

# **PETITION**

To the Local Boundary Commission  
For

## **ANNEXATION**

To

**The City of Akutan**  
**A SECOND CLASS CITY**

Within

**The ALEUTIANS EAST BOROUGH**

Using the local option method by which territory adjoining the city may be annexed by ordinance without an election if all property owners and all registered voters in the area petition the governing body



This page intentionally left blank

## Contents

SECTION 1: PETITIONER'S NAME. 3 AAC 110.420(b)(1).....	1
SECTION 2: THE PETITIONER'S REPRESENTATIVE. 3 AAC 110.420(b)(2).....	1
SECTION 3: THE NAME AND CLASS OF THE EXISTING MUNICIPAL GOVERNMENT FOR WHICH A CHANGE IS PROPOSED. 3 AAC 110.420(b)(3).....	2
SECTION 4: GENERAL DESCRIPTION OF THE NATURE OF THE PROPOSED COMMISSION ACTION. 3 AAC 110.420(b)(4).....	2
SECTION 5: GENERAL DESCRIPTION OF THE TERRITORY PROPOSED FOR ANNEXATION. 3 AAC 110.420(b)(5).....	2
SECTION 6: REASONS FOR THE PROPOSED BOUNDARY CHANGES. 3 AAC 110.420 (b)(6).....	14
SECTION 7: LEGAL METES AND BOUNDS DESCRIPTIONS, MAPS, AND PLATS. 3 AAC 110.420(b)(7). ....	17
SECTION 8: SIZE OF THE TERRITORY PROPOSED FOR ANNEXATION. 3 AAC 110.420(b)(8).....	17
SECTION 9: DATA ESTIMATING THE POPULATION OF THE TERRITORY PROPOSED FOR ANNEXATION. 3 AAC 110.420(b)(9).....	18
SECTION 10: INFORMATION RELATING TO PUBLIC NOTICE AND SERVICE OF THE PETITION. 3 AAC 110.420(b)(10).....	21
SECTION 11: TAX DATA. 3 AAC 110.420(b)(12).....	22
SECTION 12: BUDGET INFORMATION. 3 AAC 110.420(b)(13).....	25
SECTION 13: EXISTING LONG-TERM MUNICIPAL DEBT. 3 AAC 110.420(b)(14). ....	29
SECTION 14: MUNICIPAL POWERS AND FUNCTIONS. 3 AAC 110.420(b)(15).....	30
SECTION 15: THE TRANSITION PLAN. 3 AAC 110.420(b)(16).....	36
SECTION 16: COMPOSITION AND APPORTIONMENT OF THE CITY COUNCIL. 3 AAC 110.420(b)(17). ....	37
SECTION 17: CIVIL AND POLITICAL RIGHTS INFORMATION. 3 AAC 110.420(b)(18).....	37
SECTION 18: SUPPORTING BRIEF. 3 AAC 110.420(b)(19).....	37
SECTION 19: DOCUMENTATION DEMONSTRATING THAT THE PETITIONER IS AUTHORIZED TO FILE THE PETITION UNDER 3 AAC 110.410. 3 AAC 110.420(b)(20).....	37
SECTION 20: DOCUMENTATION REGARDING PRE-ORDINANCE NOTICE.....	37
SECTION 21: PETITIONER'S AFFIDAVIT. 3 AAC 110.420(b)(22).....	38
SECTION 22: ADDITIONAL INFORMATION REQUIRED FOR THE PETITION. 3 AAC 110.420(b)(23).....	38
SECTION 23: ELECTRONIC FORMAT. 3 AAC 110.420(c).....	38

EXHIBIT A-1. LEGAL DESCRIPTION OF THE TERRITORY PROPOSED FOR ANNEXATION .....	40
EXHIBIT A-2. LEGAL DESCRIPTION OF EXISTING CITY'S BOUNDARIES .....	42
EXHIBIT A-3. LEGAL DESCRIPTION OF PROPOSED POST-ANNEXATION BOUNDARIES .....	43
EXHIBIT A-4. MAPS AND PLATS.....	45
EXHIBIT B. INFORMATION RELATING TO PUBLIC NOTICE AND SERVICE OF THE PETITION .....	55
EXHIBIT C-1. PROJECTED REVENUES .....	61
EXHIBIT C-3. PROJECTED CAPITAL EXPENDITURES.....	63
EXHIBIT D: EXISTING LONG-TERM MUNICIPAL DEBT .....	64
EXHIBIT E: MUNICIPAL POWERS AND FUNCTIONS.....	65
EXHIBIT F: TRANSITION PLAN .....	66
EXHIBIT G: COMPOSITION AND APPORTIONMENT OF THE CITY COUNCIL .....	69
EXHIBIT H: CIVIL AND POLITICAL RIGHTS INFORMATION .....	70
EXHIBIT I: SUPPORTING BRIEF .....	71
EXHIBIT J-1: DOCUMENTATION DEMONSTRATING THAT THE PETITIONER IS AUTHORIZED TO FILE THE PETITION UNDER 3 AAC 110.410 .....	101
EXHIBIT J-2: DOCUMENTATION OF THE UNANIMOUS CONSENT OF THE PROPERTY OWNERS AND VOTERS IN THE TERRITORY PROPOSED FOR ANNEXATION .....	105
EXHIBIT K: DOCUMENTATION REGARDING PRE-ORDINANCE NOTICE .....	118
EXHIBIT L: PETITIONER'S AFFIDAVIT .....	119
EXHIBIT M: AFFIDAVIT OF PETITIONERS REPRESENTATIVE CONCERNING SOURCE AND ACCURACY OF INFORMATION .....	120

The Petitioner requests that the Local Boundary Commission grant this petition for annexation of territory adjacent to the City by ordinance without an election if all property owners and voters in the area petition the governing body under Article X, Section 12 of the Constitution of the State of Alaska; AS 29.06.040(a) and (c)(4); AS 44.33.812(a)(3); 3 AAC 110.150(2); and 3 AAC 110.590. All exhibits attached to this petition are incorporated by reference.<sup>1</sup>

**SECTION 1: PETITIONER’S NAME. 3 AAC 110.420(b)(1).**

The name of the petitioner is the City of Akutan (hereinafter “Petitioner” or “City”). The City is located within the organized borough known as Aleutians East Borough.

**SECTION 2: THE PETITIONER’S REPRESENTATIVE. 3 AAC 110.420(b)(2).**

The Petitioner designates the following individual to act as representative in matters regarding the proposed municipal annexation:

Name: Joseph Bereskin, Mayor  
Physical address: City of Akutan, P.O. Box 109, Akutan, AK 99553  
Mailing address: 3380 C Street, Suite 205, Anchorage AK 99503  
Telephone number: (907) 698-2228 (907-274-7555 in Anchorage)  
Fax number: (907) 698-2202 (907-274-1813 in Anchorage)  
E-mail address: [jbereskin@gci.net](mailto:jbereskin@gci.net)

**ALTERNATIVE REPRESENTATIVE DESIGNATED BY THE PETITIONER.**

The Petitioner designates the following person to act as alternate representative in matters regarding the proposed annexation, in the event that the primary representative is absent, resigns, or fails to perform his or her duties:

Name: Susan Lutz, Assistant City Administrator  
Physical Address: 3380 C Street Suite 205, Anchorage, AK 99503  
Mailing Address: 3380 C Street Suite 205, Anchorage, AK 99503  
Telephone Number: (907) 777-1643  
Fax Number: (907) 274-1813  
E-mail address: [akutananc@gci.net](mailto:akutananc@gci.net)

---

<sup>1</sup> There are no registered voters in the area proposed for annexation.

**SECTION 3: THE NAME AND CLASS OF THE EXISTING MUNICIPAL GOVERNMENT FOR WHICH A CHANGE IS PROPOSED. 3 AAC 110.420(b)(3).**

**Name of City:** City of Akutan

**Class:** Second-Class

**Name of organized borough:** Aleutians East Borough

**Class:** Second-Class

**SECTION 4: GENERAL DESCRIPTION OF THE NATURE OF THE PROPOSED COMMISSION ACTION. 3 AAC 110.420(b)(4).**

This petition, initiated by the City under the authority of 3 AAC 110.410(a)(4), requests the Local Boundary Commission authorize the following boundary change: annexation of territory generally described as lands and submerged lands in the areas of Hot Springs Bay and Valley, Loud Creek, Open Bight, Akun Straight, Lost Harbor, Surf Bay, Trident Bay, and Akutan Bay to the City under the local option method provided for in AS 29.06.040(c)(4), and 3 AAC 110.150(2). Annexation under AS 29.06.040(c)(4) allows for territory adjoining a municipality to be annexed by ordinance, without an election, if all property owners and voters in the territory proposed to be annexed petition the governing body.

3 AAC 110.990(12) defines “property owner” as a “legal person holding a vested fee simple interest in the surface estate of any real property including submerged lands.”

**SECTION 5: GENERAL DESCRIPTION OF THE TERRITORY PROPOSED FOR ANNEXATION. 3 AAC 110.420(b)(5).**

a) Background

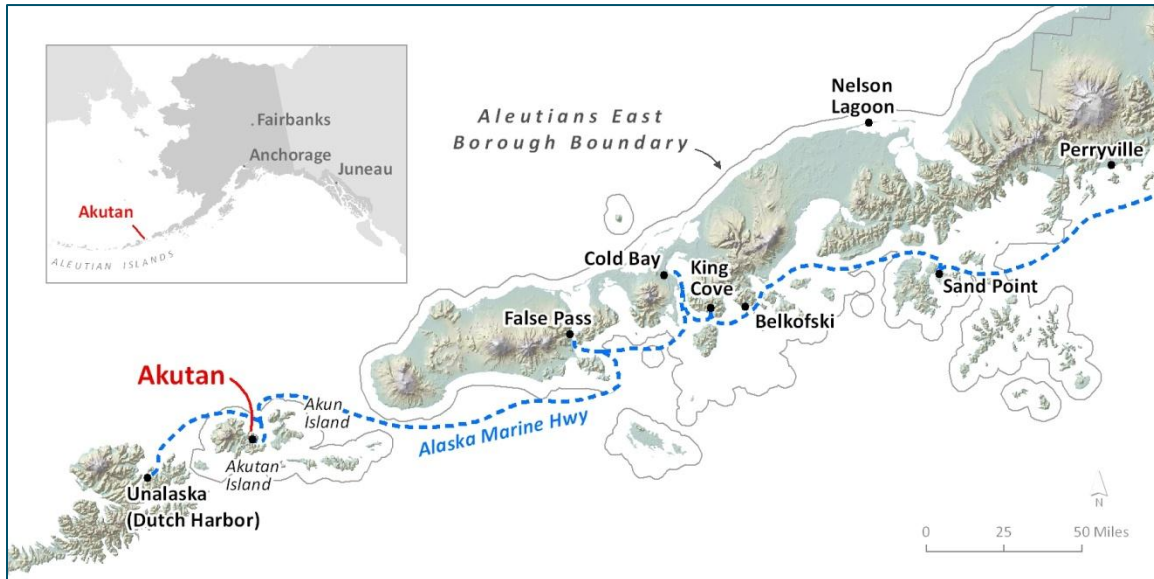
The City of Akutan is located along the Aleutian Islands in southwestern Alaska, 766 air miles southwest of Anchorage, Alaska, and 35 air miles east of Unalaska, Alaska (Dutch Harbor). It is the second most-westerly port on the Alaska Marine Highway, with steep volcanic terrain blanketed by green grasslands, low shrubs, and old lava flows. It is one of many islands in



Alaska with an active volcano and contains commercially viable geothermal reservoirs. Many of today’s residents have ties to subsistence camps and hunting and fishing grounds in and around Akutan and Akun Island to the east.

The current village was first settled in 1878 as a port for fur storage and trading for the Western Fur & Trading Company. A church and school were built the same year for the Aleuts. The company established its fishing and processing business that

attracted nearby Unangans. In 1911, the Pacific Whaling Company built a whale processing station on the south side of Akutan Harbor, operating it until 1939. In 1918, the St. Alexander Nevsky Chapel, a Russian Orthodox Church, was built to replace the church built in 1878.<sup>2</sup>



During World War II, the U.S. Navy leased the whaling property as an emergency seaplane facility and refueling station for Russian ships. After the Japanese attack on Unalaska in 1942, the residents were evacuated to Ketchikan. In 1944, the village was re-established. The Navy closed the refueling facility in 1945 and returned it to the Pacific Whaling Company, which later abandoned the facility in 1948.<sup>3</sup>

There are several sites on Akutan and Akun Islands registered in the Alaska Historic Registry Survey and the village itself is a registered historic site (UNI-004). The City of Akutan was incorporated in 1979, bounded by mountain ridges surrounding Akutan Harbor and the eastern edge of Akutan Harbor. Trident Seafoods Company built and began operating its fish processing facility in the early 1980's. Akutan is estimated to be among the top five ports in the U.S for the amount of fish landed. In 2009, nearby Dutch Harbor was first with 506 million pounds.<sup>4</sup> Through Trident, Akutan contributes millions of dollars each year to the State through the Shared Fisheries Business Tax and Fisheries Resource Landing Tax and a percentage is returned to Akutan as part of those tax programs.



Fishing, fish processing, and marine services are the primary employment for most residents. Although remote and mountainous, the community

<sup>2</sup> Akutan Airport Master Plan Cultural Resources Survey, p. 3-5.

<sup>3</sup> Akutan Airport Master Plan Cultural Resources Survey, p. 5.

<sup>4</sup> "Fisheries of the United States 2009", National Oceanic and Atmospheric Administration, 2010, reported by KUCB News, "Dutch Harbor tops in seafood landings," September 18, 2010.

is stable, is adjacent to the Bering Sea fishery, and enjoys a harbor with a long history of shore-based and floating fish processing.

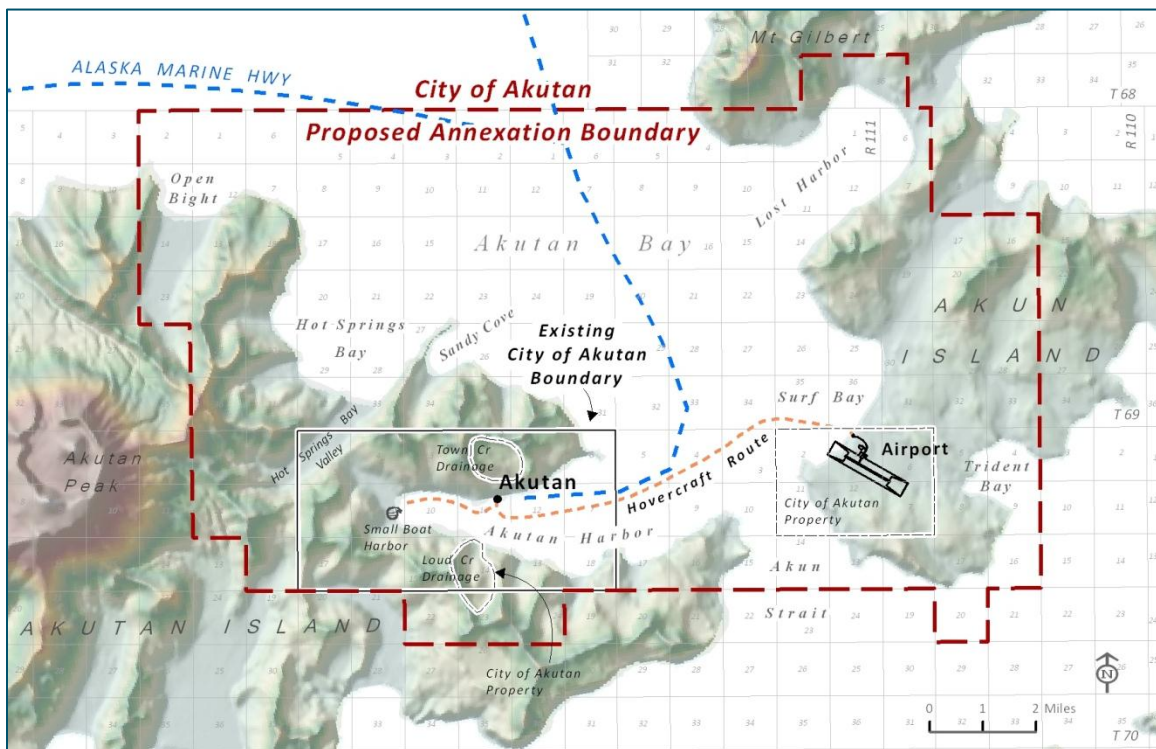
Today, a new land-based airport and small-boat harbor are under construction, hydroelectric power is being upgraded, and geothermal power is being explored. The City is positioning itself to be an increasingly strategic regional transportation and economic center.<sup>5</sup>

b) Overview of territory proposed for annexation

1) Proposed boundaries

The proposed boundaries encompass lands on Akutan and Akun Island and submerged lands between the islands, totaling 131 square miles to be added to Akutan's existing 18 square miles of land and submerged lands. All of the proposed territory is within the Aleutians East Borough, including City-owned properties, critical watersheds, geothermal resource areas, cattle-grazing lands, and environmentally sensitive areas. The proposed territory is limited to the primary lands and waters where Akutan residents and ancestors have inhabited and subsisted for centuries.

The proposed boundaries of course traverse Akutan Bay. This bay is commonly crossed by residents travelling between Akutan and Akun Islands for cattle ranching, subsistence activities, and soon, for air travel. More than 400 free-range cattle roam on Akun Island and the beef is locally consumed. Akutan residents have historically set base camps on Akun while fishing, berry picking, and hunting waterfowl. It is not unlike towns and cities where communities exist across major rivers and coastal waters



<sup>5</sup> City of Akutan, Airport Local Area Plan, 2011.



The territory proposed for annexation on Akutan Island is not inhabited today and encompasses watersheds, rangelands, and geothermal resources. These areas are intended for air travel, watershed management, subsistence, energy development, economic expansion, as well as cultural, historic, and environmental preservation. The lands are owned by the Akutan Corporation and the City of Akutan and are accessible by boat, foot, and helicopter.

The territory proposed for annexation on Akun Island is also not inhabited, encompassing historical sites, subsistence areas, cattle rangelands, and the new Akutan airport. The Federal Aviation Administration selected Akun for the airport due to its generally flat terrain to alleviate safety concerns for final approach and take-off. Land on Akun is primarily owned by Akutan Corporation. The Aleutians East Borough owns a 4.71 acre parcel along the north shore of Lost Harbor and the City owns approximately 4.8 square miles surrounding and including the airport site.

2) Natural geographic features and environment

Akutan lies in a maritime climate zone, resulting in mild winters and cool summers. Mean temperatures range from 22 to 55 degrees Fahrenheit. Precipitation averages 28



inches per year. High winds and storms are frequent in the winter and fog is common in the summer.<sup>6</sup> The highest point on Akutan Island is the volcano that forms Akutan Peak at 4,275 feet. The caldera rim is breached narrowly on the north side where in 1978 a lava flow traveled to within 2 kilometers of the sea.<sup>7</sup> The highest point on Akun Island is Mount Gilbert, a small volcano that reaches 2,684 feet.

Terrain on both islands is generally steep and rocky, vegetated with wild grasses, shrubs and flowering plants, interspersed with hardened lava flows and meandering creeks. Snow covers the landscape in the winter.

3) Character and Culture

The proposed territory is similar in physical, social, and cultural aspects to the existing City and associated with the residents of Akutan. "There has been human occupation of Surf Bay and the western shore of Akun Island for at least the last 6,000 years."<sup>8</sup> Several culturally significant sites exist on Akutan and Akun Islands. Some of the sites include: Akutan



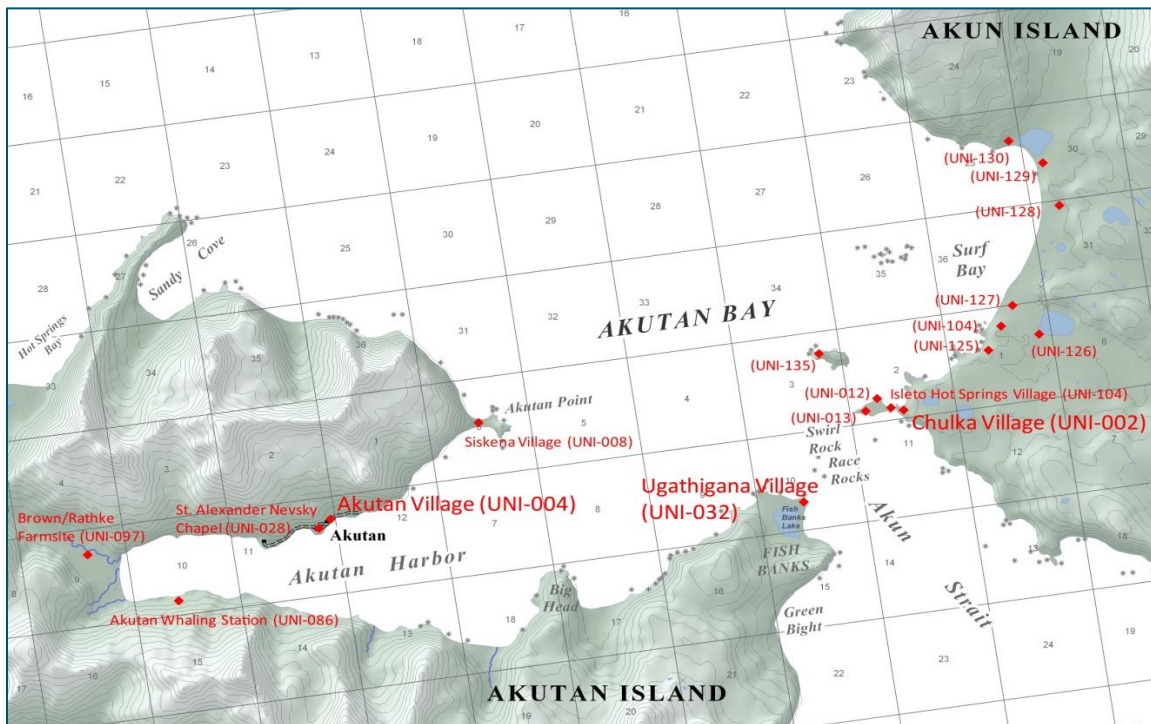
---

<sup>6</sup> State of Alaska DCRA, Alaska Community Database Community Information Summaries.

<sup>7</sup> Global Volcanism Program, Akutan photo gallery.

<sup>8</sup> Revised Eligibility Evaluation for the Surf Bay Archaeological District (UNI-103) Akun Island, Alaska, December 2010, Prepared by: Cultural Resources Consultants LLC, Rogers, Jason S. and Yarborough, Michael, p. 11.

Village (UNI-004); Ugathigana (UNI-032), also known as “Fish Banks”; Siskeña Village (UNI-008); St. Alexander Nevsky Chapel (UNI-028); Akutan Whaling Station (UNI-086); Chulka Village (UNI-002); Isleto Hotsprings Village (UNI-003); and many others. Ugathigana may be one of the oldest village sites on Akutan Island. It is believed that the islands were once connected. Turner and Turner suggested in their 1974 report that “we are presently hypothesizing that the shallow (6m) submarine ridge connecting Akun and Akutan Islands at the narrows of Akun Strait was once saddled by an Aleut Village that overlooked both the Pacific Ocean and Bering Sea as recently as 8,000 years ago...”<sup>9</sup> Registered sites are indicated in the map on the following page.



Source: Developed by RMA Consulting Group based on the following: Historical, Archeological, and Cultural Resources Report, 2003; Eligibility Evaluation for Surf Bay Archeological District (UNI-103), 2006; Revised Eligibility Evaluation for the Surf Bay Archeological District (UNI-103) Akun Island, Alaska, December 2010.

A group of cultural sites exist at the south end of Surf Bay on Akun Island. Among them are Chulka Village and Isleto Hotsprings Village. Chulka is at the southwestern end of Akun Island, estimated to be first occupied in AD 780.<sup>10</sup> The village was important enough during the Russian period [late 1700’s to 1800’s] to have a church.<sup>11</sup> [Chulka] was eventually abandoned in 1912, although...it continued to be used seasonally.<sup>12</sup> Isleto Hotsprings, on Isleto Islet, may at one time have been connected to Chulka across what is now a shallow submarine bridge.<sup>13</sup> “Akutan Aleuts are certain that

<sup>9</sup> Progress Report on Evolutionary Anthropological Study of Akun Strait District, Eastern Aleutians, Alaska, 1974, Turner, Christy G. and Jacqueline A., p. 30.

<sup>10</sup> Akun Cultural Resources Survey, December 2005, Cultural Resources Consultants LLC, Yarborough, Michael, p.5.

<sup>11</sup> Rogers and Yarborough, 2010, p. 9.

<sup>12</sup> Turner and Turner, 1974, p. 27.

<sup>13</sup> Yarborough, 2005, p.5.

Chulka was the last Akun village in use prior to the move to Akutan prior to 1879.”[sic]<sup>14</sup> In an interview in 1993, a representative from Alaska Fish and Game met with long-time resident George McGlashan (1926-2011) and reported him saying “that Akutan village was founded in 1878 by his grandfather who established it as a hunting and trapping camp. Aleuts living in Akun and Tigalda Islands moved over to the present site of Akutan around this time, but had hunted and fished in the area long before that.”<sup>15</sup> Sites along the western shore of Akun continue to be used by Akutan residents for subsistence and recreation.

4) Land Use

Today, land use in the City includes residential, commercial, industrial, and public uses, concentrated along the north shore of Akutan Harbor. Housing in the village is predominantly single-family dwellings, a few duplexes, and one fourplex, while housing at Trident includes apartment buildings. Commercial uses include the McGlashan Store, Akutan Corporation offices, post office, Bayview Café, Salmonberry Inn, Bayview Plaza Hotel, health clinic, public safety building, public school, and City offices. Trident has a mess hall, mini-mart, and administrative offices. Industrial uses in the village include the public dock, mooring basin, City warehouse, hydroelectric plant, and waste incinerator. Trident has several buildings that contain fish processing operations, warehouses, mechanic shops, and waste incinerator. In addition, there are fuel farms at the village and Trident.

The new small boat harbor mooring basin within the existing City limits and the airport and geothermal projects in the proposed territory are the major projects that will drive residential and economic expansion beginning in 2013. To this end, in 2011 the City adopted land use plans for the boat harbor and airport areas, documented in the *Airport Local Area Plan (A-LAP)* and *Harbor Local Area Plan (H-LAP)*. The plans illustrate preferred land use designations surrounding these areas and anticipated development. The City has also selected preliminary production sites and road access for geothermal development in Hot Springs Bay Valley. In particular, the airport and geothermal projects outside of the City demonstrate the necessity of the proposed territory for community purposes.

5) Transportation

Akutan exists in a marine environment where boats are the most common type of transportation, enabling residents to travel to and around islands and fishing grounds. It is located along the western section of the Alaska Marine Highway. Akutan also lies along the “Great Circle Route” for shipping between the United States and the Far East. Based on data collected October 2005 through June

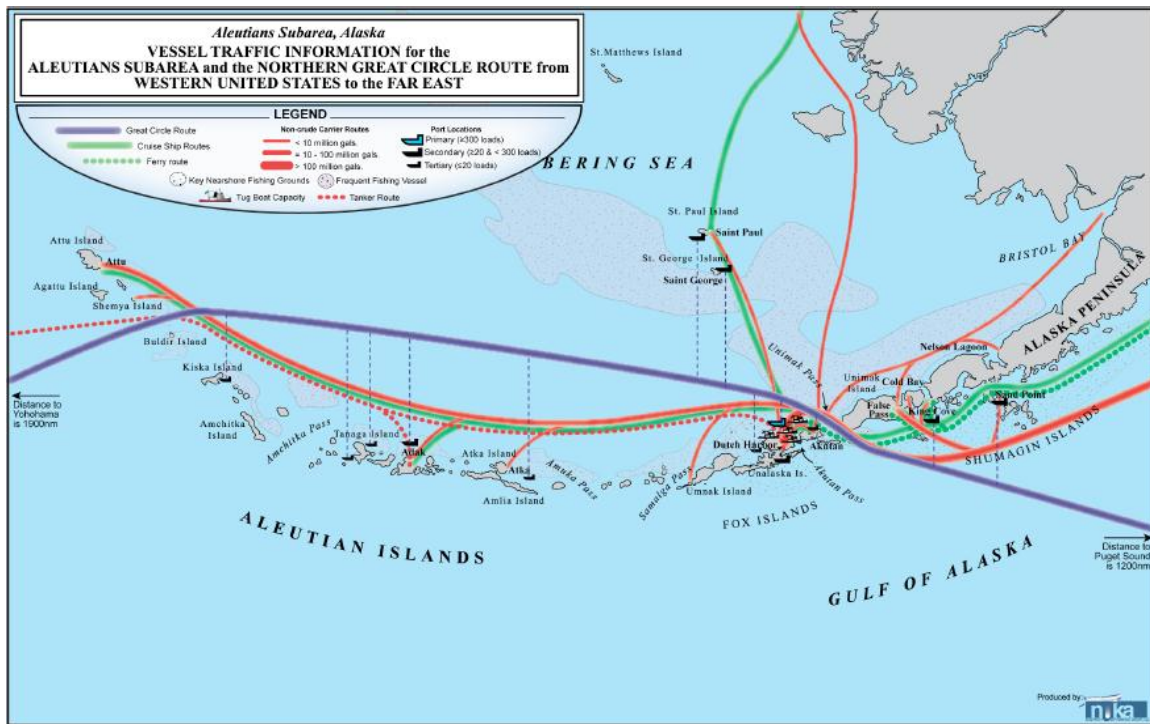


---

<sup>14</sup> Turner and Turner, 1974, p. 28.

<sup>15</sup> An Archaeological Literature Review of the Village of Akutan, Manchester, Bethany J., et al, SJS Archaeological Services, Inc., January 1996, p.6.

2006, “about 3,100 ships per year (8-9 vessels each day) pass through the Aleutians.”<sup>16</sup> Most are container and bulk/general freight ships. An estimated 400 port calls per year are made by freight ships to Aleutian ports, primarily by container and refrigerated cargo ships.



Source: Vessel Traffic in the Aleutians Subarea, published 2006. Akutan is immediately east of Dutch Harbor.

Akutan is accessed via boat and amphibious aircraft today. The village hosts a public boat dock and small craft mooring area, while nearby Trident Seafoods has a long boat dock to accommodate fishing vessels and freighters. The Alaska Marine Ferry visits bi-weekly from May to September.<sup>17</sup> Akutan is the last stop before Unalaska, the western-most point on the ferry’s route. Cargo arrives weekly via freighter from Seattle.

The City maintains a seaplane ramp adjacent to the public dock to accommodate an aging amphibious aircraft operated by PenAir between Akutan and Unalaska and the only type of airplane that can land at Akutan. The Grumman “Goose” aircraft has been used for decades as the only air service to and from Akutan, supported in part by the federal Essential Air Service (EAS) program. Production of the aircraft ended in 1945. Parts are no longer being manufactured or are hard to find, making it difficult and expensive to maintain. The plane is limited to 25 knot wind conditions, often exceeded in the Aleutians, and residents are subject to frequent delays of days, sometimes weeks, without air service.<sup>18</sup> In the twelve months ended September 30, 2010 there

<sup>16</sup> Vessel Traffic in the Aleutians Subarea, Updated Report to Alaska Department of Environmental Conservation, Nuka Research and Planning Group, LLC and Cape International, Inc., September 20, 2006, p. 3.

<sup>17</sup> Alaska DOT&PF, Alaska Marine Highway System, Schedules, 2011.

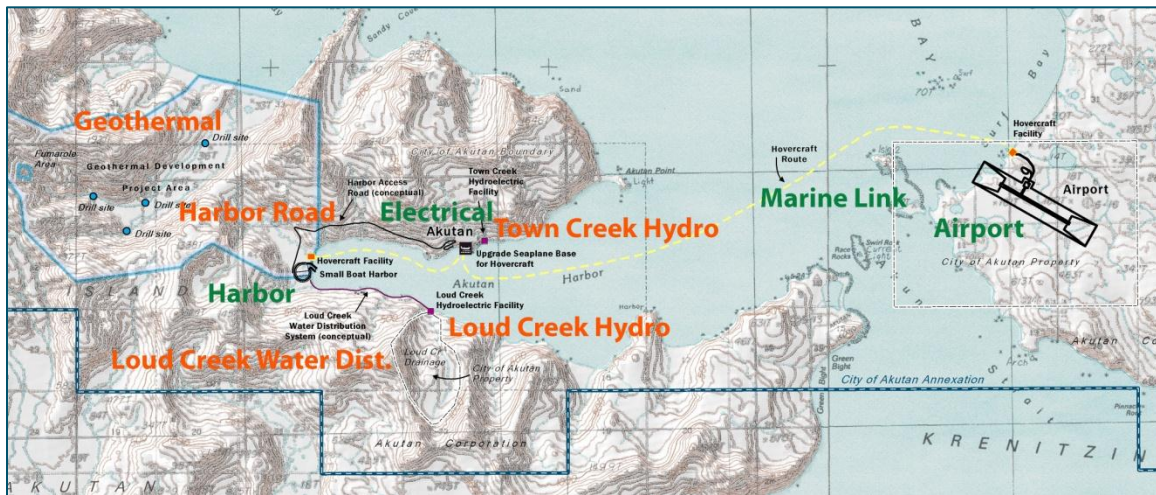
<sup>18</sup> Letter from Leo von Scheben, Commissioner, State of Alaska DOT&PF to Byron Huffman, Division Manager, FAA, Alaska Region Airports Division, June 5, 2009.

were 2,410 passenger arrivals and departures, 23.3 tons of freight, and 62.7 tons of mail.<sup>19</sup> One to two flights are scheduled daily, but "...half of the Goose's flights are canceled because of bad weather and the limitations of the seaplane and location."<sup>20</sup>

Road transportation is minimal on both islands, but developing. A road runs today between the Trident plant and the village. Boardwalks extend throughout the village. Several planned road projects are now on the horizon. Conceptual design and permitting is underway for a harbor access road between the village and new boat harbor. Conceptual design is also underway for a road between the new boat harbor and Hot Springs Bay Valley. On Akun Island, the airport project includes an access road between the hovercraft landing on Surf Bay and the airport. Meanwhile, the City is acquiring a sixty foot road right-of-way via a 14(c)(3) transfer with Akutan Corporation to connect the airport to Trident Bay.

6) Anticipated development in the proposed territory

It is an unprecedented time in Akutan. The City is now realizing several long-awaited projects that have been pursued for more than ten years. The small boat harbor mooring basin and breakwaters, within the existing City, is now under construction and scheduled to be completed in late 2012. The new airport being built on Akun is also scheduled to be completed in late 2012. Exploratory drilling has been completed for potential geothermal development in Hot Springs Bay Valley, and conceptual design and feasibility will be completed in 2011. Repairs and upgrades to the existing Town Creek Hydroelectric Plant will be completed in 2012. Meanwhile, electrical distribution is being upgraded, a harbor access road between the village and boat harbor is being surveyed, and a system to deliver and sell water from Loud Creek to the boat harbor is being considered.<sup>21</sup>



Source: HDR Alaska, Inc., developed for City of Akutan, 2010.

<sup>19</sup> US Dept of Transportation, RFP for Essential Air Service to/from Akutan, Nov 2010.

<sup>20</sup> Danny Seybert, PenAir, "Goodbye Grumman Goose...", Anchorage Daily News, March 6, 2010.

<sup>21</sup> City of Akutan Infrastructure and Community Development Impact Assessment, 2010.

The projects are documented in the City's *Community Plan* adopted in 2005 and its *2011-2015 Capital Improvement Program*, as well as the *H-LAP* and *A-LAP* referred to earlier. The *H-LAP* describes priority needs and preferred land uses surrounding the boat harbor once the mooring basin is completed. This potential development includes processing, manufacturing, aggregate sales, vessel repair, fueling, storage, retail, residential, lodging, and harbormaster office, with necessary utility services.<sup>22</sup> Several other amenities are envisioned in later phases to service and support visitors and boats. Similarly, the *A-LAP* describes anticipated development and a conceptual land use plan for City property surrounding the airport. Among the potential developments are warehousing, shipping, commercial fueling, as well as associated housing and office space.<sup>23</sup>

The harbor and airport will bring about dramatic changes to the physical, social, and economic conditions of Akutan. Except for the area at the boat harbor, development will occur outside existing City boundaries. The City's 2010 *Community Impact Assessment* identified potential impacts to the community from several major projects and made several recommendations to prepare for and manage these impacts. Among the impacts anticipated during construction is the potential need to support personnel, staging, and shipments for multiple projects concurrently. Fortunately, the boat harbor and airport projects will be constructed relatively independently with their own on-site housing, staging, water, food, fuel, and septic. After construction of the boat harbor and airport, the City must begin managing the passenger shelter, seek businesses for these areas, and secure funding for improvements including water, power, and septic.

c) Subareas of territory proposed for annexation

1) Akutan

Proposed territory on Akutan includes 25.29 square miles as described below.

(a) Loud Creek Watershed (a.k.a. "Noisy Creek")

This area is immediately south of the current City boundary on the south side of Akutan Bay and comprises the watershed for Loud Creek. The City is in the process of acquiring lands within the Loud Creek watershed to support hydroelectric power development and water supply for the community.<sup>24</sup> The State of Alaska



has documented Loud Creek as an excellent source for hydroelectric power. Loud Creek has been assessed for potential hydroelectric power since the 1980's. The most recent feasibility study completed in 2010 confirmed that hydroelectric power from this creek is technically feasible and with no major

---

<sup>22</sup> Akutan Harbor Local Area Plan, 2011, p. 18.

<sup>23</sup> Airport Local Area Plan 2011, p. 31.

<sup>24</sup> Alaska Native Claims Settlement Act Section 14(c)(3) that enables land conveyance from village corporation to city for community expansion or other public purposes.

flaws.<sup>25</sup> However, the most likely use of this watershed will be to run a small pipeline and provide water service to the boat harbor and eventually to Trident to supplement its current water supply.

(b) Hot Springs Bay Valley

This area is northwest of the current City and is comprised of meandering creeks, tall grass, flowering shrubs, geothermal hot springs, fumaroles and an underground geothermal reservoir. The Alaska Energy Authority (AEA) identified this area as the third most promising area for geothermal energy development in the State.<sup>26</sup> This renewable resource is viewed as a way to reduce diesel fuel consumption and cost at the fish processing plant, village, and new harbor.

In January 2010, a *Geothermal Energy Demand & Stakeholder Assessment* was completed that surveyed current electricity and heat consumption at Trident and Akutan village. It includes estimated current and additional energy demand from new development and comments from interested stakeholders, including people affiliated with Trident, the City, Aleutian Pribilof Island Community Development Association (APICDA), and others. Based on 2008 data, Trident was estimated to consume more than 4,600,000 gallons of fuel for electricity and heat, accounting for 98% of the energy consumed on the island. The City was estimated to consume 80,000 gallons and potential development was estimated to require an additional 399,000 gallons.<sup>27</sup> The potential development includes cold storage at Trident, plus electrical and heat service for the boat harbor, hovercraft facility, greenhouses, and new lodging. The report concluded that there was a sufficient market for a 5-10MW geothermal plant, assuming Trident as the major consumer.

In 2010, the City completed a \$4.1M field reconnaissance and exploratory drilling project for geothermal energy. The findings confirmed the existence of a significant geothermal resource below Hot Springs Bay Valley at shallow depth. Trident is the major power user in Akutan and would be the main consumer of the geothermal energy produced.



In 2011, the City completed a conceptual design, feasibility analysis, and conceptual business plan for a geothermal plant and was awarded a Round IV Renewable Energy Grant from the Alaska Energy Authority to pursue final design and permitting. At this time, the City and Trident are in the process of

---

<sup>25</sup> Loud Creek Hydro Project – Conceptual Design and Feasibility Report, EES Consulting, Inc., McMillen, LLC, Dryden & LaRue, January 2011.

<sup>26</sup> Alaska Energy Authority Atlas, 2009.

<sup>27</sup> Geothermal Energy Demand & Stakeholder Assessment, 2010, p. 7.

evaluating the information generated and conducting more analysis to determine a mutually agreeable direction for the project. Pending results from that work and authorization from AEA to proceed, the City will conduct final design and permitting and pursue investment capital and financing. If successful, the City would then proceed with site preparation, production drilling, road construction, plant development, and transmission. At this time, the City is targeting possible operation as early as 2014.

(c) Southeast Peninsula of Akutan Harbor

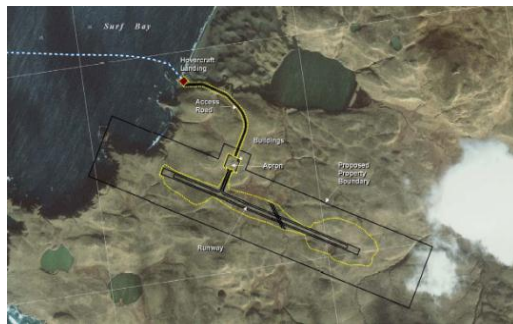
This area encompasses a peninsula along the southeast shore of Akutan Harbor, which was considered for the airport early in the site-selection process. However, it did not offer the large and flat topography that characterizes the Akun site. Development is not necessarily anticipated here at this time but abuts the airport marine link and is a contiguous part of the proposed territory.

2) Akun

Proposed territory on Akun includes 27.31 square miles as described below.

(a) Southwest Akun

The southwest corner of Akun Island is between Surf Bay and Trident Bay and encompasses the airport and surrounding lands. The City purchased 4.8 square miles of land here to move the airport project forward and donated 318 acres of this to the State DOT&PF for airport construction. This also served as part of the City's local contribution to the project. The project includes a paved



runway, taxiway, apron, passenger shelter, sheds for snow and sand equipment, access road from the airport to Surf Bay, passenger hovercraft, three hovercraft landings (located at Surf Bay, the village, and boat harbor) and hovercraft maintenance shed located at the new boat harbor.

“Initial work to develop this project started 20 years ago... [and] is the result of an active effort that started in 1997 with the initiation of an Airport Master Plan.”<sup>28</sup> Several analyses were conducted over the past 10 years evaluating potential sites, geology, cultural impacts, and costs. The final environmental assessment for the Akun site was completed in December 2007 and final funding was approved in August 2009. Design-Build bidding occurred in 2010. Construction is underway and will be completed in late 2012. Project cost, including airport and marine link, is estimated to be \$76M. Nearly 70% will be

<sup>28</sup> Memorandum, Akutan Airport Project Briefing, to Office of the Governor from Mark Hickey, Hickey & Associates, August 24, 2009.



funded from federal sources (primarily FAA), followed by State, then local sources. Local contributions include over \$1.5M from the City and Borough, \$3M in bonds approved by Borough voters, and \$1M from Trident.

Multiple entities are responsible for airport and marine link development and operations, as described in the Akutan *Airport Co-Sponsorship Agreement* executed between the Aleutians East Borough (AEB), the City of Akutan, and the DOT&PF. DOT&PF is responsible for managing the funds and construction of the airport, access road, marine landings, and maintenance shed. The AEB is responsible for managing funds, construction, and commissioning of the marine link vessel (i.e., hovercraft). The City is responsible for the improvements or upgrades to the passenger shelter. When completed, the State will operate the airport, the AEB will operate the hovercraft, and the City will operate the passenger shelter and shuttle.<sup>29</sup>

The airport will mitigate long-standing issues of travel delays, cancelled flights, and limited access to markets. It "is expected to be an economic engine...that attracts associated development and support services to the Airport."<sup>30</sup> "As it begins operations, the Airport and the hovercraft are expected to create 6-7 full-time jobs."<sup>31</sup> A state aviation forecast released in 2010 estimated a total of 5,980 commercial and general aircraft operations at the new Akutan Airport by 2015, nearly four times the 1,498 aircraft operations recorded in 2008 at the current seaplane base.<sup>32</sup> The *Airport Local Area Plan* presents preferred locations for industrial, commercial, and residential land use outside the fence of the airport. It reflects the City's interest in orderly and efficient development around the airport and shows the need for the City to have land use authority. The plan suggests several uses on-site including hangars, fueling, aircraft maintenance, tours, and flight instruction as well as off-site including freight processing, storage, restaurant, housing, and lodging.<sup>33</sup>

(b) Lost Harbor

This area is north of the airport area and surrounds Lost Harbor. It is partly used for cattle grazing. The AEB has a small undeveloped parcel of 4.71 acres located on the north shore of Lost Harbor. Lost Harbor itself is used for local fishing and as shelter for ships from high seas. This area may experience some development associated with cattle operations.

3) Akutan Bay

This proposed territory includes 77.42 square miles of water between Akutan and Akun Islands that provides contiguity of the proposed territory and does not create enclaves. It includes Akutan Bay and adjoining bays and harbors including Hot Springs Bay, Open Bight, Lost Harbor, Surf Bay, Trident Bay, and Akun Strait. Akun Bay and Akun Strait

---

<sup>29</sup> Akutan Airport Co-Sponsorship Agreement, 2010, p. 2-3.

<sup>30</sup> Airport Local Area Plan, 2011, p. 5.

<sup>31</sup> Airport Local Area Plan, 2011, p. 5.

<sup>32</sup> Alaska Aviation System Plan Forecasts, prepared by HNTB Corporation, Sept 2010

<sup>33</sup> Airport Local Area Plan, 2011, p.36.

serve as passage between the Pacific Ocean and Bering Sea and as the marine route between the two islands. As a marine environment, the bays and harbors are a natural extension of the community and necessary for City contiguity.

## **SECTION 6: REASONS FOR THE PROPOSED BOUNDARY CHANGES. 3 AAC 110.420 (b)(6).**

Akutan is now engaged in major infrastructure improvements with the addition of a small boat harbor, airport, marine link, and renewable energy projects. "When completed in 2012, the Harbor will provide the overall infrastructure for protected moorage for 58 vessels ranging in length from 24 feet to 180 feet."<sup>34</sup> The airport has been long anticipated and will relieve issues associated with limited, weather-dependent air travel and access to markets. Geothermal energy offers a long-term, renewable energy source and an opportunity to reduce the cost of electricity and support new business. The projects directly affect the community and exist only because of the community of Akutan, yet the airport and geothermal projects are outside the City's boundaries, where the City needs to plan and manage land use. The most obvious places for expansion are the new boat harbor, airport and Hot Springs Bay Valley.

The territory proposed for annexation is physically, economically, and culturally part of Akutan. Future facilities, businesses, and residents in the proposed areas will naturally look to Akutan for services. The airport area will have some level of housing and business services associated directly with the airport. The City is best situated to govern these areas, resulting in locally determined and orderly development.<sup>35</sup> The nearest municipality, Unalaska, is 35 miles away, while Borough administration rests hundreds of miles away in Sand Point and Anchorage, Alaska. With annexation, the City would have responsibility for public services, land use planning, and other necessary services, relieving the Borough and State from these responsibilities.

### a) Reasons for annexation

#### 1) Reasonable need for city government

Today, the City must rely on outside entities to review and approve the nature, intensity, and timing of development outside its boundaries. This requires substantial additional coordination and cost. The proposed territory is necessary for reasonably anticipated growth over the next several years. Areas in the proposed territory have been planned for community development and improvements for some time and are integral for air travel, watershed management, subsistence, energy development, economic expansion, as well as cultural, historic, and environmental preservation. The proposed territory is also on a scale suitable for city government for the existing community and long-term growth and economic development.

The proposed territory encompasses land and water, but this is not unlike other cities in Alaska. For example, Egegik and Pilot Point in the Lake and Peninsula Borough are both communities along the shore of Bristol Bay that are bisected by large rivers and incorporate large coastal waters. Egegik encompasses 32.80 sq. miles of land and

---

<sup>34</sup> City of Akutan Harbor Local Area Plan, p. 12.

<sup>35</sup> Refer also to Resolution 11-25 by the Aleutians East Borough in support of the petition for annexation, included in Exhibit J-2.

101.20 sq. miles of water, while Pilot Point includes 25.40 miles of land and 115.10 sq. miles of water. In the eastern Aleutians, False Pass rests on either side of Isanotski Straight and incorporates 26.80 sq. miles of land and 41.40 sq. miles of water, including Bechevin and Ikatan Bays. In addition, each of these cities hosts a resident population less than 100.<sup>36</sup>

Development would not be occurring today nor be anticipated in the proposed territory without the vision and interest of Akutan's residents and leaders. The Borough has had a limited role in land use planning and delegated planning authority to the City long ago. Annexing the proposed territory will allow development to be guided and governed by the community in which it is located. Business owners and future residents in the new areas will be able to seek support and guidance from the only local municipal body in the area, the City of Akutan.

The proposed territory is important to the local economy and community, and as such, should be governed by the body that most represents their interests. New facilities will serve as catalysts for economic expansion; expansion that the entire community values as Akutan positions itself to become an increasingly significant destination in southwestern Alaska. The airport will bring about ancillary services, including potential fuel storage, warehousing, processing, and other services. Geothermal development will bring about new opportunities for greenhouse agriculture and eco-tourism. These facilities and uses require local attention. At a minimum, they will need periodic inspection by public safety and health services. The facilities will be generally self-contained, such as waste disposal, fresh water, and septic, but larger systems are anticipated in the future that would serve multiple adjacent users and buildings.

Facilities outside boundaries can be governed through extraterritorial powers pursuant to AS 29.35.020; however, the scope of those powers is limited to specific facilities and does not provide for the general planning powers of a municipality.<sup>37</sup> For example, the City could manage the airport passenger shelter, but could not manage development "outside the fence" of the airport nor exercise those powers over a state-owned airport. Similarly, the City could construct and operate a geothermal plant outside its jurisdiction, but could not direct adjacent land use. As one of the sponsors of the airport, the City must also comply with Federal Aviation Administration "grant assurances" to safeguard the federal investment. This includes taking "appropriate action against incompatible land uses in the immediate vicinity of the airport."<sup>38</sup> In part, this means ensuring nearby land uses are compatible with the airport use. The need for the City to adhere to these requirements is also discussed in the City's A-LAP.

2) Promote orderly growth and development

City and community leaders have demonstrated their interest and capability to secure and guide community development. The City has assumed its planning, platting, and land use authority delegated by the Aleutians East Borough and actively exercises

---

<sup>36</sup> State of Alaska Division of Community and Regional Affairs, Alaska Community Database

<sup>37</sup> AS 29.35.020 authorizes municipalities to engage in extraterritorial powers for selected services, which do not include land use planning and platting.

<sup>38</sup> City of Akutan Airport Local Area Plan, p. 14.

these important powers.<sup>39</sup> The Akutan Planning Commission schedules regular meetings to review land use permits, issues, and proposals. These plans and regular community involvement have demonstrated local concern for and commitment to orderly growth and development.

In the process, the City has pursued important infrastructure projects by securing leases, purchasing property, contributing local funds and services, and negotiating land transfers. Specifically, the City has contributed to several studies, purchased land for the airport, secured surface and subsurface rights for geothermal exploration, obtained permits for hovercraft landings, acquired land for the harbor via 14(c)(3) transfers, and is currently acquiring land in the Loud Creek watershed via 14(c)(3). These actions undertaken by local leaders demonstrate the City's management capability and ability to partner on complex projects. The City's involvement in these projects demonstrates its ability to provide essential government services.

3) Orderly Extension of Public Services

Due to its proximity to the proposed territory, the City can most efficiently and effectively administer land use and essential public services. The City anticipates incremental expense to extend land use planning, administration, and public safety services, and will use existing emergency services to initially support the proposed territory. The City maintains a capital improvement process for public infrastructure, including roads, docks, water, electricity, heat, septic, and other public facilities. In the proposed territory, the most immediate infrastructure needs will be in the area north of the airport and adjacent to the planned geothermal plant.

At this time, the City does not expect to enact changes to its tax structure, but may enact additional taxes. Certainly, services such as septic and waste disposal will be different in more remote areas than in the village, but nonetheless will be the duty of the City to determine how these functions will be addressed, financed, and regulated. Further, public accountability will be enhanced because local elected officials will be responsible for the management and oversight of development within the expanded boundaries that affect the local community. Extending the City's boundaries will also simplify government jurisdiction for areas surrounding new community facilities and better enable the City to enter into development and operating agreements, when necessary.

4) Best interests of the City, Borough, and State

City administration of the proposed territory enables locally-based land use decisions by a capable administration, provides better ability to monitor and adhere to federal grant assurances, and promotes economic development. This enables the local community to pursue and govern development interests in their entirety. The City has taken an active role in promoting and securing major projects for the benefit of residents and businesses in the community and region.

Annexation allows the City to manage its entire community and the assets necessary for sustainability and growth. This also serves the best interests of the State in

---

<sup>39</sup> City of Akutan Municipal Code, 8.10.102 – Acceptance and Consent of Delegation of Powers.

maximizing local self-government and reducing the potential demand to provide local services in areas of the proposed territory, while promoting no net change to the number of local government units.

The Borough has not had an active planning presence in the area and has delegated full planning powers to the City. The City has adopted land use codes, managed land use, and promoted major projects in the area. Ultimately, annexation serves the State's interests in maximizing local self-government, minimizing the number of local government units, and relieving it of the responsibility of providing local services. It enables the existing local government to manage land and water resources for the community, sustain the value and utility of federal and state investments, and attain more local responsibility to support necessary infrastructure for residents and business interests. Finally, annexation allows the City to further promote and locate businesses throughout its expanded community adjacent to the airport, in Hot Springs Bay Valley, and other lands surrounding its bays and harbors.

## **SECTION 7: LEGAL METES AND BOUNDS DESCRIPTIONS, MAPS, AND PLATS. 3 AAC 110.420(b)(7).**

- a) **Legal Description of the Territory Proposed for Annexation.** Exhibit A-1 provides a written metes and bounds legal description of the territory proposed for annexation.
- b) **Legal Description of the Existing City's Boundaries.** Exhibit A-2 provides a legal metes and bounds description of the existing City's boundaries.
- c) **Legal Description of the Proposed Post-Annexation Boundaries.** Exhibit A-3 provides a legal metes and bounds description of the proposed post-annexation boundaries of the City.
- d) **Maps and Plats.** Exhibit A-4 provides a map showing the existing boundaries of the City and the boundaries of the territory proposed for annexation. Any plats required by the Department of Commerce, Community, and Economic Development to demonstrate the accuracy of the legal descriptions in Exhibit A1, A-2, or A-3 are included with the map in Exhibit A-4.

## **SECTION 8: SIZE OF THE TERRITORY PROPOSED FOR ANNEXATION. 3 AAC 110.420(b)(8).**

The following is a summary of the size of the proposed, existing and combined territory should the annexation be approved. Figures were determined based on Alaska Coastline files published by the State of Alaska Department of Natural Resources.

- a) The existing City proposing the annexation encompasses 17.89 square miles; 12.98 square miles of land, 4.91 square miles of water. Based on the current population, the resulting population density is 57.4 persons per square mile.
- b) The territory proposed for the annexation encompasses 130.02 square miles; 25.29 square miles on Akutan Island, 27.31 square miles on Akun Island, and 77.42 square miles of water.

- c) The existing City after the proposed annexation encompasses 147.91 square miles; 38.27 sq. mi. on Akutan Island, 27.31 sq. mi. on Akun Island, and 82.33 square miles of water. The resulting population density would be 6.9 persons per square mile.

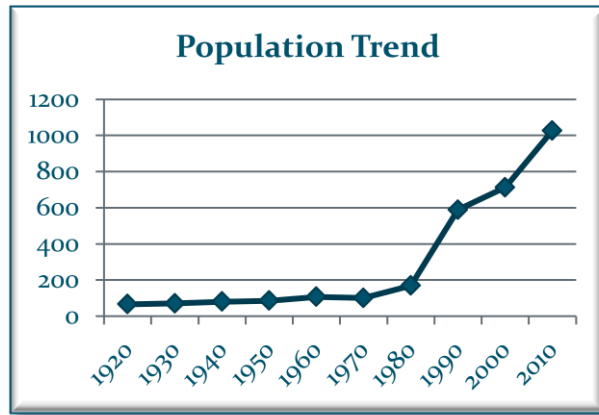
**SECTION 9: DATA ESTIMATING THE POPULATION OF THE TERRITORY PROPOSED FOR ANNEXATION. 3 AAC 110.420(b)(9).**

a) Population Summary

- 1) The population of the territory proposed for annexation is estimated to be 0.
- 2) The population within the current boundaries of the City is estimated to be 1,027.<sup>40</sup>
- 3) The population of the existing City after proposed annexation is estimated to be 1,027.

b) Population Trend

The population is sufficiently large and stable to support the extension of city government. The current City population of 1,027 represents a 44 percent increase from 713 people in 2000 and a 75 percent increase from 586 people in 1990.<sup>41</sup>



Source: Alaska DCRA and U.S. Census Bureau

The population increase is principally due to the expansion of the Trident fish processing facility since the 1980's. The facility operates year-round and the population varies seasonally, ranging from 300-400 to over 1000. Most employees reside for several months throughout the year. The population in the village area remains relatively constant.

c) Demographics and Households

Based on the 2010 Census, the median age in Akutan was 44.1 years, with 95% of residents being 18 to 64 years of age. The population was 43.3% Asian, 23.3% White, 17.9% Black, 5.5% American Indian and Alaska Native, 4.7% Two or More Races, 1.5% Hawaiian and Other Pacific Islander, and 3.9% Some Other Race. Of the total, 20.7% reported being of Hispanic origin.<sup>42</sup> Currently, few people are school age. FY2010 enrollment at the Akutan School was reported as 10.25 students in grades 1-12, indicating enrollment changes during the year. The school district estimates 8 students in FY2011 and 12 students in FY2012.<sup>43</sup>

<sup>40</sup> 2010 U.S Census, U.S. Census Bureau.

<sup>41</sup> U.S. Census Bureau.

<sup>42</sup> 2010 Census, U.S. Census Bureau.

<sup>43</sup> Aleutians East Borough School District report, Student Enrollment K-12, p.6.

Housing in the village is predominantly single-family dwellings, a few duplexes, and one fourplex, while housing at Trident includes apartment buildings. Based on the 2010 Census, the village had 44 housing units, 4 of which were vacant at the time of the Census.<sup>44</sup>

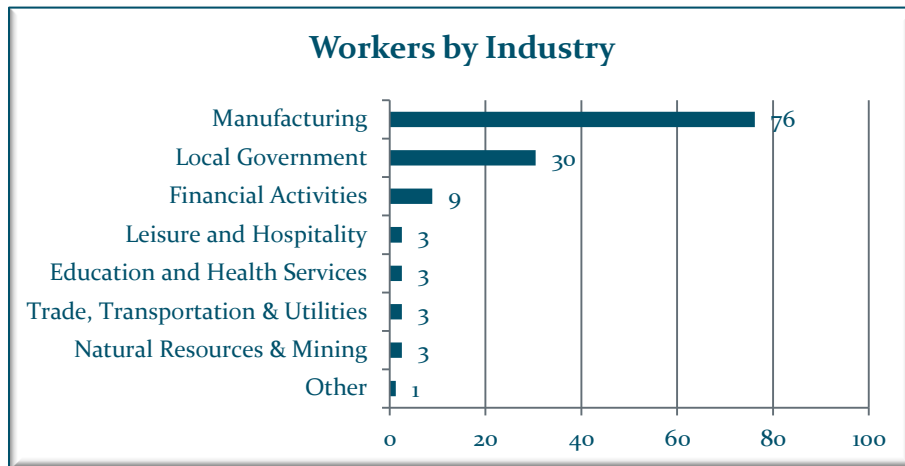


d) Income and Employment

Based on the 2000 Census, Akutan's per capita income was below the national average and median household income was below the national average, but above poverty level. Per capita income was \$12,259, 57% of the national per capita income of \$21,587. The median household income in Akutan was \$33,750, 80% of the national median household income of \$41,994. However, the median income was above the poverty line for Alaska of \$21,320 and the poverty line for the lower 48 for a family of four of \$17,050



As of 2009, the Alaska Department of Labor and Workforce Development (DOLWD) reported 136 residents in Akutan of working age, aged 16 and higher. This figure is based directly on Permanent Fund Dividend information rather than Census or other sources. Of this figure, DOLWD estimated 127 resident workers.<sup>45</sup> The breakout of these workers by activity is shown in the following table. A majority were in manufacturing.

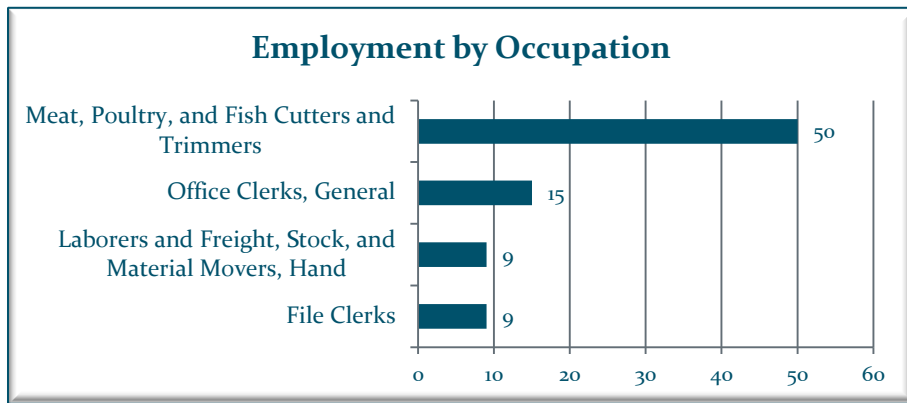


Source: Based on data from Alaska Department of Labor and Workforce Development, Research & Analysis, Alaska Local and Regional Information, 2009

<sup>44</sup> 2010 Census, U.S. Census Bureau.

<sup>45</sup> State of Alaska Department of Labor and Workforce Development, Resident Snapshot 2009.

The DOLWD also reported the following data on the occupations held by these resident workers. The data includes only those occupations with the highest number of workers. Data for occupations with fewer workers was suppressed.



Source: Based on data from Alaska Department of Labor and Workforce Development, Research & Analysis, Alaska Local and Regional Information, 2009

e) Population comprising a community

Akutan is a community that runs beyond its jurisdictional boundaries and throughout a marine environment where current residents and their ancestors have occupied for centuries. Many residents' ancestors occupied small villages on Akutan and Akun over the centuries, and today's residents make up a stable community well-above the minimum 25 permanent residents considered sufficient to constitute a community prescribed in Alaska Statutes. Those people who call Akutan home live within the larger area that encompasses the current and proposed territory for the City of Akutan. The proposed territory is physically, economically, and culturally part of Akutan by way of fishing, subsistence, recreation, air travel, watershed protection, energy development, and economic expansion.

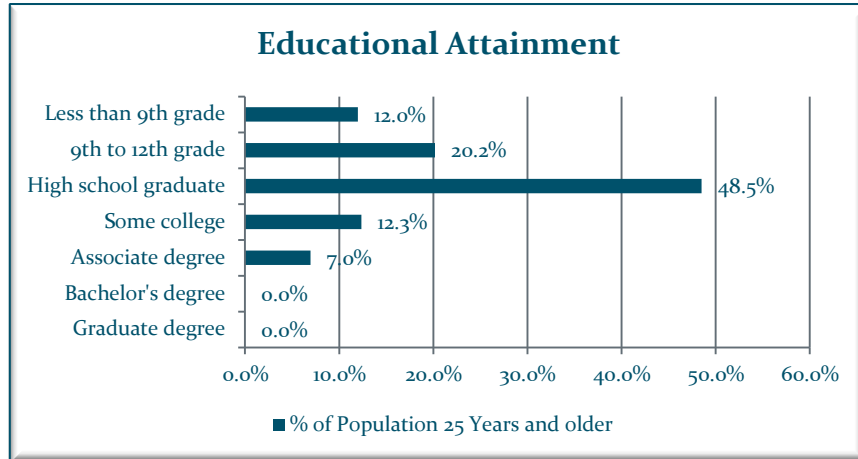
f) Anticipated population changes

New development, principally the airport, boat harbor, and geothermal plant, will open up air travel, boat moorage, and lower-cost renewable energy for the community. The benefits include reliable air transportation for residents, employees, and visitors; opportunities to support fishing fleets; and a unique power source for refrigeration, greenhouse agriculture, and eco-tourism. These projects will bring about an increase in visitors, employment, and population more than at any time since the opening of the Trident plant thirty years ago. The airport and hovercraft operations are expected to bring 6-7 jobs. Several more jobs are anticipated with services and businesses adjacent to the airport and the small boat harbor.

g) Availability of people to serve the City

The City has been well-served by its residents. The City provides several services and contracts for external professional services as necessary. Based on the 2000 Census, there were 575 people aged 25 years and older. Among those, 68% had graduated high school or higher. The following chart illustrates the educational attainment of this age group at that time.





Source: U.S. Census Bureau, Profile of General Demographic Characteristics, 2000

Many residents have consistently taken an active role in municipal and community service including participation on the City Council, Planning Commission, Tribal Council, and other groups. The City anticipates new jobs for local residents with the new airport, harbor, and other facilities, as well as increased operational and fiscal responsibilities. In preparation, it foresees coordinating training for residents interested in new jobs at the harbor and airport, as well as the geothermal energy plant.

## **SECTION 10: INFORMATION RELATING TO PUBLIC NOTICE AND SERVICE OF THE PETITION. 3 AAC 110.420(b)(10).**

As provided for in 3 AAC 110.450(a), among other publication requirements, no later than 45 days after receipt of the department's written notice of acceptance of the petition for filing, the petitioner shall publish public notice of the filing of the petition in a display ad format of no less than six inches long by two columns wide at least once each week for three consecutive weeks in one or more newspapers of general circulation designated by the department. If the department determines that a newspaper of general circulation, with publication at least once a week, does not circulate within the boundaries proposed for change, the department shall require the petitioner to provide public notice through other means designed to reach the public. This public notice information regarding this petition for annexation and concurrent incorporation is provided in **Exhibit B**.

**Exhibit B** offers additional information relevant to providing public notice of this annexation proceeding.

**SECTION 11: TAX DATA. 3 AAC 110.420(b)(12).**

This section lists estimates or actual figures concerning the value of taxable real and personal property within the boundaries of the municipality and the proposed annexation area. Figures are provided for the territory within the boundaries of the City government, the non-area-wide portion of the borough (i.e., the area outside of all cities), and the borough area-wide (i.e., throughout the entire borough).

- a) **The assessed or estimated value of taxable property in the territory proposed for change.** This only applies for any proposed or existing municipal government for which a change is proposed that currently levies or proposes to levy property taxes.

Note: The City of Akutan does not have a property tax and is not proposing one. However, the real and personal property values are provided below.

**1) The existing city**

- (a) This subsection lists estimates or actual figures concerning the value of taxable real property in the existing city.

<b>ASSESSED OR ESTIMATED VALUE OF TAXABLE REAL PROPERTY WITHIN THE EXISTING CITY <sup>46</sup></b>		
<b>Borough, City, or Service Area</b>	<b>Estimated or Locally Assessed Value</b>	<b>Estimated or Actual Full and True Value</b>
Cannery	\$12,284,500	\$12,284,500
Residential	\$6,034,800	\$6,034,800
Commercial	\$1,184,000	\$1,184,000
<b>Total</b>	<b>\$19,503,300</b>	<b>\$19,503,300</b>

- (b) This subsection lists estimates or actual figures concerning the value of taxable personal property in the existing city.

<b>ASSESSED OR ESTIMATED VALUE OF TAXABLE PERSONAL PROPERTY WITHIN THE EXISTING CITY <sup>47</sup></b>		
<b>Borough, City, or Service Area</b>	<b>Estimated or Locally Assessed Value</b>	<b>Estimated or Actual Full and True Value</b>
Machinery & Equip	\$28,007,100	\$28,007,100
Inventory	\$846,000	\$846,000
Boats	\$92,300	\$92,300
Motor Vehicles	\$55,800	\$55,800
<b>Total</b>	<b>\$29,001,200</b>	<b>\$29,001,200</b>

<sup>46</sup> Per Steve Van Sant, State Assessor, State of Alaska, January 2011.

<sup>47</sup> Per Steve Van Sant, State Assessor, State of Alaska, January 2011.

**2) The area proposed for annexation**

- (a) This subsection lists estimates or actual figures concerning the value of taxable real property in the territory proposed for annexation.

<b>ASSESSED OR ESTIMATED VALUE OF TAXABLE REAL PROPERTY WITHIN THE TERRITORY PROPOSED FOR ANNEXATION</b>		
<b>Borough, City, or Service Area</b>	<b>Estimated or Locally Assessed Value</b>	<b>Estimated or Actual Full and True Value</b>
na	0	0
na	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

- (b) This subsection lists estimates or actual figures concerning the value of taxable personal property in the territory proposed for annexation.

<b>ASSESSED OR ESTIMATED VALUE OF TAXABLE PERSONAL PROPERTY WITHIN THE AREA PROPOSED FOR ANNEXATION</b>		
<b>Borough, City, or Service Area</b>	<b>Estimated or Locally Assessed Value</b>	<b>Estimated or Actual Full and True Value</b>
na	0	0
na	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**3) In the existing city after annexation**

- (a) This subsection lists estimates or actual figures concerning the value of taxable real property in the existing city after the proposed annexation.

<b>ASSESSED OR ESTIMATED VALUE OF TAXABLE REAL PROPERTY WITHIN THE EXISTING CITY<sup>48</sup></b>		
<b>Borough, City, or Service Area</b>	<b>Estimated or Locally Assessed Value</b>	<b>Estimated or Actual Full and True Value</b>
Cannery	\$12,284,500	\$12,284,500
Residential	\$6,034,800	\$6,034,800
Commercial	\$1,184,000	\$1,184,000
<b>Total</b>	<b>\$19,503,300</b>	<b>\$19,503,300</b>

- (b) This subsection lists estimates or actual figures concerning the value of taxable personal property in the existing city after the proposed annexation.

---

<sup>48</sup> Per Steve Van Sant, State Assessor, State of Alaska, January 2011.

ASSESSED OR ESTIMATED VALUE OF TAXABLE PERSONAL PROPERTY WITHIN THE EXISTING CITY <sup>49</sup>		
Borough, City, or Service Area	Estimated or Locally Assessed Value	Estimated or Actual Full and True Value
Machinery & Equip	\$28,007,100	\$28,007,100
Inventory	\$846,000	\$846,000
Boats	\$92,300	\$92,300
Motor Vehicles	\$55,800	\$55,800
<b>Total</b>	<b>\$29,001,200</b>	<b>\$29,001,200</b>

**b) Projected taxable sales in the territory proposed for change.** This only applies for any proposed or existing municipal government for which a change is proposed that currently levies or proposes to levy sales taxes.

- 1) The projected value of taxable sales within the existing city is estimated to be \$135,000,000.<sup>50</sup> At the sales tax rate of 1% on raw fish, it is projected that sales tax revenues of the existing city will equal \$1,135,000.
- 2) The projected value of taxable sales within the territory proposed for annexation is estimated to be \$0 in the short-term. At the sales tax rate of 1% currently on raw fish, it is projected that sales tax revenues of the annexed territory will equal \$0.
- 3) The projected value of taxable sales within the existing city after the proposed annexation is estimated to be \$135,000,000. At the sales tax rate of 1%, it is projected that sales tax revenues of the existing city after the proposed annexation will equal \$1,135,000.

**c) Taxes currently levied by municipal governments within the territory proposed for annexation.**

The Aleutians East Borough levies an Area-wide 2% sales tax on all sales of raw fish in the Borough. The tax applies to the sale of raw fish whether delivered directly or indirectly by the seller to the buyer in the Borough. The buyer collects the tax in trust for the Borough and regularly transmits the receipts to the Borough.

The City of Akutan levies a 1% sales tax on sales of raw fish, and is authorized to levy the sales tax on all rents and services rendered in the City, subject to certain exemptions.<sup>51</sup> Receipts from the sales tax on raw fish are generally submitted quarterly to the City. The receipts averaged \$928,000 per year from 2007 to 2010 and 31% of City revenue.<sup>52</sup> Receipts are estimated to be \$1,226,423 for FY2011, 24% higher than the average of the previous four years.

<sup>49</sup> Per Steve Van Sant, State Assessor, State of Alaska, January 2011.

<sup>50</sup> Figure based on estimated sales tax receipts on raw fish for FY2013 of \$1,350,000 at 1% rate.

<sup>51</sup> City of Akutan Municipal Code, Section 6.10.010 Taxes Levied. Note: The City's tax code provides for sales taxes on rents and services that are not currently levied. The City is currently reviewing its options with respect to the tax code.

<sup>52</sup> Based on City of Akutan Financial Statements for FY2007, FY2008, FY2009, FY2010.

- 1) The type and rate of each tax currently levied by municipal governments within the territory proposed for annexation is listed below:

Borough, City, or Service Area	Property Tax (mills)	Sales Tax on Raw Fish (%)
Borough (Area-wide)	0	2%
City of Akutan	0	1%

**SECTION 12: BUDGET INFORMATION. 3 AAC 110.420(b)(13).**

City revenues consistently exceed expenditures year-to-year. From 2007 through 2011 operating revenue averaged \$3,081,787, while operating expenditures averaged \$2,516,477.<sup>53</sup> The City’s projected revenues and expenditures through FY2013, one-year beyond anticipated annexation in FY2012, are provided in Exhibit C.

- a) **Projected revenue for the period extending one fiscal year beyond the reasonably anticipated date of 3 ACC 110.420(b)(13)(A)-(C) for any existing municipality for which a change is proposed is presented in Exhibit C-1.**

City revenues are accounted for in the general fund, special funds, and the local electric enterprise fund. General Fund revenues include local and state fish taxes, municipal revenue sharing, leases, rentals, investment income, and federal and other grants. Special fund revenues include monies received directly for fuel and gas, dock and skiff moorage, and cable. The City also collects revenue to support the local electric enterprise.

Revenues are primarily generated from the City’s sales tax on raw fish and receipts from the state Shared Fisheries Business Tax Program, averaging 72% of total revenue from FY2007 through FY2010. Other material revenue sources include the state Power Cost Equalization (PCE) Program, fuel sales, electricity charges, and municipal revenue sharing. Smaller revenue sources include the state Fisheries Resource Landing Tax, local rentals and leases, dock and mooring fees, and cable fees.

Most local sales tax on raw fish is collected by Trident Seafoods and paid directly to the City. The Shared Fisheries Business Tax is collected by the state Department of Revenue (DOR) and distributed to eligible municipalities using a formula described in AS 43.75.130. Once allocated, the DOR provides 50% of any revenue not transferred to eligible municipalities to the state Department of Commerce. This amount is then distributed by DOC to eligible municipalities that demonstrate significant effects from fisheries business.<sup>54</sup>

Local and State fish taxes have been in place for many years and are expected to continue. Soon, fish revenues are expected to be materially higher due to the recent increase in fish quotas. For calendar year 2011, the Total Allowable Catch (TAC) for pollock increased

<sup>53</sup> Based on FY2007-FY2010 City financial statements and preliminary data for FY2011; includes General, Special, and Enterprise funds; excludes Permanent Fund, Capital Funds, and funds associated with Alaska Energy Authority grants.

<sup>54</sup> State of Alaska, Division of Community and Regional Affairs, Revenue Sharing Programs.

56%.<sup>55</sup> For the same year, the TAC codfish increased “23% to 281,300 tons from the Gulf of Alaska and Bering Sea”.<sup>56</sup> Pollock and cod are the two primary fish species processed at the local Trident plant and will positively affect local and state fish tax revenue to the City. In 2010, pollock and cod accounted for 96% by weight of the fish processed at the Trident facility and reported to the City of Akutan.<sup>57</sup>

In FY2012, local fish tax revenue is estimated to be approximately 15% above the five-year average while state fish tax revenue is based on a five-year average. Other local revenues and municipal revenue sharing are expected to increase, while federal grants are estimated at zero. Revenue for special and enterprise funds including fuel and gas, dock and skiff mooring, cable, electric, and water and sewer are estimated to be similar to the periods from FY2007 to FY2010.

During the period extending one fiscal year following annexation (FY2013), local revenue is expected to remain similar to FY2012, but state fish tax revenue is expected to increase as the City begins to receive state fish tax payments based on prior year harvests.<sup>58</sup> Revenues for special and enterprise funds are estimated to increase 5% from FY2012. By 2014, the City may experience a small increase in revenue, estimated at \$125,000, as fishermen begin to harvest seafood product and transport directly to Akun Island for same-day or next-day air freight to the Anchorage market.<sup>59</sup> Akutan Corporation and local fishermen have expressed interest in developing fresh seafood products. New development near the airport and Hot Springs Bay Valley may generate increases in moorage, dockage, cable and fuel sales, but are expected to have a minimal impact on revenue.

Based on the current budget forecast, the City can absorb the additional expense of managing the new territory and planning for development. However, it is expected that additional revenue sources will eventually be required to support new development. New revenue sources might include increased sales tax on fish, tariffs on imported or exported goods, severance taxes on removal of nonrenewable resources, severance tax on fish caught but not landed in the City, hotel/bed taxes, facility use fees, business license fees, developer fees, and excise taxes on the manufacture, sale, or use of certain goods and services. Although these methods could be adopted, the City is not considering them at this time. Fish taxes would remain the major revenue source and new sources would be considered when necessary.

A comparison of local taxes levied in the region illustrates that Akutan is the lowest taxing city in the region and could justify new or increased tax levies. Akutan’s sales tax on raw fish is half that of other cities in the region and it does not levy other local taxes. Nearby, Unalaska has several revenue sources such as property tax, sales and use taxes, sales tax on raw seafood product, hotel-motel room tax, and mooring facility fees and charges.

---

<sup>55</sup> “Wild Alaska Pollock Quota Increases Over 50%”, Alaska Seafood Marketing Institute, 1/19/11: “The Alaska Pollock Total Allowable Catch (TAC) for the Bering Sea/Aleutian Island and Gulf of Alaska is 1.37 million metric tons, an increase from [the 2010] TAC of 0.89 million metric tons.”

<sup>56</sup> Pollock, cod quotas grow...”, Alaska Journal of Commerce, 11/24/2010.

<sup>57</sup> City of Akutan local tax receipt statements submitted by Trident Q1-Q4 2010.

<sup>58</sup> State fish tax receipts to the City lag several months behind local fish tax receipts for the same fishing period

<sup>59</sup> \$125,000 is for fish delivered directly to Akun Island, currently not subject to the local fish tax, and equal to 5% of the \$2,500,000 estimated annual local and state fish tax revenue.

**Tax Comparison of Communities in Region**

City	Population	Property Tax	Sales Tax	Bed Tax	Raw Fish Sales Tax	Fuel Tax
Unalaska	4,376	10.5 mils	3%	5%	2%	--
<b>Akutan</b>	<b>1,027</b>	<b>0</b>	<b>0%</b>	<b>0%</b>	<b>1%</b>	<b>0</b>
Sand Point	976	0	3%	7%	2%	0
King Cove	938	0	4%	0%	2%	0
Cold Bay	108	0	0%	10%	0%	\$.04/gal
Nelson Lagoon	52	0	0%	0%	0%	0
False Pass	35	0	3%	6%	2%	0

Sources: Population from 2010 Census; Tax data from Alaska DCRA, Alaska Community Database.

In the near-term, new development is expected to be substantially self-sufficient and privately funded. However, the City can and will contribute to and support infrastructure deemed necessary and appropriate. It has the options to increase revenue described above, projected excess revenues, and the option to adopt developer fees, service charges, and local improvement district mechanisms to help fund improvements. In addition, the City has accumulated a Permanent Special Revenue Fund of several million dollars.<sup>60</sup> New revenue sources will be considered by the City and may be enacted as needed.

**b) Operating expenditures for the period extending one fiscal year beyond the reasonably anticipated date of 3 ACC 110.420(b)(13)(A)-(C) for any existing municipality for which a change is proposed is presented in Exhibit C-2.**

Operating expenses are attributed to a general fund, special funds, and local electric enterprise fund. General Fund operating expenses include administration, planning, police, fire, public works, health clinic, library, recreation, City apartment, seaplane ramp, and debt service. Special fund expenses are associated with fuel and gas, water and sewer, dock and skiff moorage, and cable. The City also incurs expenses for the local electric enterprise.

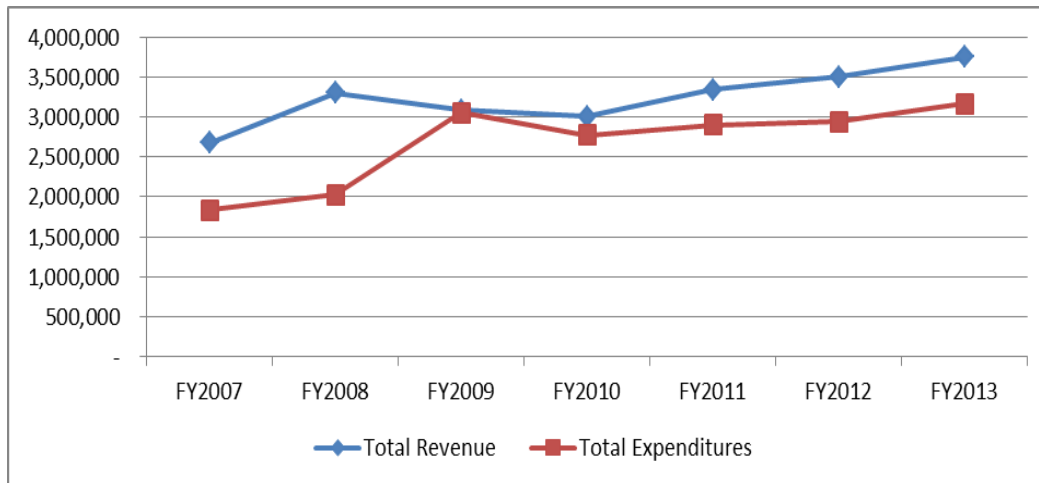
From FY2007 through FY2010 administration, planning, City Council, police, fire, and public works totaled 47% of total operating expenses, recreation, library, and other general fund operations totaled 14% of expenses, and special and enterprise funds including water, cable, fuel, dock, skiff, and electricity totaled 39% of expenses. In FY2008, the City experienced an increase in operating expense due mainly to higher fuel costs. In FY2009, it experienced a significant increase in expense largely attributed to new debt service for the new City Administration building, professional services to develop and manage a program of infrastructure projects, and work to achieve final approval of the airport.<sup>61</sup> In FY2010, total operating expense decreased primarily due to lower airport, fuel, and electric enterprise expenditures. In FY2011, total operating expense will be moderately higher with a one-time increase in planning cost to develop airport and harbor local area plans, increase in public works services, but a decrease in electric enterprise costs. FY2012 total operating expense

<sup>60</sup> The Permanent Special Revenue Fund balance year-ending June 30, 2011 was \$5,594,167.

<sup>61</sup> Debt service for the City Administration building is about \$300,000 per year and scheduled to end during FY2013.

is estimated to be similar to FY2011, including a decrease in planning and public works costs and increase in fuel and electricity costs. The Dock and Skiff Moorage Fund will increase significantly in FY2012 due to estimated contributions for repairs to the existing public boat dock.

**Total Revenue and Expenditures through FY2013 with Annexation**



Source: City of Akutan Financial Statements and Estimates

During the period extending one fiscal year following annexation (FY2013), it is estimated that total operating expense due to annexation will be approximately \$200,000. This includes: a) \$50,000 one-time additional land use planning expense, b) \$50,000 increase in on-going financial and legal services, and \$100,000 in public works management and engineering expense associated with estimating and pursuing infrastructure in the proposed territory. After FY2013, the planning and public works expense is expected to moderately decrease and financial and legal services will remain as an ongoing expense as infrastructure and development occurs in the proposed territory.

In FY2013, unrelated to annexation, operating expenses are projected to increase 5% from FY2012 and new expense will be incurred to operate the airport passenger terminal estimated at \$50,000 per year.<sup>62</sup> Excluded from financial estimates are potential expenses to operate future harbor service facilities and future geothermal plant. These facilities must still be funded and the associated operating costs would be incurred no earlier than FY2014.

The City today provides several services to residents and businesses and will provide services to the greater community of Akutan based on what is necessary and appropriate to serve multiple users. Some services can be provided at no additional expense, such as use of the library, museum, and community facilities. Planning, finance, legal, and public works services will be provided with additional anticipated expense as described above, but can be absorbed in the near-term by current excess revenues. Utility services and road

<sup>62</sup> The City provides salaried employees a 5% increase per year and hourly employees a \$0.50 per hour increase per year. The new airport expense is estimated to be \$25,000 in FY2013 and \$50,000 beginning in FY2014.



improvements are anticipated over time. The City has many funding and financing options available to continue to provide public services.

- c) **Capital expenditures for the period extending one fiscal year beyond the reasonably anticipated date of 3 ACC 110.420(b)(13)(A)-(C) for any existing municipality for which a change is proposed is presented in Exhibit C-3.**

The City reviews and updates its *Capital Improvement Program (CIP)* annually. The *CIP* includes projects for water and sewer, electricity, geothermal development, hydroelectric, harbor service facilities, airport passenger shelter, and others. Most projects are funded by State and Federal grants, with City contributions of land, cash, and personnel. The Aleutians East Borough and Trident also contributed to the airport project. Meanwhile, the City financed construction of its new City Administration building. The *CIP* excludes two major projects: the airport and the small boat harbor construction. Those projects and funds are managed by the Alaska State DOT&PF and the US Army Corp of Engineers.

The projects collectively support long-standing goals for economic development and community sustainability, opening up opportunities for development in areas that heretofore have been inaccessible and not viable. For example, the small boat harbor is expected to attract fishing vessels throughout the year and new local harbor services to support those vessels and personnel. The airport will resolve travel delays, reduce medevac costs, ensure future air service, and foster economic expansion. Meanwhile, geothermal development is intended to reduce current and future energy costs and enable new businesses, including locally-grown produce and unique eco-tourism ventures.

During the period extending one fiscal year following annexation (FY2013), it is estimated that overall capital expenditures will not increase due to annexation, but will be incurred beyond that period to fund infrastructure for new development in the proposed territory. Capital investment expected in FY2013 will be for projects already in process or planned; primarily the airport passenger shelter improvements, geothermal development, and small boat harbor water and power service.

New infrastructure in the proposed territory will initially include water, power, and septic services outside the fence of the airport in conjunction with property owners. Initial development may include warehousing, storage, and housing for intermittent use by airport or marine link personnel. There may be an opportunity to use the utilities installed for airport construction, but that is not determined at this time. Telephone service will likely be via cellular providers and internet and television service via satellite. For the first few years after airport completion, it is anticipated that police, fire, medical, and refuse collection can be supported and supplied by existing services based at the village. Overall, funding is expected to be shared by City, land owners, developers, and/or the businesses and residents.

### **SECTION 13: EXISTING LONG-TERM MUNICIPAL DEBT. 3 AAC110.420(b)(14).**

Information regarding existing long-term municipal debt is provided in Exhibit D.

## **SECTION 14: MUNICIPAL POWERS AND FUNCTIONS.**

### **3 AAC110.420(b)(15).**

**Exhibit E** provides a list of powers and functions of the existing municipality for which a change is proposed before and after the proposed change, as well as a list of alternate service providers within the territory proposed for city boundary change. Below is a detailed description of these powers and functions.



The City of Akutan exercises powers necessary to the community that promote maximum, local self-government. In accordance with the exercise of its powers, the City provides a full-range of services from public safety to electricity. The City maintains a full-time and part-time staff to administer and implement the services provided to its residents.

The City contracts for certain professional services, including legal, public works, and some planning and grant administration services. The Mayor, Clerk, Office Assistant and most part-time employees are located in Akutan, while the City Administrator, Assistant City Administrator, and Finance Manager are in Anchorage. Anchorage staff travel on a regular basis to Akutan to attend regular and special meetings and to work with local staff.

The following describes the services provided by the City. Trident operates a self-contained facility, from grocery and housing to utilities and medical support and does not utilize City services, though Trident residents shop, cash checks, and use the library on a regular basis. All residents have access to Akutan's community facilities such as the museum and library, as well as Trident's community church and gym.

#### **a) Services provided by the City**

##### **1) Services before the proposed change**

##### **i. Levying and Collecting Taxes**

The City of Akutan levies a 1% sales tax on sales of raw fish, and is authorized to levy the sales tax on all rents and services rendered in the City, subject to certain exemptions. The raw fish tax "applies both to raw seafood products delivered by the seller to a buyer in the city and to raw seafood products delivered by means of a tender to a processor of raw seafood products for processing in the city."<sup>63</sup>

"The obligation of the [raw fish] tax is upon the buyer, except that in the case of raw seafood products, the tax is upon the seller. Where the property is imported from outside the city for processing, use or consumption within the city, the obligation of the tax is upon the person importing or causing to be imported property into the city, for processing, use or consumption. In the case of raw seafood products the buyer or user may, if it elects, assume the tax.

---

<sup>63</sup> City of Akutan Municipal Code, Section 6.10.010: Taxes Levied. Note: The City's tax code provides for sales taxes on rents and services that are not currently levied. The City is currently reviewing its options with respect to the tax code.

The seller shall collect the tax on all sales, except raw seafood products, at the time of the sale.”<sup>64</sup>

“Taxes [on raw fish] due the city collected by a seller, buyer or user hereunder shall be paid at the expiration of each quarter of each calendar year...The complete return, together with remittance in and for the amount of the tax due, must be transmitted to the city on or before the last day of the month succeeding the end of each quarter.”<sup>65</sup>

ii. Public Safety

The City cooperates with the State of Alaska and the Aleutian/Pribilof Island Association to provide emergency personnel and equipment. The City has a full-time Village Public Safety Officer (VPSO), a part-time Night Watchman, and four trained volunteer firefighters. The VPSO is assigned to the village by the Alaska State Troopers.

Police duties of the VPSO include keeping the peace and apprehending and arresting all violators of law; serving all writs, warrants, executions and other processes properly directed and delivered to him/her; directing the activities of the police department; causing the public rights-of-way of the City to be inspected regularly and causing all nuisances, obstructions or impediments therein to be removed and offenders to be prosecuted when necessary to abate such nuisances; and providing for the care and custody of prisoners.<sup>66</sup>

Fire protection duties of the VPSO include providing for the organization and operation of a volunteer fire department; appointing all other officers and firefighters; assisting the proper authorities in suppressing the crime of arson by investigating or causing to be investigated, the cause, origin and circumstances of all fires; providing for suitable drills covering the operation and handling of all equipment essential for efficient department operation; providing for instruction in first-aid, water supply and other subjects related to fire suppression; recommending apparatus and equipment as may be required to maintain fire department efficiency, and providing for reporting fires and emergencies and for notifying the department of such incidents.<sup>67</sup>

In addition to police and fire duties, the City has harbormaster and disaster response responsibilities. The City enforces local regulations for water safety and marine traffic. A City-designated person monitors VHF marine radio and takes action in the event of an emergency. In case of an earthquake, tsunami, or volcanic eruption, the City has an emergency response procedure to warn residents and ensure safety.

---

<sup>64</sup> City of Akutan Municipal Code, Section 6.10.020: Obligation to pay tax where the sale is in city.

<sup>65</sup> City of Akutan Municipal Code, Section 6.10.030: Custody, reporting, and remittance.

<sup>66</sup> City of Akutan Municipal Code 3.50.020(b): Police duties.

<sup>67</sup> City of Akutan Municipal Code 3.50.020(c): Fire protection duties.

Public safety facilities and infrastructure includes a dedicated public safety building, “Code Red” building for chemical fire suppression material, fire hoses and hydrants located throughout the village, 21-foot Homeland Security skiff, and six-wheeled ATV’s (“gators”). Gators are housed at the City garage. The public safety building contains a jail cell, vehicle garage, and office space for the VPSO. A new disaster warning siren system was installed in 2010 and is used in the event of an earthquake, tsunami, or volcanic eruption.



iii. Health Services

The Anesia Kudrin Medical Clinic located in Akutan is a primary health care facility and a qualified emergency care center staffed by a full-time certified physician’s assistant (PA-c). The Clinic provides check-ups, x-rays, blood draws and other services. The PA can contact outside support for emergency services as needed from the Alaska Native Medical Center (ANMC)<sup>68</sup> and Eastern Aleutians Tribes (EAT) Health Services.<sup>69</sup> Medical transport can be coordinated with the Coast Guard based in Kodiak. The Clinic is administered by EAT and the Clinic building is owned by the City.

iv. Planning, Platting, and Land Use

Pursuant to AS 29.40.010 (b) and Section 45.05.030 (b) of the Code of the Aleutians East Borough, the Borough delegated, and the City accepted, the powers and duties of the Borough to plan, plat and regulate the use of land within the City of Akutan.<sup>70</sup> The City’s Planning Commission meets regularly to consider land use permits, review development proposals, and participate in updating the City’s *Community Plan*. The Commission also serves as the City’s platting board.

The Commission is supported by a Zoning Administrator whose duties are currently assigned to the City Administrator. The City Council serves as the Board of Adjustment to hear appeals on decisions made by the Commission. The City maintains a zoning code and map with land use designations.

The recent *Harbor and Airport Local Area Plans* recommended changes to the current land use code. The plans present the community’s preferred land use pattern near the harbor and airport. The recommendations are designed to steer new development in an orderly manner, address a wider array of

---

<sup>68</sup> ANMC is a division of the Alaska Native Tribal Health Consortium, a not-for-profit tribal health organization managed by Alaska Native tribal governments and their regional health organizations. The Consortium was created in 1997 to provide statewide Native health services.

<sup>69</sup> EAT formed in 1991 by several Aleut tribes to improve health care in remote villages in the region. The Akutan Traditional Council represents Akutan on the Board of Directors.

<sup>70</sup> City of Akutan Municipal Code 8.10.120 Acceptance and Consent of Delegation of Powers.

possible uses, and clarify portions of the current code.<sup>71</sup> The City may act on the recommendations at any time and awaits approval of annexation to adopt regulations for the airport area.

v. Local Elections

The City administers local, state, and federal elections for the residents of Akutan.

vi. Public Works/Solid Waste Collection/Recycling

The City maintains public buildings, boardwalks and infrastructure and provides solid waste collection and recycling throughout the village. Financial support for boardwalk and trail maintenance is provided in part via a contract with the Bureau of Indian Affairs through the Indian Reservations Road Program. Solid waste collection is provided throughout the village. Waste is disposed at the City-operated incinerator located on the east-end of town. Large, inert waste is collected near the incinerator and periodically barged away. The City provides aluminum recycling at the City warehouse where it is baled and barged to Unalaska.

vii. Utilities

a. Water/Sewer

All residential and business buildings have indoor plumbing. The City provides water and sewer service throughout the village, maintains a separate water and sewer fund, and has a state-issued Certificate of Public Convenience and Necessity to provide water service. Water is captured via a dam on Town Creek originally constructed in 1927, stored in a water tank above the village and piped to buildings. To support the new boat harbor, the City is considering whether and how to develop a pipeline from Loud Creek to provide water to the new small boat harbor.

All buildings are connected to a community septic tank whereby solids are periodically removed and disposed while fluid is discharged through an ocean outfall in Akutan Harbor.

b. Electricity

The City provides electricity to the village via a City-managed enterprise and has a state-issued Certificate of Public Convenience and Necessity to provide electricity. Electricity is generated by diesel generators and supplemented by a hydroelectric plant that captures water from Town Creek. The hydroelectric system was first installed in 1992 and is being repaired and upgraded in 2011, making hydroelectric the primary energy source with diesel as back-up. The City charges fees for electricity use that are processed through the AMPY Pre-payment System. Long-term, the City is targeting geothermal energy to serve electric and heating needs at the village and Trident. A hydroelectric facility is being considered at Loud Creek to provide power to the harbor until the proposed geothermal plant is online.

---

<sup>71</sup> Airport Local Area Plan 2011, p.40; Harbor Local Area Plan 2011, p. 23.

c. Fuel/Gas

The City has a four-tank fuel farm to provide diesel fuel and gasoline in the village and maintains a separate fuel/gas fund. Gasoline is sold for use in small vehicles, generally ATV's. Diesel fuel is supplied to homes and buildings for heating.

viii. Library/Museum

The City operates a library and museum adjacent to the Akutan School. The library is a City department and staffed by two part-time employees. The library offers a child's reading area, two public-use computers and a selection of books, magazines and periodicals. The museum includes photos and artifacts. A local resident serves as the community historian and the Akutan Tribe maintains archives.

ix. Cable/Telecommunications

Cable and telecommunications services are available throughout the village and the City maintains a separate cable fund. Local telephone service is available from ACS, and long-distance and cellular service is available from GCI. Internet service is available from GCI and Starband. Television service is available from GCI as well as satellite dish providers.

x. Public Boat Dock/Mooring

The City operates a 200-foot public boat dock and a mooring facility. The dock accommodates the Alaska State Ferry and small freighters and fishing vessels. The adjacent mooring facility is used for several skiffs and fishing boats, including the City's own emergency-use Homeland Security skiff. The City has detailed harbor regulations that address mooring facility use and fees, crab pot storage, and oil discharge, hazardous substances and ballast water.

xi. Economic Development

The City is active in securing projects for the community. It continues to pursue a variety of projects to help sustain the community, support new enterprise, create jobs, reduce energy costs, improve transportation, and preserve subsistence and historical sites.

xii. Airport Operations

The City maintains the current village seaplane landing. For the new airport, the City has executed an *Airport Co-Sponsorship Agreement* with the AEB and State of Alaska DOT&PF describing rights and responsibilities for each party to construct and service the airport. The City has agreed to operate a passenger shelter at the airport. The project manager's construction office at the airport will be transferred to the City for use as the passenger shelter.<sup>72</sup> The City will be responsible for improvements such as office equipment, radio communications, vending and furniture, as well as shuttling passengers and cargo between the airport and hovercraft landing at Surf Bay.

---

<sup>72</sup> Akutan Airport Co-Sponsorship Agreement, pp.3-4.

The Borough and State will also have maintenance and operations responsibilities. The AEB will maintain and operate the hovercraft and the hovercraft maintenance shed and landing just north of the small boat harbor. The DOT&PF will maintain and operate the airport, access roads, and hovercraft terminal on Akun Island.<sup>73</sup>

The City expects to negotiate an agreement with the State to provide maintenance and operations at the airport, including but not limited to daily site inspections, ground equipment operation, and ground traffic control. This arrangement would provide local employment and be efficient for the State by leveraging an existing resident labor force.

xiii. Boat Harbor Operations

The City will assume ownership, maintenance and operation of the harbor at such time as the Aleutians East Borough has fulfilled its financial obligations under the "Project Partnership Agreement between the Department of the Army and Aleutians East Borough for Construction of the Akutan Harbor, Akutan, Alaska." The U.S. Army Corp of Engineers is contracted to construct a mooring basin and breakwater. The City's *Local Harbor Area Plan* illustrates a preferred land use plan for the harbor, and the City is pursuing a variety of local harbor service and support facilities. Potential development includes processing, manufacturing, aggregate sales, vessel repair, fueling, storage, retail, residential, lodging, and harbormaster office, with necessary utility services.<sup>74</sup> Several other amenities are envisioned in later phases to service and support visitors and boats.

2) Services after the proposed change

After annexation, the City will provide the same essential powers and functions it provides today, including tax levies, public safety, emergency medical response, utilities, and planning, platting, and land use regulation. Schools, libraries, and community center will be available to all residents. Community services and utilities, including water, septic and power, will be determined on a case-by-case basis in conjunction with new development.

The City expects to provide services to serve multiple users during and after development, including common water service, electricity, waste collection and disposal, and septic services. However, investment will be based on what is deemed necessary and appropriate for the proposed residents and businesses. Services and infrastructure development will require a shared responsibility among the City, developers, and property owners. Regardless, the City is best situated to provide local services in the proposed territory and has the experience and capability to do so.

**b) Alternative service providers within the territory proposed for city boundary change**

The City of Akutan and the territory proposed for annexation lie within the Aleutians East Borough. The Borough has not created service areas that encompass the City and the proposed territory under AS 29.35.450. However, several entities provide services in the

---

<sup>73</sup> Akutan Airport Co-Sponsorship Agreement, pp.3-7.

<sup>74</sup> City of Akutan Harbor Local Area Plan, 2011, p. 18.

territory, including the Aleutians East Borough School District, Eastern Aleutians Tribes, Aleutian Pribilof Islands Association, and State of Alaska Department of Public Safety.

The School District administers public education from grades 1 through 12 and supports one school staffed in the village, Akutan School. This school would support residents in the territory proposed for annexation. It is assumed families with school-aged children would reside in the village, obviating the need to shuttle students to and from Akun Island via the marine link. Akutan is classified as an isolated town/sub-regional center and part of EMS Region 2H in the Aleutian/Pribilof Region. Eastern Aleutians Tribes (EAT) Health Services administers the Anesia Kudrin Medical Clinic, funded in part by federal funds. The Aleutian Pribilof Islands Association and State of Alaska Troopers employ the Village Public Safety Officer (VPSO) and the City provides living quarters and a public safety building for use by the VPSO.

### **SECTION 15: THE TRANSITION PLAN. 3 AAC 110.420(b)(16).**

As provided for in 3 AAC 100.900, Exhibit F presents a practical plan for the transfer and integration of all relevant and appropriate assets and liabilities in the territory proposed for annexation to the existing city:

- a) A practical plan that demonstrates the capability of the existing city to extend essential municipal services (as determined under 3 AAC 110.970) into the territory proposed for annexation within the shortest practical time after the effective date of the proposed change.
- b) A practical plan to assume all relevant and appropriate powers, duties, rights, and functions presently exercised by an existing borough, city, unorganized borough service area, or other appropriate entity located in the territory proposed for annexation. 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 affect an orderly, efficient, and economical transfer within the shortest practical time, not to exceed two years after the effective date of the proposed change.
- c) A practical plan to transfer and integrate all relevant and appropriate assets and liabilities of an existing borough, city, unorganized borough service area, and other entity located within the boundaries 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 affect an orderly, efficient, and economical transfer within the shortest practical 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.
- d) The transition plan must state the names and titles of all officials of each existing borough, city, and unorganized borough service area that the Petitioner consulted. The dates on which that consultation occurred and the subject addressed during that consultation must also be listed.

If a prospective Petitioner has been unable to consult with officials of an existing borough, city, or unorganized borough service area because those officials have chosen not to consult or were unavailable during reasonable times to consult with a prospective Petitioner, the prospective



Petitioner may request that the commission waive the requirement to consult those officials. The request for a waiver must document all attempts by the prospective Petitioner to consult with officials of each existing borough, city, or unorganized borough service area. If the commission determines that the prospective Petitioner acted in good faith and that further efforts to consult with the officials would not be productive in a reasonable period of time, the commission may waive the requirement to consult.

**SECTION 16: COMPOSITION AND APPORTIONMENT OF THE CITY COUNCIL. 3 AAC 110.420(b)(17).**

Exhibit G presents information about the composition and apportionment of the existing city council proposing annexation both before and after the proposed change.

**SECTION 17: CIVIL AND POLITICAL RIGHTS INFORMATION. 3 AAC 110.420(b)(18).**

Information regarding any effect of the proposed annexation upon civil and political rights for purposes of the federal Voting Rights Act of 1965 (42.U.S.C. 1971 - 1974) is provided in Exhibit H.

**SECTION 18: SUPPORTING BRIEF. 3 AAC 110.420(b)(19).**

Exhibit I presents a supporting brief providing a detailed explanation of how the proposed annexation serves the best interests of the state and satisfies each constitutional, statutory, and regulatory standards set out in Article I, Section 1 and Article X of the Constitution of the State of Alaska; AS 44.33.812; AS 29.06.040(a); AS 29.06.040 (c)(1) and (c)(2); 3 AAC 110.090 – 3 AAC 110.150; 3 AAC 110.400 – 3 AAC 110.700; and 3 AAC 110.900 – 3 AAC 110.990, and any other pertinent laws, that are relevant to the proposed annexation.

**SECTION 19: DOCUMENTATION DEMONSTRATING THAT THE PETITIONER IS AUTHORIZED TO FILE THE PETITION UNDER 3 AAC 110.410. 3 AAC 110.420(b)(20).**

A certified copy of the ordinance or resolution adopted by the City Council to authorize the filing of this Petition is provided as Exhibit J-1. A copy of a petition signed and/or letters from each property owner and registered voter of the territory proposed for annexation is provided as Exhibit J-2.

**SECTION 20: DOCUMENTATION REGARDING PRE-ORDINANCE NOTICE.**

Streamlined procedures for public notice and service of the petition for annexation of adjacent property by unanimous consent of all registered voters and all property owners provided for in AS 29.06.040(c)(4) are set out in 3 AAC 110.590(a)(3). The commission may expand the

procedures, so that those procedures include other requirements of 3 AAC 110.400 – 3 AAC 110.700, if the commission determines that the best interests of the state will be enhanced. It may also convert this local action petition to a legislative review petition under 3 AAC 110.590(e).

Under 3 AAC 110.590(a)(3), the petitioning municipality may use modified notice requirements. At least 30 days before passage of its authorizing ordinance under AS 29.06.040(c)(4) by the city council, the petitioning municipality may publish notice of the annexation proposal in a newspaper of general circulation in the area or territory proposed for annexation, and provide the notice to each owner of property abutting the boundaries proposed for annexation. If the petitioning municipality elects to publish, serve and post a pre-ordinance notice under 3 AAC 110.590(a)(3), proof of compliance with the notice and service requirements of 3 AAC 110.590(a)(3) and (f) must be filed with the department.

If the petitioning municipality publishes a pre-ordinance notice as provided under 3 AAC 110.590(a)(3), the municipality shall file with the department a copy of (1) the publisher's affidavit of publication of the notice; (2) written comments submitted to the municipality regarding the annexation proposal; and (3) the minutes of all council or assembly meetings at which the proposal was addressed by the petitioning municipality. The petitioning municipality must also provide notice of the annexation to each owner of property abutting the boundaries proposed for annexation, and proof that each owner was contacted should be filed with the department. These documents are required by 3 AAC 110.590(f) and are presented as **Exhibit K**.

#### **SECTION 21: PETITIONER'S AFFIDAVIT. 3 AAC 110.420(b)(22).**

An affidavit from the Petitioner's representative that, to the best of the representative's knowledge, information, and belief, formed after reasonable inquiry, the information in the Petition is true and accurate is provided in **Exhibit L**.

#### **SECTION 22: ADDITIONAL INFORMATION REQUIRED FOR THE PETITION. 3 AAC 110.420(b)(23).**

- a) An affidavit from the Petitioner's representative that details who provided the information in each section of this Petition is provided in **Exhibit M**.
- b) Other information or supporting material that the department believes the Petitioner must provide for an adequate review of the proposal.

#### **SECTION 23: ELECTRONIC FORMAT. 3 AAC 110.420(c).**

- a) The petitioner shall provide the department with a copy of the petition and supporting materials in an electronic format, unless the department waives this requirement because the petitioner lacks a readily accessible means or the capability to provide items in an electronic format.

# EXHIBITS

**EXHIBIT A-1. LEGAL DESCRIPTION OF THE TERRITORY PROPOSED FOR ANNEXATION**

Beginning at the northwest corner of Section 18, T70S, R112W, Seward Meridian (S.M.), Alaska;  
Thence, westerly along the south boundary of Section 12, T70S, R113W, S.M. to the southwest corner of Section 12, T70S, R113W, S.M.

Thence, northerly along the west boundary of Sections 12 and 1, T70S, R113W, S.M. and Sections 36 and 25, T69S, R113W, S.M. to the northwest corner of Section 25, T69S, R113W, S.M.

Thence, westerly along the south boundary of Section 23, T69S, R113W, S.M. to the southwest corner of Section 23, T69S, R113W, S.M.

Thence, northerly along the west boundary of Sections 23, 14 and 11, T69S, R113W, S.M. to the intersection of the mean high water line of the Bering Sea and the west boundary of Section 11, T69S, R113W, S.M.

Thence, continuing northerly along the west boundary of protracted Sections 11 and 2, T69S, R113W, S.M. to the northwest corner of protracted Section 2, T69S, R113W, S.M.

Thence, easterly along the north boundary of protracted Sections 2 and 1, T69S, R113W, S.M., protracted Sections 6, 5, 4, 3, 2 and 1, T69S, R112W, S.M. and protracted Sections 6, 5 and 4, T69S, R111W, S.M. to the intersection of the mean high water line of Akutan Bay and the north boundary of Section 4, T69S, R111W, S.M.

Thence, continuing easterly along the north boundary of Sections 4, 3 and 2, T69S, R111W, S.M. to the southwest corner of Section 35, T68S, R110W, S.M.

Thence, northerly along the west boundary of Section 35, T68S, R110W, S.M. to the northwest corner of Section 35, T68S, R110W, S.M.

Thence, easterly along the north boundary of Sections 35 and 36, T68S, R110W, S.M. to the northeast corner of Section 36, T68S, R110W, S.M.

Thence, southerly along the east boundary of Section 36, T68S, R110W, S.M. to the southeast corner of Section 36, T68S, R110W, S.M.

Thence, easterly along the north boundary of Section 6, T69S, R110W, S.M. to the northeast corner of Section 6, T69S, R110W, S.M.

Thence, southerly along the east boundary of Sections 6 and 7, T69S, R110W, S.M. to the southeast corner of Section 7, T69S, R110W, S.M.

Thence, easterly along the north boundary of Sections 17 and 16, T69S, R110W, S.M. to the northeast corner of Section 16, T69S, R110W, S.M.

Thence, southerly along the east boundary of Sections 16, 21, 28 and 33, T69S, R110W, S.M. and Section 4, T70S, R110W, S.M. to the intersection of the mean high water line of Trident Bay and the east boundary of Section 4, T70S, R110W, S.M.

Thence, continuing southerly along the east boundary of protracted Sections 4, 9 and 16, T70S, R110W, S.M. to the southeast corner of protracted Section 16, T70S, R110W, S.M.

Thence, westerly along the south boundary of protracted Section 16, T70S, R110W, S.M. to the southwest corner of protracted Section 16, T70S, R110W, S.M.

Thence, southerly along the east boundary of protracted Section 20, T70S, R110W, S.M. to the southeast corner of protracted Section 20, T70S, R110W, S.M.

Thence, westerly along the south boundary of protracted Section 20, T70S, R110W, S.M. to the southwest corner of protracted Section 20, T70S, R110W, S.M.

Thence, northerly along the west boundary of protracted Section 20, T70S, R110W, S.M. to the northwest corner of protracted Section 20, T70S, R110W, S.M.

Thence, westerly along the south boundary of protracted Section 18, T70S, R110W, S.M. and Sections 13, 14, 15 and 16, T70S, R111W, S.M. to the intersection of the mean high water line of the Pacific Ocean and the south boundary of Section 16, T70S, R111W, S.M.

Thence, continuing westerly along the south boundary of Sections 16, 17 and 18, T70S, R111W, S.M. to the southwest corner of Section 18, T70S, R111W, S.M.

Thence, southerly along the east boundary of Section 24, T70S, R112W, S.M. to the southeast corner of Section 24, T70S, R112W, S.M.

Thence, westerly along the south boundary of Sections 24, 23 and 22, T70S, R112W, S.M. to the southwest corner of Section 22, T70S, R112W, S.M.

Thence, northerly along the west boundary of Section 22, T70S, R112W, S.M. to the northwest corner of Section 22, T70S, R112W, S.M.

Thence, westerly along the south boundary of Sections 16, 17 and 18, T70S, R112W, S.M. to the southwest corner of Section 18, T70S, R112W, S.M.

Thence, northerly along the west boundary of Section 18, T70S, R112W, S.M. to the Point of Beginning.

Excluding therefrom the area within the current boundary of the City of Akutan, as described in Document No. 80-90, recorded in Book 19, Page 535, Aleutian Islands Recording District.

Containing approximately 130.02 square miles (of which 77.42 is water), all within the Third Judicial District, Alaska.

Source: McClintock Land Associates, Inc., 2011, based on maps provided by City of Akutan.

**EXHIBIT A-2. LEGAL DESCRIPTION OF EXISTING CITY'S BOUNDARIES**

Beginning at the N.W. corner of Section 5, UT70S, R112W, Seward Meridian, State of Alaska;  
thence South along the West boundary of Sections 5, 8, and 17, UT70S, R112W, to the S.W.  
corner of Section 17, UT70S, R112W;

thence East along the South boundary of Section 17, 16, 15, 14, and 13, UT70S, R112W, and  
along the South boundary of Section 18, UT70S, R112W, to the S.E. corner of Section 18,  
UT70S, R111W;

thence North along the East boundary of Sections 18, 7, and 6, UT70S, R111W, to the N.E.  
corner of Section 6, UT70S, R111W;

thence West along the North boundary of Section 6, UT70S, R111W, and along the North  
boundary of Sections 1, 2, 3, 4, and 5, UT70S, R112W, to the N.W. corner of Section 5, UT70S,  
R112W, being the place of beginning, containing 18 square miles more or less.

Source: City of Akutan Municipal Certificate, State of Alaska, dated 7 January, 1980.

**EXHIBIT A-3. LEGAL DESCRIPTION OF PROPOSED POST-ANNEXATION BOUNDARIES**

Beginning at the northwest corner of Section 18, T70S, R112W, Seward Meridian (S.M.), Alaska; Thence, westerly along the south boundary of Section 12, T70S, R113W, S.M. to the southwest corner of Section 12, T70S, R113W, S.M.

Thence, northerly along the west boundary of Sections 12 and 1, T70S, R113W, S.M. and Sections 36 and 25, T69S, R113W, S.M. to the northwest corner of Section 25, T69S, R113W, S.M.

Thence, westerly along the south boundary of Section 23, T69S, R113W, S.M. to the southwest corner of Section 23, T69S, R113W, S.M.

Thence, northerly along the west boundary of Sections 23, 14 and 11, T69S, R113W, S.M. to the intersection of the mean high water line of the Bering Sea and the west boundary of Section 11, T69S, R113W, S.M.

Thence, continuing northerly along the west boundary of protracted Sections 11 and 2, T69S, R113W, S.M. to the northwest corner of protracted Section 2, T69S, R113W, S.M.

Thence, easterly along the north boundary of protracted Sections 2 and 1, T69S, R113W, S.M., protracted Sections 6, 5, 4, 3, 2 and 1, T69S, R112W, S.M. and protracted Sections 6, 5 and 4, T69S, R111W, S.M. to the intersection of the mean high water line of Akutan Bay and the north boundary of Section 4, T69S, R111W, S.M.

Thence, continuing easterly along the north boundary of Sections 4, 3 and 2, T69S, R111W, S.M. to the southwest corner of Section 35, T68S, R110W, S.M.

Thence, northerly along the west boundary of Section 35, T68S, R110W, S.M. to the northwest corner of Section 35, T68S, R110W, S.M.

Thence, easterly along the north boundary of Sections 35 and 36, T68S, R110W, S.M. to the northeast corner of Section 36, T68S, R110W, S.M.

Thence, southerly along the east boundary of Section 36, T68S, R110W, S.M. to the southeast corner of Section 36, T68S, R110W, S.M.

Thence, easterly along the north boundary of Section 6, T69S, R110W, S.M. to the northeast corner of Section 6, T69S, R110W, S.M.

Thence, southerly along the east boundary of Sections 6 and 7, T69S, R110W, S.M. to the southeast corner of Section 7, T69S, R110W, S.M.

Thence, easterly along the north boundary of Sections 17 and 16, T69S, R110W, S.M. to the northeast corner of Section 16, T69S, R110W, S.M.

Thence, southerly along the east boundary of Sections 16, 21, 28 and 33, T69S, R110W, S.M. and Section 4, T70S, R110W, S.M. to the intersection of the mean high water line of Trident Bay and the east boundary of Section 4, T70S, R110W, S.M.

Thence, continuing southerly along the east boundary of protracted Sections 4, 9 and 16, T70S, R110W, S.M. to the southeast corner of protracted Section 16, T70S, R110W, S.M.

Thence, westerly along the south boundary of protracted Section 16, T70S, R110W, S.M. to the southwest corner of protracted Section 16, T70S, R110W, S.M.

Thence, southerly along the east boundary of protracted Section 20, T70S, R110W, S.M. to the southeast corner of protracted Section 20, T70S, R110W, S.M.

Thence, westerly along the south boundary of protracted Section 20, T70S, R110W, S.M. to the southwest corner of protracted Section 20, T70S, R110W, S.M.

Thence, northerly along the west boundary of protracted Section 20, T70S, R110W, S.M. to the northwest corner of protracted Section 20, T70S, R110W, S.M.

Thence, westerly along the south boundary of protracted Section 18, T70S, R110W, S.M. and Sections 13, 14, 15 and 16, T70S, R111W, S.M. to the intersection of the mean high water line of the Pacific Ocean and the south boundary of Section 16, T70S, R111W, S.M.

Thence, continuing westerly along the south boundary of Sections 16, 17 and 18, T70S, R111W, S.M. to the southwest corner of Section 18, T70S, R111W, S.M.

Thence, southerly along the east boundary of Section 24, T70S, R112W, S.M. to the southeast corner of Section 24, T70S, R112W, S.M.

Thence, westerly along the south boundary of Sections 24, 23 and 22, T70S, R112W, S.M. to the southwest corner of Section 22, T70S, R112W, S.M.

Thence, northerly along the west boundary of Section 22, T70S, R112W, S.M. to the northwest corner of Section 22, T70S, R112W, S.M.

Thence, westerly along the south boundary of Sections 16, 17 and 18, T70S, R112W, S.M. to the southwest corner of Section 18, T70S, R112W, S.M.

Thence, northerly along the west boundary of Section 18, T70S, R112W, S.M. to the Point of Beginning.

Containing approximately 147.91 square miles (of which 82.33 is water), all within the Third Judicial District, Alaska.

Source: McClintock Land Associates, Inc., 2011, based on maps provided by City of Akutan.

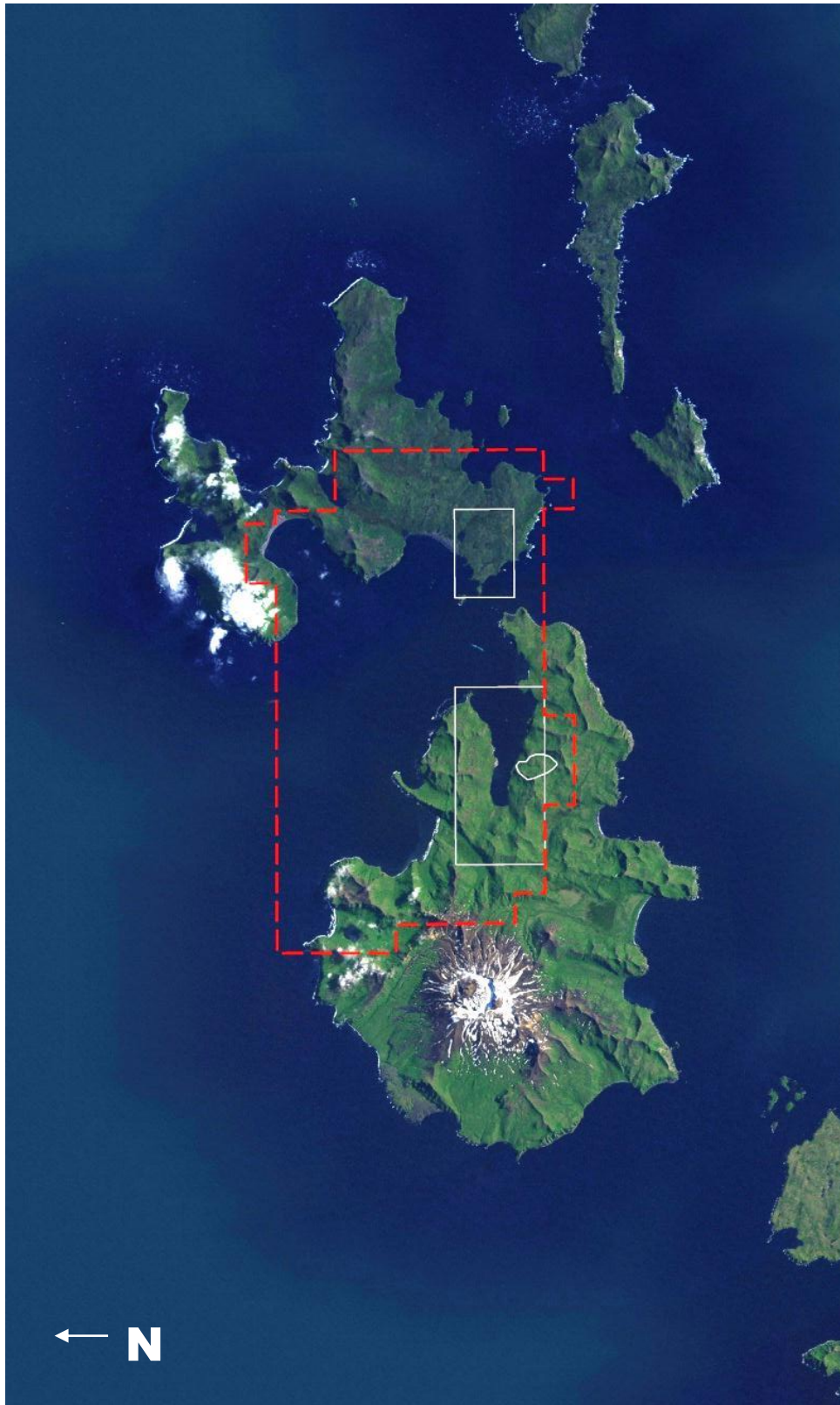


## **EXHIBIT A-4. MAPS AND PLATS**

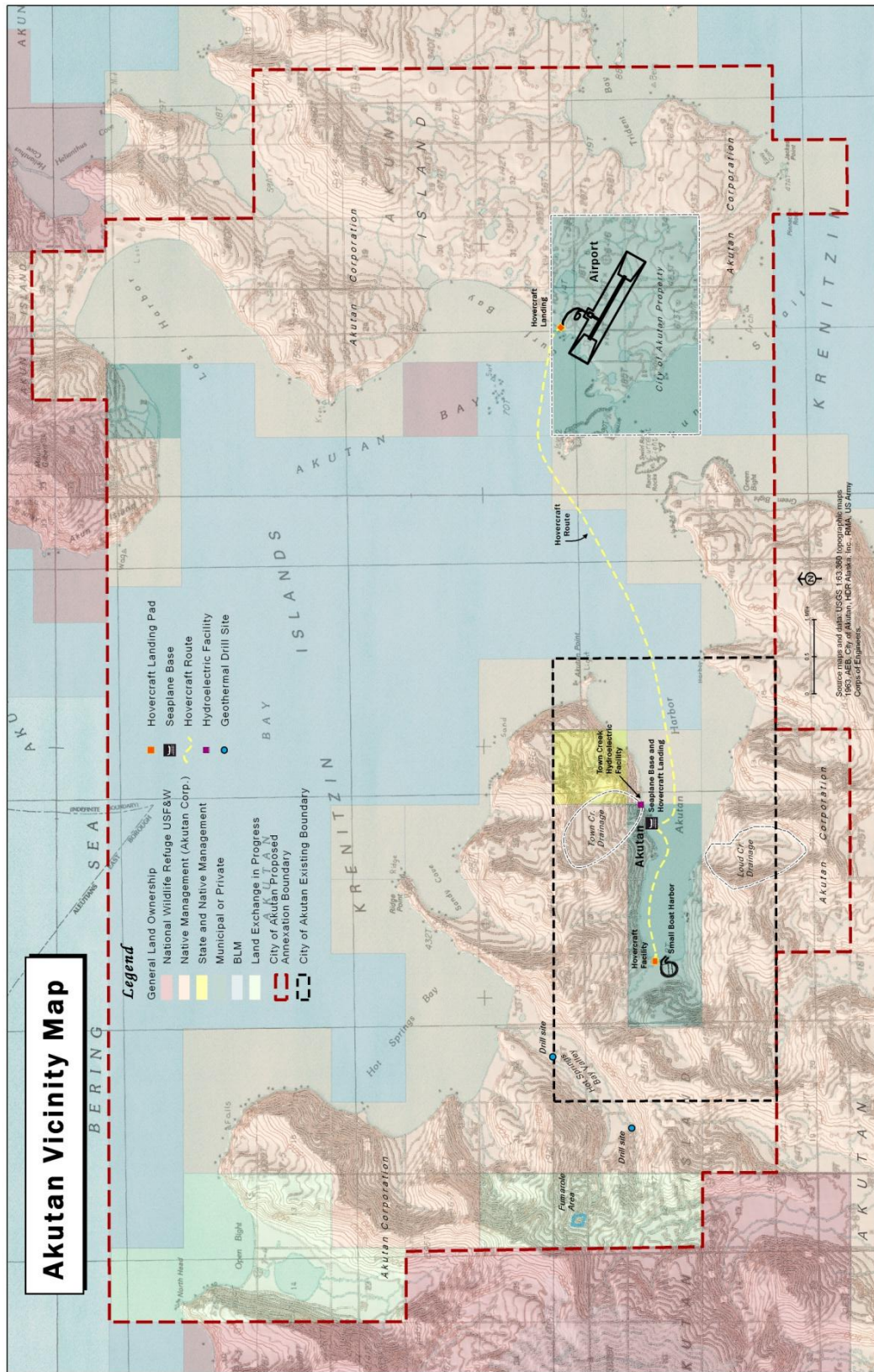
Includes:

Existing and Proposed Boundaries  
Existing and Proposed Conceptual Land Use  
Existing Subdivisions

**Existing and Proposed Boundaries and City Property on Akun – Aerial Photograph**

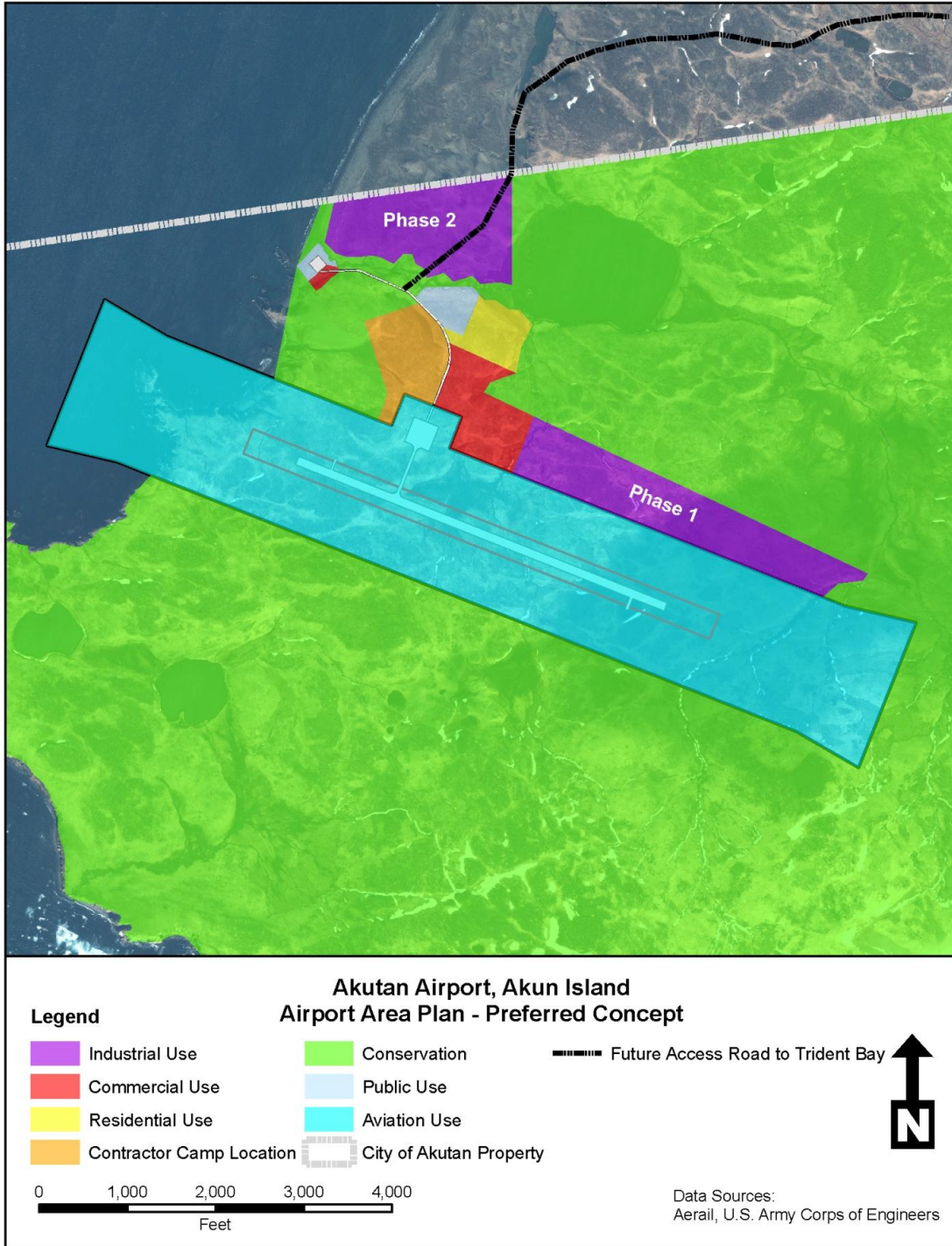


Existing and Proposed Boundaries

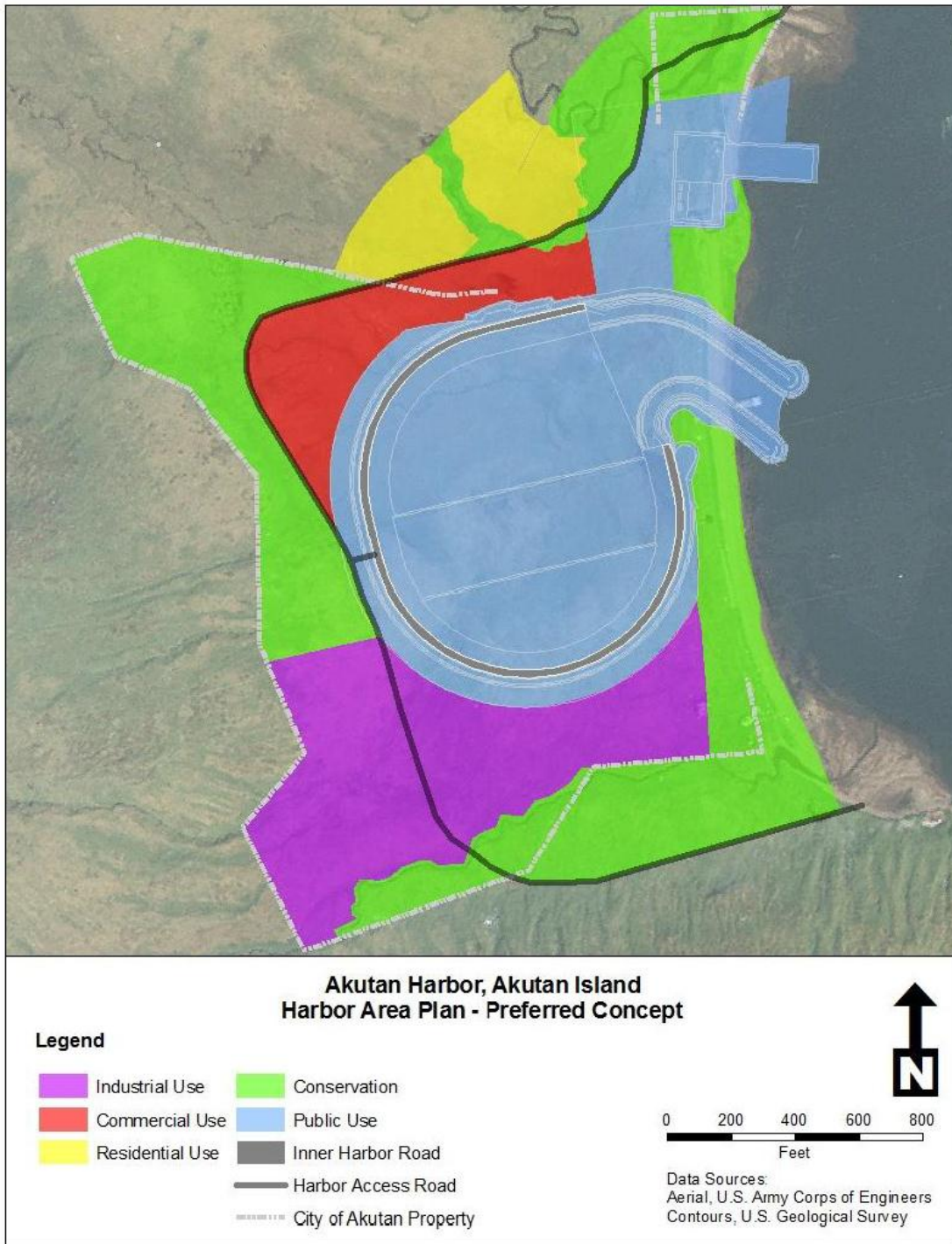




### Akutan Conceptual Land Use – Airport

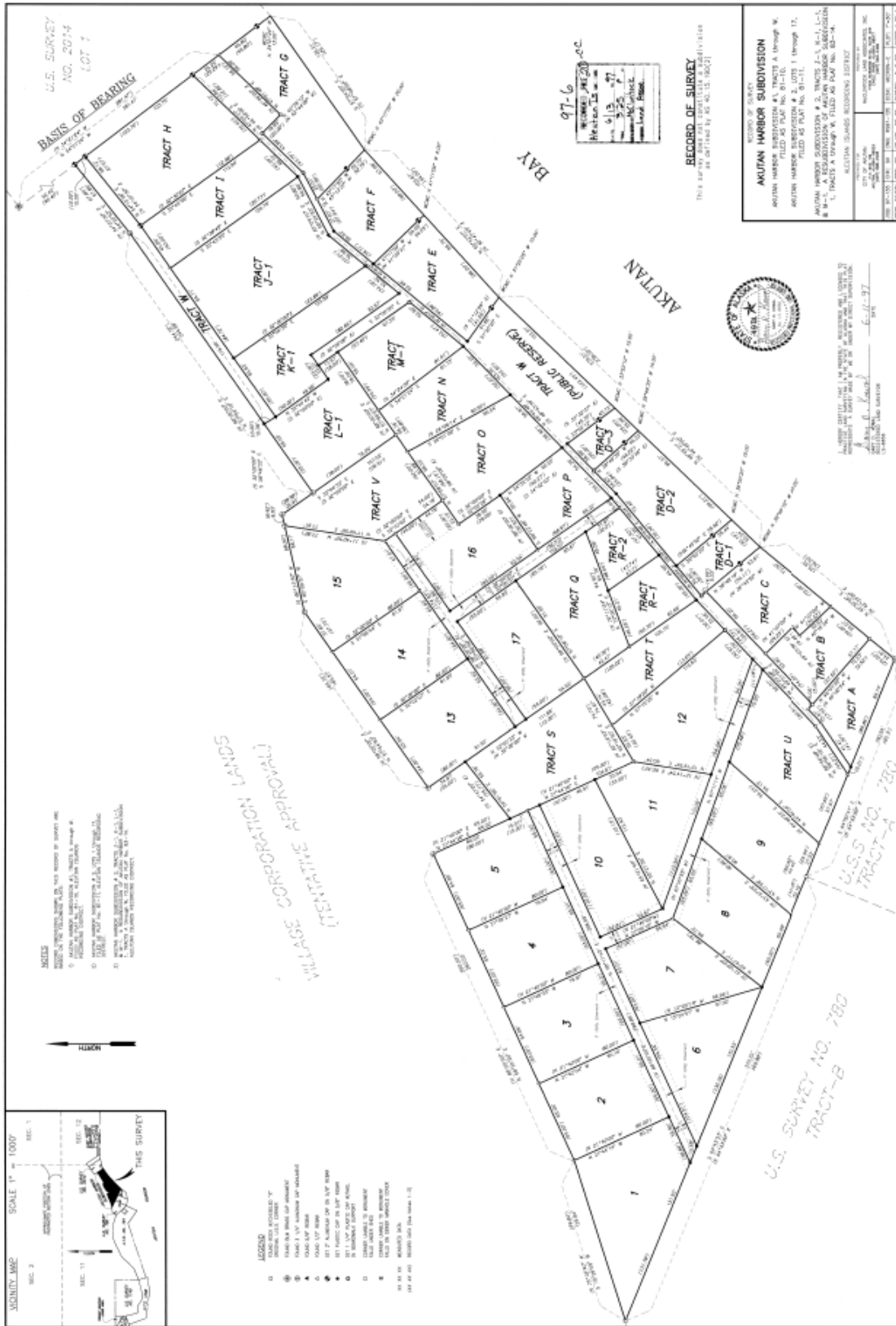


**Akutan Conceptual Land Use – Boat Harbor**





**Akutan Existing Subdivision – Akutan Harbor Subdivision (1997)**









## **EXHIBIT B. INFORMATION RELATING TO PUBLIC NOTICE AND SERVICE OF THE PETITION**

This exhibit provides information relevant to public notice of this annexation proceeding. Included are details about local media; municipal governments adjacent to the territory proposed for annexation; places for posting public notices relating to the proposed annexation; location(s) where the petition may be viewed by the public, and persons who, because of their interest in this matter, may warrant individual notice of the annexation proceedings.

### **LOCAL MEDIA**

The following lists the principal news media serving the territory within the current and proposed boundaries of the City:

#### **Newspapers**

Name: Anchorage Daily News  
Physical address: 101 Northway Drive, Anchorage, AK 99503  
Mailing address: 101 Northway Drive, Anchorage, AK 99503  
Telephone number: (907) 257-4504  
Fax number: (907) 279-8170  
E-mail address: [legalads@adn.com](mailto:legalads@adn.com) or <http://placead.adn.com>

Name: Dutch Harbor Fisherman  
Contact: Carmen Zimbrick  
Physical address: 301 Calista Court Suite B, Anchorage, AK 99518  
Mailing address: 301 Calista Court Suite B, Anchorage, AK 99518  
Telephone number: (907) 272-9830  
Fax number: (907) 272-9512  
E-mail address: [classifiedlegal@alaskanewspapers.com](mailto:classifiedlegal@alaskanewspapers.com)  
[czimbrick@alaskanewspapers.com](mailto:czimbrick@alaskanewspapers.com)

Name: Alaska Dispatch  
Physical address: 2301 Merrill Field Drive, Anchorage, AK 99501  
Mailing address: 2301 Merrill Field Drive, Anchorage, AK 99501  
Telephone number: (907) 743-0744  
Fax number: (907) 743-0729  
E-mail address: [legalads@alaskadispatch.com](mailto:legalads@alaskadispatch.com)

**Radio**

The following is the name, mailing address, telephone, facsimile number, and electronic-mailing address of the radio station(s) serving the territory proposed for annexation:

Name: KDLG – AM 670 – Public Radio Southwest Alaska  
Physical address: PO Box 670, Dillingham, AK 99576  
Mailing address: PO Box 670, Dillingham, AK 99576  
Telephone number: 1-800-478-5354  
Fax number: na  
E-mail address: [kdlg@dlgsd.org](mailto:kdlg@dlgsd.org)

Name: KUCB –FM 89.7 – Unalaska Community Broadcasting  
Physical address: PO Box 181, Unalaska, AK 99685  
Mailing address: PO Box 181, Unalaska, AK 99685  
Telephone number: 1-800-478-5354  
Fax number: na  
E-mail address: [info@kucb.org](mailto:info@kucb.org)

Name: KSDP – AM 380 – Aleutian Peninsula Broadcasting, Inc.  
Physical address: PO Box 328, Sand Point, AK 99661  
Mailing address: PO Box 328, Sand Point, AK 99661  
Telephone number: (907)383-KSDP(5737)  
Fax number: na  
E-mail address: [GM@kdpradio.com](mailto:GM@kdpradio.com)

**Television Stations**

Name: Channel 8 TV  
Physical address: PO Box 181, Unalaska, AK 99685  
Mailing address: PO Box 181, Unalaska, AK 99685  
Telephone number: (907) 581-1888  
Fax number: na  
E-mail address: [info@kucb.org](mailto:info@kucb.org)

### **ADJACENT MUNICIPAL GOVERNMENTS**

The following is a list of city governments and organized boroughs whose boundaries extend within twenty miles of the current or proposed boundaries of the City.

- Aleutians East Borough

### **PLACES RECOMMENDED TO POST OFFICIAL NOTICES RELATING TO ANNEXATION**

The following three or more prominent places, readily accessible to the public, within or near the boundaries proposed for change are recommended for posting of notices concerning this annexation proposal.

- Not Applicable

The following three or more prominent places, readily accessible to the public, within the current boundaries of the City are recommended to post notices concerning this annexation proposal.

- City of Akutan, City Administration Building
- City of Akutan (Anchorage office)
- Akutan Post Office
- Akutan Traditional Council office
- Akutan Corporation Building
- McGlashan Store
- Trident Seafoods Corporation, Akutan Main Office

**LOCATIONS WHERE THE PETITION MATERIALS WILL BE MADE AVAILABLE FOR PUBLIC REVIEW**

The Petitioner proposes to comply with 3 AAC 110.460(b) by providing a full set of Petition documents for public review at the location(s) listed below which are open to the public on the days and times listed below.

City Administration Building P.O. Box 109, Akutan, AK 99553	Monday-Friday 9am-5pm
City of Akutan – Anchorage Office* 3380 C Street Suite 205, Anchorage, AK 99503	Monday-Friday 8am-5pm
Aleutians East Borough – Sand Point Office P.O. Box 349, Sand Point, AK 99661	Monday-Friday 8am-5pm

\* This is the also serves as the location of the Aleutians East Borough Anchorage Office

**INDIVIDUALS AND ENTITIES WHO MAY WARRANT INDIVIDUAL NOTICE OF THE FILING OF THE ANNEXATION PETITION**

The following lists names and addresses of persons whose potential interest in the annexation proceedings may warrant individual notice of the filing of the petition:

- Joe Bereskin, President, Akutan Traditional Council, PO Box 89, Akutan, AK 99553; [jbereskin@gci.net](mailto:jbereskin@gci.net)
- Jacob Stepetin, Tribal Administrator, Akutan Traditional Council, PO Box 89, Akutan, AK 99553; [chulka052@msn.com](mailto:chulka052@msn.com)
- Darryl Pelkey, President, Akutan Corporation, PO Box 8, Akutan, AK 99553; [daybreakdp@hotmail.com](mailto:daybreakdp@hotmail.com)
- Debra Mack, Chairman of the Board, The Aleut Corporation, 4000 Old Seward Hwy #300, Anchorage, AK 99503; [receptionist@aleutcorp.com](mailto:receptionist@aleutcorp.com)
- Thomas Mack, President, The Aleut Corporation, 4000 Old Seward Hwy #300, Anchorage, AK 99503; [receptionist@aleutcorp.com](mailto:receptionist@aleutcorp.com)
- Stanley Mack, Mayor, Aleutians East Borough, Red Cove Road, PO Box 303, Sand Point, Alaska 99661; [smack@aeboro.org](mailto:smack@aeboro.org)
- Sharon Boyette, Administrator, Aleutians East Borough, 3380 C Street, Suite 205, Anchorage, Alaska 99503; [sboyette@aeboro.org](mailto:sboyette@aeboro.org)
- Anne Bailey, Community Development Coordinator, Aleutians East Borough, 3380 C Street, Suite 205, Anchorage, Alaska 99503; [abailey@aeboro.org](mailto:abailey@aeboro.org)
- Aleutians East Borough Assembly Members: Joseph Bereskin, [jbereskin@gci.net](mailto:jbereskin@gci.net); William Cumberland, [nascarbc@aol.com](mailto:nascarbc@aol.com); Marvin Mack, [mackhome@arctic.net](mailto:mackhome@arctic.net); Carol Foster, [fostercod@aol.com](mailto:fostercod@aol.com); Paul Gronholdt, [paulg@arctic.net](mailto:paulg@arctic.net); Justine Gundersen, [JGunde1125@aol.com](mailto:JGunde1125@aol.com); Ken McHugh, [kenm@tridentseafoods.com](mailto:kenm@tridentseafoods.com); Tom Hoblet, [ghthwd@gmail.com](mailto:ghthwd@gmail.com);

- Aleutians East Borough Planning Commissioners: Antone Shellikoff, [Antone\\_s@hotmail.com](mailto:Antone_s@hotmail.com); Bill Shellikoff Jr, [tuf12@yahoo.com](mailto:tuf12@yahoo.com); Justine Gundersen, [JGunde1125@aol.com](mailto:JGunde1125@aol.com); William Cumberlidge, [nascarbc@aol.com](mailto:nascarbc@aol.com); Karen Johansen, [karenj@EATribes.net](mailto:karenj@EATribes.net); Dave Bash, [kcharbor@arctic.net](mailto:kcharbor@arctic.net); Harlen Newman, [HNewman@telAlaska.com](mailto:HNewman@telAlaska.com)
- Jorge Lopez, Mayor, Cold Bay; [mayor@coldbag.org](mailto:mayor@coldbag.org)
- Henry Mack, Mayor, King Cove; [kingcovemayor@arctic.net](mailto:kingcovemayor@arctic.net)
- Glen Gardner Jr., Mayor, Sand Point; [sptcity@arctic.net](mailto:sptcity@arctic.net)
- Paul Day, City Administrator, Sand Point; [daypar72@qci.net](mailto:daypar72@qci.net)
- Gary Hennigh, City Manager, King Cove, 3380 C Street, Suite 205, Anchorage, Alaska 99503; [ghennighmgr@qci.net](mailto:ghennighmgr@qci.net)
- Steve Hatter, Deputy Commissioner of Aviation, State of Alaska Department of Transportation and Public Facilities, PO Box 196900, MS-2525, Anchorage, Alaska 99519-6900; [steve.hatter@alaska.gov](mailto:steve.hatter@alaska.gov)
- Rob Campbell P.E., Central Region Director, Aviation Programs, State of Alaska Department of Transportation and Public Facilities, Central Region, 4111 Aviation Avenue, PO Box 196900, Anchorage, Alaska 99519-6900; [rob.campbell@alaska.gov](mailto:rob.campbell@alaska.gov)
- Brent Goodrum, Director, State of Alaska Department of Natural Resources, Division of Mining, Land, and Water, 550 W 7<sup>th</sup> Avenue, Suite 1070, Anchorage, Alaska 99501-3579; [brent.goodrum@alaska.gov](mailto:brent.goodrum@alaska.gov)
- Susan K. Bell, Commissioner, State of Alaska Department of Commerce, Community, and Economic Development; [susan.bell@alaska.gov](mailto:susan.bell@alaska.gov)
- Dr. Phil Knight, Superintendent, Aleutians East Borough School District, PO Box 429, Sand Point, Alaska, 99661; [pknight@aebbsd.org](mailto:pknight@aebbsd.org)
- Chuck Bundrant, Chairman and Founder, Trident Seafoods Corporation, 5303 Shilshole Ave NW, Seattle, Washington 98107-4000; [chuckbundrant@tridentseafoods.com](mailto:chuckbundrant@tridentseafoods.com)
- David Abbasian, Trident Seafoods Corporation, PO Box 9, Akutan, Alaska 99553; [davea@tridentseafoods.com](mailto:davea@tridentseafoods.com)
- Orin Seybert, Chairman and CEO, PenAir, 6100 Boeing Ave, Anchorage, Alaska 99502; [oseybert@alaska.net](mailto:oseybert@alaska.net)
- Shirley Marquardt, Mayor, City of Unalaska, PO Box 610, Unalaska, Alaska 99685-0610; [may@ci.unalaska.ak.us](mailto:may@ci.unalaska.ak.us)
- Chris Hladick, City Manager, City of Unalaska, PO Box 610, Unalaska, Alaska 99685-0610; [chladick@ci.unalaska.ak.us](mailto:chladick@ci.unalaska.ak.us)
- Michael Christensen, Executive Director, Eastern Aleutian Tribes, 3380 C Street, Suite 100, Anchorage, Alaska 99503; [MichaelC@EATribes.net](mailto:MichaelC@EATribes.net)

- Dimitri Philemonof, President/CEO, Aleutian Pribilof Island Association, 509 West 3<sup>rd</sup> Avenue, Ste 101, Anchorage, Alaska 99501; [dimitrip@apia.org](mailto:dimitrip@apia.org)
- Larry Cotter, Director, Aleutian Pribilof Island Community Development Association, 234 Gold Street, Juneau, Alaska 99801; [LCotter371@aol.com](mailto:LCotter371@aol.com)



**EXHIBIT C-1. PROJECTED REVENUES**

	Before Annexation	Before Annexation	1st Year of Annexation
Fiscal Year >>>	Actual FY2011	Budget FY2012	Estimate FY2013
<b>REVENUES</b>			
Local: Fish Tax	1,226,423	1,135,709	1,135,709
Other Local: rentals, leases, local grants, etc.	294,772	340,065	357,068
State of Alaska: Fisheries & Landing Taxes	982,165	1,183,166	1,425,686
State of Alaska: Municipal Revenue Sharing	138,428	195,594	195,594
Investment income	40,000	40,000	-
Federal government	266,163	60,000	63,000
<b>Total General Fund Revenue</b>	<b>2,947,951</b>	<b>2,954,534</b>	<b>3,177,057</b>
Fuel and Gas Fund (Fees and State grants)	232,000	344,700	361,935
Water and Sewer Fund (Non-Major Fund)	1,154	900	945
Dock and Skiff Moorage Fund (Non-Major Fund)	21,979	18,911	19,857
Cable Fund (Non-Major Fund)	14,784	18,000	18,900
Electric Enterprise Fund	124,934	164,700	172,935
<b>Total Other Operating Funds Revenue</b>	<b>394,851</b>	<b>547,211</b>	<b>574,572</b>
<b>Total Revenue</b>	<b>3,342,802</b>	<b>3,501,745</b>	<b>3,751,629</b>

Note: FY2011 figures are preliminary until City completes its financial statements.

**EXHIBIT C-2. PROJECTED OPERATING EXPENDITURES**

	Before Annexation	Before Annexation	1st Year of Annexation
	Actual	Budget	Estimate
Fiscal Year >>>	FY2011	FY2012	FY2013
<b>EXPENDITURES</b>			
Mayor/Council	174,201	166,825	175,166
Planning/Zoning	254,141	20,505	71,530
Administration	774,612	722,050	808,153
Police/Fire	57,637	64,656	67,889
Public Works/Refuse	405,811	338,850	355,793
Clinic	20,201	16,893	17,738
Library	38,511	68,978	72,427
Recreation	9,712	3,982	4,181
Apartments	36,380	34,780	36,519
Seaplane Ramp/Airport	66,781	60,780	88,819
Debt Service	286,718	298,000	261,442
<b>Total General Fund Expenditures</b>	<b>2,124,705</b>	<b>1,796,299</b>	<b>1,959,656</b>
Fuel and Gas Fund	452,602	507,041	532,393
Water and Sewer Fund (Non-Major Fund)	102,076	120,555	126,583
Dock and Skiff Moorage Fund (Non-Major Fund)	27,827	140,880	147,924
Cable Fund (Non-Major Fund)	11,784	10,000	10,500
Electric Enterprise Fund	181,645	367,540	385,917
<b>Total Other Operating Funds Expenditures</b>	<b>775,934</b>	<b>1,146,016</b>	<b>1,203,317</b>
<b>Total Expenditures</b>	<b>2,900,639</b>	<b>2,942,315</b>	<b>3,162,973</b>
<b>Excess of revenues over (under) expenditures</b>	<b>442,163</b>	<b>559,430</b>	<b>588,656</b>

Note: FY2011 figures are preliminary until City completes its financial statements.

**EXHIBIT C-3. PROJECTED CAPITAL EXPENDITURES**

		Before Annexation	Before Annexation	1st Year of Annexation
<b>CAPITAL PROJECTS</b>		<b>Actual FY2011</b>	<b>Budget FY2012</b>	<b>Estimate FY2013</b>
<b>Current Projects</b>				
Town Creek Hydroelectric Repair/Upgrade	e	34,810	520,074	1,041,000
Loud Creek Hydroelectric Assessment	g	60,434	104,434	-
Geothermal Development	d	3,068,792	8,250,000	-
Airport Shelter Improvements	a	-	-	160,000
<b>Proposed Projects</b>				
Boat Harbor Service Facilities	b,c	-	-	3,400,000
Harbor Access Road	c,f	-	-	4,300,000
Public Boat Dock Repair	h	-	-	1,113,132
Geothermal Access Road	c	-	-	12,000,000
Water and Sewer Upgrades		-	400,000	3,850,000
Loud Creek Water Pipeline		9,500	-	-
Airport Area Roads, Water, Septic, Power	a	-	-	-
Other Capital Projects		-	100,000	-
City Administration Building		-	-	-
<b>Total Capital Expenditure</b>		<b>3,173,536</b>	<b>9,374,508</b>	<b>25,864,132</b>

a. Report excludes current airport and hovercraft construction managed by the Alaska DOT&PF

b. Report excludes current harbor construction managed by US Army Corp of Engineers

c. Federal appropriation request to be re-submitted for FY2013

d. Includes \$3.050M AEA Round IV request for Geothermal approved June 2011 and federal \$5M appropriation request for FY2012

e. Includes AEA Round II grant for Town Creek Repair/Upgrade assessment/permitting and AEA Round III grant for final design and construction

f. Excludes current \$1.27M for env/survey work in progress which is not managed by City; City has requested federal funds for construction

g. Includes Loud Creek AEA Round II grant for Loud Creek

h. Based on Alaska DOT estimate for boat dock repair and upgrade

**EXHIBIT D: EXISTING LONG-TERM MUNICIPAL DEBT**

The following lists any existing long term municipal debt in the annexing city and the territory proposed for annexation.

NAME/TYPE OF BOND	PURPOSE OF BOND	DATE FULLY PAID
Loan	Build new city administration building	2013
Power Project Fund (PPF) Loan	Complete Phase II of the Geothermal Development Project; includes conceptual design, costing, environmental review, and financial and business planning	2031 or earlier

As of August 16, 2011, the City had \$516,986 in outstanding long-term debt remaining for the City Administration building built in Akutan in 2008. In addition, the City has also executed a \$500,000 *Power Project Fund (PPF)* Loan from the Alaska Energy Authority. The PPF loan can be paid over 20 years or less. The City typically does not incur long-term debt and makes decisions on whether to do so case-by-case.

## **EXHIBIT E: MUNICIPAL POWERS AND FUNCTIONS**

### **MUNICIPAL POWERS AND FUNCTIONS OF THE EXISTING MUNICIPALITY FOR WHICH CHANGE IS PROPOSED BEFORE THE PROPOSED CHANGE**

- Levying and Collecting Taxes
- Public Safety
- Health Services
- Planning, Platting, and Land Use
- Local Election
- Public Works/Solid Waste Collection/Recycling
- Utilities
  - Water/Sewer
  - Electricity
  - Fuel/Gas
- Library/Museum
- Cable/Telecommunications
- Public Boat Dock/Mooring
- Economic Development
- Airport Operations
- Boat Harbor Operations

### **MUNICIPAL POWERS AND FUNCTIONS OF ANY EXISTING MUNICIPALITY FOR WHICH CHANGE IS PROPOSED AFTER THE PROPOSED CHANGE**

- Same as above

### **CURRENT ALTERNATIVE SERVICE PROVIDERS IN THE TERRITORY PROPOSED FOR ANNEXATION**

<b>Provider</b>	<b>Service or Function</b>
Aleutians East Borough School District	Administers Akutan School, grades 1-12
Eastern Aleutians Tribes Health Services	Administers Anesia Kudrin Medical Clinic; part of EMA Region 2H in the Aleutian/Pribilof Region
Aleutian Pribilof Islands Association	Helps fund Village Public Safety Officer
State of Alaska Department of Public Safety	Provides Village Public Safety Officer

## **EXHIBIT F: TRANSITION PLAN**

This exhibit presents the transition plan as required under 3 AAC 110.900.

The Transition Plan provides a practical plan for the City to extend essential municipal services into the territory proposed for annexation, assume relevant powers, duties, rights, and functions, and transfer or integrate any relevant assets and liabilities to the City. The Plan has been prepared in consultation with officials of the Aleutians East Borough, City of Akutan, Akutan Corporation, Akutan Traditional Council, Aleutians East Borough School District, Eastern Aleutian Tribes, Aleutian Pribilof Islands Association, and State of Alaska Department of Public Safety. A complete list of names consulted for the Plan is provided at the end of this Exhibit.

As a result of annexation, the City of Akutan will begin to extend its community services and prepare for reasonably necessary public utilities. The City will provide the same essential powers and functions it provides today, including tax levies, public safety, emergency medical response, and planning, platting, and land use regulation. Schools, libraries, and community center will be available to all residents. Community services and utilities, including water, septic and power, will be determined and financed on a case-by-case basis in conjunction with new development.

As described in Section 12 of this petition, during the first year following annexation the City anticipates related expenses to include: a) \$50,000 one-time additional land use planning expense, b) \$50,000 increase in on-going financial and legal services, and \$100,000 in public works management and engineering expense associated with estimating and pursuing infrastructure in the proposed territory. In subsequent years, the planning and public works operating expenses are expected to decrease while the increase in financial and legal services will remain as infrastructure and development occurs in the proposed territory.

Capital investment planned in FY2013 will be associated with projects already in process or planned, including the airport passenger shelter improvements, geothermal development, and small boat harbor water and power service. New infrastructure associated with annexation will initially include installing water, power, and septic services outside the fence of the airport in conjunction with property owners. Initial development may include warehousing, storage, and housing for intermittent use by airport or marine link personnel. There may be an opportunity to integrate with and/or upgrade the utilities installed for the airport construction, but that is not determined. Telephone service will likely be via cellular providers and internet and television via satellite. For the first few years after airport completion, it is anticipated that police, fire, medical, and refuse collection can be supported and supplied by existing services based at the village. Funding is expected to be shared by City, land owners, developers, and/or the businesses and residents.

No assets or liabilities are anticipated to be transferred as a result of the proposed annexation. A plan for the orderly transition of responsibilities is provided below.

**WORK PLAN**

<b>Task</b>	<b>Timing</b>	<b>Responsible</b>
<b>Extending Public Services</b>		
File necessary modifications to City's Certificates of Public Convenience and Necessity for water and electrical service	2012	City Administrator
Develop detailed cost estimates for public utilities necessary for initial development near the airport (water, septic, electricity)	2012	Public Works consultant
Pursue private interest in developing warehousing, cold storage, café services, and lodging	2012	Office of the Mayor
Review financing options to provide initial services near the airport including grants, debt, and new revenue sources	2012	Finance Manager
Secure development agreement near airport and extend services to the initial development	2013	Office of the Mayor
<b>Land Use Planning</b>		
Revise Community Plan and incorporate objectives for development in new areas	2012	Planning Administrator
Update definitions and land use categories in the Land Use Code	2012	Planning Administrator
Develop new Zoning Map	2012	Planning Administrator
Develop land use guidelines for area surrounding airport (e.g. Airport Overlay Zone)	2012	Planning Administrator
<b>Public Safety Readiness</b>		
Notify Alaska State Troopers, Coast Guard, and Unalaska medical hospital of services that City intends to provide to annexed areas	2012	Office of the Mayor
Determine and acquire emergency supplies and radios necessary near airport to accommodate emergency support at airport and surrounding area	2012	Office of the Mayor with City Administrator, VPSO, Health Clinic
Develop readiness procedure in the event medical support is needed in Akun, Hot Springs Bay Valley or other locations	2012	Office of the Mayor with City Administrator, VPSO, Health Clinic
Determine and acquire fire suppression equipment and hoses for airport area	2012	Office of the Mayor with City Administrator, VPSO
Develop and begin annual emergency response exercises to remote sites	2013	Office of the Mayor

The following table lists the names and titles of all officials of each existing borough, city, and unorganized borough service area that the Petitioner consulted, including the date that consultation occurred and the subject addressed during that consultation.

**OFFICIALS CONSULTED FOR THE TRANSITION PLAN**

Name	Title & Organization	Date Consulted	Subject Discussed
Stanley Mack	Mayor, Aleutians East Borough	June 2011	Solicit comments on the proposed annexation
Darryl Pelkey	President, Akutan Corporation	Several occasions in 2010, 2011	Solicit comments on the proposed annexation



## **EXHIBIT G: COMPOSITION AND APPORTIONMENT OF THE CITY COUNCIL**

This exhibit presents information about the current composition and apportionment of the City Council. It also describes any change to the composition and apportionment of the City Council following annexation.

The Akutan City Council is comprised of seven (7) members elected at-large for three-year terms. Names and terms of expiration are provided below. The annexation will not cause a change to the composition and apportionment of the City Council following annexation.

### **Mayor:**

The Honorable Joseph Bereskin (2013)

### **City Council:**

Dave Abbasian (2013)

Joseph Bereskin, Mayor (2013)

Matthew Bereskin (2013)

Darryl Pelkey (2012)

Kay Pelkey (2014)

Demetri Tcheripanoff (2012)

Lydia Vincler (2013)

## EXHIBIT H: CIVIL AND POLITICAL RIGHTS INFORMATION

This Exhibit provides Information regarding any effects of the proposed annexation upon civil and political rights for purposes of the federal Voting Rights Act. This information includes the following:

- A. The purpose and effect of annexation as it pertains to voting;

The annexation of uninhabited territory is free of discriminatory purpose and effect. The annexation will not result in imposing or applying voting qualifications, voting prerequisites, or standards, practices, or procedures to deny or abridge the right to vote on account of race or color or because a person is a member of a language minority group.

- B. The extent to which the annexation excludes minorities while including other similarly situated persons;

The local action process for annexation is lawful and does not deny any person the enjoyment of any civil or political right, including voting rights because of race, color, creed, sex, or national origin.

- C. The extent to which annexation reduces the City's minority population percentage;

The annexation of uninhabited territory will have no effect on the municipality's minority population percentage.

- D. Whether the electoral system of the City fails fairly to reflect minority-voting strength;

The Akutan City Council is comprised of 7 members elected at-large, and the City does not anticipate any change to the composition or apportionment of the City Council as a result of the annexation of uninhabited territory.

- E. Participation by minorities in the development of the annexation proposal;

The Akutan Corporation (native village corporation), the Aleut Corporation (native regional corporation), and the citizens of the Aleutians East Borough have supported the annexation efforts of the City to further the development of a regional airport, renewable energy resources, and related economic and societal goals of the community. See Exhibit J-2, Petition by Property Owners and Registered Voters for Annexation.

- F. Designation of an Alaska Native for U.S. Department of Justice contact regarding the proposed annexation; and

Name: Joseph Bereskin, Mayor  
Physical Address: 109 Windy Way, Akutan, AK 99553  
Mailing Address: PO Box 109, Akutan, AK 99553  
Telephone number: 907-698-2241  
Facsimile number: 907-698-2202  
E-Mail address: [jbereskin@gci.net](mailto:jbereskin@gci.net)

- G. Statement concerning the understanding of English in written and spoken forms among minority residents of the City and the territory proposed for annexation.

The language of the Unangan, or Aleutian Chain people, is an endangered language and there are very few Alutiiq (or Sugpiaq) speakers left. English is the spoken and written language in the City government and in the school. Elections are conducted in English.

## **EXHIBIT I: SUPPORTING BRIEF**

This exhibit consists of a supporting brief that provides a detailed explanation of how the proposed annexation satisfies each constitutional, statutory, and regulatory standard that is relevant to the proposed annexation. The brief demonstrates with detailed facts and analysis that:

- A. Based on relevant factors listed in 3 AAC 110.090(a), plus other relevant factors, the territory proposed for annexation exhibits a reasonable need for city government.
- B. In accordance with 3 AAC 110.090(b), services determined to be essential municipal services under 3 AAC 110.970 can be provided more efficiently and more effectively by the City (Petitioner) than by another existing city or by an organized borough, on an areawide basis, or non-areawide basis, or through an existing borough service area.
- C. Based on relevant factors listed in 3 AAC 110.100, plus other relevant factors, the territory proposed for annexation is compatible in character with the annexing city.
- D. Based on relevant factors listed in 3 AAC 110.110, plus other relevant factors, 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.
- E. Based on relevant factors listed in 3 AAC 110.120, plus other relevant factors, the population within the proposed expanded boundaries of the City is sufficiently large and stable to support the extension of city government.
- F. Based on relevant factors listed in 3 AAC 110.130(a), plus other relevant factors, the proposed expanded boundaries of the city include all land and water necessary to provide the development of services determined to be essential municipal services under 3 AAC 110.970 on an efficient, cost-effective level.
- G. 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. Alternatively, under 3 AAC 110.130(b), a specific and persuasive showing is made that annexation of noncontiguous territory or territory that would create enclaves includes all land and water necessary to allow, on an efficient, cost-effective level, the development of services determined to be essential municipal services under 3 AAC 110.970.
- H. To promote the limitation of community under 3 AAC 110.130(c), 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 may 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 are otherwise suitable for city government.
- I. Under 3 AAC 110.130(d), if the Petition describes boundaries overlapping the boundaries of an existing organized borough, the Petition addresses the procedures and the brief addresses 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 the Petition describes boundaries overlapping the boundaries of another existing city, the Petition addresses the procedures and the brief addresses the standards and procedures for detachment of territory from a city, merger of cities, or consolidation of cities.

- J. Based on relevant factors listed in 3 AAC 110.135, plus other relevant factors, annexation to the City is in the best interests of the State under AS 29.06.040(a).
- K. The Petitioner has prepared a proper transition plan under 3 AAC 110.900.
- L. In accordance with 3 AAC 110.910, 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.

Other constitutional principles 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, are also addressed in the supporting brief. This brief also addresses any other statutory or regulatory requirements, as mentioned in Section 18.

**EXHIBIT I**  
**SUPPORTING BRIEF**

**I. Introduction.**

Article X § 1 of the Alaska Constitution establishes the foundation for local government in Alaska. The purpose of Article X is to provide for a maximum local self-government with a minimum of local government units and to prevent duplication of tax levying jurisdictions. The Constitution requires a liberal construction be given to the powers of local government units.<sup>75</sup> Article X establishes that all local government powers are vested only in boroughs and cities.

The Constitutional Framers, in their wisdom, saw fit to establish a constitutionally based Local Boundary Commission ("LBC"), which was established to consider any proposed local government boundary change. The Framers vested the commission with broad power to establish boundary change procedures. Alaska Const. art. X § 12. The legislature has adopted implementation authority for the LBC's powers and duties.<sup>76</sup>

Additional boundary factors are located in AS 29.06.040(a). It 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).

---

<sup>75</sup> A reaffirmation of these principals is found in AS 29.35.100 – AS 29.35.420.

<sup>76</sup> See generally AS 44.33.810 and AS 44.33.812. The duties imposed upon the commission in subsection A are mandatory. *United States Smelting Ref. and Mining Co. v. Local Boundary Commission*, 489 P.2d 140 (Alaska 1971).

The intention of Alaska Const. Art. X § 12 and AS 44.33.812 was to provide an objective administrative body to make state level decisions regarding local boundary changes. This avoids the chance that a small, self-interested group could stand in the way of boundary changes which were in the public's interest. *Port Valdez Company v. City of Valdez*, 522 P.2d 1147 (Alaska 1974).

If the commission, in the exercise of its discretion, determines the foregoing standards have been met, it may grant the Annexation Petition.

AS 29.06.040(c)(4) authorizes a territory adjoining a municipality to be annexed by ordinance without an election if all property owners and voters in the territory petition the governing body. In the case of the Akutan Annexation Petition ("AAP"), the property owners in the territory are the City of Akutan, the Aleutians East Borough, and The Akutan Corporation. All of these property owners have reviewed the draft petition and consented to the annexation of additional territory to the City as depicted in the maps found at Exhibit A.

Exhibit I consists of a supporting brief that provides a detailed explanation of how the proposed annexation satisfies each constitutional, statutory, and regulatory standard that is relevant to the proposed annexation. Relevant sections of the petition will be referenced in the analysis below.

**A. 3AAC 110.090. Need**

**(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 during the 10 years following the effective date of annexation;**

Akutan's economic base is the Bering Sea fishery. Akutan is estimated to be among the top five ports in the U.S for the amount of fish landed.<sup>77</sup> Trident Seafoods operates the fish processing plant in Akutan and had \$1.250 billion in sales company-wide in 2010.<sup>78</sup> It is the sixth largest employer in Alaska<sup>79</sup> and employs hundreds of people year-round in Akutan. Expansion of the Bering Sea fishery and Akutan's location, 35 miles closer to the fishing grounds than

---

<sup>77</sup> "Fisheries of the United States 2009", National Oceanic and Atmospheric Administration, 2010, reported by KUCB News, "Dutch Harbor tops in seafood landings," September 18, 2010.

<sup>78</sup> Seafood Business, "North America's Top 20 Seafood Suppliers", May 2011.

<sup>79</sup> State of Alaska Department of Labor and Workforce Development / Research and Analysis Section, Alaska's 100 Largest Private Sector Employers in 2010.

Unalaska/Dutch Harbor, necessitates improved infrastructure at Akutan. Ongoing projects include:

- State construction of a \$76 million airport on adjacent Akun Island, including a marine link<sup>80</sup> between the City and Surf Bay (on Akun Island near the airport site).
- U. S. Army Corps of Engineers construction of a \$31 million harbor at the mouth of Akutan Bay to serve the fishing fleet.
- Hydroelectric and Geothermal projects expected to cost \$60 million.<sup>81</sup>
- Proposed road to connect the harbor to the City estimated to cost \$14 million.

Like most of Alaska's villages, Akutan, including the Trident plant, is entirely dependent on diesel fuel imported into the territory for heat and power. Projected growth, the steady rise of fuel costs, and the high level of carbon emissions make the development of renewable energy resources critical for Akutan. Consequently, the City of Akutan has developed a renewable energy strategy. Since November 2008, the City has been engaged in the following energy projects:

- Upgrade the City's existing 105 kilowatt hydropower generation system to improve reliability and efficiency with a goal of reducing diesel fuel consumption.
- Assess the feasibility of a second hydropower generation system at Loud Creek, across Akutan Bay from the City.
- Explore and develop the geothermal resource at Hot Springs Bay with a goal of eliminating or substantially reducing the use of diesel fuel and lowering the cost of energy in the community.

These transportation and energy projects are expected to support new enterprises, including fleet moorage, greenhouse agriculture, ecotourism, and others, as well as expansion of the existing Krenitzen cattle ranching operation that is currently only for local meat consumption.

While there may be some residential growth in the proposed annexation territory after the new airport and energy projects are developed, commercial activities and conservation are the primary uses expected initially. See AAP § 6, pp. 14-17.

---

<sup>80</sup> See Airport Co-Sponsorship Agreement.

<sup>81</sup> See AAP Section 5(b)(6) pp. 9-12.

**(a)(2) existing or reasonably anticipated health, safety, and general welfare conditions;**

Akutan is a stable, well-run municipality that provides essential services to the community. AAP § 14 describes the City's existing municipal powers and functions.

The anticipated expansion of Akutan's boundary is essential for the success of the projects described in AAP § 5, which will require essential services to be provided by a municipality, such as Akutan, in close proximity to the annexed territory. With the completion of the airport, harbor, and energy infrastructure projects, it is anticipated that additional services (described below) will be required to provide for airport operations, public safety needs, utility activities, planning and land use. The reasoning for the proposed annexation is described in detail in AAP § 6.

**Airport Operations.**

The City is currently a participant in a Co-Sponsorship Agreement for the airport development with the State of Alaska ("SOA") and the Aleutians East Borough ("AEB") and has undertaken various responsibilities with respect to airport operations.<sup>82</sup> In conjunction, it is anticipated that the City will enter into an Airport Maintenance Agreement with the SOA to provide airport support. The State project will convert the existing seaplane landing to a hovercraft ramp to service a hovercraft operated by the AEB.<sup>83</sup> Airport operations will require the maintenance of a shelter for passengers awaiting arriving and departing aircraft, and public safety activities such as VPSO, fire, and emergency medical services.

Another area where the City will provide for the health, safety, and general welfare of the community is through land use and infrastructure planning. Territory located within the confines of the airport is regulated by the Federal Aviation Administration ("FAA"). The territory outside the

---

<sup>82</sup> See Akutan Airport Co-Sponsorship Agreement.

<sup>83</sup> AEB is currently studying whether a helicopter could be an alternative to a marine link between the City and the airport.



airport boundaries requires planning to support the anticipated commercial growth resulting from airport development.

The City has already undertaken a preliminary planning effort and has adopted the AIRPORT LOCAL AREA PLAN ("A-LAP"). This plan outlines planning, land use, and zoning considerations for the territory surrounding the airport. See AAP § 22. Planning is a major health, safety and welfare activity for communities in general, and the City is best positioned to guide land use planning due to its close proximity and knowledge of the territory.

#### **Energy Projects.**

The energy projects are intended to support long-term, lower cost, renewable energy for Akutan. Land use authority through annexation will ensure development in an orderly manner, minimize disruption to the environment, complement the economic and transportation needs of the region and state, protect essential public facilities from adjacent incompatible land uses or activities, and provide for maximum protection to lives and property. See AAP § 5(b)(6), pp. 9-10.

#### **Transportation Enhancements.**

The new airport will provide more reliable travel to and from the region and support the public's health, safety and welfare by providing more efficient and effective medical transportation. The annexation will also enable the City to extend its existing services and responsibilities into the proposed territory, further enhancing public health, safety, and welfare to the greater Akutan area. See AAP § 14, pp. 30-36.

#### **(a)(3) existing or reasonably anticipated economic development;**

Economic development in the City will continue to be predominantly focused around fish processing and marine services, which make up the bulk of employment for residents in the territory. With the completion of the new airport, harbor, and potential geothermal development at Hot Springs Bay, along with upgraded hydroelectric power, the City will be in a good position to be a strategic transportation and economic center. The City is in the best position to provide orderly planning and essential services, reasonably anticipated for growth and development surrounding the airport, harbor, and utility areas. See AAP §§ 5 and 6.

**(a)(4) adequacy of existing services;**

(a) Services provided by the City

1) Services before the proposed change

i. Levying and Collecting Taxes

The City of Akutan levies a 1% sales tax on sales of raw fish, and is authorized to levy the sales tax on all rents and services rendered in the City, subject to certain exemptions. The raw fish tax "applies both to raw seafood products delivered by the seller to a buyer in the city and to raw seafood products delivered by means of a tender to a processor of raw seafood products for processing in the city."<sup>84</sup>

"The obligation of the tax is upon the buyer, except that in the case of raw seafood products, the tax is upon the seller. Where the property is imported from outside the city for processing, use or consumption within the city, the obligation of the tax is upon the person importing or causing to be imported property into the city, for processing, use or consumption. In the case of raw seafood products the buyer or user may, if it elects, assume the tax. The seller shall collect the tax on all sales, except raw seafood products, at the time of the sale."<sup>85</sup>

"Taxes due the city collected by a seller, buyer or user hereunder shall be paid at the expiration of each quarter of each calendar year...The complete return, together with remittance in and for the amount of the tax due, must be transmitted to the city on or before the last day of the month succeeding the end of each quarter."<sup>86</sup>

ii. Public Safety

The City cooperates with the State of Alaska and the Aleutian/Pribilof Island Association to provide emergency personnel and equipment. The City has a full-time Village Public Safety Officer (VPSO), a part-time Night Watchman, and four

---

<sup>84</sup> City of Akutan Municipal Code, Section 6.10.010; Taxes Levied. Note: The City's tax code provides for sales taxes on rents and services that are not currently levied. The City is currently reviewing its options with respect to the tax code.

<sup>85</sup> City of Akutan Municipal Code, Section 6.10.020: Obligation to pay tax where the sale is in city.

<sup>86</sup> City of Akutan Municipal Code, Section 6.10.030: Custody, reporting, and remittance.

trained volunteer firefighters. The VPSO is assigned to the village by the Alaska State Troopers.

Police duties of the VPSO include keeping the peace and apprehending and arresting all violators of law; serving all writs, warrants, executions and other processes properly directed and delivered to him/her; directing the activities of the police department; causing the public rights-of-way of the City to be inspected regularly and causing all nuisances, obstructions or impediments therein to be removed and offenders to be prosecuted when necessary to abate such nuisances; and providing for the care and custody of prisoners.<sup>87</sup>

Fire protection duties of the VPSO include providing for the organization and operation of a volunteer fire department; appointing all other officers and firefighters; assisting the proper authorities in suppressing the crime of arson by investigating or causing to be investigated, the cause, origin and circumstances of all fires; providing for suitable drills covering the operation and handling of all equipment essential for efficient department operation; providing for instruction in first-aid, water supply and other subjects related to fire suppression; recommending apparatus and equipment as may be required to maintain fire department efficiency, and providing for reporting fires and emergencies and for notifying the department of such incidents.<sup>88</sup>

In addition to police and fire duties, the City has harbormaster and disaster response responsibilities. The City enforces local regulations for water safety and marine traffic. A City-designated person monitors VHF marine radio and takes action in the event of an emergency. In case of an earthquake, tsunami, or volcanic eruption, the City has an emergency response procedure to warn residents and ensure safety.

Public safety facilities and infrastructure includes a dedicated public safety building, "Code Red" building for chemical fire suppression material, fire hoses and hydrants located throughout the village, 21-foot Homeland Security skiff, and six-wheeled ATV's ("gators"). Gators are housed at the City garage. The public safety building contains a jail cell, vehicle garage, and office space for the VPSO. A new disaster warning siren system was installed in 2010 and is used in the event of an earthquake, tsunami, or volcanic eruption.

---

<sup>87</sup> City of Akutan Municipal Code 3.50.020(b): Police duties.

<sup>88</sup> City of Akutan Municipal Code 3.50.020(c): Fire protection duties.

iii. Health Services

The Anesia Kudrin Medical Clinic located in Akutan is a primary health care facility and a qualified emergency care center staffed by a full-time certified physician's assistant (PA-c). The Clinic provides check-ups, x-rays, blood draws and other services. The PA can contact outside support for emergency services as needed from the Alaska Native Medical Center (ANMC)<sup>89</sup> and Eastern Aleutians Tribes (EAT) Health Services.<sup>90</sup> Medical transport can be coordinated with the Coast Guard based in Kodiak. The Clinic is administered by EAT and the Clinic building is owned by the City.

iv. Planning, Platting, and Land Use

Pursuant to AS 29.40.010 (b) and Section 45.05.030 (b) of the Code of the Aleutians East Borough, the Borough delegated, and the City accepted, the powers and duties of the Borough to plan, plat and regulate the use of land within the City of Akutan.<sup>91</sup> The City's Planning Commission meets regularly to consider land use permits, review development proposals, and participate in updating the City's *Community Plan*. The Commission also serves as the City's platting board.

The Commission is supported by a Zoning Administrator whose duties are currently assigned to a City Administrator. The City Council serves as the Board of Adjustment to hear appeals on decisions made by the Commission. The City maintains a zoning code and map with land use designations.

The recent *Harbor* and *Airport Local Area Plans* recommended changes to the current land use code. The plans present the community's preferred land use pattern near the harbor and airport. The recommendations are designed to steer new development in an orderly manner, address a wider array of possible uses, and clarify portions of the current code.<sup>92</sup> The City

---

<sup>89</sup> ANMC is a division of the Alaska Native Tribal Health Consortium, a not-for-profit tribal health organization managed by Alaska Native tribal governments and their regional health organizations. The Consortium was created in 1997 to provide statewide Native health services.

<sup>90</sup> EAT formed in 1991 by several Aleut tribes to improve health care in remote villages in the region. The Akutan Traditional Council represents Akutan on the Board of Directors.

<sup>91</sup> City of Akutan Municipal Code 8.10.120 Acceptance and Consent of Delegation of Powers.

<sup>92</sup> Airport Local Area Plan 2011, p 40; Harbor Local Area Plan 2011, p. 23.

may act on the recommendations at any time and awaits approval of annexation to adopt regulations for the airport territory.

v. Local Elections

The City administers local, state, and federal elections for the residents of Akutan.

vi. Public Works/Solid Waste Collection/Recycling

The City maintains public buildings, boardwalks and infrastructure and provides solid waste collection and recycling throughout the village. Financial support for boardwalk and trail maintenance is provided in part via a contract with the Bureau of Indian Affairs through the Indian Reservations Road Program. Solid waste collection is provided throughout the village. Waste is disposed at the City-operated incinerator located on the east-end of town. Large, inert waste is collected near the incinerator and periodically barged away. The City provides aluminum recycling at the City warehouse where it is baled and barged to Unalaska.

vii. Utilities

a. Water/Sewer

All residential and business buildings have indoor plumbing. The City provides water and sewer service throughout the village, maintains a separate water and sewer fund, and has state-issued Certificates of Public Convenience and Necessity to provide water and sewer service. Water is captured via a dam on Town Creek originally constructed in 1927, stored in a water tank above the Village, and piped to buildings. To support the new boat harbor, the City is considering whether and how to develop a pipeline from Loud Creek to provide water to the new small boat harbor.

All buildings are connected to a community septic tank whereby solids are periodically removed and disposed while fluid is discharged through an ocean outfall in Akutan Harbor.

b. Electricity

The City provides electricity to the village via a City-managed enterprise and has a state-issued Certificate of Public Convenience and Necessity to provide electricity. Electricity is generated by diesel generators and supplemented by a hydroelectric plant that captures water from Town Creek. The hydroelectric system was first installed in 1992 and is being repaired and upgraded in 2011, making hydroelectric the primary energy source with diesel as back-up. The City charges fees for electricity use that are processed through the AMPY Prepayment System. Long-term, the City is targeting geothermal energy to serve electric and heating needs at the village and Trident. A hydroelectric facility is being considered at Loud Creek to provide power to the harbor until the proposed geothermal plant is online.

c. Fuel/Gas

The City has a four-tank fuel farm to provide diesel fuel and gasoline in the village and maintains a separate fuel/gas fund. Gasoline is sold for use in small vehicles, generally ATV's. Diesel fuel is supplied to homes and buildings for heating.

viii. Library/Museum

The City operates a library and museum adjacent to the Akutan School. The library is a City department and staffed by two part-time employees. The library offers a child's reading territory, two public-use computers and a selection of books, magazines and periodicals. The museum includes photos and artifacts. A local resident serves as the community historian and the Akutan Tribe maintains archives.

ix. Cable/Telecommunications

Cable and telecommunications services are available throughout the village and the City maintains a separate cable fund. Local telephone service is available from ACS, and long-distance and cellular service is available from GCI. Internet service is available from GCI and Starband. Television service is available from GCI as well as satellite dish providers.

x. Public Boat Dock/Mooring

The City operates a 200-foot public boat dock and a mooring facility. The dock accommodates the Alaska State Ferry and

small freighters and fishing vessels. The adjacent mooring facility is used for several skiffs and fishing boats, including the City's own emergency-use Homeland Security skiff. The City has detailed harbor regulations that address mooring facility use and fees, crab pot storage, and discharge of oil, hazardous substances and ballast water.

xi. Economic Development

The City is active in securing projects for the community. It continues to pursue a variety of projects to help sustain the community, support new enterprise, create jobs, reduce energy costs, improve transportation, and preserve subsistence and historical sites.

xii. Airport Operations

The City maintains the current village seaplane landing. For the new airport, the City has executed an *Airport Co-Sponsorship Agreement* with the AEB and State of Alaska DOT&PF describing rights and responsibilities for each party to construct and service the airport. The City has agreed to operate a passenger shelter at the airport. The project manager's construction office at the airport will be transferred to the City for use as the passenger shelter.<sup>93</sup> The City will be responsible for improvements such as office equipment, radio communications, vending and furniture, as well as shuttling passengers and cargo between the airport and hovercraft landing at Surf Bay.

The Borough and State will also have maintenance and operations responsibilities. The AEB will maintain and operate the hovercraft and the hovercraft maintenance shed and landing just north of the small boat harbor. The DOT&PF will maintain and operate the airport, access roads, and hovercraft terminal on Akun Island.<sup>94</sup>

The City expects to negotiate an agreement with the State to provide maintenance and operations at the airport, including but not limited to daily site inspections, ground equipment operation, and ground traffic control. This arrangement would provide local employment and be efficient for the State by leveraging an existing resident labor force.

---

<sup>93</sup> See Akutan Airport Co-Sponsorship Agreement, pp.3-4; and see Footnote 6.

<sup>94</sup> See Akutan Airport Co-Sponsorship Agreement, pp.3-7.

xiii. Boat Harbor Operations

The City will assume ownership, maintenance and operation of the harbor at such time as the Aleutians East Borough has fulfilled its financial obligations under the “Project Partnership Agreement Between the Department of the Army and Aleutians East Borough for Construction of the Akutan Harbor, Akutan, Alaska.” The U.S. Army Corp of Engineers is contracted to construct a mooring basin and breakwater. The City's *Local Harbor Area Plan* illustrates a preferred land use plan for the harbor, and the City is pursuing a variety of local harbor service and support facilities. Potential development includes processing, manufacturing, aggregate sales, vessel repair, fueling, storage, retail, residential, lodging, and harbormaster office, with necessary utility services.<sup>95</sup> Several other amenities are envisioned in later phases to service and support visitors and boats.

2) Services after the proposed change

After annexation, the City will provide the same essential powers and functions it provides today, including tax levies, public safety, emergency medical response, utilities, and planning, platting, and land use regulation. Schools, libraries, and community center will be available to all residents. Community services and utilities, including water, septic and power, will be determined on a case-by-case basis in conjunction with new development.

The City expects to provide services to serve multiple users during and after development, including common water service, electricity, waste collection and disposal, and septic services. However, investment will be based on what is deemed necessary and appropriate for the proposed residents and businesses. Services and infrastructure development will require a shared responsibility among the City, developers, and property owners. Regardless, the City is best situated to provide local services in the proposed territory and has the experience and capability to do so.

b) Alternative service providers within the territory proposed for city boundary change

---

<sup>95</sup> City of Akutan Harbor Local Area Plan, 2011, p. 18.



The City of Akutan and the territory proposed for annexation lie within the Aleutians East Borough. The Borough has not created service areas that encompass the City and the proposed territory under AS 29.35.450. However, several entities provide services in the territory, including the Aleutians East Borough School District, Eastern Aleutians Tribes, Aleutian Pribilof Islands Association, and State of Alaska Department of Public Safety.

The School District administers public education from grades 1 through 12 and supports one school staffed in the village, Akutan School. This school would support residents in the territory proposed for annexation. It is assumed families with school-aged children would reside in the village, obviating the need to shuttle students to and from Akun Island via the marine link. Akutan is classified as an isolated town/sub-regional center and part of EMS Region 2H in the Aleutian/Pribilof Region. Eastern Aleutians Tribes (EAT) Health Services administers the Anesia Kudrin Medical Clinic, funded in part by federal funds. The Aleutian Pribilof Islands Association and State of Alaska Troopers employ the Village Public Safety Officer (VPSO) and the City provides living quarters and a public safety building for use by the VPSO. AAP § 14, pp. 35-36.

Akutan is a stable and well-run municipality that provides reliable, efficient and economical services to the community. Akutan's provision of stable services will continue in the annexation territory as infrastructure projects are completed and economic development opportunities arise.<sup>96</sup> See AAP §§ 5, 6, 14, 15.

**(a)(5) extraterritorial powers available to the city to which the territory is proposed to be annexed and extraterritorial powers of nearby municipalities;**

Alaska Statute 29.35.020 authorizes municipalities to exercise certain extraterritorial powers which include emergency medical services, solid and septic waste disposal, utility services, airports, streets (including ice roads), trails, transportation facilities, wharves, harbors and other marine facilities. An efficient and economical approach to the provision of services is for a municipality to exercise such powers within its jurisdiction. This is especially compelling when planning powers, which are not included in the powers listed above, must be exercised.

---

<sup>96</sup> Refer also to Resolution 11-25 by the Aleutians East Borough in support of the petition for annexation, included in AAP § Exhibit J-2.

Importantly, the AEB does not exercise such powers in the City. Instead this power has been delegated to the City. See AEBC 45.05.030(b) and AMC 8.10.120. As noted in the AAP, Akutan has a Planning Commission that has adopted land use plans and is engaged in the planning process for its existing and proposed annexation territory. It is undertaking infrastructure projects described throughout the AAP for the betterment of the community, region, and the State. See AAP §§ 5, 6, 14 and 15.

Annexation of the territory to the City therefore meets the requirements for maximum local self-government with a minimum of local government units. It also avoids the creation of new service areas to provide the services pursuant to Alaska Const. art. X, § 5.

**(a)(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;**

Currently, no permanent residents reside in the annexation territory. However, the proposed territory is intended to serve the residents of Akutan and some level of residential development is anticipated over time. Assuming that to be the case, the City would directly provide benefits to potential residents through the provision of services and facilities in the territory. As previously noted, the City has a stable workforce and provides essential public services and facilities. See AAP Ex. E; § 9, p. 20; § 14, p. 30.

**B. 3AAC 110.090. Need**

**(b) Territory may not be annexed to a city if essential municipal 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 a borough service area that, in the determination of the commission, was established in accordance with art. X, sec. 5, Constitution of the State of Alaska.**

Akutan and the proposed annexation territory are located in a remote region in the Aleutian Islands with serious transportation challenges due to weather and distance. Akutan, since incorporation in 1979, has demonstrated that it can provide stable, effective, efficient, and economical services to the community. The list of services Akutan provides to the community is set forth in AAP § 14 and will not be reiterated herein. It is important to note that the AEB does

not provide planning services to the territory. Neither its headquarters nor facilities are in close proximity to the City or the annexation territory.

Due to Akutan's close proximity to the annexation territory, it is the best-suited local government to provide the services necessary.<sup>97</sup> See AAP §§ 4, 5, 6, 9, 11, 12, 14, and 15.

**C. 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, subdivision platting, and ownership patterns;**

AAP 5(b)(4) generally describes land use within the current city, which includes residential, commercial, industrial, and public uses. The City has single-family dwellings with some duplexes, and a 4-plex. Trident housing includes apartment buildings. Within the City there are also commercial retail businesses, government offices, including public safety, public school, US Post Office, and City and Tribal offices, as well as a health clinic. Land within the City has been subdivided as depicted on the maps attached. Akutan has three subdivisions: 1) Plat 97-6 Akutan Harbor Subdivision; 2) Plat 97-11 Akutan School Subdivision; and 3) Plat 93-22 East Akutan Subdivision. Exhibit A4.

Land use within the annexation territory will focus upon airport operations, economic development, and energy projects. It is anticipated that commercial activities will take place within the annexation territory, with the potential of residential and mixed land uses.

The ownership patterns existing within the City consist of private, government, and Native corporation ownership. It is anticipated these ownership patterns will remain unchanged in the annexation territory.

---

<sup>97</sup> Refer also to Resolution 11-25 by the Aleutians East Borough in support of the petition for annexation, included in AAP § Exhibit J-2.

**(2) salability of land for residential, commercial, or industrial purposes;**

The Akutan Corporation owns land in the existing and proposed annexation territory, which could be available for sale or lease. The City also owns land for sale or lease.

**(3) population density;**

Currently there is no residential population within the proposed annexation territory, but this may change as development evolves. It is anticipated that the population will increase predominantly around airport and energy development projects. See AAP § 9, p. 18, which describes the population data within the current and proposed boundaries.

**(4) cause of recent population changes;**

AAP § 9 contains data on population. The population of the territory proposed for annexation is zero, and the current city population is estimated at 1,027. The current City population represents a 44 percent increase from 713 people in 2000 and a 75 percent increase from 586 in 1990. The population increase is primarily attributed to expansion of the Trident fish processing plant, which has a seasonal population that varies from 300-400 to over 1,000 throughout the year.

The development of the airport, boat harbor, and geothermal project will provide the benefits of reliable air transportation for residents, employees, and visitors, reduced energy costs, fishing fleet support opportunities, and/or alternative power sources for refrigeration, greenhouse agriculture, and eco-tourism. It is anticipated that the development will bring about an increase in visitors, employment, and resident population due to job opportunities in the region.

**(5) suitability of the territory for reasonably anticipated community purposes;**

Due to the mountainous terrain in the region, the annexation territory is especially suitable for community purposes as it expands the area suitable for new land uses. The FAA and SOA DOT&PF have determined that the land on Akun is best suited for a regional airport to meet the community purpose of providing reliable and safe transportation. Hot Springs Bay Valley has been determined to hold a viable renewable energy source with the prospect of fostering community sustainability through reduced energy costs and the potential for economic development opportunities.

The water corridors within the annexation territory serve a community purpose in that the waterways connect traditional Aleut lands. The annexation does not create enclaves and will establish a geographical as well as political unit, wherein the residents may continue to preserve and protect habitats, access customary subsistence areas, and sustain their culture through planning and renewable energy development. See AAP §§ 5, 6.

**(6) Existing and reasonably anticipated transportation patterns and facilities;**

AAP § 5(b)(5) at pp. 7-9 summarizes transportation patterns and facilities for the territory. To summarize, Akutan exists in a marine environment where waterways have historically and traditionally been used by its residents to access the islands and fishing grounds. The territory is served by the Alaska Marine Highway and lies along the Great Circle Route for international shipping. Access to Akutan today is by boat and amphibious aircraft, which includes a public boat dock and a small craft mooring area. Trident Seafoods has a larger dock for larger vessels. Often the mail does not get through. There is one short gravel road in the City, with the village being served by boardwalks. Four-wheelers provide land transportation. New roads are anticipated in the airport area to access the airport from the hovercraft landing on Surf Bay. A 60-foot right-of-way is being acquired via 14(c)(3) conveyance from Akutan Corporation to connect the airport to Trident Bay. The harbor access road between the village and the new boat harbor is currently in conceptual design, with the lead being taken by Akutan Traditional Council. Surveys are in

progress for conceptual road alignments to access the geothermal resource in the Hot Springs Bay area and to connect the new boat harbor. See AAP § 5(b)(5) at p.9.

**(7) natural geographical features and environmental factors;**

AAP § 5 at pp. 5-7 generally describes the territory proposed for annexation, which is similar in geographical features and environmental factors to the existing City. The annexation of territory, including the water territory, will connect the community of Akutan to ancestral and subsistence sites. City governance over the annexation territory will efficiently and effectively provide services for the protection of the public's health, safety and welfare. The existing City and proposed territory are clearly compatible in geographic features and environmental factors.

**D. 3 AAC 110.110. Resources**

**The economy within the proposed expanded boundaries of the city must include the human and financial resources necessary to provide essential municipal 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;**

It is anticipated that the City will perform the following functions in the territory being annexed: land use planning, public safety, health services, public works, solid waste collection and recycling, utilities, telecommunications, economic development, airport and boat harbor operations. See AAP Exhibit F, Transition Plan.

**(2) reasonably anticipated new expenses of the city that would result from annexation;**

In AAP § 12 and Exhibit F, Transition Plan, it states that the City will have the same essential powers and perform the functions it provides today, including tax levies, public safety, emergency medical response, and planning, platting, and land use regulation. The school, library, and the community center will be available to all residents, and community services and utilities, including water, septic, and power, will be determined, planned, and financed on a case-by-case basis in conjunction with new development.

AAP § 12 describes expenses during the first year following annexation. The City anticipates a one-time \$50,000 land use planning expense, a \$50,000 increase in on-going financial and legal services, and \$100,000 in public works management and engineering expense related to infrastructure development.

**(3) actual income and the reasonably anticipated ability to generate and collect local revenue and income from the territory;**

AAP § 12, along with Exhibit C-1, includes detailed budget information, projected revenues, projected operating expenses, and expenditures, including existing long-term municipal debt. An examination of these projections establishes that the City has a stable financial structure that is anticipated to continue as the demand for services increases. The City is also capable of developing new revenue measures as noted in AAP § 12.

**(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 period extending one full fiscal year beyond the reasonably anticipated date for completion of the transition set out in 3 AAC 110.900;**

An examination of the City's budget information discloses that it is well financed to provide services and maintains a very low debt service obligation.<sup>98</sup> It is anticipated that the City will continue to be well positioned to provide services demanded by the residents of the community.

**(5) economic base of the territory within the city after annexation;**

It is anticipated that the economic base of the City after annexation will only be strengthened by new opportunities arising from the enhanced infrastructure completed in the territory. See AAP § 5, pp. 9-13.

---

<sup>98</sup> The LBC is respectfully referred to AAP § 13, which contains budget information, and AAP § Exhibits C-1, C-2, C-3 for projected revenue, operating expenditures, and capital expenditures.

**(6) valuations of taxable property in the territory proposed for annexation;**

AAP § 11 contains tax data, including the State Assessor's estimated value of taxable real and personal property within the existing city. While the City does not levy a real or personal property tax, the total real property tax value is estimated at \$19,503,300, while the personal property tax value is estimated at \$29,120,000. The territory proposed for annexation does not contain a taxable value and the taxable value existing after annexation for real and personal property would remain unchanged.

**(7) land use in the territory proposed for annexation;**

Current land use in the territory proposed for annexation consists of fishing, hunting, subsistence activities, recreation, cattle ranching, watershed protection, and renewable resource development. Upon completion of infrastructure projects, it is anticipated that land use in the territory will develop based upon land use plans prepared by the City, including but not limited to commercial, industrial, public use, institutional, and residential.

**(8) existing and reasonably anticipated industrial commercial and resource development in the territory proposed for annexation;**

The City has developed an AIRPORT LOCAL AREA PLAN (A-LAP) which sets forth a blueprint of proposed land development within the territory outside of the airport operations area. Such land use includes industrial, public use, institutional, commercial, and residential uses. The City is currently planning for its existing and proposed annexation territory. Similar potential land uses may arise in the other areas of the annexation territory.

**(9) personal income of residents in the territory and in the city;**

Information about personal income of residents in the territory is not pertinent since the territory is currently uninhabited. AAP § 9(d), however, includes information on income and employment of Akutan residents now living within the City boundaries. This information is based upon the 2000 Census and showed per capita income below the national average and median household income above the poverty level. Per capita income was \$12,259, 57% of the national per capita income of \$21,587. The median household income in Akutan was \$33,750, 80% of the national median household income of \$41,994.



**(10) need for and availability of employable skills and unskilled persons to serve the city government as a result of annexation;**

AAP § 9(g) outlines the availability of people to serve the City. It notes that the City has been well-served by its residents, and that the City contracts for various services as necessary. It further notes that there are a high percentage of high school graduates who have consistently taken an active role in municipal and community service, including participation in the City Council, Planning Commission, Tribal Council, and other entities. Based upon the willingness and availability of residents to become involved in the community and to seek employment therein, the City anticipates that it will have an employable, skilled and unskilled work force to serve the city government as a result of the annexation.

**E. 3 AAC 110.120. Population**

**The population within the proposed expanded 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) census enumerations;**

AAP § 9 includes data estimating the population of the territory proposed for annexation. As noted therein, the population of the territory proposed for annexation is estimated to be zero and the current city population estimated to be 1,027. After annexation, the population is expected to remain unchanged at 1,027.

**(2) duration of residency;**

The current village was first settled in 1878. Residents were evacuated to Ketchikan after the Japanese attack on Unalaska in 1942 and returned in 1944. There has been continuous habitation of Akutan and Akun Islands for thousands of years. The village of Chulka at the southwestern end of Akun Island is estimated to have been first occupied in AD 780. See AAP § 5 pp. 5-7.

**(3) historical population patterns;**

AAP § 9(b) discusses population trends. The population of the territory is stable and growing. The population consists of about 1,027 individuals, which represents a 44% increase from 713 people in 2000 and a 75% increase from 586 people in 1990. Population in the territory has increased due to the expansion of the Trident Seafood plant, which operates year round with a variable population ranging from 300-400 to over 1,000. As noted, the population of the village remains relatively constant.

**(4) seasonal population changes;**

The discussion in section 3 above addresses seasonal population fluctuations. The population of workers at the Trident Seafood plant fluctuates between three fishing seasons from 300-400 to 1,000. The population of the village remains relatively constant.

**(5) age distributions;**

AAP § 9(c) notes that based upon the 2010 Census, the median age in Akutan was 44.1 years with 95 percent of residents being 18 to 64 years of age.

**(6) contemporary and historical public school enrollment data;**

AAP § 9(c) discusses population age and households, including public school enrollment data. As noted therein, there are few people of school age; however, FY2010 enrollment at the Akutan School was reported at 10.25 students in grades 1-12, indicating enrollment changes during the year. The school district estimates 8 students in FY2011 and 12 students in FY2012.

**(7) non-confidential data from the Department of Revenue regarding applications under AS 43.23 for permanent fund dividends.**

AAP § 9(d) discusses income and employment in Akutan. It states "as of 2009, the Alaska Department of Labor and Workforce Development (DOLWD) reported 136 residents in Akutan of working age, age 16 and higher. This figure is based directly on Permanent Fund Dividend information rather than census or other sources. Of this figure, DOLWD estimated 127 resident workers. AAP § 9, p. 18.

**F. 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;**

The City engages in land use planning within its current boundaries and has adopted an ordinance set forth in AMC 7.10.010 - .090. The City land use code authorizes residential, commercial/industrial districts, conservation/hazard districts, public use districts, and contains an unrestricted district. To implement its land use and zoning authority, the City has established a Planning Commission which meets regularly to address land use issues.

In conjunction with its existing planning activities, the City has engaged in substantial planning throughout the years and has adopted an AKUTAN COMMUNITY PLAN, which serves as the City's comprehensive plan.

Along with the advent of the major infrastructure projects taking place at the airport, harbor, and renewable energy sites, the City has been actively engaged in land use planning to address the issues raised by the new projects. Currently, the City has adopted an AIRPORT LOCAL AREA PLAN, a HARBOR LOCAL AREA PLAN, an INFRASTRUCTURE AND COMMUNITY DEVELOPMENT IMPACT ASSESSMENT, and an ARCHEOLOGICAL SURVEY OF THE HOT SPRINGS BAY VALLEY AND AKUTAN HARBOR ENERGY & RURAL DEVELOPMENT PROJECTS.<sup>99</sup>

It is noteworthy that the City has developed an AIRPORT LOCAL AREA PLAN to address land use considerations arising from airport development outside of the actual airport operations area. The Akutan Corporation has expressed interest in developing infrastructure associated with the airport, and new opportunities for commercial development may arise as airport operations evolve.

Similarly, geothermal development will foster community sustainability through reduced energy costs and potential economic development.

---

<sup>99</sup> Akutan Ordinance 10-11 (June 15, 2010) and Akutan Ordinance 11-03 (June 14, 2011).

Land owners within the existing boundaries include the Akutan Corporation, City of Akutan, the Aleutians East Borough, the Aleutian Housing Authority, the Orthodox Church, Diocese of Sitka, Alaska, and other various private property owners. Land owners in the proposed territory include the City, Borough, and Akutan Corporation. Trident Seafood Corporation leases land within the existing City.

**(a)(2) population density;**

See AAP § 9, p. 18, which describes the population data within the current and proposed boundaries.

**(a)(3) existing and reasonably anticipated transportation patterns and facilities;**

See AAP § 5, pp. 7-9 and pp. 12-14, and pp. 17-18 of this Brief, which contains information related to existing and reasonably anticipated transportation patterns and facilities.

**(a)(4) natural geographical features and environmental factors;**

See AAP § 5, p. 5, and p. 18 of this Brief, which outlines natural geographical features and environmental factors.

**(a)(5) extraterritorial powers of cities;**

See AAP § 6, p.15, and p. 13 of this Brief, for a discussion of the extraterritorial powers of cities.

**G. 3 AAC 110.130. Boundaries**

- (b) Absent a specific and persuasive showing to the contrary, the commission will presume that territory that is not contiguous to an 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.**

The proposed annexation territory is contiguous with the annexing city and does not create enclaves within the annexing city. AAP § 5(b) provides an overview of the territory proposed for annexation and assists in the analysis of this factor. According to the discussion contained therein, the proposed boundaries encompass approximately 131 square miles of land

and submerged lands on Akutan and Akun Island to be added to the City's existing 18 square miles. The proposed boundaries traverse Akutan Bay, connecting Akutan and Akun Islands, a route which has historically and culturally been used by the residents for subsistence activities, cattle ranching, and, in the very near future will be used to access increased and reliable air transportation for the area. It is also important to note that the natural geography of the environment, as well as the character and culture of the existing and proposed city boundaries, are the same. Humans have occupied Surf Bay on the western shore of Akun Island for at least the last 6,000 years as evidenced by various cultural sites in the area. See AAP § 5, pp. 2-7. Akutan and Akun Islands are connected across Akutan Bay and Akun Straight and are therefore contiguous. These waters serve as a right-of-way connecting the two islands, which are geographically and culturally similar.

**H. 3 AAC 110.130. Boundaries**

**(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;**

In analyzing this standard it is important to recognize that the City lies in a remote territory and residents live and work in the greater community of Akutan encompassing the territory proposed for annexation. The proposed territory is essential for the community for transportation, energy development, economic development, and subsistence. It is also important to recognize that the territory consists of islands that are connected, culturally, historically, and geographically. See AAP § 6(a)(1).

**(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.**

The proposed territory does not constitute an entire region but rather encompasses the greater Akutan community where residents work, subsist, and recreate, and will depend on for

transportation, energy, and economic sustainability. Other cities in Alaska are similarly situated with relatively large geographic areas, including water bodies, and lower population densities.<sup>100</sup>

AAP § 5(b)(6) outlines anticipated development in the proposed territory. It provides:

It is an unprecedented time in Akutan. The City is now realizing several long-awaited projects that have been pursued for more than ten years. The small boat harbor mooring basin and breakwaters, within the existing City, is now under construction and scheduled to be completed in late 2012. The new airport being built on Akun is also scheduled to be completed in late 2012. Exploratory drilling has been completed for potential geothermal development in Hot Springs Bay Valley, and conceptual design and feasibility will be completed in 2011. Repairs and upgrades to the existing Town Creek Hydroelectric Plant will be completed in 2012. Meanwhile, electrical distribution is being upgraded, a harbor access road between the village and boat harbor is being surveyed, and a system to deliver and sell water from Loud Creek to the boat harbor is being considered.

The projects are documented in the City's *Community Plan* adopted in 2005 and its *2011-2015 Capital Improvement Program*, as well as the *H-LAP* and *A-LAP* referred to earlier. The *H-LAP* describes priority needs and preferred land uses surrounding the boat harbor once the mooring basin is completed. This potential development includes processing, manufacturing, aggregate sales, vessel repair, fueling, storage, retail, residential, lodging, and harbormaster office, with necessary utility services. Several other amenities are envisioned in later phases to service and support visitors and boats. Similarly, the *A-LAP* describes anticipated development and a conceptual land use plan for City property surrounding the airport. Among the potential developments are warehousing, shipping, commercial fueling, as well as associated housing and office space.

The harbor and airport will bring about dramatic changes to the physical, social, and economic conditions of Akutan. Except for the area at the boat harbor, development will occur outside existing City boundaries. The City's 2010 *Community Impact Assessment* identified potential impacts to the community from several major projects and made several recommendations to prepare for and manage these impacts. Among the impacts anticipated during construction is the potential need to support personnel, staging, and shipments for multiple projects

---

<sup>100</sup> Refer to AAP § 6, pp.14-15 for examples of comparative municipalities in Alaska.

concurrently. Fortunately, the boat harbor and airport projects will be constructed relatively independently with their own on-site housing, staging, water, food, fuel, and septic. After construction of the boat harbor and airport, the City must begin managing the passenger shelter, seek businesses for these areas, and secure funding for improvements including water, power, and septic. (footnotes omitted)

As demonstrated by Akutan's Annexation Petition, and further explained in this Brief, the boundaries of the annexation territory are justified by the application of the standards of 3 AAC 110.090 – 3 AAC 110.135, and are otherwise suitable for city government.

**I. 3 AAC 110.130. Boundaries**

**(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.**

The current boundaries of the City and the annexation territory are located within the boundaries of the Aleutians East Borough. The City is not seeking to detach territory from the Borough.

**J. 3 AAC 110.135. Best interest of state**

Annexation allows the City to manage its entire community and the assets necessary for sustainability and growth. This serves the best interest of the State in maximizing local self-government and reducing the potential demand to provide local services in areas of the proposed territory, while promoting no net change to the number of local government units.<sup>101</sup> See AAP § 6 at pp. 16-17.

**K. 3 AAC 110.900. Transition**

Exhibit F presents a practical plan for the transfer and integration of all relevant and appropriate assets and liabilities in the territory proposed for annexation to the existing city. See *also* AAP § 15 pp. 36-37.

---

<sup>101</sup> Refer also to Resolution 11-25 by the Aleutians East Borough in support of the petition for annexation, included in AAP § Exhibit J-2.

**L. 3 AAC 110.910. Statement of nondiscrimination**

Exhibit H provides information regarding any effects of the proposed annexation upon civil and political rights for purposes of the federal Voting Rights Act.



**EXHIBIT J-1: DOCUMENTATION DEMONSTRATING THAT THE  
PETITIONER IS AUTHORIZED TO FILE THE PETITION UNDER 3 AAC  
110.410**

*(NOTE: This is a draft form. This will be superseded with a completed form after the City adopts the attached Ordinance.)*

**CERTIFIED COPY OF ORDINANCE AUTHORIZING THE ANNEXATION PETITION**

I, the undersigned City Clerk, do hereby certify that the attached ordinance is a true and correct copy of Ordinance Number \_\_\_\_\_ of the City as finally passed at a duly convened meeting of the City Council.

In witness whereof, I have hereto set my hand and affixed the official seal of the City this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
City Clerk

***(NOTE: This is a draft Ordinance. This will be replaced with an ordinance that the City anticipates adopting after technical review by the Local Boundary Commission staff.)***

**ORDINANCE \_\_\_\_\_**

AN ORDINANCE OF THE CITY OF AKUTAN AUTHORIZING THE MAYOR TO SUBMIT TO THE STATE OF ALASKA LOCAL BOUNDARY COMMISSION A PETITION FOR ANNEXATION OF TERRITORY TO THE CITY OF AKUTAN.

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

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 non-areawide 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 includes 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, although the area proposed for annexation is unpopulated, expected and necessary development within the expanded boundaries of the City will support and justify the extension of city government into that area; 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

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 plus reasonably predictable growth, development, and public safety needs during the 10 years following the effective date of annexation; and

WHEREAS, while although the proposed expanded boundaries of the City include unpopulated areas on Akutan Island and on Akun Island, inclusion of those areas is 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; and

WHEREAS, there are no registered voters residing on the property proposed for annexation, and all property owners in the territory proposed for annexation, as defined by 3 AAC 110.990(12), have petitioned the City Council for annexation in accordance with AS 29.06.050(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 AKUTAN, as follows:

**SECTION 1. Classification:**

This is a Non-Code Ordinance

**SECTION 2. Authorization.** That the Mayor of the City of Akutan 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 lands and submerged lands in the areas of Hot Springs

Bay and Valley, Loud Creek, Open Bight, Akun Straight, Lost Harbor, Surf Bay, Trident Bay, and Akutan Bay adjacent to the City in the Hot Springs Bay Valley area and lands on adjacent Akun Island, which is the site of the Akutan Airport under construction. 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.

SECTION 3. Petitioner's Representative. The Mayor of the City of Akutan is designated as the representative of the City for all matters relating to the annexation proceeding. The Assistant City Administrator is designated as alternate representative for all matters relating to the annexation proceeding.

SECTION 4. Terms and Conditions. That the annexation will be on the following terms and conditions:

a. Provision of services as described in the Petition for annexation in Exhibit E: Municipal Powers and Functions including: Levying and Collecting Taxes; Public Safety; Health Services; Planning, Platting, and Land Use; Local Election; Public Works/Solid Waste Collection/Recycling; Utilities including Water/Sewer, Electricity, Fuel/Gas; Library/Museum; Cable/Telecommunications; Public Boat Dock/Mooring; Economic Development; Airport; Boat Harbor.

SECTION 5. Effective Date: This ordinance becomes effective upon its adoption by the City Council.

ADOPTED by a duly constituted quorum of the City Council of Akutan, Alaska this \_\_\_ day of \_\_\_\_\_, 2011, by a vote of \_\_\_ in favor and \_\_\_ opposed.

\_\_\_\_\_  
Joseph Bereskin Mayor

ATTEST:

\_\_\_\_\_  
Sandra Bell Vincler, City Clerk

**EXHIBIT J-2: DOCUMENTATION OF THE UNANIMOUS CONSENT OF THE  
PROPERTY OWNERS AND VOTERS IN THE TERRITORY PROPOSED FOR  
ANNEXATION**

This exhibit includes a certified copy of each petition received from all property owners and registered voters in the property proposed to be annexed, consenting to the proposed annexation. This exhibit also includes resolutions adopted by governing bodies of property owners in the proposed territory. These documents demonstrate the unanimous consent of all property owners and voters in the territory proposed for annexation to the City required by AS 29.06.040(c)(4).

Names of all property owners in the territory proposed to be annexed to the City, whether or not they live on the property or are registered voters in the territory:

- *Akutan Corporation*
- *Aleutians East Borough*
- *City of Akutan*

Names of all registered voters in the territory proposed to be annexed:

- *None*

**PETITION BY PROPERTY OWNERS FOR ANNEXATION**

TO THE CITY OF AKUTAN:

Subject to approval by the Local Boundary Commission of a petition from a city government, AS 29.06.040(c)(4) allows territory adjoining the petitioning city government to be annexed to that city by ordinance, without an election, if all owners of the property proposed for annexation and all registered voters in the territory proposed for annexation first petition the governing body of that city for annexation. As defined in 3 AAC 110.990(12), "property owner" means a legal person holding a vested fee simple interest in the surface estate of any real property including submerged lands.

The Akutan Corporation (hereinafter referred to as the "Petitioner") hereby petitions for the annexation of the proposed territory to the City of Akutan as described in the petition. Further, we affirm that the Petitioner:

- a) is the property owner of all of the uninhabited land proposed for annexation, excluding a 4.71 acre parcel of land owned by the Aleutians East Borough and approximately 4.8 square miles owned by the City of Akutan; and
- b) acknowledges that there are no registered voters in the proposed territory for annexation; and
- c) has reviewed the complete petition, including all exhibits, and understands its terms; and
- d) supports the annexation of proposed territory as described in the attached resolution as it is in the best interests of Akutan, the Borough, and the State of Alaska; and
- e) has authorized the person below to execute the required documentation of consent on behalf of the Petitioner.

Darryl Pelkey  
Authorized Signature

Darryl Pelkey  
Printed Name

Akutan Corporation  
Name of Property Owner

P.O. Box 8 Akutan Alaska, 99553  
Address of Property Owner

10-11-2011  
Date Signed

**AKUTAN CORPORATION**

P.O. Box 8 AKUTAN, ALASKA 99553 (907) 698-2206 FAX (907) 698-2207

**AKUTAN CORPORATION**

Resolution No. 2011-02



Whereas, the Akutan Corporation (hereafter "AC") is the Alaska Native Village Corporation for Akutan village organized under Alaska law pursuant to the Alaska Native Claims Settlement Act (ANCSA) of December 18, 1971, 43 U.S.C. 1601 *et seq.*, and

Whereas, the City of Akutan has filed a petition with the Alaska Local Boundary Commission to annex territory and expand its boundaries to include the following-described land on Akutan and Akun Islands, much of which is owned by Akutan Corporation:

Beginning at the northwest corner of Section 18, T70S, R112W, Seward Meridian (S.M.), Alaska;

Thence, westerly along the south boundary of Section 12, T70S, R113W, S.M. to the southwest corner of Section 12, T70S, R113W, S.M.

Thence, northerly along the west boundary of Sections 12 and 1, T70S, R113W, S.M. and Sections 36 and 25, T69S, R113W, S.M. to the northwest corner of Section 25, T69S, R113W, S.M.

Thence, westerly along the south boundary of Section 23, T69S, R113W, S.M. to the southwest corner of Section 23, T69S, R113W, S.M.

Thence, northerly along the west boundary of Sections 23, 14 and 11, T69S, R113W, S.M. to the intersection of the mean high water line of the Bering Sea and the west boundary of Section 11, T69S, R113W, S.M.

Thence, continuing northerly along the west boundary of protracted Sections 11 and 2, T69S, R113W, S.M. to the northwest corner of protracted Section 2, T69S, R113W, S.M.

Thence, easterly along the north boundary of protracted Sections 2 and 1, T69S, R113W, S.M., protracted Sections 6, 5, 4, 3, 2 and 1, T69S, R112W, S.M. and protracted Sections 6, 5 and 4, T69S, R111W, S.M. to the intersection of the mean high water line of Akutan Bay and the north boundary of Section 4, T69S, R111W, S.M.

Thence, continuing easterly along the north boundary of Sections 4, 3 and 2, T69S, R111W, S.M. to the southwest corner of Section 35, T68S, R110W, S.M.

Thence, northerly along the west boundary of Section 35, T68S, R110W, S.M. to the northwest corner of Section 35, T68S, R110W, S.M.

Thence, easterly along the north boundary of Sections 35 and 36, T68S, R110W, S.M. to the northeast corner of Section 36, T68S, R110W, S.M.

Thence, southerly along the east boundary of Section 36, T68S, R110W, S.M. to the southeast corner of Section 36, T68S, R110W, S.M.

Thence, easterly along the north boundary of Section 6, T69S, R110W, S.M. to the northeast corner of Section 6, T69S, R110W, S.M.

Thence, southerly along the east boundary of Sections 6 and 7, T69S, R110W, S.M. to the southeast corner of Section 7, T69S, R110W, S.M.

Thence, easterly along the north boundary of Sections 17 and 16, T69S, R110W, S.M. to the northeast corner of Section 16, T69S, R110W, S.M.

Thence, southerly along the east boundary of Sections 16, 21, 28 and 33, T69S, R110W, S.M. and Section 4, T70S, R110W, S.M. to the intersection of the mean high water line of Trident Bay and the east boundary of Section 4, T70S, R110W, S.M.

Thence, continuing southerly along the east boundary of protracted Sections 4, 9 and 16, T70S, R110W, S.M. to the southeast corner of protracted Section 16, T70S, R110W, S.M.

Thence, westerly along the south boundary of protracted Section 16, T70S, R110W, S.M. to the southwest corner of protracted Section 16, T70S, R110W, S.M.

Thence, southerly along the east boundary of protracted Section 20, T70S, R110W, S.M. to the southeast corner of protracted Section 20, T70S, R110W, S.M.

Thence, westerly along the south boundary of protracted Section 20, T70S, R110W, S.M. to the southwest corner of protracted Section 20, T70S, R110W, S.M.

Thence, northerly along the west boundary of protracted Section 20, T70S, R110W, S.M. to the northwest corner of protracted Section 20, T70S, R110W, S.M.

Thence, westerly along the south boundary of protracted Section 18, T70S, R110W, S.M. and Sections 13, 14, 15 and 16, T70S, R111W, S.M. to the intersection of the mean high water line of the Pacific Ocean and the south boundary of Section 16, T70S, R111W, S.M.

Thence, continuing westerly along the south boundary of Sections 16, 17 and 18, T70S, R111W, S.M. to the southwest corner of Section 18, T70S, R111W, S.M.

Thence, southerly along the east boundary of Section 24, T70S, R112W, S.M. to the southeast corner of Section 24, T70S, R112W, S.M.

Thence, westerly along the south boundary of Sections 24, 23 and 22, T70S, R112W, S.M. to the southwest corner of Section 22, T70S, R112W, S.M.

Thence, northerly along the west boundary of Section 22, T70S, R112W, S.M. to the northwest corner of Section 22, T70S, R112W, S.M.

Thence, westerly along the south boundary of Sections 16, 17 and 18, T70S, R112W, S.M. to the southwest corner of Section 18, T70S, R112W, S.M.

Thence, northerly along the west boundary of Section 18, T70S, R112W, S.M. to the Point of Beginning.

Excluding therefrom the area within the current boundary of the City of Akutan, as described in Document No. 80-90, recorded in Book 19, Page 535, Aleutian Islands Recording District.



Containing approximately 130.02 square miles (of which 77.42 is water), all within the Third Judicial District, Alaska. Source: McClintock Land Associates, Inc., 2011, based on maps provided by City of Akutan.

Whereas, the Board of Directors is familiar with the proposed boundaries and location of the above-described land.

Now, Therefore, Be It Resolved, that Akutan Corporation hereby petitions the City of Akutan to annex the above-described land, and further supports and joins in the City of Akutan's petition for annexation of said land. Akutan Corporation's president, Darryl Pelkey, is hereby authorized and directed to sign a "Petition by Property Owners for Annexation" on behalf of Akutan Corporation requesting that the City of Akutan annex the above-described land.

CERTIFICATION

The foregoing resolution was adopted and approved By the Board of Directors on September 27, 2011, by a vote of 6 in favor, 0 opposed, and 1 abstaining.

Darryl Pelkey  
Darryl Pelkey, President

Date 10/11/2011

Attest: Cecilia Barker  
Secretary

Date 10/11/2011

**PETITION BY PROPERTY OWNERS AND REGISTERED VOTERS FOR  
ANNEXATION**

TO THE CITY OF AKUTAN:

Subject to approval by the Local Boundary Commission of a petition from a city government, AS 29.06.040(c)(4) allows territory adjoining the petitioning city government to be annexed to that city by ordinance, without an election, if all owners of the property proposed for annexation and all registered voters in the territory proposed for annexation first petition the governing body of that city for annexation.

As defined in 3 AAC 110.990(12), "property owner" means a legal person holding a vested fee simple interest in the surface estate of any real property including submerged lands.

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

- a) 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; and
- c) we support the proposed annexation and have authorized the person below to execute the required documentation of consent.

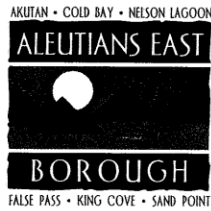
Stanley Mack  
Authorized Signature

Stanley Mack  
Printed Name

Aleutians East Borough  
Name of Property Owner

P.O. Box 349, Sand Point, AK 99661  
Address of Property Owner

8/19/11  
Date Signed



RESOLUTION 11-25

**A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY SUPPORTING THE CITY OF AKUTAN'S PETITION TO THE STATE OF ALASKA LOCAL BOUNDARY COMMISSION FOR ANNEXATION OF TERRITORY TO THE CITY OF AKUTAN, AND AUTHORIZING THE MAYOR TO EXECUTE REQUIRED DOCUMENTATION OF CONSENT ON BEHALF OF THE BOROUGH.**

**WHEREAS**, the City of Akutan distributed to Borough Assembly Members a petition for annexation of territory adjoining the City, that encompasses approximately 130 square miles, including approximately 25.3 miles on Akutan Island, 27.3 miles on Akun Island, and 77.4 miles of submerged lands; and

**WHEREAS**, under the provisions of Alaska Statute 29.06.040(c), territory adjoining a municipality may be annexed by ordinance without an election if all property owners and voters in the area petition the governing body; and

**WHEREAS**, the Aleutians East Borough is the property owner of an unpopulated, 4.71 acre parcel located on Akun Island near the northern shore of Lost Harbor; and

**WHEREAS**, the City of Akutan City Council has authorized Mayor Joseph Bereskin to submit to the State of Alaska Local Boundary Commission a petition for annexation of territory; and

**WHEREAS**, although the territory proposed for annexation is unpopulated, expected and necessary development within the expanded boundaries of the City will support and justify the extension of city government into that area; and

**WHEREAS**, the Aleutians East Borough Code Section 45.05.030 has delegated to the City of Akutan all the powers and duties of planning, platting, and land use regulations as provided in AS 29.40; and

**WHEREAS**, Akutan is committed to developing its airport and transportation infrastructure to promote economic and employment opportunities through a coordinated, community-wide effort based on planning, awareness, and consensus; and

**WHEREAS**, the annexation of territory to Akutan's City boundaries will also promote orderly development of sustainable energy resources consistent with the local goals and objectives articulated by Akutan residents in their adopted Community Plan and Capital Improvement Program; and

**WHEREAS**, the legal boundary description of the territory proposed to be annexed is attached hereto and incorporated by reference as ATTACHMENT A and shown on the map as ATTACHMENT B;

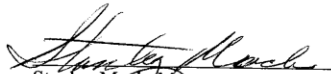
---


ANCHORAGE OFFICE • 3380 C Street, Ste. 205 • Anchorage, AK 99503-3952 • (907) 274-7555 • Fax: (907) 276-7569 • Email: admin@aleutianseast.org  
KING COVE OFFICE • P.O. Box 49 King Cove, AK 99612 • (907) 497-2588 • Fax: (907) 497-2386 • Email: finance@aleutianseast.org  
SAND POINT OFFICE • P.O. Box 349 • Sand Point, AK 99661 • (907) 383-2699 • Fax: (907) 383-3496 • Email: clerk@aleutianseast.org

**BE IT FURTHER RESOLVED** by the Aleutians East Borough Assembly:

1. The City of Akutan is in the best position to guide community growth, support new enterprise, create jobs, reduce energy costs, improve transportation, develop community infrastructure, and preserve subsistence and traditional values.
2. The territory proposed for annexation is physically, economically, and culturally connected to the community of Akutan, and the City is best situated to govern orderly development and provide efficient, effective services in these areas.
3. The Mayor of the Aleutians East Borough is authorized to execute the required documentation of consent on behalf of the Aleutians East Borough, a property owner within the proposed annexation area.
4. The Aleutians East Borough supports the proposed annexation as it is in the best interests of Akutan, the Aleutians East Borough, the region, and the State of Alaska, and respectfully requests that the Local Boundary Commission approve the Petition for Annexation.
5. This resolution supersedes Resolution No. 09-27.

DATED THIS 6 DAY OF <sup>June</sup>~~MAY~~, 2011

  
Stanley Mack, Mayor

  
Tina Anderson, Clerk

**PETITION BY PROPERTY OWNERS FOR ANNEXATION**

TO THE CITY OF AKUTAN:

Subject to approval by the Local Boundary Commission of a petition from a city government, AS 29.06.040(c)(4) allows territory adjoining the petitioning city government to be annexed to that city by ordinance, without an election, if all owners of the property proposed for annexation and all registered voters in the territory proposed for annexation first petition the governing body of that city for annexation. As defined in 3 AAC 110.990(12), "property owner" means a legal person holding a vested fee simple interest in the surface estate of any real property including submerged lands.

The City of Akutan (hereinafter referred to as the "Petitioner") hereby petitions for the annexation of the proposed territory to the City of Akutan as described in the petition. Further, we affirm that the Petitioner:

- a) is the property owner of approximately 4.8 square miles of land located on Akun Island in the territory proposed for annexation; and
- b) acknowledges that there are no registered voters in the proposed territory for annexation; and
- c) has reviewed the complete petition, including all exhibits, and understands its terms; and
- d) supports the annexation of proposed territory as described in the attached resolution as it is in the best interests of Akutan, the Borough, and the State of Alaska; and
- e) has authorized the person below to execute the required documentation of consent on behalf of the Petitioner.

  
Authorized Signature

  
Printed Name

City of Akutan  
Name of Property Owner

PO Box 109 Akutan, Alaska 99553  
Address of Property Owner

20 September 2011  
Date Signed

# CITY OF AKUTAN

P.O. Box 109  
Akutan, Alaska 99503-3952

Phone (907) 698-2228  
Fax (907) 698-2202



Introduced by: Mayor Joe Bereskin  
Date: May 16, 2011  
Public Hearing: May 16, 2011

## CITY OF AKUTAN, ALASKA

### RESOLUTION NO. 11-15

**A RESOLUTION OF THE CITY OF AKUTAN DESIGNATING THE MAYOR AS PETITIONER'S REPRESENTATIVE AND THE ASSISTANT CITY ADMINISTRATOR AS ALTERNATE REPRESENTATIVE TO EXECUTE REQUIRED DOCUMENTATION ON BEHALF OF THE CITY IN SUPPORT OF ANNEXATION OF PROPOSED TERRITORY.**

**WHEREAS**, the Akutan City Council approved Ordinance No. 10-11 incorporating an amendment to the Akutan Community Plan recommending adoption of Planning Goals and Objective 1.6 to "provide for maximum local self-government, orderly planning, and provision of services through annexation of territory reasonably anticipated as needed for growth or development"; and

**WHEREAS**, Alaska Statute 29.05.040(c)(4) states "an area adjoining the municipality may be annexed by ordinance without an election if all property owners and registered voters in the proposed territory petition the governing body"; and

**WHEREAS**, the City Council has reviewed the PETITION TO THE LOCAL BOUNDARY COMMISSION distributed May 11, 2011; and

**WHEREAS**, the City of Akutan owns property located in the proposed territory for annexation on Akun Island in proximity to the Akutan Airport under construction; and

**WHEREAS**, the Akutan Planning Commission passed Resolution 11-02 recommending the Council submit a petition for annexation of the proposed territory in accordance with State law and State of Alaska Local Boundary Commission Regulations; and

City of Akutan, Alaska

Resolution #11-15  
Page 1 of 2

WHEREAS, the legal boundary description of the territory proposed to be annexed is attached hereto and incorporated by reference as ATTACHMENT A and shown on the map as Attachment B;

**NOW, THEREFORE, BE IT RESOLVED:**


**SECTION 1.** The City Council finds that the territory proposed for annexation, generally described as lands and submerged lands in the areas of Hot Springs Bay and Valley, Loud Creek, Open Bight, Akun Straight, Lost Harbor, Surf Bay, Trident Bay, and Akutan Bay, exhibits a reasonable need for city government, and that public services can be provided more efficiently and effectively by the City than by another local government.

**SECTION 2.** The City Council finds that the territory proposed for annexation is compatible in character with the annexing City of Akutan, and extension of local government services and planning authority within the expanded boundaries is justified, as development is occurring now and expected to continue into the future when the Akutan Airport becomes operational and new energy resources are developed.

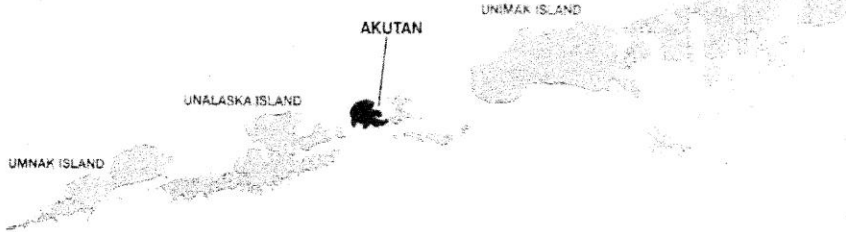
**SECTION 3.** The City Council designates Mayor Joe Bereskin as the Petitioner's Representative and the Assistant City Administrator Susan Lutz as Alternate Representative, to execute required documents on behalf of the City and submit the Petition for Annexation for technical review by Staff of the Local Boundary Commission.

  
\_\_\_\_\_  
Joe Bereskin, Mayor

ATTEST:

  
\_\_\_\_\_  
Sandra Bell Vincler, City Clerk

# AKUTAN



## CITY OF AKUTAN PLANNING COMMISSION

### RESOLUTION NO. 11-02 (Amended)

**A RESOLUTION OF THE AKUTAN PLANNING COMMISSION RECOMMENDING THE AKUTAN CITY COUNCIL SUBMIT TO THE STATE OF ALASKA LOCAL BOUNDARY COMMISSION A PETITION FOR ANNEXATION OF PROPOSED TERRITORY.**

**WHEREAS**, by unanimous approval of Resolution 10-04 on June 14, 2010, the City of Akutan Planning Commission approved an amendment to the Akutan Community Plan recommending adoption of Planning Goals and Objective 1.6 to “provide for maximum local self-government, orderly planning, and provision of services through annexation of territory reasonably anticipated as needed for growth or development”; and

**WHEREAS**, the Akutan City Council subsequently approved Ordinance No. 10-11 incorporating the amendment as an element of the Akutan Community Plan; and

**WHEREAS**, on January 18, 2011, by Resolution 11-10, the Council retained RMA Consulting to proceed with City Staff to prepare and submit an Annexation Petition to the State of Alaska Local Boundary Commission (LBC) and as part of the 2011 Work Program; and

**WHEREAS**, Alaska Statute 29.05.040(c)(4) states “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”; and

**WHEREAS**, under the provisions of Akutan Municipal Code Chapter 8.10, it is the function of the Planning Commission to recommend to the Council any decision with regard to matters related to land use planning and zoning; and

**WHEREAS**, Akutan Planning Commissioners have reviewed and considered the PETITION TO THE LOCAL BOUNDARY COMMISSION FOR ANNEXATION OF ADJOINING TERRITORY TO THE CITY OF



AKUTAN BY UNANIMOUS CONSENT OF ALL PROPERTY OWNERS, distributed by City Staff for review and comment on May 11, 2011; and

**WHEREAS**, the legal boundary description of the territory proposed to be annexed is attached hereto and incorporated by reference as ATTACHMENT A and shown on the map at Attachment B;

**NOW THEREFORE BE IT RESOLVED:**

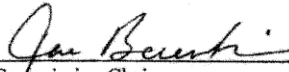
SECTION 1. The Commission finds that the territory proposed for annexation, generally described as lands adjacent to Akutan in the Hot Springs Bay area and lands on adjacent Akun Island, exhibits a reasonable need for city government, and that the services determined to be essential city services can be provided more efficiently and effectively by the City than by another local government.

SECTION 2. The Commission finds that the territory proposed for annexation is compatible in character with the annexing City of Akutan, and extension of local government services and planning authority within the expanded boundaries is justified, as development is occurring now and expected to continue into the future when the Akutan Airport becomes operational and new energy resources are developed at the head of Akutan Bay.

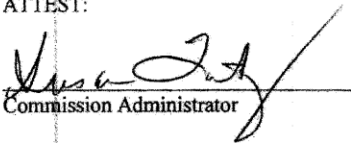
SECTION 3. The Commission authorizes the Mayor to submit to the LBC for preliminary technical review and comment, the City's PETITION FOR ANNEXATION OF ADJOINING TERRITORY TO THE CITY OF AKUTAN BY UNANIMOUS CONSENT OF ALL PROPERTY OWNERS.

SECTION 4. Upon acceptance of the Petition, after technical review by the LBC, the Planning Commission further recommends the Council adopt an ordinance in accordance with State law and State of Alaska Local Boundary Commission Regulations, designating the Mayor as the City's Authorized Representative and the Assistant City Administrator ~~Attorney~~ as Alternative Representative for all matters relating to the Annexation proceeding.

**ADOPTED THIS 16TH DAY OF MAY, 2011, by a vote of 4 in favor and 0 opposed.**

  
\_\_\_\_\_  
Commission Chair

ATTEST:

  
\_\_\_\_\_  
Commission Administrator

**EXHIBIT K: DOCUMENTATION REGARDING PRE-ORDINANCE NOTICE**

***(Note: This information will be provided after a technical review of the petition by the Local Boundary Commission staff.)***

This exhibit presents the required filings when the petitioning municipality publishes a pre-ordinance notice. In other words, if the petitioning municipality publishes a pre-ordinance notice as provided under 3 AAC 110.590(a)(3), the municipality is required to file with the department a copy of (1) the publisher's affidavit of publication of the notice; (2) written comments submitted to the municipality regarding the annexation proposal; and (3) the minutes of all council or assembly meetings at which the proposal was addressed by the petitioning municipality.

The petitioning municipality must also provide notice of the annexation to each owner of property abutting the boundaries proposed for annexation. Proof that each owner was contacted (such as a copy of the letter sent to each of the owners of abutting property), is also provided in this exhibit.





(f) The information regarding the projected revenues, operating expenditures and capital expenditures for Exhibit C-1 through C-3 was provided by Elvi Gray-Jackson, Akutan Finance Manager, City of Akutan; Doug Miller, RMA Consulting Group LLC.

(g) In Exhibit D, the information concerning existing long term municipal debt was provided by Elvi Gray-Jackson, Akutan Finance Manager, City of Akutan..

(h) In Exhibit E, the list of municipal powers and functions was provided by Mayor Joseph Bereskin and Doug Miller, RMA Consulting Group LLC.

(i) The transition plan presented in Exhibit F was prepared by Mayor Joseph Bereskin, City of Akutan, and Doug Miller, RMA Consulting Group LLC.

(j) In Exhibit G, the information about the composition and apportionment of the governing body of the existing municipality for which a change is proposed, before and after the proposed change was provided by Mayor Joseph Bereskin.

(k) In Exhibit H, the information concerning the Voting Rights Act of 1965 was provided by Susan Lutz, Assistant City Administrator, City of Akutan.


(l) The supporting brief in Exhibit I of the Petition was prepared by Michael Gatti, Akutan City Attorney.

(m) The information in Exhibit J demonstrating that the Petitioner is authorized to file this petition was provided by Susan Lutz, Assistant City Administrator; Sandra Bell Vincler, Akutan City Clerk.

  
\_\_\_\_\_  
Petitioner's Representative

SUBSCRIBED AND SWORN TO before me on August 15, 2011.



  
\_\_\_\_\_  
Notary Public in and for Alaska  
My Commission expires: 10-3-14

This page intentionally left blank