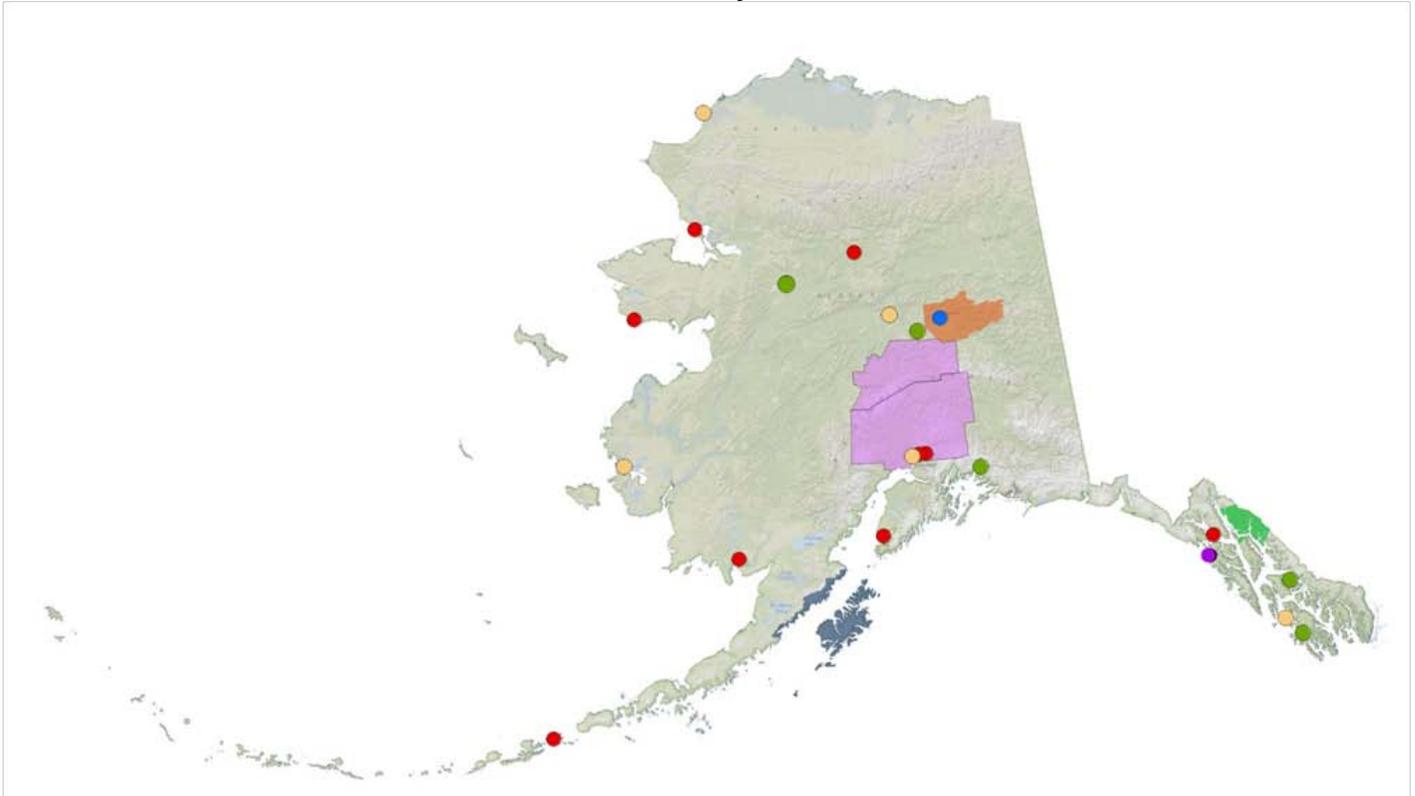


Local Boundary Commission

Report to the 28th Alaska State Legislature, 1st Session

February 2013



Petitions Or Inquiries To The LBC

- | | |
|-----------------------------|---|
| ● City Incorporation (5) | ■ City and Borough of Juneau (Borough Annexation) (1) |
| ● City Annexation (9) | ■ Denali Borough/Matanuska-Susitna Borough (Borough Detachment) (1) |
| ● City Reclassification (1) | ■ Fairbanks North Star Borough (Borough Dissolution) (1) |
| ● City Detachment (1) | ■ Kodiak (Municipal Merger) (1) |
| ● Borough Incorporation (5) | |

Lynn Chrystal, Chair
John Harrington, First Judicial District
Robert Harcharek, Second Judicial District
Larry Semmens, Third Judicial District
Lavell Wilson, Fourth Judicial District



Local Boundary Commission
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The Local Boundary Commission complies with Title II of the Americans with Disabilities Act of 1990. Upon request, this report will be made available in large print or other accessible formats. Requests for such should be directed to the Local Boundary Commission staff at 907-269-4587, 269-4559, and TDD at 907-465-5437. This report is also available on the Local Boundary Commission's website at:

<http://www.commerce.alaska.gov/dcra/lbc/lbc.htm>

Graphic Illustration Only – This publication's maps are intended to be used only as general reference guides. Source documents remain the official record



State of Alaska Local Boundary Commission

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Telephone: 907-269-4559 • Fax 907-269-4563

February 2013

Dear members of the Alaska State Legislature:

As members of the Local Boundary Commission (LBC), we are pleased to present our annual report to the First Session of the Twenty-eighth Alaska State Legislature. This report describes the LBC, and the activities of the commission and its staff during 2012.

There are boundary issues, present since statehood, of particular interest to the commission, including:

1. Developing adequate incentives to encourage borough formation and annexation to existing boroughs.
2. Informing the Legislature and Alaskan citizens about the commission's role and duties.

The LBC is eager to work collaboratively with the Alaska State Legislature to address these local boundary change issues, and to help shape our state's future municipal landscape.

Very truly yours,

The Local Boundary Commission

Handwritten signature of Lynn Chrystal in cursive.

Lynn Chrystal, Chair

Handwritten signature of John Harrington in cursive.

John Harrington, Commissioner

Handwritten signature of Robert Harcharek in cursive.

Robert Harcharek, Commissioner

Handwritten signature of Larry Semmens in cursive.

Larry Semmens, Commissioner

Handwritten signature of Lavell Wilson in cursive.

Lavell Wilson, Commissioner

Table of Contents

Chapter 1	Background.....	1
Chapter 2	Activities and Developments.....	14
Section I	Borough Annexation	14
Section II	Borough Detachment.....	16
Section III	Borough Dissolution	18
Section IV	Borough Incorporation	19
Section V	City Annexation	23
Section VI	City Detachment.....	28
Section VII	City Incorporation.....	29
Section VIII	City Reclassification	32
Section IX	Municipal Merger	33
Section X	General Requests.....	34
Section XI	Local Boundary Commission Activities	35
Section XII	Litigation Update	37
Chapter 3	Conclusion	39
Index.....		40

CHAPTER 1 BACKGROUND

Local Boundary Commission's Constitutional Foundation

Article X of the Constitution of the State of Alaska created the Local Boundary Commission (also referred to as "LBC" or "commission").¹ The commission is responsible for establishing and modifying proposed municipal government boundaries. The Alaskans who drafted the state's constitution believed that local governments should have authority to determine which powers they would exercise, and they also asserted their belief that the state should set municipal boundaries because "local political decisions do not usually create proper boundaries and that boundaries should be established at the state level."² Placing decision-making authority with a state body allows debate about boundary changes to be analyzed objectively, taking areawide or statewide needs into consideration.³

Local Boundary Commission's Statutory Authority

Pursuant to 29.06.040(a) "the Local Boundary Commission may consider any proposed municipal boundary change." AS 29.06.040(a) further reads:

The commission may amend the proposed change and may impose conditions on the proposed change. If the commission determines that the proposed change, as amended or conditioned if appropriate, meets the applicable standards under the state constitution and commission regulations and is in the best interests of the state, it may accept the proposed change. Otherwise it shall reject the proposed change. A Local Boundary Commission decision under this subsection may be appealed under AS 44.62.

¹ Article X, section 12 states, "A local boundary commission or board shall be established by law in the executive branch of the state government. The commission or board may consider any proposed local government boundary change. It may present proposed changes to the Legislature during the first ten days of any regular session. The change shall become effective forty-five days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house. The commission or board, subject to law, may establish procedures whereby boundaries may be adjusted by local action."

² *Fairview Public Utility District No. 1 v. City of Anchorage*, 368 P.2d 540, 543 (Alaska 1962) (citing *Alaska Constitutional Convention Minutes of Committee on Local Government*, November 28 and December 4, 1955).

³ *Id.*

LBC Duties and Functions

The LBC acts on proposals for several different municipal boundary changes. These are:

- Incorporating municipalities (includes both city and borough governments)
- Annexing to municipalities
- Detaching from municipalities
- Merging municipalities
- Consolidating municipalities
- Reclassifying municipalities
- Dissolving municipalities

In addition to the above, the LBC under AS 44.33.812 shall:

- Make studies of local government boundary problems
- Adopt regulations providing standards and procedures for municipal incorporation, annexation, detachment, merger, consolidation, reclassification, and dissolution

The LBC may present proposed local boundary changes to the Legislature concerning boundary changes under article X, section 12 of Alaska's constitution.

Nature of the Commission

Boards and commissions frequently are classified as quasi-executive, quasi-legislative, or quasi-judicial, based on their functions within the Alaska constitution's separation of powers framework. The LBC is a quasi-legislative commission with quasi-executive and quasi-judicial attributes.

Quasi-Legislative

In 1974, 1976, and again in 1993, the Alaska Supreme Court stated that Alaska's constitution gives the LBC legislative authority to make fundamental public policy decisions. The court stated that:

[T]he Local Boundary Commission has been given a broad power to decide in the unique circumstances presented by each petition whether borough government is appropriate. Necessarily, this is an exercise of delegated legislative authority to reach basic policy decisions. Accordingly, acceptance of the incorporation petition should be affirmed if we perceive

in the record a reasonable basis of support for the Commission's reading of the standards and its evaluation of the evidence.⁴

Under AS 44.33.812(a)(2), the LBC carries out another quasi-legislative duty when it adopts "regulations providing standards and procedures for municipal incorporation, annexation, detachment, merger, consolidation, reclassification, and dissolution. . . ."⁵

Quasi-Executive

Article X, section 12 of Alaska's constitution placed the LBC in the state's executive branch. The commission's duty under AS 44.33.812(a)(1) to "make studies of local government boundary problems" is one example of the LBC's quasi-executive nature.

Quasi-Judicial

Although it is part of the executive branch and exercises delegated legislative authority, the LBC also has a quasi-judicial nature. In particular, the LBC has a mandate to apply pre-established standards to facts, to hold hearings, and to follow due process in conducting petition hearings and rulings.

The LBC's quasi-judicial nature requires that a reasonable basis of support exist for the LBC's reading of the standards and evaluating the evidence. The LBC's quasi-legislative nature provides it with considerable discretion in applying those standards and weighing evidence.

Limits on Directly Contacting the LBC

When the LBC acts on a petition for a municipal boundary change, it does so in a quasi-judicial capacity. LBC proceedings regarding a municipal boundary change must be conducted in a manner that upholds everyone's right to due process and equal protection. Those rights are preserved by ensuring that communications with the LBC concerning municipal boundary proposals are conducted openly and publicly.

To regulate communications, the LBC adopted 3 AAC 110.500(b) which expressly prohibits private (*ex parte*) contact between the LBC and any individual, other than its staff, except during a public meeting called to address a municipal boundary proposal. The limitation takes effect upon a petition's filing and remains in place through the last

⁴ *Mobil Oil Corp. v. Local Boundary Comm'n*, 518 P.2d 92, 98-99 (Alaska 1974). See also *Moore v. State*, 553 P.2d 8, n. 20 at 36 (Alaska 1976); and *Valleys Borough Support v. Local Boundary Comm'n*, 863 P.2d 232, 234 (Alaska 1993).

⁵ See *U.S. Smelting, Refining & Min. Co. v. Local Boundary Comm'n*, 489 P.2d 140 (Alaska 1971), discussing applying due process requirements to develop boundary change standards and procedures in commission proceedings.

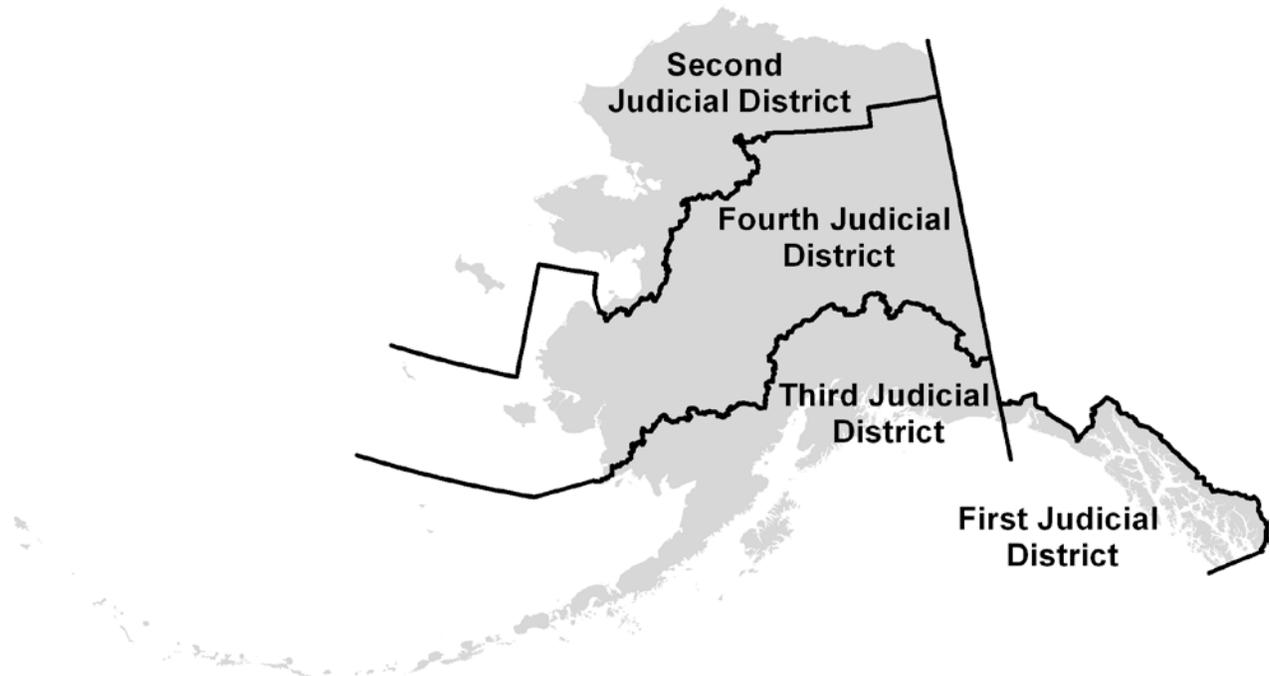
date available for the commission to reconsider a decision. If a LBC decision is appealed to the court, the *ex parte* contact limitation is extended throughout the appeal, in the event that the court requires additional consideration by the LBC. All communications with the commission must be submitted through the LBC's staff.

LBC Membership

The LBC is an autonomous commission. The governor appoints LBC members for five-year overlapping terms (AS 44.33.810). Notwithstanding their terms' prescribed length, however, LBC commissioners serve at the governor's pleasure (AS 39.05.060(d)).

The LBC is comprised of five members (AS 44.33.810). One member is appointed from each of Alaska's four judicial districts. The chair is appointed from the state at large. LBC members receive no pay for their service.

ALASKA JUDICIAL DISTRICT MAP



Member Biographies:**Lynn Chrystal, Chair, At Large Appointment, Valdez**

Governor Palin appointed Lynn Chrystal as the member from the Third Judicial District on March 27, 2007. Governor Parnell appointed him as the Local Boundary Commission's chair on September 10, 2009. Mr. Chrystal is a current resident and former mayor of the City of Valdez, and former member of the Valdez City Council. He has lived in Valdez since 1975. Mr. Chrystal retired in 2002 from the federal government after four years in the Air Force and 36 years with the National Weather Service. He has worked in Tin City, Barrow, Yakutat, and Valdez. Chair Chrystal has served on the boards of several civic groups and other organizations including the Resource Development Council, Pioneers of Alaska, and Copper Valley Electric Cooperative. His current term on the LBC ends January 31, 2013.

**John Harrington, First Judicial District, Ketchikan**

Governor Parnell appointed John Harrington of Ketchikan as the member from the First Judicial District on the Local Boundary Commission on September 10, 2009. Governor Parnell reappointed him in April of 2011. Mr. Harrington is a real estate manager and previously worked as an adult education coordinator in Ketchikan from 1985-97. He was also a special education teacher and administrator in Washington state from 1972-84. He served on the Ketchikan Gateway Borough Assembly 2005 through 2011, chairing the borough's Planning Liaison and Economic Development Advisory Committee, among others. His community service includes chairing the North Tongass Fire and EMS Service Area Board from 2002-05, serving on the Ketchikan Charter Commission from 2003-04, and serving as an elected member of the Ketchikan Gateway Borough school board from 1988-94. Commissioner Harrington earned a bachelor's degree in psychology and history from Western Washington University and a master's degree in educational administration from Seattle University. His current term on the LBC ends January 31, 2016.

**Robert "Bob" Harcharek, Second Judicial District, Barrow**

Governor Knowles appointed Robert "Bob" Harcharek as the member from the Second Judicial District on the Local Boundary Commission on July 18, 2002. Governor Murkowski reappointed him to the LBC on March 24, 2004. He has served as the commission's vice chair. On March 9, 2009, Governor Palin reappointed him to the LBC. In 1977 he earned a Ph.D. in international and development education from the University of Pittsburgh. Commissioner Harcharek served for three years in Thailand as a Peace Corps volunteer. Dr. Harcharek has lived and worked on the North Slope for more than 30

years. Commissioner Harcharek recently retired from the North Slope Borough as the Community and Capital Improvement Projects (CIP) Planner for the Department of Public Works. He served as a member of the Barrow City Council for fifteen years, and is currently Mayor and Chief Administrative Officer for the City of Barrow. His current LBC term ends January 31, 2014.



Larry Semmens, Vice Chair, Third Judicial District, Soldotna

Governor Parnell appointed Larry Semmens of Soldotna as the member from the Third Judicial District on the Local Boundary Commission, on September 10, 2009. In May 2010, his fellow commissioners elected him to a three-year term as vice chair. Governor Parnell reappointed him on March 15, 2012. Mr. Semmens had a thirty year career in local government working in the finance departments of the Kenai Peninsula Borough and City of Kenai, and he retired from the Soldotna City Manager position in 2012. Commissioner Semmens currently chairs the board of the Alaska Public Entities Insurance Pool and is a member of the American Institute of Certified Public Accountants. He served in the U.S. Air Force from 1973-76 and earned a bachelor's degree in business administration from Boise State University. Mr. Semmens received the Alaska Municipal League's 2006 Vic Fisher Local Government Leadership Award. His current term on the LBC ends January 31, 2017.

Lavell Wilson, Fourth Judicial District, Tok



Governor Palin appointed Lavell Wilson, a Tok resident, as the member from the Fourth Judicial District on the Local Boundary Commission, June 4, 2007. Governor Parnell reappointed him on October 6, 2010.

Commissioner Wilson is a former member of the Alaska House of Representatives, serving the area outside of the Fairbanks North Star Borough in the Eighth State Legislature. He moved to Alaska in 1949 and has lived in the Northway/Tok area since. Commissioner Wilson attended the University of Alaska Fairbanks and Brigham Young University. Commissioner Wilson worked as a licensed aircraft mechanic, commercial pilot, and flight instructor for 40 Mile Air from 1981-1995, retiring as the company's chief pilot and office manager. Mr. Wilson became a licensed big game guide in 1963. He has also worked as a surveyor, teamster, and construction laborer, retiring from the Operating Engineer's Local 302 in Fairbanks. As a member of Local 302, he worked for 12 years on the U.S. Air Force's White Alice system, the ballistic missile defense site at Clear, and the radar site at Cape Newenham. His current term on the LBC ends January 31, 2015.

Local Government Agency

Constitutional Origin

Alaska's constitution called for establishing an executive branch agency to advise and assist local governments (article X, section 14). The duty to serve as the constitutional local government agency is presently delegated to the Alaska Department of Commerce, Community, and Economic Development (Commerce or DCCED) pursuant to AS 44.33.020(a)(4)⁶. Within Commerce, the Division of Community and Regional Affairs (DCRA) performs the local government agency's functions. In addition to its more general duty to aid local governments, DCRA provides staff, research, and assistance to the LBC.

LBC Staff Role

3 AAC 110.435 sets out the role of the LBC staff. LBC staff is required by 3 AAC 110.530⁷ to investigate and analyze each boundary change proposal and to make recommendations regarding the proposal to the LBC. For each petition, staff will write at least one report for the commission. The report(s) is made available to the public as well. Staff follows a reasonable basis standard in developing recommendations on matters before the LBC. Its recommendations to the LBC are based on properly interpreting the applicable legal standards, and rationally applying those standards to the proceeding's evidence. Due process is best served by providing the LBC with a thorough, credible, and objective analysis of every municipal boundary proposal.

The LBC staff provides support to the commission. The LBC's staff also delivers technical assistance to municipalities, to residents of areas impacted by existing or potential petitions to create or alter municipal governments, to petitioners, to respondents, to agencies, and to others.

Assistance the LBC staff provides includes:

- Answering citizen, legislative, and other governmental inquiries relating to municipal government issues.
- Writing reports on petitions for the LBC.
- Drafting LBC decisions.
- Traveling to communities to hold meetings and to answer questions about proposed local boundary changes.

⁶ AS 44.33.020(a)(1) provides that Commerce "shall (1) advise and assist local governments."

⁷ Also see AS 29.04.040, AS 29.05.080, AS 29.06.110, and AS 29.06.480 - 29.06.490.

2012 Local Boundary Commission Report to the 28th Alaska State Legislature, 1st Session

- Drafting for the LBC an annual report to the Legislature.
- Developing and updating municipal incorporation or alteration forms.
- Sending local boundary change forms and materials to interested persons.
- Providing a link between the LBC and the public.
- Maintaining incorporation and boundary records for Alaska's municipal governments.
- Coordinating and scheduling LBC public meetings and hearings.
- Developing orientation materials and providing training for new LBC members.
- Maintaining and preserving LBC records in accordance with Alaska's public records laws.

The LBC staff contacts:

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550 West Seventh Avenue, Suite 1770
Anchorage, Alaska 99501-3510
Fax: (907) 269-4539
lbc@alaska.gov

Brent Williams: (907) 269-4559
brent.williams@alaska.gov

Don Burrell: (907) 269-4587
don.burrell@alaska.gov

PETITION PROCEDURES

Procedures to establish and alter municipal boundaries and to reclassify cities are designed to ensure every proposal's reasonable and timely determination. The procedures are also intended to ensure commission decisions are based on an analysis of the facts and the applicable legal standards. Procedures are as follows:

Preparing and Filing a Petition

The LBC staff offers technical assistance, information, and forms to prospective petitioners. LBC staff can review drafts to identify any technical deficiencies in form and content. This allows petitioners to correct the draft before it is circulated for voter signatures, or before it is adopted by a municipal government. Once a formal petition is prepared, it is submitted to LBC staff for technical review. If it contains all the required

information, the LBC staff accepts it for filing.

Public Notice and Public Review

Once a petition is accepted for filing, the staff arranges extensive public notice. There is ample opportunity for public comment during the process. Interested parties are given at least seven weeks to submit responsive briefs and comments supporting or opposing a petition. The petitioner is provided at least two weeks to file one brief replying to public comments and responsive briefs.

Analysis

Following the public comment period, the LBC staff analyzes the petition, responsive briefs, written comments, the reply brief, and other materials. The petitioner and the LBC staff can conduct informational meetings. If the petition is for incorporation, the LBC staff must hold at least one public meeting within the boundaries proposed for incorporation. When it ends its analysis, the LBC staff issues a preliminary report including a recommendation to the LBC.

The preliminary report is circulated for public review and comment for a minimum of four weeks. After reviewing the comments, the LBC staff issues its final report. Under 3 AAC 110.590, however, procedures for certain local action annexation petitions are modified. This occurs if the municipality already owns the property proposed for annexation, or if all the property owners and voters in the territory proposed for annexation petition the municipality's governing body. The final report discusses comments received on the preliminary report, and notes any changes to the LBC staff's recommendations to the commission. The final report must be issued at least three weeks prior to the LBC's public hearing.

Commission Review of Materials and Public Hearings

LBC members review the petition, responsive briefs, written comments, reply briefs, and the staff reports. The LBC is an autonomous commission. While the commission is not obligated to follow the staff's recommendations, it has historically considered the LBC staff's analyses and recommendations to be critical components of the record in municipal boundary proceedings. The LBC considers the entire record when it renders a decision.

The commission may tour the subject area before the hearing. Following extensive public notice, the LBC conducts at least one hearing in or near the affected area or territory. The commission must act on the petition within 90 days of its final public hearing. The LBC may act by:

- Approving the petition as presented.

- Amending the petition (e.g., expanding or contracting the proposed boundaries).
- Imposing conditions on approving the petition (e.g., requiring voter approval of a proposition authorizing levying taxes to ensure financial viability).
- Denying the petition.

LBC Decisions Must Have a Reasonable Basis

LBC decisions regarding petitions must have a reasonable basis. Both the LBC's interpretation of the applicable legal standards and its evaluation of the evidence in the proceeding must be rational.⁸ The LBC must proceed within its jurisdiction, conduct a fair hearing and avoid any prejudicial abuse of discretion. Abuse of discretion occurs if the LBC has not proceeded in the manner required by law, or if the evidence does not support the LBC's decision.

While the law allows the commission 90 days following its last petition hearing to reach a decision, the LBC typically renders its decision within a few days of the hearing. Within 30 days of its decision date, the LBC must adopt a written decision stating the basis for its decision. Decision copies are provided to the petitioner, respondents, and others who request them.

At that point the decision becomes final, but any person may ask the LBC to reconsider its decision. Such requests must be filed within 18 days after the decision is mailed. The LBC may order reconsideration on its own motion. If the LBC does not approve any reconsideration requests within 30 days of the decision's mailing date, all such requests are automatically denied.

Implementation

3 AAC 110.630(a) specifies conditions that must be met before a LBC final decision is effective. If the LBC approves a petition, the proposal is typically subject to approval by voters or disapproval by the Legislature, depending on whether it was filed as a local action petition, or a legislative review petition, respectively. A petition that has been approved by the commission takes effect upon satisfying any stipulations imposed by the commission. If an election was held, certification of the legally required voter approval of the LBC's final decision is needed from the director of elections or the appropriate municipal official. The action must also receive favorable review under the federal Voting Rights Act of 1965. If all of 3 AAC 110.630(a)'s requirements have been met, the department shall issue a certificate describing the effective change.

⁸ See *Keane v. Local Boundary Commission*, 893 P.2d 1239, 1241 (Alaska 1995). When an administrative decision involves expertise regarding either complex subject matter or fundamental policy formulation, the court defers to the decision if the decision has a reasonable basis.

Alaskan Municipal Government Overview

Alaska law provides for types of two municipalities: City governments and organized boroughs. City governments are community municipalities and organized boroughs are regional municipalities. Those Alaska regions not in an organized borough constitute a single unorganized borough.⁹

Boroughs

Alaska law provides for the following classes of organized boroughs:

- Home rule: Unified and nonunified
- General: First class and second class

Home rule boroughs are the most popular form of organized borough in Alaska, followed closely by second class boroughs. There is only one first class borough, the Municipality of Skagway.

By law, every organized borough must exercise the following powers areawide:

- Public education
- Tax assessment and collection where municipal taxes are levied
- Planning
- Platting
- Regulation of land use

Home rule boroughs have charters (constitutions). Article X, section 11, of Alaska's constitution provides that home rule boroughs "may exercise all legislative powers not prohibited by law or by charter." AS 29.10.200 lists 61 specific limitations on home rule municipalities.

Alaska's unified home rule boroughs can have no city governments within them.¹⁰ When

⁹ AS 29.03.010 provides that "[a]reas of the state not within the boundaries of an organized borough constitute a single unorganized borough."

¹⁰ A unified municipality is defined as a borough by 3 AAC 110.990(1). Article X, section 2 of Alaska's constitution recognizes only cities and boroughs as municipalities. Further, the Legislature treats unified municipalities as boroughs. For example, the statutes use the same standards for borough incorporation as they do for incorporation of a unified municipality (AS 29.05.031). By contrast, the Legislature has established separate standards for city incorporation (AS 29.05.011).

a unified municipality is formed, all city governments within the unified municipality are automatically dissolved. No city can ever form again as long as the borough remains a unified borough. Non-unified home rule boroughs may have cities within them.

There are four unified boroughs in Alaska:

- City and Borough of Juneau
- City and Borough of Sitka
- Municipality of Anchorage
- City and Borough of Wrangell

There are four other organized boroughs in Alaska that also have no city governments within them. They are the Bristol Bay Borough, the Haines Borough, the Municipality of Skagway, and the City and Borough of Yakutat. As such, city governments could legally be formed in those boroughs.

General law boroughs (first and second class) are empowered exclusively by statutes. Still, statutes allow general law boroughs to assume a broad array of powers. First class boroughs have greater powers than second class boroughs. A principal distinction between a first class borough and a second class borough relates to how its powers are assumed. A first class borough may exercise any power not prohibited by law on a non-areawide basis (i.e., in the area of the borough outside cities) by adopting an ordinance. In contrast, voters must approve a second class borough's authority to exercise many non-areawide powers.

Cities

There are three city government classifications:

- Home rule
- First class
- Second class

A city government's powers and duties vary both with its particular classification, and whether it is located within an organized borough. The most fundamental distinction among city governments is that home rule and first class city governments in the unorganized borough must provide for education, planning, platting, and land use regulation. Second class cities are not permitted to exercise education powers.

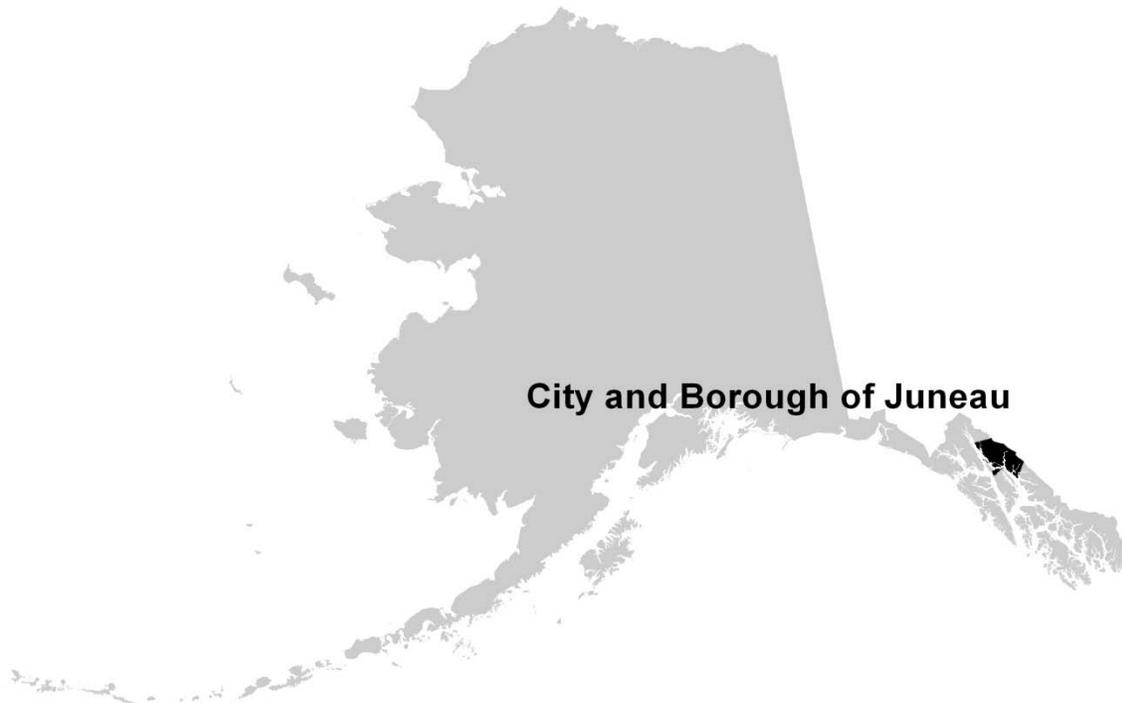
Generally, first class cities have more powers than do second class cities. Other

differences between first and second class cities include taxing authority and the mayor's powers and duties. A community must have at least 400 permanent residents to form a first class city.

Any city within an organized borough may, upon authority delegated by the organized borough which it's in, exercise planning, platting, and land use regulation. Second class cities in the unorganized borough are permitted, but not required, to exercise planning, platting, and land use regulation.

CHAPTER 2 ACTIVITIES AND DEVELOPMENTS

SECTION I BOROUGH ANNEXATION



City and Borough of Juneau

Location:	Juneau was built at the heart of the Inside Passage along the Gastineau Channel. The municipality encompasses 2,716.7 square miles of land and 538.3 square miles of water.
Population:	32,290 (2011 DCCED certified estimate)
Classification:	Unified home rule borough
Borough:	City and Borough of Juneau

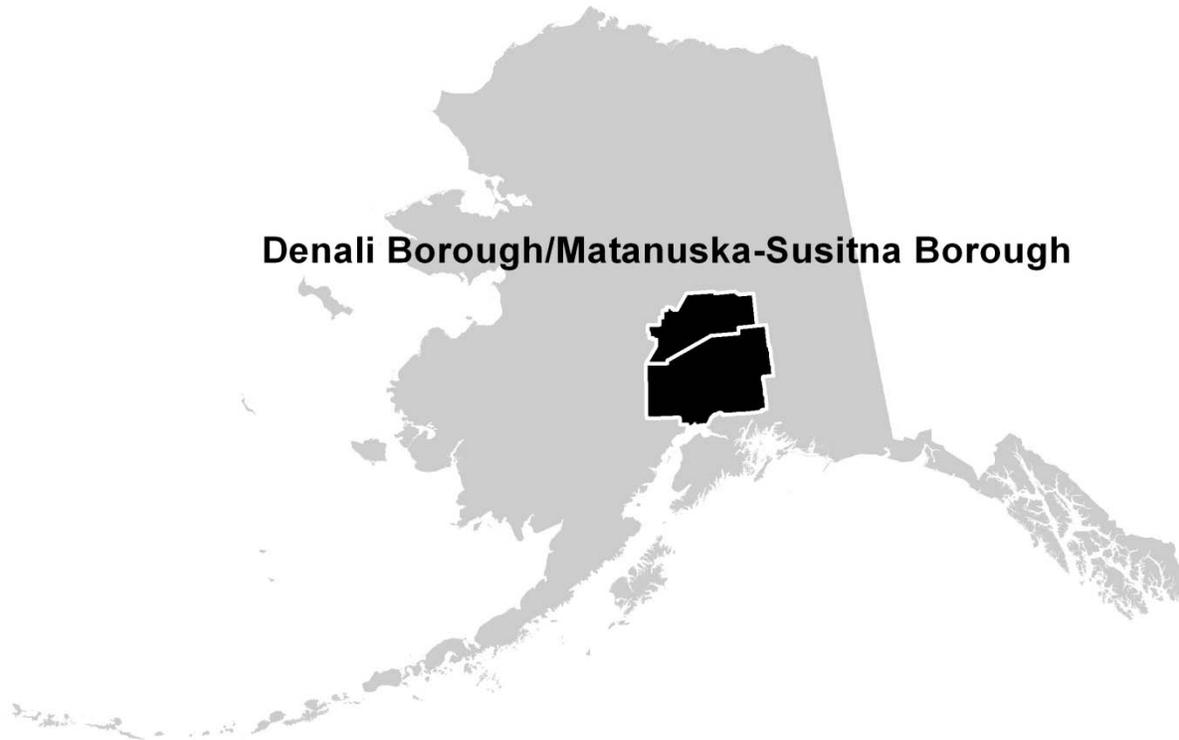
The City and Borough of Juneau (CBJ) filed a local action petition to annex approximately 1,977 square miles. The proposed annexation extends to Cape Fanshaw, to the watershed boundaries of Port Houghton and Dawes Glacier, to the approximate mid-channel of Stephens Passage, and to the Alaska-Canada border. A substantial portion of this area proposed by the CBJ for annexation overlapped the area sought by the Petersburg borough incorporation petition. The Local Boundary Commission did not grant a request made by the CBJ to consolidate Juneau's petition with the Petersburg borough incorporation petition proceedings, or to postpone the Petersburg petition. The petition was accepted for filing by the Local Boundary Commission (LBC) on April 9.

On October 1, the chair postponed the petition proceedings until after the Petersburg borough incorporation election. On October 19, the CBJ filed an appeal of the LBC's decision to approve the Petersburg borough incorporation petition (as amended by the LBC). On November 8, Juneau formally requested that the LBC chair postpone the CBJ's annexation proceedings until its judicial appeal was concluded. Per his authority under 3 AAC 110.640(a) to set or amend a petition's schedule, the chair granted Juneau's request. No further CBJ annexation petition proceedings will take place until the appeal is concluded.

SECTION II BOROUGH DETACHMENT

- Denali Borough

- Matanuska-Susitna Borough



Denali Borough

Location:	Denali Borough lies in Interior Alaska, between the Fairbanks North Star and Matanuska-Susitna Boroughs. The borough encompasses 12,749.7 square miles of land and 24.9 square miles of water.
Population:	1,820 (2011 DCCED certified estimate)
Classification:	Non-unified home rule borough
Borough:	Denali Borough

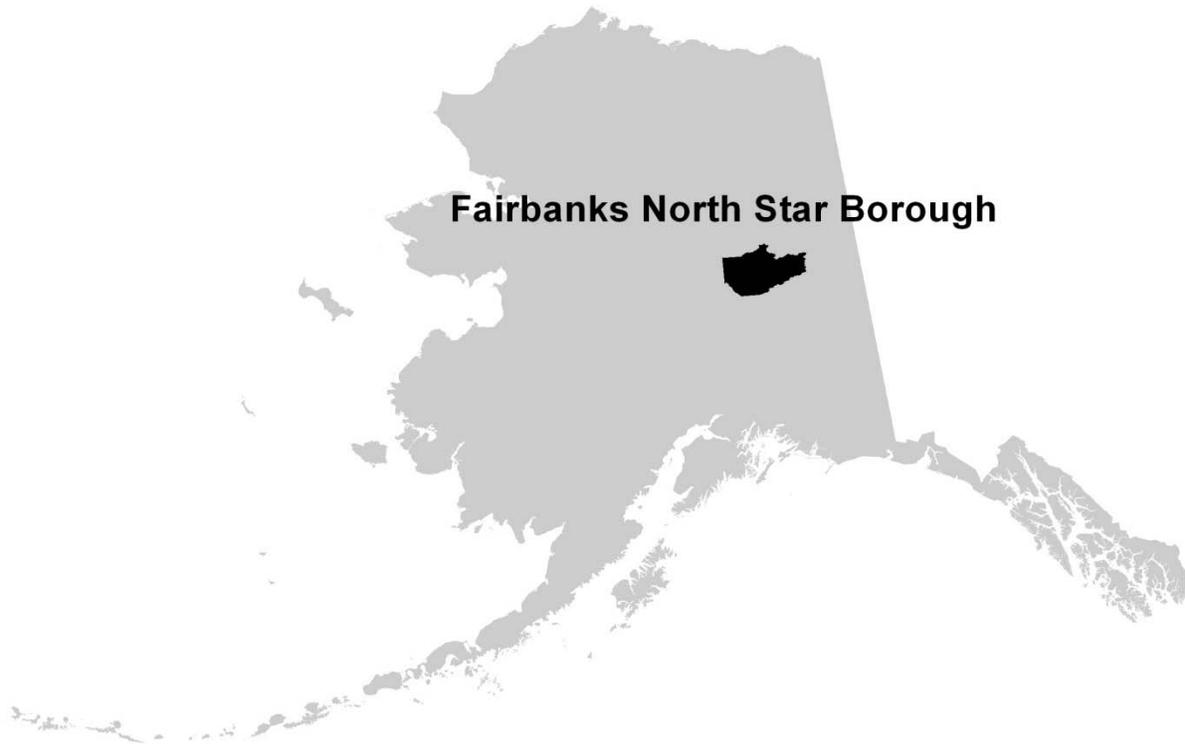
Matanuska-Susitna Borough

Location:	The borough is comprised of the farmlands of the Matanuska and Susitna Valleys. The borough encompasses 24,681.5 square miles of land and 578.3 square miles of water.
Population:	91,697 (2011 DCCED certified estimate)
Classification:	Second class borough
Borough:	Matanuska-Susitna Borough

LBC staff was asked about the process to detach certain lands from one borough and annex them to another. The requesting party explained that its client owned land in the

unorganized borough, the Denali Borough, and the Matanuska-Susitna Borough. The owner potentially wants to detach some of its land within the Matanuska-Susitna Borough, and annex that land to the Denali Borough. LBC staff explained that under the circumstances, the petition process will include both detachment and annexation. LBC staff sent the regulatory standards and the applicable statutes for detachment and annexation, and explained that a petition form combining both processes would need to be created and sent at a later date.

SECTION III BOROUGH DISSOLUTION



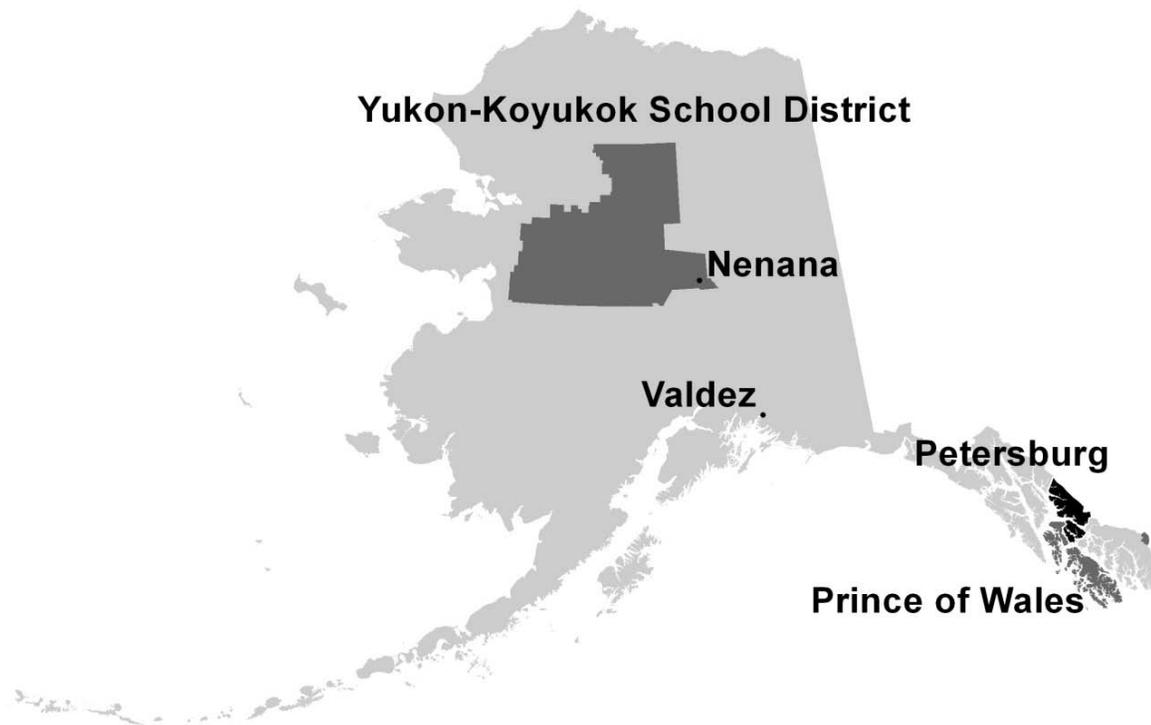
Fairbanks North Star Borough

Location:	The Fairbanks North Star Borough is located in the heart of Interior Alaska and is the second-largest population center in the state. The area encompasses 7,361.0 square miles of land and 77.8 square miles of water.
Population:	97,615 (2011 DCCED certified estimate)
Classification:	Second class borough
Borough:	Fairbanks North Star Borough

The LBC was contacted regarding information on how to petition to dissolve the Fairbanks North Star Borough. LBC staff sent the requested petition form and other materials regarding borough dissolution.

SECTION IV BOROUGH INCORPORATION

- Nenana
- Petersburg
- Prince of Wales
- Valdez
- Yukon-Koyukuk School District



Nenana

Location:	Nenana is located in Interior Alaska, 55 road miles southwest of Fairbanks on the George Parks Highway. Nenana is located at mile 412 of the Alaska Railroad, on the south bank of the Tanana River, just east of the mouth of the Nenana River. The city encompasses 6.0 square miles of land and 0.1 square miles of water.
Population:	417 (2011 DCCED certified estimate)
Classification:	Home rule city
Borough:	Unorganized borough

There have been several inquiries about possible borough formation from Nenana residents, and requests for information and materials concerning the borough incorporation process and standards. LBC staff explained the borough incorporation process from start to finish, emphasizing the three opportunities for public comment during the petition process, and when and how to become a respondent.

Some residents are concerned about a borough possibly forming. There was inquiry on whether a borough incorporation petition for the Nenana area was being prepared. LBC staff has not received such a petition. The Legislature, however, approved a grant to the City of Nenana to commission a borough study. A Nenana resident asked if there was any provision that would stop any local boundary petition from being filed or approved just because a borough study was being done. Staff replied that there was none that it was aware of, and that any such petition would have to meet the legal standards in order to be approved by the LBC.

Petersburg

Location:	The former City of Petersburg is located on the northwest end of Mitkof Island, where the Wrangell Narrows meet Frederick Sound. It lies midway between Juneau and Ketchikan, about 120 miles from either community. The new borough encompasses 3,829 square miles of land and water.
Population:	3,269 (2012 estimate)
Classification:	Non-unified home rule borough
Borough:	Petersburg Borough

The LBC held a hearing in Petersburg for the borough incorporation petition May 30 through June 1. Five parties participated, and dozens of witnesses testified. Many public members provided comment, including Goldbelt, Inc. board members, and Kake Tribal and city representatives. The LBC held the public decisional meeting on June 1. After carefully considering all written and verbal evidence, the LBC voted 4 to 1 to approve the amended petition (excluding the Tracy Arm and Whiting River watersheds).

On August 22, the LBC approved the written decision on Petersburg's borough incorporation. Staff mailed the report the same day. That started a reconsideration period in which two reconsideration requests were received. The LBC did not grant reconsideration on either request.

On September 26, staff sent a letter to the U.S. Department of Justice (DOJ), asking for preclearance for the proposed Petersburg borough incorporation, election, and concurrent dissolution of the City of Petersburg, which was granted by DOJ on December 26. Preclearance is required for any vote that can potentially change voting rights.

On October 19, the City and Borough of Juneau appealed the commission's decision to the Superior Court. Staff prepared and distributed to the court and parties the agency record for appeal.

On December 18, the Division of Elections conducted an election on borough incorporation, and concurrent dissolution of the City of Petersburg (the petition did not

dissolve the second class City of Kupreanof – it is still incorporated.) Additional ballots postmarked by December 18 arrived via mail. On January 3, 2013, the election was certified, and the voters approved the measure.

State law provides the incorporation would become effective once the election was certified and the final preclearance received from DOJ. The borough is now formed and the city dissolved effective January 3, 2013.

Prince of Wales

Location:	Craig is located on a small island off the west coast of Prince of Wales Island and is connected by a short causeway. It lies 56 air miles northwest of Ketchikan, 750 air miles north of Seattle, and 220 miles south of Juneau. Craig encompasses 6.7 square miles of land and 2.7 square miles of water.
Population:	1,240 (2011 DCCED certified estimate)
Classification:	First class city
Borough:	Unorganized borough

The Legislature granted the City of Craig funding to commission a feasibility study for forming a Prince of Wales borough. In 2011, staff was invited to give a borough formation presentation. Staff answered many inquiries about borough taxation, and municipal land entitlement.

Valdez

Location:	Valdez is located on the north shore of a deepwater fjord in Prince William Sound. It is the southern terminus of the Trans-Alaska oil pipeline. The city encompasses 222 square miles of land and 55.1 square miles of water.
Population:	3,992 (2011 DCCED certified estimate)
Classification:	Home rule city
Borough:	Unorganized borough

In February, the Valdez planning director met with LBC staff regarding a possible Valdez borough incorporation petition. LBC staff answered questions regarding borough formation, the writing and formation of a petition, the technical review of a petition, and the LBC staff's role in the process. The planning director explained the city intended to file a unified borough petition. The only city inside the proposed borough is Valdez.

Yukon-Koyukuk School District

Location: Interior Alaska, in the drainage area of the Yukon and Koyukuk Rivers.

Borough: Unorganized borough

Per request of the Yukon-Koyukuk School District, LBC staff sent borough formation materials, and answered questions regarding the materials and the borough formation process.

SECTION V CITY ANNEXATION

- Akutan
- Allakaket
- Dillingham
- Gustavus
- Kachemak
- Kotzebue
- Nome
- Palmer
- Wasilla



Akutan

Location:	Akutan is located on Akutan Island in the eastern Aleutians, one of the Krenitzin Islands of the Fox Island group. The city encompasses about 149 square miles of land and water.
Population:	1,040 (2011 DCCED certified estimate)
Classification:	Second class city
Borough:	Aleutians East Borough

On March 29, the LBC held a hearing, by teleconference in Anchorage, on Akutan's unanimous consent annexation petition. Before annexation, the City of Akutan consisted of 14 square miles of land and 4.9 square miles of water. The petition sought to add 130.02 square miles of land and water. The territory proposed for annexation included the new airport on Akun Island, as well as potential hydropower and geothermal sites.

After the hearing, the LBC held its decisional meeting, and approved the annexation by a 5 to 0 vote.

Since annexation, the City of Akutan has accomplished projects such as completing its new boat harbor, and renovating and opening the city-owned Surf Bay Inn near the airport. Also, one of Akutan Island's two hydroelectric projects is now operational. Akutan's planning commission is meeting monthly and is currently amending its zoning regulations and permitting procedures.

Allakaket

Location:	Allakaket is on the south bank of the Koyukuk River, southwest of its junction with the Alatna River, approximately 190 air miles northwest of Fairbanks and 57 miles upriver from Hughes. The city encompasses 3.6 square miles of land and 0.7 square miles of water.
Population:	103 (2011 DCCED certified estimate)
Classification:	Second class city
Borough:	Unorganized borough

LBC staff answered questions from the City of Allakaket's administrator about city annexation and city detachment.

Dillingham

Location:	Dillingham is located at the extreme northern end of Nushagak Bay in northern Bristol Bay, at the confluence of the Wood and Nushagak Rivers. It lies 327 miles southwest of Anchorage and is a six hour flight from Seattle. The city encompasses about 432 square miles of land and water.
Population:	2,376 (2011 DCCED certified estimate)
Classification:	First class city
Borough:	Unorganized borough

In December 2011, the LBC issued its final written decision approving the City of Dillingham's petition to annex approximately 396 square miles of submerged land and three square miles of land in Nushagak Bay. On January 4, 2012, the Native Village of Ekuk filed a reconsideration request with the LBC. The commission did not grant the request. In April, the city held an election to vote on the annexation and 2.5% raw fish tax; both passed.

The city implemented the tax, but poor fishing runs resulted in just \$439,000 in raw fish tax revenue, instead of the over \$700,000 estimated in the petition. The city is still struggling financially, although the additional tax revenue helped. The city allows taxpayers a 50% refund of the raw fish tax if they have low incomes or assets, or are

otherwise eligible because they have paid a reduced annual fee for their fishing permit. Taxpayers may also receive the 50% refund if they own real property within the city.

A borough feasibility study had been commissioned by annexation opponents. It was authored by former LBC chair Kevin Waring. The study concluded that a borough was feasible with a higher fish tax and a tax on lodges. There apparently has not been a great deal of discussion in the greater Nushagak Bay community about borough formation since the April election.

The Native Village of Ekuk appealed the LBC's approval of the petition. Staff prepared and distributed the agency record for appeal, which had been on hold while the parties negotiated, but is again active while the parties attempt to reach a settlement.

Gustavus

Location:	Gustavus lies on the north shore of Icy Passage at the mouth of the Salmon River in the St. Elias Mountains, 48 air miles northwest of Juneau. It is surrounded by Glacier Bay National Park and Preserve on three sides and the waters of Icy Passage on the south. Gustavus encompasses 55.2 square miles of land and water.
Population:	460 (2011 DCCED certified estimate)
Classification:	Second class city
Borough:	Unorganized borough

In 2011, the LBC approved the City of Gustavus's legislative review annexation petition. On January 18, 2012, staff submitted Gustavus's petition to the Alaska State Legislature. This process is required by the Constitution of the State of Alaska, article X, section 12, which states that the commission "may present proposed changes to the Legislature during the first ten days of any regular session. The change shall become effective forty-five days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house."

On March 8, staff received the DOJ preclearance of Gustavus's annexation. This is a necessary step in any petition, and is the final step that Gustavus needed for the LBC's approval to become effective. DCCED issued Gustavus a new certificate of boundaries.

Kachemak

Location:	Kachemak is on the East Road, adjacent to Homer, on the Kenai Peninsula. It is on the northern shore of Kachemak Bay. The area encompasses 1.6 square miles of land.
Population:	456 (2011 DCCED certified estimate)
Classification:	Second class city
Borough:	Kenai Peninsula Borough

The City of Kachemak received its DOJ preclearance for its annexation petition, and its certificate of amended boundaries from DCCED.

Kotzebue

Location:	Kotzebue is on the Baldwin Peninsula in Kotzebue Sound, on a three-mile long spit, which ranges in width from 1,100 to 3,600 feet. It is located near the mouths of the Kobuk, Noatak, and Selawik Rivers, 549 air miles northwest of Anchorage and 26 miles above the Arctic Circle. The city encompasses 27.0 square miles of land and 1.7 square miles of water.
Population:	3,224 (2011 DCCED certified estimate)
Classification:	Second class city
Borough:	Northwest Arctic Borough

An attorney contacted staff about a planned Kotzebue annexation petition. The annexation would be for a new port at Cape Blossom about 10 miles away, and also for territory adjacent to the city. Kotzebue plans to ask staff in early January 2013 to examine the petition before formally submitting it for technical review, a service the LBC staff provides to petitioners.

Nome

Location:	Nome was built along the Bering Sea on the south coast of the Seward Peninsula, facing Norton Sound. It is a 75-minute flight from Anchorage. It lies 102 miles south of the Arctic Circle and 161 miles east of Russia. The city encompasses 12.5 square miles of land and 9.1 square miles of water.
Population:	3,695 (2011 DCCED certified estimate)
Classification:	First class city
Borough:	Unorganized borough

In August, the Nome City Council approved the Nome Comprehensive Plan. A consultant working for the city asked for an estimate of how much an annexation application would cost to prepare. While there is no fee charged by the state to file a petition, preparing a petition does take time.

Some petitioners choose to hire a consultant to prepare their petition. The cost of preparing a petition can vary dramatically depending upon how much is done by the petitioner, and how much is done by consultants and/or attorneys. The petition type and method can also affect the cost, as can the process complexity, i.e. whether additional briefs were submitted, whether the petition was appealed. Staff suggested contacting recent petitioners for information on how they prepared their petitions and the cost. Nome has not yet filed an annexation petition.

Palmer

Location:	Palmer is located in the center of the lush farmlands of the Matanuska Valley, 42 miles northeast of Anchorage on the Glenn Highway. The city encompasses 3.8 square miles of land.
Population:	6,087 (2011 DCCED certified estimate)
Classification:	Home rule city
Borough:	Matanuska-Susitna Borough

The City of Palmer sought to annex .34 acres owned by a church adjoining its land inside the city. Church members could not obtain a city building permit unless the land was entirely inside the city. Church members asked Palmer to annex the land. The city filed a unanimous consent annexation petition on the church's behalf. In March, the LBC held a hearing on the Palmer annexation petition, followed by an LBC decisional meeting where the annexation was approved by a 5 to 0 vote.

Wasilla

Location:	Wasilla is located midway between the Matanuska and Susitna Valleys, on the George Parks Highway 43 miles north of Anchorage. The area encompasses 11.7 square miles of land and 0.7 square miles of water.
Population:	8,064 (2011 DCCED certified estimate)
Classification:	First class city
Borough:	Matanuska-Susitna Borough

Wasilla's deputy administrator visited staff to ask questions about annexation. Wasilla is interested in three possible city annexations, all using the local action method. Two would be by vote, and one by unanimous consent (similar to the recent Kachemak, Akutan, and Palmer annexation petitions). Wasilla might combine both of the by vote annexations for efficiency.

Staff answered additional questions from city officials about enclaves and contiguous boundaries. LBC staff explained the city annexation process, and particularly the local action by vote method, and the unanimous consent processes, then sent petition forms and links to petition examples.

SECTION VI CITY DETACHMENT



Fairbanks

Location:	Fairbanks is located in the heart of Alaska's Interior, on the banks of the Chena River in the Tanana Valley. By air, Fairbanks is 45 minutes from Anchorage and three hours from Seattle. It lies 358 road miles north of Anchorage. The city encompasses 31.9 square miles of land and 0.8 square miles of water.
Population:	30,547 (2011 DCCED certified estimate)
Classification:	Home rule city
Borough:	Fairbanks North Star Borough

The City of Fairbanks annexed Fort Wainwright in 1973. A portion of that territory is privately owned and largely unpopulated. The owner has requested the city detach the territory, which would remain in the Fairbanks North Star Borough. On December 31, the City of Fairbanks submitted a local action detachment petition.

SECTION VII CITY INCORPORATION

- Big Lake
- Edna Bay
- Manley Hot Springs
- Newtok
- Point Lay



Big Lake

Location:	Big Lake is a community on the shore of Big Lake, 13 miles southwest of Wasilla, in the Chugach Mountains. It lies adjacent to Houston and Knik-Fairview.
Population:	3,399 (2011 Alaska Department of Labor Estimate)
Classification:	Unincorporated
Borough:	Matanuska-Susitna Borough

Big Lake residents have been preparing a second class city incorporation petition since late 2011. Staff has worked with the residents to provide requested information and answer questions on incorporation requirements, state and federal funding, and transition information. Big Lake has previously explored incorporation, with the LBC approving the community's petitions; however, the community held an incorporation election and did not approve the incorporation.

Staff explained to residents interested in incorporation that it is best to ensure community support before considerable effort is spent. Throughout the correspondence,

residents asked whether they could be annexed into Houston. Staff explained that while annexation is a conceivable possibility, there would still need to be an election, unless the community decided to petition using the legislative review method. The residents decided against annexation for a number of reasons.

Staff answered more detailed questions about the technical review, and the petition process. As of December, Big Lake residents completing the petition have informed staff that a petition will be submitted once signatures have been collected.

Edna Bay

Location:	Edna Bay is located on the southeast coast of Kosciusko Island, northwest of Prince of Wales Island, in Southeast Alaska. It lies 90 miles northwest of Ketchikan.
Population:	50 (2011 Alaska Department of Labor Estimate)
Classification:	Unincorporated
Borough:	Unorganized borough

Edna Bay residents are working on a second class city incorporation petition, and staff has been working with the residents to provide incorporation information and answer questions. LBC staff, along with other DCRA staff, held a teleconference with several Edna Bay Community Corporation members about incorporating Edna Bay as a second class city. The residents explained they are interested in incorporating to better manage and influence local affairs.

Edna Bay completed a petition draft and sent it to staff for an informal technical review, following which staff found additional information was needed from the community in order for the commission to adequately judge the merits of the petition, and explained how the community can address the additional information needed. In late December, staff received word from the community that Edna Bay intended to submit a complete petition in early 2013.

Manley Hot Springs

Location:	Manley Hot Springs is located about five miles north of the Tanana River on Hot Springs Slough, at the end of the Elliott Highway, 160 road miles west of Fairbanks.
Population:	91 (2011 Alaska Department of Labor Estimate)
Classification:	Unincorporated
Borough:	Unorganized borough

Manley Hot Springs has expressed interest in incorporating as a second class city. Staff sent a community resident a second class city incorporation petition and related information, and assisted the resident by answering questions about the incorporation petition process.

Newtok

Location:	Newtok is on the Ninglick River north of Nelson Island in the Yukon-Kuskokwim Delta Region. It is 94 miles northwest of Bethel.
Population:	370 (2011 Alaska Department of Labor Estimate)
Classification:	Unincorporated
Borough:	Unorganized borough

Per a Newtok resident's request, LBC staff sent a second class city incorporation petition and other information, and answered incorporation questions. Newtok was previously a second class city, that was incorporated in 1976, but dissolved on January 28, 1997.

Point Lay

Location:	Point Lay is located south of the Kokolik River mouth, about 300 miles southwest of Barrow.
Population:	196 (2011 Alaska Department of Labor Estimate)
Classification:	Unincorporated
Borough:	North Slope Borough

A person asked for information to incorporate Point Lay as a second class city. Staff sent an incorporation petition and other information.

SECTION VIII CITY RECLASSIFICATION



Pelican

Location:	Pelican is located on the northwest coast of Chichagof Island on Lisianski Inlet. It lies 80 miles north of Sitka and 70 miles west of Juneau. Most of the community is built on pilings over the tidelands. The city encompasses 0.6 square miles of land and 0.1 square miles of water.
Population:	83 (2011 DCCED certified estimate)
Classification:	First class city
Borough:	Unorganized borough

A Pelican resident asked about possibly reclassifying Pelican from a first class to a second class city, and how such a process would work. The resident believes Pelican's population and economy are declining, and is concerned about Pelican's viability as a first class city. Staff provided information and answered the resident's questions.

SECTION IX MUNICIPAL MERGER

- Kodiak Island Borough
- City of Kodiak



Kodiak

Location:	Kodiak Island ("the emerald isle") is the largest island in Alaska and second largest island in the US. The borough has 12,150 square miles, and extends onto the Alaskan Peninsula. The City of Kodiak is located near the northwestern tip of Kodiak Island in the Gulf of Alaska. It encompasses 3.5 square miles of land and 1.4 square miles of water.
Population:	13,870 (borough); 6,312 city (2011 DCCED certified estimates)
Classification:	Second class borough; home rule city
Borough:	Kodiak Island Borough

On March 14, staff met with a Kodiak citizen to answer questions about the feasibility and procedures of a possible merger or consolidation of the Kodiak Island Borough and the City of Kodiak. Staff explained both processes to the resident.

SECTION X GENERAL REQUESTS

LBC staff handled dozens of requests during 2012 that did not concern proposed local boundary changes. They included requests for: City incorporation history; present city boundaries; present borough boundaries; a list of all boroughs and communities in Alaska; municipal land entitlement; publications and maps; LBC minutes and transcripts; and other related information. There were also questions about: Past petitions; the LBC website; LBC regulations; municipal services; petition procedures; legislative grants for borough studies; records requests; and other subjects.

These requests and questions came from Alaskan citizens, legislative offices, the media, municipal, state, and federal officials. Staff answered questions efficiently, accurately, and courteously. If the requests were outside of the LBC's purview, staff referred the person to the proper agency for assistance.

Staff was invited to give a presentation before an Anchorage meeting of the state LEPCA (Local Emergency Planning Commission Association), and talked about what the LBC does, recent and proposed local boundary changes, and how municipalities with changed boundaries should let their LEPD (Local Emergency Planning District) and the SERC (State Emergency Response Commission) know about the new boundaries.

The SERC had been concerned because some boroughs had changed their boundaries without the LEPDs changing as well. An LEPD's borders should change automatically as a borough's borders change.

SECTION XI LOCAL BOUNDARY COMMISSION ACTIVITIES

LBC Public Meetings

- February 9, 2012:** The LBC held a public meeting to approve its 2011 annual report to the Legislature, to relax certain LBC telephonic meeting regulations (3 AAC 110.690(a) and 3 AAC 110.690(b)), and to approve previous LBC meeting minutes. All the commissioners were present via teleconference. All agenda items were unanimously approved by the LBC.
- March 29, 2012:** The LBC held a public hearing by teleconference from Anchorage on the Akutan unanimous consent annexation petition. The petition sought to add 130.02 square miles of land and water to the City of Akutan. It included the site of the new airport, and potential hydropower and geothermal locations. The LBC held its decisional meeting immediately after the hearing. It approved the annexation by a 5 to 0 vote.

The LBC also held a hearing that day on the Palmer unanimous consent annexation petition. A church owning property just inside Palmer acquired an adjacent .34 acre lot just outside the city boundaries. The church members wanted to build on the adjacent .34 acre lot, but could not obtain a city building permit unless all the church property was in the city. Palmer filed a unanimous consent annexation petition on the church's behalf. Immediately after the hearing, the LBC held its decisional meeting and approved the annexation by a 5 to 0 vote.

- April 19, 2012:** The LBC held a public meeting to approve the Akutan and Palmer draft written decisions. It suspended 3 AAC 110.690(b) in order to facilitate public telephonic access to the Petersburg hearing and decisional meeting. The LBC also discussed the LBC's powers to amend a petition in preparation for the Petersburg borough decisional meeting.
- May 30 – June 1, 2012:** The LBC held a hearing in Petersburg for the Petersburg borough incorporation petition. Five parties participated, and dozens of witnesses testified. Many public members provided comment, including Goldbelt, Inc. board members, and Kake tribal and city representatives. The LBC held the public decisional meeting in Petersburg on June 1. After carefully considering all the written and verbal evidence, the LBC voted 4 to 1 to approve the petition (as amended by the LBC to exclude the Tracy Arm and Whiting River watersheds).

- **August 22, 2012:** The LBC held a public meeting and approved by a 5 to 0 vote the draft written decision for the Petersburg borough incorporation petition. The LBC amended the draft decision to include a new map, and a slightly modified boundary description. The LBC had approved the petition, as amended by the commission, on June 1.

LBC Member Reappointments

- Governor Parnell reappointed Larry Semmens of Soldotna to the Local Boundary Commission on March 15, 2012. Commissioner Semmens is the member from the Third Judicial District. His term expires January 31, 2017.

SECTION XII LITIGATION UPDATE**Fairbanks North Star Borough v. Local Boundary Commission
(Case No. 4FA-10-01181 CI)**

The commission had approved the City of Fairbanks's annexation petition on November 10, 2009. The Fairbanks North Star Borough appealed the commission's decision. After the LBC prevailed in Superior Court in 2012, the Fairbanks North Star Borough proposed that it not appeal to the Alaska Supreme Court in return for the City of Fairbanks and the state agreeing to forgo costs and attorneys' fees. The parties agreed to settle.

**Native Village of Ekuk v. Local Boundary Commission and City of Dillingham
(Case No. 3DI-12-00022 CI)**

In December 2011, the LBC issued its final written decision approving the City of Dillingham's petition to annex approximately 396 square miles of submerged land and three square miles of land in Nushagak Bay. In 2012, the respondent Native Village of Ekuk appealed the decision. Staff prepared the agency record for the appeal. The petitioner and respondent continue discussions to try to reach a settlement.

**City and Borough of Juneau vs. State of Alaska, Local Boundary Commission,
and Petitioners for Incorporation of the Petersburg Borough
(Case No. 1JU-12-900 CI)**

On August 22, the LBC approved the written decision on Petersburg's borough incorporation. On October 19, the City and Borough of Juneau (CBJ) appealed the commission's decision to the Superior Court. The CBJ had earlier filed its own petition to annex some of the area sought for the proposed Petersburg borough. Staff prepared and distributed the agency record for the appeal.

CHAPTER 3 CONCLUSION

The Local Boundary Commission was very busy in 2012, approving the annexation petitions of Akutan and Palmer, as well as the Petersburg Borough incorporation petition, as requested by the communities. The LBC found the petitions met the standards and approved them. The decisions made by the LBC provided the communities with maximum local self-government.

In 2013, the LBC will consider an annexation petition from the City of Kotzebue, a petition for a proposed detachment from the City of Fairbanks, and other expected petitions from a number of communities and municipalities. The LBC is pleased to continue serving the people of Alaska by fulfilling its constitutionally-mandated authority to consider any proposed local government boundary change.

INDEX**Existing and Possible Boroughs**

City and Borough of Juneau (Annexation)	Page 14	Petersburg Borough (Incorporation, Litigation)	Page 20 Page 38
Denali Borough/Matanuska- Susitna Borough (Detachment/Annexation)	Page 16	Prince of Wales (Incorporation)	Page 21
Fairbanks North Star Borough (Dissolution)	Page 18	Valdez (Incorporation)	Page 21
Kodiak Island Borough (Municipal Merger)	Page 33	Yukon-Koyukuk School District (Incorporation)	Page 22
Nenana (Incorporation)	Page 19		

Existing and Possible Cities

Akutan (Annexation)	Page 23	Kotzebue (Annexation)	Page 26
Allakaket (Annexation)	Page 24	Manley Hot Springs (Incorporation)	Page 31
Big Lake (Incorporation)	Page 29	Newtok (Incorporation)	Page 31
Dillingham (Annexation, Litigation)	Page 24 Page 37	Nome (Annexation)	Page 26
Edna Bay (Incorporation)	Page 30	Palmer (Annexation)	Page 27
Fairbanks (Detachment, Litigation)	Page 28 Page 37	Pelican (Reclassification)	Page 32
Gustavus (Annexation)	Page 25	Point Lay (Incorporation)	Page 32
Kachemak (Annexation)	Page 26	Wasilla (Annexation)	Page 27
Kodiak (Municipal Merger)	Page 33		