

**EXHIBIT D**

**TRANSITION PLAN**

This exhibit contains the CBJ's transition plan, as required by 3 AAC 110.420(b)(16) and 3 AAC 110.900.

**EXHIBIT D**

**TRANSITION PLAN**

**A. THIS TRANSITION PLAN INCLUDES A PRACTICAL PLAN THAT DEMONSTRATES THE CAPABILITY OF THE CBJ TO EXTEND ESSENTIAL BOROUGH SERVICES (AS DETERMINED UNDER 3 AAC 110.970) INTO THE AREA PROPOSED FOR ANNEXATION IN THE SHORTEST PRACTICAL TIME AFTER THE EFFECTIVE DATE OF ANNEXATION (NOT TO EXCEED TWO YEARS).**

**1. Effective Date.**

The CBJ expects the effective date of annexation will begin immediately following approval by the legislature. It is anticipated that the commission will present a recommendation for the decision to the legislature during the first 10 days of the regular session of 2020, in accordance with 3 AAC 110.610. The annexation will become effective 45 days after the presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house. (AS 29.06.040(b)).

**2. Taxation.**

On the first quarter of the fiscal year following annexation FY21, (starting July 1, 2020),<sup>1</sup> commercial activities conducted in the annexation area would be subject to sales taxes levied by the CBJ. However, if there is any delay in initiation of the services described in Section 3 below, the imposition of taxes would be delayed until the date when services are initiated. Note that pursuant to AS 29.06.055(a), unless the annexation takes effect on January 1, the annexing municipality may not levy property taxes in an annexed area before January 1 of the year immediately following the year in which the annexation takes effect. Therefore, real property would not be subject to property tax until January 1, 2021. However, notwithstanding other provisions of law, the municipality may provide services in the annexed area that are funded wholly or partially with property taxes during the period before the municipality may levy property taxes in the annexed area, and the CBJ does expect to do so.

**3. Services and Functions.**

At this time, there are six identified registered voters reported in the proposed annexation areas (one in Area C, and the remainder in Area D on Horse and Colt Island). In first fiscal year after annexation, FY21 (starting July 1, 2020) unless a different timeline is stated herein, the CBJ will

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<sup>1</sup> 3 AAC 11.900 requires that the CBJ be capable of providing essential services in the area proposed for annexation in the shortest practicable time following annexation, not to exceed two years. CBJ plans to provide the essential services the first fiscal year after annexation (July 1, 2020).

## EXHIBIT D

extend the same services as are currently provided to similarly situated areas of the existing borough (i.e., Shelter Island)<sup>2</sup>. These services would include the following:

- a. Education.<sup>3</sup> The proposed annexation areas currently lie within the Chatham Regional Educational Attendance Area (REAA).<sup>4</sup>At this time, according to the Chatham School District Superintendent,<sup>5</sup> there are no school-age children residing in the proposed areas, however, should that change, distance learning will be virtually immediately available.
- b. Assessment and collection of property<sup>6</sup>, sales<sup>7</sup>, and transient<sup>8</sup> occupancy taxes.
- c. Planning and community development (permitting, land use regulation, subdivisions) in accordance with CBJ Code Title 49. The annexed areas would be zoned Rural Reserve, which would best protect the existing rural development.<sup>9</sup>
- d. Building Inspection and Enforcement as appropriate depending on the structure being developed. The Building Code for the CBJ generally applies to new construction, remodels, and some maintenance.<sup>10</sup> Any commercial building or primary residential building proposed for the annexation areas would be subject to the building code requirements and permitting. Cabins<sup>11</sup> outside of the urban service area (as defined in the Comprehensive Plan to include Mendenhall Valley, Lemon Creek, downtown Juneau, Auke Bay, Douglas and Thane) are generally exempt from most of the building code; building permit applications are required, but no fee shall be charged or permit issued.<sup>12</sup>
- e. Library Services. The Juneau Public Library has an extensive list of electronic resources. These include article and journal databases, ebooks, downloadable audiobooks, automotive repair manuals and more.
- f. Economic Development Assistance. The Small Business Development Corporation and Juneau Economic Development Corporation both provide economic

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<sup>2</sup> Area wide services will be provided, see CBJ Code 01.25.010.

<sup>3</sup> See CBJ Charter Article XIII.

<sup>4</sup> See the boundaries of Chatham REAA, provided by the Alaska Division of Elections, at: <http://www.elections.alaska.gov/Core/reaa18chatham.php>.

<sup>5</sup> As confirmed by Megan Moody, Chatham Correspondence Coordinator, on June 10, 2019. The Juneau School District has also confirmed there are no children using the HomeBRIDGE services within the proposed areas.

<sup>6</sup> CBJ Code 15.05.020; CBJ Code 69.10.10.

<sup>7</sup> CBJ Code 69.05.020.

<sup>8</sup> CBJ Code 69.07.020.

<sup>9</sup> CBJ Code 49.25.130; 49.25.300

<sup>10</sup> CBJ Code 19.01.101.2

<sup>11</sup> The code defines cabins as: “a structure which is inhabited only occasionally for noncommercial hunting, fishing, or other recreational purposes, is without available public utility services, and is located outside of the urban service area.” (CBJ Code 19.01.202).

<sup>12</sup> CBJ Code 19.01.105.2.9

development assistance within Juneau's current boundaries. These services would be available within the extension of the boundaries.

- g. Fire Safety Inspection/Emergency Medical Response. Capital City Fire and Rescue would perform Fire Safety Inspections or provide Fire Safety consultation for commercial buildings in the proposed areas. In conjunction with the Coast Guard, CCFR would provide Emergency Medical Services as needed as weather conditions allow.

#### **4. CBJ's Capability to Extend Services.**

When planning for the extension of the above referenced services, the CBJ considered the following factors:

- The extent to which local residents expressed either a need or desire for provision of area-wide or non-area-wide services by the CBJ;
- The extent to which the services are already being provided by the CBJ to the annexation area;
- Geographic features which might limit the CBJ's ability to serve the annexation area; and
- The financial impacts that annexation might reasonably be expected to have on the CBJ.

##### **a. Need and Desire for Services.**

This area is remote and almost uninhabited. Initially, the CBJ proposes to provide only those mandatory services required by law. Additional services, such as economic development (grants and loans), recreation (development or maintenance of facilities), or other discretionary services will be provided on an as-needed basis.

There is currently an existing commercial lodge located within the proposed annexation area. If this enterprise decides to expand, or if any property owners decide to develop and plan a commercial enterprise in the proposed areas, CBJ would be able to provide a structured planning and development process to assure the needs of developers are balanced with interests of future impacted residents and the safety of customers.

##### **b. Services Currently Provided.**

The CBJ currently exercises no formal extraterritorial jurisdiction in the area proposed for annexation. The property owners in the proposed area can and do utilize the CBJ's libraries, airport, the CBJ owned hospital, docks, harbors, and other facilities on an as-needed, sometimes fee-based, basis. These services will remain.

**c. Limiting Geographic Features.**

The territory proposed for annexation is remote but within boating or short-distance charter flights from the current CBJ boundaries. The CBJ presently provides some services to remote quasi-developed areas, such as Shelter Island, and sees no geographic features that would prevent it from providing similar services to the proposed annexation area.

**d. Financial Impacts.**

The CBJ currently sees no financial impacts or implications regarding annexation of this area other than that reflected in Exhibit C: Expenditure Summaries.

**5. Services Requiring Capital Funding.**

At the present time, there does not appear to be a need or desire for CBJ capital funding of projects in the area proposed for annexation, such as school buildings or administrative facilities, given the general uninhabited status of the area. The CBJ will undertake such improvements and incur such costs as the need arises, and would expect to leverage such funding through legislative grants, local bond sales, and the annual local budgeting process.

**B. THE CBJ'S PLAN FOR THE ASSUMPTION OF ALL RELEVANT AND APPROPRIATE POWERS, DUTIES, RIGHTS, AND FUNCTIONS PRESENTLY EXERCISED BY AN EXISTING BOROUGH, CITY, UNORGANIZED BOROUGH SERVICE AREA, OR OTHER APPROPRIATE ENTITY IN THE AREA PROPOSED FOR ANNEXATION CONSISTS OF THE FOLLOWING:**

The territory proposed for annexation has no organized communities and is entirely located within the State's unorganized borough. The Petitioner is unaware of any local powers, duties, rights or functions being performed by the State except for law enforcement, provided by the Alaska State Troopers. This will continue after annexation, as it does for other remote parts of the CBJ, as the proposed areas are outside the CBJ Roded Service Area.<sup>13</sup>

Existing borough powers and duties as authorized through charter, ordinances, resolutions and procedures that are in place upon the effective date of annexation shall apply immediately to the annexed territory.

Within two years of annexation, the CBJ will review its ordinances, and resolutions, to determine whether any changes to these documents may be warranted as a result of annexation. Particular and more immediate attention will be given to the following:

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<sup>13</sup> Police service is part of the services of the Roded Service Area, which was adopted in Ordinance Serial 88-25, on May 31, 1988, and codified at CBJ Code 01.30.320. The Roded service area does not include the backside of Douglas Island, Shelter Island, the area south of Thane, or the area of Admiralty Island currently within the CBJ. (See Exhibit MM: map of the CBJ Roded and Fire Service Areas).

**1. Polling Places.**

The State of Alaska Division of Elections reports that within the proposed annexation area, there are six registered voters listing a physical address in Areas C or D, all of whom have mailing addresses in Juneau. It is anticipated that these residents will vote in Juneau District 1, and will be established as a "by-mail" precinct consistent with current practice. However, the boundaries of the Juneau District 1 will need to be extended to the annexed areas. Ballots would be mailed to each registered voter.

**2. Assessment.**

If the annexation petition is successful, the CBJ Assessor expects to begin preparation of a tax roll for the area proposed for annexation during the first spring following annexation and concluding by January 1<sup>st</sup> of the following year.

**3. Planning, Land Use Regulations, Platting, Zoning.**

Existing related CBJ powers and duties as authorized through ordinances, rules, resolutions and procedures that are in place upon the effective date of annexation shall apply immediately to the annexed territory. The CBJ Community Development Department is available should development of this area be undertaken.

**4. Integration of Existing Regional Educational Attendance Area (REAA).**

The area proposed for annexation is within the Chatham REAA, and after annexation will become part of the Juneau School District, however, there are no identified school age children residing in the proposed annexation areas at this time.

**C. THE CBJ'S PLAN FOR THE TRANSFER AND INTEGRATION OF ALL RELEVANT AND APPROPRIATE ASSETS AND LIABILITIES OF ANY EXISTING BOROUGH, CITY, UNORGANIZED BOROUGH SERVICE AREA, OR OTHER ENTITY LOCATED IN THE AREA PROPOSED FOR ANNEATION.**

There are no existing boroughs or cities within the proposed annexation area from which assets or liabilities need to be transferred or integrated. No assets or liability will be transferred to the CBJ post-annexation, and therefore, a plan for integration and transfer is unnecessary.

**D. THE CBJ'S PLAN WAS PREPARED IN CONSULTATION WITH OFFICIALS OF EACH EXISTING BOROUGH, CITY, AND UNORGANIZED BOROUGH AREA.**

There are no existing boroughs or cities within the proposed annexation area. There will be no transfer or integration of assets and liabilities of an existing borough or city as part of the transition and there are no existing borough or city officials for which consultation on the transition is required.

The proposed annexation area is within the Chatham Regional Education Attendance Area. The CBJ consult with the Chatham School District Superintendent, correspondence director Megan Moody, who confirmed that there was not any documented correspondence students in the proposed annexation areas. After transition, the CBJ will provide educational services in accordance with Alaska law for any school-aged children who are identified to reside in the annexed areas.

**The following is a list of individuals consulted by the CBJ in the development of the transition plan and petition. Unless noted otherwise, all individuals were contacted in 2018 by Rachel Friedlander or in 2019 by Megan J. Costello.**

- Duncan Rorie Watt, CBJ City Manager
- David Campbell, CBJ Deputy Chief of Police
- Bob Bartholomew, former CBJ Finance Director
- Jeff Rogers, CBJ Finance Director
- Clinton Singletary, CBJ Sales Tax Administrator
- Rich Etheridge, CBJ Fire Chief
- Jill McClean, CBJ Community Development Director
- Robin Potter, former CBJ City Assessor
- Mary Grant, CBJ City Assessor
- Beth McEwan, CBJ Municipal Clerk
- Mila Cosgrove, CBJ Deputy Borough Manager
- Ryan Scott, ADFG, Assistant Director, Division of Wildlife Southeast Region
- Bob Powers, ADFG, Program Coordinator, Guides and Logbooks
- Dan Teske, ADFG, Juneau Area Management Biologist, Division of Sport Fish
- Richard Lessard, Alaska Department of Natural Resources, Minerals Property Manager
- Melody Smyth, BLM, Mineral Law Specialist, Division of Resources
- Charity Coleman, AK Division of Elections, Regional Assistant Supervisor
- Eileen Raese, Department of Commerce, Community & Economic Affairs, Local Government Specialist IV
- Lt. Capuzzi, USCG
- Lt. Nieves, USCG
- Jessica Schalkowski, USFS Special Use Permit Administrator
- Margaret Scofield, USFS FOIA
- Suja Hall, NOAA, Program Administrator, Restricted Access Management
- Theo Matuskowitz, USFWS, Supervisory Regulations Specialist
- Preston Kroes, Superintendent, ADNR-Parks, Juneau
- Lowell Fair, ADF&G Southeast Regional Supervisor for commercial fisheries
- Karla Bush, ADF&G, former regional coordinator for shellfish/groundfish
- Megan Moody, Chatham School District, Correspondence Coordinator, June 10, 2019