



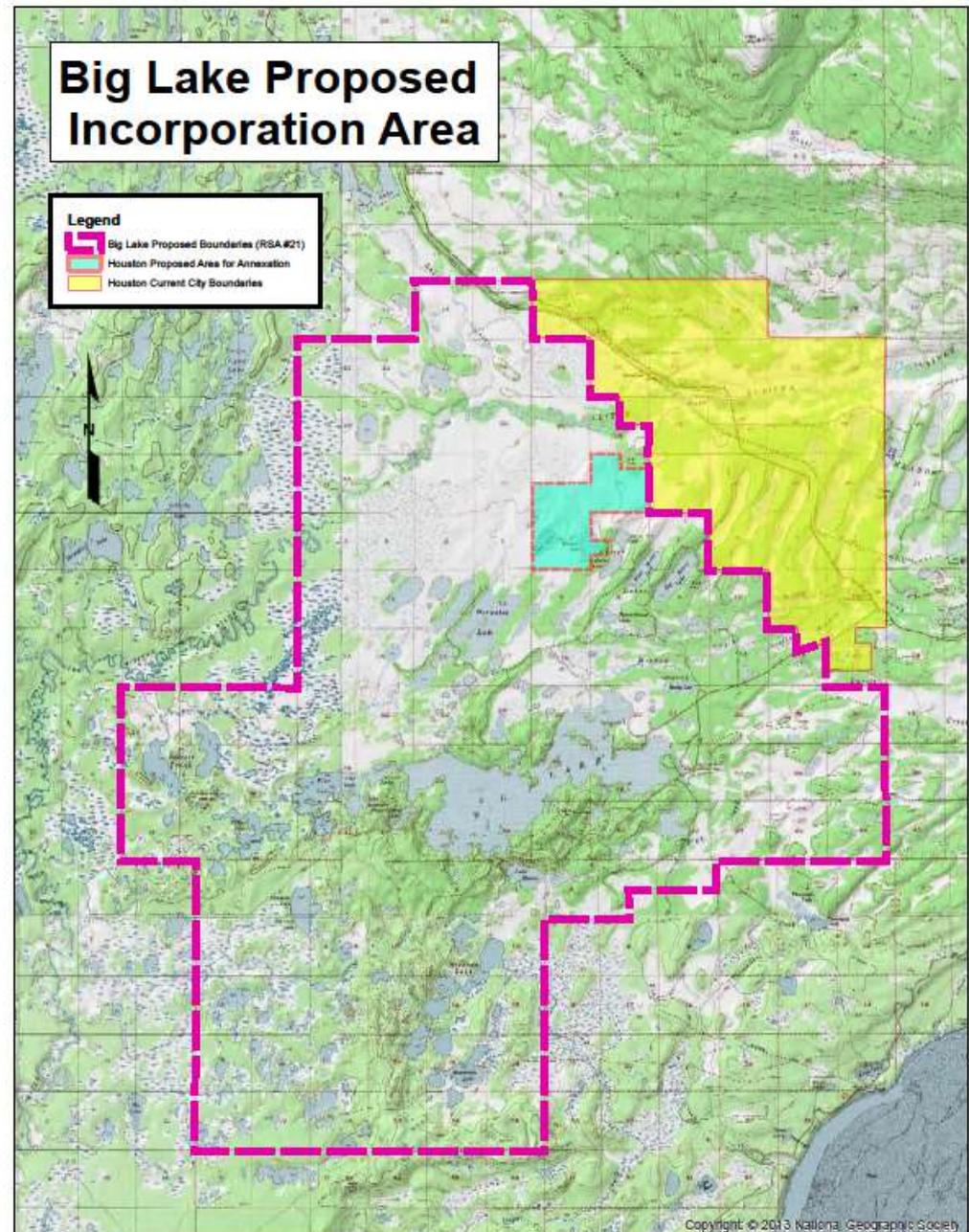
City Incorporation City Annexation Local Boundary Commission September 2014

Division of Community and Regional Affairs
Department of Commerce, Community,
and Economic Development

The following presentation is given to the community of Big Lake and the City of Houston on September 23, 2014. This is intended to be a broad overview of the petition process; the roles of the LBC and its staff; the pros and cons of incorporation and annexation; and the municipal incorporation and annexation standards. Please look at the statutes and regulations in their entirety for the complete information.



Proposed Big Lake Incorporation and Houston Annexation Boundaries



Incorporation

- ▶ AS 29.05.011 – 29.05.210
 - Requirements
 - Procedure
 - Transitional Assistance

 - ▶ 3 AAC 110.005 – 3 AAC 110.042
 - Standards for Incorporation of Cities
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Frequently Asked Questions

What options are available when incorporating a city?

- ▶ There are three types of city governments in Alaska
 - Home rule
 - First class
 - Second class

Frequently Asked Questions

What are the requirements for a petition to incorporate a city?

- ▶ Home rule or first class city
 - 400 permanent residents
 - 50 resident voters or 15%

- ▶ Second class city
 - 25 resident voters or 15%
 - 25 permanent residents

Frequently Asked Questions

What are the powers of a city?

- ▶ Each class of city government has broad powers
 - Create departments
 - Fire, law enforcement, road maintenance, etc.
 - Levy taxes
 - Many more under AS 29.35

Frequently Asked Questions

What are the city's obligations?

- ▶ Every city also has certain general obligations:
 - Budget adoption
 - Annual audits or certified financial reports
 - Local elections
 - Codification of ordinances
 - Regular city council meetings
 - etc.

Frequently Asked Questions

Are there limits on the incorporation of a city?

Yes. AS 29.05.021 and 3 AAC 110.010 prohibit the formation of a new city government if the services can be provided by an organized borough, or by annexation to an existing city.

“Pros” of incorporation

- ▶ Provide local services
- ▶ Access to other granting opportunities
- ▶ Permanent staff position(s)
- ▶ Residents elect “their” council
- ▶ Regular scheduled meetings

More “pros” of incorporation

- ▶ Meeting notice requirements
- ▶ Annual elections
- ▶ Greater local control
- ▶ Political subdivision of the State of Alaska
- ▶ Ability to Levy and regulate taxes

“Cons” of incorporation

- ▶ City operations are complicated
 - ▶ State statutes and local ordinances
 - ▶ New taxes and fees
 - ▶ Additional level of government
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City Incorporation “Concerns”

- ▶ Too small to support a city government.
 - >20 cities w/a population of <100
 - ▶ A community association may be able to effectively manage local affairs without the addition of a city government.
 - ▶ A city may be considered “too much” for the residents’ needs.
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City Incorporation Questions

- ▶ AS 29.05.011 – 29.05.210
 - Requirements
 - Procedure
 - Transitional Assistance

 - ▶ 3 AAC 110.005 – 3 AAC 110.042
 - Standards for Incorporation of Cities
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Annexation

- ▶ AS 29.06.040 – 29.06.060
 - Municipal Boundary Changes
 - Annexation of military reservations
 - Property Taxes in annexed or detached areas
 - Application

- ▶ 3 AAC 110.090 – 3 AAC 110.150
 - Standards for Annexation to Cities

City Annexation

"Annexation to a city" means to expand the city's boundaries. Annexation results in the extension of city services, ordinances, voting privileges, and taxing authority to the annexed territory.

Frequently Asked Questions

What options are available when annexing to a city?

There are the methods of city annexation

- Legislative review
 - Local option
 - Unanimous consent
 - Municipal owned lands
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Frequently Asked Questions

What are the methods of annexation?

Legislative Review Petitions

- ▶ Pre-submission hearing
 - ▶ No election on the proposal
 - ▶ Within 10 days of a session
 - ▶ 45 days
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Frequently Asked Questions

What are the methods of annexation?

Local Option
Upon approval from LBC

- ▶ Election conducted by city
 - ▶ Majority vote
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Frequently Asked Questions

What are the methods of annexation?

Municipal owned lands
Upon approval from LBC

- ▶ No election

Frequently Asked Questions

What are the methods of annexation?

Unanimous consent
Upon approval from LBC

- ▶ Property owners petition city
- ▶ No election

Frequently Asked Questions

Are there other choices available besides annexation to meet local needs?

To equalize the burden and reduce liabilities

- ▶ Cease all extraterritorial activities
 - ▶ Increase property and other taxes
 - ▶ establish borough service areas
 - ▶ charge or increase user fees for non-residents.
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Frequently Asked Questions

Are there limits on size of an annexation?

Must show good reason on large unpopulated areas or entire geographical regions.

“Pros” of annexation

- ▶ Annexed territory will receive city services
- ▶ Local vs. areawide form of government
- ▶ Increased tax base

“Cons” of annexation

- ▶ A community association may be able to effectively manage the affairs of the community without the addition of a city government.
 - ▶ A city may be considered “too much” for the residents’ needs in the territory proposed for annexation
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Petition Procedures

- ▶ Procedures for Petitioning and for Other Commission Matters
 - 3 AAC 110.400 – 3 AAC 110.700
- ▶ General Provisions
 - 3 AAC 110.900 – 3 AAC.110.990

Petition Timeline

- ▶ **Petition Acceptance**
 - Big Lake July 24, 2014
 - Houston July 25, 2014

- ▶ **Notice of Filing Published**
 - July 29, 2014
 - August 5, 2014
 - August 12, 2014

Petition Timeline

- ▶ Filing of petition comment period
 - Public comments and responsive briefs
 - July 29, 2014
 - October 3, 2014
 - 66 days (min. 49 days)
- ▶ Departmental public informational meeting
 - September 23, 2014

Future Petition Timeline

- ▶ Petitioner's reply brief
 - October 20, 2014 (17 days – min. 14 days)
- ▶ Departmental preliminary report
 - Initial recommendation to commission
 - December 17, 2014

Future Petition Timeline

- ▶ Preliminary report comment period
 - Public comments and responsive briefs
 - December 18, 2014
 - January 16, 2015
 - 29 days (min. 28 days)
- ▶ Final report mailed
 - February 18, 2015
 - 28 days before hearing (at least 21 days)
 - 33 days to write
 - Final recommendation to commission
 - No comment period – verbal comments at hearing

Future Petition Timeline

- ▶ **Public hearing**
 - Houston High School (tentative)
 - March 18, 2015

- ▶ **Decisional meeting**
 - Houston High School
 - Immediately following the hearing
(Within 90 days of hearing)

Future Petition Timeline

- ▶ Draft Written Decision
 - March 31, 2015
 - 13 days after hearing

 - ▶ LBC meeting
 - April 09, 2015
 - 22 days
 - Approves a written decision
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Future Petition Timeline

- ▶ **Written Decision**
 - \geq April 17, 2015
 - 30 days from decisional meeting
- ▶ **Reconsideration**
 - From issuance written decision
 - Public – 18 days
 - LBC – 30 days

Local Boundary Commission Staff

For further information, contact LBC staff at:

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LBC Current Petitions

<https://www.commerce.alaska.gov/web/dcra/LocalBoundaryCommission/CurrentPetitions.aspx>

2014 Big Lake Incorporation and Houston Annexation Petition

<https://www.commerce.alaska.gov/web/dcra/LocalBoundaryCommission/CurrentPetitions/2014BigLakeIncorporationandHoustonAnnexationPetition.aspx>