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To: Local Boundary Commission

Division of Community and Regional Affairs Department of Commerce, Community, and
Economic Development
550 W. 7th Avenue, Suite 1650
Anchorage, AK 99501

Greetings, We write today to comment on the application by the City of Hoonah to form the Xunaa Borough. We are 40 year residents of this community. We own a local business, are commercial, sport and subsistence fishers, hunters and gatherers.

As you are aware, the proposed borough will tightly surround the city of Gustavus to the north, west and south of the city limits. Gustavus is bordered by the Haines borough on the East, and Glacier Bay National Park and Preserve to the North, West and East. With the creation of the Xunaa Borough we will become an entirely landlocked city.

Despite this situation, we do not oppose the formation of the Xunaa Borough. Gustavus considered borough formation years ago, and chose not to enter into the complex and cumbersome administrative bureaucracy of a borough. When it came time to decide to join the Xunaa Borough or not, the community and city believed the disparity of economic, cultural and industrial tourism goals were just too strong. We also did not want to part with the Chatham School District who shares our local goals for excellent education, and has been a proven partner of many years.

We do have several concerns for the health and potential growth of our small community. Because we will be entirely surrounded by "outside" government entities, we are concerned about our potential for future economic growth and development. The boundary of both the LBC model borough and the proposed Xunaa boundary meet the city boundary on 3 sides. I believe when someone is drawing up a map this is the easiest line to draw, but not beneficial to the city and community of Gustavus.

In this context we suggest the LBC consider loosening this boundary to allow the city to include Pleasant Island and the associated reef to the south. Also consider a 1000ft buffer area from mean high tide on the southern beach/Icy Strait, to the NPS line toward Pt. Gustavus. The LBC has set a precedent by exempting the NPS land immediately to the north east of the city, from the Xunaa Borough boundary. This area including Pleasant Island and Pleasant Island Reef to the NPS line to the west has been a historical subsistence area for the residents of Gustavus. Making this small change would preserve an area of economic growth, recreation and subsistence for Gustavus. We believe Gustavus sits in a uniquely circumscribed area. And that the LBC should be accountable for maintaining the potential of economic health of communities that their decisions will affect. The area we ask you to consider is

approximately 15 square miles. The area of the proposed Xunaa borough is 10,403. This area is contiguous with the city of Gustavus, and of great importance to us, historically and in the future.

We are also concerned about the disposition of the Payment In Lieu of Taxes (PILT) payments to the city of Gustavus. This appears to be an unanswered question, and one of very great significance to Gustavus. This money comprises approximately 1/4 to 1/3 of our annual budget. Loss of this income because of the formation of the Xunaa borough would devastate this city. That should not be allowed to happen.

The Xunaa Borough will comprise 10,403 square miles of land and water. They have stated their intention to tax activities on this land and water to support the new borough. Gustavus comprises about 57 square miles, a true David and Goliath situation. Please consider the potential economic ramifications when deciding the Xunaa Borough boundaries.

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