## **MEMORANDUM**

## CITY/BOROUGH OF JUNEAU

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**TO:** The Lands Committee

FROM: Greg Chaney, Lands and Resources Manager

**SUBJECT:** Expanding CBJ to Model Borough Boundary

**DATE:** January 25, 2017

On February 22 2016 the Assembly Committee of the Whole reviewed the option of incorporating additional areas into the Juneau Borough. After weighing various courses of action, the Committee voted to pursue annexing the unclaimed area between the southern Juneau border and the new northern edge of the Petersburg Borough. During the December 3 2016 Assembly Retreat the issue was discussed again. It was decided to take the issue back to the Lands Committee for further discussion because annexation applications are substantial undertakings, there is efficiency in bundling more than one area in an application, and the first applicant tends to have a significant advantage in the process.

However Model Borough Boundaries are only a guiding concept and are not a clear indicator of where future borders between boroughs will be delineated.

Figure 1 provides a regional perspective and shows existing boroughs in Southeast Alaska. In 2003 the State of Alaska Local Boundary Commission established Model Boroughs for areas of the state that were in the unorganized borough. The Boundary Commission delineated areas neighboring the City and Borough of Juneau (CBJ) that were proposed to be incorporated into a future expanded Juneau Borough.

Figure 2 shows model borough boundaries in near Juneau. The primary feature of this map is that it shows adjacent boroughs that could potentially annex unincorporated portions of Admiralty Island as well as Horse and Colt Islands. Mansfield Peninsula region is across Lynn Canal from the Haines Borough and even if Admiralty Island is not within the Haines Model Borough, since it is adjacent, Haines could apply to annex portions of the island. The Glacier Bay Model Borough has not been created yet however it is conceivable that northern Admiralty could be included in its incorporation application. Another potential applicant to annex northern Admiralty Island could be the Chatham Model Borough. Angoon is the primary community on Admiralty Island and has expressed interest in the past of including

the northern part of Admiralty within the Chatham Borough if it was created. So, even though it might seem unlikely that another borough would claim the northern section of Admiralty as well as Horse and Colt Islands, it seemed just as improbable that the new Petersburg Borough would extend so far into Juneau's designated model borough territory.

Given that other jurisdictions might claim areas within the Juneau Model Borough Boundary, it seems prudent to review options for applying to fill out the unincorporated portions of Juneau's Model Borough. Figure 3 shows areas outside of incorporated Juneau Borough that could potentially be considered for annexation:

- A. This triangular region is between the new northern boundary of the Petersburg Borough and Juneau's southern boundary. Since this area was not included in the Petersburg Borough, Juneau seems like the only other credible candidate to incorporate this region. In the near future, annexation of this region is mostly symbolic since there are no local residents or private properties. In the long run mineral development or tourism could generate economic activity in this region. At the February 22 2016 Committee of the Whole, the Committee adopted a motion to continue to pursue annexing this region.
- B. Pack Creek, Oliver's Inlet and the Glass Peninsula are areas where Juneau based tours, commercial fishing, guided hunts and recreational activities are common. It seems that since this region has a strong connection to Juneau, that it should be incorporated in the Juneau Borough. The shaded area identified with the letter "B" is mostly contained within the Juneau Model Borough Boundary. The exception to this is the area around Pack Creek. Pack Creek is a very popular area for viewing bears and visitation to this area is managed by the USFS based in Juneau. The shaded area within the Chatham Model Borough includes the drainage area of Pack Creek and then follows the watershed of Seymour Canal north to the existing Juneau Borough boundary.
- C. Similar to the logic in B above, the western shore of a portion of our model boundary appears to have a nexus with a future Chatham Borough. By pursuing area B and not area C, Juneau would acquire approximately the same area into CBJ, but would acquire a boundary that better follows economic and cultural activities of the future Chatham and current CBJ. If the Chatham Borough is not formed, this issue could be revisited in the future.
- D. As discussed above, there are three adjacent boroughs that could potentially claim the northern portion of Admiralty Island as well as Horse and Cold Islands. This area is potentially the most contentious area to incorporate since it includes many private properties, some permanent residents and some business activity. It would also be very attractive to other boroughs for the same reasons. The 2007 Juneau Annexation Study Commission concluded for remote areas, "The Commission believes that a careful balance must be struck between rates of property taxation and levels of service delivery as annexation is considered." The Commission also stated, "The perceived

disparity between the areawide mill rate and the corollary lack of services is at the "nut" of opposition to annexation. (Even property owners on the Taku River and on Shelter Island have issues with the areawide property tax rate, stating that they do not receive commensurate services from the borough.)"

Considering that the Petersburg Borough was successful in incorporating a significant amount of land within Juneau's Model Borough, now is an appropriate time for the Lands Committee to discuss which areas the CBJ should be included in Juneau's application to the Local Boundary Commission. As explained above, staff recommends that the annexation application include the areas identified as A, B and D in Figure 3.

## Staff recommends the Lands Committee adopt the following motion:

The Lands Committee forwards this topic to the Committee of the Whole with the recommendation of expanding the borders of CBJ's annexation application to match the areas identified as A, B and D in Figure 3.

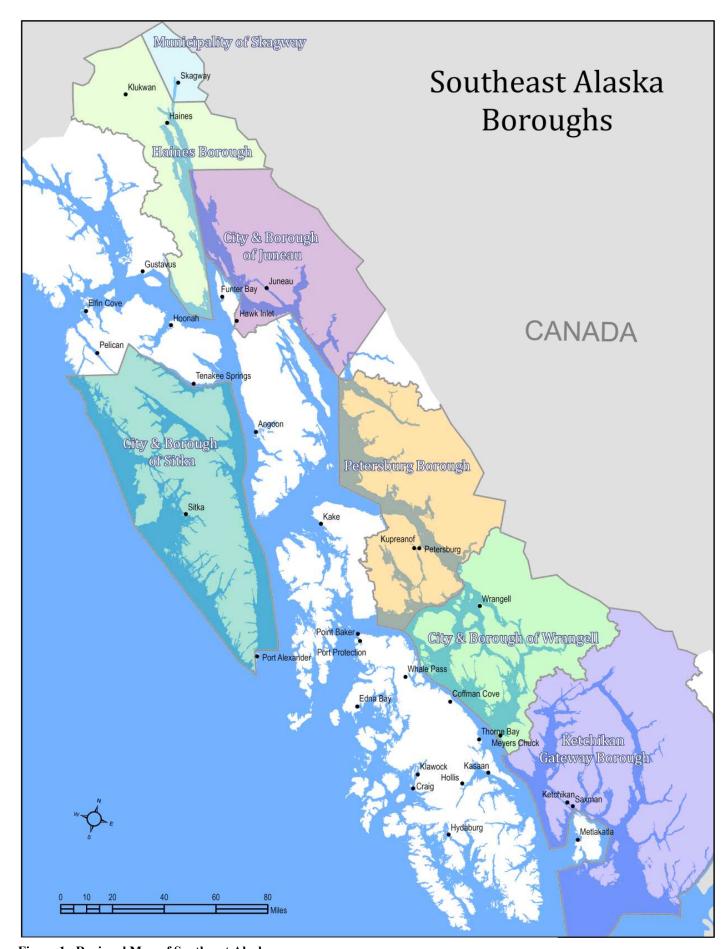


Figure 1. Regional Map of Southeast Alaska.

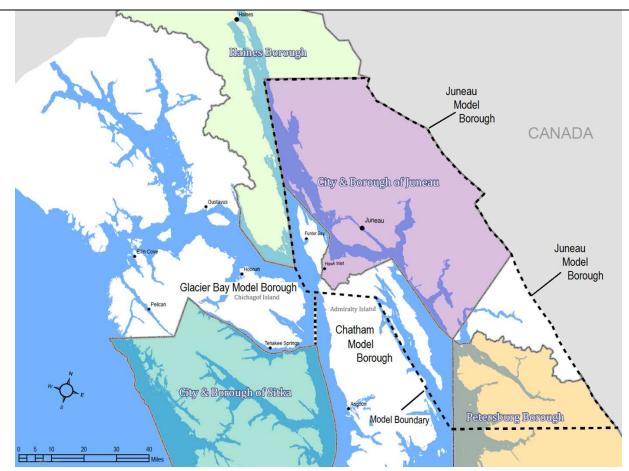


Figure 2. Boroughs adjacent to Juneau.

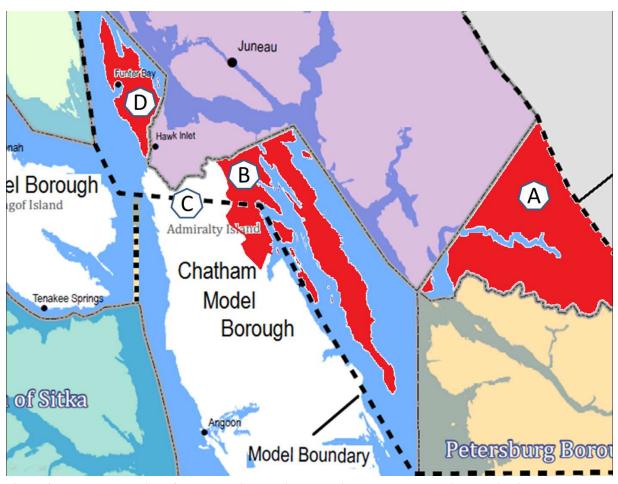


Figure 3. Recommendations for areas to include in Juneau's borough annexation application.