

A Petition
by the
City of Homer
for Annexation to the City
of territory
West, North & East
of the current
City Limits



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Local Boundary Commission
MRAD

A Millennium 2000 Project



CITY OF HOMER

CITY HALL

491 East Pioneer Avenue

Homer, AK 99603-7645

Telephone (907) 235-8121
Telecopier (907) 235-3140

Monday, March 20, 2000

Mr. Dan Bockhorst
Municipal and Regional Assistance Division
Department of Community and Economic Development
550 West 7th Ave., Suite 1790
Anchorage, Alaska 99501

Re: City of Homer, Annexation Petition

Dear Mr. Bockhorst:

Yesterday Superior Court Judge Link denied a request to enjoin the City of Homer from formally filing the Petition with the Local Boundary Commission. Enclosed please find our Petition. It differs from the draft copy in the following ways:

1. A corrected page 8 of 49; last line, deleted the word 'lane'.
2. A corrected page 19 of 49; United States 'Port' Office changed to United States 'Post' Office.
3. A corrected page 40 of 49; 'effect' changed to 'affect'.
4. A signed page 47 of 49; Exhibit K.
5. A signed page 14 of 49; Petition Signature page.
6. Replacement pages 42-45, Exhibit J, Original of City of Homer Resolution 2000-35.

We are also enclosing a copy of the City of Homer Budget for Year 2000 [City is on a calendar fiscal year], the most recent audit [December 31, 1998], Comprehensive Plan and Comprehensive Plan Update.

And finally, as requested, we are including the names and addresses of all owners of property in the area to be annexed as provided us by the Kenai Peninsula Borough. These are spaced on sheets to permit subsequent printing of mailing labels.

If I have missed anything, please give me a call. Thanking you for your invaluable help with this project, I remain,

Very truly yours,

Ronald Wm. Drathman
City Manager

RWD:abs
Encl.

A Petition

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City of Homer

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**PETITION FOR ANNEXATION TO THE CITY OF HOMER,
A CITY WITHIN AN ORGANIZED BOROUGH,
USING THE LEGISLATIVE REVIEW METHOD**

The petitioner hereby requests that the Alaska Local Boundary Commission approve this petition for annexation pursuant to Article X, Section 12 of the Constitution of the State of Alaska and AS 29.06.040(b). All Exhibits attached to this petition are incorporated by reference.

Section 1. PETITIONER.

The name and class of the city petitioning for annexation are listed below:

Name: City of Homer

Class: 1st Class City

Section 2. GENERAL DESCRIPTION OF THE TERRITORY PROPOSED FOR ANNEXATION.

The territory proposed for annexation is generally described as follows:

The area south of the section line between T5S and T6S starting at Cook Inlet to the west and ending at Kachemak Bay to the east, all on the North shore of Kachemak Bay, excluding those areas within the present City of Homer and Kachemak City limits.

The annexation area contains three areas to the west, north and east of the City of Homer. The west or **Baycrest/Sterling Highway** area is predominately residential with limited commercial development. Along the Sterling Highway tourist businesses have developed - - a service station, small convenience store, motorhome campground, fast-food restaurant and motel. The Kenai Peninsula Borough maintains a landfill which will be closed out in the near future, though the waste bailing facility will remain and waste will be trucked up to the Central Peninsula. A batch plant, gravel stock pile operation and an insulation plant are also located in this area.

The **Diamond Ridge/Skyline** area is to the north of the city and is predominately residential on larger sized parcels of land. The Bridge Creek Reservoir, the City's only water supply, is also within this area. A City maintained cemetery in this area and a private funeral parlor is nearby. Small home based businesses also operate in this area including a sizable kennel and a commercial radio station. This area is well forested with beetle-kill quite evident. Trails and recreational uses are found throughout this area.

The **East End Road/Kachemak Drive** area is to the east and, while predominately residential, contains most of the commercial/industrial uses in the annexation territory. With few exceptions, the commercial/industrial uses are located on the south side of East End Road south of Kachemak City to Kachemak Drive and then on the eastern portions of Kachemak Drive. A full service boat yard, market, restaurants, taverns, vehicle repair facilities, boat building, a major building supply company, electrical contractors, storage units, heating contractors, are amongst the commercial developments in this area. Wetlands are found along Kachemak Drive and the remaining is forested except where cleared for development or spruce bark beetle.

Section 3. REASONS FOR ANNEXATION.

A statement of the reasons that the City seeks to annex the territory in question is provided below:

A. The City of Homer presently provides the following services to the territory the City seeks to annex:

- ◆ **Fire protection and emergency medical services** from the Homer Volunteer Fire Department, which is funded by the City of Homer.
- ◆ **Police protection** is provided through assistance to the Alaska State Troopers who maintain a post in Homer. The City of Homer Police Department responds to all calls for assistance from the Troopers in this area.
 - Areawide Dispatch Services for Police, Troopers, Fire and Emergency Medical Services.
 - Jail Services for State and City prisoners.
- ◆ **Sewer services** are provided on a limited basis through minor line extensions and on a case by case basis.
- ◆ The City of Homer, through its Department of Public Works can provide for **septic refuse disposal** for the area.
- ◆ **Water services**, by line, are extended on a limited basis to property owners who live between the City's reservoir [which is located in the annexation area] and the present City limits. The City also provides potable water to many residents of this area through commercial water haulers.
- ◆ **Library services** are provided by the City of Homer Public Library which has more patrons residing outside the City limits than inside.
- ◆ **Recreational services** are provided through the Parks and Recreation Division of The Public Works Department. These services include:
 - Use of a network of public parks and camp sites.
 - Baseball and softball fields available for public, Little League, and adult leagues.
 - Recreational and educational opportunities through the Community Schools program which is funded by the City of Homer and the Kenai Peninsula Borough School District.
 - This year the City will acquire ownership from the Kenai Peninsula Borough of the former Homer Intermediate School which will be used as a branch campus for the University of Alaska and a City Gym which will be operated by the Boy's & Girl's Club through the City of Homer.
 - Pier One Theater [amateur theater productions and drama camps] is housed in a City facility on the Homer Spit.
- ◆ **Animal Control services** are provided to residents of the annexation area which includes animal control officers, vehicle and operation of a City animal shelter.
- ◆ **Port and Harbor facilities** are provided to residents of the annexation area on the same fee basis as present residents of the City. These facilities include over 770 boat slips, two large vessel docks, a fish dock & ice house, Harbormaster and Harbor Officer staff, boat launch ramp and a log and timber chip loading facility.

- ◆ **Voter's services** are provided by the City Clerk's Office. Additionally, the Clerk provides all types of informational assistance including contact information for City, Borough, State and Federal Offices and Officials.
- ◆ The City of Homer has, in the past, funded various **non-profit activities that provide services in the annexation area** and beyond. These activities have included the Pratt Museum, Homer Council on the Arts, Community Schools, Chamber of Commerce, Kachemak Ski Club, Kachemak Nordic Ski Club, Community Schools, Bunnell Street Gallery, Homer Food Pantry, Homer Head Start, Snowmads Snowmachine Club [search & rescue], Homer Hockey Association, and Kachemak Gun Club. In most instances, there are as many or more users outside the City as inside. During the last ten years the City has provided support in excess of \$2 million.

All of the above services are presently being provided by the City of Homer and paid for by its residents - - and the simple truth is that the City of Homer cannot continue to provide these services, outside City Limits, without an expanded tax base. These services are paid for by property taxes, sales taxes, grants and contracts the city has acquired.

B. Businesses are now being located just to the east of the present City Limits which, while using the above mentioned City Services, operate with a decidedly competitive advantage over City based businesses. City based businesses must charge 5½% sales tax vs. 2% outside, and the City has a 5.5 mill property tax rate. The City businesses are hurt economically by this situation.

C. Local citizen controlled land use planning is necessary both in and outside the present city limits for the orderly development of all properties. This will protect property values and enhance both the quality of life and the economic viability of the entire area. All area residents should be involved in this process. The City Planning Department and Planning Commission engage in plat review, planning, zoning, permitting, comprehensive planning, code enforcement and coordinates with the KPB Planning Department and Commission.

D. Health and safety concerns virtually require this annexation succeed or the City of Homer will be involved in expensive and prolonged conflict with the Kenai Peninsula Borough over wastewater disposal. Neither municipality wants or needs this.

The Homer area is located on the lower level of a sloughing clay slope on the north shore of Kachemak Bay. The soil conditions are such that well water is incredibly scarce and usually of poor quality. Likewise, any area on the Homer shelf that has soils that perk are unusual. Because of this, virtually every septic system and leach field is doomed to fail before they are installed. Because the soils do not perk, the leach fields become 'holding tanks' of human waste.

The City of Homer is subject to the same laws of physics that affect the Kenai Peninsula Borough - - meaning that 'waste' rolls down hill. The failure rate of septic systems is so great that swimming in Beluga Lake is a health hazard because of the high fecal count in the water. A freshwater lake located within a city's limits should be a jewel for recreation and fishing, not an open sewer.

It has become increasingly dangerous to develop downhill water systems because of contamination. As population increases, hazardous pollution will increase. The solution is central water treatment, both fresh water and waste. Unless the Borough would attempt to duplicate the facilities of the City of Homer, it would seem only logical to annex the proposed area and expand the City's systems.

Coordination and planning are vitally necessary.

Section 4. LEGAL DESCRIPTION OF THE TERRITORY PROPOSED FOR ANNEXATION.

A written legal description of the territory proposed for annexation is presented in **Exhibit A**.

Section 5. LEGAL DESCRIPTION OF POST-ANNEXATION BOUNDARIES.

A written legal description of the boundaries of the City should the annexation be approved is provided in **Exhibit B**.

Section 6. MAPS AND PLATS.

A map showing the current boundaries of the City and the territory proposed for annexation, and plats and other documents necessary to demonstrate the accuracy of the written legal description of the territory proposed for annexation are presented in **Exhibit C**.

Section 7. SIZE.

The territory proposed for annexation is estimated to encompass 25.58± square miles.

Section 8. PETITIONER'S REPRESENTATIVE.

The City designates the following individual to serve as its representative in matters concerning this annexation proposal:

Name: Ronald Wm. Drathman, City Manager
Mailing Address: City Hall
491 East Pioneer Avenue
Homer, Alaska 99603
Telephone 907-235-8121
Fax 907-235-3148
e-mail address: citymgr@xyz.net

Section 9. POPULATION.

The population within the current boundaries of the City is estimated to be: 4,154 . The population of the territory proposed for annexation is estimated to be: 2,687. The total population of the City of Homer, should annexation be granted, would be 6,841. These estimates are based upon the 1990 census.

Section 10. INFORMATION RELATING TO PUBLIC NOTICE.

Information relevant to providing public notice of the annexation proceedings appears in **Exhibit D**. This includes information about local media, adjacent municipal governments, places for posting notice, locations where the petition may be reviewed and parties who, because of their interest in this matter, may warrant individual notice of the annexation proceedings.

Section 11. CITY TAXES. The type and rate of each tax currently levied by the City is listed below:

<u>TAX TYPE</u>	<u>TAX RATE</u>
Real property tax	5.5 mills
Personal property tax	5.5 mills w/\$100,000 exemption
Sales tax	3½%

Section 12. BOROUGH TAXES IN THE TERRITORY.

The type and rate of each borough tax currently levied in the territory proposed for annexation is listed below.

<u>TAX TYPE</u>	<u>TAX RATE</u>
Area-wide real property tax	8.0 mills
Area-wide personal property tax	8.0 mills w/\$100,000 exemption
<u>Kenai Peninsula Borough Service Areas</u>	
South Peninsula Hospital	2.0 mills
Kenai Peninsula College	0.1 mills
KPB Roads	0.5 mills [+ .5 KPB proposed]
Sales tax	2%

Section 13. TAXABLE VALUE OF REAL AND PERSONAL PROPERTY.

The following is the estimated or assessed value of taxable property in the City and the territory proposed for annexation:

Within current City boundaries	Taxable Value	Tax Revenue
real property	\$218,639,912 -	\$1,186,966
personal property	16,005,042 -	88,028
Total	\$234,644,954 -	\$1,274,994

Within area proposed for annexation			
real property	\$119,653,700	-	\$ 658,095
personal property	6,921,501	-	38,068
Total	\$126,575,201	-	\$ 696,163
Total Within New Boundary:	\$361,220,155	-	\$1,971,157

Section 14. VALUE OF TAXABLE SALES. The value of sales that would be subject to City sales taxes upon annexation is estimated to be **\$14,102,848**. At the current sales tax levy, this would generate an estimated \$286,288 General Fund, \$103,656 Water & Sewer Fund and \$103,656 Road Fund [1½ % sales tax is dedicated to W&S and Homer Accelerated Roads].

Section 15. OTHER REVENUES. It is estimated that annexation will result in the following additional revenues to the City.

Federal and State of Alaska Revenue sharing and Safe Communities funding if provided.

Section 16. EXPENSES.

It is estimated that annexation will result in the following additional operating and capital expenses to the City.

It is anticipated that expense increases, both operational and capital, will be spread over a three to five year period.

Operating Expenses

Administration

Administration Services

No additional operating expenses anticipated because of annexation. \$000

Finance

No additional operating expenses anticipated because of annexation. 000

- As additional water and sewer connections come on line billing assistance may be needed.

Library Services

No additional operating expenses anticipated because of annexation. 000

- Annexation will require no additional operating expense because the Library is presently serving residents of the annexation area.

Planning and Zoning

Increase employee positions by one planning technician 36,000

Supplies, etc. 3,000

Animal Control

Mobile Services

Additional patrol services, fuel, supplies, etc.	3,000
<u>Shelter Services</u>	
No additional operating expenses anticipated because of annexation.	000
- Annexation will require no additional operating expense because shelter services are presently provided residents of the annexation area.	
Fire & Emergency Services	
No additional operating expenses anticipated because of annexation.	000
- Annexation will require no additional operating expense because fire and EMS services are presently provided residents of the annexation area. As facilities are expanded, operating expenses will be increased.	
- Operational expenses of new Bridge Creek Sub-Station.	20,000
- Maintenance of additional vehicles for Bridge Creek Sub-Station.	15,000
- The Homer Fire Department is a volunteer department with a paid staff of a Chief, an Assistant Chief, an Emergency Medical Technician, a Departmental Services Coordinator, and a part-time clerk. The paid staff will only be expanded as needed.	
Police Department	
<u>Dispatch Services</u>	
No additional operating expenses anticipated because of annexation.	000
- Dispatch services are presently being provided to Police, Troopers, EMS and Fire Department serving the annexation area.	
<u>Jail Services</u>	
No additional operating expenses anticipated because of annexation.	000
- Dispatch services are presently being provided to Police, Troopers, EMS and Fire Department serving the annexation area.	
<u>Police Services</u>	
Two additional Police Officers will be needed and their attendant supplies.	113,330
- State Troopers will provide a 1 – 2 year transition period.	
Port & Harbor	
No additional operating expenses anticipated because of annexation.	000
- Annexation will require no additional operating expense because Port & Harbor services are presently supplied residents of the annexation area.	
Public Works	
<u>Streets & Roads</u>	
NOTE - There are no roads in the annexation areas which are built to City of Homer standards for maintenance. As a result, with the exception of Borough maintained roads, the City will not maintain any roads in the annexation area until they are brought up to City standards or proposed 'rural' standards [KPB standards].	
- There are 41.7 miles of gravel roads presently maintained by the Kenai Peninsula Borough, through private contractors, at an annual budgeted cost of \$80,000. The City of Homer could continue to contract at the Borough level of service.	80,000
- The City of Homer believes that services can be substantially improved by funding at the interim rate of \$4,775 per mile, or \$199,000. This would	

would require an additional two full-time and two part-time employees. The City would propose transitioning from the KPB contractor plan over a three to five year period.

[199,000]

- The KPB, in 1999, expended \$60,000 for two capital road improvements projects. The City of Homer anticipates improvements within its budget.

Sewers

No additional operating expenses anticipated because of annexation.

000

- Water & Sewer services will be expanded as neighbors create local improvement districts and the City's portion of costs are funded. The City is presently considering new W&S line extension plans.

Water

No additional operating expenses anticipated because of annexation.

000

- Water & Sewer services will be expanded as neighbors create local improvement districts and the City's portion of costs are funded. The City is presently considering new W&S line extension plans. While it is more usual to expand water lines with sewer lines, it may be desirable to expand water lines under a different plan.

Total Estimated Additional Annual Operating Expense Increase

\$270,330 to

- Range based upon level of road service

384,330

Plus: Annexation Bond servicing if \$1.2M [see Capital Expenses below]

\$ 166,966

Grand Total:

\$437,296 to

\$551,296

Capital Expenses

Administration

Administration Services – None

Finance – None

Library Services

No additional capital expenses will be incurred because of annexation as the Library presently serves the annexation area, however, the present Library will be expanded as soon as financing is available, annexation or not.

\$000

Planning and Zoning – None

Animal Control

Mobile Services

Present vehicle needs to be replaced.

20,000

Shelter Services

No additional capital expenses are anticipated because of annexation, however, a new shelter is very close to fruition in both planning and funding. Annexation may make funds available to expedite the process.

000

Fire & Emergency Services

New Sub-Station to be constructed on property owned by City of Homer in the area of the Bridge Creek Reservoir.

200,000

Vehicles:

- Wildland/Urban Interface Fire Truck. [used] 80,000
- Tanker/Tender [used] 50,000
- EMS First Response Vehicle 40,000

Police Department

Dispatch Services – None

Jail Services – None

Police Services

Vehicles:

- Two patrol vehicles [Similar to Ford Expeditions] 80,000
- Two Snow Machines with Trailers 12,000
- Two ATV with Trailers 12,000
- Two portable Radios 4,600
- Two Officers Initial Equipment 6,000

Port & Harbor

No additional capital expenses anticipated because of annexation. \$000

Public Works

Streets & Roads

- Equipment: 585,000
- Two graders – snow plowing and road grading
 - Two 4X4 sanding trucks with plows or snow blowers
 - One D-6 dozer w/trailer – drainage & ditch maintenance
 - One loader – sand truck loading and road maintenance

Water & Sewers

No additional capital expenses anticipated because of annexation. 000

Total Estimated Capital Expense Increase \$1,089,000

Capital expenses will be paid for by the sale of general obligations bonds up to the amount of \$1.2 million. These must go to the City of Homer voters for approval, this would also include the residents of the area annexed. Debt service on this bond would be \$ 166,966 per year for 10 years. If the bond were not approved, the capital costs can be paid out of General Fund revenues at the rate of \$300,000 per year over four years.

Section 17. CITY POWERS AND SERVICES. Listed below are the services and facilities currently provided by the City within its existing boundaries. All of these services, except for those designated below will be extended to the area in question upon its annexation:

- Water and Sewer services as quickly as residents and funding permits
- Potable water will continue to be available through commercial water haulers
- The City will continue to handle septic waste from the area
- Enhanced Fire and Emergency Medical Services
- Homer Police, dispatch services [911, fire, AST, Police] & jails services
- Animal control support and animal shelter
- Continued support assistance and dispatch services for State Trooper post
- Library service
- City parks

- Recreational Opportunities through City facilities and City funded Community Schools program
- Improved road maintenance
- Land use planning services
- City Clerk services including voter services, and information support services
- Grant management
- General Government Services

To provide these services the City of Homer has employed the following capital assets:

General Fund Assets	Building	Contents, Structures, Etc.	Total
Spit Real Property - Land	\$3,702,315		\$3,702,315
City Shop	1,190,100	\$273,180	1,463,280
Airport Terminal	2,100,000	50,000	2,150,000
Police Station	1,000,000	250,000	1,250,000
Generator Building	13,500	30,000	43,500
City Hall	1,505,700	101,200	1,606,900
Library	463,600	1,375,300	1,838,900
Fire Department	1,300,000	113,609	1,413,609
Ferry Office/Pump Station	356,000	145,600	501,600
Old Elementary School	2,500,000		2,500,000
Animal Shelter	15,701		15,701
Camp Fee Building	19,012		19,012
Misc. Building & Improvements	75,788		75,788
Vehicles & Equipment		4,056,351	4,056,351
Sub total	<u>\$14,241,716</u>	<u>\$6,395,240</u>	<u>\$20,636,956</u>

Water Fund			
Treatment Plant	\$1,000,000	\$743,000	\$1,743,000
Pump Station	210,000	362,000	572,000
Water Tank	1,122,700	5,000	1,127,700
Water Tank	1,875,000	5,000	1,880,000
Improvements		12,123,141	12,123,141
Vehicles & Equipment		1,252,028	1,252,028
Services		372,664	372,664
Meters		120,291	120,291
Construction in Progress		878,247	878,247
Sub total	<u>\$4,207,700</u>	<u>\$15,861,371</u>	<u>\$20,069,071</u>

Sewer Fund			
Treatment Plant	\$6,607,300	\$1,257,400	\$7,864,700
Operations Plant	300,000	147,000	447,000
Drying Beds	280,000	0	280,000
Other Facilities	21,497,692		21,497,692

Improvements		7,816,434	7,816,434
Vehicles & Equipment		434,133	434,133
Construction in Progress		108,349	108,349
Sub total		<u>\$28,684,992</u>	<u>\$9,763,316</u>

Port & Harbor Fund

Land	\$10,485,399		\$10,485,399
Harbor Office	108,900	\$153,882	262,782
Ice Plant	1,531,800	1,636,361	3,168,161
Maintenance Building	632,520		632,520
Fish Dock Facility	8,255,230		8,255,230
Other Facilities	1,756,798		1,756,798
Docks & Improvements		16,588,645	16,588,645
Vehicles & Equipment		2,217,207	2,217,207
Construction in Progress		270,724	270,724
Sub total	<u>\$1,756,798</u>	<u>\$19,076,576</u>	<u>\$20,833,374</u>

Total \$47,134,408 \$32,019,927 \$79,154,335

[December 31, 1999 Unaudited Fixed Assets List]

City services not to be extended to the annexed area:

- All City services will be extended into the annexation area.

Section 18. EXTRATERRITORIAL POWERS. The City currently exercises the following powers within the territory proposed for annexation under authority of AS 29.35.020.

The City of Homer was granted extraterritorial powers for the purpose of protecting its water supply and watershed, pursuant to Kenai Peninsula Borough Ordinance 99-47 which was enacted on September 7, 1999 pursuant to AS 29.35.020. A copy of the Ordinance is attached as **EXHIBIT K** and the maps filed with this Petition identify the watershed.

Section 19. BONDED INDEBTEDNESS. The following is a summary of the current bonded indebtedness of the City.

<u>Bond Issue</u>	<u>Balance</u>	<u>Annual</u>	<u>When Paid</u>
Revenue – '98 Water	\$225,000	\$ 55,000	2003
Revenue – '98 Sewer	625,000	70,000	2007
Revenue – '89 Sewer	3,581,379	227,619	2011
Revenue – '98 Port	1,555,000	130,000	2009
General Obligation – Streets/Side	3,060,000	300,000	2008
Special Assessment – '87 Streets	42,200	5,280	2007
Special Assessment – '90 Streets	16,250	16,250	2000
Loan – City Hall	264,461	112,718	2003
Loan – '99 HVFD equipment	327,465	47,099	2009

Section 20. BOROUGH SERVICE AREAS. The territory proposed for annexation is included wholly or partially in the borough service areas listed below.

The annexation territory is included in the South Peninsula Hospital, Kenai Peninsula College and the Road Maintenance Service Areas of the Kenai Peninsula Borough. The present City of Homer is also included in the South Peninsula Hospital Service Area and the Kenai Peninsula College funding area, but not Road Maintenance.

A map showing the boundaries of each these service areas and the boundaries of the territory proposed for annexation is presented as **Exhibit E**.

Section 21. LISTING OF BOROUGH POWERS

A list of all areawide and non-areawide powers exercised by the borough as well as all service area powers exercised by the borough within the territory proposed for annexation is presented as **Exhibit F**.

Section 22. TRANSITION PLAN.

See **Exhibit G** for transition plan.

Section 23. FEDERAL VOTING RIGHTS ACT INFORMATION.

Information relevant to the federal Voting Rights Act, which is applicable to any annexation, is provided in **Exhibit H**.

Section 24. BRIEF. A written statement fully explaining how the proposed annexation satisfies the standards set out in 3 AAC 110.090 - 3 AAC 110.140; and 3 AAC 110.900 - 3 AAC 110.910 is included in **Exhibit I**. The brief demonstrates that:

- A. The territory proposed for annexation exhibits a reasonable need for city government as required by 3 AAC 110.090(a).
- B. The City is capable of providing “essential city services” (as defined by 3 AAC 110.990(8)) more efficiently and more effectively to the territory proposed for annexation than another existing city or organized borough as required by 3 AAC 110.090(b).
- C. The territory proposed for annexation is compatible in character with the area inside the current boundaries of the City as required by 3 AAC 110.100.
- D. The area within the proposed post-annexation boundaries of the City (i.e., the territory proposed for annexation and the area within the existing boundaries of the City) includes


the human and financial resources needed to provide essential city services on an efficient, cost-effective level as required by 3 AAC 110.110.

- E. The population within the proposed post-annexation boundaries of the City is sufficiently large and stable to support the extension of city government as required by 3 AAC 110.120.
- F. The proposed post-annexation boundaries of the City encompass all land and water necessary to provide the full development of essential city services on an efficient, cost-effective level as required by 3 AAC 110.130(a).
- G. The territory proposed for annexation is contiguous to the City's present corporate boundaries as presumed by 3 AAC 110.130(b). Alternatively, there is a specific and persuasive basis for annexation of non-contiguous territory.
- H. The proposed post-annexation boundaries of the City include only that area comprising the local community plus reasonably predictable growth, development, and public safety needs during the 10 years following the effective date of annexation as required by 3 AAC 110.130(c).
- I. As required by 3 AAC 110.130(d), the proposed post-annexation boundaries of the City exclude entire geographical regions or large unpopulated areas, except where justified by the application of the city annexation standards in 3 AAC 110.090 - 3 AAC 110.130.
- J. The territory proposed for annexation does not overlap the boundaries of an existing organized Borough or City. Alternatively, the brief also addresses that circumstance as required by 3 AAC 110.130(e).
- K. The proposed annexation to the City will not deny any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex, or national origin in accordance with 3 AAC 110.910.
- L. Annexation will serve the balanced best interests of the state, the territory proposed for annexation, and affected political subdivisions as are required by 3 AAC 110.140.

Section 25. AUTHORIZATION. A certified copy of the resolution adopted by the City Council to authorize the filing of this petition is provided as **Exhibit J**.

Section 26. PETITION INFORMATION & ACCURACY. An affidavit of the petitioner's representative affirming that the information in the petition is true and accurate is provided in **Exhibit K**.

DATED this 20th day of March, 2000.

By: 
Ronald Wm. Drathman
City Manager
City of Homer

**EXHIBIT A
LEGAL DESCRIPTION OF THE TERRITORY PROPOSED FOR
ANNEXATION**

The City of Homer proposes to annex the following land:

All That Land contained within

Township 6 South, Range 12 West, Seward Meridian,
Township 6 South, Range 13 West, Seward Meridian,
Township 6 South, Range 14 West, Seward Meridian,
Township 6 South, Range 15 West, Seward Meridian,

Excepting therefrom the City of Homer and Kachemak City,

Containing 25.58 square miles, more or less.

EXHIBIT B
LEGAL DESCRIPTION OF THE PROPOSED POST-ANNEXATION
BOUNDARIES OF THE CITY

If annexation is approved, the Legal Description of the Area Encompassed by the City of Homer will be:

All That Land contained within

Township 6 South, Range 12 West, Seward Meridian,
Township 6 South, Range 13 West, Seward Meridian,
Township 6 South, Range 14 West, Seward Meridian,
Township 6 South, Range 15 West, Seward Meridian,
Sections 1 and 2, Township 7 South, Range 13 West, Seward Meridian, and
Those Tidelands within the Director's Line as shown on Alaska Tidelands
Survey No. 612,

Excepting therefrom Kachemak City,

Containing 46.58 square miles, more or less.

EXHIBIT C
MAP OF EXISTING AND PROPOSED BOUNDARIES; PLATS & OTHER
DOCUMENTS DEMONSTRATING ACCURACY OF LEGAL DESCRIPTION

A map showing the current boundaries of the City and the territory proposed for annexation, and plats and other documents necessary to demonstrate the accuracy of the written legal description of the territory proposed for annexation is presented in this Exhibit.

EXHIBIT D
INFORMATION RELATING TO PUBLIC NOTICE
MEDIA

The following is a list of the principal media serving the area within the current and proposed boundaries of the City:

NEWSPAPERS

Name: Homer News
Address: 3482 Landings Street
Homer, Alaska 99603
Telephone 907-235-7767
Fax 907-235-4199

Name: Homer Tribune
Address: 601 E. Pioneer Avenue
Homer, Alaska 99603
Telephone 907-235-3714
Fax 907-235-3716

PUBLIC RADIO STATIONS

Name: KBBI AM 890
Address: 3913 Kachemak Way
Homer, Alaska 99603
Telephone 907-235-7721
Fax 907-235-2357

Name: K-WAVE FM 105 - KPEN FM 102 & KGTL AM 620
Address: POB 109, 66060 Diamond Ridge Rd
Homer, Alaska 99603
Telephone 907-235-7551/235-6000
Fax 907-235-6683

PLACES DESIGNATED FOR POSTING OF NOTICES RELATING TO ANNEXATION

The following three or more public and prominent places within the territory proposed for annexation are designated for posting of notices concerning this annexation proposal.

- Village Barabara Texaco Service Station, Mile 169.3 Sterling Highway
- Pudgy's Meat & Grocery's, Mile 2.4 East End Road
- Northern Enterprises Boat Yard, 42122 Kachemak Drive
- Kachemak City, City Hall, East End Road [Not in Annexation area – but a community center]

The following three or more public and prominent places within the current boundaries of the City are designated for posting of notices concerning this annexation proposal.

- Homer City Hall, 491 East Pioneer Avenue
- State Courthouse, 3670 Lake Street
- United States Post Office, Sterling Highway
- Eagle Quality Center, Sterling Hwy
- Lakeside Center Shopping Mall, 3858 Lake Street

MUNICIPALITIES ADJACENT TO THE CITY

The following is a list of cities and organized boroughs whose boundaries extend within 20 miles of the current or proposed boundaries of the City.

- Kachemak City
- Kenai Peninsula Borough

PETITION MATERIALS WILL BE AVAILABLE FOR PUBLIC REVIEW

The petitioner proposes to comply with 3 AAC 110.460(b) by providing a full set of petition documents for public review at the location(s) listed below which are open to the public on the dates and times listed below.

1. Homer City Hall, 491 East Pioneer Avenue
Open Monday through Friday from 8:00 a.m. to 5:00 p.m.
2. Homer Library, 141 West Pioneer Avenue
Open Tuesday and Thursday, 10:00 a.m. to 8:00 p.m.
Open Monday, Wednesday, Friday, and Saturday, 10:00 a.m. to 6:00 p.m.

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The following three or more public and prominent places within the territory proposed for annexation are designated for posting of notices concerning this annexation proposal.

- Village Barabara Texaco Service Station, Mile 169.3 Sterling Highway
- Pudgy's Meat & Grocery's, Mile 2.4 East End Road
- Northern Enterprises Boat Yard, 42122 Kachemak Drive
- Kachemak City, City Hall, East End Road

The following three or more public and prominent places within the current boundaries of the City are designated for posting of notices concerning this annexation proposal.

- Homer City Hall, 491 East Pioneer Avenue
- State Courthouse, 3670 Lake Street
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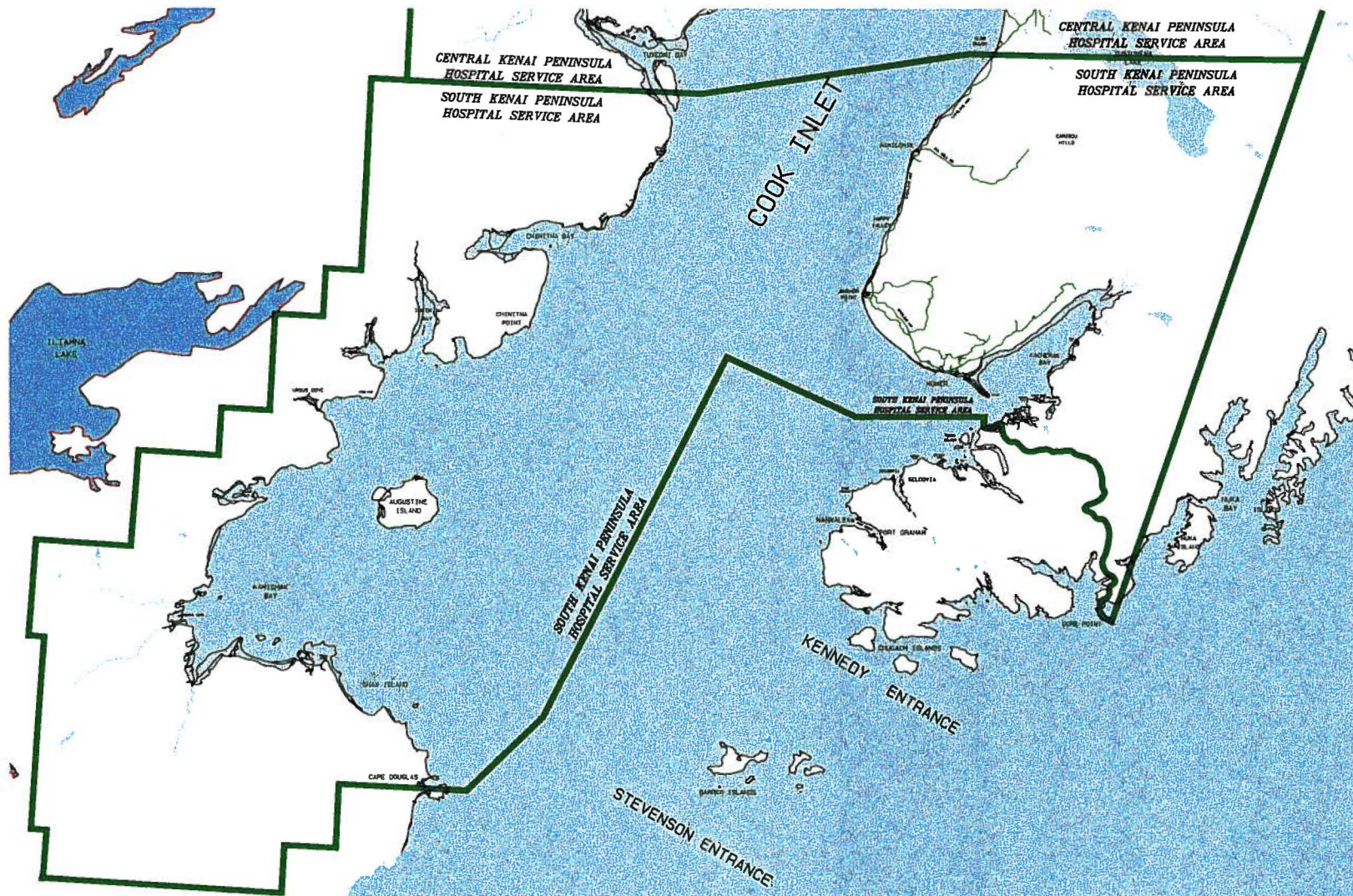
1. Homer City Hall, 491 East Pioneer Avenue
Open Monday through Friday from 8:00 a.m. to 5:00 p.m.
2. Homer Library, 141 West Pioneer Avenue
Open Tuesday and Thursday, 10:00 a.m. to 8:00 p.m.
Open Monday, Wednesday, Friday, and Saturday, 10:00 a.m. to 6:00 p.m.

**PARTIES THAT THE PETITIONER BELIEVES SHOULD BE PROVIDED
INDIVIDUAL NOTICE OF THE FILING OF THE ANNEXATION PETITION.**

The under separate cover a list of names and addresses, provided by the Kenai Peninsula Borough, of all parties who own property in the area to be annexed.

EXHIBIT E
BOROUGH SERVICE AREAS

Attached is a map or maps showing the boundaries of each borough service area wholly or partially included within the territory proposed for annexation. South Peninsula Hospital.



REVISION BLOCK

Left Revised/By	Left Revised/By



THE INFORMATION DEPICTED HEREON IS FOR A GRAPHIC REPRESENTATION ONLY OF BEST AVAILABLE SOURCES. THE KENAI PENINSULA BOROUGH ASSUMES NO RESPONSIBILITY FOR ANY ERRORS ON THIS MAP.

KENAI PENINSULA BOROUGH
GIS DIVISION
SOUTH KENAI PENINSULA
HOSPITAL SERVICE AREA

SCALE: 1" = 20 MILES DATE: JAN. 31, 2000

EXHIBIT F
LISTING OF BOROUGH POWERS

The following is a list of all areawide and non-areawide powers exercised by the borough as well as all service area powers exercised by the borough within the territory proposed for annexation.

Areawide Borough Powers

Tax Assessment and Collection	Education
Planning and Zoning	Solid Waste Disposal
911 Emergency Communications	Emergency Management
Senior Citizen Grant Funding	Post Secondary Education Funding
General Administrative Services	

Non-areawide Borough Powers

Port and Harbors	Tourism Promotion
Special Assessment Authority for Utility Line Extensions	Economic Development

Service Area Powers

Hospitals	Fire Protection
Emergency Medical and Ambulance	Recreation
Senior Citizen	Road Maintenance

Borough Service Area Powers Exercised within the Proposed Annexation Territory

Hospitals – South Peninsula Hospital Service Area
Post Secondary Education Funding – Kenai Peninsula College
Road Maintenance Service Area

EXHIBIT G TRANSITION PLAN

This exhibit consists of a practical plan demonstrating:

1. The intent and capability of the City to extend essential city services (as defined by 3 AAC 110.990(a)(8)) into the territory proposed for annexation in the shortest practical time following annexation.
2. The manner in which the City will assume all relevant and appropriate powers, duties, rights, and functions presently exercised within the territory proposed for annexation.
3. The manner in which the City will assume and integrate all relevant and appropriate assets and liabilities of an entity providing services to the territory, which will be assumed by the City.
4. That the plan was prepared in consultation with entities currently responsible for or otherwise providing those services to the territory that will be assumed by the City.

1. The intent and capability of the City to extend essential city services (as defined by 3 AAC 110.990(a)(8)) into the territory proposed for annexation in the shortest practical time following annexation.

The City presently provides **Fire Protection** to the territory to be annexed, however, the service provided will be substantially improved. Over a period of no more than two years, the City will construct a fire sub-station on property that is City owned near the Bridge Creek Reservoir capable of accommodating (1) a Wildland/Urban Interface Fire Truck [similar to an engine/pumper but with higher ground clearance and all-wheel drive], (2) a tanker/tender and (3) an EMS First Response Vehicle. These vehicles are designed to meet the demands of the territory to be annexed. The cost of these vehicles and the sub-station would be paid for by the \$1.2 million Annexation Bond the City of Homer will issue upon annexation approval or by general tax revenues.

The fire department currently is the sole provider of emergency fire, rescue, and emergency medical services (EMS) for the proposed annexation area, with the exception of wildlands fires. Wildlands fire fighting is the primary responsibility of the Division of Forestry (DOF) for those areas outside of Homer City limits. The City of Homer has a Cooperative Agreement with DOF that pays the Homer department to respond to wildlands fires outside the existing city limits during the pre-established "fire season" of mid-April through Sept 30. DOF has only wildland fire fighting assets in the Homer area from April through the end of September. No other entities, public or private provide services to those areas addressed. The nearest fire service area, which is north of the proposed annexation area, is the Anchor Point Fire Service Area. The City of Homer currently does not respond into the Anchor Point Fire Service

Area unless requested to do so by the Anchor Point Volunteer Fire Department pursuant to the established Memorandum of Agreement (Mutual Aid Agreement) between the Anchor Point Volunteer Fire Department and the Homer Volunteer Fire Department (City of Homer).

The proposed sub-station which will house a wildlands/interface engine, tanker/tender, and emergency medical services quick response vehicle will lower the fire protection classification of structures within 5 road miles of the station by at least one point resulting in potentially lower fire insurance rates for those residents.

The fire department will continue to provide essential fire, rescue and emergency medical services to those areas within the proposed annexation area without interruption. These services include EMS first response by volunteer providers that currently reside in the proposed annexation areas, including both basic and limited advanced life support capabilities (oxygen, intravenous therapy, and rapid defibrillation).

The **Homer Police Department** is more than capable of providing a full compliment of law enforcement services to the area being annexed. The annexed area will more than double the geographic area being serviced by the police department and will increase the number of citizens being served by over fifty percent. Due to these factors, the Homer Police Department will hire two additional officers and purchase additional equipment to safely and adequately provide services to the area. The cost of the new equipment will be paid for by the Annexation Bond mentioned above. The additional operational costs can easily be paid for with the increased tax revenues that will be generated by the new areas.

City of Homer Police officers have been backing up the Alaska State Troopers on calls in the area for many years and responding to all trooper requests. Homer Police dispatchers have been dispatching the troopers on calls to the areas and have been providing 911 related dispatch. Homer Police officers are already empowered by state statute to exercise full police power within the area. No additional authority needs to be obtained.

Animal Control Services are presently being provided to the area. A new animal control vehicle will be purchased and a new shelter will be constructed within the next two years. The vehicle will be paid for by the Annexation Bond and the shelter will be constructed with existing funds.

Library Services, Parks & Recreation Services and Port & Harbor Services are presently being provided residents of the annexation area on the same basis as City of Homer residents.

The City of Homer can easily provide **Voter Services** in the annexation area as the City Clerk is presently providing that service. Likewise, the Clerk's Office will continue providing informational and contact information for all City, Borough, State and Federal offices and officials.

Administrative, Finance and Planning Services are presently in place to accommodate the residents of the annexation area. One additional Planner will be hired upon approval of the annexation. Because of the City of Homer's extraterritorial zoning powers concerning the Bridge Creek Reservoir, planning is already underway for that area. It is anticipated that the first year will be spent cataloging the existing land uses and obtaining recommendations from the citizens of the area for future land use regulations. Within two years of annexation long and short range land use plans for the area should be complete.

In the Bridge Creek, Diamond Ridge and Skyline Drive areas Land use regulations will be developed as needed, recognizing the more rural flavor of the annexation area . Regulations may include lot size, subdivision standards, septic system requirements, drainage controls, property management and construction standards to protect all watersheds. This area is primarily developed with residential properties with large tracts of vacant properties. Here residential uses should be the primary use with limited commercial or business uses allowed. Larger lot sizes would be appropriate and septic systems should be ADEC approved. Subdivision standards for this area should be established which are stricter than the current KPB standards which allow paper plats, but not as strict as the current City of Homer standards which would not be feasible or practical for much of these properties. Resident input is vital.

There is an area east of Homer on East End Road and Kachemak Drive, commonly known as the "Triangle Area" or "No Mans Land", which is primarily developed with commercial, business and industrial uses. This area is bordered to the north by Kachemak City and to the south by City limits. Most of the commercial land uses in the entire proposed annexation area are located in this triangle.

The Baycrest Hill area on the Sterling Highway is already developed with a Texaco service plaza and a fast food business. It may be appropriate to create a commercial and tourist related uses zone for some lots fronting on the Sterling Highway, however this is still primarily a residential area. Participation by this area's residents is necessary.

Public Works activities which include **Roads, Water & Sewer** will be addressed in turn.

The roads in the area being considered for annexation are maintained by the State of Alaska and the Kenai Peninsula Borough. Upon annexation the City would assume responsibility for maintaining the roads currently maintained by the Borough; and the State would continue to maintain their roads. Attached is a map (Appendix A) showing current road maintenance responsibilities. The City currently maintains a total of 21.5 miles of gravel and paved roads. Per the KPB FY-99 Road Expenditure Report, there are approximately 41.7 miles of gravel road within South Peninsula District, Units 5, 6, and 7. These units include all of the proposed annexation area and some additional roads which are outside the area. The City and Borough are working on defining the specific roads to be excluded.

The intention of the City is to immediately extend winter and summer **road maintenance** into the proposed annexation area to replace KPB road maintenance. Initially, this service would be continued at the same level of service as is now presently provided by the KPB utilizing the same private contractors that currently complete winter snow removal and summer road maintenance. Within two years the city will, utilizing private contractors and City personnel and equipment, provide a considerably higher level of service than is now being offered.

The capability of the City to provide the improved services within the two-year period is clear as a cursory review of the 'finances of annexation' reveal. The capital expenses are included in the Annexation Bond concept or can be paid by increased tax revenues. Likewise, the operational expenses are easily paid with increased tax revenue generated through annexation. The City of Homer's Public Works Department currently has experienced employees and reliable road maintenance equipment that are utilized to complete road maintenance within the City limits. The City has the administrative staff and material/equipment support capabilities to extend road maintenance into the adjacent area in a timely and cost effective manner.

As stated, the KPB utilizes private contractors to complete the summer road maintenance and winter snow removal/sanding. Contractors move snow and grade roads only as requested by KPB road maintenance department under the quoted hourly equipment rate. Generally, a six-inch snowfall will trigger a snow removal response. During the summer, the roads are graded on an as needed basis.

The level of service proposed by the City of Homer includes; ditch pulling/ cleaning and road prism grading (early summer); grading of the roads just prior to freeze-up; snow removal triggered by 4-6 inches of accumulation; sanding of intersections and high traffic volume areas; culvert thawing as required; street/traffic signage maintenance, and grading of road surface in the spring.

Memorandums of understanding will be developed between the Kenai Peninsula Borough and the City of Homer for the transition phase. This will include fund transfers and contractual assignments if necessary.

Water Services. The City's water treatment plant and water source is located in the proposed annexation area. Certain lots between the plant and the City limits, on the main line, are presently provided with water service from the transmission main, but the majority of the area is not served directly by the public water piped system.

The existing water treatment plant that currently serves the City of Homer (and that will serve the annexed area) has the capacity to produce 1,100,000 gallons per day. In 1999, the average water production was 526,000 gallons per day and the peak day water production was 1,007,000 gallons per day (this includes bulk water sales). Based on peak day production, the

percent of capacity used is 91.5%. The major factor contributing to the need to produce peak water at the current level is the lack of storage on the distribution system. With additional storage, the treatment plant could operate at closer to the average demand (with the storage capacity meeting peak demand). The City has made application to ADEC for funding the planning and design of this additional storage capacity (1,000,000 gallons).

There are approximately 1200 metered connections on the distribution system (with approximately another 200 equivalent connections attributed to bulk water sales) for a current total of 1400. The projected number of connections available at 100% capacity is 1530 (with no additional storage provided). With additional storage provided, the projected number of connections at 100% capacity would be approximately 2250. This fits comfortably within the annexation plan.

The residents of the City of Homer approved in 1999 the use of sales tax revenue, available after meeting sewer treatment plant construction bond obligations, to construct water and sewer improvements within the community. The policy for using these funds is currently being established by the City Council. These funds could be utilized to extend water into areas within the City that currently do not have water and sewer service. The City now has a local improvement district program that supports the extension of water and sewer improvements into unserved areas (with provisions for sharing costs between the benefited property owners and the City). These funds and programs would be available to residents in the annexed area upon extension of the City limits.

To provide water service to the annexed area, water transmission main should be extended out East and West Hill Roads and looped back to the water treatment plant. Additionally, storage capacity would need to be provided in the upper pressure zone that can deliver adequate fire and domestic water flows at adequate pressure. These improvements would also improve water service to the existing City residents by providing redundancy and greater treatment plant-to-town transmission capacity. Installation of these improvements would allow for the extension of smaller diameter mains from these new transmission mains into the areas not currently served by public water service. Until line service is established, the City can initiate or continue to support trucked water delivery within the new City limits.

The following are the steps required to prepare for and extend water service into the proposed annexation area:

- Establish policy for using available sales tax revenue for water improvements.
- Develop a 20-year master plan showing where water transmission, distribution and reservoir improvements should be located based on ultimate development and establish a phasing plan with associated costs.
- Identify innovative methods of providing for economical water service to low density outlying residential areas.
- Begin phased design and construction of water transmission main extensions and storage reservoirs that provide residents in the annexed area access to City water.

Since any new water customers would pay a monthly metered water bill (and assuming that the charge covers the cost of operating and maintaining the water storage, distribution and treatment system), the City's operating budget would not be greatly affected by an expansion of water service into the annexed area. There is increased efficiency in providing water service to a larger group of people. The real impact to the budget would be on capital improvement outlay for water main extensions and storage facilities into areas without service. This would require obtaining grants, selling bonds, obtaining low interest loans, establishing new revenue sources, or a combination thereof. There is an annual cost associated with each of these alternatives which could have a negative impact on the City's budget (i.e.: interest payments, costs associated with meeting grant conditions, fee collection costs, etc.). On the other hand, providing public water service to an area can dramatically increase property values and the property taxes generated from the property. The extension of water service into the annexed area will require a substantial increase in capital spending.

Sewer Service has, on a case by case basis, been selectively provided to lots within the proposed annexation area located immediately adjacent to the existing City limits, but a majority of the area is not served by a public sewer system.

The existing wastewater treatment plant that currently serves the City of Homer (and that will ultimately serve the annexed area) has the capacity to treat approximately 1,200,000 gallons of wastewater per day. In 1999, the average wastewater flow was 404,000 gallons per day. The present use as a percent of capacity is 34%. There are approximately 1084 sewer connections on the system; and the projected ultimate number of connections (at 100% capacity) is 3220. This is more than adequate to serve the annexed area for the foreseeable future.

The residents of the City of Homer approved in 1999 the use of sales tax revenue, available after meeting sewer treatment plant construction bond obligations, to construct water and sewer improvements within the community. The policy for using these funds is currently being established by the City Council. These funds could be utilized to extend sewer service into areas within the City that currently do not have sewer service. The City now has a local improvement district program that supports the extension of sewer improvements into unserved areas (with provisions for sharing costs between the benefited property owners and the City). These funds and programs would be available to residents in the annexed area upon extension of the City limits.

The City of Homer presently provides sewer services to Kachemak City, by contract, through a system of 'gray water' lines and septic pumping services. This method of expansion can be used throughout the annexation area. The City of Homer has the capacity and facilities to handle all septic waste disposal. This method of providing sewer services is considerably less expensive than traditional methods.

To expand sewer service to the annexed area, sewer trunk lines should be extended out from the existing collection system into the annexed areas to provide for the collection of wastewater and transmission to the sewer treatment plant. Installation of these improvements would allow for the extension of smaller diameter sewer mains from these new trunk sewers into the areas not currently served by public sewer service.

The following are the steps required to prepare for and extend sewer service into the proposed annexation area:

- Establish policy for using available sales tax revenue for sewer improvements.
- Develop an area-wide 20-year master plan showing where sewer trunk line improvements should be located based on ultimate development and establish a phasing plan with associated costs.
- Identify innovative methods of providing for economical sewer service to low density outlying residential areas.
- Begin phased design and construction of sewer trunk lines that provide annexed area residents access to City sewer.

Since any new sewer customers would pay a monthly sewer charge (and assuming that the charge covers the cost of operating and maintaining the sewer collection and treatment system), the City's operating budget would not be greatly affected by an expansion of sewer service into the annexed area. There is increased efficiency in providing sewer service to a larger group of people. The real impact to the budget would be on capital improvement outlay for sewer trunk line extensions into areas without service. Providing public sewer service to an area can dramatically increase property values and the property taxes generated from the property. The extension of sewer service into the annexed area will require a substantial increase in capital spending.

The City of Homer presently uses the following **advisory commissions**: Parks and Recreation, Library Advisory Board, Planning Commission, Economic Development Commission, Port and Harbor Commission. Membership on these Commissions is by Mayoral appointment with confirmation by the City Council. The Mayor and Council will make future appointments in a manner that insures representation for citizens in the annexation area. Participation in all Council and Commission will be encouraged for all residents of the City.

The City Manager and all Department Heads will be available for weekly meetings concerning annexation transition problems until the problems are solved and annexation is complete.

2. The manner in which the City will assume all relevant and appropriate powers, duties, rights, and functions presently exercised within the territory proposed for annexation.

The area to be annexed is an unincorporated portion of the Kenai Peninsula Borough. The area is also included within the South Peninsula Hospital Service Area and will continue to remain in that SA following annexation; the SA mill rate will be the same. Both the present City of Homer and the annexation area are in the Kenai Peninsula College Service Area, and, annexation will not change this relationship, nor will the SA mill rate change. The annexation area is within the Roads Service Area of the Kenai Peninsula Borough. Participation in this Service Area will terminate, both tax-wise and service-wise upon annexation. Memorandum(s) of Understanding will be executed between the KPB and City to permit a smooth transition assuring no loss of services.

Specific review should be given to the manner in which the Public Works function of road maintenance will be assumed and delivered: The City of Homer Public Works Department will, over a five-year or less period, transition to provide the level of service described above delivered solely by City personnel. During the first three years, the City would increase each year the budget allocation for private contractor utilization. By year four the City would spend \$140,000-163,000 for area road maintenance using a combination of City forces and private contractors. By year five the City would complete all road maintenance utilizing City forces.

In addition, the roads would be eligible to be paved under the Homer Accelerated Roads Program. Under this program, the City can assist in designing, bidding and paving streets that already meet minimum City gravel street improvement standards and share with property owners the costs associated with improving the road. The City will help residents develop road and drainage improvement projects where roads do not currently meet City gravel road standards.

The table below shows the increase in funding (for an average year) over the five-year period:

Year	Proposed Annual Area Road Maintenance Budget	Proposed Private Contractor Budget	Proposed City Forces Budget	Proposed Equipment Purchase
Currently	\$80,000	\$80,000	-0-	-0-
1 st Year	\$100,000	\$100,000	-0-	\$585,000 ¹
2 nd year	\$125,000	\$125,000	-0-	
3 rd Year	\$149,000	\$105,000	\$22,000	
4 th Year	\$159,000	\$62,500	\$106,500	
5 th Year	\$199,000	-0-	\$199,000	

¹ Expenditures may be spread throughout transition period.

Year 1 – The first year would consist of the continued utilization of private contractors at the current KPB level of funding to provide winter maintenance and the use of City equipment to augment private contractor equipment to provide for snow removal, summer ditch pulling, road surface grading, and drainage improvements. The City would use the first year to initiate the acquisition of additional equipment and other resources necessary to complete routine winter and summer road maintenance activities. A list of equipment and resources the City would need to provide the anticipated level of service by the fifth year follows:

- Establish draft level of service standards with input from residents

- Expand equipment storage facilities at the Heath Street PW complex
- Establish a sand storage site at the existing water treatment plant
- Acquire 2 additional graders, 2 additional sanding trucks (possibly with snow blower attachments or plows), an excavator, a loader and a D-6 w/trailer
- Hire 2 additional full-time equipment operators and other part-time mechanic/operators
- Develop final detailed road maintenance standards

Year 2 – The second year would continue the transition by continued utilization of private contractors at the increased funding level.

Year 3 – The third year would continue the transition by continued utilization of private contractors at the increased funding level. The City would hire a part-time equipment operator and use new City equipment to augment the private contractor effort.

Year 4 – The fourth year would start the full transition to use of City forces. A new sand storage site would be in operation at the existing water treatment plant, a second additional snow plowing vehicle would be acquired, an second additional equipment operator would be hired, and expanded storage would be in place at the Heath Street PW complex.

Year 5 – The fifth year would complete the transition and all road maintenance would be accomplished using City employees and equipment. A third equipment operator would be hired and the remaining required equipment would be purchased.

Legislative consent to annexation will permit the assumption of all remaining relevant and appropriate powers, duties, rights and functions presently exercised within the territory proposed for annexation.

Financial Timeline:

1. Petition goes to Boundaries Commission March, 2000.
2. Boundaries Commission conducts public process and investigation resulting in a recommendation to the Legislature.
3. If recommended by the Boundaries Commission, the Petition goes to the Legislature in January 2001, within the first 10 days of the session. The proposed change becomes effective forty-five days after presentation or at the end of the session, whichever is earlier, unless disapproved by a majority of each house.
4. January 2001 full and true assessment rolls certified.
5. Beginning of March 2001 for enactment if approved.
6. March 2001 KPB commences budget planning.
7. June 2001 tax bills mailed out.
8. Sales tax on quarterly basis – change tax rate for annexed areas for 3rd quarter [July 1] for convenience of area businesses.
9. Property taxes due August 15th and November 15th.

3. The manner in which the City will assume and integrate all relevant and appropriate assets and liabilities of an entity providing services to the territory, which will be assumed by the City.

There are no assets and liabilities which will be assumed by the City of Homer because of annexation.

4. That the plan was prepared in consultation with entities currently responsible for or otherwise providing those services to the territory that will be assumed by the City.

- Kenai Peninsula Borough
- KPB – Roads Service Area

Additionally, this exhibit lists the individuals consulted by the City in the development of the transition plan. All consultations took place in January and February 2000.

Don Brockhorst, Local Boundary Commission

Jeff Sinz, Finance Director, KPB

Jim Lawyer, Assessor, KPB

Linda Murphy, Clerk, KPB

John Alcantra, Emergency Planning Director, KPB

Les Mofford, KPB Roads, Units 5, 6 & 8

Colette Thompson, KPB Attorney

Drew Scalzi, KPB Assembly, District 9

Dale Bagley, Mayor, Kenai Peninsula Borough

Bonnie Golden, KPB, Assistant to Mayor Bagley

Max Best, KPB, Planning Department

Jim Elson, KPB Economic Development District

Troy Tankersley, KPB, Finance Department

Bob Jones, KPB Information Services

Bill Dunn, KPB Roads Director

Chris Moss, KPB Assembly, District 8

EXHIBIT H

VOTING RIGHTS ACT REVIEW

This exhibit provides the following information.

1. Purpose and effect of annexation as it pertains to voting.

The City's present population is estimated to be 4,154 with 3,326 registered voters. The population in the area to be annexed is estimated to be 2,687 with 1,682 registered voters. These figures are based upon data provided by the Kenai Peninsula Borough and the State Division of Elections. As all residents within the annexation area and the City of Homer are residents of the Borough, the annexation will have no impact on the number of eligible voters in Borough elections.

The City of Homer currently provides absentee voting services to the territory proposed by annexation. A successful annexation of this territory will change the voting powers of this area as registered voters will be qualified to vote in City elections as well as the other Borough, State and Federal elections.

Annexation will permit the voters in the area to run for City office, to vote on City propositions and fully serve on appointed Boards and Commissions. This will also permit these residents to be franchised to vote on propositions concerning City Enterprise Funds - - Port & Harbor, Water and Sewer.

2. Extent to which the annexation excludes minorities while including other similarly situated persons.

Annexation does not exclude any minority group as the proposed territory does not exclude any because of their racial heritage.

3. Extent to which annexation reduces the City's minority population percentage.

The annexation will have no effect on the City's minority population percentage as it is not anticipated that citizens will move into the territory proposed for annexation simply because of the annexation. Also, the minority mix of the City of Homer and the annexation area are identical.

4. Whether the electoral system of the City fails to fairly reflect minority voting strength.

All officials elected in the City of Homer are elected at large; thus every elector's vote has the same value as any other elector's, regardless of race, cultural heritage, or any other factor.

5. Participation by minorities in the development of the annexation proposal.

Participation in the development of the annexation plan has been open to all members of the Administration and elected officials within the City of Homer regardless ethnic, racial, or cultural heritage.

6. Designation of Alaska Native for U.S. Department of Justice contact.

Sara Jackinsky, P.O. Box 1044, Homer, Alaska 99603. 907-235-6417.

7. Statement concerning the minorities' understanding of English in written and spoken forms.

The racial minorities in the territory proposed for annexation are estimated to be about 3.5% Alaska Native and perhaps 1.2% Pacific Islander. English is the primary, and in most cases sole language of the Native population. Those Asian and Pacific Islanders who live in the territory proposed for annexation may have any degree of facility with the English language just as their counterparts within the current City boundaries do, from utter incomprehension to native-born fluency. It is assumed, however, because of the Kenai Peninsula School District, the English language is understood and used by virtually all residents of the annexation area.

EXHIBIT I
PETITIONER'S BRIEF

This exhibit provides a written statement fully explaining how the proposed annexation satisfies the standards set out in 3 AAC 110.090 - 3 AAC 110.140, and 3 AAC 110.910.

1. There is reasonable need for city government in the annexation territory. [19 AAC 10.090]

The annexation area contains three areas to the west, north and east of the City of Homer. The west or **Baycrest/Sterling Highway** area is predominately residential with limited commercial development. The **Diamond Ridge/Skyline** area is to the north of the city and is predominately residential on larger sized parcels of land. The Bridge Creek Reservoir is also in this area. The **East End Road/Kachemak Drive** area is to the east and, while predominately residential, contains most of the commercial/industrial uses in the annexation territory. With few exceptions, the commercial/industrial uses are located on the south side of East End Road south of Kachemak City to Kachemak Drive and then on the eastern portions of Kachemak Drive.

Land use conflicts are abundant in all three areas. Commercial uses are crowding traditional residential uses in the **Baycrest/Sterling** areas and residents have not been comfortable with the decisions the Soldotna based Kenai Peninsula Borough has been making concerning this area. The conflicts in the **Diamond Ridge/Skyline** area include subdivision development, logging and roads issues. **East End Road/Kachemak Drive** issues deal with development that doesn't solely rely on unsightly strip development.

Law enforcement coverage is minimal in all areas due to continually reduced Alaska State Trooper budgets and staffing. The Homer Police Department provides back up, but the city's present tax base can not fund additional personnel, vehicles and equipment. The Troopers do not provide twenty-four hour coverage and often has only one officer to patrol over fifty mile of roads in the area.

Fire Protection is provided by the Homer Volunteer Fire Department. This year the City of Homer has budgeted nearly \$600,000 for fire and EMS services - - none of it will be paid for by property taxes from the areas outside the city. Likewise, Northern Enterprises Boat Yard businesses, Kenai Building Supply, etc., count on the city's police, fire and EMS services responding to their needs, but they do not collect city sales taxes. [This does not include the millions of dollars the city has invested in equipment and facilities.] There is no other entity to provide these services to the area.

The Kenai Peninsula Borough provides road maintenance on Borough roads. This maintenance is minimal and inadequate. The Borough states it is planning on doubling the present Roads Service Area mill rate to 1 mill - - although, Borough-wide, the voters rejected this in the last election. Even if approved, road maintenance will not be adequately funded.

If annexation is not approved the territory will see an erosion in those services which are currently provided by the City of Homer. The City is simply no longer able to provide extra-territorial services absent a substantial infusion of sale tax and property tax revenues. And finally, although the residents of the area are directly impacted by the actions of the City of Homer government, they have no vote and only minimal voice in these decisions.

Section 2. The City is capable of providing “essential city services” more efficiently and more effectively to the territory proposed for annexation than another existing city or organized borough.

The only organized governmental units that exist in or near the territory are the Kenai Peninsula Borough, Kachemak City and the City of Homer. The KPB is a Second Class Borough and the services it offers are detailed elsewhere in this petition. Kachemak City is a Second Class City which contracts with the City of Homer for certain services.

The City of Homer presently provides the following services to the territory the City seeks to annex:

- **Fire protection and emergency medical services** from the Homer Volunteer Fire Department, which is funded by the City of Homer.
- **Police protection** is provided through assistance to the Alaska State Troopers who maintain a post in Homer. The City of Homer Police Department responds to all calls for assistance from the Troopers in this area. Also:
 - +Dispatch Services for Police, Troopers, Fire and EMS.
 - +Jail Services for State prisoners.
- **Sewer services** are provided on a limited basis through minor line extensions and on a case by case basis.
- The City of Homer, through its Department of Public Works provides for **septic refuse disposal** for this entire area.
- **Water services**, by line, are extended on a limited basis to property owners who live between the City’s reservoir [which is located in the annexation area] and the present City limits. The City also provides potable water to many residents of this area through commercial water haulers.
- **Library services** are provided by the City of Homer Public Library, which has more patrons residing outside the City limits than inside.
- **Recreational services** are provided through the Parks and Recreation Division of the Public Works Department. These services include:
 - +Use of a network of public parks and campsites.
 - +Baseball/softball fields & playgrounds available for children & adults.
 - +Recreational and educational opportunities through the Community Schools program which is funded by the City of Homer and the Kenai Peninsula Borough School District.

+This year the City will acquire ownership from the Kenai Peninsula Borough of the former Homer Intermediate School which will be used as a temporary branch campus for the University of Alaska and a City gym which will be operated by the Boy's & Girl's Club through the City of Homer.

+Pier One Theater, amateur theater productions and drama camps, is housed in a City facility on the Homer Spit.

- **Animal Control services** are provided to residents of the annexation area which includes animal control officers, vehicle and operation of a City animal shelter.
- **Port and Harbor facilities** are provided to residents of the annexation area on the same fee basis as present residents of the City. These facilities included over 700 boat slips, two large vessel docks, a fish dock & icehouse, Harbormaster and Harbor Officer staff, boat launch ramp and a log and timber chip loading facility.
- **Voter's services** are provided by the City Clerk's Office. Additionally, the Clerk provides all types of informational assistance including contact information for City, Borough, State and Federal Offices and Officials.

All of the above services are presently being provided by the City of Homer and paid for by its residents - - and the simple truth is that the City of Homer cannot continue to provide these services, outside City Limits, without an expanded tax base. Annexation is the only way these services can continue to be provided, and improved, to the territory residents.

Annexation will provide the City of Homer with approximately \$696,000 in new property tax revenues plus \$494,000 sales tax revenues, for a total of \$1,190,000 in new revenues. This will permit improvements in all services to the area, including funding and additional \$1.2 million dollars in new capital acquisitions for the new area. Ultimately, these revenues may permit mill rate and sales tax rate reduction.

Section 3. The territory proposed for annexation is compatible in character with the area inside the current boundaries of the City as required by 3 AAC 110.100.

All lands within the existing City and in the territory proposed for annexation is governed by the Kenai Peninsula Borough. That area of the territory proposed for annexation nearest the existing City is already populated to a density comparable to the City, and the farther areas are experiencing increasing population and development. The residential and commercial areas of the City flow smoothly into the territory proposed for annexation with no significant geographic, cultural, or socio-economic differences.

Residential development in the City is similar to that outside only usually with smaller parcels. Land use regulations and platting requirements are comparable. There are no characteristics of the territory or its inhabitants that are distinguishable from the City or its residents that should be considered as an impediment to annexation.

Section 4. The area within the proposed post-annexation boundaries of the City (i.e., the territory proposed for annexation and the area within the existing boundaries of the City)

includes the human and financial resources needed to provide essential city services on an efficient, cost-effective level as required by 3 AAC 110.110.

Within current City boundaries	Taxable Value	-	Tax Revenue
real property	\$218,639,912	-	\$1,186,966
personal property	16,005,042	-	88,028
Total	\$234,644,954	-	\$1,274,994
Within area proposed for annexation			
real property	\$119,653,700	-	\$ 658,095
personal property	6,921,501	-	38,068
Total	\$126,575,201	-	\$ 696,163
Total Within New Boundary:	\$361,220,155	-	\$1,971,157
Sales tax revenues			
From present city			\$1,953,752
From annexation area			493,600
Total Sales Tax Within New Boundary:			\$2,447,352
 Total Property & Sales Tax Within New Boundary:			 \$4,418,509

The human resources necessary to provide essential city services will continue to be the present City of Homer work force. The work force is presently made up of nearly equal numbers of City residents and non-residents. Residency is not presently required for City employment. The City of Homer workforce will be expanded as needed.

Section 5. The population within the proposed post-annexation boundaries of the City is sufficiently large and stable to support the extension of city government as required by 3 AAC 110.120.

The population within the current boundaries of the City is estimated to be: 4,154. The population of the territory proposed for annexation is estimated to be: 2,687. The total population of the City of Homer, should annexation be granted, would be 6,841. A large proportion of the homes are single-family owner-occupied dwellings on large lots, representing a highly stable population. Such rental units as exist are in the middle to upper price ranges, again representing a stable population.

Section 6. The proposed post-annexation boundaries of the City encompass all land and water necessary to provide the full development of essential city services on an efficient, cost-effective level as required by 3 AAC 110.130(a).

The territory proposed for annexation includes the City's water reservoirs and their watersheds, land developed for residential, commercial, and industrial use, and ample undeveloped land suitably for expansion of such uses. All land and water is necessary to provide for a thriving, livable and cost efficient municipality.

Section 7. The territory proposed for annexation is contiguous to the City's present corporate boundaries as presumed by 3 AAC 110.130(b). Alternatively, there is a specific and persuasive basis for annexation of non-contiguous territory.

The territory proposed for annexation is contiguous to the City's present corporate boundaries. However, Kachemak City, a Second Class incorporated City will now become an enclave in the eastern portion of the new City of Homer boundaries. Kachemak City was incorporated two years before the City of Homer and, historically, its residents have enjoyed their independence from their larger neighbor. Kachemak City contracts with the City of Homer for Fire and Waste Water Services. It has likewise often used its state capital grant to fund projects in Homer that its residents often use, such as the Library, Little League facilities and the like. The relationship between the two cities is good and workable.

To include Kachemak City in the present legislative annexation plan would probably create problems that would doom its success. The City of Homer believes the joining of the two municipalities is probably eventual as it is illogical to duplicate needed municipal services and facilities, but it should only be at Kachemak City's request.

By the Boundaries Commission and the State Legislature permitting this enclave to exist will not be harmful to either municipality and can be addressed in the near future.

Section 8. The proposed post-annexation boundaries of the City include only that area comprising the local community plus reasonably predictable growth, development, and public safety needs during the 10 years following the effective date of annexation as required by 3 AAC 110.130(c).

The City of Homer is certainly not over-reaching. The proposed post-annexation boundaries of the City represent a very conservative estimate of predictable growth, development and public safety needs. Urban development is occurring in all areas proposed to be annexed. The post-annexation boundaries do not extend the length of East End Road nor do they extend into the Anchor Point area.

Section 9. As required by 3 AAC 110.130(d), the proposed post-annexation boundaries of the City exclude entire geographical regions or large unpopulated areas, except where justified by the application of the city annexation standards in 3 AAC 110.090 - 3 AAC 110.130.

All of the area in the post-annexation boundaries are populated. The boundary line is drawn to exclude large portions of the North Fork area to the northwest and the Caribou Hills area to the northeast.

Section 10. The territory proposed for annexation does not overlap the boundaries of an existing organized Borough or City. Alternatively, the brief also addresses that circumstance as required by 3 AAC 110.130(e).

The City of Homer and the territory to be annexed presently are located within the Kenai Peninsula Borough all will continue to be located within the Borough following annexation. The territory does not overlap the boundaries of another City.

Section 11. The proposed annexation to the City will not deny any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex, or national origin in accordance with 3 AAC 110.910.

The annexation will not deny any person the enjoyment of any civil or political right because of race, color, creed, sex or national origin. All elections within the City of Homer, whether or not this annexation is approved, are done on an at-large basis. There exist no voting districts that might pose a potential for gerrymandering or other manipulation to deny any person enjoyment of any civil or political rights.

The present pre-annexation situation creates two classes of citizens from among all those who form an otherwise homogenous community: those inside the City who have voting rights in City elections and those outside the City who have no vote in City elections - - even though City decisions often directly affect their lives. Annexation will bring both groups into parity, affording all residents equal suffrage, voice and vote.

Section 12. Annexation will serve the balanced best interests of the state, the territory proposed for annexation, and affected political subdivisions as required by 3 AAC 110.140.

An equitable balancing of interests clearly favor annexation of the proposed territory by the City of Homer. Without annexation, two rapidly expanding areas will suffer. Without planning, development will be detrimental to both areas. Public services are needed and the City of Homer will be deprived of revenues it depends upon to provide expanded essential services in the greater Homer area.

The State has a strong interest in assuring that local governments have the necessary tax base to provide services which only the State or local government can provide. If this tax base is lost to local government, the only other source of services and revenue is the State. It is unquestioned that State revenues are dwindling. It serves neither the interests of the State nor the City to have

an expanding sales tax and property tax base located contiguous to the City's boundaries, not contribute to the tax revenues utilized by the City to provide essential regional services. The State's interest in having this annexation succeed are therefore the same as the City's.

In the past, the obvious inequity caused by burdening City taxpayers for essential regional services has been frequently noted. The answer provided by the defenders of the status quo has been that non-residents have paid their fair share for these services through City's sales taxes. It has been asserted that since non-City residents must do their shopping within the City, they are paying their share for these services through City sales taxes. This, of course, ignores the 5.5 mills property tax paid by City business and non-business residents. It also ignores the development that has occurred and is pending immediately outside the present City limits - - this seriously undermines the status quo, as inequitable as it is, and justifies approval of the City's annexation request.

Health and safety concerns virtually require this annexation succeed or the City of Homer will be involved in expensive and prolonged controversy with the Kenai Peninsula Borough over waste water disposal. Neither Municipality wants or needs this.

The Homer area is located on the lower level of a sloughing clay slope on the north shore of Kachemak Bay. The soil conditions are such that well water is incredibly scarce and usually of poor quality. Likewise, any area on the Homer shelf that has soils that perk are unusual. Because of this, virtually every septic system and leach field are doomed to fail before they are installed. Because the soils do not perk, the leach fields become 'holding tanks' of human waste.

The City of Homer is subject to the same laws of physics that effect the rest of the Kenai Peninsula Borough - - meaning that 'waste' goes down hill. The failure rate of septic systems is so great that swimming in Beluga Lake is a health hazard because of the high fecal count in the water. A freshwater lake located within a city's limits should be a jewel for recreation and fishing, not an open sewer.

It has become increasingly dangerous to develop downhill water systems because of contamination. As population increases, hazardous pollution will increase. The solution is central water treatment, both fresh water and waste. Unless the Borough would attempt to duplicate the facilities of the City of Homer, it would seem only logical to annex the proposed area and expand the City's systems.

The annexation of the proposed territory by the City of Homer is in the best interests of the State of Alaska, the residents of the territory and the residents of the City, by any test. Given the opportunity, every taxpayer will allocate his or her taxes to improve the street, park, water, fire, police, sewer, public works or facilities servicing his or her property. However, these decision are not for each individual taxpayer to make. These are legislative decisions that cost revenues in excess of what any individual taxpayer can pay. It is for the Alaska Legislature to determine the wisdom of this annexation proposal. It is for future City Councils to determine priorities and allocate limited resources. And these future Councils should be elected by residents of the City including residents of annexed areas. This is the State interest.

**CITY OF HOMER
HOMER, ALASKA**

RESOLUTION 00 -35

**A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA AUTHORIZING THE
ANNEXATION OF
TERRITORY TO THE CITY OF HOMER**

WHEREAS, the territory proposed for annexation exhibits a reasonable need for city government as required by 3 AAC 110.090(a); and

WHEREAS, the City is capable of providing "essential city services" (as defined by 3 AAC 110.990(8)) more efficiently and more effectively to the territory proposed for annexation than another existing city or organized borough as required by 3 AAC 110.090(b); and

WHEREAS, the territory proposed for annexation is compatible in character with the area inside the current boundaries of the City as required by 3 AAC 110.100; and

WHEREAS, the area within the proposed post-annexation boundaries of the City (i.e., the territory proposed for annexation and the area within the existing boundaries of the City) includes the human and financial resources needed to provide essential city services on an efficient, cost-effective level as required by 3 AAC 110.110; and

WHEREAS, the population within the proposed post-annexation boundaries of the City is sufficiently large and stable to support the extension of city government as required by 3 AAC 110.120; and

WHEREAS, the proposed post-annexation boundaries of the City encompass all land and water necessary to provide the full development of essential city services on an efficient, cost-effective level as required by 3 AAC 110.130(a); and

WHEREAS, the territory proposed for annexation is contiguous to the City's present corporate boundaries as presumed by 3 AAC 110.130(b). Alternatively, there is a specific and persuasive basis for annexation of non-contiguous territory; and

WHEREAS, the proposed post-annexation boundaries of the City include only that area comprising the local community plus reasonably predictable growth, development, and public safety needs during the 10 years following the effective date of annexation as required by 3 AAC 110.130(c); and

WHEREAS, the proposed post-annexation boundaries of the City exclude entire geographical regions or large unpopulated areas, except where justified by the application of the city annexation standards in 3 AAC 110.090 - 3 AAC 110.130; and

WHEREAS, the territory proposed for annexation does not overlap the boundaries of an existing organized borough or City; and

WHEREAS, the City has prepared a transition plan concerning annexation in accordance with 3 AAC 110.900; and

WHEREAS, the proposed annexation to the City will not deny any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex, or national origin in accordance with 3 AAC 110.910; and

WHEREAS, annexation will serve the balanced best interests of the state, the territory proposed for annexation, and affected political subdivisions are required by 3 AAC 110.140.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HOMER, as follows:

Section 1. Authorization. That the City Manager is authorized to file a petition for annexation by legislative review with the Alaska Local Boundary Commission. The petition shall propose the annexation of the area generally described as:

All That Land contained within

Township 6 South, Range 12 West, Seward Meridian,
Township 6 South, Range 13 West, Seward Meridian,
Township 6 South, Range 14 West, Seward Meridian,
Township 6 South, Range 15 West, Seward Meridian,

Excepting therefrom Homer City and Kachemak City,

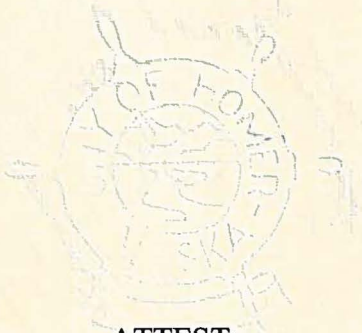
Containing 25.58 Square Miles, more or less.

Section 2. Petitioner's Representative. That the City Manager is designated as the representative of the City for all matters relating to the annexation proceedings.

Section 3. Terms and Conditions. That the annexation will be on the terms contained in the City of Homer's annexation petition as recommended by the Local Boundary Commission and approved by the State Legislature.

Section 4. Effective Date. That this resolution shall become effective immediately.

PASSED AND ADOPTED by the Council of the City of Homer this 13th day of March,
2000.

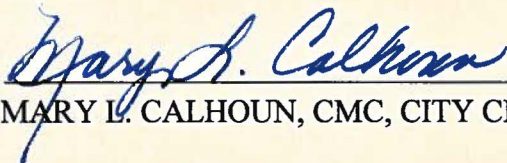


CITY OF HOMER



JACK CUSHING, MAYOR

ATTEST:



MARY L. CALHOUN, CMC, CITY CLERK

**EXHIBIT K
AFFIDAVIT CONCERNING THE SOURCE
AND ACCURACY OF THE INFORMATION IN THE PETITION**

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

I, Ronald Wm. Drathman, representative of the petitioner for annexation, being sworn, state the following:

1. The written legal description of the territory proposed for annexation presented in Exhibit A of the petition was prepared by the City of Homer Planning Department through Roger Imhoff, RLS.
2. The written legal description of the proposed post-annexation boundaries presented in Exhibit B of the petition was prepared by the City of Homer Planning Department through Roger Imhoff, RLS.
3. The map showing the current boundaries of the City and the territory proposed for annexation presented in Exhibit C of the petition was prepared by the Kenai Peninsula Borough, Planning and GIS, and the City of Homer, Public Works .
4. The estimate of the size of the territory proposed for annexation stated in Section 7 of the petition was prepared by the City of Homer Planning Department through Roger Imhoff, RLS.
5. The estimate of the population within the current boundaries of the City and the territory proposed for annexation stated in Section 9 of the petition was provided by the City of Homer Planning Department through 1990 U.S. Census and KPB estimation.
6. The statement of City taxes provided in Section 11 of the petition was based on information provided by City of Homer Finance Department.

7. The statement of Borough taxes provided in Section 12 of the petition was based on information provided by the Kenai Peninsula Borough Finance Department.

8. The statement of the value of taxable real and personal property in the City and the territory proposed to be annexed provided in Section 13 of the petition was based on information provided by the City of Homer Finance Department and the Kenai Peninsula Borough Assessing Department.

9. The statement of the value of taxable sales in the territory proposed to be annexed provided in Section 14 of the petition was based on information provided by the Kenai Peninsula Borough Finance Department.

10. The statement of other revenues which may accrue to the City as a result of annexation provided in Section 15 of the petition was based on information provided by the City of Homer Finance Department.

11. The statement of expenses which the City may incur as a result of annexation provided in Section 16 of the petition was based on information provided by the City of Homer's Finance, Planning, Police, Fire, Public Works, Library, Port & Harbor and Administration Departments.

12. The statement of City services provided in Section 17 of the petition was based on information provided by the City of Homer Planning and Administration Departments.

13. The statement of extraterritorial City services as provided in Section 18 of the petition was based on information provided by the Kenai Peninsula Borough and City of Homer Administration.

14. The statement of City bonded indebtedness as provided in Section 19 of the petition was based on information provided by the Finance Department of the City of Homer.

15. The maps showing the boundaries of each borough service area wholly or partially within the territory proposed for annexation as presented as Exhibit E were provided by the Kenai Peninsula Borough GIS Department.

16. The listing of borough areawide powers, borough non-areawide powers and borough service area powers exercised within the territory proposed for annexation presented as Exhibit F

was prepared by the City of Homer Administration, through the budget document of the Kenai Peninsula Borough.

17. The transition plan presented as Exhibit G of the petition was prepared in consultation with the following parties:

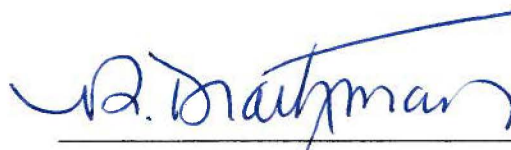
The Kenai Peninsula Borough, Mayor's Office, Clerk, Finance, Planning, Assessing, Information Services, Roads, Legal and Emergency Planning Departments.

The City of Homer, Administration, Clerk, Personnel, Finance, Planning Police, Fire, Library, Public Works [Roads, Water & Sewer], Animal Control, Port and Harbor Departments.

18. The federal Voting Rights Act information presented as Exhibit H of the petition was prepared by the City of Homer Planning Department.

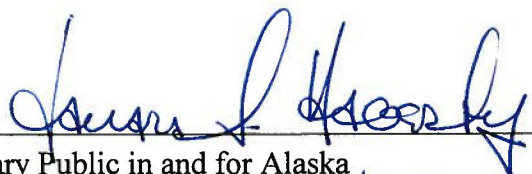
19. The information contained in the petition for annexation is complete and factual to the best of my knowledge.

DATED this 20th day of March, 2000.



Ronald Wm. Drathman, Homer City Manager
Petitioner's Representative

SUBSCRIBED AND SWORN TO before me on this 20th day of March, 2000.



Notary Public in and for Alaska

My Commission expires: 01/07/03

EXHIBIT L
KPB ORDINANCE 99-47
EXTRATERRITORIAL POWERS TO PROTECT WATERSHED
AND MAP

[Ordinance attached – See **Exhibit C** for map]

Introduced by: Scalzi
 Date: 08/03/99
 Hearing: 09/07/99
 Action: Enacted as Amended
 Vote: 9 Yes, 0 No

KENAI PENINSULA BOROUGH

ORDINANCE 99-47

AN ORDINANCE AUTHORIZING THE CITY OF HOMER TO EXERCISE EXTRATERRITORIAL JURISDICTION IN THE BRIDGE CREEK WATERSHED

FOR THE PURPOSE OF PROTECTING ITS WATER SUPPLY AND WATERSHED

WHEREAS, the City of Homer provides water to its residents and nonresidents; and

WHEREAS, the City of Homer relies exclusively on the Bridge Creek watershed for its water supply, which is situated outside of the city's limits; and

WHEREAS, municipalities frequently go outside their limits for their water supply; and

WHEREAS, Alaska Statute 29.35.020 specifically authorizes a municipality to adopt an ordinance to protect its water supply and watershed and to enforce this ordinance outside of its boundaries; and

WHEREAS, before such an ordinance may be enforced inside the borough's jurisdiction, the borough must first approve the city's exercise of this power by ordinance; and

WHEREAS, as this issue primarily affects the Homer area, and the City of Homer has expressed an interest in assuming this power, the borough's best interests would be served by delegating such power to the City of Homer;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That the assembly hereby approves the exercise by the City of Homer of the power necessary to protect its water supply and watershed in the following described area, commonly known as the Bridge Creek watershed, which is situated in the borough but outside of the Homer City limits:

That area of land bounded by the following description:

Commencing at the intersection of West Hill Road and Skyline Drive, also being the section corner common to Sections 12, 13, T6S, R14W and Sections 7, 18, T6S, R13W;

Thence northeasterly along Skyline Drive within Section 7, T6S, R13W, approximately 0.9 miles to the intersection of Skyline Drive and an unnamed road to Bridge Creek Reservoir, and the Point of Beginning;

Thence northeasterly along the unnamed road passing by Bridge Creek Reservoir, within Section 5, 6, 7, T6S, R13W, approximately 1.5 miles, to the intersection of the unnamed road with the road commonly known as Crossman Ridge Road;

Thence easterly and southeasterly along the unnamed road commonly known as Crossman Ridge Road, within Sections 3, 4, 5, T6S, R13W, approximately 2.5 miles, to the intersection of the unnamed road commonly known as Crossman Ridge

Road and Skyline Drive;

Thence southwesterly and northwesterly along Skyline Drive, within Sections 3, 7, 8, 9, 10, T6S, R13W, approximately 3.9 miles, to the intersection of Skyline Drive and the unnamed road to Bridge Creek Reservoir, and the Point of Beginning;

All within the Seward Meridian, Alaska.

Said boundary encompassing the waters which flow into Bridge Creek Reservoir, and containing 2180 acres, more or less.

SECTION 2. That the assembly specifically reserves its full powers to amend, modify or repeal this ordinance, by ordinance, without first obtaining the consent of the City of Homer.

SECTION 3. That this ordinance shall take effect immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 7TH DAY OF SEPTEMBER, 1999.

MEMORANDUM

TO: Ron Drathman, Assembly President

Kenai Peninsula Borough Assembly Members

FROM: Drew Scalzi, Assembly Member

DATE: July 23, 1999

RE: Bridge Creek Watershed

Alaska Statute 29.35.020 provides in part,

Extraterritorial jurisdiction.

" . . .

(b) A municipality may adopt an ordinance to exercise a power authorized by this subsection and may enforce the ordinance outside its boundaries. Before a power authorized by this subsection may be exercised inside the boundaries of another municipality, the approval of the other municipality must be given by ordinance . . . A municipality intending to exercise its authority under this subsection shall act by ordinance, and may adopt an ordinance under this subsection to

(1) protect its water supply and watershed;"

The City of Homer's water supply is held in a reservoir north of the city limits on Bridge Creek. The reservoir was created by and continues to be held by an earthen dam. The watershed is roughly bounded by Skyline Drive and Crossman Ridge Road; the valley between them is the watershed. (Please see attached map.) This is the sole source of city water as, generally speaking, well water is not present in sufficient quantity, flow rate, and quality. Because of this, many residents who actually reside outside the city limits use city water that is trucked to them by water sellers, stored in tanks, and then used for both residential and commercial purposes.

As Homer develops, and population increases, pressures are felt in protecting the quality of the water supply. Residential development is starting to occur on all slopes of the watershed. the City of Homer seeks the statutory authority of AS 29.35.020 for the sole purpose of protecting its water supply. This is the city's responsibility and not the borough's.

This type of delegation of powers has occurred before in the Kenai Peninsula Borough for deep water wells and aquifers for the City of Kenai. The City of Homer cannot use this extraterritorial protection power until after the proposed borough ordinance is passed by the assembly. At that point, the City of Homer would be required to enact an ordinance solely for the purposes of "protect[ing] its water supply." This would be done pursuant to the ordinances of the City of Homer, laws of the State of Alaska, and in a manner that will guarantee due process to the property owners of the area.

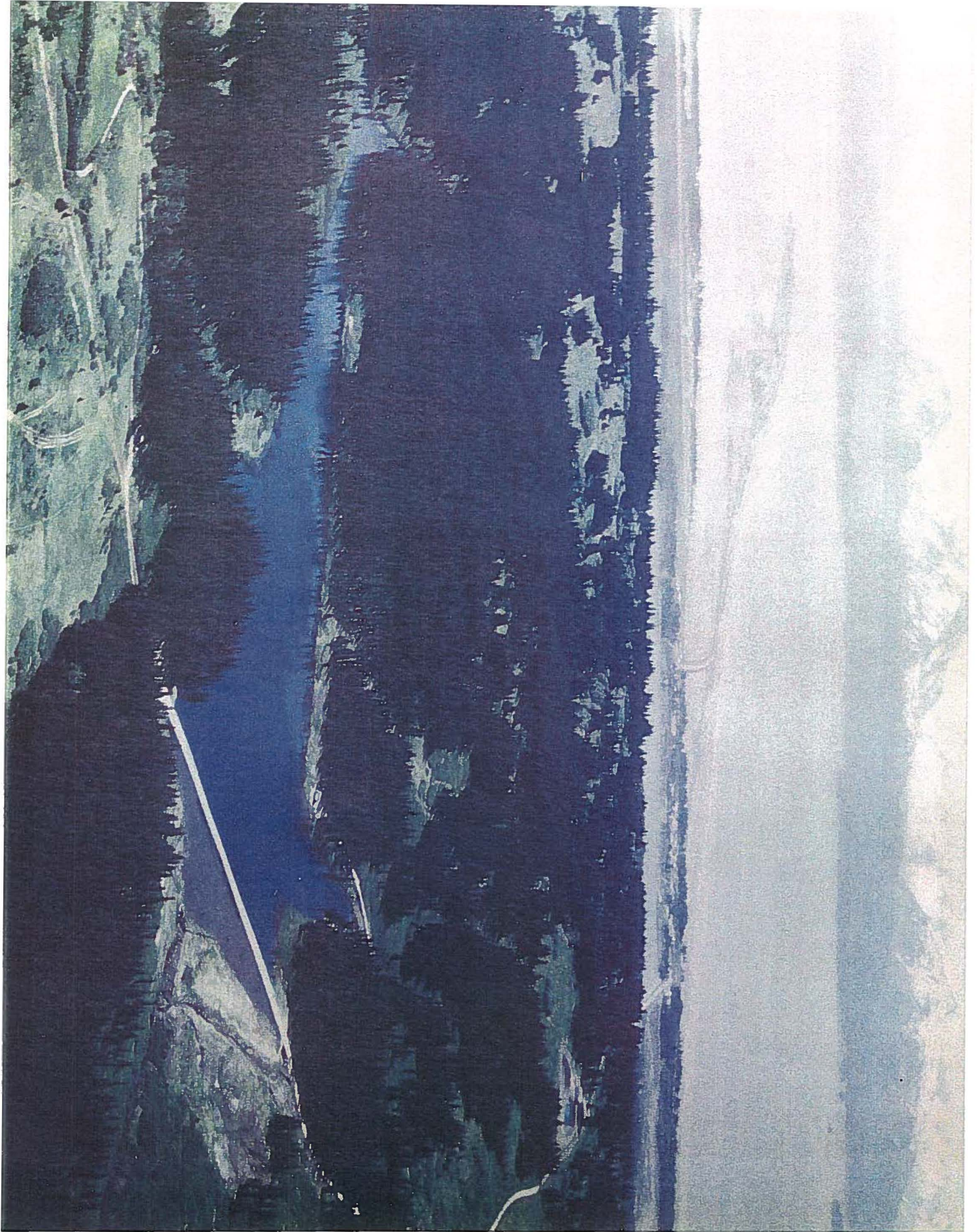
**OTHER INFORMATION NOT REQUIRED TO BE
INCLUDED WITH THE FORMAL PETITION**

The City is asked to provide other information and materials that may be useful to the Department of Community and Economic Development in evaluating the City's petition and in preparing the Department's reports. These materials [under separate cover] include:

1. the City's current operating budget;
2. most recent audit of the City;
3. the City's most recent comprehensive plan;
4. several photographs of representative and relevant parts of the territory proposed for annexation;
5. several photographs of major City facilities (e.g., city hall, fire hall, police department, water utility buildings, library, etc); and,
6. several photographs representing services provided by the City (e.g., police cars, ambulance, utility operations, etc.)



City of Homer: City Hall



City of Homer: Bridge Creek Reservoir



City of Homer: Bridge Creek Reservoir



City of Homer: Water Treatment Plant



City of Homer: Airport Terminal



City of Homer: Library



City of Homer: Library



City of Homer: WKFL Pocket Park and Homer Volunteer Fire Department



City of Homer: Fire Department



City of Homer: Homer Volunteer Fire Department Ambulance



City of Homer: Homer Volunteer Fire Department



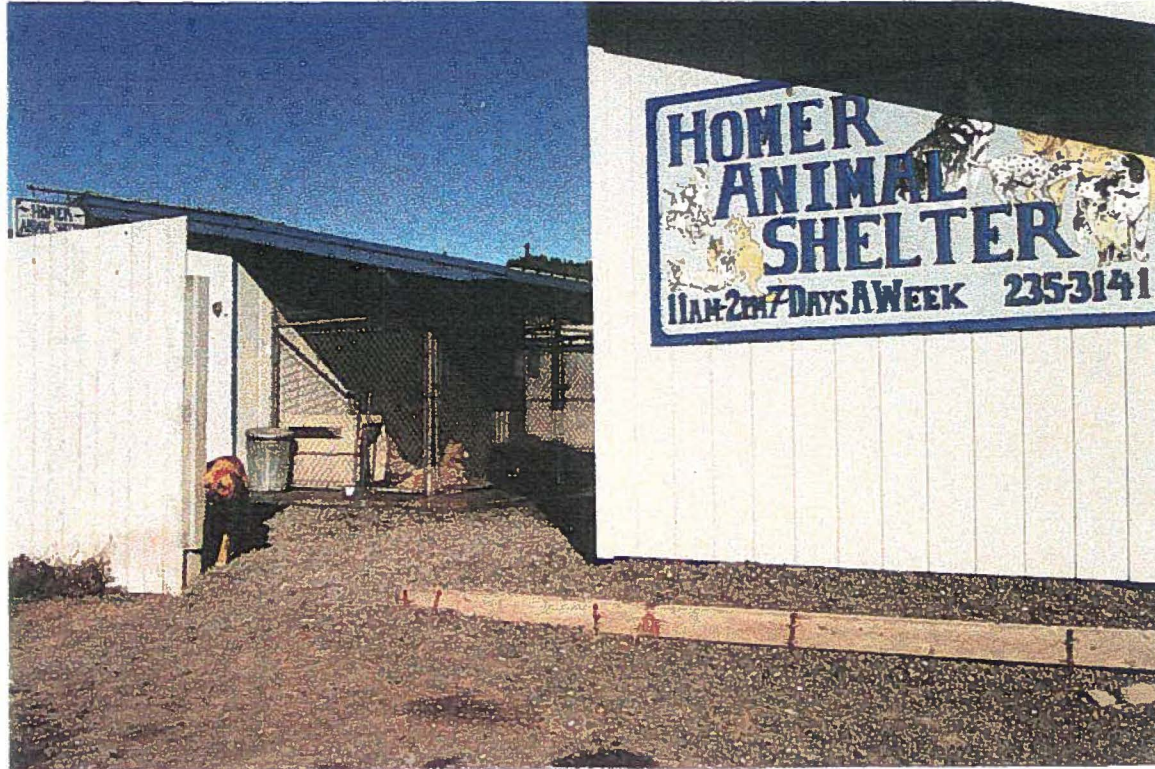
City of Homer: Homer Volunteer Fire Department



City of Homer: Police Department



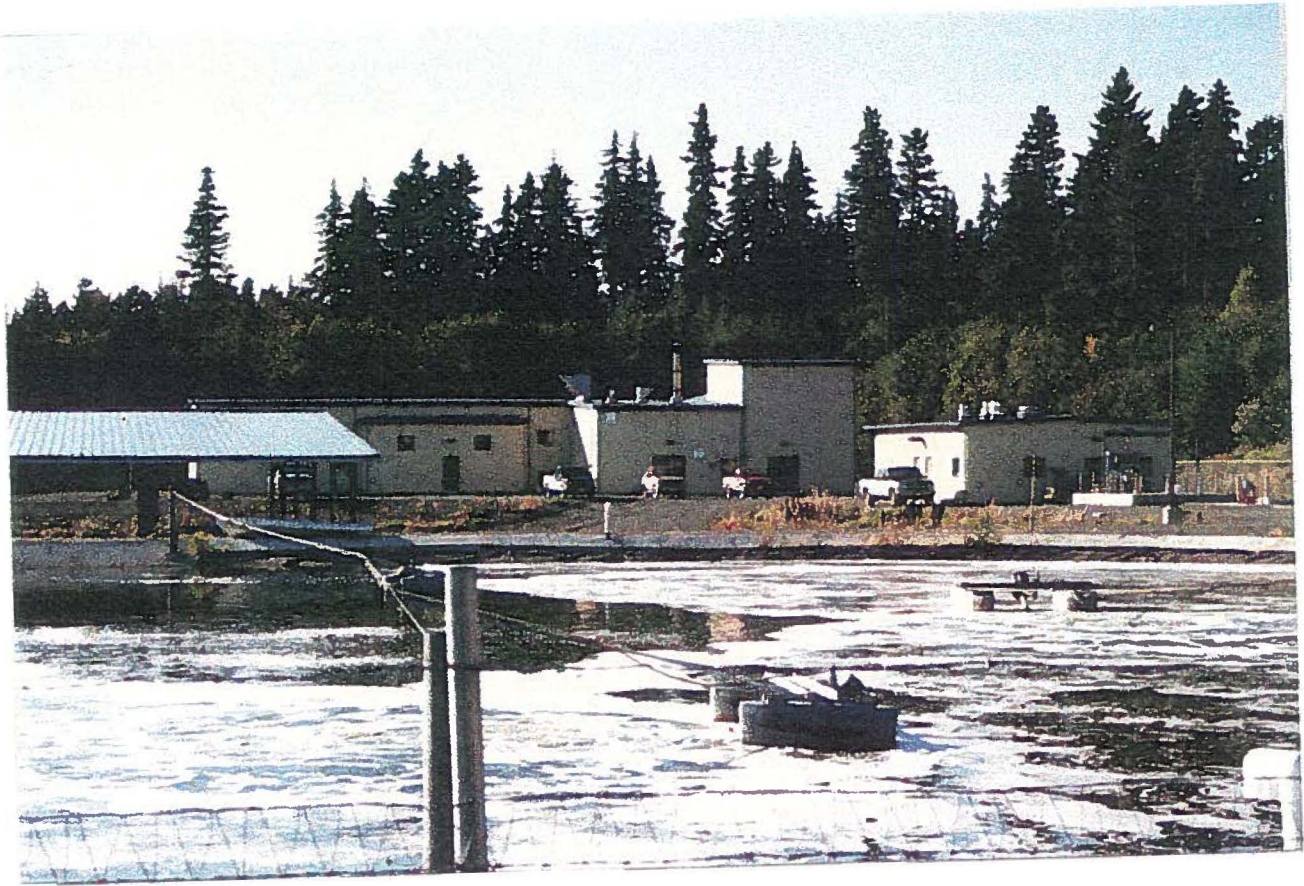
City of Homer: Homer Police Department



City of Homer: Animal Shelter



City of Homer: City Shop



City of Homer: Sewer Treatment Facilities



City of Homer: Drying Bed Structure



City of Homer: Sewer Treatment Plant



City of Homer: Operations Plant



City of Homer: Street Sweeper



City of Homer: Public Works Department



City of Homer: Public Works Department



City of Homer: Public Works Department Snow Removal Equipment



City of Homer: Seafarer Memorial



City of Homer: Homer Harbor



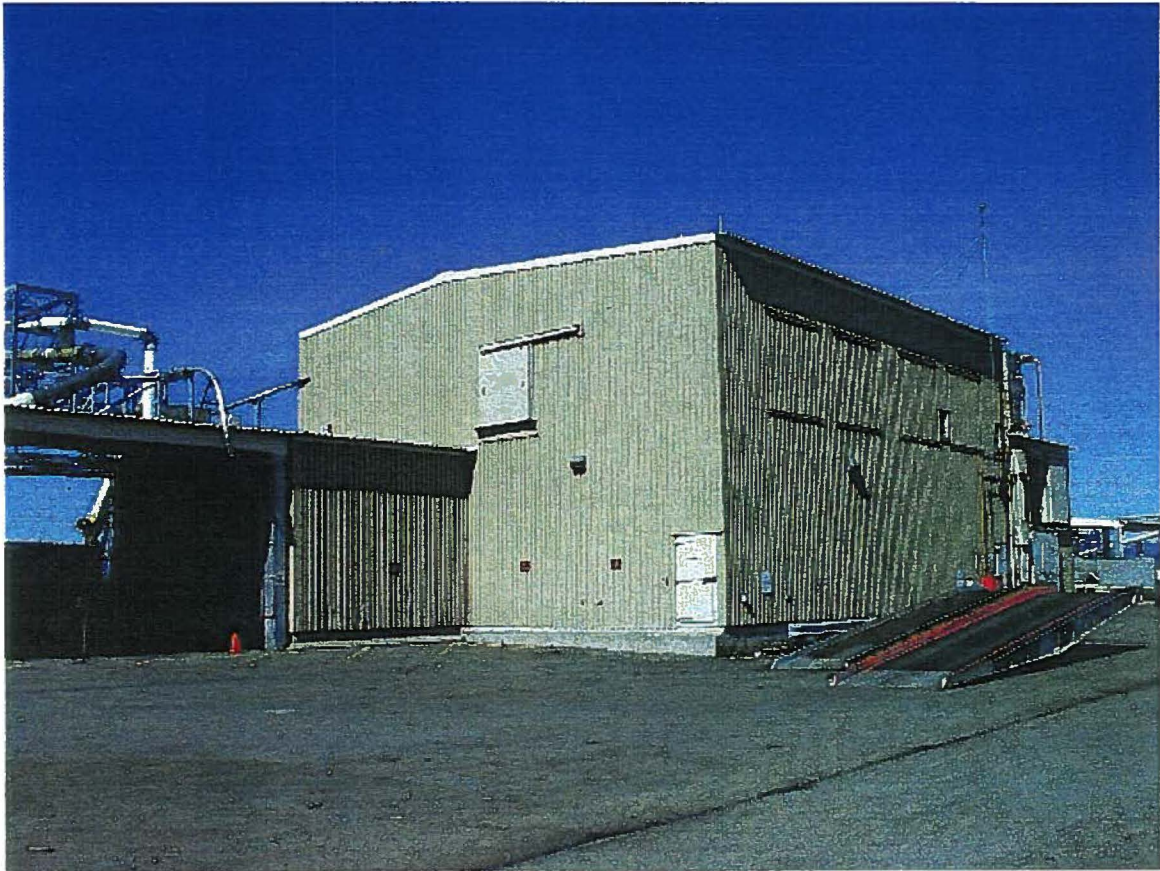
City of Homer: Homer Harbor – Fish Dock



City of Homer: Deep Water Cargo Dock



City of Homer: Deep Water Cargo Dock



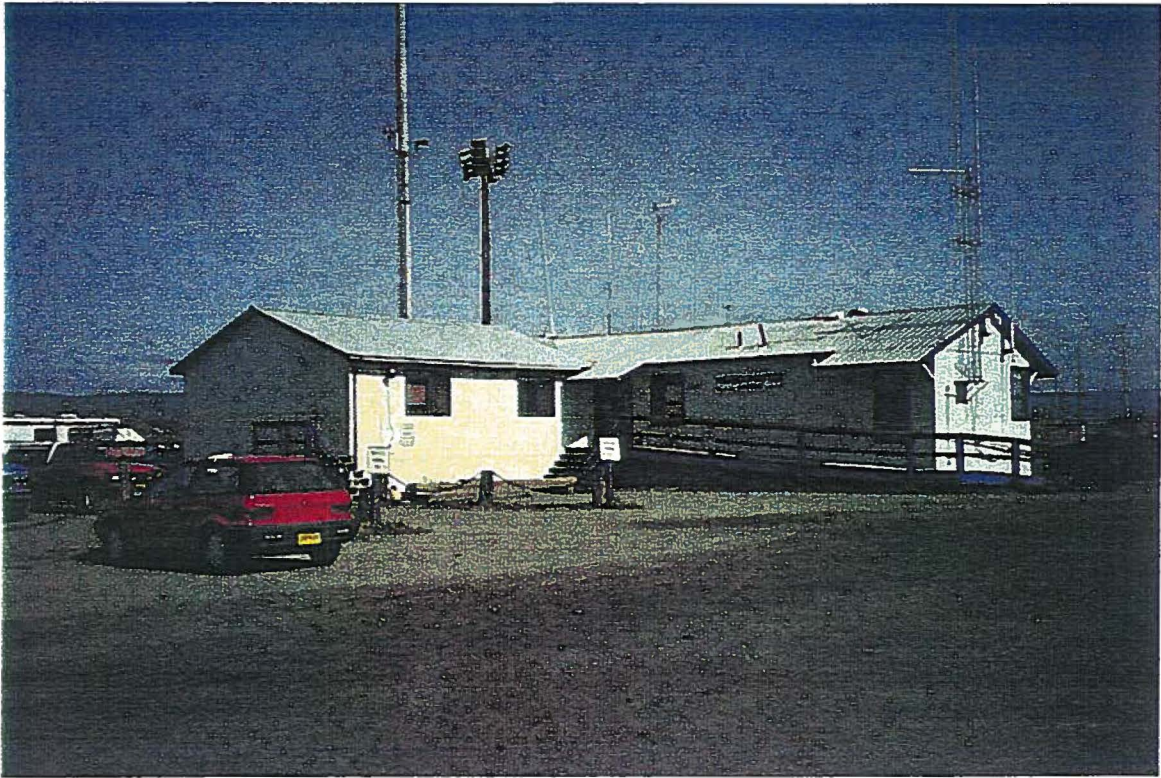
City of Homer: Ice Plant



City of Homer: Ferry Office/Pump Station



City of Homer: Port Maintenance



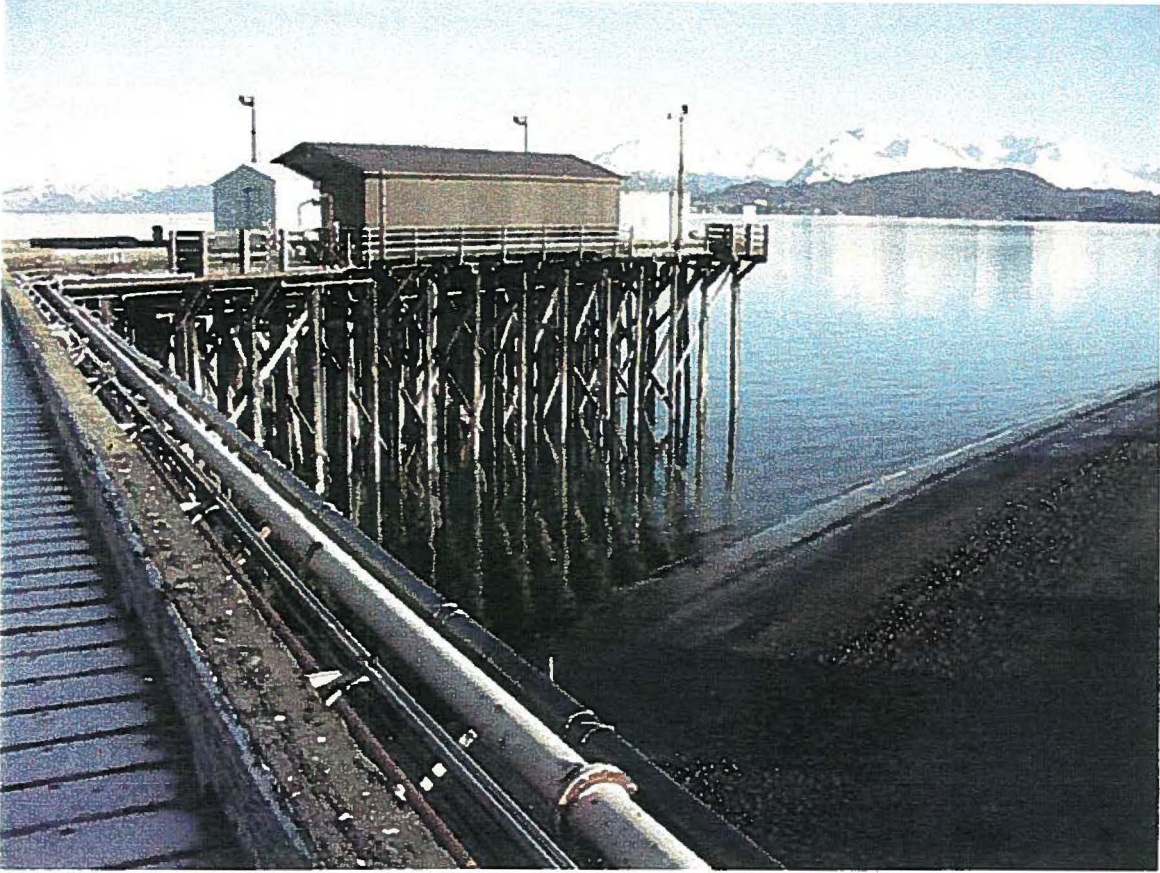
City of Homer: Harbor Office



City of Homer: Small Boat Harbor



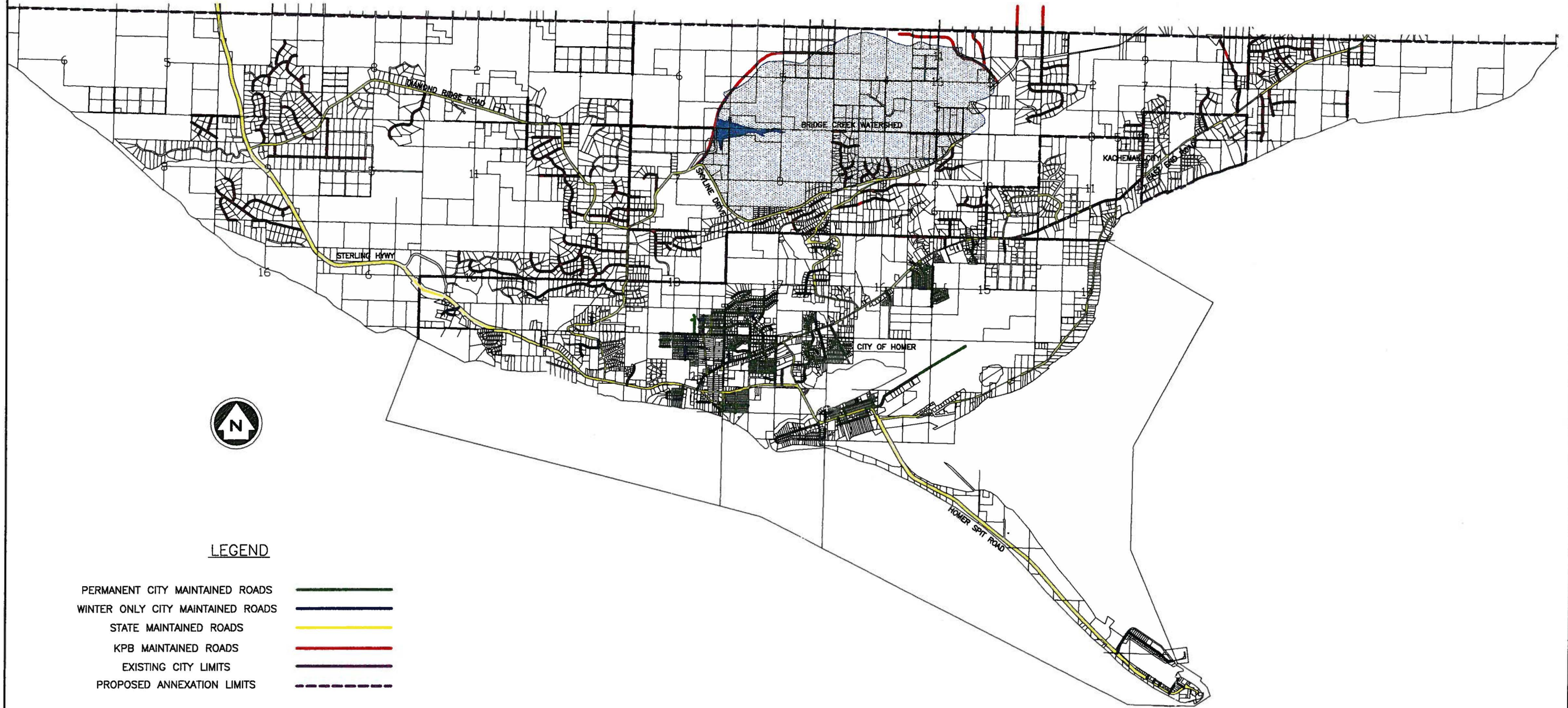
City of Homer: Homer Small Boat Harbor



City of Homer: Main Dock

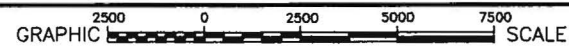


City of Homer: Main Dock



LEGEND

- PERMANENT CITY MAINTAINED ROADS ———
- WINTER ONLY CITY MAINTAINED ROADS ———
- STATE MAINTAINED ROADS ———
- KPB MAINTAINED ROADS ———
- EXISTING CITY LIMITS
- PROPOSED ANNEXATION LIMITS

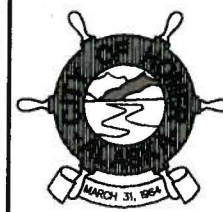


BY		DATE		REVISION	

BY		DATE		REVISION	

**CITY OF HOMER, ALASKA
PUBLIC WORKS DEPARTMENT**

3575 HEATH STREET
HOMER, ALASKA 99603
PHONE: (907) 235-3170
FAX: (907) 235-3145



DATE	—
SCALE	—
DESIGNED BY	—
DRAWN BY	—
CHECKED BY	—
APPROVED BY	—

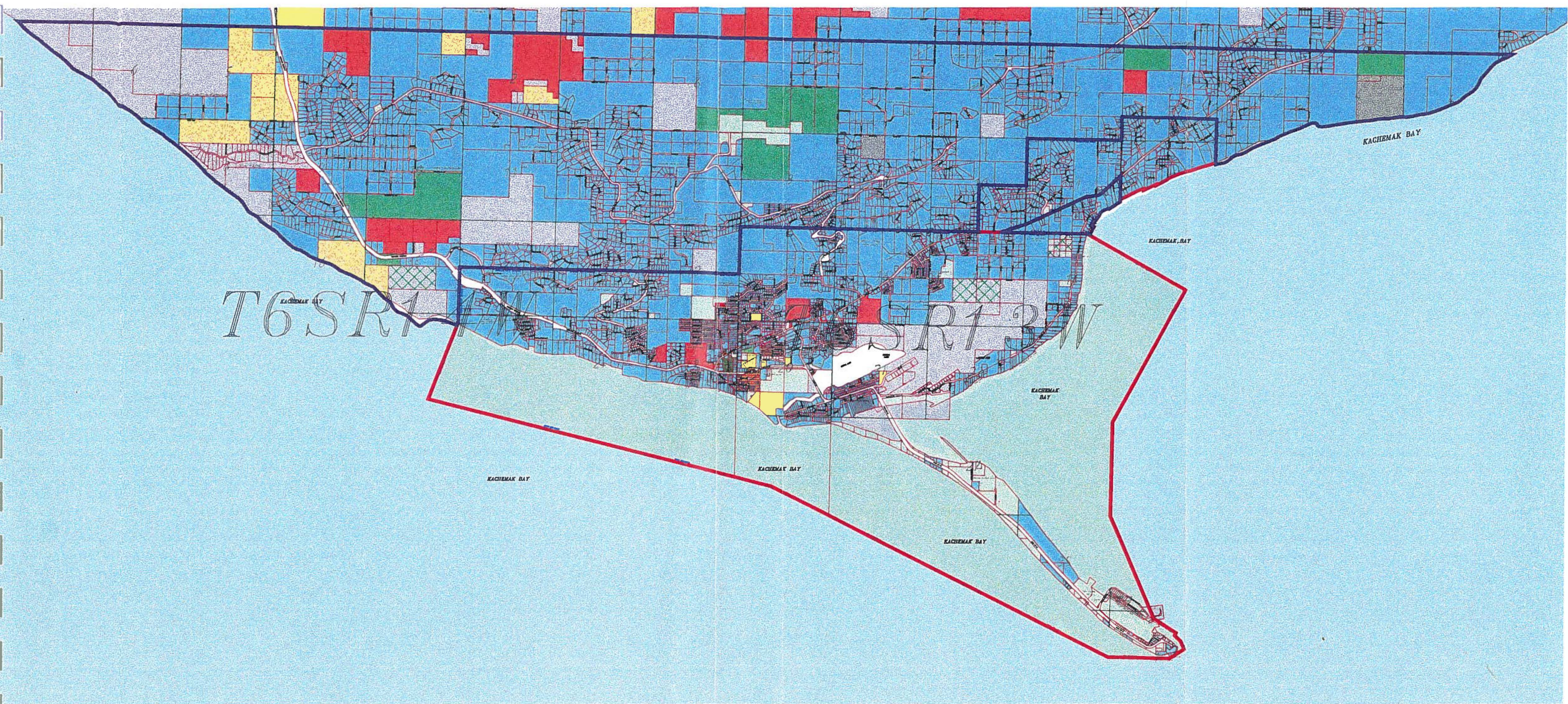
FEBRUARY 2000
**ROAD MAINTENANCE CLASSIFICATION MAP
CITY OF HOMER AND SURROUNDING AREA**

Drawing Status: —










Date: FEB 2000

PROJECT NO.	—
SHEET	1
OF	1

Arner-Map.dwg

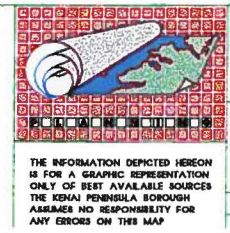


PARCEL OWNERSHIP

 PRIVATE	 FEDERAL
 STATE	 UNIVERSITY OF ALASKA
 NATIVE	 MUNICIPAL
 BOROUGH	 BOROUGH SELECTION PATENT PENDING
 NATIVE ALLOTMENT	

REVISION BLOCK

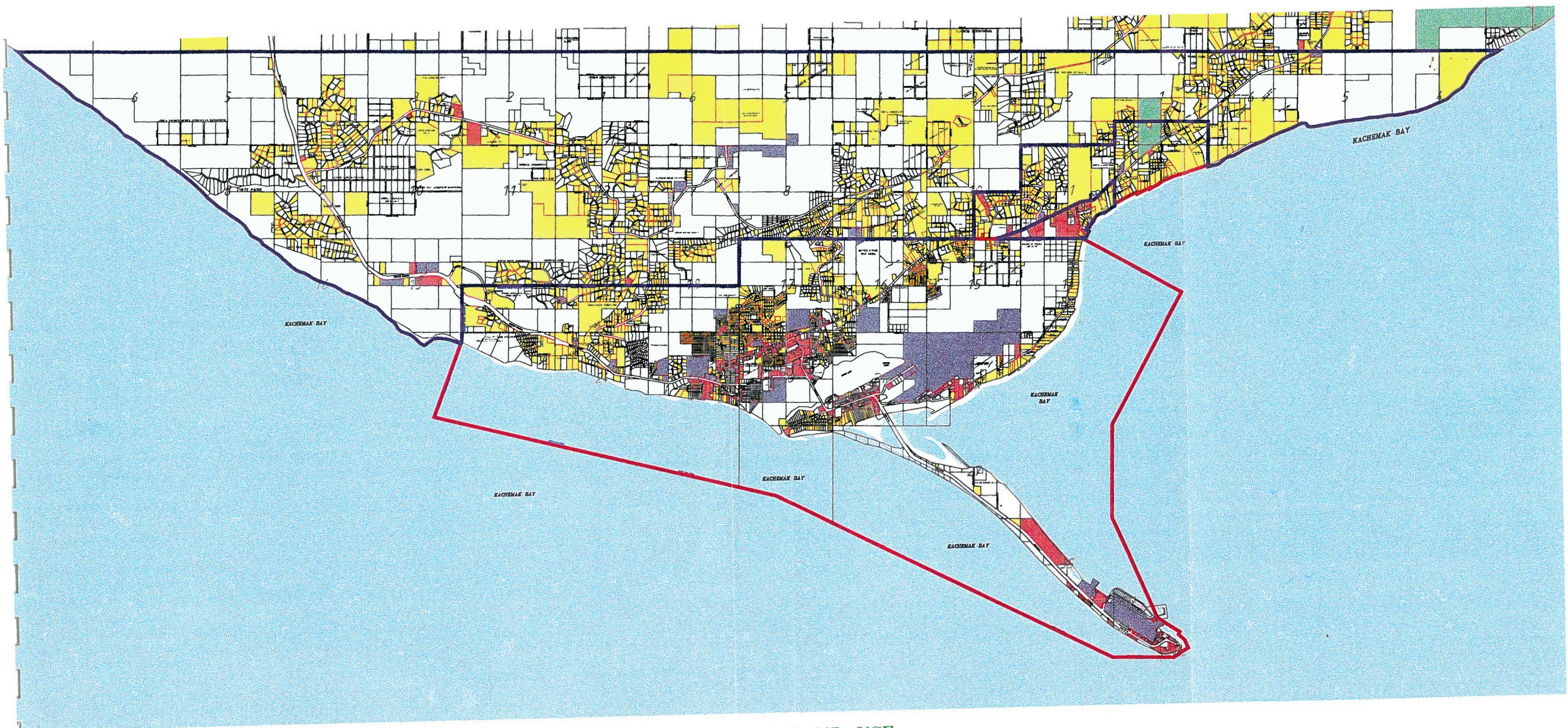
Last Revised/By	Last Revised/By



KENAI PENINSULA BOROUGH
GIS DIVISION

**PROPOSED CITY OF HOMER
ANNEXATION**

SCALE: 1" = 1 MILE DATE: JAN 17, 2008

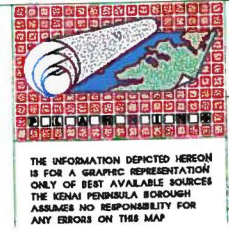


EXISTING LAND USE

- COMMERCIAL
- RESIDENTIAL
- FARM/AGRICULTURE
TIMBER HARVEST
- INSTITUTIONAL
(GOVERNMENT,
SCHOOLS, CHURCHES)
- TIDELANDS
- INDUSTRIAL &
GRAVEL PIT
- VACANT

SOURCE: KENAI PENINSULA BOROUGH
ASSESSING DEPARTMENT

REVISION BLOCK	
Last Revised/By	Last Revised/By



KENAI PENINSULA BOROUGH
GIS DIVISION
**PROPOSED CITY OF HOMER
ANNEXATION**