



Gustavus Visitors Association
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February 25, 2024

Regarding: Xunaa Borough Incorporation Petition

Local Boundary Commission
Division of Community & Regional Affairs
Department of Commerce, Community & Economic Development
550 W. 7th Ave., Suite 1650 Anchorage, AK 99501

To whom this may concern,

Thank you for the opportunity to make a public comment on the Xunaa Borough Incorporation Petition. The Gustavus Visitors Association (GVA) opposes the formation of the Xunaa Boundary as presented in the petition.

The Gustavus Visitors Association represents the best interests of:

- The visitor related businesses that are based within or operate from the City of Gustavus (COG)
- The visitors that visit Gustavus and Glacier Bay National Park & Preserve
- The community members that financially depend on tourism as an economy to support their families.

The format of this letter shows sections taken directly from the written petition in **bold** and followed by comments or response in reference to these words or claims within the document.

- **Petition wording:**
On July 14, 2022, Gustavus responded to the invitation of borough incorporation by Hoonah. (Exhibit V of petition) declining the invitation of incorporation stating, 'quite starkly' Gustavus's position that 'the two jurisdictions are unlikely to forge anything approaching a working relationship'

Response:

This is still true today of the City of Gustavus and is also true to state the same feelings with regards to incorporating the waterways surrounding Gustavus which are the lifeline to all surrounding communities.

- **Petition wording:**
Moreover, the waters surrounding the proposed borough represent untapped wealth that, through fair and uniform taxation, can better the lives of everyone within the borough;

Response:

'Untapped wealth'. These waters are hardly 'untapped' they are sustainably utilized and enjoyed by all. If the proposed boundaries were incorporated, the borough would control adjacent land and waters on which these communities depend, and which are critical to maintaining their resource-based economies and substance lifestyles.

It is the intent of the new borough to assess a seasonal 1% retail sales tax which would include charter and tour boat operators along with commercial fishermen and even vessels that are transiting through the boundary waters. The area wide tax will be an economic burden on many businesses who operate on the waters within the proposed borough, within Glacier Bay National Park, USFS, Pleasant Island, Lemesurier Island and the Inian Islands. Only Hoonah residents will benefit from this taxation. Hoonah admits they will not provide any services and will not remit any of the tax dollars back to the communities or businesses that they were taken from.

- **Petition wording:**
 - c. The boundaries of the proposed borough embrace an area and population with common interest to the maximum degree possible in accordance with Article X, sec. 3 of the Constitution of the State of Alaska.**
 - **This is documented in Sections d and h, below.**

d. The social, cultural, and economic characteristics and activities of the people in the proposed borough are interrelated and integrated as required by AS 29.05.031(a)(1) and 3 AAC 110.045(a).

Response:

We disagree that Gustavus and Hoonah have common interests and that these two communities share characteristics and activities that are interrelated and integrated.

These boundaries will **not** serve the needs of the people living and working in the region now or the foreseeable future and is **not** desired by the people in the region.

- **Petition wording:**
 - 260 cruise ship calls at ISP, disembarking 447,180 visitors onto the shores of Hoonah with the future goals of largely increasing this number of visitors, possibly doubling the number.**

Response:

In contrast, Gustavus enjoys the quietude of independent visitors and offers a very different experience to a different demographic of tourism.

At least two past City Council members and several members of the public in Gustavus have expressed concern of the impact too many visitors.

- **Petition wording:**

Section 5. General Description of the Area Proposed for Incorporation

The proposed borough would adjoin the Yakutat City and Borough and the Haines Borough on the north, the City and Borough of Sitka to the south, and the Juneau Borough to the east, thus enclosing virtually the entire northwest quadrant of Southeast Alaska within an organized borough.

Response:

These proposed borough boundaries will restrain the cities of Gustavus, Pelican and Tenakee Springs in constricted and non- contiguous enclaves. These communities will be left without sufficient area to accommodate population growth and the ability to develop resources for their residents and visitors.

These constraints will inhibit the possible collaboration and unity of their own regional borough or merging with a compatible adjoining borough.

- **Petition wording:**
Hoonah has been the heart of this region, past and present:

(iv) Hoonah’s Role as the Hub of the Proposed Borough....

Response:

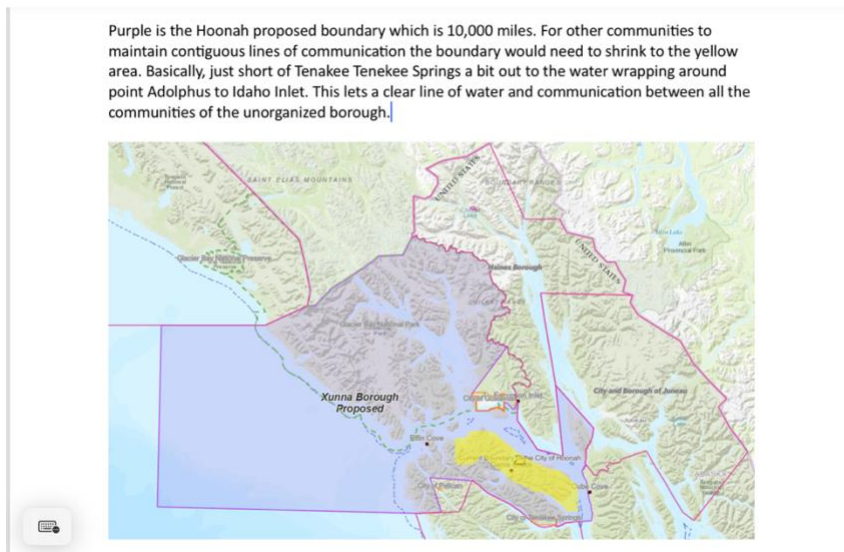
Neither of these statements are true. Juneau is the hub for Gustavus and the heart of Gustavus lies within the community of Gustavus.

Additional concerns:

There is also the concern that the annual budget for the City of Gustavus (COG) would suffer significantly by the loss of the Federal Payment in Lieu of Taxes (PILT) and State Forest Timber receipts, both of which fund a majority of the COG’S annual budget. The loss of revenue for our community would not serve the states’s best interest.

Recommendations:

The GVA recommends that an amended boundary line be considered. Please see inserted image to view the yellow highlighted section as an amended boundary consideration.



Respectfully:

The GVA’s words and comments come with great respect for the City of Hoonah and the Huna Tlingit. We wish Hoonah success in the development of their economy and future health of their community. We appreciate and value our neighbors and will continue to build bridges that are mutually beneficial with an awareness and understanding by listening to the needs, hopes and dreams of all.

Yours Sincerely,
Leah Okin
President
Gustavus Visitors Association