

PETITION

**TO THE LOCAL BOUNDARY COMMISSION
FOR INCORPORATION OF XUNAA BOROUGH AS A NON-UNIFIED,
HOME-RULE BOROUGH,**

**FOR DETACHMENT OF CERTAIN AREAS WITHIN THE HAINES
BOROUGH AND THE CITY AND BOROUGH OF SITKA,**

AND FOR DISSOLUTION OF THE CITY OF HOONAH

SUBMITTED BY PETITIONER, THE CITY OF HOONAH

**PETITION BY THE CITY OF HOONAH FOR INCORPORATION OF XUNAA BOROUGH
AS A NON-UNIFIED, HOME RULE BOROUGH, FOR DETACHMENT OF CERTAIN AREAS WITHIN THE
HAINES BOROUGH AND THE CITY AND BOROUGH OF SITKA,
AND FOR DISSOLUTION OF THE CITY OF HOONAH**

Petitioner, the City of Hoonah (hereafter “Petitioner”), requests that the Alaska Local Boundary Commission (hereafter “Commission”) approve this petition for borough incorporation, for detachment of certain areas within the Haines Borough and the City and Borough of Sitka, and for dissolution of the City of Hoonah pursuant to Article X, Section 3 of the Constitution of the State of Alaska, Alaska Statutes 29.05.060 -.150, and Alaska Administrative Code Provisions 3 AAC 110.045 – 3 AAC 110.067, and 3 AAC 110.900 – 3 AAC 110.990. This petition incorporates by reference all of the attached exhibits.

Section 1. Petitioner.

Petitioner is a political subdivision of the State of Alaska (first class city) and is authorized under 3 AAC 110.410(a)(4) to submit this petition for proposed action by the Commission. Petitioner’s name and address is as follows:

**City of Hoonah
300 Front Street
Hoonah, AK 99829**

In accordance with AS 29.05.060(7), Petitioner has obtained¹ the signatures and resident addresses of: (A) 15 percent of the voters in the first class City of Hoonah in the area of the proposed Xunaa Borough incorporation; and (B) 15 percent of the voters in the area of the proposed Xunaa Borough outside of the first class City of Hoonah. In accordance with AS 29.06.040(c)(2) and 3 AAC 110.275, Petitioner is prepared to take action requested by the Commission regarding the proposed detachment of certain areas incorporated within the Haines Borough (“Haines”) and City and Borough of Sitka (“Sitka”). Petitioner has already taken the step of polling some registered voting residents of Excursion Inlet regarding the proposed detachment.

Exhibit A is a letter from the Division of Elections documenting the number of voters within the proposed boundaries of the Xunaa Borough who voted in the last general election. This is broken down by voters inside the first class City of Hoonah and outside the first class City of Hoonah. **Exhibit B** includes the signatures and addresses of registered voters from the area proposed for incorporation who signed the petition.

Section 2. Petitioner’s Representatives.

Petitioner designates the following individuals to serve as its representative and alternative representative in all matters concerning this proposed incorporation pursuant to 3 AAC 110.420(b)(2):

Petitioner’s Representative:

Name:	Dennis H. Gray Jr., City Administrator
Physical address:	300 Front Street, Hoonah, AK 99829
Mailing Address:	P.O. Box 360, Hoonah, AK 99829
Phone number:	(907) 945-3663

¹ At this point, Petitioner has not obtained these signatures and do not have an Exhibit B. Petitioner will supplement with Exhibit B after the Local Boundary Commission’s preliminary review of the Petition.

Fax Number: (907) 945-3445
Email address: dgrayjr@cityofhoonah.org

Petitioner's Alternate Representative:

Petitioner designates the following person to act as an alternate representative in matters regarding the incorporation proposal in the event that the primary representative is absent, resigns, or fails to perform his or her duties:

Name: James J. Sheehan, City Attorney
Physical/Mailing address: Simpson, Tillinghast, Sheehan & Araujo, P.C.
One Sealaska Plaza, Suite 300
Juneau, AK 99801
Phone number: (907) 586-1400
Fax Number: (907) 586-3065
Email address: jsheehan@stsl.com

Petitioner requests that Petitioner's Alternative Representative be copied on all correspondence regarding this matter.

Section 3. Name and Class of the Borough for Which a Change Is Proposed.

The name and class of the proposed borough to be incorporated is:

Name: Xunaa Borough Class: Non-Unified Home Rule

Section 4. General Description and Nature of the Proposed Boundary Change.

This petition, initiated by the City of Hoonah as a political subdivision of the State of Alaska, under the authority of AS 29.05.060 and 3 AAC 110.410(a)(4), requests that the Commission authorize the incorporation of a home rule non-unified borough, the detachment of certain areas incorporated within Haines' and Sitka's boundaries, and the dissolution of the City of Hoonah. Such boundary changes are authorized under the provisions of Article I, Section 1 and Article X, Sections 1.3 and 12 of Alaska's constitution; AS 29.05.031; AS 29.05.100; 3 AAC 1 10.045 - 3 AAC 110.065; and 3 AAC 110.900 - 3 AAC 110.990.

Section 5. General Description of the Area Proposed for Incorporation.

The proposed Xunaa Borough includes the area currently comprising the City of Hoonah, and the neighboring communities of Game Creek, Elfin Cove, Glacier Bay and Funter Bay, as depicted on the proposed Xunaa Borough Boundary Map (**Exhibits C-1 and C-2**). The proposed detachment includes all land within the Sitka boundary on Chichagof Island and land within the Haines boundary that borders Glacier Bay National Park and Preserve and on the Southern Chilkat Peninsula. The proposed detachment includes the neighboring community of Excursion Inlet. The proposed Xunaa Borough's boundary and detachment follow the natural geography of the following waterways that abut Chichagof Island, Glacier Bay National Park and Preserve, and the Southern Chilkat Peninsula: Gulf of Alaska, Cape Cross, Cross Sound, Glacier Bay, Icy Strait, Northern Chatham Strait, and Peril Strait. The proposed Xunaa Borough's boundaries are on a regional scale, and include the necessary land and water to provide municipal services effectively to residents of these locales.


Section 6. Reasons for the Petition.

Petitioner's objectives in forming the Xunaa Borough and detaching lands currently within Sitka and Haines include, but are not limited to, raising significant revenue to benefit Xunaa Borough residents through commercial fishing and fish processing activity, tourism activity, promoting greater local

responsibilities by becoming the economic and transportation hub for Chichagof Island, Glacier Bay National Park, and the Southern Chilkat Peninsula and the surrounding waterways, providing needed services within these underserved areas, promoting orderly growth and development within these areas, and providing more accountability to all who will be served. The underserved areas included in the Xunaa Borough incorporation and detachment petition are remote, without road access or ferry service (ferry service is limited to the City of Hoonah), and it is difficult, if not impossible, to provide those residing there with needed services. Most of the residents of these underserved areas bought land in these places to enjoy the remoteness, and only need and desire limited services. To ensure that these residents can continue to enjoy their remote properties without unnecessary burdens, the Xunaa Borough will not implement taxes on their real property or a residential building code. The Xunaa Borough will not impose sales taxes upon any individuals other than those in the current City of Hoonah, which will become the Hoonah Townsite service area. The Xunaa Borough will, instead, focus on providing these residents with limited services to support the remote living they have chosen, along with greater access to the additional services available within the Hoonah Townsite service area.

Hoonah is the largest Tlingit village in Southeast Alaska. Culturally, the objective of the proposed Xunaa Borough incorporation and detachment petition is to properly include in the Xunaa Borough the coasts, embayments, coastal forests, lakes, and rivers that have been used since time immemorial for hunting, fishing, and settlement by the Tlingit clans that originated in Glacier Bay – Kaagwaantaan, Wooshkeetaan, T’akdeintaan, and Chookaneidi. These Tlingit clans, the Huna Tlingit, have continually inhabited the land within the proposed Xunaa Borough and certain remote lands within Sitka and Haines, finally settling in and around what is present day Hoonah. They have little to no commonality with Sitka and Haines, but strong cultural ties to Hoonah, which is the epicenter of the Hoonah Tlingit community in Southeast Alaska.

Historically, Hoonah has a strong link to Glacier Bay, Cross Sound, Cape Cross, Northern Chatham Strait, and Icy Strait, which are part of the natural transportation corridor of the northern part of Southeast Alaska’s Inside Passage. The key location of this corridor and its abundance of beauty, fish and wildlife is why the Tlingit clans that originated in Glacier Bay settled in the corridor and it has become a destination for tourism and commercial fishing and fish processing.


The boundaries proposed for the Xunaa Borough include lands and waterways of historical significance to the Kaagwaantaan, Wooshkeetaan, Chookaneidi and T’akdeintaan Tlingit people, the Huna Tlingits. The Huna Tlingits originated in Glacier Bay. They were forced to move out of Glacier Bay when the long-standing Glacier Bay ice surged forward and overran their Glacier Bay settlement. The displaced Glacier Bay clans dispersed to new settlements, the Kaagwaantaan to Kwax’noow’u (settlement located on the south end of the Chilkat Peninsula) on Icy Strait, the Wooshkeetaan to Wéitadi Noow (settlement located on the north end of Excursion Inlet) in Excursion Inlet, and Chookaneidi and T’akdeintaan to Xunniyaa (settlement located at what is the present day location of the City of Hoonah) in Port Frederick. These areas, all within the proposed boundaries of the petition for incorporation and detachment, have been inhabited by these clans since time immemorial 

Petitioner is seeking detachment of certain remote lands of historical significance to the Huna Tlingit people in order to better serve the needs of the limited number of residents inhabiting them. The remote lands in question include all land within the Sitka boundary on Chichagof Island and the identified land within the Haines boundary that borders Glacier Bay National Park and Preserve on the Southern Chilkat Peninsula as depicted in **Exhibit C-2**.

Sitka does not provide any services to the remote residents in the area of Southern Chichagof Island that falls within Sitka’s current boundaries. The community of Sitka has no historical or cultural ties to this region, provides no air or ferry service, and is geographically separated from Chichagof Island by Peril

Strait. The City of Tenakee Springs is its own entity, with its own municipal government and services, and to Petitioner's knowledge, has no interest in joining with the Xunaa Borough to provide common services to any inhabitants of Chichagof Island that fall outside of its jurisdiction. Detaching this land from Sitka would have no effect on the services Sitka provides to its residents on Baranof Island, but would enable the proposed Xunaa Borough to step in to provide the services no other government entity has been willing or able to provide.

The land Petitioner seeks to detach from Haines has similar characteristics. Excursion Inlet has no historical or cultural connections to Haines, and is not accessed from Haines by road, ferry or air service. Because it currently falls within Haines' jurisdiction, however, Excursion Inlet's residents are required to pay property taxes to Haines, for which they receive little or no benefit. If Excursion Inlet were detached from Haines and included with the incorporation of the Xunaa Borough, its residents would no longer be subject to property taxes, and would be able to restore their historical and cultural connection to the Huna Tlingits that have continuously hunted, fished and inhabited this area since time immemorial.

The small residential areas abutting Glacier Bay National Park and Preserve and in Funter Bay, Game Creek and Elfin Cove are underserved as well. There are only a few families who live in these areas, and they fall outside the jurisdiction of their closest neighbors. Upon information and belief, Pelican and Gustavus desire to remain independent from the proposed Xunaa Borough at this time, and are not interested in expanding their service areas to encompass the area abutting Glacier Bay National Park and Preserve or Elfin Cove. Residents of Funter Bay, Game Creek, and Elfin Cove have little to no ties to any other borough, and deserve to receive services from a borough that has both the interest and ability to do so .

Residents within the proposed incorporated borough and detachment boundaries use and rely upon the public and private infrastructure provided by the current City of Hoonah, and should bear some share of the public cost thereof and have a voice in this Xunaa Borough municipal government. Joining these individuals together in the proposed Xunaa Borough will enhance the ability of residents of this region to influence governmental and private land and resource decisions which affect the region.

The proposed Xunaa Borough's ability to select municipal entitlement lands will also give residents of the Xunaa Borough greater ability to support and enhance economic development in the region, including development of transportation links. The area proposed for incorporation constitutes a natural region, with Hoonah as the hub. Incorporation will improve the community of Hoonah's ties with the surrounding area and its ability to plan the future use and development of the region.

Petitioner anticipates sufficient revenue to provide services to the residents of the Xunaa Borough efficiently and effectively, has a proposed a transition plan that will ensure minimal disruption to those both within and outside the existing City of Hoonah, and will be serving a population that is large and stable enough to support borough incorporation. Incorporation of the Xunaa Borough will result in modestly increased sales tax revenue from tourism and fish tax revenue from commercial fishing and commercial fish processing, commensurate with the contribution of municipal services already afforded to Hoonah by the existing City of Hoonah, and with additional services expected from borough incorporation.

Voluntary incorporation is preferable to the potential alternative of either having a different borough government imposed upon residents by the state or leaving this entire region, except the existing City of Hoonah, unorganized. Petitioner is able to describe municipal boundaries which are cohesive, workable, and acceptable to local residents, and which are generally accepted by residents of adjacent regions and by governmental agencies as accurately describing the "Xunaa" region. A voluntarily organized municipal government is likely to receive greater local political support and acceptance than one which might be imposed by the State.

Section 7. Legal Descriptions, Maps and Plats.

Petitioner has attached the legal descriptions, maps, and plats required by 3 AAC 110.420(b)(7) as Exhibits C-1 through C-3. **Exhibit C-1** provides a legal metes and bounds description of the boundaries of the area proposed for incorporation. **Exhibit C-2** shows a map of the area proposed for incorporation. **Exhibit C-3** provides a legal metes and bounds description of the boundaries of the Hoonah Townsite service area, which will be an existing service area at time of incorporation. This service area encompasses the former City of Hoonah boundaries prior to incorporation.

Section 8. Size of the Area Proposed for Incorporation.

In accordance with 3 AAC 110.420(b)(8)(A), **Exhibit C-4** provides detailed information about the size of the area proposed for incorporation as the Xunaa Borough. The area proposed for borough incorporation has 5,677.55 square miles of land and 29,662.89 square miles of water, submerged lands, and tidelands, for a total of 35,340.44 square miles.

Section 9. Data Estimating the Population of the Area Proposed for Incorporation.

As required by 3 AAC 110.420(b)(9)(A), Petitioner has compiled data estimating the population proposed for incorporation. According to the State of Alaska, Division of Election's voter registration data (**Exhibit A**), the population of the territory proposed for incorporation as the Xunaa Borough is estimated to be 794 (710 registered voters in the City of Hoonah, 20 registered voters in the Haines Borough area included in the proposed Xunaa Borough, 4 voters registered in the City and Borough of Sitka area included in the proposed Xunaa Borough, and 60 voters registered in the Hoonah Angoon Census area for the proposed Xunaa Borough.)

Petitioner believes that number may be a bit higher, given that many of the individuals living in the remote areas comprising the proposed Xunaa Borough may elect not to register to vote. Based on 2010 United States Census Bureau data and DCCED, DCRA Certified 2017-18 data, approximately 810-846 people reside in the communities that would be included in the Xunaa Borough, broken down as follows:

Community	2010 US Census	2017 CDEED Certified Population	2018 DCCED Data
Elfin Cove	20	44	20
Excursion Inlet	12	11	12
Game Creek	18	18	18
Hoonah	760	773	789
Total:	810	846	839

These numbers also do not include the permanent residents of Funter Bay and Glacier Bay National Park and Preserve and other remote areas within the proposed Xunaa Borough for which no recent United States Census Bureau or DCCED, DCRA data could be found.

Section 10. Information Relating to Public Notice and Service of the Petition.

As required by 3 AAC 110.420(b)(10), **Exhibit D** offers information relevant to the provision of public notice of the incorporation proceedings and service of the petition. Included are details about local media, municipal governments within and adjacent to the area proposed for incorporation and detachment, places for posting public notices relating to the proposed incorporation and detachment, the location

where the petition may be reviewed by the public, and individuals and entities that the petitioner believes warrant specific notice of the incorporation and detachment proceedings.

Section 11. Tax Data.

Pursuant to 3 AAC 110.420(b)(11), Petitioner provides the following tax data associated with the area proposed for incorporation and detachment:

(A) The assessed or estimated value of taxable property in the area proposed for incorporation *(if the proposed municipal government, or any existing municipal government for which a change is proposed, levies or proposes to levy property taxes)*. The proposed Xunaa Borough does not intend to levy a borough-wide real property tax, and the City of Hoonah does not currently levy a real property tax; therefore this information has not been compiled.

(B) Projected taxable sales in the area proposed for incorporation *(if the proposed municipal government, or any existing municipal government for which the change is proposed, levies or proposes to levy sales taxes)*. The Xunaa Borough will not impose sales taxes upon any individuals other than those in the current City of Hoonah, which will become the Hoonah Townsite service area. Projected taxable sales in the proposed Xunaa Borough will be identical to the projected taxable sales for the current City of Hoonah.

(C) Taxes currently levied by municipal governments within the area proposed for incorporation. The City of Hoonah currently levies a 6.5% sales tax, and the proposed Xunaa Borough intends to continue levying a 6.5% sales tax within the Hoonah Townsite service area described in **Exhibit C-3**.

(D) Other. The proposed Xunaa Borough also intends to levy a 1.5% commercial fishing tax within the entirety of the proposed Xunaa Borough's boundaries.

Borough, city or service area	Property tax (mills)	Sales tax (%)	Other: Commercial fishing tax
Xunaa Borough: Hoonah Townsite service area	0%	6.5%	
Xunaa Borough	0%		1.5%

Section 12. Budget Information.

In accordance with 3 AAC 110.420(b)(13), **Exhibit E** presents the projected revenue, operating expenditures, and capital expenditures for the proposed Xunaa Borough for one full fiscal year beyond the reasonably anticipated date to receive any organization grant under AS 29.05.180 or .190; to complete the transition set out in AS 29.05.130 - .140 or 3 AAC 110.900; and on which the proposed Xunaa Borough will make its first full local public school funding contribution required under AS 14.17.410(b)(2).

Section 13. Existing Long Term Municipal Debt.

Petitioner submits the following information about the City of Hoonah's existing long term municipal debt pursuant to 3 AAC 110.420(b)(14):

Name/type of debt	Purpose of debt	Date debt will be fully paid
City of Hoonah GO School Bond	School Renovations	September 2, 2031

Section 14. Municipal Powers and Functions.

In accordance with 3 AAC 110.420(b)(15), Petitioner submits that the existing municipality, the City of Hoonah, has the powers and functions of education, taxation, planning, platting, land use regulations, search and rescue services (provision of equipment and facilities for volunteer organization), police, medical, boat harbor and pullout facilities, library, incarceration facilities, economic development planning, and parks and recreation for the City of Hoonah. After incorporation of the Xunaa Borough and dissolution of the City of Hoonah, most of these powers and functions will become the powers and functions of the Hoonah Townsite service area within the proposed Xunaa Borough. The only services that will extend to both the Hoonah Townsite service area and the areas of the proposed Xunaa Borough that fall outside the Hoonah Townsite area will be education, planning and commercial fishing taxation. The following powers and functions are proposed to be exercised by the Xunaa Borough on a non-area-wide basis within the proposed Hoonah Townsite service area: road/highway construction, maintenance and repair; refuse service to a portion of the service area; fire service to a portion of the service area; snow plowing service on streets and non-state roadways which are dedicated right-of-ways, based on priority listing; electrical generation and transmission to a portion of the service area; water and sewer service to a portion of the service area; greater police protection, on a routine and/or as-needed basis; and transportation of students to Xunaa Borough schools, in a portion of the service area. These proposed Xunaa Borough powers and functions are powers and functions that will not be exercised or provided on an area-wide basis, or that will be provided or exercised on a higher, lower or otherwise different level than an area-wide basis.

Section 15. Transition Plan.

In accordance with 3 AAC 110.420(b)(16), and as required by 3 AAC 110.900, **Exhibit F** presents a practical plan demonstrating the intent and capability of the proposed borough to begin providing essential services (as defined by 3 AAC 110.970) to the area proposed for incorporation, detachment and dissolution within the shortest practicable time after incorporation.

The plan complies with the provisions of AS 29.05.130, AS 29.05.140 and 3 AAC 110.900.

Section 16. Borough Assembly Composition and Apportionment.

As required by 3 AAC 110.420(b)(17)(A) and (B), Petitioner submits the following information regarding the governing body of the proposed Xunaa Borough and the governing body of the existing City of Hoonah, both before and after borough incorporation, detachment and dissolution.

The proposed Xunaa Borough shall be governed by the Xunaa Borough assembly. The assembly shall be elected by the qualified voters of the borough, and shall consist of seven members, which shall include the mayor and six other assembly members. All shall be elected at large; therefore there are no issues of apportionment or overrepresentation of a district. The proposed composition and apportionment is consistent with the equal representation standards of the Constitution of the United States and complies with AS 29.20.060.

The governing body of the existing municipality, the City of Hoonah, consists of a mayor and six council members, all of whom were elected, at large, by the qualified voters of the City of Hoonah. After borough incorporation, the City of Hoonah will be dissolved, and the governing body of the Hoonah Townsite within the Xunaa Borough will be the Xunaa Borough assembly.

Section 17. Supporting Brief.

The supporting brief required by 3 AAC 110.420(b)(19) is submitted, herewith, as **Exhibit G**. Petitioner's supporting brief provides a detailed explanation of how the proposed incorporation, detachment and dissolution satisfies the standards set out in Article X of Alaska's Constitution, AS 29.05.031; AS 29.05.100; 3 AAC 110.045 - 3 AAC 110.065, and 3 AAC 110.900 - 3 AAC 110.980. The brief references each of these

standards and explains why the proposed incorporation, detachment and dissolution is good public policy and is in the best interests of the state as required by AS 29.05.100.

Section 18. Documentation demonstrating that the petitioner is authorized to file the petition under 3 AAC 110.410 and 3 AAC.420(b)(20).

The City of Hoonah is a political subdivision of the State of Alaska, incorporated as a first class city in Alaska in 1946, and therefore authorized to file the petition under 3 AAC 110.410(a)(4). Documentation demonstrating that Petitioner is authorized to file the petition includes **Exhibit A**, the letter from the Division of Elections documenting the number of voters within the proposed boundaries of the Xunaa Borough who voted in the last general election, **Exhibit B**, the signatures and addresses of registered voters from the area proposed for incorporation, and **Exhibit H**, a certified copy of the resolution adopted by the City of Hoonah to authorize the filing of this petition.

Section 19. Charter

Exhibit I presents the proposed home rule charter for the proposed non-unified municipality. The proposed charter, as may be amended on a reasonable basis by the Commission following a public hearing on this petition, is adopted if voters approve incorporation of the home rule non-unified borough.

Section 20. Petitioner's Affidavit.

As required by 3 AAC 110.420(b)(21), an affidavit of Petitioner's representative affirming that the information in this petition is true and accurate is provided as **Exhibit J**.

RESPECTFULLY SUBMITTED this _____ day of _____, 2019.

Petitioner's Representatives

By: _____
Dennis H. Gray, Jr., City Administrator
Petitioner's Representative

By: _____
James J. Sheehan, City Attorney
Petitioner's Alternate Representative

EXHIBIT A

Director's Office
P.O. Box 110017
Juneau, Alaska 99811-0017
☎ 907-465-4611 📠 907-465-3203
elections@alaska.gov



Region I Office
9109 Mendenhall Mall Road Suite 3
P.O. Box 110018
Juneau, Alaska 99811-0018
☎ 907-465-3021 📠 907-465-2289

STATE OF ALASKA
Division of Elections
Office of the Lieutenant Governor

July 25, 2019

Jennifer Bidiman, City Clerk
City of Hoonah
PO Box 360
Hoonah, AK 99829

Dear Ms. Bidiman,

I received your email on July 15, 2019 requesting that the information previously provided to you on the proposed Xunaa Borough be reformatted per the LBC's request. I have provided the following information reflected in our records as of July 25, 2019 according to the maps and legal descriptions you provided. If you feel there is information missing from this data, please let me know.

- a. **City of Hoonah** = 395 of the 710 voters registered in the City of Hoonah voted in the state's 2018 General Election.
- b. i. **Haines Borough Area** = 8 of the 20 voters registered in the Haines Borough area included in the proposed Xunaa Borough voted in the state's 2018 General Election.
- ii. **City and Borough of Sitka Area** = 1 of 4 voters registered in the City and Borough of Sitka area included in the proposed Xunaa Borough voted in the state's 2018 General Election.
- iii. **Hoonah Angoon Census Areas** = 37 of the 60 voters registered in the Hoonah Angoon Census area for the proposed Xunaa Borough voted in the state's 2018 General Election.

Sincerely,

A handwritten signature in blue ink that reads "Laurie Wilson".

Lauri Wilson
Region I Election Supervisor



State of Alaska
Department of Community and Economic Development

Certification of Boundaries
Xunaa Boundary

Commencing at the southeasterly most point of Borough of Yakutat (Certificate of Organization dated April 2, 1997), being located at a point on the Mean High Water line on the Cape lying near the mouth of Lamplugh Glacier, having a Latitude of 58°48'10" North and a Longitude of 137°56'53"W, also being near the North Quarter Corner of Protracted Section corner Section Sixteen (16), Township Thirty-six (36) South, Range Forty-five (45) East, Copper River Meridian and being the **POINT OF BEGINNING**;

Thence northeasterly along the southerly boundary of the Borough of Yakutat to the Peak of Mount Fairweather and being located on the International Boundary; thence easterly along the International Boundary to the peak of Mount Quincy Adams; thence northeasterly along the International Boundary to Boundary Peak 158, having a Latitude of 59°09'37" North and Longitude 136°49'39"W; thence east along the International Boundary to Boundary Peak 157, having a Latitude of 59°09'37"N and Longitude 136°49'39"W; thence northeasterly along the International Boundary to the westerly most point of Haines Borough (Certificate of Organization, Deed Book 5, pages 58-62, Haines Recording District) , also being the Peak of Mount Harris, having a Latitude of 59°15'45"N and a Longitude of 136°29'16"W; thence easterly and southerly along the boundary of Haines Borough, to a point where the Haines Borough boundary crosses the northerly line of Protracted Section Eight (8), Township Thirty-seven (37) South, Range Sixty (60) East, Copper River Meridian, having a Latitude of 58°40'59"N and a Longitude of 135°32'33"W; thence southwesterly to the Northeast Protracted corner of Township Thirty-nine (39) South, Range Fifty-eight (58) East, Copper River Meridian, having a Latitude of 59°09'37" North and Longitude 136°49'39"W ; thence southwesterly to the northwesterly most corner of the City of Gustavus (Certificate of Organization, Document Number 2012-004262-0, Juneau Recording District), also being

the Northeast corner of Section Thirty-one (31), Township Thirty-nine(39) South, Range Fifty-eight (58) East, Copper River Meridian; thence following the bounds of the City of Gustavus, west to the protracted North-Center Quarter (1/4) corner of Section Thirty-one (31), Township Thirty-nine(39) South, Range Fifty-eight (58) East, Copper River Meridian; thence following the bounds of the City of Gustavus, south to the protracted South-Center Quarter (1/4) corner of Section Thirty-one (31), Township Thirty-nine (39) South, Range Fifty-eight (58) East, Copper River Meridian; thence following the bounds of the City of Gustavus, east to the Northeast corner of Section Four (4), Township Forty (40) South, Range Fifty-eight (58) East, Copper River Meridian; thence following the bounds of the City of Gustavus, south to the Southeast corner of Section Four (4), Township Forty (40) South, Range Fifty-eight (58) East, Copper River Meridian; thence following the bounds of the City of Gustavus, west to the Southwest corner of Section Four (4), Township Forty (40) South, Range Fifty-eight (58) East, Copper River Meridian; thence following the bounds of the City of Gustavus, south along the western lines of Sections Four (4), Nine (9), Sixteen (16), and Twenty-one (21), Township Forty (40) South, Range Fifty-eight (58) East, Copper River Meridian to a point on the Mean High Water line along the common boundaries of Sections Twenty-one (21) and Twenty-two (22), Township Forty (40) South, Range Fifty-eight (58) East, Copper River Meridian, having a Latitude of 58°22'57"N and a Longitude of 135°51'16"W; thence easterly a point on the Mean High Water line at the westernmost tip of Pleasant Island, near national Geodetic Survey Monument, "Ant"; thence northerly and easterly along the Mean High Water line of Pleasant Island to a point common to Township Forty (40) South, Ranges Fifty-nine (59) and Sixty (60) East, Copper River Meridian, having a Latitude of 58°22'04"N and a Longitude of 135°34'59"W; thence north along said Township lines to the Northerly most point of the City of Gustavus, being the Northeast corner of Section Thirty-six (36), Township Thirty-nine (39), Range Fifty-nine (59) East, Copper River Meridian; thence Northeasterly to the Southwest corner of Protracted Township Thirty-seven (37) South, Range Sixty-one (61) East, Copper River Meridian; thence Northeasterly to the Northwest corner of Protracted Township Thirty-six (36) South, Range Sixty-one (61) East, Copper River Meridian; thence East a point at the intersection of the northern line of Protracted Township Thirty-six (36) South, Range Sixty-one (61) East, Copper River Meridian and the City and Borough of Juneau boundary, having a Latitude of 58°47'03"N and a Longitude of 135°09'32"W ; thence southerly along the western boundary of the City and Borough of Juneau to a point which lies north of the tip of Point Retreat, having an approximate Latitude of 58°25'42"N and Longitude of 134°57'11"W; thence south to a point on the Mean High Water line at the northernmost tip of Point Retreat; thence southeasterly along the Mean High Water line along Point Retreat and Barlow Cove to a point at the southerly most point of Barlow Cove, being near the Protracted North-Center Quarter (1/4) corner of Section Thirteen (13), Township Forty-one (41)

South, Range Sixty-four (64) East, Copper River Meridian; thence southerly to the peak of an unnamed mountain, near the corner common to Protracted Sections Twenty-four (24) and Twenty-five (25), Township Forty-one (41) South, Range Sixty-four (64) East, and Sections Nineteen (19) and Thirty (30) Township Forty-one (41) South, Range Sixty-five (65) East, Copper River Meridian; thence Southeasterly to the Peak of an unnamed mountain at the North Quarter (1/4) corner of Section Seven (7), Township Forty-two (42) South, Range Sixty-five (65) East, Copper River Meridian; thence West along the northern line of said Section Seven (7), to a point which lies approximately Three hundred (300) feet uplands of the Mean High Water Line of Funter Bay, having a Latitude of 58°14'59"N and a Longitude of 134°52'40"W; thence southwesterly along a line offset approximately Three hundred (300) feet inland of the Mean High Water line of Funter Bay to a point on the Mean High Water line at the Southwesterly most point of Funter Bay, lying within Protracted Section Fifteen (15), Township Forty-two (42) South, Range Sixty-four (64) East, Copper River Meridian; thence southeasterly along the Mean High Water line of the West side of Admiralty Island to the Northerly mouth of Hawk Inlet, having a Latitude of 58°05'48"N and a Longitude of 134°47'06"W; thence southwesterly to a point lying at the southerly mouth of Wheeler Creek and the Mean High Water line, having a Latitude of 58°03'33"N and a Longitude of 134°48'37"W; thence southerly along the Mean High Water line along the westerly shore of Admiralty Island, to a point near the Protracted Center Quarter (1/4) of Section Ten (10), Township Forty-seven (47) South, Range Sixty-six (66) East, Copper River Meridian, having a Latitude of 57°49'14"N and a Longitude of 134°42'19"W; thence westerly to the a point on the Mean High Water line at the Western tip of East point within Section Seven (7), Township Forty-seven (47) South, Range Sixty-five (65) East, Copper River Meridian, having a Latitude of 58°48'20"N and a Longitude of 134°57'03"W; thence southerly and westerly along the Mean High Water line to the Southeasterly corner of the City of Tenakee Springs (Certificate of Organization, Deed Book 16, Pages 163-164, Sitka Recording District), being a point on the Mean High Water line along the line common to Protracted Sections Twenty (20) and Twenty-one (21), Township Forty-seven (47) South, Range Sixty-four (64) East, Copper River Meridian, having a Latitude of 57°46'30"N and a Longitude of 134°04'05"W; thence North along said Protracted Section line and the eastern boundary of the City of Tenakee Springs to the Northeast corner of Protracted Section Corner Seventeen (17), Township Forty-seven (47) South, Range Sixty-four (64) East, Copper River Meridian; thence Westerly along the northern Boundary of Tenakee Springs to the Northwest corner of Protracted Section Corner Seventeen (17), Township Forty-seven (47) South, Range Sixty-three (63) East, Copper River Meridian; thence North along the boundary of the City of Tenakee Springs to the to the Northeast corner of Protracted Section Corner Seven (7), Township Forty-seven (47) South, Range Sixty-three (63) East, Copper River Meridian; thence West along the boundary of the

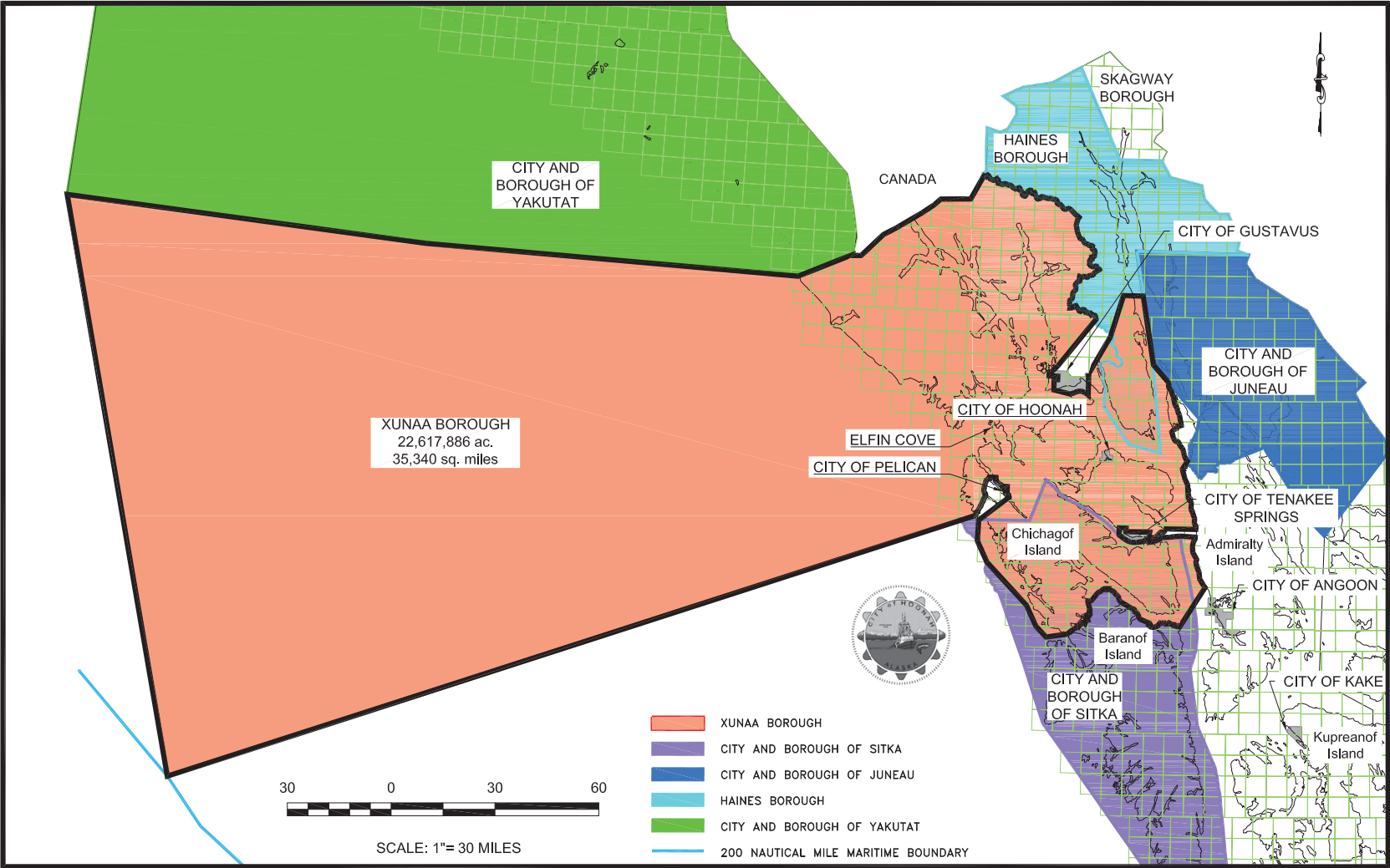
City of Tenakee Springs to the to the Northwest corner of Protracted Section Corner Twelve (12), Township Forty-seven (47) South, Range Sixty-two (62) East, Copper River Meridian; thence South along the Western line of Sections Twelve (12), Thirteen (13), and Twenty-four (24), Township Forty-seven (47) South, Range Sixty-two (62) East, Copper River Meridian to a point common to the Borough of Sitka (Certificate of Organization, Deed Book 89, page 418-420, Sitka Recording District) and Protracted Section Twenty-four (24), Township Forty-seven (47) South, Range Sixty-two (62) East, Copper River Meridian; thence southeasterly along the Northern boundary of the Borough of Sitka to a point at the Northeasterly most point of the Borough of Sitka, being the mid-point of a line drawn between East Point and South passage Point at the Mouth of Tenakee Inlet; thence Easterly to a point on the Mean High Water line of the Western side of Admiralty Island at the northerly mouth of Fishery Creek, having a Latitude of 57°46'04"N and a Longitude of 134°43'17"W; thence Southerly along the Mean High Water line on the Western side of Admiralty Island to the northerly mouth of Thayer Creek, having a Latitude of 57°34'39"N and a Longitude of 134°37'48"W; thence Southwesterly to the North East corner of Protracted Township Fifty-one (51) South, Range Sixty-six (66) East, Copper River Meridian; thence Southwesterly to a point on the Mean High Water line at the northerly most tip of Point Thatcher on Catherine Island near the Center Quarter (1/4) corner of Section Twenty-eight (28), Township Fifty-one (51) South, Range Sixty-six (66) East, Copper River Meridian; thence Westerly along the Mean High Water line along the northerly shore of Catherine Island to the Northerly point of Point Hanus, having a Latitude of 57°25'33"N and a Longitude of 134°59'00"W; thence along the Mean High Water line on the coast of Catherine Island to the Easterly mouth of Portage Arm lying within Section Thirty-two (32), Township Fifty-one (51), Range Sixty-five (65) East, Copper River Meridian; thence westerly to the Westerly mouth of Portage Arm at the Mena High Tide line on Baranof Island lying within Section Thirty-two (32), Township Fifty-one (51), Range Sixty-five (65) East, Copper River Meridian; thence Northerly along the Mena High Tide line on the eastern shore of Baranof Island to the northeasterly point of Point Kennedy within Section Sixteen (16), Township Fifty-one (51) South, Range Sixty-four (64) East, Copper River Meridian; thence northerly across the mouth of Saook Bay to a point on the Mean High Water line at the Easterly point of Saook Point within Section Nine (9), Township Fifty-one (51) South, Range Sixty-four (64) East, Copper River Meridian; thence Northwesterly along the Mean High Water line on the Easterly shore of Baranof island to the southeasterly mouth of Rodman Bay, on the line between Protracted Townships Fifty (50) South, Ranges Sixty-three (62) and Sixty-four (64) East; thence Northwesterly to a point on the Mean High Water line along Baranof Island at the tip of Duffield Peninsula a the Northern mouth of Rodman Bay, within Section Twenty-seven (27), Township Fifty (50) South, Range Sixty-three (62) East, Copper River Meridian; thence along the Mean High Water line along

the northerly shore of Baranof Island to the western most point of Fish Point, also being near the Center Quarter (1/4) corner of Protracted Section Four (4), Township Fifty-two (52), Range Sixty-one (61) East, Copper River Meridian; thence Westerly across the Kakul Narrows to a point on the Mean Hide Tide line of the southernmost point of Struya Point on Chichagof Island; thence Southwesterly to a point at the midpoint of Kakul narrow, being the midpoint of a line between Round Island and Point Kakul; thence Southwesterly to the Westerly point common to Protracted Sections Eighteen (18) and Nineteen (19), Township Fifty-two (52) South, Range Sixty (60) East, Copper River Meridian; thence Northwesterly to the southerly most point common to Protracted Sections Thirty-three (33) and Thirty-four (34), Township Fifty-One (51) South, Range Fifty-nine (59) East, Copper River Meridian; thence Northwesterly to the Southeast corner of Protracted Township Fifty (50) South, Range Fifty-eight (58) East, Copper River Meridian; thence Northwesterly to the Northwest corner of Protracted Township Forty-nine (49) South, Range Fifty-seven (57) East, Copper River Meridian; thence Northwesterly to the Southwest corner of Protracted Township Forty-seven (47) South, Range Fifty-six (56) East, Copper River Meridian; thence North to the Northwest Corner of Protracted Township Forty-seven (47) South, Range Fifty-six (56) East, Copper River Meridian; thence Northeasterly to a point on the Mean High Water Line along the western shoreline of Chichagof Island and the eastern side of Lisianski Inlet within Protracted Section Thirty-three (33) , Township Forty-five (45) South, Range Fifty-seven (57) East, Copper River Meridian, being near the Lot line between Lots Five (5) and Six (6), Alaska State Land Survey 80-183 (recorded as plat no. 81-18 Sitka Recording District); thence Northwesterly along the Mean High Water line of Chichagof Island within Lisianski Inlet to a point due South of the southwesterly most point of Lot Twenty (20) U.S. Survey 3305; thence North to the southwesterly most point of Lot Twenty (20) U.S. Survey 3305; thence along the Southerly boundary of Pelican (Certificate of Organization, Deed Book 77, Pages, 696-698, Sitka Recording District) and along the southern line of Lot Twenty (20), U.S. Survey 3305 to the Southeasterly corner of Lot Twenty (20), U.S. Survey 3305; thence Northwesterly along the eastern bounds of Lot Twenty (20), U.S. Survey 3305 and the Boundary of the City of Pelican to the South line of the North Half (1/2) of Section Twenty (20), Township Forty-five (45) South, Range Fifty-seven (57) East, Copper River Meridian; thence continuing along the Southern Boundary of the City of Pelican to the Eastern line of Section Twenty (20), Township Forty-five (45) South, Range Fifty-seven (57) East, Copper River Meridian; thence North, along the eastern line the Boundary of the City of Pelican and of Section Twenty (20), Township Forty-five (45) South, Range Fifty-seven (57) East, Copper River Meridian to the Northeast corner of Section Seventeen (17), Township Forty-five (45) South, Range Fifty-seven (57) East, Copper River Meridian; thence West along the Northern line of Sections Seventeen (17) and Eighteen (18), Township Forty-five (45) South, Range Fifty-seven (57) East, Copper River

Meridian to a point on the Mean High Water line of Chichagof Island in the Lisianski Inlet; Thence along the Mean High Water line of Chichagof Island in the Lisianski Inlet to a point on the North line of the South half (1/2) of Section Thirty-two (32), Township Forty-five (45) South, Range Fifty-six (56) East, Copper River Meridian, and the Mean High Water line of Chichagof Island in the Lisianski Inlet; thence West to the Mean High Water line on the Eastern point of Miner Island; thence Southerly along the Mean High Water line on Miner Island to the southernmost tip of Miner Island, having a Latitude of 58°00'27"N and a Longitude of 136°20'16"W; thence West to a point on the Mean High Water line along the Southeasterly shoreline of Yakobi Island; thence Southwesterly along the Mean High Water line on the shoreline of Yakobi Island to the southerly most point of Point Theodore, having a Latitude of 57°50'43"N and a Longitude of 136°27'33"W; thence Southwesterly to a point in the Gulf of Alaska and near Pratt Seamount, having a Latitude of 56°28'19"N and a Longitude of 142°27'04"W; thence Northwesterly to the Southwest corner of the City and Borough of Yakutat, having Latitude of 58°11'54"N and a Longitude of 142°53'36"W; thence Easterly along the southern boundary of the City and Borough of Yakutat to a point the **POINT OF BEGINNING**.

This boundary has an overall area of 985,235,100,105 Square Feet or 22,617,886 Acres. The land area encompassed within this boundary is approximately 158,281,012,960 Square Feet or 3,633,632 Acres, and a water area of approximately 826,954,087,145 Square Feet or 18,984,254 Acres.

XUNAA BOROUGH BOUNDARY MAP



STATE OF ALASKA
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS**CERTIFICATE**
BOUNDARIES OF THE CITY OF HOONAH

I, Edgar Blatchford, Commissioner of the Alaska Department of Community and Regional Affairs, hereby certify that the following is a true and accurate description of the corporate boundaries of the City of Hoonah, Alaska. The boundaries described include approximately 7.25 square miles annexed to the City on March 30, 1993.*

The post-annexation corporate boundaries of the City of Hoonah are described as follows:

Beginning at the protracted northeast corner of Section 22, T43S, R61E, Copper River Meridian (CRM);

thence, south to the protracted southeast corner of the northeast one-quarter of the northeast one-quarter of Section 27, T43S, R61E, CRM;

thence, east to the protracted northeast corner of the southeast one-quarter of the northeast one-quarter of Section 26, T43S, R61E, CRM;

thence, south to the protracted southeast corner of Section 35, T43S, R61E, CRM;

thence, west to a point within Port Frederick where the protracted southwest corner of the southeast one-quarter of the southwest one-quarter of Section 32, T43S, R61E, CRM; would be;

thence, north to a point within Port Frederick where the protracted northwest corner of the northeast one-quarter of the northwest one-quarter of Section 32, T43S, R61E, CRM; would be;

thence, east to a point within Port Frederick where the protracted northeast corner of Section 32, T43S, R61E, CRM would be;

thence, north to the intersection with the boundary of Alaska Tidelands Survey No. 29, approved by the Director of the Alaska Division of Lands on June 25, 1964 (hereinafter ATS No. 29);

thence, N 34° W to Corner No. 4 of ATS No. 29;

thence, N 51° E to the line of mean-low water;

thence, meandering along the line of mean-low water generally in a northerly and easterly direction to the intersection with extension of the protracted northern boundary of Section 21, T43S, R61E, CRM;

thence, east to the protracted northeast corner of Section 22, T43S, R61E, CRM; the point of beginning;

Containing 8.75 square miles, more or less, all in the Sitka Recording District, First Judicial District, State of Alaska.

Signed this 27th day of April 1993.

Ed. Blatchford

Edgar Blatchford, Commissioner
Department of Community and
and Regional Affairs

* The Local Boundary Commission approved the annexation of the 7.25 square miles on December 18, 1992. On January 20, 1993, the Local Boundary Commission filed a formal recommendation with the legislature to implement the annexation. Under Article X, Section 12 of the Alaska Constitution, the Commission's recommendation gained tacit legislative approval on March 6, 1993. On March 24, 1993, the U.S. Justice Department precleared the annexation under the Federal Voting Rights Act (Justice Department file: DJ 166-012-3/93-0234). On March 30, 1993, the City of Hoonah provided documentation to the Department of Community & Regional Affairs concerning the Voting Rights Act preclearance. Pursuant to 19 AAC 10.630, the annexation took effect March 30, 1993.

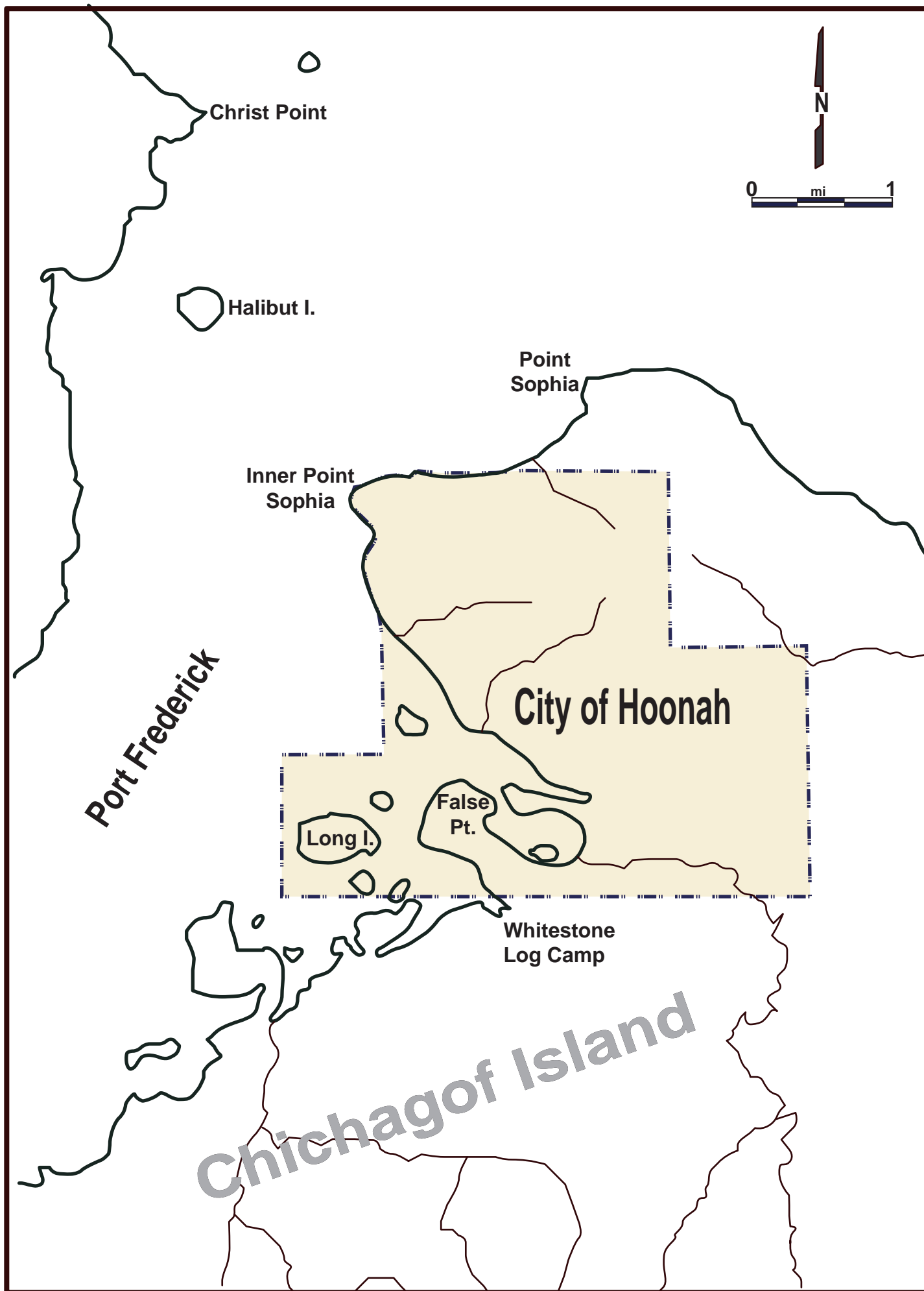


EXHIBIT C-4

1 of 2

Land mass				Square Feet	Acres	Sq. Miles
Land mass 1	11334990564	260215.58				
Land mass 2	84628791978	1942809.73	Xunaa Borough Boundary	985235100105.14	22617885.68	35340.44
Land mass 3	226645938.3	5203.08	Land Area	158281012960.22	3633632.07	5677.55
Land mass 4	11122194.09	255.33	Water Area	826954087144.92	18984253.61	29662.89
Land mass 5	1375907.46	31.59				
Land mass 6	71042782.38	1630.92				
Land mass 7	27553149.05	632.53				
Land mass 8	85302541.41	1958.28				
Land mass 9	28616414.8	656.94				
Land mass 10	21246070.53	487.74				
Land mass 11	5233744.96	120.15				
Land mass 12	3342447.32	76.73				
Land mass 13	6339487.26	145.54				
Land mass 14	16033824.14	368.09				
Land mass 15	7063874.14	162.16				
Land mass 16	529827965.7	12163.18				
Land mass 17	79403052.52	1822.84				
Land mass 18	56488440424	1296796.15				
Land mass 19	114558602.5	2629.9				
Land mass 20	5253128.16	120.6				
Land mass 21	1212260.34	27.83				
Land mass 22	1010216.95	23.19				
Land mass 23	202043.39	4.64				
Land mass 24	52728099.23	1210.47				
Land mass 25	9011548.74	206.88				
Land mass 26	230660299.3	5295.23				
Land mass 27	9383212.46	215.41				
Land mass 28	6188976.94	142.08				
Land mass 29	25160964.67	577.62				
Land mass 30	131794538.1	3025.59				
Land mass 31	16273093.78	373.58				
Land mass 32	289957902.3	6656.52				
Land mass 33	19711938.7	452.52				
Land mass 34	19260329.53	442.16				
Land mass 35	4038630.81	92.71				

Land mass 36	35711851.4	819.83
Land mass 37	4764209.13	109.37
Land mass 38	6398456.74	146.89
Land mass 39	9283838.14	213.13
Land mass 40	7471402.76	171.52
Land mass 41	2215128698	50852.36
Land mass 42	10773754.09	247.33
Land mass 43	7106938.64	163.15
Land mass 44	1209321.78	27.76
Land mass 45	688777682.2	15812.16
Land mass 46	105252480.7	2416.26
Land mass 47	65371367.98	1500.72
Land mass 48	16804801.3	385.79
Land mass 49	33907900.63	778.42
Land mass 50	15330518.62	351.94
Land mass 51	14473160.85	332.26
Land mass 52	336130499.6	7716.49
Land mass 53	16747281.72	384.47
Land mass 54	107559310.3	2469.22
Land mass 55	74031339.63	1699.53

EXHIBIT D

INFORMATION RELATING TO PUBLIC NOTICE AND SERVICE OF THE PETITION

This exhibit provides information relevant to public notice of this incorporation, detachment, and dissolution petition pursuant to 3 AAC 110.450 and 3 AAC 110.460. The information includes local media, places recommended to post notices, adjacent municipalities, persons who may warrant individual notice of the filing of the petition because of their interest in this matter, and location(s) where the public can review the petition.

Local media

The following lists the principal news media serving the boundaries of the proposed borough:

Newspaper(s):

Name: Juneau Empire
Physical/Mailing address: 3100 Channel Drive, Juneau, AK 99801
Telephone number: (907) 586-3740

Name: Sitka Sentinel
Physical/Mailing address: 112 Barracks Street, Sitka, AK 99835
Telephone number: (907) 747-3219
Email address: cyndi@sitkasentinel.com

Name: Chilkat Valley News
Physical/Mailing address: P.O. Box 630, Haines, AK 99827
Telephone number: (907) 766-2688
Email address: cvn@chilkatvalleynews.com

Radio and television station(s):

Name: KINY Radio 800AM and 103.5FM
Physical/Mailing address: 3161 Channel Drive, Suite #2, Juneau, AK 99801
Telephone number: (907) 586-3630

Name: KTOO Public Radio
Physical/Mailing address: 360 Egan Drive, Juneau, AK 99801-1748
Telephone number: (907) 586-1670
Email address: adelyn@ktoo.org

Three or more prominent places readily accessible to the public and *within or near the boundaries proposed for change* to post notices concerning this petition:

Location and Address	Days and Times open to the public
Hoonah City Hall, 300 Front Street, Hoonah, AK	8-4:30 Monday-Friday
Hoonah Indian Association, 254 Roosevelt Street, Hoonah, AK	8-4:30 Monday-Friday

Hoonah Youth Center, 299 Harbor Way, Hoonah, AK	1PM-10PM Tuesday-Saturday
Hoonah Trading Company, 147 Front Street, Hoonah, AK	Monday – Sunday 9am-6pm
Hoonah Post Office, 420 Airport Road, Hoonah, AK	Monday -Friday 10am-5pm, Sat 10-2pm
Elfin Cove Post Office, 1 Main St. Elfin Cove, AK	Monday -Friday 9-3pm, Sat 10-2pm

Adjacent municipalities (including service areas) whose boundaries extend within twenty miles of the boundaries of the proposed borough (with address and contact information, including email):

Municipality	Address and Contact Information
City and Borough of Sitka	100 Lincoln Street, Sitka AK 99835
City of Gustavus	PO Box 1, Gustavus, AK 99826
City of Pelican	PO Box 737, Pelican, AK 99832
City of Tenakee Springs	707 E Tenakee Ave, Tenakee Springs, AK 99841
City of Angoon	PO Box 189, Angoon, AK 99820
Haines Borough	PO Box 1209, Haines, AK 99827
City and Borough of Juneau	155 S. Seward Street, Juneau, AK 99801
The City and Borough of Yakutat	PO Box 160, Yakutat, AK 99689

Individuals and entities whose potential interest in the petition proceedings may warrant individual Notice of the filing of the petition:

Name:	Address:
Game Creek (Mt. Bether Community)	PO Box 95, Hoonah, AK 99829
Elfin Cove Community Association	2 Electric Ave, Elfin Cove, AK 99825
US Forest Service, Tongass National Forest	648 Mission Street, Ketchikan, AK 99901
US Park Service, Glacier Bay National Park	PO Box 140, Gustavus, AK 99826
Hoonah Indian Association	PO Box 602, Hoonah, AK 99829
Huna Totem Corporation	9301 Glacier Hwy #200, Juneau, AK 99801
Sealaska Corporation	One Sealaska Plaza #400, Juneau, AK 99801
Wards Cove Packing Co.	P.O. Box 70739, Seattle, WA 98127
Excursion Inlet Packing Co., c/o Ocean Beauty	P.O. Box 70739, Seattle, WA 98127
E.E. Mustain	51910 E. 245 Rd., Afton, OK 74331
Paul and Karen Dillon	8267 N. Douglas, Juneau, AK 99801
William and Sherry Young	2389 Ka See An Drive, Juneau, AK 99801
Keith McKeown	111 Ace Rd., Princeton, IL 61356
Stephen and Kathy Beasley	1601 Bienville Blvd., Apt. 615, Dauphin Island, AL 36528
Daniel and Wendy Glidmann and W&D Thornton Lovejoy Robinso Gidmann	Box 240713, Douglas, AK 99824

Thomas and Martha Tribble and Tribble Living Trust	Box 50157, Idaho Falls, ID 83405
Bradley H. Rider	P.O. Box 317, Gustavus, AK 99826
Kenneth Rhea	11214 NW 25 th Court, Vancouver, WA 98685
Karen Jordan	216 Fifth St., Douglas, AK 99824
Keith McDeown	1111 Ace Rd., Princeton, IL 61356
James and Katherine Sheehan	Box 22742, Juneau, AK 99802
Darlene and Michael Plunkett	2516 Highland Ave., Manhattan Beach, CA 90266
Timothy O'Donnell	3661 Greenwood Ave., Juneau, AK 99801
Patricia and Leonart Cedar	17105 Glacier Highway, Juneau, AK 99801
Cedar-AK Community Property Trust	17105 Glacier Highway, Juneau, AK 99801
Betty and Roger Stidolph	800 F. Street, Unit G4, Juneau, AK 99803-2618
John B. Thompson and Justine e. Muench	P.O. Box 32566, Juneau, AK 99801
Robert and Barbara Mecum	Box 20321, Juneau, AK 99802-0321
David and Kathleen Dusina	48 Huttenrain, Stallikon Switzerland, 8143
Brian Huss	P.O. Box 17342, Portland, OR 97217
Isaiah and Sonja Campos	P.O. Box 33624, Juneau, AK 99803
Ryan Johnson	P.O. Box 211186, Auke Bay, AK 99821
Russ and Caroline Shivers	8355 Old Dairy Rd., Juneau, AK 99801-8041
Anita and Barbara Monoian	1 North 44 th Ave., Yakima, WA 98908
Ryan G. Johnson	P.O. box 21186, Auke Bay, AK 99821
Scott Finley	3111 North 7 th St., Tacoma, WA 98406
Vern Ann Daniels and Zachary E. Graham	P.O. Box 34015, Juneau, AK 99803
Robert Woolf	600 Saint Ann's Ave., #9, Douglas, AK 99824
Arlene Anderson	Box 81476, Billings, MT 59108-1476
Jesse Adam Ackmann and Helma Lu Hickman	9176 James Blvd., Juneau, AK 99801
Brent and Ann Checketts, Vance and Page Checketts	808 Alan Point Circle, Draper, UT 84020
Regan Family Lt. Ptrshp. and Mathew D. Regan	701 W. 8th Ave., S. 700, Anchorage, AK 99501
Evan Hales	P.O. Box 1118, Haines, AK 99827
Miller Const. Co. and Miller Const. Co. Ltd.	P.O. Box 32638, Juneau, AK 99803
Desmond Desrosiers	27611 S. Hwy. 213, Mulino, OR 97024-8624
Donald B. Kalk and Mary McConnell	P.O. Box EXI, Juneau, AK 99850
Maureen Desrosiers	P.O. Box EXI, Juneau, AK 99850-0090
Adam Desrosier	P.O. Box 1954, Petersburg, AK 99833
Garry Desrosiers	P.O. Box EXI, Juneau, AK 99850
Ronald Ballard Marital Trust, c/o Megan Ballard & Norman Desrosiers	Box 678, Cheney, WA 99004
Wayne Lonn	P.O. Box EXI, Juneau, AK 99850
Thomas and Elizabeth Bear	P.O. Box 56365, North Pole, AK 99705
Frank and Sharon Sult and Michael and Shirley Gerschefski	P.O. Box 686, Hayesville, NC 28904
Adrian Ranch, LLC	13761 SD Hwy. 40, Hermosa, SD 57744-6606
John and Anita Crabill	6917 100 th St., SW, Lakewood, WA 98499

Bruce and Debora Gordon	P.O. Box EXI, Juneau, AK 99850-0090
William and Lisa Szybura	P.O. Box 259, Gustavus, AK 99826
Jonathan Geary	1630 Mendenhall Pen. Rd., Juneau, AK 99801
Laura Campbell	64670 Big Buck Dr., Deer Island, OR 97054-9416
Richard Boyd Lampe	P.O. Box 21833, Juneau, AK 99802
Michelle Glass C. Oldenstadt	760 Edmonds Rd., Coupeville, WA 98239-3917
Vernon Hansen c/o Stephen Shaffer	2838 Performance Ln., Emmet, ID 83617-5057
Stephen and Catherine Shaffer	2838 Performance Lane, Emmett, ID 83617-5057
Cody Tyler Updegrave	80 Porter Rd., Tower City, PA 17980
Mackdonald Franklin	2926 Cantrell Rd., Lafayette, GA 30728
Gregory Franklin	910 Kelly June Dr., Mount Juliet, TN 37122
Thomas H. Nelson	8698 Duran St., Juneau, AK 99801
Daphne Wright and Linda Belarde	P.O. Box 497, Hoonah, AK 99829
Kristin Reakoff	Box 81578, Fairbanks, AK 99708
Steven Kent Moore	206 E. Weile Ave., Apt. 3, Spokane, WA 99208
Thurman L. Cairnes	P.O. Box EXI, Juneau, AK 99850
James Rodebaugh	P.O. Box 404, Carpenter, WY 82054
Patrick Mills	P.O. Box 301, Hoonah, AK 99829
Ken Moulton	11015 226 th Ave. E., Buckley, WA 98321
Russell Abel	P.O. Box 210073, Auke Bay, AK 99821
Neil and Judy Downes Dooley	P.O. Box 208, Evergreen, CO 80437-0208
Mark Harris	P.O. Box 6717, Vacaville, CA 95696
Marvin Bartosovsky	4165 N. 1300 E., Buhl, ID 83316
David Gibson	127 W. 7 th St., Juneau, AK 99801-1603
Robert Newsome and J. Lindley	Box 2837, Silverdale, WA 98383
Jack Campbell	P.O. Box EXI, Juneau, AK 99850
Ronald Ballard Marital Trust and Megan Ballard and Norman DesRosiers	Box 678, Cheney, WA 99004
Christopher A. and Darby S. Franklin G. & M.	509 Pauls Trail, Hermitage, TN 37076
Chris and Pam Crowe	P.O. Box 211304, Auke Bay, AK 99821
Justin Schoener	2619 E. 18 th St., Bremerton, WA 98312
Christine Florendo	350 Irwin St., #510, Juneau, AK 99801
Lorenzo Florendo	P.O. Box 308, Hoonah, AK 99829
Richard V. Gregg	P.O. Box 20669, Juneau, AK 99802
Peter and Mary Delfino	25790 Carmel Knolls Drive, Carmel, CA 93923
Mary Silva and Lillian M. Enos	P.O. Box 1783, Soquel, CA 95073
Suzanne Cota and Mozal Estate	2040 Baldwin Court, Seaside, CA 94955
Roger and Mary Mead	1021 Casanova Ave., Monterey, CA 93940
Diana M. Frietas, Ramona Nason & Raymond Freitas	Box 1698, Carmel Valley, CA 93924
H.H. Whitney c/o Sheri Babione	P.O. Box 6655, Salinas, CA 93912
Michael Joos and Willy Joos Estate	3500 N.W. Marshall Dr., Corvallis, OR 97330
Herbert B. Blanks and Blanks Trust G.	309 North Main St., Greenville, TN 37745

Locations where the petition materials will be available for review:

Location and Address	Days and Times open to the public
Hoonah City Hall 300 Front Street, Hoonah, AK	8-4:30 Monday-Friday
Hoonah Indian Association, 254 Roosevelt Street, Hoonah, AK	8-430 Monday-Friday
Hoonah Youth Center, 299 Harbor Way, Hoonah, AK	1PM-10PM Tuesday-Saturday

Exhibit E.**Projected Revenues, Operating Expenditures, and Capital Expenditures**

(include all years leading up to and including the full fiscal year after receiving the final organization grant, completing the transition, and making the first full local education contribution)

Projected revenues	First fiscal year	Second fiscal year	Third fiscal year	Fourth fiscal year
Hoonah Townsite Enterprise Funds	\$1,816,235	\$1,816,235	\$1,816,235	\$1,816,235
Hoonah Townsite General Fund	\$1,873,080	\$1,873,080	\$1,873,080	\$1,873,080
Hoonah Schools Revenue	\$2,723,230	\$2,723,230	\$2,723,230	\$2,723,230
Borough Formation Grant	\$300,000	\$200,000	\$100,000	\$0
Community Assistance (State)	\$215,000	\$215,000	\$215,000	\$215,000
1.50% Borough Fish Tax	\$984,796	\$984,796	\$984,796	\$984,796
Total projected revenues	\$7,912,341	\$7,812,341	\$7,712,341	\$7,612,341

Operating expenditures	First fiscal year	Second fiscal year	Third fiscal year	Fourth fiscal year
Hoonah Townsite Enterprise Funds	\$1,871,597	\$1,871,597	\$1,871,597	\$1,871,597
Hoonah Townsite General Fund	\$1,846,725	\$1,846,725	\$1,846,725	\$1,846,725
Hoonah Schools Expenditures	\$2,723,230	\$2,723,230	\$2,723,230	\$2,723,230
New Borough Expenditures	\$950,000	\$950,000	\$950,000	\$950,000
Transition Expenditures	\$105,000	\$0	\$0	\$0
Total operating expenses	\$7,496,552	\$7,391,552	\$7,391,552	\$7,391,552

Capital expenditures	First fiscal year	Second fiscal year	Third fiscal year	Fourth fiscal year
None other than Grants				
Total capital expenditures				
Balance				

EXHIBIT F

TRANSITION PLAN

This exhibit presents a practical plan demonstrating the intent and capability of the proposed non-unified, home rule borough to begin providing essential services (as defined by 3 AAC 110.970) to the territory proposed for incorporation within the shortest practicable time after incorporation. It also provides a practical plan for the assumption of all relevant and appropriate powers, rights, and functions presently exercised by the City of Hoonah municipal government, the City of Hoonah school district, and other relevant entities within the territory proposed for incorporation. Further, it provides a practical plan for the transfer and integration of all relevant and appropriate assets and liabilities of the existing municipal government, school district and other relevant entities within the territory proposed for incorporation.

Transitional measures will be relatively simple, because, in most cases, the services supplied, respectively, to the proposed Hoonah Township service area and areawide, correspond closely to services already being provided by the City of Hoonah to these areas.

Education services will be minimally affected, because the Hoonah City schools primarily provide education services for students living within the Hoonah City limits. Historically, students outside of the Hoonah City limits have not been counted in the average daily membership (ADM) of the Hoonah City School District for purposes of formula funding, and this will continue to be the case. Residents of the Game Creek Community have historically not accessed the educational opportunities in Hoonah. School-age children within the Game Creek community have chosen the home-school model for educating students within that community. The Hoonah City School District does provide outreach in the form of Child Find to address any students with special needs that choose to access the district's services. This outreach will continue to be an ongoing part of our district's services on a borough wide basis. Access to education services including Child Find in areas within the borough such as Elfin Cove, Funter Bay and Excursion Inlet would be provided from the School District located in Hoonah.

Taxation by the Xunaa Borough inside the existing City of Hoonah will continue without interruption. Sales taxes will not be implemented in the area outside the existing City of Hoonah.

The Xunaa Borough will immediately undertake planning and zoning in the areas outside the current City of Hoonah. Areas outside the existing city will initially be placed in a "holding" district, in which uses shall be unrestricted until the area is otherwise zoned.

Because nearly all territory within the proposed service area of the Hoonah Townsite in Xunaa Borough is already within the existing City of Hoonah, the Xunaa Borough will undertake immediately to extend service area functions to the limits of the Hoonah Townsite service area.

As set out in Section 13 of this petition, the facilities of the City Hoonah will be transferred to the proposed Xunaa Borough, along with the bonded indebtedness associated with such facilities. In order to provide for orderly transition from the City of Hoonah to the Xunaa Borough, the Xunaa Borough will give 30 days written notice to the City of Hoonah of its assumption of the rights, powers, duties, assets, and liabilities of the City under AS 29.05.140 and AS 29.05.130, after which time the City of Hoonah shall cease exercising rights, powers and duties, and at which time its assets and liabilities shall become the assets and liabilities of the Xunaa Borough.

This plan was developed in consultation with officials of the City of Hoonah, the Hoonah City School District, and other relevant entities within the territory proposed for incorporation. Ralph Watkins, Superintendent of the Hoonah City School District, was contacted to discuss the proposed petition for incorporation of the Xunaa Borough and its potential impact upon educational funding. This transition plan complies with the provisions of AS 29.05.130, AS 29.05.140 and 3 AAC 110.900.

EXHIBIT G

PETITIONER’S BRIEF IN SUPPORT OF PROPOSED INCORPORATION OF XUNAA BOROUGH AS A NON-UNIFIED, HOME RULE BOROUGH, DETACHMENT OF CERTAIN AREAS WITHIN THE CITY AND BOROUGH OF SITKA AND THE HAINES BOROUGH, AND DISSOLUTION OF THE CITY OF HOONAH

I. INTRODUCTION

Petitioner, the City of Hoonah (hereafter “Petitioner”), seeks: (1) incorporation of the non-unified, home rule “Xunaa Borough;” (2) detachment of certain areas within the City and Borough of Sitka (“Sitka”) and Haines Borough (“Haines”) as set forth herein; and (3) dissolution of the City of Hoonah (“Hoonah”). This petition is filed pursuant to Article X, Section 3 of the Constitution of the State of Alaska, Alaska Statutes 29.05.060 -.150, and Alaska Administrative Code Provisions 3 AAC 110.045 – 3 AAC 110.067, and 3 AAC 110.900 – 3 AAC 110.990. In accordance with 3 AAC 110.420(19), this supporting brief provides a detailed explanation of how Petitioner’s proposal serves the best interests of the State and satisfies each constitutional, statutory, and regulatory standard that is relevant to the proposed Land Boundary Commission (“LBC”)’s action.

The community of Hoonah has strong historic, cultural, economic and transportation ties with the area proposed for incorporation and detachment, and, as discussed below, meets all constitutional, statutory and regulatory standards for incorporation of a non-unified borough. The public and private infrastructure located in and around Hoonah supports the great majority of all human activity in this region, and it is natural to combine this region, with its hub community, into one non-unified borough.

The proposed Xunaa Borough includes the area currently comprising of Hoonah, and the neighboring communities of Game Creek, Glacier Bay, Elfin Cove, and Funter Bay, as depicted on the proposed Xunaa Borough Boundary Map (Exhibits C-1 and C-2). The proposed detachment includes all land within Sitka’s boundary on Chichagof Island and land within the Haines boundary that borders Glacier Bay National Park and on the Southern Chilkat Peninsula. The proposed detachment includes the neighboring community of Excursion Inlet. The proposed Xunaa Borough and detachment boundaries follow the natural geography of the following waterways that abut Chichagof Island, Glacier Bay National Park, and the Southern Chilkat Peninsula: Gulf of Alaska, Cape Cross, Cross Sound, Glacier Bay, Icy Strait, Northern Chatham Strait, and Peril Strait. The proposed Xunaa Borough’s boundaries are on a regional scale, and include the necessary land and water to provide municipal services effectively to residents of these locales. The rural features of these locales, past, present and future, identify with the community of Hoonah, more so than with any other city or community.

The proposed Xunaa Borough's boundaries correspond closely to the boundaries of the Hoonah Ranger District and Glacier Bay National Park and Preserve adopted by United States Forest Service and United States Park Service, respectively; except that the Xunaa Borough boundary stops at Cape Fairweather and the Fairweather Glacier, which will separate the border between the Xunaa Borough and the City and Borough of Yakutat ("Yakutat"). This area has greater association with Yakutat, while the area south of Cape Fairweather and the Fairweather Glacier has greater association with Hoonah. The proposed detachment will detach land within Sitka and the Sitka Ranger District. This is rural land on Chichagof Island. Peril Strait separates Chichagof Island from Baranof Island. Baranof Island is the hub of Sitka and the Sitka Townsite. Sitka provides minimal to no local services to residents of Chichagof Island (i.e., no sanitation, sewer, fire protection, roads). The proposed detachment will detach land within Haines and the Juneau Ranger District. This is rural land on the Southern Chilkat Peninsula and that borders Glacier Bay National Park, and includes the neighboring community of Excursion Inlet. Haines provides no local services to residents on the Southern Chilkat Peninsula or in Excursion Inlet. These lands have greater association with the proposed Xunaa Borough than with Sitka or Haines, and the rural features of these areas identify with what will be the community of Xunaa. The Xunaa Borough boundaries are nearly identical to the Hoonah-Angoon Census Area utilized by the U.S. Bureau of Census and the Alaska Department of Labor (State Demographer).

Petitioner's objectives in forming the Xunaa Borough and detaching lands currently within Sitka and Haines include, but are not limited to, raising significant revenue to benefit Xunaa Borough residents through commercial fishing and fish processing activity, tourism activity, promoting greater local responsibilities by becoming the economic and transportation hub for Chichagof Island, Glacier Bay National Park and Preserve, and the Southern Chilkat Peninsula and the surrounding waterways, providing needed services within these underserved areas, promoting orderly growth and development within these areas, and providing more accountability to all who will be served. The underserved areas included in the Xunaa Borough incorporation and detachment petition are remote, without road access or ferry service, and it is difficult, if not impossible, to provide those residing there with needed services. Most of the residents of these underserved areas bought land in these places to enjoy the remoteness, and only need and desire limited services. To ensure that these residents can continue to enjoy their remote properties without unnecessary burdens, the Xunaa Borough will not implement taxes on their real property or a residential building code. The Xunaa Borough will, instead, focus on providing these residents with limited services to support the remote living they have chosen, along with greater access

to the additional services available within the proposed Hoonah Townsite service area (i.e., what is currently the City of Hoonah).

Culturally, the objective of the proposed Xunaa Borough incorporation and detachment is to properly include in the Xunaa Borough the coasts, embayments, coastal forests, and rivers that have been used since time immemorial for hunting, fishing, and settlement by the Huna Tlingit clans that originated in Glacier Bay – Kaagwaantaan, Wooshkeetaan, Chookaneidi and T’akdeintaan. (*See generally*, Exhibit K). These Tlingit clans – the Huna Tlingit – have continually inhabited the land within the proposed Xunaa Borough and certain remote lands that are a part of the proposed detachment within Sitka and Haines, finally settling in and around what is present day Hoonah. They have little to no commonality with Sitka and Haines, but strong cultural ties to Hoonah, which is essentially the epicenter of the Tlingit community in Southeast Alaska.

Petitioner anticipates sufficient revenue to provide services to the residents of the Xunaa Borough efficiently and effectively, has a proposed transition plan that will ensure minimal disruption to those both within and outside Hoonah, and will be serving a population that is large and stable enough to support borough incorporation. The current population of the proposed non-unified borough (approximately 810-846) would exceed the population of Yakutat. The proposed Xunaa Borough would encompass approximately 5678 square miles of land and 29663 square miles of lakes and ocean.

As addressed in the following sections, Petitioner will demonstrate that the community of Hoonah has both the connections with the area within the proposed boundaries and the fiscal and human resources capability to meet the standards for incorporation of a non-unified borough. The City of Hoonah has already been delivering certain municipal services beyond the current Hoonah boundaries, which include but are not limited to police and cellular and internet services, as detailed later in this brief.

II. THE STANDARDS FOR INCORPORATION, DETACHMENT AND DISSOLUTION

Article X, section 1 of the Alaska Constitution provides: “The purpose of this article is to provide for maximum local self-government with a minimum of local government units, and to prevent duplication of tax-levying jurisdictions.” Article X, section 3 provides for local governance through organized and unorganized boroughs:

Section 3. Boroughs. The entire State shall be divided into boroughs, organized or unorganized. They shall be established in a manner and according to standards provided by law. The standards shall include population, geography, economy, transportation, and other factors. Each borough shall embrace an area and population with common interests to the maximum degree possible. The legislature shall classify boroughs and prescribe their powers and functions. Methods by which boroughs may be organized, incorporated, merged, consolidated, reclassified, or dissolved shall be prescribed by law.

A. The Statutory Requirements for Borough Incorporation

The statutory requirements for borough incorporation are prescribed in AS 29.05.031(a):

AS 29.05.031. Incorporation of a borough or unified municipality.

(a) An area that meets the following standards may incorporate as a home rule, first class, or second class borough, or as a unified municipality:

(1) the population of the area is interrelated and integrated as to its social, cultural, and economic activities, and is large and stable enough to support borough government;

(2) the boundaries of the proposed borough or unified municipality conform generally to natural geography and include all areas necessary for full development of municipal services;

(3) the economy of the area includes the human and financial resources capable of providing municipal services; evaluation of an area's economy includes land use, property values, total economic base, total personal income, resource and commercial development, anticipated functions, expenses, and income of the proposed borough or unified municipality;

(4) land, water, and air transportation facilities allow the communication and exchange necessary for the development of integrated borough government.

B. The Regulatory Requirements for Detachment, Dissolution, and Ensuring a Minimum Number of Government Units

Because this petition for a proposed boundary change includes detachment of lands from two existing boroughs, and the dissolution of Hoonah following incorporation of the proposed Xunaa Borough, Alaska law requires the Commission to consider additional factors when determining whether the proposed boundary change promotes maximum local self-government under Article X, section 1 of the Alaska Constitution. Specifically, 3 AAC 110.981 requires the commission to consider:

(4) for borough detachment, whether the

(A) proposal would

(i) diminish the provision of local government to the area and population being detached; or

(ii) detrimentally affect the capacity of the remnant borough to serve the local government needs of its residents; and

(B) local government needs of the detached area can be adequately met by an existing local government; [and]

...

(11) for city dissolution in an organized borough, whether the proposal substantiates that the

(A) provision of local government is no longer necessary or supportable for the territory;
or

(B) local government needs of the territory could be better provided by the borough.

3 AAC 110.981(4) and (11).

Pursuant to 3 AAC 110.982, the Commission will also consider, in determining whether the proposed boundary change promotes a minimum number of government units in accordance with Article X, section 1 of the Alaska Constitution:

(1) for borough incorporation, whether a new borough will be created from the unorganized borough and whether the proposed boundaries maximize an area and population with common interests;

...

(4) for borough detachment, whether the detached area by itself is likely to be incorporated as an organized borough; [and]

...

(5) for deunification of a unified municipality, whether

(A) incorporation of one or more new cities is likely to occur as a result of the proposed action and, if so, the reasons why a new incorporation is or will be needed; or

(B) the action is proposed as an alternative to detachment of area and incorporation of one or more new boroughs.

3 AAC 110.982(1), (4), and (5).

III. ARGUMENT

A. Petitioner Has Met the Constitutional, Statutory and Regulatory Standards for Incorporation of the Proposed Xunaa Borough

The Alaska Supreme Court has interpreted Article X, Section 1 of the Alaska Constitution, the local government article, “to favor organization of boroughs by the Local Boundary Commission whenever the requirements for incorporation have been minimally met.” *Mobil Oil Corporation v. Local Boundary Commission*, 518 P.2d 92, 99 (Alaska 1974). As discussed herein, the population, boundaries, economy, and land, water, and air transportation facilities of the proposed Xunaa Borough amply satisfy Alaska’s constitutional and statutory requirements, and therefore support its incorporation as a non-unified, home rule borough.

1. A Brief History of the Xunaa Tlingit People within the Proposed Xunaa Borough

The history of Hoonah is strongly linked to Glacier Bay, Icy Strait, Cross Sound, and Northern Chatham Strait, which is the natural transportation corridor of the northern part of the Southeast Alaska’s Inside Passage. The key location of this corridor and its abundance of beauty, fish and wildlife is why the Huna Tlingits originally settled in the corridor and why the area has become a destination for tourism and commercial fishing and fish processing.

The boundaries proposed for the Xunaa Borough include lands and waterways of historical significance to the Huna Tlingits. The Huna Tlingits have lived in the Southeast Alaska archipelago since time immemorial. They originally occupied the area now known as Glacier Bay National Park and Preserve. The Huna Tlingits “settled on the broad outwash plain that built up in front of the quiescent

Glacier Bay glacier, calling the area S'é Shuyee [land at the end of the glacial silt]." (Exhibit K, p. 7). L'awshaa Shakee.aan [town on top of the sand mountain] was the main Tlingit winter settlement, located near Bartlett Cove. (*Id.* at pp. 7-8). Several other settlements – summer fishing villages – were spread throughout the Y-shaped fiord of Glacier Bay. (*Id.*)

The Huna Tlingit people were forced from their villages in Glacier Bay more than two hundred years ago by advancing glaciers. With glacial ice protruding into Icy Strait, the Huna Tlingit "clans dispersed to new settlements, the proto-Kaagwaantaan to Kax'noowú [grouse hen fort] on Icy Strait, the Wooshkeetaan to Wéitadi Noow [fort of the young woman in seclusion] in Excursion Inlet, and the Chookaneidi and T'akdeintaan eventually to Xunniyaa [lee of the north wind] in Port Frederick." (*Id.*, p. 8). "Xunniyaa" was later transcribed as Huna and finally Hoonah, the present name of the town." (*Id.*)

By 1754, the Huna Tlingits permanently settled twenty miles to the south on Chichagof Island, where they subsistence-harvested each summer. The new settlement was referred to as Gaawt'akaan, or "village by the cliff." Later, the name was changed to Xunaa, "where the north wind doesn't blow."

By 1887, approximately 400 to 500 people were wintering in the Chichagof Island village of Xunaa. "Hoonah" became the official spelling of the village in 1901, with establishment of the Hoonah branch of the United States Post Office. In 1912, the Hoonah Packing Company built a large cannery north of town. The cannery was shut down in 1953 and is now a tourist attraction, Icy Strait Point ("ISP"). The Thompson Fish Company, now known as Hoonah Cold Storage, is still operating and freezes and ships salmon, crab, black cod and halibut.

The Hoonah Indian Association was chartered in 1939 as a Federally Recognized Tribe. The clan is the basic social unit within the Tlingit society. Its membership is comprised of individuals who trace their kinship through the maternal line to the Huna Tlingits of Glacier Bay National Park and Preserve.

In 1946, Hoonah was incorporated as a first-class city. More than seventy years later, Hoonah remains the only first-class city on Chichagof Island, the 109th largest island in the world and the 5th largest in the United States.

In 1971, Huna Totem Corporation ("HTC") was formed under the terms of the Alaska Native Claims Settlement Act ("ANCSA"). HTC was incorporated on November 9, 1973. Under ANCSA, HTC received approximately 23,043 acres of land. Since its incorporation, HTC has become one of the most successful village corporations in Alaska. Through strong leadership, a mindful board, and supportive shareholders, HTC has made great strides in both protecting shareholder land in perpetuity and becoming a sustainable corporation for future generations. HTC is currently owned by over 1,400 shareholders whose aboriginal ties are to the areas within the proposed Xunaa Borough.

In 2004, the first cruise ship arrived at ISP. For the past several years, there have been over 75 ships that dock annually at ISP between the months of May – September. That number is expected to rise considerably over the next decade.

In 2014, Hoonah and HTC joined together to construct Hoonah’s first cruise ship dock located at ISP. ISP offers unparalleled access to adventure, wilderness, wildlife, and genuine Tlingit hospitality. ISP features 20+ tours, a restored salmon cannery and museum, nature trails, restaurants, and 100% Alaskan-owned retail shops. The cruise ship dock at ISP is jointly owned by Hoonah and HTC. The uplands at ISP are owned by HTC, and the dock and uplands are operated by HTC. Approximately 85% of the staff at ISP lives in Hoonah.

In 2019, HTC and Norwegian Cruise Line Holdings, Ltd., partnered to develop a second cruise ship dock at ISP. This development includes a new 500-foot floating dock to be constructed and located roughly one-half mile north of the existing ISP dock. Uplands development to support the new dock will include a 3,500 sq. ft. welcome center (with about 1,300 sq. ft. of retail space, lobby, and bathrooms), a 600 sq. ft. tour sales booth with a covered waiting area, two tour assembly buildings of 1,600 sq. ft. each, and a tram and bus loop. A small vessel dock will be located near the ship side of the trestle. The total site area is about 3.7 acres (roughly three times larger than the uplands that abuts the existing ISP dock, jointly owned by Hoonah and HTC).

As the economic and transportation hub of Chichagof Island, Glacier Bay National Park, and the Southern Chilkat Peninsula and the surrounding waterways, the current City of Hoonah is ideally situated to become the epicenter of a borough that properly includes the more remote residents of the coasts, embayments, coastal forest, lakes and rivers that have been used since time immemorial for hunting, fishing, and settlement by the Huna Tlingit that originated in Glacier Bay National Park and Preserve.

2. The Proposed Xunaa Borough’s Population is Interrelated and Integrated as to its Social, Cultural, and Economic Activities and Is Large and Stable Enough to Support Borough Government

To determine how interrelated and integrated the social, cultural, and economic characteristics and activities of the people in a proposed borough are on a regional scale suitable for borough government, 3 AAC 110.045(a) provides as follows:

(a) On a regional scale suitable for borough government, the social, cultural, and economic characteristics and activities of the people in a proposed borough must be interrelated and integrated in accordance with AS 29.05.031(a)(1) and art. X, sec. 3, Constitution of the State of Alaska. In this regard, the commission may consider relevant factors, including the

- (1) compatibility of urban and rural areas within the proposed borough;
- (2) compatibility of economic lifestyles and industrial or commercial activities;

(3) existence throughout the proposed borough of customary and simple transportation and communication patterns;

(4) extent and accommodation of spoken language differences throughout the proposed borough; and

(5) existence throughout the proposed borough of organized volunteer services such as fire departments or other emergency services.

3 AAC 110.045(a).

The urban and rural areas within the proposed Xunaa Borough are highly compatible and very much aligned. The spoken languages throughout the region of the proposed Xunaa Borough include English and Tlingit. The principal economic activity throughout the proposed Xunaa Borough is fishing. The abundant fish and wildlife inhabiting the waterways surrounding the lands encompassing the proposed Xunaa Borough has also led to rapid growth of tourism in the region. Hoonah, in working with HTC, has condensed the majority of land based tourism operations at ISP, to aid with preserving the rural nature of Hoonah and its outlying areas. Transportation to and from Hoonah consists of air service, ferry service, cruise ships and private charters. There is presently no commercial air carrier or ferry providing service to the residents of Game Creek or Funter Bay. Although there is commercial air service available from Excursion Inlet to Juneau, there is no airline or ferry system connecting Excursion Inlet to Haines, the borough within which it currently resides. Excursion Inlet is geographically much closer to Hoonah by water, and Petitioner believes that the cultural and economic interests of its residents, as well as the residents of Game Creek and Funter Bay, can be better served by the proposed Xunaa Borough.

3. The Xunaa Borough's Population Is Sufficiently Large and Stable Enough to Support Borough Incorporation

When this Commission incorporated Yakutat in 1992, the regulations in effect required there to be "1,000 people located within the area"¹ of the proposed borough and for there to be a minimum of two separate "communities."² Although Yakutat couldn't strictly satisfy either of these requirements, the Commission found Yakutat to have nevertheless met the constitutional and statutory standards, and approved incorporation. The regulations have since been amended and relaxed. The population of the proposed Xunaa Borough need not exceed 1,000 permanent residents, for example, if a sufficient showing is made that the population is large and stable enough to support borough government. 3 AAC 110.050. And there is no longer a requirement that a borough be comprised of two or more communities with permanent populations of at least 25 individuals.³ Instead, to ensure that the proposed boundary change

¹ See former 19 AAC 10.150(4).

² See former 19 AAC 10.160.

³ *Id.* The term "community" is still defined as including 25 permanent residents or more under 3 AAC 110.920 and 3 AAC 110.990(5), but there is no longer a regulation requiring boroughs to be comprised of at least two communities.

promotes a minimum number of local government units in accordance with Article X, Section 3 of the Alaska Constitution, the commission must consider “whether a new borough will be created from the unorganized borough and whether the proposed boundaries maximize an area and population with common interests.” 3 AAC 110.982(1).

The new Xunaa Borough will be created from a combination of what is currently a first-class city (Hoonah), and other related, unincorporated communities with the “common interests” described in the previous section. With specific regard to population, the factors the commission “may” consider include the following:

(a) The population of a proposed borough must be sufficiently large and stable to support the proposed borough government in accordance with AS 29.05.031(a)(1) and art. X, sec. 3, Constitution of the State of Alaska. In this regard, the commission may consider all of the following relevant factors, including:

- (1) census enumerations;
- (2) durations of residency;
- (3) historical population patterns;
- (4) seasonal population changes;
- (5) age distributions;
- (6) contemporary and historical public school enrollment data; and
- (7) nonconfidential data from the Department of Revenue regarding applications under AS 43.23 for permanent fund dividends.

(b) In determining whether the population of a proposed borough is sufficiently large and stable to support the proposed borough government, the commission will presume that a minimum of 1,000 permanent residents is required unless specific and persuasive facts are presented showing that a lesser number is adequate.

3 AAC 110.050.

The City of Hoonah supports this petition, and has supplied the resources to organize and develop it. Formation of a non-unified, home rule Xunaa Borough would automatically subsume and dissolve the existing City of Hoonah, and would not preclude any other city government from being incorporated the future within the Xunaa Borough’s boundaries (i.e., Pelican, Gustavus and Tenakee). The population of the territory proposed for incorporation is estimated to be approximately 810-846. This range is based on 2010 U.S. Census and 2017 and 2018 DCCED data, which reports a population range of 760-789 in Hoonah, 18 in Game Creek,⁴ 11-12 in Excursion Inlet, and 20-44 in Elfin Cove. These numbers do not include the permanent residents of Funter Bay⁵ and Glacier Bay and other remote areas within the

THIS IS WHERE
THEY GO AFTER
GUSTAVUS!

⁴ Game Creek had 20 residents at the time of the 2010 U.S. Census, but 35 a decade earlier. Funter Bay appeared on the 1890 U.S. Census as an unincorporated area with 25 residents, but has not appeared on the U.S. Census since.

⁵ Funter Bay appeared on the 1890 U.S. Census as an unincorporated area with 25 residents, but has not appeared on the U.S. Census since.

proposed Xunaa Borough for which no recent United States Census Bureau or DCCED, DCRA data could be found. Each of these smaller communities has stronger ties with the community of Hoonah than with any other city or community, and upon information and belief, their residents would prefer to be in a borough formed by and for the greater Hoonah community. Hoonah has already been delivering certain municipal services beyond its municipal boundaries, and borough formation would enable it to provide much more.

4. The Proposed Xunaa Borough's Boundaries Conform to Natural Geography and Include All Areas Necessary for Full Development of Municipal Services

With regard to whether the boundaries of the proposed Xunaa Borough satisfy Alaska's constitutional and statutory requirements, 3 AAC 110.060 provides as follows:

(a) In accordance with AS 29.05.031(a)(2) and art. X, sec. 3, Constitution of the State of Alaska, the boundaries of a proposed borough must conform generally to natural geography, must be on a regional scale suitable for borough government, and must include all land and water necessary to provide the full development of essential municipal services on an efficient, cost-effective level. In this regard, the commission may consider relevant factors, including

- (1) land use and ownership patterns;
- (2) ethnicity and cultures;
- (3) repealed 1/9/2008;
- (4) existing and reasonably anticipated transportation patterns and facilities;
- (5) natural geographical features and environmental factors;
- (6) repealed 1/9/2008; and
- (7) existing and reasonably anticipated industrial, commercial, and resource development within the proposed borough.

(b) When reviewing the boundaries proposed in a petition for borough incorporation, the commission may consider

- (1) model borough boundaries for the area within the proposed borough;
- (2) regional boundaries, including
 - (A) boundaries of one or more regional educational attendance areas existing in that proposed borough area;
 - (B) federal census area boundaries;
 - (C) boundaries established for regional Native corporations under 43 U.S.C. 1601 - 1629h (Alaska Native Claims Settlement Act); and
 - (D) boundaries of national forests;
- (3) whether the proposed borough will embrace an area and population with common interests to the maximum degree possible;
- (4) whether the proposed borough promotes maximum local self-government, as determined under 3 AAC 110.981;
- (5) whether the proposed borough promotes a minimum number of local government units, as determined under 3 AAC 110.982 and in accordance with art. X, sec. 1, Constitution of the State of Alaska; and
- (6) whether the proposed borough boundaries are the optimum boundaries for that region in accordance with art. X, sec. 3, Constitution of the State of Alaska.

(c) Repealed 1/9/2008.

(d) Absent a specific and persuasive showing to the contrary, the commission will presume that an area proposed for incorporation that is noncontiguous or that contains enclaves does not include all land and water necessary to allow for the full development of essential municipal services on an efficient, cost-effective level.

(e) If a petition for incorporation of a proposed borough describes boundaries overlapping the boundaries of an existing organized borough, the petition for incorporation must also address and comply with all standards and procedures for detachment of the overlapping boundaries from the existing organized borough. The commission will consider that petition for incorporation as also being a detachment petition.

(f) The boundaries of a borough may not include only a portion of the territory of an existing city government.

(g) Requirements relating to limitation of community, as set out in 3 AAC 110.040(b), do not apply to boroughs.

3 AAC 110.060.

With regard to land use and ownership patterns, the majority of residents of the proposed Xunaa Borough will continue to inhabit what is now the City of Hoonah, but will become the Hoonah Townsite service area. These individuals will continue to receive the same services currently provided by Hoonah, and be subject to no new sales or property taxation. Game Creek's residents, who live in very close proximity to Hoonah, will become part of the new Xunaa Borough, and be able to utilize the proposed Xunaa Borough's services as needed. Permanent residents of Elfin Cove, Glacier Bay and Funter Bay will likewise have an opportunity to avail themselves of any new services to be provided by the Xunaa Borough, yet will not be burdened with any new sales or property taxes.⁶

Exhibit D reflects that only a select few of the numerous individuals who own land in Excursion Inlet have a mailing address in Haines. The vast majority of these landowners are subjected to property taxes in Haines, but live elsewhere, and receive no tangible benefits from Haines such as road maintenance, police and fire protection, emergency or other services associated with the remote properties they own. If Excursion Inlet becomes part of the proposed Xunaa Borough, these landowners will no longer be subjected to property taxes, but will be entitled to the benefit of any and all areawide services the proposed Xunaa Borough intends to provide.

5. The Proposed Xunaa Borough's Economy Includes the Human and Financial Resources Capable of Providing Municipal Services

The requirements for a proposed Xunaa Borough's economy are set forth in 3 AAC 110.055 and include the following:

⁶ The only new borough-wide tax would be limited to individuals engaged in the commercial fishing industry.

In accordance with AS 29.05.031(a)(3), the economy of a proposed borough must include the human and financial resources necessary to provide the development of essential municipal services on an efficient, cost-effective level. In this regard, the commission

(1) will consider

(A) the reasonably anticipated functions of the proposed borough;

(B) the reasonably anticipated expenses of the proposed borough;

(C) the ability of the proposed borough to generate and collect revenue at the local level;

(D) the reasonably anticipated income of the proposed borough;

(E) the feasibility and plausibility of the anticipated operating and capital budgets of the proposed borough through the period extending one full fiscal year beyond the reasonably anticipated date

(i) for receipt of the final organization grant under AS 29.05.190;

(ii) for completion of the transition set out in AS 29.05.130 - 29.05.140 and 3 AAC 110.900; and

(iii) on which the proposed borough will make its first full local contribution required under AS 14.17.410(b)(2);

(F) the economic base of the area within the proposed borough;

(G) valuations of taxable property within the proposed borough;

(H) land use within the proposed borough;

(I) existing and reasonably anticipated industrial, commercial, and resource development for the proposed borough; and

(J) personal income of residents within the proposed borough; and

(2) may consider other relevant factors, including

(A) the need for and availability of employable skilled and unskilled persons to serve the proposed borough government; and

(B) a reasonably predictable level of commitment and interest of the population in sustaining a borough government.

3 AAC 110.055.

Hoonah has effectively delivered municipal services within the city boundaries since original incorporation in 1946. The community of Hoonah has seen economic downturns, but with fishing, logging, and now tourism, the government of Hoonah has remained intact, with no record of fiscal mismanagement or exhaustion of operating funds. Hoonah currently supports a city government staff of 26 year-round employees and 6 seasonal employees, demonstrating an ongoing commitment to municipal government services. Aside from the mayor and 6-member City Council, there is an elected 5-member School Board, appointed 6-member Harbor Board, appointed 7-member Liquor Board, and appointed 7-member Planning and Zoning Commission. The proposed Xunaa Borough Charter was the product of a 7-member Charter Committee, including one City Council member, three other individuals from the community of Hoonah, a representative (and an alternate) from the Game Creek community, the President of Hoonah Indian Association, and a property holder in Excursion Inlet.

The Xunaa Borough would assume Hoonah's bonded indebtedness, which is relatively small. Hoonah's current general obligation bond totals \$880,000.00, of which 70% is covered by the State.

Hoonah currently has a surplus of \$26,354.35. The general fund budget has been increasing for the past three years and is projected to grow again in 2020. The proposed three-year operating budget of Hoonah and Xunaa Borough for years FY 2021, 2022, and 2023 projects overall higher average surplus, taking into account the new cruise ship dock at ISP and additional expenses and revenues associated with expanded territorial area of the non-unified borough. Some services are already being provided through the area of the proposed Xunaa Borough – police, cellular and internet; other services will require a relatively small increase in expenditures because most residents outside of Hoonah but within the proposed Xunaa Borough want to remain rural and don't require services; and other additional services may qualify for state/federal funding assistance.

Hoonah has already been providing certain other municipal services outside its current city boundaries such as cellular and internet services, which extend to the residents of Elfin Cove, Game Creek, Funtier Bay and Excursion Inlet. All other municipal services currently available in Hoonah will be extended to the Hoonah Townsite service area following incorporation of the Xunaa Borough.

The Hoonah Police Department (HPD) is the only municipal police agency on Chichagof Island in Southeast Alaska. It is a full-service municipal police department for the City of Hoonah. HPD also provides police protection to surrounding areas on the local road system and operates a short-term detention facility. HPD was first established in the 1940's. It grew over the years from a part-time Hoonah Police Chief to up to five officers during the logging era which peaked in the late 1980's. HPD now has a full-time Hoonah Police Chief, with three sworn Police Officers (when fully staffed), and civilian employees that include a full-time administrative assistant, three full-time dispatchers and several part-time dispatchers. HPD provides support and assistance to Hoonah's local Alaska Wildlife Trooper, when requested. All members of HPD hold special training commissions from the Alaska State Troopers for this purpose. HPD Police Officers are classified as Multi-Service Officers and are required to be Tri-Certified. They are trained and certified as not only Police Officers but as Firefighters and EMT responders as well. They are on duty or on call 24-hours a day, seven days a week. HPD Police Officers patrol and answer calls for service in and near Hoonah and along 300 miles of unpaved roads or shorelines of Chichagof Island, leading to various recreational areas of the nearby Tongass National Forest. The patrol area for the Alaska Wildlife Trooper post in Hoonah (staffed by Trooper Andy Savland) includes services via air, land and water on all parts of Chichagof Island and the following waterways that abut Chichagof Island, Glacier Bay National Park, and the Southern Chilkat Peninsula: Gulf of Alaska, Cape Cross, Cross Sound, Glacier Bay,

Icy Strait, Northern Chatham Strait, and Peril Strait. Trooper Savland is trained as an Alaska State Trooper and Wildlife Trooper. Trooper Savland uses a 27-foot patrol boat and PA18 Super Cub to provide services to his patrol area. The Alaska State Troopers intend to maintain an Alaska State Wildlife Trooper in Hoonah with similar qualifications upon Trooper Savland's retirement.

The Hoonah Health Center, currently operated by the Southeast Alaska Regional Health Consortium ("SEARHC"), is open to everyone, serving residents throughout the proposed Xunaa Borough. The Health Center is operated by SEARHC employees.

Hoonah owns a harbor, and with incorporation as the Xunaa Borough, will inherit harbors in Elfin Cove. Because Hoonah caters to commercial fishing operators, Hoonah's haul out facility is comparable to that of a much larger community. Hoonah gives local fishing operators and operators located outside Hoonah options for storage of commercial fishing gear, a local storage yard that allows up to sixty-foot vessels to be staged therein, and other harbor related services for local and benefiting residents of outlying areas.

The Petitioner's and HTC's joint venture in 2014 to construct Hoonah's first cruise ship dock located at ISP has had a positive economic impact on Hoonah. HTC's construction of second cruise ship dock will have another significant and direct impact on Hoonah's economy with the possibility of 60 new seasonal jobs at ISP. The new dock and uplands total development cost is budgeted at \$37.8 million. McDowell Group, an Alaska research and consulting firm, provided a financial feasibility analysis including the economic impact of constructing and operating this new facility. The McDowell Group determined that ISP operations will continue to have a significant economic impact on the local Hoonah economy. ISP will employ about 180 staff in 2019, including an estimated 145 Hoonah residents (a significant percentage of the approximately 800 community members). Employment at ISP will increase to about 220 positions in 2020. HTC estimates local payroll at \$2.1 million in 2019 and \$2.3 million in 2020, with local ISP expenditures for goods and services at \$1.3 million in 2019 and \$1.9 million in 2020. Hoonah will generate sales tax revenues of approximately \$990,000 in 2019 and \$1.5 million in 2020, and cruise passenger excise tax revenue for the municipality is estimated at \$1.2 million in 2019 and \$1.8 million in 2020. Hoonah estimates that 40 percent of sales tax revenues are currently generated by ISP, potentially growing to 60 percent in 2020. The Petitioner has provided a letter of support for the new ISP development, dated May 2, 2019, stating that "Construction of the new pier and uplands facilities including Welcome Center, Tour Sales facility, and Tour Dispatch center, are critical to supporting the continued growth of the industry at ISP, and will lead to additional economic opportunities for Hoonah."

The regulatory requirement that essential borough services be delivered on an “efficient and cost effective level” is met because the size of the proposed unified municipality has been confined to a manageable level. All parts of the proposed Xunaa Borough, except for remote parts of the Gulf of Alaska, are within approximately 50 miles of Hoonah.

6. The Proposed Xunaa Borough’s Land, Water, and Air Transportation Facilities Allow the Communication and Exchange Necessary for the Development of Integrated Borough Government

With regard to the proposed Xunaa Borough’s transportation facilities and communications media, 3 AAC 110.045(c) provides:

(c) The communications media and the land, water, and air transportation facilities throughout the proposed borough must allow for the level of communications and exchange necessary to develop an integrated borough government in accordance with AS 29.05.031(a)(4) and art. X, sec. 3, Constitution of the State of Alaska. In this regard, the commission may consider relevant factors, including

- (1) transportation schedules and costs;
- (2) geographical and climatic impediments;
- (3) telephonic and teleconferencing facilities; and
- (4) electronic media for use by the public.

(d) In determining whether communications and exchange patterns are sufficient, the commission may consider whether

(1) all communities within a proposed borough are connected to the proposed borough seat by a public roadway, regular scheduled airline flights on at least a weekly basis, regular ferry service on at least a weekly basis, a charter flight service based in the proposed borough, other customary means of travel including boats and snow machines, or sufficient electronic media communications; and

(2) communications and exchange patterns will adequately facilitate interrelationships and integration of the people in the proposed borough.

3 AAC 110.045.

The communications media and the land, water, and air transportation facilities throughout the proposed Xunaa Borough allow for the level of communications and exchange necessary to develop an integrated borough government. Hoonah presently has scheduled weekly airline and ferry service, as well as charter flight service. Other customary means of travel including boats and snow machines. The proposed Xunaa Borough also has sufficient electronic media communications. Hoonah leases land to AT&T to provide cellular service to the residents of Hoonah. There are private communication sites on mountain tops throughout the Tongass National Forest providing cellular service for much of the proposed Xunaa Borough. The Hoonah Ranger District administers AT&T’s sites near Point Adolphus and Yakobi Island. AT&T’s coverage map for the proposed Xunaa Borough can be viewed at <https://www.att.com/maps/wireless-coverage.html>. SnowCloud Services provides internet service to the residents of Hoonah, and to outlying areas within what will be the proposed Xunaa Borough. These

communications and exchange patterns adequately facilitate interrelationships and integration of the people in the proposed borough.

B. Detachment of the Areas Identified on Exhibit C-2 That Are Currently Within the Boundaries of Haines and Sitka Will Not Diminish the Capacity of the Remnant Boroughs to Serve the Local Government Needs of Their Residents, But Will Ensure that the Unique Needs of the Individuals Residing in these Remote Areas Are Better Served

Petitioner is seeking detachment of certain remote lands of historical significance to the Huna Tlingit people in order to better serve the needs of the limited number of residents inhabiting them. The remote lands in question include all land within Sitka's boundary on Chichagof Island and the identified land within the Haines boundary that borders Glacier Bay National Park and Preserve on the Southern Chilkat Peninsula as depicted in Exhibit C-2.

Sitka does not provide any services to the remote residents in the area of Southern Chichagof Island that falls within Sitka's current boundaries. The community of Sitka has no historical or cultural ties to this region, provides no air or ferry service, and is geographically separated from Chichagof Island by Peril Strait. The City of Tenakee Springs is its own entity, with its own municipal government and services, and to Petitioner's knowledge has no interest in joining with the Xunaa Borough to provide common services to any inhabitants of Chichagof Island that fall outside of its jurisdiction. Detaching this land from Sitka would have no effect on the services Sitka provides to its residents on Baranof Island, but would enable the proposed Xunaa Borough to step in to provide the services no other government entity has been willing or able to provide.

The land Petitioner seeks to detach from Haines has similar characteristics. Excursion Inlet has no historical or cultural connections to Haines, and cannot be accessed from Haines by road, ferry or air service. Because it currently falls within Haines' jurisdiction, however, Excursion Inlet's residents are required to pay property taxes to Haines, for which they receive little to no benefit. If Excursion Inlet were detached from Haines and included with the incorporation of the Xunaa Borough, its residents would no longer be subject to property taxes, and would be able to restore their historical and cultural connection to the Huna Tlingits in Hoonah.

The small residential area abutting Glacier Bay National Park and Preserve, which presently falls within the legal boundary of Haines, is underserved as well. There are only a few families who live in Glacier Bay, and they fall outside the jurisdiction of their closest neighbor to the south, the second-class City of Gustavus. Upon information and belief, Gustavus desires to remain independent from the proposed Xunaa Borough at this time, and is not interested in expanding its service area to encompass the area abutting the Glacier Bay National Park and Preserve. These residents have no ties to Haines other

than their homes' geographical location to the south of Haines on the Chilkat Peninsula, and deserve to receive services from a borough that has both the interest and ability to do so.

C. Dissolution of the City of Hoonah Following Incorporation of the Proposed Xunaa Borough Will Promote Maximum Local Self-Government with a Minimum Number of Government Units, And Ensure No Duplication of Tax-Levying Jurisdictions

Once incorporation of the proposed Xunaa Borough occurs, there will be no reason for the City of Hoonah to continue to exist. As set forth in the Transition Plan attached as Exhibit F, hereto, following incorporation, the Xunaa Borough will assume all of the rights, powers, duties, assets and liabilities of the City under AS 29.05.130 and AS 29.05.140, after which time the City of Hoonah shall cease exercising rights, powers and duties, and at which time its assets and liabilities shall become the assets and liabilities of the Xunaa Borough.

III. INCORPORATION OF THE XUNAA BOROUGH IS IN THE BEST INTERESTS OF THE STATE

Incorporation of a proposed Xunaa Borough must also be determined to be in the best interests of the State pursuant to 3 AAC 110.065:

In determining whether incorporation of a borough is in the best interests of the state under AS 29.05.100(a), the commission may consider relevant factors, including whether incorporation

(1) promotes maximum local self-government, as determined under 3 AAC 110.981;

(2) promotes a minimum number of local government units, as determined under 3 AAC 110.982 and in accordance with art. X, sec. 1, Constitution of the State of Alaska;

(3) will relieve the state government of the responsibility of providing local services; and

(4) is reasonably likely to expose the state government to unusual and substantial risks as the prospective successor to the borough in the event of the borough's dissolution.

3 AAC 110.065.

The promotion of "maximum local self-government, as determined under 3 AAC 110.981," for the purposes of borough incorporation means "whether the proposal would extend local government on a regional scale to a significant area and population of the unorganized borough." 3 AAC 110.981(1). Petitioner's proposal would extend local government on a regional scale to a significant area and population of the unorganized borough that encompasses not just Hoonah, but also Funter Bay, Game Creek, Elfin Cove, and other less populated, but equally culturally and socially related areas, including but not limited to, Excursion Inlet. This would also serve the purpose of promoting a minimum number of local government units, as determined under 3 AAC 110.982(1), because the new Xunaa Borough will be created from the currently unorganized borough, and its proposed boundaries maximize an area and

population with common interests. Given Hoonah's more than seventy-year history of successful self-governance as a first-class city, it is not reasonably likely that the State government would be exposed to unusual and substantial risks as the prospective successor to the Xunaa Borough in the event of the Xunaa Borough's dissolution.

IV. PETITIONER HAS A PRACTICAL PLAN FOR THE XUNAA BOROUGH TO EXTEND ESSENTIAL MUNICIPAL SERVICES INTO THE BOUNDARIES PROPOSED IN THE SHORTEST PRACTICABLE TIME AFTER THE EFFECTIVE DATE OF THE PROPOSED CHANGE, AND FOR THE CITY OF HOONAH TO DISSOLVE UPON INCORPORATION OF THE XUNAA BOROUGH

As required by 3 AAC 110.900, Petitioner has a practical plan that demonstrates the capacity of the new Xunaa Borough government to extend essential municipal services into the boundaries proposed for change in the shortest practicable time after the effective date of the proposed change. (Exhibit F). The plan was prepared in consultation with the officials of Hoonah, the Hoonah City School District, and other relevant entities within the territory proposed for incorporation.

Briefly summarized, the services currently being provided to Hoonah will continue to be provided to the proposed Hoonah Townsite service area. Education services will be minimally affected, because the Hoonah City schools primarily provide education services for students living within the Hoonah City limits. For students living outside of the Hoonah City limits, the Hoonah City School District will continue to provide outreach in the form of Child Find to address any students with special needs that choose to access the district's services on a borough wide basis. Taxation by the Xunaa Borough inside the existing Hoonah Townsite will continue without interruption. Sales taxes will not be implemented in the area outside the existing Hoonah Townsite.

The Xunaa Borough will immediately undertake planning and zoning in the areas outside the current Hoonah Townsite. Areas outside the existing Hoonah Townsite will initially be placed in a "holding" district, in which uses shall be unrestricted until the area is otherwise zoned.

Because nearly all territory within the proposed service area of the Hoonah Townsite in Xunaa Borough is already within the City of Hoonah, the Xunaa Borough will undertake immediately to extend service area functions to the limits of the Hoonah Townsite service area.

And as set out in Section 13 of this petition, the facilities of the City of Hoonah will be transferred to the proposed Xunaa Borough, along with the bonded indebtedness associated with such facilities. In order to provide for orderly transition from Hoonah to the Xunaa Borough, the Xunaa Borough will give 30 days written notice to Hoonah of its assumption of the rights, powers, duties, assets, and liabilities of Hoonah under AS 29.05.140 and AS 29.05.130, after which time Hoonah shall cease exercising rights,

powers and duties, and at which time its assets and liabilities shall become the assets and liabilities of the Xunaa Borough.

V. CONCLUSION

The proposed Xunaa Borough's population is interrelated and integrated as to its social, cultural, and economic activities and is large and stable enough to support borough government. Its boundaries conform to natural geography and include all areas necessary for full development of municipal services. Its economy includes the human and financial resources capable of providing municipal services. And its land, water, and air transportation facilities allow the communication and exchange necessary for the development of integrated borough government. The proposed Xunaa Borough promotes maximum self-government and a minimal number government units, relieves the state government of the responsibility of providing local government services, and is not reasonably likely to expose the state to unusual or substantial risk as the potential successor to the borough in the event of the borough's dissolution; therefore, it is in the best interests of the state. Petitioner has presented a practical plan for the transition of governance from the City of Hoonah and its neighboring communities to the new Xunaa Borough, which is fully supported by the population the Xunaa Borough intends to serve.

For all of the reasons outlined herein, Petitioner respectfully submits that it has met the constitutional, statutory, and regulatory criteria for incorporation set forth in Article X, Section 3 of the Alaska Constitution, AS 29.05.031(a), and 3 AAC 110.045 – 3 AAC 110.067, and 3 AAC 110.900 – 3 AAC 110.990.

EXHIBIT I
DRAFT XUNAA BOROUGH CHARTER
(Originally Adopted _____ __, 20__)

XUNAA BOROUGH

PREAMBLE

We the people of the Xunaa Borough, in order to form an efficient, economical, and responsive government with just representation, and in order to provide for local government responsive to the will of the people and to the continuing needs of the communities within the Borough, hereby ratify and establish this Home Rule Charter.

ARTICLE I

NAMES, BOUNDARIES AND POWERS

Section 1.01

Name

The borough shall be a municipal corporation known as the “Xunaa Borough.” Whenever it deems it in the public interest to do so, the borough may use the name “Xunaa Home Rule Borough.”

Section 1.02

Boundaries

The boundaries of the municipality shall be the same boundaries as the greater Xunaa Borough as they exist on the day of ratification of this Charter or as hereafter legally modified.

Section 1.03

Form of Government

- A. The form of government is a non-unified home-rule borough established by the voters.
- B. The Borough shall operate under an “assembly-manager” form of government.

Section 1.04

Powers of the Borough

The Xunaa Borough shall have all the powers, functions, rights, privileges, franchises and immunities of every name and nature whatever, which a home-rule borough may have under the constitution and laws of the State of Alaska. The Borough may exercise all powers not prohibited by law or by this Charter.

Section 1.05

Intergovernmental Relations

Agreements, including those for cooperative or joint administration of any function or power, may be made by the Assembly with any other local government, with the state, or with the United States, unless otherwise provided by law or by this Charter. In the context of this Charter, local governments include Native organizations and tribal governments.

Such agreement for cooperative or joint administration of any function or power shall be made only by ordinance. Procedures for making contracts prescribed in any other sections of this Charter shall not apply to agreements made pursuant to this section.

Section 1.06

Interpretation – Definitions

- A. When used in this Charter, the singular number includes the plural, and the plural singular, and the masculine gender includes the feminine and neuter, unless the context clearly indicates otherwise.
- B. When the word “Borough” is used in this Charter, it shall mean the Xunaa Borough unless the context clearly indicates another meaning.
- C. When the word “person” is used in this Charter, it shall mean an association, firm and corporation as well as an individual, unless the context clearly indicates otherwise.
- D. When the words “publish,” “published” or “publication” are used in this Charter, they shall mean publish, published or publication by posting a copy in each of at least five conspicuous public places in the Borough and on the Borough’s website. In all such

cases of publication by posting, the borough clerk shall provide any person a copy of the ordinance, notice or document posted, on request, without charge, at any time within two months after the posting.

DRAFT

ARTICLE II

THE ASSEMBLY

Section 2.01

Powers

The governing body of the Borough shall be the Assembly. Except as otherwise provided by law or this Charter, the Assembly shall exercise all powers of the Borough and shall provide for the performance of all duties and obligations of the Borough.

Section 2.02

Composition

The Assembly, elected by the qualified voters of the Borough, shall consist of seven members, which shall consist of the Mayor and six other Assembly Members. Hereinafter, the term "Assembly Member" includes the Mayor unless specifically noted.

Section 2.03

Terms and Election of Assembly Members

- A. Term. The term of office of all Assembly Members shall be three years. For the initial election, to stagger the terms two seats will be for a one (1) year term, three seats will be for a two (2) year term, and two seats will be for a three (3) year term. The Assembly Members receiving the most votes in the initial election will retain the two seats for a three year term, and so on and so forth for the seats for one and two year terms. There shall be no term limits.
- B. Election. Assembly members shall be elected at large by the qualified voters of the Borough, including the Mayor.
- C. Procedures. The Assembly may, by ordinance, adopt additional procedures pertaining to the nomination and election of Assembly Members and the Office of Mayor.

Section 2.04

Qualifications

- A. Only a qualified voter of the Borough who has been a resident of the Borough for at least one (1) year immediately preceding his election or appointment to office shall be qualified for elective Borough office.
- B. No Assembly Member may hold any other compensated Borough office or employment, or elected partisan political office, while serving on the Assembly, unless otherwise provided by an ordinance ratified by the voters of the Borough.

Section 2.05

Vacancies and Forfeiture of Office

- A. The office of an elected Borough official shall become vacant upon death, resignation, removal from office in any manner authorized by law, or by this Charter, or by forfeiture of his or her office.
- B. An elected Borough official shall immediately forfeit his or her office if he or she:
 - i. Fails to comply with all qualifications prescribed by this Charter;
 - ii. Fails to qualify or take office within thirty (30) days after election or appointment;

- iii. Fails to attend three (3) consecutive regular meetings of the Assembly without being excused by the governing body;
 - iv. Is physically absent from the Borough for ninety (90) consecutive days unless excused by the governing body;
 - v. Is physically or mentally unable to perform the duties of office as determined by a two-thirds vote of the governing body;
 - vi. Is convicted of a felony;
 - vii. Is convicted of a violation of AS 15.13, State Election Campaigns; or
 - viii. No longer physically resides in the Borough.
- C. The Assembly shall, by ordinance, provide the procedures for filling of vacancies.

Section 2.06

Organization and Rules of Assembly

- A. The Assembly shall meet within seven days following certification of the election. At such meeting the Assembly shall elect from its membership a deputy mayor, and do such other acts as may be required for its organization and for the conduct of business.
- B. The Assembly shall, by ordinance, determine its own rules and order of business and shall maintain a journal of its proceedings as a permanent public record.

Section 2.07

Compensation

The Assembly, by ordinance, shall provide for compensation of Assembly Members. An increase in compensation shall not take effect until the Assembly Meeting following the regular election after the ordinance has been adopted.

Section 2.08

Meetings

- A. The Manager shall hold at least one (1) regular meeting every month at such time and place as he or she may prescribe unless otherwise provided by ordinance.
- B. The Manager or any three (3) Assembly Members may call a special meeting of the Assembly if a majority of the Assembly Members are given at least 24 hours oral or written notice and reasonable efforts are made to notify all Assembly Members. A special meeting may be conducted with less than 24 hour notice if all Assembly Members are present or if all absent Assembly Members have waived in writing the required notice. Waiver of notice can be made before or after the special meeting is held. A waiver of notice shall be made a part of the journal of the special meeting.
- C. All meetings of the Assembly shall be public and the public shall have a reasonable opportunity to be heard. Closed or executive sessions shall only be held pursuant to law. The mere discussion of persons or finances shall not be cause for any executive session.
- D. Assembly Members may attend meetings of the Assembly in person or by teleconference. Assembly Members attending meetings by teleconference shall do so only after the Assembly, by majority vote, approves this manner of attendance due to extenuating circumstances including inability to travel due to weather. A majority of the membership of the Assembly, authorized by this Charter, shall constitute a quorum. An Assembly

Member disqualified from voting on a question may be considered present for purposes of constituting a quorum. In the absence of a quorum, any number less than a quorum may recess or adjourn the meeting to a later time or date.

- E. Actions of the Assembly are adopted by a majority of the total membership of the body. The final vote of each Assembly Member on each ordinance, resolution, or substantive motion shall be recorded "Yes" or "No," except that if the vote is unanimous it may be recorded "Unanimous."
- F. Each Assembly Member in attendance at an Assembly Meeting shall vote on all questions presented at the meeting, unless prohibited from doing so by this Charter. Failure as an attending Assembly Member to vote on question, unless prohibited to do so by this Charter, shall be recorded as a "No" vote.

Section 2.09

Prohibitions

- A. No elected official of the Borough shall hold any other elected public municipal, state or federal office, or any other borough employment, during his or her term as an elected official of the Borough. No elected official of the Borough shall hold any compensated appointive Borough office, other than membership on a Borough affiliated board or commission, for a period of one year after vacating his or her elected office.
 - i. Members of the immediate families of Assembly Members shall not be employed as the Borough Manager.
 - ii. Members of the immediate families of Assembly Members or the Borough Manager may not be employed by the Borough except upon approval of the Assembly.
 - iii. The term "immediate family" as used in "i" and "ii" above is defined as the relationship of husband and wife, father and son or daughter, mother and son or daughter, brother and sister, brother and brother, or sister and sister.
- B. The Assembly shall not recommend or direct the appointment or removal of any officer or employee of the Borough administration except as otherwise provided by this Charter.
- C. No Assembly Member may represent any client before any Borough department or agency.

Section 2.10

Mayor and Vice Mayor

- A. The Mayor shall preside at meetings of the Assembly, and shall certify the passage of all ordinances and resolutions passed by the Assembly. The Mayor shall be recognized as the head of the Borough government for all ceremonial purposes and by the governor for purposes of military law. The Mayor shall have all powers, rights, privileges, duties and responsibilities of Assembly Members, including the power to vote; however, the Mayor may not initiate motions. The mayor shall have no regular administrative duties except signing such written obligations of the Borough as the Assembly may require.
- B. At the first meeting following certification of the regular election, or as soon thereafter as practicable, the Assembly shall elect one of its members Vice Mayor, who shall serve as such until the next such first meeting. The Vice Mayor shall act as Mayor during the absence or disability of the Mayor, or, if a vacancy occurs in the Office of Mayor, until another Mayor is elected or appointed by the Assembly and qualifies. If the office of Vice Mayor becomes vacant, the Assembly shall elect from its members another Vice Mayor for completion of the unexpired term.

Section 2.12

Investigation

- A. The Assembly may, under advisement of the Borough Attorney, make investigations into the affairs of the Borough and the conduct of any Borough department, office, or agency.
- B. The Assembly may, by ordinance, create boards and commissions pursuant to this section for the purpose of inquiries and investigations. The members of such boards and commissions shall be appointed by the Assembly.

Section 2.13

Clerk and Special Advisors

- A. There shall be a Borough Clerk appointed by the Manager and confirmed by the Assembly. The Clerk shall attend all Assembly Meetings, unless excused, keep a journal of its proceedings, give notice of Assembly Meetings to the members and the public, and perform such other duties as may be assigned.
- B. The Assembly may appoint special legal and financial advisors for bond issues and shall retain legal counsel as it requires.
- C. There shall be a Borough Attorney appointed by the manager subject to confirmation by the Assembly.

Section 2.14

Boards

- A. The Assembly, by ordinance, may create advisory boards, and the assembly may appoint the board members or prescribe the method of appointment or removal.
- B. To the extent permitted by law and this Charter, the Assembly may grant to boards the power to conduct hearings and make recommendations or decisions. All recommendations or decisions shall be promptly filed with the Clerk as a matter of public record. Board decisions shall become final unless notice of an appeal to the Assembly is filed with the Clerk within thirty (30) days of the date on which the board decision was filed. Board decisions may be appealed to the Assembly by any party affected by the proceedings, by an Assembly Member, or by a Borough officer or employee.
- C. All questions presented to the Assembly concerning any subject which has been delegated to a board shall be submitted first to the board for consideration unless the Assembly shall otherwise determine.
- D. Boards shall not be authorized to employ or remove or direct the employment or removal of any Borough officer or employee, except that the Personnel Board may determine all questions as required by the personnel regulations adopted by the Assembly.
- E. The prevailing vote of a majority of the members of a board shall be required for official action except that the prevailing vote may be reduced by one (1) vote for every two (2) members of the board who are present but who do not vote because they have a conflict of interest or have been excused from voting by a vote of all the remaining members who may vote on the question, except that the prevailing vote required may not be reduced to a number less than one-third of the membership on the board. A quorum of a board shall consist of a majority of the full membership.
- F. Board meetings shall be conducted as provided for the Assembly in Section 2.08 of this Charter.

ARTICLE III

EXECUTIVE

Section 3.01

Manager

- A. There shall be a Borough Manager, appointed by the Assembly, who serves at the pleasure of the Assembly. The Assembly may suspend or remove the Borough Manager at any time.
- B. The Assembly shall choose the Manager on the basis of executive and administrative qualifications. At the time of appointment, the Manager need not be a resident of the Borough or State, but during his or her tenure of office, shall reside within the Borough.
- C. No Assembly Member may be appointed Borough Manager or acting Borough Manager sooner than two years after leaving office, except by unanimous decision of the Assembly.
- D. The Borough Manager shall be the chief administrative officer and head of the administrative branch of the Borough government. The Manager shall have such powers and perform such duties as specified by the Assembly.

Section 3.04

Acting Manager

- A. If the Borough Manager is absent from the Borough, is unable to perform his or her duties, has been suspended by the Assembly, or there is a vacancy in the Office of Borough Manager, the Assembly may appoint an acting Borough Manager to serve until the Borough Manager returns, until his or her disability or suspension ceases, or until another Borough Manager is appointed and qualifies, as the case may be. The Assembly may suspend or remove an acting Borough Manager at any time.
- B. If the Borough Manager is absent from the Borough or unable to perform his or her duties, the Borough Manager may appoint a director of the Borough government to serve as acting Borough Manager until the Borough Manager returns or his or her disability ceases. This appointment may be superseded at any time by the Assembly.

Section 3.05

Powers and Duties

The Manager shall be chief administrative officer of the Borough and shall be responsible to the Assembly. He or she shall execute the provisions of this Charter, all ordinances of the Borough, and all applicable laws. Without limiting the foregoing, or excluding other or broader powers consistent therewith, the Manager shall:

- A. Appoint or remove all heads of administrative departments and, subject to such personnel regulations as the Assembly may adopt, other Borough employees. He or she may authorize any administrative officer to appoint or remove subordinates in his or her department, subject to such personnel regulations as the Assembly may adopt;
- B. Direct the care and custody of all Borough property;
- C. Direct and supervise the construction, maintenance, and operation of Borough public works;
- D. Prepare and submit the annual budget and capital improvements program to the Assembly;

- E. Keep the Assembly fully advised on the financial condition and needs of the Borough; and
- F. At the beginning of each calendar year, submit to the Assembly a report on the financial and administrative activities of the Borough for the preceding fiscal year; and within two (2) months after the end of each fiscal year, prepare and make available to the public, at such reasonable price as the Assembly may direct, an annual report on Borough affairs during the preceding fiscal year.

Section 3.06

Administrative Departments, Offices and Agencies, Boards and Commissions

- A. There shall be such administrative departments, offices and agencies as this Charter establishes and as the Assembly may establish.
- B. The Assembly may by ordinance provide for advisory, regulatory, administrative, appellate and quasi-judicial boards and commissions. Unless provided otherwise by ordinance or this Charter, the Assembly shall appoint or remove all members of the Borough boards and commissions.

Section 3.07

Assembly Meetings

The manager shall have the right to take part in the discussion of all matters coming before the Assembly.

ARTICLE IV
LEGISLATION

Section 4.01

Ordinance Form and Content

- A. All ordinances enacted by the Assembly shall be in substantially the following form:
- i. The proposed ordinance shall have a heading and number.
 - ii. Title. A short summary of the ordinance's provisions shall be included in a title at the head of the ordinance. The title shall make reference to any penalties imposed by the ordinance. The subject of each ordinance shall be expressed in the title.
 - iii. Enacting Clause. The enacting clause shall read: "BE IT ENACTED BY THE ASSEMBLY OF THE XUNAA BOROUGH."
 - iv. Substantive Part of the Ordinance. The provisions of the ordinance will follow the enacting clause.
 - v. Signatures. Appropriate places shall be provided for the signatures of the Mayor and the Clerk.
 - vi. Attestation. The enactment and passage date of the ordinance shall be attested by the Clerk.
- B. Every ordinance shall be confined to one subject unless it is an appropriation ordinance or one codifying, revising, or rearranging existing ordinances. Ordinances for appropriations shall be confined to appropriations.

Section 4.02

Acts Required to be by Ordinance

- A. In addition to other actions required by law to be by ordinance the Assembly shall use ordinances to:
- i. Establish, alter, or abolish borough departments;
 - ii. Fix the compensation of Assembly Members, and Borough boards, commissions, and committees;
 - iii. Provide for a fine or other penalty, or establish rules or regulations for violations of which a fine or other penalty is imposed;
 - iv. Provide for levying of taxes;
 - v. Make appropriations, supplemental appropriations or transfer appropriations;
 - vi. Grant, renew, or extend a franchise;
 - vii. Regulate the rate charged by a Borough utility;
 - viii. Adopt, modify or repeal the comprehensive plan, zoning, and subdivision ordinances, building and housing codes, and the official map;

- ix. Establish a formal procedure for acquisition from private, state or federal government of land or rights in land and disposal of those lands or rights in land;
- x. Provide for a comprehensive personnel system, including but not limited to regulating all appointments, promotions, demotions, suspensions, and removal of Borough officers and employees on the basis of merit; and
- xi. Create or designate itself to be a board of review, adjustment, equalization, or canvassing board.

Section 4.03

Ordinance Procedure

- A. An ordinance may be presented for consideration by a member or committee of the Assembly or by the Manager at any regular or special meeting of the Assembly. Upon presentation of an ordinance, copies shall be furnished to each Assembly Member and to the Manager. Upon presentation, an ordinance shall be rejected, deferred, referred to committee, or accepted as being introduced. Promptly after introduction, the Assembly shall publish the ordinance and a notice setting out the time and place for a public hearing on the ordinance. The public hearing of an ordinance shall follow publication by at least ten (10) days; it may be held at a regular or special Assembly Meeting and may be adjourned from time to time. At the public hearing, copies of the ordinance shall be distributed to all persons present who request them or, in the alternative, the ordinance shall be read in full. All interested persons shall have an opportunity to be heard. If the ordinance is amended after the hearing so substantially as to change its basic character, the ordinance shall be treated as a newly introduced ordinance. After the hearing, the Assembly shall consider the ordinance and may adopt it with or without amendment by a majority vote of all present and absent Assembly Members not prohibited from voting by this Charter.
- B. Ordinances take effect upon adoption or on the date specified in the ordinance.
- C. As used in this section, "publish" shall have the meaning set forth in Section 1.06(D). All ordinances presented for consideration shall be published at least ten (10) days before the public hearing.

Section 4.04

Emergency Ordinance

- A. To meet a public emergency, the Assembly may adopt ordinances effective upon adoption. Every emergency ordinance must contain a finding by the Assembly that an emergency exists and a statement of the facts upon which the finding is based. An emergency ordinance may be adopted, amended and adopted, or rejected at the meeting at which it is introduced. The affirmative vote of all Assembly Members present, or the affirmative vote of three-fourths of the total membership authorized in this Charter, whichever is less, is required for adoption. The Assembly must print and make available copies of adopted emergency ordinances.
- B. An emergency ordinance may not be used to levy taxes, to grant, renew or extend a franchise, or to regulate the rate charged by a public utility for its services.
- C. Emergency ordinances are effective for sixty (60) days.

Section 4.05

Codes of Regulation

The Assembly may adopt any standard code, or any provisions of the statutes of the State of Alaska, by reference thereto in an adopting ordinance. Materials adopted by reference under this section need not be distributed to the public or read at a public hearing, but copies of the materials shall be made available for public inspection for at least fifteen (15) days, in each community of the Borough, before the hearing for the adopting ordinance. Only the adopting ordinance need be printed after adoption. The Assembly shall provide for the adopted code to be provided to the public.

Section 4.06

Acts by Resolution

Actions of the Assembly by resolution shall be as follows:

- A. Every resolution shall be introduced in writing in the following format and shall be orally read before any vote for passage thereof is taken:
 - i. The heading "Xunaa Borough, Alaska;"
 - ii. The space for a number to be assigned: "Resolution _____;"
 - iii. A short and concise title descriptive of its subject and purpose;
 - iv. A short premises or whereas clause descriptive of the reasons for the resolution, if necessary;
 - v. The resolving clause, "BE IT RESOLVED;"
 - vi. Provision for signatures after the date, and designated lines for the signatures of the Mayor and the Clerk; and
 - vii. An attestation. The enactment and passage date of the resolution shall be attested by the Clerk.
- B. Resolutions shall not be included in any Borough code of ordinances.

Section 4.07

Rules and Regulations

Any rule or regulation made by any administrative officer or board or commission shall be published at least fifteen (15) days prior to its adoption. "Published" shall have the meaning set forth in Section 1.06(D).

ARTICLE V

NOMINATIONS – ELECTIONS

Section 5.01

General Requirements

- A. Regular Elections. A regular election shall be held annually on the first Tuesday in October.
- B. Special Elections. The Assembly shall provide, by ordinance, for special elections.
- C. Notice of Election. At least thirty (30) days published notice shall be given of a regular or special election. The notice shall state the purpose of the election.
- D. Qualifications of Voters. A person may vote in any Borough election only if the person:
 - i. Is qualified to vote in the State of Alaska; and
 - ii. Is a resident of the Borough for thirty (30) days immediately preceding the election.
- E. Nominations. Candidates for elective office shall be nominated by a petition signed by at least twenty-five (25) qualified voters of the Borough. All nomination papers comprising a petition shall be assembled and filed in person with the Clerk during office hours as one instrument not earlier than 120 days nor later than 45 days before the election. No nominating petition may be accepted unless accompanied by a signed acceptance of the nomination by the candidate.
- F. Election Procedures. All elections shall be non-partisan. The Assembly, by ordinance, shall prescribe rules for the conduct of Borough elections.
- G. Determination of Election Results. The candidate for an office who receives at least forty percent (40%) of the votes cast and the greatest number of votes is elected to the office. In case of a tie, or if no candidate receives forty percent (40%) of the votes cast, a runoff election between the two candidates receiving the greatest number of votes will be held within thirty (30) days.

ARTICLE VI

INITIATIVE, REFERENDUM AND RECALL

Section 6.01

Initiative and Referendum

The powers and rights of the initiative and referendum are reserved to the people of the Borough except the powers do not extend to matters restricted by Article XI, Section 7 of the State of Alaska Constitution. The Assembly, by ordinance, shall regulate the procedure for their exercise.

Section 6.02

Petitions

- A. An initiative or referendum shall be proposed by filing an application with the borough clerk containing the ordinance to be initiated or referred.
- B. The application shall be signed by at least ten (10) voters who sponsor the petition.
- C. The application shall contain a copy of the ordinance initiated or sought to be referred and conform to such other requirements as may be established by ordinance.
- D. Upon the Clerk's certification that the application is in proper form and meets the requirements of this chapter and the ordinances of the Borough, the Borough Clerk shall prepare a petition for circulation for signatures.
- E. The Petition shall then be signed by a number of qualified voters of the Borough equal at least to twenty-five percent of the total votes cast at the immediately preceding regular Borough election.
- F. A petition with sufficient signatures must be filed with the Borough Clerk within 90 days after the petition is issued by the Borough Clerk. Each copy of the petition filed must bear the sponsor's sworn statement that the sponsor personally circulated the petition, that all signatures were affixed in the presence of the sponsor, and that the sponsor believes the signatures to be those of the persons whose names they purport to be.
- G. Within 10 days after the petition is filed, the Borough Clerk, with assistance from the Borough Attorney as the Borough Clerk deems necessary, shall ascertain whether the petition is legal and has sufficient signatures, and shall certify the Borough Clerk's finding to said petition.
- H. If the Borough Clerk certifies that a petition is insufficient, a sponsor of the petition may protest that decision by filing a written protest with the Borough Manager within seven (7) days of the certification.
- I. The Borough Manager shall present the protest to the Assembly at its next regular meeting, and the Assembly shall hear and decide the protest.

Section 6.03

Ballot Title and Proposition – Submission

- A. If an initiative or a referendum petition is found to be legal and to have sufficient signatures, the Borough Clerk, with assistance from the Borough Attorney as the Borough Clerk deems necessary, shall prepare the ballot title and proposition for the ordinance.
- B. The Borough Clerk shall place the question on the ballot for the next regular or special

Borough election held not less than 60 days after final determination of the legality and sufficiency of the petition.

- C. The Assembly by resolution or ordinance may call a special election for the purpose.
- D. If, in the case of an initiative petition, the Assembly enacts, prior to the election, an ordinance substantially the same as the one in the petition, or if the Assembly repeals the ordinance before the referendum election, the petition is void and the matter may not be placed before the voters.

Section 6.04

Vote Required – Effect

- A. If a majority of the votes cast on the proposition favor the enactment of an initiative ordinance, it shall be enacted. If at least as many votes are cast for the approval of a referred ordinance as are cast against it, it shall be approved and go into effect; otherwise it shall be rejected.
- B. If two or more initiated or referred ordinances which have conflicting provisions are enacted or approved at the same election, the one receiving the largest affirmative vote shall prevail.
- C. The effect of an ordinance may not be modified or negated within two years after its effective date if adopted in an initiative election or if adopted after a petition that contains substantially the same measure has been filed unless the modifying or negating measure is approved by the voters. If an ordinance is repealed in a referendum election or by the assembly after a petition that contains substantially the same measure has been filed, substantially similar legislation may not be enacted for a period of two years unless the substantially similar legislation is approved by the voters.
- D. If an initiative or referendum measure fails to receive voter approval, a new petition application for substantially the same measure may not be filed sooner than six months after the election results are certified. If an initiative or referendum measure is approved by the voters or the assembly adopts a substantially similar measure after an initiative petition is filed or repeals an ordinance after a referendum is filed, a new petition application which would negate the earlier measure or enact an earlier repealed measure may not be filed sooner than six months after the earlier measure has been adopted or repealed.

Section 6.05

Further Regulation by Ordinance

The Assembly by ordinance may further regulate the procedures for the initiative and referendum.

ARTICLE VII

PLANNING

Section 7.01

Planning Commission

There shall be a Borough Planning Commission consisting of seven (7) members, appointed by the Mayor and confirmed by the Assembly. The powers and duties of the Planning Commission, and the terms, qualifications and compensation of Planning Commission Commissioners will be provided by ordinance.

Section 7.02

Comprehensive Plan

The Assembly, by ordinance, shall adopt and implement, and from time to time, not exceeding more than five (5) years, modify, a comprehensive plan setting forth goals, objectives and policies governing the future development of the Borough.

Section 7.03

Platting Regulation and Subdivision Regulation

There shall be a platting authority constituted as provided for by ordinance. The Assembly, by ordinance, shall provide for areas within their jurisdiction.

ARTICLE VIII

EDUCATION

Section 8.01

Public School System

There shall be a system of public education for the Borough, conducted in the manner provided by law. The system of public education shall be operated by a Borough School Board of five (5) members.

Section 8.02

School Board

- A. Qualifications. A School Board Member shall be a qualified Borough voter and a resident of the Borough. No School Board Member may hold any compensated school district employment while serving on the School Board.
- B. Term. School Board Members shall be elected to three (3) year staggered terms. There shall be no term limits.
- C. Election. Each School Board Member shall be elected at-large by the qualified voters of the Borough.
- D. The Assembly may, by ordinance, adopt additional procedures pertaining to the nomination and election of School Board Members.
- E. Vacancies. The Office of a School Board Member shall become vacant upon death, resignation, or removal from office in any manner authorized by law or by this Charter or by forfeiture of office as prescribed by law or the policies of the School Board.
- F. Each site maintaining a school shall have a Local Advisory Board.

Section 8.03

Budget

The Superintendent of Borough Schools shall submit an annual budget which shall first be approved by the School Board at such time as the School Board may direct, but in no case at a date later than that prescribed by State of Alaska law. The proposed school budget shall be a public record available from the time of its submission to the School Board for public inspection and distribution. The School Board shall hold public hearings on the budget before approval, and obtain the views of the Local Advisory Boards before submission to the Assembly for final action.

Section 8.04

Joint Conference

The Assembly and School Board may meet jointly at public meetings to deliberate upon matters of mutual interest.

ARTICLE IX

FINANCE

Section 9.01

Fiscal Year

The fiscal year of the Borough shall begin on January 1 and end on December 31 of the same calendar year.

Section 9.02

Submission of Budget Capital Improvements Program and Message

Not later than ninety (90) days before the end of the current fiscal year, the Manager shall submit to the Assembly a budget for the following fiscal year, a capital improvements program and an accompanying explanation message of both. The Assembly may grant an extension not to exceed thirty (30) days if compelling reasons exist.

Section 9.03

Scope of Budget

- A. Complete Financial Plan. The budget shall be a complete financial plan for all the operations of the Borough, showing all reserves, all estimated revenues from all sources, and all proposed expenditures for all purposes.
- B. Form. The budget shall contain at least the following:
 - i. A comparative statement of actual expenditures and actual revenues for the preceding fiscal year.
 - iii. Estimated expenditures and estimated revenues for the current fiscal year.
- C. Balanced Budget. Proposed expenditures shall not exceed total estimated revenues and reserves.

Section 9.04

Scope of Capital Improvements Program

- A. The capital improvements program shall be a plan for capital improvements proposed for the following two (2) fiscal years, together with the estimated cost of each improvement and the proposed method of financing it. It shall contain at least the following:
 - i. A summary of current capital improvements which are unfinished.
 - ii. A simple, clear summary of the detailed contents of the program.
 - iii. Capital improvements pending or proposed to be undertaken within the ensuing fiscal year, together with the estimated cost of each improvement and the proposed method of financing it.
- B. Capital improvements to be financed in the following fiscal year shall be included in the budget as well as in the capital improvements program.

Section 9.05**Scope of Message**

The Manager's message shall contain an explanation of the budget both in fiscal terms and in terms of work to be done, a description of the important features of the budget, an outline of the proposed financial policy of the Borough for the following fiscal year, and an explanation of each capital improvement to be undertaken within the following two (2) fiscal years.

Section 9.06**Hearing**

- A. By December 15, a public hearing shall be held on the budget and capital improvements program. All persons interested shall have an opportunity to be heard. At least ten (10) days prior to the hearing, the Assembly shall publish a summary of the budget and capital improvements program and a notice setting out the time and place of the public hearing.
- B. "Publish" shall have the same meaning as provided for in Section 1.06(D) of his Charter.

Section 9.07**Assembly Action on Budget**

The Assembly, by ordinance, shall adopt a budget not later than December 30.

Section 9.08**Assembly Action on Capital Improvement Program**

The Assembly, by ordinance, shall adopt a capital improvements program not later than December 30 before the end of the current fiscal year. If the Assembly fails to do so, the capital improvements program submitted by the Manager shall be deemed adopted by the Assembly.

Section 9.09**Certification and Distribution**

The budget and capital improvements program as adopted shall be certified by the Manager and Clerk, and shall be a public record and shall be made available at the Borough Clerk's Office and on Borough Website for distribution to the public at no more than cost.

Section 9.10**Supplemental and Emergency Appropriations**

- A. If, during any fiscal year, there are available revenues not anticipated in the budget estimates and/or any unobligated reserves, the Assembly, by ordinance, may make supplemental appropriations for the year up to the amount of the additional revenues and unobligated funds in the reserve account.
- B. Upon declaration by the Assembly that a public emergency exists and describing the emergency in clear and specific terms, the Assembly may make emergency appropriations. Such appropriations may be made by emergency ordinance.

Section 9.11**Reduction and Transfer of Appropriations**

If during the fiscal year it appears that revenues and unobligated reserves available will be insufficient to meet the amount appropriated, the Manager shall report to the Assembly without delay. The Assembly, by ordinance, may reduce any appropriation, except for debt service. No appropriation may be reduced by more than the amount of the unencumbered balance. Except as to the school budget, the Manager may transfer all or part of any unencumbered balance

between categories within an appropriation. The School Board may transfer part or all of any unencumbered balance between categories within the appropriation for the school budget. Except as to the school budget, the Assembly may transfer part or all of any unencumbered balance from one appropriation to another.

Section 9.12

Lapse of Appropriations and Surpluses

At the end of the fiscal year, an unencumbered appropriation shall lapse into the fund from which appropriated, provided that an appropriation for a capital improvement, or in connection with requirements of federal or State of Alaska grants, shall not lapse until its purpose has been accomplished or abandoned.

Section 9.13

Administration of Budget

- A. No payment may be made and no obligation incurred against the Borough except in accordance with appropriations duly made. No payment may be made and no obligation incurred against any appropriation unless the Manager ascertains that there is a sufficient unencumbered balance in the appropriation and that sufficient funds are or will be available to cover the obligation.
- B. Every obligation incurred and every authorization of payment in violation of this Charter shall be void. Every payment made in violation of the provisions of this Charter shall be illegal. All officers or employees of the Borough who knowingly authorize or make such payment shall be jointly and severally liable to the Borough for the full amount so paid.
- C. The Assembly, by ordinance, may authorize a contract, lease or obligation requiring funds from future appropriations, including appropriations in future fiscal years, subject to the annual appropriation of funds for that purpose.

Section 9.14

Enterprise Funds

Revenues from a Borough enterprise established after ratification of this Charter shall be first used for debt retirement, construction, acquisition, operation, maintenance, repair and capital improvement of the enterprise. Other uses of such revenues shall be only as authorized by ordinance.

Section 9.15

Independent Audit

The Assembly shall provide for an annual audit of all Borough accounts by an independent certified public accountant, and may require additional duties that it deems necessary.

Section 9.16

Xunaa Borough Reserve Fund

A reserve fund is hereby authorized. Operation of the fund shall be made by Borough ordinance.

ARTICLE X

BORROWING

Section 10.01

Authority

The Borough may borrow money and issue such evidence thereof, herein called obligations, as the Assembly may determine necessary.

Section 10.02

Restrictions on Borrowing

- A. General Obligations of the Borough for Capital Improvements. No general obligation or bonded indebtedness for capital improvements may be incurred unless authorized by the Assembly and ratified by a majority vote of those in the Borough voting on the question.
- B. General Obligations of Service Areas. No obligation secured by a pledge of taxes to be levied in a service area may be issued unless authorized for capital improvements by the Assembly and ratified by a majority of the qualified voters in the service area voting on the question. In a service area where there are no qualified voters to vote on the question, voter ratification shall not be required.

Section 10.03

Notice of Bond Election

- A. In calling any election required by this article, the Assembly shall cause a notice to be published at least thirty (30) days prior to the election as prescribed in Section 1.06(D) of this Charter. The notice shall contain the following information:
 - i. The maximum amount of the bonds, purpose of their issuance, and maximum length of time within which the bonds shall mature;
 - ii. The estimated annual debt service on the proposed bonds and its estimated effect per \$100,000 of assessed valuation;
 - iii. The current total general obligation indebtedness of the Borough, including authorized but unsold general obligation bonds and its estimated effect per \$100,000 of assessed valuation;
 - iv. The current year's debt service on the outstanding general obligation bonds of the Borough and its estimate effect per \$100,000 of assessed valuation; and
 - v. The current assessed valuation within the Borough.
- B. For bonds secured by a pledge of taxes to be levied in a service area the notice shall also contain the information required in subsection A(i)-(v), above.
- C. Errors contained in information required in subsection A(i)-(v), above shall not invalidate any election unless such errors are material. Actions challenging the sufficiency of any notice of election must be brought within the time provided in section 10.06 of this Charter.

Section 10.04

Manner of Sale

General obligation bonds and bonds secured by a pledge of taxes to be levied in the service area may be sold in such manner as the Assembly shall provide.

Section 10.05

Sale to Financial Consultant Prohibited

No person retained by the Borough to perform services relating to financial programming or the issuance and sale of obligations may bid on such obligations, directly or indirectly. In the event any such person violates this provision, his or her contract for such services shall be null and void and he or she shall not be entitled to any services rendered; and, in addition, he or she shall be liable for any damages sustained by the Borough in connection with such purchases and sale. Violation of the provisions of this section shall not invalidate the obligations. Nothing contained in this paragraph shall be construed to prohibit the issuance of bonds through orthodox underwriting practices.

Section 10.06

Actions Challenging the Validity of Obligations

No action challenging the validity of any obligations may be maintained unless instituted within thirty (30) days from the effective date of certification of the results of the election ratifying the issuance of such obligation or thirty (30) days from the effective date of the ordinance authorizing the issuance of such obligation when ratification is not required.

Section 10.07

Interest and Profits from Investments

All interest and profits derived from the investment of the proceeds from the sale of any obligation shall be used solely for the purpose for which such obligations were issued, or for their retirement.

ARTICLE XI

TAXATION

Section 11.01

Tax Procedures

- A. The Assembly shall, by ordinance, prescribe the procedures for tax assessment and collection.
 - i. **NO PROPERTY TAX.**
 - ii. Sales and Use Tax. Any sales or use tax or change in rate thereof shall be, by ordinance, ratified by a majority of the qualified voters voting on the question.
- B. Taxes generated by each individual municipality, based on their individual taxing authority, shall be collected by each community, and shall not be required to be remitted to the Borough.

ARTICLE XII
SERVICE AREAS

Section 12.01

Purpose

Service areas may be established to provide services not provided on an areawide basis or to provide a higher level of service than that provided on an areawide basis.

Section 12.02

Establishment

- A. By Ordinance. The Assembly, by ordinance, may establish, alter, consolidate or abolish service areas. The Assembly, by ordinance, may add or eliminate services to a service area. The ordinance shall contain the following:
- i. Boundaries and area to be included;
 - ii. Services to be provided or eliminated; and
 - iii. Other provisions the Assembly includes.
- B. By Petition. Procedures for the establishment by petition of a service area shall be in accordance with a service area petition procedure adopted by ordinance.

Section 12.03

Criteria

Service areas shall be established according to criteria of need and economic operating efficiency and shall comprise the area for which the services shall be provided. A new service area shall be established only after Assembly determination that such services cannot be provided reasonably by an existing service area or by alteration of an existing service area.

ARTICLE XIII

LOCAL IMPROVEMENT DISTRICTS

Section 13.01

Purpose

Local improvement districts may be established in a limited and determinable area to confer the special benefits of any Borough improvement.

Section 13.02

Local Improvement District Procedures

The Assembly, by ordinance, shall prescribe procedures for establishment of local improvement districts and for agreements for furnishing capital improvements and the extension thereof in lieu of assessments.

Section 13.03

Receipts

Accounts for local improvement districts shall be kept separate from other Borough accounts. Revenues from a special assessment shall be used solely to pay the cost of the improvements or the principal and interest on indebtedness incurred for the improvements.

ARTICLE XIV

CHARTER AMENDMENT

Section 14.01

Proposal

A. Amendments to this Charter may be proposed:

- i. By ordinance of the Assembly containing the full text of the proposed amendment;
or
- ii. By report of an elected charter commission created by Assembly ordinance or by initiative ordinance; or
- iii. By initiative petition.

Section 14.02

Election

Proposed amendments shall be submitted to the qualified voters of the Borough at the next regular or special election occurring more than forty-five (45) days after adoption of the ordinance, the final report of the charter commission, or certification of the initiative petition. A notice containing the full text of each proposed amendment shall be published.

Section 14.03

Effective Date

If a majority of the qualified voters voting on a proposed amendment approve, the amendment shall become effective at the time fixed therein or, if no time is so fixed, thirty (30) days after certification of the election.

ARTICLE XV

GENERAL PROVISIONS

Section 15.01

Personal Financial Interest

- A. Prohibition. No elected official may vote on any question on which he or she has a substantial financial interest. Any Borough officer, employee, or Assembly Member who has a substantial financial interest in any contract with the Borough, or in the sale of land, material, supplies, or services to the Borough or to a contractor supplying the Borough shall make known that interest and shall refrain from participating in his or her capacity as a Borough officer, employee, or Assembly Member in the making of such sale or in the making or performance of such contract.
- B. Punishment. Any Borough officer, employee, or Assembly Member who violates the requirements of this section shall forfeit his or her office or employment. Violation of this section with the knowledge expressed or implied of the person contracting with or making a sale to the Borough shall render the contract or sale to the Borough voidable by the administrator or the Assembly.
- C. Additional Rules. The Assembly, by ordinance, may prescribe additional rules and penalties to prevent conflicts of interest.

Section 15.02

Prohibitions

- A. Discrimination. No person shall be discriminated against in any Borough appointment, employment, or promotion because of race, sex, color, political or religious affiliation, national origin or sexual orientation.
- B. Personnel Regulations. No person shall willfully falsify any test, certification, or appointment under the personnel regulations, or in any manner commit or attempt to commit any fraud to prevent the impartial execution of such regulations.
- C. Undue Influence. No person shall offer, give, or receive any money, service, or other valuable thing to influence or attempt to influence any action of an officer or employee in the performance of his or her Borough duties.
- D. Solicitation. No Assembly Member, Borough officer, or administrative employee shall directly or indirectly solicit a contribution for any political party or purpose from any person holding a compensated Borough position.
- E. Campaigning. No Borough officer or Assembly Member shall campaign while on official business.

Section 15.03

Surety Bonds

The Borough Manager, the Borough Clerk, or such other officers and employees as the Assembly may designate, before entering upon their duties, shall be bonded by individual or group bonds for the faithful performance of their respective duties, payable to the Borough, in such form and in such amounts as the Assembly may prescribe with a surety company authorized to operate within the State of Alaska. The Borough shall pay the premiums on such bonds.

Section 15.04**Oath of Office**

Every officer of the Borough, before entering upon his or her duties, shall take the oath or affirmation required by Section 5 of Article XII, Constitution of the State of Alaska. The Assembly may require designated employees to take such oath before entering upon employment. Oaths of office shall be filed with the Borough Clerk.

Section 15.05**Continued Office**

Every officer who is elected or appointed for a term ending at a definite time shall continue to serve until his successor qualifies and takes office, except in the case of death, resignation, or termination by law or this Charter.

Section 15.06**Borough Proceedings**

The Assembly, by ordinance, shall establish procedures governing administrative proceedings in which the legal rights, duties, and privileges of persons are to be determined, insure fair and equal treatment of all persons involved in such proceedings, and provide for the conduct of such proceedings in an orderly and uniform manner.

Section 15.07**Records to be Public**

All records of the Borough shall be public except as otherwise provided by law. Records shall be available at Borough offices for public inspection and for distribution at a reasonable cost. Copies certified by the Clerk shall be at no more than cost to the Borough.

Section 15.08**Dedication of Borough Property**

Dedication of streets, rights-of-way, easements or other areas for public use by the Assembly may not be construed to require the Borough to maintain, improve, or provide for Borough services in the area dedicated and the dedication does not impose any liability on the Borough for the condition of the area dedicated.

Section 15.09**Separability**

If any provision of this Charter is held invalid, other provisions shall not be affected. If the application of this Charter or any of its provisions to a person or circumstance is held invalid, the application of this Charter or any of its provisions to other persons or circumstances shall not be affected.

Section 15.10**Return of Funds to Communities**

The Borough Assembly shall establish procedures by which available funds generated in the organized and unorganized communities by revenue sharing and municipal assistance shall be returned to those communities to the extent allowed by law.

Section 15.11**Community Participation**

The Assembly will make provision for non-voting representatives from communities unrepresented by an elected person on the Assembly to attend regular meetings of the Assembly.

ARTICLE XVI

TRANSITIONAL PROVISIONS

Section 16.01

Effective Date

This Charter shall be effective immediately on ratification of the Borough.

Section 16.02

Election of Initial Officials

The initial Borough Assembly shall be elected as provided in AS 29.05.110 and AS 29.05.120, and provisions of this Charter.

Section 16.03

Organization of Assembly

The Assembly shall meet as provided in Section 2.06 of this Charter and organize and carry out duties as required in that section.

Section 16.04

Transitional Provisions for Borough Manager

The initially elected Assembly may appoint an interim manager until such time that a Manager is appointed. No person may serve as interim manager for more than 180 days.

Section 16.05

Transitional Provisions for School Board

All persons comprising the School Board of the Hoonah City School District existing immediately before the adoption of this Charter shall be deemed to have been elected to the School Board until the next regular election is held. At the next regular election immediately following formation of the Xunaa Borough, all seats shall be up for election that would be up for election following the terms of office as previously set by the Hoonah City School District school board. All seats shall continue with the staggered terms of office of three (3) years set by this Charter.

Section 16.06

Continuation of Employment

All employees of the Hoonah City School District shall continue in employment until the Assembly, as the case may be, provides otherwise. Salaries and benefits enjoyed by current Hoonah City School District employees shall continue unless provisions are made to the contrary.

Section 16.07

Boards, Committees and Commissions

Except for those provided for by this Charter, all appointed committees, commissions, and boards in effect at the time this Charter is ratified shall be dissolved one (1) year after the effective date of this Charter unless sooner abolished or specifically continued by ordinance.

Section 16.08

Assets and Liabilities

The Borough, as a home rule Borough, shall succeed to all the assets and liabilities of the previously existing Hoonah City School District.

Section 16.09

Budget

Following adoption of this Charter, the Borough shall operate under the budget of the Borough proposed in the incorporating petition and under the budget for the following calendar fiscal year, if one has been proposed in the incorporating petition.

Section 16.10

Continuance of Actions

- A. School District. The adoption of this Charter shall not abate or otherwise affect any action, cause of action, claim, proceeding, civil or criminal, by or against the Hoonah City School District and which had accrued at the time of the effective date of this Charter. The applications, petitions, hearings, and other proceedings pending on the effective date before the Borough shall be continued.
- B. Municipality. The adoption of this Charter shall not abate or otherwise affect any action, cause of action, claim, proceeding, civil or criminal, by or against the Hoonah City School District and which had accrued at the time of the effective date of this Charter. The applications, petitions, hearings, and other proceedings pending on the effective date before the City of Hoonah is to be dissolved shall be continued before the municipality.

Section 16.11

Ordinances and Resolutions

To the extent not inconsistent with the charter, ordinances and resolutions and orders of local governments to be dissolved shall continue in full force and effect in their respective jurisdictions until no later than two (2) years after ratification of this Charter when they shall expire, unless, after substantive review by the Assembly, each ordinance, resolution, or order has been expressly reaffirmed, revised or repealed. The Borough Manager and Borough Attorney shall, eighteen months after ratification of this Charter, submit a comprehensive substantive study of remaining pre-unification ordinances and resolutions to aid the Assembly in the adoption of an integrated code.

Section 16.12

Pre-unification Assets, Liabilities, Sales Taxes, Reserves and Franchises

- A. Assets and Liabilities. The municipality shall succeed to all the assets and liabilities of the local governments. Bonded indebtedness incurred before unification shall remain the tax obligation of the area which contracted the debt, except that the tax obligation shall be spread over a larger area by vote of the Assembly if the asset, for which the bonded indebtedness or other liability was incurred, is used for the benefit of a larger area.
- B. Sales and Use Taxes. All revenues from sales and use taxes in effect at the time this Charter goes into effect shall continue to be allocated in accordance with existing ordinances until changed as provided by this Charter.

Section 16.13

Functions to Continue

Subject to Articles XII and XIII, service areas and local improvement districts in existence at the time of enactment of this Charter shall continue to exist. The City of Hoonah shall comprise a service area. The functions of local government and service areas being exercised immediately prior to enactment of this Charter may continue insofar as consistent with this Charter, except

that the Assembly may alter, consolidate, or abolish service areas and may add or eliminate services as provided by Articles XII and XIII of this Charter.

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