

## Eklutna Valley Community Council

### RESOLUTION 2019-02

#### **A RESOLUTION DISASSOCIATING EKLUTNA VALLEY COMMUNITY COUNCIL FROM THE PROPOSAL BY EAGLEXIT TO DETACH ASSEMBLY DISTRICT 2 FROM THE MUNICIPALITY TO FORM A SEPARATE CITY OR BOROUGH GOVERNMENT**

WHEREAS, a group calling itself EaglExit wants to detach Assembly District 2 from the Municipality of Anchorage to form an independent borough; and

WHEREAS, Assembly District 2 encompasses the communities of Chugiak, Eagle River, Joint Base Elmendorf-Richardson, and Eklutna; and

WHEREAS, Eklutna Valley Community Council is a local advisory body for the municipality and one of six community councils in Assembly District 2; and

WHEREAS, Eklutna Valley is the largest voting precinct in Assembly District 2, by area; and

WHEREAS, Eklutna Valley contains several critical and important municipal, commercial, industrial, institutional and recreational facilities, including the municipality's primary source of water, the Anchorage Water and Wastewater Utility's water treatment plant and connecting water pipelines, a water storage dam and tunnel owned by ML&P, CEA, and MEA that connects Eklutna Lake with a hydropower facility on the Knik River, the largest campground in Chugach State Park, and the Ernie Turner Center; and

WHEREAS, EaglExit proponents are counting on some of these facilities to facilitate the establishment of the new borough by contributing to its tax base, or for other purposes; and

WHEREAS, a previous attempt to detach Chugiak-Eagle River from the municipality, in 1974-75, was ruled unconstitutional by the Alaska Supreme Court; and

WHEREAS, the list of grievances on the EaglExit website ([eaglexit.com](http://eaglexit.com)) includes false and misleading information, for example, Chugiak-Eagle River is not, as they claim, "being shortchanged in city services, educational outcomes and political representation" as a result of being in the Municipality of Anchorage because, while Chugiak-Eagle River (including Joint Base Elmendorf-Richardson) contains approximately 50,000 of the 300,000 residents in the municipality (16%), it is represented by 2 of 11 Assembly members (18%); and

WHEREAS, educational services available to Chugiak-Eagle River residents include 2 of 8 high schools (25%, not counting the small King Career Center) or 3 of 8 high schools

(38%) if Bartlett is included, 2 of 10 middle schools (20%, not counting Girdwood K-8), 11 of 57 elementary schools (19%, counting Girdwood K-8); and Chugiak-Eagle River is receiving the lion's share of the Anchorage School District's funding for rebuilding several schools damaged in the 2018 earthquake; and although the 7 school board members are elected citywide, at least one current member lives in Eagle River (14%); and

WHEREAS, an independent analysis in 2007 entitled "The Fiscal Effects of Detaching the Eagle River-Chugiak Area from the Municipality of Anchorage" concluded that the proposed borough "could not provide its potential citizens with the same level of services that the current municipality provided in 2006 without an increase in property taxes or some other form of revenue," and that the new borough would be unable to maintain the current level of educational services even with tax increases; and

WHEREAS, conditions today are not likely to be substantially different than they were in 2007; and

WHEREAS, the new borough would still be responsible for paying its share of the principal and interest on past general obligation bonds that the municipality has committed to through citywide elections; and

WHEREAS, the mill rate for assessing property taxes in Eklutna, Chugiak and Eagle River is already lower than the mill rate throughout the Anchorage Bowl and most of the Hillside; and


WHEREAS, we have no reason to believe that smaller communities are more tax-efficient, because the combination of property, sales and other taxes (e.g., bed, alcohol, car rental, tobacco) are lower per capita in the Municipality of Anchorage than in nearly every other medium and large-sized town/borough in Alaska (including Palmer, Wasilla, Kenai, Seward, Homer, Kodiak, Juneau, Ketchikan, Sitka, Petersburg, Valdez, Cordova, Whittier, and Fairbanks), according to Alaska Taxable 2017, a report compiled by the Alaska Department of Commerce in 2018; and

WHEREAS, we believe the Eklutna Valley Community Council has just as much of a right to self-determination as the neighboring communities of Chugiak and Eagle River; and

WHEREAS, Eklutna Valley Community Council was not apprised of a "resolution" in favor of separation on the EaglExit website that listed Eklutna as being in support of the idea and we did not vote on it; now therefore be it

**RESOLVED** that unless an independent analysis finds that separation would reduce property taxes in Eklutna Valley without a) necessitating the adoption of sales or other new local taxes in Chugiak and Eagle River or b) foregoing necessary and beneficial government and educational services, the Eklutna Valley Community Council intends to oppose EaglExit and remain in the Municipality of Anchorage.

Passed this 15<sup>th</sup> day of October 2019.

  
Margan Grover, President