



City of Pelican

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EQUAL OPPORTUNITY EMPLOYER

February 28, 2024

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

This letter constitutes the City of Pelican's official response to the Petition by the City of Hoonah for Incorporation of the Xunaa Borough as a Home Rule Borough. This is a responsive brief referred to in AS 110.480 and incorporates Resolution 2024-4 passed by the City Council on February 28, 2024.

Below Pelican provides specific responses related to the standards for incorporation of boroughs set forth in AS 29.05.031 (a)(1)-(4), and Local Boundary Commission (LBC) regulations 3 AAC 110.045-065 as well as general background information relevant for the Local Boundary Commission's review of this petition.

Overview

The City of Pelican (Pelican) incorporated as a first-class city in the State of Alaska in 1943. The City of Pelican and the City of Hoonah (Hoonah) are first class cities. Both cities are municipal corporations and political subdivisions, and therefore have legislative powers prescribed by law. Pelican recognizes the City of Hoonah's municipal authority to file a petition to propose a borough. However, Pelican respectfully objects to the Petition as submitted to the Local Boundary Commission.

The City of Pelican opposes, as submitted by the City of Hoonah, the petition for incorporation of the Xunaa Borough. The boundaries of this proposal do not meet the standards of applicable criteria. Instead, the boundaries show that Hoonah is attempting to grab lands and waters for itself to the detriment of Pelican, Gustavus, and Tenakee Springs, the communities excluded from the proposed borough. The proposed boundaries ensures that one community, Hoonah, will receive revenue and potential state municipal entitlement lands within a region that has no connection to Hoonah, while precluding the ability of the other communities to grow and derive the full economic value and revenue from the surrounding lands and waters. Hoonah is not proposing a true regional government. Rather than joining willing and interrelated communities, Hoonah is excluding the other major communities in the area and instead is hoping to gain fewer than 50 residents from areas that are not defined communities.

The LBC should not approve Hoonah's petition because it is manifestly unfair to the interests of Pelican, Gustavus and Tenakee Springs. It is notable that excluding these communities creates a borough map that looks like a gerrymandered Congressional map because it maximizes the power and minimizes the

opposition to Hoonah. Knowing that Pelican, Gustavus, and Tenakee Springs objected to its proposal and would vote against it, Hoonah is proposing to carve out these communities into tiny enclaves that will likely either get annexed into the proposed Xunaa Borough or into another surrounding borough at some point in the future. In that regard, the proposal impermissibly predetermines the future for these communities. Pelican, Gustavus, and Tenakee Springs must be allowed the opportunity to decide if and when they take the step to participate in an organized borough, and also the opportunity to decide which communities are the best social, cultural, and economic fit. Hoonah's proposal takes that opportunity away by drawing the boundaries around them to give them a limited option for any future participation in regional government. Moreover, under Hoonah's proposal, if these three communities wanted to join together to form a future borough they would be precluded because the communities would be separated by the new borough. It also appears that the proposed borough boundaries may be drawn to maximize the value of potential municipal entitlement lands that the new borough would be allowed to select.

It is worth noting that the new borough would likely be taxing Pelican businesses, yet our community would receive no benefit from the new borough. The Petition includes a proposal for a seasonal 1% tax in all areas of the new borough. This appears to apply to any Pelican-based fishing or charter boat operators that traverse the new borough's waters. This proposed borough would be taking Pelican-generated income.

The City of Hoonah's Petition for a Proposed Borough Does Not Meet the Standards for Borough Incorporation in AS 29.05.031(a)

The following is the City of Pelican's responsive brief demonstrating how Hoonah's petition does not meet the standards for borough formation. In forming Pelican's response, the Pelican City Council reviewed the standards set forth by the state for borough incorporation.

State law sets forth five standards for borough incorporation and LBC regulations at 3 AAC 110.045-065 more clearly explain those standards. Hoonah's proposed Xunaa borough meets none of the standards in relation to Pelican: Relationship of Interests, Population, Resources, Boundaries, and Best Interests of the State.

The City of Pelican opposes as submitted to the Local Boundary Commission the "*Petition by the City of Hoonah for Incorporation of the Xunaa Borough*":

1. Section 5. General Description of the Area Proposed for Incorporation. "The proposed Xunaa Borough's boundary largely coincides with the Department's June 1997 Model Glacier Bay Borough, except that the cities of Gustavus, Pelican and Tenakee Springs are excluded." Hoonah fails to say that these three communities are excluded because they are against being included in Hoonah's borough petition. A true regional borough links the diverse communities across the region with shared community characteristics. The Hoonah petition goes beyond what is acceptable to Pelican.
2. Section 6. Reasons for the Petition. [...] "the borough's proposed charter [...] "will not implement taxes on real property". Hoonah claims it is not going to implement a property tax. Hoonah's claim is not a criterion to forming a borough, this statement is not binding on the new borough, anytime, now or in the future.
3. Section 6. Reasons for the Petition. [...] "the waters surrounding the proposed borough represent untapped wealth that, through fair and uniform taxation, can better the lives of everyone within

the borough;" The petition is in essence a land grab, without saying a community must belong to the borough in order to better the lives of everyone within the borough. The petition takes all the lands, waters, and resources leaving very minimal resources for the three communities of Pelican, Gustavus and Tenakee Springs to better the lives of their own citizens.

4. Section 6. Reasons for the Petition. [...] "Funter Bay and Elfin Cove are remote, [...] and it is difficult, if not impossible, to provide those residing there with a full range of community services." Because of Pelican's remote setting, it would be difficult if not impossible to provide services to Pelican.
5. Section 8. Size of the Area Proposed for Incorporation. "The area proposed for borough incorporation has 4,246.95 square miles of land and 6,157.32 square miles of water, submerged lands, and tidelands, for a total of 10,404.27 square miles." The 10,404.27 square miles of land and water will make the proposed Xunaa Borough the largest borough in southeast Alaska. The size and area of the proposed borough exceeds the size of any borough in southeast Alaska.
6. Supporting Brief. Exhibit E. 7. The population is sufficiently large and stable to support the proposed borough government as required by AS 29.05.031 (a)(1) and 3 AAC 110.050(b). The enormous size of the proposed borough raises the question, "Does Hoonah have the competency of local government professionalism and accountability to effectively manage the affairs of not only the City of Hoonah but also the administrative structure of a much larger borough?" Does Hoonah have the ability to take on more duties to manage such a large borough?

The City of Pelican strongly opposes the City of Hoonah proposed Xunaa Borough boundary lines as stated in the "*Petition by the City of Hoonah for Incorporation of the Xunaa Borough*". Pelican encourages the Local Boundary Commission to require modifications that limit the boundaries to a more reasonable, acceptable range of territory that does not infringe on the ability of the surrounding communities to support their schools, growth, and development.

Local taxation for Hoonah includes private sector timber industry, local sales tax, and large-scale tourism. In addition, Hoonah has the advantage of Huna Totem Corporation, a native corporation formed under the Alaska Native Claims Settlement Act (ANCSA) enacted by Congress on December 18, 1971. Under ANCSA Hoonah Totem received 23,042 acres of land. Hoonah Totem Corporation shareholders have aboriginal ties to the Native Village of Hoonah.

Pelican maintains that the lands and waters of Cross Sound, Lisianski Inlet, Lisianski Strait and Yakobi Island remain excluded from Hoonah's Xunaa Borough petition. Pelican's recommended Xunaa Borough boundary begins at the point where the Sitka Borough boundary extends from southeast of Lisianski Inlet to the head of Tenakee Inlet, where that line meets, the Xunaa Borough boundary begins and extends to Point Carolus, at the west entrance to Glacier Bay proper; the proposed Xunaa Borough boundary would further extend from Point Carolus to Cape Fairweather. This boundary change for the Hoonah petition will exclude the lands and waters west of the line from the head of Tenakee Inlet to Point Carolus and further excludes the lands and waters west of the boundary line from Point Carolus to Cape Fairweather. Pelican proposes boundaries that conform to general natural geography and waterways.

This boundary description represents what Pelican is suggesting for our community. The other communities may have further boundary modifications that delineate their community interests.

The boundaries proposed by Hoonah's Xunaa Borough petition greatly exceed the necessary territory to support Hoonah's economic enterprises, tourism, fishing, and timber. No viable services are proposed.

Hoonah's exclusion of Pelican, Sunnyside, and Phonograph Cove cause this area to be an enclave within the boundaries of the proposed Xunaa borough petition with the southeast boundary of the Pelican enclave bordering the Sitka Borough boundary. The definition of "enclave – A political, cultural or social entity or part thereof that is completely surrounded by another". Because the boundary excluding the Pelican area borders the Sitka Borough, Hoonah purports that the Pelican area is not an enclave. While this meets the definition of an enclave, the reality is because the eastern boundary for the Pelican area is the Sitka Borough Boundary near the southeastern most location of Lisianski Inlet, within the Lisianski River watershed, the exclusion is in effect an enclave.

Hoonah's Xunaa Borough petition limits the future growth of the Pelican. Pelican will not get any bigger than the small kite shaped enclave that Hoonah proposes in its borough petition. This has the force and effect of pre-determining what Pelican's future government will be, which negates the principal to provide for maximum local self-government.

Hoonah is not a regional hub for Pelican, there are no transportation links, no road, no air, no Alaska Marine Highway System (AMHS) connections between Pelican and Hoonah. Alaska Seaplanes does not connect Hoonah and Pelican on its service schedule. Hoonah and Pelican are only linked by private enterprise salmon tender service for three months during the summer salmon season. Salmon tenders from Sitka and Juneau also provide salmon tender service to Pelican.

According to the recent Alaska Marine Highway System's "2045 Long-Range Plan", *Public Survey Findings Summary*, the AMHS sought specific insights into ferry usage purposes, alternative transportation options, and service levels specific to ferry usage, 100% of respondents from the community of Hoonah said they used the ferry system for shopping and groceries. 50% for medical care, 60% for road access, and 83% for vehicle repair. These numbers would indicate that not only is Hoonah NOT a transportation hub, but that the majority of residents must travel elsewhere for essential services.

Pelican's regional hub community is Juneau, Alaska. The AMHS ferry provides off-season once a month ferry/catamaran service and in-season twice a month ferry service. Alaska Seaplanes provides essential air service for mail, freight and passenger service, Monday through Saturday.

Local businesses get their supplies mostly out of Juneau, via the AMHS service or via private vessel transport. Equipment and materials can be barged to Juneau for further shipment to Pelican. Lodge customers travel to Pelican from Juneau via seaplane service or small boat passenger service provided by the lodges. People traveling to Pelican must go through Juneau to get to Pelican. The fuel barge transits from Juneau or Ketchikan to Pelican to resupply bulk fuel orders.

The City of Pelican has its own Emergency Medical Services (EMS) to handle medical, search and rescue, fire protection, and other emergency services. The City of Hoonah does not provide this service to Pelican residents or residents of the Lisianski Inlet area. EMS calls are answered by the Pelican EMS/Pelican residents or by the US Coast Guard. Medivac services come from Sitka or Juneau, mostly by the United States Coast Guard (USCG) or air flight medivac services out of Juneau. Hoonah EMS does not provide ready to respond EMS services to the Pelican area. If there is a fire or other emergency in the Lisianski Inlet/Straits area, it is the Pelican EMS that will respond. Pelican has sent EMS resources to Elfin Cove when emergency services are needed.

The City of Pelican receives benefits from the Payment in Lieu of Taxes (PILT) and National Forest Receipts, which are federal funds; and the State of Alaska Shared Fishery Business Tax Program shares back to municipalities half of the state fisheries business tax collected from fish processors operating outside municipal boundaries. These federal and state revenues provide funding for the City of Pelican and the Pelican City School District. As a first-class city, Pelican has a mandatory requirement to support its school. The transfer of federal lands in the Hoonah petition will significantly and negatively affect Pelican's ability to fund its local school district and other essential municipal services.

Pelican has more in common with the unincorporated communities of Elfin Cove and Gull Cove, the seasonal economy is connected to commercial fishing and sportfishing lodge operations. People from Elfin Cove travel to or from Pelican on the AMHS ferry or pick up materials that ship on the AMHS ferry. The pilot boats operating in Cross Sound are based out of Elfin Cove. Elfin Cove and Pelican are within the same voting district, House District 2.

Hoonah uses logging roads for deer hunting, Pelican hunts by boat and hiking trails. Hoonah has an extensive forest-based economy as evidenced by extensive forest logging and logging roads; in contrast, Pelican is surrounded by Federal public lands with LUD II and Wilderness designations.

Hoonah has industrial tourism, an industry not compatible with the community of Pelican. Hoonah is heavily impacted by the cruise ship industry and the level of people traffic is incompatible with the community of Pelican, our community cannot handle these industrial level of visitor impacts. Can Hoonah tax the cruise ship wastewater discharge in the waters within its city boundaries?

Pelican is included on the itinerary of two small cruise ship operations, based in Sitka and Juneau. In 2023, the City implemented a "Passenger Wharfage Fee", at \$2.00 per passenger.

Pelican has several potential economic opportunities for growth and development of the Pelican area. Lisianski Inlet and Lisianski Strait are part of a major mining district, with mineral rights for development. Apex, Goldwyn, El Nido, and Lucky Strike mines are in this area. Mining is a potential economic base for Pelican. Pelican is a hub for mining operations as evidenced by exploratory activities occurring in Lisianski Inlet. Miners, geologists, and prospectors doing exploratory work base their operations at Pelican.

The City of Pelican owns the Bohemia Basin public dock in Lisianski Strait on Yakobi Island, this dock is included in Hoonah's proposed petition. The Bohemia Basin dock was funded by a federal grant that the City of Pelican used to replace the former dock that serviced the Bohemia mining claim.

Lisianski Inlet and Lisianski Strait have abundant fresh water, with potential water rights, that can be a sustainable economic possibility. Pelican's hydroelectric grid can be expanded.

Pelican residents rely on commercial fishing, sportfishing, and subsistence for their livelihood. Pelican residents primarily use the lands and waterways surrounding our community. Pelican fishermen, commercial, sport, and subsistence, and mining interests use the lands and waters of Lisianski Inlet/Strait, Yakobi Island, and Cross Sound; and including the area southeast of Lisianski Strait on the outer coast of Chichagof Island to the boundary of the Sitka Borough.

Lisianski Inlet, Lisianski Strait, Stag Bay, and Yakobi Island are important community fish and wildlife subsistence harvest areas for Pelican residents. The customary and traditional subsistence uses by

residents of Pelican for the purposes of meeting its subsistence needs is a pattern that has more than a century of use.

How will the Hoonah borough petition impact trapping effort and the sale of hides from furbearers trapped in the Lisianski Inlet/Strait areas, from harvest on proposed borough lands? And what impacts to the harvest of sea otter pelts in the Lisianski Inlet/Strait/Cross Sound areas?

Pelican, Alaska has a working waterfront. The fishing fleet based at Pelican includes both commercial fishing and sportfishing, these vessels put in boat time and effort fishing in Cross Sound, including North and South Inian Passages. Residents with Alsek River setnet permits transport their salmon harvest to Pelican for processing. Yakobi Fisheries, the seafood processor located in Pelican, processes over half a million pounds of fish harvested in the surrounding areas of Lisianski Inlet/Strait, outer coast Yakobi Island, Cape Cross to Cross Sound, Inian Passages, and often including areas directly around Hoonah. More fishermen fish the Hoonah area and deliver their harvest in Pelican, than vice versa.

Over half a million pounds of fish are processed and shipped out of Pelican, with limited transit or economic involvement with Hoonah. Pelican is the regional hub for commercial fishing in Cross Sound because of its commercial sized ice machine, bulk fuel facilities, groceries, seafood processing, and its location, "Closest to the Fish". A vessel travels five hours to transit Cross Sound to Hoonah; while it takes 1 ½ hours to transit from Cross Sound to Pelican. Commercial fishing provides the community with economic stability.

The Lisianski Inlet/Strait areas are used intensively by commercial fishing and sport fishing interests based in Pelican. These areas are accessed primarily from waterways connected to Pelican, for public access to fish and wildlife resources.

Greentop, located on the outer coast of Yakobi Island, traditionally, used Pelican as its hub community for mail, fuel, and groceries. In 1918, Stag Bay had a herring and salmon saltery.

The State of Alaska may extend its Department of Natural Resources land sales, by selling State lands in the Pelican area. The state holds ownership of multiple tracts of land in the Lisianski Inlet area. People who purchase these state lands will transit through Pelican, utilizing city services, fuel, water, trash, and ferry services that are linked with our community.

Mariculture is expanding in southeast Alaska and in the Pelican area; Yakobi Fisheries accommodates the expanding seaweed/kelp harvest with working space in its facility. Lisianski Inlet and Lisianski Strait are ideal locations for potential kelp farms. Barnacle Seafoods, based out of Juneau, has a permit for kelp harvest in Lisianski Strait. Pelican residents are working to build mariculture business based in Pelican.

Pelican has no communication links with Hoonah. Pelican does not benefit from Hoonah's telephonic or internet services. All phone repair services come directly from Juneau. The microwave telephone communication repeater is located on Minor Mountain on Yakobi Island. All cellular phone services come from equipment located at the Cape Spencer lighthouse communication station or from local privately owned wi-fi internet services. Pelican has installed Starlink at its boat harbor to provide internet for boaters. The City of Pelican is working with Cordova Telecom Cooperative to connect a submarine fiber network between Cordova and Pelican. Pelican does not share utility services with Hoonah.

Hoonah's petition is intended to generate taxes within the borough to increase funding for its school district. Hoonah can generate additional local revenues within the City of Hoonah within its existing municipal authority. Hoonah should analyze other opportunities to generate taxes and other local revenues.

Seasonal population changes are relevant to fisheries and economic activities based in Pelican, with very local micro businesses based in Pelican. Most activities are limited to Pelican and most vessel traffic tends to stay closer to the outside fishing grounds located in Cross Sound and off Yakobi Island. The price of fuel attracts vessel traffic into Pelican.

Pelican is a geographically distinct and isolated area. There are no public or private transportation links between Pelican and Hoonah. There is no economical way to travel to Hoonah and weather factors into travel extensively.

Transiting to Hoonah is tidal dependent. Vessel traffic travel with the tide to get to Hoonah. Vessel travel into Pelican is not tide dependent, the tide is generally not a consideration.

These characteristics describe why Pelican is not in Hoonah's proposed Xunaa Borough petition, besides the fact that Pelican does not want to be in the proposed Xunaa Borough.

Hoonah claims it will not implement a property tax on borough properties. Should Hoonah's Xunaa Borough petition be granted, then the borough government has authority to implement a property tax within its borough boundaries regardless of its original intentions.

Pelican, Alaska, a first-class city, and the Pelican City School District, a single site school district, is surrounded by the regional education attendance area (REAA). The area outside of the City of Pelican is the Chatham School District, though students from Sunnyside and Phonograh Cove are transported via boat to Pelican for school attendance. Pelican meets its statutory requirement to fund its school using the National Forest Receipts program to help fund the Pelican City School District and by budgeting a share of local property tax revenues for education.

The City of Hoonah can analyze its municipal organization to identify financial resources to increase local funds for its school. With the increasing numbers of large cruise ship visits into Hoonah, 202 ships in 2023 and 327 ships anticipated for 2024, there is a potential increase to local revenues to help fund Hoonah schools. The City of Hoonah can find other ways to fund its school district without negatively impacting the City of Pelican and the Pelican City School District.

The City of Pelican levies a sales tax of four percent (4%) on all sales, rentals and services made in the city. In February 2021, the exemption levied on the sale of charter services was repealed. The sales tax collected within the municipality is a major source of revenue for the City.

The City of Pelican does not support an excise tax on commercial fish landings in the proposed Xunaa Borough. Regional commercial fisheries are rebuilding after setbacks from current market conditions and downturns in the seafood economy. The Hoonah petition does not propose an excise tax but if the borough petition is granted, the borough assembly can implement an excise tax, at that point, Pelican will have no vote or say in the taxation that may affect the Pelican/Cross Sound area.

Pelican has, under the Restricted Access Management Program with the National Marine Fisheries Service, a community quota entity, Pelican Fishing Corporation, which leases 4 community charter halibut

permits to locally based sportfishing businesses. These businesses are based out of Pelican and can lease halibut quota, known as GAF fish. Will GAF fish be taxed? These businesses fish primarily in Cross Sound.

The claim of ancestral land usage in Lisianski Inlet and Lisianski Strait is historical but not applicable to current community use and community patterns of use. The historical use does not provide an exclusive use. The City of Pelican shares an excerpt of *“Yakobi Island, The Lost Village of Apolosovo, and the Fate of the Chirikov Expedition”*, by Allan Engstrom:

The excerpt describes ‘The Voyage of Nathaniel Portlock’, “On Monday, August 6, 1787, Captain Portlock entered a harbor five miles to the south of Lisianski Strait” [pg. 11]. “[...] Portlock immediately noticed a difference between the villages to the east and southeast and Apolosovo, to the northwest: [...] The western people appear to me to be much more warlike and savage than any of their neighbors; their language varies a little from the others, but their songs and music are entirely different; their boats, weapons for war, and hunting implements are much the same”[pg. 16].

These descriptions are from Portlock himself, in *“Portlock, Nathaniel, A Voyage Round the World; But More Particularly to the Northwest Coast of America, London, 1789”*. The excerpt documents the Yakobi Island area as “the western people’s” traditional territory; the western people being the people of “Apolosovo”. The tribes of Sitka and Hoonah traveled this area extensively but this area is the traditional territory of the people of Apolosovo.

Hoonah cites the *1990 Subsistence Harvest and Use of Fish and Wildlife Resources and the Effects of Forest Management in Hoonah, Alaska*. The U.S. Forest Service conducted a similar survey during the Tongass Land Management Plan process, it documents the subsistence harvest and use of Pelican, and its community use area. The 1990 Subsistence Survey is not current. The State of Alaska, Division of Subsistence will conduct subsistence household surveys in Pelican during March 2024.

In closing, the City of Pelican does not agree with the boundaries defined in the *“Petition by the City of Hoonah for Incorporation of the Xunaa Borough”*.

1. The City of Pelican maintains that the Xunaa Borough petition boundaries be reduced:

“Xunaa Borough boundary begins at the point where the Sitka Borough boundary extends from southeast of Lisianski Inlet to the head of Tenakee Inlet, where that line meets, the Xunaa Borough boundary begins and extends to Point Carolus, at the west entrance to Glacier Bay proper; the proposed Xunaa Borough boundary would further extend from Point Carolus to Cape Fairweather.”

The lands and waters of the Lisianski Inlet, Lisianski Strait, Yakobi Island and Cross Sound areas must remain excluded from the Xunaa Borough petition.

2. National Forest Receipts, Payment in Lieu of Taxes, and State of Alaska Shared Fisheries Business Tax, now shared with the City of Pelican, will be redistributed to Hoonah’s Xunaa Borough petition at a financial loss to the City of Pelican and its school district.

Under Hoonah’s, Borough Formation Frequently Asked Questions, “Federal and State funding sources for the District continues to shrink, but the need to fund our local contribution as much as possible and supplement other funding sources is paramount to

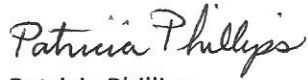
the District's success. The City government is limited to its corporate boundaries to generate revenue and both additional sales tax and property tax are not viewed as a favorable means to raise more money for the school at this time."

This statement demonstrates that Hoonah is willing to expand its taxing power outside of its municipal boundaries but not willing to do what's disagreeable in terms of generating tax revenues within its own jurisdiction. Furthermore, nothing in the petition gives any reason to increase funding for schools.

3. The proposed Xunaa Borough will stop commercial and economic development in the area surrounding the community of Pelican. All the natural resources included in the Hoonah petition, including the Lisianski Inlet/Strait, Yakobi Island, and Cross Sound areas, will be included in its Xunaa Borough boundaries. Pelican must be able to access the lands or resources for the best interests of the community, and Pelican will continue to benefit from the resources from the lands and waters of the Lisianski Inlet/Straits, Yakobi Island, and Cross Sound areas.

Thank you for the opportunity to comment.

Sincerely,



Patricia Phillips

Mayor, City of Pelican



GLACIER BAY

NATIONAL PARK

CHICHAGOF

ISLAND

WEST CHICHAGOF

YAKOBI

ALASKA

57°
30'
00"



Haines Borough 2,459 population

Land 2,343.7 square miles

Water 382.1 square miles

Total 2,725.8 square miles

Ketchikan Borough 13,762 population

Land 4,898.9 square miles

Water 1,981.3 square miles

Total 6,870.2 square miles

Juneau Borough 32,269 population

Land 2,716.7 square miles

Water 538.3 square miles

Total 3,255.0 square miles

Petersburg Borough 3,357 population

Land 2,921 square miles

Water 908 square miles

Total 3,829 square miles

Sitka Borough 8,748 population

Land 2,874 square miles

Water 1,937.5 square miles

Total 4,811.5 square miles

Skagway Borough 1,146 population

Land 452.4 square miles

Water 11.9 square miles

Total 464.3 square miles

Wrangell Borough 2,387 population

Land 2,582 square miles

Water 883 square miles

Total 3,465 square miles

Yakutat Borough 552 population

Land 7,650.5 square miles

Water 1,808.8 square miles

Total 9,459.3 square miles



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EQUAL OPPORTUNITY EMPLOYER

CITY OF PELICAN RESOLUTION 2024 - 4

A RESOLUTION OF THE CITY OF PELICAN, ALASKA OPPOSING THE PETITION AS SUBMITTED BY THE CITY OF HOONAH FOR INCORPORATION OF THE XUNAA BOROUGH

Whereas, the City of Hoonah (Hoonah) has submitted a petition to the Local Boundary Commission to form the Xunaa Borough; and

Whereas, Alaska Administrative Code, 3 AAC 110, Article 2, provides the “Standards for Incorporation of Boroughs”; and

Whereas, the establishment of a new borough is in the “Best Interests of the State” only if the proposed borough represents a bona fide regional government that encompasses and involves the existing long-established communities in the region, and

Whereas, the boundaries of the petition do not meet the applicable standards for incorporation of boroughs; and

Whereas, the boundaries in Hoonah’s petition greatly exceed the necessary territory to support Hoonah’s economic enterprises, tourism, fishing, and timber and therefore do not conform to the incorporation standard for “Boundaries”; and

Whereas, the City of Pelican (Pelican) the City of Gustavus (Gustavus), and the City of Tenakee Springs (Tenakee) refuse to be included in the proposed Xunaa Borough; and

Whereas, the petition serves more as an oversized municipal boundary modification that secures economic advantages for Hoonah, at the relegation of Pelican, Gustavus and Tenakee Springs; and

Whereas, the petition boundaries ensure that Hoonah will solely receive revenues and potential state municipal land entitlements within a region that has already established communities with minimal “Relationship of Interests” with Hoonah; and

Whereas, the petition preempts the unincorporated communities of Funter Bay, Game Creek, and Elfin Cove in an effort to meet the applicable incorporation standard for “Population”; and

Whereas, the proposed Xunaa Borough is not a bona fide regional government, and would be a de facto annexation of vast geographical and unpopulated areas for the exclusive benefit of the City of Hoonah/Hoonah Townsite Service Area, to the detriment of the cities and communities within the proposed borough region; and

Whereas, the petition proposes enclaves around each of the three communities, expropriating resources that provide for the stability and continuity of the communities; and exceed the reasonable anticipated incorporation standard for human and financial “Resources” necessary to provide municipal services on an efficient, cost-effective level; and

Whereas, the petition hinders the outlying communities the opportunity to grow, prosper and derive an economic base from the surrounding lands and waters; and

Whereas, the proposed boundaries confine Pelican, Gustavus, Tenakee into constricted and non-contiguous enclaves within the broader region, without apparent consideration of applicable constitutional, statutory, and regulatory standards; and inhibiting actual collaboration, if not actually preventing the communities from ever uniting in its own regional borough, if desired; and

Whereas, summarily, the proposed borough boundaries directly threaten the viability of the excluded communities through likely loss of National Forest Receipts, Payment in Lieu of Taxes, and State of Alaska Shared Fisheries Business Tax and loss of other unforeseen federal and state revenues that support their communities and are significant to the success; and for the long term, undermine and thwart any prospect for forming a new borough, or merging with a compatible neighboring borough, as a means of enhancing future economic growth and development service of their residents and businesses; and

Whereas, the City of Pelican provides in an attachment a detailed review of the petition, refuting Hoonah’s assertions to be a regional hub upon which the regional communities are dependent.

NOW, THEREFORE IT BE RESOLVED, that the Pelican City Council finds that the Xunaa Borough petition fails to qualify the proposed area for incorporation as a borough, and therefore that its formation is not in the best interest of the State of Alaska, nor of the people living and working in Pelican, Gustavus, Tenakee Springs, Elfin Cove, or throughout the occupied and unoccupied areas proposed for incorporation outside of Hoonah.

AND BE IT FURTHER RESOLVED that the Pelican City Council urges the Local Boundary Commission to find that the Petition by the City of Hoonah for Incorporation of the Xunaa Borough fails to meet the “Standards for Incorporation of Boroughs”, and the Council further rejects the petition for failure to meet the best interests of the State, its political subdivisions, and the 49 people residing in the communities proposed for annexation.

AND BE IT FURTHER RESOLVED that if a borough government is to be formed in the Icy Strait and Cross Sound regions, it should be through the initiative and will of the people in all the communities of the region working together to form a regional government that serves the best interests of those communities and the State of Alaska. Until such time, the communities in the region will continue to be served best by their existing independent local municipalities.

**PASSED AND APPROVED BY A DULY CONSTITUTED QUORUM OF THE CITY OF PELICAN
THIS 28th DAY OF February 2024.**

Signed: Patricia Phillips
Patricia Phillips, Mayor

Attest: Lattieca Stewart
Lattieca Stewart, City Clerk



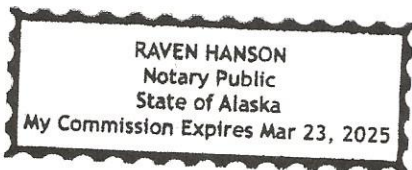
AFFIDAVIT OF PATRICIA PHILLIPS

Patricia Phillips, being first duly sworn, deposes and says:

1. I am the Mayor of the City of Pelican.
2. On February 29, 2024, the City of Pelican submitted to the Alaska Local Boundary Commission a responsive brief to the City of Hoonah's Petition and Brief for Incorporation of the Xunaa Borough.
3. The City of Pelican's responsive brief was prepared with City Council and community input and was approved by the City Council.
4. The statements in the City of Pelican's responsive brief are to the best of my knowledge, information, and belief founded in fact and are not submitted to harass or to cause unnecessary delay or needless expense in the cost of processing the petition.
5. The original and five copies of the City of Pelican's responsive brief have been filed with the department.
6. Two copies of the brief and this affidavit have been served on the City of Hoonah by regular mail, and an electronic copy has been submitted to Hoonah.

DATED 2-29-2024 Patricia Phillips
Patricia Phillips
Mayor of Pelican

SUBSCRIBED AND SWORN TO BEFORE ME by Patricia Phillips, who is known to me, on this 29th day of February 2023, in Pelican, Alaska.



Raven C. Hanson
Notary Public in and for Alaska

My Commission Expires: Mar 23 2025