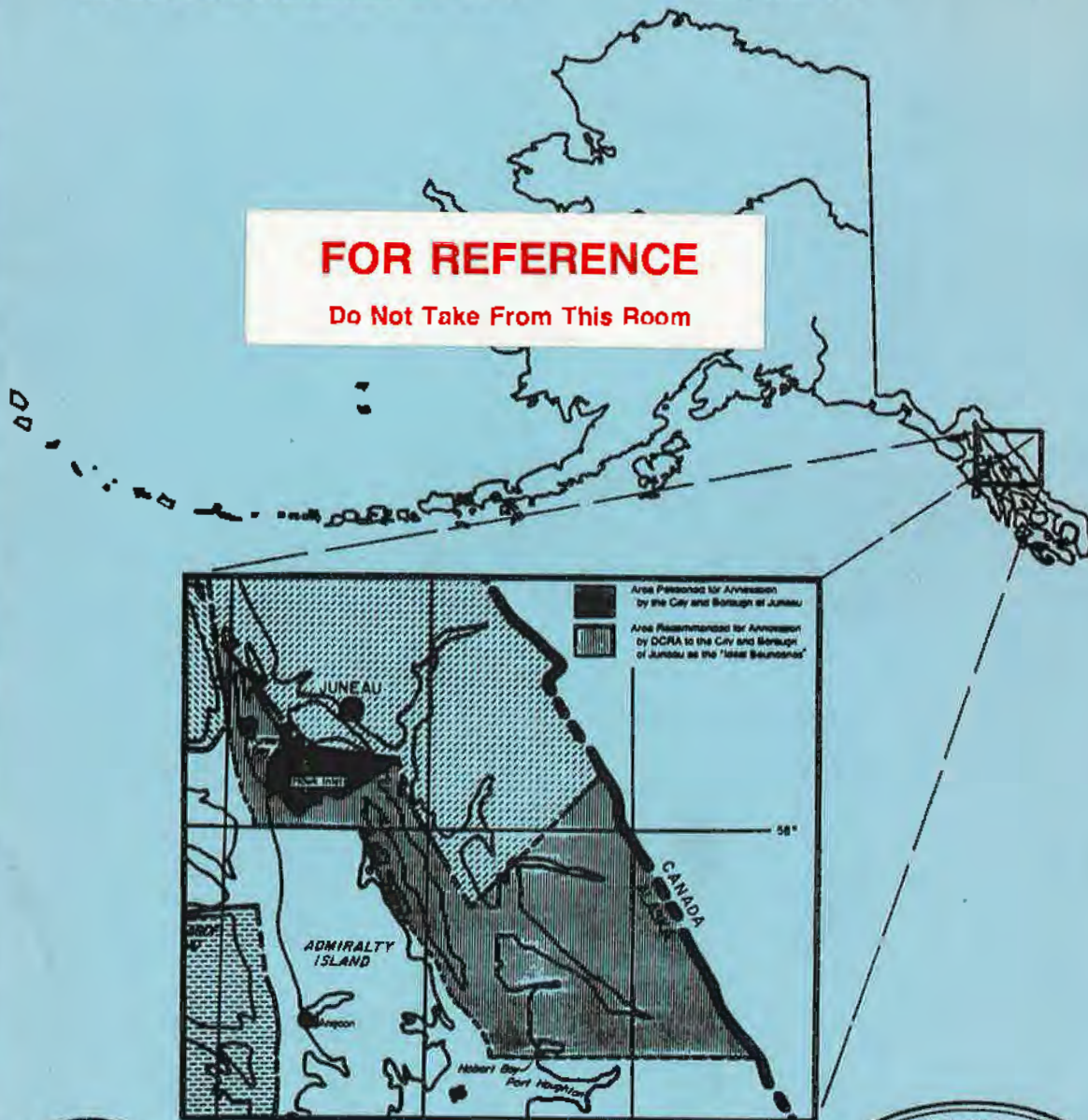


REPORT AND RECOMMENDATION TO THE LOCAL BOUNDARY COMMISSION CONCERNING THE:

- 1) PROPOSED ANNEXATION OF THE GREENS CREEK MINE TO THE CITY AND BOROUGH OF JUNEAU,
- 2) IDEAL BOUNDARIES OF THE CITY AND BOROUGH OF JUNEAU.

FOR REFERENCE

Do Not Take From This Room



STEVE COWPER
GOVERNOR

DAVID G. HOFFMAN
COMMISSIONER



JUNE, 1990

WLN90-126043

EXHIBIT L



3 3511 00158 4991

FOR REFERENCE

Do Not Take From This Room

JUNEAU ANNEXATION/MODEL BOUNDARIES

TABLE OF CONTENTS

	<u>PAGE</u>
Section I. Introduction	1
A. General Background	1
B. Role of the Alaska Local Boundary Commission	1
C. Composition of the Commission	2
D. Present Membership of the Commission	2
E. Technical Support for the Commission	3
F. Actions Which May be Taken on CBJ Petition	3
G. 'Model' Borough Boundary Project	4
H. Background on Borough Government	4
 Section II. Background of Proceedings	 8
A. City and Borough of Juneau Annexation Proposal	8
B. Proceedings to Date on CBJ Annexation Petition	10
C. Future Proceedings	10
D. Procedures for Annexation	11
E. Legislative Review Process	12
F. Examination of the Process Proposed for Annexation	13
G. Criteria for Annexation of Territory to a Borough	14
H. Willingness and Ability to Serve the Areas	14
I. Other Standards for Annexation	14
 Section III. Examination of Proposed Juneau Annexation	 16
A. Application of Borough Annexation Standards	16
B. Application of Borough Incorporation Standards	20
C. Other Considerations Regarding CBJ Annexation	22
1. History of Existing CBJ Boundaries	22
2. Model Boundaries	23
3. Impacts Upon Financial Viability of Chatham Borough	24
 Section IV. Conclusions	 26
 Section V. Recommendations	 27
A. Regarding CBJ Annexation Petition	27
 Exhibit A - Correspondence	
Exhibit B - Map of Area proposed for Annexation by City and Borough of Juneau and DCRA Recommended Ideal CBJ Boundaries	
Exhibit C - Written Description of Recommended 'Ideal Boundaries for the City and Borough of Juneau	

JUNEAU ANNEXATION/MODEL BOUNDARIES

SECTION I - INTRODUCTION

A. General Background

This report has three primary objectives. These are:

1. To examine and evaluate the proposal of the City and Borough of Juneau (CBJ) to annex approximately 140 square miles, including the Greens Creek mine;
2. To examine the annexation proposal in the context of the "ideal" boundaries for the City and Borough of Juneau; and
3. To provide the Local Boundary Commission with recommendations for action regarding the annexation petition and determination of the ideal boundaries of the CBJ.

B. Role of the Alaska Local Boundary Commission

The Local Boundary Commission (Commission or LBC) was created under Alaska's Constitution to address municipal incorporations, 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:

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

JUNEAU ANNEXATION/MODEL BOUNDARIES

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).

The Commission is charged with the responsibility to review and act upon a variety of municipal jurisdictional issues. These consist of 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.

C. Composition of the Commission

The Commission consists of five members appointed by the Governor. Appointment of Commission members insures statewide representation. One member is appointed from each of Alaska's four judicial districts. The Chairman is appointed from the state at-large.

Members are appointed by the Governor “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 are not State employees and receive no compensation for service.

D. 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 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 resides 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.

JUNEAU ANNEXATION/MODEL BOUNDARIES

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.

E. Technical Support For the Commission

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

Under the law, the Department is required to examine the proposed annexation and issue a formal report and recommendation for consideration by the Commission.

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 mechanism to focus thought and discussion upon issues which typically emerge when major annexations to existing borough governments are proposed. Often, the DCRA report serves as a "point of departure" as these issues are examined in the Commission's public deliberative process.

F. Actions Which May Be Taken on CBJ Petition

The LBC has various options for action with respect to the pending CBJ annexation petition. These are:

- The annexation petition could be accepted as submitted,
- The petition could be rejected, or
- The petition could be amended and approved.

JUNEAU ANNEXATION/MODEL BOUNDARIES

The first two options are simple — basically involving either approval or refusal of the requested annexation.

The Local Boundary Commission may also amend petitions. Amendments may consist of expanding or reducing the area proposed for annexation. The Commission may also amend the petition to provide that an alternative method of annexation be used. Any amendment, particularly in the case of an expansion of boundaries, carries with it the responsibility to ensure that rights to due process are protected.

If the Commission approves a petition for annexation under the legislative review process, the legislature must reject the petition to prevent it from taking effect.

G. '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 decision affected not only the petition from the City and Borough of Juneau, but also petitions for annexation submitted by two other boroughs (Matanuska-Susitna and Fairbanks North Star). In addition, two petitions for incorporation of boroughs were affected (Denali and Valleys Boroughs).

A formal 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 has directed staff to recommend model borough boundaries from among various potential options for the configuration of borough government in central Southeast Alaska. Examination of the CBJ "ideal boundaries" is being undertaken within the parameters of the broader statewide model boundary map project.

H. Background on Borough 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 stan-

JUNEAU ANNEXATION/MODEL BOUNDARIES

ards 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 requires. However, by the same act, the legislature established Alaska's first statutes creating a process for formation of organized boroughs through local action.

Any belief on the part of the legislature that residents of the state would take the initiative to divide Alaska into organized and unorganized boroughs was dashed over the next two years. By 1963, only 1 borough had incorporated — the Bristol Bay Borough encompassing only 873 square miles (one tenth of one percent of the state).

The 1963 legislature enacted a law mandating that organized boroughs be formed in eight regions. These were Juneau, Ketchikan, Sitka, Kodiak, Kenai, Anchorage, Mat-Su and Fairbanks. In doing so, 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, pressure from the State to form boroughs ceased to exist. Oil was discovered at Prudhoe Bay in quantities sufficient to eliminate the need for new revenues. In 1972, the North Slope Borough was formed.

The flood of new wealth from Prudhoe Bay allowed lawmakers and local residents

JUNEAU ANNEXATION/MODEL BOUNDARIES

to maintain the status quo with respect to boroughs through the mid-1980's. By 1986, however, Alaska's oil revenues had begun to nose dive.

The continued decline of oil revenues has brought about 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. In addition, previously unorganized areas sought to incorporate in order to offset cuts in State funding which they too were experiencing.

In the past four years, the Local Boundary Commission has received 11 petitions for the formation of new boroughs or for the alteration of boundaries of existing organized boroughs. In these four years, the Commission has approved the extension of organized borough government through incorporation or annexation of more than 100,000 square miles.

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 currently encompasses nearly two-thirds of the state.

Under this law, all of the Mansfield Peninsula, Glass Peninsula, Horse Island, Colt Island, Windham Bay and Hobart Bay are included in the same borough (the unorganized borough) as Diomedea, Bethel, Dillingham, Glennallen, Attu and Metlakatla. Such a diverse group of interests as represented by these communities can hardly be said to meet the constitutional requirements for setting borough boundaries.

The failure to properly divide Alaska into organized and unorganized boroughs in the more than three decades since statehood has created a number of problems. Almost without exception, every proposal to form an organized borough or to change the boundaries of an existing borough has generated intense regional conflicts. Typically, these conflicts end up in long and drawn out legal battles which drain financial and human resources of the affected regions. In fact, every borough incorporation and boundary change over the past 22 years has resulted in a legal challenge.

Ongoing economic and social developments virtually guarantee that the pressure to organize new areas of Alaska will continue to grow. Foremost among these is the certainty of further declines in State revenues. In addition, the upcoming reapportionment of the state legislature (which will be in place for the 1992 elections) will

JUNEAU ANNEXATION/MODEL BOUNDARIES

shift more political power to areas already organized. This, in turn, may bring about further legislative mandates concerning borough formation.

It is the desire and hope of the Local Boundary Commission that the type of conflict which has characterized the extension of borough government in the first three decades of statehood might be avoided or at least greatly diminished. In an effort to achieve this goal, the Commission is undertaking the "ideal" borough boundary study.

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

If nothing more, the model boundary study being conducted by the Commission provides communities and others the opportunity to better plan for the prospect of organized borough government.

The following questions are among those which will be addressed during the course of the Commission's consideration of the CBJ annexation petition.

What are the "ideal" boundaries of the CBJ. That is, do the Greens Creek Mine, Funter Bay, the Mansfield Peninsula, the Glass Peninsula, Horse Island, Colt Island, Windham Bay and Hobart Bay have greater links to the Juneau region than they do to other existing or potential future organized boroughs?

If these areas do have greater ties to the Juneau region, should they be annexed to the City and Borough of Juneau at this time? If not, why not?

JUNEAU ANNEXATION/MODEL BOUNDARIES

SECTION II BACKGROUND OF PROCEEDINGS

A. City and Borough of Juneau Annexation Proposal

On June 1, 1989 the City and Borough of Juneau (CBJ) submitted a petition to annex approximately 140 square miles, including a portion of Admiralty Island and adjacent waters. The essentially unpopulated area includes the Greens Creek mine, with a taxable value estimated by the State Assessor's office at \$62 million.

If the annexation is ultimately approved as submitted, the following consequences are anticipated:

The area within the boundaries of the CBJ would increase about 4.5% and the value of taxable property within the CBJ would increase by approximately 5.3%.

No additional residents would be served by the borough.

Revenues of the CBJ would grow. Annual property and sales tax revenues of the CBJ would increase by about \$336,000 and \$150,000, respectively. In a little over two years, however, State funding for Juneau schools under the education foundation formula would decline by about \$248,000 as a consequence of the annexation. Over the long term, the net annual increase in revenues to the CBJ would amount to an estimated \$238,000.

Due to a restriction in the City and Borough of Juneau's sales tax code, the CBJ does not impose sales tax on the sale of equipment and supplies to be delivered to the mine (or other developments outside its municipal boundaries). The prospective sales taxes and revenues which would be derived from property taxes on the mine development subsequent to annexation constitute a notable financial incentive for annexation. These revenues, however, would be offset somewhat by a reduction in State funding under the education foundation program.

AS 14.17.025 requires that the CBJ contribute at least "the equivalent of a four mill tax levy on the full and true value of taxable real and personal property in the district as of January 1 of the second preceding fiscal year . . .". The required contribution is deducted from the level of education funding provided by the State. If the \$62,000,000 Greens Creek mine were annexed into the CBJ in March, 1991 (the earliest possible date), funding for the CBJ schools would decrease by \$248,000 beginning in FY 94.

JUNEAU ANNEXATION/MODEL BOUNDARIES

In summary, for FY 91 through FY 93, the CBJ revenues would increase by an estimated \$486,000 on an annual basis (using current data). Beginning in FY 94, however, the figure would drop to an estimated \$238,000 annually.

The expansion of the boundaries of the CBJ to the "ideal" boundaries suggested in this report would approximately double the revenues received by the CBJ under the National Forest Receipts (NFR) program. In the current year, the CBJ received \$498,750 in funding from that program. Thus, based on funding in the current fiscal year, the larger boundaries would mean a revenue increase of nearly \$985,000 annually, until FY 94 when the figure would drop to approximately \$737,000. However, it should be stressed that funding under National Forests Receipts program may fluctuate widely based upon economic activity in the Tongass National Forest.

The annexation would not increase the CBJ's receipts under the federal payments in lieu of taxes program (PL 97-258). Payments under that program are limited by population and other factors. The population within the present boundaries of the CBJ and the areas under consideration for annexation are such that the CBJ's program entitlement would remain unchanged as a result of any annexation.

The petitioner argues that since the mine and related economic activity increases demand upon all CBJ service delivery mechanisms, commensurate enhancement of its tax base through annexation of the Greens Creek Mine is both appropriate and necessary.

Development and submission of the CBJ petition appears to have been at least partially motivated by expressions of interest in borough formation on the part of municipal officials of the Cities of Angoon and Hoonah. 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 competing Chatham Borough incorporation petition was lodged.

(To ensure concurrent consideration of a borough incorporation petition with a competing annexation or incorporation petition, the competing proposal must be submitted within 150 days of the date of the original petition filing. In this instance, the deadline to achieve competing status would have been 10/28/89.)

Obviously, the potential for submission of a competing petition concerned the CBJ, since it was shouldering the burden of additional demand for services as a consequence of the Greens Creek Mine swelling the resident Juneau workforce.

JUNEAU ANNEXATION/MODEL BOUNDARIES

B. Proceedings to Date on the CBJ Annexation Petition

On May 25, 1989, the Assembly of the CBJ adopted Resolution No. 1382 authorizing the submission of the annexation petition. On June 1, 1989, the Department received the petition. Following its review, the Department notified the petitioner's representative on July 7, 1989 that the form and content of the petition were found to be in substantial compliance with applicable laws and regulations. Notice of filing of the petition was published in the Juneau Empire, the Petersburg Pilot, the Sitka Sentinel and the Wrangell Sentinel. Notice was published in each of these newspapers on August 4, 11, and 18, 1989. In addition, the Department sent a copy of the notice of filing to 162 potentially interested parties and submitted the notice of filing for publication in the Alaska Administrative Journal.

On April 9, 1990 the first draft of this report on the CBJ annexation petition and 'model boundaries' for adjacent regions was released. The deadline for comments relating to the draft was initially May 17, allowing five weeks for public review. This period was extended, however, to allow the City and Borough of Juneau Assembly further opportunity to evaluate the DCRA draft recommendation and react to it. On May 7, 1990 LBC staff met with the CBJ assembly at a regularly scheduled Assembly meeting. Residents of the Funter Bay and other interested parties also addressed the CBJ Assembly at the meeting.

C. Future Proceedings

This report and recommendation is scheduled for release no later than June 22, 1990. The initial hearing by the LBC has been scheduled for July 13, 1990 at the following location:

JUNEAU MUNICIPAL ASSEMBLY CHAMBERS
155 SOUTH SEWARD STREET

An effort will be made to connect the following sites to the hearing via teleconference. However, if for any reason one or more of these sites is not connected to the teleconference, the hearing may proceed as scheduled.

ANGOON - CITY HALL
PETERSBURG - CITY HALL
HOONAH - COMMUNITY EDUCATION OFFICE, HOONAH SCHOOL
KAKE - CITY HALL (tentative, contact City Hall)

JUNEAU ANNEXATION/MODEL BOUNDARIES

The Commission may conduct additional hearings, if it deems them necessary. Even though the LBC legally has 90 days following a hearing in which to make a decision, it has indicated that it plans to make a decision on the CBJ annexation request by August, 1990.

D. Procedures for Annexation

State law (AS 29.06.040 and 19 AAC 10.450 - 19 AAC 10.790) outlines the processes by which municipal boundaries may be altered. Five procedures are available for annexation of contiguous territory to boroughs. These are as follows.

Local Action/Election - If approved by the LBC, an annexation proposed under the election process is placed before the voters. Only registered voters residing in the area proposed for annexation vote on the matter. Owners of property within the area proposed for annexation who are not residents of the area are not entitled to vote. Further, individuals residing within the existing boundaries of the borough are not permitted to vote on the matter. Annexation is effected by majority approval of those voting on the proposal [AS\29.06.040(c)(1)].

Local Action/Municipally Owned Property - A municipality may annex contiguous property which it owns by simply adopting an ordinance and gaining LBC approval [AS\29.06.040(c)(2)].

Local Action/100% of Voters and Property Owners - If all of the individuals who own property (including non-residents) and all of the registered voters (including those who do not own property) residing in an area petition the municipal government for annexation, that municipality may initiate formal annexation procedures through the adoption of an ordinance. Again, the annexation must be approved by the Local Boundary Commission [AS\29.06.040(c)(3)].

Step Annexation - This process (which has seldom, if ever, been used) is intended where services are to be gradually extended to the annexed area over a period not to exceed five years [AS\44.47.567(b)(2)]. Under this process, the LBC first approves an annexation petition. It is then submitted to the voters of the area proposed for annexation. If passed by a majority of those casting ballots, the proposal must then be submitted to the state legislature during the first 10 days of a regular session. If a majority of the members of both houses of the legislature do not reject the proposal within 45 days of its submission, the annexation takes effect.

Legislative Review - Under this method, the Commission may submit any recommended boundary change to the state legislature. Recommendations may be submitted only during the first 10 days of a regular session. If a majority of the

JUNEAU ANNEXATION/MODEL BOUNDARIES

members of both houses of the legislature do not reject the proposal within 45 days of its submission, the annexation takes effect [Section 10, Article 12 of the Alaska Constitution; AS 29.06.040(b)].

E. Legislative Review Process

The CBJ has proposed the legislative review method for annexation. This process is summarized as follows:

1. A petition with supporting brief is submitted to DCRA.
2. The form and content of the petition are reviewed by the Department to determine whether they are substantially proper and correct.
3. If the form and content of the petition are accepted, public notice of the filing of the petition is given.
4. The Department issues a draft report and recommendation on the proposed annexation for public review. A minimum of 4 weeks is allowed for public comment.
5. The Department issues its final report and recommendation to the Commission on the proposed annexation. The report is released at least three weeks prior to the hearing to be held on the proposed annexation by the Commission.
6. Public notice of the hearing before the Commission is provided at least 30 days prior to the date of the hearing.
7. The LBC conducts a hearing in or near the territory proposed for annexation. At least two members of the Commission must be present.
8. Within 90 days of the public hearing, the LBC renders a decision to: a) accept the petition as presented, b) amend the boundaries and/or modify the process proposed for annexation or c) reject the petition.
9. Following its decision, the Commission indicates the basis for its action in a written statement. Any individual may file a request for reconsideration within 20 days of the approval of

JUNEAU ANNEXATION/MODEL BOUNDARIES

the statement of decision (see 19 AAC 10.870). The Commission's decision may be appealed to the Superior Court.

10. If the LBC approves a legislative review petition, the Commission must submit a recommendation for the annexation to the legislature within ten days of the beginning of the next regular legislative session.
11. If not specifically rejected by a majority of the members of both the House and Senate within 45 days of submission, the annexation is approved.
12. If the annexation is approved by the legislature, the municipality must clear the boundary change with the U.S. Department of Justice under the provisions of the Federal Voting Rights Act. This must be done before municipal voting rights may be properly extended to the voters in the annexed area.

F. Examination of the Process Proposed for Annexation

19 AAC 10.600 allows the LBC to consider all methods of annexation and to utilize the most appropriate for any particular petition. Of the five alternative procedures for annexation discussed in previously, three may be ruled out as unavailable or inappropriate in the current instance. These are:

Annexation by Ordinance of Municipally Owned Property - This process is unavailable since the CBJ does not own all of the territory proposed for annexation.

Annexation by Ordinance Following Petition from 100% of Voters and Property Owners - This process is not available because all of the property owners and resident registered voters in the area did not petition the City and Borough of Juneau for annexation.

Step Annexation - This process is reserved for annexations which anticipate gradual extension of those municipal services funded with sales and/or property taxes (i.e. "full municipal services") to the area over a period not greater than five years. The City and Borough of Juneau proposes the extension of "full municipal services" immediately upon annexation. Therefore, this process is inappropriate.

The two remaining methods of annexation are the Local Election process and the Legislative Review process. It appears that the principal reason CBJ officials chose to use the legislative review process was because of the lack of resident voters in the

JUNEAU ANNEXATION/MODEL BOUNDARIES

area originally proposed for annexation.

Further, the legislative review process was designed to remove annexation decisions from the parochial political arena when public opinion in an area proposed for annexation could block an otherwise justified and appropriate boundary change.

G. Criteria for Annexation of Contiguous Territory to a Borough

State laws establish criteria to be applied in judging the merits of any proposal for the annexation of territory to a borough. The law requires:

That the annexing borough's willingness and ability to serve the area proposed for annexation must be established.

That one or more of eight other basic standards for annexation be met in order for a proposed boundary change to be endorsed by the Local Boundary Commission.

That the post-annexation boundaries of the borough also meet the standards for borough incorporation.

H. Willingness and Ability to Serve the Areas

To approve all or part of the subject annexation, the LBC must determine with respect to the approved area that:

the annexing organized borough demonstrates to the satisfaction of the commission that it is capable of extending and willing to extend services to the annexed area in accordance with this subsection. If possible, areawide and nonareawide borough services shall be extended to the annexed area immediately. If the immediate extension of services is not possible, the commission must be satisfied that the services not immediately extended will be extended as soon as possible and that reasonable plans have been formulated for the capital expansion necessary for the extension of services. (19 AAC 10.200)

I. Other Standards for Annexation

As noted previously, in addition to determining that the City and Borough of Juneau is able to serve the areas proposed for annexation, the Commission must be satisfied that the territory proposed for annexation meets one or more of the following eight standards to the extent that annexation is otherwise warranted. (19 AAC 10.190)

JUNEAU ANNEXATION/MODEL BOUNDARIES

1. The contiguous territory is totally surrounded by the borough's boundaries.
2. The land in the territory is wholly owned by the organized borough.
3. The territory is in need of municipal services which the CBJ can provide more efficiently than another municipality of the state.
4. There is a reasonable likelihood that future growth and development will occur within the territory and that annexation of the territory will enable the CBJ to plan for and control that development.
5. The health, welfare or safety of borough residents is endangered by conditions existing or developing in the territory and annexation will enable the borough to remove or relieve those conditions.
6. The extension into the territory of borough services or facilities is necessary to enable the CBJ to provide adequate service to its residents, and it is impossible or impractical for the borough to extend the facilities or services unless the territory is within the borough's boundaries.
7. Residents or property owners within the territory receive or may be reasonably expected to receive, directly or indirectly, the benefit of borough government without commensurate property tax contributions, whether borough services are rendered or received inside or outside the borough.
8. The annexation is otherwise necessary to accomplish a valid public purpose.

JUNEAU ANNEXATION/MODEL BOUNDARIES

**SECTION III
EXAMINATION OF PROPOSED JUNEAU ANNEXATION**

In order to approve the annexation petition, the Commission must not only be satisfied that the petition meets at least one of the eight standards for borough incorporation, but must also determine that the borough is willing and able to extend services to the annexed area.

The petitioner contends that the post-annexation boundaries would satisfy all standards for borough incorporation and four of the eight annexation standards. After review and examination of the issues evident in the proposed boundary change, the Department concurs with the petitioner with respect to all but one of the annexation standards. The standards which the petitioner asserts are met, and the extent to which DCRA agrees or disagrees, are identified and discussed as follows.

A. Application of Borough Annexation Standards

1. Annexation Standard [19 AAC 10.190(a)(3)]: The area is in need of municipal services which the CBJ can provide more efficiently than another municipality or the state.

The CBJ is in a position to serve this area more efficiently than another municipality or the state. This conclusion is based upon: 1) the area's proximity to the CBJ; and 2) the services available from the CBJ.

Based upon the petition of the CBJ and discussions with municipal officials, it is understood that the following direct services would be available to the area proposed for annexation as part of current general areawide services:

- emergency police services (offered in a limited capacity and only in emergencies);
- search and rescue;
- emergency medical services;
- planning, zoning and coastal management;
- building inspection.

Services located within the current boundaries of the CBJ and available to property owners in the annexed area would include:

- the Juneau International Airport;
- the Juneau hospital;
- Juneau harbor facilities;

JUNEAU ANNEXATION/MODEL BOUNDARIES

- social services;
- cemeteries;
- libraries;
- convention facilities;
- museums; and
- administration (Manager, Attorney, Finance)

It is expected that these same services would be available to the area suggested in this report for possible expansion of the CBJ boundaries beyond the 140 square miles requested by the CBJ. Additional services (such as fire protection) could be added at the request of taxpayers through the formation of a service area.

Legally, the CBJ would also become responsible for the delivery of public education in the newly annexed area. There are no schools within the 140 square miles proposed for annexation by the CBJ. However, there is one school which currently exists in Hobart Bay (within the suggested "ideal" boundaries). The Hobart Bay School has a student population of approximately 35 students. There is also reported to be one second grade student in Funter Bay who receives education through the State Centralized Correspondence Study program.

The Hobart Bay School, while a part of the Chatham School District, is actually operated by the Southeast Island School District. Such arrangements are allowed by AS 14.14.110 which states that "when necessary to provide more efficient or more economical educational services, a district may cooperate or the department (of education) may require a district to cooperate with other districts . . . in providing educational services". Thus, there is no reason why this arrangement could not continue, if the Hobart Bay School were annexed to the CBJ.

According to the Superintendent of the Chatham School District, the Hobart Bay School is expected to close after the 1990-1991 school year. The school was opened to provide education to the children of workers involved in logging activities in the Hobart Bay area. These logging activities are expected to be completed in the near future and the school will close at that time.

If Funter Bay were annexed, the lone student in that community would continue to receive instruction through the State correspondence program. The CBJ would not be required to provide a school in Funter Bay. Regulations of the Department of Education (04 AAC 05.040) require a district to "provide an elementary school in each community in which eight or more children are available to attend elementary school". These same regulations also require the district to "provide a secondary school or, if so requested by the local school committee, a partial secondary school program . . . in each community in the district in which there is one or more children

JUNEAU ANNEXATION/MODEL BOUNDARIES

available to attend a secondary school and there is, or there is required to be . . . an elementary school operated by the district."

The Juneau School District does not offer direct correspondence study. Thus, again, the Funter Bay student would be educated through the State Centralized Correspondence Study program. Currently, there are reported to be 25 students who live in the Juneau School District who receive instruction through the State Centralized Correspondence Study program.

The CBJ states in its brief in support of the annexation petition that it "... presently serves as the support center for Greens Creek and several other mining projects under exploration." The Department concurs with the CBJ assertion that no other community is better prepared to provide the support, transportation and commercial services needed by the mining industry in the region in general, and the Greens Creek project in particular.

The CBJ has devoted considerable time and effort to development of a mining ordinance to regulate mining activity within its boundaries. It appears more capable than any other government entity in the region to provide planning and other services which may be needed by mining and other commercial enterprises in the region.

Travel to the area proposed for annexation is via the CBJ. The major employer in the area proposed for annexation, the Greens Creek Mine, has its corporate offices in the CBJ. Miners commute to work daily by ferry from homes within the municipal boundaries of the CBJ.

2. Annexation Standard [19 AAC 10.190(a)(4)]: There is a reasonable likelihood that future growth and development will occur within the territory and annexation of the territory will enable the organized borough to plan for and control that development. The Greens Creek project and related activity has spurred significant economic growth in the territory. According to the petitioner, the mine will operate for approximately twenty years. The CBJ's mining ordinance would enable the borough to appropriately regulate and control certain elements of the development.

3. Annexation Standard [19 AAC 10.190(a)(7)]: 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 petitioner asserts that this standard is met by virtue of the fact that Greens Creek

JUNEAU ANNEXATION/MODEL BOUNDARIES

Mine employees reside in the CBJ. Accordingly, education and other services are typically provided to the miners and their families by the CBJ. It is evident that the Greens Creek Mine and related population have an impact upon the CBJ.

In a letter dated May 22, 1990 (see attachment A), the CBJ contends;

“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.”

While the Department agrees with these statements, the typical application of the standard would be based upon actual extension of services to the mine site itself. The CBJ has given no indication that it currently provides direct services to the area proposed for annexation.

When applied in a manner consistent with precedent, the Department does not agree that this particular standard is reasonably met. Nonetheless, the Department believes that the arguments of the CBJ are legitimate. These arguments, however, would be more properly put forward for consideration under the public purpose standard discussed next.

4. Annexation Standard [19 AAC 10.190(a)(8)]: The annexation is otherwise necessary to accomplish a valid public purpose.

The CBJ implies in its brief that the area requires sheltering from other taxing jurisdictions when it states “The CBJ can assist in assuring that this development activity is safe, orderly, causes minimum adverse impacts, and is not subjected to unreasonable regulation or overly burdensome taxation.” Apparently this reflects concern when the petition was drafted that a petition for formation of a Chatham Borough might be initiated with the assistance of or under the auspices of the City of Angoon.

While no such competing petition has been lodged, the CBJ’s decidedly proprietary stance in issues related to the Greens Creek Mine does appear to be rather reasonably derived from the close and continuing relationship between the prosperity of the mine and the employment it brings and the CBJ economy. For example:

The administrative headquarters of the Greens Creek Mine is located in Juneau;

JUNEAU ANNEXATION/MODEL BOUNDARIES

Homes of mine workers are located in Juneau and they commute to their jobs at the mine.

Since the mine itself is located outside the CBJ's municipal boundaries, the CBJ receives no property tax revenue on the taxable value of the mine site. The petitioners argue that "The local government which provides the support services for the development and which experiences the impact from the development should have the best opportunity to acquire the [tax] revenues associated with the development."

The argument could apply to an equal, if not greater, extent to the other part-time residents and/or owners of property located in areas adjacent to the boundaries of the CBJ but not included in the petition for annexation. In the Department's belief, such areas include Funter Bay, Hawk Inlet, Horse Island and Colt Island, the Glass Peninsula, Windham Bay and Hobart Bay.

The social, cultural and economic ties of this portion of Southeast Alaska to the CBJ are extensive. Annexation of additional territory would more fully satisfy the constitutional instruction that a borough include "an area and population with common interests to the maximum degree possible" within the boundaries of the Borough (Alaska Constitution, Article X, Section 3).

The petitioner's brief also states that "This annexation proposal is an effort to conform the existing boundaries of the CBJ to actual development activity which directly affects the CBJ." To be fully consistent with this goal, the area proposed for annexation should be enlarged.

On this basis, the Department concludes that sufficient valid public purpose would be served as a consequence of the annexation to satisfy this standard. In addition, the standard could be more fully met if the area proposed for annexation were expanded.

B. Application of Borough Incorporation Standards

19 AAC 10.220 requires that:

"the commission will approve and recommend to the legislature the annexation of territory to an organized borough only if it finds that the resulting boundaries of the expanded borough conform substantially" to the standards for borough incorporation.

Clearly, all of the following requirements of AS 29.05.031 would continue to be

JUNEAU ANNEXATION/MODEL BOUNDARIES

fulfilled by the CBJ subsequent to the proposed annexation.

1. The population within the expanded boundaries of the borough is interrelated and integrated as to its social, cultural and economic activities.

Annexation would not be significant in terms of bringing additional population into the CBJ, but would bring into the CBJ's boundaries an area which already has significant social, cultural and economic ties to Juneau.

2. The population within the expanded boundaries of the borough is large and stable enough to support borough government.

The greater Juneau area is one of the key metropolitan areas of Alaska. Its population is ample for purposes borough government.

3. The expanded boundaries of the CBJ would conform generally to natural geography and still include all areas necessary for full development of municipal services.

The proposed post-annexation boundaries would conform generally with natural geography, to the extent that this standard is typically met by other organized boroughs.

4. The economy of the expanded borough includes human and financial resources capable of providing municipal services.

Annexation of the area would permit the CBJ to increase its annual revenues. Much of the anticipated revenue would be derived from the Borough's areawide real and personal property tax. The current tax rate which would apply to the mine is 5.42 mills (note: most urban areas of the CBJ are currently taxed at about 13 mills). On the basis of the area's estimated taxable value, the 5.42 mill tax would generate approximately \$336,000 per year. The CBJ also estimates that \$150,000 in additional annual tax revenue would accrue to the CBJ since goods for the Greens Creek Mine would no longer be exempt from CBJ sales tax, as is currently the case.

Annexation of the mine, however, would cause the CBJ's funding from the state under the education foundation formula to decline by an estimated \$248,000 beginning in FY 94. Expansion of the boundaries to those suggested as 'ideal' boundaries in this report would offer potentially significant increases in revenues to the CBJ under the National Forest Receipts program. Program receipts would

JUNEAU ANNEXATION/MODEL BOUNDARIES

approximately double. In the current year, the CBJ received \$498,750 in program funds. Historically, however, NFR funding has fluctuated greatly from year to year.

5. Land, water and air transportation facilities of the expanded borough allow the communication and exchange necessary for the development of integrated borough government.

The petitioner notes (brief, page 31):

The area to be annexed is no more distant or difficult to reach than many other areas of the CBJ which are not on the road system. Air and water access from the CBJ to the Greens Creek area is in place at this time. The use of a vessel by the mining company for daily commuting by workers indicates adequate proximity.

While owners of property in other, adjacent areas in the vicinity might argue that a lack of road access renders inclusion in CBJ boundaries inappropriate, in the context of the State of Alaska as a whole, the lack of road access prohibits neither the delivery of desired municipal services nor the exchange necessary to provide responsible municipal government.

The Department concludes that this standard would continue to be met, at least to the minimum degree required by Alaska law.

C. Other Considerations Regarding CBJ Annexation

1. History of Existing CBJ Boundaries

The Greater Juneau Borough was incorporated in 1963. Less than two years later, the Borough unsuccessfully proposed to annex approximately 2,657 square miles. The area proposed for annexation included all of Admiralty Island and a portion of the mainland lying south of the Borough.

The area proposed for annexation included the community of Angoon. It also encompassed other areas which are presently inhabited. These include Funter Bay, Hawk Inlet and Colt Island. Records are not available to indicate why the 1965 annexation proposal was never implemented.

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.

JUNEAU ANNEXATION/MODEL BOUNDARIES

The recent resurgence in mining activity in the region presents an array of both challenges and opportunities for municipalities in the region. While it presents an opportunity for the area's economy to become more diversified, demands upon government services ranging from education to emergency medical services can be expected to increase. Thus, impacts upon its service delivery mechanisms and the opportunity to broaden its tax base through annexation prompted CBJ policy makers to initiate the current annexation effort.

2. Model Boundaries

The Department believes 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.

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.

The Department's preliminary recommendation (issued April 9, 1990) concerning the model boundaries of the CBJ 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 Appendix A). 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.

The Department finds the rationale put forward by the CBJ City-Borough Manager to warrant the expansion of the recommended ideal boundaries as shown in Exhibit B.

JUNEAU ANNEXATION/MODEL BOUNDARIES

3. Impact Upon Financial Viability of Chatham Borough

Annexation of the Greens Creek Mine to the City and Borough of Juneau would significantly diminish the property tax base of a prospective Chatham Borough. The mine has an estimated value of \$62,000,000. That represents 48.3% of the estimated taxable 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 may actually increase its viability. As discussed earlier, inclusion of the mine in the CBJ will increase its required local contribution to schools by \$248,000 — the same would hold true for a Chatham Borough.

The CBJ will more than offset the reduction in the loss of education funding through the levy of municipal property taxes. Unless a prospective Chatham Borough were willing to levy a property tax at least equal to 4 mills, inclusion of the mine would actually be a financial burden on the borough (an exception would exist if the borough would be willing to levy a severance tax).

Typically, property taxes are viewed by residents of sparsely populated rural boroughs as being among the least desirable means of raising local revenues. For example, none of the three most recent boroughs formed (all of which encompass rural, sparsely populated regions) levy property taxes.

Unless the property tax base of a borough is significant, property taxes are typically avoided because the tax is relatively difficult and expensive to collect. The property tax base of a prospective Chatham Borough encompassing Hoonah, Kake and Angoon would not be particularly strong. Including the Mine, the property tax base in the Chatham Borough would be slightly more than 75% of the average per capita tax base in all organized boroughs in Alaska. Without the Mine, the property tax base would be about 40% of the average per capita tax base in all organized boroughs.

With respect to a possible severance tax, based upon a written opinion of the State Attorney General's office, it is believed that a Chatham Borough could levy a severance tax on mines operating within its boundaries. However, no borough in the state currently levies such a tax. Any attempt to levy a severance tax on mines in a Chatham Borough would be expected to meet with considerable legal and political resistance. Thus reliance on such a tax may prove to be inappropriate.

Perhaps the greatest concern in terms of this annexation regarding the financial viability of a prospective Chatham Borough would be the inclusion of significant

JUNEAU ANNEXATION/MODEL BOUNDARIES

additional portions of the Tongass National Forest within the CBJ. Because, boroughs are entitled to National Forest Receipts strictly on the basis of the extent of National Forests within their boundaries, annexation of any additional forest lands to the CBJ will diminish potential program revenues for a prospective Chatham Borough.

As noted earlier, based on current levels of funding, the annexation to the CBJ of the 3,087 square miles suggested for inclusion within its 'model' boundaries would generate nearly \$500,000 in additional National Forest Receipts for the CBJ. If these National Forest properties were included within a Chatham Borough, the same would hold true for that government. \$500,000 represents the equivalent of a 7.5 mill property tax for the prospective Chatham Borough (based on value excluding the Greens Creek Mine). As noted earlier, it is important to recognize that revenues under the National Forest Receipts program can fluctuate widely from year to year.

This circumstance notwithstanding, the Department and the Commission agreed at the beginning of the 'model' boundaries study that boundaries should not be gerrymandered to ensure financial viability of a particular region. That is not to say that financial viability is not an important issue, but rather that it is an issue which should be considered independent of the boundary issue.

Therefore, because the Department believes that the Windham Bay and Hobart Bay areas are more closely linked to the CBJ, inclusion of these areas within the model boundaries of the CBJ is considered most appropriate.

JUNEAU ANNEXATION/MODEL BOUNDARIES

SECTION IV
CONCLUSIONS1. Regarding CBJ Annexation Petition

The CBJ's proposed annexation of the Greens Creek Mine satisfies all necessary standards for annexation. However, a central issue related to this annexation petition is whether the proposed post annexation CBJ boundaries include, to the extent warranted, all of the territory that is socially, culturally and economically interrelated to the Borough to the maximum degree possible.

2. Regarding Model CBJ Boundaries

The Department concludes that the ideal boundaries of the CBJ are more expansive than the area petitioned for annexation, even though it is evident that the model boundaries encompass the Greens Creek Mine. The ideal boundaries of the CBJ also encompass other adjacent areas, including the Mansfield Peninsula, the eastern half of Seymour Canal, Glass Peninsula, Horse Island, Colt Island, Windham Bay and Hobart Bay. The proposed boundary change should be expanded to include areas likely to receive CBJ services or to be heavily utilized and impacted by area residents.

3. While annexation of the Greens Creek Mine would diminish the tax base of a future Chatham Borough (but might not adversely affect its financial viability), the Greens Creek Mine has too many links with the CBJ to justify its inclusion in any other Borough.

JUNEAU ANNEXATION/MODEL BOUNDARIES

SECTION V RECOMMENDATIONS

The Department's position in these matters is presented as a series of recommendations for consideration by the Local Boundary Commission. It is important to keep in mind that the Department and the Commission are independent of each other. Ultimately, the decisions will be made by the Local Boundary Commission and, presumably, the Legislature. The Commission is under no obligation to accept the recommendation of the Department and the Legislature is under no obligation to accept the recommendation of the Commission.

A. Regarding CBJ Annexation

1. **The Department recommends that the Local Boundary Commission make the annexation of the Greens Creek Mine contingent upon the inclusion of all areas found to be within the 'ideal' boundaries of the CBJ. In the Department's view, these include the eastern half of Seymour Canal, all of the Mansfield Peninsula, Glass Peninsula, Horse Island, Colt Island, Windham Bay and Hobart Bay. The area recommended for annexation by DCRA encompasses approximately 3,087 square miles. The suggested configuration of the territory recommended for annexation is reflected on the map in Exhibit B. A written description of the ideal boundaries is provided in Exhibit C.**

The Department's rationale for recommending that the proposed annexation petition be expanded is based upon the following:

The 140 square mile area proposed for annexation by the CBJ is uninhabited. If approved as requested, the annexation would generate significant revenues for the CBJ, but would not create significant demands on the CBJ for delivery of services.

The annexation proposed by the CBJ is similar in many respects to one proposed by the Fairbanks North Star Borough a year earlier. Fairbanks had petitioned to annex pump station number 7 of the trans-Alaska oil pipeline. Like Juneau's proposal, this annexation would have generated significant revenues for the borough with no significant increase in the demand for services.

Although approved by the Local Boundary Commission, the Fairbanks annexation generated intense conflict (not only in the region, but statewide as well). This conflict spilled over into the legislature where the matter was debated for several days. Ultimately, the legislature — which has final say in such matters — rejected the Fairbanks annexation. In doing so, the legislature sent the message that

JUNEAU ANNEXATION/MODEL BOUNDARIES

boroughs should not be allowed to annex 'select' areas while ignoring 'less desirable' areas which should also be within their boundaries.

In response to concerns raised in the course of the Fairbanks annexation, the Commission determined that future requests for borough boundary changes should be examined with due consideration given to the affected region's "ideal" regional government boundaries.

Accordingly, as a matter of policy, the Department supports the Local Boundary Commission's model boundaries effort. In this spirit, examination of every petition for annexation of territory to existing boroughs is routinely evaluated in the light of model boundaries for the respective borough. The petitioner has identified ties between the Mansfield Peninsula and its residents with the CBJ. The Department contends that similar strong ties exist with the other areas suggested for inclusion in the CBJ.

Since the effort to expand the CBJ boundaries has been initiated, it would be irresponsible to not include all of the area appropriately within the extended boundaries. It would be particularly irresponsible if an effort to attempt the full and appropriate extension of CBJ boundaries were deferred because of political pressures imposed by purely parochial interests or recreational property owners wishing to avoid property taxes.

The Department's position with respect to the CBJ annexation proposal is consistent with its recommendation concerning the resubmitted Fairbanks annexation proposal. In the case of the pending Fairbanks petition, the Department recommended that the annexation of pump station number 7 now be permitted only if the annexation is expanded to take in an additional 4,558 square miles which are believed to be within the 'ideal' boundaries of the Fairbanks Borough. The Commission is scheduled to rule on the Fairbanks proposal on the same date as it conducts the hearing on the Juneau annexation proposal.

2. **The Local Boundary Commission should approve an amended annexation petition on the condition that the CBJ Assembly adopt a resolution affirming its willingness and ability to extend areawide services to all of the territory encompassed by the expanded petition.**

As noted earlier, the Commission's regulations require that annexation should be rendered only after the LBC is satisfied that the CBJ has demonstrated that it is willing and able to extend municipal services to the annexed territory. In this instance, the Department maintains that the LBC should condition approval of the

JUNEAU ANNEXATION/MODEL BOUNDARIES

annexation petition on the submission of an assembly resolution pledging extension of borough services to all of the area determined by the Commission to be within the ideal boundaries of the City and Borough of Juneau.

In a letter dated May 22, the City-Borough Manager of the CBJ stated that:

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.

While the letter was specifically authorized by the CBJ Assembly, a more formal and specific resolution concerning the matter would still be in order. Further action by the Assembly would presumably follow the decision of the Commission regarding these matters. Once the Commission acts, the Assembly will have a formal decision to consider regarding the 'ideal' boundaries of the City and Borough of Juneau.

The Department realizes that the recommendations in this report will certainly generate controversy. However, the recommendations relate to what is perceived to be the 'model' boundaries of the CBJ. Given the evidence of social, cultural and economic integration of the area recommended for annexation with the CBJ, the Department feels the present recommendations are appropriate. However, in the event the Commission accepts the recommendations, the Department also recognizes and respects the right of the CBJ Assembly to withdraw its annexation petition should the Assembly not wish to accept the larger area.

JUNEAU ANNEXATION/MODEL BOUNDARIES

EXHIBIT A

**CORRESPONDENCE CONCERNING THE CITY AND BOROUGH OF
JUNEAU PROPOSED ANNEXATION AND MODEL BOUNDARIES**

(SHOWN IN REVERSE CHRONOLOGICAL ORDER)

Alaska State Legislature



SENATOR JIM DUNCAN

P. O. BOX V JUNEAU, ALASKA 99811-3100

(907) 465-4766

COMMITTEES:
FINANCE
VICE CHAIR —
HEALTH EDUCATION
& SOCIAL SERVICES
BUDGET & AUDIT
BANKING &
ECONOMIC
DEVELOPMENT

June 12, 1990

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

RECEIVED

JUN 14 1990

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

Dear Mr. Bockhorst:

This letter is to provide you with my recommendation on the matter of the proposed City and Borough of Juneau annexation of the Greens Creek Mine.


I have received a number of letters from individuals, predominantly with cabins in Funter Bay and other affected areas, who believe annexation of a larger area than the original proposal would be detrimental to their interests. After reviewing their concerns, I have to agree that they are legitimate.

I feel there are compelling reasons to annex only the Greens Creek Mine area. Juneau is the bedroom community for the Greens Creek Mine. We provide schools, roads, and other public services to employees of the mine. Greens Creek Mine receives the benefit of these services without paying property taxes on the mine itself, therefore the mine is not picking up the full social cost of its operations.

Conversely, the property owners in Funter Bay and other remote areas who own predominantly recreational cabins, feel that annexation of their property would be harmful. In actuality, remote recreational sites receive little or no benefit from organized municipalities. One of the reasons people chose to recreate or reside in remote areas is to be free of governmental interference and regulation. In fact, regulation by a municipality would defeat the need of many Alaskans to be free of government regulation in at least one area of their lives.

While it would be nice to be able to draw nice, straight lines on a map in designating all boroughs in Alaska, I do not feel in this case it would be beneficial to any of the parties concerned to do so. Therefore I recommend the Boundary Commission approve the City and Borough of Juneau's original request to annex only the Greens Creek Mine area. Your favorable action on this recommendation will be appreciated.

Sincerely,



Jim Duncan
Senator

cc: Sam & Helen Pekovich
Phillip & Carol Gray
Peter & Patti Jones
Phillip & Donna Emerson
James A. Doyle
Kevin Ritchie, City Manager, City & Borough of Juneau

TO: _____
DEPT: Chatham FAX # _____
FROM: CBJ PHONE _____
CO: Chatham FAX # _____
Post-it brand fax transmittal memo 7671

NO. OF PAGES
5

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

May 26, 1990

Mr. C.B. Bettisworth, Chair
Local Boundary Commission
130 Seward St.
Juneau, AK. 99811

Dear Mr. Bettisworth,

My family and I live at Funter Bay which is on Mansfield Peninsula, the northern tip of Admiralty Island. In the last month my family and I have just become aware of serious potential changes to our subsistence lifestyle brought on by proposed City and Borough of Juneau annexation of our area due to pressure being exerted by the Local Boundary Commission.

The CBJ proposed an annex of the Greens Creek mining operation in Hawk Inlet and in return the LBC extended these boundaries to include Funter Bay. Due to the fact that the LBC did not inform the residents of Funter Bay of this change it has incurred a lot of time trying to acquire information, expense in travel costs to appear before the CBJ council meetings and stress incurred by the LBC's lack of concern for the residents and land owners of this area.

I have been trying to read all the information available to me at this time and am finding it quite difficult to understand. In the Model Boundaries Study (Chatham/Juneau, Dec. 1989) there is a question and answer section that states that the LBC "...will not create boroughs. It will not even promote or propose the formation of regional governments." And yet in the Aug., 1989 Chatham Region Borough Feasibility Study there is a statement of borough government by the LBC (attachment C pg. 53) that recommends to the legislature, "4) to provide for the formation of boroughs in all parts of the state, coupled with a mechanism to ensure that all boroughs created in this fashion are financially viable." How can the LBC tell the voting public one thing and then propose just the opposite to the lawmakers?

I cannot see that putting all the small communities in Southeast in "ideal" boundaries is going to help the state's money problems or the problems of each totally separate community. The State of Alaska created a problem for themselves during the big money days of the oil pipeline by supplying too much to too many and now must put the burden back on the people. That is fine, if the people want it they should expect to pay for it; but don't do it by throwing together communities that do not, "embrace an area and population with common interests to the maximum degree possible." On page 50 of the Chatham Region Borough Feas-

bility Study there is a statement on the position of the Local Government Committee that says, "although voluntary incorporation was preferable, organized boroughs should be created without approval in the area if considered necessary by the state". May I quote Article 1 section 2 of the state constitution. "All political power is inherent in the people. All government originates with the people, is founded on their will only, and is instituted solely for the good of the people as a whole."

Every letter from the smaller communities I have seen in all your studies has the same reply, no one wants to be part of any organized borough and I don't think it is right for the State of Alaska to force any community into a borough because the LBC feels they have to draw lines on a map and, "square the corners". The State should take the initiative from these findings by the LBC and let each community in southeast take care of itself with its own tax base.

I now would like to refer to the "Report and Recommendation to the Alaska Local Boundary Commission concerning the Application of Borough Incorporation Standards." Pg. 10 of this report dated April 9, 1990.

I am enclosing a letter I wrote to the Mayor of Juneau that covers the first point. To the best of my knowledge this letter was not read at the assembly meeting and I have received no reply. Perhaps you can tell me the social, cultural and economic ties that make Funter Bay different than Hoonah, Pelican, Elfin Cove or Gustavus. If I am so close to Juneau why does it take me three and a half hours to run my boat to Auke Bay or seven hours to Juneau proper? Funter Bay has once a week mail service; during the winter this can be extended to a month or more due to weather. To charter a plane and attend a CBJ borough meeting, stay in a motel, rent a car, eat meals etc. can cost \$400 to \$500; is this accessibility to local government? Taking Hoonah as an example in comparison, it is connected directly to Juneau by State ferry service three times a week, (summer) and numerous daily scheduled flights throughout the year. Many of their business and social activities are Juneau centered. They have a Juneau FM radio station repeater. All of these circumstances seem to show greater "cultural, social, and economic ties" to Juneau than the community of Funter Bay ever had.

I have a hard time understanding point #2. It sounds like an invading country justifying its actions. The CBJ could annex the whole unorganized borough and say that they are large and stable enough to support borough government. Point #3 talks about natural geography. I guess all one has to do is look at the map with the lines the LBC has drawn to see this. First of all Admiralty is an island, totally separated from Juneau; the proposed LBC annexation only includes a small section of this island and with a boundary line that follows no natural geography. At the CBJ council meeting of May 7th, Mr. Gene Kane of the Department of

Community and Regional Affairs stated to the council that the Mansfield Peninsula was being included in the selection to , "square the corners" of the CBJ boundary. I would like to know what happened to the square corners on the southern boundaries of the LBC's enlarged annex lines?

Point #4 and some of #3 has to do with supplying municipal services. Can you tell me how the CBJ is going to supply this area with services except for taxes and enforcement of borough laws? For 18 years I have supplied my family with every amenity we need and we do not need borough services that cannot be supplied.

On the top of page 10 there is the quote about the expanded area conforming "substantially" to these standards. Has any one from any of your offices or organization been to Funter Bay to come to all these conclusions? In point #5 it states that Funter Bay is no more distant or difficult to reach than many other areas of the CBJ; if this is true you should be able to come out here and talk to us on a regular basis. Do other areas of the borough that are only accessible by air or water have a resident population?

State law says, "The entire State shall be divided into boroughs, organized or unorganized." Funter Bay is part of the unorganized borough and wishes to remain in it. We are no more "related" to Juneau than any of the other outlying communities, I would even say less so than many of them, and I cannot see that any of the factors used in setting boundaries are fulfilled by the annexation of Funter Bay by any borough. On page 10 once again it says, "Annexation would not be significant in terms of bringing additional population into the CBJ,...". I would like to believe that the individuals of this State are significant.

Respectfully yours,


Philip K. Emerson


Donna K. Emerson

cc: Ms. Jo Anderson, Mr. Lamar Cotten, Ms. Shelly Dugan,
Mr. Guy Martin, Local Boundary Commissioners:
Senator Richard Eliason
Representative Peter Goll

ALASKA-DANO MINES COMPANY

P.O. BOX 210609
 ANCHORAGE, ALASKA 99508

May 25, 1990

REC...

Mr.

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

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

Dear Sirs:

As the undersigned stated before the City and Borough of Juneau Assembly meeting of May 7, 1990 the above Company, as an owner of property fronting on the south shore of Funter Bay, Mansfield Peninsula, Admiralty Island, objects and protests to the annexation of the Mansfield Peninsula by the CBJ as proposed by the Department at this time on the following grounds.

The property of the Company gives promise of containing one or more deposits of commercial ore which promise has not yet been proven. The Company needs, and is trying hard to obtain, exploration by an entity willing to invest substantial sums, way beyond the limited resources of the Company, to conduct that exploration.

Interesting such an entity in the property will be more difficult, and possibly unlikely, should the area be annexed for a number of reasons. The mandatory borough functions alone would mean at best a tax, even that of a special service district at a mill rate of between 4 and 6 mills, which would soon exhaust the limited financial resources of the Company, or increase the costs of such exploration and thus decrease the interest of such an entity.

Perhaps more important is the realization that annexation would mean planning and zoning in a distant and sparsely settled area under ordinances developed for urban area concerns which could defeat mineral exploration. And while a limited service area could be devised in which other ordinances would not apply there would be concerns that such an accomodation could be unilaterally changed at any time. It is apparent that some segments of the mining industry, possibly one which might be willing to do that needed exploration, do not regard the CBJ mining ordinance as one that encourages mining exploration, as it was ordained to fit the needs of an urban area, not that of Funter Bay.

So there exists a situation whereby annexation at this

time would hinder and possibly defeat mineral exploration which if accomplished could in the future result in values to the State and to CBJ in the form of mining and corporate taxes, property tax, sales tax, user fees and other revenues.

In the meantime CBJ does obtain revenues from the Mansfield without the cost of extending its governmental services to that area. In the past, and in the present, activities on the Mansfield has generated business for Juneau merchants and vendors of services all of which leads to taxable property and transactions. That business has been sought as valuable. Almost all of that activity has been extended to that area by residents of Juneau who are taxpayers in CBJ. The Company pays sales taxes on purchases and services rendered to it by residents of CBJ.

The people of the Mansfield and the activities conducted in it have chiefly relied on Juneau and CBJ facilities. While that establishes a cordial relationship it does not of itself justify annexation at this time, as there appears not only no need by CBJ services, but instead an aversion to the enforced rendition of them.

This relationship does however justify the concept of eventual annexation when circumstances change by reason of mining or other development leading to more settlement and a need for municipal services, and supports the approval of the model boundary proposed by the Department. This economic and cultural relationship should prevent the annexation of the area by any other city or borough.

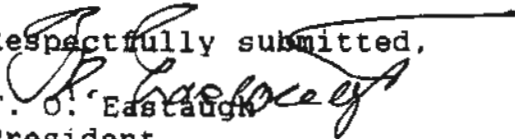
In view of the present lack of need for services which would be rendered to the area as a result of annexation, annexation should be deferred. And should the Company property be developed into a producing mine, the CBJ would be the economic beneficiary of such activity which could well justify annexation at some time in the future.

Such deferral would not run counter to the Constitutional mandate that all government powers shall be vested in boroughs and cities, nor the consequent State aim of eventual organization of the unorganized borough, considering that over 64% of the State is still in the unorganized borough.

The Company therefore proposes and requests that annexation of the Mansfield Peninsula be deferred until some future time, and that the model CBJ boundary proposed

by the Department be approved in concept, subject only to changes that might be warranted by conditions existing at the time of annexation.

Respectfully submitted,


F. O. Eastaugh
President

cc: Hand delivered to
Mr. Peter Freer,
Local Boundary Commission
Juneau, AK 99811-2110
Mr. Kevin Ritchie
City & Borough of Juneau
155 S. Seward, Juneau 99801
Mailed to:
Members of the Local Boundary Commission

CRRCBJ



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

RECEIVED

MAY 25 1990

May 22, 1990
Div. 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

5/22/90

LISC Component
 Dept of Community + Regional Affairs
 949 E. 36th AVE. Room 405
 Anchorage AK 99508

RECEIVED
 MAY 24 1990

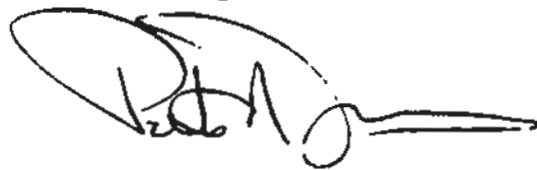
Dept. of Comm. & Reg. Affairs
 Div. of Municipal & Re - Assn

DEAR SIRs,

Could you please send me your draft report on annexation for the City + Borough of Juneau. Could you please include a copy of all the guide-lines, criteria, etc. necessary to annex lands by a Borough and any legal or constitutional information pertinent to expanding Borough Boundaries.

We look forward to meeting you in Juneau on July 12th for your hearing on annexation.

Sincerely,



PETER D. JONES
 PO BOX 1064
 JUNEAU AK

May 21, 1990

Dept. of Community and Regional Affairs
155 S. Seward Street
Juneau AK 99801
Murray Walsh
Bruce Botelho
Rosalee Walker
Rosie Peterson
Dennis Egan
John McKinnon
Caren Robinson
McKie Campbell
Errol Champion
George Davidson

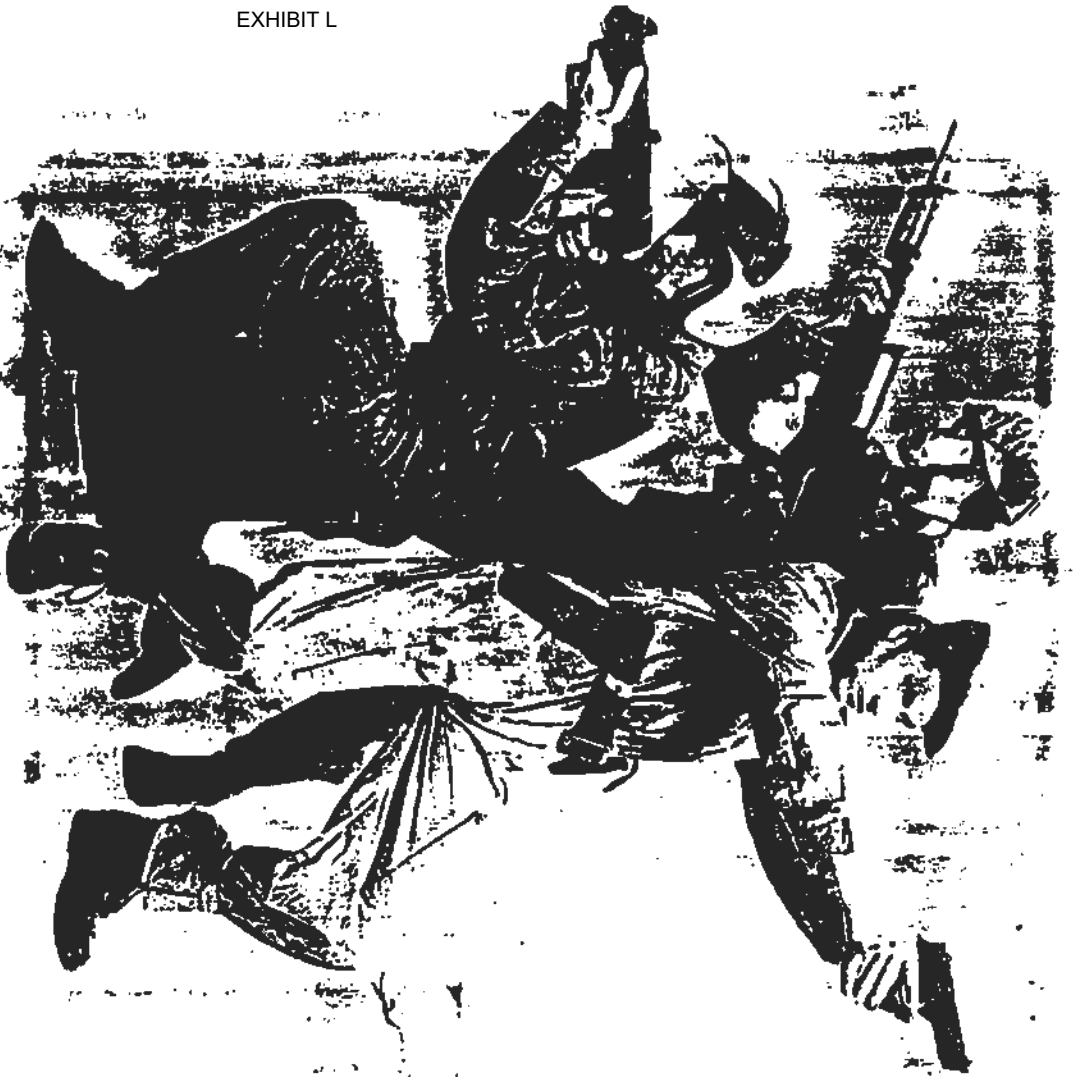
Dear Assemblymen:

I would like to protest the annexation of Admiralty Island cabin sites. The cabin we are concerned about is located in the Seymour Canal area. This annexation will not benefit anybody with cabin sites in the area up for review. I would like to address the assembly members comment in the newspaper about nobody protesting the annexation thus far, since it was only last week I first heard about this new ordinance or I would have protested sooner. There ought to be a better way of announcing these ordinances that come up for review.

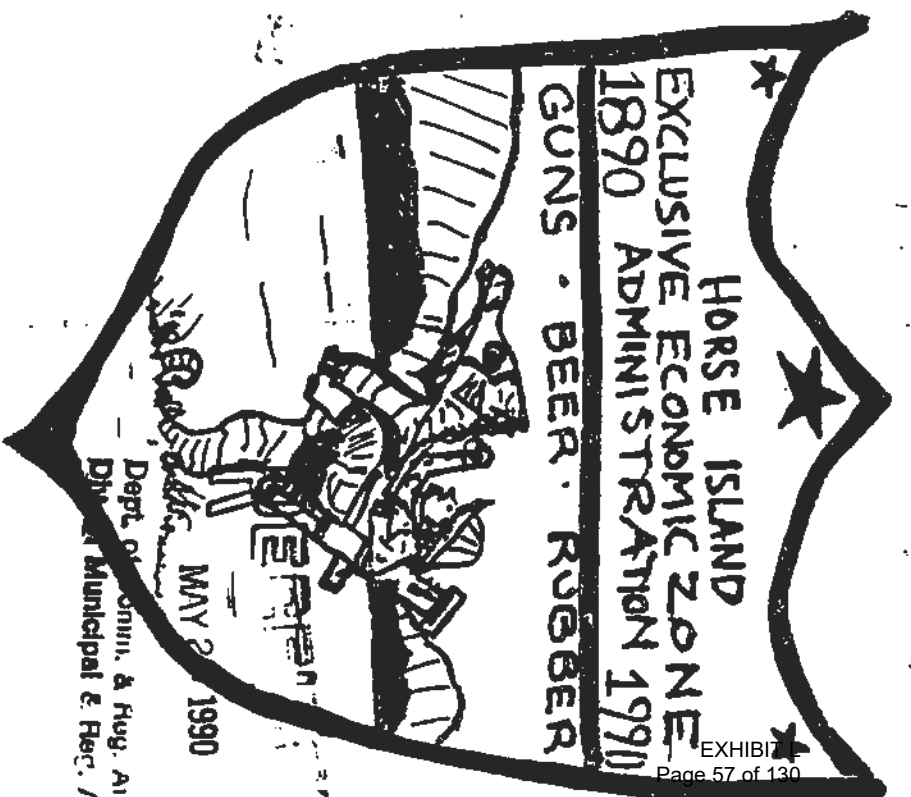
In conclusion I would like to say that putting a tax on all cabins in this area will lesson the pleasure that cabin owners have being able to go and hunt and fish in this beautiful area.

Thank you,

Farlin F. Cameron



ON THE ALERT



CELEBRATING
100 YEARS
OF
FREEDOM

Dept. of Community & Reg. Affs
Division of Municipal & Reg. Affs

Breaking free for 1990

Your presence is requested at the Horse Island Centennial Celebration.

Lt. Commander H.B. Mansfield, USN, captain of the USCGS steamer Patterson, named Horse Island one-hundred years ago this summer.

So the members of the Horse Island Exclusive Economic Zone Administration (a group of Horse Island land owners and users committed to the protection of freedom and the Alaskan way of life) decided to have a party.

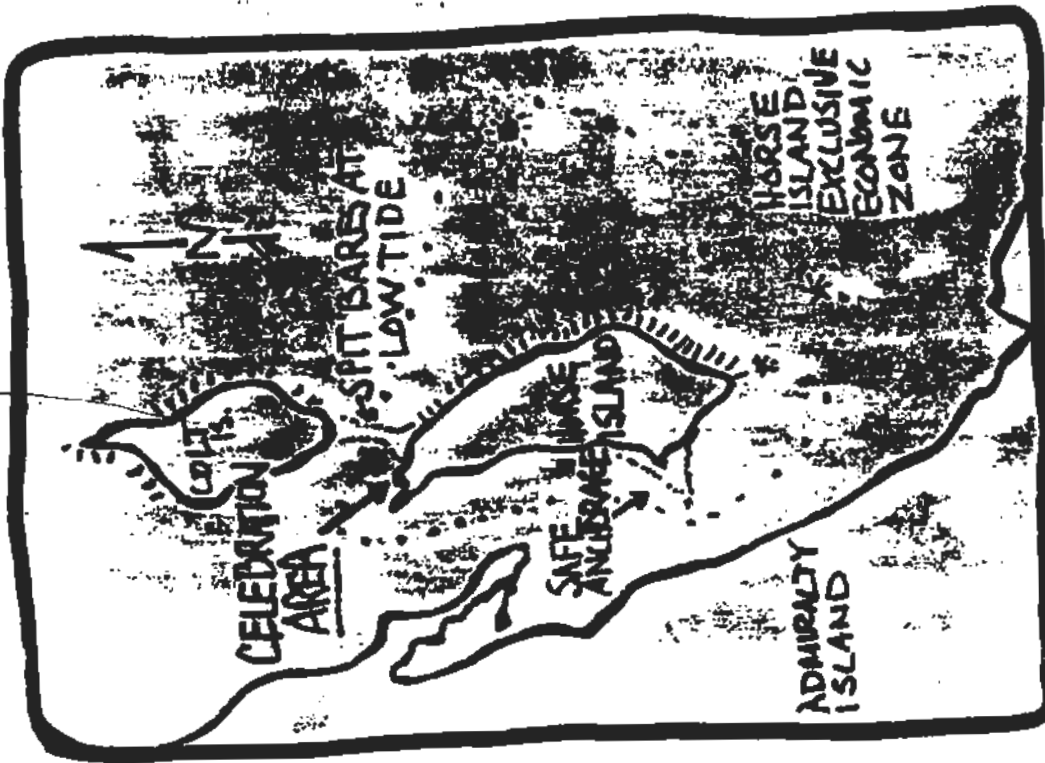
The festivities begin Saturday, June 9, 1990 at 3 pm. There will be fun and games along with a serious discussion about what can be done to stop the land and revenue hungry City and Borough of Juneau from imposing it's unwanted will upon our island paradise.

All your friends will be there... so join us at the Horse Island Exclusive Economic Zone Administration's "Festival of Freedom."

R.S.V.P.

Horse Island Exclusive Economic Zone Administration

P.O. Box 2208
Juneau, Alaska 99802
(907) 364-2340



TIDE TABLE

Sat.	High:	3:09 pm
		14.3 ft.
	Low:	8:36 pm
Sun.	High:	3:33 pm
		16.5 ft.
	Low:	9:11 pm
		-1.6 ft.
		Full

The hope is that the informal economic sector can be expanded. People can become politicized by active participation in driving small economies and mutual support networks which they themselves control.

May 18, 1990

LBC Component
 Department of Community & Regional Affairs
 949 E. 36th Avenue, Room #405
 Anchorage, Alaska 99508
 FAX: 563-1734

RECEIVED
 MAY 22 1990
 Dept. of Comm. & Regional Affairs
 Div. of Municipal Affairs

To Whom It May Concern:

The issue of annexing into the City & Borough of Juneau a 1116 square mile area of Admiralty Island has received little community focus or debate. The players in this issue are the State's Local Boundary Commission, the City Government and the Green's Creek Mining Consortium who line up against the residents of the Mansfield and Glass Peninsula and Horse Island and Colt Island. Government and business want to expand the Borough, however the people who own what little private and permitted land there is in the proposed expansion area do not want to be acquired.

Thus we have the classic back drop of the "Big Guy" against the outnumbered "Little Guy". This issue will no doubt be settled on the principle that serves the good of the whole, I must ask what that good is?

As the local sportsman knows and cherishes, the distance between the City of Juneau and Admiralty Island might as well be half a world apart. The individuals who have chosen to make a life in places like Funter Bay live under very different circumstances than the assembly members who are soon to represent them. It is fundamentally correct to say that the conditions of life, the interests, wants and needs of the rural residents about to be acquired by the City & Borough will be diminished when they become involuntarily annexed.

Clearly the losers are anyone who owns property in the expansion area and anyone who ever dreams of owning and building a remote cabin without permits and City & Borough of Juneau building codes. So who are the winners and what is the 'good of the whole' that's being served?

Green's Creek Mine is a winner presumably, since they proposed and are in favor of their leased mining properties being acquired by CBJ. In fact they are the reason for the expansion. The prospect that in the short life time of the mine they would be encompassed by a new Chatham Borough is enough encouragement to side them with CBJ expansion. They have cut their losses by siding with the largest regional metropolis that could command the greatest political access. This has a bipolar effect on Alaska's rural development by leaving out the peripheral communities that may have a indigenous claim to the resources being extracted.

The City and Borough Government perceives themselves and the people they represent as winners in this new arrangement. This assumes that Big is Better and Taxes will exceed the cost of services rendered in the newly annexed areas. Neither of these assumptions are likely.

If you are an active Juneau Hunter, Fisherman, Kayaker, Adventure Trekker or Naturalist; the notion of the City and Borough extending political control into the Seymour Canal should be sufficient to set off a warning light. For those of us like myself, who welcome Green's Creek Mine to this community must understand that annexation is not necessary for its continued positive contribution to this local economy. Ultimately we must understand that the Green's Creek Mining consortium is a Multi-National Corporation with a responsibility to its shareholders and not to the benevolent good of the whole.

The State's Local Boundary Commission's proposal to expand upon the City and Borough relatively meager annexation plan is disingenuous at best. While governments world wide are pushing towards decentralized political systems with greater regional autonomy, the State of Alaska appears to be backsliding.

Very truly yours,



Peter D. Jones
P. O. Box 02-1064
Juneau, Alaska 99802-1064

May 17, 1990

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

FAX: 563-1734

To Whom It May Concern:

I think it highly unfair for the City & Borough of Juneau to be allowed to approve annexation of a 140 mile perimeter, which happens to include Horse and Colt Island.

Both Horse and Colt Island are strickly recreational areas sold via state lotteries over the past 10 years. As a land and cabin owner on Horse Island I find it unconstitutional to have to pay taxes based upon a City whim of desiring tax monies from the Greens Creek Mine.

If you want Greens Creek Mine dollars, fine, but do not find it necessary to pass your greed on to other existing Juneau and Douglas taxpayers. We already pay our taxes through our mortgage and housing loans and property values.

Not to mention the stupidity of having to build recreational cabins to City codes and provide water and sewer requirements when we have no such luxuries being provided to us by the City.

I bought land on Horse Island to get away from Juneau and have a quiet place to get away with my kids. I did not buy land to build a full time home in City limits.

Thank you.



Patti E. Jones
P. O. Box 1111
Juneau, Alaska 99801

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 & KOLKHORSE


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

May 17, 1990

LBC Component
Department of Community & Regional Affairs
949 E. 36th Avenue, Room #405
Anchorage, Alaska 99508
FAX: 563-1734

To Whom It May Concern:

I think is highly unfair for the City and Borough of Juneau (CBJ) to be allowed to acquire annexation of a 140 mile perimeter, which happens to include Horse Island and Colt Island.

Both Horse Island and Colt Island are strictly recreational areas sold through State of Alaska lotteries over past years. As a land and cabin owner on Horse Island I find it unconstitutional to have to pay taxes based upon a CBJ desire for tax monies from the Green's Creek Mine.

I understand Green's Creek Mine approached CBJ first on this issue. If the City and Borough of Juneau want Green's Creek Mine dollars and Green's Creek Mine wants CBJ protection and services, fine, but do not find it necessary to pass your greed on to other existing Juneau and Douglas taxpayers. We already pay our taxes through sales tax, land and property values.

Not to mention the stupidity of having to build recreational cabins to City codes and meet water and sewer requirements when we have no such luxuries or services being provided to us by the City. Nor want any.

I bought land on Horse Island to get away from Juneau and have a quiet unrestricted place to spend time with my kids. I did not buy land to build a cabin to CBJ specifications and codes. What happens when I want to put a deck around my cabin. Do I fly a CBJ building inspector at my expense to Horse Island to tell me how to plan my dream. Hell no!

Thank you,



Patti F. Jones
P. O. Box 02-1064
Juneau, Alaska 99802-1064

CC: The Juneau Empire
Murray Walsh, CBJ
Rep. Jim Duncan
Rep. Fran Ulmer
Rep. Bill Hudson

RECEIVED

MAY 22 1990

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

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

May 16, 1990

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

Dear Mr. Kane:

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

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

Please advise if there are additional arrangements we can make.

Sincerely,



Kevin Ritchie
City Manager

KCR:smo

RECEIVED

MAY 16 1990

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

May 14, 1990

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

Dear Mr. Bockhorst:

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

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

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

RECEIVED
JUN 01 1990

Dept. of Comm. & Regional Affairs
Div. of Municipal Affairs
Page 7 of 130
Jst.

Letter to Dan Bockhorst
May 14, 1990
Page 2

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

Sincerely,

Karey H. Cooperrider
Joseph M. Giefer

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

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

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

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

May 14, 1990

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

Dear Sir or Madam:

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

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

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

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

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

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

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

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

Sincerely,



Sam Pekovich

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

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

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

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

Dear Sirs:

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

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

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

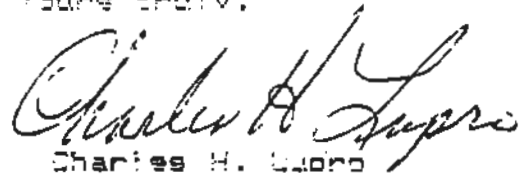
We feel this proposed annexation should not be considered without input from the residents and property owners of Funter Bay. There should be a public hearing held in Funter Bay so all concerned parties have a chance to express their views.

Yours truly,



Sarah Luoro

Yours truly,



Charles H. Luoro

cc: Honorable Dick Ellison
Honorable Peter Gal
Mr. Mark Pizzini
Local Boundary Commission, 32 Region

RECEIVED**MAY 18 1990**

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

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

May 14, 1990

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

Gentlemen:

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

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

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

Page 2 Horton
May 14, 1990

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

Sincerely

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

David A. Horton, Jr.



Clyff Kobayashi
7691 Glacier
Juneau, AK 99701

5/13/90

To Whom it may Concern:

I would like a copy of your report suggesting Annexation of Areas of the Mansfield Pen. on Admiralty Island by the C.B.J. I would also like reasons for this proposal. Presently there are several proposals to include the Mansfield Pen. to Admiralty National Monument as was originally proposed in A-2 legislation. Presently both the Public Lands Trust and Nature Conservancy are ^{EXHIBIT L} _{Page 77 of 130} considering

Purchasing ^{EXHIBIT L} Drivale no "dungs"
on Admiralty Island for
additions to the monument.

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

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

RECEIVED

MAY 13 1993

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

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

5/10/90

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

From; William, Kathleen, and Ernest Brent

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

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

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

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

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

We have had some ^{econ.} years with less than \$5000.00 - five thousand a year.

RECEIVED

MAY 16 1990

Dept. of Comm. & Reg. EXHIBIT L
 Div. of Municipal & Reg. 79 of 100
 Asst.

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

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

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

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

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

Thanks you
The Bents

William Kathleen Ernest

15012 33 143

Juneau, Ak.

99703

En - 170-821

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-

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

Sincerely,



Donna K. Emerson



Philip J. Emerson

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

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

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

SOUTHEAST REGIONAL DIRECTOR

May 10, 1990

RECEIVED

MAY 14 1990

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

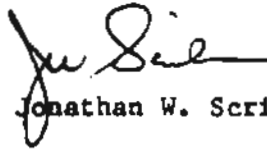
Dept. of Comm. & Reg. Affairs
Div. of Municipal & Reg. Asst.

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

JOEL BENNETT PRODUCTIONS

114 WEST SIXTH STREET
JUNEAU, ALASKA 99801
U.S.A. (907) 586-1255

RECEIVED

MAY 14 1990

May 9, 1990

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

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

Dear Members of the Commission,

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

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

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

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

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

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

Yours sincerely,


Joel Bennett

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

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

Dear Mayor Botelho and fellow assembly members,

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

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

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

I have heard there have been a number of comments made by various members of the assembly on both television and radio concerning the fact that Funter Bay does not pay it's fair share of borough services. My family and I spend on the average three weeks a year in Juneau. I usually run my fishing boat the three and a half hours to Auke Bay where my moorage fees are \$5.78 a day + tax, I rent a car for approx. \$40 a day + tax, I buy fuel for this car + tax. We buy all our meals in town and occasionally rent a motel room + tax. For every service we use and for everything we consume in Juneau we pay taxes. How do we differ from the people from Hoonah, Pelican, Elfin Cove, Haines etc. that come to Juneau and take advantage of what is available? If the CBJ were to annex every community that buys groceries, building supplies and does their banking in Juneau you would certainly have your hands full. The criteria set up by the Model Boundaries Commission Study states, "Alaska's constitution requires that each borough shall embrace an area and population with common interests to the maximum degree possible."

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

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

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

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

Respectfully yours,

Philip J. Emerson

Donna K. Emerson

Funter Bay, Alaska

May 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. Ast.

Gentlemen:

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

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

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

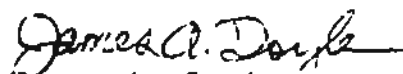
For the information of the Local Boundary Commission, Funter Bay has existed as a community since about 1900. Its present population of eleven - eight adults, three children - has been stable for many years. Also, for these same years, we have been completely ignored by the State and Federal Governments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

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

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

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

Sincerely,



James A. Doyle
1 Crab Cove
Funter Bay, AK 99850-0140

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

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

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

RECEIVED

MAY 14 1990

Gentlemen:

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

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

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

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

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

Sincerely,

Phillip L. Gray

Phillip L. Gray

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

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

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

RECEIVED

MAY 9 - 1990

Dear Mr. Rutherford,

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

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

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.

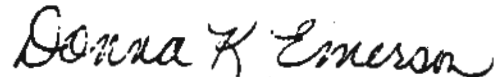
In the Model Boundries Study newsletter of Dec. 1989 it states, "The Commission and the Department agree that this project should not call for the creation of regional governments until the local residents want them." "...local residents seek the incorporation voluntarily and their area must not lose 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

RECEIVED

MAY 7 - 1990

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

May 3, 1990

Funter Bay, Alaska
99650-0140

State of Alaska
Department of Community and Regional Affairs
949 East 36th Avenue; Suite 400
Anchorage, AK 99508-4302

Dear Sir:

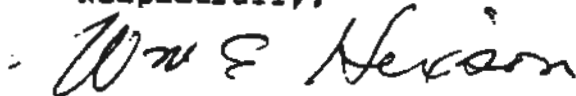
We strongly object to the Greater Juneau Burrough's efforts to incorporate the area known as the Mansfield Peninsula which includes Funter Bay and the Green Creek Mine.

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

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

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

Respectfully,



William and Helen Hixon

RECEIVED

MAY 04 1990

MRAD
DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

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

April 29, 1990

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

RECEIVED

MAY 7 1990

Attn: Mr. Marty Rutherford, Director

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

Dear Mr. Rutherford,

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

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

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

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

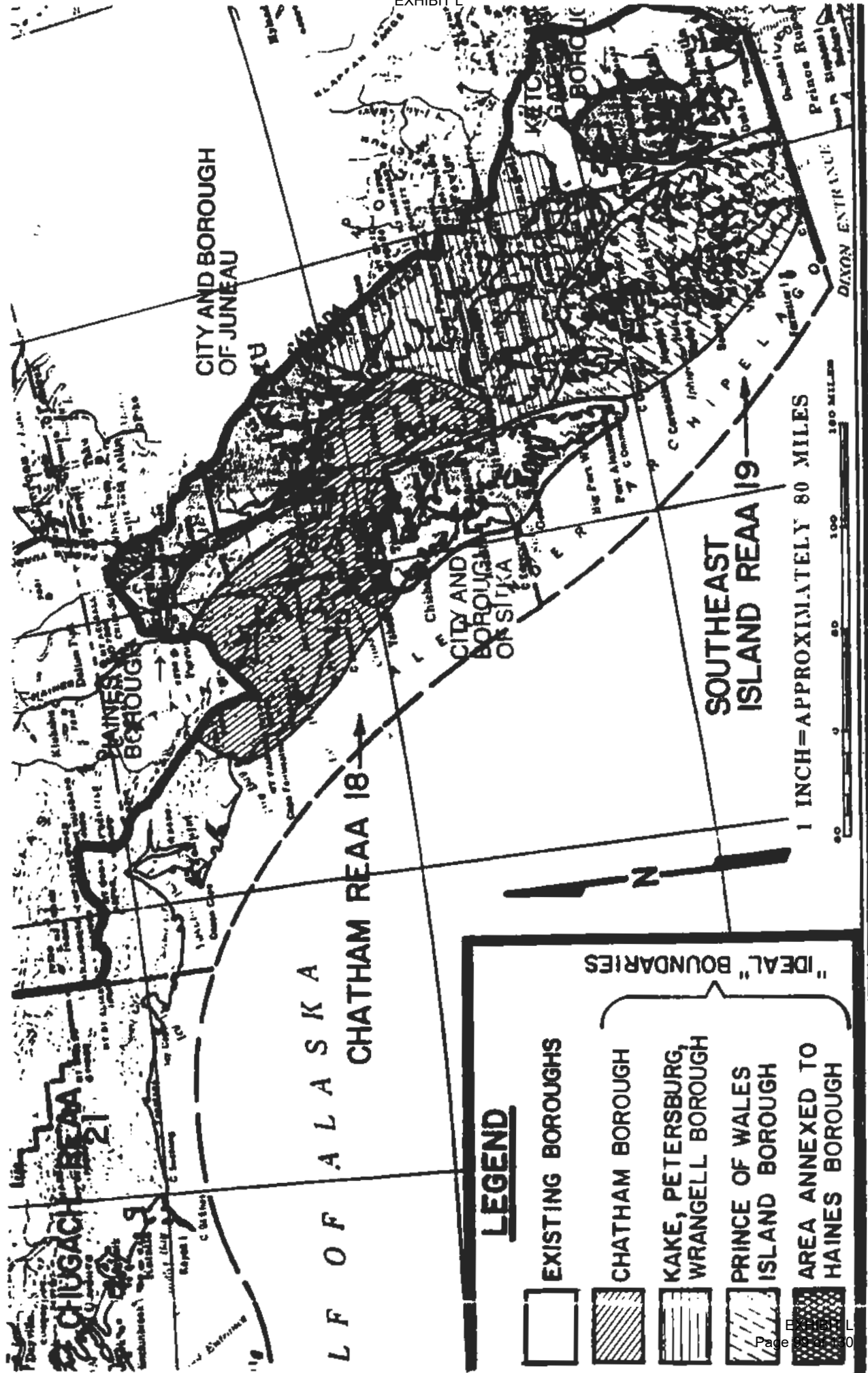
Please take note of our objections, and keep us informed of all meetings and the outcome of these meetings.

Respectfully yours,


Philip J. Emerson


Donna K. Emerson

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



THIS MAP IS ADAPTED FROM A MAP SUBMITTED BY TOM BROWN, HOONAH PUBLIC SCHOOLS. THE ORIGINAL WAS COLOR-CODED. AS SUCH, IT WAS NOT POSSIBLE TO REPRODUCE A REASONABLY PRECISE FACSIMILE.



Forest Products, Inc.

January 30, 1990

Alaska Local Boundaries Commission
949 East 36th Ave., Room #406
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
President/CEO

RH/sh

cc: John Sturgeon
Jim Senna
Dick Buhler

RECEIVED
FEB 5 1990

Dem...
...

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

EXHIBIT L

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

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

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

ATTENTION: DAN BOCKHORST

DEAR MR. BOCKHORST:

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

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

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

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

SINCERELY,



ALBERT L. SHAW

RECEIVED
OCT 16 1989

24

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

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

OCT 9 1989
RECEIVED

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

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

Dear Mr. Bockhorst:

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

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

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

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

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

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

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

Sincerely,

Phillip L. Gray

Carol J. Gray

Phillip L. Gray
Carol J. Gray

RECEIVED
JAN 5 1989

June 2, 1989

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

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

Dear Mr. Kane,

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

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

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

We will keep you posted as the petition developes.

Sincerely yours,


Edward J. Gamble, Sr.
Mayor

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

eg:ak

RESOLUTION NO. 89-06

RESOLUTION FOR THE LOCAL BOUNDARY COMMISSION.

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

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

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

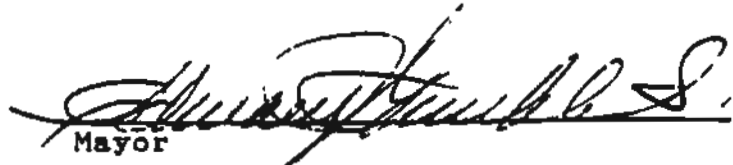
WHEREAS, The study of the Chatham Borough and the proposal by the City and Borough of Juneau is directly in conflict with the interests of annexation of Admiralty Island by the only community located on the Island, and

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

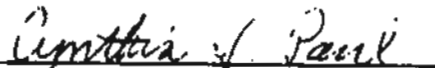
NOW THEREFORE BE IT RESOLVED: that the City of Angoon strongly urges the Local Boundary Commission not to accept or approve any annexation proposals, prior to the presentation by the Council of the City of Angoon, on lands located on Admiralty Island.

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

For the City of Angoon


Mayor

ATTEST:


City Clerk

SEAL



GREENS CREEK MINING COMPANY
a subsidiary of BP MINERALS AMERICA

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

May 18, 1989

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

Dear Commissioner Hoffman:

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

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

Sincerely,

H.M.W. / Dean Van Dyke

H. M. Wimborne
General Manager

61.39
HMW/cj

RECEIVED
MAY 19 1989

Dept. of Community and Regional Affairs
Div. of Planning and Reg. Asst.

hand-delivered
RECEIVED

MAY 19 1989

COMMISSIONER'S OFFICE
COMMUNITY & REGIONAL AFFAIRS

THE MCDOWELL GROUP
MANAGEMENT AND ECONOMIC CONSULTANTS

a division of



DATA DECISIONS GROUP, INC.

May 15, 1989

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

Dear Mr. Wimborne:

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

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

These and other points are discussed in more detail below.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sincerely,



Eric McDowell
Principal

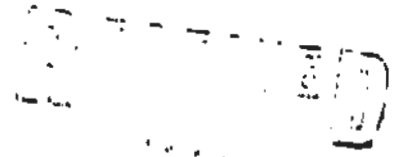
*TKAD - Hansen
for file/info
ju*



ROSS CO.

WATER AND HEATING
BOX 34344 JUNEAU ALASKA 99803
(907) 789-9391

May 10, 1989



MAY 11 1989

DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

David Hoffman
Commissioner
Alaska Dept. of Community and Regional Affairs
P.O. Box 8
Juneau, AK 99811

Dear Commissioner Hoffman,

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

My reasoning is as follows:

--From a physical boundary point of view, Greens Creek in a Chatham area Borough makes sense.

--Juneau will get tax base anyway from the Greens Creek people and operations currently within the Juneau Bureau.

--For the sake of economic diversification in Southeast, and the local human needs, these little towns in Southeast need a tax base to germinate and grow. As State oil money declines, how are they going to make it if the big cities are allowed to ever expand by snapping up every juicy piece of tax base?

--Juneau already has a disproportionate share of tax base simply because the State Capitol is here.

Thank you for your consideration.

Sincerely,

ROSS WRITER
Ross Writer

*City of Juneau
Div. of Municipal Affairs*

RECEIVED

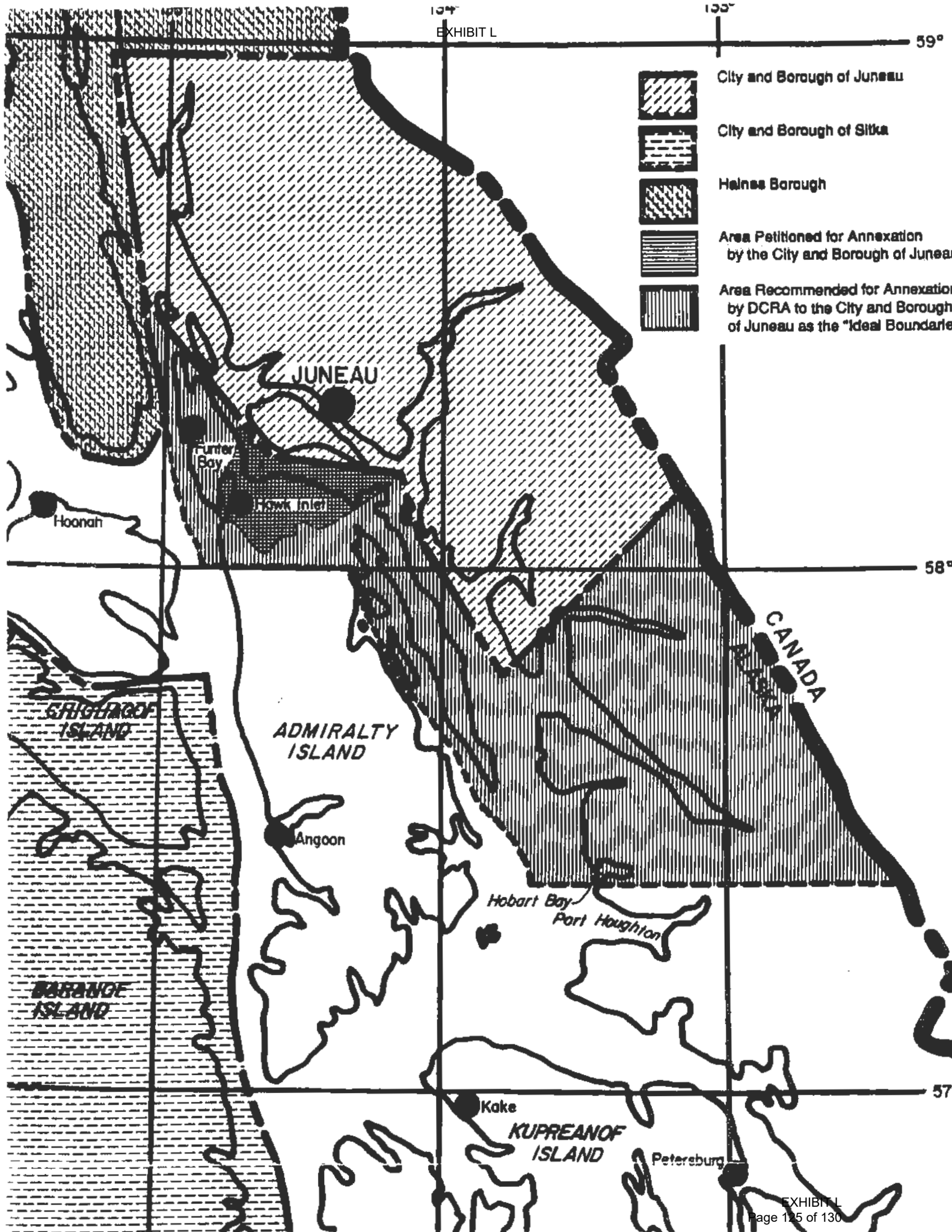
MAY 11 1989






COMMISSIONER'S OFFICE
COMMUNITY & REGIONAL AFFAIRS

JUNEAU ANNEXATION/MODEL BOUNDARIES

EXHIBIT B

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



-  City and Borough of Juneau
-  City and Borough of Sitka
-  Haines Borough
-  Area Petitioned for Annexation by the City and Borough of Juneau
-  Area Recommended for Annexation by DCRA to the City and Borough of Juneau as the "Ideal Boundary"

JUNEAU

Juniper Bay

Howe Inlet

Hoonah

GRIGORIEV ISLAND

ADMIRALTY ISLAND

Angoon

BARANOF ISLAND

Hobart Bay
Port Houghton

Kake
KUPREANOF ISLAND

Petersburg

CANADA
ALASKA

JUNEAU ANNEXATION/MODEL BOUNDARIES

EXHIBIT C

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

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

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

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

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

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

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

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

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

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

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

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

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

