MEETING NO. 2011-25: The Special Meeting of the City and Borough of Juneau Assembly, held in the Assembly Chambers of the Municipal Building, was called to order at 6:00 p.m. by Mayor Bruce Botelho.

I. ROLL CALL

Assembly Present: Mary Becker, Bruce Botelho, Karen Crane, Ruth Danner (Teleconference), Johan Dybdahl, Jesse Kiehl, Carlton Smith, David Stone and Randy Wanamaker.

Assembly Absent: None.

Staff Present: Rod Swope, City Manager; Kim Kiefer, Deputy City Manager; John Hartle, City Attorney; Laurie Sica, Municipal Clerk.

II. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

Albert Judson thanked the Assembly for the improvements to Capital Transit but said that people call the buses “rolling refrigerators.” There are elderly, handicapped and infants that ride the buses, and he is concerned about them. There should be a minimum standard of 50 degrees in the buses. All the windows should be closed in the fall and winter. All doors should be closed during the stops. He said these should be standard policies and not exceptions. He said there is currently no policy to keep passengers warm. He said he rides the bus, he is grateful for the service, and would like his suggestion to be implemented.

III. PUBLIC HEARING

A. Ordinance 2011-25

An Ordinance Authorizing The Filing Of A Petition For Annexation Of Territory To The City And Borough Of Juneau.


Mr. Wanamaker said he is a member of the Goldbelt Board of Directors and as such said he has a conflict of interest. Mr. Hartle said that due to Mr. Wanamaker’s fiduciary duty to the Goldbelt Board, he agreed that Mr. Wanamaker should step down. Hearing no objection, Mayor Botelho ruled that Mr. Wanamaker had a conflict and Mr. Wanamaker stepped away from the meeting.

Public Comment:

Derek Duncan, Vice President of Operations, Goldbelt Incorporated, spoke on behalf of the company. He said Goldbelt is an Alaskan Native for-profit corporation headquartered in Juneau. Goldbelt is more than just a for-profit business; it is a community organization that is charged with providing for the socio-economic well being of its 3,300 plus Alaska Native
shareholders. Approximately one third of those shareholders reside in the Juneau area. It is
Goldbelt’s mission to identify the highest and best use of its 33,000 acres of ANCSA lands and
to maximize financial return to the company. These returns are distributed back to the
shareholders and descendents in the form of dividends, scholarships, elder’s benefits,
internships, job opportunities and in support of the 501c3 organization, the Goldbelt Heritage
Foundation, which is dedicated to the promotion and the preservation of the Tlingit culture and
language. Identifying the highest and best use of the lands at Hobart Bay is not easy and has
changed recently in light of the challenging economic environment. Creating sustainable
economic opportunities in the area will continue to be difficult and will evolve over the long
run. So too, will the potential Petersburg Borough and the City and Borough of Juneau options,
which Goldbelt has been evaluating. They understand the mandates of the state constitution
regarding the formation of areawide governments and the Local Boundary Commission (LBC)
may decide that the lands at Hobart Bay should be part of the organized Petersburg Borough or
the expanded boundaries of the City and Borough of Juneau. As a result, they will continue to
examine their options from a long-term perspective and will take into consideration how a
borough government will affect the economic development opportunities at Hobart Bay. They
will also continue to weigh what borough option is best politically for Goldbelt in the future.
Because the economic opportunities and borough options will develop and change over time,
Goldbelt prefers to remain part of the Unorganized Borough in the short term. They may let
the LBC know of their preference in the near future. He said gunalchéesh to the Assembly for
the time provided to make a statement.

Assembly Action:

MOTION, by Dybdahl, to adopt Ordinance 2011-25.

Mr. Kiehl asked what the potential liabilities or costs are to the borough for adding additional
lands, given the remote nature and distance from the downtown core. He asked if the costs to
the school district, the Juneau Police Department (JPD) or other borough services could be
quantified.

Mr. Swope said that presently there would be virtually no costs.

Mr. Kiehl said there could be future developments, such as logging camps, and asked if there
would be students who need to be transported to Juneau schools. Mr. Swope said the
possibilities are endless, so it would be difficult to quantify. Mr. Swope said that school
attendance in that area would be by correspondence. It is difficult to speculate at the costs.

Mr. Kiehl asked about the time that has lapsed since the model borough boundaries were
developed, and asked, “Where is the fire?”

Mr. Hartle said it was the manager and mayor’s judgment that if the Assembly did not take a
position, the LBC would default to Petersburg’s request. There is no longer a presumption in
favor of the model borough boundaries; it is just one of the many administrative boundaries of
which CBJ’s proposed annexation would coincide. He listed other boundaries such as the
Alaska Fish and Game unit, former election districts, the U.S. Forest Service Ranger District,
the Alaska Department of Natural Resources Recording District, along with natural watershed
boundaries.
Mr. Kiehl asked what CBJ’s interest is in this area and why would CBJ be a more suitable borough for the lands than the Petersburg Borough.

Mayor Botelho said that the LBC’s model borough boundaries date back and are a result of public hearings conducted in a period from 1989 to 1991; and reviewed in 1997 and 2003. In 2005-2006, CBJ convened the Annexation Study Commission to review potential expansion of the borough boundaries to the model borough boundaries, to the south and to the west. That Commission determined Juneau did have an interest in the lands but said at the time there was no reason to move forward, as there was little demand for governmental services in the area. The Commission did say that CBJ should be prepared in the event another polity would decide to annex the area. The concern is that Juneau has the closest ties to those lands of any entity and to the extent that the state constitution presumes that all areas would be incorporated into boroughs, these lands would be most appropriate to be part of Juneau due to historic ties and ongoing connections. Whether it is in the form of Goldbelt’s interests in Hobart Bay, tourism activities in Tracy Arm and Endicott Arm, or exploration activities staged out of Juneau, those are the economic and social connections that Juneau has to those lands. If these lands are to be in a borough, Mayor Botelho said in his political judgment it is most appropriate to include them in CBJ. It is ultimately up to the LBC to make the determination.

Ms. Danner asked if Juneau did not claim Hobart Bay, would it guarantee that the LBC would keep those lands in tact and in the Unorganized Borough. Mayor Botelho said no, as there is a competing claim by Petersburg.

Ms. Danner asked about the conclusion of the Annexation Study Commission on potential western boundaries of CBJ. Mayor Botelho said the areas to the west that are populated do not want to be incorporated into CBJ. He does not believe that the LBC is directed to place lands into a borough and do not do so on their own initiative – it is based upon petitions to organize a borough or to annex lands by a local government. The bias toward “boroughization” is founded in state law.

Ms. Danner asked about incorporation of Shelter, Horse and Colt Islands, and whether they should be incorporated due to their use of Juneau services. She asked if this should be considered now instead of in the future when another entity attempts to annex them. Mayor Botelho said that Shelter Island is part of the incorporated borough and he thought there was only one resident on each of Horse and Colt Islands. Those are mostly recreational properties owned by Juneau residents. The discussion regarding objections is farther to the west in areas such as Elfin Cove and Hawk Inlet. The Annexation Study Commission recommended that CBJ not proceed with those areas and the petition does not include those areas, it is only a response to the Petersburg’s petition.

Mr. Smith understands this is a response to the Petersburg petition, and asked if the last time CBJ was in this position was with the Haines Borough and its incentive to annex Excursion Inlet due to the raw fish tax. He asked if that was the last annexation of this type. Mayor Botelho said he could not answer that. Mr. Smith asked at what intervals CBJ should look at this issue on a regular basis. Mayor Botelho said he thought this should be a rare occurrence. The last incorporation of land into CBJ was in 1989. The last look was in 2006, and the reason we are discussing this is the Petersburg Petition.
Mayor Botelho said he spoke with the Deputy Mayor of Petersburg, Mark Jensen, who suggested that they would be prepared to adjust their boundaries southward of their current petition and divide Tracy and Endicott Arms and not contest the area of, and to the north of, Tracy Arm. Mayor Botelho told Mr. Jensen that Mayor Botelho was not in a position to negotiate. If there is dialogue, it is best that Petersburg first have a chance to review the CBJ response to their position and for CBJ to have an opportunity to read Petersburg’s reply. This could help illuminate what are seen as superior claims to the area.

Mr. Kiehl asked about the process and any opportunities for both sides to adjust the claims before the LBC. Mr. Hartle said that Petersburg filed a petition and CBJ filed a responsive brief. If this ordinance is adopted, CBJ would file a petition on November 2, and Petersburg would have the opportunity to file a responsive brief. Petersburg can choose to reply to the CBJ responsive brief to Petersburg’s petition, and CBJ can reply if Petersburg responds to CBJ’s petition. Then it goes to the LBC. He was not sure of the timeline of the LBC hearings. Positions will be presented orally before the LBC.

Mayor Botelho said Petersburg is authorized to modify its boundary application at any point up to the time that the LBC sets a hearing date, and similarly for CBJ. Petersburg has 30 days from October 26 to file its reply brief to CBJ’s responsive brief.

Roll call:
Aye: Becker, Crane, Danner, Dybdahl, Smith, Stone, Botelho.
Nay: Kiehl
Motion passed, 8 ayes, 1 nay.

Mr. Wanamaker returned to the meeting.

IV. ASSEMBLY COMMENTS AND QUESTIONS

Ms. Danner thanked Mr. Judson for his comments about the bus system and said she is pleased with how active the staff is to responding to concerns, but is not sure that staff is as good at letting those who voice their concerns know that something is being done or will be done.

V. EXECUTIVE SESSION – None.

VI. ADJOURNMENT - 6:30 p.m.

Signed: ___________________________  Signed: _______________________________
Laurie Sica, Municipal Clerk           Bruce Botelho, Mayor