

Staff

Local Boundary Commission
State of Alaska

Johnson Family
Gull Cove
PO Box 22
Elfin Cove, Alaska 99825

Dear Commission Members,

We the Johnson family, residing in Gull Cove our home and where we run our business Gull Cove Lodge, oppose the Xunaa Borough formation. This directly effects us as we are within the boundaries and will be under the jurisdiction of the borough if formed. This petition cannot be taken lightly, as communities such as our will be without representation. We also are Alaska residents, we live here all-year-around, and have generations of history in this area. I, Paul Johnson, have been living in this part of the world for 60 years now. I have seen the changes of the times and experienced this once before with Sitka. I was living out of Elfin Cove and was highly involved with the creation of the self-governance of Elfin Cove. My parents lived in Pelican in the 40's and experienced the changes throughout those years as well. I listened to the history being told before our time by the old-timers in the Elfin Cove area, as well as people from Hoonah passing through. Commercial fishing is the lifeblood of this area, with charters and lodges coming in much later.

We first have points of clarification, which are taken from the FAQ of the borough.

“The City of Hoonah maintains the position that proactive formation of a Borough with proper strategic boundary alignment is in the community of Hoonah’s best interest now and into the future, particularly for sustainability of the Hoonah School District.”

- We are in full support of our neighbors in Hoonah for their dedication towards education. It is the most important headstone of our future in Alaska. However, when discussing with Scott Oliver on how this 1% tax will be directly benefitting us, he cited that our family can send students to the school and use Hoonah as a regional hub. It seems the individuals working for the petitioner are uninformed about the area, where Hoonah is at least an hour boat ride, weather depending, away from our location. We will obviously not be directly benefitting with future children attending the school, nonetheless, Elfin Cove is more of a realistic hub for us as it is closer. That being said, we share all the same sentiments offered by Elfin Cove, Shane Blough,

Norm Carson, Mig Miles with their letter opposing the borough. The best testimony you need to reference is Nicole Grewe.

- Point of clarification: What is the current City of Hoonah budget? How will Huna Totem Corporation, Icy Strait Development, other businesses running out of Icy point be taxed?

“The revenue sources that have funded the City of Hoonah will continue as they are within the corporate boundaries of Hoonah, and additional revenues will be raised through taxation of other resources and commerce primarily tied to the commercial fishing grounds that would be included in the Hoonah borough boundaries.”

- We own and operate Chichagof Charters, or Gull Cove Lodge. Our Charter business has been operating in this area for 50 years now. This sales tax will directly effect us as we will have to impose a 1% tax to our clients, where they will be staying in a completely off-grid and remote location. We already pay government fees for land use of our customers, for the water supply, for our energy supply, for our dock and much more. These government fees continually increase.
- Points of clarification: How will the seasonal sales tax work? How will charging those who commercial fish but do not sell within the borough? Will this include mid-size cruise boats? Will this include cruise ships passing through? If so, how will this tax function? Time spent in the borough? If mid-size cruise boat are exempt, why, we do the same operations?

In conclusion, we know our history of this area. This is the third attempt to create a borough. It's best to be left in an unorganized borough status. As Rocky Gutierrez explained, in the Sitka borough in the mid-1970's. He explained that there is not enough economic prospects out of the outside areas at the time. He explained that relying on Sitka handling the money that would manage the docks, harbors etc., of the outside communities, the administrative costs to handle this would be 30%. This would most likely be the issue with Hoonah in today's time with handling the proposed outside communities. Creating another layer of bureaucracy will not elevate the need for education costs.

Rather than just offer the only option to turn down this petition, we want to offer another option. Since the legislature is the assembly of unorganized boroughs, money needed for education can be set with their direction and taxed as such. The other option is for the City of Hoonah is to expand their boundaries to Icy Point to receive the sales tax from the tourism increase.

We thank you for considering our testimony, we love our home, but we oppose the unnecessary formation of the Xunaa Borough.

If there are any questions or clarifying comments, please feel free to reach out to us, gull.cove@hotmail.com, or 907-209-5149.

Best regards,
Paul Johnson
Tami Mulick
Tim Johnson
Rick Johnson
Alice Johnson