# STATE OF ALASKA

## LOCAL BOUNDARY COMMISSION

In the Matter of the Petition by the City	)
of Hoonah for the Incorporation of the	)
Xunaa Borough as a Home Rule Borough	)
And Dissolution of the City of Hoonah	)

# STATEMENT OF DISSENT TO THE DECISION OF THE LOCAL BOUNDARY COMMISSION

## I. Introduction

On November 12, 2024, the Local Boundary Commission ("Commission" or "LBC") held its decisional meeting regarding the Xunaa Borough Incorporation Petition ("Petition"). At the conclusion of the meeting, the commission voted 3-2, narrowly approving the Petition. In accordance with LBC regulations, the majority's written decision ("Decision") has been issued "...explaining all major considerations leading to the decision." Pursuant to the Commission's Bylaws, commissioners disagreeing with the majority's vote may submit their dissenting opinion in writing. Accordingly, we respectfully disagree with our colleagues' majority decision, and reiterate our dissenting opinion here. Our differing view was first expressed at LBC's November 12, 2024, decisional meeting.

<sup>2</sup>Bylaws, Article XII, Section 2(a)

<sup>&</sup>lt;sup>1</sup> 3 AAC 110.570(f)

Although we believe the Decision may misapply two important borough incorporation standards, we commend the majority for its well composed written statement. We also appreciate our frank and respectful discussion of the issues affecting the City of Hoonah's Petition and the many responses to it during our decisional meeting in November.

Second, thanks to the commendable effort and fair assessments reflected in the Decision, we can heartily agree with most of it, and turn quickly to its frank discussion of those points that separated us commissioners during our vote.

Lastly, we point out that an unintended consequence of the majority's decision has become increasingly obvious since our meeting. That is, perhaps for the first time since Alaska Statehood, the communities and residents of the Glacier Bay region should now be strongly motivated to abandon past disagreements regarding borough formation. They could take advantage of a fleeting opportunity during any appeal to work together -- on a level playing field caused by uncertainty of its outcome -- to cooperatively design and develop a truly regional plan that best serves their common interests.

#### II. Discussion

A. Two Borough Incorporation Standards May Not be Satisfied

Our particular objection with the Decision is that the City of Hoonah's Petition may not satisfy two important and intertwined borough incorporation standards: boundaries and best interests of the state. Here's why.

On page 22 and following, the majority cites regulation 3 AAC 110.060 which incorporates key constitutional and statutory describing the boundaries standard. The multi-faceted regulation states in part:

(a) In accordance with AS 29.05.031(a)(2) and art. X, sec. 3, Constitution of the State of Alaska, the <u>boundaries</u> of a proposed borough must conform generally to natural geography, must be on a <u>regional</u> scale suitable for borough government, and must include <u>all</u> land and water necessary to provide the <u>full</u> development of essential municipal services on an efficient, cost-effective level.

\* \* \*

- (b) When reviewing the boundaries proposed in a petition for borough incorporation, the commission may consider
  - (1) <u>model borough boundaries for the area within the proposed borough;</u>
    - (2) regional boundaries, including
  - (A) boundaries of one or more <u>regional educational</u> <u>attendance areas</u> existing in that proposed borough area;
    - (B) <u>federal census area boundaries</u>;
  - (C) <u>boundaries established for regional Native corporations</u> under 43 U.S.C. 1601 1629h (Alaska Native Claims Settlement Act); and
    - (D) boundaries of national forests;
  - (3) whether the proposed borough will embrace an area and population with common interests to the maximum degree possible;
  - (4) whether the proposed borough <u>promotes maximum local</u> <u>self-government</u>, as determined under 3 AAC 110.981;
  - (5) whether the proposed borough promotes a <u>minimum</u> <u>number of local government units</u>, as determined under 3 AAC 110.982 and in accordance with art. X, sec. 1, Constitution of the State of Alaska; and
  - (6) whether the proposed borough boundaries are the <u>optimum</u> boundaries for that region in accordance with art. X, sec. 3, Constitution of the State of Alaska.

\* \* \*

(d) Absent a specific and persuasive showing to the contrary, the commission will <u>presume</u> that an area proposed for incorporation that is noncontiguous or that contains <u>enclaves does not</u> include all land and water necessary to allow for the full development of essential municipal services on an efficient, cost-effective level. [Emphasis added].

## 3 AAC 110.981 adds this:

In determining a proposed boundary change <u>promotes maximum</u> <u>local self-government</u> under art. X, sec. 1, Constitution of the State of Alaska, the commission will consider

(1) for borough incorporation, whether the proposal would extend local government on a <u>regional scale</u> to a <u>significant</u> area and population of the unorganized borough \*\*\*. [Emphasis added].

Finally, 3 AAC 110.990(9) includes the LBC's comprehensive <u>Unorganized</u>

<u>Areas of Alaska That Meet Borough Incorporation Standards</u> (February 2003) in the definition of "model borough boundaries" along with the <u>Model Borough Boundaries (June 1997</u>). Both include Hoonah, Gustavus, Pelican, Tenakee Springs, Elfin Cove, and Game Creek in the Glacier Bay Model Borough.<sup>3</sup>

<sup>&</sup>lt;sup>3</sup> Importantly, Model Borough Boundaries advised long ago: "Based on the foregoing, the Local Boundary Commission concludes that each of the eight areas under review embrace an area and population that has common interests in a regional context as called for in Article X, Section 3 of Alaska's constitution. Moreover, each of those areas has a population that is interrelated and integrated socially, culturally, and economically, as set out in AS 29.05.031(a)(1) and 3 AAC 110.045(a). Additionally, the boundaries of the eight unorganized regions examined in this report conform generally to natural geography and include all areas necessary for full development of municipal services in compliance with AS 29.05.031(a)(2) and 3 AAC 110.060(a). \* \* \* Further, the eight areas in question are defined by model borough boundaries which, unless changed by the Commission, certainly meet the standard established in 3 AAC 110.060(b). It is also noted that the boundaries of four of the eight regions under review encompass entire REAAs. \* \* \* Moreover, the boundaries of the Glacier Bay Model Borough encompass all of the Chatham REAA localities with the exception of Klukwan (an enclave within the Haines Borough), Skagway (a city school district bounded on the west and south by the Haines Borough and the north and east by Canada), and Angoon (within the Chatham Model Borough). The Chatham Model

The regulation also defines "region" at its subsection (28) which:

- (A) means a <u>relatively large area</u> of geographical lands and submerged lands that may include <u>multiple</u> communities, all or most of which share <u>similar</u> attributes with respect to population, natural geography, social, cultural, and economic activities, communications, transportation, and other factors;
- (B) includes a regional educational attendance area, a state house election district, an organized borough, and a model borough described in a publication adopted by reference in (9) of this section; [Emphasis added].

To possibly sum up the import of these various regulations, the majority notes that the "exclusion of the communities of Gustavus, Pelican, and Tenakee Springs [from the Xunaa borough boundaries] has created a difficult conundrum for the commission." Page 24. It adds:

"The proposed borough boundaries do not completely surround Gustavus, Pelican and Tenakee Springs but their exclusion from the Borough leaves them without inclusion in any borough in Southeast Alaska. Although these areas would not be surrounded by the Borough, with the approval of the Petition, they are each completely surrounded by boroughs." Page 2.

Indeed, to create likely enclaves in borough boundaries is an important concern. As the Final Report notes:

"Boroughs are intended to be <u>regional</u> forms of government that <u>unify</u> communities of common interest and <u>deliver services on an areawide</u> <u>basis</u>. The petitioner states the boundaries have been drawn to enclose 'a geographically distinct and interrelated region dependent on fishing and tourism from the abundant waters within and surrounding the borough, and in which all of the residents of the borough have a common interest.' The petitioner further stated that 'the waters surrounding the proposed borough represent untapped wealth that, through fair and uniform

Borough encompasses Angoon and Kake (Kake operates a city school district)." See, Page 211, et. seq. [Emphasis added].

taxation, can better the lives of <u>everyone</u> within the borough,' and has included five years of commercial fishing data, including total catch and commercial value.

To approve the boundary as proposed while excluding the neighboring communities of Gustavus, Pelican, and Tenakee Springs, which are surrounded by the very waters and lands the petitioner claims are abundant and rich in resources, would <u>deny</u> them a seat at any regional government decision-making regarding those resources, not to mention a portion of any collective benefits. The proposed Xunaa Borough charter is drafted in such a way as <u>not</u> to incentivize inclusion of additional communities should they decide to opt into the borough in the future. A borough that <u>fragments</u> the region would create inequality among the communities within and outside the proposed borough boundary. Such a division would not be in the best interests of the state.

By excluding Pelican, Gustavus, and Tenakee Springs, the LBC would eliminate <u>any</u> possibility those three communities could form a contiguous borough, since they would be <u>geographically isolated</u> from one another by the proposed Xunaa Borough boundaries. These municipalities could conceivably join one of the existing boroughs in northern Southeast Alaska, but their prospects to do so are <u>limited</u>. For example, should the cities of Tenakee Springs or Pelican join the unified City and Borough of Sitka, their existing city governments would be dissolved, and local decision-making would be greatly reduced." Page 39. [Emphasis added].

We add that the Petition's omission of every other Glacier Bay municipality demonstrates that its borough boundaries may not be optimum because they do not minimize the number of local government units, maximize local government for a significant population of the region nor share a borough government's projected revenues and its efficiencies of scale within the entire region.

Two Gustavus commenters frame this issue similarly:

"In Alaska, a borough is intended to be a regional government, inclusive of all people in the region, with the expectation that all will willingly work together to form a borough to meet regional needs. The Xunaa Borough is not the outlined Glacier Bay Model Borough serving all the region's population centers. The City of Hoonah invited Gustavus, Pelican, and Tenakee Springs to join them, but only <u>after</u> Hoonah had already designed a borough that the other communities would <u>not</u> want to join.

"Frankly, we doubt that Hoonah truly wanted any of the other communities in their borough. They propose <u>no</u> regional services, <u>only</u> a regional tax. All Hoonah really wants is authority over a vast area of largely unpopulated land and water with no responsibilities to serve anyone living outside Hoonah.

"Second, the proposed Xunaa Borough <u>creates effective enclaves</u> of Gustavus, Pelican, and Tenakee Springs, in violation of State Statute. It will be nearly impossible for the isolated communities to form, if they choose, their own compatible borough, or boroughs, as true regional governments when their population(s) rise to the minimum.

"A borough that neatly <u>excludes and isolates</u> three major population centers with <u>half</u> the region's population is not a regional government and should not be a borough." [Emphasis added].

Because of its omission of Glacier Bay communities in its proposed borough boundaries, the Final Report suggests instead:

"Hoonah can achieve maximum local self-governance by adopting a home rule charter for the City of Hoonah rather than incorporating as a borough government. LBC staff recommends that adopting a home rule charter is the appropriate course under the Alaska State Constitution." Page 38.

Staff's conclusion seems consistent with constitutional delegate Vic Fisher's view expressed some 68 years ago that it is "unimaginable" that a city would be the same size as a borough.<sup>5</sup>

The reason that the City of Hoonah has excluded nearly one half of the region's population and their municipalities from the boundaries of its

<sup>&</sup>lt;sup>4</sup>Letter of Mike Taylor and Karen Colligan-Taylor, Gustavus

<sup>&</sup>lt;sup>5</sup> <u>Unorganized Areas of Alaska That Meet Borough Incorporation Standards</u> (Feb. 2003), page 45. Fischer nonetheless wrote a thoughtful October 11, 1991, letter supporting incorporation of the Yakutat borough. His letter shares important insights and reflections pertaining to the history of borough formation in Alaska.

proposed -- and otherwise acceptable borough plan -- is simple and pragmatic: it views their opposition as "intractable to joining a borough that includes Hoonah." It adds: "a sober look at the future yields the inescapable conclusion that a 'Xunaa Borough,' 'Glacier Bay Borough,' or 'Icy Strait Borough' will be dead on arrival if it necessitates the forced inclusion of Gustavus, Pelican, and Tenakee Springs along with Hoonah." It's a "pipe dream," Hoonah ultimately asserts, even though "a kumbaya borough along Icy Strait would be wonderful." [Emphasis added].

After grappling with this topic, and noting earlier LBC decisions that approved cities turned boroughs such as Skagway (2007) and Wrangell (2010),<sup>9</sup>

<sup>&</sup>lt;sup>6</sup> Comments of Petitioner City of Hoonah on May 28, 20224, Preliminary Report, page 1.

<sup>&</sup>lt;sup>7</sup> <u>Supra</u>, page 6. Following LBC approval, the City of Hoonah's petition for borough formation by the local action method calls for voter approval within the borough's projected boundaries. The City of Hoonah clearly believes, and it may be true, that Xunaa Borough formation would be defeated by voters in the excluded communities. The other method for borough incorporation is by the legislative review method. Alaska Constitution, Art. 10, Sec. 12. Incorporation of a borough by that method was not requested here.

<sup>&</sup>lt;sup>8</sup> Supra, page 47, 48.

<sup>&</sup>lt;sup>9</sup> Regarding single city boroughs, the Final Report states: "The petitioner cites previous LBC decisions approving the Yakutat and Petersburg boroughs to support its incorporation efforts. While past examples can inform LBC decision making, each borough offers unique distinctions, characteristics, and circumstances that can and should be considered. More than 30 years ago, when evaluating the Yakutat Borough, LBC staff wrote that, if small boroughs are approved for incorporation, the state, as it grows, is likely to face many of the problems that the constitution drafters sought to avoid: multiple small governments, each reluctant to cede any power to solve regional problems extending beyond its boundaries; multiple small school districts; and increased administrative expense as each small area would have its own "regional government" and school administration with no economies of scale. Multiple small boroughs would decrease flexibility in creating government boundaries appropriate to address future problems. Virtually all authorities on local governments agree that it is much more difficult to combine two or more political subdivisions that are too small than to subdivide a large one that later turns out to be unwieldy. The creation of small population boroughs with expansive boundaries would furthermore skew the

and enclaves created in the Haines Borough (Klukwan) and Ketchikan Gateway Borough (Hyder), the majority seems to agree:

"Whether the proposed borough will embrace an area and population with common interests to the maximum degree possible can also be answered in the affirmative. This requirement is to the "maximum degree possible" not to the maximum degree. In making these findings, the Commission is required to review the standards and apply them in a reasonable fashion. They are not to be strictly interpreted. Rather, the Commission has to have some leeway with regard to whether or not a petition meets the standards and the Commission must base its decision on appropriate evidence in the record. As we previously indicated, the Mobile court interpreted AK Const. Article X, Sec. 1 to require the court to "[f]avor upholding organization of boroughs by the Local Boundary Commission whenever the requirements for incorporation have been minimally met. Petitioner has met these standards for boundaries." Page 25. [Emphasis added].

We respectfully submit that reviewing courts will carefully consider whether LBC had a reasonable basis to conclude that the boundaries and best interests of the state standards for borough incorporation have been "minimally met" by a proposed borough that excludes nearly half of the population and all of the other municipalities of the region from the proposed borough's anticipated benefits, revenues, and responsibilities, as well as its efficiencies and opportunities. Such an expansive precedent seems not to exist in LBC's annals.

allocation of National Forest receipts and the 10% land entitlements of 'new' municipalities." [Emphasis added].

Moreover, the vehement dissent in the <u>Skagway Borough Incorporation</u> (2007) asserted "[b]y approving this remnant as a borough, the majority of this Local Boundary Commission is furthering the *Balkanization* of borough formation in Alaska, not promoting the 'minimum number of local government units' contemplated by the Framers of Art. X of the Alaska Constitution." <u>Dissent</u>, pages 72, 73. [<u>Emphasis added</u>].

Moreover, the phrase that requires a proposed borough to embrace an area and population with common interests to the maximum degree *possible* may call for greater efforts or more difficult circumstances than what exists here. <sup>10</sup> "Possible" may also contemplate that all voluntary and involuntary means of borough formation have been expended. <sup>11</sup>

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<sup>&</sup>lt;sup>10</sup> This statement is not to play down the strong objections to the Xunaa Borough sent to us by many Gustavus, Pelican, Tenakee Springs, and Elfin Grove residents and community leaders. Indeed, the great majority of comments received by us objected to the City of Hoonah's petition. But, objections to borough formation are commonplace in Alaska's 65-year history. Governor Jay Hammond famously stated: "Attractive enough on paper, in practice, the organized borough concept had little appeal to most communities. After all, why should they tax themselves for services received from the state, *gratis*?" Nonetheless, it is important to note that a minority of commenters take a more balanced approach to borough formation, and seem open to negotiations with the City of Hoonah.

<sup>&</sup>lt;sup>11</sup>Because of the paucity of borough formations since then, statistics cited in LBC's 2003 Unorganized Areas of Alaska That Meet Borough Standards likely haven't changed much over the last 20 years: "It has been widely recognized by experts in Alaska local government that the local option (voluntary) approach to forming boroughs implemented in 1961 has been successful only in those few instances where local self-interests outweighed the significant disincentives to borough incorporation. Indeed, less than 4% of Alaskans live in boroughs that were formed voluntarily through local action. In contrast, nearly 83% of Alaskans live in boroughs that were formed in a matter of a few months under the 1963 Mandatory Borough Act. The remaining 13% of Alaskans live in the unorganized borough. Stated differently, more than 96% of Alaskans live in areas that have not voluntarily initiated borough incorporation. Constitutional convention delegates expressed a preference for voluntary incorporation of boroughs. However, they also felt that the State should require areas to take on the burden of their own regional government where they can support it. \*\* \* It was decided that, although voluntary incorporation would be preferable, organized boroughs could be created without the approval of the people within the area. The rationale behind this position of unilateral state actions was that the borough: ... is more than just a unit of local government. It is also a unit for carrying out what otherwise got carried out as state functions; and when a certain area reaches a position where it can support certain services and act in its own behalf, it should take on the burden of its own government. \* \* \* The thought was that inducements to organize would be offered on the basis of the granting of home rule powers plus certain other inducements that would make it advantageous to them to be boroughs\* \* \*." Page 28, 29. [Emphasis added].

# B. Will This Pipe Dream Become a Reality?

In pointing out potential frailties in the Decision we do not intend to overstate our case. The majority correctly observes that the courts will defer where they can to Commission decisions that are supported by Alaska law and have a reasonable basis for them. Additionally, a cursory review of past LBC decisions and appeals reflects that contrary staff recommendations and commissioner dissents like this one 12 may be ignored.

That is to say, all those impacted by the Commission's Decision should not fold their arms, refuse to extend or accept an olive branch, and irretrievably hang their hats on the Decision or on this Dissent should the matter be appealed. Our goal has been to demonstrate that the Decision and Dissent leave none of the municipalities or residents in the Glacier Bay region in a catbird seat for or against borough formation. More precisely, will the Decision be validated, reversed, or remanded for further LBC work following appeals? Of course, no one knows. The answer to this question is uncertain, but a cooperative resolution to a Glacier Bay region borough need not be.<sup>13</sup>

¹²See for example: LBC's <u>Yakutat</u>, <u>Skagway</u>, <u>Ketchikan</u>, and <u>Soldotna</u> proceedings. ¹³We are sympathetic with the majority's frustrations that "[i]t is lamentable that the communities in the region cannot form a coherent consensus on regional government formation," "Gustavus, Pelican and Tenakee Springs object to the Petition and they seek to prohibit the formation of the Borough but offer no alternative to forming a regionalized government," "...their position is to simply leave them alone or to demand the Commission reduce the size of the Borough boundaries so there is area left for them to someday form another government," "[t]hese communities made it clear, both prior to the filing of the petition and during the petition's public comment process, they were not interested in Petitioner's proposal, and were in opposition to the petition as presented," "...this regional in-fighting [is akin] to 'crabs in a barrel' in which one crab tries to climb out to prosperity and is dragged back down by the others in the

A Gustavus commenter opines that: "Hoonah's pathway to a successful Xunaa Borough petition is to significantly reduce boundaries, avoid creating enclaves, fairly tax all residents and businesses, and provide essential services on an areawide basis – or wait until all communities are unified under a common vision for a true regional form of government that generates revenue and delivers essential services across the region." [Emphasis added]. We acknowledge this heartfelt perspective, but the time to wait has ended. All hands must be on deck to pitch in and accomplish this important task. 15

barrel," and "[w]e find that regardless of the effort put forth by the Petitioner, none of these neighboring municipalities would have agreed to participate in this proposed Borough." <u>Decision</u>, pages 15, 16, 29. Nonetheless, our record may not be entirely that bleak. We feel that it's unnecessary to assign blame as to why serious borough design discussions for this region did not take off. Suffice it to say, they have not, but plenty of motivation to undertake them exists *now* – and a large door to that end stands open.

Those who prefer to wait rather develop a common vision for Glacier Bay regional government with their neighbors should feel heartened by the City of Hoonah's proposal to dissolve and seek a home rule, non-unified form of municipal government. Hoonah may also be willing to share its growing cruise ship revenues with neighboring communities to help support areawide services. If so, and if that willingness is reciprocated is some form or fashion, their approach would contrast dramatically with the City of Skagway's petition for incorporation of a single city borough, as described by a strong dissent to the Skagway-only borough formation. The dissent asserted: "[a commissioner] concluded that the Skagway borough Petition was born of 'fear' that Skagway's flush Sales Tax Fund would otherwise be shared with its neighbors in a broader borough government, and born of 'greed' to ensure exclusive benefits from that fortuitous cruise ship Sales Tax Fund." Skagway Borough Incorporation (2007) Dissent, pages 57 – 58.

<sup>&</sup>lt;sup>14</sup> Letter of Nicole Grewe, Gustavus, page 7.

<sup>&</sup>lt;sup>15</sup>Legal challenges may also arise in the near term to address the inequities between organized boroughs and the Unorganized Borough -- and thereby cut short the remaining time for voluntary borough formation. See, for example, a recent scholarly article, <u>Towards Better Local Governance in Alaska's Unorganized Borough</u>, Alaska Law Review, Volume 40, Number 2 (December 2023). The author explains a number of constitutional issues with legislative inaction pertaining to borough formation and

Should appeals follow this Decision, there will no reward or recompense for the Glacier Bay communities to sit back, watch their attorneys trade arguments, expend large amounts in time, effort, and costs, and risk an unhappy result impressed upon one, several, or all of them because one or more of them were still unwilling to seriously negotiate. <sup>16</sup> Just like other civil litigants, their power to cooperatively design their own borough need not be relinquished to a third party, whether that third party is the Commission, the courts, or the legislature.

There is considerable power in facilitated and mediated conversations to amicably resolve disputes between the most alienated and recalcitrant

advises a number of proactive steps to resolve them. The article's abstract states in part: "Alaska's unorganized borough is the only unincorporated county-equivalent area in the entire United States, but the Alaska Constitution never envisioned that would be the case. The framers of the Alaska Constitution drafted a revolutionary article on local government that prioritized localism—participation in local government—to further democratic engagement in the state. Recognizing that much of rural Alaska lacked the population and infrastructure to support incorporated and localized self-governance in the 1950s, the framers opted not to automatically incorporate the entire state under various borough governments. Even so, the framers made clear that the state was to play an active role in encouraging (and even compelling) the incorporation of rural sections of the state as time progressed."

<sup>&</sup>lt;sup>16</sup> Residents of the Glacier Bay region would do well to heed these important reasons for borough incorporation explained by their City of Hoonah neighbors, particularly: "Voluntary incorporation is preferable to the potential alternatives of either having a different borough government imposed upon residents by the state or leaving this entire region, except the existing City of Hoonah, unorganized," "Borough incorporation will enfranchise residents of the included region, enabling them to vote on issues affecting not only their immediate environs but also borough-wide issues," "The waters surrounding the proposed borough represent untapped wealth that through fair and uniform taxation can better the lives of everyone within the borough," "The proposed borough's ability to select municipal entitlement lands will give residents of the borough greater ability to support and enhance economic development in the region, including development of transportation links," and "Incorporation will improve the community of Hoonah's ties with the surrounding area and its ability to plan the future use and development of the region." Petition, page 3.

adversaries be those disputes on the local, state, national, or international level. Whether there are two sides or even five or six sides to complex disagreements, resolution is usually assured if disputants can come together in good faith to explore options that take into account and satisfactorily accommodate everyone's interests. To foster trust, create the best outcomes, and preserve relationships, it's imperative that everyone involved in a difficult dispute advocate for and participate in its resolution rather than to cede that power to an adjudicatory body. As noted above, its decision will leave someone or everyone upset and disappointed.

Today, the Commission has no dispute resolution regulations that could motivate and steer communities and their residents into borough formation negotiations. Working together, they are certainly better equipped than a third party to flesh out borough details that will best serve their common interests. Fortunately, the appellate courts have such a rule: Rule 222 is entitled "Settlement Conferences in Civil Appeals." It states in part:

- (a) **Motion for Settlement Conference**. At any time after a notice of appeal is filed, a party may file a motion with the court requesting a settlement conference. The court may order the parties to participate in a settlement conference in response to such a motion, or on its own motion.
- (b) **Settlement Officers**. The court may appoint a retired justice or judge, an active judge, or a private neutral to serve as the settlement officer. If the court appoints a private neutral, costs will be borne equally by the parties unless the parties otherwise agree or the court orders costs to be apportioned differently. [Emphasis added].

If the Decision is appealed, these dispute resolution rules could lead to common agreement, and trade enormous costs, uncertainty,

delays, and strained relations for a cooperative borough design that will best serve the entire Glacier Bay region, developed by the people who live in it and who best understand the region's interests and needs.<sup>17</sup>

## III. Conclusion

This Dissent explains why the majority's Decision may be mistaken in our view. That is, given the Petition's exclusion of every other Glacier Bay municipality and residents in them, it may not satisfy two interrelated borough incorporation standards: boundaries and best interests of the state. Yet, particularly in light of past LBC and court decisions, no one can reliably divine how this situation will play out in the hands of adjudicators, potentially years from now. Consequently, we note that the majority's decision has led to an unanticipated result:

<sup>&</sup>lt;sup>17</sup> Invitations to participate in settlement discussions would be overseen by the court, facilitated by a third party, and could include representatives from all Glacier Bay communities: Hoonah, Gustavus, Pelican, Tenakee Springs, Game Creek, and Elfin Cove, even if not parties to any appeal. An order for settlement discussions could direct, for example, settlement participants to study, discuss, and resolve numerous borough formation issues such as to identify common interests and community concerns related to borough formation; discuss various options and incentives to amicable borough formation; discuss location of and/or sharing of borough seat; naming of the borough; classification and powers of the borough; assembly composition and meeting locations; borough boundaries; charter provisions including those to insure fair and balanced area-wide participation in borough and school district matters; borough powers to be exercised and topics to be considered by the assembly; essential present and anticipated region-wide services; planning and platting; fair and uniform taxation of residents, businesses, and visitors (types, targets, collection, and anticipated revenues); public education; ethnicity and cultures; mitigation of any impacts to fishery, forest receipts, and PILT payments; proposed borough budgets; municipal land entitlements; taxable property; etc.

Alaskans within the Glacier Bay region should feel strongly motivated to

amicably resolve their borough formation differences, free their

representatives and attorneys to advocate and plan for a Glacier Bay

regional government, and develop an exemplary and unique borough

plan that satisfies their various interests and works well for everyone.

After all, once appeals, potential remands, and further court and LBC

proceedings ultimately conclude, and the City of Hoonah or, conversely,

its neighboring communities are truly ensconced on a catbird seat for or

against a borough in this region, the opportunity for a comprehensive,

cooperative resolution will have passed. Borough formation either will

have concluded happily for some and unhappily for others -- or been

sent packing down a road to an uncertain future for the entire region,

the State of Alaska included, until legislative or other action is taken.

Approved this 20th day of December, 2024.

By:

s/ Larry D. Wood

Member at Large, Chair

By:

s/ Clay Walker, Commissioner

Fourth Judicial District

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