



## LOCAL BOUNDARY COMMISSION

550 West 7<sup>TH</sup> Avenue, Suite 1640  
Anchorage, Alaska 99501  
PHONE: 907-269-4559 / 4587  
FAX: 907-269-4563

---

### STATE OF ALASKA LOCAL BOUNDARY COMMISSION DECISIONAL MEETING FOR XUNAA BOROUGH PETITION

Minutes of Meeting for November 12, 2024 at 10 a.m.  
Via Zoom

LBC Chair Larry Wood called the meeting to order at approximately 10:10 a.m. Commissioners John Harrington, Clayton Trotter and Clay Walker were present for the meeting. Commissioner Cyrus was initially absent. LBC staff Jedediah Smith and Assistant Attorney General Gene Hickey were also present at the meeting, as well as other Division of Community and Regional staff. There were approximately 40 members of the public online during the meeting.

Commissioner Walker motioned to approve the agenda. Commissioner Harrington seconded the motion. The motion passed 4-0.

Commissioner Harrington motioned to adopt the LBC meeting minutes from March 12, 2024 and October 22, 2024. Commissioner Walker seconded the motion. The motion passed 4-0.

Commissioner Walker motioned to accept Hoonah Petitioner's representative Jon Tillinghast's written statement given during the September 5, 2024 public hearing. Commissioner Harrington seconded the motion. LBC staff said the statement had been provided orally during the public hearing, but much of it was considered inaudible during the rendering of the hearing's transcript. The motion passed 4-0.

Commissioner Walker motioned to adopt the City of Hoonah's petition to dissolve the City of Hoonah and to form a non-unified Home Rule Xunaa Borough as presented to the Local Boundary Commission. Commissioner Harrington seconded the motion.

Chair Wood said he would like to review the petition beginning with the boundaries standard in 3 AAC 110.060.

Commissioner Harrington said the boundary issue is crucial to the entire decision. He said having some borough formed is better than nothing. Commissioner Walker said the proposed boundary doesn't incorporate many new people and doesn't extend services to new residents of the unorganized borough.

Commissioner Cyrus joined the meeting at approximately 11:07 a.m.

Chair Wood restated the motion to grant Hoonah's petition as presented.

Commissioner Trotter said the net effect on government units is nil since the city is dissolving in the formation of a borough. Commissioner Walker said he does not believe the proposed boundaries are the "optimal" boundaries for that region in accordance with the Alaska Constitution. Commissioner

Harrington said if the Commission wishes to include the neighboring communities, it would have to go through another public hearing process. But currently, Hoonah meets the statutory requirements to form a borough. Commissioner Trotter said there have been other borough incorporations that have included a lot of land, and that he believes the boundaries generally conform to the natural geography of the area. Commissioner Cyrus said he believes the petition meets the boundaries standard.

Commissioner Harrington said the community of interest standard is met because most travel in the region is by personal watercraft. One caveat is the residents of Funter Bay want to be part of the Xunaa Borough even though they are in closer proximity to Juneau. Commissioner Walker said the borough as proposed brings in residents of Game Creek, Elfin Cove and Funter Bay, so it seems there is a compatibility. But said he is concerned about representation, as voiced by the residents of Elfin Cove, and questions whether the proposal brings regional government to the entire area.

Commissioner Cyrus said the majority of the land selected for the borough is of historical and ancestral usage. A lot of rural boroughs are not connected in traditional ways like roads, and most have airports. He said he didn't think communications would be a barrier. Commissioner Harrington said the population is very close to 1,000 and exceeds that number during the tourist high season and the petitioner has demonstrated competency to deliver services. Commissioner Walker said the amount of economic activity is reflective of a population greater than 1,000 people, and this standard could be slightly relaxed. The petitioner demonstrates an ability to sustain economic development. However, the petition does not encompass the neighboring communities to the maximum extent possible. Commissioner Cyrus said the area could sustain a borough with a population slightly less than the standard, but including the neighboring communities should be considered.

Chair Wood said the petitioner noted in a response that if the commission requested, it would rephrase how it would handle planning and zoning powers and move away from relying on the state standard and develop their own. He noted the Petersburg borough, which still relies on the state Department of Natural Resources for some platting and land use management. He said the development of Icy Strait Point has been a boon for the community. Whether Hoonah could or would eventually provide services to the community of Elfin Cove is a concern he shares with this petition. He noted the standards for detachment from a borough through the legislative review method.

Commissioner Harrington said he also has concerns about Elfin Cove, particularly the collection of taxes without the benefit of certain services in the borough. But he said he agreed the petitioner has the resources available to provide borough government. Commissioner Trotter, Commissioner Walker and Commissioner Cyrus agreed the petitioner has the resources available to provide borough government.

Commissioner Cyrus asked what services the Department of Natural Resources are providing, and whether those are optional services. LBC staff clarified the three mandatory areawide powers all boroughs must provide according to Alaska Statute. Staff read the petitioner's response to the staff preliminary report, in which details the petitioner's intent to provide platting services.

Chair Wood said there were concerns about the boundary standard and the exclusion of neighboring communities. Commissioner Cyrus said he believes the boundary standard is met but shares concerns about the excluded communities.

Chair Wood said he does not think the petition meets the standard for minimum number of local government units. Commissioner Harrington said the petition as presented is not perfect, but is a step in the right direction. Commissioner Walker said the petition does not propose enough efficiencies and transference of state services and agrees with the conclusion and recommendations in the staff's final report. Commissioner Trotter said Hoonah has done an exemplary job of resource management, and when they tried to extend the offer to other communities to join their efforts, they were treated like crabs in a barrel, and that he believes the best interests of the state standard is met. Commissioner Cyrus said he believes the petition is in the best interests of the state.

Commissioner Harrington said if this petition is approved, the commission should require the petitioner to reach out to the three outlying communities and start a dialogue about how to be part of the borough. He also recognized the difficulty in which a resident outside of the townsite service area may have in getting elected to the borough assembly.

Chair Wood called the question. Commissioners Trotter, Cyrus and Harrington voted in favor of the motion to adopt the Xunaa Borough petition and dissolve the city of Hoonah, by the local action method was approved. Commissioners Wood and Walker voted against the motion. The motion passed 3-2.

Commissioner Trotter motioned to move into executive session, pursuant to the Open Meetings Act AS 44.62.310(c) for the purposes of receiving legal advice from the Assistant Attorney General. Commissioner Harrington seconded the motion. The motion passed 5-0.

The commission returned from executive session at approximately 3:21 p.m. Commissioner Harrington motioned the LBC put on the record the ideal boundaries of the area would include the communities of Pelican, Tenakee Springs and Gustavus, and should eventually be included in a Xunaa borough. Commissioner Trotter seconded the motion. The motion passed 5-0.

Commissioner Harrington motioned to adjourn the meeting. Commissioner Trotter seconded the motion. The motion passed 5-0.

**APPROVED: February 18, 2025**

**LOCAL BOUNDARY COMMISSION**

---

LARRY WOOD, CHAIR

**ATTEST:**

---

JEDEDIAH SMITH, STAFF