
Chapter 3 - Summary of Conclusions and Recommendation

This brief chapter provides a succinct overview of the conclusions reached by DCCED in Chapter 2 based on previously presented analysis. It also presents DCCED's preliminary recommendation to the LBC regarding the Petition.

A. Summary of Conclusions

The following summarizes the fundamental conclusions reached by DCCED in the previous chapter.

- The incorporation proposal would create a home-rule borough. The framers of Alaska's Constitution considered home-rule to be the highest form of self-government. Thus, the incorporation proposal promotes the "maximum local self-government" principle in article X, section 1 of the Alaska Constitution.
- The proposal also promotes maximum local self-government in that it will extend borough government to an estimated 3,465 square miles and 2,017 residents. Of that, 71 square miles and 1,911 residents are already within the home-rule City of Wrangell.
- Upon incorporation of the City and Borough of Wrangell, the home-rule City of Wrangell will be dissolved. The Wrangell Borough incorporation proposal promotes maximum local self-government with a minimum of local government units by creating one local government to provide basic municipal services in the area, including education, planning, land use regulation, platting, taxation and collection of taxes, volunteer search and rescue services, police, borough hospital, boat harbor, cemetery, museum, public safety building, Community Center, library, incarceration facilities, economic development planning, and parks and recreation. Most of these services were previously provided by two separate government entities: the City of Wrangell, and in the case of platting outside the boundaries of the City of Wrangell, the State of Alaska. The new borough will also collect the proposed taxes and the National Forest Receipts.
- Article X, section 3 of Alaska's Constitution mandates that each borough embrace an area and population with common interests to the maximum degree possible. Additionally, AS 29.05.031(a) provides that the population of a proposed borough must be "interrelated and integrated as to its social, cultural, and economic activities" and that "land, water, and air transportation facilities allow the communication and exchange necessary for development of integrated borough government." Moreover, 3 AAC 110.045 requires that a proposed borough embrace a community of interests.
- Wrangell's petition to incorporate 3,465 square miles as the City and Borough of Wrangell, and the Ketchikan Gateway Borough's petition for annexation of a 4,701 square-mile portion of the area within the model boundaries of the Ketchikan

Gateway Borough (KGB), both claim the same 191 square-mile area in the vicinity of Meyers Chuck and Union Bay. Based on the evidence in this incorporation proceeding and the pending proceeding for annexation to the Ketchikan Gateway Borough, DCCED concludes that only 95 percent of the area proposed for incorporation as the Wrangell Borough share common interests to the maximum degree possible. DCCED concludes that the remaining 191 square-mile area and the population in the vicinity of Meyers Chuck and Union Bay on the Cleveland Peninsula have greater interests in common with Ketchikan as compared to Wrangell. That 191-square mile area is within the Ketchikan model borough boundaries and is currently proposed for annexation to the Ketchikan Gateway Borough.

- The existing population of the proposed borough meets the size and stability requirements for borough incorporation.
- The borough incorporation proposal is fiscally viable. The Wrangell area economy is capable of supporting the proposed borough. Wrangell incorporated as a city government in 1903 and adopted a home-rule charter in 1960. City government has provided services and represented the entire area, not just what is within the city limits; services provided to the community on an areawide basis for the past several years include parks and recreation, boat harbor, Community Center, library, museum, and volunteer search and rescue services. (The City of Wrangell provides a facility, equipment and training for Search and Rescues services by the Wrangell Volunteer Fire Department.) Additionally, the City of Wrangell has provided educational services for several years to residents of the proposed borough. Accordingly, the standards regarding the human and financial resources are fully satisfied by the borough incorporation Petition.
- The communications media and the land, air, and water transportation facilities in the proposed borough are well developed and integrated. The standards regarding such are fully satisfied except with regard to the 191-square mile area noted above.
- Borough incorporation is in the best interests of the State, not only because it promotes maximum local self-government and a minimum of local government units, but because it also provides residents throughout the proposed borough with an equal voice in the operation of areawide services. Additionally, borough incorporation promotes taxpayer equity in that all residents and property owners throughout the City and Borough of Wrangell will shoulder an equal fiscal burden for areawide services.
- The Petition provides a plan for suitable transition to a unified home-rule borough.
- Borough incorporation would not violate any provision of the federal Voting Rights Act or other laws concerning civil and political rights.
- The boundaries of the proposed borough include a 191 square-mile area that is part of the Ketchikan Gateway Borough model boundaries.

Thus, Commerce concludes that Petition satisfies all legal standards applicable to borough incorporation, except with respect to the 191-square mile area noted above. Those applicable legal requirements include article X, sections 1 and 3, Constitution of the State of Alaska; AS 29.05.031; AS 29.05.100; 3 AAC 110.045 - 3 AAC 110.065; 3 AAC 110.900 - 3 AAC 110.990; and provisions of the federal Voting Rights Act.

B. Recommendations

It is DCCED's conclusion that the Petition meets all applicable legal standards (with the exception of the 191-square mile area noted above). Therefore, DCCED recommends that the LBC amend the Petition to exclude the 191-square-mile area around Meyers Chuck and Union Bay; this area is within the model boundaries of the Ketchikan Gateway Borough and otherwise has stronger ties to Ketchikan. A petition for annexation of a 4,701 square-mile portion of the area within the model boundaries of the Ketchikan Gateway Borough (KGB) – including Meyers Chuck and Union Bay -- was filed by the KGB in February 2006. DCCED concludes that this 191 square-mile territory, part of the Cleveland Peninsula and within the KGB model boundaries, has more in common with the KGB than it does with the proposed City and Borough of Wrangell. Those boundaries were set by the LBC in 1991 using the legal borough boundary standards and constitutional principles established in law. This is consistent with DCCED's conclusion in its *Preliminary Report to the Local Boundary Commission Regarding the Petition for Annexation of Approximately 4,701 Square Miles to the Ketchikan Gateway Borough*, issued June 30, 2007.

There are strong ties between the Ketchikan Gateway Borough and Meyers Chuck regarding transportation and communication, election districts, recording districts, borough government boundaries as mandated by the 1963 legislature, and the model borough boundaries. Natural geography and census sub-area boundaries are common interests linking the KGB to Meyers Chuck. Since Meyers Chuck is within the Primary Service Area of the Ketchikan General Hospital, medical care is another common interest between the KGB and Meyers Chuck. Moreover, Meyers Chuck and Union Bay are within the "Ketchikan Planning Region" of DNR's *Central/Southern Southeast Area Plan*. That is particularly important because the Wrangell Petitioner justifies the exclusion of Petersburg from its borough proposal, in part, by placing great weight on the fact that Wrangell and Petersburg are in separate planning regions in the same *Central/Southern Southeast Area Plan*.

DCCED notes that if borough incorporation occurs and the home-rule City of Wrangell dissolves, the Charter, found in Appendix D, will become the organic law of the borough. In other words, the Charter will serve as the equivalent of a local government constitution for the City and Borough of Wrangell.

The fiscal viability of the prospective borough is reasonably assured. DCCED concludes that incorporation of the Wrangell Borough would serve the best interests of the state. DCCED also concludes that the Wrangell unified home-rule borough incorporation proposal meets the requirements of State law. Therefore, DCCED recommends the LBC approve the City and Borough of Wrangell Incorporation Petition with an amendment to exclude the 191 square-mile territory in the vicinity of Meyers Chuck and Union Bay that is the subject of a competing Petition for Annexation by the Ketchikan Gateway Borough.

