

THE CITY AND BOROUGH OF JUNEAU,  
ALASKA

**Petition for the Annexation of Approximately  
1977 Square Miles  
Using the Local-Option Method  
(3 AAC 110.210(3))**

Volume I of IV  
*(Sections 1 – 21; Exhibits A – K)*

Submitted to:

The Local Boundary Commission

March 13, 2012

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**PETITION BY THE CITY AND BOROUGH OF JUNEAU  
FOR ANNEXATION OF APPROXIMATELY 1977 SQUARE MILES USING THE  
LOCAL-OPTION METHOD (3 AAC 110.210(3))**

Petitioner, City and Borough of Juneau, respectfully requests that the Alaska Local Boundary Commission approve this petition for annexation pursuant to Article X, Section 12 of the Constitution of the State of Alaska, with any amendments or conditions that, in the determination of the Commission, best fulfill the applicable constitutional, statutory, and regulatory principles and standards relating to borough annexation. (*See*, A.S. 29.06.040(a) and (c)(1), A.S. 44.33.812(a)(3) and (b)(1), and 3 AAC 110.600(b).)

**SECTION 1. NAME OF THE PETITIONER**

The name of the Petitioner is the City and Borough of Juneau (hereinafter “CBJ” or “Petitioner.”)

**SECTION 2. PETITIONER’S REPRESENTATIVE**

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

Name: Bruce Botelho, Mayor  
Address: 155 South Seward Street  
Juneau, AK 99801  
Telephone: (907) 586-5240  
Fax: (907) 586-5385  
Email: [mayor@ci.juneau.ak.us](mailto:mayor@ci.juneau.ak.us); please cc: [city\\_clerk@ci.juneau.ak.us](mailto:city_clerk@ci.juneau.ak.us)

In the event the primary representative is absent, resigns, or fails to perform the representative’s duties, the Petitioner designates the following individual as its alternative representative:

Name: Kim Kiefer, City Manager (eff. 4/1/2012)  
Address: 155 South Seward Street  
Juneau, AK 99801  
Telephone: (907) 586-5240  
Fax: (907) 586-5385  
Email: [Kim\\_Kiefer@ci.juneau.ak.us](mailto:Kim_Kiefer@ci.juneau.ak.us)

**SECTION 3. NAME AND CLASS OF THE ORGANIZED BOROUGH THAT IS THE  
SUBJECT OF THE PROPOSED ANNEXATION**

The name and class of the borough petitioning for annexation is as follows:

Name: City and Borough of Juneau  
Class: Unified Home Rule Municipality

#### **SECTION 4. GENERAL DESCRIPTION OF THE NATURE OF THE PROPOSED COMMISSION ACTION**

The CBJ requests that the Local Boundary Commission (hereinafter “LBC” or “Commission”) approve its petition for annexation subject to the applicable constitutional, statutory, and regulatory principles and standards relating to borough annexation. (*See*, A.S. 29.06.040(a) and (c)(1), A.S. 44.33.812(a)(3) and (b)(1), and 3 AAC 110.160 – 210.)

#### **SECTION 5. GENERAL DESCRIPTION OF AREA PROPOSED FOR ANNEXATION**

The proposed annexation includes portions of the unincorporated territory within the State’s Model Borough Boundary for the CBJ as defined by 3 AAC 110.990(9), amended to extend south to Cape Fanshaw and to the southern watershed boundaries of Port Houghton and Dawes Glacier.<sup>1</sup> The proposed annexation’s westward boundary is the approximate mid-channel of Stephens Passage, and its eastward boundary is the International Boundary line of the Alaska-Canada border. The proposed annexation includes the watersheds of Tracy and Endicott Arms, Dawes Glacier, Windham and Hobart Bays, Port Houghton, and minor portions of the Port Snettisham and Winding River watersheds.

The southern boundary of the proposed annexation is coincident with, or closely approximates, the boundary between the USFS Juneau Ranger District and USFS Petersburg Ranger District, the boundary between the Alaska State Department of Fish and Game’s Game Management Units 1B and 1C, the Alaska State Department of Fish and Game and National Marine Fisheries Groundfish Reporting Areas NSEI and SSEI, the Alaska State Rural Education Attendance Areas for the Chatham REAA and Southeast Islands REAA, and the US Census Tracts for Juneau and Petersburg. The proposed annexation ensures the entire Tracy Arm—Ford’s Terror Wilderness area is contained within one borough.

The territory proposed for annexation covers approximately 1977 square miles, more or less, consisting of approximately 1530 square miles of land and 447 square miles of salt water. Of the 1530 square miles of land, approximately 620 square miles are glaciated.

#### **SECTION 6. STATEMENT OF REASON FOR ANNEXATION**

In 1992, the LBC completed its effort to identify model borough boundaries, which were to be used as a “frame of reference in the evaluation of future petitions.”<sup>2</sup> In doing so, the LBC recognized that “often separate regions can advance persuasive arguments that large

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<sup>1</sup> Portions of the unincorporated territory within the State’s proposed model borough boundary west of the approximate mid-channel of Stephens Passage are not included in this proposed annexation. *See* Attachment 1, Map of Model Borough Boundary (in the original, Exhibit A to *Model Borough Boundaries Review – Central Southeast Alaska*, Department of Community and Regional Affairs, August 1990.)

<sup>2</sup> *Model Borough Boundary Report*, State of Alaska Department of Community and Regional Affairs, Revised 1997, page 2.



undeveloped areas should be included within their regional government,”<sup>3</sup> and that in creating ideal boundaries, the LBC was proactively identifying which areas of the unorganized borough fit best with which regions in light of the constitutional, statutory, and regulatory standards the LBC is tasked with applying.<sup>4</sup> The CBJ now seeks to expand its boundary and incorporate an area identified by the LBC as the “unorganized remnant” of the CBJ’s existing organized borough,<sup>5</sup> as well as an area further south necessary in order to follow existing administrative and political boundaries as well as natural watersheds. The CBJ believes that the boundary being proposed maximizes local self-government in a way most consistent with the applicable constitutional, statutory and regulatory requirements.

Additionally, it has recently become apparent that Hobart Bay is the site of increasing tourist-based development. As the CBJ is best-positioned to service this developing area, annexation will ensure the most efficient administration of services, as well as allow the CBJ to recover some of the costs in expanding service to this area.<sup>6</sup>

But for the fact that the City of Petersburg is seeking inclusion in its proposed borough of the same area sought to be annexed by the CBJ, the CBJ’s annexation proposal would be fairly uncomplicated and non-controversial. There is limited private ownership in the area and the area is uninhabited except for reportedly one or two caretakers employed by Goldbelt, Inc., (the Juneau-based Native Corporation established under the Alaska Native Claims Settlement Act).

## **SECTION 7. LEGAL DESCRIPTION AND MAPS**

A written legal description of the territory proposed for annexation is presented in **Exhibit A**. A written legal description of both the current boundaries of the CBJ and the boundaries of the CBJ should the annexation be approved is provided in **Exhibit B**.

A map showing the current boundaries of the CBJ and the territory proposed for annexation is presented in **Exhibit C**.

## **SECTION 8. SIZE**

The territory proposed for annexation covers approximately 1977 square miles, more or less, consisting of approximately 1530 square miles of land and 447 square miles of salt water. Of the 1530 square miles of land, approximately 620 square miles are glaciated. The CBJ currently

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<sup>3</sup> Model Borough Boundaries Review, Central Southeast Alaska, August 1990, p. 6.

<sup>4</sup> This Commission has determined that model borough boundaries are “a credible and useful tool in guiding future policy decisions regarding the establishment and alteration of borough governments.” Unorganized Areas of Alaska that Meet Borough Incorporation Standards, A Report by the Alaska Local Boundary Commission to the Alaska Legislature Pursuant to Chapter 53, Session Laws of Alaska 2002, February 2003, page 71.

<sup>5</sup> *Id.*, pages 91 – 92.

<sup>6</sup> The LBC has previously concluded that Hobart Bay is most closely linked to the CBJ. *Model Borough Boundaries Review, supra n. 3*, at p. 38.

covers 3,248 miles, more or less.

## **SECTION 9. POPULATION**

According to the Alaska Department of Labor and the 2010 U.S. Census, the population within the current boundaries of the Borough is estimated to be 31,275.<sup>7</sup> The population of the territory proposed for annexation is estimated to be 1, who is reported to be a Goldbelt employee who acts as a caretaker at Hobart Bay. (The State Division of Elections reports there are two people claiming a physical residence in Hobart Bay, both with Juneau mailing addresses, and no other persons claiming residence in the proposed annexation area.) There are no school-aged children in the area proposed for annexation.

## **SECTION 10. INFORMATION RELATING TO PUBLIC NOTICE**

**Exhibit D** offers information relevant to providing public notice of the annexation proceedings, including details about local media, places for posting notice, places where the petition may be reviewed, and parties who should be given individual notice of the annexation proceedings.

## **SECTION 11. TAX DATA**

### **A. Value of Taxable Property in the Area Proposed for Annexation**

Within current CBJ boundaries (as of January 1, 2011):

Real property	\$ 3,793,856,000
Personal Property	\$ 297,652,232
TOTAL:	\$ 4,091,508,232

Within area proposed for annexation:

Real property	\$ 4,220,000
Personal property <sup>8</sup>	\$ 0
TOTAL:	\$ 4,220,000

### **B. Projected Taxable Sales in the Area Proposed for Annexation**

The value of annual sales in the annexation area that would be subject to CBJ sales taxes is estimated to be \$2,237,000 for FY11. At the current CBJ sales tax levy, this would generate an estimated \$111,850 annually (excluding anticipated exemptions). It is expected that 60% (or \$67,100) of the sales tax levy would be used for operations and 40% (or \$44,740) for general

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<sup>7</sup> *2011 Juneau & Southeast Economic Indicators*, Juneau Economic Development Council, p. 1.

<sup>8</sup> The CBJ elects to only tax business personal property and provides for a \$100,000 per merchant personal property exemption. The projection above assumes that merchant personal property within the area would be valued less than the \$100,000 exemption.

community capital improvements. The value of the CBJ's taxable sales in FY11 was \$788,662,000.

**C. Municipal Government Tax Levy Currently in Effect in the Annexation Area**

**i. Taxes Currently Levied by the CBJ**

The type and rate of each tax currently levied by the Borough is listed below:

<b>TAX TYPE</b>	<b>TAX RATE (mills)</b>
<u>Areawide property tax (CY11):</u>	
General Operating	6.56
Debt Service	<u>1.29</u>
Total	7.85
<u>Non-areawide property tax:</u>	
	None
<u>Service area property taxes (CY11):</u>	
Roaded Service Area	2.24
Fire Service Area	0.46
<u>Sales tax:</u>	
General Sales Tax	5%
Liquor Sales Tax	3%
Hotel-Motel Room Tax	7%

**ii. Taxes Currently Levied in the Area Proposed for Annexation**

There are no taxes collected currently in the area proposed for annexation.

**SECTION 12. PROJECTED REVENUE, OPERATING EXPENDITURES, AND CAPITAL EXPENDITURES FOR FOUR YEAR PERIOD**

The following tables consist of three year budget summaries for the CBJ's operations before and after annexation. The projections are for FY12 (the current fiscal year), FY13 (the year of annexation), and FY14 (the year following annexation).<sup>9</sup> Information is presented for both the existing borough area and the proposed borough post-annexation.<sup>10</sup>

<sup>9</sup> The CBJ realizes that annexation would very likely not be finalized by July 1, 2012, but believes presenting the information as of July 1, 2012 gives the best representation of the annexation impact.

<sup>10</sup> The tables contain the following abbreviations: "A/R" for "Accounts Receivable;" "PS" for "Personnel Services," and "C&S" for "Commodities and Services."

**REVENUE PROJECTIONS – EXISTING (NO ANNEXATION)**

	FY12	FY13	FY14
<b>Funding Sources:</b>			
<b>State Support:</b>			
State Shared Revenue	\$ 69,000	69,000	69,000
Community Revenue Sharing	2,698,800	2,100,000	2,100,000
Library Grants	115,400	115,000	115,000
ASHA "in Lieu" Tax	55,000	55,000	55,000
Miscellaneous Grants	116,900	117,000	117,000
<b>Total State Support</b>	<b><u>3,055,000</u></b>	<b><u>2,456,000</u></b>	<b><u>2,456,000</u></b>
<b>Federal Support:</b>			
Federal "in Lieu" Tax	1,741,700	1,304,000	1,825,000
Secure Rural Schools/Roads	734,300	-	-
Miscellaneous Grants	129,400	129,000	129,000
<b>Total Federal Support</b>	<b><u>2,605,000</u></b>	<b><u>1,433,000</u></b>	<b><u>1,954,000</u></b>
<b>Local Support:</b>			
Property Taxes	36,939,600	38,048,000	39,189,000
User Fees, Permits, Rents, and Leases	5,415,900	5,578,000	5,747,000
Penalties and Fines	1,016,300	1,047,000	1,078,000
Interest - Investment & A/R	2,374,000	2,700,000	3,900,000
<b>Total Local Support</b>	<b><u>45,746,000</u></b>	<b><u>47,373,000</u></b>	<b><u>49,914,000</u></b>
<b>Total Revenues</b>	<b><u>51,406,000</u></b>	<b><u>51,262,000</u></b>	<b><u>54,324,000</u></b>
sales tax	21,571,800	23,990,000	24,790,000
tobacco excise tax	1,224,600	1,163,000	1,105,000
marine passenger fee	3,162,600	3,163,000	3,163,000
special assessments	14,900	15,000	15,000
debt service-one time	1,569,700	-	-
j-o arboretum	138,000	100,000	100,000
<b>Support from other funds</b>	<b><u>27,682,000</u></b>	<b><u>28,431,000</u></b>	<b><u>29,173,000</u></b>
<b>Total Revenues and Support from other funds</b>	<b><u>\$ 79,088,000</u></b>	<b><u>79,693,000</u></b>	<b><u>83,497,000</u></b>

**REVENUE PROJECTIONS – PROPOSED ANNEXATION AREA ONLY**

	FY12	FY13	FY14
<b>Funding Sources:</b>			
<b>State Support:</b>			
State Shared Revenue	\$ -	-	-
Community Revenue Sharing	-	-	-
Library Grants	-	-	-
ASHA "in Lieu" Tax	-	-	-
Miscellaneous Grants	-	-	-
<b>Total State Support</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Federal Support:</b>			
Federal "in Lieu" Tax	-	-	-
Secure Rural Schools/Roads	-	-	-
Miscellaneous Grants	-	-	-
<b>Total Federal Support</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Local Support:</b>			
Property Taxes	-	28,000	28,000
User Fees, Permits, Rents, and Leases	-	-	-
Penalties and Fines	-	-	-
Interest - Investment & A/R	-	-	-
<b>Total Local Support</b>	<u>-</u>	<u>28,000</u>	<u>28,000</u>
<b>Total Revenues</b>	<u>-</u>	<u>28,000</u>	<u>28,000</u>
sales tax	-	67,100	67,100
tobacco excise tax	-	-	-
marine passenger fee	-	-	-
special assessments	-	-	-
debt service-one time	-	-	-
j-o arboretum	-	-	-
<b>Support from other funds</b>	<u>-</u>	<u>67,000</u>	<u>67,000</u>
<b>Total Revenues and Support from other funds</b>	<u>\$ -</u>	<u>95,000</u>	<u>95,000</u>

Note: Sales tax revenue noted above constitutes 60% of the total sales tax received. (As noted herein, 60% of the sales tax levy is used for operations and 40% for general community capital improvements.)

**REVENUE PROJECTIONS – COMBINED (EXISTING PLUS ANNEXATION AREA)**

	FY12	FY13	FY14
<b>Funding Sources:</b>			
<b>State Support:</b>			
State Shared Revenue	\$ 69,000	69,000	69,000
Community Revenue Sharing	2,699,000	2,100,000	2,100,000
Library Grants	115,000	115,000	115,000
ASHA "in Lieu" Tax	55,000	55,000	55,000
Miscellaneous Grants	117,000	117,000	117,000
<b>Total State Support</b>	<b>3,055,000</b>	<b>2,456,000</b>	<b>2,456,000</b>
<b>Federal Support:</b>			
Federal "in Lieu" Tax	1,742,000	1,304,000	1,825,000
Secure Rural Schools/Roads	734,000	-	-
Miscellaneous Grants	129,000	129,000	129,000
<b>Total Federal Support</b>	<b>2,605,000</b>	<b>1,433,000</b>	<b>1,954,000</b>
<b>Local Support:</b>			
Property Taxes	36,940,000	38,076,000	39,217,000
User Fees, Permits, Rents, and Leases	5,416,000	5,578,000	5,747,000
Penalties and Fines	1,016,000	1,047,000	1,078,000
Interest - Investment & A/R	2,374,000	2,700,000	3,900,000
<b>Total Local Support</b>	<b>45,746,000</b>	<b>47,401,000</b>	<b>49,942,000</b>
<b>Total Revenues</b>	<b>51,406,000</b>	<b>51,290,000</b>	<b>54,352,000</b>
sales tax	21,572,000	24,057,100	24,857,100
tobacco excise tax	1,225,000	1,163,000	1,105,000
marine passenger fee	3,163,000	3,163,000	3,163,000
special assessments	15,000	15,000	15,000
debt service-one time	1,570,000	-	-
j-o arboretum	138,000	100,000	100,000
<b>Support from other funds</b>	<b>27,683,000</b>	<b>28,498,000</b>	<b>29,240,000</b>
<b>Total Revenues and Support from other funds</b>	<b>\$ 79,089,000</b>	<b>79,788,000</b>	<b>83,592,000</b>

Note: The CBJ is not projecting increases in state support related to the annexed area.

Note: The CBJ is not projecting increases in federal support related to the annexed area. The federal government does provide local support based upon federal lands within the local government's boundaries under two programs – the Federal Payment in Lieu (PILT) program and the Secure Rural Schools and Self Determination Act. Under the PILT program, the maximum amount of the payment is capped by population. As the CBJ is already receiving the maximum amount allowed under this cap, thus adding the additional federal lands in the annexation area will not have a material impact on the CBJ's PILT revenues. The Secure Rural Schools and Self Determination Act is scheduled to expire in FY12, and, therefore, has not been included.

Note: The CBJ Assessor estimated the total assessed value of the properties within the annexation area to be \$4.22 million. The majority of taxable property consists of a lodge located at the head of Windham Bay. The remaining property consists of privately owned lands which include some minor development. The numerous mining claims in the area are assumed to have minimal value and have not been included in the taxable estimate. It is believed that the majority of the remaining property would be exempt as government or Alaska Native Claim Settlement Act (ANCSA) property, though this fact has not been conclusively determined. This information was prepared with the assessable/taxable property becoming taxable starting in FY13 (the 2012 calendar year). The CBJ realizes that the annexation could not be finalized by January 1, 2012, but believes presenting the information as of January 1, 2012 gives the best representation of the annexation impact.

Note: The CBJ currently levies a 5% sales tax, 7% hotel/motel tax, and a 3% liquor tax. The CBJ Sales Tax Division Director has made an estimate of the activity in the area. It is believed that currently, all taxable retail transactions are related to tourism consisting mainly of cruise and charter activities and one lodge facility. The lodge facility is currently inactive and for sale. No other retail sales of goods or services were identified in the annexed area. The CBJ uses its sales tax revenues for both operations and capital improvements. Approximately 60% would be used of general operations and 40% for capital projects. The revenue projection assumes tax collection for the entire fiscal year starting July 1, 2012, but again, the CBJ realizes that annexation could not be finalized by July 1, 2012, but believes presenting the information as of July 1, 2012 gives the best representation of the annexation impact.

**EXPENDITURE SUMMARIES – EXISTING - NO ANNEXATION**

	<b>Before Annexation FY12 Budget</b>	<b>Without Annexation FY13 Budget</b>	<b>Without Annexation FY14 Budget</b>
Mayor & Assembly	\$ 4,286,000	\$ 4,314,500	4,345,100
Law	1,899,300	1,933,700	1,968,800
Manager	1,437,800	1,463,100	1,488,800
Clerk	517,500	526,700	536,000
Mgmt Information Systems	2,306,500	2,346,800	2,387,800
Human Resources	573,300	583,300	593,500
Libraries	2,408,700	2,451,600	2,495,300
Finance	5,400,500	5,352,000	5,445,000
Community Development	2,968,700	3,020,500	3,073,200
Capital City Rescue	3,924,200	4,004,800	4,074,900
Capital City Fire	3,600,100	3,664,800	3,730,700
General Engineering	709,600	722,200	735,100
Building Maintenance	2,503,400	2,550,000	2,597,400
Parks and Landscape	1,790,900	1,822,800	1,855,200
Parks and Recreation	5,573,500	5,287,100	5,381,100
Police	13,575,600	13,857,100	14,101,300
Streets	5,268,600	5,366,300	5,465,700
Interdepartmental Charges	(4,533,100)	(4,623,800)	(4,716,300)
Support to other funds	31,162,000	31,957,300	31,957,300
<b>Total General Government</b>	<b>170,746,200</b>	<b>173,580,400</b>	<b>175,410,600</b>
Total PS	39,335,200	39,912,300	40,625,000
Total C&S	19,252,700	19,559,500	19,872,400
Total Capital Outlay	156,300	156,300	156,300
Total Support to other funds	31,162,000	31,957,300	31,957,300
Total Interdepartmental Charges	(4,533,100)	(4,623,800)	(4,716,300)
<b>Total Operating Expenditures</b>	<b>85,217,000</b>	<b>86,805,000</b>	<b>87,738,000</b>
<b>Total Capital Expenditures</b>	<b>156,000</b>	<b>156,000</b>	<b>156,000</b>
<b>Total Operating &amp; Capital</b>	<b>\$ 85,373,000</b>	<b>86,961,000</b>	<b>87,894,000</b>



**EXPENDITURE SUMMARIES – ANNEXATION AREA ONLY**

	<b>Year 1 of Annexation</b>	<b>Year 2 of Annexation</b>
	<b>FY13</b>	<b>FY14</b>
	<b>Budget</b>	<b>Budget</b>
Finance	\$ 5,000	-
Capital City Rescue	1,000	1,000
Required Local Contribution to Education	8,400	8,400
<b>Total</b>	<b>\$ 14,400.00</b>	<b>9,400</b>

Note: The CBJ does not anticipate any material increase in general operating costs associated with the annexation. The Fire Chief estimates there might be one additional emergency air medevac per year that could occur within the area. The estimated annual cost for responding to an emergency is \$1,000. The air medevac would employ private sector aircraft, which would not be the responsibility of the CBJ. The Police Chief has indicated that there would likely be no additional identifiable costs to Juneau Police Department. The Assessor’s Office would be responsible for valuing the property within the annexed area. An estimated cost of \$5,000 has been added to secure private sector transportation to allow the Assessor’s Office staff transportation to inspect the area. While there may be services eventually provided by the CBJ’s planning department (Community Development Department or CDD) if any of the remote locations are developed, it is anticipated that added costs would be inconsequential unless a very large project such as a cruise ship oriented resort is proposed. Yet even in that event, it is estimated that all of the costs related to building permits and inspections, as well as approximately 40% of the planning permit review costs, would be recovered by fees. No other direct operating costs have been identified.

Note: Under the State of Alaska’s Education Funding Formula, the CBJ would be required to contribute additional funds for education based upon total property value increases. These funds would be offset by the State on a dollar for dollar basis resulting in no net increase in funding for the School District. The estimated additional education funding based upon the projected \$4.22 million assessed/taxable value increase is \$8,400 annually.

**SECTION 13. EXISTING LONG-TERM MUNICIPAL DEBT**

The following is a summary of the current bonded indebtedness of the Borough as of June 30, 2011 and debt service for the FY13:

**General Obligation Bonds**

Bond Issue	Balance (June 30, 2011)	Annual Payment	State Reimb.**		Date Paid
			Rate	Amount	
2000A GO School	\$120,000	\$35,700	60%	21,400	2015
2000B GO School	1,140,000	249,700	60%	149,800	2015
2002 GO School	6,160,000	1,205,900	70%	844,100	2017
2003 Capital Imp.	503,000	242,800	0%	0	2023
2003A GO School	13,610,000	1,968,700	60%-70%	1,363,700	2018
2003B Capital Imp.	10,215,000	1,007,200	0%	0	2023
2004A GO School	3,565,000	958,400	70%	670,900	2014
2004B GO School	1,960,000	534,600	70%	374,200	2014
2004C GO School	3,065,000	822,000	70%	575,400	2014
2005A GO School	5,565,000	738,200	70%	516,700	2020
2006A GO School	1,012,000	150,300	70%	105,200	2021
2006B GO School	35,480,000	3,907,700	70%	2,735,400	2021
2006C GO School	3,915,000	733,000	70%	513,100	2016
2008A GO School	28,365,000	4,317,700	70%	3,022,400	2023
2008B GO School	2,430,000	289,200	70%	202,500	2023
2008C GO Aquatic Ctr	658,000	80,400	26.21%	21,100	2023
2009III GO School	1,070,000	142,900	70%	100,000	2019
2009III GO Aquatic Ctr	10,265,000	1,306,900	26.21%	342,600	2019
2010II GO School	6,000,000	698,500	70%	489,000	2020
2010II GO Aquatic Ctr	7,580,000	220,000	26.21%	57,700	2024
2011 GO School	<u>5,753,000</u>	<u>655,500</u>	70%	458,900	2021
Totals	\$148,431,000	20,265,300		12,564,100	
Less State Reimb**		<u>12,564,100</u>			
Debt Ser. Less State		7,701,200			

**Revenue Bonds**

Bond Issue	Principal Bal (June 30, 2011)	Annual Payment		Date Paid
2002 W&S Rev & Ref	\$1,105,000	\$267,900		2017
2004A Hospital Rev	26,165,000	1,871,900		2026
2007 Harbor Rev	9,960,000	750,100		2032

\*\* Reimbursements from the Alaska Department of Education and Early Development under the State’s School Construction Bond Debt Reimbursement Program.

## SECTION 14. POWERS AND SERVICES

### A. Current Borough Powers and Functions

Listed below are currently provided powers and functions exercised by the CBJ. General government services are divided into the following three taxing areas:

- i. **Areawide:** Borough Administration, Education, Community Development and Planning, Economic Development, Land Use Regulation, Capital Improvement Projects, Bonding, Taxation, Watershed Management, Cemetery, Harbors and Ports, Libraries, Hospital and Health Services, 911 Emergency Dispatch, Emergency Medical Services, Hospital and Recovery Services, Disaster Planning; Emergency Response, Search and Rescue; Engineering, Building Inspection and Enforcement, Municipal Water, Municipal Sewer, Elections
- ii. **Roaded Service:** Parks and Recreation, Police, Streets, Transit
- iii. **Fire Service:** Fire

### B. Post-Annexation Services and Functions

The following services will be extended to the area proposed for annexation: Emergency Medical Services; Emergency Response; Building Inspection and Enforcement; Fire Inspection Services; Search and Rescue; and Community Development. At present, there is no need for educational services. Should such a need develop, the CBJ would provide that service to the proposed annexation area.

### C. Alternative Service Providers

Currently, the State provides Alaska State Trooper services in the area proposed for annexation. As stated above, those services would be provided by the CBJ post-annexation. The U.S. Department of Homeland Security, Customs and Border Protection (located in Juneau), will continue oversight of the area for that agency's purposes. The U.S. Coast Guard provides some medical response service coverage currently. Post-annexation, the Coast Guard may continue to provide transportation services to the CBJ's Emergency Medical Response team on an as-needed basis. The CBJ's fire department, Capital City Fire and Rescue, already provides fire suppression and wild land fire services in the annexation area pursuant to a Cooperative Response Agreement initiated by the U.S. Forest Service.<sup>11</sup> There are currently no other services provided in the annexation area.

## SECTION 15. TRANSITION PLAN

The Transition Plan required by 3 AAC 110.900 is attached as **Exhibit E**.

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<sup>11</sup> See Attachment 3 to Exhibit H.

**SECTION 16. FEDERAL VOTING RIGHTS ACT INFORMATION**

Information regarding the effect of the proposed annexation upon the civil and political rights protected and addressed by the federal Voting Rights Act (42 U.S.C. § 1971 *et. seq.*), is provided in **Exhibit F**.

**SECTION 17. COMPOSITION AND APPORTIONMENT OF ASSEMBLY**

**Exhibit G** contains information about the current composition and apportionment of the CBJ Assembly. No change to the composition and apportionment of the Assembly is anticipated given that the area is basically uninhabited.

**SECTION 18. SUPPORTING LEGAL BRIEF**

A supporting brief providing a more detailed explanation of how the proposed annexation will serve the best interests of the State and satisfy the constitutional, statutory, and regulatory standards relevant to the Commission's decision is attached as **Exhibit H**.

**SECTION 19. AUTHORIZATION**

A certified copy of the ordinance adopted by the Borough Assembly to authorize the filing of this petition is provided as **Exhibit I**.

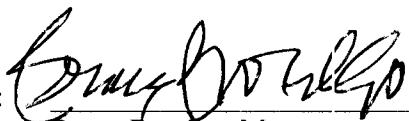
**SECTION 20. AFFIDAVIT OF ACCURACY**

An affidavit of the CBJ's representative affirming that the information in the petition is true and accurate to the best of the representative's knowledge, information, and belief, formed after reasonable inquiry, is provided in **Exhibit J**.

**SECTION 21. OTHER INFORMATION.**

**Exhibit K** consists of the following additional information that may be helpful to the LBC in considering this petition: the CBJ's current operating budget; its most recent audit; and the CBJ's comprehensive plan.

RESPECTFULLY SUBMITTED this 13<sup>th</sup> day of March, 2012.

By:   
Bruce Botelho, Mayor  
Petitioner's Representative

## EXHIBIT A

### LEGAL DESCRIPTION OF THE AREA PROPOSED FOR ANNEXATION

The boundary of the proposed annexation to the City and Borough of Juneau is described as follows:

Beginning at the boundary corner of the City and Borough of Juneau, at the Midway Island Light at or near North 57° 50.2' Latitude and West 133° 48.7' Longitude;

thence southeasterly, along a line toward the Five Fingers Light at or near North 57° 16' 13" Latitude and West 133° 37' 53" Longitude, to the intersection of a line between U.S.C.&G.S. triangulation station HUGH located at the southern end of Glass Peninsula on Admiralty Island at or near 57° 56' 19.52" Latitude and West 135° 47' 11.21" Longitude, and U.S.C.&G.S. triangulation station BALE located on the mainland, north of the mouth of Windham Bay at or near North 57° 34' 38.73" Latitude and West 133° 36' 56.33" Longitude, said intersection at or near North 57° 34' 55.30" Latitude and West 133° 43' 54.26" Longitude;

thence southerly, to a point in Frederick Sound at the south end of Stephens Passage, located at the intersection of a line extending due west of the Cape Fanshaw Light on the east coast of Frederick Sound at or near North 57° 11' 07.29" Latitude and West 133° 34' 26.44" Longitude, with a line extending due north of U.S.C.&G.S. triangulation station SLATE 2 on the north shore of Kupreanov Island at or near North 57° 04' 44.195" Latitude and West 133° 43' 56.040" Longitude, said intersection at or near North 57° 11' 07.29" Latitude and West 133° 43' 56.040" Longitude;

thence east, to the Cape Fanshaw Light on the east coast of Frederick Sound, at or near North 57° 11' 07.29" Latitude and West 133° 34' 26.44" Longitude;

thence generally easterly, to the Alaska-Canada border along the southern boundaries of the Port Houghton and Dawes Glacier watersheds defined in the US National Hydrography Dataset, as posted on the USGS website on January 24, 2012, said watershed boundaries generally described as follows:

easterly, from the Cape Fanshaw Light, along the hydrographic divide between the Port Houghton and Farragut Bay hydrographic drainages, to an unnamed peak, elevation 1180, in the southwest one-quarter of protracted Section 15, T.54S., R.75E., CRM, at or near North 57° 11' 13.80" Latitude and West 133° 28' 28.80" Longitude;

thence northeasterly, along said hydrographic divide, to Mount Fanshaw, elevation 2720, at or near North 57° 12' 26.53" Latitude and West 133° 26' 55.31" Longitude;

thence easterly, along said hydrographic divide, through an unnamed saddle of unspecified elevation, in the northwest one-quarter of protracted Section 1, T.54S., R.75E., CRM, at or near North 57° 12' 39.19" Latitude and West 133° 25' 13.65" Longitude;

thence northeasterly, along said hydrographic divide, to an unnamed peak, elevation 2551, in the northeast one-quarter of protracted Section 6, T.54S., R.76E., CRM, at or near North 57° 13' 21.67" Latitude and West 133° 23' 15.92" Longitude;

thence northeasterly, along said hydrographic divide, to Dahlgren Peak, elevation 3539, in the northeast one-quarter of protracted Section 32, T.53S., R.76E., CRM, at or near North 57° 14' 00.31" Latitude and West 133° 22' 04.08" Longitude;

thence northeasterly, along said hydrographic divide, to an unnamed peak of unspecified elevation, in the southwest one-quarter of protracted Section 27 of said Township, at or near North 57° 14' 41.32" Latitude and West 133° 19' 21.75" Longitude;

thence southeasterly, along said hydrographic divide, to an unnamed peak, elevation 1290, in the northwest one-quarter of protracted Section 5, T.54S., R.77E., CRM, at or near North 57° 13' 04.49" Latitude and West 133° 13' 19.74" Longitude;

thence southeasterly, along said hydrographic divide, to an unnamed peak, elevation 2930, in the southeast one-quarter of said Section, at or near North 57° 11' 56.43" Latitude and West 133° 09' 10.84" Longitude;

thence easterly, along said hydrographic divide, through an unnamed saddle, elevation 2197, in the southeast one-quarter of protracted Section 11 of said Township, at or near North 57° 11' 58.05" Latitude and West 133° 07' 17.56" Longitude;

thence northeasterly, along said hydrographic divide, to Grant Peak, elevation 4575, in the southwest one-quarter of protracted Section 6, T.54S., R.78E., CRM, at or near North 57° 12' 50.32" Latitude and West 133° 04' 45.55" Longitude;

thence northerly, along said hydrographic divide, through an unnamed saddle of unspecified elevation, in the northeast one-quarter of protracted Section 31, T.53S., R.78E., CRM, at or near North 57° 13' 52.02" Latitude and West 133° 04' 08.80" Longitude;

thence northeasterly, along said hydrographic divide, to an unnamed peak, elevation 4025, in the southeast one-quarter of protracted Section 29 of said Township, at or near North 57° 14' 42.70" Latitude and West 133° 02' 38.03" Longitude;

thence northwesterly, along said hydrographic divide, through an unnamed saddle, elevation 1920, in the southwest one-quarter of protracted Section 20 of said Township, at or near North 57° 15' 11.74" Latitude and West 133° 03' 18.65" Longitude;

thence northerly, along said hydrographic divide, to an unnamed peak, elevation 2415, in the southeast one-quarter of protracted Section 17 of said Township, at or near North 57° 16' 03.26" Latitude and West 133° 02' 53.12" Longitude;

thence northeasterly, along said hydrographic divide, to an unnamed peak, elevation 3755, in the northwest one-quarter of protracted Section 16 of said Township, at or near North 57° 16' 28.69" Latitude and West 133° 01' 59.46" Longitude;

thence northerly, along said hydrographic divide, to an unnamed peak, elevation 2615, in the southwest one-quarter of protracted Section 4 of said Township, at or near North 57° 18' 02.15" Latitude and West 133° 01' 34.61" Longitude;

thence easterly, along said hydrographic divide, through an unnamed saddle of unspecified elevation, in the southwest one-quarter of protracted Section 36 of said Township, at or near North 57° 18' 47.27" Latitude and West 132° 59' 58.86" Longitude;

thence northerly, along said hydrographic divide, to an unnamed peak, elevation 2210, in the southwest one-quarter of protracted Section 25 of said Township, at or near North 57° 19' 29.99" Latitude and West 132° 59' 56.64" Longitude;

thence northerly, along said hydrographic divide, to an unnamed peak, elevation 1810, in the northwest one-quarter of said Section, at or near North 57° 20' 02.73" Latitude and West 132° 59' 49.74" Longitude;

thence northeasterly, along said hydrographic divide, to an unnamed peak, elevation 4415, in the northeast one-quarter of protracted Section 19 of said Township, at or near North 57° 20' 53.65" Latitude and West 132° 57' 37.39" Longitude;

thence northerly, along said hydrographic divide, to an unnamed peak of unspecified elevation, in the southeast one-quarter of protracted Section 18 of said Township, at or near North 57° 21' 22.37" Latitude and West 132° 57' 16.47" Longitude;

thence northeasterly, along said hydrographic divide, to an unnamed peak, elevation 5660, in the northwest one-quarter of protracted Section 17 of said Township, at or near North 57° 21' 39.77" Latitude and West 132° 56' 47.03" Longitude;

thence northeasterly, along said hydrographic divide, to an unnamed peak of unspecified elevation, in the southeast one-quarter of protracted Section 9 of said Township, at or near North 57° 22' 19.67" Latitude and West 132° 53' 57.37" Longitude;

thence easterly, along said hydrographic divide, to an unnamed peak, elevation 6220, in the southeast one-quarter of protracted Section 10 of said Township, at or near North 57° 22' 24.60" Latitude and West 132° 52' 25.06" Longitude;

thence easterly, along said hydrographic divide, to an unnamed peak of unspecified elevation, in the southeast one-quarter of protracted Section 11 of said Township, at or near North 57° 22' 10.39" Latitude and West 132° 50' 55.11" Longitude;

thence easterly, along said hydrographic divide, to the intersection of the Port Houghton, Farragut Bay, and Dawes Glacier drainages, elevation unspecified, at or near North 57° 21' 50.50" Latitude and West 132° 49' 10.86" Longitude;

thence southerly, along the hydrographic divide between the Dawes Glacier and Baird Glacier hydrographic drainages, to an unnamed peak, elevation 5320, in the southwest one-quarter of protracted Section 18, T.52S., R.79E., CRM, at or near North 57° 21' 16.09" Latitude and West 132° 48' 51.66" Longitude;

thence easterly, along said hydrographic divide, to an unnamed peak, elevation 5720, in the southeast one-quarter of protracted Section 27 of said Township, at or near North 57° 19' 31.91" Latitude and West 132° 42' 31.18" Longitude;

thence easterly, along said hydrographic divide, through an unnamed saddle of unspecified elevation, in the southeast one-quarter of protracted Section 25 of said Township, at or near North 57° 19' 50.34" Latitude and West 132° 39' 52.68" Longitude;

thence easterly, along said hydrographic divide, to an unnamed peak, elevation 7925, in the southwest one-quarter of protracted Section 5, T.53S., R.81E., CRM, at or near North 57° 17' 56.77" Latitude and West 132° 35' 01.29" Longitude;

thence northerly, along said hydrographic divide, to an unnamed peak of unspecified elevation, in the northwest one-quarter of said Section, at or near North 57° 18' 29.62" Latitude and West 132° 34' 39.98" Longitude;

thence easterly, along said hydrographic divide, to an unnamed peak of unspecified elevation, in the southeast one-quarter of protracted Section 34, T.52S., R.80E., CRM, at or near North 57° 18' 38.26" Latitude and West 132° 33' 09.61" Longitude;

thence northeasterly, along said hydrographic divide, to an unnamed peak, elevation 7436, in the southwest one-quarter of protracted Section 35 of said Township, at or near North 57° 18' 56.87" Latitude and West 132° 32' 09.45" Longitude;

thence southeasterly, along said hydrographic divide, to an unnamed peak of unspecified elevation, in the northeast one-quarter of protracted Section 3, T.53S., R.81E., CRM, at or near North 57° 18' 33.82" Latitude and West 132° 30' 45.37" Longitude;

thence northeasterly, along said hydrographic divide, to an unnamed peak of unspecified elevation, in the northeast one-quarter of protracted Section 31, T.52S., R.81E., CRM, at or near North 57° 19' 03.06" Latitude and West 132° 28' 38.47" Longitude;

thence easterly, along said hydrographic divide, to an unnamed peak, elevation 8140, in the northwest one-quarter of protracted Section 33 of said Township, at or near North 57° 19' 05.77" Latitude and West 132° 26' 03.80" Longitude;



thence southerly, along said hydrographic divide, through an unnamed saddle of unspecified elevation, in the northeast one-quarter of protracted Section 6, T.53S., R.82E., CRM, at or near North 57° 18' 36.46" Latitude and West 132° 26' 10.10" Longitude;

thence northeasterly, along said hydrographic divide, through an unnamed saddle of unspecified elevation, in the northwest one-quarter of protracted Section 35, T.52S., R.81E., CRM, at or near North 57° 19' 21.29" Latitude and West 132° 23' 04.93" Longitude;

thence easterly, along said hydrographic divide, to an unnamed peak, elevation 7818, in the northwest one-quarter of protracted Section 36 of said Township, at or near North 57° 19' 04.31" Latitude and West 132° 21' 29.57" Longitude;

thence northerly, along said hydrographic divide, through an unnamed saddle of unspecified elevation, in the northwest one-quarter of said Section, at or near North 57° 19' 20.22" Latitude and West 132° 21' 20.76" Longitude;

thence northerly, along said hydrographic divide, to the intersection of the International Boundary line with the Dawes and Baird Glacier drainages, elevation unspecified, at or near North 57° 19' 47.41" Latitude and West 132° 21' 08.30" Longitude;

thence northerly and westerly, along the International Boundary Line to Boundary Peak No. 79 on the Alaska-Canada Boundary Line at North 58° 09' 14.28" Latitude and West 133° 10' 13.94" Longitude;

thence southwesterly to Point Coke near Holkham Bay in Stephens Passage at North 57° 47' 30" Latitude and West 133° 42' Longitude;

thence northwesterly, to the Midway Island Light at North 57° 50.2' Latitude and West 133° 48.7' Longitude, being the point of beginning.

Containing 1977 square miles, more or less, a significant portion of which is in the Juneau Recording District, and a lesser amount in the Petersburg Recording District, in the First Judicial District of the State of Alaska.

**EXHIBIT B**

**LEGAL DESCRIPTION OF PROPOSED POST-ANNEXATION BOUNDARIES and  
CURRENT BOUNDARIES**

**THE CURRENT CORPORATE BOUNDARY OF THE CITY AND BOROUGH OF  
JUNEAU IS DESCRIBED AS FOLLOWS:**

Beginning at Point Coke near Holkham Bay in Stephens Passage at North 57° 47' 30" Latitude and West 133° 42' Longitude;

thence northeasterly, to Boundary Peak No. 79 on the Alaska-Canadian Boundary Line at North 58° 09' 14.28" Latitude and West 133° 10' 13.94" Longitude;

thence northwesterly, along the International Boundary Line to Mt. Nesselrode (Boundary Peak No. 98) at North 58° 57' 44.96" Latitude and West 134° 18' 42.03" Longitude;

thence westerly, along the common boundary with the Haines Borough to Eldred Rock Light at North 58° 58.3' Latitude and West 135° 13.2' Longitude;

thence southerly, along said common boundary, to a point midway between Lincoln Island on the east and the mainland on the west, located at North 58° 30' Latitude and West 135° 04' 15" Longitude;

thence southerly, along a line toward U.S.C.&G.S. triangulation station YOUNG located at North 58° 11' 42.7" Latitude and West 134° 33' 24.1" Longitude, to the intersection with a line between U.S.C.&G.S. triangulation station OUTER located near Outer point at North 58° 18' 00.2" Latitude and West 134° 41' 12.9" Longitude, and U.S.C.&G.S. triangulation station GROUSE located on the Mansfield Peninsula at North 58° 13' 42.7" Latitude and West 134° 42' 28.5" Longitude;

thence southerly, to said triangulation station GROUSE;

thence southwesterly, to the mean high water line at the north end of Hawk Inlet located in the north one-half of protracted Section 35, T.42S., R.65E., CRM;

thence southerly, along the mean high water line of the west side of said Hawk Inlet to Hawk Point located in protracted Section 33, T.43S., R.65E., CRM;

thence southeasterly, to an unnamed knob of unspecified elevation between protracted Section 3 and protracted Section 10 of T.44S., R.65E., CRM, said point lying on the boundary of the Admiralty Island National Monument Non-Wilderness Area as that boundary existed on May 31, 1989;

thence southeasterly, along the common boundary of said Admiralty Island National Monument Non-Wilderness Area, along the hydrographic divide between Greens Creek and an unnamed

drainage of Piledriver Cove to an unnamed peak of unspecified elevation in the Southwest one-quarter of protracted Section 11 of said Township;

thence southeasterly, along said hydrographic divide to an unnamed peak of unspecified elevation in the Northeast one-quarter of protracted Section 25, T.44S., R.65E., CRM;

thence easterly and southerly, along the hydrographic divide between an unnamed tributary of Wheeler Creek and an unnamed tributary of Greens Creek, to an unnamed peak, elevation 3752, in the southeast one-quarter of protracted Section 30 T.44S., R.66E., CRM;

thence northeasterly, along said hydrographic divide, through a saddle, elevation 1110, to an unnamed peak, elevation 3738, in the northeast one-quarter of protracted Section 16 of said Township;

thence easterly, along the hydrographic divide between an unnamed tributary of Wheeler Creek and an unnamed tributary of Greens Creek, to an unnamed peak, elevation 3990, in the west one-half of protracted Section 14 of said Township;

thence southeasterly, along said hydrographic divide to an unnamed peak, elevation 3856, in the south one-half of said protracted Section 14;

thence easterly, along said hydrographic divide, to an unnamed peak, elevation 4469, in the south one-half of protracted Section 13 of said Township;

thence northerly and northwesterly, along the hydrographic divide between Greens Creek and King Salmon River through an unnamed peak, elevation 3802, to an unnamed peak, elevation 3830, in the northeast one-quarter of protracted Section 11 of said Township;

thence northeasterly, along said hydrographic divide, to the common boundary with the Admiralty Island National Monument as that boundary existed on May 31, 1989, said point being an unnamed peak of unspecified elevation in the east one-half of protracted Section 36, T.43S., R.66E., CRM;

thence easterly, along said common boundary and the hydrographic divide between Admiralty Creek and King Salmon River to an unnamed peak, elevation 3939, in the west one-half of protracted Section 31 of T.43S., R.67E.; CRM;

thence southeasterly, along said hydrographic divide, to an unnamed peak, elevation 4210, in the south one-half of said protracted Section 31;

thence easterly, along said hydrographic divide, to an unnamed peak, elevation 2017, in the east one-half of protracted Section 33 of said Township;

thence northeasterly, along said hydrographic divide to an unnamed peak of unspecified elevation in the northwest one-quarter of protracted Section 26 of said Township;

thence northwesterly, to Point Arden Light at North 58° 09.6' Latitude and West 134° 10.6' Longitude;

thence southeasterly, to Midway Island Light at North 57° 50.2' Latitude and West 133° 48.7' Longitude;

thence southeasterly, to Point Coke at North 57° 47' 30" Latitude and West 133° 42' Longitude, being the point of beginning.

Containing 3,248 square miles, more or less, all in the Juneau Recording District, First Judicial District, State of Alaska.

**THE POST-ANNEXATION CORPORATE BOUNDARY OF THE CITY AND BOROUGH OF JUNEAU IS DESCRIBED AS FOLLOWS:**

The post-annexation corporate boundary of the City and Borough of Juneau is described as follows:

Beginning at the boundary corner of the City and Borough of Juneau, at the Midway Island Light at or near North 57° 50.2' Latitude and West 133° 48.7' Longitude;

thence southeasterly, along a line toward the Five Fingers Light at or near North 57° 16' 13" Latitude and West 133° 37' 53" Longitude, to the intersection of a line between U.S.C.&G.S. triangulation station HUGH located at the southern end of Glass Peninsula on Admiralty Island at or near 57° 56' 19.52" Latitude and West 135° 47' 11.21" Longitude, and U.S.C.&G.S. triangulation station BALE located on the mainland, north of the mouth of Windham Bay at or near North 57° 34' 38.73" Latitude and West 133° 36' 56.33" Longitude, said intersection at or near North 57° 34' 55.30" Latitude and West 133° 43' 54.26" Longitude;

thence southerly, to a point in Frederick Sound at the south end of Stephens Passage, located at the intersection of a line extending due west of the Cape Fanshaw Light on the east coast of Frederick Sound at or near North 57° 11' 07.29" Latitude and West 133° 34' 26.44" Longitude, with a line extending due north of U.S.C.&G.S. triangulation station SLATE 2 on the north shore of Kupreanov Island at or near North 57° 04' 44.195" Latitude and West 133° 43' 56.040" Longitude, said intersection at or near North 57° 11' 07.29" Latitude and West 133° 43' 56.040" Longitude;

thence east, to the Cape Fanshaw Light on the east coast of Frederick Sound, at or near North 57° 11' 07.29" Latitude and West 133° 34' 26.44" Longitude;

thence generally easterly, to the Alaska-Canada border along the southern boundaries of the Port Houghton and Dawes Glacier watersheds defined in the US National Hydrography Dataset, as posted on the USGS website on January 24, 2012, said watershed boundaries generally described as follows:

easterly, from the Cape Fanshaw Light, along the hydrographic divide between the Port Houghton and Farragut Bay hydrographic drainages, to an unnamed peak, elevation 1180, in the southwest one-quarter of protracted Section 15, T.54S., R.75E., CRM, at or near North 57° 11' 13.80" Latitude and West 133° 28' 28.80" Longitude;

thence northeasterly, along said hydrographic divide, to Mount Fanshaw, elevation 2720, at or near North 57° 12' 26.53" Latitude and West 133° 26' 55.31" Longitude;

thence easterly, along said hydrographic divide, through an unnamed saddle of unspecified elevation, in the northwest one-quarter of protracted Section 1, T.54S., R.75E., CRM, at or near North 57° 12' 39.19" Latitude and West 133° 25' 13.65" Longitude;

thence northeasterly, along said hydrographic divide, to an unnamed peak, elevation 2551, in the northeast one-quarter of protracted Section 6, T.54S., R.76E., CRM, at or near North 57° 13' 21.67" Latitude and West 133° 23' 15.92" Longitude;

thence northeasterly, along said hydrographic divide, to Dahlgren Peak, elevation 3539, in the northeast one-quarter of protracted Section 32, T.53S., R.76E., CRM, at or near North 57° 14' 00.31" Latitude and West 133° 22' 04.08" Longitude;

thence northeasterly, along said hydrographic divide, to an unnamed peak of unspecified elevation, in the southwest one-quarter of protracted Section 27 of said Township, at or near North 57° 14' 41.32" Latitude and West 133° 19' 21.75" Longitude;

thence southeasterly, along said hydrographic divide, to an unnamed peak, elevation 1290, in the northwest one-quarter of protracted Section 5, T.54S., R.77E., CRM, at or near North 57° 13' 04.49" Latitude and West 133° 13' 19.74" Longitude;

thence southeasterly, along said hydrographic divide, to an unnamed peak, elevation 2930, in the southeast one-quarter of said Section, at or near North 57° 11' 56.43" Latitude and West 133° 09' 10.84" Longitude;

thence easterly, along said hydrographic divide, through an unnamed saddle, elevation 2197, in the southeast one-quarter of protracted Section 11 of said Township, at or near North 57° 11' 58.05" Latitude and West 133° 07' 17.56" Longitude;

thence northeasterly, along said hydrographic divide, to Grant Peak, elevation 4575, in the southwest one-quarter of protracted Section 6, T.54S., R.78E., CRM, at or near North 57° 12' 50.32" Latitude and West 133° 04' 45.55" Longitude;

thence northerly, along said hydrographic divide, through an unnamed saddle of unspecified elevation, in the northeast one-quarter of protracted Section 31, T.53S., R.78E., CRM, at or near North 57° 13' 52.02" Latitude and West 133° 04' 08.80" Longitude;

thence northeasterly, along said hydrographic divide, to an unnamed peak, elevation 4025, in the southeast one-quarter of protracted Section 29 of said Township, at or near North 57° 14' 42.70" Latitude and West 133° 02' 38.03" Longitude;

thence northwesterly, along said hydrographic divide, through an unnamed saddle, elevation 1920, in the southwest one-quarter of protracted Section 20 of said Township, at or near North 57° 15' 11.74" Latitude and West 133° 03' 18.65" Longitude;

thence northerly, along said hydrographic divide, to an unnamed peak, elevation 2415, in the southeast one-quarter of protracted Section 17 of said Township, at or near North 57° 16' 03.26" Latitude and West 133° 02' 53.12" Longitude;

thence northeasterly, along said hydrographic divide, to an unnamed peak, elevation 3755, in the northwest one-quarter of protracted Section 16 of said Township, at or near North 57° 16' 28.69" Latitude and West 133° 01' 59.46" Longitude;

thence northerly, along said hydrographic divide, to an unnamed peak, elevation 2615, in the southwest one-quarter of protracted Section 4 of said Township, at or near North 57° 18' 02.15" Latitude and West 133° 01' 34.61" Longitude;

thence easterly, along said hydrographic divide, through an unnamed saddle of unspecified elevation, in the southwest one-quarter of protracted Section 36 of said Township, at or near North 57° 18' 47.27" Latitude and West 132° 59' 58.86" Longitude;

thence northerly, along said hydrographic divide, to an unnamed peak, elevation 2210, in the southwest one-quarter of protracted Section 25 of said Township, at or near North 57° 19' 29.99" Latitude and West 132° 59' 56.64" Longitude;

thence northerly, along said hydrographic divide, to an unnamed peak, elevation 1810, in the northwest one-quarter of said Section, at or near North 57° 20' 02.73" Latitude and West 132° 59' 49.74" Longitude;

thence northeasterly, along said hydrographic divide, to an unnamed peak, elevation 4415, in the northeast one-quarter of protracted Section 19 of said Township, at or near North 57° 20' 53.65" Latitude and West 132° 57' 37.39" Longitude;

thence northerly, along said hydrographic divide, to an unnamed peak of unspecified elevation, in the southeast one-quarter of protracted Section 18 of said Township, at or near North 57° 21' 22.37" Latitude and West 132° 57' 16.47" Longitude;

thence northeasterly, along said hydrographic divide, to an unnamed peak, elevation 5660, in the northwest one-quarter of protracted Section 17 of said Township, at or near North 57° 21' 39.77" Latitude and West 132° 56' 47.03" Longitude;

thence northeasterly, along said hydrographic divide, to an unnamed peak of unspecified elevation, in the southeast one-quarter of protracted Section 9 of said Township, at or near North 57° 22' 19.67" Latitude and West 132° 53' 57.37" Longitude;

thence easterly, along said hydrographic divide, to an unnamed peak, elevation 6220, in the southeast one-quarter of protracted Section 10 of said Township, at or near North 57° 22' 24.60" Latitude and West 132° 52' 25.06" Longitude;

thence easterly, along said hydrographic divide, to an unnamed peak of unspecified elevation, in the southeast one-quarter of protracted Section 11 of said Township, at or near North 57° 22' 10.39" Latitude and West 132° 50' 55.11" Longitude;

thence easterly, along said hydrographic divide, to the intersection of the Port Houghton, Farragut Bay, and Dawes Glacier drainages, elevation unspecified, at or near North 57° 21' 50.50" Latitude and West 132° 49' 10.86" Longitude;

thence southerly, along the hydrographic divide between the Dawes Glacier and Baird Glacier hydrographic drainages, to an unnamed peak, elevation 5320, in the southwest one-quarter of protracted Section 18, T.52S., R.79E., CRM, at or near North 57° 21' 16.09" Latitude and West 132° 48' 51.66" Longitude;

thence easterly, along said hydrographic divide, to an unnamed peak, elevation 5720, in the southeast one-quarter of protracted Section 27 of said Township, at or near North 57° 19' 31.91" Latitude and West 132° 42' 31.18" Longitude;

thence easterly, along said hydrographic divide, through an unnamed saddle of unspecified elevation, in the southeast one-quarter of protracted Section 25 of said Township, at or near North 57° 19' 50.34" Latitude and West 132° 39' 52.68" Longitude;

thence easterly, along said hydrographic divide, to an unnamed peak, elevation 7925, in the southwest one-quarter of protracted Section 5, T.53S., R.81E., CRM, at or near North 57° 17' 56.77" Latitude and West 132° 35' 01.29" Longitude;

thence northerly, along said hydrographic divide, to an unnamed peak of unspecified elevation, in the northwest one-quarter of said Section, at or near North 57° 18' 29.62" Latitude and West 132° 34' 39.98" Longitude;

thence easterly, along said hydrographic divide, to an unnamed peak of unspecified elevation, in the southeast one-quarter of protracted Section 34, T.52S., R.80E., CRM, at or near North 57° 18' 38.26" Latitude and West 132° 33' 09.61" Longitude;

thence northeasterly, along said hydrographic divide, to an unnamed peak, elevation 7436, in the southwest one-quarter of protracted Section 35 of said Township, at or near North 57° 18' 56.87" Latitude and West 132° 32' 09.45" Longitude;

thence southeasterly, along said hydrographic divide, to an unnamed peak of unspecified elevation, in the northeast one-quarter of protracted Section 3, T.53S., R.81E., CRM, at or near North 57° 18' 33.82" Latitude and West 132° 30' 45.37" Longitude;

thence northeasterly, along said hydrographic divide, to an unnamed peak of unspecified elevation, in the northeast one-quarter of protracted Section 31, T.52S., R.81E., CRM, at or near North 57° 19' 03.06" Latitude and West 132° 28' 38.47" Longitude;

thence easterly, along said hydrographic divide, to an unnamed peak, elevation 8140, in the northwest one-quarter of protracted Section 33 of said Township, at or near North 57° 19' 05.77" Latitude and West 132° 26' 03.80" Longitude;

thence southerly, along said hydrographic divide, through an unnamed saddle of unspecified elevation, in the northeast one-quarter of protracted Section 6, T.53S., R.82E., CRM, at or near North 57° 18' 36.46" Latitude and West 132° 26' 10.10" Longitude;

thence northeasterly, along said hydrographic divide, through an unnamed saddle of unspecified elevation, in the northwest one-quarter of protracted Section 35, T.52S., R.81E., CRM, at or near North 57° 19' 21.29" Latitude and West 132° 23' 04.93" Longitude;

thence easterly, along said hydrographic divide, to an unnamed peak, elevation 7818, in the northwest one-quarter of protracted Section 36 of said Township, at or near North 57° 19' 04.31" Latitude and West 132° 21' 29.57" Longitude;

thence northerly, along said hydrographic divide, through an unnamed saddle of unspecified elevation, in the northwest one-quarter of said Section, at or near North 57° 19' 20.22" Latitude and West 132° 21' 20.76" Longitude;

thence northerly, along said hydrographic divide, to the intersection of the International Boundary line with the Dawes and Baird Glacier drainages, elevation unspecified, at or near North 57° 19' 47.41" Latitude and West 132° 21' 08.30" Longitude;

thence northerly and westerly, along the International Boundary Line to Boundary Peak No. 79 on the Alaska-Canada Boundary Line at North 58° 09' 14.28" Latitude and West 133° 10' 13.94" Longitude;

thence northerly and westerly, along the International Boundary Line to Mt. Nesselrode (Boundary Peak No. 98) at North 58° 57' 44.96" Latitude and West 134° 18' 42.03" Longitude;

thence westerly, along the common boundary with the Haines Borough to Eldred Rock Light at North 58° 58.3' Latitude and West 135° 13.2' Longitude;



thence southerly, along said common boundary, to a point midway between Lincoln Island on the east and the mainland on the west, located at North 58° 30' Latitude and West 135° 04' 15" Longitude;

thence southerly, along a line toward U.S.C.&G.S. triangulation station YOUNG located at North 58° 11' 42.7" Latitude and West 134° 33' 24.1" Longitude, to the intersection with a line between U.S.C.&G.S. triangulation station OUTER located near Outer point at North 58° 18' 00.2" Latitude and West 134° 41' 12.9" Longitude, and U.S.C.&G.S. triangulation station GROUSE located on the Mansfield Peninsula at North 58° 13' 42.7" Latitude and West 134° 42' 28.5" Longitude;

thence southerly, to said triangulation station GROUSE;

thence southwesterly, to the mean high water line at the north end of Hawk Inlet located in the north one-half of protracted Section 35, T.42S., R.65E., CRM;

thence southerly, along the mean high water line of the west side of said Hawk Inlet to Hawk Point located in protracted Section 33, T.43S., R.65E., CRM;

thence southeasterly, to an unnamed knob of unspecified elevation between protracted Section 3 and protracted Section 10 of T.44S., R.65E., CRM, said point lying on the boundary of the Admiralty Island National Monument Non-Wilderness Area as that boundary existed on May 31, 1989;

thence southeasterly, along the common boundary of said Admiralty Island National Monument Non-Wilderness Area, along the hydrographic divide between Greens Creek and an unnamed drainage of Piledriver Cove to an unnamed peak of unspecified elevation in the Southwest one-quarter of protracted Section 11 of said Township;

thence southeasterly, along said hydrographic divide to an unnamed peak of unspecified elevation in the Northeast one-quarter of protracted Section 25, T.44S., R.65E., CRM;

thence easterly and southerly, along the hydrographic divide between an unnamed tributary of Wheeler Creek and an unnamed tributary of Greens Creek, to an unnamed peak, elevation 3752, in the southeast one-quarter of protracted Section 30 T.44S., R.66E., CRM;

thence northeasterly, along said hydrographic divide, through a saddle, elevation 1110, to an unnamed peak, elevation 3738, in the northeast one-quarter of protracted Section 16 of said Township;

thence easterly, along the hydrographic divide between an unnamed tributary of Wheeler Creek and an unnamed tributary of Greens Creek, to an unnamed peak, elevation 3990, in the west one-half of protracted Section 14 of said Township;

thence southeasterly, along said hydrographic divide to an unnamed peak, elevation 3856, in the south one-half of said protracted Section 14;

thence easterly, along said hydrographic divide, to an unnamed peak, elevation 4469, in the south one-half of protracted Section 13 of said Township;

thence northerly and northwesterly, along the hydrographic divide between Greens Creek and King Salmon River through an unnamed peak, elevation 3802, to an unnamed peak, elevation 3830, in the northeast one-quarter of protracted Section 11 of said Township;

thence northeasterly, along said hydrographic divide, to the common boundary with the Admiralty Island National Monument as that boundary existed on May 31, 1989, said point being an unnamed peak of unspecified elevation in the east one-half of protracted Section 36, T.43S., R.66E., CRM;

thence easterly, along said common boundary and the hydrographic divide between Admiralty Creek and King Salmon River to an unnamed peak, elevation 3939, in the west one-half of protracted Section 31 of T.43S., R.67E.; CRM;

thence southeasterly, along said hydrographic divide, to an unnamed peak, elevation 4210, in the south one-half of said protracted Section 31;

thence easterly, along said hydrographic divide, to an unnamed peak, elevation 2017, in the east one-half of protracted Section 33 of said Township;

thence northeasterly, along said hydrographic divide to an unnamed peak of unspecified elevation in the northwest one-quarter of protracted Section 26 of said Township;

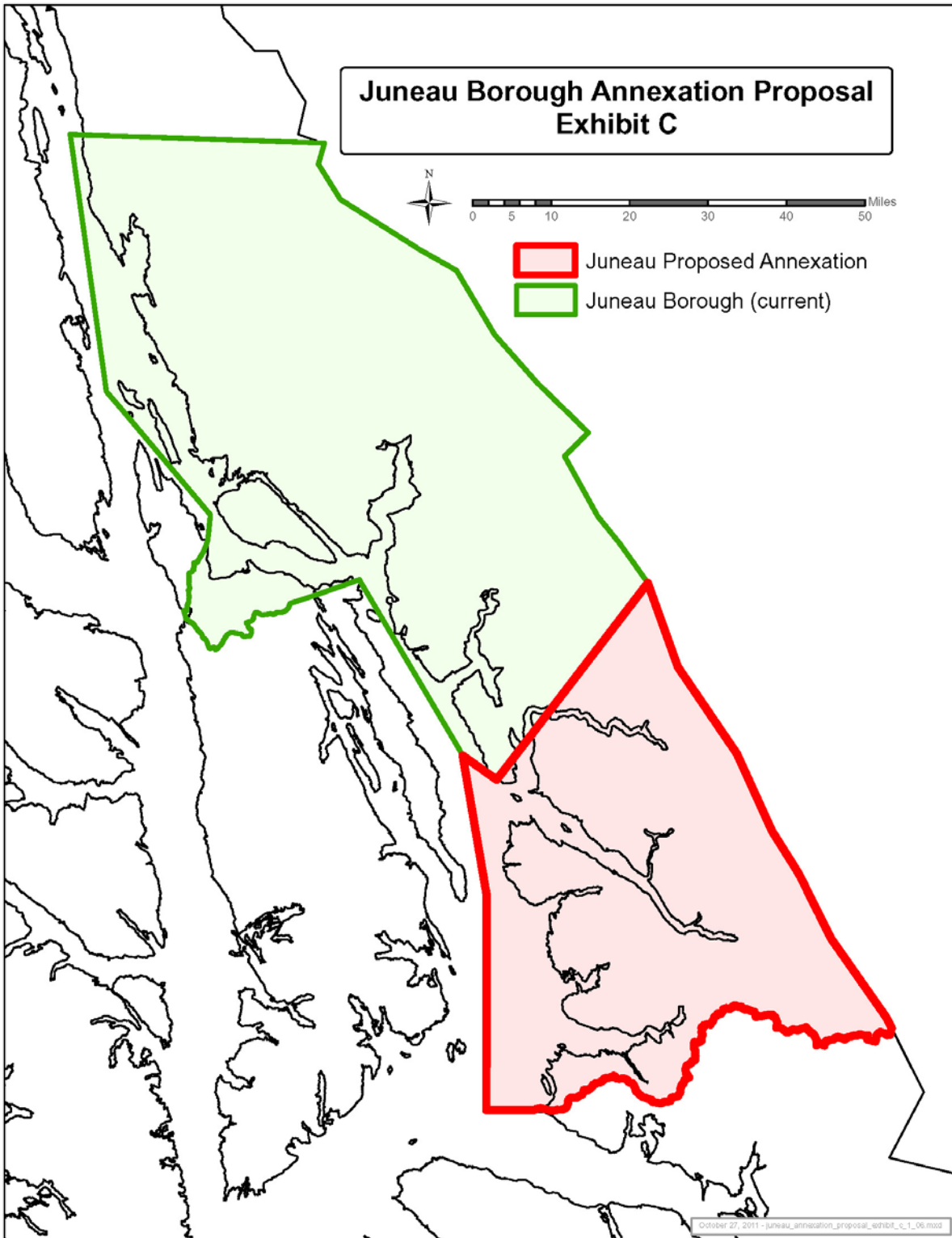
thence northwesterly, to Point Arden Light at North 58° 09.6' Latitude and West 134° 10.6' Longitude;

thence southeasterly, to Midway Island Light at North 57° 50.2' Latitude and West 133° 48.7' Longitude, being the point of beginning.

Containing 5,225 square miles, more or less, a significant portion of which is in the Juneau Recording District, and a lesser amount in the Petersburg Recording District, in the First Judicial District of the State of Alaska.

# EXHIBIT C

## MAP IDENTIFYING EXISTING AND PROPOSED BOUNDARIES OF THE CBJ



**EXHIBIT D**

INFORMATION RELATING TO PUBLIC NOTICE AND SERVICE

**I. AVAILABLE MEDIA SOURCES:**

NEWSPAPERS:

Name: **Juneau Empire**  
Address: 3100 Channel Drive, Juneau, AK 99801  
Telephone #: (907) 586-3740  
Fax #: (907) 586-9097

Name: **Capital City Weekly**  
Address: 134 North Franklin St., Juneau, AK 99801  
Telephone #: (907) 789-4144  
Fax #: (907) 789-0987

PUBLIC RADIO STATIONS:

Name: **KTOO FM & TV (Public Broadcasting)**  
Address: 360 Egan Dr., Juneau, AK 99801  
Telephone #: (907) 586-1670  
Fax #: (907) 586-5692

Name: **Alaska Broadcast Communications (KJNO, KINY, KTKU, KSUP)**  
Address: Juneau Radio Center (Commercial Broadcasting)  
3161 Channel Drive, Juneau, AK 99801  
Telephone #: KJNO/KTKU: (907) 586-3630  
KINY: (907) 586-1800  
KSUP: (907) 586-1063  
Fax #: (907) 463-3685

LOCAL TELEVISION SCANNER:

Name: **CBJ Government Access Channel (Cable Channel 7)**  
Address: 155 S. Seward St., Juneau, AK 99801  
Telephone #: Municipal Clerk: (907) 586-5278  
Fax #: (907) 586-4552

Name: **Alaska One – 360 North (KTOO)**  
Address: 360 Egan Drive, Juneau, AK 99801  
Telephone #: (907) 586-1670  
Fax #: (907) 586-5692

Name: **KATH TV**  
Address: 1107 W. 8<sup>th</sup> St., Ste. A, Juneau, AK 99801  
Telephone #: (907) 586-8384  
Fax #: (907) 586-8394

Name: **GCI Cable TV (Public Service Announcements and Ads)**  
Address: 155 S. Seward St., Juneau, AK 99801  
Telephone #: (907) 868-6223  
Email: Advertisements: <http://www.gcitvclassifieds.com/>  
PSA's: <http://apps.gci.com/forms/psa/requests/new>

OTHER:

Name: CBJ Municipal Website: [www.juneau.org](http://www.juneau.org)  
Address: 155 S. Seward St., Juneau, AK 99801  
Telephone #: Municipal Clerk (907) 586-5278  
Fax #: (907) 586-4552

**II. PUBLIC AND PROMINENT PLACES DESIGNATED FOR POSTING OF NOTICES**

Goldbelt, Inc., 3075 Vintage Blvd. Ste. 200, Juneau, AK 99801 (907) 790-4990

U.S. Forest Service, Regional Office, 709 W. 9th Street Juneau, AK 99801-1807 (907) 586-8806

U.S. Forest Service, Juneau Ranger District, 8150 Mendenhall Loop Rd., Juneau, AK 99801 (907) 586-8800

Municipal Building – City Hall, 155 S. Seward St., Juneau, AK 99801 (907) 586-5278

U.S. Post Office – Downtown, 709 W. 9<sup>th</sup> St., Juneau, AK 99801 (907) 586-7987

U.S. Post Office – Douglas, 904 E. 3<sup>rd</sup> St., Douglas, AK 99824 (907) 364-2445

U.S. Post Office – Valley, 9491 Vintage Blvd., Juneau, AK 99801 (907) 789-0934

U.S. Post Office – Auke Bay, 11957 Glacier Highway, Juneau, AK 99801 (907) 789-0680

Juneau Public Library, 292 Marine Way, Juneau, AK 99801 (907) 586-5432

Douglas Public Library, 1016 3<sup>rd</sup> St., Douglas, AK 99824 (907) 364-2378

Mendenhall Public Library, Mendenhall Mall, Juneau, AK 99801 (907) 789-0125

**III. PLACE AND TIME WHERE PETITION WILL BE AVAILABLE FOR PUBLIC REVIEW**

The petition will be made available for public review at the location noted below. This location is normally open to the public during the days of the week and times listed below:

LOCATION: City and Borough of Juneau, Municipal Clerk Office  
155 S. Seward St., Juneau, AK 99801

DAYS/TIMES NORMALLY OPEN: Monday through Friday, 8 a.m. – 4:30 p.m.

The petition will also be made available at the following locations during all business hours:

Juneau Public Library, 292 Marine Way, Juneau, AK 99801 (907) 586-5432

Douglas Public Library, 1016 3<sup>rd</sup> St., Douglas, AK 99824 (907) 364-2378

Mendenhall Public Library, Mendenhall Mall, Juneau, AK 99801 (907) 789-0125

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

The following is a list of names and addresses of parties whose potential interest in the annexation proceedings may warrant individual notice:

James Jensen, Caretaker, Hobart Bay Logging Co., c/o P.O. Box 33021, Juneau, AK 99803  
(Registered voter in annexation area)

Goldbelt, Incorporated, 3075 Vintage Boulevard, Suite 200, Juneau, AK 99801

Sealaska Corporation, One Sealaska Plaza, Juneau, AK 99801

Hyak Mining Company, 1114 Glacier Avenue, Juneau, AK 99801

Steve Hempel, PO Box 210721, Auke Bay, AK 99821

Windham Holdings, LLC, c/o Jack Poulson, 636 Harris Street, Juneau, AK 99801

Kathy O’Rear, City of Petersburg, Municipal Building, P.O. Box 329, Petersburg, AK 99833

Jim Brennan, Hedland, Brennan and Heideman, 1227 West 9<sup>th</sup> Ave., Suite 300, Anchorage, AK 99501

Catherine Jensen, Entrance Island, Hobart Bay (P.O. Box 240868, Douglas, AK 99824)  
(Registered voter in annexation area)

## **EXHIBIT E**

### **TRANSITION PLAN**

This exhibit contains the CBJ's transition plan, as required by 3 AAC 110.420(b)(16) and 3 AAC 110.900.

**A. THIS TRANSITION PLAN INCLUDES A PRACTICAL PLAN THAT DEMONSTRATES THE CAPABILITY OF THE CBJ TO EXTEND ESSENTIAL BOROUGH SERVICES (AS DETERMINED UNDER 3 AAC 110.970) INTO THE AREA PROPOSED FOR ANNEXATION IN THE SHORTEST PRACTICAL TIME AFTER THE EFFECTIVE DATE OF ANNEXATION (NOT TO EXCEED TWO YEARS).**

**1. Effective Date.**

The CBJ expects the effective date of annexation will begin immediately following pre-clearance under the Federal Voting Rights Act, which is expected within 60 days of submitting the plan to the Department of Justice following acceptance of the CBJ's Petition by the LBC.

The CBJ intends to proceed pursuant to 3 AAC 210 (3) should the LBC approve its petition. Whether the question could be part of the regular election ballot in October or would require a special election is conditioned upon when approval is received. Either way, the election would be held in the same manner as all elections. The CBJ would obtain a list qualified voters in both the CBJ and in the proposed area of annexation from the State of Alaska Division of Elections as of 30 days prior to the election to establish the voter roll. Polling places would be set up, workers hired, ballots printed, the CBJ would run test ballots, and provide for absentee voting. On election day, the CBJ would open and close the polls, count the ballots, and certify the election.

**2. Taxation.**

On the first quarter of the second calendar year following annexation (not to exceed two years from the effective date of annexation and following the period of transition planning), commercial activities conducted in the annexation area and real property would be subject to sales and property taxes levied by the CBJ. However, if there is any delay in initiation of the services described in Section 3 below, the imposition of taxes would be delayed until the date when services are initiated. Note that pursuant to AS 29.06.055(a), unless the annexation takes effect on January 1, the annexing municipality may not levy property taxes in an annexed area before January 1 of the year immediately following the year in which the annexation takes effect. However, notwithstanding other provisions of law, the municipality may provide services in the annexed area that are funded wholly or partially with property taxes during the period before the municipality may levy property taxes in the annexed area, and does expect to do so.

### **3. Services and Functions.**

At this time, there are two registered voters reported in the annexation area. No later than one year post-annexation (unless a different timeline is stated herein), the CBJ will extend those same services as are currently provided to similarly situated areas of the existing borough (i.e., Shelter Island). These services would include the following:

- a. Education. At this time, according to the Chatham School District Superintendent, there are no school-age children residing in the proposed area, however, should that change, distance learning is virtually immediately available.
- b. Assessment and collection of property, sales, and transient occupancy taxes.
- c. Planning (permitting, land use regulation, subdivisions).
- d. Library Services. The Juneau Public Library has an extensive list of electronic resources. These include article and journal databases, ebooks, downloadable audiobooks, automotive repair manuals and more.
- e. Economic Development Assistance. The Small Business Development Corporation and Juneau Economic Development Corporation both provide economic development assistance within Juneau's current boundaries. These services would be available within the extension of the boundaries.
- f. Fire Safety Inspection/Emergency Medical Response. Capital City Fire and Rescue would perform Fire Safety Inspections or provide Fire Safety consultation. In conjunction with the Coast Guard, CCFR would provide Emergency Medical Response as needed.
- h. Investigative Services. The Juneau Police Department would provide investigative services should the need arise. This would require transportation by Coast Guard or Docks and Harbors.

### **4. CBJ's Capability to Extend Services.**

When planning for the extension of the above referenced services, the CBJ considered the following factors:

- The extent to which local residents expressed either a need or desire for provision of discretionary area-wide or non-area-wide services by the CBJ;
- The extent to which the services are already being provided by the CBJ to the annexation area;



- Geographic features which might limit the CBJ's ability to serve the annexation area; and
- The financial impacts that annexation might reasonably be expected to have on the CBJ.

**a. Need and Desire for Services.**

This area is currently virtually uninhabited. Initially, the CBJ proposes to provide only those mandatory services required by State Statutes. Additional services, such as economic development (grants and loans) and recreation (development or maintenance of facilities) or other discretionary services will be provided on an as-needed basis.

Notwithstanding the above, Goldbelt, Incorporated, which has large landholdings in the annexation area, is reportedly in the discovery stages for tourism opportunities similar to the Icy Straits-Point Sophia development. Were that endeavor to materialize, the CBJ would be able to provide many of the administrative services necessary for development of a successful tourism attraction. Any development would require a structured planning and development process to assure the needs of developers are balanced with interests of future impacted residents.

**b. Services Currently Provided.**

The CBJ currently exercises no formal extraterritorial jurisdiction in the area proposed for annexation, although current remote residents (Shelter Island) do utilize the CBJ's library, animal control contract, airport, health care, and other facilities on an as-needed, sometimes fee-based, basis.

**c. Limiting Geographic Features.**

The territory proposed for annexation is remote. The CBJ presently provides services to remote quasi-developed areas, such as Shelter Island, and sees no geographic features that would prevent it from providing similar services to the proposed annexation area.

**d. Financial Impacts.**

The CBJ currently sees no financial impacts or implications regarding annexation of this area.

**5. Services Requiring Capital Funding.**

At the present time, there does not appear to be a need or desire for CBJ capital funding of projects in the area proposed for annexation, such as school buildings or administrative facilities, given the uninhabited status of the area. The CBJ will undertake such improvements and incur such costs as the need arises, and expects to leverage such funding through legislative grants, local bond sales, and to the extent appropriate, passenger "head tax" and locally-collected port development fees, and the annual local budgeting process. It is expected that new service areas established within the area proposed for annexation will also contribute towards project funding.

**B. THE CBJ'S PLAN FOR THE ASSUMPTION OF ALL RELEVANT AND APPROPRIATE POWERS, DUTIES, RIGHTS, AND FUNCTIONS PRESENTLY EXERCISED BY AN EXISTING BOROUGH, CITY, UNORGANIZED BOROUGH SERVICE AREA, OR OTHER APPROPRIATE ENTITY IN THE AREA PROPOSED FOR ANNEXATION CONSISTS OF THE FOLLOWING:**

The territory proposed for annexation has no organized communities and is entirely located within the State's unorganized borough. The Petitioner is unaware of any local powers, duties, rights or functions being performed by the State except for law enforcement, provided by the Alaska State Troopers.

Existing borough powers and duties as authorized through ordinances, rules, resolutions and procedures that are in place upon the effective date of annexation shall apply immediately to the annexed territory.

Within two years of annexation, the CBJ will review its ordinances, rules, resolutions, procedures and orders to determine whether any changes to these documents may be warranted as a result of annexation. Particular and more immediate attention will be given to the following:

**1. Polling Places.**

The State of Alaska Division of Elections reports that within the proposed annexation area, there are two registered voters listing a physical address in Hobart Bay and a mailing address in Juneau. It is anticipated that if the need arises this area will be established as a "by-mail" or "by-fax" precinct consistent with current practice. Ballots would be mailed to each registered voter.

**2. Assessment.**

If the annexation petition is successful, the CBJ Assessor expects to begin preparation of a tax roll for the area proposed for annexation during the first spring following annexation and concluding by January 1<sup>st</sup> of the following year.

**3. Planning.**

The CBJ Community Development Department is available should development of this area be undertaken.

**4. Land Use Regulations, Platting, Zoning.**

Existing related CBJ powers and duties as authorized through ordinances, rules, resolutions and procedures that are in place upon the effective date of annexation shall apply immediately to the annexed territory.

**5. Integration of Existing Regional Educational Attendance Area (REAA).**

The area proposed for annexation is within the Chatham REAA, however, there are no school age children residing in the territory at this time.

**C. THE CBJ'S PLAN FOR THE TRANSFER AND INTEGRATION OF ALL RELEVANT AND APPROPRIATE ASSETS AND LIABILITIES OF ANY EXISTING BOROUGH, CITY, UNORGANIZED BOROUGH SERVICE AREA, OR OTHER ENTITY LOCATED IN THE AREA PROPOSED FOR ANNEATION.**

No assets or liability will be transferred to the CBJ post-annexation, and therefore, a plan for integration and transfer is unnecessary.

**The following is a list of individuals consulted by the CBJ in the development of the transition plan. Unless noted otherwise, all individuals were contacted in October of 2011.**

- Rod Swope, CBJ City Manager
- Barbara Berg, CBJ Library Director
- Greg Browning, CBJ Chief of Police
- Craig Duncan, CBJ Finance Director
- Kirk Duncan, CBJ Public Works Director
- Rich Etheridge, CBJ Fire Chief
- Brent Fischer, CBJ Parks and Recreation Director
- Dale Pernula, CBJ Community Development Director
- Robin Potter, CBJ City Assessor
- Joan Roomsburg, CBJ Sales Tax Administrator
- Laurie Sica, CBJ Municipal Clerk
- Rorie Watt, CBJ Engineering Director
- Carl Uchytel, CBJ Port Director
- Scott Dunther, Alaska State Troopers
- Chatham School District Superintendent Scott Butterfield. Date consulted: January 25, 2012
- Jerome Hicks, Assistant Area Port Director for Alaska, Anchorage, U.S. Department of Homeland Security, Customs and Border Protection.

## **EXHIBIT F**

### FEDERAL VOTING RIGHTS ACT INFORMATION

This exhibit provides information required by 3 AAC 110.420(b)(18) regarding any effects of the proposed annexation on civil and political rights for purposes of the Federal Voting Rights Act of 1965 (42 U.S.C. §1971 *et seq.*).

#### **1. Purpose and Effect of Annexation as it Pertains to Voting.**

No registered voter of the municipality would be denied the right to vote in any election conducted by the CBJ. Any residents in the annexed area would be eligible to vote in an election conducted within the CBJ if they met the following voter qualifications, according to CBJ Home Rule Charter Section 6.3., Qualification of voters:

- (a) To be eligible to vote at any municipal election, at the time of the election a person shall be:
  - (1) Qualified to vote in State elections;
  - (2) A resident of the municipality for at least thirty days immediately preceding the election;
  - (3) Registered to vote in state elections at a residence address within the municipality at least thirty days before the municipal election at which the person seeks to vote; and
  - (4) Not disqualified under Article V of the Alaska Constitution. In addition Charter Section 6.3 provides that:
- (b) The assembly shall provide by ordinance for absentee voting.

The CBJ Municipal Code provides for absentee voting in CBJ Code Section 29.07.090, Absentee voting; eligible persons; permanent absentee voters:

- (a) At any election, a qualified voter may vote an absentee ballot for any reason.
- (b) The election official may designate a person as a permanent absentee voter if the person is a qualified voter, and if the voter is registered with the State of Alaska Division of Elections as a permanent absentee voter within the City and Borough.
- (c) A person designated as a permanent absentee voter under subsection (b) of this section will be sent an application for an absentee, by mail ballot, at

the permanent mailing address stated on the voter's current registration record on the following schedule:

- (1) In January each year;
  - (2) At least 45 days before a special election;
  - (3) At a time specified by the election official before any election, to voters defined in subsection (a) of this section who registered to vote after the last mailing of absentee by mail ballot applications.
- (d) The voter may submit the application and vote by mail. However, nothing in this section limits the voter's eligibility to vote in person at a precinct, in person before an absentee voting official, or absentee through a personal representative.

Several voters currently residing off the roaded system within the CBJ participate in elections through the permanent absentee voter process. All voters may request and cast an absentee ballot by mail, fax machine, personal representative, or in person before an absentee voting official within 15 days prior to the election, or may vote at the precinct poll on election day.

## **2. Extent to Which the Annexation Excludes Minorities While Including Other Similarly Situated Persons.**

Hobart Bay is an inactive logging camp operated by Goldbelt, Incorporated. The Juneau-based Native corporation owns approximately 30,000 acres in the area. The area's school was closed during the 1998/99 school year. According to the 2010 U.S. Census, there were 7 housing units in the community and 1 was occupied. Its population was 100 percent American Indian or Alaska Native. Thus there will be no reduction of the CBJ's minority population percentage.

## **3. Extent to Which Annexation Reduces the CBJ's Minority Population Percentage.**

Due to a Native corporation owning significant acreage of land within the area of annexation, this annexation could potentially include additional minority population to the CBJ.

## **4. Whether the Electoral System of the CBJ Fails Fairly to Reflect Minority Voting Strength.**

The electoral system of the CBJ reflects minority voting strength through at-large elections for all offices. Currently three of nine members of the Assembly are Alaska Natives.

## **5. Participation by Minorities in the Development of the Annexation Proposal.**

The CBJ has communicated verbally and in written correspondence with the Juneau-based Native corporation, Goldbelt, Incorporated, regarding the proposed annexation of lands under its

ownership at Hobart Bay, Alaska. Additionally, the discussion of this proposed annexation has been held in public meetings in 2011 on:

- |                    |  |
|--------------------|--|
| August 22, 2011    | Regular Assembly Meeting: Mayor announcement of the Petersburg Annexation Petition filing.   |
| August 29, 2011    | Special Assembly Meeting: Assembly discussion and decision to file responsive pleading and preparation of resolution regarding annexation.   |
| September 19, 2011 | Regular Assembly Meeting: Resolution 2587 authorizing filing of Annexation Petition adopted by Assembly.   |
| September 26, 2011 | Assembly Committee of the Whole Meeting: Status update of actions taken regarding responsive pleading and annexation petition provided.  |
| October 17, 2011   | Regular Assembly Meeting: Ordinance 2011-25, An Ordinance Authorizing The Filing Of A Petition For Annexation Of Territory To The City And Borough Of Juneau, introduced and set for public hearing on October 31, 2011. |
| October 31, 2011   | Special Assembly Meeting: Public Hearing on Ordinance 2011-25.   |

All meetings of the CBJ Assembly are publicly announced in the newspaper and through various media, including radio, TV, Internet postings and RSS feeds. The meetings are open to the public and the public may comment on all agenda items verbally and through written correspondence to the Assembly. As previously noted, three members of the Assembly are Alaskan Natives.

#### **6. Designation of Alaska Native for U.S. Department of Justice Contact.**

The CBJ designates the following:

Johan Dybdahl, Assemblymember.  
City and Borough of Juneau  
155 S. Seward St.  
Juneau, AK 99801  
(907) 523-3678 (work)

#### **7. Statement Concerning the Minorities' Understanding of English in Written and Spoken Forms.**

English is spoken and understood throughout the City and Borough of Juneau and the proposed area of annexation.

## EXHIBIT G

### COMPOSITION AND APPORTIONMENT OF THE ASSEMBLY

This Exhibit presents information about the current composition and apportionment of the CBJ Assembly. No change to the composition and apportionment of the CBJ Assembly is contemplated following annexation.

The City and Borough of Juneau Assembly includes a Mayor and eight members elected at-large. The current elected officials are:

<u>Assembly Member</u>	<u>Term Expires</u>
Mayor Bruce Botelho	October 2012
Deputy Mayor David Stone	October 2012
Ruth Danner	October 2012
Johan Dybdahl	October 2013
Mary Becker	October 2013
Karen Crane	October 2013
Randy Wannamaker	October 2014
Jesse Kiehl	October 2014
Carlton Smith	October 2014

## **EXHIBIT H**

### **SUPPORTING LEGAL BRIEF**

This exhibit presents a statement fully explaining how the CBJ's proposed annexation satisfies the constitutional, statutory, and regulatory standards and procedures the LBC must consider.

#### **I. SUMMARY OF PROPOSED ANNEXATION AREA**

The proposed annexation would result in the CBJ absorbing approximately 1977 square miles currently located in the State's unorganized borough. The southernmost location of the annexation area is Cape Fanshaw, with the proposed southern boundary following the Port Houghton and Dawes Glacier watersheds. The proposed westward boundary is approximately mid-channel of Stephens Passage, and the eastward boundary is the International Boundary line of the Alaska-Canada border. The northern boundary of the proposed annexation area is contiguous with the existing southern boundary of the CBJ. The proposed annexation includes the Tracy and Endicott Arm watersheds, Dawes Glacier, Windham and Hobart Bays, Port Houghton, and minor portions of the Port Snettisham and Winding River watersheds.

#### **II. THE PROPOSED ANNEXATION AREA SATISFIES THE REQUIREMENTS OF 3 AAC 110.160 AND ARTICLE X, SECTION 3**

The LBC has promulgated standards designed to ensure compliance with the directives of Article X, Section 3 of the Alaska Constitution, requiring that boroughs include the "population, geography, economy, transportation and other factors" necessary to "embrace an area and population with common interests to the maximum degree possible." With respect to annexation, these standards can be found at 3 AAC 110.160. The annexation proposed by the CBJ satisfies these standards, and in doing so, satisfies the constitutional mandate of Article X, Section 3.

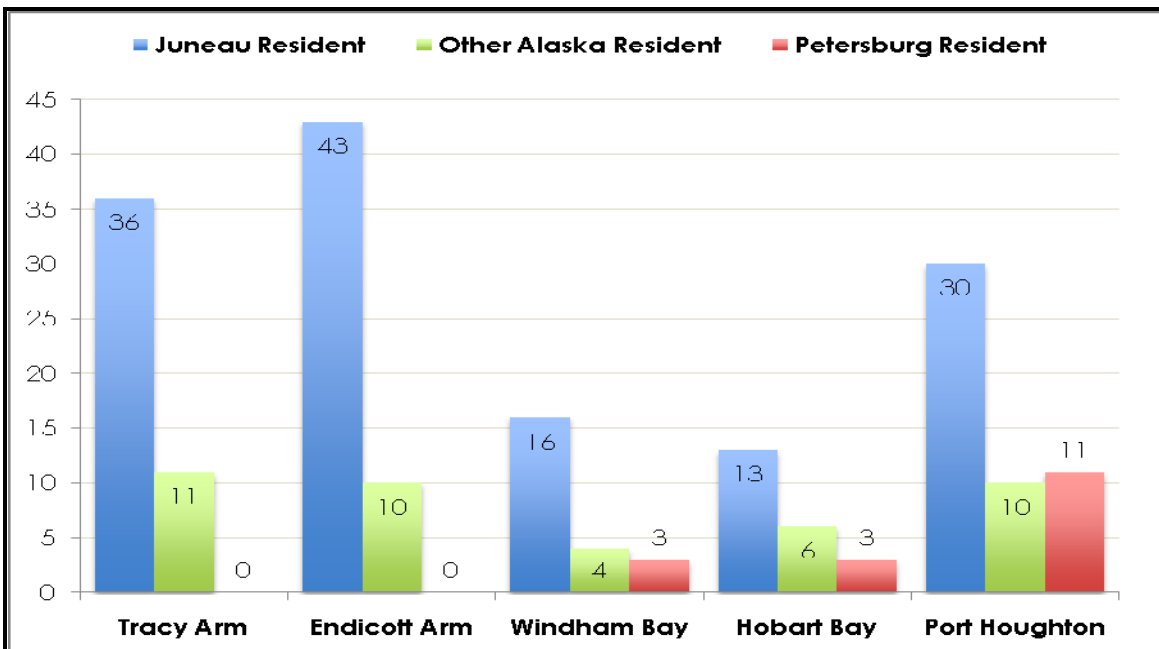


**A. The Social, Cultural, and Economic Characteristics and Activities of the People and Users in the Area Proposed for Annexation are Integrated and Interrelated with the Existing Borough (3 AAC 110.160(a)).**

3 AAC 110.160(a) requires that the LBC consider whether the social, cultural, and economic characteristics and activities of people in the area proposed for annexation are interrelated and integrated with the characteristics and activities of the people in the existing borough. While this standard cannot be directly applied to “the people” in the annexation area given the lack thereof,<sup>12</sup> a consideration of the users of the area illustrates the strong connection of the area to the CBJ over any other municipal entity – existing or proposed.

**1. Juneau residents recreate in the area.**

With respect to use by Alaskans, Juneauites recreate in the area more than any other group. According to the Alaska Department of Fish and Game (hereinafter “ADF&G”), from 2006 to 2010, the vast majority of resident sports hunters using the area were from Juneau.



*Source: ADF&G report developed for JEDC, by Ryan Scott, Area Management Biologist*

<sup>12</sup> According to the Alaska Division of Elections, there are two registered voters with the same last name reporting a physical address in Hobart Bay (and a mailing address in Juneau.) There are no other voters residing in the proposed annexation area.

According to the Alaska Department of Commerce’s 2011 professional licensing database, there are ten “big game” guides licensed to operate in the proposed annexation area. Of the ten, eight are Juneau residents.<sup>13</sup>

**2. Privately owned land in the proposed area for annexation is primarily held by entities with a connection to the CBJ.**

Most of the privately-held land in the area proposed for annexation is owned by Juneau residents or Juneau-based companies.

- Goldbelt, Incorporated (hereafter “Goldbelt”), the Juneau-based Alaska Native, for-profit corporation organized under the Alaska Native Settlement Claims Act, owns approximately 30,000 acres of land in Hobart Bay.<sup>14</sup>
- Of the mining claims identified in the area proposed for annexation, the largest claim holder in the area is Hyak, based in Juneau. The Hyak companies hold approximately 36 claims located near Windham Bay, each reportedly 20 acres in size.<sup>15</sup> As far as the CBJ is aware, none of the claims in the area are active.
- Sealaska, an Alaska Native Corporation with its corporate offices in Juneau, owns subsurface rights to their own lands (290,000 acres) as well as subsurface rights to all village and urban corporation lands in the area proposed for annexation (a total of 280,000 acres).<sup>16</sup>
- According to research conducted by the Juneau Economic Development Council (JEDC), the majority of property in Windham Bay is owned by Juneau residents.<sup>17</sup>

**3. Commercial activity in the proposed annexation area is compatible with the existing borough.**

The proposed annexation area is connected to ongoing commercial activity based in, or

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<sup>13</sup> Analysis by JEDC; Source: <http://www.dced.state.ak.us/occ/apps/GuiUseReg.cfm>

<sup>14</sup> <http://www.goldbelt.com/lands-real-estate/hobart-bay>

<sup>15</sup> Reported by JEDC (Alaska Department of Natural Resources Land Records); interview with Hyak.

<sup>16</sup> <http://www.sealaska.com/page/sealaska-lands-myths-and-facts.html>

<sup>17</sup> JEDC review of documents provided by the Office of the District Recorder and interviews with Steven Hempel, Juneau resident and Windham Bay property owner, and John Williams, Juneau agent for the lodge at Windham Bay (owned by a Limited Liability Company where one of the three members lives in Juneau.)

substantially related to, the CBJ. Besides possibly commercial fishing,<sup>18</sup> tourism is the most important economic activity currently occurring in the area proposed for annexation. The biggest growth in that sector is with the small tour operators.

The proposed annexation area boasts a significant amount of smaller-scale tourism, both based and provisioning in Juneau. Small tour operators, permitted as guide companies by the United States Forest Service (USFS), offer activities such as: tours (wilderness, educational, and sightseeing); charters; guided fishing; kayaking; guided hunting; hiking; beach exploration; and other land-based activities such as four-wheeling. Through executive interviews with twenty organizations that organize wilderness trips in the lands and waters between Tracy Arm and Port Houghton, JEDC estimated annual economic activity of \$9.4 million in 2011, and an annual visitor stream of 22,200 to the area proposed for annexation. (*See table, below.*)

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<sup>18</sup> It is undisputed that Petersburg commercial fishers outnumber those from Juneau. That fact, however, and the resulting economic benefit, will remain unaffected by the incorporation or annexation of the contested area. This is because the economic impact of fishing is disassociated with the actual location of the fishery. Instead, the economic benefit occurs in the port where the fish is landed and will be unaffected by any borough boundary change.

**2011 Tourism Activity: Tracy Arm to Port Houghton: Selected Small Operators**

Name	Provisioning Port(s)	FS permit	Tour origination	Tour Termination	Visitors Per Year	Est. Revenue
Allen Marine Tours	Juneau	x	day trips, Jnu; multi-day, Ktn, Sitka, Jnu	Ketchikan, Sitka, Juneau	12,350	\$2,300,000
Adventure Bound	Juneau		Juneau	Juneau	6,210	\$931,500
Lindblad Expeditions	Juneau, Sitka, & Petersburg	x	Juneau	Sitka, Juneau; stop in Petersburg	1,900	\$403,156
Inner Sea Discoveries	Juneau & Ketchikan	x	Juneau/Ketchikan Juneau/Seattle	Juneau/Ketchikan Juneau/Seattle	1,170	\$2,223,000
Fantasy Cruises	Juneau & Petersburg	x	Seattle, Petersburg, Juneau, Sitka	Juneau, Sitka, Sitka, Petersburg	350	\$1,400,000
Alaska Legend Yacht Charters	Petersburg	x	Juneau, Sitka	Juneau, Sitka	114	\$741,000
All Aboard Yacht Charters	Juneau	x	Juneau	Juneau, Ketchikan	100	\$100,000
Alaska Quest Charters	Juneau	x	Juneau	Juneau	55	\$192,500
Kayak Transport Co.	Juneau	x	Juneau, Sitka, Kake: RT; Jnu to Petersburg.	Juneau, Sitka, Kake: RT; Juneau to Petersburg.	40	\$100,000
Orca Enterprises	Juneau		Juneau	Juneau	40	\$7,000
Parker Guide Service, Inc.	Sitka	x	Sitka		35	\$315,000
Ocean Point Alaska	Juneau	x			33	\$214,500
Glacier Guides, Inc.	Juneau	x	Gustavus, Juneau	Gustavus, Juneau	25	\$250,000
Coastal Island Charters	Wrangell	x	Sitka, Wrangell	Sitka, Wrangell	15	\$52,500
Southeast Alaskan Adventures	Juneau	x	Juneau	mostly day trips, or by charter	12	\$30,000
Juneau Youth Services	Juneau	x	Juneau	Juneau	8	\$119,600
Spirit Walker Expeditions	Gustavus	x	Gustavus	by charter	6	\$18,600
Southeast Alaska Guiding	Juneau	x	Juneau	Juneau (GMUs 01-05, 04-05, 04-10)	3	\$21,000
<b>Total</b>					<b>22,466</b>	<b>\$9,419,356</b>

**Source:** Table prepared by the Juneau Economic Development Council based upon executive interviews performed by JEDC, September & October, 2011.

JEDC also determined that between 2006 and 2010, the USFS issued permits to 45 organizations for land use in the proposed area of annexation. Sixteen of these permits went to Juneau organizations, which combined, brought 2,011 visitors into the proposed annexation area. All sixteen permit holders located in the lower 48 or British Columbia reported either that they used the CBJ as “home base,” or that they provisioned their trips out of the CBJ.

**Land-Based USFS Permits Issued for Proposed Area (2006 – 2010)**

Location	# of Organizations w/ Permits 2010	Clients 2010	No. of Organizations w/ Permits (06-10)	No. of Clients 2006-2010
Juneau	11	247	16	2,011
Gustavus	2	79	2	236
Ketchikan	1	4	2	81
Petersburg	1	6	3	231
Sitka	3	77	4	344
Wrangell	0	4	1	4
California	1	10	1	51
New York	1	849	1	4,396
Seattle	3	81	3	138
Washington	6	261	8	1,535
Wisconsin	0	0	1	6
BC	0	0	3	131
Lower-48	0	0	1	27
<b>Grand Total</b>	<b>29</b>	<b>1,618</b>	<b>45</b>	<b>9,191</b>

*Source: JEDC table based on information from Tremblay, Bill, U.S. Department of Agriculture, Forest Service, Juneau Ranger District, Personal Communication, October 2011*

The USFS reports issuing twenty-nine permits for boat use in the proposed area of annexation for 2010. According to the table below, prepared by JEDC, thirteen of these permits were issued to boats using Juneau as their sole provisioning port.

**USFS Permits Issued For Boat Use in Proposed Area by Provisioning Port, 2010**

<b>Provisioning Port</b>	<b>Number of Boats Permitted</b>
Juneau	13
Petersburg	4
Sitka	1
Wrangell	1
Juneau and Ketchikan	1
Juneau and Petersburg	4
Juneau and Sitka	2
Juneau and Wrangell	1
Juneau, Petersburg, Sitka, Wrangell	1
Juneau, Sitka and Petersburg	1
<b>Grand Total</b>	<b>29</b>

*Source: Tremblay, Bill, U.S. Department of Agriculture, Forest Service, Juneau Ranger District, Personal Communication, October 2011*

Additionally, in 2011, sixteen medium to large sized cruise ships and two small cruise ships, all based outside of Alaska, made 225 visits carrying 200,000 – 300,000 passengers to Tracy Arm and nine visits to Endicott Arm – all either on their way to or on their way from Juneau.<sup>19</sup>

**4. Juneau’s hatchery supports the proposed annexation area.**

Douglas Island Pink and Chum, Inc., (DIPAC), established in 1976, operates the Macaulay Salmon Hatchery in Juneau, as well as the formerly state-owned Snettisham Hatchery located 40 miles south of downtown Juneau. According to *Economic Impacts of Douglas Island Pink and Chum, Inc.*, McDowell Group, November 2009, DIPAC currently produces four species of Pacific salmon—chum, sockeye, chinook, and coho—from the two hatchery facilities and several remote release sites, including Limestone Inlet and Sweetheart Creek. Chum and sockeye are produced for commercial fleets operating in northern Southeast Alaska, while chinook and coho are produced primarily for the Juneau, Haines and Skagway sport fishing

<sup>19</sup> <http://www.claalaska.com/schedules.html>, October 2011.

fleets. The McDowell Group reports that:

In 2008, commercial gillnetters harvested \$9.6 million worth of DIPAC salmon, of which Alaska resident fishermen harvested 90 percent (approximately \$8.5 million). Among Alaska resident fishermen, the majority of earnings went to residents of Juneau (\$3.8 million or 44 percent) and Haines (\$2.8 million or 33 percent). The remainder of Alaska resident harvest earnings went to residents of Wrangell and Petersburg (\$1 million); Sitka, Skagway, Hoonah or Angoon (\$410,000); Ketchikan (\$230,000); and other Alaska communities (\$230,000).<sup>20</sup>

According to Rick Focht, DIPAC Director of Operations, DIPAC is in the same ADF&G management area that includes Tracy and Endicott Arms and stops just north of Windham Bay.<sup>21</sup>

Accordingly, much of the vibrancy of the fisheries from Haines to Petersburg is sustained by Juneau's hatcheries.

**B. The Proposed Expanded Borough Meets the Requisite Level of Communications and Exchange Necessary to Support an Integrated Borough Government (3 AAC 110.160(b) and (c)).**

3 AAC 110.160(b) provides that an area should contain communications media and land, water, and air transportation facilities sufficient to allow for the level of communications and exchange necessary to develop an integrated borough government. The regulation specifies that the LBC may consider things such as transportation schedules and cost, geographic and climatic impediments, telephonic and teleconferencing facilities, and electronic media for use by the public.

As far as accessibility, though non-roaded, travel to the annexation area is no more difficult to reach than any other non-roaded area currently served by the CBJ.<sup>22</sup>

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<sup>20</sup> Attachment 2.

<sup>21</sup> <http://www.adfg.alaska.gov/index.cfm?adfg=commercialbyareasoutheast.salmon#/maps>

<sup>22</sup> As the Department of Community and Regional Affairs concluded with respect to the CBJ's previous request to annex another non-roaded area: "[I]n the context of the State of Alaska as a whole, the lack of road access prohibits neither the delivery of desired municipal services nor the exchange necessary to provide responsible municipal government." *Report and Recommendation to the Local Boundary Commission Concerning the: 1) Proposed Annexation of the Greens*

Determining the availability of charter flight service to the proposed annexation area is one way the Commission can make a finding that the proposed borough possesses the communication and exchange patterns sufficient to meet the requirements of 3 AAC 110.160(b). Air carriers based in Juneau and Petersburg that provide scheduled and/or charter service to the annexation area were interviewed by JEDC. Companies interviewed from Juneau included: Ward Air; Alaska Seaplane Services; Air Excursions; Tal Air; Coastal Helicopters; Temsco Helicopters; and ERA Helicopters. In addition to interviewing company representatives, JEDC reviewed available Department of Transportation records (air carriers that provide scheduled service are required to report their traffic activity to the U.S. Department of Transportation<sup>23</sup>).

JEDC reports that in 2010 (the most recent full year of data available), Alaska Seaplane Services Flew nineteen trips between Hobart Bay and Juneau. On those nineteen trips, twenty-eight passengers and 529,253 pounds of freight were transported from Juneau to Hobart Bay, and twelve passengers from Hobart Bay to Juneau. Including these flights by Alaska Seaplane Services, there were an estimated ninety-three flights into the proposed area of annexation over the past year. Of those flights, fifty-one originated in Juneau. The following table breaks out the origin and destination of flights to the annexation area:

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*Creek Mine to the City and Borough of Juneau, 2) Ideal Boundaries of the City and Borough of Juneau*, Department of Community and Regional Affairs, June 1990, p. 20.

<sup>23</sup> Of the carriers that might charter to the subject area, only Alaska Seaplane Services offers scheduled flights in addition to charter services, so only traffic for that company was available in the Department of Transportation databases.



**Est. Number of Charter Flights into Proposed Area of Annexation Between September 2010 and September 2011**

Destination (North to South)	All Flights	Originating from Juneau	Originating from Petersburg
Tracy and Endicott Arms	11	10	1
Windham Bay	5	5	0
Other Areas North of Hobart Bay	5	5	0
Hobart Bay	43	26	17
Port Houghton	10	2	8
Cape Fanshaw	3	3	0
Other Areas South of Hobart Bay	16	0	16
<b>TOTAL</b>	<b>93</b>	<b>51</b>	<b>42</b>

*Sources: U.S. Department of Transportation, Bureau of Transportation Statistics [http://www.transtats.bts.gov/Tables.asp?DB\\_ID=110&DB\\_Name=Air%20Carrier%20Statistics%20%28Form%2041%20Traffic%29-%20%20U.S.%20Carriers&DB\\_Short\\_Name=Air%20Carriers](http://www.transtats.bts.gov/Tables.asp?DB_ID=110&DB_Name=Air%20Carrier%20Statistics%20%28Form%2041%20Traffic%29-%20%20U.S.%20Carriers&DB_Short_Name=Air%20Carriers) Form T-100 data, and interviews with Juneau and Petersburg Air Carriers, October, 2011.*

As far as other methods of communication, an AT&T cell phone tower in Kake (southwest of the annexation area) provides good to moderate voice coverage as far as the Cape Fanshaw area. That same service is also utilized by GCI (another voice, video and data communications service provider). Alaska Communications (ACS) provides voice and enhanced services to the western edge of the area (Cape Fanshaw, Hobart and Windham Bays, and the western areas of Port Houghton, Tracy and Endicott Arms) via microwave links. The US Coast Guard has a repeater located at Cape Fanshaw which allows for additional coverage.

There is no radio broadcast coverage to the proposed annexation areas. Neither Juneau’s KTOO nor Sitka’s KCAW are able to reach that far south or east. While Petersburg’s petition for incorporation asserts coverage, the petition states that KFSK’s range is 50 miles. Accordingly, KFSK reaches, at best, the Thomas Bay and Frederick Sound areas, but by Petersburg’s own report, does not extend to Windham Bay or any further north.

Given not only the availability of reliable charter flight service, but the historical use of that service to the proposed annexation area, as well as the availability of voice coverage (and

the ability to allow for the expansion of that coverage should population increases so demand), the Commission should find that the proposed annexation area is sufficiently connected to the CBJ's governing seat to meet the requirements of 3 AAC 110.160(b).

**III. THE CBJ'S POPULATION POST-ANNEXATION IS SUFFICIENTLY LARGE AND STABLE ENOUGH TO SUPPORT THE RESULTING BOROUGH (3 AAC 110.170).**

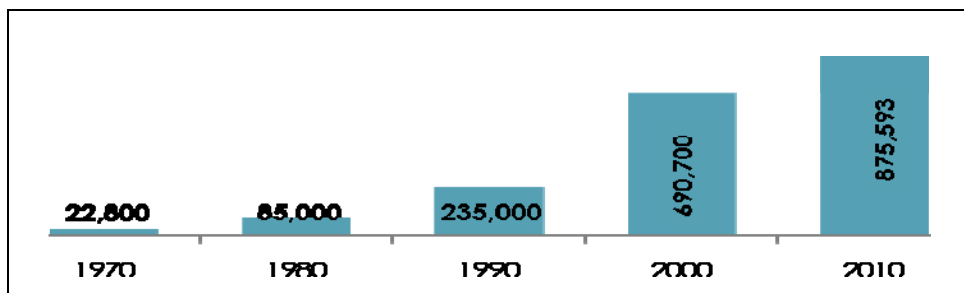
According to the Juneau Economic Development Council, Juneau's population has remained stable for the last 10 years, and indeed, has grown slightly, increasing by 564 residents since 1990 (which represents the largest positive population change in the Southeast region.)<sup>24</sup> Post-annexation, the CBJ's population will continue to exceed the population of all but 2 of the other successfully operating municipal governments:

<b>Boroughs</b>	<b>2010 Population</b>	<b>Sq Miles -land</b>	<b>Density (pop/sq mile)</b>
Aleutians East	3,141	6,988.1	0.45
Anchorage Municipality	291,826	1,697.2	171.95
Bristol Bay	997	504.9	1.97
Denali	1,826	12,749.7	0.14
Fairbanks North Star	97,581	7,361.0	13.26
Haines	2,508	2,343.7	1.07
CBJ (current)	31,275	2,716.7	11.51
CBJ post-annexation	31,275	4,665.7	6.70
Kenai Peninsula	55,400	16,013.3	3.46
Ketchikan Gateway	13,477	4,898.9	2.75
Kodiak Island	13,592	6,559.8	2.07
Lake and Peninsula	1,631	23,782.0	0.07
Matanuska-Susitna	88,995	24,681.5	3.61
North Slope	9,430	88,817.1	0.11
Northwest Arctic	7,523	35,898.3	0.21
Sitka	8,881	2,874.0	3.09
Skagway	968	452.4	2.14
Wrangell	2,369	2,582.0	0.92
Yakutat	662	7,651	0.09

*Source: Data from 2010 U.S. Census, Analysis by JEDC*

<sup>24</sup> *The 2011 Juneau & Southeast Alaska Economic Indicators*, Juneau Economic Development Council, at page 23.

Thus, the CBJ's population is large enough and stable enough to support any necessary expansion of essential services to the proposed annexation area. Indeed, the CBJ has a history of easily absorbing increases in the demand for services as evidenced by the CBJ's response to the rapid growth of the cruise ship industry beginning in the early 1980's and continuing through the mid-1990's. Despite the significant pressure on the CBJ's infrastructure caused by the cruise ship explosion, the CBJ population easily met the need for increased services.



*Source: McDowell Group (Heather Hougland, October, 2011) and Cruise Line Agencies of Alaska.*

Of additional significance, the CBJ's current population already supports the provision of limited services to the proposed annexation area:<sup>25</sup>

- While the U.S. Coast Guard provides emergency medical response, patients are usually transported to Bartlett Regional Hospital.<sup>26</sup>
- Jim Strader of Bartlett Regional Hospital (BRH) reports that the boundary of BRH's jurisdiction is in the general area of Petersburg/Wrangell. Accordingly, medical evacuations in the proposed area of annexation are sent to BRH.
- In 2006, the U.S. Forest Service approached Capital City Fire and Rescue (CCFR) with a request for a cooperative response agreement. This agreement provides the delegated authority necessary for CCFR to be able to respond for fire suppression of wild land fire activities within the jurisdiction of the Tongass National Forest (and within the annexation area.)<sup>27</sup>

<sup>25</sup> The limited nature of the services provided should be immaterial to the Commission's analysis. "[B]oroughs are not restricted to the form and function of municipalities. They are meant to provide local government for regions and encompass lands with no present municipal use." *Mobil Oil Corp. v. Local Boundary Commission*, 518 P.2d 92, 101 (Alaska 1974).

<sup>26</sup> JEDC executive interview.

<sup>27</sup> Attachment 3.

Given Goldbelt, Incorporated's planned tourism development in Hobart Bay (outlined below), and the increase in small-tour operations in the proposed annexation area, now is the perfect time to add the proposed land to the CBJ. The CBJ has met the need for increased services as a result of rapid growth in the past, and the addition of the annexation area, even with its likely need for services, will cause no significant demands on the CBJ.

As the CBJ can demonstrate a sufficiently large and stable population to provide essential services to the area, and given the fact that the CBJ does so currently, the Commission should find the standards outlined in 3 AAC 110.170 met.

#### **IV. THE ECONOMY WITHIN THE PROPOSED EXPANDED BOROUGH INCLUDES THE HUMAN AND FINANCIAL RESOURCES NECESSARY TO PROVIDE ESSENTIAL MUNICIPAL SERVICES (3 AAC 110.180)**

In order to analyze whether the proposed expanded boundaries include sufficient resources to provide the development of essential municipal services, the Commission may consider the reasonably anticipated functions of the borough in the proposed area, anticipated new expenses, the current income and anticipated ability to collect additional revenue, the impact on the existing borough's budget, the economic base of the proposed annexation area, the valuation of taxable property in the area, land use in the area, existing and reasonably anticipated expansion, and the need for skilled and unskilled labor in the area to serve the borough government post-annexation. (3 AAC 110.180). As discussed below, the CBJ has sufficient resources to continue operating efficiently and effectively with the inclusion of the proposed annexation area.

##### **A. Reasonably Anticipated Functions of the Borough in the Proposed Area.**

The reasonable likelihood of expanded commercial development in the area suggests there will be a likely increase in the demand for services. Should that occur without annexation,

the residents of the CBJ would be forced to subsidize any public service costs. As the Department of Community and Regional Affairs found with respect to the demand created when Hobart and Windham Bays were being actively logged by Goldbelt, Incorporated, the CBJ should be entitled to the property tax revenue for these areas it already provides support services to, especially as the CBJ would experience the greatest impact from future development.<sup>28</sup>

The CBJ anticipates providing the following services:

- Fire Services: The CBJ's Fire Chief estimates there may be one additional emergency air medevac per year that could occur within the area. The estimated annual cost of responding to such an emergency is \$1,000. (The air medevac employs private sector aircraft at no cost to the CBJ.) Fire protection systems consultation and investigation would be provided on an "as-needed" basis. Given the anticipated limited demand, the CBJ's current emergency services staff are more than sufficient to provide this service.
- The Police Chief has indicated that he believes there would be no additional identifiable costs. Investigative services would be provided on an as-needed basis. The CBJ's current police force is sufficiently large enough to support any increase in demand.
- The Assessor's Office would be responsible for valuing the property within the annexed area. An estimated cost of \$5,000 has been added to secure private sector transportation to allow the Assessor's Office staff transportation to inspect the area. No other additional costs would be incurred or additional staff necessary.
- No additional costs or staff would be incurred by extending sales tax oversight to the area.
- The CBJ's Community Development Department (CDD), may provide some services in the annexation area. For example, any cabins built in the annexation area would be required to obtain a free permit pursuant to CBJ 19.01.105.2.9. Planning would be limited as the area would likely be designated "Resource Development" land under the CBJ's Comprehensive Plan.<sup>29</sup> With respect to zoning, it is likely the annexed area would be zoned "RR" or "Rural Reserve." Both the Kensington and Greens Creek Mines are in an "RR" district and permitted through the Allowable Use Permit process. Potential development in Hobart Bay would also likely be permitted under the Allowable Use process, but it depends on the actual proposal submitted.

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<sup>28</sup> *Report and Recommendation to the Local Boundary Commission, supra at fn. 2, at p. 20.*

<sup>29</sup> The CBJ's Comprehensive Plan has been provided as an attachment to Exhibit K.

Unless substantial development is proposed in the annexed territory, CDD estimates that costs to the CBJ would be inconsequential. It is estimated that even with respect to a major project, such as a cruise ship oriented resort, approximately 40% of the planning review costs and all the related building permit and inspection costs would be recovered by fees. Additional departmental staffing is not anticipated.

**B. Anticipated New Expenses Resulting from Annexation.**

The CBJ anticipates very few expenses resulting from annexation. Total anticipated expenditures, related to a small increase in expenses incurred by the CBJ Finance Department and Capital City Fire & Rescue, and the required local contribution to education, equals \$14,400 for FY13 and \$9,400 for FY 14. *See*, Section 12 of Annexation Petition, *supra*.

**C. Actual Income and Anticipated Ability to Increase Income and Revenue.**

The majority of increased income and revenue to the CBJ resulting from the proposed annexation would be comprised of both real property tax and sales tax. Real property tax values are discussed below. The value of annual sales in the annexation area that would be subject to CBJ sales taxes is estimated to be \$2,237,000 during FY11. At the current CBJ sales tax levy, this would generate an estimated \$111,850 annually (this amount excludes expected exemptions). Approximately 60% of the sales tax levy would be used for operations and 40% for general community capital improvements. Given the fact that almost all of the private landowners, and many of the private commercial entities using the area either are located in Juneau or have a significant presence in Juneau, collecting this revenue should require no more effort than is already expended by the CBJ Sales Tax collections office, and as the process for sales tax collection is already well-established in the CBJ, there should be no appreciable costs to the CBJ in extending this service to the annexation area.

**D. Effect on the CBJ's Existing Budget.**

The CBJ expects there will be no immediate material increase or decrease to the CBJ's

existing budget if annexation were approved.

**E. Economic Base of the Proposed Annexation Area and Current CBJ.**

As explained in Sections II(A)(3) and V(A), the economic base in the proposed area is primarily tourism. Given that the majority of small tour operators, cruise ships (and hunting guides) using the area are either based out of or use the CBJ as either their sole or primary Southeast Alaska provisioning source, it is clear that the CBJ has sufficient resources to support the proposed annexation.

In 2010, the CBJ's existing population earned \$790,329,000, with an average wage of \$44,074 (an increase of 2.4% from 2009), and the economic indicators for Juneau remain positive.<sup>30</sup> This historically positive average per capita wage of the current CBJ population, along with the stability of the population and revenue as described herein, demonstrates that the CBJ has sufficient financial and human resources to support any necessary expansion of government and services to the proposed annexation area.

**F. Valuation of Taxable Property in the Area.**

According to the CBJ's Assessor's findings, it is expected that the value of taxable real property in the area proposed for annexation is \$4,220,000.

**G. Land Use in the Proposed Annexation Area.**

The use of the proposed annexation area is discussed in Sections II(A)(1 – 3), above.

**H. Existing and Reasonably Anticipated Commercial Expansion.**

In addition to the proposed commercial use of Hobart Bay as a tourist destination discussed herein, it appears that other parts of the proposed annexation area are being prepared for an increase in use. According to John Neary, USFS Juneau Ranger District, the USFS is

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<sup>30</sup> *The 2011 Juneau & Southeast Alaska Economic Indicators*, Juneau Economic Development Council, at pages 1 and 5.

looking at changes in current permitting that would encourage additional “lesser use” of the annexation area, especially if Allen Marine Tours anticipated lease or purchase of the lodge at Windham Bay<sup>31</sup> comes to fruition and given the increased traffic that would likely result.

As demonstrated above, there will be little to no added expense to the CBJ as a result of annexation and the current CBJ government consists of sufficient human resources to absorb the small increase incurred in extending services to the proposed annexation area. The CBJ’s annexation proposal is sound – both fiscally and with respect to the human resources needed to serve the needs of the proposed annexation area, and accordingly, the Commission should find the standards outlined in 3 AAC 110.180 satisfied.

**V. THE PROPOSED EXPANDED BOUNDARIES CONFORM GENERALLY TO THE NATURAL GEOGRAPHY AND INCLUDE ALL LAND AND WATER NECESSARY TO PROVIDE THE DEVELOPMENT OF ESSENTIAL MUNICIPAL SERVICES (3 AAC 110.190)**

The Commission must find that the post-annexation boundaries conform generally to the natural geography and include all land and water necessary to provide the development of essential municipal services. (3 AAC 110.190). In making its finding under 3 AAC 110.190, the Commission may consider the following factors: land use and ownership patterns; ethnicity and cultures of the people in the area; existing and reasonably anticipated transportation patterns; and natural geographical features. As detailed herein, the proposed expanded boundaries conform to the natural geography and, by following the natural boundaries, the proposed annexation area contains all the land and water necessary for the CBJ to provide the essential services outlined in Section 14, above.

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<sup>31</sup> A 4.6 acre lodge is for sale at Windham Bay by Juneau Real Estate and Sotheby’s International. The web-based sales material ([www.windhambay.com](http://www.windhambay.com)) state that Windham Bay is Located 65 miles south of Juneau, access to Windham Bay is accessed by float plane from the capitol [sic] of Alaska (Juneau). . . . Juneau has several companies providing such flights...We are also reachable by boat from Juneau (65 miles) down spectacular Stephens Passage.



## **A. Land Use and Ownership.**

While the area is virtually uninhabited, it is regularly used by Juneau residents – both recreationally and commercially – and the majority of privately-held land is held by Juneau residents and businesses.

### **1. Goldbelt, Incorporated**

Goldbelt, Incorporated, is an Alaska Native corporation, located in Juneau. Goldbelt’s shareholders hold over 30,000 acres of land in Hobart Bay.<sup>32</sup> According to Goldbelt Shareholder Services, out of 3,406 current shareholders, 1,269 live in Juneau.<sup>33</sup> Goldbelt reports that its “principal business” during its first 20 years was the harvesting of timber from Hobart Bay.<sup>34</sup>

Malcolm Menzies of R&M Engineering (a Juneau-based firm) reports that in the 1980’s, he contracted with Goldbelt and the U.S. Bureau of Land Management to perform sectional surveying to differentiate Goldbelt lands from Federal lands.<sup>35</sup> According to Mr. Menzies, much of the work done at the Bay was done by Juneau-based companies. This included the road construction work in the Bay by Juneau-based Tonsgard Construction and the engineering for the port by Juneau-based engineers Don Statter and Miller Engineering. Mr. Menzies’s crew flew between the Hobart Bay camp and Juneau via personal aircraft, but commercial carriers servicing the camp at the time included Juneau-based Wings of Alaska and Channel Flying Service. Supplies and equipment were barged into camp by the Juneau-based Alaska Marine Lines. Superbear, a Juneau-based grocer, supplied food for some of the families living in Hobart Bay during the logging operations, usually delivered by Channel Flying Service. Some helicopter

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<sup>32</sup> <http://www.goldbelt.com/lands-real-estate/hobart-bay>

<sup>33</sup> JEDC interview. Shareholder Services reported 9 shareholders living in Petersburg to JEDC.

<sup>34</sup> <http://www.goldbelt.com/our-company>

<sup>35</sup> JEDC interview with Malcolm Menzies, October 2011.

work for construction and logging was provided by Juneau-based Coastal and Temsco Helicopters.

Goldbelt has publicized its plans to develop Hobart Bay as a cruise ship destination. The 2011 season saw a partnership between Goldbelt and Allen Marine Tours to bring ships and on-shore activities to Hobart Bay. An estimated 300 - 400 tourists engaging in shore-based activities visited Hobart Bay in 2011, and that number is expected to grow in 2012.<sup>36</sup> According to Goldbelt, it anticipates the activities at Hobart Bay will attract other small cruise ships, which will in turn give Goldbelt a basis to make improvements to the facilities in the future.<sup>37</sup>

## **2. Private ownership.**

According to JEDC, private ownership in the area breaks down as follows:

- In Holkham Bay, Tracy Arm and Endicott Arm, most of the privately-held property is held by Sealaska Corporation.<sup>38</sup>
- The majority of property privately held in Windham Bay is held by Juneau residents.<sup>39</sup>
- Goldbelt, Incorporated, owns over 30,000 acres in Hobart Bay.<sup>40</sup>

## **3. Subsistence use.**

According to Theo Matuskowitz, Regulations Specialist for the Federal Subsistence Management Program, subsistence area designations are reviewed every ten years. A review based upon the 2010 U.S. Census results is currently being conducted for the annexation area. If the CBJ's boundaries are expanded as requested, Mr. Matsukowitz reports that the Board would take no immediate action, and the annexation area's rural subsistence designation would remain

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<sup>36</sup> JEDC interview with Vice President John Dunlap of Allen Marine Tours, October 12, 2011.

<sup>37</sup> Goldbelt 37<sup>th</sup> Annual Report, 2010, at p. 3; [www.goldbelt.com/wp-content/uploads/2009/11/2010-Annual-Report-FINAL-WEB-VERSION1.pdf](http://www.goldbelt.com/wp-content/uploads/2009/11/2010-Annual-Report-FINAL-WEB-VERSION1.pdf)

<sup>38</sup> See fn. 13, *supra*.

<sup>39</sup> See fn. 14, *supra*.

<sup>40</sup> See fn. 27, *supra*.

unchanged. The fact that the CBJ currently carries a different designation (urban) is immaterial as precedent exists to have both “urban” and “rural” designations within one local government unit (the Mat-Su Borough, for example), and as recognized by the Alaska Supreme Court in *Mobil Oil Corp. v. Local Boundary Commission*, 518 P.2d 92, 101 (Alaska 1974).

It does not appear that any of the proposed annexation area is much used for subsistence purposes:

- Alaska Department of Fish & Game’s District 10, which starts at Point Hugh just north of Windham Bay, and continues south to Pybus Bay. ADF&G has no customary and traditional use designation for the Hobart Bay/Port Houghton area (5AAC 01.716 (a)).
- Troy Tenis of the ADF&G Petersburg office states that between 400-800 subsistence salmon permits are issued for District 10 each year in which fishing is permitted in the Windham Bay to Port Houghton. In 2010 no permit holders reported taking salmon on that side of the district. Mr. Tenis also reported no documented subsistence harvests of shellfish in that area.
- According to the USFS, no federal subsistence hunting permits have been issued in area 1C (South of Haines to and including Hobart Bay). Hunting for deer for subsistence does not require a federal permit (except as a designated hunter for others), but USFS staff state that deer harvest in the proposed Juneau annexation area is small to non-existent.

#### **4. Tourism, recreational use and land ownership.**

As described more fully above, use of the area by Juneau residents for hunting and commercial guiding, the increased commercial tourism activities (with virtually all providers being Juneau-based or connected), and the fact that the vast majority of privately-held land is held by either Juneau residents or Juneau-based entities, support finding that the proposed expanded boundaries satisfy the requirements of 3 AAC 110.190.

**B. Ethnicity and Culture.**

According to *Haa Aaní, Our Land, Tlingit and Haida Land Rights and Use*<sup>41</sup>, the Taku people (a tribe of the Tlingit associated with Juneau) claim the land on the Taku River, Taku Inlet, Port Snettisham, Holkham Bay, Endicott Arm and portions of Admiralty Island.<sup>42</sup> The authors report the existence of a village in the Holkham Bay area by a people considered to be part of the Taku (the Sumdum), but could not confirm that fact as there were no Sumdum people from that village left alive to interview.<sup>43</sup> With respect to those points South – Port Houghton, Hobart Bay, Windham Bay and, in some accounts, Holkham Bay – the history is less clear. The authors state that in 1944, when the Secretary of the Interior was considering the aboriginal rights of the people of Kake, Klawock, and Hydaburg, decisions on Port Houghton, Hobart Bay, Windham Bay, and Holkham Bay were reserved given the fact that both the Kake Natives as well as other Tlingit groups (e.g., the Taku) made competing claims about those areas.<sup>44</sup> The authors surmised that the Kake people “probably claimed the mainland coast from Cape Fanshaw north to and including Windham Bay,” but that beyond there the territory belonged to the Taku.<sup>45</sup>

**C. The Post-Annexation Boundaries Conform to the Natural Geography by Utilizing the Boundaries of Major Watersheds in the Area.**

The use of watersheds to define jurisdictional areas has long been recognized as a best management practice, in that it assures that natural resources found in watershed areas are not divided for artificial reasons. The watershed boundaries in the proposed annexation have been delineated by the U.S. Geological Survey and U.S. Forest Service, and are defined in the

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<sup>41</sup> Attachment 4: Walter R. Goldschmidt and Theodore H. Haas, Edited with an Introduction by Thomas F. Thornton (University of Washington Press, 1998).

<sup>42</sup> Attachment 4 (see pages marked. 41 – 43).

<sup>43</sup> Attachment 4 (see page marked 43).

<sup>44</sup> Attachment 4 (see page marked 91).

<sup>45</sup> Attachment 4 (see page marked 92).

National Hydrological Dataset (2011). Historically, these same watersheds have been used to delineate areas used for state and federal management of land and ocean resources in the proposed annexation area for many years.

The proposed annexation's southern boundary is defined by the southern limits of the Port Houghton and Dawes Glacier watersheds, beginning at Cape Fanshaw and extending easterly to the Alaska-Canada border.<sup>46</sup> As explained in Section V(E)(1) below, this southern boundary is coincident with or closely approximates the traditional and historic boundaries between:

- the USFS Juneau Ranger District and USFS Petersburg Ranger District;
- the Alaska State Department of Fish and Game's Game Management Units 1B and 1C;
- the Alaska State Department of Fish and Game and National Marine Fisheries Groundfish Reporting Areas for Northern and Southern southeast inside waters;
- ADF&G statistical areas for reporting salmon and shellfish harvest; and
- the US Census tracts for Juneau and Petersburg.

In addition, the proposed annexation ensures the entire Tracy Arm—Ford's Terror Wilderness Area is contained within one borough, and that the Port Snettisham and Whiting River watersheds are not fragmented between the current Juneau borough and the unincorporated borough or other boroughs.

1. **Analysis of traditional, historic, and current administrative uses of the proposed area of annexation, based on natural geographic boundaries.**

Table 1 shows the percentages of traditional, historic, and current administrative uses of the proposed annexation, based on areas (square miles), prorated between Juneau and portions of

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<sup>46</sup> Attachment 5.

the unconsolidated borough not included in the proposed annexation:

**Table 1: Traditional Management of Proposed Annexation**

Category	Traditional / Historic / Administrative Boundary	Jurisdiction	Notes	% associated with administrative jurisdictions	
				JUNEAU	other
Administrative	US Census Tracts	Federal	(1)	95	5
	Alaska Rural Education Attendance Areas	State		100	-
	Alaska Recording Districts / Model Borough Boundaries	State	(2)	74	26
Land Resources	US Forest Service Ranger Districts	Federal	(1)	94	6
	US Wilderness Areas	Federal		100	-
	ADF&G Game Units	State	(1)	93	7
Ocean Resources	ADF&G and NMFS Groundfish (ocean waters only)	State	(3)	100	-
	ADF&G Salmon/Shellfish (ocean waters only)	State	(3)	30	70

With respect to Table 1, prepared by the CBJ:

- The minor portions of US Census Tracts, USFS Ranger Districts, and ADF&G Game units that are outside of traditional Juneau jurisdictions are due to an historical ambiguity in the locations of the Dawes Glacier and Tracy Arm watersheds. In any case, these minor areas are deep on the icefields that span international boundaries, near the Alaska / Canada border.
- The roughly 75% - 25% distribution in this table, between the CBJ and other jurisdictions (Petersburg, in this case), for recording districts and model borough boundaries is partly due to defining a boundary directly between southern Hobart Bay and Boundary Peak 82 on the Alaska – Canada border.
- The ADF&G’s and the National Marine Fisheries’ statistical areas are defined in open ocean waters, and do not extend onto the proposed annexation area’s land mass. Nevertheless, for groundfish and halibut fisheries, all of the ocean area in the proposed annexation is associated with northern management districts in southeast (i.e., Juneau waters).

**2. Analysis of traditional, historic, and current administrative uses of the proposed area of annexation, based on established watersheds.**

There are seven major watersheds in the proposed annexation. Table 2, which was prepared by the CBJ, shows the percentages of traditional, historic, and current administrative uses of the proposed annexation, by watershed, prorated between Juneau and other jurisdictions.

**Table 2: Traditional Management by Watershed Boundaries**

Category	Traditional / Historic / Administrative Boundary	Notes	% of watershed associated with Juneau							
			Tracy Arm	Endicott Arm	Dawes Glacier	Windham Bay	Hobart Bay	Port Houghton	Port Snettisham Whiting River	Ocean
Administrative	US Census Tracts	(1)	92	100	67	100	100	100	100	na
	Alaska Rural Education Attendance Areas		100	100	100	100	100	100	100	na
	Alaska Recording Districts / Model Borough Boundaries	(2)	100	100	36	100	69	8	100	na
Land Resources	US Forest Service Ranger Districts	(1)	92	100	64	100	100	95	100	na
	US Wilderness Areas		100	100	100	100	100	100	100	100
	ADF&G Game Units	(1)	100	100	53	100	100	98	100	na
Ocean Resources	ADF&G and NMFS Groundfish (ocean waters only)		na	na	na	na	na	na	na	100
	ADF&G Salmon/Shellfish (ocean waters only)		na	na	na	na	na	na	na	30

Notes to Table 2:

- The portions of the Tracy Arm and Dawes Glacier watersheds not specifically associated with Juneau are high on the icefield, and do not contribute population to the US Census.
- There have been very few documents recorded with the State Recorders Office for the Hobart Bay and Port Houghton watersheds, and none for the Dawes Glacier watershed.<sup>47</sup>

**3. Brief overview of historic, traditional, and current administrative uses by watershed.**

a. Port Snettisham

98.9% of the Port Snettisham watershed is already in the CBJ. The remaining area is an artifact of the boundary line from Point Coke to Boundary Peak 79 on the US/Canada border. The proposed annexation places this watershed entirely within the CBJ. The Port Snettisham watershed feeds the major hydro-electric plant for the CBJ. Additionally, the currently unincorporated portion of this watershed at Point Coke defines the northern entry into the Tracy

<sup>47</sup> As of October 17, 2011, the State of Alaska’s Recorder’s Office online database returned fewer than fifty unique deeds, conveyances, plats or other related documents that reference protracted sections in areas outside of the Juneau Recording District and that are in the proposed annexation area.

Arm and Endicott Arm watersheds, both of which are heavily utilized by Juneau residents and Juneau commercial interests. All of the Port Snettisham watershed has been traditionally and historically managed out of the CBJ, or associated with the CBJ, by departments of the USFS, US Census, and ADF&G.

b. Whiting River

84.0% of the Whiting River watershed is already in the CBJ. The remainder is an artifact of the boundary line from Point Coke to Boundary Peak 79 on the US/Canada border. The proposed annexation places the U.S. portion of this watershed entirely within the CBJ. All of the Whiting River watershed has been traditionally and historically managed out of Juneau, or associated with Juneau, by departments of the USFS, US Census, and ADF&G.

c. Tracy Arm

Portions of Tracy Arm and its associated watershed are already in the current CBJ (7.67%), and (essentially) the remainder of this watershed is included in the State's Model Borough Boundary for Juneau. Tracy Arm and its associated watershed are heavily used by Juneau residents and Juneau-based commercial interests. During the summer and shoulder tourist seasons, multiple excursions operate out of the CBJ to visit these waters, culminating with views of the North and South Sawyer glaciers (tidewater glaciers at the end of Tracy Arm). Several major cruise ship operations also visit these waters as part of their standard excursions in and out of Juneau. All of the Tracy Arm watershed has been traditionally and historically managed out of Juneau, or associated with Juneau, by departments of the USFS, US Census, and ADF&G. In addition, all of the Tracy Arm watershed is included in the Tracy Arm—Ford's Terror Wilderness area.



d. Endicott Arm and Dawes Glacier

Like Tracy Arm, Endicott Arm and its associated watershed are heavily used by CBJ residents and CBJ-related commercial interests. The Dawes Glacier watershed is directly tied to the Endicott Arm watershed, being its upper reach, and extends from the Canada border to tidewater at Dawes Glacier. During the summer and shoulder tourist seasons, several daylong excursions operate out of Juneau to visit these waters each week, traveling past the saltwater entrances to Tracy and Endicott Arms at Harbor Island, and culminating with tidewater views of the Dawes Glacier deep within the Tracy Arm—Ford’s Terror Wilderness area. All of the Endicott Arm and (most of the) Dawes Glacier watersheds have been traditionally and historically managed out of Juneau, or associated with Juneau, by departments of the USFS, US Census, and ADF&G.

e. Windham Bay

According to research provided by JEDC, most of the private properties in Windham Bay are owned by residents of Juneau. In addition, most of this watershed lies in designated wilderness areas associated with the Tracy and Endicott Arm watersheds. All of the Windham Bay watershed has been traditionally and historically managed out of Juneau, or associated with Juneau, by departments of the USFS, US Census, and ADF&G.

f. Hobart Bay

The primary land owners in Hobart Bay are the Goldbelt Native Corporation and Sealaska (subsurface rights). Both have their main offices in the CBJ. All of the Hobart Bay watershed has been traditionally managed out of the CBJ, or associated with the CBJ, by departments of the USFS, US Census, and ADF&G game areas. It is believed that because a

direct line was drawn from the coast to Boundary Peak 79 on the Alaska/Canada border, small portions of the Hobart Bay watershed were not within the CBJ's model borough boundary.

g. Port Houghton

One of the main active properties associated with the Port Houghton watershed is the Five Fingers Lighthouse off the coast of Cape Fanshaw. This lighthouse has been owned and serviced by a Juneau non-profit organization since 1997. All of the Port Houghton watershed has been traditionally and historically managed out of Juneau, or associated with Juneau, by departments of the USFS, US Census, and ADF&G game areas.

**D. Transportation Patterns.**

As explained herein, most transportation into and out of the proposed annexation area is related to tourism and is initiated, and usually terminated, in Juneau. *See e.g.*, Section II(A)(3) and (B), above.

**E. Additional Evidence the LBC May Consider Pursuant to 3 AAC 110.190.**

A review of the types of evidence the regulation suggests the Commission consider when analyzing each of the above-factors leads to a conclusion that annexation is warranted:

**1. Historical and current administrative and political boundaries.**

The area from the current CBJ boundary south to Cape Fanshaw has been considered to be administratively part of Juneau since statehood by government entities at both the state and federal level. The proposed post-annexation boundaries correspond closely with the following:

- The historic Juneau Election District;<sup>48</sup>
- The current northern boundary of the Petersburg Census Area;<sup>49</sup>
- The United States Department of Agriculture Forest Service, Juneau

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<sup>48</sup> Attachment 6.

<sup>49</sup> Attachment 7.

Ranger District;<sup>50</sup>

- Area 1C, Alaska Fish and Game Management Unit;<sup>51</sup>
- The Juneau Recording District;<sup>52</sup>
- The Model Borough Boundaries;<sup>53</sup>
- The U.S. Custom’s Port of Juneau “Area of Responsibility;” and
- The U.S. Bureau of Mine’s designation of the Juneau Gold Belt (terminating at Windham Bay).<sup>54</sup>

That the proposed post-annexation boundaries conform so closely to so many independent administrative and political boundaries is compelling evidence of the common interests of the area to the existing borough.

2. **The proposed post-annexation boundaries embrace a maximum area and population with common interests.**

This is described in greater detail in section II(A), above.

3. **The proposed post-annexation boundaries promote maximum local self-government as determined under 3 AAC 110.981.**

According to 3 AAC 110.981(2), this factor is met when the proposal extends local government to portions of the unorganized borough. As the entire proposed annexation area is located solely in the unorganized borough, this factor is met.

4. **The proposed post-annexation boundaries promote a minimum number of local self-governments as determined under 3 AAC 110.982.**

3 AAC 110.982(2) states that in considering whether this standard is met, the Commission should consider

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<sup>50</sup> Attachment 8.

<sup>51</sup> Attachment 9.

<sup>52</sup> Attachment 10.

<sup>53</sup> Attachment 1; see also Attachment 11.

<sup>54</sup> Attachment 12.

whether the jurisdictional boundaries of an existing borough are being enlarged rather than promoting the incorporation of a new borough and whether the proposed boundaries maximize an area and population with common interests.

As described above in Section II, the latter standard is met by the proposed annexation. As this petition proposes no more than expanding the current CBJ's boundaries, the former standard is met by the requested annexation as well.

**5. The proposed post-annexation boundaries are the optimum boundaries for the region as required by Article 3, Section 3 of the Alaska Constitution.**

*See*, Section II(A), *supra*. As the 1991 Local Boundary Commission noted for the Legislature in its Annual Report, the reason for designating model borough boundaries was to create a “useful tool for long-term planning and for decision-making in the best interests of the state” and to provide “valuable assistance” for future annexation and incorporation decisions.<sup>55</sup> As reflected in Attachment 1, the LBC in 1991 recommended a model borough boundary for the CBJ that included most of Hobart Bay, and the Department of Community and Regional Affairs concluded that “Windham Bay and Hobart Bay areas are more closely linked to the CBJ.”<sup>56</sup> While the CBJ agrees with these findings, it does not believe the model boundary was drawn far enough south to conform to the many historic and administrative boundaries encompassing the Juneau area. Additionally, annexing the land further south would ensure the natural watersheds remain undivided. For these reasons, the Commission should find the proposed post-annexation boundaries are the optimum for the region.

**F. The Proposed Boundaries Will Enable the Full Development of Essential Services**

Essential services are those “mandatory and discretionary powers and facilities that are

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<sup>55</sup> *Alaska Local Boundary Commission 1991 Annual Report to the Alaska State Legislature*, Department of Community and Regional Affairs, at p. 19.

<sup>56</sup> *Model Borough Boundaries Review, Central Southeast Alaska*, Department of Community and Regional Affairs, August 1991, at p. 38.

reasonably necessary to the area and promote maximum local self-government.” (3 AAC 110.970(a)). Such services can include the assessing and collecting of taxes, the provision of primary and secondary education, and planning, platting and land use regulation. (3 AAC 110.970(b)). Pages 62 through 67, above, provide detailed information demonstrating that the proposed annexation area conforms to natural geography. By following the natural boundaries, the CBJ’s proposal includes all land and water necessary to provide essential municipal services. (That this is the case is also evidenced by the fact that the proposed boundaries conform to so many state and federal administrative boundaries.) The essential services to be provided upon annexation, as outlined in Section 14, Powers and Services, at pages 12 – 13, include emergency medical services, emergency response, building inspection and enforcement, fire inspection services, search and rescue, community development and taxation. (The CBJ is poised to offer other currently-provided services, such as education, to the annexation area as needs arise.) (*See* Section 14 (A)(i – iii), above.)

There is no other existing city or borough able to provide services or facilities more efficiently than the CBJ, and the CBJ is already well-experienced in providing such services to rural sections of our existing borough, as we do at Shelter Island and Greens Creek. There are no enclaves or noncontiguous areas in the proposed annexation area. The CBJ is presently well-suited, with its extensively developed government services, to provide essential municipal services both immediately upon annexation and continuing on as the proposed annexation area is further developed.

**VI. THE REQUESTED ANNEXATION IS IN THE BEST INTERESTS OF THE STATE (3 AAC 110.195)**

In determining whether a proposed annexation is in the best interest of the State, the Commission may consider whether the annexation promotes maximum self-government, defined

by 3 AAC 110.981, and a minimum number of local governments, as determined by 3 AAC 110.982 and Art. X, sec. 1 of the Alaska Constitution.

**A. The Proposed Annexation Promotes Maximum Self-Government.**

3 AAC 110.981(2) states that with respect to borough annexation, maximum self-government is promoted if “the proposal would extend local government to portions of the unorganized borough.” Again, that is unquestionably the case here as the entirety of the proposed annexation area is currently located in the unorganized borough.

**B. The Proposed Annexation Promotes a Minimum Number of Local Governments in Accordance with Article X, Section 1 of the Alaska Constitution.**

In determining whether a borough annexation promotes a minimum number of local governments, 3 AAC 110.982 directs the Commission to consider whether

the jurisdictional boundaries of an existing borough are being enlarged rather than promoting the incorporation of a new borough and whether the proposed boundaries maximize an area and population with common interests.

3 AAC 110.982(2). As explained above, both standards are met by the annexation proposed here by the CBJ.

**C. The Proposed Annexation will Relieve the State of the Responsibility of Providing Local Services.**

Given that the area is virtually uninhabited, there are currently very few services being provided in the proposed annexation area (though the CBJ believes that fact will soon be changing given the likelihood that increased commercial use will result in an increased demand for services.) The State does, however, currently provide Alaska State Trooper services when necessary. According to Scott Dunther of the Alaska State Troopers, the current “Juneau Post” encompasses everything outside the current CBJ boundaries from Eldred Rock on the north (half way to Haines), to the middle of Lynn Canal to Lincoln Island and then down Stephens Passage

as far as Holkham Bay. According to Dunther, services in the area south of the current CBJ boundary and north of Holkum Bay number “just a couple a year.”<sup>57</sup> As explained herein, upon annexation, the Juneau Police Department would incur the costs and burden of providing services to the area, thus relieving the State of that responsibility.

## **VII. CONCLUSION**

The CBJ’s proposal to annex territory from its current boundary south to Cape Fanshaw satisfies the applicable constitutional, statutory, and regulatory standards the Commission must apply. It is consistent with current and historical administrative boundaries and watersheds. The proposal cements the existing and historic socio-economic ties between the proposed annexation territory and the CBJ and relieves the State from providing essential services, such as public safety services, in what is now an unorganized borough territory. It maintains the private landowners’ connections that already exist between them and the CBJ (and ensures these private landowners will be afforded full and fair political representation as to their holdings in the annexation area). Lastly, the CBJ has demonstrated it can provide an experienced and financially stable and strong borough government, ready to provide essential services, to the area.

As granting the CBJ’s petition is in the best interest of the State, and as allowing the CBJ to annex the proposed territory will maximize local self-government while minimizing the number of local governing units, while honoring the current and historic ties between the CBJ and the territory, the CBJ respectfully requests that its petition be approved.

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<sup>57</sup> JEDC interview.

**EXHIBIT I**

**AUTHORIZATION**

**Ordinance of the City and Borough of Juneau, Alaska  
Serial No. 2011-25**

**An Ordinance Authorizing the Filing of a Petition for Annexation of Territory  
to the City and Borough of Juneau**

(Attachment 13)



**EXHIBIT J**

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

STATE OF ALASKA                                    )  
  ) ss.  
FIRST JUDICIAL DISTRICT                     )

I, Bruce Botelho, representative of the petitioner for annexation, being sworn, state the following.

1.     The written legal description of the territory proposed for annexation presented in Exhibit A of the petition was prepared by Bruce Simonson, Geographic Information System Manager, City and Borough of Juneau.
  
2.     The written legal description of the proposed post-annexation boundaries presented in Exhibit B of the petition was prepared by Bruce Simonson, Geographic Information System Manager, City and Borough of Juneau. The written legal description of the current boundaries was taken from the 1994 Department of Community and Regional Affairs Certificate of the Boundaries of the City and Borough of Juneau (<http://www.dced.state.ak.us/dca/lbc/Municipal%20Certificates/Boroughs/Juneau.pdf>)
  
3.     The map showing the current boundaries of the Borough and the territory proposed for annexation presented in Exhibit C of the petition was prepared by Bruce Simonson, Geographic Information System Manager, City and Borough of Juneau.
  
4.     The estimate of the size of the territory proposed for annexation stated in Section 8 of the petition was prepared by Bruce Simonson, Geographic Information System Manager, City and Borough of Juneau.
  
5.     The estimate of the population within the current boundaries of the Borough and the territory proposed for annexation stated in Section 9 of the petition was provided by the Juneau Economic Development Council.
  
6.     The information relating to public notice (Exhibit D) was prepared by Laurie Sica, Municipal Clerk.

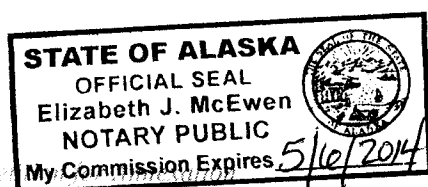
7. The tax data provided in Section 11 of the petition was based on information provided by Robin Potter, Municipal Assessor, and Joan Roomsburg, Sales Tax Administrator, City and Borough of Juneau.
8. Information on the projected revenue, operating expenditures, capital expenditures, etc., contained in Section 12 and the municipal debt founding Section 13 was provided by Craig Duncan, Finance Director, and Barbara Rolfe, Treasurer, City and Borough of Juneau.
9. The statement of Borough services provided in Section 14 of the petition was prepared by Angela Hull, Executive Assistant to the Manager, based on information provided by the persons consulted with respect to the Transition Plan (*see* paragraph 7, Exhibit E).
10. The transition plan presented as Exhibit E was prepared in consultation with those persons listed in Paragraph 7 of the Plan.
11. The federal Voting Rights Act information presented as Exhibit F of the petition was prepared by Laurie Sica, Municipal Clerk.
12. The information contained in Exhibit G on the composition and apportionment of the Assembly was prepared by Angela Hull, Executive Assistant to the Manager.
13. The supporting brief (Exhibit H) was prepared by Amy Gurton Mead, Assistant Attorney, City and Borough of Juneau Law Department.
14. The information contained in the petition is complete and factual to the best of my knowledge and belief.

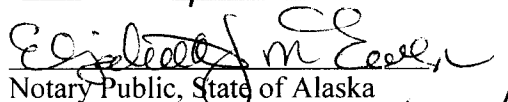
DATED this 13<sup>th</sup> day of March, 2012.



Bruce Botelho, Mayor  
Petitioner's Representative

SUBSCRIBED AND SWORN to me on this 13<sup>th</sup> day of March, 2012.



  
Notary Public, State of Alaska  
My commission expires: 5/6/2014

## **EXHIBIT K**

### OTHER INFORMATION

The following additional information that may be helpful to the Commission in considering this petition is attached:

- The CBJ's current operating budget (Attachment 14);
- The CBJ's most recent audit (Attachment 15); and
- The CBJ's comprehensive plan (Attachment 16).