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Ed

BOUNDARY COMMISSION HEARS VIEWS ON BOROUGH

200 Attend Hearings 37 Say Yes, 9 Against

An estimated 200 persons were on hand last night as the Local Boundary Commission held public hearings on petitions asking for detachment and incorporation as a separate borough in Chugiak-Eagle River. One count showed that 37 spoke in favor of the separate borough while nine went on record as opposed. A number of other persons submitted written testimony.

Chugiak - Eagle River Borough Assn., sponsors of the petition drive, were heard first with chairman Lee Jordan coming down hard on Anchorage at the conclusion of an otherwise unemotional prepared statement describing the petitioned action.

Jordan said he was "extremely distressed" at the brief filed by the municipal attorney's office. "The assinine remark that our closest thing to a cultural center is the shopping center parking lot where some of the kids hang out is an insult," Jordan said. He added that he would demand an apology "except for the fact that the stupidity of that statement is just another illustration of the lack of knowledge on the part of Anchorage as to what is involved in Chugiak - Eagle River and their lack of concern for its residents." Prior to the blast, he had discussed participation of residents in various capacities with the dissolved Chugiak - Eagle River Borough and told of various projects in which citizens had raised money.

Jordan and attorney Vincent Vitale, an Eagle River resident, represented the petition sponsors.

In discussing distribution of assets and liabilities, Jordan said that either of two methods could be used, although one would result in a higher cost to local taxpayers for retirement of debt. In one formula, the separate borough would assume 5.27% of the areawide debts of the former Greater Anchorage Area Borough and would receive 5.27% of the GAAB areawide assets. Actual amount of assets is not known, Jordan said. He pointed to a financial report of the borough which gives a figure of \$174 million total assets but claimed that figure is low. He noted that the report stated that the assembly had directed an appraisal be made to determine actual value of assets, but that none had been made.

Second method would be to transfer all assets within the separate borough to Chugiak - Eagle River which would then assume responsibility for paying all remaining debt on those facilities. Difference in total debt between the two methods would be about \$8 million, he said, but would be offset in part by ownership of additional lands.

Repayment of debt under the lower amount would require a mill rate of 2.14, Jordan said, while the higher figure would increase the tax rate of 4.7 mills.

Discussing financial impact of separation, Jordan said that budget requests which were before the Chugiak - Eagle River assembly when the supreme court decision was rendered would have been cut by the assembly. He said indications were that the legislative body would have reduced the school budget by 4.7% which he said would have been in line with budget reductions made by other borough assemblies in the state. Resulting school mill rate would be 9.25, he told the commission.

General borough budget requests would probably have been cut by 10%, Jordan said, resulting

in a tax cost of 4.42 mills. Debt service would have been either 2.14 or 4.7 mills, depending on the formula chosen by the commission for the division of assets and liabilities. Total tax rate for the borough would be either 15.81 or 18.37, depending on the debt figure.

Chugiak cost for fire protection would have remained at one-half mill. In Eagle River, budgets were still under revision. It had not been determined whether to provide current staffing of two firemen and one para-med on duty around the clock or one fireman and one para-med. Cost would range between the present 1.8 and 2.4 mills, he said.

Bonding to meet future needs of the separate borough would not be a severe problem, Jordan said. He said creation of the state's municipal bond bank would assist in obtaining financing at reasonable interest rates.

Population growth is projected to reach 27,000 persons by 1990, the commissioners were told. That growth would require construction of new elementary schools in the Peters Creek and Eagle River Valley areas and additions to present school facilities. He noted that it might be more desirable to build a new junior high school than to greatly enlarge the present junior-senior high complex.

Tax base would also grow at a rapid rate, Jordan said, reaching a predicted \$400 million by 1980, a figure he said is nearly triple the present value of property in the Chugiak - Eagle River area. He said that within the next one to three years there will be a large commercial development in the Eagle River area, industrial and commercial development in the vicinity of Birchwood Airstrip, and that the Eklutna Village corporation would begin developing some of its resources. These, added to the normal growth of about 20% per year, would account for the \$400 figure.

Anchorage officials responded briefly, referring primarily to written information submitted to the commission earlier this week. Attorney Rick Garnett told of the standards required for incorporation of boroughs. He reminded commissioners that despite the political and emotional points to be brought out during the hearing, their responsibility was to the law. Points of the law must be followed despite the emotional feeling in another direction.

Garnett, who was attorney for the charter commission prior to the Sept. 9 unification election, said that the new unified government is "a new deal" and should be given an opportunity to work. He said he felt many of the problems cited by residents in wanting to break away from Anchorage may be solved by the new government.

Anchorage finance officer Norm Levesque and Jim Dalton of the finance department also made a brief presentation concerning the division of assets and liabilities. Dalton said that the "reasonable test rule" had been applied to the municipality's position on distribution of assets. He said that this test dictates that only the share of assets built up by Chugiak-Eagle River residents should go to the new borough if separation is effected.

Several legislators were given an opportunity to speak prior to opening the hearing to the public. Rep. Sam Cotten, Sen. Ed Willis,

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RESIDENTS SPEAK IN SUPPORT OF SEPARATE BOROUGH

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Assemblyman Ernie Brannon, Rep. Bob Bradley and Sen. Brad Bradley each spoke in favor of giving residents an opportunity to vote on the question. Cotten said that although the boundary commission is the body charged with making decisions on local government, legislators had expressed the opinion that Chugiak - Eagle River meets the standards for incorporation. He also described legislation which had been passed to aid the borough during its brief existence before being ruled unconstitutional. Willis echoed the legislative expression and said that he had introduced a joint resolution on the senate floor which among its clauses said that the area meets the standards. It was passed with "nary a voice raised in objection," he said.

Brannon said that he felt the residents of the area should have the opportunity to vote on the question of separation. Rep. Bradley said that although he is not a resident of the area, he wanted to see the question brought to a vote if that is the wish of the people. Sen. Bradley said he felt the voters should have the opportunity to make their expression, "and then let the politicians get involved and see that it works."

Main theme of presentations by the residents who spoke was "it may cost more but it will be worth it to have control over our own affairs." Several recounted cases of dissatisfaction with Anchorage government.

Arguments were also given in response to publicity of the Anchorage legal brief in the evening newspaper Tuesday. Many residents pointed to cultural and social activities. Others argued that close ties to the Anchorage economy are not reason to deny the separate borough.

Chugiak resident Bob Kallenberg made several points concerning the standards, noting that the Republican Party has recognized Chugiak - Eagle River as a separate district. He said the area's distinct separation from Anchorage was demonstrated by maps used by the borough. He showed several which displayed the Anchorage Bowl with arrows in the upper right corner pointing to this community. Planning by Anchorage included little for the area, he said.

Detailed opposing statements were given by Glenn Briggs, Stanley Nickerson and Darlene Chapman. Briggs said that the area's needs can best be met as part of the Anchorage municipality and detailed several areas of need. He said that the community's student enrollment represents 7.5% of the Anchorage district while its tax base represents only 5.27%. This is an indication that the larger tax base of Anchorage is needed to support costs of education. He also said that the area would not be able to continue growth under the separate borough. Higher tax costs and difficulty in providing needed facilities would discourage development. Investors would not be willing to finance needed com-

mercial and housing facilities.

Nickerson told of problems of sewer and water systems which face the community and questioned ability of the area to meet those needs. He said that lack of sufficient tax base could cause severe hardships.

Mrs. Chapman, a member of the former borough's school board, said that only a "maintenance level" school budget had been submitted to the assembly and that proposed cuts would have made it impossible to provide a good educational system.

Don Olson, also a member of the former school board, said he felt residents would be willing to pay a little more for a better school system. He said he felt the school program offered under the separate borough would have been a good one. "Don't make your determination on what might or might not be done," he told the commission. "Make the decision and let us argue about what kind of program we will turn out."

Les Fetrow, a member of the former borough assembly, said he feels the area meets the standards for incorporation as a borough. He said there are more than enough social and cultural activities to occupy his time. He also noted that the area is definitely a separate community from Anchorage. He said that until recently his residence was 19 miles from Anchorage. As a result of new highway designations, he said he now lives 3.7 miles from Eagle River.

Steve Goodwin, opposing the separate borough, asked the commission to require passage by 51% of the total registered voters. He said that the majority do not vote and that 1200 people should not determine what is best for 10,000.

In a position statement accompanied by a letter signed by Anchorage mayor George Sullivan, the municipality said it neither supports nor opposes the effort to separate and form a new borough. It did give positions on distribution of assets and liabilities and asked that watersheds be protected to insure future water supply to the municipality from Eagle River.

Anchorage said that the municipality should not assume any costs connected with the distribution of assets and liabilities. It

said Anchorage would gain no recognizable benefit from the separation.

There are no assets to be transferred to the new borough, according to the Anchorage position. The presentation noted that value of the assets is "exactly offset by the value of the liabilities associated with obtaining the assets."

The municipality also said that Chugiak - Eagle River residents have paid \$1,171,982 in taxes since 1969 and that services provided in the area "are demonstrably greater than the tax billings." On that basis, Chugiak - Eagle River had not been able to accumulate a share of assets.

Regarding school properties, the Anchorage municipality said that current valuation "is meaningless since a gain is not realized unless the school facilities are sold." The municipality suggested that computation be made of the amount of school taxes paid by Chugiak - Eagle River residents each year since the borough was formed. Chugiak - Eagle River would then be liable for cost of facilities in its boundaries less its share of debt service paid through the years. Credit to Chugiak - Eagle River would be \$550,000.

Lands owned by Anchorage and situated within the Chugiak - Eagle River area would be transferred to the new borough "contingent upon the State of Alaska restoring land selection rights of equivalent acreage within or adjacent to the Municipality." Chugiak - Eagle River should repay costs of acquiring those lands, it was added.

Rights of Anchorage residents to "watersheds and air sheds lying in the proposed Chugiak - Eagle River Borough must not be diminished," the statement said.

ENERGY SAVING TIP: Setting nighttime temperatures back can reduce heating costs significantly. Why not consider a clock thermostat which will turn the heat down automatically at night before retiring and turn it on before you wake.

Commission chairman Sig Strandberg said in opening the hearing that it would end at 11:30. He extended it, however, when it appeared that testimony might be completed without extending to a second night. The hearing was

adjourned at about 10 m after midnight.

The record will be kept for additional testimony Nov. 14. A decisional meeting will be held after that date.