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Local Boundary Commission  
Division of Community and Regional Affairs  
Alaska Department of Commerce, Community, and Economic Development  
550 West 7<sup>th</sup> Street, Suite 1650  
Anchorage, Alaska 99501-3510

RE: Petition to Incorporate the Xunaa Borough and Dissolve the City of Hoonah

Greetings Local Boundary Commissioners and Staff:

My wife and I have lived in Gustavus since the 1970s. My wife taught here, and I operated a seafood-processing business. I am currently on the Gustavus City Council and have served one term as mayor. My wife volunteers in the community, especially at our city-operated second-hand store, the Community Chest. (Periodically, the Community Chest sends boxes of clothing to Hoonah.)

First of all, I take exception to the statement in the petition that "Hoonah is the hub of the region proposed for incorporation, and even the proposed borough's more remote residents make significant use of Hoonah's infrastructure." The assertion that Hoonah is the hub of the region is entirely bogus. When we want to stock up on groceries or household supplies, we go to Juneau. When we need to see a doctor or dentist, we go to Juneau. When we want to fly to visit family or friends in the lower 48, we go through Juneau.

That said, Hoonah does have a very nice boat harbor and travel lift/boatyard.

Regarding the statement that the proposed borough's boundaries would encompass the Huna Tlingit's historic territory and enable the Huna Tlingit to influence future decisions regarding these lands, Tribal homelands are not relevant to borough formation pursuant to State of Alaska constitutional, statutory, and regulatory guidance.

The proposed Xunaa Borough is a ten-thousand-square-mile land (and waters) grab that intends to tax sales within this area, the tax receipts to be used for the exclusive benefit of Hoonah residents. The proposed borough will provide no services across the vast region. Presumably, Gustavus-based tour operators and charter fishermen operating in Icy Strait will be taxed by the proposed borough. Who knows what else it intends to tax.

Should the proposed Xunaa Borough be approved, the communities of Gustavus, Pelican, and Tenakee Springs, surrounded by borough governments, will become isolated enclaves, which will limit the communities' growth potential.

As my friend and neighbor Nicole Grewe, who formerly worked for the Division of Community & Regional Affairs, summarized in her excellent comments,

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*[T]he proposed Xunaa Borough is not aligned with the state statutes, regulatory standards, or the spirit and intent of borough formation as envisioned by the State of Alaska's Constitution that describes large regional forms of borough government that unite communities of common interest, provide taxation on a regional scale, and also deliver services across the region in a fair and equitable manner.*

Because it is fundamentally unfair and does not meet constitutional intent, state statutes, or additional regulatory guidance regarding borough formation, the Local Boundary Commission should deny the City of Hoonah's request to incorporate the Xunaa Borough and to dissolve Hoonah's city government. If the Commission feels compelled to explore the possibility of a Xunaa Borough, it should amend the boundaries to incorporate only nearby sections of Chichagof Island and the nearby waters of Port Frederick and Icy Strait, and wholly exclude Cross Sound, Glacier Bay National Park, the Inian Islands, Lemesurier Island, Pleasant Island, and Yakobi Island.

Thank you for your time, effort, and consideration,

James and Ann Mackovjak