



NEWS RELEASE

Commissioner Bill Noll

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For Immediate Release: April 3, 2006

Southeast Communities Look at Borough Formation

On Thursday, March 30, mayors and community leaders from six city governments gathered in Juneau for a historic meeting to discuss the prospects of forming an expansive borough government covering a large portion of Southeast Alaska. Sponsored by the Alaska Department of Commerce, Community, and Economic Development, community officials shared information and ideas regarding borough government and the potential benefits a borough government would bring to the communities and residents within the region.

Topics of discussion included a comparison of the unorganized borough and organized boroughs; pros and cons of borough formation; organized borough powers; and the process for borough formation.

Forming a regional government and making use of the resources and economies of scale, currently not available to the communities individually, could significantly enhance the financial capacity and service delivery for the area. The proposed new borough would likely be eligible for more than the individual cities in federal timber receipts. Additionally, a borough could collect taxes on industry in the area that individual communities could not.

Haines Representative Bill Thomas kicked off the meeting and praised the willingness of the communities to come together and educate themselves on the topic of forming regional governments. Representative Thomas said he will work this session to move

legislation which establishes financial incentives for borough formation.

Several pieces of legislation are moving through the legislature including a proposal by Governor Frank Murkowski that, if passed, will give new boroughs a \$2.5 million dollar incorporation grant.

Division of Community Advocacy Director Mike Black said the meeting was both historic and unprecedented. "To have this many community leaders come together and have this type of open, constructive dialogue concerning this often controversial subject is truly remarkable," said Black. "We hope this momentum continues so that the communities of this area can take full control of their own destiny and provide the maximum benefit and services for their residents".

In part, this meeting was spurred by the recent flurry of activity concerning borough incorporation and annexations in Southeast Alaska. The Ketchikan Gateway Borough has petitioned the Local Boundary Commission to annex approximately 4,700 square miles a portion of Tongass National Forest; The City and Borough of Juneau formed an "Annexation Study Commission;" And the Cities of Wrangell and Petersburg are actively investigating borough formation.

The communities participating in the informational meeting were Angoon, Hoonah, Gustavus, Kake, Pelican, and Tenakee Springs. The area under consideration stretches from Glacier Bay in the north to Kuiu Island in the south and includes Icy Straits, Chatham Straits, and Frederick Sound.

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