



STATE OF ALASKA  
DEPARTMENT OF  
**COMMERCE**  
COMMUNITY AND  
ECONOMIC DEVELOPMENT

Local Boundary Commission Staff

October 2007

# **Final Report to the Local Boundary Commission Regarding the Petition to Incorporate the Unified Home-Rule Borough of Wrangell**



This is the *Final Report to the Local Boundary Commission Regarding the Petition to Incorporate the Unified Home-Rule Borough of Wrangell*. The report was prepared by the Alaska Department of Commerce, Community, and Economic Development (DCCED), which serves as staff to the Local Boundary Commission. The report can also be found on the Internet at the following address:

<http://www.commerce.state.ak.us/dca/lbc/wrangell.htm>

This report is issued in accordance with 3 AAC 110.530(b) which requires DCCED to issue a Final Report after considering written comments regarding the Preliminary Report.

DCCED 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. Such requests should be directly to the Local Boundary Commission staff at 907-269-4560.

The maps included in this publication are intended to be used as general reference guides only. Source documents remain the official record and should be reviewed to determine the accuracy of the illustrations.

This Final Report was written by Kathy Atkinson, DCCED Local Government Specialist.

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# Chapter 1

## Introduction

Voters in a 3,465 square-mile area, including the City of Wrangell and Meyers Chuck, petitioned the Local Boundary Commission (LBC)<sup>1</sup> in April 2006 for incorporation of a new unified, home-rule borough – the City and Borough of Wrangell (CBW) using the “local action method.” In a local action incorporation, after the LBC approves, or amends and approves the Petition for incorporation, voters in the area proposed for incorporation decide in an election whether to incorporate. Numerous individuals who live outside Wrangell’s city limits signed the Petition seeking incorporation, which was designated Exhibit A-2 in the Petition and may be found on the LBC website. Meyers Chuck residents who signed the Petition include Timothy Collins, Glen Rice, Shirley J. Lee, Herbert J. Lee, Catherine Peavey, Donna J. Collins, Robert Meyer III, Rebecca Welti, Rory Bifoss, Marion Bifoss, George Gucker, Steve Peavey, and Theresa Gucker. Deborah Edwards-Johnson from Union Bay signed the Petition, as well as LeAnn Bifoss, who listed her residence as Union Bay and Meyers Chuck. Fourteen other people signed Exhibit A-2; most of them living along the Zimovia Highway, two from Thom’s Place subdivision and one from Olive Cove. Three signers giving a Meyers Chuck residence were later disqualified since Timothy and Donna Collins were registered to vote in Homer, and LeAnn Bifoss was registered in Ketchikan.

The Wrangell borough incorporation proposal overlaps a portion of the area proposed for a “legislative review annexation” to the Ketchikan Gateway Borough (KGB) initiated in February 2006. A legislative review annexation – which is authorized by article X, section 12 of the Alaska Constitution, provides that the LBC may present proposed municipal boundary changes to the legislature during the first ten days of any regular session. The proposal becomes effective forty-five days after it is presented to the legislature by the LBC, or at the end of the session, whichever is earlier, unless disapproved by a resolution that the majority of the members of each house concur in.

*The Petition by the Ketchikan Gateway Borough for Legislative Review Annexation of Approximately 4, 701 Square Miles to the Ketchikan Gateway Borough* seeks boundaries that overlap a portion of the area proposed for incorporation as the City and Borough of Wrangell. Specifically, both the Wrangell borough incorporation Petition and the KGB annexation petition include

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<sup>1</sup> The LBC is a State commission established in Alaska’s Constitution to adjudicate municipal boundary proposals, including proposals for borough incorporation and annexation. Information about the LBC and its five current members is included in Appendix C of the Preliminary Report to the LBC regarding the Wrangell Petition.

the same 191 square mile territory in the vicinity of Meyers Chuck and Union Bay. Figure 1-1 is a map showing the areas proposed for incorporation in the Wrangell Petition and the KGB annexation petition.

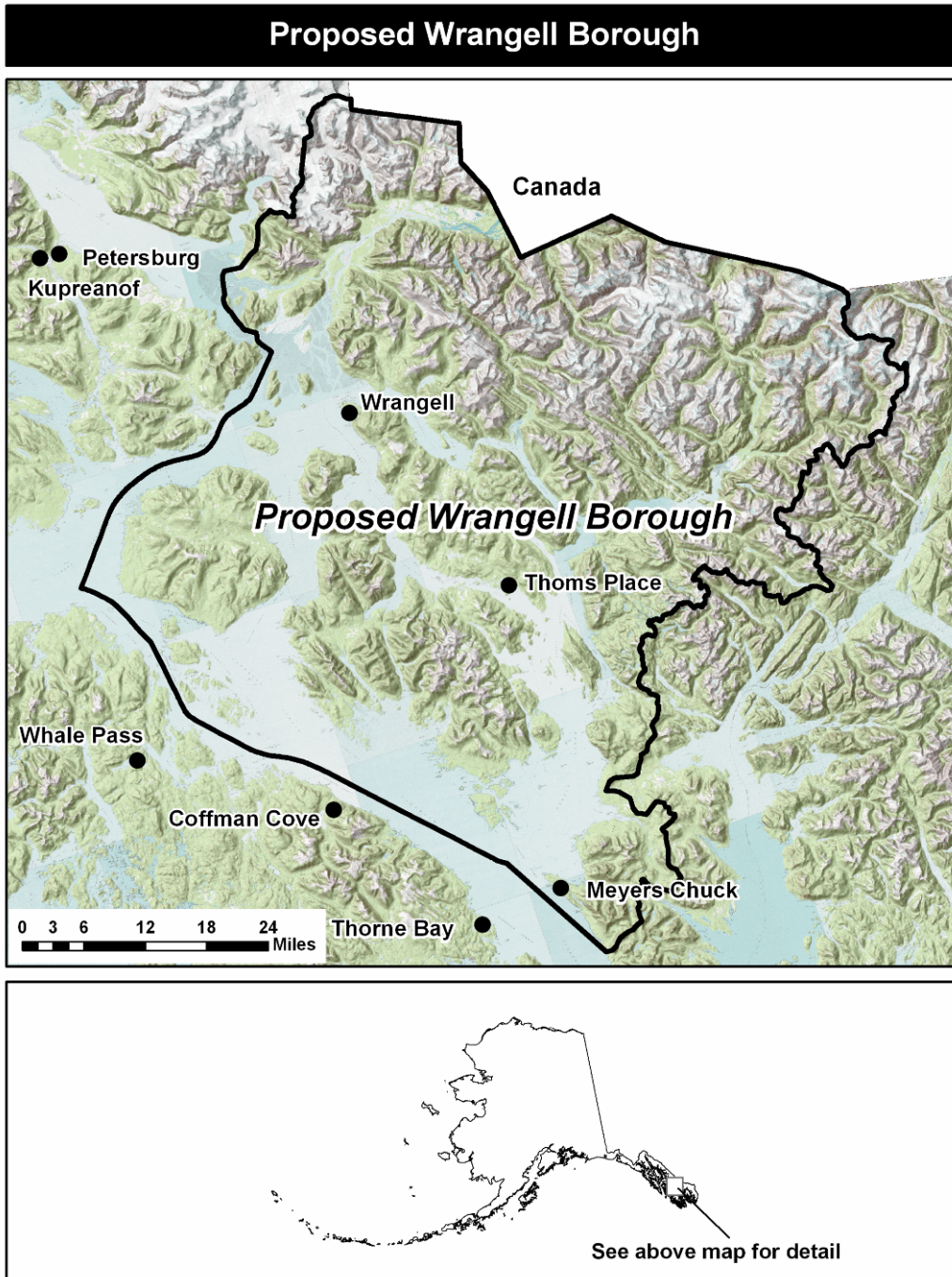


Figure 1-1 - Proposed Wrangell Borough

In DCCED's Preliminary Report to the LBC regarding the Wrangell proposal issued in August 2007, DCCED concluded that the Wrangell Petition meets all the applicable legal standards, with the exception of the 191 square mile area noted above. That area is part of the Cleveland Peninsula and within the KGB model borough boundaries. As a result of the research and analysis documented in the Preliminary Report, DCCED concluded that the area has more in common with the KGB, and has stronger ties to Ketchikan, than it does with the proposed City and Borough of Wrangell. Therefore, in that report, DCCED recommended that the LBC amend the Petition to exclude the 191 square mile area around Meyers Chuck and Union Bay.

The KGB model borough boundaries were set by the LBC in 1991 using the legal borough boundary standards and constitutional principles established in law. DCCED's recommendation and conclusion in its August 2007 Preliminary Report regarding the City and Borough of Wrangell incorporation proposal is consistent with DCCED's conclusion in its Preliminary Report regarding the KGB annexation proposal dated June 30, 2007.

After careful review and consideration of all the public comments regarding DCCED's Preliminary Report, DCCED has reached the same conclusions and reaffirms its earlier recommendation that the LBC approve Wrangell's Petition for incorporation after amending the Petition to exclude the 191 square mile area that is within the KGB model borough boundaries that is claimed in the KGB annexation petition.

# Ketchikan Gateway Borough (KGB) Proposed Annexation and Proposed Wrangell Borough

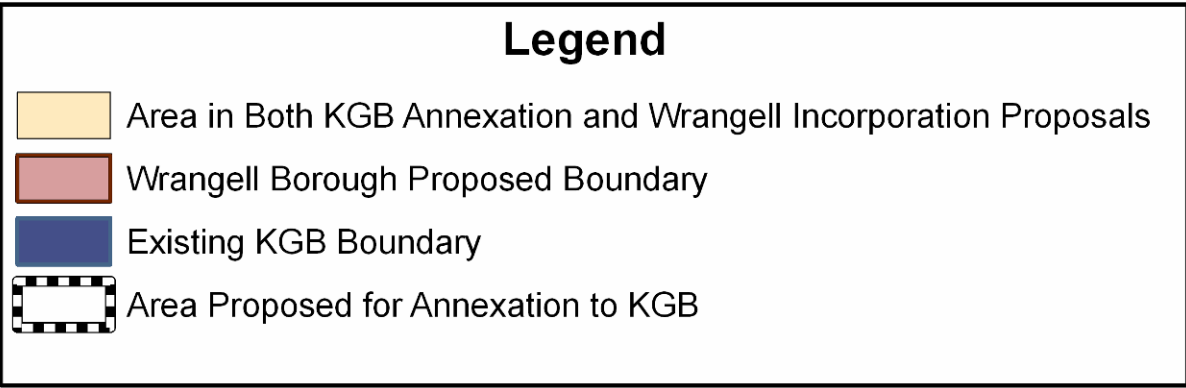
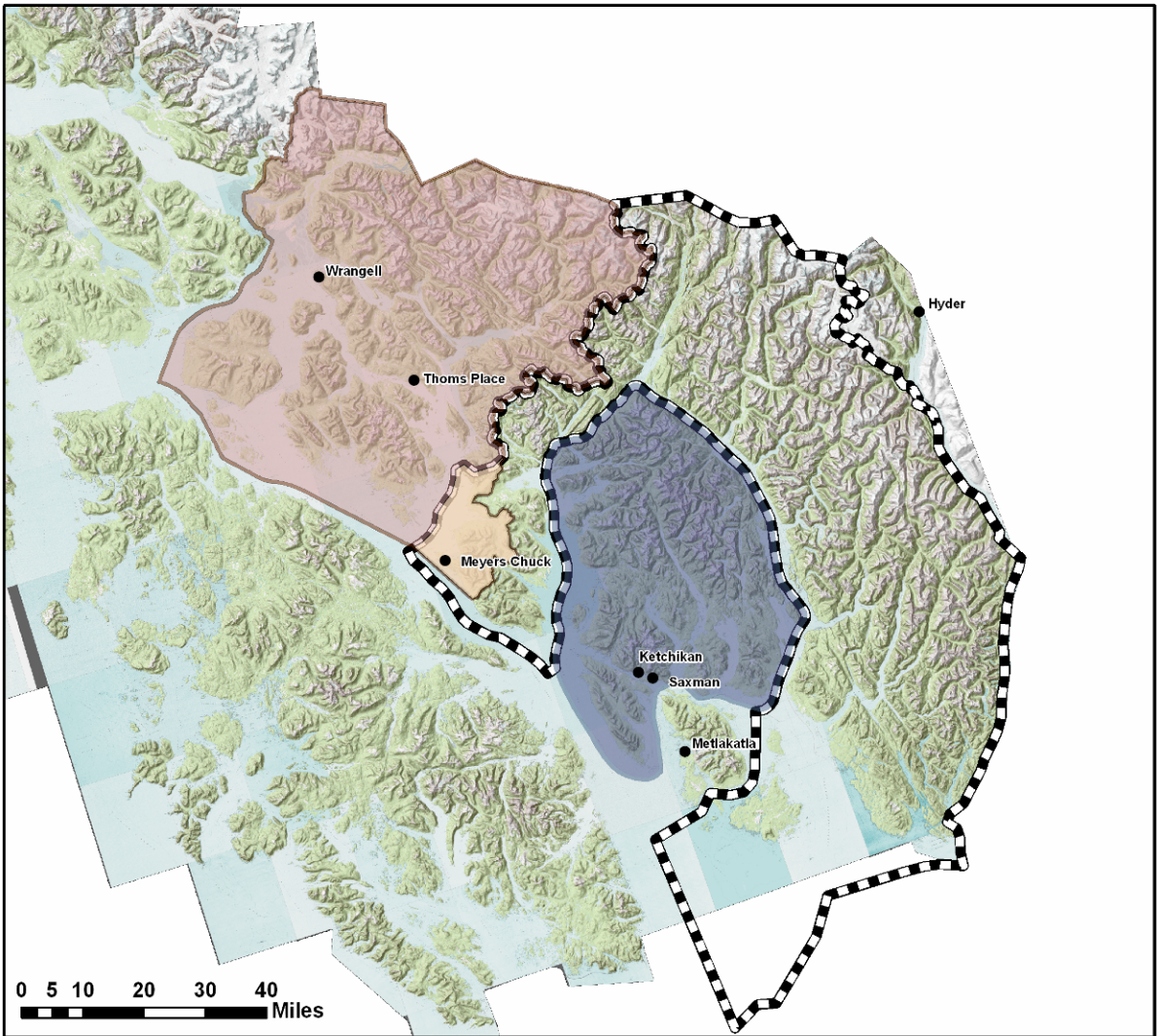


Figure 1-2 - KGB and Wrangell Proposals



Ten sets of comments were submitted after the Preliminary Report was issued. They are identified below in the order of submission (except for the Meyers Chuck Community Association's comments at the end of the list):

Public Comments Regarding Preliminary Report

1. Richard Rinehart Sr.
2. City of Wrangell
3. Catherine Peavey
4. Lynn Koland, District Ranger, USDA Forest Service, Ketchikan-Misty Fiords Ranger District
5. Debbie Johnson
6. John Murgas
7. Dave Ellis
8. Eddy Jeans, School Finance Director, Alaska Dept. of Education and Early Development
9. Meyers Chuck Community Association
10. Meyers Chuck Community Association (second, different submission)

Most of the comments submitted stand on their own without any need for DCCED analysis, summary or rebuttal. (Some individual public comments are referred to in the body of this report.) Each Commissioner is given a complete copy of the entire public record of the proceeding, which includes the Petition and copies of all public comments and briefs filed throughout the proceeding. The Commissioners read and carefully consider them before reaching a final decision on any Petition.

There is no per se "requirement" that DCCED summarize or respond to any comment filed in response to a Petition. In fact, 3 AAC 110.530(a) requires only the following regarding a preliminary report by DCCED: "The department shall investigate and analyze a petition filed with the department under this chapter, and shall submit to the commission a written report of its findings with recommendations regarding the petition." Subsection (d) of 3 AAC 110.530 requires that: "In its **final written report** with recommendations, the department **shall consider** timely submitted written comments addressing the preliminary report . . . (emphasis added)."

Nonetheless, in order to give significance to the requirements of public notice and providing for a period of public comment, DCCED always analyzes and considers every comment and brief filed in response to notice of a petition.

DCCED's *Preliminary* Report broadly addressed all concerns when making its findings, conclusions, and recommendation.

In every boundary-change proceeding, the merits of the petition, all comments and briefs, and the law are carefully considered, scrutinized and analyzed by DCCED Staff when writing their preliminary and final reports, and by every Local Boundary Commissioner before rendering their final decision on the Petition.

### ***Scheduling and Notice of November 3, 2007 LBC Tour, Public Hearing, and Decisional Meeting***

The LBC will conduct a public hearing in Wrangell regarding the Wrangell Borough incorporation proposal. The hearing is scheduled to be held in the Nolan Center, beginning at 7:00 p.m., on Saturday, November 3, 2007. If the meeting does not conclude on November 3, the meeting will recess and reconvene at 2 p.m. on Sunday, November 4, at the same location. Circumstances permitting, the LBC will tour portions of the proposed borough while they are in Wrangell.

In Ketchikan, at 10 a.m. on Wednesday, November 7, the Local Boundary Commission will hold a decisional meeting to act on the Wrangell borough proposal. The decisional meeting will be held in Ketchikan City Hall at 334 Front Street.

Individuals with disabilities who need reasonable accommodations to participate at the hearing should contact the Commission's staff prior to the hearing.

DCCED has arranged for publication of the notice in the *Wrangell Sentinel* on Thursdays, October 4, 11 and 18, 2007; in the *Island News* on Mondays, October 8, 15, and 22, 2007; and in the *Ketchikan Daily News* on Wednesdays, October 3, 17, and 31, 2007.

In accordance with the requirements of 3 AAC 110.550(c), Public Service Announcements regarding the notice were sent to four radio stations serving Wrangell, Meyers Chuck and Ketchikan on October 11, 2007 with the request that announcement be aired many times as possible in the 21 days preceding the public hearing.

The full text of the Notice (Figure 1-3) and the Agenda (Figure 1-4) are reprinted here, followed by a table outlining future proceedings regarding the Wrangell Borough incorporation proposal (Figure 1-5).

**Figure 1-3 – Notice of Public Hearing**

**State of Alaska**

**Local Boundary Commission (LBC)**

**Notice of Tour, Public Hearing, and Decisional Meeting  
Regarding Wrangell Borough Incorporation Proposal**

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On the date and at the time and place noted below, the LBC will meet to convene a public hearing under 3 AAC 110.560 regarding the proposal to incorporate the City and Borough of Wrangell, a unified home-rule borough:

**Saturday, November 3, 2007 – 7:00 p.m.**

**Nolan Center in Wrangell, Alaska**

If the meeting does not conclude on November 3, the meeting will recess and reconvene at 2 p.m. on Sunday, November 4, at the same location. Circumstances permitting, the LBC will tour portions of the proposed borough while they are in Wrangell.

The LBC will convene a decisional meeting under 3 AAC 110.570, to act on the proposal on:

**Wednesday, November 7, 2007 – 10:00 a.m.**

**City Hall in Ketchikan, Alaska  
334 Front Street**

The hearing agenda and information concerning the tour, hearing, decisional meeting, and other aspects of the incorporation proposal may be obtained from:

LBC Staff  
Department of Commerce, Community, and Economic Development  
550 W. 7th Avenue, Suite 1770  
Anchorage, Alaska 99501-3510  
Telephone: (907) 269-4501  
Fax: (907) 269-4539  
E-mail: [LBC@alaska.gov](mailto:LBC@alaska.gov)

To view the proposed agenda online, click on the *Notices* link on the LBC Website at <http://www.commerce.state.ak.us/dca/lbc/lbc.htm> and select the *November 3, 2007, LBC Public Meeting*, or call 907-269-4501 and request that a copy be mailed or faxed to you.

Persons interested in receiving future LBC notices by electronic mail may subscribe to the LBC notice list service by visiting the LBC Website set out above, clicking on the link to the *LBC Subscription Service*, and following the instructions.

Teleconference sites for the proceedings may be added for the convenience of the public and/or LBC members. Individuals with disabilities who need auxiliary aids, services, or special modifications to participate should contact LBC Staff.

**Figure 1-4 – Hearing Agenda**



**State of Alaska  
Local Boundary Commission**

550 West Seventh Avenue, Suite 1770 • Anchorage, Alaska 99501  
Telephone: 907-269-4501 • Fax 907-269-4539

**AGENDA**

**PUBLIC HEARING  
REGARDING WRANGELL BOROUGH  
INCORPORATION PROPOSAL**

**NOLAN CENTER, WRANGELL, ALASKA  
SATURDAY, NOVEMBER 3, 2007 – 7:00 P.M.**

- I. Call to order
- II. Introduction of LBC members, LBC Staff, and those attending by teleconference
- III. Roll call and determination of quorum
- IV. Approval of agenda
- V. Approval of minutes from last LBC meeting
- VI. Comments by members of the Local Boundary Commission
- VII. Comments by members of the public concerning matters that are neither on the agenda nor pending before the Commission
- VIII. Public hearing regarding the Petition to Incorporate the City and Borough of Wrangell, a unified home-rule borough
  - A. Summary and presentation by LBC Staff of its conclusions and recommendations (10 minutes)
  - B. Petitioner's opening statement (limited to 10 minutes)
  - C. Sworn testimony of witnesses called by the Petitioner
  - D. Summary by Petitioner (limited to 10 minutes)
  - E. Period of public comment by interested persons (limited to 3 minutes per person)
  - F. Petitioner's closing statement (limited to 10 minutes)
- IX. Comments from Commissioners and staff
- X. Adjournment

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Members: Kermit Ketchum, Chair; Georgianna Zimmerle, First Judicial District; Robert Harcharek, Second Judicial District; Lynn Chrystal, Third Judicial District; Lavell Wilson, Fourth Judicial District



Figure 1-5 – Proceedings

<b>Future Proceedings Regarding the Wrangell Borough Proposal</b>	
<b>Date</b>	<b>Occurrence</b>
<b>within 30 days</b> of last hearing	<p><b><u>LBC decision.</u></b> LBC renders verbal decision to take one of the following actions:</p> <ol style="list-style-type: none"> <li>1. approval of the Petition as submitted;</li> <li>2. approval of the Petition with amendments and / or conditions;</li> <li>3. denial of the Petition.</li> </ol>
<b>within 30 days</b> of verbal decision	<p><b><u>Statement of decision.</u></b> LBC adopts a written statement of decision explaining the basis for its decision.</p>
<b>within 18 days</b> after the Commission's written statement of decision is mailed under 3 AAC 110.570(f)	<p><b><u>Opportunity to seek reconsideration.</u></b> A person or entity may request reconsideration in accordance with 3 AAC 110.580. LBC will grant reconsideration only if:</p> <ol style="list-style-type: none"> <li>1. a substantial procedural error occurred in the original proceeding;</li> <li>2. the original vote was based on fraud or misrepresentation;</li> <li>3. the LBC failed to address a material issue of fact or a controlling principle of law; or</li> <li>4. new evidence not available at the time of the hearing relating to a matter of significant public policy has become known.</li> </ol>
<b>within 20 days</b> after the Commission's written statement of decision is mailed under 3 AAC 110.570(f)	<p><b><u>Action on requests for reconsideration.</u></b> LBC typically meets to address all requests for reconsideration. However, requests for reconsideration are automatically denied if not approved within the time noted.</p>
<b>within 30 days</b> after the last day on which reconsideration can be ordered	<p><b><u>Opportunity for court appeal.</u></b> An appeal of the LBC decision may be made to the Superior Court under the provisions of the Alaska Rules of Appellate Procedures, Rule 601 et seq.</p> <p>Note: The Alaska Supreme Court has consistently deferred to the LBC decisions involving expertise regarding either complex subject matter or fundamental policy formulation as long as the decision has a reasonable basis. See: <i>Mobil Oil Corporation v. Local Boundary Commission</i>, 518 P.2d 92, 98, 99 (Alaska 1974); <i>Valleys Borough Support v. Local Boundary Commission</i>, 863 P.2d 232, 234 (Alaska 1993); <i>Lake and Peninsula Borough v. Local Boundary Commission</i>, 885 P.2d 1059, 1062 (Alaska 1994); <i>Keane v. Local Boundary</i>, 893 P.2d. 1239, 1241 (Alaska 1995); <i>Yakutat v. Local Boundary Commission</i>, 900 P.2d 721, 728 (Alaska 1995).</p>
<b><i>THE FOLLOWING WOULD OCCUR ONLY IF THE LBC GRANTS THE PETITION</i></b>	
<b>on the date that the opportunity for reconsideration expires</b>	<p><b><u>Division of Elections notified.</u></b> If the LBC grants the Petition, the Director of the Division of Elections is notified.</p>
<b>within 30 days</b> of notice from LBC of approval of Petition	<p><b><u>Election ordered.</u></b> Director of the Division of Elections orders an election for the proposed incorporation of the Deltana borough and for the election of initial officials.</p>
<b>within 30 to 90 days</b> of the election order	<p><b><u>Election conducted.</u></b> State Division of Elections conducts the election on the incorporation proposition and the election of initial officials.</p>
<b>upon certification of election results</b>	<p><b><u>Borough incorporated if voters approve.</u></b> If a majority of voters approve incorporation, the borough is formed.</p>

## Chapter 2

# Wrangell Borough Informational Meeting and Public Comments

On September 13, 2007, LBC Staff conducted a public informational meeting in Wrangell on the Wrangell Borough proposal in accordance with AS 29.05.080(a) and 3 AAC 110.520(a). The meeting lasted about 2 hours. At the 7 to 9:00 p.m. meeting, LBC Staff made a brief presentation on future proceedings and outlined the Staff's recommendations in the Preliminary Report, published on August 24, 2007. Immediately after publication, 13 copies of the report were sent to Wrangell's City Clerk – 4 for public review, which were kept at City Hall and the library, and 9 for the City Council members and other City officials. Copies of the report were mailed to all 5 of the Local Boundary Commissioners. Numerous copies were mailed to various members of the public, including people who submitted comments after the Petition was filed that the LBC Staff had mailing addresses for; legislators in Southeast Alaska, and several other public officials. The Preliminary Report was posted on the LBC's Website on August 24, 2007. The Petition and all the public comments on the Petition and Preliminary Report were also made available on the LBC Website. Additional copies of the preliminary reports on the Wrangell incorporation proposal and the Ketchikan Gateway Borough annexation proposal were available at the informational meeting. (The Wrangell borough incorporation petition and the KGB annexation petition both claim the same 191 square mile area in the vicinity of Meyers Chuck and Union Bay.)

Since the DCCED proposed in its Preliminary Report that the LBC amend the Wrangell petition to exclude the 191 square mile area encompassing Meyers Chuck and Union Bay, notice of that amendment was issued coterminously with the Preliminary Report. The *Notice of Proposed Amendment to the Wrangell Borough Incorporation Petition* was bound inside every copy of the Preliminary Report, before the Table of Contents. The notice of the proposed amendment invited written comments on the proposed amendment and other elements of the Preliminary Report and designated September 24, 2007, as the deadline for LBC receipt of written comments on the proposed amendment and the Preliminary Report. The notice also stated that oral comments regarding the proposed amendment would be solicited at the LBC public hearing to be held under 3 AAC 110.560; and that once the hearing was scheduled, extensive notice of the hearing would be given. This legal notice was also published in the August 30 edition of the *Wrangell Sentinel* and in the August 23 edition of the *Petersburg Pilot*. This notice was also posted on the City of Wrangell's website and the LBC website.

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## Final Report to the LBC Regarding the Wrangell Borough Proposal

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Public notice of the September 13 informational meeting was published in the *Wrangell Sentinel* in the August 30, September 6 and 13 editions. On August 29, 2007, the Wrangell City Clerk posted notice of the informational meeting on the City's website; and at Wrangell City Hall, Irene Ingle Public Library, and the U.S. Post Office in Wrangell; and in the window of the office of the local newspaper, the *Wrangell Sentinel*.

Approximately 20 people attended the meeting in person: 12 were from Wrangell, 2 from Petersburg. By teleconference, 5 individuals from Meyers Chuck and 1 from Union Bay participated in the meeting.

The following individuals attended the meeting, in person or by teleconference:

1. William Privett, Wrangell
2. Janell Privett, Wrangell
3. Peggy Wilson, Wrangell
4. Don J. McConachie, Wrangell
5. Ronald A. Rice, Wrangell City Council
6. Ernie Christian, Wrangell City Council
7. Augie R. Schultz, Wrangell
8. James Stough, Wrangell City Council
9. Valery McCandless, serving as Mayor of Wrangell
10. Carol Rushmore, Wrangell's Economic Development Director
11. Robert Prunella, Wrangell City Manager
12. Lisa Phu, Wrangell, *Wrangell Sentinel*
13. Ted Smith, Mayor of the City of Petersburg
14. Kathy O'Rear, Petersburg City Clerk and Acting Mayor
15. Rebecca Welti, Meyers Chuck
16. Greg Rice, Meyers Chuck
17. Carol Brown, Meyers Chuck
18. Robert Meyer III, Meyers Chuck
19. Cassy Peavey, Meyers Chuck Postmistress
20. Deborah Johnson, Union Bay

The following individuals made specific comments at the informational meeting. The remarks below are not exact or literal quotations. Each speaker's remarks are summarized and paraphrased. DCCED's response below was composed for this Final Report, after Staff had the opportunity to do further research into points raised by individuals at the September 13 meeting.

**1. Valerie McCandless**, serving as Mayor of the City of Wrangell, said one of Wrangell's main concerns was to become a borough by July 1, 2009 in order to get priority choice of their municipal entitlement lands. Otherwise numerous parcels will go to the University under their lands bill. If Wrangell doesn't become a borough by the deadline and the University obtains title to the best parcels, Wrangell would have to buy them back and they can't afford to do that.

**DCCED Response:** New cities and boroughs get a municipal entitlement of State land to be used for expansion and economic development. Certain lands in Southeast Alaska have been earmarked to be conveyed to the University of Alaska as part of their land settlement if a borough isn't formed by July 1, 2009 that includes either Wrangell or Petersburg. (This matter is discussed on page 95 of the Preliminary Report.) If no borough is formed by that date, and the University obtains title to those choice parcels as a result of the 2005 University Lands Bill, any Wrangell or Petersburg borough formed after that date would have to "buy back" those lands from the University, and they can't afford to. Therefore the Petitioner doesn't want to miss that deadline.

The 2005 University Lands Bill (Chapter 8, FSSLA 2005). Section 3 of that law provides:

Notwithstanding (a) of this section, the state land identified in this subsection and described in the document entitled 'University of Alaska Land Grant List 2005,' dated January 12, 2005, may not be conveyed to the University of Alaska under this section if the land is included in a borough formed before July 1, 2009, that includes Wrangell or Petersburg. If a borough is not formed before July 1, 2009, land described in this subsection shall be conveyed to the University of Alaska on July 1, 2009. If a borough is formed before July 1, 2009, and the borough does not select land described in this subsection before January 1, 2013, the land not selected by the borough shall be conveyed to the University of Alaska on June 30, 2013. The following land is subject to this subsection: (1) Parcel Number SD.1001, Beecher Pass; (2) Parcel Number SD.1001, Favor Peak; (3) Parcel Number CS.TL.1001, Three Lake Road; (4) Parcel Number SD.1001, Read Island; (5) Parcel Number SD.1001, Whitney Island; (6) Parcel Number CS.EW.1001, Earl West Cove; (7) Parcel Number CS.OV.1001, Olive Cove; and (8) Parcel Number SD.1001, Thoms Place.

Officials from the City of Petersburg have expressed their intent to pursue borough.

Under AS 29.65.030(a), newly formed municipal governments are given a "general grant land entitlement [of] 10 percent of the maximum total acreage of vacant, unappropriated, unreserved land within the boundaries of the municipality between the date of its incorporation and two years after that date." The Petitioner estimates that the newly formed Wrangell Borough will be entitled to 2,424 acres:

Pursuant to completion of the Central/Southern Southeast Area Plan by the State Department of Natural Resources in 2000, it appears that the new borough's total municipal entitlement rights under AS 29.65.030 would approximate 2,424 acres. This will vary somewhat depending upon the level of federal conveyance of state selections which are completed within two years after incorporation of the borough, and upon any conveyances the State has made since the date of the area plan. The State's area plan leaves certain parcels of State lands in classifications eligible for municipal selection on Wrangell Island, Zarembo Island, Etolin Island, on the mainland east of Wrangell and near the head of the Bradfield Canal, and on the Cleveland Peninsula. The basis for the State's selection of many of these lands from the federal government was for community expansion. The borough's land entitlements would be relatively modest in relation to most other boroughs, but would enhance the prospects for small settlements and private development in a region which has featured a chronic shortage of opportunities for private ownership outside the existing City of Wrangell.

The Wrangell Petition states, "Incorporation of a unified municipality, along with its ability to select municipal entitlement lands, will give residents of the Wrangell area greater ability to support and enhance economic development in the region, including development of transportation links."

DCCED agrees that it would be in the best interest of both Petersburg and Wrangell to meet the deadline and become boroughs by July 1, 2009, so they will have first choice at selecting the most valuable parcels to satisfy their municipal entitlement. Obtaining these municipal entitlement lands is important for community expansion and for the economic well-being of the newly formed boroughs. Sale or lease of these lands would generate a large amount of revenue.

**2. Janell Privett** asked if there would a review of the Preliminary Report written by LBC Staff member Dan Bockhorst on the Ketchikan Gateway Borough annexation proposal by an independent party, since he had since recused himself from any further involvement on that proposal after applying for a job as manager of the Ketchikan Gateway Borough. Ms. Privett asked if the Preliminary Report on the KGB annexation would be re-written.

**LBC Staff Response:**

Dan Bockhorst completed the Preliminary Report on the Ketchikan Gateway Borough annexation proposal on June 30, 2007. The report was published on July 13, 2007, two weeks before the KGB Manager position was even advertised. The KGB Clerk confirmed by phone that the KGB manager vacancy was first

advertised on the KGB website on either July 27 or July 30, 2007. On August 1, 2007, Mr. Bockhorst recused himself from any further involvement in the KGB annexation proposal, to avoid any appearance of impropriety. Another LBC Staff member, Jeanne McPherrin, was assigned to write the Final Report on the KGB annexation proposal. She will likely review the Preliminary Report written by Mr. Bockhorst, along with all the public comments submitted in response to the Preliminary Report, and will do additional research. In her Final Report, Ms. McPherrin may well reach a different conclusion or recommendation.

**3. Carole Brown** of Meyers Chuck asked if DCCED would rewrite part or all of the Preliminary Report, since DCCED Staff's recommendation in the Preliminary report was for the LBC to amend the Petition to exclude the Meyers Chuck/Union Bay area. This exclusion wasn't asked for in the original Wrangell Borough Petition. She expressed concern that if the area is excluded, it will impact the proposed borough's finances in terms of both revenues and expenses if the Meyers Chuck/Union Bay area is excluded.

**DCCED Response:** Staff was not planning on rewriting the entire report. It should be noted that any loss of revenue from Meyers Chuck and Union Bay revenues would be offset by a reduction in expenses to the Wrangell Borough to provide services to that area.

To address these public concerns, DCCED Staff made inquiries regarding the reduction in National Forest Receipts (NFR) and the federal PILT payment, if the Meyers Chuck/Union Bay area is excluded from the proposed Wrangell Borough.

**Background:** In regard to the Wrangell Petition, the proposed 3-year budget information is on pages 81-2 of the Preliminary Report. At 9.956% of the Tongass National Forest within their proposed borough, the Wrangell Borough would have received a NFR payment of \$958,795 in FY 07; \$814,976 would have been paid to the borough and \$143,819 would have stayed with the USFS for Title II projects.

In the 3-year budget on p. 81, the federal PILT for the City FY 2005-2006 Approved Budget was \$183,448. The 2007 FY Budget for Revenues for the Unified Borough estimated \$200,000 for 2007; \$203,000 for 2008; and \$206,045 for 2009. The Note to the Petition budget spreadsheet says, "PILT-Federal: The city receives payment annually from the federal government in lieu of taxes. For FY 2006, the city received \$183,449. This is expected to increase somewhat due to borough formation, to approximately \$200,000 in FY 2007, and to thereafter rise at a rate of roughly 1.5% annually."

The NFR and federal PILT information for the KGB annexation proposal is on page 63 of the Preliminary Report on the KGB Annexation. The report says that the Petition provides two scenarios. The higher estimate assumes that the NFR program will continue at current levels while the lower estimate assumes that NFR funding will drop to the levels of the late 1990s. The federal PILT figure for

each of the three years is the same: \$64,586. The high and low estimates for NFR funding for each of the three years are on Table 2.7 on page 63 of the Preliminary Report on the KGB Annexation.

Assuming that the 191 square mile area in the vicinity of Meyers Chuck and Union Bay (that both proposals are claiming) is only 50 percent land (which makes it approximately 95 square miles of land), how much less in Forest Service Receipts and federal PILT money will the KGB or the proposed Wrangell Borough be receiving, should the LBC grant that area to the other Petitioner?

Assuming this is all Tongass National Forest lands, these are the estimated impacts:

Note: 95 square miles equals 60,800 acres. The PILT calculation for the KGB below is using the high scenario.

**National Forest Receipts:** \$35,321 Decrease to the Ketchikan Gateway Borough if the proposed Wrangell borough gets the 95 square miles of Tongass National Forest.

There would be a \$35,321 Increase to the Wrangell Borough.

Note: The reference to FY 07 only means the FY 07 data was used in determining these payment estimates; the actual FY 07 payments have long since been disbursed. The \$35,321 decrease to Wrangell would be applied against the \$958,795 estimate. Fifteen percent of the payment is withheld by the USFS for Title II projects.

**Payment in Lieu of Taxes:** \$12,304 Decrease to the Ketchikan Gateway Borough federal PILT if the proposed Wrangell borough gets the 95 square miles of Tongass National Forest.

No impact to the Wrangell Borough federal PILT because they are up to their "payment ceiling cap."

The "payment ceiling cap" under the PILT program is the maximum amount a borough can receive (regardless of the amount of eligible federal acres) and is based on the population of the borough. The payment ceiling cap was established so that boroughs and counties with small populations but large amounts of federal lands do not end up with exorbitant payment amounts under the program. So even with the deduction of 60,800 acres, the Wrangell Borough would still reach their payment ceiling cap.

**Potential Revenue from Municipal Entitlement Lands Not Considered in Petitioner's Original Budget:** As was pointed out in the Preliminary Report on page 82, the Petitioner's three-year budget projection that was evaluated in the Preliminary Report did not include Municipal Entitlement lands or possible future revenue from any future lease or sale of Municipal Entitlement lands. The

Petitioner estimated the newly formed Wrangell Borough will be entitled to 2,424 acres in Municipal Entitlement lands. If the proposed borough's size described in the Petition is decreased by 191 square miles, the Municipal Entitlement would be approximately 2,290 acres. If the newly formed borough were to sell these lands, roughly estimating the sale price to be \$1,000 an acre, that is a potential increase in revenue to the Wrangell Borough (sans Meyers Chuck and Union Bay) of \$2,290,000.

The Petitioner has verbally communicated to DCCED Staff that they will evaluate their Municipal Entitlement lands and take into account the value of potential sales of those lands, and will submit a revised budget at the November 3, 2007 hearing.

**4. Bill Privett**, three-time Mayor and long-time resident who served several years on the School Board, supports the Wrangell Borough incorporation proposal. He said one critical service that Wrangell can provide to Meyers Chuck residents and others is Search and Rescue operations. Wrangell is capable of sending EMTs to Meyers Chuck and Union Bay and they are able to get there quickly. Of course the Coast Guard helicopters can get there faster. He also said that economics aside, Wrangell have always considered Meyers Chuck residents kindred spirits and would welcome them as part of their community.

**5. Carole Brown**, a Meyers Chuck resident, responded that Thorne Bay was even closer to Meyers Chuck than Wrangell – a mere 11 miles away. There was an emergency on the water three years ago, and they were able to get an injured man to a clinic in Klawock within 3 hours. So she pointed out that Thorne Bay, being only 11 miles away, was another option for emergency rescue services.

At another point in the proceedings, Carol Browne said she appreciated that at least Wrangell was giving Meyers Chuck residents a chance to have an election. She said the legislative review method used by KGB, where there won't be an election, violated "the spirit" of House Bill 133.

**DCCED Response:** House Bill 133 is included here as Appendix A as a reference. The law doesn't apply to incorporations, but instead deals with a particular type of annexation.

**6. Carol Rushmore**, Wrangell's Economic Development Director, made some remarks on behalf of the Petitioner. She discussed the history of the Petition and said that talks about forming a borough have gone on for some time. Wrangell wants to fashion their own borough without outside agencies mandating what sort of borough they might have. Wrangell wants to have a borough separate from Petersburg, who also wants to form a borough. Residents from both communities met and agreed on the northern boundary of the future Petersburg borough. She said that she wanted some clarification from Meyers Chuck residents who recently filed a public comment in response to the KGB annexation petition saying they did not want to be part of any borough. At one time, Meyers



Chuck residents said they wanted to be part of the Wrangell Borough, rather than becoming part of the KGB.

**7. Glenn Rice**, Chairman of the Meyers Chuck Community Association, said Meyers Chuck residents unanimously wanted to stay in the unorganized borough. He said that if they had to choose, they would rather be part of the Wrangell borough than join Ketchikan's borough. He said they feel more aligned lifestyle-wise to Wrangell than with Ketchikan. Mr. Rice said Meyers Chuck has more ties with Thorne Bay and the Prince of Wales Island. Ketchikan is a hub with a hospital, airport, and has more transportation options. But it is a hub for Prince of Wales Island. We all use the water, he said; Union Bay, Ernest Sound, and on up to Wrangell is much more acceptable in bad weather conditions. We appreciate Wrangell's offer to help us out [for emergency rescue services] when help is needed. When asked how many members belong to the Meyers Chuck Community Association, Mr. Rice estimated that there were 33 at the moment. The last time they dealt with this issue, both by mail and in person, there was no one who preferred the Ketchikan Borough over Wrangell, but also everyone unanimously preferred to be in the unorganized borough, if that was a choice.

**DCCED response to recusal issue:** At the informational meeting, at least two people said they thought Commissioner Georgianna Zimmerle should be recused from the Wrangell Borough incorporation proceedings because of an appearance of a conflict of interest. They knew she had been recused from the KGB consolidation and annexation proceedings in June 2006.

Commissioner Zimmerle does not have any financial interest in Wrangell. She does not own property in Wrangell or in the area related to the Wrangell Petition. She has never resided in Wrangell. Her past employment as KGB's borough manager for 5 years ending in November 2001 – with 22 years of other service for the KGB – is clearly attenuated in time now. There is no indication based upon her past employment as borough manager for the KGB that she would not be fair and impartial in determining the merits of the Wrangell Petition. Nor is her ownership of her residence in the KGB considered significant to prevent participation in the Wrangell proceedings. The LBC bylaws do not prohibit her participation based on these factors. In sum, the factors that led to her 2006 recusal from the Ketchikan consolidation and annexation proceedings are not the same in this instance.

### ***Written Public Comments***

As mentioned in Chapter 1, ten written comments were submitted in response to the Preliminary Report. These comments appear in Appendix B. **Richard Rinehart Sr.** wrote an interesting letter identifying territory historically occupied by the Stikine Native tribes. **The City of Wrangell** submitted a comment addressing Wrangell's capacity to support a borough government; stating reasons to support DCCED's conclusion that Petersburg need not be combined with Wrangell in a single borough; and finally, clarifying Wrangell's current

position regarding the Meyers Chuck and Union Bay issue. The **Meyers Chuck Community Association** submitted two comments; both comments said Meyers Chuck and Union Bay fits best with Thorne Bay and other communities on the Prince of Wales Island and asked that the Preliminary Report be amended to address this linkage. According to **District Ranger Lynn Koland** (who filed public comment letters in 2006 and 2007) it would facilitate Forest Service administrative responsibilities if the proposed borough boundaries on the Cleveland Peninsula matched those of the Tongass National Forest ranger districts. (His comments are addressed in greater detail in the fourth bullet in Chapter 3 of this report.) The proposed KGB annexation boundaries mirror the boundaries of the Ketchikan-Misty Fjords Ranger District, with the exception of the temporarily excluded area near Hyder. If the KGB's proposed expanded boundary is used (which includes a 191 square-mile area on the Cleveland Peninsula in the vicinity of Meyers Chuck and Union Bay), all of the lands managed by the Forest Service within the Ketchikan-Misty Fjords Ranger District will be in the expanded boundaries of the KGB; and all of the forest lands located within the Wrangell Ranger District will be within the new City and Borough of Wrangell. Petersburg residents **Dave Ellis** and **John Murgas** both said in their individual letters that Wrangell and Petersburg should be in one borough. Meyers Chuck residents **Steve and Catherine Peavey** expressed opposition to being forced to join any borough. **Debbie Johnson** from Meyers Chuck said the options were for Meyers Chuck to remain in the unorganized borough or a future Prince of Wales organized borough; she went on to say that if forced to choose between the KGB or the Wrangell Borough, residents of Meyers Chuck and Union Bay would choose Wrangell. Finally, Eddy Jeans, the School Finance Director for the **Department of Education and Early Development** submitted a letter stating that after their review of DCCED's Preliminary Report and recommendations in Chapter 3, the Department was not opposed to the proposed incorporation of the Wrangell Borough.

***Eight reasons why Meyers Chuck and Union Bay should be part of the Ketchikan Gateway Borough rather than the Wrangell Borough***

In DCCED's Preliminary Report, the following reasons were stated, beginning at page 52:

The boundaries of any proposed borough must not extend into the model borough boundaries of another region in conformance with 3 AAC 110.060(b). The provisions of 3 AAC 110.060(b) state:

Absent a specific and persuasive showing to the contrary, the commission will not approve a proposed borough with boundaries extending beyond any model borough boundaries.

The proposed boundaries of the City and Borough of Wrangell overlap the model borough boundaries of the KGB. (See map and legal description of the KGB

model boundaries in Appendix D.) In regard to the current competing KGB annexation proposal that claims the same 191 square-mile area in the vicinity of Meyers Chuck and Union Bay, DCCED finds that Meyers Chuck and Union Bay have more in common with Ketchikan than Wrangell, and therefore recommends that the LBC amend the Wrangell Petition to exclude this area.

The 1963 Mandatory Borough Act afforded eight affected regions an opportunity to incorporate “by local option” before January 1, 1964. If any of the eight areas did not incorporate by local option before the deadline, a borough with boundaries designated in the Mandatory Borough Act would be established on January 1, 1964. One of those regions was defined by an initial State election district as set out in the Alaska Constitution: Ketchikan Election District #2.

**Figure 2-1** shows Election District #2 as designated in the State Constitution. This map is a correction to the map labeled Figure 2-1 found on page 13 of the *Preliminary Report to the Local Boundary Commission Regarding the Petition for Annexation of Approximately 4,701 Square Miles to the Ketchikan Gateway Borough*. This revised map is drawn using three sources: 1) the description in the State Constitution; 2) the map which was incorporated by reference and mentioned in the minutes; a page-sized reproduction is included here as Appendix C; and 3) the minutes of the Constitutional Convention – namely, the January 26, 1956, Proceedings of Alaska Constitutional Convention, found here in Appendix D. DCCED staff asserts that Election District #2 includes Lemesurier Point - part of the Cleveland Peninsula – that includes the Meyers Chuck. See Lemesurier Point, labeled on the following illustration, which is a merger of two USGS maps. On both original USGS maps, the entire peninsula of land is labeled Lemesurier Point.

The Petitioner has also revised its three maps concerning Election District #2; the revised versions are included here in Appendix F. (See footnote 10, page 16 of the *City of Wrangell’s Comment to the Preliminary Report on Wrangell’s Petition*, which refers to the difference of opinion between DCCED and the Petitioner regarding the correct boundaries of Election District 2 as designated in the Alaska Constitution.) The Petitioner appears to continue to assert that Lemesurier Point is an imaginary, unlabeled point at the end of the peninsula, rather than the land labeled on USGS maps as “Lemesurier Point.” **Figure 2-2**, a mosaic of two USGS maps, shows a peninsula of land -- Lemesurier Point -- labeled on both USGS maps

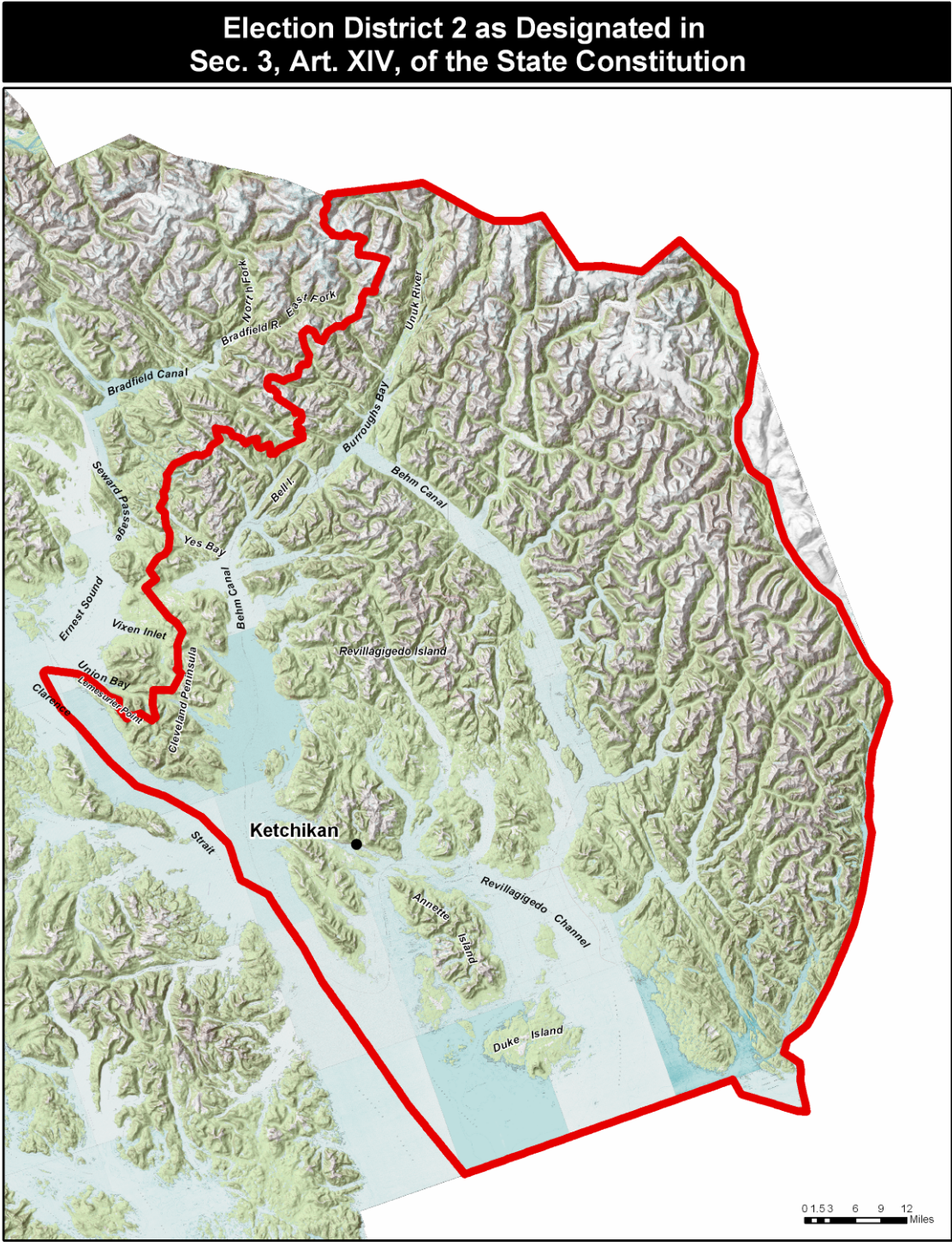


Figure 2-0-1 - Election District 2





Figure 2-2 - Lemesurier Point

**1) The 1963 Legislature Concluded That Meyers Chuck had More in Common With Ketchikan Than Wrangell.**

The 1963 Alaska State Legislature defined boundaries for a prospective mandatory greater-Ketchikan-area borough to include Meyers Chuck. (See Section 3(a)(7) CSHB 90, Third Alaska State Legislature.) That action, on its face alone, warrants the presumption that the boundaries defined by the 1963 Legislature fully satisfied all constitutional and statutory standards for borough incorporation. Those standards included the constitutional mandate (still in place today) that “Each borough shall embrace an area and population with common interests to the maximum degree possible” (article X, section 12 of the Alaska Constitution).

If the area and population of Meyers Chuck did not have greater interests in common with the area and population of Ketchikan when compared to any other area and population in Alaska, including Wrangell, Section 3(a)(7) of SCHB 90 would have been unconstitutional and a violation of the statutory standards for borough incorporation.

It is significant that a majority of the 1963 legislators who defined the boundaries for a prospective mandatory greater-Ketchikan-area borough to include Meyers Chuck were also legislators during the enactment of the borough incorporation standards in 1961. Further, eight members of the 1963 Legislature had been delegates to the Alaska Constitutional Convention.

**2) In 1963, Governor Egan Concurred with the Legislature That Meyers Chuck had More in Common With Ketchikan Than Wrangell.**

Following passage of CSHB 90 by the 1963 Legislature, then-Governor Egan did not veto the measure nor did he simply allow it to become law without his signature. Instead, Governor Egan signed CSHB 90 into law as Chapter 52 SLA 1963. By doing so, the chief executive of the State of Alaska affirmatively embraced the action of the 1963 Legislature, including the definition of boundaries for the prospective mandatory greater-Ketchikan-area borough.

It is notable that article III, section 16 of the Alaska Constitution provides that “The governor shall be responsible for the faithful execution of the laws.” By signing CSHB 90 into law, Governor Egan faithfully executed the statutory standards for borough incorporation and the constitutional mandate that each borough embrace an area and population with common interest to the maximum degree possible.

**3) In 1991, the LBC Determined that the 191-Square Mile Area in Question had More in Common with Ketchikan Than Wrangell.**

After applying borough boundary standards in the Alaska Constitution, Alaska Statutes, and Alaska Administrative Code, the LBC in 1991 formally defined

model borough boundaries for the Ketchikan Gateway Borough. Those boundaries encompass the 191 square-mile area common to both the pending Wrangell and Ketchikan petitions. Thus, the LBC concluded in 1991 that the people and area within the 191 square-miles have more in common with the people and area of the existing Ketchikan Gateway Borough than any other part of Alaska. The model borough boundaries are formally established in law under regulations adopted by the LBC.

**4) In 1999, the LBC Determined that the 191 Square-Mile Area in Question had More in Common with Ketchikan Than Any Other Adjacent Portion of the Unorganized Borough.<sup>2</sup>**

In 1998, the Ketchikan Gateway Borough petitioned for annexation of nearly all of the area within its model boundaries. The exception was the exclusion of 17.9 square miles in and around Hyder, and 3.5 square miles in and around Meyers Chuck. The LBC rejected the annexation proposal, in part, because it did not include Meyers Chuck. The Commission expressly concluded that the applicable legal standards, including those set out in the Alaska Constitution, required Meyers Chuck to be within the boundaries of the Ketchikan Gateway Borough.

In its 1999 written decision regarding the annexation proposal, the LBC made the findings and conclusions regarding the omission of Meyers Chuck:

“One of the ways to access the northwestern portion of the territory proposed for annexation is to travel through Meyers Chuck.” (LBC, *Statement of Decision in the Matter of the February 28, 1998 Petition of the Ketchikan Gateway Borough for Annexation Of 5,524 Square Miles*, p. 5, April 16, 1999.)

“Meyers Chuck appear[s] to be integrated into the transportation and communication system centered in Ketchikan. For example, DCRA reported that there were 249 commercial passenger enplanements in Meyers Chuck during 1996 (equivalent to eight enplanements per resident, which is higher than that found in many communities in Southeast Alaska). According to DCRA, an official from the Alaska Department of Transportation stated that it was reasonable to assume that virtually all of the 249 passengers were destined for Ketchikan. Regarding communications, DCRA reported that approximately 40% of the occupied homes in Meyers Chuck subscribe to the Ketchikan Daily News.” (Id.)

“Meyers Chuck (located approximately 40 air miles from Ketchikan) may be considered by some to be distant from Ketchikan. However, communities in

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<sup>2</sup> The LBC stated in 1999 that Meyers Chuck has more in common with Ketchikan than it does with any other “select adjacent portion of the unorganized borough.” The 1999 LBC recognized ties between Meyers Chuck and Prince of Wales Island, but in their deliberations, they never recognized any ties between Meyers Chuck and Wrangell.

many other organized boroughs in Alaska are separated by far greater distances.” (Id.)

“The . . . communication and exchange standard set out in 19 AAC 10.160(b) is satisfied, albeit minimally. The exclusion of Hyder and Meyers Chuck from the annexation proposal significantly diminishes the extent to which this standard is met.” (Id, p.6.)

“The western boundaries followed various natural waterways (e.g., along the mid-point of Clarence Strait), with the exception of the exclusion of Meyers Chuck.” (Id 7.)

“Consideration of existing and reasonably anticipated transportation patterns in the context of this standard raised the same concerns for the Commission that were noted previously with respect to the standard dealing with the communication and exchange necessary for development of integrated borough government. Here again, it appears that Hyder and Meyers Chuck are key links to portions of the territory proposed for annexation.” (Id 8.)

“The exclusion of Hyder and Meyers Chuck from the annexation proposal precludes the satisfaction of the requirement that the Borough conform generally to natural geography and include all areas necessary for full development of municipal services on an efficient, cost-effective level.” (Id.)

“[T]he Borough’s model boundaries also reflect the application of all borough boundary standards and relevant constitutional principles to the pertinent facts in the Borough’s circumstances. In the record, there is insufficient justification for deviation from those model boundaries here. If the Borough’s annexation proposal were approved, the Borough would have little or no incentive to further extend its boundaries to include Hyder and Meyers Chuck.” (Id 9.)

“[T]he territory proposed for annexation has a great deal in common with the Borough. Existing State House Election District 1 conforms closely to the proposed new boundaries of the Borough. However, Election District 1, like the Borough’s model boundaries, includes Hyder and Meyers Chuck. The area proposed for annexation also conforms substantially to the “Outer Ketchikan Census Subarea” of the “Prince of Wales-Outer Ketchikan Census Area.” Hyder and Meyers Chuck are included in that subarea as well.” (Id 11.)

“[T]he territory proposed for annexation includes most of the Cleveland Peninsula. That area is used by the residents of Ketchikan and surrounding communities for subsistence hunting, fishing, and primitive recreation. Meyers Chuck is also located on Cleveland Peninsula.” (Id.)

“In 1963, the Legislature determined that the territory proposed for annexation, plus Hyder and Meyers Chuck, was suitable for inclusion within the Borough under the terms of the Mandatory Borough Act.” (Id 12.)



“There are strong ties between the Borough and both Hyder and Meyers Chuck. Common ties concerning transportation and communication were addressed previously. Beyond that, the Borough identified four factors that it considered to be of “particular importance” in demonstrating the close ties between it and the territory proposed for annexation. Those factors related to: (1) election districts, (2) recording districts, (3) borough government boundaries as mandated by the 1963 legislature, and (4) model borough boundaries. However, each and every one of those four factors also links the Borough to Meyers Chuck and Hyder. Other common interests linking the Borough to Hyder and Meyers Chuck include natural geography and census sub-area boundaries. Medical care is another area in which there are common interests since both Hyder and Meyers Chuck are within the “Primary Service Area” of the Ketchikan General Hospital.” (Id.)

“Given the extreme diversity of the unorganized borough, coupled with the social, cultural, economic, geographic, transportation, and other ties between the Borough and the area proposed for annexation, the territory unquestionably has stronger ties to the Borough than it does to the rest of the unorganized borough. Even if a comparison is made between a select adjacent portion of the unorganized borough (e.g., Prince of Wales Island) versus the Borough, the territory still exhibits stronger ties to the Borough.” (Id.) (Emphasis added.<sup>3</sup>)

“While annexation would better satisfy the constitutional mandate for the Borough’s boundaries to encompass maximum common interests than is the case currently, the constitution calls for boundaries to embrace an area of common interests “to the maximum degree” possible. Without Meyers Chuck and Hyder, this standard cannot be met.” (Id.)

[T]he need for municipal government is not limited to the area proposed for annexation. That area includes Meyers Chuck and Hyder as well. When planning is conducted around those communities, special focus should be given to how activities in the adjacent region will affect those communities. As such, the Borough’s annexation proposal significantly undercuts its own ability to effectively address planning needs by excluding Meyers Chuck and Hyder.” (Id 13.)

“There are no schools in the territory proposed for annexation. However, here again, the Borough undermines its own annexation proposal by excluding Meyers Chuck and Hyder. The State would be left with the responsibility for the education of students in those communities.” (Id.)

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<sup>3</sup> Again, it is noteworthy that the 1999 LBC stressed that the area and population of Meyers Chuck had more in common with Ketchikan than it did with any “select adjacent portion of the unorganized borough (e.g., Prince of Wales Island).” It is especially notable that ties between Meyers Chuck and Wrangell were not even reflected in the LBC’s deliberations.

“Because the annexation petition excludes Hyder and Meyers Chuck, the Commission considers the proposal to fail in terms of promoting maximum local self-government.” (Id 14.)

**5) The Area and Population Within the 191 Square Miles Continues to Have the Strong Ties to Ketchikan Cited by the LBC in 1999.**

The common ties between the area and people of Meyers Chuck and Ketchikan identified by the LBC in 1999 remain in place today. Examples of these continued ties are provided below.

- Following the 1999 LBC decision, State House Election District boundaries in Alaska were adjusted on the basis of the 2000 federal census in accordance with article VI of the Alaska Constitution and AS 15.10.300. Meyers Chuck and Union Bay continue to be in the same State House election district as the area within the existing boundaries of the KGB (House Election District 1). In contrast, most of the inhabited portions of the proposed Wrangell Borough are in adjoining House District 2.
- Meyers Chuck remains in the Outer Ketchikan Census Subarea. In contrast, the proposed Wrangell Borough lies principally within the Wrangell-Petersburg Census Area.
- The National Forest lands in the vicinity of Meyers Chuck and Union Bay are managed by the Ketchikan Ranger District. The Ketchikan Ranger District headquarters and personnel are based in Ketchikan.
- To the extent that the Federal government develops or improves lands in the Meyers Chuck and Union Bay area, it is likely that the area and people within the boundaries of the existing Ketchikan Gateway Borough that will provide the majority of infrastructure, goods, and services for their improvement.
- Alaska Department of Fish and Game (ADF&G) boundaries link Meyers Chuck and Ketchikan. According to ADF&G data, Game Management Unit 1A is used primarily by Ketchikan residents. For example, 81% of the 523 hunters engaged in deer hunting in Unit 1A listed Ketchikan as their community of residence. In addition, according ADF&G commercial fisheries data, 94% of subsistence salmon and personal use permits (218 total) issued within the area proposed for annexation (principally Yes Bay) were issued to residents of the existing Borough. Hunters residing in Ketchikan who participated in the survey reported that they hunted in Game Management Units 1A, 1B, 2, 3, 4, and perhaps other areas (“unknown”). Hunters residing in Meyers Chuck who participated in the survey reported that they hunted in both Game Management Units 1A and 1B, as well as Game Management Unit 3 and perhaps other areas (“unknown”). Hunters residing in Wrangell did not report that they hunted in Game Management Units 1A.

- Emergency medical service patient transportation pattern links Meyers Chuck with the Ketchikan General Hospital. DHSS indicated further that Meyers Chuck has three volunteer Emergency Medical Technicians in the summer and one “First-Aider with AED [Automated External Defibrillators]” in the winter. In 2006, Dr. Anthes, a medical doctor in Ketchikan, was listed as the Meyers Chuck EMS Medical Director.
- Meyers Chuck reliably receives radio signals from Ketchikan which carry news and other items of local and regional interest. DCCED’s Community Database lists only two radio stations as serving Meyers Chuck. Those are KTKN-AM and KRBD-FM, both based in Ketchikan. No station based in Wrangell is listed as serving Meyers Chuck.
- Only one of the few households in Meyers Chuck subscribes to the *Ketchikan Daily News*. None subscribes to the *Wrangell Sentinel*.
- The Ketchikan International Airport, which is operated by the Ketchikan Gateway Borough, provides facilities serving residents of Meyers Chuck in traveling to destinations outside of the region. Aviation firms based in Ketchikan provide air transportation from Ketchikan to the area proposed for annexation, including Ketchikan. According to the Ketchikan Gateway Borough, data show that there were 210 regularly scheduled passenger trips, 3,648 pounds of freight, and 13,609 pounds of mail on flights from Ketchikan to Meyers Chuck in 2004. Additionally, the same statistics indicated that there were 88 trips, 335 pounds of freight, and 221 pounds of mail on flights from Meyers Chuck to Ketchikan. DCCED contacted Sunrise Aviation, the only air carrier in Wrangell that has the capacity to serve Meyers Chuck. Other than to state that it does not offer regular passenger service to Meyers Chuck, Sunrise Aviation representatives declined to make any statement regarding the extent, if any, to which Sunrise Aviation serves Meyers Chuck.

**6) Current Law Creates a Presumption Against Inclusion of the 191 Square Mile Area in the Proposed Wrangell Borough.**

As noted many times, the 191 square mile area common to both the Ketchikan and Wrangell boundary proposals lies exclusively within the model borough boundaries of the Ketchikan Gateway Borough. The provisions of 3 AAC 110.060(b) state: “Absent a specific and persuasive showing to the contrary, the commission will not approve a proposed borough with boundaries extending beyond any model borough boundaries.”

The LBC is barred from including the 191 square mile area in a Wrangell Borough unless the Wrangell petitioners make “a specific and persuasive showing” to the contrary. Stated another way, the Local Boundary Commission lawfully must be wary and skeptical when evaluating whether to include the 191 square mile area in the proposed Wrangell Borough.

DCCED finds no evidence, let alone a “specific and persuasive showing” that the area and people within the 191-square mile area have more in common with Wrangell as contrasted with Ketchikan.

**7) In the Ketchikan Gateway Borough’s 1998 annexation proposal that included Meyers Chuck, the City of Wrangell did not object.**

The City of Wrangell objected to a 1998 Ketchikan Gateway Borough annexation proposal to extend the Borough’s boundaries to encompass all of the area within its model borough boundaries except for a 3.5 square mile area in and around Meyers Chuck and a 17.9 square mile area in and around Hyder.

The City of Wrangell’s stated objection in 1998 dealt solely with the concern that annexation of territory to the Ketchikan Gateway Borough would reduce National Forest Receipts payments to cities and regional educational attendance areas located in the Tongass National Forest portion of the unorganized borough, including, of course, the City of Wrangell. See City of Wrangell Resolution No 3-98-717.

It is particularly noteworthy the 1998 Ketchikan annexation proposal included more than 98 percent of the 191-square mile area common to both the pending Wrangell petition and the pending Ketchikan Gateway Borough annexation proposal. That is, 187.5 square miles of the 191 square mile overlapping area was proposed for annexation to the Ketchikan Gateway Borough in 1998. The City of Wrangell did not assert that the area and population in question had greater interests in common with Wrangell, compared to Ketchikan.

**8) The Alaska Department of Natural Resources Central/Southern Southeast Area Plan, adopted November, 2000, includes Meyers Chuck and Union Bay in the Ketchikan Planning Region (and in the Ketchikan-Cleveland Peninsula Subregion) rather than in the Wrangell Planning Region.**

The Petitioner uses DNR’s Map of the Wrangell Planning Region in DNR’s Central/Southern Southeast Area Plan as justification for the boundary of the proposed borough, separating it from the Petersburg Planning Region. However, Meyers Chuck and Union Bay, located on the Cleveland Peninsula, are included in the Ketchikan Planning Region, rather than in the Wrangell Planning Region.

### ***Frequently Asked Questions***

**Why do you need an organized borough? Why does the legislature or State care whether Wrangell or Meyers Chuck is in an organized borough or not? On what basis, legally, can the State force a borough on an area that doesn't want to be in an organized borough?**

The Alaska Constitution requires all of Alaska to be divided into boroughs. Those boroughs can be organized or unorganized. The Framers of Alaska's Constitution had hoped that the State would make borough government attractive enough so that individuals would voluntarily incorporate boroughs. The Framers recognized that where areas of the state have the administrative and fiscal capacity to form and operate boroughs, but residents choose not to do so, the State legislature could mandate incorporation. The history of borough incorporation in Alaska is one in which relatively few individuals or regions have volunteered to incorporate boroughs because the State failed to provide adequate incentives. Of all the people that live in Alaska, 88 percent live in organized boroughs, but of that 88 percent, 96 percent live in boroughs that were mandated to be formed by the State legislature.

In 1963, the Legislature passed a bill mandating that eight different regions of the state form borough governments by January 1, 1964. That bill was signed into law by then-Governor Egan (who had served as President of Alaska's Constitutional Convention). The legality of the 1963 Mandatory Borough Act was challenged in the courts and upheld. The eight mandatorily formed boroughs encompass the vast majority of Alaskans.

One important reason for forming a borough is so the region will have local self-government and be able to exercise local control over their affairs. Organized boroughs operate, control, and help to support schools in their area. Within two years after a borough incorporates, the new borough conducts an election for a school board and takes over the operation of schools in their area.

There have been a number of attempts by individual legislators since 1963 to mandate borough formation in the unorganized borough, but none has been successful so far. There may be future attempts to mandate borough formation in parts of the state that are fiscally and administratively capable of operating a borough to help pay for schools. The vast majority of Alaskans (88 percent) live in organized boroughs, and most of those people (96 percent of the 88 percent) live in boroughs that were mandatorily formed.

If the State were to further mandate borough formation, it is likely that new boroughs would be created as second-class, general government boroughs, as they were under the 1963 Mandatory Borough Act. Each new borough would have two years to determine how it was going to pay for the schools in their area

– say, through property tax, sales tax, fuel tax, other types of taxes, or a combination of taxes. In contrast, if an area voluntarily forms a borough, residents have more control over what kind of borough they choose to create (e.g. home-rule, first-class, or second-class) and what types of taxes or PILT agreements will be instituted to pay for schools.

If the Local Boundary Commission approves the Petition that is now before it, the decision will return to the local region where the residents will decide, through an election, whether or not they want a borough.

**If this attempt at borough formation fails, what other ways could this be attempted again?**

A new petition for borough incorporation could be submitted. Note however, if the current proposed Wrangell Borough incorporation fails at an election, the regulations (3 AAC 110.650) state that, except upon a “special showing” to the Commission of “significantly changed conditions,” a new petition could not be submitted within two years following the election, unless that petition differs substantially or materially from the borough incorporation petition that failed. In other words, any new petition for borough incorporation that is filed with the LBC would have to be substantially dissimilar to the any borough incorporation petition rejected by voters in the preceding 24 months. An exception to that limitation may be granted if conditions have changed substantially.

**What is a by-mail vote? How are the results counted? Who is eligible to vote? What is the time allotment?**

State law (AS 15.20.800 and 6 AAC 25.590) allows the State Division of Elections to conduct elections by mail if the date of the election does not coincide with the date of a State primary election, State general election, or municipal election. It has been a common practice of the State Division of Elections to conduct municipal incorporation elections by mail.

Ballots are mailed out at least 22 days prior to the date of election. Completed ballots must be postmarked on or before election day to be counted. If the completed ballot was mailed within the United States, only ballots postmarked on or before election day, that are received 10 days after election day are counted. If the completed ballot was mailed outside the United States, only ballots postmarked on or before election day, that are received 15 days after election day are counted.

An election official will be assigned to assist with by-mail voting beginning 15 days prior to the election and on election day. Eligible voters to whom a by-mail ballot is sent will be able to return their ballots by-mail or deliver them directly to the designated election official serving in the area for the election. Ballots must be postmarked no later than election day, or delivered to the designated election official on or before election day.

If the Local Boundary Commission approves the incorporation Petition, with or without amendments or conditions, it must immediately notify the Director of the Division of Elections for the State of Alaska. Within 30 days of receiving that notification, the Director of Elections must issue an order and notice of election to determine whether the voters desire incorporation and, if so, to elect the initial government officials.

The election must be conducted within 30 to 90 days after the election order. Every individual who is registered to vote in the proposed borough at least 30 days before the date the election order is issued would be eligible to vote in the incorporation election. If the election is conducted by mail, the Division of Elections will send a ballot to each eligible voter.

Voters may contact the Division of Elections Region III Office at (907) 451-2835 to update or confirm that their voter registration is current, in order to ensure eligibility to participate in the prospective election. Voters must be registered within the boundaries of the proposed borough for 30 days before the date the election order and notice is issued.

The petition shall be in the form prescribed by the Director of Elections and must include the name and address of the nominee and a statement of the nominee that the nominee is qualified under the provisions of the Alaska Statutes for the office that is sought.

If the voters approve the proposition to incorporate, the initial elected officials take office on the first Monday following certification of their election. The initial elected members of the governing body shall determine by lot the length of their terms of office so that a proportionate number of terms expire each year, resulting in staggered terms of office for members subsequently elected.

**Can the election be changed from an election by-mail? Can the ballots go to Post Office boxes?**

The Director of the Division of Elections will determine whether the election is conducted by-mail or in-person. In an election by-mail, ballots can be delivered to Post Office boxes.

If the election is conducted by mail, ballots will be mailed by the Division of Elections to the mailing address of each voter as stated on that voter's registration record. Again, voters may contact the Division of Elections Region III Office at (907) 451-2835 to update or confirm that their voter registration is current in order to ensure eligibility to participate in the prospective election. Voters should also contact the Division of Elections Region III Office to confirm that their mailing address or Post Office box number is correct.

## Chapter 3 – Recommendation

Due consideration was given to the timely written public comments submitted to the LBC regarding the Petition, the August 2007 Preliminary Report, and the oral comments provided at the September 13, 2007 informational meeting in Wrangell. Regulation 3 AAC 110.530(b) requires DCCED to issue a Final Report after considering written comments regarding the Preliminary Report. After considering the ten sets of written comments received by the LBC by the September 24, 2007 deadline, DCCED reaffirms the conclusions and recommendations of the Preliminary Report. The Petition for incorporation of the City and Borough of Wrangell meets all applicable legal standards and should be approved by the LBC, except with respect to the 191 square mile area in the vicinity of Meyers Chuck and Union Bay that is within the model boundaries of the Ketchikan Gateway Borough (KGB), and otherwise has stronger ties to Ketchikan. Therefore, DCCED continues to recommend the LBC amend the Wrangell Petition to exclude the 191 square mile area. That same area was claimed in the February 2006 KGB Petition for annexation of 4,701 square miles within the model borough boundaries of the Ketchikan Gateway Borough.

DCCED concludes that this 191 square-mile territory, part of the Cleveland Peninsula and within the KGB model boundaries, has more common interests and stronger ties with the KGB than it does with the proposed City and Borough of Wrangell. Those boundaries were set by the LBC in 1991 using the legal borough boundary standards and constitutional principles established in law. This is consistent with DCCED's conclusion in its *Preliminary Report to the Local Boundary Commission Regarding the Petition for Annexation of Approximately 4,701 Square Miles to the Ketchikan Gateway Borough*, issued June 30, 2007.

There are strong ties between the Ketchikan Gateway Borough and Meyers Chuck regarding transportation and communication, election districts, recording districts, borough government boundaries as mandated by the 1963 legislature, and the model borough boundaries. In addition:

- Natural geography and census subarea boundaries are common interests linking the KGB to Meyers Chuck.
- Since Meyers Chuck is within the Primary Service Area of the Ketchikan General Hospital, medical care is another common interest between the KGB and Meyers Chuck.
- Meyers Chuck and Union Bay are within the “Ketchikan Planning Region” of DNR's *Central/Southern Southeast Area Plan*. In fact, the Wrangell Petitioner, in part, justifies the exclusion of Petersburg from its borough proposal by placing great weight on the fact that Wrangell and Petersburg are in separate planning regions in the same *Central/Southern Southeast Area Plan*.



- The proposed KGB annexation boundaries mirror the boundaries of the Ketchikan-Misty Fjords Ranger District, with the exception of the temporarily excluded area near Hyder. If the KGB's proposed expanded boundary is used (which includes a 191 square mile area on the Cleveland Peninsula in the vicinity of Meyers Chuck and Union Bay), all of the lands managed by the Forest Service within the Ketchikan-Misty Fjords Ranger District will be in the expanded boundaries of the KGB, and all of the forest lands located within the Wrangell Ranger District will be within the new City and Borough of Wrangell. According to District Ranger Lynn Koland (who filed two public comment letters), it would facilitate Forest Service administrative responsibilities if the proposed borough boundaries on the Cleveland Peninsula matched those of the Tongass National Forest ranger districts. Ranger Koland states that similar management boundaries will help avoid confusion between the ranger districts of the Tongass National Forest and the proposed boroughs. He also points out that the offices and staff of both the Ketchikan-Misty Fjords Ranger District and the Ketchikan Gateway Borough are located in Ketchikan, while the same is true of the Wrangell Ranger District and the proposed City and Borough of Wrangell. Ranger Koland concludes that the proximity of these organizations to one another will result in a savings of time and travel on matters that mutually affect them.
- Travel by boat along Clarence Strait to Ketchikan 39 miles away must not be an serious impediment for residents of Meyers Chuck and Union Bay, since Meyers Chuck residents say they routinely boat to Thorne Bay, 11 miles away, to purchase gas, supplies and do business, which entails directly crossing Clarence Strait.
- It is only 39 miles by water and 37 miles by air for Meyers Chuck and Union Bay residents to travel to Ketchikan. It is a greater distance for these residents to travel to Wrangell – 58 to 65 miles by water (depending on the route) or 51 miles by air. In bad weather, boats can follow the Cleveland Peninsula shoreline to travel to Ketchikan, or postpone their trip. In bad weather, Meyers Chuck and Union Bay residents would probably avoid traveling by boat or plane to either location.

The LBC should amend the Petition to exclude the 191 square mile area in the vicinity of Meyers Chuck and Union Bay, and then an election should be held where registered voters in the affected area will vote on the incorporation of the City and Borough of Wrangell as a unified home-rule borough.

DCCED reaffirms the conclusions and recommendation of the Preliminary Report:

**1. *Transition Plan is Adequate***

The Petitioner has provided an adequate plan for suitable transition to a unified home-rule borough. Local government officials were consulted in the plan's development. Consequently, Commerce finds the standard set forth in 3 AAC 110.900 is satisfied.

**2. *No Detrimental Effect on Civil or Political Rights***

The proposal would not deny civil or political rights because of race, color, creed, sex, or national origin. Therefore, the standard set forth in 42 U.S.C. Section 1973 and 3 AAC 110.910 is satisfied.

**3. *Budget is Feasible***

Commerce concluded in its Preliminary Report that the area proposed for incorporation has adequate financial resources. Based on those resources, Commerce finds the budget proposed for the third year after incorporation and the three year budget projection to plausible and feasible. If the 191 square mile area in the vicinity of Meyers Chuck and Union Bay is excluded from the area proposed for incorporation as DCCED recommends, the analysis in the previous chapter shows the borough incorporation proposal is still fiscally and administratively viable. With the exclusion, the proposed borough will have decreased revenue as a result of reduced Forest Service receipts and federal PILT monies; this reduction is balanced by reduced expenses from not having to provide services to the area. As such, the Wrangell borough incorporation proposal, even with the exclusion of the 191 square mile territory, meets the standard set out in AS 29.05.031(a)(3) and 3 AAC 110.055.

**4. *The Proposal is Fiscally and Administratively Viable***

The Wrangell area economy is capable of supporting the proposed borough. Wrangell incorporated as a city government in 1903 and adopted a home-rule charter in 1960. City government has provided services and represented the entire area (not just what is within the city limits) on an areawide basis for the past several years, including parks and recreation, boat harbor, Community Center, library, museum, and volunteer search and rescue services. (The City of Wrangell provides a facility, equipment and training for Search and Rescue services by the Wrangell Volunteer Fire Department.) Additionally, the City of Wrangell has provided educational services for several years to residents of the proposed borough. Accordingly, the standards regarding the human and financial resources are fully satisfied by the borough incorporation Petition.

## **5. Population is Large Enough and Stable Enough**

The Preliminary Report found the population to be large enough and stable enough to support the proposed borough. Therefore, the standard in AS 29.05.031(a)(1) and 3 AAC 110.050(a) is met.

## **6. Presumption of 1,000 or More Residents**

According to the State Demographer, the 2006 estimated population of the proposed Wrangell Borough is 2,017 residents, which includes 11 Meyers Chuck residents. That figure is obviously well above the minimum 1,000 person threshold set out in 3 AAC 110.050(b).

## **7. Common Social, Cultural, and Economic Interests**

Commerce stressed in its Preliminary Report that Alaska's Constitution (article X, section 3) advances the principle that each borough will comprise a large region within which residents have common social, cultural, and economic interests. Moreover, Commerce emphasized that article X, section 1 of Alaska's Constitution calls for a minimum number of local governments. The Wrangell Borough proposal is consistent with both those fundamental constitutional provisions. Therefore, the standards set out in AS 29.05.031(a)(1) and 3 AAC 110.045(a) are satisfied by the Wrangell Borough Petition. The social, cultural, and economic characteristics and activities of the residents of the proposed borough are interrelated and integrated.

Article X, section 3 of Alaska's Constitution mandates that each borough embrace an area and population with common interests to the maximum degree possible. Additionally, AS 29.05.031(a) provides that the population of a proposed borough must be "interrelated and integrated as to its social, cultural, and economic activities" and that "land, water, and air transportation facilities allow the communication and exchange necessary for development of integrated borough government." Moreover, 3 AAC 110.045 requires that a proposed borough embrace a community of interests.

Wrangell's petition to incorporate 3,465 square miles as the City and Borough of Wrangell, and the Ketchikan Gateway Borough's petition for annexation of a 4,701 square-mile portion of the area within the model boundaries of the Ketchikan Gateway Borough (KGB), both claim the same 191 square mile area in the vicinity of Meyers Chuck and Union Bay. Based on the evidence in this incorporation proceeding and the pending proceeding for annexation to the Ketchikan Gateway Borough, DCCED concludes that only 95 percent of the area proposed for incorporation as the Wrangell Borough share common interests to the maximum degree possible. DCCED concludes that the remaining 191 square mile area and the population in the vicinity of Meyers Chuck and Union Bay on the Cleveland Peninsula have greater interests in common with Ketchikan as compared to Wrangell. That 191 square mile area is within the

Ketchikan model borough boundaries and is currently proposed for annexation to the Ketchikan Gateway Borough.

### **8. *Presumption of Multiple Communities Overcome and Sufficient Level of Interrelationships Exists***

To satisfy this presumption, either the proposed borough has multiple communities or it is demonstrated that a sufficient level of interrelationship exists within a single community. The Alaska Administrative Code, under 3 AAC 110.045(b), requires that there be multiple *bona fide* communities in the proposed borough, as defined by 3 AAC 110.995(5) and determined under 3 AAC 110.920, unless a specific and persuasive showing is made that a sufficient level of interrelationship exists with fewer than two communities. In this case, the presumption of multiple communities is overcome because the Petitioner has made a persuasive showing that a sufficient level of interrelationship exists with fewer than two communities.

### **9. *Transportation and Communication Links with Other Communities and Within the Proposed Borough***

The communications media and the land, air, and water transportation facilities in the proposed borough are well developed and integrated. The standards regarding such are fully satisfied except with regard to the 191-square mile area noted above.

Communications and transportation facilities allow communication and exchange necessary to develop an integrated borough government. Therefore, the standard in 3 AAC 110.045(c) is met. The intra-community transportation and communication system is adequate so the standard in 3 AAC 110.045(d) is met. The communications media and the land, air and water transportation facilities in the proposed borough are sufficiently developed and integrated. The standards regarding such are fully satisfied.

### **10. *General Conformance with Natural Geography***

The boundaries of the proposed borough conform generally to natural geography if the 191 square mile area is excluded. Consequently, with this exclusion, the Wrangell Borough proposal satisfies the geography standard in AS 29.05.031(a)(2) and 3 AAC 110.060(a).

The geographic area of the proposed Wrangell Borough, which comprises an estimated 3,465 square miles, is of a scale suitable for borough government. With the exclusion of Meyers Chuck and Union Bay, the remaining 3,274 miles proposed for incorporation is also of a scale suitable for borough government.

**11. Inclusion of All Areas Needed for Efficient and Effective Delivery of Services on a Regional Scale**

The proposed borough includes all areas needed for delivery of services on an efficient, cost-effective level. Therefore, the standard in AS 29.05.031(a)(2) and 3 AAC 110.060(a) is satisfied.

**12. Suitability of Borough Boundary**

The proposed borough boundaries extend beyond the model borough boundaries to include a 191 square mile portion of the Ketchikan Gateway model borough boundaries. Only if the LBC amends the Petition to exclude this territory will the standard set out in 3 AAC 110.060(b) be satisfied.

**13. Suitability of Regional Educational Attendance Area Boundaries**

The boundaries of the proposed borough do not conform to existing regional educational attendance area boundaries. However, the REAA boundaries are not suitable in this case to serve as boundaries for a solitary borough.

**14. Contiguity and Inclusiveness**

The area proposed for borough incorporation is comprised of contiguous territory without enclaves, in accordance with 3 AAC 110.060(d).

**15. No Overlapping Territory**

The territory proposed for incorporation does not overlap any area currently within the boundaries of another existing organized borough. Therefore, the standard set out in 3 AAC 110.060(e) is satisfied.

**16. Best Interests of the State**

Granting the unified home-rule City and Borough of Wrangell proposal promotes maximum local self-government and a minimum of number of local government units. Consequently, the proposal serves the best interests of the State as required by AS 29.05.100(a), and article 1, section 1 of the Alaska Constitution.

The incorporation proposal would create a home-rule borough. The framers of Alaska's Constitution considered home-rule to be the highest form of self-government. Thus, the incorporation proposal promotes the "maximum local self-government" principle in article X, section 1 of the Alaska Constitution.

The proposal also promotes maximum local self-government in that it will extend borough government to an estimated 3,465 square miles and 2,017 residents.

Of that, 71 square miles and 1,911 residents are already within the home-rule City of Wrangell.

The Wrangell Borough incorporation proposal promotes maximum local self-government with a minimum of local government units by creating one local government to provide basic municipal services in the area, including education, planning, land use regulation, platting, taxation and collection of taxes, volunteer search and rescue services, police, borough hospital, boat harbor, cemetery, museum, public safety building, Community Center, library, incarceration facilities, economic development planning , and parks and recreation. Most of these services were previously provided by two separate government entities: the City of Wrangell, and in the case of platting outside the boundaries of the City of Wrangell, the State of Alaska. The new borough will also collect the proposed taxes and the National Forest Receipts.

Therefore, DCCED concludes that the Petition satisfies all legal standards applicable to borough incorporation, except with respect to the 191 square mile area noted above. Those applicable legal requirements include article X, sections 1 and 3, Constitution of the State of Alaska; AS 29.05.031; AS 29.05.100; 3 AAC 110.045 - 3 AAC 110.065; 3 AAC 110.900 - 3 AAC 110.990; and provisions of the federal Voting Rights Act.

DCCED notes that if borough incorporation occurs and the home-rule City of Wrangell dissolves, the Charter, found in Appendix D of the Preliminary Report, will become the organic law of the borough. In other words, the Charter will serve as the equivalent of a local government constitution for the City and Borough of Wrangell.

The fiscal viability of the prospective borough is reasonably assured. DCCED concludes that incorporation of the Wrangell Borough would serve the best interests of the state, and that the Wrangell unified home-rule borough incorporation proposal meets the requirements of State law. Therefore, DCCED recommends the LBC approve the City and Borough of Wrangell Incorporation Petition, with an amendment to exclude the 191 square-mile territory in the vicinity of Meyers Chuck and Union Bay that is the subject of a competing Petition for Annexation by the Ketchikan Gateway Borough.

**Appendix A**  
**House Bill 133**







# LAWS OF ALASKA

2006

**Source**

CSSSHB 133(JUD) am

**Chapter No.**

\_\_\_\_\_

**AN ACT**

Relating to incorporation of boroughs, to annexation by local action, and to regulations of the Local Boundary Commission to provide standards and procedures for municipal incorporation, reclassification, dissolution, and certain municipal boundary changes; and providing for an effective date.

\_\_\_\_\_

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

THE ACT FOLLOWS ON PAGE 1

**AN ACT**

1 Relating to incorporation of boroughs, to annexation by local action, and to regulations of the  
2 Local Boundary Commission to provide standards and procedures for municipal  
3 incorporation, reclassification, dissolution, and certain municipal boundary changes; and  
4 providing for an effective date.

5

6 \* **Section 1.** AS 29.05.100(a) is amended to read:

7 (a) **After providing public notice of each proposed amendment or**  
8 **condition and an opportunity for public comment, the** [THE] Local Boundary  
9 Commission may amend the petition and may impose conditions on the incorporation.  
10 If the commission determines that the incorporation, as amended or conditioned if  
11 appropriate, meets applicable standards under the state constitution and commission  
12 regulations, meets the standards for incorporation under AS 29.05.011 or 29.05.031,  
13 and is in the best interests of the state, it may accept the petition. Otherwise it shall  
14 reject the petition.

1 \* **Sec. 2.** AS 29.05 is amended by adding a new section to read:

2 **Sec. 29.05.115. Incorporation with legislative review.** (a) If the Local  
3 Boundary Commission submits a proposal for borough incorporation to the legislature  
4 under art. X, sec. 12, Constitution of the State of Alaska, AS 29.05.060 - 29.05.110 do  
5 not apply. However, before the proposal is submitted to the legislature, the Local  
6 Boundary Commission shall hold at least two public hearings in the area proposed for  
7 incorporation.

8 (b) This section may not be construed as granting authority to the Local  
9 Boundary Commission to propose a borough incorporation under art. X, sec. 12,  
10 Constitution of the State of Alaska.

11 \* **Sec. 3.** AS 29.06.040(c) is amended to read:

12 (c) In addition to the regulations governing annexation by local action adopted  
13 under AS 44.33.812, the Local Boundary Commission shall establish procedures for  
14 annexation and detachment of territory by municipalities by local action. The  
15 procedures established under this subsection must include a provision that

16 (1) **a proposed annexation must be approved by a majority of votes**  
17 **on the question cast by voters residing in the annexing municipality;**

18 (2) a proposed annexation **or** [AND] detachment must be approved by  
19 a majority of votes on the question cast by voters residing in the area proposed to be  
20 annexed or detached;

21 (3) [(2)] municipally owned property adjoining the municipality may  
22 be annexed by ordinance without voter approval; and

23 (4) [(3)] an area adjoining the municipality may be annexed by  
24 ordinance without an election if all property owners and voters in the area petition the  
25 governing body.

26 \* **Sec. 4.** AS 44.33.812(a) is amended to read:

27 (a) The Local Boundary Commission shall

28 (1) make studies of local government boundary problems;

29 (2) adopt regulations providing standards and procedures for municipal  
30 incorporation, annexation, detachment, merger, consolidation, reclassification, and  
31 dissolution; **the regulations providing standards and procedures are subject to**

1           **AS 29.04 - AS 29.10;**

2                           (3) consider a local government boundary change requested of it by the  
3 legislature, the commissioner of commerce, community, and economic development,  
4 or a political subdivision of the state; "boundary change" may not be construed to  
5 include a borough incorporation; and

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

12       \* **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to  
13 read:

14           **APPLICABILITY.** A municipal incorporation, annexation, detachment, merger,  
15 consolidation, reclassification, or dissolution proposal that has not taken effect on or before  
16 the effective date of this Act and that has been initiated or considered under regulations that  
17 do not meet the requirements of AS 44.33.812(a)(2), as amended in sec. 4 of this Act, or  
18 under procedures that do not meet the requirements of AS 29.05.115, added by sec. 2 of this  
19 Act, is void. The proposal may be initiated again under regulations that do meet the  
20 requirements of AS 44.33.812(a)(2) or under procedures that do meet the requirements of  
21 AS 29.05.115.

22       \* **Sec. 6.** This Act takes effect immediately under AS 01.10.070(c).

**Appendix B**  
**Public Comments Regarding**  
**Preliminary Report**





*Meyers Chuck Community Association*

P.O. Box 99  
Meyers Chuck, Alaska 99903  
Phone (907) 946-8318  
Phone (907) 946-8308

September 18, 2007

Local Boundary Commission Staff  
Attention: Kathy Atkinson  
Department of Commerce, Community and Economic Development  
550 West Seventh Avenue, Suite 1770  
Anchorage, AK 99501

Re: Response to the Preliminary Report Regarding the Home-Rule Petition for Wrangell

Dear Members of the Local Boundary Commission and Staff,

On behalf of the Meyers Chuck Community Association, we submit the attached response to the Local Boundary Commission Staff "Preliminary Report to the LBC Regarding the Petition to Incorporate the Unified Home-Rule Borough of Wrangell".

Sincerely,



Glen G. Rice  
Chairman  
Meyers Chuck Community Association

Attachment

Cc: Governor Sarah Palin  
Robert P. Blasco - Attorney for the Meyers Chuck Community Association  
City of Wrangell


**RECEIVED**  
SEP 24 2007  
Local Boundary Commission

IN THE MATTER OF THE CITY OF WRANGELL PETITION TO INCORPORATE  
THE UNIFIED HOME-RULE BOROUGH OF WRANGELL

COMMENTS ON BEHALF OF THE MEYERS CHUCK COMMUNITY  
ASSOCIATION IN RESPONSE TO THE PRELIMINARY REPORT TO THE LOCAL  
BOUNDARY COMMISSION REGARDING THE PETITION TO INCORPORATE  
THE UNIFIED HOME-RULE BOROUGH OF WRANGELL

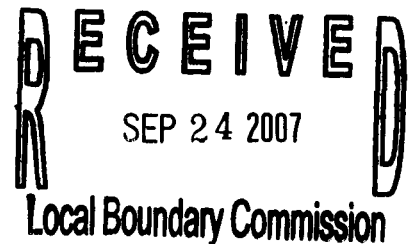
DATED

9/18/07



Glen Rice  
Chairman of the Meyers Chuck  
Community Association

Cc: Governor Sarah Palin  
Robert P. Blasco, Attorney for the Meyers Chuck Community Assn.  
City of Wrangell.



The Wrangell Petition for a Home-Rule Borough includes the area around Meyers Chuck, Union Bay, and Three Islands – approximately 191 square miles. This same area is proposed for inclusion in an expanded Ketchikan Borough. It is currently in, and contiguous with, the unincorporated borough. Meyers Chuck/Union Bay did not initiate either petition. Wrangell was concerned that without Meyers Chuck their petition might fail the “two community” standard and Ketchikan felt a need to partially address the Local Boundary Commission’s (LBC) concerns with an earlier petition they submitted. Responding to Meyers Chuck/Union Bay residents desire to remain in our current status within the unorganized borough, both Wrangell and Ketchikan have taken official actions stating that they do not oppose Meyers Chuck/Union Bay being removed from their respective petitions.

Despite the Meyers Chuck/Union Bay requests and agreements with both Petitioners to leave us out of their respective boroughs, the DCCED staff considers Meyers Chuck/Union Bay’s immediate future as “either/or” in terms of needing to join either Ketchikan or Wrangell. As Wrangell’s Mayor Bill Privett stated at last week’s public meeting, there is a third choice. Meyers Chuck/Union Bay should remain in the unorganized borough, and at some future date, join an organized borough – possibly Thorne Bay/Prince of Wales. Until some future action is taken to modify the model boundaries, Meyers Chuck/Union Bay will remain, as it is today, an enclave within the Ketchikan model borough.

The Alaska State Constitution divides the state into two types of boroughs, organized and unorganized. They have equal legitimacy under the Constitution. The Constitution requires that any borough shall embrace an area and population with common interest to the maximum degree possible. In order to recommend that a community be removed from its borough (organized or unorganized) the analysis must look at the ties and common interests it shares with its current affiliation. The DCCED has failed to do this in its preliminary reports on either the Wrangell or Ketchikan petition.

The residents of Meyers Chuck/Union Bay do not live our lives, conduct our business, or establish our social, cultural and economic ties based on the geography of the land. There are no roads to connect us. We are totally dependant upon the air and the sea. This is our link to each other and our neighboring communities. Anyone who has even the slightest familiarity with our community realizes our closest and strongest link is with Prince of Wales through the community of Thorne Bay. It is only 12 miles away, and we can reach it under most weather conditions using small boats that are the only form of transportation we have in this community. Thorne Bay is our polling place. It is our source for supplies, fuel and groceries. It is our seaplane service connection. It provides our weekly newspaper, the Island News (see attachment). It is our barge/freight terminal. Through it we access Craig, the service center for our local telephone. It links us to our closest access to medical and emergency services. Throughout the spring and summer, the charter fishing fleet from Thorne Bay regularly fishes along Meyers Chuck and Union Bay shorelines. The list goes on. Residents and visitors occasionally use the Thorne Bay seaplane service route to access Meyers Chuck. The majority of passengers are not destined for Ketchikan, but rather in transit through the Ketchikan airport. The airfreight

we receive through Ketchikan is primarily via the U.S. postal service and its weekly-chartered flight. The U.S. post office services most of southern southeast Alaska communities through Ketchikan, including Hyder, which receives delivery twice per week.

The geo-political boundaries the DCCED has used to justify its recommendation to remove Meyers Chuck/Union Bay from the unorganized borough are artificial (census tract, fish and game management area, election district, etc.). They do not measure “common interest” since they do not reflect how we live our lives, our transportation patterns, or our social, cultural and economic characteristics. They are inappropriate to use as the primary measuring stick for determining if the constitutional requirement of “embracing an area of common interest” has been met. The LBC concluded in its 2002 decision to form a Skagway borough that election districts do not make ideal borough boundaries. It is the LBC’s view that contiguousness and socio economic integration take priority. We request that Chapter 2, part 3 of DCCED preliminary report and the conclusions and recommendation drawn from it be rewritten to reflect Meyers Chuck/Union Bay’s shared common interests with the unorganized borough.

The LBC is entrusted to be a forward-looking commission and to make decisions that will be appropriate in the future. As such, it must be realized that there have been many changes in the 45 years since the legislature drew boundaries that were subsequently adopted by the LBC. New ferry service and paved roads now link Prince of Wales communities to the other major population centers in southern southeast Alaska. The Prince of Wales communities are diversifying and the services and amenities available are diversifying and growing as well. To ignore the impact this will have on this part of Alaska as well as the existing and growing interdependency with Meyers Chuck/Union Bay is a mistake. Reliance on historic conditions instead of contemporary ones is hardly appropriate for a forward-looking commission.

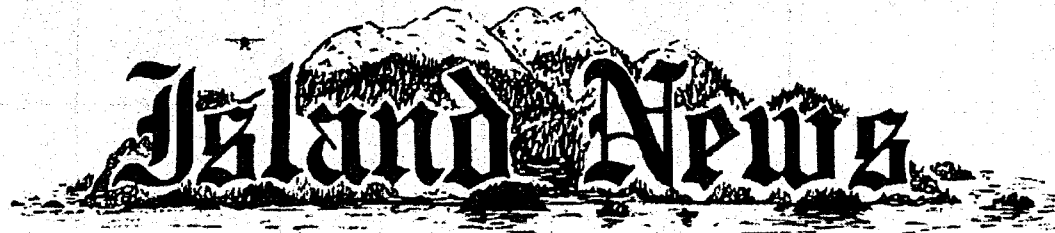
It is hard to imagine how either Wrangell, or especially Ketchikan, could provide any public service to Meyers Chuck. The distance for public employees to travel and perform duties here is great. The weather and sea conditions very frequently limit travel. There are no facilities to accommodate public employees (office, restrooms, phone, internet connection, overnight accommodations). The land in the community is privately owned. There are no roads and even the foot trails are all on private property. Many properties are accessible only by water, and there is no boat charter service to transport public employees if they arrive by air. We have no electronic media or public teleconferencing facilities to afford access to public meetings and actual attendance at meetings in Wrangell (or Ketchikan) is expensive and difficult. Even Wrangell decided it was cost prohibitive to provide transportation for Meyers Chuck/Union Bay residents to attend the public informational meeting held by the DCCED on this petition.

We support Wrangell in its quest to form a borough. We appreciate their consideration to include Meyers Chuck in their petition in recognition that Ketchikan is definitely not an appropriate fit for our community. We request that this report be amended to delete the “either/or” comparison between Wrangell and Ketchikan in terms of which has more in

common with Meyers Chuck. This comparison is meaningless and unnecessary. It unfortunately entwines the Wrangell petition in the conflict of interest problem that has arisen as a result of Dan Bockhorst's (DCCED staff) desire to become the Ketchikan Gateway Borough manager and jeopardizes formation of the Wrangell borough in a timely manner. The analysis contained in this report should be a comparison between our ties to Wrangell and the unorganized borough. If the staff finds Meyers Chuck has stronger ties to the unincorporated borough and therefore should be excluded from a Wrangell borough – so be it. The recommendation should then be that we remain in the unincorporated borough.

**50¢  
Copy**

**SOUTHEAST ALASKA'S**



ATTACHMENT

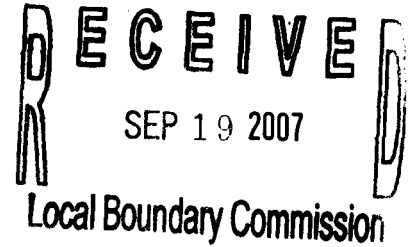
September 3, 2007

Volume 26, Number 35

**Cape Pole • Coffman Cove • Craig • Edna Bay • Hollis • Hydaburg • Hyder • Kasaan • Klawock • Meyers  
Chuck • Naukati • Point Baker • Port Protection • Saltery Cove • Thorne Bay • Waterfall • Whale Pass**

RICHARD RINEHART

PO Box 548  
Wrangell Ak. 99929



September 15, 2007

Richard J. Rinehart, Sr.  
P.O. Box 548  
Wrangell, AK 99929

9-16-07

Local Boundary Commission Staff  
550 West Seventh Ave. Suite 1770  
Anchorage, AK 99501-3510

Dear Boundary Commission,

These are my public comments on the Wrangell borough and its land and territory. My name is Richard J. Rinehart Sr. I was born August 31, 1926 here in Wrangell Alaska and have lived here all my entire life. However for two years I was in the US Army, which almost all was in the Aleutian Islands, still in Alaska.

When I got my Honorable Discharge in 1947 as a St. T/4, I came back to Wrangell to live and I'm still here at 81 years old.

This report that I want to make to your boundary commission, is how I look at how our local territory was and used by the Stikine natives "Tlingets" under the Chief Shakes tribes and clans.

The Haidas and Tsimshian tribes and clans also knew what was Wrangell country and how far south Wrangell people or Tlingets owed. The Saxman and Ketchikan Indians know too. I'm the head spokesman for the Tlingets-Tee-Lit-Ton, clan of Wrangell I'm raven, of the Bark tree House clan tribe. My Indian name is Ya-Kook, mean's "Raven box". Where part of the Stikine tribes under Chief Shacks of Wrangell Tlinget of which the white man knew. This is a report to the Commissioner of Indian affairs of possessor rights of the natives of Southeastern Alaska in October 3<sup>rd</sup>, 1946. And by Dr. Waler R Goldschmidt and Theodore H. Haas.

This is just one small paragraph telling of the Stikine territory is a very large one extending from "Union Bay" on the Cleveland Peninsula north along the mainland approximately to Cape Fanshan thence south across Kupreanof Island to include a portion of Portage bay and totem bay on the south across summer straits to including Red bay on Prince of Wales Island and south on that Island to Thome Bay and across Clarence Straits to "Union Bay". These boundaries were recognized not only by natives of Wrangell, but by natives of Kake, Saxman, Kazain and Douglas as well. White man were the ones to take this report in 1946.

Sincerely,  
Richard Rinehart Sr.

*Richard Rinehart Sr.*

**LOCAL BOUNDARY COMMISSION  
STATE OF ALASKA**

IN THE MATTER OF THE PETITION TO            )  
INCORPORATE THE UNIFIED HOME RULE        )  
BOROUGH OF WRANGELL                            )

COMMENT OF THE CITY OF WRANGELL TO THE PRELIMINARY REPORT  
TO THE LOCAL BOUNDARY COMMISSION REGARDING THE PETITION TO  
INCORPORATE THE UNIFIED HOME RULE BOROUGH OF WRANGELL

The City of Wrangell and the petitioners for incorporation of the City and Borough of Wrangell support and are gratified by DCCED's Preliminary Report and its recommendation to approve a petition to incorporate a City and Borough of Wrangell. The Department's report however, recommends exclusion of 191 square miles of land on the Western Cleveland Peninsula, including the Meyers Chuck/Union Bay community, which the petition proposes to include in the CBW. This special question will be discussed in section IV of this Comment.

The central conclusion of the Preliminary Report is that the proposed City and Borough of Wrangell meets all the constitutional, statutory and regulatory standards for incorporation of a borough under Alaska law, as well as the policies of the Local Boundaries Commission which have evolved from past decisions approving, disapproving or modifying petitions to incorporate Alaska boroughs. The Report contains both point-by-point discussion of each standard for borough incorporation and detailed factual analysis supporting the Department's conclusion that the proposed City and Borough of Wrangell meets the standards.

It is significant that the Department has appropriately concluded that the proposed Wrangell Borough would meet the standard for incorporation even if Meyers Chuck/Union Bay are not included in the proposed borough, and even though Wrangell would not be joined with Petersburg in a single borough conforming to model borough boundaries drawn many years ago. The petitioners agree with the Department's essential conclusion that there exists a natural Wrangell region which features both the requisite economic, cultural, social and transportational interrelatedness and the human and financial wherewithal to responsibly extend municipal government to the



surrounding region which is supported by the public and private infrastructure existing in Wrangell.

Because the petitioners' only possible issue with the Department's conclusions and recommendations concern the Meyers Chuck/Union Bay area, this Comment will be limited to (1) addressing certain information contained in the Report which might imply some shortcoming in Wrangell's capability to support borough government, (2) setting forth specific reasons supporting the Department's conclusion that Petersburg need not be combined with Wrangell in a single borough, and (3) clarifying Wrangell's current position regarding the Meyers Chuck/Union Bay issue.

I. Economic Factors and Population Projections

Recent and current developments affecting the economy of Wrangell demonstrate that this hub for the proposed borough will continue to feature the economic vitality which has existed throughout its history as one of Alaska's oldest communities. Notwithstanding a recent population downturn, the future of the Wrangell community and region is bright.

The DCCED Preliminary Report notes that the population of the City of Wrangell has been reduced in recent years, largely due to reductions in timber activities in the Tongass National Forest. See, Preliminary Report at p.71.<sup>1</sup> The Report goes further to forecast ongoing declines in Wrangell's population, based upon population forecasts made by the State Demographer's office which are derived solely from past demographic statistics, uninformed by current economic developments. While the Report does not indicate that any such population decline affects its recommendation in favor of borough formation, the petitioner is concerned with the potential implication that

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<sup>1</sup> While the City agrees that the municipal population has decreased somewhat in the last few years, it does not necessarily concur with the population figures utilized in the Report. The Report estimates the total population of the Wrangell region at 2017, with the population of the City of Wrangell totaling 1911. Preliminary Report, p. 66. In calculating this figure, the Report largely utilizes the State Demographer's statistical estimates, rather than PFD application figures or the most recent federal census data. The relevant newly amended regulation (3 AAC 10.050) refers to both census enumerations and Alaska Permanent Fund application data, but not to such statistical estimates as are made by the Demographer. PFD applications for year 2006 for the City of Wrangell alone totaled 2050, more than the report's estimate for the entire region. See, *Permanent Fund Dividend 2006 Annual Report*, p. 29.

the region can not support borough government. In fact, as discussed further below, such an implication would be unfounded.

The Report fails to point out that the population forecasts for not only Wrangell, but for the Southeast Region in general, shows a projected decline (-0.21% for 2010-2015, -0.36% for 2015-2020, -0.50% for 2020-2025 and -0.48% for 2025-2030). It also projects population declines for most other Southeast cities and boroughs, such as Ketchikan (-0.52% for 2010-2015, -0.68% for 2015-2020, -0.85% for 2020-2025 and -0.87% for 2025-2030).<sup>2</sup> These estimated declines are similar to those projected for other boroughs and census areas throughout the State.<sup>3</sup> It is important to note that the projected reduction in population for Wrangell, Southeast Alaska, and other areas is based solely upon the most recent cyclical population declines in those areas (i.e. if the population has declined in the last five years, it is automatically projected to decline for the next twenty), and admittedly ignores any economic factors which would work to turn

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<sup>2</sup> See, *Alaska Population Projections, 2007-2030*, pp. 88,94. Likewise, the projections forecast population declines for the Sitka Borough (-0.04% for 2010-2015, -0.19% for 2015-2020, -0.28% for 2020-2025 and -0.19% for 2025-2030); for the Haines Borough (-1.15% for 2010-2015, -1.29% for 2015-2020, -1.59% for 2020-2025 and -1.72% for 2025-2030); for the Prince of Wales - Outer Ketchikan Census Area (-1.03% for 2010-2015, -1.40% for 2015-2020, -1.72% for 2020-2025 and -1.86% for 2025-2030); for the Skagway-Hoonah-Angoon Census Area (-1.49% for 2010-2015, -1.91% for 2015-2020, -2.05% for 2020-2025 and -2.28% for 2025-2030); and for the Yakutat Census Area (-0.06% for 2010-2015, -0.63% for 2015-2020, -0.75% for 2020-2025 and -0.92% for 2025-2030). See, *Alaska Population Projections, 2007-2030*, pp. 90, 96, 98, 100, and 104.

<sup>3</sup> The projections also forecast population declines for the Kodiak Island Borough (-0.27% for 2010-2015, -0.36% for 2015-2020, -0.49% for 2020-2025 and -0.78% for 2025-2030); for the Denali Borough (-0.53% for 2010-2015, -0.74% for 2015-2020, -0.92% for 2020-2025 and -0.83% for 2025-2030); for the Bristol Bay Borough (-0.28% for 2010-2015, -0.02% for 2015-2020, -0.33% for 2020-2025 and -0.23% for 2025-2030); for the Lake and Peninsula Borough (-0.33% for 2010-2015, -0.65% for 2015-2020, -0.91% for 2020-2025 and -1.13% for 2025-2030); for the Aleutians East Borough (0.10% for 2010-2015, -0.09% for 2015-2020, -0.23% for 2020-2025 and -0.10% for 2025-2030); for the Aleutians West Census Area (-0.39% for 2010-2015, -0.50% for 2015-2020, -0.61% for 2020-2025 and -0.55% for 2025-2030); for the Valdez-Cordova Census Area (0.01% for 2010-2015, -0.10% for 2015-2020, -0.22% for 2020-2025 and -0.22% for 2025-2030); and the Yukon-Koyukuk Census Area (-0.46% for 2010-2015, -0.60% for 2015-2020, -0.85% for 2020-2025 and -0.96% for 2025-2030). See, *Alaska Population Projections, 2007-2030*, pp. 66, 68, 72, 78, 108, 110, 114 and 118.

around such declines.<sup>4</sup> Even if recent economic factors portended huge growth in the upcoming decades, this would not be reflected in the methodology used in the Demographer's forecast.

The City of Wrangell has for a number of years employed a full-time economic development director, who, along with other City officials, have worked to expand and diversify Wrangell's economy. As is set out below, many new projects have been or are being planned and constructed in Wrangell, with the goals of providing new economic opportunities to residents and drawing new or expanded industries to the region, which will naturally increase the area's population.

- The City recently completed construction of a new Marine Travel-lift, with the capacity to haul out up to 150-ton vessels for repairs and maintenance. This is by far the newest and largest travel-lift in Southeast Alaska. It was constructed at a cost exceeding \$3.0 million dollars, using a combination of City and EDA grant funds. For the first six months, its usage has already been double of that projected for the entire first year, and is serving to generate new business in Wrangell.
- Construction is nearing completion on a new public Cold Storage facility, at a cost of approximately \$3.8 million dollars, funded in large part by EDA and DCCED grants, with a substantial City contribution. This structure will greatly expand cold storage capacity for area fisherman and processors, with much of that capacity already spoken for.
- In 2005-06, the City constructed a new belt-freezer facility, at a cost exceeding \$2.2 million dollars. This facility is managed by a local processor, and both generates income for the City and provides expanded processing capacity for local fisherman.

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<sup>4</sup> The City of Wrangell is one of the oldest communities in Alaska. It has, on a number of occasions over the years, experienced cyclical population increases and decreases. These fluctuations have not prevented it from continuously providing, for over 100 years, necessary municipal services to its region.

- In 2005, the City completed construction on a new civic center, called the James and Elsie Nolan Center, containing state-of-the-art meeting and convention facilities (for up to 250-300 persons), a visitors' center and a museum. As a result, the City has become a destination for small conventions to the region, and has hosted the Southeast Conference, Board of Game meetings, and many similar events. This facility was constructed at a cost exceeding \$9.0 million dollars, with the City contributing in excess of \$2.5 million. An endowment was created with a \$2.5 million dollar donation by the Nolan Trust, and operations of the facility are largely self-sustaining.
- The City is in the planning stages for a downtown revitalization project, which will cost in excess of \$5.5 million dollars, and is already fully funded. This project includes construction of new infrastructure for the downtown Front Street area, including new streets, sidewalks, and curbing, modernization of sewer/water facilities, and provisions for handicap accessibility. This is funded from a variety of sources, including in excess of \$1.0 million dollars from a City street fund. It is anticipated that this project will serve to draw additional tourism to the area, from both cruise ships and independent travelers, as well as revitalizing the downtown retail area for local residents.
- A brand new harbor, known as Heritage Harbor, is set to open later this month. This Harbor is located approximately one mile from the downtown area, and will add, when fully constructed, another 200 slips to the City's existing 400 slips, currently located at the Wrangell Harbor (in town) and the Shoemaker Bay Harbor (located approximately five miles out the Zimovia Highway from the downtown area.) Heritage Harbor was constructed at a cost of in excess of \$13 million dollars, with the City contributing in excess of \$2.0 million dollars. It contains slips for mainly larger and commercial vessels (40' and greater), and will only partially relieve the current wait list for such slips.

- Planning for development of a 134 acre parcel owned by the City, and known as the Institute property, is in the early stages. Current proposed uses for the land include a retirement village, an educational and cultural learning center, and for arts training. Use of this site is expected to further enhance the Wrangell region's reputation as an appealing retirement/second-home community, a burgeoning new enterprise for the area.
- A new regulation 9-hole golf course, called Muskeg Meadows, operated by a local nonprofit golfing association with the aid of a substantial grant provided by the City, opened in Wrangell several years ago. This course is USGA rated, and is enjoyed not only by local residents, but serves to draw business executives to the area for participation in sponsored tournaments. Many large companies, including Wells Fargo, Alaska Airlines, and Northland Marine, have held tournaments at the course, generating new opportunities for hotels, restaurants and retail outlets in the area.
- The City constructed, at its own expense, expanded cruise ship dock facilities, which were completed in 2002. This facility can now accommodate vessels up to 950' in length. Previously, the City facilities were limited to accommodating vessels no larger than 700'. This project, in conjunction with the downtown revitalization project, is expected to serve as a draw to larger cruise ship visitations to the City.
- The City has subdivided, and is selling industrial property located approximately ¼ of a mile from the Wrangell Airport, in a subdivision known as Industrial Park. Approximately one-half of the lots in that subdivision have been sold in the last twelve months alone. The uses for those lots have included, for example, new small construction companies and various harbor related facilities.

All of these projects have or are being funded in whole or in part by the City, while at the same time the City has maintained one of the lowest per-capita debt ratios in the Southeast Region.<sup>5</sup> In short, the City is responsibly engaging in substantial economic development opportunities which have generated, and will continue to generate, new jobs and expand the region's economic and population base, while not incurring substantial debt in doing so. This is exactly the kind of regional governance needed and desired in the area.

## II. Financial/Budgetary Considerations

The Preliminary Report contains an extensive discussion of the proposed borough's tax base and of its projected revenues and expenditures, concluding that the proposed borough would be fiscally viable. It also sets forth a good summary of significant historical developments regarding Wrangell, including the fact that it has been incorporated as a city since 1903 and has therefore supported municipal government for over 100 years. Unlike some communities and regions in Alaska, the population of Wrangell, whose residents tend to be long-term, have demonstrated a steadfast commitment to supporting local government. Wrangell currently imposes a 7% sales tax and 12 mil property tax (which would be 4 mils outside the roaded Service Area in the proposed borough), resulting in low per capita bonded indebtedness as well as a municipal "permanent fund" with current principal of approximately \$5 million, which cannot be accessed without a vote of the people. The City of Wrangell has supported its local school system since statehood, as well as a community hospital, an extensive boat harbor system, and other vital municipal services.

The attitude of Wrangell residents towards supporting such needed public infrastructure may be contrasted with that of Delta area voters who recently resoundingly defeated a borough incorporation proposal, primarily because they wished to continue to completely rely on state funding for local education needs. Similarly, Wrangell has not entertained any proposal which would basically eliminate the city's

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<sup>5</sup> Wrangell's 2006 Per Capita G.O. Bonded Debt equaled \$1,856, compared to that of the Ketchikan Gateway Borough (\$2,429), the City and Borough of Juneau (\$2,557), the Haines Borough (\$8,586), the City and Borough of Sitka (\$3,577) and the City of Petersburg (\$2,972). The state-wide per capita Municipal Totals equaled \$3,925, more than double that of Wrangell. See, Table 19, *Alaska Taxable 2006*, published by the State of Alaska, DCCED.

property taxes, such as occurred in 2006 in the City of Fairbanks. These matters are noted in this Comment because of certain information in the Preliminary Report<sup>6</sup> which notes that Wrangell has a smaller per capita taxable property value than most existing boroughs. Assuming this to be accurate, Wrangell residents have demonstrated both long term commitment and ability to support municipal services and infrastructure.

The proposed three-year borough budget contained in the petition is viewed favorably in the Preliminary Report. The Report notes (p. 82), however, that the petition's budget projection does not include possible future revenue from any future lease or sale of Municipal Entitlement lands. This oversight is noted, and the petitioners will present a revised proposed budget at the LBC's hearing which reflects an estimate of annual revenues from sale of Municipal Entitlement lands selected by the borough.<sup>7</sup>

The other potential adjustment to the proposed borough budget projections would be to address the contingency of exclusion of the western Cleveland Peninsula, including Meyers Chuck/Union Bay, from the borough. This would result in some reduction of both projected borough revenues and expenses, and revised budget projections addressing this contingency will be presented at the LBC's hearing. Preliminary analysis indicates that exclusion of this territory would have no substantial impact upon the fiscal viability of a Wrangell Borough.

### III. Petersburg Need Not be Included in a Wrangell Borough

The Preliminary Report contains no conclusion, recommendation nor even suggestion that a Wrangell Borough fails to meet borough incorporation standards

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<sup>6</sup> See, Table 2-9 at pp. 88-89 of the Report. Note that the Preliminary Report contains what appears to be an inadvertent error at p. 89, stating in the text that the City of Wrangell's per capita full and true value of taxable property is \$10,412, when in fact, according to the accompanying table it is \$72,498 per capita; this figure does not itself factor in the additional property value and corresponding population of the proposed borough outside the existing City of Wrangell.

<sup>7</sup> Income from such land will more likely result from sales, rather than leases of municipal lands; state lands suitable for municipal selection and private land disposal exist in the areas near Earl West Cove (East Wrangell Island), Thom's Place and Olive Cove (Etolin Island) among others. Because of delays likely resulting from the state's Municipal Entitlement grant process and from Wrangell's desire to first complete a Comprehensive Plan encompassing these areas, such additional borough land sale income is not projected to commence until the third year following borough incorporation, but should continue thereafter. These land sales will also increase the borough's property tax base.

unless the community of Petersburg is included. The Wrangell petitioners obviously agree with and support the Department's position, but suggest that the final report provide the Commission with additional analytical grounds for this conclusion. This was addressed in some detail in the petitioner's brief supporting their initial petition; *c.f.* Brief at pp. 22-25 and 48-49. However, a reiteration of the reasons why Wrangell should not be required to combine with Petersburg to gain approval of a borough government includes the following points:

- The borough incorporation statute (A.S. 29.05.031) does not require two communities, nor an interrelationship between "communities"; it requires only that  
...the *population* of the area is *interrelated and integrated* as to its social, cultural and economic activities....

(Italics added.) The *population* of the surrounding areas which would be included in the proposed Wrangell Borough does have the requisite interrelationship with Wrangell, as noted by the Preliminary Report, and there is no requirement of interrelationship with any other community.

- To the extent existing LBC regulation creates a *rebuttable* presumption that a borough should feature two communities, this presumption is effectively rebutted under the regulation where a specific and persuasive showing is made that a sufficient level of interrelationship exists with fewer than two communities. The petitioners agree with the Department's conclusion (p. 49) that such a showing is made here, and that a sufficient level of interrelationship exists in the proposed Wrangell Borough even if there are fewer than two communities in the proposed borough.
- Petersburg and Wrangell are distinct and markedly different communities, with different histories, economies and cultural backgrounds. To some extent this results from Wrangell's far greater geographic orientation to the mainland and interior through historic and contemporary use of the Stikine River, as opposed to Petersburg's almost exclusively island maritime orientation.
- Forcing a combined Wrangell/Petersburg would result in a greater number of municipal government units, directly contrary to the Alaska Constitution's (Article



X, Section 1) encouragement of a minimum number of local government units. As a practical matter, the strong likelihood is that any Wrangell/Petersburg Borough would continue to feature a City of Wrangell and City of Petersburg coexisting within the Borough, resulting in multiple local government tiers for the residents of both communities.

- No economy of scale would be achieved by a combined Wrangell/Petersburg Borough; to the contrary, the respective city officials and functions would remain, upon which would be overlaid additional borough government officials.
- Creation of a Wrangell Borough as proposed in the petition would not result in “economic orphans” or disenfranchisement from municipal government of areas of Southeast Alaska, such as were noted as concerns in the remarks of Senator Gary Wilken, set forth at p. 65 of the Preliminary Report. Petersburg is already actively pursuing its own, independent borough petition, which is likely to follow directly upon the heels of a Wrangell Borough formation. The result will be that the entire area - - and perhaps more - - of Southeast Alaska included within the LBC’s prior Petersburg/Wrangell Model Borough Boundaries would be included within organized boroughs, and removed from the Unorganized Borough administered by the State of Alaska, thereby serving the best interests of the State.
- The model borough boundaries identified in 1991 create only a rebuttable presumption against a proposed borough if the borough would not *exceed* the model borough boundaries. A proposed Wrangell borough which excluded Petersburg would not exceed the model Petersburg/Wrangell Borough boundary, and therefore would not be affected by the regulatory presumption. Even if it were, the Commission has now made clear that it disfavors the model borough boundary regulation and is in the process of promulgating a regulation which removes the presumption.

There are therefore substantial grounds supporting the Department’s recommendation for approval of a City and Borough of Wrangell which excludes Petersburg, and the

petitioners only suggest that the Department's Final Report include reference to these to clarify its recommendation to the Commission.

#### IV. Meyers Chuck/Union Bay

The Petition for Incorporation of the City and Borough of Wrangell includes the northern western watershed of the Cleveland Peninsula and the community of Meyers Chuck/Union Bay, which area is also a subject of the KGB annexation proposal. This disputed area was included in Wrangell's petition for two reasons: (1) Wrangell's connection with this area are greater than Ketchikan's and (2) the local residents of Meyers Chuck/Union Bay expressed a strong preference to be included in a Wrangell, rather than Ketchikan Borough. The virtually unanimous preference of local residents for a Wrangell Borough was expressed directly by Meyers Chuck/Union Bay residents to Wrangell officials, and was confirmed in extensive written comments filed by these residents in response to the KGB annexation petition and to the Petition for Incorporation of the City and Borough of Wrangell. Although the Wrangell Petitioner's Brief made clear that the proposed borough would meet the standards for a unified municipality borough whether or not Meyers Chuck/Union Bay was included as a "second community", the Petition sought to include Meyers Chuck/Union Bay largely because the local residents there expressed a preference to be included in the Wrangell Borough. Wrangell's arguments to the LBC in both the pending Wrangell and Ketchikan boundary matters have urged the LBC to give great weight to the preferences of these affected local residents.

Quite frankly, this underlying basis for Wrangell's inclusion of Meyers Chuck/Union Bay and the western Cleveland Peninsula is now open to reexamination. It is no longer clear that Meyers Chuck/Union Bay residents prefer to be included in a Wrangell Borough. In "Comments on Behalf of the Meyers Chuck Community Association in Response to the Preliminary Report of the Staff of DCCED" dated August 28, 2007 and signed by Glen Rice as president of the Association, residents responded to the Department's Preliminary Report on the Proposed KGB Annexation by indicating not only their opposition to the KGB annexation but their desire to remain within the Unorganized Borough, without any mention of a preference to be included in a Wrangell Borough if they were required to now become part of an organized borough. The

Meyers Chuck Community Association, according to its comment, includes all residents of Meyers Chuck, Union Bay and Three Islands. Although its comment was dated August 28, the Association did not advise Wrangell officials of its filing, nor of what appeared to be a change in the residents' positions regarding their inclusion in a Wrangell Borough. Wrangell officials did not learn of the Association's comment until September 7, 2007, and were not furnished a copy of the comment until it appeared on the LBC website on September 10.<sup>8</sup>

Surprised by the Association's position, Wrangell sought clarification, primarily through the input of Meyers Chuck/Union Bay residents at DCCED's public informational meeting in Wrangell on September 13, for which Wrangell arranged teleconference participation by Meyers Chuck/Union Bay residents. Of the four Association members who spoke during the informational meeting, several, including President Glen Rice, appeared to indicate that if Meyers Chuck/Union Bay must be included in a borough now, their preference was for inclusion in a Wrangell Borough.

As a result of the foregoing, the preferences of the local residents of Meyers Chuck/Union Bay, are, at a minimum, ambiguous, given their prior individual comments favoring their inclusion in a Wrangell Borough and documenting their connections with Wrangell. While the local residents have always indicated their first preference is to remain in the Unorganized Borough, they have recently de-emphasized their alternative preference, if forced to be in an organized borough, to be in the Wrangell Borough. Yet at the public informational meeting, some of them indicated that their position has not changed on this.

Wrangell submits that a final evaluation of residents' preferences can only be made following their direct testimony to the Local Boundary Commission in its hearings on the Petition for Incorporation of a Wrangell Borough and on the KGB annexation. Both the petitioners for incorporation and the LBC will then be in a position to evaluate whether, and under what circumstances, the Meyers Chuck/Union Bay residents would be in favor of their inclusion in a Wrangell Borough.

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<sup>8</sup> Although the Association's comment acknowledged that occurrence of certain "triggers" at a later date would warrant reconsideration of inclusion of Meyers Chuck/Union Bay in a borough, the context for these "triggers" was later annexation to the KGB, not to a Wrangell Borough.

At this point, the City of Wrangell's position is that it *does not support inclusion of Meyers Chuck/Union Bay, and the northwestern Cleveland Peninsula in the City and Borough of Wrangell unless the local residents want to be part of the Wrangell Borough.* Wrangell continues to assert that its connections with Meyers Chuck/Union Bay are greater than those of Ketchikan, and has presented evidence supporting this assertion, but acknowledges that the Preliminary Report's conclusion that this area belongs in the KGB is unlikely to be rejected by the LBC unless the local residents seek inclusion in a Wrangell Borough. Wrangell has sought to accommodate what it understood were the wishes and preferences of Meyers Chuck/Union Bay residents, but will continue to do so only if local residents reconfirm this original understanding.

Regardless of the LBC's handling of the Meyers Chuck/Union Bay issue, there is absolutely no reason to delay action and a favorable decision on Wrangell's long-standing petition for borough incorporation. Some Meyers Chuck/Union Bay residents now suggest that the Department's Preliminary Report regarding the proposed KGB annexation is flawed on the basis of an alleged conflict of interest by DCCED staffer Dan Bockhorst, who previously worked on the KGB annexation Preliminary Report, but reportedly withdrew as soon as he began seeking the newly vacant position of KGB Borough Manager. It is our understanding that Mr. Bockhorst was not involved in preparation of the Preliminary Report on the Wrangell Borough petition, and in any case Wrangell does not join in any contention that his former involvement as an advisor to the Commission on the KGB annexation would result in a conflict of interest where the LCB itself will be the decisionmaker. Wrangell would be severely prejudiced by any delay in processing Wrangell's separate petition for incorporation, particularly where (1) Wrangell has expended substantial financial and staff effort in preparing its petition and preparing for the hearing thereon, (2) prime municipal entitlement land which would otherwise be available for selection by the Wrangell Borough would instead be lost to the University of Alaska under the 2005 University Lands Bill unless a Wrangell Borough is formed before July 1, 2009 and (3) if absolutely necessary to resolve any alleged conflict of interest or other discrete issues regarding the 191 square mile disputed area around Meyers Chuck/Union Bay, these matters may be set aside for later resolution, while now approving formation of the City and Borough of Wrangell

consistent with the Department's recommendation. Wrangell does assert, however, that both the central question of Wrangell Borough incorporation and the Meyers Chuck/Union Bay issues are ripe for decision now.

This Comment will contain only an abbreviated discussion of the Preliminary's Report's analysis of the relative connections of Wrangell and Ketchikan with Meyers Chuck/Union Bay and the western Cleveland Peninsula. To avoid repetition, the City of Wrangell incorporates by reference its prior, September 4, 2007 Comment of the City of Wrangell to the Preliminary Report to the Local Boundary Commission Regarding the Petition for Annexation of the Ketchikan Gateway Borough. The following additional comments are directed to specific statements in the Department's Preliminary Report regarding the Wrangell Borough petition.

Model Borough Boundaries. To the extent inclusion of Meyers Chuck/Union Bay and the western Cleveland Peninsula in a Wrangell Borough would extend beyond model borough boundaries, existing regulation<sup>9</sup> (3 AAC 110.060(b)) provides that model borough boundaries create only a rebuttable presumption, which may be overcome by a "specific and persuasive showing" that the area has more in common with Wrangell than Ketchikan. The Preliminary Report (pp. 58-59) finds that there is "no evidence" that the area has more in common with Wrangell than Ketchikan - - an incredible finding given the extensive specific evidence filed in support of the Wrangell petition on this point; *cf.* Petitioner's Brief at pp. 50-55, and written comments filed by various residents of Meyers Chuck/Union Bay; see also City of Wrangell Comment on Preliminary Report on KGB Annexation. Even if it could be argued that Ketchikan has a greater connection than Wrangell, the standards for borough incorporation require only a *sufficient* level of interrelationship and integration to warrant inclusion in a Wrangell Borough, even if the area also has connections with another city or borough. If sufficient connections exist with Wrangell, the area should be included in a Wrangell Borough *if the local residents prefer inclusion in the Wrangell Borough.*

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<sup>9</sup> In recent regulatory reform, the LBC itself had rejected the "rebuttable presumption" favoring model borough boundaries, replacing it with a regulation which states merely that the commission "may consider" model borough boundaries, which are "adopted for reference purposes only". This regulatory revision waits only Department of Law approval and final promulgation.

DNR Area Plan. The Preliminary Report appears to use the Department of Natural Resource's "Central/Southern Southeast Area Plan" as a template for borough boundaries. See, Appendix G to Preliminary Report. DNR's criteria for identifying area planning regions for purposes of state land classifications are quite different from those of the Local Boundary Commission in determining the appropriate boundaries for local borough government. Few DNR area plans around the State of Alaska identify regions that conform to borough boundaries; many are markedly different. Moreover, DNR's area plans only have significance where substantial state land exists and requires classification. The disputed, western Cleveland Peninsula area features almost no state uplands, except a small parcel in Meyers Chuck, and a few acres near Union Point. The significance of DNR's area planning region to the Cleveland Peninsula issue before the Commission is nil.

Natural Geography. The Preliminary Report contends (p. 60) that "natural geography" separates Meyers Chuck/Union Bay from the proposed Wrangell Borough, asserting that

A body of water - - Ernest Sound - - separates Etolin Island from the Cleveland Peninsula.

This analysis is patently wrong, as shown by review of the Petition's Exhibit B-2, a map of the area proposed for incorporation. While it is true that the Cleveland Peninsula is separated from Etolin Island by Ernest Sound, the Cleveland Peninsula is *contiguous with the other mainland portions of the proposed borough*. Even if separation by a body of water were relevant, no such separation exists here; the Western Cleveland Peninsula is connected by land with the remainder of the extensive mainland portions of the proposed Wrangell Borough.

On the Cleveland Peninsula (as well as for other terrestrial boundaries of the proposed borough other than the Alaska-Canada border), the Petition proposes to use *watershed divide* lines. Given the maritime orientation of the proposed borough and southeast Alaska generally, it is appropriate to establish boundaries along watersheds which drain into the waterways and coastal areas where most commerce and subsistence usage exists. The western drainages of the Northern Cleveland Peninsula affect fishing streams and hunting access from Ernest Sound, more closely tied to

Wrangell, while the eastern drainages of the Cleveland Peninsula affect Behm Canal, more closely associated with Ketchikan. Few boundaries conform more closely to “natural geography” than watershed divide lines, such as is proposed by the Petitioners for a Wrangell Borough, is used by ADF&G for describing game management unit boundaries, and was even used in the Alaska Constitution to describe the Ketchikan election district boundary.<sup>10</sup> The LBC itself has frequently used watershed divides to describe borough boundaries, e.g., the southern boundary of the Haines Borough, the Kodiak Borough to the extent it includes lands across Shelikof Strait on the Alaska Peninsula, the Lake and Peninsula Borough, the northeastern and southern sides of the Fairbanks North Star Borough, and the southern boundary of the City and Borough of Juneau on the north side of Admiralty Island. Conformity to natural geography is a statutory standard for borough incorporation; the Preliminary Report’s analysis is demonstrably incorrect; and use of a watershed divide on the Cleveland Peninsula naturally separates Wrangell-oriented from Ketchikan-oriented use of the Peninsula.

Accordingly *if* the Meyers Chuck/Union Bay residents wish to be part of a Wrangell Borough, there is ample evidence to support such inclusion on the basis of social, cultural and economic ties, transportation links and conformity with natural geography - - all statutory standards for borough incorporation.

V. Summary and Conclusion

The recommendation of DCCED to approve incorporation of a City and Borough of Wrangell should be accepted by the Local Boundary Commission because the recommendation is well supported in fact and law, and because there has been virtually no written opposition to borough incorporation by affected residents in and outside the proposed borough, nor by adjacent municipalities. It is noteworthy that both the Ketchikan Gateway Borough and the City of Petersburg favor formation of a City and


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<sup>10</sup> Following publication of the Preliminary Report, DCCED staff contacted the Petitioner to acknowledge that the Preliminary Report’s map was incorrect in not following the ridge line of the Cleveland Peninsula mountains to show the boundary of the Ketchikan Election District as described in the Constitution. However, the Department appears to continue to assert that, in the area of Lemesurier Point, the entire peninsula leading to the Point was included in the Ketchikan Election District, when in fact the boundary description contained in the Constitution actually refers to a drainage division of this Peninsula utilizing the discrete point of Lemesurier Point (for which specific latitude/longitude coordinate is given) as the end point.

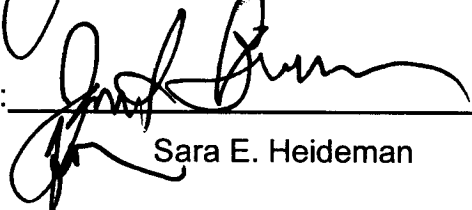
Borough of Wrangell; in fact the KGB indicated that it "does not formally object to Wrangell's proposal to include...the Meyers Chuck/Union Bay area within Wrangell's proposed boundaries." Whether or not Meyers Chuck/Union Bay are included, a City and Borough of Wrangell meets all standards for borough incorporation and enjoys strong public support. The City of Wrangell has featured over a century of responsible municipal government, and the proposed borough budget together with current economic developments demonstrates the ability of residents to extend municipal government area wide. Particularly where Petersburg is currently advancing its own borough petition, the opportunity now exists for the LBC to approve two voluntarily incorporated boroughs which would remove a substantial portion of Southeast Alaska from the Unorganized Borough, consistent with the longstanding best interests of the State of Alaska.

With respect to the special and discrete issue regarding the Meyers Chuck/Union Bay area of the western Cleveland Peninsula, Wrangell's position on this matter is now entirely beholden to the wishes of the local residents of this area, whose recent written comment on behalf of their Community Association has cast genuine doubt as to their preferences. The City of Wrangell's ultimate position on this matter will be dependant upon the testimony of local residents of Meyers Chuck/Union Bay at the LBC's hearings in Wrangell and Ketchikan. Regardless of the Commission's handling or disposition of this issue, the City of Wrangell asserts that there is no reason to delay a decision approving incorporation of the City and Borough of Wrangell, and respectfully requests that the Commission adopt the Department's recommendation for such approval.

DATED this 21st day of September, 2007.

By: 

James T. Brennan

By: 

Sara E. Heideman



Date: September 16<sup>th</sup>, 2007

To: Local Boundary Commission

From: Steve and Catherine Peavey

Re: Regarding Petition for Borough of Wrangell

My husband Steve and I are 46 year residents of Meyers Chuck and wish to express opposition to being forced to join any borough. We would like to go on record saying that we would much prefer to be in an unorganized borough. If we are forced into a borough we should be able to choose that borough, first and foremost be in an unorganized Borough, secondly be in Prince of Wales Borough, or thirdly go into the Wrangell Borough. What difference would it make to the L.B.C. which direction we go??

Meyers Chuck/Union Bay are in a pivotal position between an unorganized borough, Prince of Wales Borough, Wrangell Borough, or Ketchikan Borough.

We receive the "Island News" from Thorne Bay, (where it is published) we go to Thorne Bay for our Propane Gas that we use for our cookstoves, refrigerators, waters heaters, and lights. Plus Thorne Bay has a very clean and well stocked grocery store where we shop.

Quoting The Alaska Constitution;

"The constitution is dedicated to the principles that all persons have a natural right to life, liberty, the pursuit of happiness, and the enjoyment of the rewards of their own industry; that all persons are equal and entitled to equal rights and opportunities..."

"All political power is inherent in the people. All government originates with the people is founded upon their will only, and instituted solely for the good of the people as a whole."

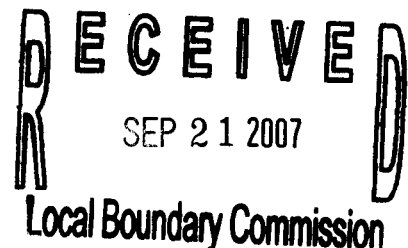
I would also like to quote Abraham Lincoln's saying from the Gettysburg Address; "and that government of the people...by the people...for the people shall not perish from the earth."

We are just a small community wanting to live and to make our own choices.

Sincerely,

*Steve Peavey*  
*Catherine Peavey*

*907-946-8308*  
*Meyers Chuck*





United States  
Department of  
Agriculture

Forest  
Service

Alaska Region  
Tongass National Forest  
Ketchikan-Misty Fiords  
Ranger District

3031 Tongass Avenue  
Ketchikan, AK 99901-5743  
Phone: (907) 225-2148  
Fax: (907) 225-8738

File Code: 1560

Date: September 18, 2007

Local Boundary Commission  
Department of Commerce, Community and Economic  
Development  
550 West Seventh Avenue  
Suite 1770  
Anchorage, AK 99501-3510

Re: Notice of proposed amendment to Wrangell Borough Incorporation Petition

I am writing in support of the Alaska Department of Commerce, Community, and Economic Development findings and recommendations to include a 191-square-mile area encompassing Meyers Chuck and Union Bay in Ketchikan Gateway Borough (KGB) rather than the proposed Wrangell borough. I understand the proposed amendment to the City and Borough of Wrangell (CBW) petition excludes this 191-square-mile area.

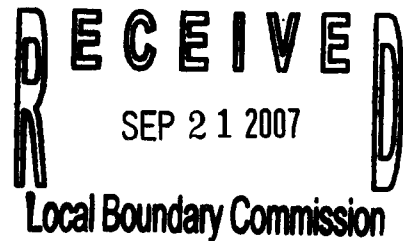
As noted in my comment letter to the initial petition, the inclusion of this area to KGB will better facilitate administrative responsibilities since the boundaries would follow Tongass National Forest ranger district boundaries. Staff offices for both KGB and Ketchikan Misty Fiords Ranger District and CBW and Wrangell Ranger District are located in the same town resulting in more efficient and economical benefits.

I fully support this amendment. If you have any questions or comment, please feel free to contact Jeannie Blackmore, Natural Resource Specialist-Lands, at (907) 228-4120 or [jblackmore@fs.fed.us](mailto:jblackmore@fs.fed.us).

Sincerely,



LYNN D. KOLUND  
District Ranger



RECEIVED

SEP 21 2007

SEP 21 2006

Local Boundary Commission

Local Boundary Commission

April 12<sup>th</sup>, 2006

Dan Bockhorst and members of the  
Local Boundary Commission:

This is a written comment to notify you of certain statements in the Ketchikan Gateway Borough petition submitted to you, the Local Boundary Commission that I find to be inaccurate and misleading.

I would like to mention also that the residents of Meyers Chuck/Union Bay have always been strongly opposed to being in any organized borough, but if forced to choose between the Ketchikan Gateway Borough or the Wrangell Borough, we unanimously believe that the community of Wrangell would respect and reflect our best interests and remote lifestyles than the Ketchikan community.

Please take into consideration that if the Con Bundy Senate Bill 112 was to pass in legislature, that would take care of the education tax, which has been a major focal point of both the Ketchikan and Wrangell communities for annexing and taxing the area of Meyers Chuck/Union Bay. The residents of Meyers Chuck/Union Bay would rather remain in an unorganized borough and pay the head tax for education as a first choice. But if that isn't an option we are unanimous to be in a Wrangell borough over a Ketchikan borough.

Section 5 - page 5: "Support Orderly Growth and Development"

I have kept in close communication with Kurt Freeman with several phone calls concerning the drilling for platinum at the Union Bay site.

He claims that joint venture partner Lonmin PLC has notified Freegold Ventures Limited and Pacific Northwest Capitol Corp that it will not fund further exploration of the Union Bay area.

All of the drilling equipment has been removed from the Union Bay site, the crew camp has been removed and no contingency plans were filed with the Forest Service for further exploration.

Section 5 - pg. 6 "Provide greater local fiscal responsibility"

The only school in Meyerschuck was sold to private individuals and there are no children in Meyers Chuck/Union Bay area

Section 18 - page 23 - c

The people of Union Bay have satellite radio. The telephone service in Meyerschuck is through Prince of Wales. The cell phone service is through Anchorage. Our T.V. service is Direct T.V. Satellite T.V. not through Ketchikan.

Section 18-page 23-F

The natural geography of Meyers Chuck/ Union Bay has more in common with the Wrangell geography. The protected waters going between Wrangell and Meyers Chuck/ Union Bay are more logical from a safety viewpoint.

It is much safer to go by boat to Wrangell from Meyers Chuck/ Union Bay, the entire route in enclosed protected waters for provisions than the open unprotected waters of Clarence Strait to get to Ketchikan by boat.

The possibility of getting "stuck" in Ketchikan because of weather for a week is not unusual for a large part of the year; then there is the added cost of having to stay in a hotel room for \$69.00 and up depending on the season.

Section 18-page 24 J

It is not in the best interest of Meyers Chuck/ Union Bay residents to be in the Ketchikan Borough.

Socially, the residents of Meyers Chuck/ Union Bay have more in common with Wrangell. The pace of our communities are more like Wrangell's. We have a history of a subsistence lifestyle in common with Wrangell.

Exhibit D-page 32-

- No one in Union Bay gets the "Ketchikan Daily News"
- No one in Union Bay gets "The Local Paper"
- No one in Union Bay gets "Sit News"
- The "Island News" from Thorne Bay is available

at the Meyers Chuck Post Office

Exhibit E - page 41 - "Limiting Geographic Features"

The Ketchikan Gateway Borough keeps trying to justify using Loring and Moser Bay as a parallel to the communities of Meyers Chuck/Union Bay. They are entirely different in several aspects.

Geographically, Loring and Moser Bay are in a skiff of moderate speed, a 20 or 30 minute ride in protected waters to the Clover Pass area, where they have access to the Ketchikan road system by vehicle to pick up goods, use services or have a job.

Here, we live several hours by boat to Ketchikan and we have to travel the open unprotected waters of Clarence Strait to use the same facilities.

There is no feasible way to have a job in Ketchikan from our area of Meyers Chuck/Union Bay as someone from Loring or Moser Bay could do.

Exhibit H - page 53 - "Conclusion"

The communities of Meyers Chuck/Union Bay do not have more in common socially, culturally, and geographically with the Ketchikan Gateway Borough than the Wrangell Borough.

The Meyers Chuck/Union Bay residents who have commercially fished have delivered in Wrangell, used the Wrangell boat shop for repairs and maintenance, use the barge system for large and bulk items sent from

the lower 48. We get fuel, propane and groceries frequently from Wrangell or Thorne Bay on Prince of Wales Island.

Commercial and subsistence fishermen have ties to the Union Bay area for salmon, halibut, dungeness crab and spot prawns.

Socially, the lifestyles of Meyer's Chuck/Union Bay residents are more similar to those of the Wrangell community than those of Ketchikan.

Exhibit H - page 59-B - Again the same rebuttal as made to Exhibit H - page 53 "Conclusion"

Exhibit H - page 60-B - 2<sup>nd</sup> paragraph

Referencing our use of the Ketchikan Airport - I called Alaska Airlines and was told that people from Wrangell, Sitka, Petersburg & Tineau all have use of the Ketchikan airport to reboard a different flight in Ketchikan to go to the lower 48. Also residents of Prince of Wales and all the outlying areas use Ketchikan as a "hub" airport.

We also use Wrangell and Prince of Wales for most of our goods and services.

Exhibit H - page 62

I understand that even though the Ketchikan Gateway Borough was notified that the platinum mine was a definite "NO" for Union Bay, the Borough still sent forth to the Local Boundary Commission

their petition not correcting this assumption.

Exhibit H - page 63 - C

As stated before, we use satellite radio, satellite T.V. and do not receive any of the newspapers generated in Ketchikan out here in Union Bay.

Exhibit H - page 68 - paragraph "The Borough maintains"

We, the residents of the Meyerschuck/Union Bay communities have more in common socially, culturally and geographically with the Wrangell community than the Ketchikan community. We feel that Wrangell would more accurately reflect and represent our remote lifestyle and keep the integrity of our Meyerschuck/Union Bay communities as they are now.

It is vital that the Local Boundary Commission consider how unanimously the residents of Meyerschuck/Union Bay are opposed to being in the Ketchikan Borough if we are forced to make a choice between the Wrangell Borough and the Ketchikan Borough.

Sincerely,

Debbie Johnson - (Debbie Johnson) - Resident of Union Bay - 19 yrs.

Brad Johnson - (Brad Johnson) - Resident of Union Bay - 19 yrs.

Kurt Broderson - Kurt Broderson - Resident of Union Bay for 19 years

RORY BIFOSS - (Rory Bifoss) - Union Bay

Marcus Bifoss - (Marcus Bifoss) - Union Bay - 4/17/07 28



Letter to the Editor

February 14, 2006

When the Borough Assembly met on January 21, 2006 to discuss the issue of continuing forward with submitting a petition to the Local Boundary Commission to annex more land into the Ketchikan Borough, it felt good to stand up and voice my opinion of objecting to the annexation on a geographical, social and economic standpoint.

At the meeting there was overwhelming opposition by the people of communities that will be effected.

Due to the request at the meeting by the public to have the issue put to vote at a general election, the Borough Assembly decided to do just that.

The mood as we left the meeting was that yes - the Borough Assembly recognized the importance and constitutional right for the public to have a vote on this at an election.

The Ketchikan Daily news editorial "Two Good Calls" even commended the Assembly on this decision.

However, on the 6<sup>th</sup> of February the Assembly met again and retracted their decision. This has stunned those of us who know that something this important should be put to public vote, our constitutional right - they took away.

Now, I no longer trust what is decided at a public meeting, if they retract and take away one of our most important ways to express ourselves through our right to vote.

Shame on them for not upholding what would have been a morally proper action.

Resident of Union Bay Debbie Johnson

Regarding the annexation of Union Bay and Meyers Chuck into the Ketchikan Gateway Borough:

This spring residents of Meyers Chuck and Union Bay met with both the Ketchikan Borough and the City of Wrangell officials. Those meetings reinforced our strong opposition to annexation into the Ketchikan Borough.

We are much more closely bound to Prince of Wales and Wrangell for our day to day needs.

A June 28<sup>th</sup> Daily News article compared Meyers Chuck and Union Bay to Loring and Moses Bay, but that is misleading. Moses Bay and Loring are 45 min by skiff in protected water to Ketchikan. We are 5 to 6 hours in often times treacherous inaccessible waters of Clarence Strait to access Ketchikan, which is why we utilize Wrangell and Prince of Wales. Nobody commutes to Ketchikan from the Meyers Chuck/Union Bay area for work.

A July 2<sup>nd</sup> Daily News article stated that annexation could relieve hardship in the Meyers Chuck and Union Bay areas. We live a semi-subsistence lifestyle and annexation would cause hardship by implementing a property tax for services we do not need or want.

If economics prevented a person from paying the property tax, our property could be taken from us, that is the hardship.

We strongly support redefining the Northwest boundary on the Cleveland Peninsula to exclude Meyers Chuck and Union Bay. That would give us the opportunity (if necessary) to become part of the Whangell or a Prince of Wales Borough.

Debbie Johnson - Union Bay

# Two good calls

The Borough Assembly has a lot of responsibility. A resolution from that table carries weight because it is the considered opinion of the majority of people who are elected by the people of Ketchikan to represent them.

So Assembly members walk a fine line. On one hand, we elected them to make the tough decisions, so as a matter of course we expect them to do so without running back for a public vote to let them off the hook every time something controversial comes up. But because they are speaking for all of us, we want them to speak in a way we will support.

That puts them between the rock and the hard place sometimes.

On Saturday, the Assembly decided it will ask the people what they think about an annexation process that will bring additional money into the borough, — but by force and over the protest of some areas that would be annexed, as well as against the wishes of many of our neighbors on Prince of Wales Island, Wrangell and Petersburg.

Because feelings are so strong among those who testified, and yet doing what's best for the people of Ketchikan is clearly the Assembly's duty, it was good sense to set an election on the question.

Assembly members made another good call on Saturday when asked to pass a resolution on a complex topic.

Some resolutions are slam dunks — is someone in the borough not against fetal alcohol syndrome or domestic violence? Anyone willing to come out against children learning to read? Certainly not. Our representatives certainly ought to be on the record as being in favor of things that are unquestionably good for children, for instance.

Other topics are less clear-cut. Of course we all are in favor of healthy herring stocks, but that's not what a resolution before them Saturday asked the Assembly members to say.

So, also on Saturday, the Assembly wisely opted not to become instant experts on the subject of herring. Asked to adopt a resolution to go before the Board of Fish — whose meetings were to begin the very next day in Ketchikan — Assembly members heard about two hours' worth of instant analysis. They decided they weren't qualified to put their imprimatur on the suggested solution to a complex issue about herring stocks. There is no doubt that those who spoke to them have studied the issue in depth and know whereof they speak. But the plain fact is that the Assembly shouldn't be making fisheries recommendations based on two hours of testimony at the end of a daylong Saturday meeting when everyone has been listening nonstop since 10 a.m.

The Board of Fish will be spending more than a week on Southeast finfish issues; herring topics make up a large percentage of proposals being considered.

The Board of Fish is the place such decisions should be made; the Assembly did well to let that board make the decision, based on information that board has been gathering and about which it will be hearing testimony this week.

Meeting  
Jan. 21<sup>st</sup> 2006

Feb 6<sup>th</sup>  
retracted  
their decision

# Governor signs HB 133

The Governor has signed into law HB 133, which makes changes in the way the Local Boundary Commission processes municipal incorporations, annexations, detachments, mergers, consolidations, reclassifications, and dissolutions.

The bill, sponsored by North Pole Rep. John Coghill, also protects the voters' right to incorporate, outline the boundaries of their municipality, and select the level of service they want. It also limits the ability of the LBC to impose conditions on an incorporation without an appropriate public process.

"This bill cleans up the process that local citizens use to define their own community," Murkowski said. "It is essentially about maintaining local control, & putting appropriate sideboards on the Local Boundary Commission to make sure their processes do not usurp or conflict with the direction the communities want to go."

Coghill said he appreciated that the Governor was in agreement with the Legislature on the bill. "The Alaska Constitution supports the idea that government from the bottom up is always best, whenever that is possible," Coghill said. "HB 133 puts a strong emphasis upon getting people involved in local governance."

The bill also requires a majority vote of the voters residing in an area that is to be annexed to an existing municipality or borough, as well as a majority vote of those voters residing within the municipality. This provision will affect a current LBC regulation that has allowed annexations to go through by aggregating a majority vote of those voters in the area being annexed and the existing municipality, even though a majority in the area being annexed might be opposed.

This Week in Island News	
PAGE	TOP C
2	Adopt A Mile Project
4	Birth & Church
5	Education News
6	Craig Police Report
6	Craig Court Report
7	Farmer Dave
8	Scholarship Underwriters
9	Science Forum
13	Legal Notices
14	Tides/Ferry Schedule
14 - 15	Classified Ads

Resubmitted  
September

July 8<sup>th</sup>, 2006

To the Local Boundary Commission  
regarding the proposed annexation  
of the communities of Union Bay and  
Meyers Chuck into the Wrangell Borough.

Having previously submitted written  
comments to the Local Boundary Commission  
of the Ketchikan Borough annexation proposal  
of Union Bay and Meyers Chuck, I would  
stress again that our first choice is to  
remain in an unorganized borough as  
stated in the Alaska Constitution. However,  
if we are forced to choose between the  
Ketchikan Borough and a Wrangell Borough,  
the Wrangell Borough makes more sense  
on a social, economic, geographic and  
cultural note.

We have historically shared the same  
geographic areas as the Wrangell  
Community for hunting and fishing.

My husband and I have lived in the  
remote area of Union Bay for 19 years.  
We fish in Union Bay and Ernest Sound  
for halibut, shrimp and salmon.

The very logistics of using our small  
boats and skiffs to go to Wrangell from  
Union Bay and Meyers Chuck for fuel + supplies  
is geographically safer because of protected  
waters the entire way, rather than the  
unprotected open waters of Clarence Strait

to get to Ketchikan.

My husband and I have used the Wrangell boat shop for our boat maintenance in the past. We use the facilities in Wrangell for fuel and propane.

The lifestyle of the community of Wrangell has more in common with the residents of Union Bay and Meyers Chuck than Ketchikan.

We live with a remote lifestyle and we feel that the Wrangell Borough would respect that we would want to remain as close as possible to how we live today.

The Wrangell Borough would better reflect our decision making at a local level.

To me, this is the most important factor—that our communities of Union Bay and Meyers Chuck are given as much latitude as possible at our local level to decide our future. The Wrangell petition would accomplish this.

We are a united voice in the communities of Union Bay and Meyers Chuck—please listen.

Most sincerely,  
Debbie Johnson

Regarding the annexation of Union Bay and Meyers Chuck into the Ketchikan Gateway Borough:

This spring, residents of Meyers Chuck and Union Bay met with both the Ketchikan Borough and the City of Wrangell officials. These meetings reinforced our strong opposition to annexation by the Ketchikan Borough.

We are much more closely bound to Prince of Wales Island and Wrangell for our day-to-day needs.

A June 28<sup>th</sup> Ketchikan Daily News article compared Meyers Chuck and Union Bay to Loring and Moser Bay, but that is misleading. Moser Bay and Loring are a 45-minute skiff ride, in protected waters, from Ketchikan. We are five to six hours away in the often treacherously inaccessible waters of Clarence Strait, which is why we utilize the services in Wrangell and Prince of Wales. No one commutes to Ketchikan from the Meyers Chuck/Union Bay area for work.

A July 2<sup>nd</sup> Ketchikan Daily News article stated that annexation could relieve hardship in the Meyers Chuck/Union Bay area. We live a semi-subsistence lifestyle, and annexation would *cause* hardship by implementing property taxes for services that we do not need or want. Great hardship would be incurred if economics prevented residents from paying the property tax and therefore had their property taken from them.

We strongly support redefining the Northwest boundary on the Cleveland Peninsula to exclude Meyers Chuck and Union Bay. That would give us the opportunity, if necessary, to become part of the Wrangell Borough or a Prince of Wales Borough.

Signed by the following residents of Meyers Chuck and Union Bay:

D. GRANTHAM  
 Maggie Stanham  
 Peter Rice  
 Cassy Peavey  
 Steve Peavey (39)  
 Dan R 39B  
 Jacquelyn A. Hunley  
 ROBERT L. HUNLEY  
 Evelyn S. H. Hunter  
 Cathy D. Vandenberg  
 George L. Gucker  
 May & Mit  
 Ashley Lee dot 24

Brad Johnson  
 Deborah Johnson  
 Cheryl A. Meyer  
 Lot 3B-4B-4B  
 Rebecca Miller Island D  
 Tom Timm  
 Glen & Rice

Lot 6  
 Nancy Olson  
 Nancy Olson

Lot 21  
 Nancy Olson  
 Nancy Olson

Lot 16 & 17  
 Jackie Timm  
 Jackie Timm

Lots  
 33  
 434

Lot.

dot 24



I would like to go on record also that the decision for the Meyers Chuck/ Union Bay community to be annexed into an organized borough - not be a decision of either/or Ketchikan or Wrangell.

There are other options at this time the unorganized borough or a future organized borough of Prince of Wales.

Debbie Johnson

September 21, 2007

John Murgas  
P.O. Box 966  
Petersburg, AK 99833

Alaska Local Boundary Commission  
350 West 7<sup>th</sup> Avenue, Suite 1790  
Anchorage, AK 99501-3520 via Fax 907-269-4539

Subject: Comment on DCCED Preliminary Report on Wrangell Borough Formation

Dear Commission Members:

I am a home owner and resident of the community of Petersburg, and I also own recreational property on Farm Island on the Stikine River delta, which is within the proposed Wrangell Borough. Concerning the petition for borough formation for the community of Wrangell, and the planned petition for the same for Petersburg, I wish to join the many community members of both Wrangell and Petersburg who feel a single borough for both Wrangell and Petersburg would be in the best interests of us local residents and the State of Alaska. This would be the model borough as originally suggested by the Boundary Commission.

The reasons put forth by current Wrangell and Petersburg City government officials for independent borough formations amount to philosophical differences due to "sibling rivalry" that goes back many generations. It's time that is set aside for the many economic, political and common sense advantages of a single borough. Our community islands are only 11 miles apart; our two communities are similar size, have similar economies, and have good transportation infrastructure between the two towns. The advantages of a single borough for our two school systems alone would justify a single Wrangell/Petersburg borough.

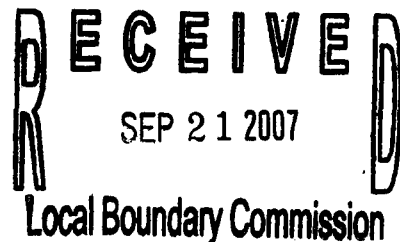
I have been appointed by the Secretary of Agriculture to represent both Petersburg and Wrangell for Dispersed Recreation Interests on the Wrangell/Petersburg Resource Advisory Committee, as chartered by H. R. 2389-2 "Secure Rural Schools and Community Self-Determination Act of 2000". Speaking for myself and not as a representative of the committee, our committee, made up of 15 members from both communities, has administered approximately \$2 million in community projects for Wrangell and Petersburg and well demonstrates the many advantages of our two communities collaborating as a single entity.

Our two communities can accomplish more together than independently. I recommend the Boundary Commission firmly push Wrangell and Petersburg to jointly form a single borough.

Sincerely,



John Murgas



**SOUTHEAST COMMERCIAL**  
**STIKINE TOURS & MARINE REPAIR**  
**P.O. BOX 1349 • PETERSBURG, AK 99833 • (907) 772-3039**

TO Alaska Local Boundary Commission DATE 9/24/07  
SUBJECT Comment on preliminary report on Wrangell Borough

Commission Members:

I have lived in Wrangell, have property in the proposed borough and now live in Petersburg — all this since 1957.

It's crazy that we get more & more government — these two towns (and Myers, Chuck & Kake) should be in One borough if we must have one. Do your job and insist that these city administrators drop their petty differences and work together. I am opposed to making two side by side little boroughs around here.

Dave Ellis

FOLD AT (-) TO FIT ENVELOPE # EW10P

**RECEIVED**  
SEP 24 2007  
Local Boundary Commission

# STATE OF ALASKA

Department of Education & Early Development

*Division of School Finance*

SARAH PALIN, GOVERNOR

Goldbelt Place  
801 West 10<sup>th</sup> Street, Suite 200  
P.O. Box 110500  
Juneau, Alaska 99811-0500  
Telephone: (907) 463-8679  
Fax: (907) 463-5279  
E-mail: eddy.jeans@alaska.gov

September 24, 2007

Kathy Atkinson  
Department of Commerce Community and Economic Development  
550 West Seventh Ave., Suite 1770  
Anchorage, AK 99501-3510

Dear Ms. Atkinson:

The Department of Education & Early Development (EED) has reviewed your September 10 letter and preliminary report regarding the proposal to incorporate a Wrangell borough.

EED has reviewed the preliminary report and the Department of Commerce, Community and Economic Development's (DCCED) recommendations in Chapter 3. EED is not opposed to the proposed incorporation of the Wrangell borough.

Thank you,



Eddy Jeans  
School Finance Director

RECEIVED  
SEP 24 2007  
Local Boundary Commission

**FAX TRANSMITTAL INFORMATION SHEET**

Division of School Finance  
 801 West 10th Street, Suite 200  
 P.O. Box 110500  
 Juneau, AK 99811-0500

DATE: September 24, 2007

TO	FROM
Name: <u>Kathy Atikson</u>	Name: <u>Hilary Porter</u>
Title: _____	Title: <u>Administrative Assistant</u>
Agency/Office: <u>Community Advocacy</u>	Division: <u>School Finance &amp; Facilities</u>
FAX #: <u><del>269-4539</del> 269-4539</u>	FAX #: <u>463-5279</u>
Phone #: <u>269-5939</u>	Phone #: <u>465-2891</u>

**REFERENCING:** Proposed Wrangell Borough

COMMENTS:

**Original letter is in the mail.**

**If you require more information or have any questions, please contact me at 907-465-2891.**

**Thank you,**  
**Hilary**

This transmittal contains \_\_\_\_\_ page(s) including the cover page. If you do not receive the total number of pages, please contact the sender.

**R E C E I V E D**  
 SEP 24 2007  
 Local Boundary Commission



ADOPTED AUGUST 1972

# CITY OF WRANGELL, ALASKA

INCORPORATED JUNE 15, 1903

BOX 531, 99929

(907) 874-2381

FAX: (907) 874-3952

September 21, 2007

Local Boundary Commission  
Attn: Kathy Atkinson, LBC Staff  
Division of Community Advocacy, DCCED  
550 W. 7<sup>th</sup> Avenue, Suite 1770  
Anchorage, AK 99501

Re: Comments to the Preliminary Report

Dear Local Boundary Commission:

Please find enclosed comments received from the Meyers Chuck Community Association on September 14, 2007.

A note of correction to their fax transmittal, their comments are addressed to past Mayor Privett. Our present Mayor is Valery McCandless.

Sincerely,

Christie L. Jamieson, CMC  
City Clerk

cc: James Brennan, Borough Attorney

**RECEIVED**  
SEP 21 2007  
Local Boundary Commission

FAX NO. :

FROM :

FAX

RECEIVED

SEP 14 2007

907-844-3952

FAX No. 907-844-3952

To: Mayor Privett

From: M.C.A.  
Meyers Chuck Community Ass.

Request: Please add to LDC records  
~~to~~ in writing

Thank you, very much!

20/2

## REQUEST WRANGELL (Bob Pruvett)

Respond to the Staff Report by saying

- o MEYERS Chuck / Union Bay most logically fits with THORNE Bay AND the other communities on PRINCE of WALES.
- o It should NEVER be a choice between ONLY WRANGELL on KETCHIKAN - There is a THIRD choice - THORNE Bay
- o The waters ARE the transportation link for MEYERS Chuck / Union Bay - THORNE Bay is the closest.
- o PLEASE AMEND the preliminary report to ADDRESS MEYERS Chuck / Union Bays linkage to THORNE Bay

In Return - we will support WRANGELL'S Petition going forward without us - and hopefully NOT CAUSE A DELAY due to the Ketchikan Conflict of interest problem.

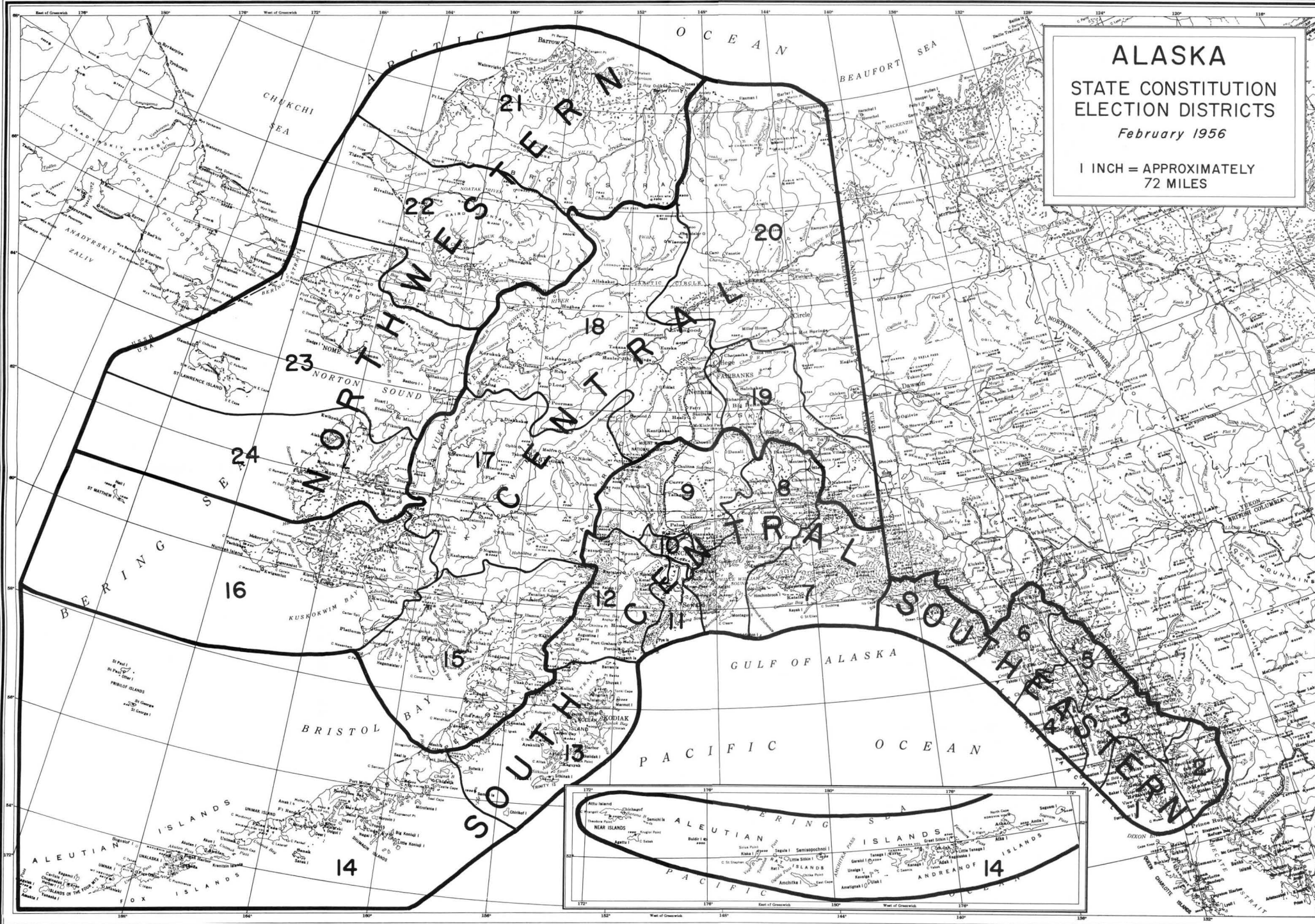


**Appendix C**  
**February 1956 Alaska State Constitution**  
**Election Districts Map**



**ALASKA**  
**STATE CONSTITUTION**  
**ELECTION DISTRICTS**  
*February 1956*

1 INCH = APPROXIMATELY  
72 MILES



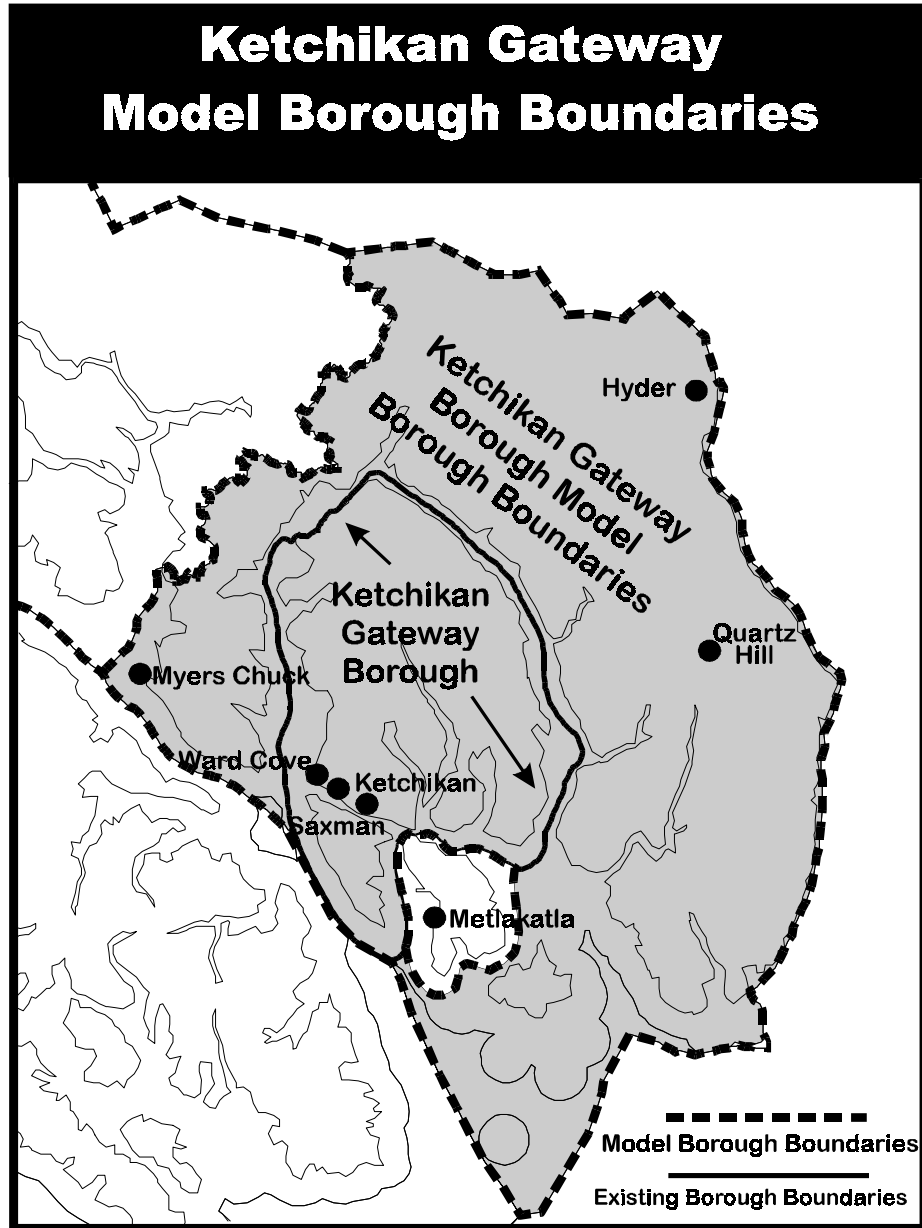


**Appendix D**  
**Ketchikan Gateway Borough**  
**Model Borough Boundaries**



**Ketchikan Gateway Borough.** The Commission held a hearing on model boundaries for the Ketchikan region in September 1991. Residents of Meyers Chuck and Hyder participated by teleconference. Additional information concerning the model boundaries for the Ketchikan Gateway Borough was provided to the Commission in November of 1991.

The model borough boundaries defined by the Commission for the Ketchikan area extend from the State's southern boundary along Clarence Strait to Ernest Sound. There, the boundary turns east, following the southern boundary of the Wrangell Ranger District and the northern boundary of the Misty Fjords National Monument to the Alaska/Canada border. From there, the model boundary line turns south along the Alaska/Canada border to the point of beginning. These model borough boundaries exclude the Annette Island Indian Reservation.



The area includes an estimated 7,300 square miles of land and water. Of that, approximately 1,744 square miles are already within the current corporate boundaries of the Ketchikan Gateway Borough. According to the 1990 Federal Census, the area defined by the model borough boundaries is inhabited by 13,985 people, all but 157 of whom live within the current borough boundaries.

# **MODEL BOROUGH BOUNDARIES OF THE KETCHIKAN GATEWAY BOROUGH**

Beginning at a point on Clarence Strait at the mid point of a line between Scott Point (on Prince of Wales Island) and Cow Island at Latitude 54° 58' N by Longitude 131° 49' W,

thence easterly to the mid point between Point Davison and Cow Island,

thence northeasterly to Grass Rock,

thence southeasterly to Ajax Reef,

thence easterly to the mid point of Felice Strait,

thence northeasterly to the intersection of Felice Strait and the mid point of Revillagigedo Channel, at approximately Latitude 55° 10' N, Longitude 131° 15' W,

thence northwesterly following the mid point of Revillagigedo Channel (west side of Bold Island), to Nichols Passage,

thence southwesterly along the mid-point of Nichols Passage to the mid-point of Clarence Strait, thence northwesterly following the mid point of Clarence Strait, east of

the eastern shore of Prince of Wales Island to the intersection of the mid point of Ernest Sound,

thence northeasterly following the midpoint of Ernest Sound to approximately Eaton Point where it meets the southern boundary of the existing Wrangell Ranger District, [Boundary based upon the US Forest Service's Tongass National Forest 1:100,000 scale mapping; Sheet 23 (1983 minor rev. 1990), Sheet 24 (1983 minor rev. 1995), Sheet 26 (1980), Sheet 27 (1980 minor rev. 1985)],

thence following the Wrangell Ranger District's southern boundary northeasterly to the Alaska/Canada border,



thence southeasterly and southwesterly following the Alaska/Canada border through Tongass Passage where it meets the Exclusive Economic Zone Limit,

thence, westerly following the Exclusive Economic Zone Limit to a point south of the mid-point on a line between Scott Point (on Prince of Wales Island) and Cow Island at approximate Latitude 54° 58' N by Longitude 131° 49 W,

thence north to said mid-point, the point of origin, containing 7,183.66 square miles, more or less, of which approximately 1,751.20 square miles are within the existing corporate boundaries of the Ketchikan Gateway Borough.

NOTE: All latitude and longitude information has been scaled off from the USGS ALASKA MAP B.

To facilitate the boundary description of the above model borough, territory that is outside the jurisdiction of the State of Alaska was included. It is recognized, however, that the jurisdiction of organized boroughs, which are political subdivisions of the State of Alaska, can extend only to the jurisdictional limits of the State of Alaska as designated under AS 44.03.010.



**Appendix E**  
**January 26, 1956, Proceedings of**  
**Alaska Constitutional Convention**



# ALASKA CONSTITUTIONAL CONVENTION

PART 5

Proceedings: January 26 -- February 6, 1956

Alaska Legislative Council

Box 2199 — Juneau, Alaska

## ALASKA CONSTITUTIONAL CONVENTION

January 26, 1956

SIXTY-FIFTH DAY

PRESIDENT EGAN: We have with us today Reverend Shepperd of the First Church of the Nazarene. Reverend Shepperd will give our daily invocation.

REVEREND SHEPPERD: Our Heavenly Father, we pause to give Thee grateful thanks for these men and these women, the framers of the constitution for the future State of Alaska. We thank Thee, our Father, for all their abundant labors, their selfless interests and devotion to duty they have felt and answered and especially for those aims for which they have labored, many of which have been realized as of this good day. Recognizing, O Lord, that all good government is ordained of God, we would pray Thy blessings upon this group as they come to the consummation of this great document and indeed upon the document itself, that it may find recognition among those in positions of high authority, that we may take our proper place as a sister state among those in our great republic of which we may be justly proud and for which we give Thee grateful thanks and thus we pray Thy blessings on these men and these women in the days ahead and indeed that all mankind may be vitally interested in perpetuating good government. This we pray. In the Lord's name we pray. Amen.

PRESIDENT EGAN: Thank you. The Chief Clerk will call the roll.

(The Chief Clerk called the roll.)

CHIEF CLERK: Eight absent.

PRESIDENT EGAN: A quorum is present. The Convention will proceed with its regular order of business. The Chair would like to introduce to the delegates Marguerite Pederson who is here taking stenotype notes with no expense to the Convention and for her own pleasure. We are happy to have you with us, Mrs. Pederson. The Chair also notes in the gallery, the seventh grade of the Main School of the Fairbanks public school system. We are very happy to have you with us this afternoon and hope you enjoy the proceedings. Does the special committee to read the journal have a report to make at this time? Mr. Knight.

KNIGHT: Mr. President, I would like a continuation of that report later in the day.

PRESIDENT EGAN: That report will be held until later in the day. Are there communications or petitions from outside the Convention? Are there reports of standing committees? Reports from special committees? Are there any motions or resolutions to come before the Convention? Mr. Sundborg.

SUNDBORG: I move and ask unanimous consent that the prayer by the chaplain today be spread upon the journal.

PRESIDENT EGAN: Mr. Sundborg moves and asks unanimous consent that today's prayer by the chaplain be spread upon the journal. Is there objection? Hearing no objection, it is so ordered. Is there any unfinished business? If not, we have before us Committee Proposal No. 17/a. I believe your calendar will show Committee Proposal No. 16, but that is in error. Mr. Doogan.

DOOGAN: Mr. President, I believe the first order of business is to take up the reconsideration notice as served by Mr. Harris.

PRESIDENT EGAN: Mr. Doogan, you are correct. That was set over as the first order of business.

CHIEF CLERK: That is what that is -- 17/a is the --

PRESIDENT EGAN: Is Mr. Harris here? (Mr. Harris was not present.) If there is no objection, that matter will be held in abeyance until Mr. Harris arrives. Mr. Ralph Rivers.

R. RIVERS: If 17/a is before us, I have an amendment on the clerk's desk.

PRESIDENT EGAN: Mr. Ralph Rivers, it was before us for the reason that we had decided unanimously to take Mr. Harris' reconsideration up as the first order of business. Inasmuch as Mr. Harris is not here at this time, we might hold it if it is agreeable.

R. RIVERS: What I have to offer will come up, then, when 17/a is brought back?

PRESIDENT EGAN: It will, yes, Mr. Rivers. Mr. Hilscher.

HILSCHER: Mr. President, I rise to a point of personal privilege for about 60 seconds.

PRESIDENT EGAN: If there is no objection, Mr. Hilscher, you may have the floor on personal privilege.

(Mr. Hilscher spoke on a point of personal privilege.)

PRESIDENT EGAN: Does everyone have the election district schedule before them? Mr. Hellenthal.

HELLENTHAL: Mr. President, before the reading of the election district schedule --

DOOGAN: Point of order, Mr. President.

PRESIDENT EGAN: Your point of order, Mr. Doogan.

DOOGAN: If I recall correctly, we have the bill of rights before us.

PRESIDENT EGAN: Well, the way the calendar is set up at the present moment -- Mr. Davis.

DAVIS: The Style and Drafting Committee requested that this matter go ahead of finishing the bill of rights for the reason that acceptance of this report, or second reading of this report, will affect another report the Style and Drafting Committee wants to make later in the day or tomorrow.

PRESIDENT EGAN: If there is no objection -- Mr. Hellenenthal.

HELLENTHAL: Before the reading begins, on behalf of Committee No. VI, I ask unanimous consent that the descriptions which will be read, that in the description for Election Districts 20 and 21, the word "Kuparuk" be substituted for the word "Toolik". That is K-u-p-a-r-u-k.

UNIDENTIFIED DELEGATE: Which one is that?

HELLENTHAL: In descriptions for Election Districts 20 and 21, "Kuparuk" be substituted for the word "Toolik". The word "Toolik" is T-o-o-l-i-k. In other words, strike "Toolik" in both descriptions and substitute "Kuparuk".

PRESIDENT EGAN: Mr. Walsh.

WALSH: This is on page 8 and it carries over to page 9.

HELLENTHAL: Both changes are on page 8 of the district descriptions. This change merely ties the boundary in with the tributary. The Toolik is apparently a tributary of the Kuparuk, and the designation should have been "Kuparuk". It does not alter the boundary at all. Then the next and last change is in Election District No. 2. That would be on the first page of the description, the Ketchikan Election District on the first page of the description, which is page 2 of the paper. Now here we strike the following words: "Clarence Strait and Ernest Sound". They appear in the second and third lines of the description. Strike the words "Clarence Strait and Ernest Sound" and substitute these words for them? "Burroughs Bay and the east side of Clarence Strait". I will repeat: B-u-r-r-o-u-g-h-s, "Burroughs Bay and the east side of Clarence Strait"; and then a little further on in the same section, strike the words "that area drained by Bradfield Canal and its tributaries". I will repeat: strike the words "that area drained by Bradfield Canal and its tributaries" and substitute "Lemesurier Point"; and I will spell Lemesurier. It is L-e-m-e-s-u-r-i-e-r. And this change--

UNIDENTIFIED DELEGATE: Is that Lemesurier Island?

HELLENTHAL: Lemesurier Point. Now these changes in Election District No. 2 merely make the line that was on the map conform to the actual reality. They were prompted by an observation made by Senator Nolan, checked by the Bureau of Mines people. They are no deviations from the lines that were shown on the



r  
 map that was before you when the matter was discussed. Now, in connection again with this report, there are spelling errors in the description and I ask that those errors be brought to Mr. Sundborg's attention. He has a list of most of them already, and I think that you can do it informally, rather than from the floor, to save time, and it will be checked then by Mr. Sundborg with the atlases to be sure that the spelling is correct. It will not be overlooked, in any event, so I make the following motion: that I have described here and ask unanimous consent that those changes be made.

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 PRESIDENT EGAN: That they become a part of the report of the Committee? Is that correct, Mr. Hellenthal?

HELLENTHAL: Yes, Mr. President.

ii  
 PRESIDENT EGAN: Is there objection to that unanimous consent request? Hearing no objection, the amendments are ordered adopted to become a part of the committee proposal. Has this schedule been read? The Chief Clerk will please read the proposal for the second time.

CHIEF CLERK: The first page has been read; it is just the description.

PRESIDENT EGAN: Please read the description.

y.  
 (The Chief Clerk then read Section 1 of Committee Proposal No. 14, Schedule, Election Districts, for the second time. Section 2 had been read previously.)

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 PRESIDENT EGAN: Are there proposed changes to Section 1 of this schedule? If not, are there proposed changes for the description, the No. 1 District? The No. 2 District? To the No. 3 District? To the No. 4 District? Mr. Stewart.

lll  
 STEWART: I suggest that a check be made on page 3 at the end of line 1. I believe that must be K-r-u-z-o-f instead of -g-o-f.

on,  
 PRESIDENT EGAN: Is that right, Mr. Hellenthal?

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 HELLENTHAL: I think it is, Mr. Stewart, and I think it is one of the points Mr. Sundborg has a note on, but I will make sure that it is checked.

PRESIDENT EGAN: Are there questions or suggested changes for No. 5? Mr. Robertson.

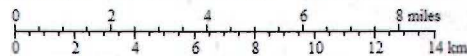
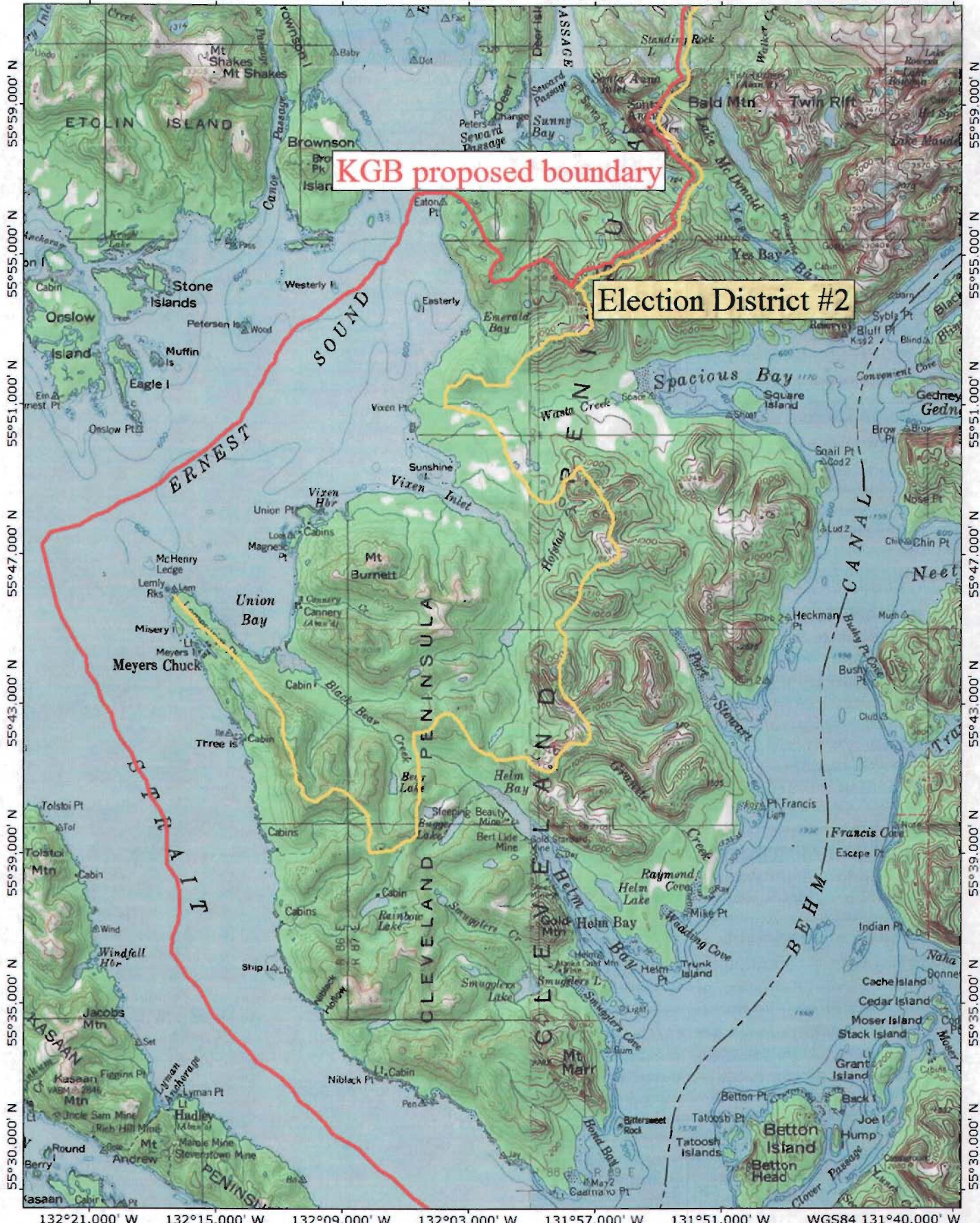
s-  
 ROBERTSON: Mr. President, for purposes of the record, I would like to ask whether or not it is the understanding that Stephens Passage extends southward to a line drawn from Cape Fanshaw across to Pybus Bay? I have been assured by several individual delegates that it does, but it has not been my understanding of local geography.



**Appendix F**  
**Petitioner's Revised Maps**  
**Concerning Election District #2**





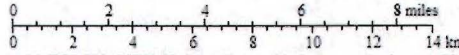






Wrangell Borough boundary

Election District #2





Election District #2, used in  
Alaska Constitution and  
1963 Mandatory Borough Act

