

March 19, 1999

Mr. Dan Bockhorst
Executive Director
Local Boundary Commission
Municipal and Regional Assistance
Department of Community and Regional Affairs

Dear Mr. Bockhorst:

As a result of a positive vote of the Community of Adak general membership meeting of January 24, 1998, and of the Adak Reuse Corporation, we hereby submit our petition for incorporation of a second class city at Adak Island, Alaska. In doing so we are following the Procedures for City Incorporation, as provided by your office, and in accordance with the cited provisions of Alaska statute and administrative code.

We look forward to working with your staff as we proceed through the stages of public review, debate and decision.

Pending further organization of the community to deal with the incorporation process (and assuming that the petition meets the requirements of law and regulation) we urge that you direct interim questions and correspondence to the present Chairman of the Community of Adak, Mr. Agafon Krukoff and/or the Executive Director of the Federal/State sponsored reuse authority for former NAF Adak, Mr. Christopher Gates. They can be reached at (907) 592 8160, and (907) 562 5444 respectively.

Thank you for your positive consideration of this petition request.

Sincerely,



Mr. Agafon Krukoff
Chairman, Community of Adak

cc: Mr. John Gliva, DCRA Anchorage
Mr. Elary Gromoff, Jr., Adak Reuse Corporation
Council Members, Adak Community Council

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Local Boundary Commission
DCRA/MRAD

PETITION FOR INCORPORATION OF A SECOND CLASS CITY WITHIN THE UNORGANIZED BOROUGH

To: The State of Alaska, Local Boundary Commission

Comes now the **Community Council of Adak**, a member of the Federal/state recognized Local Reuse Authority for the former Naval Air Facility at Adak, Alaska, as petitioner/sponsor seeking incorporation of a new second class city government described herein. Petitioner seeks the proposed city incorporation under the provisions of Article X, Section 7 of the Alaska Constitution, AS 29.05.011 - .021, AS 29.05.060 - .150; 19 AAC 10.010 - .040; 19 ACC 10.400 - .660 and 19 AAC 10.900 - .990.

1. NAME OF PROPOSED CITY

City of Adak

2. BOUNDARIES:

The following is a short general description of the territory proposed for incorporation.

The area proposed for incorporation as the City of Adak includes the land of the entire island of Adak and the surrounding waters up to the State of Alaska boundary line of the three (3) mile limit all around. The exception to the water boundary line is the centerline of the Kagalaska Strait to the East of Adak Island.

Maps are included under Exhibit B and C.

3. PETITIONER'S REPRESENTATIVE:

The petitioners appoint the following persons to act as our primary representatives on all matters regarding the proposed incorporation:

Mr. Agafon Krukoff Jr.,
Chairman, Community Council of Adak,
P.O. Box 1961
Adak, Alaska 99546-1961
(907) 592-8160,3488
Fax (907) 592-4318

Mr. Rex Poe, Jr. Vice Chairman
Community Council of Adak
P.O. Box 1961
Adak, Alaska 99546-1961
(907) 592- 8245
(907) 592 4243fax

City of Adak Incorporation Petition, 1999

The petitioners appoint the following person to act as alternate representative on all questions regarding this proposed incorporation:

Mr. Christopher H. Gates
Adak Reuse Corporation
4000 Old Seward Highway
Anchorage, Alaska 99503
(907) 562-5444, fax (907) 562-8208

4. REASONS FOR INCORPORATION:

A concise statement of the reasons that the petitioners wish to form the city government is provided as Exhibit A.

5. SIZE:

The total area of land and water included in the territory proposed for incorporation is estimated to be 238 square miles with an additional 28 square miles of open water, tideland and submerged land.

6. MAPS AND LEGAL DESCRIPTIONS:

A written metes and bounds legal description of the territory proposed for incorporation is presented as Exhibit B. A map of the territory proposed for incorporation is presented as Exhibit C.

7. POPULATION IN TERRITORY PROPOSED FOR INCORPORATION:

Currently 200, and expected to increase in the summer of 199 to 450. Of these, approximately 100 are registered to vote in Adak.

8. NUMBER OF VOTERS IN TERRITORY PROPOSED FOR INCORPORATION:

A letter from the State Division of Elections and/or other documentation indicating the number of registered voters living in the area is provided as Exhibit D.

9. CITY COUNCIL:

The city council will be composed of seven (7) members elected at large. The Council plans to appoint a Mayor from within the council.

10. INCORPORATION BALLOT/PROPOSED CITY TAXES:

The petitioners request that three propositions be placed on the incorporation ballot:

1. authorizing the city to levy a 3% sales tax, and
2. authorizing the city to levy a 2% fuel transfer tax,
3. authorizing an ordinance to adopt Navy-required **INSTITUTIONAL CONTROLS**

11. VALUE OF PROPERTY:

Although the City does not propose a property tax, we offer the following paragraphs as a discussion of the value of property on Adak Island. Due to provisions agreed to by and between the United States Government and The Aleut Corporation in the land transfer agreement authorizing reuse of former NAF Adak, considerable work would be required to establish, monitor and maintain a schedule of taxable property.

The gross unaudited value of the property within the territory proposed is based on the estimate established by inventory records received from the U.S. Navy as follows:

Real property	\$1,461,593,022
Personal property	<u>\$ 10,000,000 (EST.)</u>
TOTAL VALUE	\$1,471,593,022 **

Facility Resume and Personal Property Resume.

**See Latest Draft, Land Transfer Agreement between the Department of Defense and The Department of the Interior and The Aleut Corporation at LBC and/or Adak Mayor's Office..

The method that the Navy used to establish the value noted above has not been made available to the petitioners. The Community of Adak and the Adak Reuse Corporation believes the above numbers to reflect a conservative estimate of value based upon replacement cost and recent construction cost estimates for new construction on Adak. It should be noted that the value of the land which is planned to be turned over to the Aleut Corporation and developed within the city boundary is not completely included in the above estimate. Petitioners believe that the land values of \$15,000,000 should be added to the above estimate for a more accurate estimate of property values.

Lands available for taxation by a City of Adak are expected to be limited by provisions contained in the Land Transfer Agreement between the federal government as represented by the Department of the Interior, the US Navy and The State of Alaska and The Aleut Corporation. The Land transfer Agreement stands as the formal arrangement between the seller and the buyer of Adak. The Land Transfer Agreement contains provisions regarding **INSTITUTIONAL CONTROLS** imposed over lands on Adak, and establishes the premise* that lands will not be "taxable" until they are sold, leased or put into a direct and measurable commercial use. (For example, tourists looking at a panorama of otherwise unused land would not constitute commercial use for purposes of taxation.)

*The taxable value of land and facilities held by The Aleut Corporation will be based upon the assessed value of real property which is leased, sold or put into commercial use as defined under similar provisions of the Alaska Native Land Claim Settlement Act.

12. OPERATING BUDGET:

An operating budget, including projected income and expenditures during the city's first three (3) years of operation is summarized in Exhibit E. The budget is the outcome of decisions made by the Adak Second Class City working group and activity estimates from varied sources including the State of Alaska sponsored Adak Reuse Plan which was prepared by consultants Tryck, Nyman Hayes in 1996. The TNH report in its entirety is shown at LBC or Adak Mayor's Office.

13. POWERS:

The powers and duties to be exercised by the proposed city:

(A) General Powers noted in AS 29.35.010

(B) Land Use Planning

14. SERVICES:

The services that the new city will provide are indicated below. Also indicated below is the organization, if any, which currently provides each service listed.

Services to be performed
by the City of Adak are:

Currently being performed by:

Library
Volunteer Fire Department
Cemetery
Street Maintenance
Parks and Recreation
Administration – including part time clerk,
lobbying, Administrator

Community Volunteers
Space Mark Inc.
Not being provided
Space Mark Inc.
Community of Adak
Community of Adak

15. MEDIA AND CONTACTS:

The names, mailing addresses, telephone numbers and fax numbers of the principle newspaper(s), radio station(s), and other media that serve the community are listed in Exhibit F. Also listed in Exhibit F is the following information:

- At least three (3) public and prominent places within the area proposed for incorporation, designated for posting of the incorporation proceedings notice,
- A place within the community where the incorporation petition will be made available for public review (Cafeteria).
- The name and mailing address of interested parties who the petitioners believe should be provided individual notice of the incorporation proceedings.

16. ADJACENT GOVERNMENTS WITHIN 20 MILES:

There are NO adjacent governments within 20 miles of Adak. The nearest community is the City of Atka, Alaska which is located approximately 90 miles to the east of Adak.

17. FEDERAL VOTING RIGHTS ACT INFORMATION:

Information relevant to the Federal Voting Rights Act is provided in Exhibit G. (Provided by the State of Alaska). This includes the following:

- A. Population of the territory by race;
- B. Description of the participation by minorities in the development of the incorporation proposal;
- C. Statement concerning minorities' understanding of English in written and spoken forms within the territory proposed for incorporation;
- D. Statement concerning the effect of the proposed incorporation on the voting rights of minorities.

18. TRANSITION PLAN:

A detailed plan providing for the transition to city government, including tentative dates for the assumption of powers, duties, assets and liabilities, is nearing completion and will be attached to this petition as Exhibit H. Please note that changes may occur in the services expected to be offered, revenue forecasts, schedules and other details of the proposed City of Adak operation which reflect changes in assumptions brought about by success (or failure) in attracting commerce to the island, or because of other factors which are not readily discernible at this time.

19. BRIEF:

Exhibit I provides a written statement which explains how the incorporation satisfies the standards set forth in Article X, Section 7 of the Alaska Constitution, AS 29.05.011 - .021; AS 29.05.030; and 19 AAC 10.010 - 10.040. The brief references each of these standards and explains why the proposed incorporation is good public policy.

20. SOURCE AND ACCURACY OF INFORMATION:

An affidavit of the petitioners representative swearing that the information in the petition was gained from the sources indicated therein and stating that the information in the petition is true and correct to the knowledge of the petitioner's representative is provided as Exhibit J.

21. PETITION SIGNATURES:

Exhibit K contains the signatures, printed names, resident addresses and voter identification of no less than 25 voters in the proposed city or at least 15 percent of the number of voters who voted in the area proposed for incorporation during the last State general election, whichever is greater.

EXHIBIT A

STATEMENT OF REASONS FOR INCORPORATION

PETITION

The following is a statement of the reasons that the petitioners wish to form a city government encompassing a "reused" Adak Island.

Some of the reasons that the petitioners wish to form the city government are listed below:

- There is a demonstrated need for an Adak City Government due to the inadequacy of operating funds now being received by the unincorporated community for providing essential community services both to permanent residents and to the many nonresidents who will work at Adak during the summer tourism and commercial fishing season.
- Adak currently has a population of approximately 400, and will have a stable population of 125 persons (expected 2000 Census) when the base is transferred to The Aleut Corporation in 2000. Adak had a population of approximately 6000 people in 1994. There are many families on Adak engaging in commerce and new business. Citizens desire to establish a Second Class city to ensure the proper development of Adak as it transitions into what may be a city of 1-2000 people within five years.
- The Adak community is working diligently to increase commerce to the state by providing a full service port and airport to many new and existing users. The City of Adak intends to bring substantial new commerce to the state and the region, and needs to process the development of Adak within traditional governmental structures. State approved government and the general powers of a second class city are required to ensure public order and to provide the structure and limited starting services to properly shape the development of Adak.
- Establishing a political subdivision of the State of Alaska on Adak is a Department of Defense required prerequisite for consummation of a Land Transfer Agreement between the Department of Defense, the Department of the Interior and The Aleut Corporation. The Navy has received permission from the Alaska Department of Environmental Conservation and the U.S EPA, to transfer land that is suspected of containing a small amount of unexploded ordinance – only on the condition that disciplined execution of specific "INSTITUTIONAL CONTROLS", including ordinances requiring City of Adak approval for dig permits, fencing and signage are in place prior to US Navy withdrawal from Adak.
- Adak has a majority of Aleut native citizens forming its core citizenry. Subsistence and development of the Navy-installed infrastructure are essential to advance the culture and fortunes of the Aleut citizens. Given the great distance to major urban centers, locally administered public services, and self-determination of governing policies are essential for the creation and maintenance of a new sustainable community on Adak Island.
- No other government in the region has either the intention or the financial resources for assuming provision of essential community services. Therefore, the services to be provided by the proposed City of Adak cannot be provided by the closest organized Borough or by annexation to an existing city within the region -- the nearest being some 90 miles to the east.

By incorporating, the City of Adak would be allowed to:

- Establish a protective and thoughtful self governance, instead of a "panic reaction" to the actions of others
- Facilitate a local ability to generate revenue and establish better access to state funds for both operating and capital improvement needs of the community
- Provide land use planning, zoning and regulation - This action is in conjunction with multiple ownership groups
- Establish, as needed, incentives and/or controls over economic development which may impact the quality of life in the community
- Provide an official process for the entire community to participate in the decisions which impact their quality of life, and safety
- Create a mechanism for making informed and binding decisions, and for establishing necessary ordinances
- Provide necessary services for both present and increasing populations
- Provide a stronger voice with all political and bureaucratic entities

EXHIBIT B
METES AND BOUNDS LEGAL DESCRIPTION
OF BOUNDARIES OF TERRITORY
PROPOSED FOR INCORPORATION

The proposed Physical/Social and Political boundary of the City Adak includes the entire Island of Adak.

More specific:

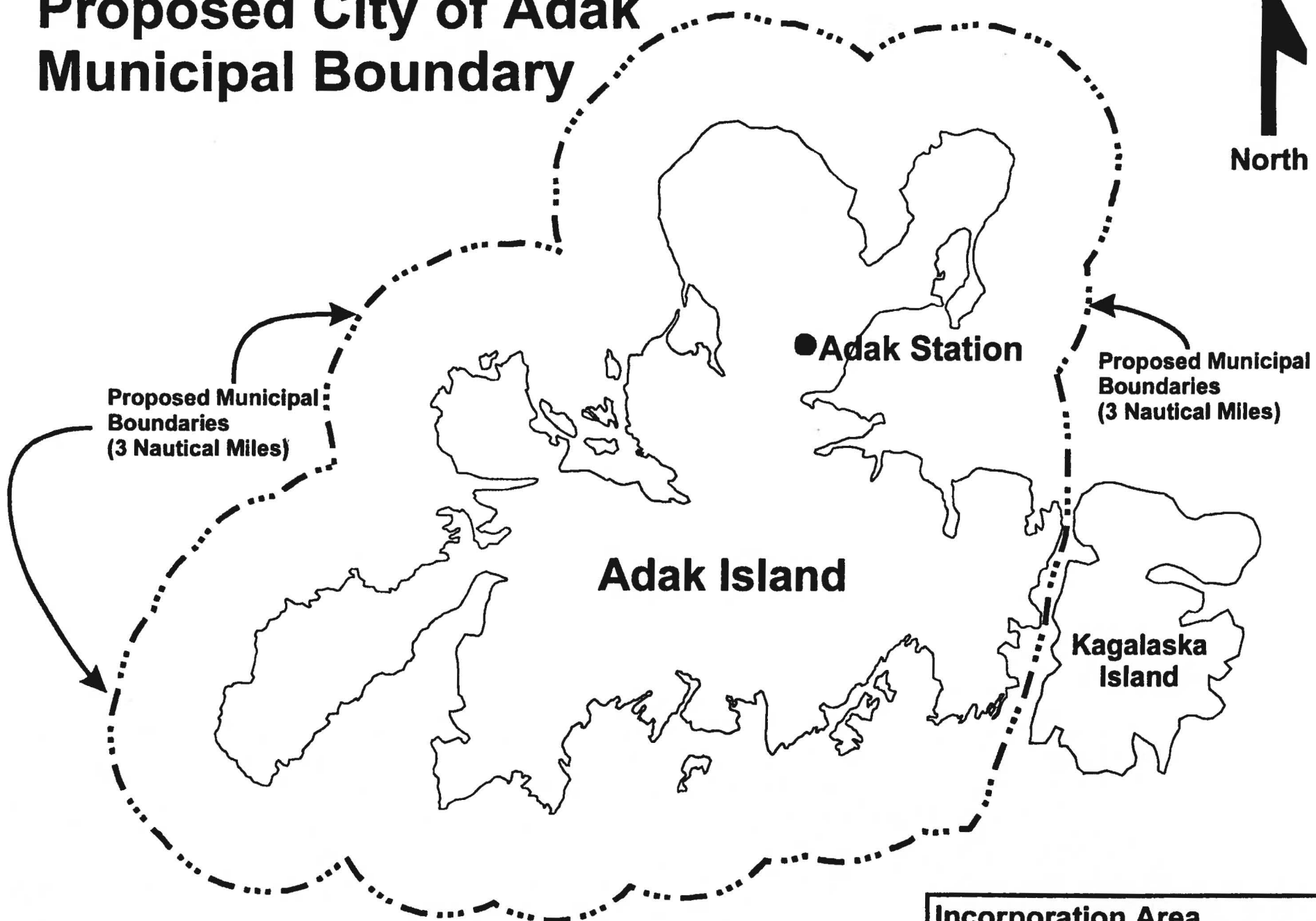
The boundary follows the extreme high water line outline of the Island of Adak in its entirety extending to the limit of the State's jurisdiction under AS 44.03.010. The territory described above contains 676.3 Square Miles more or less, all in the Third Judicial District, State of Alaska. The only deviation to this rule will be a meandering centerline that describes the City Boundary within Kagalaska Straight to the East of the Island between Adak Island and Kagalaska Island.

The boundary thus proposed shall be the political and physical boundary for the City of Adak. The proposed boundary is not intended in any way to indicate ownership of lands or waters included within the boundary of the city. All land ownership shall be established by recorded title as amended from time to time by property owners.

EXHIBIT C
MAP OF TERRITORY PROPOSED FOR
INCORPORATION

Attached to this page is a map showing the boundaries of the territory proposed for incorporation.

Proposed City of Adak Municipal Boundary



Proposed Municipal
Boundaries
(3 Nautical Miles)

Proposed Municipal
Boundaries
(3 Nautical Miles)

Adak Island

**Kagalaska
Island**

Incorporation Area	
Adak Island -	Approx. 273.5 Sq. Mi.
3 Mile Limit (Water Area) -	402.8 Sq. Mi.
Total Area -	Approx. 676.3 Mi.

EXHIBIT D
DOCUMENTATION OF THE NUMBER OF
VOTERS IN TERRITORY PROPOSED FOR
INCORPORATION

A letter from the state division of election or other documentation indicating the number of registered voters living in the area is attached.

TONY KNOWLES, GOVERNOR

OFFICE OF THE LT. GOVERNOR

**DIVISION OF ELECTIONS
P.O. BOX 110017
JUNEAU, ALASKA 99811-0017
PHONE: (907) 465-4611**

March 19, 1999

Chris Gates
Adak Reuse Corporation

FAX: (907) 562-8208

In response to your phone request, this is to document that according to the records of the Division of Elections, there are 1,062 people registered to vote in Adak as of March 19, 1999.



Barbara Whiting
Election Coordinator

EXHIBIT E

OPERATING BUDGET

Projections of city income and expenditures during the city's first three years of operations are included in this exhibit.

FISCAL YEAR FOR THE CITY OF ADAK WILL BE: 01-July TO 31-June.
(The following budgets are based on the above fiscal year)

ANTICIPATED CITY REVENUES:

Due to the uncertainty of future State Revenue Sharing and Municipal Assistance funds, the discussion of revenues will be conservatively stated and limited to what an incorporated community at Adak could exact from a 3% sales tax, a 2% fuel transfer tax, a recreation fee and State shared raw fish taxes.

1994 Aleutian Islands Fishery estimated groundfish biomass at 1.7 million metric tonnes with commercial catches historically averaging approximately 200,000 metric tonnes per year. According to staff at the North Pacific Fisheries Management Council, the Aleutians Islands groundfish catch is expected to contract from those levels due to new schedule and boundary limits associated with Stellar Sea-Lion restrictions.

Groundfish made up 380.6 million pounds (a value of \$41 million dollars.) Crab and halibut are the next largest components of the catch at 4.3 and 1.8 million pounds respectively. Crab had an approximate ex-vessel value of \$17.5 million and Halibut \$3.7 million. Other species were reported in negligible amounts.

Fisheries activity at Adak are expected to come from four areas:

1. Locally caught and delivered fish for on-shore processing
2. Distant fish sold for on-shore processing
3. Distant fish transloaded for shipment to international and domestic ports, and eventually
4. International fish brought to Adak for cold storage and transshipment

For purposes of this budget, only fish tax revenues generated from on-shore fish processing operations are estimated for use in covering city operations.

Revenue is conservatively estimated at 10 million pounds of cod per year at an ex-vessel price of \$.35 for a total ex-vessel value of \$3,500,000. A City sales tax on fish caught and sold to processors by commercial fishermen in the Adak area amounts to \$105,000.

Sales tax receipts from other transactions in Adak are expected at the rate of \$6,600 per capita at a population of 125 in year 1.

Fuel transfer fees will also contribute to the general fund of the city. 2 % fuel transfer assessment on a conservative estimate of 2,000,000 gallons creates a \$40,000 contribution to the city.

The Adak Reuse Corporation currently operates the pool for the community under a recreation fee program. This is expected to continue after incorporation. This is conservatively estimated at 75 users in year 1. Many summer transient workers are also expected to participate in the recreational fee program.

The new city would benefit from the raw fish tax revenues shared by the State with Municipalities. Current information is difficult to estimate, and requires negotiation and approval of a new regional fish tax

distribution scheme. Raw fish tax receipts, given the new requirement of state required pilots to impose a penalty for operating foreign reefer vessels west of Adak should produce at least \$60,000 in raw fish tax revenues to the City of Adak.

First Year Operation proforma
City of Adak

I. REVENUES:

A. City imposed 3% Sales Tax (fisheries)	\$105,000
B. Other sales tax receipts est. @ \$820,000	\$ 24,600
C. State shared Raw Fish Tax Revenues	\$ 60,000
D. Fuel transfer tax 2% on sales of \$2,000,000	\$ 40,000
E. Recreation fees 75 ea X \$35 X 12	\$ 31,500
	\$261,100
E. State Transitional Assistance Funds	\$ 50,000
Total Revenues	\$311,100

II. EXPENSES:

A. Salaries:

1. City Administrator (\$35,000 per year ¹)	\$35,000
2. City Clerk (1/2 time)	\$12,250
3. Maintenance Workers, 2 ea. (Landfill, Roads & Equipment), full time	\$60,000
Total Salaries	\$107,250

B. Benefits:

1. FICA: 7.65%; Health Ins. 6.85%, ESC.2.5% Workman's Comp.: Avg 6%, 23% of 107,250	\$ 24,667
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Personnel Costs: \$131,917

C. Travel:

1. Air Fare (City Administrator) (Adak-Anchorage-Adak) 4 trips at \$1050 per trip	\$4,200
2. Per Diem (Anchorage) \$85/day X 8 days times 4 trips:	\$2,720. \$ 6,920.

¹ Or higher as revenues and council approval allows

D. Equipment/Materials/Repairs:		
1. Replace Critical Equipment	\$15,000	
2. Office Supplies (w/frt.)	\$ 3,000	
3. Fire Department support	\$45,000	
4. Recreational/pool support	\$10,000	
5. Street Maint., fuel and support	\$22,000	
		\$95,000
E. Utilities:		
1. Street Lights	\$ 5,000	
2. Office @ 175/mth X 12 months	\$ 2,100	
		\$ 7,100
F. Communications:		
1. Fax and Phone: \$175/mth	\$ 2,100	
2. Postage: \$100 X 12 months	\$ 1,200	
		\$ 3,300
G. Insurance:		
1. General Liability	\$ 8,000	
2. Pool 1250/mth	\$15,000	
		\$23,000
H. Stipends:		
1. Mayor: \$100/mth	\$ 1,200	
2. Council: \$50X7X12	\$ 4,200	
		\$ 5,400
I. Legal and Professional Services		\$ 8,000
J. Audit:		\$ 2,000
K. Contingencies:		\$10,000
Total Expenses (7/1/99 - 6/30/00)		\$292,637

III. Excess of Revenues over Costs:

A. Total Revenue	\$311,100	
B. Total Expenses	\$292,637	
C. Excess of Revenues	\$ 18,463	6%

Year 2 proforma:
City of Adak

I. REVENUES:

A. City imposed 3% Sales Tax (fisheries)	\$105,000
B. Other sales tax receipts est. @ \$920,000	\$ 27,600
C. State shared Raw Fish Tax Revenues	\$ 60,000
D. Fuel transfer tax 2% on sales of \$2,500,000	\$ 50,000
E. Recreation fees 100 ea X \$35 X 12	\$ 42,000
	\$284,600
E. State Transitional Assistance Funds	\$ 25,000
TOTAL REVENUE	\$309,600

II. EXPENSES:

I. Salaries:

1. City Administrator (\$38,000 per year ²)	\$38,000
2. City Clerk (1/2 time)	\$15,000
3. Maintenance Workers, 2 ea. (Landfill, Roads & Equipment), full time	\$66,000
	\$119,000

J. Benefits:

3. FICA: 7.65%; Health Ins. 6.85%, ESC.2.5% Workman's Comp.: Avg 6%, 23% of 107,250	\$ 27,370
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Personnel Costs: \$146,370

K. Travel:

1. Air Fare (City Administrator) (Adak-Anchorage-Adak) 4 trips at \$1050 per trip	\$4,200
2. Per Diem (Anchorage) \$95/day X 8 days times 4 trips:	\$3,040. \$ 7,240.

L. Equipment/Materials/Repairs:

² Or more as revenues and council approval allow

1. Replace Critical Equipment	\$15,000	
2. Office Supplies (w/frt.)	\$ 3,000	
3. Fire Department support	\$45,000	
4. Recreational/pool support	\$10,000	
5. Street Maint., fuel and support	\$22,000	
		\$ 95,000
M. Utilities:		
1. Street Lights	\$ 5,000	
2. Office @ 175/mth X 12 months	\$ 2,100	
		\$ 7,100
N. Communications:		
1. Fax and Phone: \$175/mth	\$ 2,100	
2. Postage: \$100 X 12 months	\$ 1,200	
		\$ 3,300
O. Insurance:		
1. General Liability	\$ 8,000	
2. Pool 1250/mth	\$15,000	
		\$23,000
P. Stipends:		
1. Mayor: \$100/mth	\$ 1,200	
2. Council: \$50X7X12	\$ 4,200	
		\$ 5,400
Q. Legal and Professional Services		\$ 8,000
R. Audit:		\$ 2,000
S. Contingencies:		\$10,000
Total Expenses (7/1/99 - 6/30/00)		\$307,410
III. Excess of Revenues over Costs:		
A. Total Revenue	\$309,600	
B. Total Expenses	\$307,410	
C. Excess of Revenues	\$ 2,190	1%

Year 3 proforma:
City of Adak

I. REVENUES:

A. City imposed 3% Sales Tax (fisheries)	\$105,000
B. Other sales tax receipts est. @ \$1,750,000	\$ 52,500
C. State shared Raw Fish Tax Revenues	\$ 60,000
D. Fuel transfer tax 2% on sales of \$3,500,000	\$ 70,000
E. Recreation fees 150 ea. X \$35 X 12	\$ 63,000
	\$350,500

II. EXPENSES:

A. Salaries:

1. City Administrator (\$40,000 per year)	\$40,000
2. City Clerk (1/2 time)	\$20,000
3. Maintenance Workers, 2 ea. (Landfill, Roads & Equipment), full time	\$70,000
	\$130,000

B. Benefits:

4. FICA: 7.65%; Health Ins. 6.85%, ESC.2.5% Workman's Comp.: Avg 6%, 23% of 107,250	\$29,900
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Personnel Costs: \$159,900

C. Travel:

1. Air Fare (City Administrator) (Adak-Anchorage-Adak) 4 trips at \$1050 per trip	\$4,200
5. Per Diem (Anchorage) \$105/day X 8 days times 4 trips:	\$3,360.
	\$ 7,560.

D. Equipment/Materials/Repairs:		
1. Replace Critical Equipment	\$20,000	
2. Office Supplies (w/frt.)	\$ 3,000	
3. Fire Department support	\$55,000	
4. Recreational/pool support	\$15,000	
5. Street Maint., fuel and support	\$30,000	
		\$123,000
E. Utilities:		
1. Street Lights	\$ 5,000	
2. Office @ 175/mth X 12 months	\$ 2,100	
		\$ 7,100
F. Communications:		
1. Fax and Phone: \$175/mth	\$ 2,100	
2. Postage: \$100 X 12 months	\$ 1,200	
		\$ 3,300
G. Insurance:		
1. General Liability	\$ 8,000	
2. Pool 1250/mth	\$15,000	
		\$23,000
H. Stipends:		
1. Mayor: \$100/mth	\$ 1,200	
2. Council: \$50X7X12	\$ 4,200	
		\$ 5,400
I. Legal and Professional Services		\$ 8,000
J. Audit:		\$ 2,000
K. Contingencies:		\$ 10,000
Total Expenses (7/1/99 - 6/30/00)		\$349,260

III. Excess of Revenues over Costs:

A. Total Revenue	\$350,500
B. Total Expenses	\$349,260
C. Excess of Revenues	\$ 1,240

EXHIBIT F
MEDIA AND CONTACTS

Name, mailing address, telephone number and fax number of newspaper(s) serving the community.

The No-Name News
Adak Station
Box 1951
Adak, Alaska 99546

Name, mailing address, telephone number and fax number of radio stations(s) serving the community.

Armed Forces Radio and Television Services
Adak Reuse Corporation local Radio Station
Adak Station
Box 1999
Adak, Alaska 99546

Name, mailing address, telephone number and fax number of other media serving the community.

Anchorage Daily News
PO Box 149001
Anchorage, Alaska 99514-2001

A minimum of three (3) public and prominent places designated for posting of notice relating to this incorporation proceeding.

Ann C. Stevens Elementary School
Bob Reeves High School
Veteran of Foreign Wars (VFW)

Place within the community where the incorporation petition will be made available for public review. Also noted are the hours during which the petition will normally be available for public review.

Bob Reeves High School display case
24 hour display

Petition signatures, attached; originals available through the Adak Reuse Corporation, contact Mr. Agafon Krukoff, Jr.

The name and mailing address of interested parties recommended by the petitioners to receive individual notice of the incorporation proceedings.

Commissioner Mike Irvin
State of Alaska Department of Community and Regional Affairs 333 West 4th Avenue
Suite 235
Anchorage, Alaska 99501

City of Adak Incorporation Petition, 1999

Representative Carl Moses
Box 730
Unalaska, Alaska 99685-0730

Senator Ted Stevens
222 West 7th Avenue
Suite 222
Anchorage, Alaska 99504

Adak Reuse Corporation
Attn.: Mr. Elary Gromoff Jr.
4000 Old Seward Highway
Anchorage, Alaska 99503

City of Atka

Aleutian Region School District

Adak Community Parent Teacher Council

Adak Community Council

Aleutian Pribilof Island Community Development Association

Aleutian Pribilof Island Association

Adak Boating Association

Adak Veterans of Foreign Wars Post #1721

City of St. Paul

City of St. George

Southwest Alaska Municipal Conference

City and Borough of Kodiak

Southwest Alaska Borough

General Communication Incorporated

Alascom

Southwest Alaska Municipal Conference

Federal agencies

Individuals who have participated at public hearings

Adak RAB members

Adak Cablevision Command channel 13, Readerboard

EXHIBIT G

FEDERAL VOTING RIGHTS ACT

INFORMATION

Information relevant to the Federal Voting Rights Act includes the following:

Population of the territory by race:

Estimated current population is 200. A mixed race of workers exists on Adak. Nine are Navy personnel (eight Caucasian one black), 60 Alaska natives, 5 Blacks, 4 Hispanic with the remainder as Caucasian. Some are associated with work produced as a result of Navy closure of Adak Island. However, commercialization of Adak has started with over 70 non-Navy citizens as of 3/99. Population will be increased as commercialization takes place.

Description of the participation by minorities (if any) in the development of the incorporation proposal:

The Aleut Corporation, as the Regional Native Corporation for the Aleutian region of Alaska has as its primary objective to advance the well being of Alaska native shareholders. The Aleut Corporation has set as an objective the employment of Aleut natives in the businesses that are expected to site, reuse and operate facilities on Adak.

The Adak Reuse Corporation has strong board representation by Aleut entities. One focus of Adak Reuse is to provide employment opportunities for Aleut natives. Aleuts have been involved in the approval of this petition.

Statement concerning minorities' understanding of English in written and spoken forms within the territory proposed for incorporation:

There is no one known to the working group who is located within the territory of the proposed incorporation that cannot read or speak English.

Statement concerning the effect of the proposal incorporation on the voting rights of minorities:

Incorporation is considered beneficial for minority voters registered in Adak. Currently there are no opportunities to vote in local elections, seek, and hold municipal office. As noted above, the voting strength of Natives and races other than White and Black will increase following city incorporation.

Designation of Alaska native for U.S. Department of Justice contact

The petitioners suggest that the U.S. Department of justice contact the following Alaska Native for further input concerning the proposed city incorporation.

Name: Mr. Vincent Tutiakoff, Sr.
Address: P.O. Box 29,
Adak, AK 99575
Telephone 907 592-4243

EXHIBIT H

TRANSITION PLAN

The attached transition plan provides a detailed plan providing for the transition to city government, including tentative dates for the assumption of powers, duties, assets and liabilities.

The plan is designed to create an orderly, efficient and economic transition to city government in the shortest practicable time, not to exceed two (2) years after the effective date of the proposed change.

Adak Island incorporation is associated with the closure of former Naval Air Facility Adak and the decision of The Aleut Corporation to sponsor the creation of a new second class city. The Aleut Corporation intends to use the former Navy base as the foundation for a new and prosperous community. The transition of Adak from a military base into Adak as a community will follow three basic steps:

- a. Interim operation and initializing of commercial reuse while Navy operational forces are withdrawn and the Navy completes environmental and discarded ordinance remediation in 1998 and 1999. Ownership is to remain in federal hands, but commercial reuse is allowed and starting. (This is the current 2/99) status for former NAF Adak)
- b. Formal and legal trade of the real and personal property currently contained on the base to the Aleut Corporation in return for other land and other good and valuable consideration is currently being negotiated between the Department of the Interior, The Department of the Navy and The Aleut Corporation. This is expected to be completed in Fall 2000 or in 2001. A "Finding of Suitability to transfer" is expected in 2000 after the Navy finishes environmental and discarded ordinance clean up.
- c. Within 120 days of the above transfer, The Aleut Corporation will transfer "Public assets and infrastructure" and other lands, equipment and facilities as spelled out in Exhibit L. (exhibit E of the Land Transfer Agreement.) to the Adak Reuse Corporation to hold in trust for the creation of a new state approved second class city on Adak. Exhibit L., (exhibit E of the land transfer agreement mentioned above) is the primary public involvement and city transfer document for Adak.

Personal property related specifically to the operation of public facilities is also anticipated to be transferred to the City of Adak Corporation, or by the Adak Reuse Corporation. Additional public facilities can be added, or the transfer of listed public buildings can be delayed with the mutual consent of The City of Adak and The Aleut Corporation.

Although all the facilities shown in Exhibit L. are to be transferred to the Adak Reuse Corporation/City of Adak, not all the facilities are planned to be operated by the City of Adak. Community and Aleut leaders are seeking private operation of some infrastructure (for example electrical service) and services.

It is the intent of all parties to transfer ownership and operational control of the Exhibit L. facilities to the City of Adak following incorporation, and finalization of the land transfer from the U.S. Federal Government to The Aleut Corporation. In the period of time between submission of this petition and second class city incorporation, operation of city services shall be performed by the US Navy, the Adak Reuse Corporation, and/or by sub-leasees of the Adak Reuse Corporation.

TRANSITION:

It is anticipated that the City of Adak would be approved by the State for incorporation as of 2/1/00. In such a case, it is envisioned that the community will be legally incorporated and administratively functioning, effective 4/1/00. This would allow a two month transition period for municipal functions currently being accomplished by the Adak Reuse Corporation and the US Navy, to be performed by the new City administration. It is assumed that there will be a smooth transition inasmuch as it is anticipated that community leaders who now are members of the Community Council and the Adak Reuse Corporation, also will be leaders in the new City government.

Concerning the providing of community services: fire protection prior to the transition period would be provided by the U.S. Navy with transition to a volunteer force planed for the day that keys are passed to the Adak Reuse Corporation and/or the new city later in 2000. Under the new City government, a volunteer force would perform fire protection. The city has excellent equipment for fire and emergency services (ambulance vehicles and fire trucks) including garage facilities and equipment.

Road grading during the transitional period would be done by the City of Adak and or the Adak Reuse Corporation depending upon retention of existing operators after Navy departure. All facilities, equipment and vehicles used for street maintenance will be transferred to the City by deed/bill of sale from the Adak Reuse Corporation.

Those solid waste and landfill services that are now being provided by the Navy, will continue to be performed by the Adak Reuse Corporation during the transition period; however a new facility may be opened and readied for use pending closure of the Navy landfill. Likewise, the ongoing operation of recreational and library activities at the community hall will continue under Navy operation, and will be transferred to the new city. During the transition period, community administrative activities will be performed by either the Adak Reuse Corporation or the Adak Community Council depending upon the situation. The Adak Reuse Corporation is expected to quickly go out of existence as the community steps up to take over service delivery and as current grants are closed out.

During the transition period, the Natural Resources Officer of the Municipal Lands Trustee Program-DCRA, will work with the recently elected City officers, to convey pertinent ANCSA lands that have been field in trust by the State, to the new City government.

EXHIBIT I

PETITIONERS' BRIEF

Attached is a written statement explaining how the incorporation satisfies the standards set forth in Article X, Section 7 of the Alaska Constitution, AS 29.05.011 - 29.05.021, AS 29.05.130, and 19 AAC 10.010. - 19 AAC 10.040. The brief references each of these standards and explains why the proposed incorporation is good public policy.

Ref. 19 AAC 10.010 STANDARD NO. 1: THE NEED FOR CITY GOVERNMENT

- There is a demonstrated need for an Adak City Government due to the inadequacy of operating funds now being received by the unincorporated community for providing essential community services both to permanent residents and to the many non-residents who work at Adak during the summer tourism and commercial fishing season.
- Adak currently has a population of approximately 400, and will have a stable population of 125 persons (expected 2000 Census) when the base is transferred to The Aleut Corporation in 2000. Adak had a population of approximately 6000 people in 1994.
- The Adak community is working diligently to increase commerce to the state by providing a full service port and airport to a, primarily, international fleet that does not currently use Alaska port facilities due to distance and marginal airport services. The City of Adak intends to bring substantial new commerce to the state and needs state sanction and tools of a second class city to ensure public order and to provide the services and opportunities to accommodate this new work.
- Adak's incorporation would facilitate operation of the region's best jet airport to support commerce, fisheries research and enforcement, essential air service to Atka and Shemya and search and rescue operations in the region.
- The current concept of transferring land from the federal government to the City of Adak and The Aleut Corporation requires the formation of a city on Adak and the immediate acceptance of a city ordinance concerning "INSTITUTIONAL CONTROLS". These "controls" include restrictions on digging on the island without a permit due to the presence of a small amount of discarded Department of Defense ordinance left from 50 years of federal use of Adak. Other "controls" concern maintaining protective fences, signage and performing ordinance briefings for people new to Adak.
- In 1997, the Adak area's commercial fishery effort is expected to increase with the new availability of a substantial commercial fishing port in the western Aleutians. The economic base for the proposed City and the personal income to Adak residents generated from such harvests will create a self-sufficient economy that includes the human and financial resources necessary to provide municipal services.
- Adak has a majority of Aleut native citizens forming its core citizenry. Subsistence and development of the Navy-installed infrastructure are essential to advance the

culture and fortunes of the Aleut citizens. Given the great distance to major urban centers, locally administered public services, and self-determination of governing policies are essential for a sustainable City on Adak.

- No other government in the region has either the intention or the financial resources for assuming provision of essential community services. Therefore, the services to be provided by the proposed City of Adak cannot be provided by the closest organized Borough or by annexation to an existing city within the region -- the nearest being some 70 miles to the east.

Ref. 19 AAC 10.020

STANDARD NO 2: ADEQUATE ECONOMY FOR CITY GOVERNMENT

Discussion of the size and stability of Adak.

The Local Boundary Commission evaluates standards for incorporation contained in state law. One of these standards deserves additional discussion due to the unique circumstances leading to the request for incorporation of a Second Class city on Adak Island.

AS 29.05.011(a),(4) establishes a standard that any new city in Alaska "must be large and stable enough to support city government." Adak, given its lack of a prior village life, recent removal of active duty military and commencement of transition activities must present a case and convince LBC members that economic activity at the base will, in fact, be sufficient in size and stability to support city government.

The first issue is how big does the community of Adak have to be to support city government?

Response: Cities in the Aleutians are small, but they function well due to the effort to provide only those services that can be supported by local revenues. Adak will operate in that manner as well. As will be discussed in later paragraphs, the actual economic base at Adak could vary widely over the next 5 to 7 years due to a number of factors and trends. However, in the worst case scenario Adak is clearly expected to produce a sustainable economy as a small village. In fact prospects for Adak are quite good for a major fisheries transfer and industry support location, but even if these events did not occur, the installed infrastructure base on the island would attract and generate enough activity to operate a small city.

Other communities in the region operate with few citizens. Nicholski, located on the south shore of Umnak Island has had a population decline over the last 35 years, from 92 individuals in 1960 to 27 residents in 1996. The village is predominantly an Aleut community heavily dependent upon subsistence. The school, power company, village store, post office, water system, and health clinic are primary employers. Median income in 1990 census was \$13,750.

Atka, located 90 miles to the east of Adak, and its closest community neighbor. also has a subsistence based stable economy supplemented by a small commercial economy. The primary activity is commercial fishing supplemented by employment at the Atka Village Council, the Aleutian Pribilof Island Association, the school district, the Atka Fisherman's Association, the native store, and the Andreanof Electric Corporation. The community has a small fish processing facility.

In comparison, Adak, while still under Navy ownership, and in the process of ramping up commercial reuse has been talking with over one hundred companies, interested, and in various stages of internal analysis about committing to commercial use of port, airport, fueling, research, commercial and other improvements constructed by the Navy. The most interesting of these are discussed in following paragraphs.

Sustainable population estimates range from 0 to 1000 from various professional consultants who have been paid to provide their best estimate of the possibility of successfully reusing Navy infrastructure to establish

a sustainable community on Adak. The most pessimistic of these is contained in a 1996 report to the City of Unalaska by professional planners, HDR Alaska Inc. Also contributing were Kevin Waring Associates and Northern Economics. They discuss a possible "low case" scenario of Adak reuse in their discussion of the economics of forming a new Borough to the west of Unalaska that would include Adak Island. The possibility of actually seeing a "low case scenario" take place on Adak compels all involved to evaluate the reasonableness of having a long term sustainable community on Adak.

The Unalaska study team notes the short-term influx of jobs and money to the region associated with clean-up and departure of the Navy from Adak³. They go on to summarize potential economic reuse of Adak Island as:

Likely potential reuse options with large possibility of impacting regional trends

- Fisheries Support Base
- Transshipment Hub

Likely potential reuse options with low probability of impacting regional trends

- Coast Guard Station
- Airport Operations
- Research Station
- FAA navigation aids
- Fish and Wildlife Use
- Tsunami Warning/ Weather station
- Military Use
- Local Government

Unlikely potential reuse options

- Manufacturing
- Agriculture
- Tourism
- Waste Storage
- Free Trade Zone
- Aerospace Support
- Drug Enforcement
- Civilian Relocation

While each one of the "likely" reuses for Adak has a current story, the most important fact is the number of **types of activities** that the City of Unalaska's consultant envisioned for Adak. In fact, this list is expanded upon by every professional planner looking at the reuse of Adak. All agree that, while the actual users of Adak are impossible to currently and accurately identify, there will be reuse, and the extent of reuse will be, demonstrably, of a greater magnitude than that needed to support local government in other villages in the region.

The Unalaska consultants⁴ discuss their estimates of the reuse of Adak:

³ This effort has now exceeded one-hundred fifty million dollars of federal investment in clean-up activities. 1999 expenditures total over forty million dollars and include fifteen million dollars for asbestos removal and demolition of structures that may be long term liabilities for The Aleut Corporation. This money is also being used, as a part of asbestos abatement, to enhance some key parcels in the port area for future commercial use.

⁴ The City of Unalaska: Western Aleutians Borough Feasibility Study, June 1996 is used to address the worst case scenario for the probability of a successful reuse of former NAF Adak because it is a report that was not influenced in any respect by potentially interested parties. It is a stand-alone report.

The "low case scenario":

For purposes of this document, the low development scenario describes the worst-case scenario. Similar to the high-development scenario, it represents the opposite end of the realistic spectrum. Under the low development scenario, military withdrawal of Adak is complete and the military would not require any support services from the island. No federal agencies would locate or continue field offices on the island. Initially civilian reuse of island is attempted but soon proves economically unfeasible. Costs of maintaining and operating the remote facilities is prohibitive. Temporary, seasonal use of facilities occurs, but no permanent population remains on the island, and existing facilities deteriorate.

Medium Development Scenario:

A small to moderate reuse of Adak would be expected. The Navy's withdrawal of its permanent presence on the island would be complete. Some support of transient Navy or Air Force ships and planes would likely occur. Reuse by civilians would be limited. The civilian reuse would be comprised of a small amount of fish processing or transshipment of fish product, but most industry activity would remain centered in Unalaska or offshore. Transshipment support services and transfer facilities would occur to a limited extent, but would likely take years to develop, probably impacting the region only towards the end of the study period.

High Development Scenario:

Essentially the High Development Scenario would require capitalizing on all identified opportunities and combines the most optimistic forecast for each component in the region's economic development. The high scenario is meant as an upper bound of the realistic possibilities. It is not an impossible scenario, but it is not highly likely.

Adak would expect significant private and public reuse. Spurred by improved technology or increased fish prices, the fishing industry would expand in the region, taking advantage of currently under-used species. As a result, the fishing industry would develop on-shore fish processing capabilities at Adak. A portion of the fishing industry development would occur from expansion of the industry and a portion could result from a shifting of processing away from Unalaska. Some offshore processing and trawler vessels would use Adak for support services and transportation. The Coast Guard, FAA Fish and Wildlife Service and National Weather Service would maintain small field stations on Adak. While not nearly the size of the force which had been there, under the high development scenario the Navy would retain a small contingent on the island. Fuel sales to Navy and Air Force planes would occur at the airport. Civilian reuse of the housing stock would occur, but it would likely be generated from a shifting of the native population already in the region. The growth of the region as a transshipment hub would occur at both Unalaska and Adak. Private use of harbor facilities would be supported by development of Adak as a transshipment hub for east-west and north-south shipping lanes.

The federal and state governments, in addition to the Aleutians East Borough and the City of Unalaska have spent more than \$400,000 on professional consultants to evaluate the prospects for reuse of Adak Island. All reuse reports maintain that a medium use scenario is reasonable to assume for Adak, and that more active reuse may occur in areas not foreseen in prior reports.

Recent events also support the premise that establishing a sufficient stable population base to support a city government is likely:

- a. The Adak Reuse Corporation entered into a Master Lease with the U.S. Navy to offer sub-leases of Navy facilities for private commercial development in the core, downtown area, - to support reuse before Navy departure.

commissioned by the City of Unalaska with no motive other than to report on the prospects for establishing a new Borough that would encompass Adak.

Comment: The community desired to establish a "running start" towards reuse by allowing leases prior to complete withdrawal of the Navy.

- b. Within six months of Master Lease approval over \$2.5 million dollars have been invested in private commercial enterprises on Adak.

Comment: The lease of a portion of the Blue Shed, and the subsequent investment in plant and machinery to produce feedstock for Europe-destined salt-cod⁵, along with the permitting and commencement of operations of Adak Petroleum Co. is expected to produce over 50 full time, year-round jobs on Adak by June of 1999.

- c. Adak has started commercial port operations.

Comment: Within one month of start-up of port operations, cargo transshipping commenced at both the port and within Sweeper Cove. The largest pollock operator in the U.S. EEZ used Adak for transloading frozen fish, staging supplies/nets for their Aleutian operations. Domestic and Russian crew have been transferred to Anchorage and then back to Russia. Fuel has been and is currently being offloaded to the fishing fleet. supplies have arrived to support fishing operations for two of the largest fleets operating in the western Aleutians, over \$38,000 of port revenues have been billed and received for labor, dockage, wharfage, and other services. Additionally, injured crewmen have been stabilized at the Adak clinic and Medi-Vac to Anchorage.

- d. Cruise ships have used the Port of Adak

Comment: Since 1997, three calls have been made by Exploration Class vessels at the Port of Adak. Unlike other Aleutian stops, these ships came to Adak because of professional bus-oriented tour packages offered by the Adak Reuse Corporation and by the uniqueness of Adak as a tour destination. Adak expects greater economic activity associated with tourism, hunting, fishing, charters than originally expected due to the ability to offer standard tours of Aleutian flora and fauna, World War Two memorabilia while taking advantage of a new, large, market for tours of a former secret US Navy base complete with "Advanced" weapons storage compounds, sophisticated listening and data interpretation facilities and decommissioned satellite tracking facilities.

- e. Current plans call for continuous military activity on Adak to monitor environmental remedies and unexploded ordinance "INSTITUTIONAL CONTROLS".

Comment: Although these items will generate only a small amount of economic activity for the community, they represent a non-standard commercial activity for an Aleutian village that will assist the community to support city government.

- f. U.S. Fish and Wildlife Service plans to maintain the western Aleutians regional operations and information center on Adak.

Comment: USF&WS houses people on Adak year-round, with a significant build up in the summer to perform biological assessments and research. A major research initiative is commencing to study biological health on the Aleutians. This will be based at the USF&WS regional facilities on Adak.

- g. The Federal Aviation Administration has increased their investment on Adak.

Comment: In light of Adak's sophisticated airport and air navigation assets, the FAA has recently constructed a new RCAG (remote communications satellite up-link center) Non-Directional Beacon and Distance Measuring Equipment unit at Adak. Adak remains an important navigation and emergency divert field for over 50 Asia, Europe and US international flights per day. The FAA has recently offered to finance the preparation of a world class Air Traffic Demand study for Adak airport to assess its long term use and the possibility of expanding its runway to 10,000 feet, for fresh fish shipments to Europe and Asia, foreign

⁵ Interesting to note that the motive for the immediate investment was in recognition of increased world prices for cod, and the fact that cod was an under utilized specie in the Adak area.

and domestic passenger transshipping, air cargo transshipment, mid-Pacific fueling, military training and transfer use, search and rescue, fisheries enforcement, Atka support. etc.

h. Alaska Marine Pilots establish a \$2000/day penalty for operations west of the Port of Adak.

Comment: Marine pilots are required by state law to navigate foreign and certain domestic vessels near shore. Pilots, customs, immigration and other agencies are now using facilities at the port of Adak. They have set tariffs in place to encourage the use of the Port of Adak for cargo transfers.

i. Fresh crab transfers to Anchorage have commenced.

Comment: Quality Alaska Seafoods and other companies have started intermittent use of available airline space to transfer fresh crab from the Port of Adak to Anchorage retail outlets and for further air cargo transfer.

j. Prospects for new commercial use from the International fleet fishing in Russian/International waters.

Comment: Cost reductions associated with factory processor crew transfers are leading Russian companies to explore the use of Adak as a full service port. They currently pay up to 80% taxes on the value of hulls and/or cargo brought to closer Russian ports. Adak is closer to the grounds than the alternative at Pusan, South Korea. The Aleut Corporation has entered into discussions for leasing fuel facilities to support Russian fuel transfers.

k. Prospects for research, enforcement and search and rescue operations increase.

Comment: Considerable activity at federal and State (university) levels to use highly sophisticated facilities at the Port of Adak are underway.

l. School operations commenced October 1, 1998 and over 30 children are enrolled in the Adak school.

Comment: Adak is now operating the largest school in the region outside of Unalaska. Pool, bowling alley, recreation center and library support the quality of life for students and residents on Adak.

This discussion has attempted to show that a stable community, large enough to support a second class city on Adak, is reasonable and likely. Communities far smaller than Adak have successfully established city operations. Communities with less installed infrastructure also have economies sufficient to operate city government.

The fact that Adak has a considerable and well endowed port system, the best jet airport in the Aleutians, over twenty million gallons of exceptionally high quality fuels storage capacity, over one billion dollars of installed public and private infrastructure and over 10,000 acres of relatively flat, developable land⁶, provide a measure of confidence that Adak will be able – in the absolute worst case – to operate a sustainable community of sufficient size and stability to operate a small second class city government.

Ref. 19 AAC 10.030

STANDARD NO.3: ADAK POPULATION BASE

The population base of Adak is changing. While there are currently (2/99) 450 men and women on the island, that number's not expected in the future. Consultants hired by the State of Alaska when taking a conservative view of development on Adak, confidently assume a low case, community base population forecast of 125 persons as the initial self-sustaining population of Adak after all Navy departure is complete. This number quickly increases to 1000 over 10 years.

Currently, anyone who is on the island is a guest of the Navy or of the Adak Reuse Corporation the federal and state designated "reuse" implementing team for former NAF Adak. Families have been coming to Adak since August of 1998. Employees of the school district have been hired and a 30-child school is currently

⁶ This supported housing and roads for almost one-hundred thousand US troops in World War Two.

in operation on Adak. Employees have been hired by the fuel company and are in the process of hire at the on-shore processing plant. The majority of people currently on the island work for the Department of Defense in some capacity, either contractor or Navy.

Ref. 19 AAC 10.040

STANDARD NO. 4: BOUNDARIES

The boundaries of the proposed City of Adak are shown in Exhibit "B" and appendix "A". The following factors were considered when determining the boundary:

- 1) Natural geographic features and partitions between Adak and other land masses in the area
 - 2) Distance from potential annexation partners
 - 3) Historical use of Adak Island Bays and Inlets by the commercial fishing fleets
 - 4) Provision of emergency search and rescue and emergency medical services to vessels in and around Adak Island
 - 5) Tourism charter potential around Adak Island - and the need to provide emergency services.
 - 6) Frequency of use of the south half of Adak for hiking and hunting and the need to maintain the rescue barrels in the south half of the island for resident safety. (with permission of USF&WS)
 - 7) Natural nexus of activity for the use of the entire island
 - 8) Focus point for all unexploded ordinance response for activities on the entire island.
 - 9) Focus point for continued clean-up of the entire Adak Island
 - 10) Projected land uses as envisioned in the Preliminary Adak Reuse Plan (State of Alaska, 1996)
 - 11) Existing infrastructure and projected population densities
 - 12) Existing and reasonably anticipated transportation patterns and facilities
-

On March 7, 1999, the Adak Community Council meeting in Special Session, voted to urge the State of Alaska, Local Boundary Commission to accept a "Large City" concept for the proposed City of Adak.

The reasons cited by the Council to have a city that encompasses the entire island of Adak include:

1) Natural geographic features and partitions between Adak and other land masses in the area

As an island Adak has a natural geographic feature that acts as a partition between Adak and other land masses in the area.

2) Distance from potential annexation partners

The closest possible annexation partner is the Community of Atka located approximately 70 miles to the east. Due to the different development paths of the two communities it is highly unlikely that the Community of Atka would interface in the operation of the City of Adak. The distance between the two communities is a good reason to support "whole island" coverage by the City of Adak.

3) Historical use of Adak Island Bays and Inlets by the commercial fishing fleets

Adak's Bays and Inlets have been, are and will be used by commercial, sport and recreational boats originating from the City of Adak and from adjacent waters. In the past, Adak hosted commercial crab processing facilities within Finger Bay that clearly demonstrated the linkage between the existence of support improvements on Adak and the bays and inlets where crab was caught (along with crab caught in deeper water). It was clear that - but for - Adak's availability for logistical support and processing - use

of the island for crab fishing support would not have taken place. (In fact local crab fishing stopped soon after access to Adak facilities were closed by the Navy.

Presently, a new fish processing company has started operations on Adak. New activity is starting. Fishing boats are delivering near-shore caught fish to the Adak processor. Control of the use of shore areas on Adak Island, in the bays and inlets, as well as controlling acceptable and unacceptable practices of vessels in bays can be enforced by city control of the island. Without city coverage over the island boats could go to the next bay and perform activities that are not acceptable to the community of Adak.

4) Fishing vessels in the Adak area will be using city services.

It is unreasonable to think that a vessel near or west of Adak would go to Atka or Unalaska for emergency medical, fire, search, rescue, law enforcement support. They will expect all these services and more from the City of Adak. The City, will provide some of these services in the beginning years of its formation, and will provide more services to these vessels over the years. Adak will need Fish Tax revenue from fish transfers in and around Adak Island to cover the cost of providing services to these fishing boats and crew.

5) Navy-required "Institutional Controls" seek to protect people from hazards on Adak.

The transfer of Adak from federal ownership is contingent upon the community establishing and enforcing certain **INSTITUTIONAL CONTROLS**. Some of these include establishing and enforcing a dig permit program, managing a "Blue Card" program where visitors are informed of the possibility of a small amount of residual World War II ordinance possibly remaining on Adak and maintaining fencing and signage constructed by the Navy to inform residents of possible hazards. A full text of the IC requirements and explanation is included in Exhibit M.

6) Tourism charter potential around Adak Island -

There will be a need to provide emergency services to tourism charters and guided hunting on Adak. The city will be providing services to users of the recreational assets of the entire island. All hunting for Adak will originate in the more developed areas. Proliferation of floating cabins or non-seaworthy vessels, or dealing with abandoned vessels may best be dealt with by a combination of city and federal oversight. Frequency of use of the south half of Adak for hiking and hunting and the need to maintain the rescue barrels in the south half of the island for resident safety. (with permission of USF&WS). Use of Adak will take place over the whole island not just in the northern, developed portion. ANILCA provisions prohibit federal managers from prohibiting access and some uses of their land on Adak. The City can supplement federal management with reasonable use and development ordinances.

7) Natural nexus of activity for the use of the entire island

If anyone is using Adak, north or south, it can be reasonable expected that they will be using city services. Citizens of Adak will be extensively using the south half of Adak island for recreation, subsistence and commercial berry and harvesting activities. It is not reasonable to expect State Troopers to come to Adak to respond to public safety concerns that the city will have to address due to time and logistics. One example, a hiker from the developed portion of Adak fell down while hiking in the southern half of the island. The Blue Card system initiated a search when it was noticed that he was overdue. They eventually found him and initiated a recovery action. The hiker was recovered, stabilization was attempted at Adak clinic and he was medi-vac from Adak to the hospital in Anchorage where he subsequently died from complications related to exposure. In all such events the logical responder and provider of services will be the City of Adak, not the State Troopers or the VPSO from Atka.

8) Focus point for all unexploded ordinance education and response for activities on the entire island.

The Navy is leaving the island with unexploded ordinance contamination. The responders for any UXO "find", or emergency medical help will originate from the City of Adak. The City of Adak must have statutory coverage over the entire island to enforce **INSTITUTIONAL CONTROLS** mandated by the Navy. The city must have the ability to restrict access to areas of the island if a person avoids a required UXO warning briefing.

The US Department of Defense is performing extensive investigations for residual hazardous contamination during the summer of 1999. If the investigation finds added hazards additional clean up efforts will be conducted from Adak. Additionally, Formerly Used Defense Sites (FUDS) clean up of the southern half of Adak will be administered and performed using services and facilities in the more developed portion of the island.

9) Existing and reasonably anticipated transportation patterns and facilities

Most trails originate within the City of Adak, but extend from the city area throughout the south end of the island. Protected anchorages around the entire island will be used by numerous fishing tour and commercial vessels. Kagalaska Strait is a particularly valuable area for the community as it provides a natural access path to the entire south end of Adak and to adjacent islands.

10) Enhanced protection of cultural sites –

The regional Aleut community is intensely interested in protecting former middens and Aleut cultural sites which are found throughout Adak. Presently the federal government has restrictions over control of access to the south half of Adak. City ordinance coverage concerning restricted Aleut historical sites is required.

11) Coastal Zone management and control

Land uses in the coastal zone are expected to be influenced by those who are most impacted by the decisions and the State of Alaska. City ordinances that can assist the CRSA to implement and enforce reasonable coastal protections around Adak Island will ensure consistent application of federal and state coastal zone management goals.

EXHIBIT J
AFFIDAVIT CONCERNING THE SOURCE
AND ACCURACY OF THE INFORMATION
IN THE PETITION

STATE OF ALASKA)

3rd JUDICIAL DISTRICT)

)SS

AFFIDAVIT OF PETITIONER'S REPRESENTATIVE

I, Christopher H. Gates, Executive Director of the Adak Reuse Corporation as representative of the petitioners for incorporation of the City of Adak state the following:

1. The description of the boundaries of the territory proposed for incorporation presented in Exhibit B was prepared by : State of Alaska Department of Community and Regional Affairs.
2. The estimated population of the territory proposed for incorporation presented in paragraph #7 of the petition was provided by: Aleut Enterprise Corporation Housing staff.
3. The information provided in paragraph #11 of the petition concerning the taxable value of property in the area proposed for incorporation was provided by: U. S. Navy information / Tryck, Nyman & Hayes report *ADAK REUSE PLAN PROJECT ASPS # 96-0121*
4. The transition plan presented as Exhibit H was prepared in consultation with members of the Adak Community Council, Adak Reuse Corporation, The State of Alaska, Aleut Enterprise Corporation and The Aleut Corporation.
5. The information contained in the petition for incorporation is complete and factual to the best of my knowledge.

Petitioner's Representative
(Christopher H. Gates)

SUBSCRIBED AND SWORN TO before me on March 19, 1999

Notary Public in and for Alaska
My Commission expires: Jan 22, 2003

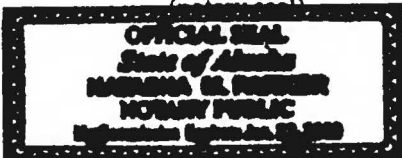


EXHIBIT L
Appendix E of the Land Transfer Agreement
concerning Public Land and Facilities

This document concerns the public facilities planned to be donated by The Aleut Corporation to the City of Adak after completion of a Land Trade/Transfer between the federal government and The Aleut Corporation.

Appendix E - Public Land and Facilities (Sept 9, version #7)

Section A

Introduction - The letter from the State of Alaska to the Office of Economic Adjustment recommending that the Adak Reuse Corporation be recognized as the Local Reuse Authority included a requirement that The Aleut Corporation transfer facilities and land to the Adak Reuse Corporation to meet the initial public facility and land needs of a future city.

The Aleut Corporation agreed to the facility and land transfers subject to the following:

- The land and facilities identified should meet the initial needs of a future city and not the long term needs of a future city. A city will have the ability to lease or purchase facilities in the future.
- The process used to identify land and facilities not be long and drawn out. The Aleut Corporation preferred that specific facilities be identified as part of the land trade agreement.
- The land identified should relate to a specific facility and that general expansion land not be included in the reconveyances.

In addressing this subject, the interests of the Dept. of Community and Regional Affairs were:

- Land and facilities be identified to meet the initial needs of a future city.
- The land and facilities identified, meet the initial needs of the future city without placing an operation and maintenance financial burden on the future city.

The Department of Community and Regional Affairs prepared the initial draft of this appendix and also prepared revisions based on meetings involving staff from The Aleut Corporation and the Adak Reuse Corporation. Representatives from the Adak Community Association also had opportunities to review and comment on the contents of this Appendix.

Section B

The Aleut Corporation Obligation - Pursuant to the terms of this agreement, The Aleut Corporation shall make land and facilities available, which are part of the Adak Naval complex to meet the public land and facility needs of a future municipality serving Adak, the State of Alaska, or other governmental entities required to provide public services to the community. Except for fees charged for interim use of land and facilities, The Aleut Corporation shall reconvey the land and facilities identified in this appendix at no cost to the recipients. The Aleut Corporation is only obligated to reconvey the land and facilities identified in this appendix. Land and facilities reconveyed shall be subject to exclusions and restrictions identified in the the Adak Land Transfer Agreement.

Entities Eligible to Receive Land and Facilities Identified In This Appendix - The Adak Reuse Corporation, a future municipality serving Adak, the State of Alaska, or other governmental entities required to provide public services to the community are eligible to receive land and facilities identified in this appendix. The Adak Reuse Corporation shall be the primary recipient of land and facilities from The Aleut Corporation. The Adak Reuse Corporation shall be responsible for transferring land and facilities it receives from the Aleut Corporation to the State of Alaska, a future municipality serving Adak, or other governmental entities required to

provide public services to the community. The Aleut Corporation, with the concurrence of the Adak Reuse Corporation, may reconvey land and facilities directly to the State of Alaska, a future municipality serving Adak, or other governmental entities required to provide public services to the community.

The Reconveyance Process - . Requests for interim use or reconveyance of facilities identified in this appendix and related lands shall be submitted to The Aleut Corporation in writing. Requests for reconveyance shall also include a survey plat of the land associated with the facility requested. After receiving a written request from an eligible entity for a specific facility and a plat of the associated land, The Aleut Corporation shall reconvey title within 60 days of receiving such a request. The Aleut Corporation shall reconvey title to the facilities and land identified in this appendix by quit claim deed. The surveying of parcels associated with the facilities identified in this appendix shall be the responsibility of the entity receiving the facility and associated land. The Aleut Corporation is not responsible for surveying any of the lands identified in this appendix or for any other costs associated with completing the reconveyances identified. The Adak Reuse Corporation, the State of Alaska, or other governmental entities required to provide public services to the community shall have the option of surveying and submitting plats to the Aleut Corporation on a parcel by parcel basis

Until the lands identified in this appendix are surveyed, The Aleut Corporation shall allow the Adak Reuse Corporation, the State of Alaska, a future municipality, or other governmental entities required to provide public services to the community, use of the facilities and lands identified in this appendix by means of interim use agreements and/or easements. Fees charged by The Aleut Corporation for interim use agreements and/or easements for facilities and land identified in this appendix shall not exceed \$10.00 per year. In addition to the \$10.00 interim use fee, holders of an interim use agreement shall pay The Aleut Corporation, actual operation and maintenance costs associated with the facilities occupied. Operation and maintenance costs shall be determined through discussions with The Aleut Corporation.

In cases where more than one eligible entity requests interim use or reconveyance of the same facility, priority shall be given to the entity that has a legislative requirement to provide the public service that will be supported by the facility requested. If none of the competing entities are required to provide the service being supported by the facility requested, the facility shall be reconveyed to the entity that most typically is responsible for providing the service being addressed. If a decision cannot be reached on which entity shall receive reconveyance of a facility and related land, the competing entities shall use an arbitration process to reach a decision. If arbitration is used, the process will be at no cost to The Aleut Corporation.

If The Aleut Corporation has not completed the reconveyances identified in this appendix and the Adak Reuse Corporation ceases to exist, The Aleut Corporation shall be responsible for completing the public land and facility reconveyances. If it becomes necessary for the Aleut Corporation to complete the public facility and land transfers, any agreements addressing the transferring of land and facilities identified in this appendix between the Adak Reuse Corporation and the State of Alaska, a future municipality serving Adak, or other governmental entity required to provide public services to the community shall remain in effect. If the Adak

Reuse Corporation ceases to exist, the reconveyance process shall continue as agreed to under the terms of this appendix and shall not open for renegotiations.

Appeals - There is no formal appeal process associated with the reconveyances identified in this appendix. The decisions of the Aleut Corporation and the Adak Reuse Corporation concerning the reconveyance of facilities and land identified in this appendix are final. If an eligible entity disagrees with the decisions made by The Aleut Corporation or the Adak Reuse Corporation, the eligible entity may request The Aleut Corporation or the Adak Reuse Corporation reconsider their decision(s). The Aleut Corporation or the Adak Reuse Corporation is under no obligation to consider such requests.

Section B

The following identifies the land and facilities the Aleut Corporation shall reconvey to the Adak Reuse Corporation, to a future municipality serving Adak, the State of Alaska, or other governmental entities required to provide public services to the community.

Privatization of Facilities - In consultation with the municipal government or if a municipal government does not exist, the community based organization representing the community of Adak, The Aleut Corporation and the Adak Reuse Corporation may choose to privatize public services and the facilities that support such services. If services are privatized and related facilities and land are reconveyed to a private for profit entity, the transfer document must include language that prohibits private for profit entities from using the land and facilities received for any purpose other than the public purpose identified.

Facilities

- **Use Of Dock and Staging Area** - A dock shall be made available to the local government or a future municipality to support loading and off loading activities for public projects initiated or coordinated through the local government and for public transportation. The Aleut Corporation shall be provided advance notice by the local government or future municipality of the need to use a dock. Once property taxes are established, a future municipality shall only be required to pay fees to an amount equal to property taxes paid on the two freight docks. Once fees paid for use of the docks by a future municipality equals taxes paid on the two freight docks, a future municipality shall be allowed to use the docks for local government activities and public transportation without having to pay fees.

The staging area identified on Attachment __, shall be made available to the local government or a future municipality for temporary storage needs associated with dock related loading and off loading activities. On an as needed basis and if warehouse space is available, The Aleut Corporation may provide temporary warehouse storage space to the local government.

- **Seawall** - The existing seawall shown on Attachment __, facility T-1400 shall be reconveyed.
- **Roads** - The roads to be reconveyed are identified on Attachment __ of this agreement. Rights of ways associated with the roads shall be of sufficient width to meet the maintenance needs of both the roads and adjacent utility lines. The location and width of road rights of

way shall be established as land adjacent to the roads is subdivided for ownership and development purposes. If it becomes necessary to survey roads for reconveyance purposes, the Adak Reuse Corporation, a future municipality, or if a municipal government does not exist, the community based organization representing the community of Adak shall only be responsible for surveying and monumenting the centerline of roads.

- **Airport** - The facilities and lands that will support airport and airport related functions shall be determined through negotiations involving The Aleut Corporation, the Adak Reuse Corporation and the Adak Community Association or the future municipality.
- **Local Government Administration Building** - For a five year period following the signing of this Land Transfer Agreement, the Adak Reuse Corporation or The Aleut Corporation shall make office space available to the local municipal government or if a municipal government does not exist, the community based organization representing the community of Adak. The office space shall be located in the Administration Building, Building #30004). The amount of office space shall be determined through discussions involving representatives of the local municipal government or if a municipal government does not exist, the community based organization representing the community of Adak, the Adak Reuse Corporation and The Aleut Corporation. The local municipal government or if a municipal government does not exist, the community based organization representing the community of Adak shall pay operation and maintenance costs associated with the office space provided. The operation and maintenance costs to be paid shall be determined through discussions involving representatives of local municipal government or if a municipal government does not exist, the community based organization representing the community of Adak, the Adak Reuse Corporation, and The Aleut Corporation.

At the end of the five year period during which office space will be provided, representatives of the Adak Reuse Corporation and The Aleut Corporation shall meet with representatives of the local municipal government or if a municipal government does not exist, the community based organization representing the community of Adak to discuss the office needs of the local government and to determine how to proceed with the requirements associated with this section of this Appendix. At a minimum, the topics to be discussed shall include: the amount of office space needed by the local government or community association; continued use of a portion of the Administration Building under a use agreement; reconveyance of office space in the Administration Building; and, the relocating of the local government offices to another building and the reconveyance of the building to the local municipal government or if a municipal government does not exist, the community based organization representing the community of Adak. The reconveyance of a local government administration building shall also include land to support the use of the building.

- **Community Facilities.**- For a five year period following the signing of this Land Transfer Agreement, the Adak Reuse Corporation or The Aleut Corporation shall make space available to the local municipal government or if a municipal government does not exist, the community based organization representing the community of Adak for a community center and a library. The space for the community center and the library shall be located in the

Administration Building (Building #300014). The amount and location of the spaces within the Administration Building shall be determined through discussions involving representatives of the local municipal government or if a municipal government does not exist, the community based organization representing the community of Adak, the Adak Reuse Corporation, and The Aleut Corporation. Corporation. The local municipal government or if a municipal government does not exist, the community based organization representing the community of Adak shall pay operation and maintenance costs associated with the space provided. The operation and maintenance costs to be paid shall be determined through discussions involving representatives of the local municipal government or if a municipal government does not exist, the community based organization representing the community of Adak, the Adak Reuse Corporation, and The Aleut Corporation.

At the end of the five year period, representatives of the Adak Reuse Corporation and The Aleut Corporation shall meet with representatives of the local municipal government or if a municipal government does not exist, the community based organization representing the community of Adak to discuss the space being provided for the library and the community center to determine how to proceed with the requirements associated with this section of this Appendix. At a minimum, the topics to be discussed shall include: the amount of space needed for the library and the community center; continued use of a portion of the Administration Building as a library and community center under a use agreement; reconveyance of space in the Administration Building; and, the relocating of the library and community center to another building and the reconveyance of the building to the local municipal government or if a municipal government does not exist, the community based organization representing the community of Adak. The reconveyance of a building that will serve as a library and a community center shall also include land to support the use of the building.

- **Public Works** - The Ground Support Equipment building (Building #27044) shall be reconveyed to meet public works operation and maintenance needs of the community. Attachment __ identifies the approximate location and amount of land that shall be reconveyed to support the community's public works operation.

- **Public Safety** - The following building(s) shall be reconveyed to support the public safety needs of the community.

 - Police - The Security building (Building #42063)

 - Fire - The Fire and Crash building (Building # 10202)

 - Emergency Services - A portion of the Clinic building (building # 27049)

Attachment __ identifies the approximate location and amount of land that shall be reconveyed to support the public safety facilities.

- **Schools** - Space for K-12 public education shall be determined through negotiations involving The Aleut Corporation, the Adak Reuse Corporation and the Aleutian Regional Education Attendance Area. If space for public education purposes is to be reconveyed, it shall be reconveyed to the Aleutian Regional Education Attendance Area.

- **Recreation/Parks** - Five acres surrounding and including the National Forest shall be reconveyed for public open space. Attachment __ identifies the approximate location and amount of land that shall be reconveyed to support the community facilities identified.
- **Cemetery** - A five acre site shall be reconveyed for a cemetery. The five acre site shall be located near the Palasades landfill in the vicinity of the site that has been used in the past as a cemetery. Attachment __ identifies the approximate location and amount of land that shall be reconveyed as the cemetery site.
- **Landfill** - If the Navy does not provide a developed and permitted landfill, a site for a landfill will be reconveyed. The maximum acreage to be reconveyed for a landfill shall be twelve acres. The location of the twelve acre site shall be determined through negotiations involving The Aleut Corporation, the Adak Reuse Corporation, and the local municipal government or if a municipal government does not exist, the community based organization representing the community of Adak.
- **Electric and telephone utilities** - The electric and telephone utility systems including related structures, operating systems, and transmission and service lines may be reconveyed. Operators of utility systems shall have five years to identify and provide The Aleut Corporation with the documents needed to dedicate the utility easements needed to operate and maintain the utility transmission and service lines. The dedication documents provided to The Aleut Corporation must contain all information necessary to allow the documents to be recorded in the district recorder's office. After five years, the operators of the electric and telephone utilities will have to negotiate the reconveyance of utility easements with The Aleut Corporation. The width of the utility easements shall be a maximum of 15 feet wide unless site specific conditions require the dedication of a wider utility easement. Requests for wider utility easements shall be submitted to The Aleut Corporation. The location and width of utility easements shall be established as land is subdivided for ownership and development purposes. If it is necessary to survey a utility easements for dedication purposes, only the centerline of the easement will be surveyed.
- **Water, Sanitary Sewer , and storm sewer systems** - Water and sewer system facilities needed to support the community may be reconveyed. The buildings and related water and sewer system facilities that may be reconveyed shall be determined through negotiations involving The Aleut Corporation, the Adak Reuse Corporation, and the local municipal government or if a municipal government does not exist, the community based organization representing the community of Adak. Buildings and facilities to be considered during the negotiations include:
 - DeMarie Lake, Bonnie Rose Lake, and the dams and related intake lines,
 - Water storage tanks,
 - Water filtration facility,
 - Water pumping facilities,
 - Water distribution system and fire hydrants,
 - Sanitary sewage treatment facility and outfall lines,
 - Sanitary sewer collection lines and lift stations,

Storm sewer system

The Adak Reuse Corporation or the operator of the water supply system, the sanitary sewer system, and the storm sewer system shall have five years to identify utility easements needed to operate and maintain the water, sewer, and storm drain lines. The width of the utility easements shall be a maximum of 15 feet wide unless site specific conditions require the dedication of a wider utility easement. Requests for wider utility easements shall be submitted to The Aleut Corporation. The location and width of utility easements shall be established as land is subdivided for ownership and development purposes. If it is necessary to survey a utility easement for dedication purposes, only the centerline of the easement will be surveyed.

- **Land** - The drawings attached to this agreement are intended to identify the approximate location and amount of land to be reconveyed to meet the land requirements of the facilities and activity areas identified. The size and location may be adjusted based on the survey of each of the parcels. It is the responsibility of the recipient of the land and facilities identified in this agreement to survey the boundaries of the lots identified. The Aleut Corporation is not responsible for surveying the lands identified in this agreement. Requests for reconveyance or dedication submitted to The Aleut Corporation must include a recordable document and a land survey.

Exhibit M
Institutional Controls requirement from U.S. Navy
and the State of Alaska

Providing For The Implementation Of Institutional Controls By The Future City of Adak

Areas within Adak Naval Air Base contain hazardous substances that will remain in place following the transfer of the base to The Aleut Corporation. The Adak land transfer agreement between The Aleut Corporation and the Department of Defense acknowledges the presence of the hazardous substances and also addresses the presence of the hazardous substances through the establishment of Institutional Controls. The land transfer agreement also includes language that makes completion of the land transfer process contingent upon Adak incorporating as a second class city. The completion of the land transfer agreement is also contingent upon the city adopting ordinances which require the city to assume responsibility for implementing, managing, and monitoring the Institutional Controls. This requirement is necessary to satisfy a Department of Defense requirement that there be an entity in place with the authority to implement, manage, monitor and enforce the rules established by the Institutional controls. Examples of activities the city will be responsible for include a visitor and contractor awareness program; the issuing of excavation permits; the monitoring of excavation activities; and, the monitoring of fencing and signage that the Navy is required to provide and maintain.

To address the incorporation requirement, the community of Adak is requesting incorporation as a second class city. To address the ordinance requirement, an approach has been agreed to which calls for the preparation of an ordinance or ordinances addressing the implementing, managing, and monitoring of the institutional controls that will be part of the incorporation ballot. Accordingly, the Petitioners request that city incorporation be contingent upon voter approval of the required Institutional Controls ordinance(s). This approach provides the Navy with the assurance that the ordinance or ordinances will be in place if the incorporation occurs.

At the time of filing of the petition, the ordinance or ordinances are in the process of being prepared by DCRA staff in consultation with the Petitioners and other interested parties. The Petitioners anticipate that the Navy will provide the city with financial support to assist in implementing the institutional controls to be set forth in the referenced ordinance(s).

DRAFT OF LAND TRANSFER AGREEMENT
BETWEEN THE DEPARTMENT
DEFENSE, THE DEPARTMENT OF THE
INTERIOR AND THE ALEUT CORPORATION
AND OTHER ADAK INFORMATION CAN BE
FOUND AT DCRA ANCHORAGE OFFICE AND
AT THE ADAK COMMUNITY COUNCIL
OFFICE ON ADAK.