provided to organized communities through local self-government. Yakutat's proposal does not appear to be motivated by a desire to provide municipal services to the Icy Bay/Cape Suckling area. Rather, it appears to be motivated by a desire to control and tax land ownership and resource development in that area for the sole benefit of the City of Yakutat. Viewed in this light, Yakutat's proposal is somewhat similar to recent unsuccessful attempts by other boroughs to reach out and capture portions of the TransAlaska Pipeline or Mount McKinley, through boundary expansion, solely to provide a source of revenue for distant communities.

There is no need for borough formation in this situation. Yakutat is already a first class city with essentially the same powers of a borough within its properly focused boundaries. It also has a significant opportunity to participate in land management decisions in the Icy Bay/Cape Suckling area by virtue of its membership in the Alaska Coastal Policy Council. Without the presence of a stable and sufficient population in the proposed area, the State has no reason to relinquish its direct management and control of the land and resources in the Icy Bay/Cape Suckling area.

Finally, Yakutat is actively involved in litigation against the University in an attempt to set aside a conveyance by the State to the University of land and resources in the Icy Bay/Cape Suckling area. These lands replace property taken by the Municipality of Anchorage under the Municipal Entitlements Act. Yakutat's position in that lawsuit includes setting aside the conveyance to the University and prohibiting timber harvesting within the Greater Yakataga Forest. The University views the present proposal by Yakutat as an alternative means to the same end. This is certainly not the proper use of the borough formation process. The statutory and regulatory standards and requirements of borough formation protect against such abuses and they should not be waived in this situation.

Very truly yours,



Martin Epstein
Director

cc: File 1373
Russ Winner, Winner & Associates

CAC POSITION ON THE LOCAL BOUNDARY COMMISSION'S MODEL
BOROUGH BOUNDARY STUDY - CHATHAM AREA
CORDOVA CITY COUNCIL, 2/23/90

Introduction

Good evening. My name is Peter Nagel, Director of Lands and Resource Planning at Chugach Alaska Corporation. On behalf of our president, Michael Chittick, and Board of Directors, I am here to convey the company's views on the Chatham Area Model Borough Boundary and ask for support of that position by the City of Cordova.

Chugach Alaska Corporation's (CAC) recommendation at this stage of the LBC model borough boundary planning process is twofold. First, the LBC should include the community of Yakutat within a Chatham area model borough study along with the "Glacier Bay" communities of Hoonah, Kluckwan and others. Second, the furthest western extent of any "Chatham" Borough should be the 141st meridian at the Malaspina Glacier.

CAC recommendation has three premises. First, Yakutat is historically, culturally and geographically tied most closely to its neighbors to the Southeast. Second, model borough planning must serve the statewide interests of sound, regional planning. Third, the moving of the western boundary of a Southeast model borough this side of the 141st meridian would significantly undermine the value of one-quarter of CAC's regional ANCSA assets, thereby negatively affecting our shareholders and long-term economic health of the Chugach region and its communities.

On the first premise, Yakutat is predominantly a Tlingit fishing village and the seat of a Native village corporation of the Sealaska Native region. Most of Yakutat's air and ship traffic originates and ends in other southeast ports not those in southcentral Alaska. At least one of the major fish processing plants in Yakutat is based in another Southeast community. Yakutat is also within numerous administrative units based in Southeast as will be described more fully below.

On the second point, the State of Alaska comprises a large and potentially unwieldy territory. It is vital to the success of the State in the global environment that its diverse geographic areas are consolidated in as strong and unified a manner as possible. Alaska Statutes Title 46 (Coastal Management), Title 29 (Local Government) and Title 14 (Schools) all recognize the importance of balanced, regional, interlocking units.

CAC Testimony

Model Borough Boundaries - Chatham

Page 2

Finally, the area west of the Malaspina Glacier has long occupied an integral, sometimes central position, in the Chugach region, from a cultural, community and business perspective. Within this area, CAC owns approximately eighty-five thousand acres of lands under ANCSA and an additional two hundred thousand acres of selection rights. CAC has also purchased State timber in the area as part of its recent diversification into the timber processing industry.

The map on display shows ownership (including original Native land claims) and the various administrative and management boundaries pertaining to this area. Attachment 1 describes these boundaries in greater detail. Attachment 2 describes the geographic, social, economic and cultural ties of this area to Cordova and the Prince William Sound. Attachment 3 describes the history of CAC's involvement in the area's development. These attachments together briefly highlight the important relationship that CAC and Cordova have developed and the role of the eastern Chugach region to our success.

Since there are no Chugach residents of the northern Southeast area, inclusion of these lands in a non-Prince William Sound-based borough would completely undermine the company's ability to impact land use decisions as equals through political participation on over one - quarter of its regional ANCSA assets. CAC has always pursued the conveyance of these lands as the highest priority because of their high resource potential. The company has proceeded on the reasonable basis that the development of its resources would be subject to regional interests and regional procedures in which it has always actively and vitally participated.

CAC recently appeared before you concerning a related matter, the 1988 proposal by the City of Yakutat to establish a large, single-city CRSA, including the eastern Chugach Region. Also, last week, CAC testified before the Local Boundary Commission against the request by Yakutat to form a single-city borough. Decisions on both these requests have been put on hold until the Commission's model boundary report is issued.

Thank you for considering our views on this matter. We at CAC look forward to our continued communications with Cordova on this and other regional issues.

Attachment 1

Rural Education Attendance Areas. The basis for organization of a CRSA is an REAA "established under A.S. 14.08.031 containing a part of the coastal area". A.S. Section 46.140.120(a). A.S. Section 14.08.031 authorizes the Department, in consultation with the Department of Education and local communities, to divide the unorganized borough into REAA's "using the boundaries or sub-boundaries of the regional corporations established under the Alaska Native Claims Settlement Act". Section 7(a) of ANCSA, in turn, required the Secretary of Interior to divide Alaska into 12 regions, each composed of Natives having a common heritage and sharing common interests. The division of the regions is discussed in the next paragraph; the boundary between REAA's 18 and 21 has been established at the 141st Meridian.

Chugach Alaska/Sealaska Boundary. The ANCSA regional boundary between the Chugach and Sealaska regions was not arbitrarily set and agreed upon by the directors of two remotely interested regional corporations as in other regions of the State. Instead, this boundary was thoroughly researched on cultural and geographic grounds by the Department of Interior before the Secretary of Interior established the boundary at the 141st Meridian pursuant to ANCSA Section 7(a). Sealaska challenged the boundary in federal court and the case went to the United States Supreme Court. (*Chugach Natives, Inc. v. Sealaska Corporation*, U. S. Supreme Court Docket 74-1118.) Before the court ruled, Congress enacted P.L. 94-204, Section 11 of which establishes the boundary between Chugach Alaska Corporation (CAC) and Sealaska at the 141st Meridian, as originally proposed by the Secretary of Interior under ANCSA Section 7(a).

Election District. Article VI, Section 6, of the Alaska constitution requires election districts to "be formed of contiguous and compact territory containing as nearly as practicable a relatively integrated socio-economic area". The 1981 reapportionment plan promulgated by then Governor Hammond included a House District 2 stretching from west of Cordova to the southern boundary of Southeast. In *Carpenter v. Hammond*, 667 p.2d 1204 (Alaska 1983), the Alaska Supreme Court invalidated the district as not comprising an "integrated socio-economic area" and therefore in violation of Article IV, Section 6. Responding to *Carpenter* then Governor Sheffield in 1984 redrew the boundary of House District 2 at the 141st Meridian. In *Kenai Peninsula Borough v. State*, 743 p.2d 1352 (Alaska 1987), the Alaska Supreme Court upheld the validity of the redrawn district, finding it "to

CAC Testimony

Model Borough Boundaries - Chatham

Page 4

satisfy the element of relative socio-economic integration" and specifically noting that the "communities [within redrawn House District 2] share a common interest in the management and disposition of state lands". *Id.* at 1361.

Currently, the 141st Meridian forms the boundary between Election Districts 2 and 6 and Senate Districts B and E.

Borough Study Area. The DCRA-funded, 1987 study of establishing a borough in the Prince William Sound (PWS) region included an area bounded on the east by the 141st Meridian. The standards for borough incorporation include, among many others, a population interrelated and integrated as to its "social, cultural and economic activities" and boundaries which "conform generally to natural geography". A.S. Section 29.05.031(a)(1) and (2). These standards are specifically incorporated into the grounds for consolidating REAA's in organizing a CRSA under A.S. Section 46.40.120(b). Significantly, nothing in the PWS Borough Study suggests that the area targeted by Yakutat west of the 141st Meridian is inappropriate for inclusion in a PWS area borough. In fact, this recent study follows two, earlier, Chugach regional government studies (see attached bibliography) which concluded that the Icy Bay-Yakataga-Bering River area is integral to the well being of a PWS regional government. Two of these reports were funded by ADCRA and one was funded by CAC (formerly Chugach Natives, Inc.).

Coastal Policy Council PWS Region. The Alaska Coastal Policy Council is established by statute to develop and approve the Alaska coastal management program, of which district and CRSA coastal management programs are component parts. The council consists of nine public members, each from a different region of the State, include one from "Prince William Sound, including, generally, the area east of the Kenai Peninsula Borough to the 141st degree west longitude". A.S. Section 44.19.155(a)(1)(G). Thus, the legislation establishing the public body specifically charged with administering the State's coastal management program recognizes the 141st Meridian as the border between the Prince William Sound region and two Southeastern CPC regions.

Other Administrative Units. The 141st Meridian also serves as the eastern boundary for the Department of Natural Resources Southcentral Region and Cordova Recording District, the Department of Transportation and

CAC Testimony

Model Borough Boundaries - Chatham

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Attachment 2

Culturally, the area between Cape Sitkagi and Cape Suckling has seen a dynamic human history. Its first occupants were the Chugach Eskimo who reached Cape Suckling from the west via the same ocean currents which later brought Vitus Bering under the Russian flag. From here, the Chugach dispersed both east toward Yakutat and west into Prince William Sound. The Eyak Athabaskans migrated down the Copper River to occupy the coastal area from Cordova to Yakutat where they lived in isolation for a long time, enough to preserve their language in a form closely related to its proto-Athabaskan roots. Throughout the area, this occupation is testified to by the existence of Eyak place names such as "Tsiu" and "Kaliakh". One of the Eyak migration stories, documented by Dr. Frederica de Laguna in Under Mount St. Elias (p. 218) relates that the members of their eagle sib traveled over the Malaspina Glacier to the Pacific Ocean.

Economically, the area has a history of strong ties to the Prince William Sound/Copper River region. During the Russian period, Nuchek Island at the mouth of Prince William Sound was the largest settlement between Kodiak and Sitka and was the focus of all Native and Russian commerce for the southcentral Gulf Coast. The American period was heralded by the discovery of Copper at Kennicott, oil, gas and coal at Bering River, and gold at Yakataga. The Copper River & Northwest Alaska Railroad was built and the towns of Valdez, Cordova, Katalla and Yakataga were founded to service natural resource production. The former thrive to this day; the latter until production ceased for more lucrative prospects elsewhere. Fish canneries also flourished throughout the area.

The modern era began with the construction of United States Air Force bases and communication sites, most notably at Yakutat, Yakataga, Cordova and Middleton Island. The Federal Aviation Administration and Alascom currently maintain important communication facilities at these sites. The 1950's ushered in three decades of modern oil exploration both on and off shore in the Gulf of Alaska Tertiary Province; additional sales are being considered by the federal and state governments. And, the timber industry in the area contributes significantly to the post-Statehood domestic and export economies.

Geographically, the area is associated with Prince William Sound. This fact is evident in other boundaries being drawn for statistical and

administrative purposes such as the Federal Census Areas, State Election Districts and Judicial Districts, the Alaska Department of Natural Resources' timber, minerals and permit divisions, and Department of Transportation and Public Facilities. The 1971 ANCSA boundaries were also intended to represent cultural and geographic regions of the State. In each of these cases, in addition to the REAA, the Cape Suckling-Icy Bay area is adjoined to Prince William Sound. The area is further tied to Cordova via air and health services.

Environmentally, the area is tied to the Copper River Delta and Prince William Sound. The Bagley Icefield spawns glaciers all along this stretch of coastline from the Copper River to Yakutat Bay. The proximity of these glaciers to the exposed Gulf of Alaska gives a particular identity to the physical environment including fish and game habitat. The comparable Harding, Sargeant and Columbia ice fields lie to the west. Together, the four delineate a continuous, distinct glacio-coastal zone between the Kenai Fjords and Malaspina Glacier. Furthermore, in 1973 the Joint Federal State Land Use Planning Commission's Major Ecosystems atlas established hydrographic regions of the state dividing the southcentral from southeast regions at Malaspina.

CAC Testimony

Model Borough Boundaries - Chatham

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Attachment 3

The Chugach region projects inland to the crest of the Kenai and Chugach Mountains and stretches from the tip of the Kenai Peninsula east to the 141st meridian near Cape Sitkagi where it is coincident with the Chugach REEA boundary.

The lands in the western half of the proposed CRSA which are also within the Chugach REEA are the subject of this testimony. These lands, between Cape Suckling and Cape Sitkagi, are within the Chugach regional boundary drawn under the terms of the Alaska Native Claims Settlement Act. Chugach Alaska Corporation (CAC), a Native Regional Corporation, is owned by approximately 2,000 shareholders whose ancestry represents every major Native group in the State. Over half of these shareholders also belong to one of the five associated village corporations seated in Chenega Bay, English Bay, Eyak, Port Graham and Tatitlek.

The Chugach Region has been the subject of several important overlapping plans and studies at which CAC has been a regular, even central, participant. Through sound judgement and tenacity, the company and its associated villages have become a constant force in diversifying and stabilizing the region's economic base.

One of the foremost studies was mandated under ANILCA to determine how best to provide traditional and economic properties to the corporation when most of the lands available for CAC to select under the terms of ANCSA were landlocked, steep, barren and glacial. The Chugach Region Study was a milestone event taking two years to complete, encompassing the entire Region as well as lands outside of the region, and involving multidisciplinary analysis by private, public and academic institutions and communities. With strong support from the CAC board of directors and shareholders, the Study succeeded in settling the Chugach claims within the Region.

Industry interest in oil and gas development in the Gulf Province led Chugach in 1976 to produce environmental and feasibility studies of an onshore support base on the east side of Icy Bay. The site was one of several being studied by industry, the state and federal agencies. Since no economic resource was discovered during the exploration boom in the 1970's, the decision on which site(s) was most suitable was never made.

With the planning that will accompany new offshore sales, this early work will again come under scrutiny.

Timber development has long been the subject of CAC's economic development planning. State-owned timber lands at Yakataga and Icy Bay were studied carefully during the Chugach Regional Study process. Although these lands were not included, the company has an excellent understanding of the resources at hand. CAC has participated fully and will continue to do so in the current multiple resource planning efforts including the Timber-Fish-Wildlife process and ADNR area plans. With the installation of the company's lumber mill at Seward, the investment in these years of planning are coming to fruition. The mill will have an installed annual capacity of 40 million board feet and employ fifty persons per shift. It is capable of doubling both by adding a second shift.

Fisheries development has always been a major factor in the Chugach Region's economy and the Chugach Corporation's business plan. The company owns and/or operates fish processing plants in Cordova, Port Graham and on Kodiak Island. It monitors and participates in ADF&G's Comprehensive Salmon Plans for the Prince William Sound and Yakutat districts. The company cooperates with fish buyers in the Yakataga area to provide the best possible access to market for the season's products.

One of CAC's long standing land management objectives is to preserve the area's cultural heritage. In the Gulf area, the company has been particularly active at Icy Bay, Katalla and Kayak Island where the wealth of these resources is an integral part of resource development planning. CAC maintains contact with the State's Office of History and Archaeology to improve the knowledge and protection of cultural sites throughout the area.

With its abundance of dramatic scenery and wildlife and maritime environment, the Chugach Region offers great opportunity for the visitor industry. At Icy Bay and elsewhere, the company is working with various recreation operators to explore the opportunities for tying these more remote parcels into the busy visitor traffic of Prince William Sound and the Kenai Peninsula. The completion of the Whittier and Cordova overland access corridors will greatly improve the opportunities to develop this industry throughout the region.

CAC Testimony

Model Borough Boundaries - Chatham

The most recently completed regional planning effort was the Prince William Sound Borough Study by the planning commissions of Cordova, Valdez and Whittier. This event was significant in that it united the separate communities of the unorganized Chugach Region in a regional planning exercise. CAC and its non-profit regional counterpart, The North Pacific Rim, participated in the study process and coordinated a special meeting between the municipal project managers and the Native corporate and tribal entities of the region. The eight chapter report concludes that a regional government following the Chugach REAA boundaries is economically feasible and can be integrated as a logical planning boundary.

In conclusion, CAC has played a major role in resource planning and development in the region. Since incorporation, the company has invested approximately 180 million dollars directly into the regional economy through resource inventories, development planning, natural resource purchases, payroll, plant, equipment and supplies, primarily in the fisheries, coal, and timber industries. This investment was made as an integral part of settling its ANCSA land claims within the boundaries of the Chugach Native region, a long time goal of the Chugach shareholders and board.

CHUGACH ALASKA CORPORATION

FEBRUARY 13, 1990

TESTIMONY

ALASKA LOCAL BOUNDARY COMMISSION

REQUEST FROM CITY OF YAKUTAT

TO EXAMINE STANDARDS FOR BOROUGH INCORPORATION

THANK YOU, MR. CHAIRMAN AND COMMISSIONERS. MY NAME IS PETER NAGEL, DIRECTOR OF LANDS AND RESOURCE PLANNING AT CHUGACH ALASKA CORPORATION. ON BEHALF OF OUR PRESIDENT, MICHAEL CHITTICK, AND BOARD OF DIRECTORS, I AM HERE TO CONVEY THE INITIAL COMMENTS OF CHUGACH ALASKA CORPORATION (CAC) ON THE CITY OF YAKUTAT'S REQUEST THAT THE LOCAL BOUNDARY COMMISSION EXAMINE THE BOROUGH INCORPORATION STANDARDS WHICH REQUIRE 1,000 RESIDENTS AND TWO COMMUNITIES.

CHUGACH ALASKA CORPORATION IS ONE OF THE TWELVE NATIVE REGIONAL CORPORATIONS MANDATED BY THE ALASKA NATIVE CLAIMS SETTLEMENT ACT AND INCORPORATED UNDER STATE LAW. THE COMPANY IS ONE OF THE LARGEST SEAFOOD PROCESSORS IN SOUTHCENTRAL ALASKA AND HAS RECENTLY DIVERSIFIED INTO THE FOREST PRODUCTS INDUSTRY BY CONSTRUCTING A STATE-OF-THE-ART SAWMILL IN SEWARD.

IN LIGHT OF PAST EFFORTS BY THE CITY OF YAKUTAT, IT IS HARD NOT TO VIEW THIS REQUEST AS ANOTHER ATTEMPT TO BECOME THE EXCLUSIVE TAXING AND PLANNING AUTHORITY IN THE EASTERN CHUGACH REGION. MOST RECENTLY, YAKUTAT, A NATIVE COMMUNITY OF THE SEALASKA REGION, PETITIONED THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS TO FORM A COASTAL RESOURCE SERVICE AREA INCLUDING THIS REGION, ROUGHLY ONE THIRD OF THE ENTIRE CHUGACH REGION. THE EASTERN BOUNDARY OF THE CHUGACH REGION IS THE 141ST MERIDIAN, A LINE THAT HAS GREAT VALUE TO CAC, MARKS NUMEROUS MANAGEMENT AND

ADMINISTRATIVE BOUNDARIES AND HAS STOOD THE TEST OF MANY ATTEMPTS TO BE MOVED.

THE COMPANY OWNS APPROXIMATELY 60,000 ACRES OF PROPERTY ACQUIRED FOR MULTIPLE RESOURCE VALUES IN THE AREA AND HAS OUTSTANDING CLAIMS ON ANOTHER 200,000 ACRES. DESPITE THE STRONG CONNECTION WITH THE CHUGACH REGION, THE AREA IS LARGELY UNSETTLED. THE ONLY PERMANENT POPULATION IS A SINGLE MINER AND HIS FAMILY. IF THIS AREA WERE TO BE ANNEXED TO THE CITY OF YAKUTAT, OR NON-CHUGACH-BASED BOROUGH, CAC WOULD BE IN THE INTOLERABLE POSITION OF NOT HAVING THE RIGHT TO PARTICIPATE POLITICALLY IN THE LOCAL REGULATION OF OVER ONE-QUARTER OF ITS ANCSA ASSETS. SINCE NOT A SINGLE CAC SHAREHOLDER WOULD RESIDE WITHIN THE BOUNDARY OF THE ENVISIONED BOROUGH, CAC'S LONG-STANDING EXPECTATION OF PLANNING THE DEVELOPMENT OF THESE RESOURCES WITHIN A CHUGACH REGION FRAMEWORK WOULD BE SUBVERTED.

IN CLOSING, ALLOWING SUCH LARGE GEOGRAPHIC AREAS TO COME UNDER THE JURISDICTION OF A SINGLE COMMUNITY WOULD UNDERMINE THE LEGISLATIVE AND CONSTITUTIONAL INTENT FOR REGIONAL DEVELOPMENT AND NOT SERVE ANY LEGITIMATE STATE INTERESTS.

THANK YOU FOR YOUR TIME IN CONSIDERING OUR VIEWS ON THIS MATTER. WE LOOK FORWARD TO PARTICIPATING WITH THE COMMISSION ON THIS AND OTHER ISSUES THAT AFFECT THE REGION AND STATE AS A WHOLE.

RECEIVED

Planning Commission
Agenda of 02-08-90

Dept. of Comm. & Reg. Affairs
Div. of Municipal & Reg. Asst. **CORDOVA PLANNING COMMISSION**
CORDOVA, ALASKA

RESOLUTION 90-02

**A RESOLUTION IN SUPPORT OF ESTABLISHING
MERIDIAN 141 AS THE WESTERN BOUNDARY OF
ANY PROPOSED BOROUGH AROUND YAKUTAT**

WHEREAS, the Alaska Local Boundary Commission is conducting a Model Borough Study; and

WHEREAS, the Boundary Commission is currently accepting public comments on where the western boundary of a "model" Southeast Alaska Borough around Yakutat should be; and

WHEREAS, the City of Yakutat has requested funds from the State of Alaska for a Borough Feasibility Study and has suggested that the western boundary of this proposed borough be Cape Suckling; and

WHEREAS, the Cordova City Council will conduct a public hearing on this issue on February 21, 1990; and

WHEREAS, the Cordova Planning Commission debated this issue at it's February 1, 1990 Special Meeting.

NOW, THEREFORE, BE IT RESOLVED that the Cordova Planning Commission recommends that the Cordova City Council take the position that the western boundary of any proposed or model borough around Yakutat be at Meridian 141; and

BE IT FURTHER RESOLVED that the Cordova Planning Commission believes the boundary should be Meridian 141 for the following reasons:

- The City has already taken this position on previous occasions
- The area between Meridian 141 and Cape Suckling is more closely associated culturally with Cordova and the Prince William Sound area than it is the Yakutat area



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 the 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

Richard Hirschberg
President/CEO

RH/sh

cc: John Sturgeon
Jim Senna
Dick Buhler

RECEIVED
FEB 5 1990

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

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

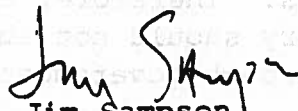
Dear Mr. Bettisworth:

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.

[The following text is extremely faint and largely illegible, appearing to be bleed-through from the reverse side of the page. It contains several paragraphs of text, including phrases like "The Alaska Indian Reservation with 1,100 persons would", "some way allied to Haines Borough", and "Glacier Bay Borough - Haines Borough should be expanded through".]



City and Borough of Sitka

304 LAKE STREET . SITKA, ALASKA . 99835

January 19, 1990

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

RECEIVED

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

Dear Dan,

The Planning Commission of the City and Borough of Sitka has reviewed your excellent publication the Boundary Commission sent on the borough studies that are underway. The feasibility study on the Chatham Borough was examined with particular interest. The Borough sincerely appreciates the opportunity to comment and respectfully forwards the following comments.

The Commission is not convinced that the areas outlined in the Chatham Borough boundaries merit inclusion into any new or existing borough. The territory contains small fishing villages that are separated by large expanses of unsettled Tongass National Forest. This National Forest is widely used by residents of both Sitka and Juneau for a diversity of subsistence and recreational uses. The distance between the villages, the lack of any major population base, and the lack of significant tax base complicates matters significantly. For these reasons, the Commission would not like to advocate either borough formation or borough annexations.

If borough government is considered to be a viable option in these areas, the City and Borough of Sitka feels that the annexation of many of these areas by the municipality deserves careful consideration. A detailed analysis of the merits of that annexation would be appropriate if the Chatham process, as we understand it, leads to concrete action sometime in the future. Our staff would be happy to work with you and your Commission in that review and the Assembly would be able to take a concrete position on specific areas.

Since the Chatham Feasibility Study is in its planning stages, the view of the Sitka Planning Commission represents the municipality's official position at this time. The Borough Assembly can take up the matter if the Boundary Commission requires action by our governing body.

We hope this letter provides the Boundary Commission with the type of feedback it requires. The Planning Commission action that led to this position was taken January 15th. Four of the Commissioners voted in favor of the stance while the fifth abstained.

Sincerely,

Wells Williams
 Wells Williams
 Planning Director

CC: *Stuart Denslow, Administrator*
Members of the Assembly and Members of the Planning Commission

EXHIBIT FF

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

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

P.O. BOX 3-2000
JUNEAU, ALASKA 99802-2000
PHONE: (907) 465-4100

January 17, 1990

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

Dear Mr. Bettisworth:

The Alaska Department of Fish and Game (ADF&G) has completed its review of the Local Boundary Commission's (LBC's) proposed boundary for the Chatham/Juneau region. As requested in your December 8, 1989, letter distributing the LBC model boundary study, I have enclosed the map on page B-3 of the tabloid with the department's recommendation on the boundary (Enclosure 1). I have also enclosed a copy of the department's comments on the proposed Yakutat CRSA boundaries and the Alaska Department of Community and Regional Affairs' April 1989 boundary recommendation (Enclosure 2), which includes some social, economic, and cultural information on the section of the Chatham Borough north of Cape Spencer.

The department recommends that the northern boundary of the Chatham Borough remain at or below Cape Fairweather. Studies by the department's Subsistence Division and information provided by the City of Yakutat during the evaluation of the proposed Yakutat CRSA boundaries indicate that City of Yakutat residents, both historically and presently, are culturally and socially more closely tied to the Dry Bay area. In addition, Cape Fairweather represents the southern boundary of the Yakutat fishing district. The commercial salmon fishery in Dry Bay is fished almost exclusively by Yakutat fishermen. These fish are processed locally and shipped to either Yakutat or Sitka. Yakutat commercial fishermen also dominate the shellfish fisheries in the Dry Bay area. Few, if any residents of the communities within the proposed Chatham Borough participate in finfish and shellfish fisheries within the Yakutat commercial fishing district, and do not have comparatively strong economic ties to this region.

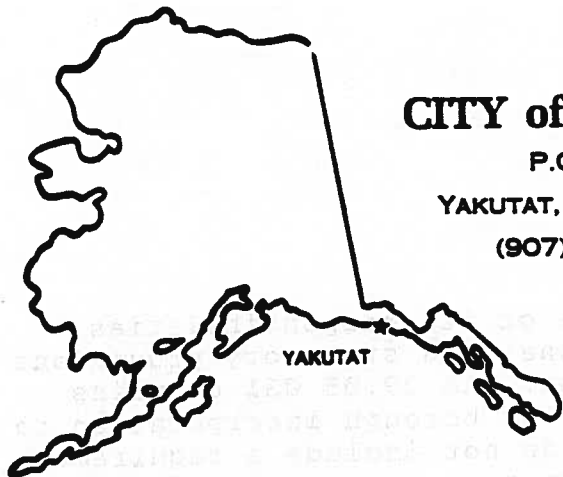


EXHIBIT FF

CITY of YAKUTAT

P.O. BOX 6

YAKUTAT, ALASKA 99689

(907) 784-3323

January 11, 1990

ALASKA LOCAL BOUNDARY COMMISSION
949 East 36th Avenue, Suite 400
Anchorage, Ak. 99508

Dear Commission Members:

This letter is on behalf of the City of Yakutat, and follows up on Commissioner Hoffman's letter dated December 13, 1989. By way of background, the City was encouraged to seek grant funding to study the feasibility of forming a borough in the region generally between Cape Suckling and Cape Fairweather.

When it made the application, the department advised that provisions of 19 AAC 10.160, specifically subsection (a)(1), relating to "two separate communities" and subsection (a)(4) relating to "at least 1,000 people" would create problems with such an application. John Hedland has previously discussed this matter with Mr. Freer and Mr. Brockhurst, and expressed the comments contained in this letter. Mr. Brockhurst suggested that the City contact the Commission, with a view to discussing the matter at a Commission meeting.

The provisions in question provide as follows:
19 AAC 10.160 INCORPORATION. An area may incorporate as an organized borough if it meets the statutory standards set forth in AS 29.05.031(a) and meets the following specific requirements:

- (1) the area contains at least two separate communities:....
- (2) there are at least 1,000 people located within the area;....

These regulatory provisions were enacted several years ago

by the Commission in furtherance of its responsibilities under the applicable constitutional and statutory provisions relating to borough incorporation. AS 29.05.031 contains the standards which must be met for borough incorporation to occur. The statutory standards do not include a requirement that there be two separate communities, or that there be a population of 1,000 persons. AS 29.05.100(a) provides that if the Commission determines that the standards have been met, it shall accept the petition for incorporation, and that if it determines that the standards have not been met, it shall reject the petition. In other words, the statutory standards contained in AS 29.05.031(a) are clearly mandatory, although the Commission is entitled to a good deal of deference in determining whether or not they have been met. See, generally, Mobil Oil Corporation v. Local Boundary Commission, 518 p. 2d 92 (Alaska 1974). On the other hand, there is no comparable language in either the statutory framework or the administrative regulations (see, 19 AAC 10.160-.180) that renders the two communities, 1,000 people provision mandatory prerequisites to formation of a borough. Indeed, it is arguable that regulatory provisions imposing stricter standards than the mandatory ones contained in the statute would be invalid.

In any event, these provisions are capable of being interpreted as setting out a prima facie demonstration of compliance with AS 29.05.031(a)(1).¹ Thus interpreted, the regulatory provisions mean that an area which has two communities and 1,000 people by definition meets the population standard contained in the statute; the converse would not follow, and it would be up to the Commission to exercise its discretion as to whether an area with only one community and/or less than 1,000 met the population standard.

It is my understanding that the Commission has never had occasion to address this issue. In the City's view, the two communities/1,000 people requirement should not; be interpreted as an iron-clad condition of borough incorporation. In addition to potential conflicts with the statutory provision, such a construction would also raise grave questions under the Alaska Constitution. The local government article of our Constitution is a model which emerged from the Constitutional Convention with the benefit of an enormous amount of professional advice and

¹-"The population of the area is interrelated and integrated as to its social, cultural, and economic activities, and is large and stable enough to support borough government;..."

recommendations, and with the benefit of the mistakes made, and problems encountered, by overlapping and ineffective local government units in 48 other states. Under Article 10, Section 1, the goal is "maximum local self-government with a minimum of local government units....." Section 3 provides, in relevant part, as follows:

The entire State shall be divided into boroughs, organized or unorganized...

..Each borough shall embrace an area and population with common interests to the maximum degree possible...

If the two communities/1,000 persons provision is deemed to be a prerequisite to borough incorporation, the conclusion that necessarily follows is that Yakutat could never be within an organized borough containing some other city, such as Cordova or Juneau, which would not "embrace an area and population with common interests to the maximum degree possible." Either of these results would be antithetical to the manifest intent of the Constitution. I understand that the provisions in question have never come into play, for the simple reason that, except for Yakutat, there is no region within the unorganized portion of the state that would be logical for incorporation that does not contain two communities and 1,000 people. ² Thus, Yakutat is in a unique situation. It is beyond argument a cohesive and well-defined social and commercial unit, and these provisions should not be mechanically applied so as to deny its population and the persons residing in the surrounding areas the right to exercise self government through the borough form envisioned in the Constitution.

Finally, it should be noted that the powers of a first-class borough are essentially identical to those of a first-class city such as Yakutat. There is thus no logic whatsoever in imposing a more stringent standard upon borough incorporation than upon city incorporation since whatever handicap may be faced by a borough with only one community and less than 1,000 persons must be confronted by the city in any event. I am sure you will agree that, based upon the historical record, the City of Yakutat has performed in a responsible and efficient manner. There is no serious doubt that a borough which encompasses the city, the population residing in the area but outside the city limits, and the surrounding territory which directly impacts upon their

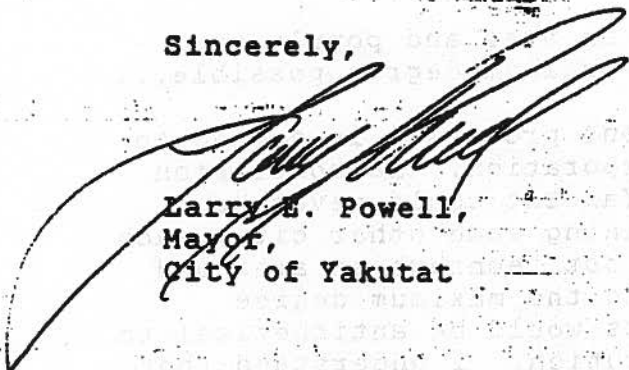
² - The City believes that the area under consideration would meet the two community criteria, given a reasonable interpretation.

lives, would likewise be successful.

The City looks forward to the opportunity to meet with the Commission and discuss these issues in an atmosphere of mutual accommodation directed at furthering the legitimate desires of the people in the area for self government.

Thank you for your attention.

Sincerely,



Larry E. Powell,
Mayor,
City of Yakutat

EXHIBIT FF
Community of Elfin Cove Non-Profit Corporation

POST OFFICE BOX ONE
ELFIN COVE, ALASKA 99825
(907) 697-8131

RECEIVED

January 7, 1990

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

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

Commission Members:

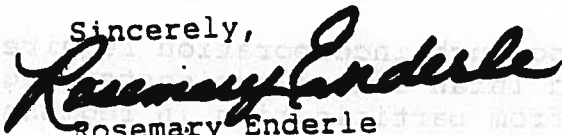
Upon receipt of the Chatham/Juneau Model Boundary Study information tabloid our Board of Directors called an emergency meeting for January 5 to address your request for a map denoting model boundaries for borough government in this region. 'Tis the season many of our residents are on holiday and the required quorum was not met for a meeting. In June our Corporate Members passed a motion directing the Chairman to not have Elfin Cove join any borough. This action resulted from discussion on the proposed Chatham Borough. Enclosed is a letter from our Corporation to Gene Kane in the Dept. of Community and Regional Affairs, written after the June meeting that states our position regarding the proposed borough. Perhaps these comments will assist you in the task of drafting a new report. Our next scheduled business meeting is February 16. As you specifically request our organization to hold at least one meeting to gather input on where the boundaries for our area belong, our comments regarding an alternate boundary will be forwarded to you following this meeting.

Please note that the standards for borough incorporation required by State law prohibit Elfin Cove and Inian Island residents (registered voting members of our Corporation) from participation in regional government. Geographic location cannot be adjusted today or in the future, to equitably share public facilities and municipal services. An attempt to hurdle these natural barriers, if possible, would certainly require a fiscal commitment beyond the capability of any borough much less the questionable resources suggested to support the financial feasibility of the Chatham Borough. Reasonably safe, reliable and affordable transportation is not available to our nearest neighbor Pelican, much less the more distant and larger cities likely to be headquarters for regional government. This being an obvious hindrance for our fair representation in policy formation. Future plans for improved access (ferry service) is not supported by our members and other access is financially and physically prohibited. I'm sure this is hard to comprehend in our "jet-set" society. Perhaps a visit to our community would convince you of our remote limitations. Similar social, cultural and economic characteristics vary greatly between our "neighbor" communities. We have little or no history of working together with all the communities named in the Chatham Study. As commercial fishermen our residents share a strong commitment to protect the Tongass National Forest from destructive logging maneuvers that effect our livelihood. In this and other fishing related matters we

are in contact with a few fishing dependent communities. These views often are conflicting to other communities interest named in the study. We do not have ongoing communication with any of these communities and relate socially only during the fishing season when our paths occasionally cross with residents and friends from neighboring towns. We do not share common trading areas, the bulk of these services are offered to Elfin Cove residents via U.S. Postal Services. Selecting the communities that are socially, culturally and economically similar is not a simple task and may result in a disjointed region not large enough to financially support borough government and most important, physically incapable of providing essential services. I am not optimistic that we or anyone else can produce a solution to these problems with additional meetings. We do appreciate your soliciting our input and I assure you our community will actively participate in the public review process and in any other way we might assist you to insure that our best interest is guarded.

Please note an error in the last Chatham Borough distribution list naming me as a representative of Gustavus. In June 1989, Larry Gammons' term as Chairman of The Elfin Cove Non-Profit Corporation expired and I was elected to replace him. The Department of Community and Regional Affairs refers to us as the Elfin Cove Community Council, which is the same entity as the Non-Profit Corporation. We conduct all official business in the community and maintain all records. I hope this clears up any misunderstanding you might have as to whom you are dealing with.

Sincerely,



Rosemary Enderle
Chairman

encl: Letter to Gene Kane, Dept. of Community and Regional Affairs
from Elfin Cove Non-Profit Corporation, dated June 11, 1989

cc; Rep. Ben Grussendorf

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 E. 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.

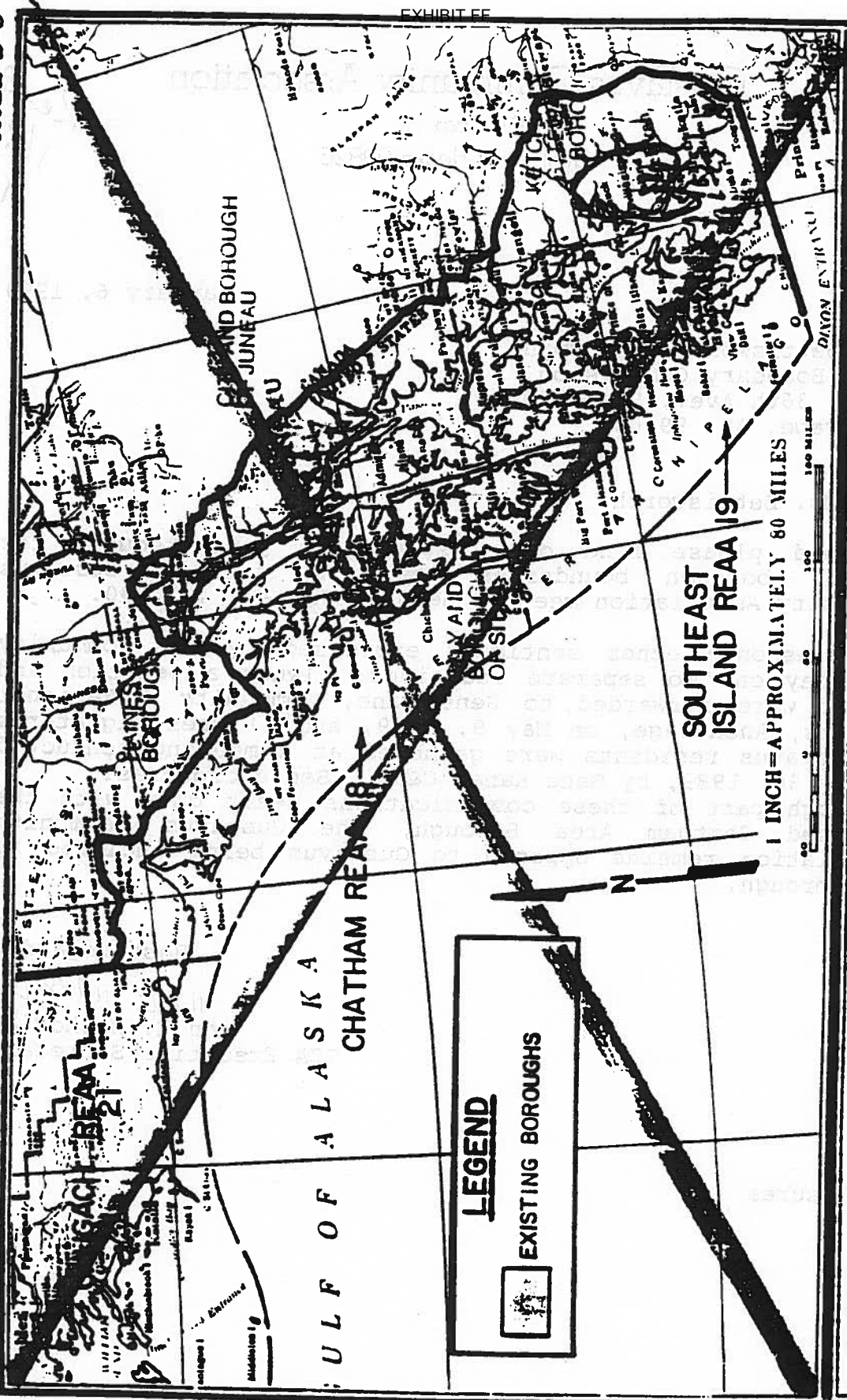
This response echos sentiment expressed by the community last May on two separate occasions: 1) when a petition and letter were forwarded to Gene Kane, Community & Regional Affairs, Anchorage, on May 9, 1989, and 2) when signatures of Gustavus residents were gathered at a meeting conducted on May 30, 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

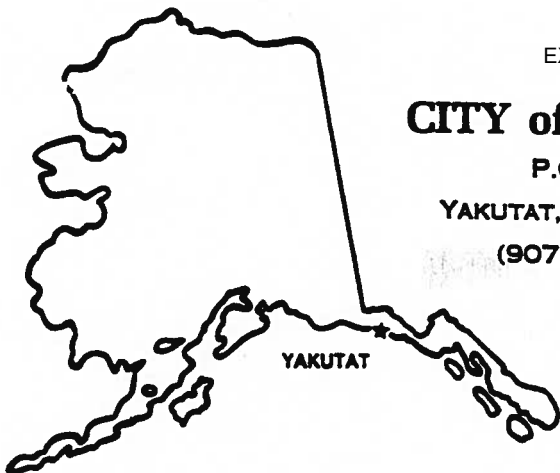
MODEL BOUNDARIES STUDY DECEMBER, 1989



USE THIS MAP TO DRAW BOROUGH BOUNDARIES FOR THE REGION. SHOW WHICH AREAS SHOULD BE ANNEXED TO EXISTING BOROUGHS AND WHICH AREAS SHOULD BE RESERVED FOR FUTURE BOROUGHS.

The CBJ asserts that the area is in need of municipal services because of development. These

1. Development, as evidenced by such activities as the Greens Creek Mine project, creates with eco-



CITY of YAKUTAT
P.O. Box 6
YAKUTAT, ALASKA 99689
(907) 784-3323

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COMMISSIONER'S OFFICE
COMMUNITY & REGIONAL AFFAIRS

November 29, 1989

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

Dear Commissioner;

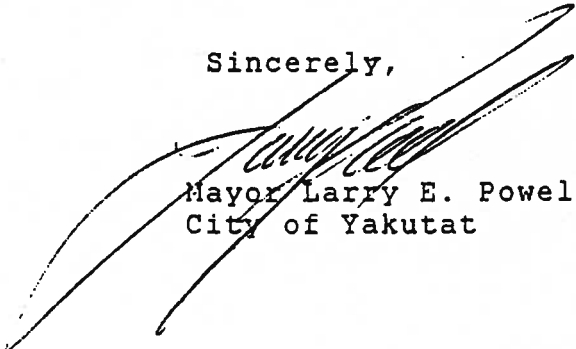
The Yakutat City Council, at their regular meeting of November 21, 1989, determined the need to study the feasibility of a borough formation covering Yakutat and a region extending from Cape Suckling to Cape Fairweather. There were no dissenting comments to the proposal.

With this clear direction from the representatives of the citizenry, and an optimistic eye on the future, I write to you requesting grant funding so that Yakutat may fairly study the concept of Borough in the region and submit application for such.

I am sure that the request from the City of Yakutat comes as no surprise and I would guess that the request is welcome since it rounds out the problems of borough formation in an area which is difficult to segment into governmental units. We firmly believe that the proposal we will offer to the Local Boundary Commission will serve as a standard for such studies and proposals.

Please contact the City or me directly, for identification of the process for funding acquisition, if any, so that we may begin as quickly as possible.

Sincerely,



Mayor Larry E. Powell
City of Yakutat



January 8, 1990

Local Boundary Commission Component
 949 East 36th Avenue, Suite 405
 Anchorage, Alaska 99508

Dear Sirs:

Enclosed, please find your Chatham Study Area map marked to include the area surrounding Yakutat westward to the 141 Meridian in a model Chatham Borough.

Chugach Alaska Corporation (CAC) is the regional Native Corporation for the Chugach Native region including the Prince William Sound and Yakataga forelands and Icy Bay. The company and its shareholders have a long and active association with the Cape Suckling-Icy Bay area. With your permission, we will be discussing our interests there in further detail during the Prince William Sound Model Borough Boundary Study.

For now, we would like to call your attention to the fact that the community of Yakutat is culturally, historically and economically tied to the southeast Alaska panhandle. Yakutat is a member of the Southeast Conference which has status under the State's Alaska Regional Development Organization program. Its Native village corporation, Yak Tat Kwan, is associated with the Sealaska Region. Yakutat is in the Chatham School District and the Northern Southeast Coastal Zone Planning area.

In conclusion, the State would be remiss to exclude Yakutat from a study of optimum borough boundaries for Southeast Alaska. We request that you copy CAC with all correspondence that you receive from Yakutat during the optimum borough boundary study process. Thank you for your consideration of our comments on this important matter.

Sincerely,

CHUGACH ALASKA CORPORATION

Ed. Blatchford

Edgar Blatchford, Chairman

RECEIVED
 JAN 9 1990

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



HAINES BOROUGH

P.O. Box 1209 • Haines, Alaska 99827 • (907) 766-2711

January 3, 1990

*Rec'd
11/27/90*

C.B. Bettisworth, Chairman
Local Boundary Commission Component
949 E. 36th Ave., Suite 405
Anchorage, AK 99508

Dear Mr. Bettisworth:

As the Mayor of the Haines Borough, I would like to recommend the following addition to the Haines Borough:

All the area currently in Glacier Bay National Monument, including that area in and around Gustavus adjoining the Glacier Bay National Monument.

I would also like to recommend that some thought be put into the impacts, both positive and negative, of including Skagway and the surrounding area within a model Haines Borough Boundary.

Thank you for this opportunity to assist in the formation of logical model boundaries for the Haines Borough. If I can be of any further assistance please let me know.

Sincerely,

A handwritten signature in dark ink, appearing to read "Frederick L. Shields".

Frederick L. Shields, Mayor
Haines Borough