To: Jedediah R. Smith
Local Boundary Commission
Alaska Department of Commerce, Community, and Economic Development
550 W. 7th Avenue, Suite 1650
Anchorage, AK 99501
(907) 269-4559

Re: Proposed Xunaa Borough

Dear Mr. Smith:

With this letter we, the mayor and city council of the City of Tenakee Springs wish to add additional comments to our previously submitted City of Tenakee Springs Resolution 2024-07.

For the reasons stated below, we are opposed to the Xunaa Borough proposal as it currently stands, but not necessarily to the formation of a Xunaa Borough per se.

The proposed Xunaa boundary would encompass most or all of the lands and waters surrounding the City of Tenakee Springs. We find this troubling because this would include our already partially constructed hydroelectric facility and its watershed, as well as all the other watersheds on the north side of the Inlet. It would also include all the waters of Tenakee Inlet north of the current Sitka Borough boundary.

These lands and waters are critically important to our community and how we choose to live. While we know that we, as a community, don't technically manage Forest Service lands or the waters of the Inlet, we feel that being surrounded by lands claimed by another community gives us much less say in how these areas might be managed. That ability to speak about "our" waters and the lands surrounding our community is very important.

Tenakee Springs has a very different outlook for our future than does Xunaa, where large scale logging and now industrial scale tourism are key parts of their economy. Tenakee loves it's unique roadless status, and we hope to see no more industrial scale logging or any large scale tourist operations in the Inlet. Most of us prefer to live in ways that protect our environment and to use our lands and waters in ways that don't negatively impact our landscape, subsistence hunting and fishing or the ability to attract small numbers of visitors who value the unique and special qualities our community and its surroundings offer.

There is nothing advantageous to us in being surrounded by a borough that likely doesn't feel the same way we do about our inlet and our watershed. Our economy is stable and there is no advantage for us to be in such close proximity with the newly proposed borough.

The proposed new Xunaa Borough would create "exclusion zones" for Tenakee Springs, Gustavus, and Pelican. The proposed borough boundaries will prevent each of these communities from expanding their own boundaries at a future date to allow for "reasonably predicable growth" which violates provisions in 3 AAC.110.130(c).

While we have been informed that we would not technically be an enclave, we are not sure why not, and certainly, to all effects, the way the borough would tightly bound our community both by land and by sea is not something that we find acceptable.

As noted above, the proposed borough would incorporate the watershed and facilities of Tenakee's hydroelectric project inside the new borough. This is completely unacceptable to our community.

In order for Tenakee Springs to find the borough acceptable we would, at a minimum want to see the boundaries moved north so that none of the watersheds or waters of Tenakee Inlet, from the mouth to the head of the Inlet are included in the proposed Xunaa Borough. We might be willing to consider lands that are currently connected to Xunaa at the west end of the Inlet as part of the borough since any future developments there would justifiably be taxed and could be useful to support of the Xunaa Borough.

The size of the proposed borough is excessively large while failing to meet the requirements of 3 AAC.110.065(2) in that a new borough would not reduce the number of local governments nor consolidate school districts. See 3 ACC 110.065 and 3 ACC 110.135(2). While we appreciate and are glad that Xunaa has not tried to incorporate our community and the Chatham Schools into the borough, we also feel this is something that the Local Boundary Commission must take into consideration. There is certainly room to provide adequate buffers to communities without reducing the value of the borough to Xunaa.

3 AAC.110.090(a) specifies there must be a reasonable **need** for a local government where residents may be reasonably expected to receive benefit of services and facilities (at 6). Yet the residents currently outside of the city limits of Xunaa apparently don't see a need for services, and don't expect to get much in the way of services as a result of borough formation. That is, according to the petition, proposed new residents want "limited government intrusion", recognizing they will receive "limited services." Much of the administrative code about borough formation concerns providing essential services. The petition fails to meet this requirement, and apparently felt that not including Tenakee Springs, Pelican, and Gustavus would eliminate the problems with meeting the requirement of this statute. However, we find that, whether or not that is true, that any boundaries of the Xunaa Borough must not interfere with the

potential for these communities to grow or to have a say in the management of lands and waters important and close to their homes.

As a community we feel the size and immediate proximity of the boundaries of this proposal do not in any way benefit Tenakee Springs and in fact will be detrimental. While Tenakee Springs and Pelican and Gustavus were removed from inclusion in the borough, the proposed borough would still have a negative impact on Tenakee's PILT funding and fisheries taxes and could also potentially open opportunity to implement long opposed road connections in the area.

We would encourage the Local Boundary Commission to look carefully at the size and scope of the proposed borough and where the boundaries lie, not just in relation to Xunaa, but also in relation to the neighboring communities.

As noted above, the City of Tenakee Springs opposes the current iteration of the Xunaa Borough proposal. We would cease our objections regarding Tenakee if all the watersheds on the north side of Tenakee Inlet, as well as all the waters of Tenakee Inlet currently included in the Xunaa Borough were removed from the proposed borough. And, we would be willing to negotiate a boundary that did not include lands west of the ends of active Forest Service roads at the western end of Tenakee Inlet.

Nonetheless, we would still support and expect fair resolution of other community's requests for removal of sensible amounts of land from the proposed borough to give them space and ability to determine their own futures without having to negotiate with the Xunaa Borough in the future.

We thank the members of the Local Boundary Commission for the care in assessing the proposed Xunaa Borough and hope that you all find our arguments convincing. We are willing to work with you and the people of Xunaa to find ways to make this work, but as you can see, the current proposal does not in any way, shape or form, work for us.

Thank you,

Linnea Lospensochatel
Mayor
City of Tenakee Springs