

# Final Report

## Regarding the City of Homer's Proposal for Annexation of an Estimated 25.64 Square Miles

November 2001



*Record in the Homer Annexation Proceeding*

This is the Department of Community and Economic Development's Final Report regarding the Petition to annex approximately 25.64 square miles of territory to the City of Homer. This report is also available at the Homer City Clerk's office, Homer City Library, and at the following Internet address:

<http://www.dced.state.ak.us/mra/LBC/lbcactivities.htm>



DCED complies with Title II of the Americans with Disabilities Act of 1990. Upon request, this report will be made available in large print or other accessible formats. Requests for such should be directed to the Local Boundary Commission staff at 907-269-4560.

## INTRODUCTION

This Final Report of the Alaska Department of Community and Economic Development (DCED) regarding the City of Homer's Petition to annex an estimated 25.64 square miles was developed after due consideration was given to timely comments regarding DCED's Preliminary Report on the matter.

In addition to reflecting due consideration of comments on the Preliminary Report, this document recounts procedural activities that have occurred since the Preliminary Report was issued. It also conveys DCED's final recommendation to the Local Boundary Commission concerning the City of Homer's annexation proposal.

## PART I – UPDATE OF PROCEDURAL ACTIVITIES

### A. Distribution of Preliminary Report

On October 5, 2001, DCED distributed copies of its four-page *Executive Summary of the Preliminary Report Regarding the City of Homer's Proposal for Annexation of an Estimated 25.64 Square Miles* (hereinafter "Executive Summary") to thirty-one interested individuals and parties including the Petitioner, Respondents, Local Boundary Commission members, Representative Scalzi, Senator Torgerson, City of Kachemak, and Homer-area media.

In addition, those same individuals and organizations were provided a compact disc containing the *Executive Summary* and DCED's 412-page *Preliminary Report Regarding the City of Homer's Proposal for Annexation of an Estimated 25.64 Square Miles* (hereinafter "Preliminary Report"). The Homer City Clerk and the Homer Library were both provided ten copies of the disc for use by the public. DCED also posted a copy of the Executive Summary on the Internet on October 5, 2001.

On October 6, 2001, a printed copy of the 412-page Preliminary Report was mailed to the same individuals and organizations to whom the Executive Summary had been issued the previous day.

On October 8, 2001, DCED mailed an additional 138 copies of the Executive Summary to interested parties. On October 9, 2001, DCED distributed 76 printed copies of the *Preliminary Report* to twelve individuals and organizations. The October 9, 2001 mailing included sixty copies of the Preliminary Report and six additional copies of the CD-ROM sent to the Homer City Clerk for distribution to the Library and local officials.

On October 9, 2001, the Homer Librarian made available to the public the printed copy of the Preliminary Report mailed by DCED on October 6. Also on October 9, the Librarian made available to the public ten CD-ROM copies of the Preliminary Report, and fifteen copies of the Executive Summary. On October 22, 2001, the Homer Library made 25 additional copies of the printed Preliminary Report available to the public.

Between October 5 through October 26, 2001, DCED received requests from the public for five additional copies of the Preliminary Report. In each instance, DCED promptly fulfilled each request.

Because of the extensive size of the Preliminary Report, it was necessary to post the DCED Preliminary Report on the Internet in increments. DCED staff posted segments of the DCED Preliminary Report, beginning with Chapters 4 and 5, on October 10, October 19, and October 25, 2001.

In total, DCED distributed a total of 268 printed Executive Summaries, 56 CD-ROM versions of the Preliminary Report, and 126 printed copies of the Preliminary Report.

As of November 16, 2001, the Homer City Clerk indicated that copies of the Executive Summary had been requested by and provided to two members of the public. At that time, the public had made no requests to the City Clerk for copies of the written Preliminary Report or the CD-ROM version of the Preliminary Report. As of the same date, eight copies of DCED's Preliminary Report and one compact disk had been checked out from the Homer Library.

## **B. Receipt of Timely Comments on Preliminary Report**

The Chairman of the Local Boundary Commission established November 6, 2001 as the deadline for comment on the report. Comments expressing a wide range of views were received from thirty-two individuals and organizations.<sup>1</sup> Timely comments regarding DCED's Preliminary Report are synopsized in Appendix A of this Final Report.

Copies of the comments were made available for public review at the Homer City Clerk's office and the Homer City Library on November 8,

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<sup>1</sup> Some of the thirty-two individuals and organizations submitted multiple sets of comments. If an individual or organization did so, the multiple sets of comments are synopsized in Appendix A. Each individual or organization that submitted comments is included only once in the tally of the number (32) who commented on the Preliminary Report. However, if multiple individuals submitted joint comments, for example, married couples submitting a single letter, they were counted separately in the tally.



2001.<sup>2</sup> Copies of all such comments were also provided to each member of the Local Boundary Commission.

### **C. Notice of Local Boundary Commission Meetings and Hearing**

The Local Boundary Commission has scheduled meetings and a hearing on the Homer annexation proposal for mid-December. The Commission will tour the territory proposed for annexation on December 13, 2001. On the following day, the Commission will begin its public hearing on the Homer annexation proposal.

The “Notice of Meetings and Public Hearing Regarding City of Homer Annexation Proposal” (hereinafter Notice) sets forth the dates, times, and locations of the proceedings. That notice appears as Appendix B in this Final Report. A copy of the agenda for the December 14 hearing is included as Appendix C. Guidelines for comments at the hearing (“Make Your Comments to the LBC Count!”) are provided in Appendix D.

The hearing will be conducted in accordance with procedures established in State law (3 AAC 110.560), a copy of which is included as Appendix E of this report. Following the hearing, the LBC may convene a decisional session regarding the annexation proposal in accordance with State law (3 AAC 110.570). A copy of the laws governing decisional sessions is included in this Final Report as Appendix F.

Copies of the documents included in this report as Appendix B-F have also been provided to the City of Homer Public Library and the office of the Homer City Clerk for review by the public.

DCED arranged for notice of the LBC meetings and hearing to be published in the *Homer News* on November 8, November 22, and December 6, 2001 and in the *Homer Tribune* on November 14, November 28, and December 12, 2001. In addition, DCED arranged for public notice of the hearing to be provided on the State of Alaska *Online Public Notice* system beginning November 5, 2001 and continuing until through the date of the hearing.

The notice, draft agenda, statutes and regulations governing hearing and decisional procedures, and guidelines for comments at the hearing were mailed to the Petitioner, Respondents, Local Boundary Commission members, Representative Scalzi, Senator Torgerson, City of Kachemak, and Homer-area media on November 5, 2001.

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<sup>2</sup> As certified by Mary Calhoun and Helen Hill.

On November 5, public service broadcast announcements of the meetings and hearing were sent to KBBI-AM. On November 5, 2001, the City of Homer posted the notice of the meetings and hearing at the following locations:<sup>3</sup>

- Village Barabara Texaco Service Station, Mile 169.3 Sterling Highway;
- Pudgy's Meat & Grocers, Mile 2.4 East End Road;
- Northern Enterprises Boat Yard, 42122 Kachemak Drive;
- Homer City Hall, 491 East Pioneer Avenue;
- State Courthouse, 3670 Lake Street;
- United States Post Office, Sterling Highway;
- Eagle Quality Center, Sterling Highway;
- Lakeside Center Shopping Mall, 3858 Lake Street; and
- Kachemak City Hall.

The City of Homer also made available for public review at the office of the Homer City Clerk and the Homer Public Library the Notice, draft agenda, law governing hearing procedures, law governing decisional procedures, and guidelines for comments.

Notice of the Commission's December meetings and hearing in Homer, draft agenda, law governing hearing procedures, law governing decisional procedures, and guidelines for comments at the hearing were posted to the LBC web site <<http://www.dced.state.ak.us/mra/LBC/lbcactivities.htm>> on November 6, 2001.

#### **D. Respondent Coordination**

Page 29 of DCED's Preliminary Report notes that it is not typical to have multiple respondents in proceedings before the Local Boundary Commission. In the case of the pending Homer annexation proceedings, there are fourteen Respondents. While not all Respondents share the same views regarding particular standards, the record of these proceedings demonstrates that very similar views are expressed by several of the Respondents. With due deference to the right of each of the fourteen Respondents to act individually during the hearing, Respondents are again strongly encouraged to coordinate prior to the hearing to avoid repetitive statements and testimony. Further, Respondents are encouraged to reach agreement before the hearing regarding the order in which they will appear. Such coordination and agreement will be conducive to a more efficient and effective public

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<sup>3</sup> As sworn by Harold Spence in a notarized affidavit.

hearing process. DCED considers coordination of testimony among the Respondents to be in the interests of all concerned parties and the general public.

As it routinely does in other proceedings involving the Commission, DCED requests that the Petitioner and Respondents submit a list to DCED of witnesses that each of the parties intends to call to provide sworn testimony during the hearing. The list should include the name and qualifications of each witness, the subjects about which each will testify, and the estimated time anticipated for the testimony of each witness. At the same time, Respondents are asked to provide DCED with details of any agreements reached concerning the order in which presentations by Respondents will occur. The lists and details of any agreement concerning the order of Respondents' presentations should be provided to DCED no later than November 30, 2001 (fourteen days prior to the hearing).

In the absence of an agreement by Respondents as to the order of their presentations, the Commission Chairman will determine the order by random means. Respondents will then be notified of the order of their presentations at least one week prior to the hearing.

#### **E. Additional Information About Hearing and Decisional Procedures**

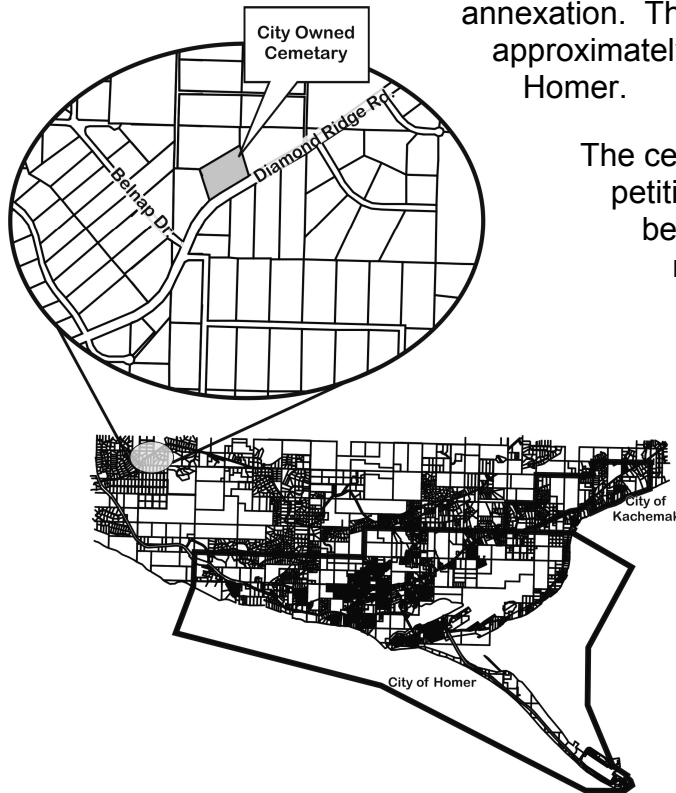
Pages 32-34 of DCED's Preliminary Report provide information regarding the Commission's public hearing procedures. Additional information regarding the Local Boundary Commission's decisional process, reconsideration of the Commission's decision, judicial appeal and legislative approval or denial is provided on pages 35-37 of the DCED Preliminary Report.

## **PART II - BOUNDARIES**

Based on the timely comments on DCED's Preliminary Report, DCED gave further consideration to five parts of the territory petitioned for annexation.

### **A. Hickerson Memorial Cemetery.**

The City of Homer encourages DCED to add Hickerson Memorial Cemetery on Diamond Ridge Road to the territory recommended for annexation. The cemetery is comprised of approximately 3.34 acres owned by the City of Homer.



The cemetery is within the 25.64 square miles petitioned for annexation. However, it is well beyond the 3.3 square miles recommended for annexation in DCED's Preliminary Report.

The cemetery is not contiguous to the recommended expanded boundaries of the City of Homer outlined in DCED's Preliminary Report. Nor is it contiguous to other property listed in the City of Homer's letter of October 30, 2001 about which the City reiterated its plea for annexation.

State laws that guide the Local Boundary Commission's determinations regarding city

annexation proposals presume that a proposal for annexation of non-contiguous territory fails to meet the standards for annexation unless there is a compelling reason for annexation of such an area. Specifically, 3 AAC 110.130(b) states:

Absent a specific and persuasive showing to the contrary, the commission will, in its discretion, presume that territory that is not contiguous to the annexing city does not meet the minimal standards required for annexation.

AS 29.35.020 expressly authorizes city governments to exercise cemetery powers on an extraterritorial basis. Specifically, AS 29.35.020(a) provides as follows:

To the extent a municipality is otherwise authorized by law to exercise the power necessary to provide the facility or service, the municipality may provide . . . cemeteries . . . and may regulate their use and operation to the extent that the jurisdiction in which they are located does not regulate them. A regulation adopted under this section must state that it applies outside the municipality.

State laws granting authority to operate and regulate a cemetery extraterritorially are different than those granting authority to regulate a watershed extraterritorially. As noted in the Preliminary Report, extraterritorial authority for the City of Homer to regulate its watershed requires approval by ordinance of the Kenai Peninsula Borough. However, such is not required for extraterritorial operation and regulation of cemeteries. The City of Homer may exercise such powers unilaterally as long as the Kenai Peninsula Borough does not. Since the Kenai Peninsula Borough does not operate or regulate cemeteries, the City of Homer is free to do so extraterritorially.

None of the 146 city governments or 16 organized borough governments in Alaska currently has non-contiguous sets of corporate boundaries. Given the circumstances described, DCED concludes that there is no specific and persuasive showing of the need for such in this case. Therefore, it does not recommend annexation of the Hickerson Memorial Cemetery at this time.

### **B. Bluff Point and Sterling Highway Corridor.**

The City of Homer advocates for the expansion of DCED's recommended boundaries to include an estimated 286.1 acres generally west of the Sterling Highway in Sections 15 and 22 of Township 6 South, Range 14 West.

The Homer City Council referred to this area as Bluff Point during its October 29, 2001 special meeting to address DCED's Preliminary Report. The territory adjoins the existing western boundary of the City of Homer and lies south of the Sterling Highway corridor recommended by DCED for annexation to the City of Homer.

The City indicates in its letter of October 30 that the area is sought to be included in order to "protect the view shed on the Sterling Highway approaches to Homer" and to

"also provide for future water and sewer line placement." The Homer City Council also indicated at its October 29, 2001 special meeting that



including the Bluff Point area within the corporate boundaries of the City of Homer would enhance implementation of the City of Homer “beach policies.”

Those policies are set out in the *City of Homer Beach Task Force Final Recommendations*, adopted by the Homer City Council on June 25, 2001 pursuant to Resolution 01-44(A). The beach policies are intended to enhance the care and management of beaches in the City of Homer “for intrinsic value and long-term natural condition” (Homer City Council Resolution 01-44[A]).

Bluff Point adjoins that portion of the Homer beaches identified in the Beach Task Force Final Recommendations as “Area 8 – West from Bishops Beach Park Access.” The beach policy provides for the following four specific actions for the beach area adjoining Bluff Point (*Beach Policy Task Force Final Recommendations*, page 7):

Area 8 – West from Bishops Beach Park Access

- (a) A kiosk with signage that is interpretative (visitor information, berms, driftwood, private property, compass rose), encourages courtesy to pedestrians, and that vehicles are permitted to the west towards Anchor Point.
- (b) Provide signage requesting; please do not remove driftwood from storm berms and private property.
- (c) Improve access at Crittenden and at Main Street.
- (d) Improve Charles Way for better traffic flow.

As is shown in Figure 1, the Bluff Point area sought by the City of Homer is largely public land (64.4%). Further, with the exception of the Sterling Highway, the area is undeveloped. Nearly 80% of the area in question is exempt from property taxes. The capacity of the area to generate revenue for the Homer City government is limited.



**FIGURE 1**  
**LAND OWNERSHIP AND LAND USE CHARACTERISTICS**  
**286.10 ACRES GENERALLY WEST OF THE STERLING HIGHWAY**

Ownership	Land Use	Acres	Taxable Value
Private	Vacant	33.36	\$68,300
Private	Vacant	19.99	\$37,100
Private	Vacant	5.58	\$25,700
Native Corporation	Vacant	42.98	\$0
Public right-of-way	Sterling Highway right-of-way	5.75	\$0
State of Alaska (DNR)	Vacant	80.00	\$0
State of Alaska (DNR)	Vacant	0.89	\$0
State of Alaska (DNR)	Vacant	88.46	\$0
State of Alaska (DNR)	Tidelands	9.09	\$0
<b>Total</b>		<b>286.10</b>	<b>\$131,100</b>

DCED concurs with the City of Homer that it would be appropriate at this time to include the 5.75-acre portion of the Sterling Highway right-of-way in question within the City's corporate boundaries. In addition to providing for the placement of future City utilities as noted by the City, adding the area in question to the City of Homer will promote greater uniformity and certainty with respect to the City's jurisdiction along the heavily-traveled Sterling Highway.

For example, if the 5.75-acre right-of-way were omitted, motorists entering Homer along the Sterling Highway from the north would travel through the Kachemak Emergency Service Area, then enter the City of Homer, then re-enter the Kachemak Emergency Service Area, and finally re-enter the City of Homer. Clearly, such multiple transitions through different local government jurisdictions can lead to inefficient and ineffective delivery of services. Moreover, such circumstances are likely to create confusion and/or uncertainty on the part of both users and providers of essential local services.

While the short-term prospect of inefficiency, ineffectiveness, confusion, and uncertainty is, perhaps, de minimus given the fact that the City of Homer is currently providing emergency medical services and fire protection to the Kachemak Emergency Service Area under a contract with the Kenai Peninsula Borough, that arrangement is subject to change. Adding the area in question will eliminate two of the four jurisdictional transition points described.

Moreover, DCED finds that inclusion of the Sterling Highway right-of-way warrants the addition of the 33.36-acre parcel through which the right-of-way passes. As a matter of long-standing policy, DCED considers it inappropriate to annex a public corridor without the area adjoining at least one side of the corridor. *McQuillin*, a treatise on municipal law addresses the issue of “corridor” annexations as follows (*McQuillin Mun Corp* § 7.20.30 [3<sup>rd</sup> Ed] footnotes omitted)

The mere fact that the land annexed is joined to the city only by a narrow neck or stem of land does not render an annexation void, although many decisions, some of which are based upon the wording of particular statutes, are not in accord with this view, and require that a substantial part of a tract sought to be annexed be contiguous to the municipal corporation. As applied to annexation of streets or roads projected beyond the limits of a municipality, “contiguous” has been construed to mean contiguous in the sense of adjacent and parallel to the existing municipal limits. Accordingly, the annexation of a portion of a highway extending beyond the border of a municipality, connected only by the width of the highway as it adjoined the municipal boundary, has been held an invalid “strip” or “corridor” annexation. On the other hand, annexation of a strip of land, connected to the municipality only by the width of the strip, has been upheld as being adjacent to the annexing municipality as a matter of law, where the strip was not adjacent to another city, but has been struck down where the strip extended into the exclusive extraterritorial jurisdiction of another city and was therefore no longer adjacent to the annexing municipality as a matter of law.

While DCED concludes that there are compelling reasons to add the 5.75-acre portion of the Sterling Highway corridor and the adjoining 33.36-acre parcel to the area recommended for annexation, the merits of including the remaining 246.99 acres in the Bluff Point area at this particular time are less apparent.

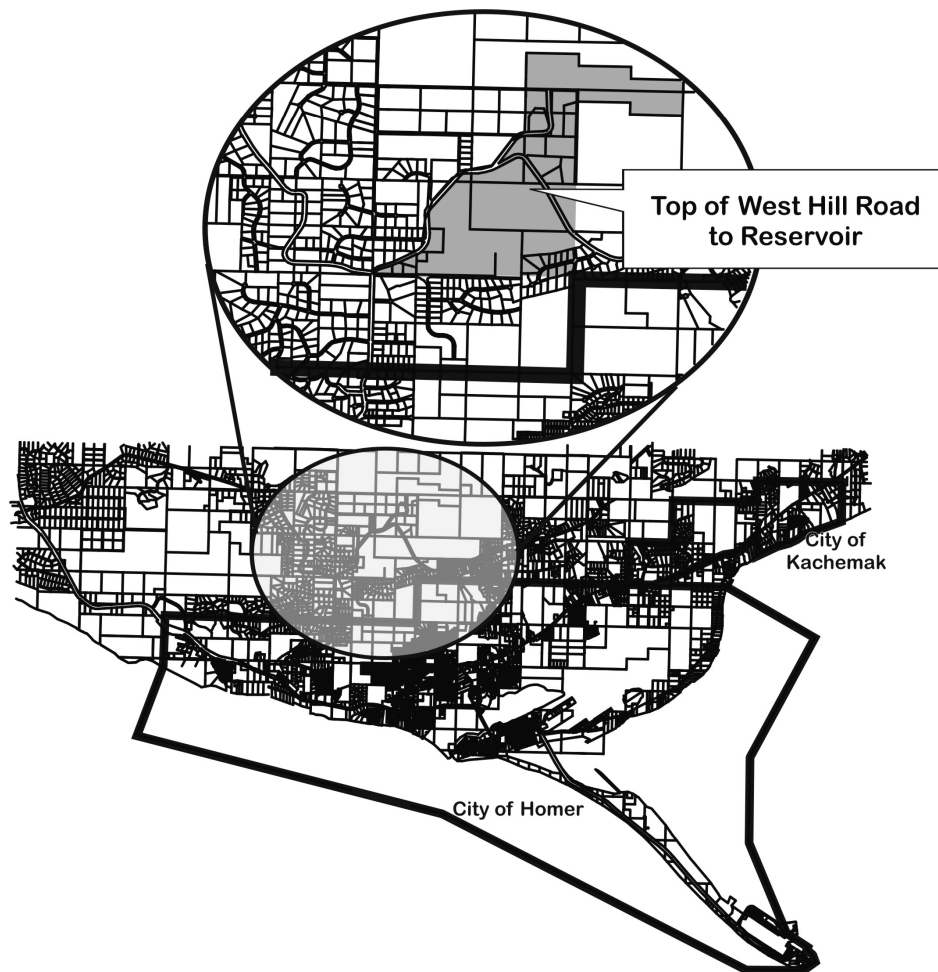
The rationale used by the City of Homer for the inclusion of remaining 246.99 acres apparently rests on the efforts of the Beach Policy Task Force. It is difficult to perceive how annexation of the Bluff Point area will enhance implementation of the previously listed City of Homer beach policies for Area 8. However, City officials, of course, are free to elaborate on the matter at the December 14 hearing of the Local Boundary Commission.

DCED maintains the posture expressed in its Preliminary Report that the totality of circumstances surrounding the Homer annexation proposal described on pages 349 – 354 of the Preliminary Report warrant “a conservative political and social policy approach . . . at *this time* with respect to the expansion of the corporate boundaries of the City of Homer.” Therefore, DCED includes only an additional 39.11 acres in the Bluff Point area in the final recommendation for annexation.

### **C. Top of West Hill Road to Reservoir.**

The City of Homer urges DCED to expand its boundary recommendation to encompass thirty-three parcels totaling 377.46 acres in the area from the top of West Hill Road to the Bridge Creek Reservoir.

The land use and land ownership characteristics associated with this area are set out in Figure 2



**FIGURE 2**  
**LAND OWNERSHIP AND LAND USE CHARACTERISTICS**  
**377.46 ACRES FROM TOP OF WEST HILL ROAD TO RESERVOIR**

Ownership	Land Use	Acres	Taxable Value
City of Homer	Reservoir	60.00	\$0
City of Homer	Institutional - Government	10.00	\$0
City of Homer	Institutional - Government	30.00	\$0
City of Homer	Institutional - Government	7.03	\$0
City of Homer	Institutional - Government	0.24	\$0
City of Homer	Institutional - Government	7.11	\$0
City of Homer	Institutional - Government	1.37	\$0
City of Homer	Institutional - Government	0.23	\$0
City of Homer	Institutional - Government	4.39	\$0
City of Homer	Institutional - Government	3.07	\$0
Kenai Peninsula Borough	Vacant	64.21	\$0
Kenai Peninsula Borough	Vacant	9.25	\$0
Public right-of-way	Skyline Drive right-of-way	4.27	\$0
Private	Vacant	1.92	\$12,500
Private	Vacant	5.63	\$25,000
Private	Vacant	4.77	\$16,600
Private	Vacant	0.47	\$12,500
Private	Vacant	4.24	\$42,600
Private	Residential	6.75	\$69,000
Private	Vacant	9.81	\$23,600
Private	Residential	7.33	\$120,800
Private	Recreational cabin	5.94	\$31,200
Private	Vacant	13.62	\$42,600
Private	Recreational Cabin	3.24	\$28,400
Private	Residential	3.93	\$0
Private	Vacant	1.64	\$25,200
Private	Commercial	82.44	\$281,500
Private	Residential	5.91	\$117,900
Private	Vacant	1.37	\$23,900
Private	Vacant	10.02	\$23,600
Private	Vacant	1.93	\$17,400
Private	Vacant	1.81	\$16,800
Private	Vacant	1.87	\$17,200
Private	Residential	1.65	\$187,700
<b>Total</b>		<b>377.46</b>	<b>\$1,136,000</b>

Based on 2000 Census averages for the Homer area, DCED estimates that fifteen individuals inhabited the 377.46 acres in question at the time of the most recent federal census.

It is noteworthy that the area in question encompasses one of the few commercial properties included in the 25.64 square miles petitioned for annexation that were not included in the 3.3 square miles recommended for annexation in DCED's Preliminary Report. The property consists of "The Lodge in Homer" situated on 82.44 acres. A photograph of The Lodge in Homer under construction in July of this year appears in the lower right corner of the cover of DCED's Preliminary Report.

The City supports its recommendation for the inclusion of the 377.46 acres with the following comments in its October 30 letter:

The City owned properties; the Reservoir parcels, the treatment plant and tank/pump station parcels. . . These properties are owned by the City of Homer and belong within the City limits. 3 AAC 110.130 (b) permits annexation of non-contiguous properties if a specific and persuasive showing can be made. The City submits nothing can be more specific and more persuasive than protecting the City's sole source of water. . .

. . . The Boundary Commission should consider the inclusion of at least the portion of the 1.02 square miles south of Skyline Drive and the portion of the same area that is located East of Skyline Drive and North to the City's Reservoir property. This inclusion is not ruled out by the recommendation and would make the Reservoir property and Water Treatment Plant property contiguous to the annexation territory.

Roughly half of the 377.46 acres in question lies south of Skyline Drive. DCED noted on pages 359 – 361 of its Preliminary Report that reasonable arguments could be made for the annexation of the westernmost portion of Skyline Drive and adjoining parcels. Doing so would promote efficiency, effectiveness, uniformity, and certainty with respect to the City's jurisdiction in this area, as is the case with the Sterling Highway corridor addressed previously. It would also provide for the future placement of City utilities.

The remaining half of the 377.46 acres in question (i.e., the portion lying north of Skyline Drive) is predominantly publicly owned. That portion of area requested by the City comprises about 190 acres. The City of Homer owns 123.44 acres in that area, or 65% of the area in question north of Skyline Drive. The Kenai Peninsula Borough owns 9.25 acres, 4.9% of the estimated total north of Skyline Drive. The remainder, 30.1% of the estimated total, is privately owned.

Two circumstances lead DCED to conclude that annexation of the estimated 190 acres lying north of Skyline Drive is warranted at this time. First, as DCED noted in its Preliminary Report and in this Final Report, legitimate arguments exist for the annexation of the westernmost portion of Skyline Drive. Based on long-standing policy considerations relating to "corridor" annexations noted earlier in this Final Report, arguments also

exist for the inclusion of property adjoining Skyline Drive. If the few privately owned parcels adjoining and adjacent to Skyline Drive on the north side are included, the relatively substantial holdings of the City of Homer would become contiguous to the territory proposed for annexation to the south (i.e., the area referred to in DCED's Preliminary Report as the Urban Area). State Statutes implicitly favor annexation of contiguous municipally owned property. Specifically, AS 29.06.040(c)(4) provides that "municipally owned property adjoining the municipality may be annexed by ordinance without voter approval."

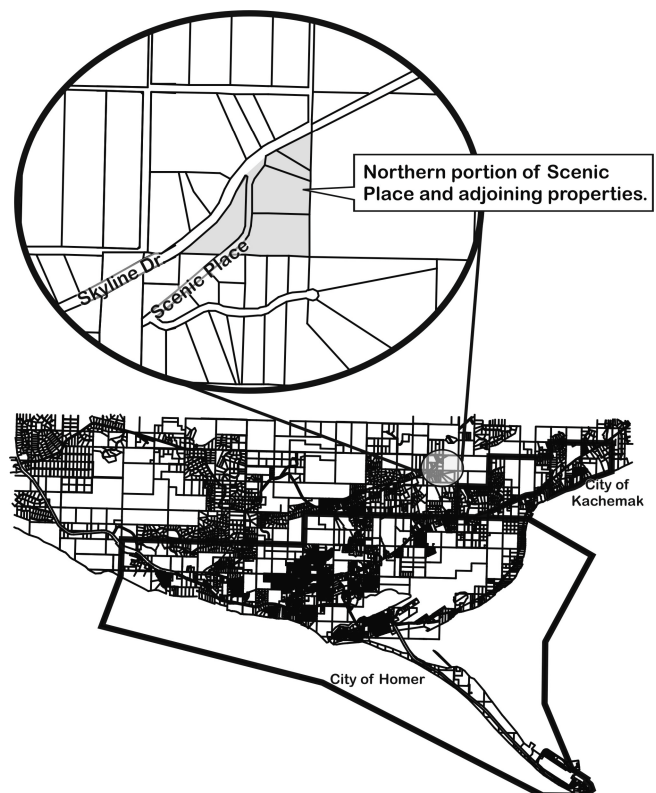
DCED notes that the City omitted from its request that portion of the Skyline Drive right-of-way from the top of West Hill Road to the road leading to the Bridge Creek reservoir (known locally as Crossman Ridge Road) adjoining the 377.46 acres in question. The portion of the right-of-way in question spans roughly 4,750 feet (0.9 miles) and encompasses an estimated 6.54 acres.

For reasons previously noted, DCED considers it appropriate to include the estimated 4,750-foot long (6.54 acre) right-of-way in question. Based on the preceding discussion, DCED concludes that annexation of the 377.46 acres requested by the City plus the 6.54-acre Skyline Drive right-of-way is warranted at this time.

**D. Northern portion of Scenic Place and adjoining properties.**

The City of Homer asks DCED to expand its boundary recommendation to encompass the northern portion of Scenic Place south of Skyline Drive and adjoining properties.

The land use and land ownership characteristics associated with this area are set out in Figure 3





**FIGURE 3**  
**LAND OWNERSHIP AND LAND USE CHARACTERISTICS**  
**OF THE 12.89 ACRES ENCOMPASSED BY THE NORTHERN PORTION**  
**OF SCENIC PLACE AND ADJOINING PROPERTIES**

Ownership	Land Use	Acres	Taxable Value
Private	Residential	1.04	\$145,700
Private	Recreational Cabin	0.96	\$33,200
Private	Residential	3.41	\$199,900
Private	Residential	2.74	\$111,800
Private	Vacant	3.91	\$21,600
Public right-of-way	Scenic Place right-of-way	0.83	\$0
<b>Total</b>		<b>12.89</b>	<b>\$512,200</b>

Based on 2000 Census data for the greater Homer area, DCED estimates that eight individuals inhabited the 12.89 acres in question at the time of the most recent federal census.

The City's October 30 comments on the Preliminary Report support its request to add the property by noting:

... it makes no sense for the Kenai Peninsula Borough to maintain the first 25% of the subdivision road and the City to have its graders or plows lift their blades and dash across the KPB maintained road to reach the remaining 75% of the road maintained by the City. It is believed this request is supported by Commission policy and practices.

DCED concurs. Inclusion of the northern portion of Scenic Place warrants the inclusion of adjoining properties for reasons noted previously. DCED notes, however, that the City omitted from its request a portion of the Skyline Drive right-of-way adjoining the 12.89 acres in question. The portion of the right-of-way at issue is estimated to be approximately 1,700 feet (0.32 miles) long. For reasons given previously in this report concerning the merits of including public rights-of-way, DCED concludes that the annexation of the estimated 1,700-foot long right-of-way is also warranted at this time. The right of way in question encompasses an estimated 2.34 acres.

### **E. 118-acre undivided Hillstrand property.**

John and Nancy Hillstrand commented on DCED's Preliminary Report in a letter dated November 3, 2001. The letter notes correctly that the boundaries recommended in DCED's Preliminary Report transected a 118-acre undivided parcel, including the approximate eastern one-third of the parcel in the boundaries recommended for annexation. That parcel is owned by the Hillstrands. The estimated forty-acre portion of the parcel included in DCED's Preliminary Recommendation is uninhabited.



DCED acknowledged on page 359 of its Preliminary Report that the recommended boundaries did indeed transect the property. Moreover, DCED implied in the Preliminary Report that such circumstances were not necessarily ideal, but were the consequence of utilizing aliquot parts of sections within a township grid to describe municipal boundaries.<sup>4</sup> The practice of following aliquot parts of sections to describe municipal boundaries is common, but not required.

DCED noted that one remedy to the division of the Hillstrand property would be to annex a larger area so that the parcel in question would be wholly included within the expanded boundaries of the City of Homer. The Hillstrands suggest an alternative in their November 3 letter – removing the estimated forty-acre portion of the 118-acre parcel from the territory recommended by DCED for annexation.

The Hillstrands note in their letter:

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<sup>4</sup> Aliquot parts of a section are the divisions and subdivisions of a section described in relation to the four points of the compass – north, south, east, and west. For example, sections may be divided into halves of 320 acres with compass designations of N  $\frac{1}{2}$ , S  $\frac{1}{2}$ , E  $\frac{1}{2}$ , and W  $\frac{1}{2}$ . Sections may be divided into 160 acres with compass designations such as SE  $\frac{1}{4}$ . Sections may be divided into 80 acres with compass designations such as N  $\frac{1}{2}$  of SE  $\frac{1}{4}$  et cetera.

We have no intention of developing this property and respectfully ask that the forty acres be deleted from the proposed annexation. . .

Our purpose in purchasing these lands was to try to look ahead a hundred years to set aside an open space for wildlife and to protect this part of the crucial watershed that filters into Homer's water supply. We were advocates in creating the extraterritorial powers to the city for watershed protection purposes. . . .

Our family has lived and invested in the Homer area for sixty years contributing faithfully to this town. We have a commercial business on the Homer Spit, which feeds the city enormous revenue each year in sales tax as well as commercial property tax. In other words we faithfully pay our way to contribute to Homer's tax base.

We would welcome your placing a mechanism which is triggered to automatically begin the annexation process when natural large pieces are developed or altered from their unperturbed state for commercial purposes such as subdivisions, logging, or commercial building. This would further protect the watershed if the extraterritorial powers do not fulfill their function in time or content.

DCED noted on page 267 of its Preliminary Report that it considered the grant of extraterritorial watershed regulation authority to the City of Homer to adequately address the vital public interest in protecting the City's watershed. Specifically, the Preliminary Report stated:

DCED believes that the grant of extraterritorial powers [to the City of Homer by the Kenai Peninsula Borough for watershed regulation] provides the City of Homer with the *full legal and moral* authority to enact technically sound and socially responsible regulations governing the use and development of the watershed. As such, DCED does not consider the Bridge Creek Watershed *per se* to be essential to the efficient, cost-effective delivery of services by the City of Homer *at this time*. However, in the event that serious consideration is given to a proposal to rescind the grant of extraterritorial powers in question, as some now fear, DCED would, as a consequence, immediately alter its position and encourage annexation of the entire watershed to the City of Homer.

In its October 30 comments, the City of Homer raised the prospect that the Borough might unilaterally revoke or alter its grant of extraterritorial power to regulate the watershed. Such is a theoretical possibility. However, DCED had noted in its Preliminary Report that:

While it has been reported that some are calling for the Borough to rescind the grant of extraterritorial powers, DCED is unaware of any serious interest on the part of Borough officials to consider such a measure. . . .

However, in the event that serious consideration is given to a proposal to rescind the grant of extraterritorial powers in question, as some now fear,

DCED would, as a consequence, immediately alter its position and encourage annexation of the entire watershed to the City of Homer.

Millie Martin, a member of the Kenai Peninsula Borough Assembly and a resident of the territory petitioned for annexation, indicated in a letter dated November 5, 2001 that she is unaware of any ongoing or anticipated effort to revoke the grant of extraterritorial powers. Furthermore, she acknowledged that the City of Homer is morally entitled to regulate the watershed. Specifically, Assembly member Martin stated:

. . . it has been suggested there is or could be an effort to rescind these powers. To my knowledge, no such effort is underway nor anticipated. As the City's Planning Commission began the process of reviewing a proposed ordinance relating to the watershed, I received several constituent calls. In researching the issue, I found the ordinance under review encompassed far more than watershed protection, and was a very restrictive zoning document. My concern at that point was for the rights of the property owners involved, as I felt that by the Borough extending the powers, they limited the rights of those property owners and left them without elected representation on that issue. Because of the calls, because of my concerns, I inquired of our Assembly President what could be done to assure those rights. He stated that the option to rescind the ordinance was a protection to guarantee those rights. (The ordinance was passed before my tenure on the Assembly.) I did not, nor do I consider that an option I would wish to pursue, as I feel the city must have the right to protect their precious water supply.

I then spoke with Mr. Bill Smith, Chair of the Homer Advisory Planning Commission, and he explained the timeline for review and rewrite of the document. He noted that all property owners in the affected area had received written notice of the city's plans and been advised of Planning Commission meeting dates and times so they could attend and comment. Mr. Smith spends an hour during each Planning Commission meeting to deal with a section of the proposed ordinance. It will then be rewritten based on that input. It will again be reviewed, again giving the public the opportunity to comment, before it goes to the City Council for approval, with two more public hearings. In other words, this will be a 6 month of long endeavor. I commend both the City and Mr. Smith for the careful process, the consideration of the property owners and for guaranteeing their right to be heard.

Given (1) the Hillstrands' commitment to the preservation of the property in question in a manner that is congruent with the interests of the community with respect to the watershed, (2) the City's extraterritorial power to regulate the watershed, and (3) the absence of any indication that Borough officials are seriously considering the revocation of the grant of extraterritorial powers to the City, DCED does not consider inclusion of the Hillstrand property in the City of Homer to be essential to the interests of the broad community.

DCED considers the merits of annexing any portion of the 118-acre Hillstrand property to be on par with adjoining large undivided properties in the Bridge Creek Watershed. The Hillstrands very recently purchased from the University of Alaska the 130-acre parcel adjoining the 118-acre parcel in question. The City of Homer has not advocated for the annexation of the 130-acre parcel or other such privately owned large undivided properties within the watershed in its comments of October 30, 2001.

Moreover, DCED has agreed in the preceding discussion of boundaries in this Final Report to alter its preliminary recommended boundaries in a manner that deviates from the practice of following aliquot parts of sections within a township grid. Consequently, there is no compelling reason to adhere to the practice with respect to the Hillstrand property.

Given these circumstances, DCED concludes that it is appropriate to modify its boundary recommendation in the Preliminary Report to exclude the area comprised of approximately the eastern one-third of the 118-acre Hillstrand property from the territory recommended for annexation.

### **PART III – EFFECT OF ANNEXATION ON BOROUGH SERVICE AREAS**

As noted in DCED's Preliminary Report, the entire 25.64 square miles proposed for annexation is within the Kenai Peninsula Borough Road Service Area. Additionally, all of the territory proposed for annexation, except Millers Landing, is within the Kenai Peninsula Borough Kachemak Emergency Service Area.

The Kenai Peninsula Borough commented on DCED's Preliminary Report, in part, as follows in a letter dated November 6, 2001:

. . . at page 97, the report states that the City of Homer intends to take over maintenance of the roads currently maintained by the borough but that it does not envision the borough being involved in a transition plan. The borough expects to negotiate with the City of Homer the specifics of the transition of services from the borough to the city rather than accepting the city's position. For the record, the borough reserves its right to negotiate the terms of such a transfer.

Additionally, the borough is concerned with its ability to modify service area borders so as to avoid duplication of services without voter approval. Alaska Statute 29.35.450 was amended by the state legislature earlier this year to require voter approval for altering the boundaries of service areas that provide road services and fire protection. Accordingly, voter approval may be required to reduce the Kenai Peninsula Borough Road Service Area and the Kachemak Emergency Service Area to align the boundaries

with the new city limits of Homer. Legislative action may be required to clarify this question.

The new statutory language to which the Kenai Peninsula Borough is set out in AS 29.35.450(c), states as follows:

If voters reside within a service area that provides road, fire protection, or parks and recreation services, abolishment of the service area is subject to approval by the majority of the voters residing in the service area who vote on the question. A service area that provides road, fire protection, or parks and recreation services in which voters reside may not be abolished and replaced by a larger service area unless that proposal is approved, separately, by a majority of the voters who vote on the question residing in the existing service area and by a majority of the voters who vote on the question residing in the area proposed to be included within the new service area but outside of the existing service area. A service area that provides road, fire protection, or parks and recreation services in which voters reside may not be altered or combined with another service area unless that proposal is approved, separately, by a majority of the voters who vote on the question and who reside in each of the service areas or in the area outside of service areas that is affected by the proposal. This subsection does not apply to a proposed change to a service area that provides fire protection services that would result in increasing the number of parcels of land in the service area or successor service area if the increase is no more than six percent and would add no more than 1,000 residents.

DCED holds the belief that AS 29.35.450(c) does not apply to city annexations (particularly legislative review annexations). DCED is of the opinion that annexation to the City of Homer will effect the detachment of all annexed areas from the Kenai Peninsula Borough Road Service Area and Kachemak Emergency Service Area and that voter approval of such is not necessary.

The City of Homer seeks to annex territory pursuant to Article X, Section 12 of the Constitution of the State of Alaska, which provides as follows (emphasis added):

A local boundary commission or board shall be established by law in the executive branch of the state government. The commission or board may consider any proposed local government boundary change. It may present proposed changes to the legislature during the first ten days of any regular session. The change shall become effective forty-five days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house. The commission or board, subject to law, may establish procedures whereby boundaries may be adjusted by local action.

The plain language of the second sentence indicates that the Local Boundary Commission may consider any proposed local government



boundary change. The Kenai Peninsula Borough has three types of jurisdictional boundaries. These are (1) corporate boundaries encompassing areawide jurisdiction, (2) boundaries encompassing nonareawide jurisdiction, and (3) boundaries encompassing service area jurisdictions.<sup>5</sup>

Moreover, *Fairview Public Utility District No. 1 v. City of Anchorage*, 368 P.2d 540 (Alaska 1962) seems to provide ample legal authority for the proposition that a service area will be deemed altered, as a matter of law, upon the effective date of annexation of the territory in question to a city.

In 1960, the Local Boundary Commission approved the annexation of the Fairview Public Utility District Number One to the City of Anchorage. The action was tacitly approved by the 1960 Legislature pursuant to Article X, Section 12 of the Constitution. The City of Anchorage sought a declaratory judgment asking the court to determine that the Fairview Public Utility District had been dissolved as a result of annexation.

Annexation opponents asserted that “annexation could not effect the dissolution of the District, since a dissolution could be validly effected only by the consent of the voters within the District pursuant to an election held in accordance with statute.” (at 541). The court disagreed (at 545).

Appellants contend that the District was not dissolved when annexation took place; that this could be accomplished only by the election procedure set forth by statute.<sup>6</sup> We disagree. This would defeat the chief purpose of annexation, which was to do away with two separate governments in a single community, and thus avoid multiplication of facilities and services, duplication of tax burdens, and inevitable jurisdictional conflict and chaos.<sup>7</sup> When annexation was effected the District was extinguished, and its property, powers and duties were then vested in the city.<sup>8</sup>

Our conclusion is not refuted by a 1957 statute which provides for dissolution with consent of the voters when ‘the whole or the integral

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<sup>5</sup> In the context of Article X, § 1 of Alaska’s Constitution, the phrase “local government unit” has been construed by the Alaska Supreme Court to include borough service areas. (See *Keane v. Local Boundary Commission*, 893 P.2d 1239, 1243 [Alaska 1995].) Moreover, Vic Fischer, an expert in Alaska local government and a former Constitutional Convention delegate, also construes borough service areas to be local government units in the context of Article X, §§ 1 and 5. (See letter dated September 29, 1997 from Victor Fischer)

<sup>6</sup> (footnote original) Section 49-2-13 ACLA Cum.Supp.1957, supra note 8.

<sup>7</sup> (footnote original) *In re Annexation to City of Anchorage*, 15 Alaska 504, 509, 129 F.Supp. 551, 554 (D.Alaska 1955).

<sup>8</sup> (footnote original) *In re Sanitary Board of East Fruitvale Sanitary Dist.*, 158 Cal. 453, 111 P. 368, 370 (1910); *Dickson v. City of Carlsbad*, 119 Cal.App.2d 809, 260 P.2d 226 (1953).

part of a district becomes annexed to an incorporated city.<sup>9</sup> This has application only where annexation takes place under the petition-election procedure<sup>10</sup> which was the only means of annexation in effect prior to the time the state constitution became effective.<sup>11</sup> It has no application where annexation takes place under the different method established by Article X, section 12 of the constitution.

Similar to the Court's holding in the *Fairview* case, any assertion that the Kenai Peninsula Borough Road Service Area and Kachemak Emergency Service Area cannot be altered unless voters of the service areas agree would defeat the chief purpose of annexation and foster "multiplication of facilities and services, duplication of tax burdens, and inevitable jurisdictional conflict and chaos."<sup>12</sup>

If AS 29.35.450(c) applies to annexations, citizens of an area proposed for annexation to a city within an organized borough could thwart annexation by initiating efforts to create a borough service area for road maintenance, fire protection, and/or parks and recreation. Doing so would contravene the intention of the Constitutional Convention delegates as discussed by the Supreme Court in the *Fairview* case (at 543):

Article X was drafted and submitted by the Committee on Local Government, which held a series of 31 meetings between November 15 and December 19, 1955. An examination of the relevant minutes of those meetings shows clearly the concept that was in mind when the local boundary commission section was being considered: that local political decisions do not usually create proper boundaries and that boundaries should be established at the state level.<sup>13</sup> The advantage of the method proposed, in the words of the committee –

\* \* \* lies in placing the process at a level where area-wide or statewide needs can be taken into account. By

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<sup>9</sup> (footnote original) SLA 1957, ch. 130 (§ 49-2-13, First, ACLA Cum.Supp.1957).

<sup>10</sup> (footnote original) SLA 1957, ch. 183 (§§ 16-1-29-29n ACLA Cum.Supp.1957).

<sup>11</sup> (footnote original) The state constitution went into effect on January 3, 1959.

<sup>12</sup> For example, Article X, § 1 of Alaska's Constitution discourages, if not prohibits, the exercise of an identical power in the same area simultaneously by a city and borough government. It states that the purpose of the local government article of Alaska's Constitution is, in part, "to prevent duplication of tax-levying jurisdictions." However, it is conceivable that conflicts will arise in cases where a city and borough attempt to exercise the identical power over the same area. AS 29.35.250 provides that "A city inside a borough may exercise any power not otherwise prohibited by law." (AS 29.35.250(b) expressly prohibits a city from exercising an areawide power adopted by the borough, but has no similar express prohibition against service area powers.)

<sup>13</sup> (footnote original) Alaska Constitutional Convention Minutes of Committee on Local Government, Nov. 28 and Dec. 4, 1955. (This and all subsequent statements and quotes concerning proceedings of the Alaska Constitutional Convention refer to Records of the Alaska Constitutional Convention, now in the custody of the Secretary of State, Juneau, Alaska.)

placing authority in this third-party, arguments for and against boundary change can be analyzed objectively.

DCED notes further that AS 29.35.450(a) provides that a city government or its residents must expressly authorize the inclusion of a city in a service area. Specifically, AS 29.35.450(a) states: “. . . The borough may include a city in a service area if (1) the city agrees by ordinance; or (2) approval is granted by a majority of voters residing in the city, and by a majority of voters residing inside the boundaries of the proposed service area but outside of the city.” By that statute, a borough has no authority to exercise service area powers within a city without that city's approval. There are no qualifiers to suggest it matters whether the service area precedes the city in the area concerned.

On November 7, 2001, DCED requested the State Attorney General to provide a legal opinion concerning the questions raised by the Kenai Peninsula Borough prior to the Commission's hearing on the Homer annexation proposal.

## **PART IV – TRUNCATION OF TERMS OF ELECTED CITY OFFICIALS**

Respondents Objective Annexation Review, Abigail Fuller, CCAA, and Pete Roberts, along with others in this proceeding, advocate the truncation of terms of elected officials of the City of Homer if annexation occurs. For example, while Objective Annexation Review made certain favorable remarks about DCED's Preliminary Report, it stated in a letter dated November 5, 2001:

We do not agree, however, that the process for implementing your suggestions is equal in merit. We find least convincing, to the point of questioning its legality, the idea that the 800 plus citizens that would be added to Homer by your annexation proposal can go unrepresented for months and under-represented for up to five years. (In Homer, council members and the mayor run at large. Present city voters have had the chance to vote for every seat. Terms are staggered and it requires three elections for every position to be voted on.) We do not think that this is a reasonable way to treat newly eligible voters. Not only does it seem to chill the inclination to participate in due and democratic process but deprives the new resident of equal opportunity in the pursuit of services and representation in the disbursement of tax monies. The number of potential votes in the territory proposed by DCED is greater than the number received by any council candidate in the October municipal election in Homer. The need for immediate representation deserves the highest consideration. Prompt and full enfranchisement profits the city, the southern borough and the State of Alaska. Equity promotes harmony.

Abigail Fuller states that DCED's "Recommendation Number Two does not seem to think there is any need for 875 people to have elected representation!"

Clearly, the prospect exists that a relatively substantial number of individuals who did not have a voice in the selection of incumbent elected officials of the City of Homer will become citizens of the City of Homer as a result of annexation. In addition to lacking a vote in the selection of the incumbents, newly annexed residents would not, of course, have had an opportunity to seek elective office with the City of Homer.

The issue of truncation of terms of incumbent elected officials was addressed on pages 210 – 213, 363, and 364 of DCED's Preliminary Report. DCED noted that it is unaware of any precedent for the truncation of terms of incumbent elected local government officials as a result of annexation. Nonetheless, DCED expressed the belief that the broad powers granted to the Local Boundary Commission by the State Constitution and statutes allow the Commission to require truncation of the terms of incumbent elected officials as a condition of annexation.

On November 7, 2001, DCED requested the State Attorney General to provide a legal opinion concerning the power of the Commission to truncate the terms of incumbent elected officials of an annexing local government. DCED asked the Attorney General to provide the opinion prior to the Commission's hearing on the Homer annexation proposal.

In a broad sense, the arguments for truncation of terms of elected officials of an annexing municipality hold some attraction. However, DCED does not concur with certain fundamental characterizations made by advocates for such in this case. For example, newly annexed citizens would not lack representation by the incumbents as some Respondents suggest. Incumbents elected officials would represent all citizens of the City of Homer, including every newly annexed citizen.

Additionally, the length of time before newly-annexed citizens would have had a voice in the selection of all elected officials of the City of Homer is just over two and one-half years, not five. As outlined in Figure 4, the terms of three of the seven incumbent elected officials – 43% of the total – will expire seven months after annexation (assuming that some annexation occurs in 2002). The terms of two others will expire nineteen months after annexation. The terms of the remaining two incumbents will expire thirty-one months after annexation.

<b>FIGURE 4</b> <b>INTERVAL BETWEEN ANNEXATION OF EXPIRATION OF TERMS OF</b> <b>INCUMBENT ELECTED OFFICIALS</b>		
<b>Occurrence</b>	<b>Date</b>	<b>Interval Since Annexation</b>
Assumed effective date of annexation	March 2002	
Expiration of current term of Mayor Cushing	October 2002	7 months
Expiration of current term of Council member Marquardt	October 2002	7 months
Expiration of current term of Council member Cue	October 2002	7 months
Expiration of current term of Council member Kranich	October 2003	19 months
Expiration of current term of Council member Ladd	October 2003	19 months
Expiration of current term of Council member Fenske	October 2004	31 months
Expiration of current term of Council member Yourkowski	October 2004	31 months

Given the unprecedented prospect of truncation of terms of incumbent elected officials, DCED takes the position that prudence is warranted on the part of the Commission in addressing the matter. The fundamental argument for truncation of terms applies whether one citizen is annexed or, as in this case, several hundreds of citizens may be annexed.

Moreover, a similar argument could be made regarding municipal detachment, where citizens are excluded from a municipality. For example, citizens of the remnant municipality could ask, "Why should anyone who is no longer a citizen of a municipality have had a voice in determining who is going to govern us for the next two and one-half years?"

Truncation of the terms of incumbent elected officials for annexation or detachment of any inhabited property, regardless of the size of the population, seems impractical.

If the State Attorney General's Office opines that the Commission has the power to provide for the truncation of terms, it would probably be best to exercise such power on the basis of well thought out and carefully defined standards. Such standards would presumably include some population

threshold as a presumption that truncation of terms is warranted. Consideration might also be given to the composition and apportionment of the governing body. Other questions exist. For example, should it make a difference that, by sheer coincidence in this case, 43% of the incumbents' terms will expire only seven months after election? That circumstance affords newly annexed residents a voice in the selection of more elected officials at the initial election than would have been the case if annexation had occurred one or two years earlier when only 28.5% of the incumbents' terms would have expired. Further, when should the truncation occur? Respondent Objective Annexation Review urges election of a whole new governing body in the spring. That would require a special election. If truncation were to occur, it would seem more practical to truncate the terms of incumbents in a manner that coincided with regular elections. In the case of Homer, the City gives notice of its regular elections beginning in mid-July, four months after the anticipated date of annexation.

## **PART V – OTHER COMMENTS.**

As is reflected in Appendix A, other comments on DCED's Preliminary Report dealt with a wide range of topics not addressed in Parts I – IV of this Final Report. In a number of cases, the correspondents reiterated beliefs that had been expressed previously. In other cases, specific concerns were expressed about the analysis, conclusions, and recommendations in DCED's Preliminary Report.

In preparing this Final Report, DCED focused on the issues outlined in Parts I-IV. While DCED reviewed and considered all of the timely comments regarding its Preliminary Report, it is not practical to respond to each of them here. However, the following gives examples of the comments and includes a brief response by DCED.

### **A. Examples of Comments**

**Comment:** "You seemingly accepted every fact and figure the City gave you, while ignoring facts and figures sent in by those opposing this land grab." A number of others who commented on DCED's Preliminary Report expressed the same concern, but in a much more narrow focus relating to the estimates provided by the City of Homer of the cost to extend services to the territory proposed for annexation.

**Response:** The characterization is inaccurate. DCED independently reviewed all of the information in the Petition and differed with the City on certain fundamental matters. For example, the City estimated in its Petition that 2,687 people inhabited the territory proposed for annexation. DCED independently determined that the 25.64 square miles petitioned



for annexation was inhabited by 2,204 individuals – 18% less than the figure provided by the City.

As indicated in the Preliminary Report, much of the data used by DCED was derived from the Kenai Peninsula Borough's Geographic Information System or other sources independent of the City of Homer.

Regarding the concerns about estimates of the cost of extending services to the territory proposed for annexation, DCED notes that such is one of ten factors which may be considered by the Local Boundary Commission in judging satisfaction of the standard that there are sufficient human and financial resources in the proposed expanded boundaries of the City of Homer to extend essential services in an efficient, cost-effective manner.

DCED addressed projected expenses of the City of Homer on pages 229 – 232 and 359 of the Preliminary Report. As indicated in the Preliminary Report, DCED carefully reviewed the original cost estimates of the City, comments of the Respondents and correspondents concerning such, and the discussion of the matter in the City's Reply Brief. The City of Homer, in fact, modified its original estimate of the cost of road maintenance in its Reply Brief to address issues raised by Respondents and correspondents with regard to the original estimate. Further, due to reductions in interest rates, DCED reduced the City's estimate of the cost of debt service to fund capital improvements to extend services to the territory proposed for annexation. Otherwise, DCED concluded that the City's cost projections, which were prepared by City staff members who have expertise in their respective fields, were sound.

It is particularly noteworthy that when DCED examined this factor in the context of its recommendation for the significant reduction of the size of the territory proposed for annexation (page 359 of Preliminary Report), DCED only adjusted the estimated cost of road maintenance. That reduction was based on that fact that the smaller boundaries recommended by DCED contained only 31.5% of the roads in the 25.64 square miles petitioned for annexation. Despite the fact that the area recommended for annexation by DCED is inhabited by less than one-third of the population projected by the City for the entire 25.64 square miles petitioned for annexation (875 / 2,687 or 32.6%) DCED did not adjust any other cost estimate of the City of Homer. As a result, projections for operating cost increases in planning (\$39,000), animal control (\$3,000), fire and emergency services (\$35,000), police (\$113,330), and City Clerk's office staff (\$25,133) should be more than ample. The same holds true for projected capital costs relating to animal control (\$20,000), fire and emergency medical services (\$370,000), police (\$114,600), and public works (\$585,000).

Given the circumstances described herein, the cost figures used in concluding that the recommended post-annexation boundaries of the City of Homer encompass sufficient human and financial resources are more than generous.

**Comment:** DCED should have included discussions in its Preliminary Report about the history of events leading up to annexation.

**Response:** In general, DCED considers that an understanding of the relevant background and history of an area facilitates application of the standards guiding municipal boundary determinations. In the introduction to the Preliminary Report at pages 4-6, DCED recounts the history of the incorporation of the City of Homer and the Kenai Peninsula Borough.

DCED's Preliminary Report also contains extensive excerpts from briefs filed by Respondents and the Petitioner regarding development in the greater Homer area and the degree to which perceived "lifestyle" differences are present between the area within the City of Homer and portions of the area proposed for annexation. On pages 185, 186, 191, and 193 of its Preliminary Report, DCED also examined causes of demographic change in the greater Homer area.

In its Preliminary Report DCED addresses the comparative ability of the City or another municipality to serve the area proposed for annexation, as required by 3 AAC 110.090(b). (See pages 282-284.) DCED recognizes and describes historical developments over the past four decades relevant to the pending annexation proposal. Such include incorporation of the City of Kachemak, incorporation of the Kenai Peninsula Borough and the incorporation of City of Homer.

**Comment:** DCED should address merger of the City of Homer and the City of Kachemak prior to allowing annexation of other territory to the City of Homer.

**Response:** The contiguous nature of the City of Kachemak and the City of Homer, coupled with the substantial intergovernmental relations between the two, had significant influence on DCED's recommendations in this matter. Those were among the circumstances cited by DCED as the basis for concluding that a conservative political and social policy approach to the question of expanding the boundaries of the City of Homer is warranted at this time. DCED does not believe, however, that merger of the two local governments should be a prerequisite for any annexation to the City of Homer.

Further, the City of Homer is entitled by law to a timely hearing on its proposal. DCED has concluded that there are compelling arguments for

annexation of the 3.9 square miles recommended in this Final Report at this time. DCED encourages longer-term discussions among officials and residents of the City of Homer, City of Kachemak, and Kenai Peninsula Borough concerning the structure for the delivery of local governmental services in the greater Homer area.

**Comment:** The City of Homer's Petition should be rejected because the City of Homer's deliberative process prior to filing the annexation Petition failed to provide for adequate public participation.

**Response:** The City of Homer has complied with the requirements of AS 29.06, AS 44.33, and 3 AAC 110 with respect to the development and filing of its Petition.

The opportunity for the public to express its views in this proceeding has extended well beyond the chance to participate in the deliberations of the Homer City Council prior to filing the annexation Petition. Citizens of the greater Homer area seem to have taken full advantage of such opportunities to date. In response to the filing of the Petition, more written comments from public (168) and more formal responsive briefs (14) were filed than in any prior city annexation proposal submitted to the Commission.

The written record in this proceeding is extensive – it weighs thirty-five pounds (see photograph on cover of this Final Report). More than half of it consists of Responsive Briefs and correspondence commenting on the Petition, as well as correspondence commenting on DCED's Preliminary Report.

In addition to the opportunity for written comment, interested individuals and organizations will have the opportunity to testify and offer comments to the Local Boundary Commission during its hearing on the matter to be held in Homer beginning December 14.

**Comment:** DCED did not adequately address the records request issue.

**Response:** Portions of the record suggest that some believe that DCED did not raise the documents request issue to a suitably prominent status in its examination of the annexation proposal. Others indicate that the matter isn't relevant to the annexation proceedings. For example, the City of Homer states in its October 30, 2001 letter:

The entire discussion of the records issue is irrelevant to the annexation petition, and doesn't merit this kind of lengthy comment from Ms. Fuller. However, if the recommendation is going to include comments, it should also include quotes taken directly from the

Judge's decision upholding the City of Homer's claim of privilege.  
The Judge is not a party to the annexation and is impartial.

DCED noted the existence of the litigation on pages 21 and 22 of its Preliminary Report. DCED's purpose for noting the matters was to provide background information about the issue for the benefit of the Commission and the general public, because the dispute is frequently referenced in the record. DCED has taken no position on the matter and attempted to avoid conveying any inferences about the merits of the records request issue.

**Comment:** "From the report's page ii, this is said to be a policy development of: Debra Sedwick, Lamar Cotten and Pat Poland all heads of the general dept., DCED. We were led to believe that the LBC staff was an independent staff for the LBC not a functionary of the executive branch of the state. So it seems politics is part of this determination after all ...")

**Response:** The comment implies that someone or some organization (presumably DCED) misled the public about its role in annexation proceedings and its relationship with the Local Boundary Commission. DCED staff recall no instance from which the apparent misunderstanding stems. Throughout this proceeding, DCED has stressed that the LBC and DCED are independent of one another. This is reiterated on page 17 of DCED's Preliminary Report.

The Local Boundary Commission was established pursuant Article X, Section 12 of the Constitution of the State of Alaska and AS 44.38.810. DCED provides staff, administrative support and policy recommendations to the LBC, but DCED's recommendations to the Commission are strictly non-binding. The LBC is free to choose to follow a course of action recommended by DCED or to render another policy determination.

**Comment:** Certain information provided by DCED in its Preliminary Report was incorrect.

**Response:** DCED, of course, regrets any errors in its Preliminary Report. Comments by Mary Griswold and Cris Rideout indicate that both had read the report very carefully and each had noted certain errors. Mr. Rideout put the matter in context noting that

The DCED's 'Preliminary Report regarding the City of Homer's Proposal for the annexation of an Estimated 25.64 Square Miles', with the exception of a few very minor errors and omissions, appears to be a very thorough and comprehensive document. Overall, I support the findings, conclusions, and recommendations contained in the Preliminary Report.

**Mr. Rideout listed the following five specific issues:**

1. Page 169, 170, 173, 179, 180 and 265; Figures 4-B, 4-C, 4-F, 4-J, 4-K, AY [4-AY(?)], 4-AZ, and 4-BA would be more meaningful if there was similar data for Kachemak City and City of Homer included.
2. Page 171 Figure 4-D seems to be either mis-titled or incomplete. It is titled as 'Vacant Land Holdings within the Territory Proposed for Annexation' however only list properties owned by the Department of Natural Resources, Kenai Peninsula Borough, University of Alaska and Native Corporations.
3. Page 172, Figure 4-E. The map indicates recreational/cabin use for University of Alaska and Kenai Peninsula land that is currently vacant and has no habitable or usable structures on it. Descriptions:  
  
N1/2,SW1/4,SW1/4 sec 5, T6S, R13W, KPB owned (approx 20 acres)  
  
All land that is owned by University of Alaska in sections 5 and 6, T6S, R13W (approx 290 acres)  
  
This will change data on Figures 4-B and 4-C, decreasing the total recreational/cabin properties by 310 acres and increasing total vacant lots by 310 acres.
4. Page 212 Figure 4-Z. Update to show John Fenske and Mike Yourkowski 'Term expire' as October 2004.
5. Page 223 Figure 4-AH. It would be helpful to add approximate population growth rates for Millers Landing and the rest of the annexation territory.

Mary Griswold also indicated that it would have been ideal if the Preliminary Report had included more information about the City of Kachemak and other areas. If residents and local government officials of the City of Homer, City of Kachemak, and Kenai Peninsula Borough wish to pursue discussions about further changes to the structure of local government in the greater Homer area, DCED can assist in gathering and analyzing relevant data. However, DCED believes that the data currently in the complete record of this proceeding will allow a properly informed decision on the part of the Local Boundary Commission regarding the City of Homer's Petition.

In some cases, apparent errors in the Preliminary Report stem from the original source used by DCED. For example, Mr. Rideout notes that the land use map on page 172 of the Preliminary Report incorrectly depicts the land use characteristics on 310 acres. As indicated previously, DCED garnered that information from the Kenai Peninsula Borough's Geographic Information System, an authoritative local source.

Figure 4-Z in the Preliminary Report, showing the terms of the incumbent elected officials of the City of Homer, was accurate as of the date that the Preliminary Report was written. An updated listing appears in this Final Report in Part IV.

### **B. Further General Observations about the Comments**

DCED contends that it gave due consideration in its Preliminary Report to all of the comments submitted regarding its Preliminary Report. Each such document is being provided to each member of the Local Boundary Commission. Given the volume of the record, DCED has attempted to credibly reflect the issues raised therein in a concise manner.

DCED notes also that certain elements of the record concern matters outside the jurisdiction of the Local Boundary Commission or the purview of DCED.

DCED has made a concerted effort to provide a fair and open process consistent with both the letter and the spirit of the law and the agency believes that such is reflected in the record.

## **PART VI – FINAL RECOMMENDATIONS**

### **A. Recommendation Number One – Territory Recommended for Annexation.**

Except as modified in this Final Report, DCED reaffirms Recommendation Number One set out on pages 355 – 363 of the Preliminary Report concerning areas recommended for annexation to the City of Homer. Based on the earlier discussion in this Final Report, DCED modifies the preliminary boundary recommendation to reflect the adjustments summarized below in Figure 5:

**Figure 5**  
**ADJUSTMENTS TO AREA RECOMMENDED FOR ANNEXATION IN**  
**PRELIMINARY REPORT**

<b>Area</b>	<b>Adjustment</b>
Bluff Point and Sterling Highway Corridor	Add 39.11 acres
Top of West Hill Road to Reservoir	Add 377.46 acres
Skyline Drive right-of-way from West Hill Road to Crossman Ridge Road	Add 6.54 acres
Northern Portion of Scenic Place and adjoining properties	Add 12.89 acres
Skyline Drive right-of-way adjoining the northern portion of Scenic Place and adjoining properties	Add 2.34 acres
Portion of 118-acre undivided Hillstrand property	Subtract 40 acres
Net change	Add 398.34 acres (0.6 square miles)
Plus area recommended for annexation in Preliminary Report	3.3 square miles
Size of area recommended in Final Report	3.9 square miles

The estimated population of the 3.3 square miles identified in the preliminary recommendation is 875. It is estimated that the 0.6 square mile recommended boundary adjustments reflected in this Final Report would increase the population of the territory recommended for annexation by 23. Thus, the population of the 3.9 square miles comprising DCED's final recommendation for annexation is estimated to be 898.

The net 398.34-acre adjustments to the recommended boundaries made in DCED's Final Report will add an estimated \$1,681,979 to the taxable value of real property the City of Homer. At the current mill rate of 5.5 mills, the adjustment will increase annual City property tax revenues by \$9,251 over those projected in the Preliminary Report. Sales tax revenues will increase by the addition of The Lodge in Homer.

Impacts on State shared revenues resulting from the inclusion of the net additional 398.34 acres addressed in this Final Report would be minimal. DCED estimates that the City's funding under the State Revenue Sharing would increase by \$90 per year. Safe Communities funding would increase by an estimated \$400 per year. Additional expenses resulting

from the addition of the 398.34 acres would be limited largely to a projected \$650 annual increase in the cost of road maintenance.

A map of DCED's final recommended boundaries showing the estimated 3.9 square miles recommended for annexation appears as Appendix G in this Final Report.

In addition to revising the preliminary recommendation for annexation of territory to the City of Homer, DCED urges the Local Boundary Commission to stipulate the effects of annexation upon service areas of the Kenai Peninsula Borough in its recommendation to the 2002 Legislature. Specifically, it is recommended that the Commission stipulate that annexation of the 3.9 square miles to the City of Homer shall, as a matter of law, automatically result in the detachment of all annexed territory from the Kenai Peninsula Borough Road Service Area and the Kenai Peninsula Borough Kachemak Emergency Service Area.

#### **B. Recommendation Number Two – Truncation of terms of Incumbent Elected City Officials.**

DCED indicated in its Preliminary Report that, absent guidelines established by the Local Boundary Commission, it was reluctant to recommend truncation of terms of incumbent elected officials of an annexing municipality where the newly annexed population would constitute less than 20% of the post-annexation population of the municipality.

The 0.6 square mile net increase in the territory recommended for annexation in this Final Report would boost the estimated population of the territory proposed for annexation from 875 to 898. The 898 residents would comprise 18.5% of the expanded population of the City of Homer (898 of 4,844 based on 2000 census data).

DCED reaffirms its preliminary recommendation concerning the truncation of terms of incumbent elected officials.

#### **C. Recommendation Number Three – differential property taxation**

DCED stated in its Preliminary Report that imposition of requirements for differential property taxation was not required for the boundaries recommended by DCED. The addition of the 0.6 square miles addressed in this Final Report does not warrant a change in the preliminary recommendation.



**D. Recommendation Number Four – Ensure that the City of Homer consents to the particular boundary determination made by the Commission.**

DCED indicated in its Preliminary Report that it is appropriate to ensure that if the Commission amends or imposes conditions on a petition, the petitioner should be allowed to withdraw the petition if the amendments or conditions were considered untenable. DCED reaffirms that recommendation in this Final Report

Therefore, if the Commission amends and/or imposes conditions on the City of Homer's Petition, DCED recommends that the Commission ensures that the Petitioner's Representative (Homer City Manager), or elected officials of the City of Homer, express concurrence with the Commission's action. In the event that the City does not concur with the Commission's action, DCED recommends that the Commission ask the City of Homer to withdraw its Petition. Such withdrawal would be allowed under the provisions of 3 AAC 110.540(d) based on a clear showing that the public interest of both the state and the affected population is best served by the withdrawal. If the City of Homer does not withdraw its Petition, DCED recommends that the Commission dismiss the Petition *without prejudice*.



## APPENDIX A

### SYNOPSIS OF COMMENTS CONCERNING DCED'S PRELIMINARY REPORT

#### **Scott Adams - 1-page e-mail**

Mr. Adams e-mail of November 6, 2001 suggested that the post annexation City boundary should “go up West Hill, across the ridge, then down East Hill”. He noted that Skyline Drive is maintained by the State of Alaska and does not benefit from City road maintenance.

#### **Alaskans Opposed to Annexation (AOA) - 6-pages**

The November 5, 2001 AOA submission contends that the Sterling Highway area recommended for annexation by DCED does not meet the standards for annexation because the area will not receive essential city services, such as water and sewer, in the next five years. AOA maintains that the City of Homer has seriously underestimated costs of providing services and overestimated the ability of the City to provide essential services to the areas proposed for annexation. AOA concludes that the LBC should amend the Petition to reduce the area proposed for annexation and initiate new proceedings focusing on the reduced area.

<b>Exhibit A - One map</b>	Map showing land ownership characteristics in the City of Homer and the territory proposed for annexation
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<b>Exhibit B – 165 pages</b>	City of Homer Capital Improvement Program 2000-2005
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#### **Robert Archibald - 1-page e-mail**

Mr. Archibald's November 5, 2001 e-mail expresses opposition to the proposed annexation. He asserts that the City of Homer should extend water and sewer services to all areas within the current City jurisdiction prior to expansion of the jurisdiction. He states that his property in the area proposed for annexation does not require City services, the costs and effects of annexation have not been adequately examined and that annexation should be addressed at an election.

#### **Kari Arno - 1-page letter**

Ms. Arno's November 5, 2001 submission expresses opposition to annexation, contending that her property on Autumn Star Street will not receive City services and suggests that facts and figures in the annexation record are not accurate.

**Eileen Becker - 2-page letter**

Ms. Becker's November 6, 2001 letter suggests that the report should include discussion of events that occurred prior to March 2000 because the City had initiated Council action on the annexation proposal without adequately informing the public.

She contends that the annexation proceedings were "poorly planned" and "poorly implemented". She suggests that the 3.3 square miles recommended for annexation by DCED's Preliminary Report is "workable" but that the Petition should be denied because the annexation process has been "tainted."

**Patricia Brennan - 2-page letter**

Ms. Brennan's November 5, 2001 letter suggests that the Petition should be denied and that merger of the City of Kachemak with the City of Homer should be addressed.

**Sallie Dodd Butters - 2-page letter**

Ms. Dodd-Butters' November 4 submission rejects DCED's Preliminary Report as "confusing and hypocritical." She contends that the City of Homer Police Department has a history of distrust and arbitrary discrimination and that the area proposed for annexation would be better served by the Alaska State Troopers. She contends that Borough delivery of road service is preferable to delivery of the service by the City.

**Attachment –  
4 pages**

Document captioned "Volland Investigation Rubaclava" relating to alleged use of force by Homer Police.

**Doris Cabana - 8-page letter**

Ms. Cabana's November 6, 2001 submission suggests that the Petition be denied. She contends that her "democratic life" is denied by the legislative review annexation process. She suggests that the City could not provide adequate services to outlying areas proposed for annexation. She suggests that information regarding grants to the City has not been disclosed. She contends that services can be better provided to the area proposed for annexation by the Kenai Peninsula Borough than by the City of Homer. She contends that the City lacks the human and financial resources to provide services to the area proposed for annexation. She argues that fire and emergency medical services should be delivered by the Kenai Peninsula Borough on an areawide basis. She contends that the area proposed for annexation does not exhibit a reasonable need for City government.

**Doris Cabana - continued****Attachment –  
15 pages**

Attachment includes a copy of a redacted 2001 Kenai Peninsula Borough property tax assessment notice; copy of the 10/01 *Kachemak Currants*; copies of pages 11, 13 and 14 of *Borough Government in Alaska*, November, 2000, by DCED; and minutes of an October 29, 2001 special meeting of the Homer City Council about the DCED Preliminary Report.

**Citizens Concerned About Annexation (CCAA) - Comments - 20 pages**

CCAA's November 6, 2001 submission contends that the annexation-related events prior to submission of the Petition should have been recounted in Chapter 1 of the DCED Preliminary Report.

CCAA alleges that DCED did not adequately address written comments submitted in response to the notice of filing of the Petition.

CCAA contends that DCED's synopsis of views expressed by Respondents was selective and ignored elements of CCAA's Responsive Brief.

Specific elements of the DCED application of annexation standards to the City of Homer annexation proposal are identified and challenged in CCAA's submission. For example, CCAA contends that:

DCED's profile of Homer is inaccurate;

During 2000, City sales tax revenues rose 4.6%, not 5% as reported on page 234 of the DCED Preliminary Report;

DCED places too much emphasis "on things like population density, while ignoring many other factors that affect the best interests of everyone".

3 AAC 110.920 regarding determination of a community is an "inadequate" standard and that DCED "needs to look beyond it."

DCED misinterprets the term "essential city services" in its consideration of the comparative ability of the Kenai Peninsula Borough and the City to serve the area proposed for annexation, since there "are only two essential services for this territory – roads and fire/ems."

City police service "is simply not needed, so discussions of who could provide it are moot."

DCED's analysis of the property tax base "does not make an appropriate comparison."

**Citizens Concerned About Annexation (CCAA) - continued**

“Footnote 64 is inaccurate – out of the .75% dedicated tax, only \$260,000 per year goes toward LID projects after debt service on the sewer plant bond.”

DCED’s conclusion on page 303 of the Preliminary Report that the City of Homer has a superior fiscal capacity to provide services to the territory “ignores the Borough’s stronger financial situation.”

DCED’s suggestion that the police service in the area proposed for annexation is less than ideal is wrong because the area has a low crime rate.

CCAA challenges the recommendations contained in Chapter 5 of DCED’s Preliminary Report.

Objections to annexation through the legislative review process are expressed in CCAA’s submission.

**Appendix A  
97 pages**

Assorted documents, including copies of correspondence and items regarded by CCAA as pertinent to the application of standards. These include:

- A list of the names and tenures of current and former Homer City officials;
- A memorandum to Abigail Fuller from Bonnie L. Golden, Assistant to the Mayor of the Kenai Peninsula Borough;
- Newspaper articles concerning the City of Homer’s budget and economy;
- City of Homer memoranda regarding annexation issues;
- Correspondence between the City of Homer and the Kenai Peninsula Borough;
- City of Homer Capital Improvement Program 2000 through 2005;
- reports on matters such as water consumption;
- Unapproved meeting minutes of the Homer Advisory Planning Commission;
- newspaper articles relating to the proposed annexation.

**Citizens Concerned About Annexation (CCAA) - 1-page letter**

October 30, 2001 letter sought extension of the period to submit written comments concerning the DCED Preliminary Report and Recommendation

**Citizens Concerned About Annexation (CCAA) - 1-page letter**

Copy of October 30, 2001 letter to the City of Homer pledges willingness to participate in future discussions regarding local government issues in the Homer area.

**City of Homer - Comments - 13-page letter**

The City's October 30, 2001 letter addresses specific elements in DCED's Preliminary Report.

The City takes issue with the discussion in DCED's Preliminary Report regarding the pending records request issue, suggesting that DCED was not objective in the manner it described the issue in its Preliminary Report.

The City suggests that DCED should "quantify and qualify who the Respondents are" since the some parties filed Responsive Briefs both as individual citizens and again under the auspices of a group or organization. The City suggests that the redundancy of Responsive Briefs "makes it appear the opposition is much greater than it actually is."

The City expressed agreement with most of DCED's conclusions in Chapter 4 of the Preliminary Report regarding application of annexation standards. The City expressed disagreement with other DCED statements and conclusions in Chapter 4 of the Preliminary Report. For example:

The City does not agree with the boundaries of territory designated as "the urban area" by DCED.

The City does not agree with DCED with DCED's description of the "remnant area."

The City suggests that DCED's figures regarding population density are incomplete.

The City considers DCED to be overly concerned with potential for future annexation of the City of Kachemak to the City of Homer.

The Petitioner states that, in general, the DCED recommendation does not fully comport with the long-term boundary plan envisioned by the Petitioners but concedes that the City could support DCED's recommendation with certain modifications.

**City of Homer - continued**

The City of Homer offered the following comments with respect to the recommendations in DCED's Preliminary Report with which it does not agree.

- The City does not agree that areas to the north and east of the City of Kachemak should be excluded from the area proposed for annexation to avoid rendering the City of Kachemak an enclave within the City of Homer.
- The City is disinclined to consideration of annexation of the City of Kachemak.
- The northern portion of Scenic Place, south of Skyline Drive should not be excluded from the area proposed for annexation. Such exclusion "makes no sense" because it would render road service inefficient by splitting the responsibility for maintaining one road between the Borough and the City.
- City owned property, the Bridge Creek Reservoir parcels, the treatment plant and tank/pump station parcels and Hickerson Memorial Cemetery should be within the City's jurisdiction.
- The right-of-way of the Sterling Highway approaches to the City and parcels immediately south of the western portion of the area recommended for annexation by DCED should be included in the area proposed for annexation.
- At least a portion of the 1.02 square mile area located south of Skyline Drive and the portion of the same area located east of Skyline Drive and north to the City's Bridge Creek Reservoir property should be included within the area proposed for annexation.

The City expressed agreement with DCED's recommendations regarding truncation of terms of elected City officials, differential property tax zones and the recommendation that the City consent to the boundary determination rendered by the LBC.

**one map**

The map appended to the letter identified specific areas that the City believes should be added to the DCED recommended boundaries.



**Abigail Fuller - Comments - 11 pages**

Ms. Fuller's letter of November 6, 2001 asserts that:

- The City's estimates of the cost of providing municipal services to the territory proposed for annexation were not adequately supported;
- the City inappropriately denied public access to records relating to its annexation proposal;
- the City failed to adequately address annexation issues at work sessions;
- DCED did not adequately address written comments submitted in response to the notice of filing of the Petition;
- DCED did not fully and accurately synopsise comments contained in Responsive Briefs; and
- DCED's analysis of the standards governing annexation was cursory and biased.

Ms. Fuller recommends that the Petition be denied. She contends that residents of the greater Homer area should engage in a public process to develop a more appropriate annexation proposal.

<b>Appendix A 64 pages</b>	Assorted documents relating to requests for records and documents of the City of Homer relating to the pending annexation proposal.
<b>Appendix B 41 pages</b>	Documents relating to Homer City Council meetings concerning the annexation petition
<b>Appendix C 70 pages</b>	<i>City of Palmer Analysis of Annexation Alternatives</i> , by Northern Economics, Inc., February, 2001
<b>Appendix D<sup>1</sup> 1 page</b>	November 5, 2001 letter from Abigail Fuller to Mr. Drathman regarding records request

**Abigail Fuller - 1-page e-mail**

The October 31, 2001 e-mail requested additional time to submit written comments regarding DCED's Preliminary Report.

<sup>1</sup> Appendix D to the comments was so designated by DCED because it was comprised of a document submitted to DCED by Ms. Fuller subsequent to submission of the main body of her comments.

**Timothy C. Fuller - 4-page letter**

Letter received October 31 objects to elements of the analysis and the recommendation contained in DCED's Preliminary Report. Mr. Fuller contends that there is no need for City government in the territory proposed for annexation, that the City's transition plan does not meet the standards and that rights of citizens are violated when annexation occurs without a vote.

**Mary Griswold - Comments - 4 pages**

Ms. Griswold's letter of October 19, 2001 principally comments on Chapters 4 and 5 of DCED's Preliminary Report. Her comments address numerous elements of information and analysis in DCED's Preliminary Report regarding the annexation proposal. Such include:

- the manner in which DCED addressed the degree of compatibility between the area proposed for annexation and the area within the current boundaries of the City;
- assertions contained in DCED's Preliminary Report relating to such matters as the City's role in processing septic waste from the territory proposed for annexation;
- DCED's description of the area considered for annexation by the City in 1998.
- Ms. Griswold notes that the Kachemak Emergency Service Area (KESA) encompasses more than 200 square miles and comments upon KESA emergency equipment purchases.

Ms. Griswold suggests that the merits of levying a seasonal sales tax to generate additional needed City revenue should be explored.

Ms. Griswold contends that the City of Kachemak has not instituted any planning or zoning regulations and suggests that issues engendered by the existence of the City of Kachemak in such close proximity to the City of Homer should be addressed prior to annexation of the urban area.

She concludes her comments by expressing general agreement with the preliminary recommendation by DCED.

**Attachments  
5 pages**

Comprised of:

Kenai Peninsula Borough Ordinance 2001-19-07 appropriating funds for the Kachemak Emergency Service Area for FY 2001-2002;

Memorandum from Ms. Koberlein to Homer Mayor and City Council 5/19/98 regarding annexation issues;

Letter from Ms. Koberlein to Kathy Scott 4/9/99 regarding annexation and service area formation.

**Tamara Hagerty - 2-page letter**

Ms. Hagerty's November 2, 2001 submission contends that annexing Mission Road into the City of Homer would be a mistake. She contends that:

- the City has not demonstrated that it has the financial resources to provide city services to the area proposed for annexation on an efficient, cost-effective level;
- the City has not provided an adequate transition plan;
- expanding the City's boundaries would not provide for full development of essential city services;
- the City's intent and capability to serve the area proposed for annexation has not been adequately demonstrated;
- DCED has accepted erroneous City assumptions.

**Roberta Highland - 2-page letter**

Ms. Highland's letter of November 6, 2001 expressed opposition to the post annexation boundaries recommended by DCED's Preliminary Report. She stated that:

- her subdivision's covenants provide adequate land-use protection without City jurisdiction;
- her area was rural in character and did not require City services;
- the additional property tax burden resulting from annexation would not be necessary or fair;
- the City's cost estimates for delivery of service to an expanded jurisdiction were too low;
- there was no need for City fire or emergency medical services because Kachemak Emergency Services Area was already delivering such services to her;
- user fees should be imposed for City library and recreation services;
- the manner in which the City developed its annexation proposal was inappropriate because it did not involve the people of the greater Homer area.

She recommended that DCED should recommend continuation of the status quo regarding the City of Homer's boundaries.

**Kathy Hill - 1-page e-mail**

Ms. Hill's November 4, 2001 submission expresses "strong objections" to annexation. She contends that she does not require City services and that annexation would render the costs for services to her property to be prohibitive.

**John and Nancy Hillstrand - 1-page letter**

The November 6, 2001 Hillstrand letter advises that about 1/3 of a 118-acre parcel they own would be annexed to the City and the remainder of the parcel excluded, under DCED's recommended boundary. They comment upon their ownership of about 200 acres around the Homer reservoir that they intend to leave undeveloped through conservation easements. They contend that annexation of their property to the City would impose an increased property tax burden that could make sale of the property necessary. They contend that the City's extraterritorial jurisdiction over the reservoir's watershed is adequate to provide protection to the area.

**Dr. Vi Jerrel, Ph.D. - 4-page letter**

Dr. Jerrel's November 6, 2001 submission expresses opposition to the annexation Petition, contending that the Local Boundary Commission, State, and City of Homer lack the constitutional authority "to have any annexation of this area."

She requests additional time to comment on the recommendation in DCED's Preliminary Report that annexation of a reduced area to the City of Homer be approved.

She contends that the area proposed for annexation does not exhibit a need for city government and that the City of Homer cannot provide services to the area proposed for annexation.

**Attachments –  
26 pages**

Attachments comprised of:

October 6, 2001 *Anchorage Daily News* article titled, "Commission recommends Homer limit annex plans";

Copy of notice of filing of the petition for annexation;

4 pages excerpted from the executive summary of DCED's Preliminary Report regarding the City of Homer's annexation Petition;

5 pages of minutes of the October 29, 2001 Homer City Council meeting concerning DCED's Preliminary Report;

A copy of the 13-page October 30, 2001 letter conveying the City of Homer's comments regarding DCED's Preliminary Report on the proposed annexation from Homer City Manager Ronald Drathman to DCED staff.

**Kenai Peninsula Borough - 2-page letter**

The Borough's November 6, 2001 letter notes that page 6 of DCED's Preliminary Report failed to properly note the South Peninsula Hospital 1.75 mill property tax.

The Borough asserts its right to negotiate the terms of any transfer of service delivery from the Kenai Peninsula Road Service Area to the City of Homer, should annexation occur.

The Borough expresses concern about its ability to modify service area boundaries without voter approval, pursuant to AS 29.35.450.

**Devony Lehner - 1-page e-mail**

Mr. Lehner's November 6, 2001 submission expresses opposition to the annexation of the reduced area recommended by DCED to the City of Homer. He contends that:

- his neighbors residing within the jurisdiction of the City receive no additional services commensurate with their higher property tax levy;
- his subdivision has strong covenants and that city zoning and taxes would be counter productive to his neighborhood;
- the City's process to advance the proposed annexation has been alienating.

**Mildred M. Martin - 6-page letter**

Ms. Martin's letter of November 6, 2001 states that she has not had adequate opportunity to review DCED's Preliminary Report and supports requests to extend the public comment period.

She contends that growth and development outside the City has been more rapid than within the City because large, undeveloped parcels exist within the City's current jurisdiction. She suggests that the extending City water and sewer service to parcels within the City is cost-prohibitive.

She suggests that the Kenai Peninsula Borough's Local Option Zoning is more conducive to development.

She concludes that merely because the area proposed for annexation has undergone significant growth does not necessarily make the area suitable for annexation. She questions the degree to which the area within the current jurisdiction of the City and the area proposed for annexation are compatible.

**Mildred M. Martin -continued**

Ms. Martin states that the Kachemak Emergency Service Area was not established because the City proposed annexation, but that the matter was being pursued prior to the annexation effort.

She questions the City's projection that annexation will not require additional City operating expenses for administration.

She indicates that the increase in the assessed value of property in the area proposed for annexation was the result of a reassessment by the Borough in 1998.

She states that there is no effort underway or anticipated to rescind the extraterritorial power of the City of Homer over the Bridge Creek watershed.

She indicates that the City's revised projection of \$199,000 is more realistic than prior \$80,000 road maintenance cost estimate.

She notes that Borough residents located outside of cities have the ability to establish local option zones for planning purposes.

She questions the merits of including the entire Scenic View area within the territory recommended for annexation.

**Dennis and Kathy Oakland - 1-page e-mail**

The November 4, 2001 Oakland submission indicates that they are owners of property within the 1.08 square mile area outside the urban area that DCED recommended be considered for annexation. The Oakland submission contends that although the area is platted and for sale, the Manor Road area remains largely undeveloped and is inappropriate for annexation.

**Objective Annexation Review (OAR) - 1-page letter**

OAR's November 6, 2001 submission states that DCED's Preliminary Report is consistent with the views expressed in the Responsive Brief filed by OAR. OAR recommends that newly annexed citizens should be immediately enfranchised upon annexation and new council members be elected for all seats "by spring".

OAR contends that the proposed annexation should be decided on the basis of an election.

Annexation should not constitute an impediment to unification of the Kenai Peninsula Borough, according to the OAR submission.

OAR states that the pledges set forth in a City annexation petition should become formal legal performance criteria during a post-annexation period.

**Objective Annexation Review (OAR) – continued****Attachment - 3 pages**

Attachment comprised of October 22, 2001 letter from City Manager Ronald Drathman to Pamela Brodie regarding a public records request.

Page 1 of an October 30, 2001 letter to DCED from Mr. Drathman conveying the City's comments regarding DCED's Preliminary Report

**Pete Roberts - 9-page letter**

Mr. Roberts suggests that DCED's Preliminary Report fails to address fundamental issues of open government. He suggests that the Petition should be denied and the Petitioner directed to conduct annexation by a more public process and allow for an election on the question of annexation.

He contends that the synopsis of Respondents' Views in DCED's Preliminary Report distorted certain views by taking quotes out-of-context.

He suggests that DCED's analysis of the character of the area proposed for annexation is simplistic, incomplete, and inaccurate. He states:

The proposed annexation would result in a reduction of his civil rights.

The proposed post annexation City budget is unrealistic.

City Council terms should be truncated, should annexation occur.

The City has no suitable transition plan.

The area proposed for annexation does not exhibit a reasonable need for City government.

**Henry J. Reinhart - 2-page e-mail**

Mr. Reinhart's November 3, 2001 submission conveys his opposition to any annexation by the City of Homer and contends that the proposed annexation was initiated without adequate public involvement. Mr. Reinhart asserts that the proposed annexation is economically, socially and morally wrong.

**Linda Reinhart - Comments e-mail 2 pages**

On October 18, 2001, Ms. Reinhart requested an extension of the period to submit written responses to DCED's Preliminary Report.

**Linda Reinhart - 2-page letter**

Ms. Reinhart's October 25, 2001 submission expresses objections regarding the duration of the period to submit written comments regarding DCED's Preliminary Report.

**Linda S. Reinhart - 6-page letter**

Letter dated November 2, 2001 requested that the annexation Petition process be set aside until a pending lawsuit regarding access to City records is resolved, that both residents of the City and the area proposed for annexation vote on the question, or that the Petition be denied.

**8-page attachment**

The attachment comprised of a copy of a December 21, 1999 memorandum from Homer City Manager Drathman to City Department heads regarding annexation.

**Chris Rideout - 2-page e-mail**

Mr. Rideout's November 2, 2001 submission describes "very minor" errors and omissions but expresses general agreement with elements of the analysis and recommendations provided by DCED. Specific elements of the DCED Preliminary Report referenced by Mr. Rideout include:

Graphs relating to land use characteristics, subdivision platting, elevations, land ownership patterns would be more meaningful if similar data were provided for the areas currently within the City of Kachemak and the City of Homer;

A map on page 172 indicates a recreational cabin on land that is currently vacant and lacking in any useable structure;

An inference by the Petitioner that the Kenai Peninsula Borough may amend, modify or repeal the City's extraterritorial jurisdiction over its watershed is misleading, since such is unlikely.

**Lawrence and LaRene Rogers – 1-page letter**

The Rogers' letter, received on October 30, 2001, stated that the City of Homer's jurisdiction should not be expanded until all City residents received City water and sewer services.



**Bill Smith – 2-page letter**

In his letter of November 6, 2001, Mr. Smith indicates that he is in agreement with DCED's application of the balanced best interest standard.

He states that he does not believe that a merger of the City of Homer and the City of Kachemak is appropriate in the near future and that issues relating to merger of the two cities should not be considered reasons to limit the scope of the pending annexation proposal.

He contends that annexation of Millers Landing and the urban areas to the City of Homer constituted a fair compromise but the addition of an additional 1.02 square miles would be a "poor choice."

He expresses support for inclusion of the southern half of the Bridge Creek reservoir and watershed within the boundaries of the City of Homer.

He provides clarification to specific elements of his Responsive Brief referenced in DCED's Preliminary Report.

He urges cooperation between the Kachemak Emergency Services Area and the City of Homer to avoid wasteful duplication of services and facilities.





### Members

*Kevin Waring  
Chairperson  
At-Large*

*Kathleen Wasserman  
Vice-Chairperson  
First Judicial District*

*Member  
Second Judicial District*

*Allan Tesche  
Member  
Third Judicial District*

*Ardith Lynch  
Member  
Fourth Judicial District*



# Appendix B

## State of Alaska Local Boundary Commission

### NOTICE OF MEETINGS AND PUBLIC HEARING REGARDING CITY OF HOMER ANNEXATION PROPOSAL

At 11:00 a.m., December 13, 2001 (time, weather, and other circumstances permitting) the Local Boundary Commission (LBC) will assemble at the offices of Maritime Helicopters, 3520 FAA Road, Homer, Alaska to begin a tour by air of the estimated 25.64 square miles proposed for annexation to the City of Homer. Following the helicopter tour, the LBC will tour the territory by automobile.

The next morning, the LBC will convene a public hearing on the annexation proposal as follows:

**Friday, December 14, 2001 – 9:00 a.m.  
Mariner Theater – Homer High School  
600 East Fairview Avenue, Homer, Alaska**

If, as anticipated, the hearing and deliberations continue past December 14, the Commission will reconvene the proceedings on Saturday, December 15, 2001 at 9:00 a.m. at the Mariner Theater. If the proceedings have not concluded by 3:00 p.m., December 15, 2001, the Commission will reconvene at the Homer City Council Chambers, 491 East Pioneer Avenue, later that day or the following day at a time to be publicly announced by the Commission.

The hearing will be conducted in accordance with 3 AAC 110.560. Following the hearing, the LBC may convene a decisional session regarding the annexation proposal in accordance with 3 AAC 110.570. Copies of 3 AAC 110.560, 3 AAC 110.570, the proposed agenda, and guidelines for comments at the hearing are available at the City of Homer Public Library and the office of the Homer City Clerk. Those materials are also available for review on the Internet at:

**<http://www.dced.state.ak.us/mra/LBC/lbcactivities.htm>**

Individuals with disabilities who need reasonable accommodations to participate at the hearing should contact LBC staff at (907) 269-4559 by December 7, 2001. Questions regarding this matter may be directed to:

**LBC Staff  
Department of Community and Economic Development  
550 West 7th Avenue, Suite 1770  
Anchorage, Alaska, 99501-3510  
Telephone: (907) 269-4559  
Fax: (907) 269-4539  
e-mail: [Dan\\_Bockhorst@dced.state.ak.us](mailto:Dan_Bockhorst@dced.state.ak.us)**





### Members

*Kevin Waring*  
Chairperson  
At-Large

*Kathleen Wasserman*  
Vice-Chairperson  
First Judicial  
District

*Member*  
Second Judicial  
District

*Allan Tesche*  
Member  
Third Judicial  
District

*Ardith Lynch*  
Member  
Fourth Judicial  
District



# Appendix C

## State of Alaska Local Boundary Commission

### Agenda

#### Meeting Convening December 14, 2001 – 9:00 a.m. Mariner Theater, Homer High School<sup>1</sup>

- I. Call to order
- II. Roll call & determination of quorum
- III. Approval of agenda
- IV. Comments by members of the Local Boundary Commission
- V. Comments by members of the public concerning matters not on the agenda
- VI. Public hearing on the City of Homer's Petition for annexation<sup>2</sup>
  - A. Summary of DCED's reports & recommendations
  - B. Opening statement by the Petitioner (limited to 10 minutes)
  - C. Sworn testimony of witnesses called by the Petitioner
  - D. Opening statement by the Respondents
  - E. Sworn testimony of witnesses called by the Respondents
  - F. Responsive testimony by the Petitioner
  - G. Period of public comment by the general public (limited to 3 minutes per person)
  - H. Closing statement by the Petitioner (limited to 10 minutes)
  - I. Closing statement by the Respondents (limited to 10 minutes each)
  - J. Reply by the Petitioner (limited to 5 minutes)
- VII. Decisional session (optional following the hearing)
- VIII. Comments from Commissioners and staff
- IX. Adjourn

<sup>1</sup> The Mariner Theater is available for use by the LBC from 9:00 a.m., December 14 through 3:00 p.m., December 15. If the proceedings have not concluded by then, the Commission will reconvene at the Homer City Council Chambers, 491 East Pioneer Avenue, on December 15 or December 16 at a time to be publicly announced by the Commission.

<sup>2</sup> The LBC Chairman may regulate the time and content of testimony to exclude irrelevant or repetitious testimony. The LBC may amend the order of proceedings and change allotted times for presentations if amendment of the agenda will promote efficiency without detracting from the LBC's ability to make an informed decision.



## Appendix D

### Make Your Comments to the LBC Count!

If you plan to offer remarks during the public comment portion of Local Boundary Commission hearings concerning the City of Homer's annexation proposal, the following tips are offered to make your comments more effective.

1. **Come prepared and informed.** Carefully plan your comments. Prior to the hearings, you may wish to review the following materials (available at the Homer City Hall and Homer Public Library; also generally available on LBC Web site and through DCED):
  - A. the standards established in State law for annexation to cities (these are also summarized in # 2 below);
  - B. the City of Homer's annexation petition;
  - C. the fourteen Responsive Briefs along with the 168 letters commenting on the petition;
  - D. the City of Homer's Reply Brief;
  - E. the Preliminary Report and Final Report of the Alaska Department of Community and Economic Development regarding the City of Homer's annexation proposal.
2. **Provide relevant comments.** The LBC's decision on the annexation proposal will be guided by standards established in law that are applied to the facts of the City of Homer's proposal. Comments that address those standards and facts will be most helpful to the LBC. In summary, the standards require a determination by the LBC that in this case:
  1. the territory is compatible in character with the City of Homer;
  2. the territory does not overlap the boundaries of another local government (if it does, the proposal must also satisfy detachment standards).
  3. the territory is contiguous to the City of Homer (absent a compelling reason for annexation of non-contiguous territory);
  4. annexation will not deny any civil or political right to any individual because of race, color, creed, sex or national origin;
  5. the proposed boundaries do not include large unpopulated areas (except when justified by the application of other annexation standards);
  6. the combined population of the City of Homer and the territory is sufficiently large and stable to support the extension of city government;

7. together, the City of Homer and the territory have the human and financial resources to provide essential city services on an efficient, cost-effective level;
8. the City of Homer has provided a practical plan for the extension of services into the territory;
9. the proposed expanded City of Homer boundaries include all land and water necessary to provide the full development of essential city services on an efficient, cost-effective level;
10. the proposed expanded boundaries include only the existing local community, plus reasonably predictable growth, development, and public safety needs during the ten years following annexation;
11. the City of Homer is best able to provide essential city services to the territory;
12. a reasonable need for city government exists in the territory proposed for annexation;
13. annexation will serve the balanced best interests of the state, the territory to be annexed, and all political subdivisions affected by the annexation; and
14. annexation is in the best interests of the state.

Even if the Petition meets all of the standards, the LBC has discretion to approve or deny the proposal. Additionally, the LBC may amend the proposal or impose conditions. Therefore, comments may address public policy arguments that advocate a particular action on the Petition by the LBC, including approval, denial, amendment, or imposition of conditions.

### **3. Observe the rules.**

- ☒ New written materials may not be filed at the hearing unless allowed by the LBC Chairman upon the showing of good cause.
- ☒ To ensure that everyone who wishes to speak during the public comment phase of the hearing will have an opportunity to do so, individuals should plan to limit their comments to three minutes each. Different time limits will apply to the Petitioner and Respondents.

### **4. Avoid repetition.** If another speaker has addressed points to your satisfaction, you may wish to simply note that you agree with the earlier remarks, and spend your allotted time on relevant topics that have not yet been addressed.



# Appendix E

## Law Governing Hearing Procedures

### 3 AAC 110.560 COMMISSION HEARING PROCEDURES.

(a) The chairperson of the commission will preside at the hearing, and will regulate the time and the content of testimony to exclude irrelevant or repetitious testimony. The hearing must be recorded and the tapes preserved by the department. Two members of the commission constitute a quorum for purposes of a hearing under this section.

(b) A hearing will, in the commission's discretion, include

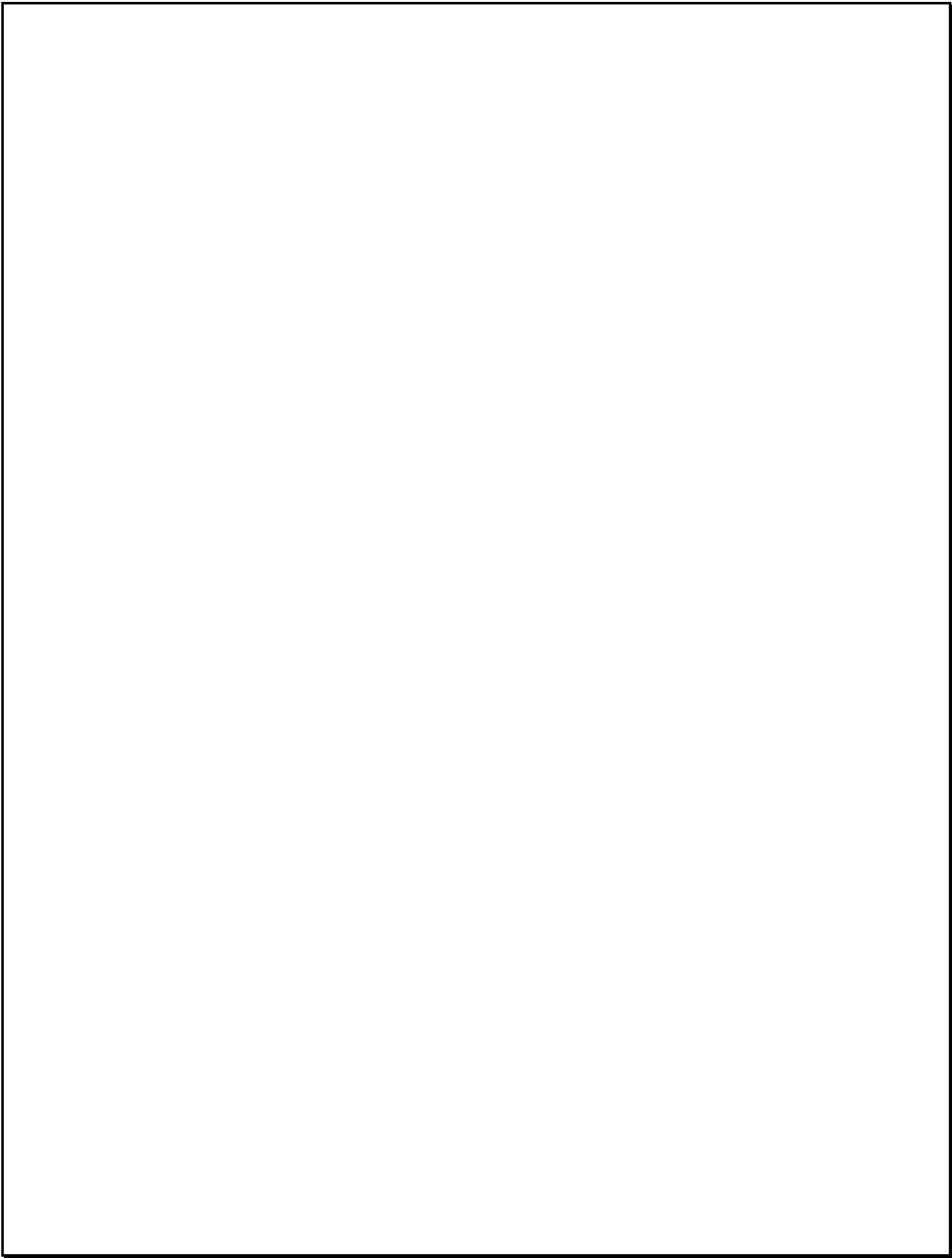
- (1) a report with recommendations from the department;
- (2) an opening statement by the petitioner, not to exceed 10 minutes in length;
- (3) a period of public comment by interested persons, not to exceed five minutes for each person;
- (4) sworn testimony of witnesses called by the petitioner;
- (5) sworn testimony of witnesses called by respondents who have filed briefs under 3 AAC 110.480 ;
- (6) sworn responsive testimony of witnesses called by the petitioner;
- (7) a closing statement by the petitioner, not to exceed 10 minutes in length;
- (8) a closing statement by the respondents who testified under (5) of this subsection, not to exceed 10 minutes in length for each respondent; and
- (9) a reply by the petitioner, not to exceed five minutes in length.

(c) A member of the commission may question a person appearing for public comment or as a sworn witness. The commission will, in its discretion, call additional witnesses.

(d) A brief or document may not be filed at the time of the public hearing unless the commission determines that good cause exists for that evidence not being presented in a timely manner for written response by the petitioner or respondents, and for consideration in the report and recommendations of the department.

(e) The commission will, in its discretion, amend the order of proceedings and change allotted times for presentations if amendment of the agenda will promote efficiency without detracting from the commission's ability to make an informed decision.

History - Eff. 7/31/92, Register 123, Authority - Alaska Const., art. X, sec. 12, AS 29.05.090, AS 29.06.040, AS 29.06.120, AS 29.06.490, AS 44.33.812, AS 44.33.814, AS 44.33.816, AS 44.33.818, AS 44.33.820, AS 44.33.822, AS 44.33.826, AS 44.33.828
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# Appendix F

## Law Governing Decisional Procedures

### 3 AAC 110.570 DECISIONAL MEETING.

(a) Within 90 days after the last commission hearing on a proposed change, the commission will convene a decisional meeting to examine the written briefs, exhibits, comments, and testimony, and to reach a decision regarding the proposed change. No new evidence, testimony or briefing will be received during the decisional meeting, however, the chairperson may ask the department or by some other person for a point of information or clarification.

(b) Three members of the commission constitute a quorum for the conduct of business at a decisional meeting.

(c) If the commission determines that a proposed change should be altered to meet the standards established contained in the Alaska Constitution, AS 29.05, AS 29.06, or this chapter, the commission will, in its discretion, alter the proposed change and accept the petition as altered. If the commission determines that a petitioner must satisfy a certain requirement before the proposed change can take effect, the commission will include that precondition in its decision.

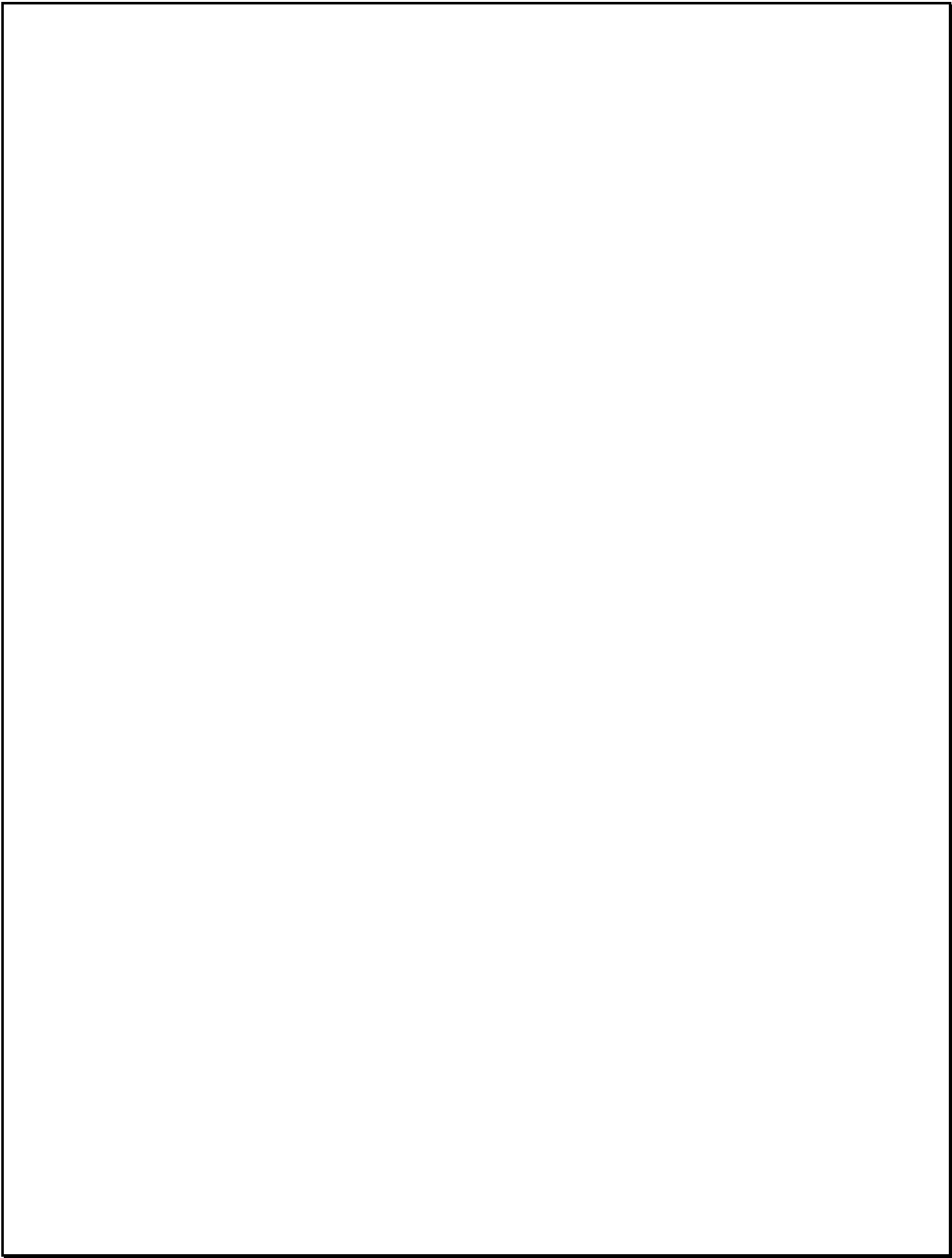
(d) If the commission determines that a proposed change fails to meet the standards established contained in the Alaska Constitution, AS 29.05, AS 29.06, or this chapter, the commission must reject the proposed change by a majority vote of the presently appointed membership. If the commission determines that a proposed change meets the standards established contained in the Alaska Constitution, AS 29.05, AS 29.06, or this chapter, or can be altered to meet those standards, the commission must accept the proposed or altered change by a majority vote of the presently appointed membership.

(e) The commission must keep written minutes of all decisional meetings. All votes taken by the commission must be entered in the minutes. The approved minutes are a public record.

(f) Within 30 days after the date of its decision, the commission will file as a public record a written statement explaining all major considerations leading to the decision. A copy of the statement will be mailed to the petitioner, to all respondents, and to other interested persons requesting a copy.

(g) A decision by the commission is final on the day that the written statement of decision is mailed, postage prepaid, to the petitioner and the respondents. The department will execute and file a sworn affidavit of mailing as a part of the public record of the proceedings.

History - Eff. 7/31/92, Register 123, Authority - Alaska Const. art. X., sec. 12, AS 29.05.100, AS 29.06.040, AS 29.06.130, AS 29.06.500, AS 44.33.812, AS 44.33.814, AS 44.33.816, AS 44.33.818, AS 44.33.820, AS 44.33.822, AS 44.33.826, AS 44.33.828
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# Appendix G

## DCED's Final Recommendation for Annexation of 3.9 Square Miles to the City of Homer

