



Division of Community and Regional Affairs

Report to the Local Boundary **Commission**

Regarding the proposal to annex by the unanimous consent local option method, approximately 0.34 acres of land to the City of Palmer

March 2012

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This is the Report to the Local Boundary Commission Regarding the Proposal to Annex 0.34 acres of Land to the City of Palmer. The report was written by staff to the Local Boundary Commission. LBC staff is part of the Division of Community and Regional Affairs of the Alaska Department of Commerce, Community, and Economic Development (Commerce). The report can also be found at the following address: <a href="http://www.commerce.alaska.gov/dca/lbc/2011 Palmer City Annexation Petition/This report is issued in accordance with Local Boundary Commission regulation 3 AAC 110.530 and 3 AAC 110.590 which require Commerce to issue a report after considering written comments regarding the city's annexation petition.

Commerce complies with Title II of the Americans with Disabilities Act of 1990. Upon request, this report will be made available in large print or other accessible formats. Such requests should be directed to the Local Boundary Commission staff at 907-269-4587 or lbc@alaska.gov.

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

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Chapter I. Background

Local Boundary Commission's Constitutional Foundation

Article X of the Constitution of the State of Alaska created the Local Boundary Commission (also referred to as "LBC" or "commission"). The commission is responsible for establishing and modifying proposed municipal government boundaries. Those Alaskans who drafted the state's constitution believed that local governments should have authority to determine which powers they would exercise. The drafters of the Alaska State Constitution also asserted their belief that the state should set municipal boundaries because "local political decisions do not usually create proper boundaries and that boundaries should be established at the state level." Placing decision-making authority with a state body allows arguments for and against boundary changes to be analyzed objectively, taking areawide or statewide needs into account.

Local Boundary Commission's Statutory Authority

Pursuant to 29.06.040(a) "the Local Boundary Commission may consider any proposed municipal boundary change." AS 29.06.040(a) further reads:

the commission may amend the proposed change and may impose conditions on the proposed change. If the commission determines that the proposed change, as amended or conditioned if appropriate, meets the applicable standards under the state constitution and commission regulations and is in the best interests of the state, it may accept the proposed change. Otherwise it shall reject the proposed change. A Local Boundary Commission decision under this subsection may be appealed under AS 44.62.

LBC Duties and Functions

The LBC acts on proposals for several different municipal boundary changes. These are:

¹ Article X, section 12 states, "A local boundary commission or board shall be established by law in the executive branch of the state government. The commission or board may consider any proposed local government boundary change. It may present proposed changes to the legislature during the first ten days of any regular session. The change shall become effective forty-five days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house. The commission or board, subject to law, may establish procedures whereby boundaries may be adjusted by local action."

² Fairview Public Utility District No. 1 v. City of Anchorage, 368 P.2d 540, 543 (Alaska 1962) (citing Alaska Constitutional Convention Minutes of Committee on Local Government, November 28 and December 4, 1955).

³ *Id*.

- Incorporating municipalities⁴
- Annexing to municipalities
- Detaching from municipalities
- Merging municipalities
- Consolidating municipalities
- Reclassifying municipalities
- Dissolving municipalities

In addition to the above, the LBC under AS 44.33.812 shall:

- Make studies of local government boundary problems
- Adopt regulations providing standards and procedures for municipal incorporation, annexation, detachment, merger, consolidation, reclassification, and dissolution

The LBC may present proposed local boundary changes to the legislature concerning boundary changes under article X, section 12 of Alaska's constitution.

Nature of the Commission

Boards and commissions frequently are classified as quasi-executive, quasi-legislative, or quasi-judicial, based on their functions within the Alaska constitution's separation of powers framework. The LBC is a quasi-legislative commission with quasi-executive and quasi-judicial attributes.

Quasi-Legislative

In 1974, 1976, and again in 1993, the Alaska Supreme Court stated that Alaska's constitution gives the LBC legislative authority to make fundamental public policy decisions. The court stated that:

[T]he Local Boundary Commission has been given a broad power to decide in the unique circumstances presented by each petition whether borough government is appropriate. Necessarily, this is an exercise of delegated legislative authority to reach basic policy decisions. Accordingly, acceptance of the incorporation petition should be affirmed if we perceive in the record a reasonable basis of support for the Commission's reading of the standards and its evaluation of the evidence.⁵

Under AS 44.33.812(a)(2), the LBC carries out another quasi-legislative duty when it adopts "regulations providing standards and procedures for municipal incorporation, annexation, detachment, merger, consolidation, reclassification, and dissolution. . . ." ⁶

⁴ The term "municipalities" includes both city governments and borough governments.

⁵ Mobil Oil Corp. v. Local Boundary Comm'n, 518 P.2d 92, 98-99 (Alaska 1974). See also Moore v. State, 553 P.2d 8, n. 20 at 36 (Alaska 1976); and Valleys Borough Support v. Local Boundary Comm'n, 863 P.2d 232, 234 (Alaska 1993).

⁶ See U.S. Smelting, Refining & Min. Co. v. Local Boundary Comm'n, 489 P.2d 140 (Alaska 1971), discussing applying due process requirements to develop boundary change standards and procedures in commission proceedings.

Quasi-Executive

Article X, section 12 of Alaska's constitution placed the LBC in the state's executive branch. The commission's duty under AS 44.33.812(a)(1) to "make studies of local government boundary problems" is one example of the LBC's quasi-executive nature.

Quasi-Judicial

Although it is part of the executive branch and exercises delegated legislative authority, the LBC also has a quasi-judicial nature. In particular, the LBC has a mandate to apply pre-established standards to facts, to hold hearings, and to follow due process in conducting petition hearings and rulings.

The LBC's quasi-judicial nature requires that a reasonable basis of support exist for the LBC's reading of the standards and evaluating the evidence. The LBC's quasi-legislative nature provides it with considerable discretion in applying those standards and weighing evidence.

Limits on Directly Contacting the LBC

When the LBC acts on a petition for a municipal boundary change, it does so in a quasi-judicial capacity. LBC proceedings regarding a municipal boundary change must be conducted in a manner that upholds everyone's right to due process and equal protection. Those rights are preserved by ensuring that communications with the LBC concerning municipal boundary proposals are conducted openly and publicly.

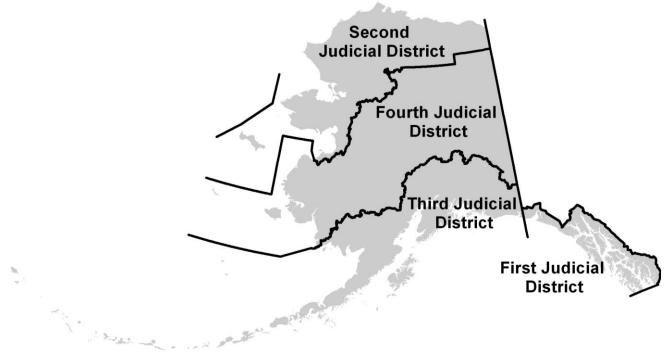
To regulate communications, the LBC adopted 3 AAC 110.500(b) which expressly prohibits private (ex parte) contact between the LBC and any individual, other than its staff, except during a public meeting called to address a municipal boundary proposal. The limitation takes effect upon a petition's filing and remains in place through the last date available for the commission to reconsider a decision. If a LBC decision is appealed to the court, the *ex parte* contact limitation is extended throughout the appeal, in the event that the court requires additional consideration by the LBC. All communications with the commission must be submitted through the LBC's staff.

LBC Membership

The LBC is an autonomous commission. The governor appoints LBC members for five-year overlapping terms (AS 44.33.810). Notwithstanding their terms' prescribed length, however, LBC commissioners serve at the governor's pleasure (AS 39.05.060(d)).

The LBC is comprised of five members (AS 44.33.810). One member is appointed from each of Alaska's four judicial districts. The chair is appointed from the state at large. LBC members receive no pay for their service.

ALASKA JUDICIAL MAP



The biographies of LBC members:



Lynn Chrystal, Chair, At Large Appointment, Valdez

Governor Palin appointed Lynn Chrystal as the member from the Third Judicial District on March 27, 2007. Governor Parnell appointed him as the Local Boundary Commission's chair on September 10, 2009. Mr. Chrystal is a current resident and former mayor of the City of Valdez, and former member of the Valdez City Council. He has lived in Valdez since 1975. Mr. Chrystal retired in 2002 from the

federal government after four years in the Air Force and 36 years with the National Weather Service. He has worked in Tin City, Barrow, Yakutat, and Valdez. Chair Chrystal has served on the boards of several civic groups and other organizations including the Resource Development Council, Pioneers of Alaska, and Copper Valley Electric Cooperative. His current term on the LBC ends January 31, 2013.



John Harrington, First Judicial District, Ketchikan

Governor Parnell appointed John Harrington of Ketchikan as the member from the First Judicial District on the Local Boundary Commission on September 10, 2009. Mr. Harrington is a real estate manager and previously worked as an adult education coordinator in Ketchikan from 1985-97. He was also a special education teacher and administrator in Washington state from 1972-84. He served on the Ketchikan

Gateway Borough Assembly 2005 through 2011, chairing the borough's Planning Liaison and Economic Development Advisory Committee among others. His community service includes chairing the North Tongass Fire and EMS Service Area Board from 2002-05, serving on the Ketchikan Charter Commission from 2003-04, and serving as an elected member of the Ketchikan Gateway Borough school board from 1988-94. Commissioner Harrington earned a bachelor's degree in psychology and history from Western Washington University and a master's degree in educational administration from Seattle University. His current term on the LBC ends January 31, 2016.



Robert "Bob" Harcharek, Second Judicial District, Barrow

Governor Knowles appointed Robert "Bob" Harcharek as the member from the Second Judicial District on the Local Boundary Commission on July 18, 2002. Governor Murkowski reappointed him to the LBC on March 24, 2004. He has served as the commission's vice chair. On March 9, 2009, Governor Palin reappointed him to the LBC. In 1977 he earned a Ph.D. in international and

development education from the University of Pittsburgh. Commissioner Harcharek served for three years in Thailand as a Peace Corps volunteer. Dr. Harcharek has lived and worked on the North Slope for more than 30 years. Commissioner Harcharek recently retired from the North Slope Borough as the Community and Capital Improvement Projects (CIP) Planner for the Department of Public Works. He served as a member of the Barrow City Council for fifteen years, and is currently Mayor and Chief Administrative Officer for the City of Barrow. His current LBC term ends January 31, 2014.



Larry Semmens, Vice Chair, Third Judicial District, Soldotna

Governor Parnell appointed Larry Semmens of Soldotna as the member from the Third Judicial District on the Local Boundary Commission, on September 10, 2009. In May 2010, his fellow commissioners elected him to a three-year term as vice chair. Mr. Semmens is a certified public accountant and the manager of the City of Soldotna. Previously, he was the finance director for the City of Kenai from 1996-

2008. He also served the Kenai Peninsula Borough as finance director from 1995-96, controller from 1988-95, and treasury manager from 1981-88. Commissioner Semmens currently chairs the Alaska Public Entities Insurance Pool, and is a member of the Alaska Municipal Managers Association, the American Institute of Certified Public Accountants, and the International City Managers Association. Commissioner Semmens served in the U.S. Air Force from 1973-76 and earned a bachelor's degree in business administration from Boise State University. Mr. Semmens was the recipient of the Alaska Municipal League 2006 Vic Fisher Local Government Leadership Award. His current term on the LBC ended January 31, 2012.



Lavell Wilson, Fourth Judicial District, Tok

Governor Palin appointed Lavell Wilson, a Tok resident, as the member from the Fourth Judicial District on the Local Boundary Commission, on June 4, 2007. Commissioner Wilson is a former member of the Alaska House of Representatives, serving the area outside of the Fairbanks North Star Borough in the Eighth State

Legislature. He moved to Alaska in 1949 and has lived in the Northway/Tok area since. Commissioner Wilson attended the University of Alaska Fairbanks and Brigham Young University. Commissioner Wilson worked as a licensed aircraft mechanic, commercial pilot, and flight instructor for 40 Mile Air from 1981-1995, retiring as the company's chief pilot and office manager. Mr. Wilson became a licensed big game guide in 1963. He has also worked as a surveyor, teamster, and construction laborer, retiring from the Operating Engineers' Local 302 in Fairbanks. As a member of Local 302, he worked for 12 years on the U.S. Air Force's White Alice system, the ballistic missile defense site at Clear, and the radar site at Cape Newenham. Commissioner Wilson has also taught a course at the University of Alaska for the past few years on the history of the Upper Tanana Valley. His current term on the LBC ends January 31, 2015.

Local Government Agency

Constitutional Origin

Alaska's constitution called for establishing an executive branch agency to advise and assist local governments (article X, section 14). The duty to serve as the constitutional local government agency is presently delegated to the Alaska Department of Commerce, Community, and Economic Development (Commerce) pursuant to AS 44.33.020(a)(4)⁷. Within Commerce, the Division of Community and Regional Affairs (DCRA) performs the local government agency's functions. In addition to its more general duty to aid local governments, DCRA provides staff, research, and assistance to the LBC.

⁷ AS 44.33.020(a)(1) provides that Commerce "shall (1) advise and assist local governments."

LBC Staff Role

3 AAC 110.435 sets out the role of the LBC staff. LBC staff is required by 3 AAC 110.530⁸ to investigate and analyze each boundary change proposal and to make recommendations regarding the proposal to the LBC. For each petition, staff will write at least one report for the commission. The report(s) is made available to the public as well. Staff follows a reasonable basis standard in developing recommendations on matters before the LBC. Its recommendations to the LBC are based on properly interpreting the applicable legal standards, and rationally applying those standards to the proceeding's evidence. Due process is best served by providing the LBC with a thorough, credible, and objective analysis of every municipal boundary proposal.

The LBC staff provides support to the commission. The LBC's staff also delivers technical assistance to municipalities, to residents of areas impacted by existing or potential petitions to create or alter municipal governments, to petitioners, to respondents, to agencies, and to others.

Assistance the LBC staff provides includes:

- Answering citizen, legislative, and other governmental inquiries relating to municipal government issues
- Writing reports on petitions for the LBC
- Drafting LBC decisions
- Traveling to communities to hold meetings and to answer questions about proposed local boundary changes
- Drafting for the LBC an annual report to the legislature
- Developing and updating municipal incorporation or alteration forms
- Sending local boundary change forms and materials to interested persons
- Providing a link between the LBC and the public
- Maintaining incorporation and boundary records for Alaska's municipal governments
- Coordinating and scheduling LBC public meetings and hearings
- Developing orientation materials and providing training for new LBC members
- Maintaining and preserving LBC records in accordance with Alaska's public records laws

The LBC staff contacts:

⁸ Also see AS 29.04.040, AS 29.05.080, AS 29.06.110, and AS 29.06.480 - 29.06.490.

Local Boundary Commission staff

550 West Seventh Avenue, Suite 1770 Anchorage, Alaska 99501-3510 Fax: (907) 269-4539 lbc@alaska.gov

Brent Williams: (907) 269-4559 brent.williams@alaska.gov

Don Burrell: (907) 269-4587 don.burrell@alaska.gov

Petition Procedures

Procedures to establish and alter municipal boundaries and to reclassify cities are designed to ensure every proposal's reasonable and timely determination. The procedures are also intended to ensure commission decisions are based on an analysis of the facts and the applicable legal standards. Procedures are as follows:

Preparing and Filing a Petition

The LBC staff offers technical assistance, information, and forms to prospective petitioners. LBC staff routinely advises submitting drafts so staff can identify any technical deficiencies in form and content. This allows the petitioner to correct the draft before it is circulated for voter signatures, or before adoption by a municipal government. Once a formal petition is prepared, it is submitted to LBC staff for technical review. If it contains all the required information, the LBC staff accepts it for filing.

Public Notice and Public Review

Once a petition is accepted for filing, the staff arranges extensive public notice. There is ample opportunity for public comment during the process. Interested parties are given at least seven weeks to submit responsive briefs and comments supporting or opposing a petition. The petitioner is provided at least two weeks to file one brief replying to public comments and responsive briefs.

Analysis

Following the public comment period, the LBC staff analyzes the petition, responsive briefs, written comments, the reply brief, and other materials. The petitioner and the LBC staff can conduct informational meetings. If the petition is for incorporation, the LBC staff must hold at least one public meeting within the boundaries proposed for incorporation. When it ends its analysis, the LBC staff issues a preliminary report including a recommendation to the LBC.

The preliminary report is circulated for public review and comment typically for a minimum of four

weeks. After reviewing the comments on its report, the LBC staff typically issues its final report. The final report typically discusses comments received on the preliminary report, and notes any changes to the LBC staff's recommendations to the commission. The final report must be issued at least three weeks prior to the LBC's public hearing.

Commission Review of Materials and Public Hearings

LBC members review the petition, responsive briefs, written comments, reply briefs, and the staff reports. The LBC is an autonomous commission. While the commission is not obligated to follow the staff's recommendations, it has historically considered the LBC staff's analyses and recommendations to be critical components of the record in municipal boundary proceedings. The LBC considers the entire record when it renders a decision.

The commission may tour the subject area before the hearing. Following extensive public notice, the LBC conducts at least one hearing in or near the affected area or territory. The commission must act on the petition within 90 days of its final public hearing. The LBC may act by:

- Approving the petition as presented
- Amending the petition (e.g., expanding or contracting the proposed boundaries)
- Imposing conditions on approving the petition (e.g., requiring voter approval of a proposition authorizing levying taxes to ensure financial viability)
- Denying the petition

LBC Decisions Must Have a Reasonable Basis

LBC decisions regarding petitions must have a reasonable basis. Both the LBC's interpretation of the applicable legal standards and its evaluation of the evidence in the proceeding must be rational. The LBC must proceed within its jurisdiction, conduct a fair hearing and avoid any prejudicial abuse of discretion. Abuse of discretion occurs if the LBC has not proceeded in the manner required by law, or if the evidence does not support the LBC's decision.

While the law allows the commission 90 days following its last petition hearing to reach a decision, the LBC typically renders its decision within a few days of the hearing. Within 30 days of its decision date, the LBC must adopt a written decision stating the basis for its decision. Decision copies are provided to the petitioner, respondents, and others who request them.

At that point the decision becomes final, but any person may ask the LBC to reconsider its decision. Such requests must be filed within 18 days after the decision is mailed. The LBC may order reconsideration on its own motion. If the LBC does not approve any reconsideration requests

⁹ "Typically" refers to the fact that under 3 AAC 110.590, procedures for some kinds of local action petitions are modified. This pertains to annexations if the municipality already owns the property to be annexed, or if all the property owners and voters in the area proposed to be annexed petition the municipality's governing body.

¹⁰ See Keane v. Local Boundary Commission, 893 P.2d 1239, 1241 (Alaska 1995). When an administrative decision involves expertise regarding either complex subject matter or fundamental policy formulation, the court defers to the decision if the decision has a reasonable basis.

within 30 days of the decision's mailing date, all such requests are automatically denied.

Implementation

3 AAC 110.630(a) specifies conditions that must be met before a LBC final decision is effective. If the LBC approves a petition, the proposal is typically subject to approval by voters or disapproval by the legislature, depending on whether it was filed as a local action petition, or a legislative review petition, respectively. A petition that has been approved by the commission takes effect upon satisfying any stipulations imposed by the commission. If an election was held, certification of the legally required voter approval of the LBC's final decision is needed from the director of elections or the appropriate municipal official. The action must also receive favorable review under the federal Voting Rights Act of 1965. If all of 3 AAC 110.630(a)'s requirements have been met, the department shall issue a certificate describing the effective change.

Legal Standards for Annexation to Cities

The criteria to be used by the commission to evaluate the City of Palmer annexation proposal are set out in 3 AAC 110.090 - 3 AAC 110.140, 3 AAC 110.900 and 3 AAC 110.910. A summary of the criteria follows:

- 1. There must be a reasonable need for city government in the territory proposed for annexation.
- 2. The territory may not be annexed if essential city services¹¹ can be provided more efficiently and more effectively by another existing city or by an organized borough.
- 3. The territory must be compatible in character with the annexing city.
- 4. The economy in the city's proposed expanded boundaries (territory within existing city, plus territory proposed for annexation) must include sufficient human and financial resources to provide essential city services on an efficient, cost-effective level.

¹¹ "Essential city services" are defined by 3 AAC 110.990(8) to mean "those legal activities and facilities that are determined by the commission to be reasonably necessary to the community and that cannot be provided more efficiently and more effectively either through some other agency or political subdivision of the state, or by the creation or modification of some other political subdivision of the state; 'essential city services' may include: (A) assessing, levying, and collecting taxes; (B) providing primary and secondary education in first class and home rule cities in an unorganized borough; (C) public safety protection; (D) planning, platting and land use regulation; and (E) other services that the commission considers reasonably necessary to meet the local governmental needs of the community."

- 5. The population within the proposed city boundaries must be sufficiently large and stable to support the extension of city government.
- 6. The proposed city boundaries must include all land and water necessary to provide the full development of essential city services on an efficient, cost-effective level.
- 7. Absent a specific and persuasive showing to the contrary, the LBC will presume that territory that is not contiguous to the annexing city, or that would create enclaves in the city, does not does not include all land and water necessary to allow for the development of essential municipal services on an efficient, cost-effective level.
- 8. The proposed boundaries of the city must be on a scale suitable for city government and include only that territory comprising an existing local community, plus reasonably predictable growth, development, and public safety needs during the ten years following annexation.
- 9. The proposed boundaries of the city must not include entire geographical regions or large unpopulated areas, except when boundaries are justified by applying the annexation standards, and are otherwise suitable for city government.
- 10. If a petition for annexation describes boundaries overlapping the boundaries of an existing organized borough, the petition must also address and comply with the standards and procedures for either annexation of the enlarged city to the existing organized borough, or detachment of the enlarged city from the existing organized borough. If a petition for annexation describes boundaries overlapping the boundaries of another existing city, the petition must also address and comply with the standards and procedures for detachment of territory from a city, merger of cities, or consolidation of cities.
- 11. The proposed annexation is in the best interests of the state under AS 29.06.040(a).
- 12. A petition for annexation must include a practical transition plan:
 - demonstrating the annexing municipality's intent and capability to extend municipal services to the territory proposed for annexation in the shortest practicable time after the effective date of the proposed boundary change;
 - providing for the assumption of all relevant and appropriate powers, duties rights and functions exercised by an existing borough, city, unorganized borough service area, or other entity located in the territory proposed for change. The plan must be prepared in consultation with the officials of each existing borough, city, and unorganized borough service area. It must be designed to effect an orderly, efficient, and economical transfer within the shortest practicable time, not to exceed two years after the effective date of the proposed change;
 - providing for transfer and integration of all relevant and appropriate assets and liabilities of an existing borough, city, unorganized borough service area, and other entity located in the territory proposed for change. The plan must be prepared in consultation with the officials of each existing borough, city, and unorganized

borough service area wholly or partly in the boundaries proposed for change. The plan must be designed to effect an orderly, efficient, and economical transfer within the shortest practicable time, not to exceed two years after the effective date of the proposed change. The plan must specifically address procedures that ensure that the transfer and integration occur without loss of value in assets, loss of credit reputation, or a reduced bond rating for liabilities;

- stating the names and titles of all officials of each existing borough, city, and unorganized borough service area that were consulted by the petitioner. The dates on which that consultation occurred and the subject addressed during that consultation must also be listed.
- 13. The commission cannot approve annexation if the effect of the change would be to deny any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex, or national origin.
- 14. If a provision of this chapter calls for the identification of essential municipal services for a city, the commission will determine those services to consist of those mandatory and discretionary powers and facilities that are reasonably necessary to the community, promote maximum local self-government, and cannot be provided more efficiently and more effectively by the creation or modification of some other political subdivision of the state.
- 15. In determining whether a proposed boundary change promotes maximum local self-government under art. X, sec. 1, Constitution of the State of Alaska, the commission will consider for city incorporation or annexation in the unorganized borough, whether the proposal would extend local government to territory and population of the unorganized borough where no local government currently exists.
- 16. Among the factors to be considered in determining whether a proposed boundary change promotes a minimum number of local government units in accordance with art. X, sec. 1, Constitution of the State of Alaska, the commission will consider for city annexation, whether the jurisdictional boundaries of an existing city are being enlarged rather than promoting the incorporation of a new city or creation of a new borough service area.

Conclusion

This chapter has described the Local Boundary Commission's background, including its legal basis, powers, membership, and procedures. It also gave an overview of legal standards for annexations to cities. Chapter 2 will discuss this petition's proceedings to date.

Chapter II To Date and Future Proceedings

Submission and Review of Petition

The petition was submitted to LBC staff on October 27, 2011, and accepted for filing on December 12, 2011.

Public Notice

Notice was published in the *Mat-Su Frontiersman* on December 16, 2011.

On December 13, 2011, a public service announcement was sent to the following radio station to request broadcast for 14 days:

KMBQ public radio

Service of Petition

On December 13, 2011 the city of Palmer served the following communities, in person or via United States Postal Service, complete copies of the petition:

Municipality of Anchorage

Matanuska-Susitna Borough

City of Wasilla

Posting of Notice

On December 16, 2011 notice was posted at the following locations surrounding the area proposed for annexation:

Palmer City Hall, Clerk's Office;
Palmer Community Development Department;
Palmer Fire Department;
Palmer Public Library
City of Palmer's Website;
Palmer Pentecostal Church

On December 16, 2011, notice of the filing of the Petition was also posted within the existing boundaries of the City of Palmer:

Palmer Pentecostal Church; All properties abutting the boundaries proposed for annexation

Deposit of Petition

On December 13, 2011, the City of Palmer provided a copy of the city's prospective petition in notebooks at the following location:

Palmer City Hall, Clerk's Office;

Palmer Public Library

Palmer Community Development Department;

Deadline for Initial Comments and Responsive Briefs

The notice of filing invited written public comment concerning the proposed annexation by December 30, 2011. No public comments or responsive brief was filed in support or opposition to the petition.

Deadline for Comments on this Report

The deadline for <u>receipt</u> of written comments concerning this report and recommendation by LBC staff is 4:30 p.m., Tuesday, March 27, 2012. Submit written comments to:

LBC staff 550 W. 7th Avenue, Suite 1770 Anchorage, Alaska 99501-3510 Fax: 907-269-4539

Email: <u>lbc@alaska.gov</u>

LBC Public Hearing

The Local Boundary Commission has scheduled a telephonic public hearing in Anchorage on the Palmer annexation proposal for Thursday, March 29th. The hearing is scheduled to begin at 10 a.m. Individuals or entities that wish to attend telephonically should contact LBC staff for the phone number.

Formal notice of the public hearing will be published in the *Mat-Su Frontiersman* February 24th, March 2nd, and March 9th. Public notice of the hearing has also been posted in prominent locations throughout the community. Additionally, notice was mailed to the Petitioner. (3 AAC 110.550)

The hearing will begin with a summary by LBC staff of its recommendations and conclusions concerning the pending proposal. Following LBC staff's summary, the LBC may allow the Petitioner to make an opening statement limited to ten minutes.

Following its opening statement, the Petitioner may present formal sworn testimony by individuals with expertise in matters relevant to the pending annexation proposal. No time limit on testimony by the Petitioner is established in law. However, the LBC chair will regulate the time and content of testimony to exclude irrelevant or repetitious testimony.

At the conclusion of the testimony phase of the hearing, the commission will receive public comment from any interested person, not to exceed three minutes per person. A member of the commission may question persons providing public comment.

Following the period of public comment, the Petitioner is allowed to make a closing statement not to exceed 10 minutes.

No brief, document, or other evidence may be introduced at the time of the public hearing unless the commission determines that good cause exists for such materials <u>not being presented in a timely manner for written response by the petitioner or respondents, or for consideration in the LBC reports.</u>

In compliance with Title II of the Americans with Disabilities Act of 1990, LBC staff will make available reasonable auxiliary aids, services, and/or special modifications to individuals with disabilities who need such accommodations to participate at the hearing on this matter. Persons needing such accommodations should contact LBC staff at lbc@alaska.gov at least one week prior to the hearing.

If anyone attending the hearing does not have a fluent understanding of English, the commission will allow time for translation. Unless other arrangements are made before the hearing, the individual requiring assistance must arrange for a translator.

LBC Decisional Meeting

The LBC must render a decision within 10 days of the hearing (3 AAC 110.570). If the commission determines that it has sufficient information to properly judge the merits of the annexation proposal following the hearing, the LBC could convene a decisional session shortly after the conclusion of the hearing. During the decisional meeting, no new evidence, testimony, or briefing may be submitted. However, commission members may ask their staff or other persons for a point of information or clarification.

Within thirty days after the commission has rendered its decision, it must adopt a written statement explaining all major considerations leading to its decision concerning the City of Palmer's annexation petition. A copy of the statement will be provided to the Petitioner and any others who request a copy.

Reconsideration

Any interested person or organization may ask the commission to reconsider its decision in this matter. A request for reconsideration may be filed within 10 days after the written decisional statement has been mailed to the Petitioner.

A reconsideration request must describe in detail the facts and analyses that support the request for reconsideration. The LBC will reconsider a decision only if:

- there was a substantial procedural error in the original proceeding;
- the original vote was based on fraud or misrepresentation; or
- the commission failed to address a material issue of fact or a controlling principle of law; or
- new evidence not available at the time of the hearing relating to a matter of significant public policy has become known.

If the commission takes no action on a request for reconsideration within thirty days after the decisional statement was mailed to the Petitioner, the request is automatically denied. If the commission grants a request for reconsideration, the Petitioner may file a responsive brief for consideration by the commission. Ten days are allotted for the filing of such a brief.

Voting Rights Act of 1965 Preclearance

If the Commission approves the petition for annexation, the boundary change will be subjected to review by the U.S. Department of Justice under the federal Voting Rights Act of 1965. The Voting Rights Act forbids any change to municipal jurisdiction that has the purpose or effect of denying or abridging minority voting rights.

The municipality proposing annexation is responsible for initiating the necessary review of the annexation proposal by the U.S. Justice Department or U.S. District Court for the District of Columbia. The review may be initiated once the opportunity for the LBC to reconsider its decision has expired under 3 AAC 110.580. A request for review prior to such time would be considered premature (see 28 CFR § 51.22). Annexation will not take effect until the City provides LBC staff with evidence that the Justice Department or the U.S. District Court has favorably reviewed the annexation proposal (see 3 AAC 110.630). LBC staff is available to answer questions from cities in understanding their obligations under the Voting Rights Act.

Judicial Appeal

A decision of the LBC may be appealed to Superior Court under AS 44.62.560(a) and Rules of Appellate Procedure 602(a)(2).

Local Action

Annexation by local action using the method informally known as unanimous consent requires all property owners and registered voters residing in a territory adjoining the city to sign a simple petition for annexation. The city must then adopt an ordinance to authorize a petition to the LBC and submit a petition in the form and content required by law. (AS 29.06.040(c)(4); 3 AAC 110.150(2); 3 AAC 110.590).

Conclusion

This chapter has described the proceedings to date, and the future proceedings and deadlines. Chapter 3 will discuss the department's analysis.

Chapter III Department's Analysis

Introduction

This report provides recommendations to the Local Boundary Commission.

The Local Boundary Commission staff (hereafter "LBC staff," "Staff," "Commerce," or "department") did not received any filed comments during the public comment period that ended December 30, 2011. The petition have been read, reviewed, and considered by the department in writing this report.

The report addressed the standards by analyzing the factors which the LBC may consider. The comments addressed some standards more heavily than others, and the department's analysis reflects that.

Although each comment has been read and considered, not every comment is specifically addressed. Also, while the comments are reproduced in the appendix of this report, the department may quote or refer to what it feels is the most pertinent part of the comment in its analysis and findings.

Section 1: Needs of the Territory

The standard established in law:

- 3 AAC 110.090. Needs of the territory.
 - (a) The territory must exhibit a reasonable need for city government. In this regard, the commission may consider relevant factors, including
 - (1) existing or reasonably anticipated social or economic conditions, including the extent to which residential and commercial growth of the community has occurred or is reasonably expected to occur beyond the existing boundaries of the city;
 - (2) existing or reasonably anticipated health, safety, and general welfare conditions;
 - (3) existing or reasonably anticipated economic development;
 - (4) adequacy of existing services;
 - (5) extraterritorial powers of the city to which the territory is proposed to be annexed and extraterritorial powers of nearby municipalities; and
 - (6) whether residents or property owners within the territory receive, or may be reasonably expected to receive, directly or indirectly, the benefit of services and facilities provided by the annexing city.
 - (b) Territory may not be annexed to a city if essential city services can be provided more efficiently and more effectively by another existing city or by an organized borough on an areawide basis or non-areawide basis, or through an existing borough service area.

Commerce Findings and Conclusion:

The City of Palmer (hereafter "Palmer" or "city") is a home rule city. It incorporated in 1951. It is located within the Matanuska Susitna Borough ("MSB" or "the borough"). 2010 Census data reports a population of 5,937. The department's research and analysis section estimates the 2011 population at approximately 6,087. The city outlines a brief explanation for the petition and why the property owner has requested annexation into Palmer. The church, Palmer Pentecostal Church, owns the property proposed for annexation as well as adjacent property within the current boundaries of the City of Palmer. In order to expand and fully develop their property, the church has requested annexation, by the City of Palmer, of the remaining portion currently outside the city boundaries.

Commerce finds that the property, as part of the existing church property will receive municipal services from the City of Palmer with the expansion and development anticipated, if annexation is approved.

The territory proposed for annexation exhibits a reasonable need for city government because there is anticipated economic development in the near future. This annexation would allow the church to expand its building for adequate services for its current and future members as early as the summer of 2012.

The territory, as an adjacent property to the current City of Palmer boundaries, would receive essential municipal services more effectively and efficiently from the petitioner. The territory currently lays within the borough, however, the annexation of this territory will allow for essential municipal services like city water and sewer services to be provided more efficiently and effectively by Palmer than by another existing city or by an organized borough, or a borough service area because the church cannot effectively expand unless the territory is within the city.

Commerce concludes the territory exhibits a reasonable need for city government and essential municipal services can be provided more efficiently and effectively by the petitioner. This petition meets 3 AAC 110.090(A) and 3 AAC 110.090(b).

Section 2: Character of the territory

The standard established in law:

3 AAC 110.100. Character.

The territory must be compatible in character with the annexing city. In this regard, the commission may consider relevant factors, including the

- (1) land use and subdivision platting;
- (2) salability of land for residential, commercial, or industrial purposes;
- (3) population density;
- (4) cause of recent population changes; and
- (5) suitability of the territory for reasonably anticipated community purposes.

Commerce Findings and Conclusion:

The City of Palmer and the territory are compatible in character. The territory proposed for annexation is one lot, currently zoned for single family residential use. However, the property is part of the adjacent Palmer Pentecostal Church. The territory currently lays outside of the city boundaries, and therefore cannot be zoned for the expansion and development purposes of the church. The use of this land is intended to be identical to the adjacent property.

As undeveloped property, the population of the territory proposed for annexation is zero. The territory, if annexed and developed, should provide reasonably anticipated suitability for community

purposes. Commerce concludes the territory proposed for annexation is compatible with the petitioner. The petition has met 3 AAC 110.100.

Section 3: Resources

The standard established in law:

3 AAC 110.110. Resources.

The economy within the proposed boundaries of the city must include the human and financial resources necessary to provide essential city services on an efficient, cost-effective level. In this regard, the commission may consider relevant factors, including the

- (1) reasonably anticipated functions of the city in the territory being annexed;
- (2) reasonably anticipated new expenses of the city that would result from annexation;
- (3) actual income and the reasonably anticipated ability to generate and collect local revenue and income from the territory;
- (4) feasibility and plausibility of those aspects of the city's anticipated operating and capital budgets that would be affected by the annexation through the third full fiscal year of operation after annexation;
- (5) economic base of the city after annexation;
- (6) property valuations in the territory proposed for annexation;
- (7) land use in the territory proposed for annexation;
- (8) existing and reasonably anticipated industrial, commercial, and resource development;
- (9) personal income of residents in the territory and in the city; and
- (10) need for and availability of employable skilled and unskilled persons to serve the city as a result of annexation.

Commerce Findings and Conclusion:

The City of Palmer is a home rule city that provides a number of municipal services to its residents and business communities. The city indicates the tax value of the Matanuska Borough property proposed for annexation is currently \$0 because it is exempt from taxation. If it were being used for its residential purpose, as currently zoned, the petitioner estimates it would only hold an annual tax value of approximately \$114.21. The taxable value of the territory would remain \$0 if annexed.

The city has a strong economic base which includes a property tax of 3 mills, a sales tax of 3%, and several other revenue streams. The total estimated revenue for FY13 exceeds \$13 million. The city

government employs a well qualified staff including police, planners, clerks, etc. With no residents within the territory proposed for annexation, and no anticipated residential growth coupled with the intended purpose of the property slated for religious use, exempt from taxation, the likelihood of the need for government resources for this land is presumably nonexistent.

Commerce concludes the petitioner has adequate resources to provide essential city services on an efficient, cost-effective level to the territory proposed for annexation. We find the territory proposed for annexation is physically small and has no population. We further find the cost of providing municipal services to the territory will most likely not affect the city's current or future budgets. We find that 3 AAC 110.110 has been met.

Section 4: Population

The standard established in law:

3 AAC 110.120. Population.

The population within the proposed boundaries of the city must be sufficiently large and stable to support the extension of city government. In this regard, the commission may consider relevant factors, including

- (1) total census enumeration;
- (2) duration of residency;
- (3) historical population patterns;
- (4) seasonal population changes; and
- (5) age distributions.
- (6) contemporary and historical public school enrollment data; and
- (7) nonconfidential data from the Department of Revenue regarding applications under AS 43.23 for permanent fund dividends.

Commerce Findings and Conclusion:

In 2010, the City of Palmer's population was 5,937. DCRA Research & Analysis section estimates a population increase, in 2011, to 6,087. This is an increase in population of approximately 2.46% in one year. The city's population is healthy, growing, and sustainable. If annexation is approved, population of the city will not be impacted. Commerce concludes that the population of the City of Palmer is sufficiently large and stable to support the extension of city government, and therefore meets the population standard of 3 AAC 110.120.

Section 5: Boundaries

The standard established in law:

3 AAC 110.130 Boundaries

- (a) The proposed expanded boundaries of the city must include all land and water necessary to provide the development of essential municipal services on an efficient, cost-effective level. In this regard, the commission may consider relevant factors, including
 - (1) land use and ownership patterns;
 - (2) population density;
 - (3) existing and reasonably anticipated transportation patterns and facilities;
 - (4) natural geographical features and environmental factors; and
 - (5) extraterritorial powers of cities.
- (b) Absent a specific and persuasive showing to the contrary, the commission will presume that territory that is not contiguous to the annexing city, or that would create enclaves in the annexing city, does not include all land and water necessary to allow for the development of essential municipal services on an efficient, cost-effective level.
- (c) To promote the limitation of community, the proposed expanded boundaries of the city
 - (1) must be on a scale suitable for city government and may include only that territory comprising an existing local community, plus reasonably predictable growth, development, and public safety needs during the 10 years following the effective date of annexation; and
 - (2) may not include entire geographical regions or large unpopulated areas, except if those boundaries are justified by the application of the standards in 3 AAC 110.090 3 AAC 110.135 and are otherwise suitable for city government.
- (d) If a petition for annexation to a city describes boundaries overlapping the boundaries of an existing organized borough, the petition for annexation must also address and comply with the standards and procedures for either annexation of the enlarged city to the existing organized borough or detachment of the enlarged city from the existing organized borough. If a petition for annexation to a city describes boundaries overlapping the boundaries of another existing city, the petition for annexation must also address and comply with the standards and procedures for detachment of territory from a city, merger of cities, or consolidation of cities.

Commerce Findings and Conclusion:

In analyzing 3 AAC 110.130(a), the territory to be annexed is approximately .34 acres. Palmer offers many essential municipal services. Taxes will not be levied on this territory, if annexed, because it is religious property. There has been no showing made that Palmer has insufficient land or water to provide essential municipal services. Due to the territory's small size, and the fact that Palmer already provides essential municipal services, Commerce finds that the proposed expanded boundaries of the city have all land and water necessary to provide the development of essential municipal services on an efficient, cost effective level.

In analyzing 110.130(b), the territory proposed for annexation is contiguous to the current city boundaries, and annexing it would not create enclaves. Annexing this territory will allow for the full development of the Palmer Pentecostal Church property.

For 3 AAC 110.130(c)(1), the proposed expanded boundaries of the city are on a scale suitable for city government because the present city is 3.8 square miles, and the territory proposed for annexation includes one parcel of land. The annexation of this territory does include undeveloped land for the specific purpose of development. The proposed expanded boundaries of the city only include the existing local community that is the City of Palmer., plus the reasonably predictable growth, development, and public safety needs during the 10 years following the effective date of annexation.

For 3 AAC 110.130(c)(2), the proposed expanded boundaries of the city do not include entire geographical regions or large unpopulated areas. We find that these boundaries are justified by the application of the standards in 3 AAC 110.090 – 3 AAC 110.135, and are otherwise suitable for city government.

In analyzing 3 AAC 110.130(d), we find that the territory proposed for annexation does not overlap the boundaries of an existing organized borough. Both the city and the territory lie within the Mt-Su Borough..

Commerce concludes that the petition meets the boundaries standard of 3 AAC 110.130.

Section 6: Best Interests of State

The standard established in law:

3 AAC 110.135. Best interests of state. In determining whether annexation to a city is in the best interests of the state under AS 29.06.040(a), which states,

The Local Boundary Commission may consider any proposed municipal boundary change. The commission may amend the proposed change and may impose conditions on the proposed change. If the commission determines that the proposed change, as amended or conditioned if

appropriate, meets applicable standards under the state constitution and commission regulations and is in the best interests of the state, it may accept the proposed change. Otherwise it shall reject the proposed change. A Local Boundary Commission decision under this subsection may be appealed under AS 44.62 (Administrative Procedure Act).

the commission may consider relevant factors, including whether annexation

- (1) promotes maximum local self-government;
- (2) promotes a minimum number of local government units; and
- (3) will relieve the state government of the responsibility of providing local services.

Commerce Findings and Conclusion:

By allowing the annexation of the proposed territories, the Local Boundary Commission serves the best interests of the state pursuant to article X of the Alaska Constitution and AS 29.06.040 in several ways:

- 1. The territory proposed for annexation would receive the benefits of essential municipal services not already provided by the borough (e.g., police department) on a more efficient, cost effective level as indicated previously in 3 AAC 110.090(a) and (b).
- 2. Annexation would allow the requestor, Palmer Pentecostal Church, the ability to properly develop its land and serve its members and the community by expanding its church building.
- 3. As shown below in our analysis of 3 AAC 110.981, Commerce finds that the annexation would promote minimum local self government because the property owner of the territory proposed for annexation would be within one municipal jurisdiction. The church would also receive adequate essential municipal services from one municipality. At the same time, the church would still be in the Matanuska-Susitna Borough, and receive the benefits of borough government as well.
- 4. As shown below in our analysis of 3 AAC 110.982, the annexation would promote a minimum number of local government units because no additional units would be newly formed. Instead, the existing home rule city would expand.

Commerce concludes from the findings above that annexation is in the best interests of the state. Thus, Commerce concludes that the standard set out in 3 AAC 110.135 is met.

Section 7: Transition

The standard established in law:

- 3 AAC 110.900. Transition.
- (a) A petition for incorporation, annexation, merger, or consolidation must include a practical plan that demonstrates the capacity of the municipal government to extend essential city or essential borough services into the territory proposed for change in the shortest practicable time

after the effective date of the proposed change. A petition for city reclassification under AS 29.04, or municipal detachment or dissolution under AS 29.06, must include a practical plan demonstrating the transition or termination of municipal services in the shortest practicable time after city reclassification, detachment, or dissolution.

- (b) Each petition must include a practical 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, and other appropriate entity located in the territory proposed for change. The plan must be prepared in consultation with the officials of each existing borough, city and unorganized borough service area, and must be designed to effect an orderly, efficient, and economical transfer within the shortest practicable time, not to exceed two years after the effective date of the proposed change.
- (c) Each petition must include a practical plan for the transfer and integration of all relevant and appropriate assets and liabilities of an existing borough, city, unorganized borough service area, and other entity located in the territory proposed for change. The plan must be prepared in consultation with the officials of each existing borough, city, and unorganized borough service area wholly or partially included in the area proposed for the change, and must be designed to effect an orderly, efficient, and economical transfer within the shortest practicable time, not to exceed two years after the date of the proposed change. The plan must specifically address procedures that ensure that the transfer and integration occur without loss of value in assets, loss of credit reputation, or a reduced bond rating for liabilities.
- (d) Before approving a proposed change, the commission may require that all boroughs, cities, unorganized borough service areas, or other entities wholly or partially included in the area of the proposed change execute an agreement prescribed or approved by the commission for the assumption of powers, duties, rights, and functions, and for the transfer and integration of assets and liabilities.
- (e) The transition plan must state the names and titles of all officials of each existing borough, city, and unorganized borough service area that were consulted by the petitioner. The dates on which that consultation occurred and the subject addressed during that consultation must also be listed.

Commerce Findings and Conclusion:

For 3 AAC 110.900(a), the petition does include a transition plan illustrating the capacity of the city to extend municipal services to the territory proposed for annexation.

For 3 AAC 110.900(b), as above, the transition is minimal. The petition has described how Palmer will assume powers, rights, duties, and functions. The plan was prepared in consultation with borough officials, and would likely take effect in under two years.

Regarding 3 AAC 110.900(c), there are no existing assets or liabilities for transfer to another municipality or entity in the territory proposed for annexation.

3 AAC 110.900(d) is not a requirement, but it serves as an option that the LBC may exercise to require an agreement for the assumption of powers, duties, rights, and functions, and for the transfer and integration of assets and liabilities. As stated in 3 AAC 110.900(c), there are no assets or liabilities to be transferred, therefore this particular regulation does not apply to this petition.

For 3 AAC 110.900(e), the petition listed the officials consulted for the transition plan. The petitioner did not list the dates; however they did mention the discussion of transition with the listed borough officials.

This transition plan is simple, feasible, and meets the standard. 3 AAC 110.900 has been met.

Section 8: Statement of Non-discrimination

The standard established in law:

3 AAC 110.910. Statement of non-discrimination. A petition will not be approved by the commission if the effect of the proposed change denies any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex, or national origin.

Commerce Findings and Conclusion:

Nothing in these proceedings suggest that the proposed annexation will adversely affect the enjoyment of any individual's civil or political rights, including voting rights, because of race, color, creed, sex, or national origin. Commerce observed no other indication that the proposed annexation would adversely affect the enjoyment of any individual's civil or political rights.

Based on the abovementioned, Commerce concludes that annexation will not result in any form of discrimination. Thus, the standard set out in 3 AAC 110.910 is satisfied.

3 AAC 110.970. Determination of essential municipal services

- (c) If a provision of this chapter calls for the identification of essential municipal services for a city, the commission will determine those services to consist of those mandatory and discretionary powers and facilities that
 - (1) are reasonably necessary to the community;
 - (2) promote maximum, local self-government; and
 - (3) cannot be provided more efficiently and more effectively by the creation or modification of some other political subdivision of the state.

- (d) The commission may determine essential municipal services for a city to include
 - (1) levying taxes;
 - (2) for a city in the unorganized borough, assessing the value of taxable property;
 - (3) levying and collecting taxes;
 - (4) for a first class or home rule city in the unorganized borough, establishing, maintaining, and operating a system of public schools within the city as provided in AS 14.14.065;
 - (5) public safety protection;
 - (6) planning, platting, and land use regulation; and
 - (7) other services that the commission considers reasonably necessary to meet the local governmental needs of the residents of the community.

Commerce Findings and Conclusion:

Commerce finds that the essential municipal services related to this petition are specifically planning, road maintenance, police enforcement, and water and sewer. Commerce concludes that these services are essential municipal services and are reasonably necessary for the community. Therefore, Commerce concludes that 3 AAC 110.970 is met.

3 AAC 110.981. Determination of maximum local self-government

In determining whether a proposed boundary change promotes maximum local self-government under art. X, sec. 1, Constitution of the State of Alaska, the commission will consider

(8) for city incorporation or annexation in an organized borough, whether the proposal would extend local government to territory or population of the organized borough where local government needs cannot be met by the borough on an areawide or nonareawide basis, by annexation to an existing city, or through an existing borough service area;

Commerce Findings and Conclusion:

Commerce finds that the City of Palmer annexation petition would extend local government to the current territory of the Matanuska-Susitna Borough where local government need for planning, and other municipal services cannot be met more efficiently or effectively by the borough. Palmer can provide these local government services more effectively. The territory proposed for annexation cannot function properly unless all of the church property is in the city of Palmer. No other government can meet the territory's governmental needs for that reason. This proposal meets the maximum local self government determination and Commerce concludes the petition meets this consideration.

3 AAC 110.982. Minimum number of local government units

Among the factors to be considered in determining whether a proposed boundary change promotes a minimum number of local government units in accordance with art. X, sec. 1, Constitution of the State of Alaska, the commission will consider

(7) for city annexation, whether the jurisdictional boundaries of an existing city are being enlarged rather than promoting the incorporation of a new city or creation of a new borough service area;

Commerce Findings and Conclusion:

Commerce finds that by annexing this territory, the city would not enlarge is boundaries to the degree that would better promote the incorporation of a new city. The .34 acres of land proposed for annexation promotes a minimum number of local government units,. It would be highly unlikely to be self sustainable if it were to incorporate as its own local government unit. Commerce concludes the petition does promote a minimum number of local government units and therefore meets this regulation.

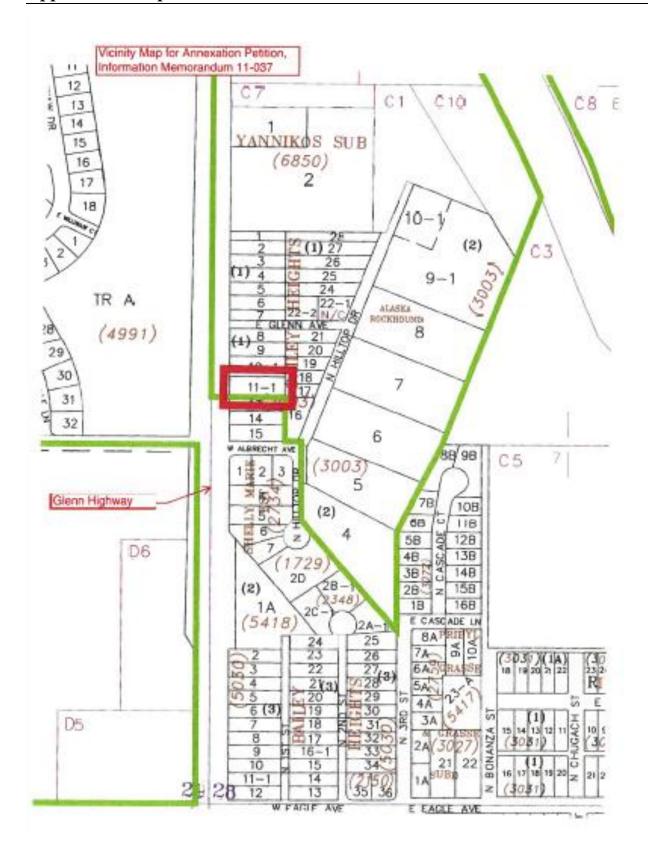
Chapter IV General Conclusion and Recommendation

Commerce concluded in Part III of this report that all of the applicable standards for annexation of the territory are met. Based on the findings and conclusions set out in Part III, Commerce recommends that the LBC grant the city's petition for annexation of 0.34 acres. If approved, the city of Palmer would encompass the existing 3.8 sq. miles of land and the additional .34 acres.

If the LBC approves the petition, annexation will take effect after city provides notification to the commission that the U.S. Department of Justice has granted preclearance for the annexation under 42 U.S.C. 1973c (Voting Rights Act of 1965), and upon such notification, DCCED issues a certificate describing the annexation.

Chapter V Appendix

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Commission Information: Initiated by: Applicant First on Agenda: February 17, 2011 Action: Recommending Approval Vote: Unanimous Council Information: Introduced by: City Manager Griffin Introduced: June 14, 2011 Public Hearing: June 28, 2011 Action: Adopted Vote: 5-0 Yes: No: Best Erbey **DeVries** Hanson Johnson

CITY OF PALMER, ALASKA

ORDINANCE NO. 11-015

AN ORDINANCE OF THE PALMER CITY COUNCIL AUTHORIZING THE CITY TO FILE A PETITION FOR ANNEXATION OF LOT 11-1, BLOCK 1 BAILEY HEIGHTS SUBDIVISION TO THE CITY OF PALMER SUBJECT TO REVIEW BY THE DIVISION OF COMMUNITY AND REGIONAL AFFAIRS-LOCAL BOUNDARY COMMISSION FOR THE STATE OF ALASKA

WHEREAS, as 29.06.040(c)(4) provides that an area adjoining the municipality may be annexed by ordinance without an election if all property owners and voters in the area petition the governing body;

WHEREAS, the territory proposed for annexation exhibits a reasonable need for city government; and

WHEREAS, services determined to be essential city services under 3 AAC 110.970 can be provided more efficiently and effectively by the City (Petitioner) than by another existing city or by an organized borough on an areawide basis or nonareawide basis, or through an existing borough service area; and

WHEREAS, the territory proposed for annexation is compatible in character with the annexing city; and

WHEREAS, the economy within the proposed expanded boundaries of the City include the human and financial resources necessary to provide services determined to be essential city services under 3 AAC 110.970 on an efficient, cost-effective level; and

WHEREAS, the population within the proposed expanded boundaries of the City is sufficiently large and stable to support the extension of city government; and

City of Palmer, Alaska

Ordinance No. 11-015
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WHEREAS, the proposed expanded boundaries of the City include all land and water necessary to provide the development of services determined to be essential city services under 3 AAC 110.970 on an efficient, cost-effective level; and

WHEREAS, the territory proposed for annexation is contiguous to the existing boundaries of the City and would not create enclaves in the expanded boundaries of the City; and

WHEREAS, the proposed expanded boundaries of the City include only that territory comprising an existing local community, plus reasonably predictable growth, development, and public safety needs during the 10 years following the effective date of annexation; and

WHEREAS, the proposed expanded boundaries of the City do not include entire geographical regions or large unpopulated areas, except where justified by the application of the standards in 3 AAC 110.090 - 3 AAC 110.135; and

WHEREAS, if the Petition describes boundaries overlapping the boundaries of an existing organized borough, it will address the procedures and the brief will address the standards for either annexation of the enlarged city to the existing organized borough or annexation of the enlarged city from the existing organized borough; if the Petition describes boundaries overlapping the boundaries of another existing city, it will address the procedures and the brief will address the standards for annexation of territory from a city, merger of cities, or consolidation of cities; and

WHEREAS, annexation to the City is in the best interests of the State as required by AS 29.06.040(a) and 3 AAC 110.135; and

WHEREAS, the territory proposed for annexation meets the annexation standards specified in 3 AAC 110.090 - 3 AAC 110.135. Although not subject to the legislative review annexation standard set out in 3 AAC 110.140, the brief to accompany the Petition will also demonstrate with detailed facts and analysis any of the circumstances outlined in 3 AAC 110.140(1) - (9) that exist with respect to the annexation proposal; and

WHEREAS, all property owners in the territory proposed for annexation, as defined by 3 AAC 110.990(12), and all registered voters in the territory proposed for annexation have petitioned the City Council for annexation in accordance with AS 29.06.040(c)(4); and

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

WHEREAS, the Petitioner has prepared a proper transition plan under 3 AAC 110.900; and

WHEREAS, other constitutional principles are served by the annexation proposal, such as the equal-protection clause and the equal-responsibility clause of Article I, section 1 of the Constitution of the State of Alaska and the maximum local self-government clause and minimum of local government units clause of article X, section 1 of the Constitution of the State of Alaska, and 3 AAC 110.981 - 982;

City of Palmer, Alaska

Ordinance No. 11-015

Page 2 of 3

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

Section 1. Authorization. That City of Palmer is authorized to file a petition with the Alaska Local Boundary Commission for annexation using the method of annexation set out in AS 29.06.040(c)(4). The petition shall propose the annexation of the territory generally described as Lot 11-1, Block 1, Bailey Heights Subdivision. The legal boundary description of the territory proposed to be annexed is attached hereto as "Attachment A" and shown on the map attached here as "Attachment B", both of which are hereby incorporated by reference.

<u>Section 2. Petitioner's Representative.</u> That the Palmer City Manager is designated as the representative of the City for all matters relating to the annexation proceeding.

<u>Section 3. Terms and Conditions.</u> That the annexation will be on the following terms and conditions:

- a) All municipal services other than water and sewer will go into effect immediately upon the effective date of the annexation.
- b) Property taxes will be levied on January 01, 2012.

Section 4. Effective Date. Ordinance No. 11-015 shall take effect upon adoption by the City of Palmer City Council.

Passed and approved this twenty-eighth day of June, 2011.

Janette M. Bower, MMC, City Clerk

City of Palmer, Alaska

Ordinance No. 11-015

Page 3 of 3

CITY OF PALMER INFORMATION MEMORANDUM No. 12-005 ORDINANCE No. 12-003

Subject: Ordinance No. 12-003: Authorizing the City to Adopt a Petition for Annexation of Lot 11-1, Block 1 Bailey Heights Subdivision Subject to Final Approval by the Division of Community and Regional Affairs-Local Boundary Commission for the State of Alaska

Agenda of: January 10, 2012 Adopted
Council Action: Public hearing on January 24, 2012
Approved for presentation by:
City Manager City Attorney City Clerk
Certification of Funds:
Total amount of funds listed in legislation: \$ 0
This legislation (√): √ Has no fiscal impact Funds are budgeted from this (these) line item(s): Funds are not budgeted. Budget modification is required. Affected line item(s):
Unrestricted/undesignated fund balance (after budget modification) \$
Director of Finance signature certifying funds:
Attachment(s): ➤ Ordinance No. 12-003 ➤ City Council Minutes for June 28, 2011 ➤ Annexation Petition, Final
Summary statement: This ordinance is for the final review and adoption of the annexation application by City Council. If approved, this will complete the City's part in the application process. The Local Boundary Commission will then conduct a final public hearing on the matter and coordinate the routing of the application through the various State agencies for review.
Background: Palmer Ordinance No. 11-015 was introduced to City Council on June 14, 2011. This ordinance directed City staff to prepare an Annexation Petition to be submitted to the Local Boundary Commission. A public hearing was conducted during the City Council Meeting of June 28, 2011. The ordinance to draft the petition was passed by Council.
Staff members submitted the Annexation Application to the Local Boundary Commission, on October 27, 2011. This phase of the process was to allow the Local Boundary Commission to conduct a technical review of the application. There were minor corrections to the application and these have been made and accepted by the Local Boundary Commission.
Page 1 of 2 IM 12-005

The Palmer Pentecostal Church needs to expand its current church building. The existing building is located in the city limits on Lots 13-15, Block 1 Bailey Heights Subdivision. The Church owns the lot contiguous to the north boundary of Lot 13 which is Lot 11-1. The Church plans to locate the new wing of their building on Lot 11-1. Because of size and location of the current building on Lots 13-15, the only area available to the Church to expand its building is onto Lot 11-1. Lot 11-1 Block 1 of Bailey Heights is not in the City limits.

The Borough will not issue a Land Use Permit to the Church to construct the new wing of their building on Lot 11-1 because the proposed structure would be have to be built across a lot line. To comply with the Borough's requirement not to build across a lot line, the Church began working with the Borough in September 2010 to combine Lots 13-15 and Lot 11-1 into one parcel.

During the Borough's review of the requested lot combination, it was noted by Borough staff that pursuant to MSB 27.15.190 "a boundary must realign the service area boundary prior to final plat approval." This means that the Church cannot combine these lots to get a Land Use Permit from the Borough to begin construction of the addition because part of the new parcel would be in the city limits (Lots 13-15) and part would be in the Borough's Road Service Area (Lot 11-1) which conflicts with MSB 27.15.190.

The Church's only option at this time is to annex Lot 11-1 into the City of Palmer. If Lot 11-1 is annexed in to the City limits, the requirements of MSB 27.15.190 are satisfied and the Lots can be combined. The Community Development Department will then be able to process the appropriate application for a City Building Permit.

Administration recommendation: Adopt ordinance no. 12-003.

Page 2 of 2 IM 12-005

Introduced by: City Manager Griffin
Date: January 10, 2012
Public Hearing: January 24, 2012
Action: Adopted
Vote: Unanimous

Yes: No:
Erbey
Vanover
Combs
DeVries
Hanson
Best

CITY OF PALMER, ALASKA

ORDINANCE NO. 12-003

AN ORDINANCE OF THE PALMER CITY COUNCIL ADOPTING A PETITION FOR ANNEXATION OF LOT 11-1, BLOCK 1 BAILEY HEIGHTS SUBDIVISION TO THE CITY OF PALMER SUBJECT TO FINAL APPROVAL BY THE DIVISION OF COMMUNITY AND REGIONAL AFFAIRS-LOCAL BOUNDARY COMMISSION FOR THE STATE OF ALASKA

WHEREAS, as 29.06.040(c)(4) provides that an area adjoining the municipality may be annexed by ordinance without an election if all property owners and voters in the area petition the governing body;

WHEREAS, the territory proposed for annexation exhibits a reasonable need for city government; and

WHEREAS, services determined to be essential city services under 3 AAC 110.970 can be provided more efficiently and effectively by the City (Petitioner) than by another existing city or by an organized borough on an areawide basis or nonareawide basis, or through an existing borough service area; and

WHEREAS, the territory proposed for annexation is compatible in character with the annexing city; and

WHEREAS, the economy within the proposed expanded boundaries of the City include the human and financial resources necessary to provide services determined to be essential city services under 3 AAC 110.970 on an efficient, cost-effective level; and

WHEREAS, the population within the proposed expanded boundaries of the City is sufficiently large and stable to support the extension of city government; and

WHEREAS, the proposed expanded boundaries of the City include all land and water necessary to provide the development of services determined to be essential city services under 3 AAC 110.970 on an efficient, cost-effective level; and

City of Palmer, Alaska

Ordinance No. 12-003

Page 1 of 3

WHEREAS, the territory proposed for annexation is contiguous to the existing boundaries of the City and would not create enclaves in the expanded boundaries of the City; and

WHEREAS, the proposed expanded boundaries of the City include only that territory comprising an existing local community, plus reasonably predictable growth, development, and public safety needs during the 10 years following the effective date of annexation; and

WHEREAS, the proposed expanded boundaries of the City do not include entire geographical regions or large unpopulated areas, except where justified by the application of the standards in 3 AAC 110.090 - 3 AAC 110.135; and

WHEREAS, annexation to the City is in the best interests of the State as required by AS 29.06.040(a) and 3 AAC 110.135; and

WHEREAS, the territory proposed for annexation meets the annexation standards specified in 3 AAC 110.090 - 3 AAC 110.135. Although not subject to the legislative review annexation standard set out in 3 AAC 110.140, the brief to accompany the Petition will also demonstrate with detailed facts and analysis any of the circumstances outlined in 3 AAC 110.140(1) - (9) that exist with respect to the annexation proposal; and

WHEREAS, all property owners in the territory proposed for annexation, as defined by 3 AAC 110.990(12), and all registered voters in the territory proposed for annexation have petitioned the City Council for annexation in accordance with AS 29.06.040(c)(4); and

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

WHEREAS, the Petitioner has prepared a proper transition plan under 3 AAC 110.900; and

WHEREAS, other constitutional principles are served by the annexation proposal, such as the equal-protection clause and the equal-responsibility clause of Article I, section 1 of the Constitution of the State of Alaska and the maximum local self-government clause and minimum of local government units clause of article X, section 1 of the Constitution of the State of Alaska, and 3 AAC 110.981 - 982;

NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE CITY OF PALMER, as follows:

<u>Section 1. Authorization.</u> That City of Palmer is authorized to adopt a petition for annexation using the method of annexation set out in AS 29.06.040(c)(4). The petition shall support the annexation of the territory generally described as Lot 11-1, Block 1, Bailey Heights Subdivision. The legal boundary description of the territory proposed to be annexed is attached hereto as "Attachment A" and shown on the map attached here as "Attachment B", both of which are hereby incorporated by reference.

City of Palmer, Alaska

Ordinance No. 12-003 Page 2 of 3

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<u>Section 2. Petitioner's Representative.</u> That the Palmer City Manager is designated as the representative of the City for all matters relating to the annexation proceeding.

 $\underline{\text{Section 3. Terms and Conditions.}}$ That the annexation will be on the following terms and conditions:

- a) All municipal services other than water and sewer will go into effect immediately upon the effective date of the annexation.
- b) Property taxes will be levied on January 01, 2013.

Passed and approved this twenty-fourth day of January, 2012.

 $\underline{\text{Section 4. Effective Date.}} \ \underline{\text{Ordinance No. 12-003 shall take effect upon adoption by the City of Palmer City Council.}}$

	DeLena Goodwin Johnson, Mayor
Janette M. Bower, MMC, City Clerk	

City of Palmer, Alaska

Ordinance No. 12-003 Page 3 of 3 Petition for Annexation to the City of Palmer Page 1 Exhibit J-1 Documentation

SIGNATURES OF PROPERTY OWNERS AND REGISTERED VOTERS IN THE TERRITORY PROPOSED FOR ANNEXATION

This exhibit presents the signatures and residential addresses of property owners and registered voters in the territory seeking annexation to the City.

To help verify your voter- registration status, please:

- sign your name as it is listed in the Alaska voter registration records;
- · print your name legibly;
- list a numerical identifier. "Numerical identifier" means a voter's date of birth, the
 last four digits of a voter's social security number, a voter's Alaska driver's license
 number, or a voter's Alaska identification card number or voter identification
 number:
- list your residence address (e.g. street number, milepost) do not list a post office or other mail box; and
- · list the date you signed the petition.

WE, THE UNDERSIGNED, hereby petition for the annexation of the territory to the City as described in the complete petition. Further, we affirm that

- We have reviewed the complete petition for annexation, including all exhibits and we understand its terms; and
- b) we own property in the territory proposed for annexation; or
- we are registered voters of the State of Alaska in the territory proposed for annexation.

IMPORTANT: review the first page of this exhibit for instructions and affirmations before signing. WE, THE UNDERSIGNED, hereby petition for the annexation of the territory adjoining the City described in the complete petition. Further, we swear or affirm as set out in page one of this exhibit. for Palmer Pentecostal Church PON HERRING Signature 235 Albrecht Street, Palmer, Alaska 99645 Residence Address (or best equivalent) 2-18-11 **Date Signed** Numerical Identifier Signature **Printed Name** Residence Address (or best equivalent) Numerical Identifier **Date Signed** Signature **Printed Name** Residence Address (or best equivalent) Numerical Identifier **Date Signed**

[Use additional pages as necessary. Delete pages not needed.]

Appendix E: City of Palmer Projected Budgets

CITY OF PALMER - PROJ	ECTED REVENUES			
	FY 2011	FY 2012	FY 2013	FY 2014
General Fund				
Arena	240,000	270,000	275,000	282,000
Taxes	7,100,000	7,350,000	7,500,000	7,750,000
Permits & Licenses	127,000	130,000	135,000	142,000
State/Federal Funding	900,000	910,000	915,000	930,000
Fees & Services	1,375,000	1,390,000	1,400,000	1,425,000
Fines & Forfeitures	171,000	180,000	185,000	192,000
Other Revenue	180,000	185,000	190,000	200,000
	10,093,000	10,415,000	10,600,000	10,921,000
Enterprise Funds				
Water/Sewer	1,900,000	1,980,000	2,150,000	2,180,000
Airport	200,000	205,000	207,000	210,000
Sanitation	400,000	443,500	520,000	530,000
Golf Course	780,000	800,000	810,000	818,000
	3,280,000	3,428,500	3,687,000	3,738,000
Total Revenues	13,373,000	13,843,500	14,287,000	14,659,000

CITY OF PALMER - PROJE	CTED EVDENDITHE	DEC		
General Fund	CIED EXPENDITOR	\E3		
Manager	520,000	643,270	657,000	680,000
Finance	747,600	856,110	860,000	900,000
Community	7-17,000	050,110	000,000	300,000
Development	455,000	471,632	485,000	502,000
Facilities	232,500	293,345	305,000	322,000
Mayor/Council/City				
Clerk	380,000	482,178	501,000	510,000
Police	2,003,050	2,277,091	2,325,000	2,450,000
Dispatch	1,200,000	1,279,313	1,305,000	1,348,000
Fire	502,000	582,753	598,000	610,000
Public Works	1,793,702	1,893,106	1,935,000	2,001,000
Library	530,000	601,141	610,000	628,000
MTA Events Center	415,000	553,846	575,000	595,000
Parks & Recreation	263,952	282,348	295,000	305,000
	9,042,804	10,216,133	10,451,000	10,851,000
Enterprise Funds				
Water/Sewer	1,815,000	1,618,781	1,700,000	1,750,000
Airport	350,000	203,422	220,000	221,000
Sanitation	300,000	411,193	420,000	430,000
Golf Course	785,000	850,000	855,000	860,000
	3,250,000	3,083,396	3,195,000	3,261,000
<u>Debt Service</u>				
Principal	351,874	364,064	376,295	388,565
Interest	129,893	118,790	105,901	93,243
	481,767	482,854	482,196	481,808
Tatal Formandia	42 774 574	42 702 202	14 120 100	44 503 000
Total Expenditures	12,774,571	13,782,383	14,128,196	14,593,808

PUBLIC NOTICE

REVISED NOTICE OF FILING OF PETITION FOR ANNEXATION BY THE CITY OF PALMER TO LOCAL BOUNDARY COMMISSION (LBC)

The City of Palmer (Petitioner), a home rule city in the Matanuska-Susitna borough, has filed an annexation by local action petition with the LBC. The petitioner's representative is Palmer Mayor Delena Johnson. The territory proposed by the City for annexation consists of approximately .34 acres of land and is generally described as follows: 1 lot located in Bailey Heights Subdivision, Lots 11-1.

Standards governing annexation to cities are established in Article X, Constitution of the State of Alaska; AS 29.06.040 – 29.06.060; 3 AAC 110.090 – 3 AAC 110.150; and 3 AAC 110.900 – 3 AAC 110.990. Procedures governing city annexation by the local action method are set out in Article X, Section 12 of Alaska's constitution, AS 29.06.040, and 3 AAC 110.400 – 3 AAC 110.700.

The legal description of the territory proposed for annexation is set out in the Petition. The petition and related documents, including a map of the area proposed for annexation, are available for public review at the following locations, days, and times:

Palmer City Hall, 231 W. Evergreen Avenue, Palmer, Alaska, open Monday through Friday 8:00am to 5:00pm;

City of Palmer Community & Development Department, 231 W. Evergreen Avenue, Palmer, Alaska, open Monday through Friday 8:00am to 5:00pm;

Palmer Public Library, 655 S. Valley Way, Palmer, Alaska, open Mondays, Wednesday, & Fridays 10:00am to 8:00pm, Tuesdays & Thursdays 10:00am to 6:00pm, and Saturdays 10am to 2pm;

The City of Palmer's website, http://www.cityofpalmer.org/, or the LBC website,

http://www.commerce.state.ak.us/dca/lbc/2011_Palmer_City_Annexation_Petition/, both available anytime.

Questions concerning the proposed annexation may be directed to LBC staff (part of the Alaska Department of Commerce, Community and Economic Development) at the mailing address, email address, phone number, or fax number listed below. Any interested person may file with the LBC written comments regarding the annexation petition. The LBC relaxed 3 AAC 110.700(d) so that the public is not required to send an original if an electronic comment has been filed. Additionally, a person with the capacity to sue may file with the LBC a responsive brief supporting or opposing the petition. Written comments and responsive briefs must be filed in accordance with 3 AAC 110.480 and 3 AAC 110.590(4). A person who files a responsive brief (as distinguished from written comments) gains certain procedural rights and duties during the petition proceedings. The deadline for filing responsive briefs and written comments with the LBC has been extended to 4:30 pm, January 13, 2012. Responsive briefs and written comments must be received by that deadline in the office below:

Local Boundary Commission staff, 550 West Seventh Avenue, Suite 1770, Anchorage, AK 99501-3510 Phone: 907-269-4587 • Fax: 907-269-4539 • Email: LBC@alaska.gov

The City of Palmer will hold its city council meeting on January 24, 2012, in the Palmer City Council Chambers, 231 W. Evergreen Avenue, Palmer, Alaska. If the petitioner city council approves the petition by ordinance, and after the petitioner has an opportunity to answer any responsive briefs and comments, the LBC staff will write a report on the proposal. Procedures governing departmental reports are set out in 3 AAC 110.530 and 3 AAC 110.590. The LBC will then hold a public hearing on the proposal. The LBC may conduct the hearing by teleconference. The decisional meeting will follow the public hearing.

PUBLIC NOTICE

NOTICE OF PUBLIC COMMENT PERIOD ON THE REPORT CONCERNING THE CITY OF PAI MER ANNEXATION PETITION

The report concerning the City of Palmer annexation petition by local action will be released Friday, March 2nd. The territory proposed by the city for annexation consists of approximately 0.34 acres of land. The territory contemplated for annexation is generally described as follows: Lot 11-1, Block 1 Bailey Heights Subdivision. The legal description of the territory proposed for annexation is set out in the Petition.

The report, petition, and other related documents are available for public review at the following locations, days, and times open to the public:

Palmer City Hall, Clerk's Office, Monday - Friday: 8:00 - 5:00pm.

Palmer Community Development Department, Monday - Friday: 8:00 - 5:00pm.

Palmer Public Library, Mondays, Wednesday, & Friday: 10:00am - 8:00pm; Tuesdays & Thursdays:

10:00am - 6:00pm; Sat: 10:00 - 2:00pm Local Boundary Commission website,

http://commerce.alaska.gov/dca/lbc/2011 Palmer City Annexation Petition/, anytime.

Standards governing the annexation to cities are established in Article X, Constitution of the State of Alaska; AS 29.06.040 – 29.06.060; 3 AAC 110.090 – 3 AAC 110.150; and 3 AAC 110.900 – 3 AAC 110.990. Procedures governing city annexation by the local action method are set out in Article X, Section 12 of Alaska's constitution, AS 29.06.040, and 3 AAC 110.400 – 3 AAC 110.700.

Any interested person may file with the LBC written comments regarding the annexation petition. The deadline for filing a written comment with the LBC is 4:30 p.m., Tuesday, March 27, 2012. See 3 AAC 110.480 and 3 AAC 110.590(4) for the procedural requirements to file written comments. Written comments must be received in the office below:

Local Boundary Commission staff, 550 West Seventh Avenue, Suite 1770, Anchorage, AK 99501-3510 Fax: 907-269-4539 • Email: LBC@alaska.gov

Questions concerning the proposed annexation may be directed to LBC staff at the mailing address, email address, or fax number listed above. Additionally, inquiries may be directed to LBC staff by telephone at (907) 269-4587.

The LBC has scheduled a public hearing on the proposal for Thursday, March 29, 2012, at 10:00 a.m. in the Atwood Building, 550 West 7th Avenue, Suite 1640 conference room, Anchorage, AK. The LBC will conduct the hearing by teleconference. Participants may attend in Anchorage, or by teleconference. To participate in the teleconference, please call 1-800-315-6338, and type in 4587*. Individuals with disabilities who need auxiliary aids, services, or special modifications to participate must contact LBC staff as soon as possible. The decisional meeting for this proposal will follow the public hearing.

A teleconferenced LBC public meeting will be held on April 10th. The LBC will approve or amend meeting minutes, and approve or amend the written decision for the City of Palmer Annexation petition.