



Exhibit E: Petitioner's Brief

June 2026

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I. INTRODUCTION

Detachment of the majority of Assembly District 2 from the Municipality of Anchorage (MOA) and incorporation of that territory as the Chugach Regional Borough (CRB) satisfies the standards set out by the Alaska Constitution, Alaska Statutes, and Local Boundary Commission regulations. The proposal should be understood as a modern realignment of local government that serves both the Eagle River-Chugiak area and the remnant Municipality of Anchorage, as well as the best interests of the State of Alaska.

This petition arises with the unusual history of Anchorage unification as a backdrop. The present unified Municipality did not result from the same Local Boundary Commission process now before the Commission. Rather, the 1970s unification of the Greater Anchorage Area Borough and the City of Anchorage proceeded through a separate unification process and resulted in the dissolution of the City of Anchorage, the City of Girdwood, and the City of Glen Alps. That history is relevant because it explains why a careful, modern, LBC-supervised review is now appropriate.

The question before the Commission is whether the present municipal structure continues to serve the health, safety, general welfare, fiscal stability, service efficiency, and local-government needs of both Eagle River-Chugiak and the remnant Municipality of Anchorage under current conditions.

Under the applicable detachment and incorporation standards, including 3 AAC 110.045 through 3 AAC 110.065 and 3 AAC 110.267 through 3 AAC 110.275, the Commission may consider whether the proposal promotes maximum local self-government with a minimum number of local government units, supports efficient service delivery, protects long-term financial stability, and serves the best interests of the State. Those standards require a practical inquiry into whether current boundaries still adequately serve the communities, services, geography, and public needs of Assembly District 2.

The record supports a finding that the current boundaries no longer satisfy these standards under current conditions. Eagle River-Chugiak and the Anchorage Bowl have developed materially different governance preferences, service expectations, growth patterns, land-use concerns, school priorities, and fiscal attitudes. The unified municipal structure now requires one government to manage these distinct communities through a single political and administrative model, producing recurring friction over taxation, services, public safety, schools, land use, infrastructure, and capital priorities.

The proposed boundary change will correct that mismatch without creating unnecessary fragmentation. The remnant Municipality of Anchorage will remain a viable, urban-centered government, better able to focus on its own municipal responsibilities. The Chugach Regional Borough will assume responsibility for the local priorities, services, taxation, schools, land use, infrastructure, and future development of Eagle River-Chugiak. The result is not mutual loss, but mutual governmental clarity: two coherent local governments, each accountable to the community they are best suited to serve.

Lastly, the petition addresses Article X, Section 1 of the Constitution in relation to the goal of maximizing local self-government with a minimum of government units. At first glance, the Constitution appears to present two separate goals: maximizing local self-government *and* minimizing the number of local government units. In reality, the Constitution treats these principles as complementary rather than competing. The purpose is not to preserve the fewest possible

governments regardless of circumstance, nor to create new governments whenever local disagreement arises. Instead, the Constitution seeks a practical balance by providing meaningful local self-government through the fewest governmental units reasonably necessary to accomplish that purpose.

The question presented by this petition is therefore not whether detachment would increase the number of local governments, but whether the proposed Chugach Regional Borough is reasonably necessary to provide effective, accountable local self-government while avoiding unnecessary duplication and maintaining an efficient system of local government.

II. Meeting the Best Interests Standards for Detachment And Incorporation Of The Chugach Regional Borough

Best Interests of the State | Benefits to the Remnant Municipality of Anchorage | Benefits and Features of a New Borough Government

This Section itemizes the principal reasons supporting the proposed detachment of Assembly District 2, consisting of Eagle River, Chugiak, Birchwood, Eklutna, JBER and surrounding areas, from the Municipality of Anchorage, and the incorporation of that territory as the Chugach Regional Borough. The reasons are organized around three practical and legal questions:

- How the proposal meets the best interests of the State of Alaska;
- How the proposal benefits the remnant Municipality of Anchorage; and
- How a new non-unified home rule borough provides meaningful benefits and features for the residents of the Chugach Regional Borough.

The proposal should not be understood as a one-sided removal of territory from Anchorage. Properly framed, the boundary change is a modern realignment of local government authority. It will allow the remnant Municipality of Anchorage to govern a more coherent and urban-centered municipality, while allowing Eagle River-Chugiak to assume direct responsibility for its own services, taxation, schools, land use, infrastructure, fiscal policy, and future development.

A. Best Interests of the State

At its core, the State's best-interests inquiry asks whether a proposed boundary change will result in viable, effective, and sustainable local governments. To answer that question, Alaska's constitutional, statutory, and regulatory framework evaluates whether the proposed borough possesses the population, tax base, service capacity, governmental organization, and long-term financial stability necessary to govern itself successfully. It also examines whether the remnant municipality will remain capable of providing services, maintaining fiscal stability, and operating as an effective local government after detachment. The purpose of these requirements is to ensure that both successor governments are durable, self-sustaining, and capable of serving their residents without creating unusual or substantial risk to the State.

1. The proposal advances maximum local self-government. The Eagle River-Chugiak area is a mature and distinct regional community with its own geography, service needs, school concerns, land-use expectations, tax base, civic identity, and long-standing desire for local

authority. The current unified municipal structure centralizes final authority in the MOA Assembly and administration. Detachment and incorporation will place borough-level powers in a government elected by and accountable to the affected residents.

2. The proposal avoids unnecessary duplication and respects the minimum-units principle. The proposal does not create an additional layer of government over Assembly District 2 (AD2)¹. It creates one successor borough-level government for the detached territory while leaving one remnant municipality for the Anchorage-centered area. This structure is consistent with Article X because it uses the fewest local government units reasonably necessary to provide meaningful and accountable self-government to two distinct communities of interest.
3. The proposal corrects a structural mismatch within the unified municipality. The 1975 unification was primarily intended to resolve overlapping governmental authority and service-delivery conflicts between the City of Anchorage and the Greater Anchorage Area Borough. That purpose made sense when the central problem was overlapping authority between the City of Anchorage and the Greater Anchorage Area Borough.

Today, however, the same unified structure requires one municipal government to manage sharply different communities. The result is recurring conflict over taxes, services, schools, land use, transportation, public process, debt, and capital priorities, while distinct service areas, tax districts, and community needs remain subordinate to highly centralized municipal authority. The same principle that justified unification in 1975 now supports boundary realignment: local government should be organized in the form that best fits the communities it is required to govern.

4. The proposal promotes coherent regional government. Alaska has a statewide interest in local governments whose boundaries correspond to actual communities of interest. Eagle River, Chugiak, Birchwood, Peters Creek, Eklutna, and surrounding areas share transportation corridors, schools, fire and EMS systems, parks, commercial centers, civic institutions, and local identity. A borough scaled to this region will better align local powers with the people and territory served.
5. The proposal reduces state-level risk from local-government dysfunction. When local-government structure produces fiscal opacity, school district stress, service fragmentation, unresolved taxpayer-service imbalance, or weakened public accountability, the effects do not remain purely local. They affect public education, infrastructure, public safety, grant compliance, credit confidence, and state and local fiscal responsibility. A clearer boundary structure supports the State's interest in stable, transparent, and accountable local government.
6. The proposal supports long-term fiscal accountability. The State benefits when local taxpayers can identify what they pay, what services they receive, who controls spending, and who is accountable for performance. CRB incorporation will allow local taxes, service levels, reserves, audits, capital plans, and debt policies to be adopted by a government directly responsible to Eagle River-Chugiak voters.
7. The proposal does not create an unserved area or require abrupt disruption. The affected territory already receives services through identifiable service areas, municipal departments, contractors, volunteer-service structures, and private providers. Roads,

¹ Assembly District 2 is the Eagle River-Chugiak area including Eagle River, Chugiak, Birchwood, Peters Creek, Eklutna, JBER and surrounding areas

parks, street lighting, fire and EMS, schools, public facilities, and local institutions already exist. The transition plan can continue, contract, phase, or reorganize these services while placing responsibility under a locally accountable borough government.

8. The proposal protects public safety through clearer responsibility. A new borough can evaluate fire, EMS, police, dispatch, direct-billing areas, mutual aid, volunteer capacity, emergency-service funding, and service gaps in a locally accountable manner. Existing arrangements can continue during transition, but future public-safety policy will be set by officials accountable to the residents who rely on and fund those services.
9. The proposal improves school governance alignment. The current Anchorage School District governs materially different educational communities through one centralized governance structure. A separate CRB school district will allow Eagle River-Chugiak residents to make local decisions about over school governance to the fullest extent allowed by state and federal law.
10. The proposal avoids unusual and substantial successor risk to the State. The proposed borough will begin with a large permanent population, substantial tax base, established schools, existing service areas, organized emergency services, road-service structures, parks assets, commercial activity, residential stability, and civic commitment. Those characteristics, combined with a transition plan addressing assets, liabilities, service continuity, personnel, contracts, taxation, debt, schools, and intergovernmental agreements, reduce the risk that the State would become successor to an incapable borough.

Conclusion

For the same reason unification was once justified as a structural remedy for the problems of its time, detachment and incorporation are now justified as a structural remedy for the problems of the present. Alaska's constitutional policy is not to preserve existing boundaries for their own sake, but to organize local government in a manner that advances maximum local self-government, avoids unnecessary duplication, supports stable public services, and aligns governmental authority with actual communities of interest.

The proposed Chugach Regional Borough will create one accountable borough-level government for Eagle River-Chugiak while leaving one coherent remnant municipality for the Anchorage urban core. It will reduce structural conflict, improve fiscal accountability, clarify service responsibility, protect service continuity, support locally aligned school governance, and reduce the risk that unresolved municipal dysfunction becomes a state-level problem.

Accordingly, the proposed detachment and incorporation must be understood as a modern realignment of local government, not fragmentation. It applies the same reform logic that supported unification in 1975: when governmental boundaries no longer fit the communities, services, and conflicts they are meant to manage, boundary change is an appropriate public remedy. On that basis, incorporation of the Chugach Regional Borough advances the best interests of the State of Alaska.

B. Benefits to the Remnant Municipality of Anchorage

The effect on the remnant Municipality is part of the best-interests inquiry. Detachment must be evaluated not only by asking what the Eagle River-Chugiak area gains, but also by asking whether Anchorage becomes more coherent, focused, and administratively workable after the boundary

change. The following table summarizes the viability of the remnant MOA post-detachment by department.

Category	Remnant MOA showing after detachment	Source Data
Population	Retains the majority of the existing MOA population.	Census / municipal demographic data.
Tax base	Retains substantial taxable property, commercial activity, and revenue capacity.	Assessment roll and tax district data.
Administration	Retains mayor, assembly, legal, finance, HR, procurement, IT, records, and personnel systems.	MOA organizational chart and budget.
Public safety	Retains APD, AFD, dispatch, emergency management, facilities, and public-safety administration.	MOA public safety budgets, staffing, facilities.
Schools	Retains ASD administration, schools, staff, transportation, special programs, and capital systems.	ASD facility and enrollment data.
Utilities	Retains AWWU, SWS, port-related infrastructure, enterprise operations, and related systems as legally applicable.	Utility records, enterprise budgets, bonds, RCA materials.
Roads/ facilities	Retains Anchorage Bowl road network, public buildings, libraries, parks, maintenance systems, and urban infrastructure.	MOA facility, road, and capital schedules.
Finance/ debt	Retains bonding capacity, tax authority, audit systems, revenue base, and ability to budget as a home rule municipality.	Bond disclosures, ACFR, budget, ratings.
Legal status	Continues as a unified home rule municipality with borough-level powers in the remaining territory.	Charter and Title 29 authority.

The table below details the regulatory requirements that the remnant MOA remain operationally sufficient as well.

Standard	Remnant MOA showing after detachment	Source Data
3 AAC 110.045 - relationship of interests	Anchorage Bowl and remaining territory retain integrated economy, transportation, schools, services, public facilities, and urban identity.	Maps, service areas, planning data, population and economic data.
3 AAC 110.050 - population	Remnant MOA retains a large and stable population sufficient for borough-level government.	Census and population estimates.

3 AAC 110.055 - resources	Remnant MOA retains human, financial, administrative, and institutional resources.	Budget, staffing, tax base, departmental structure.
3 AAC 110.060 - boundaries	Remnant MOA retains coherent Anchorage-centered boundaries and service geography.	Boundary maps and service area maps.
3 AAC 110.065 - best interests	Remnant MOA remains viable and focused, avoiding state service burden or successor risk.	Financial and service-continuity exhibits.
Transition standards	Assets, debts, personnel, records, utilities, and services can be allocated, continued, or contracted through transition.	Transition plan and allocation matrices.

1. Anchorage becomes a more coherent urban-centered municipality. After detachment, the remnant MOA will be able to focus on the Anchorage Bowl and remaining municipal territory most closely tied to its urban service model. This will allow Anchorage to concentrate its personnel, budget, infrastructure planning, public safety, housing, transportation, land-use policy, school restructuring, port issues, homelessness response, and economic-development efforts on the population and geography that define its urban core.
2. Anchorage retains sufficient population, tax base, facilities, and administrative capacity. Detachment will not leave Anchorage as an impractical or under-resourced local government. The remnant municipality will retain substantial population, taxable property, commercial activity, public infrastructure, municipal departments, personnel systems, school facilities, public-safety assets, planning authority, road systems, parks, and administrative experience. See the tables above for details.
3. Detachment reduces structural political conflict. The current structure repeatedly places Anchorage Bowl priorities and Eagle River-Chugiak priorities in conflict within the same municipal government. Detachment will convert recurring internal political disputes into ordinary intergovernmental relationships governed by contracts, mutual aid, transition agreements, service arrangements, and cooperation between two local governments.
4. Detachment simplifies service geography and administration. The MOA currently manages overlapping areawide taxes, service areas, special tax districts, and advisory bodies across communities with different expectations. Removing the Eagle River-Chugiak area will leave Anchorage with a more internally consistent service geography and reduce the need to administer outlying road, park, lighting, fire, land-use, and service-area issues through structures designed primarily around the Anchorage Bowl.
5. Detachment clarifies fiscal responsibility. The remnant MOA will make budget, debt, tax, capital, school, public-safety, housing, and infrastructure decisions for a population more closely aligned with its urban priorities. Residents of the new Chugach Regional Borough, in turn, will become responsible for their own local service levels, tax burdens, capital priorities, reserves, debt policies, and fiscal choices.
6. Detachment supports a more focused Anchorage School District. A remnant Anchorage School District can focus on Anchorage's needs based on a more urban environment with

its unique challenges. The result will be two school systems better aligned with community preferences.

7. Detachment does not require disruption of AWWU, solid waste disposal, electric, gas, telecommunications, or other regulated or contract-based services. Existing utility law, RCA jurisdiction, certificates, ratepayer obligations, bond requirements, and transition agreements can preserve continuity while political accountability is realigned.
8. Detachment improves fiscal discipline and credit clarity. The Municipality's bond and rating documents show that Eagle River-Chugiak taxpayers remain part of a broad municipal taxing base supporting general-obligation debt, school bond debt, revenue obligations, and other long-term commitments. Detachment will not erase lawful obligations, but it will allow assets, liabilities, debt, service-area funds, capital responsibilities, and future borrowing to be identified and allocated according to benefit, geography, voter authorization, repayment source, and legal obligation. This will improve transparency for both successor governments.
9. Detachment protects the remnant MOA from conflicts outside its core mission. Many criticisms of the current structure arise because the MOA is required to govern materially different communities within one consolidated system. After detachment, the remnant Anchorage will be evaluated on how well it serves its own urban-centered territory, rather than whether it can reconcile two divergent civic identities within a single political and administrative model.
10. Detachment provides mutual governmental clarity. The proposal is not mutual loss. It is a division of responsibilities. Anchorage will govern Anchorage-centered priorities; the CRB will govern Eagle River-Chugiak priorities. Each government will become more accountable to its own residents.

Conclusion

Detachment and incorporation serve the best interests of the remnant Municipality of Anchorage because the proposal does not weaken Anchorage; it refocuses Anchorage. The remnant MOA will retain the population, tax base, infrastructure, public facilities, school assets, public-safety resources, administrative capacity, and institutional experience necessary to remain a fully viable local government. What changes is the scope and coherence of what Anchorage is required to govern.

The boundary change will allow Anchorage to focus on a more internally consistent urban municipality, while the Chugach Regional Borough assumes responsibility for its own services, schools, taxation, land use, capital planning, and fiscal choices. It will reduce recurring conflict, simplify service administration, clarify debt and fiscal responsibility, preserve service continuity, and allow both governments to adopt policies suited to their respective communities.

For these reasons, the proposed detachment and incorporation must be understood as mutual governmental clarification: Anchorage governs Anchorage-centered priorities, and the Chugach Regional Borough governs Eagle River-Chugiak priorities.

C. Benefits to the New Chugach Regional Borough

Along with the best interests of the state and benefits to the remnant MOA, petitioners are required to show that detachment and incorporation will benefit the new CRB:

1. Direct local accountability. The central feature of the new borough is direct accountability. Residents who pay for local services and live with the consequences of local decisions will elect the officials responsible for taxation, schools, roads, land use, public safety coordination, budgets, debt, and capital priorities.
2. A non-unified home rule structure. A non-unified home rule borough will provide regional government without preventing future city incorporation or other lawful local-government arrangements. Borough powers will be exercised at the regional level, while Eagle River, Chugiak, Birchwood, Peters Creek, Eklutna, and surrounding communities will retain future flexibility if statutory standards and voter approval support additional community-level government.
3. Local control of taxation, services, and fiscal discipline. The CRB will be able to align local tax levies with local services through a locally adopted budget.
4. Locally accountable school governance. The CRB will establish a school district accountable to Eagle River-Chugiak voters, allowing local control over the aspects of education that matter to local families.
5. Locally calibrated land-use regulation. The CRB will be able to adopt zoning, platting, permitting, housing, road, drainage, and infrastructure policies suited to local conditions rather than relying on Anchorage Bowl assumptions.
6. Better road, drainage, transportation, and capital-planning alignment. Because the Eagle River-Chugiak area already relies heavily on contractor-based road maintenance, the new borough will continue practical arrangements while placing oversight under locally accountable government.
7. Improved public-safety planning. The CRB will evaluate police services, fire and EMS, , uncovered service areas, volunteer capacity, capital equipment, station needs, and emergency-management planning based on community needs.
8. Local management of parks, recreation, and community character. The new borough will be able to protect and enhance the distinct character of Eagle River-Chugiak through local government of recreational facilities.
9. Greater responsiveness to population growth and economic development. The Eagle River-Chugiak area has grown from a small outlying community into a major population center. A local borough will address future growth based on the wants and desires of the local population.
10. Flexible contracting and intergovernmental cooperation. The CRB can assume necessary borough functions without recreating the full administrative structure of the MOA. It will provide services directly where efficient, contract with private providers where appropriate, use intergovernmental agreements, and maintain mutual-aid relationships.
11. A government scaled to the community. The CRB will be large enough to support borough government but small enough to remain close to the residents it serves. Its scale is better matched to the geography, population, tax base, schools, service structures, civic institutions, and public expectations of the Eagle River-Chugiak area residents.

Conclusion

The incorporation of the Chugach Regional Borough serves the best interests of the new borough's communities because it places local responsibility where local consequences are felt. The central benefit is not merely separation from the Municipality of Anchorage; it is the creation

of a government directly accountable to Eagle River-Chugiak residents for the decisions that most affect their daily lives.

A non-unified home rule borough is especially suited to this purpose. It provides regional authority sufficient to manage borough-level responsibilities while avoiding unnecessary duplication or over-centralization. The CRB will have the option of retaining existing, workable service arrangements, or considering alternative methods such as contracting or intergovernmental agreements.

For these reasons, incorporation must be understood as the creation of a more accountable, transparent, and appropriately scaled form of local government. Detachment and incorporation advance the best interests of the new borough by restoring direct local self-government, improving fiscal accountability, and protecting community character.

Summary of Best Interests.

The proposed boundary change satisfies the best interests of the State because it

- advances maximum local self-government,
- avoids unnecessary duplication,
- creates two coherent local governments,
- clarifies fiscal responsibility,
- preserves service continuity,
- supports orderly transition, and
- reduces the risk that local-government mismatch will become a continuing state concern.

The proposal benefits the remnant Municipality of Anchorage because it leaves Anchorage viable, populated, resourced, and administratively capable while allowing it to focus on a more coherent urban-centered municipality. It reduces the burden of governing an outlying region with materially different expectations and permits Anchorage to concentrate on its own public-safety, housing, homelessness, schools, infrastructure, port, transportation, and economic-development challenges.

The proposal benefits the proposed Chugach Regional Borough because it gives Eagle River-Chugiak direct local authority over the services, taxes, schools, roads, public safety coordination, land use, infrastructure, budgets, debt policies, and future development priorities that most directly affect its residents. It does so through one regional non-unified home rule borough, a small and responsive local government, and direct input from residents.

III. Existing Structural Mismatch

The following examples show that the proposed boundary change is not based on a single grievance, isolated ordinance, or ordinary policy disagreement. The record reflects a cumulative pattern: Eagle River-Chugiak is recognized as distinct for geography, transportation, service delivery, taxation, schools, parks, roads, fire protection, land use, and community identity, while final authority remains centralized in a municipality-wide government whose majority constituency is outside the affected community.

That is the structural mismatch. It is similar in principle to the problem that led to Anchorage unification in the 1970s, although the remedy is different. Then, the problem was competing city and borough governments governing one urbanizing region. Today, the problem is one unified government attempting to govern materially different communities.

Borough-Wide Policy Applied to Distinct Local Conditions

Several recent municipal actions illustrate how Anchorage-wide policy can be applied to Eagle River-Chugiak even when residents dispute the action.

- AR 2023-188(S) involved sanctioned camps² and included language requesting that the State consider use of the Eagle River Campground as a sanctioned camp location. It is clear that homelessness is an issue that needs to be addressed effectively and compassionately. The issue here, however, is that a public space could have been set aside as a sanctioned camp with its associated public-safety, sanitation, management, and community-impact concerns, without community buy-in.
- AO 2025-133 proposed a three percent municipal sales and use tax for property-tax relief, public safety and infrastructure, childcare, and housing. Although postponed indefinitely, the proposal shows that Eagle River-Chugiak taxpayers can be bound to municipality-wide revenue measures shaped by Anchorage-wide priorities.
- AO 2025-112 addressed relocatable dwelling units as part of broader Title 21 housing and land-use amendments. Chugiak-Eagle River, however, is governed by a separate Title 21 chapter that recognizes the area's distinct development patterns, land-use priorities, and community character. The significance of AO 2025-112 is therefore not the merits of relocatable dwelling units themselves, but the fact that policy changes affecting Chugiak-Eagle River's land-use framework may be adopted by a municipality-wide Assembly whose members are elected primarily by voters outside the area.
- Harry McDonald Road is another clear example of unification misalignment. MOA treated the road as a private driveway with the practical effect of shifting future collector-road upgrade costs away from the developer and potentially toward CBERRRSA taxpayers.

Adoption of AO 2025-52 now allows development to proceed without requiring the developer to upgrade the road, the burden shifts to CBERRRSA taxpayers. That means local Chugiak-Eagle River road-service taxpayers may be forced to pay for infrastructure obligations created by centralized MOA land-use decisions they did not control.

- Similar concerns arise in connection with AO 2025-40/40(S), AO 2025-52, and related capital-improvement practices. These measures affect land-use decisions, development patterns, and the allocation of infrastructure costs. When road, drainage, or other development-related expenses are shifted from developers to taxpayers or service areas, Eagle River-Chugiak residents may ultimately bear those costs even though the

² A “sanctioned camp” under AR 2023-188(S) is a municipally approved outdoor camping location for unhoused persons, intended to provide a lawful place to sleep or stay temporarily with basic sanitation, safety, support services, management, and mitigation measures.

underlying policy decisions were made by a municipality-wide government rather than by officials accountable solely to the community.

Service-Area, Tax-District, and Proportionality Concerns

The record identifies a dual fiscal reality for the Eagle River-Chugiak area: local service-area obligations combined with broader municipal and ASD taxation controlled by a borough-wide Assembly. Eagle River-Chugiak residents pay into local service areas and areawide municipal systems, but final decisions over taxes, budgets, schools, service levels, capital projects, administrative charges, and fund balances remain centralized and distant from local control.

This is not an argument that every levy is unlawful. It is a proportionality and accountability issue. Anchorage Charter Section 9.02 requires assessment-district levies to be proportionate to the benefit received and burden imposed and requires district revenues to be kept separate and applied only to costs incurred for that district. The need to test AD2 services through revenue attribution, expenditure matching, staffing review, service-level analysis, fund-balance review, and capital-project comparison demonstrates that local taxation and local accountability are no longer aligned.

The proposed Chugach Regional Borough will restore that alignment by placing locally funded services under a borough government elected by and accountable to the residents who pay for and receive them.

Transportation Scoring and Project-Priority Mismatch

The AMATS/TIP record provides one of the clearest practical examples of mismatch. Chugiak-Eagle River is inside the metropolitan transportation planning and funding boundary, but the scoring, representation, and approval structure is not calibrated to the community's distinct transportation needs.

AMATS scores TIP projects against regional goals established in the Metropolitan Transportation Plan. In practice, that process can favor Anchorage Bowl conditions, including urban land-use patterns, transit access, equity-area scoring, non-motorized priorities, MS4 stormwater criteria, and growth features that do not fit Eagle River-Chugiak's geography, road system, commuter patterns, Glenn Highway dependence, military interface, winter maintenance needs, freight movement, emergency-access concerns, or Mat-Su corridor connections.

The record identifies several related concerns:

- AMATS's approval role over state-priority projects inside the MPO boundary;
- scoring criteria built around urban Anchorage conditions;
- the absence of a dedicated Eagle River-Chugiak seat on the AMATS Policy Committee;
- recurring concern over disproportionate transportation funding;
- the reduction of the Eagle River Road rehabilitation project from an approximately \$60 million roadway investment to a much smaller pathway concept of roughly \$2.5 million;
- and the use of the Artillery Road Interchange as apparent evidence of local AMATS investment even though it is principally advanced through DOT&PF/STIP/NHS funding.

Seen as a whole, these facts show that Eagle River-Chugiak is subject to metropolitan transportation decisions without a governance structure designed around its own transportation realities.

Community Identity and Historical Resistance to Forced Fit

The petition record includes testimony from Dr. Chase Hensel describing Eagle River-Chugiak residents as emphasizing their uniqueness in contrast to Anchorage, with a strong collective identity and sense of place. The quote reads “(Eagle River Valley) residents emphasize their uniqueness in contrast to Anchorage, a strong collective sense of identity, and an unquestioned sense of place” (See Exhibit 3, Chase Hensel Affidavit, page 10). The same record explains that detachment is intended to protect that sense of place and provide the tools of local governance needed to guide future development.

The historical materials also show that Eagle River and Chugiak opposition to prior unification efforts was a significant political fact, and that in 1974 residents previously pursued authority to withdraw from the Greater Anchorage Borough and incorporate as their own borough. That history shows that the present petition is not a sudden reaction to one contemporary controversy. It reflects a longstanding question: is Eagle River-Chugiak better governed as part of an Anchorage-centered unified municipality or as its own borough-level government?

Community Services Already in Place

Core services provided to the Eagle River-Chugiak area are already organized in ways that recognize the area as locally distinct.

Road services are provided through the Chugiak, Birchwood, Eagle River Rural Road Service Area (CBERRRSA), which covers the area to be detached and already treats local roads as separate for tax and service purposes. Incorporation will align that already-localized road-service structure with local control over road policy, maintenance standards, drainage, project priorities, emergency access, and transportation advocacy.

Parks and recreation services are provided through the Eagle River-Chugiak Parks and Recreation Service Area, which funds local parks, trails, recreation facilities, community assets, and related operations. Final authority over parks policy, maintenance, capital planning, procurement, programming, trails, and long-term asset management, however, remains within the centralized MOA structure. The audit record reinforces the need for local accountability. (See Exhibit 15: MOA Internal Audit Report), found that procurement-card controls in the Eagle River/Chugiak Parks and Recreation Division needed improvement and identified concerns involving storage, inventory, purchasing, documentation, and approval controls. That evidence should not be used to criticize employees, but to show the need for transparent local oversight.

Fire and emergency services are also locally distinct. Fire protection is not delivered through one uniform Anchorage Bowl model. Portions of Eagle River are served by the Anchorage Fire Department, while Chugiak Volunteer Fire and Rescue provides fire suppression, rescue, and emergency medical services in north Eagle River, Chugiak, Birchwood, and Eklutna. A new borough can preserve effective volunteer-service arrangements, evaluate uncovered or direct-billing areas, negotiate mutual-aid agreements, plan capital equipment and station needs, and determine the most appropriate long-term fire and EMS structure.

Bonding, Debt, Ratings, and Fiscal Transparency

Recent credit-rating actions identify financial-management issues, negative fund-balance history, delayed audited financial statements, reserve concerns, long-term liability pressure, and credit-related risks.³

Anchorage Charter § 13.10 requires an annual independent audit to be completed within 90 days after the close of the fiscal year, and the record identifies delayed Annual Comprehensive Financial Report filings. These facts do not prove a fiscal crisis by themselves, but they show that Eagle River-Chugiak area taxpayers are tied to a broader fiscal system they do not locally control.

A Chugach Regional Borough will improve fiscal transparency by allowing future borrowing, reserves, audits, capital plans, and debt policies for local services to be adopted by a government directly accountable to the residents who both pay for and benefit from those obligations.

Public Participation and Petition Rights

The petition record includes recent proposals to modify Assembly procedures governing public participation. For example, AO 2025-73, introduced in 2025 by Assembly leadership, proposed amendments to the Assembly's rules concerning public appearances and testimony. Among the changes discussed was a provision allowing the Chair to limit certain repeat appearance requests within a 90-day period. Whether such procedural restrictions are ultimately justified or not, they illustrate a broader concern expressed by many Eagle River-Chugiak residents: public participation in a municipality-wide government is increasingly governed through formal procedural controls administered by officials elected largely outside the community. This concern supports the broader argument that a smaller, locally accountable borough government will provide residents more direct access to decision-makers and a stronger connection between public participation and governmental accountability.

Safeguards That Strengthen the Best-Interests Showing

The strength of the proposal depends not only on the reasons for detachment and incorporation, but also on the safeguards for transition. The petition shows, through exhibits and transition materials, that the boundary change can be implemented without unreasonable risk to the State, the remnant MOA, or residents of the proposed CRB.

- a service-by-service transition over a two-year period;
- operating and capital budgets;
- assets and liabilities exhibits;
- school district transition planning, including foundation formula and local contribution, facilities, transportation and staffing;
- police, fire, EMS and service-area transition plans; and,

³ The 2024 S&P Global Ratings report (Exhibit 10) on Anchorage shows that S&P lowered its rating to AA- from AA on Anchorage's GO bond debt. They also lowered the MOA rating to A+ from AA- on the Certificates of Participation (COPs) debt outstanding. They site a weakened financial management practices and negative fund balances in the general fund, along with delayed release of the fiscal 2022 financial statement, as reasons for the downgrades.

- clear voter-facing explanations of the powers, taxes, services, and transition obligations of the proposed borough.

Conclusion

Taken as a whole, these examples demonstrate a consistent pattern. Eagle River-Chugiak is treated as distinct when the Municipality draws service areas, tax districts, road-service structures, parks systems, land-use chapters, planning areas, transportation priorities, and community identities. Yet when final decisions are made about taxation, schools, land use, public safety, homelessness policy, transportation scoring, audits, debt, capital priorities, and fiscal tradeoffs, authority remains centralized in a municipal system dominated by Anchorage-wide priorities.

The petition therefore does not ask the Local Boundary Commission to remedy a single grievance. It asks the Commission to recognize that the current unified structure misaligns government decisions with the affected community. Detachment and incorporation will correct that mismatch by placing local services, taxes, schools, land use, capital priorities, fiscal responsibility, and public accountability under a borough government directly accountable to Eagle River-Chugiak residents.

IV. Summary of Features and Benefits

The following table provides a summary of features and benefits of detachment and incorporation, along with the effect on the best interests of the state, the remnant MOA, and the CRB:

Feature	State Interest Served	Benefit to Remnant MOA	Benefit to New CRB
Two coherent local governments	Aligns local-government boundaries with communities of interest.	More focused urban-centered governance.	Direct local control for Eagle River-Chugiak.
Non-unified home rule borough	Promotes maximum local self-government without unnecessary duplication.	Removes need to manage AD2 through unified model.	Provides regional powers while preserving future community-level options.
Orderly transition plan	Avoids service disruption and successor risk.	Allows structured allocation of responsibilities.	Allows phased assumption of services.
Service continuity	Protects health, safety, and general welfare.	Maintains necessary intergovernmental relationships.	Preserves services while improving local accountability.

School realignment	Supports education governance closer to communities served.	Allows ASD to focus on Anchorage-centered needs.	Creates locally accountable CRB school district.
Fiscal accountability	Improves transparency and taxpayer confidence.	Clarifies costs and obligations for remnant taxpayers.	Aligns local taxes with local services.
Land-use control	Improves planning suited to actual conditions.	Allows Anchorage to pursue urban land-use strategy.	Allows CRB to tailor rules to rural and small-town conditions.
Transportation and roads	Improves infrastructure prioritization.	Allows Anchorage to focus on urban roads and mobility.	Allows local prioritization of Eagle River-Chugiak road and drainage needs.
Public safety coordination	Clarifies responsibility for service levels and costs.	Allows Anchorage to plan public safety for its own geography.	Allows CRB to evaluate police, fire, EMS, mutual aid, and gaps.

Conclusion

For these reasons, the proposed detachment and incorporation should be understood as a constructive realignment of local government rather than a rejection of local government. It is a proposal to place Anchorage-centered responsibilities under a more focused remnant Municipality of Anchorage and Eagle River-Chugiak responsibilities under a new Chugach Regional Borough. The proposal advances the constitutional balance of maximum local self-government with a minimum number of local government units, serves the best interests of the State, benefits the remnant MOA, and creates a practical, accountable, and locally responsive borough government for the affected territory.

V. Detailed Regulatory and Legal Analysis

Controlling Legal Framework

The following legal framework governs the transition showing and should be used as the interpretive backbone for this plan:

Authority	Transition relevance
Alaska Constitution article. X, section 1	Requires maximum local self-government with a minimum number of local government units and liberal construction of local-government powers. The transition plan should show that CRB replaces rather than duplicates MOA borough-level authority in the detached territory.
Alaska Constitution article. X, section 3	Requires borough boundaries suitable for borough government. Transition proof should show that the proposed boundaries permit efficient service development and administration.
3 AAC 110.045-.067	Provide borough incorporation standards for relationship of interests, population, resources, boundaries, best interests of the state, and applicability.
3 AAC 110.270(a), Factors 1-12	Provides detachment best-interests factors, including health/safety/general welfare, remnant service capacity, growth, historical service patterns, historical relationships, remnant borough-standard compliance, transition plan, long-term financial stability, maximum local self-government, minimum local government units, service adequacy, and school enrollment data.
AS 29.05.031	Requires a petition for incorporation to show population, boundaries, resources, and other standards necessary for a borough.
AS 29.05.130	Requires integration of service areas in a newly incorporated municipality within two years, with succession to relevant rights, powers, duties, assets, and liabilities of the service area.
AS 29.05.140	Provides that powers and duties exercised by succeeded cities and service areas continue until assumption by the new municipality, not to exceed two years; ordinances, rules, resolutions, procedures, and orders continue until superseded; written notice and consultation are required before assumption.
AS 29.05.190	Provides organization grants for eligible new boroughs and unified municipalities. The CRB budget treats any grants as one-time startup and reserve support, not recurring revenue.
3 AAC 110.270(e)	Requires a detachment petition that also seeks to incorporate a new borough to propose a new borough encompassing substantially larger population and area than the detaching territory. This regulation has been submitted to the SOA for repeal through AO 360. Unless and until repealed, the petition preserves its legal position and addresses 3 AAC 110.270(e) through the accompanying white paper and constitutional/regulatory argument. See Exhibit 9, White Paper on 3 AAC 110.270(e).
3 AAC 110.900	Requires a practical transition plan for service transition or termination, assumption of powers/duties/rights/functions, transfer and integration of assets and liabilities, consultation with affected officials, and an orderly, efficient, economical transfer within the shortest practicable time.
3 AAC 110.981 and 3 AAC 110.982	Inform the maximum local self-government and minimum-units analysis. The transition plan should avoid unnecessary duplication and show that one new borough replaces MOA authority in the detached territory.

The following pages comprise a discussion of the major constitutional requirements and state regulations regarding the process of detachment of an entity from a governmental entity, and the subsequent incorporation as a non-unified home rule borough.

1. Article X, Section 1: Maximum Local Self-Government with a Minimum of Local Government Units

Article X, section 1 of the Alaska Constitution states that the purpose of Alaska's local-government article is to provide maximum local self-government with a minimum of local government units, prevent duplication of tax-levying jurisdictions, and give a liberal construction to the powers of local government units.

The minimum-units principle is balanced with maximum local self-government by creating the fewest units reasonably necessary for meaningful self-government (see Exhibit 9, White Paper on 3 AAC 110.270(e)). Article X, Section 1 of the Alaska Constitution does not say that local self-government must be sacrificed "and" government units minimized as a separate, overriding objective. It says the purpose is to provide maximum local self-government **"with"** a minimum of local government units. That wording matters. "With" joins the two principles into a single constitutional design: Alaska should avoid unnecessary layers, duplication, and overlapping tax jurisdictions, while still allowing local communities to govern themselves in a real and effective way.

A common misconception treats "minimum of local government units" as if it always favors fewer governments, regardless of whether the existing structure frustrates local self-government. That is not the constitutional command. The command is not "maximum local self-government, and separately, as few local governments as possible." The command is maximum local self-government **with** a minimum number of units needed to accomplish that purpose. The minimum-units clause is therefore a restraint against needless duplication, not a veto against justified local government reorganization.

Properly read, Article X, Section 1 asks whether the proposed structure creates unnecessary governmental units or whether it creates the fewest units reasonably necessary to secure meaningful local self-government, prevent duplication of tax-levying jurisdictions, and align government responsibility with the people and territory being governed. The Alaska Constitution also requires liberal construction of local-government powers, reinforcing that Article X should not be read mechanically to preserve large existing units when a distinct community can govern itself more directly and efficiently.

For that reason, the constitutional question is not simply whether detachment and incorporation would increase the number of local governments by one. The better question is whether the new unit is reasonably necessary to provide meaningful local self-government and whether it reduces, rather than increases, structural mismatch, duplication, and conflict. If the proposed borough replaces remote or mismatched areawide governance with direct local accountability, assumes appropriate powers and responsibilities, and avoids unnecessary overlapping tax jurisdictions, then it is consistent with Article X's text: maximum local self-government **with** a minimum of local government units.

One remnant municipality will continue to govern the Anchorage-centered area. One new non-unified home rule borough will govern the Eagle River-Chugiak region. The proposal does not place an additional layer of government on top of the Municipality of Anchorage. Instead, it realigns one existing unified municipal structure into two separate and coherent local governments, each serving a distinct community of interest.

This approach preserves the constitutional requirement for a minimum number of local government units because it does not duplicate borough authority within the same territory. At the same time, it restores the equally important constitutional command of maximum local self-government by allowing Eagle River-Chugiak and the remnant Anchorage municipality to govern according to their own geography, service needs, tax structure, school priorities, and public purposes. In that sense, the proposal gives full effect to both parts of Article X, Section 1, rather than allowing the minimum units principle to override meaningful local self-government.

2. Article X, Section 3: Borough Organization

Article X, Section 3 of the Alaska State Constitution expresses Alaska's constitutional policy that local government responsibilities should be exercised through organized borough governments whenever practicable. The proposed Chugach Regional Borough advances that objective by establishing a viable home-rule borough for a mature regional community with the population, tax base, service capacity, and governmental resources necessary to govern itself effectively. The CRB will assume responsibility for local and regional functions through institutions directly accountable to its residents, thereby furthering the constitutional goal of strong, self-sustaining borough government and meaningful local self-government.

3. Best Interests of the State (3 AAC 110.065)

For incorporation, the Commission may consider whether the proposal:

- Promotes maximum local self-government *with* a minimum number of local government units; and
- Relieves the State of responsibility for local services; and
- Avoids exposing the State to unusual and substantial risk as prospective successor if the borough dissolves.

The proposed CRB meets these standards because it creates a capable regional government for a mature, populated, road-connected, service-receiving, taxpaying community and does not leave the State as the default provider of local government services.

4. Detachment Best-Interests Factors (3 AAC 110.270(a))

The detachment factors are designed to determine whether a proposed boundary change will produce two viable, stable, and effective local governments while advancing the constitutional goal of maximum local self-government. The Commission considers public health and safety, service capacity, future growth, historical service relationships, intergovernmental cooperation, transition planning, financial sustainability, the viability of the remnant municipality, and the adequacy of governmental services following detachment.

Taken together, these factors focus the inquiry on governance rather than geography alone. They ask whether the proposed borough will be capable of serving its residents effectively, whether the remnant municipality will remain viable, and whether the resulting governmental structure better reflects the communities it governs. Because the proposed borough requires detachment from the Municipality of Anchorage as well as incorporation as a borough, these considerations are central to the Commission's review of this petition.

The following sections detail this regulation subsections 1 through 11 to show the petitioners' compliance.

Factor 1: Regulation 3 AAC 110.270(a)(1): Health, Safety, and General Welfare After Detachment

Factor 2: Regulation 3 AAC 110.270(a)(2): Ability of the Remnant Municipality to Provide Necessary Facilities and Services

These factors are addressed together because both require the Commission to evaluate the practical effect of detachment on public welfare, essential services, and service-delivery capacity for both the new Chugach Regional Borough and the remnant MOA. Factor 1 asks whether detachment will protect the health, safety, and general welfare of both the detaching area and the remnant municipality. Factor 2 asks whether the remnant Municipality of Anchorage will remain able to efficiently and effectively provide reasonably necessary facilities and services after detachment.

The proposed detachment of Assembly District 2 and incorporation of the Chugach Regional Borough satisfy the standards set out in both Factor 1 and Factor 2.

The proposed boundary change will benefit the remnant Municipality of Anchorage. After detachment, Anchorage will be able to focus its personnel, budget, infrastructure planning, public safety, transportation, housing, homelessness response, schools, and urban-service policies on a more compact and internally coherent municipal area. The current unified structure requires Anchorage to manage materially different urban, rural and small-town service expectations within one government. Detachment will reduce that mismatch and allow the remnant Municipality to provide services more efficiently and effectively to its residents.

For the Chugach Regional Borough, incorporation will improve health, safety, and general welfare by placing service responsibilities closer to the residents who fund and receive those services. The new borough will preserve existing service-area structures where they work, revise them where they do not, use lawful contracts or intergovernmental agreements where appropriate, and adopt service standards tailored to the geography, growth patterns, emergency-response needs, roads, schools, parks, and public expectations of Eagle River-Chugiak and surrounding communities.

The record shows that many essential services in Eagle River-Chugiak are already delivered through separate service areas, local service structures, volunteer organizations, private contractors, municipal departments, or utility arrangements that differ from the Anchorage Bowl model. Detachment will not create an unserved area or require the new borough to invent a municipal service system from nothing. It will place an already distinct service-delivery structure under a more locally accountable borough government.

The detailed mechanisms for service continuity are addressed in the Transition Plan and supporting fiscal exhibits. A summary of current and future funding sources and responsible entities is presented in Exhibit 2: Service Continuity Matrix. Those materials demonstrate that the proposed borough has a sufficient tax base and service-area revenue structure to assume local responsibilities without impairing essential services.

A. Municipal Services, Public Safety, Roads, and Local Service Delivery

The current service structure within the Eagle River-Chugiak area already reflects operational separation from the Anchorage Bowl. Road maintenance, street lighting, parks and recreation, fire protection, police service, and other municipal functions are divided by geography, service area, funding source, contract structure, municipal administration, and local service expectations. That structure supports the feasibility of detachment and incorporation.

Emergency services vary by location and service-area status. Some areas within the Eagle River-Chugiak area are served by the Anchorage Fire Department, while others are served by Chugiak Volunteer Fire & Rescue. Certain areas lack guaranteed fire or EMS service coverage and instead rely on direct billing after service is provided. The MOA database identifies approximately 496 residential parcels in AD2 affected by this service-coverage issue.

This is directly relevant to health, safety, and general welfare. The Chugach Regional Borough will be able to evaluate uncovered or hourly-rate areas and determine whether they should be included in a borough-wide emergency-services model, a service area, a contract arrangement, a mutual-aid framework, or other lawful service-delivery method.

The current labor structure also affects emergency-service flexibility. Article 2 of the 2025–2028 collective bargaining agreement between the Municipality and IAFF Local 1264 limits private ambulance services from performing emergency work now being performed by the union, except for interfacility transfers. Whatever the historical basis for that provision, it restricts service-delivery options. A new borough will be able to evaluate fire and EMS delivery under its own legal, financial, labor, and operational framework, while preserving service continuity.

Road maintenance provides another example of existing separation. The Chugiak Birchwood Eagle River Rural Road Service Area, or CBERRRSA, already serves most of the Eagle River-Chugiak area and includes more than 350 lane miles of roadway. The MOA does not provide road maintenance to this area through the same direct-service model used in the Anchorage Bowl. Instead, CBERRRSA funds capital improvements, roads, drainage, and maintenance within the service area, while private contractors perform much of the work. Because this model is already service-area based and contractor-delivered, the CRB will have the opportunity to continue, rebid, or modify those arrangements on day one.

Street lighting and parks and recreation follow the same localized pattern. The Eagle River Street Light Service Area funds street lighting in portions of AD2, while parks and recreation services within the proposed borough boundaries are provided through the Eagle River-Chugiak Park and Recreational Service Area. Incorporation will allow those services to be managed within a government whose boundaries, tax base, and policy priorities are aligned with the residents receiving the services.

Police presence can be improved. Most of the Eagle River-Chugiak area is part of the Anchorage Metropolitan Police Service Area, but the extent, level, staffing, and practical delivery of police services in AD2 are not as transparent as they will be under a locally administered or locally contracted structure. The Chugach Regional Borough will be able to determine whether police services should be provided directly, by contract, by intergovernmental agreement, or through a blended model, with service levels and costs identified in a locally adopted budget. The CRB can evaluate dedicated patrol models, response-time goals, and locally budgeted service levels with the goals of maintaining service levels and lowering crime incidences.

The broader point is that detachment and incorporation will not create service disruption. The Eagle River-Chugiak area already operates through a patchwork of service areas, areawide taxes, private contractors, volunteer fire service, direct-billing areas, municipal administration, and utility arrangements separate from the MOA. The proposed CRB will allow those functions to be reorganized into a clearer, locally accountable borough service system.

B. Education

Education is also relevant to health, safety, and general welfare, as well as efficient service delivery. The Anchorage School District (ASD) has faced recurring budget pressures, declining enrollment, school-closure proposals, excess facility capacity, rising personnel and support costs, and difficult districtwide tradeoffs. In 2022, ASD proposed closing six elementary schools to address an estimated \$68 million budget gap, including Birchwood ABC Elementary in the Eagle River-Chugiak area. More recently, ASD has continued to confront structural deficits, rightsizing proposals, school closures, staff reductions, increased class sizes, and program reductions.

These facts do not, in themselves, demonstrate that every ASD budget decision is unreasonable. They do show that one centralized district must govern a large, geographically diverse, and demographically uneven school system. Anchorage Bowl schools, Eagle River-Chugiak schools, charter programs, military-connected students, underutilized facilities, Title I schools, special education programs, transportation demands, aging buildings, and districtwide administrative obligations are all forced into one consolidated budget and school-board process.

Detachment and incorporation will allow school governance to be realigned into two coherent systems: the remaining Anchorage School District within the remnant Municipality and the Chugach Regional Borough School District within the proposed CRB. Anchorage can then focus on its urban school footprint, including facility consolidation, Title I concentration, declining enrollment, aging buildings, school-choice programs, and high-cost student-support needs. The CRBSD will focus on local facilities, transportation, class-size expectations, parental involvement, curriculum emphasis, alternative programs, and the relationship between local contribution and local outcomes.

The proposed CRB school district will still face ordinary education, funding and transportation challenges. The petitioners do not claim that separation eliminates those pressures. The point is that two geographically and socially coherent districts will better manage their distinct conditions than one large district attempting to fit materially different communities into a single operating model.

School-facility planning in the proposed CRB will consider current enrollment, long-term residential capacity, future housing demand, and the possibility that a locally governed borough can make more community-aligned decisions than the current model.

C. Utilities

Water and sewer services provided by the Anchorage Water and Wastewater Utility will remain subject to applicable utility law, Regulatory Commission of Alaska requirements, certificates, ratepayer obligations, and transition arrangements. AWWU operates under a Certificate of Convenience and Necessity for the Anchorage Bowl, Eagle River, and Girdwood, and the proposed detachment does not by itself alter that defined service area. Other utilities in the area are regulated similarly, so detachment and incorporation do not trigger any disruption of utility services.

Conclusion

The proposed detachment and incorporation satisfy 3 AAC 110.270(a)(1) and 3 AAC 110.270(a)(2). The petitioners do not propose discontinuation of essential services. The Transition Plan contemplates continuity through existing service structures, contracts, intergovernmental agreements, utility arrangements, phased assumption of powers, and locally adopted service decisions.

Health, safety, and general welfare will be protected because the proposed Chugach Regional Borough will assume responsibility for services that are already geographically distinct, service-area based, or otherwise capable of transition. The remnant Municipality of Anchorage will also remain able to provide necessary facilities and services after detachment and will be better positioned to focus on a more compact and coherent urban municipal area. Properly implemented, the proposal will improve service clarity, reduce administrative mismatch, support fiscal discipline, and enhance quality of life for residents of both successor governments.

Factor 3: Regulation 3 AAC 110.270(a)(3): Future Population Growth and Economic Development Requiring Local Government Regulation

This regulation requires the Commission to consider the reasonably anticipated potential for, and impact of, future population growth or economic development that will require local government regulation within the proposed detachment area.

Eagle River-Chugiak satisfies this factor. Over the past fifty years, the area has evolved from a small rural settlement into a mature and economically active regional community with established neighborhoods, commercial centers, schools, public facilities, transportation infrastructure, and a substantial residential tax base. Population has grown from approximately 5,832 residents in 1970 to approximately 47,069 residents within Assembly District 2 according to the 2020 Census.

Future growth is reasonably anticipated. Remaining vacant land, planned development in the Powder Reserve and other northern land reserves, proximity to JBER, and continued growth in the Mat-Su region will place increasing demands on roads, drainage systems, schools, emergency services, parks, land-use regulation, and public infrastructure. These pressures will require ongoing governmental planning, regulation, and investment.

The expected increase in economic development that will naturally follow the projected growth in population will require the local government to help advance infrastructure to meet the growing needs. The CRB may pursue separate MPO recognition or another transportation-planning arrangement if population, federal requirements, state coordination, and final boundaries support it. Incorporation will strengthen the area's ability to advocate for transportation improvements, prioritize local road projects, and align land-use decisions with infrastructure capacity.

The proposed Chugach Regional Borough will be well positioned to address those needs through locally accountable decision-making regarding land use, zoning, permitting, subdivision standards, capital improvements, and transportation priorities. As the principal gateway between Anchorage and the Mat-Su Borough, Eagle River-Chugiak has distinct transportation and infrastructure concerns that will require sustained local planning and advocacy.

Community identity is also relevant to this factor. Dr. Chase Hensel testified that Eagle River Valley residents emphasize their uniqueness in contrast to Anchorage, possess a strong collective identity, and maintain an unquestioned sense of place (see Exhibit 3: Chase Hensel Affidavit, page 10 of 34). Land-use regulation, infrastructure planning, school planning, and

growth management directly shape that community character and therefore are appropriately guided by a government accountable to the residents most affected by those decisions.

Petitioners do not contend that incorporation alone will produce growth, lower taxes, or improve schools. Rather, incorporation will provide the governmental tools necessary for Eagle River-Chugiak residents to address future growth and development through locally controlled fiscal policy, school governance, land-use regulation, transportation planning, and capital investment.

Conclusion

For these reasons, the reasonably anticipated potential for population growth and economic development supports detachment and incorporation. Eagle River-Chugiak has the population, location, economic base, infrastructure, and community identity necessary for borough governance. Future growth will require local regulation, and the proposed Chugach Regional Borough will provide a more direct, accountable, and locally tailored structure for managing that growth in the interests of residents and the State.

Factor 4: Regulation 3 AAC 110.270(a)(4): Historical Pattern of Municipal Services Supported by Tax Levies in the Eagle River-Chugiak Area

This factor requires the Commission to consider the historical pattern of providing municipal services to the area proposed for detachment that have been, or should be, supported by tax levies in that area. This factor supports detachment and incorporation because Eagle River-Chugiak already receives many municipal services through distinct service areas, tax districts, private contractors, volunteer-service structures, municipal departments, and separate local funding mechanisms.

Roads, fire and EMS, parks and recreation, street lighting, police protection, and related services already have identifiable service structures, revenue sources, providers, and assets. Yet final authority over budgets, tax rates, contracts, capital priorities, service standards, administrative charges, and cost allocation remains with the Municipality of Anchorage. Detachment and incorporation will align tax levies, service delivery, and political accountability within a borough government directly accountable to the residents who both fund and receive those services.

A. Fire Protection and Emergency Services

Fire protection and emergency services in Eagle River-Chugiak are already divided by geography and service structure. Portions of Eagle River are served by the Anchorage Fire Department, while Chugiak Volunteer Fire and Rescue provides fire suppression, rescue, and emergency medical services in north Eagle River, Chugiak, Birchwood, and Eklutna.

The 2025 revised MOA service-area budget shows that the Chugiak Fire Service Area is funded by a 1.00 mill rate, with \$1,525,896 in taxes collected on a service-area assessed value of \$1,525,895,862. The service area is identified as providing fire protection within the service area and is included in Municipal Tax Districts 22 and 51.

The proposed Chugach Regional Borough will not need to create emergency services from nothing. It could preserve existing structures where they work, evaluate areas with unclear or limited coverage, negotiate mutual-aid or intergovernmental agreements, and determine whether fire and EMS should be provided through borough-wide service, local service areas, contracts, volunteer models, or a blended system.

B. Police Services

Police services are currently provided through the Anchorage Metropolitan Police Service Area. The 2025 tax-rate ordinance sets that service-area rate at 3.61 mills, representing a substantial annual tax burden on Eagle River-Chugiak taxpayers.

The issue is not that police service is unlawful or absent. The issue here is service accountability. AD2 taxpayers contribute to police-service funding, while service levels, staffing models, deployment decisions, budget priorities, and capital decisions are determined through the MOA structure. The petition record also indicates that APD does not assign police officer positions exclusively to Eagle River-Chugiak, resulting in potentially delayed response to emergency calls.

Case in point: A recent 2025 incident where an angry and mentally challenged individual threatened members and employees of a local credit union, resulting in panicked 911 calls for help. Despite the urgency, police did not show up for over 30 minutes, at which time the offender had moved on to another location after screaming threats, spitting on employees, and throwing rocks and damaging windows and door frames of the building.

A locally accountable borough can evaluate whether police services should be provided directly, by contract, by intergovernmental agreement, or through a regional service model, with costs and service levels identified in a local budget. The Transition Plan Part 1 budget identifies 17 FTE for the proposed Borough Police Department.

C. Parks and Recreation

The Eagle River-Chugiak Parks and Recreation Service Area is a local municipal service supported by local tax levies. MOA's 2025 revised budget shows the service area funded by a 1.01 mill rate, producing \$4,946,021 in taxes on an assessed value of \$4,897,050,986. The rate consists of 0.75 mill for services, 0.25 mill for capital improvements, and 0.01 mill for voter-approved debt service outside the codified limit.

The service area operates and maintains local parks, trails, recreational facilities, athletic areas, playgrounds, picnic shelters, the Beach Lake Chalet, Chugiak Pool, and the Harry J. McDonald Memorial Center. These assets serve a distinct Eagle River-Chugiak population and are already funded through a separate service-area structure.

The audit record clearly shows the need for local accountability. MOA Internal Audit Report 2021-04 found that controls over procurement-card purchases in the Eagle River/Chugiak Parks and Recreation Division needed improvement and identified concerns involving storage, inventory, purchasing, documentation, and approval controls. This evidence should not be used as personal criticism of employees, but as support for stronger local oversight, transparent purchasing controls, inventory management, and public accountability.

D. Roads, Drainage, and Street Lighting

Roads and drainage provide some of the clearest examples of an existing local service structure capable of transition. The Chugiak, Birchwood, Eagle River Rural Road Service Area, commonly known as CBERRRSA, provides capital improvements for roads and drainage and maintenance within road rights-of-way in the service area. The 2025 revised budget also states that CBERRRSA may provide certain street-light improvements and operation at special sites outside the Eagle River Street Light Service Area for public-safety purposes.

The 2025 revised budget shows CBERRRSA taxes of \$9,721,194 to be collected based on a 2.10 mill rate and assessed value of \$4,897,050,986. The budget states that CBERRRSA is capped at 2.10 mills, with no more than 1.1 mills for road and drainage maintenance and no more than 1.0 mill for capital improvements. The 2025 tax-rate ordinance also separately identifies the Eaglewood Contributing Road Service Area at 0.42 mills and the Gateway Contributing Road Service Area at 0.32 mills.

This structure shows that road and drainage services are already local in character, locally taxed, and geographically distinct from the Anchorage Bowl road system. Under the proposed CRB, these services will be continued, consolidated, modified, or locally governed through borough service areas, contracts, capital-improvement plans, and road-maintenance standards adopted by officials accountable to the affected residents.

E. Administrative Charges, Contracting, and Fiscal Transparency

The historical pattern also shows that service-area levies do not just fund direct services. They can also support administrative charges, intragovernmental charges, contract oversight, debt service, capital reserves, and other allocated costs. MOA's 2025 revised budget identifies intragovernmental charges for both the Eagle River-Chugiak Parks and Recreation Service Area and CBERRRSA.

Conclusion

The historical pattern of municipal services supports detachment and incorporation. Eagle River-Chugiak already receives essential services through identifiable service areas, local levies, private contractors, volunteer emergency-service structures, municipal departments, and geographically distinct systems. That pattern shows the area has services, tax bases, providers, facilities, revenue sources, and administrative models capable of transition.

The current situation facilitates a natural separation. The new CRB Assembly can take over the services smoothly and seamlessly as they are already dedicated to the Eagle River-Chugiak area. The Assembly can also correct any issues with inventory, procurement, and funds allocation through judicious management and accountability.

Factor 5: Regulation 3 AAC 110.270(a)(5): Historical pattern of cooperation and shared commitment between the people of Anchorage and the people of the Eagle River-Chugiak area

During the period leading to creation of the unified Municipality of Anchorage, Anchorage pursued annexation and unification strategies while residents of Eagle River and Chugiak resisted absorption into a centralized municipal structure. The record reflects that Eagle River and Chugiak briefly incorporated as their own borough in 1974 before later being merged into the newly unified Municipality after litigation. This history shows that the present petition is not a recent or manufactured dispute, but the continuation of a long-standing question about whether Eagle River-Chugiak should govern itself as a distinct community.

The record identifies repeated instances in which Eagle River-Chugiak Assembly representatives opposed major Anchorage policy decisions, but those decisions were nevertheless imposed on AD2 by the municipal majority. Examples include budget measures, homelessness policy, special tax levies, school budget approvals, public-process rules, and proposed tax measures. These examples do not merely show that AD2 representatives sometimes lose votes. They show that

the Eagle River-Chugiak area is structurally subordinate within a municipal government whose majority often reflects different fiscal, regulatory, educational, and service-delivery priorities.

The current structure also limits meaningful cooperation by substituting advisory participation for local authority. Community councils, service-area boards, and the Eagle River-Chugiak Advisory Board may provide comment, local knowledge, and recommendations, but they do not control taxation, budgets, land use, school governance, debt, capital planning, or municipal services. Advisory participation is useful, but it is not local self-government when final decision-making power remains elsewhere.

Detachment and incorporation will resolve this conflict in a manner that benefits both communities. The Chugach Regional Borough will allow Eagle River-Chugiak residents to govern through a directly accountable borough government. The remnant Municipality of Anchorage will be able to focus on a more coherent urban-centered municipal area, including its own public safety, transportation, housing, homelessness, school, infrastructure, and land-use challenges.

For these reasons, Factor 5 weighs in favor of detachment and incorporation. The historical relationship between Anchorage and Eagle River-Chugiak has not been one of sustained cooperation and shared municipal commitment. It has been a recurring structural conflict over whether two distinct communities should remain governed through one centralized municipal model. Detachment and incorporation provide a lawful remedy by replacing that conflict with two coherent local governments, each accountable to its own residents and better able to pursue its own public priorities as well as forming intergovernmental agreements between equals.

Factor 6: Regulation 3 AAC 110.270(a)(6): Effect of Detachment on the Remnant Municipality's Ability to Meet Borough-Incorporation Standards

This factor requires the Commission to consider whether the proposed detachment will enhance or diminish the ability of the remnant municipality to meet borough-incorporation standards. Those standards include Article X of the Alaska Constitution, AS 29.05, the borough-incorporation standards in 3 AAC 110.045 through 3 AAC 110.065, and the transition and implementation standards in 3 AAC 110.900 through 3 AAC 110.970.

The relevant question is not whether the Municipality of Anchorage will become smaller after detachment. The question is whether the remnant Municipality will remain a coherent, viable, adequately resourced, and functional borough-level government. The record supports that conclusion. Anchorage will retain the overwhelming share of the existing municipal population, taxable property, administrative structure, public facilities, personnel systems, school infrastructure, public-safety capacity, planning authority, and home-rule powers. Detachment will leave a large urban-centered municipality organized around the Anchorage Bowl and the areas most closely integrated with Anchorage's existing service structure.

A. Constitutional and Statutory Purpose

Article X of the Alaska Constitution favors maximum local self-government with a minimum number of local government units and requires liberal construction of local-government powers. Detachment will advance that balance. Eagle River-Chugiak will assume responsibility for its own borough-level services, schools, land use, taxation, infrastructure, public-safety coordination, and fiscal priorities, while the remnant Municipality will focus on the population, geography, and services most closely tied to the Anchorage Bowl.

This change will not fragment Anchorage into an impractical or under-resourced local government. The remnant Municipality will continue to possess the population, tax base, facilities, staffing, administrative capacity, and need for organized borough government required under Alaska law. Detachment will correct a structural mismatch between Anchorage's centralized urban municipal model and Eagle River-Chugiak's distinct and more rural community.

B. Relationship of Interests — 3 AAC 110.045

The remnant Municipality will continue to satisfy the relationship-of-interests standard. On a regional scale suitable for borough government, the remnant Anchorage area will retain interrelated and integrated social, economic, transportation, institutional, educational, public-safety, and service-delivery relationships. Anchorage will remain centered on the Anchorage Bowl and related urbanized areas sharing common land-use patterns, employment centers, housing markets, transportation systems, public facilities, schools, and public-safety systems.

Detachment will strengthen this relationship of interests by removing an outlying area with distinct and markedly different road, land-use, school, service-area, fire and EMS, development, and tax-priority concerns. The remnant Municipality will therefore become *more* internally consistent, not less.

C. Population — 3 AAC 110.050

The remnant Municipality will retain a population sufficient to support borough government. Even after detachment, Anchorage will continue as Alaska's largest urban center and will retain a population capable of supporting borough-level services, public facilities, school operations, and municipal administration.

D. Resources — 3 AAC 110.055

The remnant Municipality will retain adequate human and financial resources. Anchorage will continue to possess substantial taxable property, commercial activity, public infrastructure, municipal departments, personnel systems, school facilities, public-safety assets, planning and zoning capacity, road and drainage systems, parks and recreation facilities, and established administrative experience.

The effects of detachment should not be measured only by gross revenue removed from the Municipality. The Commission should also consider the corresponding removal of service obligations, capital responsibilities, political conflict, and administrative burdens associated with governing Eagle River-Chugiak as an outlying area with different service expectations. After detachment, the remnant Anchorage will retain the revenue base and institutional capacity necessary to serve the residents and territory remaining within its boundaries.

E. Boundaries — 3 AAC 110.060

The remnant Municipality will retain appropriate borough-level boundaries. After detachment, Anchorage will remain geographically coherent, contiguous, and administratively workable. The proposed boundary change will not create an irrational service geography, a noncontiguous remnant, or municipal enclaves. Instead, it will remove a distinct northern area separated from the Anchorage Bowl by natural features, a military base, and a major transportation corridor, leaving the remnant Municipality more compact and better aligned with its urban service model.

F. Best Interests of the State — 3 AAC 110.065

Detachment will not impair the remnant Municipality's ability to meet the best-interests standard. Anchorage will continue to have a borough-level government.

The change will also improve accountability. Eagle River-Chugiak residents will become responsible for the costs, service levels, debt policies, capital priorities, school governance, and fiscal choices of the proposed Chugach Regional Borough. The remnant Municipality will be able to align its own priorities with the residents who remain within its boundaries. That clear relationship between taxpayers, services, and decision-makers supports the best interests of the State.

G. Transition and General Standards — 3 AAC 110.900–.970

The proposed detachment must be implemented without impairing the remnant Municipality's ability to operate. The petition's transition plan including the transfer of services and asset-and-liability allocation, as well as education transition plan will demonstrate that powers, duties, services, facilities, records, contracts, personnel matters, school obligations, taxation, and debt can be allocated in an orderly manner.

The remnant Municipality will continue to operate through its existing structure. The proposed Chugach Regional Borough will assume responsibility for local services within the detached area per the transition plan.

Conclusion

For purposes of 3 AAC 110.270(a)(6), the proposed detachment enhances rather than diminishes the remnant Municipality's ability to meet borough-incorporation standards. Anchorage will remain a large, viable, adequately resourced, and coherent borough-level government. Detachment will not create an incapable or unstable remnant; it will leave a more focused Anchorage-centered municipality while allowing Eagle River-Chugiak to form a borough scaled to its own geography, service needs, and civic identity.

Factor 7: Regulation 3 AAC 110.270(a)(7): Practical transition plan and service-continuity framework

In deciding the “best interest of the state,” one of the considerations is the “extent to which a transition plan of a previous annexation has been implemented and is effective.”⁴ Although this specific prior-annexation factor is not directly applicable, the current petition separately supplies a practical transition plan under 3 AAC 110.900.

Factor 8: Regulation 3 AAC 110.270(a)(8): Effect on long-term financial stability of the finances of the proposed remnant borough, other municipalities, and the state.

This factor requires the Commission to consider the effect of the proposed detachment on the long-term stability of the finances of the remnant municipality, other municipalities, and the State. As the boundary change is designed to create two financially coherent local governments: a remnant Municipality of Anchorage focused on its urban service area, and a Chugach Regional

⁴ 3 AAC 110.270(a)(7).

Borough responsible for its local services, the petitioners expect that the remnant MOA and local communities such as the Mat-Su Borough will, in fact, benefit..

A 2007 Anchorage-commissioned study, *The Fiscal Effects of Detaching the Eagle River-Chugiak Area from the Municipality of Anchorage* (see Exhibit 8: 2007 Northern Economics report), concluded that detachment would cause little to no significant economic hardship to the remnant Municipality and could potentially reduce certain municipal costs. That study is dated and does not determine the present fiscal capacity of the proposed Chugach Regional Borough, but it remains relevant because it shows that detachment has previously been examined and was not found to threaten the financial stability of the remnant Municipality.

The present petition does not rely on that study. Petitioners have reviewed the Northern Economics work, subsequent analysis, current municipal financial conditions, and updated fiscal assumptions. Eaglexit retained Sharon Lechner, former MOA OMB Director, CPA, CFO, Controller, and CFO of AWWU, to evaluate fiscal effects for both the proposed borough and the remnant Municipality. Her experience in municipal finance, budgeting, accounting, utilities, and operations provides a practical basis for analyzing how assets, liabilities, revenues, and service responsibilities can be allocated while preserving fiscal stability.

The central fiscal principle is equitable allocation. Assets, liabilities, debt, revenues, fund balances, service responsibilities, and capital obligations will be assigned according to legally relevant factors, including tax contribution, population, service responsibility, asset location, benefited territory, voter authorization, repayment source, and applicable restrictions. When the methodology contained in the Transition Plan pt. 2, Assets & Liabilities, is applied, both governments will remain financially viable. Anchorage will retain a substantial tax base for its needs, while the Chugach Regional Borough will assume local responsibility for services within its boundaries.

Detachment will also benefit the remnant Municipality by reducing the administrative burden of governing a large outlying area with distinct road systems, land-use conditions, public-safety needs, service expectations, and recurring conflicts over taxation, schools, regulations, and capital priorities. A post-detachment Anchorage will be better positioned to align its tax dollars with its more urban-centric priorities.

The proposed boundary change also supports the long-term financial interests of the State. Petitioners do not contend that detachment eliminates all fiscal risk; both successor governments will face ordinary municipal pressures. The relevant question is whether detachment promotes or undermines long-term fiscal stability. The transition plan, fiscal exhibits, and service-continuity approach are designed to preserve essential services, protect existing obligations, address the allocation of assets and liabilities, and phase implementation in an orderly manner.

Lastly, this detachment and incorporation should have little to no effect on the Mat-Su Borough, the closest community to the north. The Mat-Su is an independent government with its own Assembly, school district, police, fire, etc. As there are no financial dependencies between the Mat-Su and the Eagle River-Chugiak area, this transition will have no material adverse fiscal or service effect on the Mat-Su or any of the municipalities contained within.

Conclusion

Accordingly, the proposed detachment supports long-term financial stability under 3 AAC 110.270(a)(8). Properly implemented, it will improve transparency, reduce administrative

mismatch, strengthen fiscal accountability, and align taxpayers, services, infrastructure, debt, and political responsibility within two coherent local governments.

Factor 9(A): Regulation 3 AAC 110.270(a)(9)(a): The Proposed Detachment Promotes Maximum Local Self-Government Under 3 AAC 110.981 and Article X, Sections 1 and 2

This factor requires the Commission to consider whether the proposed detachment promotes maximum local self-government under 3 AAC 110.981. Under that standard, the Commission considers whether the proposal will diminish local government for the detached area, whether it will impair the remnant municipality's ability to serve its residents, and whether the detached area's local-government needs can be adequately met by an existing local government.

The proposed detachment and incorporation satisfy this standard because they will increase, not diminish, meaningful local government for Eagle River-Chugiak. The affected territory is a distinct community of interest with its own geography, land-use conditions, transportation needs, school concerns, tax base, public-safety requirements, fiscal priorities, and civic identity. Under the current unified municipal structure, however, final authority over those matters remains with a centralized government with more urbanized responsibilities and priorities.

That unified structure is central to the analysis. In a traditional borough, distinct communities may retain or pursue separate city government within the borough framework. In a unified municipality, borough and city powers are consolidated in one municipal government, leaving distinct communities inside the municipality with no practical path to separate city-level self-government without detachment. As applied to Eagle River-Chugiak, that structure has become a barrier to the maximum local self-government contemplated by Article X.

The proposed Chugach Regional Borough will correct that problem by placing core local powers in a borough government elected by and accountable to the residents most directly affected. The new borough will have direct responsibility for local services, taxation, budgeting, planning, infrastructure, education, public-safety coordination, parks and recreation, roads, and related municipal functions. Eagle River-Chugiak residents will no longer depend on Anchorage's centralized system and layered service-area framework for decisions that principally affect their own community.

The proposal will not detrimentally affect the remnant Municipality's ability to serve its residents. Anchorage will retain its governmental structure, taxing authority, departments, facilities, service systems, and administrative capacity, while gaining the ability to focus on a more compact and internally coherent municipal area. Detachment will reduce the recurring conflict created by governing a geographically distinct outlying community with different service expectations and priorities.

The existing MOA structure already demonstrates the problem. Service areas, special tax districts, advisory bodies, and administrative divisions are used to manage different urban and outlying service demands, but those mechanisms do not provide direct local control over policies, budgets, priorities, or service models. Advisory boards, community councils, service areas, and minority Assembly representation may provide input, but they do not substitute for a local government with authority over services, taxes, schools, infrastructure, land use, fiscal policy, and public priorities.

For these reasons, the proposed detachment and incorporation promote maximum local self-government under 3 AAC 110.981. The proposal will increase meaningful local authority for Eagle River-Chugiak, preserve the remnant Municipality's ability to serve its residents, and create two coherent local governments aligned with their respective communities. It therefore advances Article X by restoring local self-government where the unified municipal structure no longer provides it effectively.

Factor 9(B): Regulation 3 AAC 110.270(a)(9)(b): The Proposed Detachment Promotes the Minimum Number of Local Government Units Under 3 AAC 110.982 and Article X, Sections 1 and 2

This factor requires the Commission to consider whether the proposed detachment promotes a minimum number of local government units, as determined under 3 AAC 110.982 and Article X, section 1 of the Alaska Constitution. Article X requires "maximum local self-government *with* a minimum of local government units" and directs that local-government powers be liberally construed. Article X, section 2 further provides that all local-government powers are vested in boroughs and cities, and that taxing powers may be delegated only to organized boroughs and cities.

These provisions must be read together. The minimum-units principle does not require preservation of the fewest possible government units regardless of whether those units provide meaningful local self-government. The constitutional objective is to use the fewest local government units reasonably necessary to provide effective, accountable, and locally responsive government while avoiding unnecessary duplication of tax-levying jurisdictions.

The proposed detachment and incorporation satisfy that standard. The petition does not seek to add a new layer of government over AD2. It seeks to replace a large and unwieldy entity with two coherent local governments: a Chugach Regional Borough responsible for the Eagle River-Chugiak region, and a remnant Municipality of Anchorage responsible for the Anchorage-centered municipal area. That structure reduces functional conflict, improves accountability, and aligns local-government powers with actual communities of interest.

Under 3 AAC 110.982, the Commission may consider whether the detached area is likely to be incorporated as an organized borough. That factor supports approval here because detachment is proposed simultaneously with incorporation of the Chugach Regional Borough. The affected territory will not become unorganized, unserved, or dependent on the State for local services. It will become an organized borough vested with local-government powers and capable of assuming responsibility for services, taxation, education, planning, roads, parks and recreation, public-safety coordination, and other borough functions through an orderly transition plan.

The proposed detachment also corrects the structural imbalance created by Anchorage's unified municipal form. In a traditional borough, distinct communities may retain or pursue city government within the borough structure. In a unified municipality, however, borough and city powers are consolidated into one government, leaving distinct communities with no practical path to separate city-level self-government without detachment. In the case of Eagle River-Chugiak, the unified structure has become a barrier to local self-government rather than a means of achieving it.

The existing MOA structure confirms the problem. Anchorage governs a large and diverse area through area-wide powers, service areas, tax districts, advisory bodies, and centralized Assembly authority. Those mechanisms do not provide Eagle River-Chugiak with direct control over the

policies, budgets, priorities, and service models that govern its community. The result is local taxation and service-area responsibility without proportionate local authority.

For that reason, the proposed Chugach Regional Borough does not increase government unnecessarily. It creates the minimum borough-level unit necessary to restore constitutional balance for Eagle River-Chugiak while preserving one remnant Municipality for Anchorage-centered responsibilities. This is not duplication; it is the separation of two distinct communities into two coherent local governments, each accountable to its own residents.

The Commission must also avoid applying the minimum-units principle, or 3 AAC 110.270(e), in a way that defeats maximum local self-government. If a detached community inside a unified municipality cannot incorporate as a city because city and borough powers have already been absorbed into the unified government and cannot incorporate as a borough unless it expands beyond the logical boundaries of its actual community, then the regulation becomes a categorical barrier rather than a balancing tool. Article X does not require that result. See Exhibit 9: White Paper on 3 AAC 110.270(e) for a full discussion addressing the repeal of this regulation.

The proper inquiry is whether the proposed boundary change creates the fewest local government units reasonably necessary to provide maximum local self-government, avoid duplicative tax-levying jurisdictions, and vest local-government powers in a borough capable of serving the affected population. The proposed Chugach Regional Borough meets that standard.

The proposal also benefits the remnant Municipality. Anchorage will retain a coherent municipal structure, avoid an unnecessary competing layer of government, and gain the ability to focus on the urban-centered population and service geography most aligned with its existing governmental model.

Conclusion

Accordingly, the proposed detachment and incorporation promote the minimum number of local government units in the constitutional sense. They do not create duplication; they correct misalignment. They do not fragment an integrated community; they recognize two distinct communities. Most importantly, they restore the Article X balance by establishing one locally accountable borough for Eagle River-Chugiak and preserving one coherent Municipality of Anchorage for the remnant territory.

Factor 10: Regulation 3 AAC 110.270(a)(10): Whether the Area's Requirements for Local Government Services Will Be Adequately Met

This factor requires the Commission to consider whether the area's requirements for local government services will be adequately met following detachment. The proposed Chugach Regional Borough satisfies this factor because the affected territory has the population, tax base, existing service structures, local institutions, and transition framework necessary to assume and provide local government services after detachment and incorporation.

The petition uses the 2020 Census-based Assembly District 2 population figure of approximately 47,069 as the baseline for the proposed borough area. That population is substantially larger than many existing organized boroughs and will place the Chugach Regional Borough among Alaska's larger local governments. By comparison, the Alaska Department of Labor's 2025 estimates report the Kenai Peninsula Borough at 61,327 residents and the City and Borough of Juneau at 31,182 residents.

The proposed borough area is not undeveloped or unserved. Residents already receive services through municipal departments, service areas, volunteer organizations, private contractors, utilities, and intergovernmental or public-private arrangements. Existing services include police protection, fire and EMS, roads and drainage, parks and recreation, street lighting, land-use administration, education, and general municipal administration. The current structure already recognizes Eagle River-Chugiak as locally distinct for several functions, including roads, parks and recreation, fire protection, and street lighting.

That existing structure supports incorporation. The CRB will not need to create local services from nothing; it will assume, reorganize, and locally govern service responsibilities that are already territorially identifiable. CBERRRSA, for example, is responsible for more than 350 lane miles of roadway in the Chugiak, Birchwood, and Eagle River areas, while parks and recreation services are separately provided through the Eagle River-Chugiak Park and Recreational Service Area. These structures demonstrate existing service needs, funding mechanisms, facilities, and administrative experience capable of transition.

The principal improvement will be accountability. Under the Municipality of Anchorage, AD2 residents bear local service-area obligations while also remaining subject to broader areawide municipal and school-tax decisions controlled through the Anchorage Assembly. The proposed borough will correct that mismatch by aligning service authority, tax responsibility, and local political accountability within the same government.

The petition's fiscal exhibits and Transition Plan provide the implementation framework for this transfer of responsibility. They address revenues, expenditures, assets, liabilities, personnel, contracts, intergovernmental arrangements, and service continuity. Petitioners have also retained economic and fiscal expertise to assess the viability of the proposed borough and the ability of the affected territory's tax base to support local services.

The proposed borough will preserve existing service-area structures where they are effective, revise them where necessary, and use lawful contracts, intergovernmental agreements, and phased to ensure continuity. Services such as roads, parks, fire protection, EMS, local planning, education, and public-safety coordination will be administered through a government designed for Eagle River-Chugiak's geography and population rather than through the Municipality's layered areawide implementation structure.

Petitioners do not contend that incorporation automatically guarantees lower taxes or eliminates ordinary municipal cost pressures. The relevant point under 3 AAC 110.270(a)(10) is that the area's local-government service requirements can be adequately met. Incorporation will allow local taxpayers to determine the level of services they want, the costs they are willing to support, and the tax structure needed to fund those services.

For these reasons, Factor 10 supports detachment and incorporation. The proposed Chugach Regional Borough has the population, tax base, existing service systems, local institutions, and transition framework necessary to preserve essential services while transferring authority to a borough government directly accountable to Eagle River-Chugiak residents.

Factor 11: Regulation 3 AAC 110.270(a)(11): Contemporary and Historical Public School Enrollment Data

This factor requires the Commission to consider contemporary and historical public school enrollment data in evaluating whether detachment is in the best interests of the state. This factor

is important because detachment and incorporation will create a separate Chugach Regional Borough School District for Eagle River-Chugiak, while the remnant Municipality of Anchorage will continue to operate a more geographically focused Anchorage School District.

The enrollment record supports detachment and incorporation. ASD's rightsizing materials state that district enrollment declined by 15% from 2010 to 2025, representing 7,487 fewer students, while correspondence-school enrollment increased by 137% during the same period. ASD also reports more than \$1 billion in maintenance backlog for its schools and operational buildings. Current enrollment sources confirm that ASD now serves a smaller student population than in prior decades, with NCES reporting 42,573 students for 2024–2025 and ASD public materials generally describing the district as serving more than 43,000 students across more than 100 schools.

These trends matter because ASD must manage one centralized school system across communities with different geography, transportation patterns, school expectations, enrollment trends, facility conditions, and student-support needs. Anchorage Bowl schools, Eagle River-Chugiak schools, Girdwood, JBER-related populations, charter programs, correspondence programs, Title I schools, special education programs, underutilized facilities, and aging buildings are all forced into one districtwide budget and facilities model.

The Eagle River-Chugiak area presents a distinct school-planning issue. ASD has acknowledged community concern about Eagle River population growth while also reporting that Eagle River-area schools have experienced a long-term decline of approximately 800 students since 2010. That means future school planning for the proposed CRB will not rely on current enrollment decline alone. It will also account for residential growth potential, school capacity, transportation, community expectations, land-use decisions, and the ability of a locally governed district to make different facility and program choices from those of the current centralized model.

The enrollment data therefore support two more coherent school-governance systems. The remnant Anchorage School District will focus on its urban school footprint, facility consolidation, Title I concentration, transportation patterns, aging buildings, correspondence-school growth, and maintenance backlog. The proposed Chugach Regional Borough School District will align facilities, transportation, curriculum priorities, class-size expectations, parental involvement, career and technical education, local contribution, and capital planning with the needs of Eagle River, Chugiak, Birchwood, Eklutna, and surrounding communities.

Petitioners do not claim that a separate CRB school district will eliminate ordinary education challenges. Both successor districts will still face state funding constraints, personnel costs, special education obligations, transportation expenses, facility maintenance, legal mandates, and inflation. The point under 3 AAC 110.270(a)(11) is narrower: the enrollment data show that the existing centralized district is already under significant pressure and that a more geographically and socially coherent district structure may allow each successor district to plan more directly for its own students.

For these reasons, contemporary and historical public school enrollment data support detachment and incorporation. They show long-term ASD enrollment decline, facility and maintenance pressure, increased reliance on alternative instructional models, and distinct Eagle River-Chugiak school-planning concerns. These facts weigh in favor of a boundary change that allows Anchorage to right-size its school system around the remnant municipality while allowing the

Chugach Regional Borough to establish a school district accountable to its own residents and students.

Factor 12: 3 AAC 110.270(a)(12) nonconfidential data from the Department of Revenue regarding applications under [AS 43.23](#) for permanent fund dividends.

See Exhibit 16: PFD Totals for a spreadsheet showing a 5-year summary of PFD applications and payments.

Conclusion

For the reasons set out in this petition and supporting materials, the proposed detachment of Assembly District 2 from the Municipality of Anchorage satisfies the constitutional, statutory, and regulatory standards governing detachment under Alaska law. The proposal advances Article X, section 1 of the Alaska Constitution by promoting maximum local self-government while preserving an efficient and workable local-government structure. It also serves the best interests of the State by improving governmental clarity, fiscal accountability, service alignment, and long-term stability for the affected territory, the remnant Municipality of Anchorage, and the State of Alaska.

The record demonstrates that Eagle River-Chugiak is a mature, stable, and geographically distinct community with its own tax base, schools, roads, parks, emergency-service structures, service areas, transportation patterns, land-use concerns, and civic identity. Detachment will not create an unserved area or shift an unreasonable service burden to the State. Instead, it will allow existing local services to be governed by officials directly accountable to the residents who fund and receive them.

As shown in this document, the remnant Municipality of Anchorage will remain a viable borough-level government after detachment. Detachment will also allow Anchorage to govern a more compact and coherent urban-centered municipality.

At the same time, incorporation as a non-unified home rule borough will allow Eagle River-Chugiak residents to assume direct responsibility for local taxation, services, schools, roads, emergency-service planning, land use, capital priorities, and fiscal policy. That opportunity is not merely a local preference; it is a constitutional value. Maximum local self-government is served when a mature and distinct community may govern local matters through institutions accountable to its own residents, provided the change does not impair the remnant municipality or impose an unreasonable burden on the State.

The proposed detachment satisfies the applicable factors in 3 AAC 110.270. It protects the health, safety, and general welfare of both the affected territory and the remnant Municipality; preserves Anchorage's ability to provide necessary facilities and services; allows future growth and economic development in AD2 to be addressed through locally responsive regulation; recognizes the historical pattern of services and tax levies in Eagle River-Chugiak; accounts for the long-standing divergence between Anchorage and the Eagle River-Chugiak area; and leaves the remnant Municipality capable of satisfying borough-level standards.

The petition also recognizes that detachment must be implemented through an orderly transition. Service continuity, assets, liabilities, personnel, contracts, roads, public safety, education, utilities, debt, and intergovernmental arrangements must be addressed through the transition plan and supporting fiscal exhibits. Those implementation issues are not reasons to deny detachment

where the record demonstrates that they can be handled through lawful transition mechanisms, service-area continuation, contracts, mutual aid, intergovernmental agreements, and phased assumption of local responsibilities.

Accordingly, the Local Boundary Commission will find that the proposed detachment serves the best interests of the State, preserves the viability and governing capacity of the remnant Municipality of Anchorage, and advances the constitutional promise of maximum local self-government for the residents of Assembly District 2. The petitioners therefore respectfully request that the petition and all attendant documents be accepted for full review and, upon completion of the required proceedings, approved for submission to the voters as provided by law.

Review Of Applicable Standards Under Alaska Law, Alaska's Best Interest

The proposed incorporation of the Chugach Regional Borough satisfies Article X of the Alaska Constitution, AS 29.05.031, AS 29.05.100, and the Local Boundary Commission's borough incorporation standards in 3 AAC 110.045 through 3 AAC 110.067. The proposed Borough is not an artificial or speculative governmental unit. It is an identifiable, mature, road-connected, taxpaying, school-served, and service-receiving regional community consisting of Eagle River, Chugiak, Birchwood, Peters Creek, Eklutna, JBER, and surrounding areas.

Article X, section 3 of the Alaska Constitution requires boroughs to be established according to standards including population, geography, economy, transportation, and other factors, and requires each borough to embrace an area and population with common interests to the maximum degree possible⁵. AS 29.05.031 likewise requires that the population of a proposed borough be interrelated and integrated as to its social, cultural, and economic activities, and large and stable enough to support borough government.

The proposed Chugach Regional Borough satisfies these requirements. Its residents share transportation corridors, schools, emergency-service systems, commercial centers, parks and recreation assets, public-safety concerns, road-service needs, civic institutions, community events, and a distinct local identity. The proposed Borough has a substantial population, an existing tax base, identifiable service structures, established local institutions, and sufficient human and financial resources to assume borough responsibilities on an efficient and cost-effective basis.

Because the proposed Borough will be incorporated from territory presently within the Municipality of Anchorage, incorporation and detachment are legally inseparable in this petition. Under 3 AAC 110.060(e), a petition for borough incorporation that overlaps the boundaries of an existing organized borough must also address and comply with the standards and procedures for detachment. The proposed Chugach Regional Borough must be reviewed as a comprehensive

⁵ The phrase "to the maximum degree possible" in Article X, section 3 requires a practical boundary judgment. It does not demand perfect uniformity or the largest imaginable borough. Rather, it requires that borough boundaries be drawn to include, as fully as reasonably practicable, an area and population sharing common interests in population, geography, economy, transportation, public services, and community identity. The proposed Chugach Regional Borough satisfies that standard because it embraces the Chugiak-Eagle River area as a coherent community of interest to a greater degree than the existing unified municipal structure.

boundary-change proposal in which detachment from the Municipality of Anchorage and incorporation of the new home rule borough are coordinated parts of the same legal and practical transition.

Effective Municipal Policy as a Best-Interests-of-the-State Basis for Incorporation

The question before the Commission is not whether every policy of the Municipality of Anchorage is unlawful or whether municipal officials have acted in bad faith. The question is whether the existing unified structure still serves the best interests of the State. The record supports the conclusion that it does not.

Alaska has a statewide interest in local governments that are coherent, transparent, fiscally responsible, and aligned with the communities they serve. When municipal boundaries no longer match distinct communities of interest, the resulting dysfunction affects more than local politics. It undermines residents' confidence and accountability in all areas of government. This shortcuts Alaska's constitutional commitment to maximum local self-government with a minimum number of local government units.

The present Municipality illustrates that problem. A single unified government must govern both an urban core and outlying communities with materially different geography, density, transportation needs, service expectations, school concerns, and civic identity. Although the original unification was intended to simplify local government, the current structure has produced a myriad of service areas, tax districts, advisory bodies, centralized departments, contractor-managed services, and areawide obligations. These layers of government entities create distance between the residents who fund services and the officials making decisions regarding those funds.

That separation creates an accountability gap. Community councils, advisory boards, and service-area bodies may identify local needs and recommend priorities, but they do not control taxation, budgets, capital projects, land use, school governance, public-safety policy, or debt. Advisory participation is useful, but it is not accountable local self-government. When local concerns are filtered through a governing body whose majority is not directly affected by the outcome, the process becomes consultative rather than representative.

Incorporation of the Chugach Regional Borough will correct that structural problem by placing core municipal authority under a borough government directly accountable to Eagle River-Chugiak residents. Local voters will control the governmental decisions that most directly affect their community. That is the practical meaning of Alaska's constitutional commitment to maximum local self-government.

The fiscal and institutional record reinforces the need for realignment. ASD budget materials identify structural deficits, enrollment decline, increased correspondence enrollment, and a maintenance backlog exceeding \$1 billion. Anchorage's 2024 S&P downgrade cited weakened financial practices, negative general-fund balances, and delayed audited financial statements. These facts do not prove that every fiscal problem is caused by the unified structure, but they do show significant financial stress, reduced transparency, and increased pressure for state and local backfill.

The same structural problem appears in education. ASD is a major public institution. One centralized district must serve both the Anchorage Bowl's urban school system and the distinct Eagle River-Chugiak school community, even though the two areas face different enrollment patterns, facility needs, transportation burdens, family expectations, and capital priorities.

A Chugach Regional Borough School District will align school governance with the affected community. Local voters could make decisions about facilities, transportation, curriculum, staffing, parental involvement, local contribution, and capital maintenance through a school district accountable to them. The remaining Anchorage School District could focus on its own challenges. That is not fragmentation for its own sake; it is school governance realigned around more coherent communities.

The same principle applies beyond education. Roads, drainage, emergency services, parks, public safety, land use, and capital planning are most effective when governed by officials accountable to the residents who experience those conditions directly. A policy may be legally adopted and still be inefficient when Anchorage Bowl assumptions are applied to outlying communities with different road systems, emergency-access needs, development patterns, infrastructure demands, drainage concerns, and service expectations.

For these reasons, incorporation should be understood as a best-interests-of-the-State remedy. The State's interest is not limited to preserving existing municipal boundaries. It also includes efficient service delivery, fiscal accountability, educational stability, meaningful public participation, coherent capital planning, and effective local control. Where existing boundaries produce recurring conflict, service fragmentation, fiscal opacity, school district stress, and advisory structures without final authority, the Commission may consider whether incorporation better serves Alaska's constitutional policy.

The proposed Chugach Regional Borough will create a government scaled to the needs of the local community. It will also allow the remnant Municipality of Anchorage to focus on a more coherent urban-centered municipal and school-governance structure. For those reasons, incorporation is not merely a local preference; it is a practical boundary-change remedy that advances the best interests of the State of Alaska.

A. The Proposed Borough Satisfies the Relationship-of-Interests Standard Under 3 AAC 110.045

Under 3 AAC 110.045, the Commission considers whether the social, cultural, and economic characteristics and activities (relationship of interests) of the people in a proposed borough are interrelated and integrated on a regional scale suitable for borough government. Relevant considerations include the compatibility of urban and rural areas, economic and commercial activity, transportation and communication patterns, language differences, and organized volunteer services such as fire departments or other emergency services.

The proposed Chugach Regional Borough satisfies this standard. The region is centered on the Chugiak-Eagle River corridor, with Eagle River functioning as the primary commercial, retail, school, civic, and service center for Chugiak, Birchwood, Peters Creek, Eklutna, and surrounding residential and rural areas. These communities share a common regional identity, workforce, service network, and pattern of daily life.

The proposed Borough contains varied but compatible land uses, including urbanized, rural, commercial, military-adjacent, residential, and recreational areas. Borough government is designed to serve regions with different settlement patterns and land uses, so long as they function as an integrated local-government area.

The proposed Borough also has compatible economic characteristics. Its economy includes residential property, retail, construction, trades, healthcare, professional services, restaurants,

childcare, private schools, recreation, tourism-related businesses, military-adjacent activity, and commuter employment. Commuting to Anchorage, JBER, Palmer, Wasilla, or other parts of the Mat-Su does not defeat regional integration; it reflects ordinary economic life in a road-connected Alaska community whose residents still share common local-government needs.

Transportation and communication patterns further support incorporation. The proposed Borough is connected by the Glenn Highway, local road and rail corridors, utility and communications systems, school and emergency communications, public-notice channels, and civic networks. These systems are sufficient to support borough government, public participation, emergency response, elections, school governance, land-use administration, public records, and service delivery.

Language differences do not impair incorporation. The region is predominantly English-speaking, and any language-access needs can be addressed through ordinary election, education, public-notice, and administrative procedures used by local governments throughout Alaska. There is no evidence of a language division that prevents regional integration.

Organized volunteer emergency services also support the relationship-of-interests showing. Chugiak Volunteer Fire & Rescue Department (CVFRD) provides fire suppression, rescue, emergency medical response, and community-based emergency services in the northern portion of the proposed Borough. The current record identifies CVFRD as operating five stations, serving an estimated population of approximately 11,000, and responding to more than 1,000 calls per year. That structure demonstrates community integration, local capacity, civic commitment, and a practical foundation for borough-level public-safety administration.

Accordingly, the proposed Borough satisfies 3 AAC 110.045 because its communities share regional service centers, compatible land uses, economic ties, transportation and communication systems, civic identity, and organized emergency-service capacity suitable for borough government.

Historical Context: 1975 LBC Decision and Present Relationship of Interests

The prior Local Boundary Commission record concerning the 1975 Chugiak-Eagle River detachment and incorporation proposal is useful historical context, but it should not control the present petition. That decision was based on the population, services, transportation patterns, tax base, community institutions, and local-government structure then before the Commission. The present petition requires application of current constitutional, statutory, and regulatory standards to current conditions.

In 1975, the Commission reportedly relied on facts showing substantial integration with Anchorage, including Glenn Highway travel, commuter bus use, limited Eagle River activity centers, limited natural separation, service-area options under the Anchorage Charter, Assembly representation, and community councils. Those findings supported the Commission's conclusion at that time that Eagle River-Chugiak remained sufficiently connected to Anchorage for purposes of the proposed boundary change.

The present record supports a different conclusion. The Glenn Highway now functions not only as a connection to Anchorage, but as a major regional corridor linking Anchorage, JBER, Eagle River-Chugiak, the Mat-Su Borough, and Interior Alaska. The Eagle River-Chugiak area now has a much larger and more permanent population, established commercial and civic centers, identifiable schools and service areas, local parks and recreation assets, organized emergency-service capacity, community institutions, and a distinct civic identity.

The 1975 history therefore supports present review rather than defeating it. It identifies the factual question the Commission must answer today: whether Chugiak-Eagle River is now sufficiently interrelated and integrated as its own regional community, and whether continued inclusion in the unified Municipality of Anchorage still advances Alaska’s local-government policy. On the present record, the Commission may reasonably find that conditions have materially changed and that the proposed Chugach Regional Borough satisfies the relationship-of-interests standard for borough incorporation.

B. The Proposed Borough Has a Sufficiently Large and Stable Population Under 3 AAC 110.050

Under 3 AAC 110.050, a proposed borough must have a population sufficiently large and stable to support borough government. The Commission may consider census data, duration of residency, historical population patterns, seasonal changes, age distribution, school enrollment, and nonconfidential Permanent Fund Dividend data. The regulation presumes that at least 1,000 permanent residents are required unless specific and persuasive facts show that a smaller population is adequate.

The proposed Chugach Regional Borough easily satisfies this standard. The petition record identifies an estimated population of approximately 47,069 residents and an area of more than 1,050 square miles, subject to final verification against the petition’s boundary and population exhibits. This population is permanent, residential, and established.

Prior Local Boundary Commission borough-incorporation decisions also confirm that Alaska law does not require an urban-scale population or a metropolitan economy. The LBC has approved borough incorporations for communities and regions with substantially smaller populations and narrower economic bases than Chugiak-Eagle River. Current population comparisons show that the proposed CRB population will exceed that of several existing organized boroughs and municipalities, including Juneau, Denali Borough, Lake and Peninsula Borough, Yakutat, Skagway, Wrangell, and Petersburg.⁶ The following table provides population numbers for these communities:

Jurisdiction/ Proposed Borough	2025 Population Estimate or Petition Estimate	Comparison to Proposed CRB	Source
Proposed Chugach Regional Borough	47,069	Baseline proposed borough population	Petition record / AD2 estimate
Anchorage, Municipality	289,221	Current MOA estimate before detachment allocation	ADOLWD 2025 estimates

⁶ Source note: Alaska Department of Labor and Workforce Development, Research and Analysis Section, Alaska Population Estimates, “2025 Population Estimates by Borough, Census Area, and Economic Region,” last updated January 28, 2026. The remnant MOA figure is a planning calculation using the state’s Anchorage estimate and the petition record’s proposed CRB population estimate; it should be reconciled to the final boundary description, census-block allocation, and any final LBC population exhibit before filing.

Estimated remnant MOA after AD2 detachment	Approx. 242,152	Calculated by subtracting 47,069 from 289,221; subject to final boundary reconciliation	Calculation from ADOLWD + petition estimate
Juneau, City and Borough	31,182	Proposed CRB exceeds this estimate	ADOLWD 2025 estimates
Kenai Peninsula Borough	61,327	Larger than proposed CRB	ADOLWD 2025 estimates
Denali Borough	1,631	Proposed CRB exceeds this estimate	ADOLWD 2025 estimates
Lake and Peninsula Borough	1,352	Proposed CRB exceeds this estimate	ADOLWD 2025 estimates
Yakutat, City and Borough	633	Proposed CRB exceeds this estimate	ADOLWD 2025 estimates
Skagway, Municipality	1,134	Proposed CRB exceeds this estimate	ADOLWD 2025 estimates
Wrangell, City and Borough	2,037	Proposed CRB exceeds this estimate	ADOLWD 2025 estimates
Petersburg Borough	3,395	Proposed CRB exceeds this estimate	ADOLWD 2025 estimates

Although population alone is not a reason for incorporation, it is clear that the Eagle River-Chugiak area qualifies in that area. Of course, other considerations such as fiscal, transition, service, boundary, and best-interests showings must be considered. The proposed CRB's population is far above the regulatory minimum and is well within the range of populations capable of supporting borough government in Alaska. The same calculation also confirms that the remnant Municipality of Anchorage will remain a large, stable, and mature municipal government after detachment.

Accordingly, the proposed Chugach Regional Borough satisfies 3 AAC 110.050. Its population is substantially above the regulatory minimum, permanent rather than seasonal, large enough to support borough government, and stable enough to sustain the public services, fiscal responsibilities, school system, and local-government functions required of an organized borough.

C. The Proposed Borough Has the Human and Financial Resources Required by 3 AAC 110.055

Under 3 AAC 110.055, the economy of a proposed borough must include the human and financial resources necessary to develop and provide essential municipal services efficiently and cost-effectively. The Commission may consider the borough's anticipated functions, expenses, revenue capacity, income, operating and capital budget feasibility, economic base, taxable property valuation, land use, commercial and resource development, resident income, workforce availability, and public commitment to sustaining borough government.

The proposed Chugach Regional Borough satisfies this standard.

Roads, fire and EMS, parks and recreation, utilities, street lighting, schools, public facilities, and other local services already exist in identifiable form. Incorporation will place these existing service responsibilities under a borough government directly accountable to the residents who fund and receive them.

The petition's transition plan and financial exhibits identify the anticipated expenses associated with those functions. These include operating costs, service-continuity costs, personnel, insurance, audit, legal, capital obligations, debt allocation, and transition costs. These are ordinary borough expenses capable of being managed through annual budgeting, service-area planning, contracts, intergovernmental agreements, phased transition, and local fiscal controls.

The proposed Borough also has meaningful local revenue capacity. The petition record identifies an assessed tax base of approximately \$4.75 billion within the proposed Borough area and approximately \$50 million in property-tax revenue associated with the area. Existing service-area levies and municipal-service structures demonstrate an established fiscal relationship between residents, taxable property, and local services. Reasonably anticipated revenue sources include property taxes, service-area revenues, state education funding, federal education contributions, fees, charges, grants, and intergovernmental agreements.

To satisfy 3 AAC 110.055(1)(E), the petition includes projected operating and capital budgets sufficient to show feasibility through the required regulatory budget period. That period extends one full fiscal year beyond the latest reasonably anticipated date for receipt of the final organization grant under AS 29.05.190, completion of transition under AS 29.05.130–.140 and 3 AAC 110.900, or the first full local school contribution required under AS 14.17.410(b)(2). This showing demonstrates that the Borough can operate not only at startup, but after organization funding, transition, service assumption, and school district obligations are fully in place.

The proposed Borough's economic base is sufficient to support incorporation. It includes residential and commercial property, retail centers, medical and professional services, construction and trades, childcare, schools, recreation, tourism-related activity, military-adjacent employment, parks and open space, and access to the Anchorage and Mat-Su labor markets. Its location along the Glenn Highway corridor, proximity to JBER, connection to the Mat-Su growth corridor, and access to Anchorage markets provide a reasonable basis for continued commercial, infrastructure, recreation, and resource-related development.

Land use within the proposed Borough further supports incorporation. The area contains a compatible mix of rural residential neighborhoods, residential development, commercial centers, schools, parks, fire stations, transportation corridors, utility corridors, open space, and natural areas. This pattern supports the need for local planning, zoning, platting, road maintenance,

emergency services, parks, and school governance under a borough government accountable to the affected residents.

The personal income and workforce characteristics of the proposed Borough also support feasibility. Public U.S. Census Bureau American Community Survey-based income data for Eagle River and Chugiak ZIP Codes show household-income levels materially above statewide and Anchorage Municipality benchmarks. Eagle River's 99577 ZIP Code reports median household income of approximately \$136,900, while Chugiak's 99567 ZIP Code reports median household income of approximately \$147,319. The population includes professionals, educators, emergency responders, contractors, tradespeople, administrators, business owners, public employees, military families, retirees with professional experience, and other skilled and unskilled workers. The Borough can also reduce transition risk by contracting for specialized legal, accounting, audit, engineering, planning, dispatch, IT, road maintenance, snow removal, school-transition, and emergency-management services.

Finally, the record shows sustained public commitment to borough government. The Chugiak-Eagle River area has a long history of distinct civic identity, local service advocacy, volunteer emergency-service support, service-area participation, school concerns, community organizations, and efforts toward greater self-government. This demonstrates more than dissatisfaction with the MOA. It shows an enduring commitment to the institutions and responsibilities necessary to support borough operations.

Accordingly, the proposed Chugach Regional Borough satisfies 3 AAC 110.055. Its tax base, revenue capacity, existing services, budget projections, economic base, land-use pattern, resident income, workforce access, and public commitment demonstrate that incorporation is feasible, plausible, and fiscally responsible.

3 AAC 110.055 effectively requires a multi-year budget showing, although it does not use the phrase "multi-year budget. The feasibility and plausibility of the anticipated operating and capital budgets of the proposed borough through the period extending one full fiscal year beyond" three benchmark dates: receipt of the final organization grant, completion of transition, and the date the proposed borough makes its first full local education contribution under AS 14.17.410(b)(2). 3 AAC 110.055(1)(E) requires the Commission to consider the feasibility and plausibility of both the anticipated operating budget and the anticipated capital budget of the proposed Borough.

Accordingly, this petition includes operating and capital budget exhibits extending through one full fiscal year beyond the final organization grant, completion of transition, and the first full required local education contribution. The capital budget identifies:

- anticipated facilities,
- equipment,
- infrastructure,
- transferred assets,
- debt obligations,
- deferred maintenance,
- replacement needs, and
- capital reserves

...necessary to provide essential municipal services on an efficient and cost-effective basis.

The requirement in 3 AAC 110.055(1)(E) is necessarily prospective. It asks whether the proposed Borough's anticipated operating and capital budgets are feasible and plausible through the required regulatory period. The regulation does not require final post-incorporation budgets, final negotiated transfer terms, or exact future appropriations. Those matters will necessarily be refined through organization, transition, service-area integration, asset and liability allocation, and school district implementation. What the regulation requires at the petition stage is a reasonable, evidence-based fiscal showing that the proposed Borough can operate through one full fiscal year beyond the latest reasonably anticipated date for the final organization grant, completion of transition, and the first full required local education contribution.

The petition satisfies that standard by providing projected operating and capital budgets, revenue assumptions, service-cost assumptions, transition schedules, local tax-base data, school-contribution estimates, asset and liability assumptions, and capital-service needs sufficient to demonstrate that incorporation is financially feasible and plausible.

D. The Proposed Borough Boundaries Satisfy 3 AAC 110.060

Under 3 AAC 110.060, proposed borough boundaries must generally conform to natural geography, be regional in scale, and include the land and water necessary to develop essential municipal services efficiently and cost-effectively. In applying this standard, the Commission may consider land use and ownership, transportation patterns, natural features, environmental factors, commercial and industrial development, regional boundaries, common interests, maximum local self-government, minimum local government units, and whether the proposed boundaries are optimum.

The proposed Chugach Regional Borough boundaries satisfy this standard. They are not an arbitrary carve-out. They correspond to the Chugiak-Eagle River regional community and the geography that defines it, including the Glenn Highway corridor, Eagle River, Eklutna, Peters Creek, Birchwood, JBER, Knik Arm, the Chugach Mountains, parks and open space, military and utility corridors, and the transition area between the Anchorage Bowl and the Mat-Su region. (see Exhibit A: Legal Description and Maps.)

The proposed boundaries also include the service-delivery area necessary for borough government. They encompass the population base, tax base, schools, roads, parks, emergency-service systems, commercial centers, public facilities, rural residential areas, and local institutions that serve the Chugiak-Eagle River region. These features show that the proposed Borough is a coherent regional unit, not a fragmented or isolated territory.

The proposed Borough is regional in scale. With approximately 47,069 residents and more than 1,050 square miles, the area is large enough to require borough-level planning, taxation, education, roads, emergency services, parks, land-use management, public safety coordination, and intergovernmental cooperation. At the same time, the area remains sufficiently integrated to provide those services through one borough government.

The petition's boundary and service-delivery exhibits document the proposed exterior boundaries, population rate of change, and proposed districts. The petition also confirms that the proposed boundaries are contiguous, do not create prohibited enclaves or noncontiguous service problems, and do not include only part of an existing city government.

Because the proposed Borough overlaps territory presently within the Municipality of Anchorage, the incorporation and detachment portions of the petition must be read together. The petition includes detachment analysis, a transition plan, financial exhibits, service-area analysis, and a

proposed charter to show how the boundary change can be implemented without service disruption or unnecessary duplication.

The proposed boundaries are optimum because they align borough authority with the actual Chugiak-Eagle River community of interest. They create one regional home rule borough for borough-level functions rather than multiple new municipalities, independent districts, or continued dependence on overlapping MOA service structures. Because the proposed Borough is non-unified, it also preserves future flexibility for communities within the Borough to pursue lawful city incorporation or other local-government arrangements if local conditions, statutory standards, and voter approval support that step.

Accordingly, the proposed boundaries satisfy 3 AAC 110.060 because they follow natural and regional geography, include the land and water needed for essential municipal services, support efficient borough-level government, avoid unnecessary fragmentation, and advance maximum local self-government for the Chugiak-Eagle River region.

E. Incorporation serves the best interests of the State under 3 AAC 110.065

The petition's detachment analysis has already addressed the broader best-interests inquiry, including the proposed boundary change's effect on health, safety, general welfare, service capacity, fiscal stability, and governmental coherence for both the Chugiak-Eagle River area and the remnant Municipality of Anchorage. That analysis supports the conclusion that detachment and incorporation will produce two more coherent and accountable local governments: a Chugach Regional Borough responsible for the affected territory and a remnant MOA better able to focus on its urban-centered responsibilities.

The incorporation inquiry under 3 AAC 110.065 requires a related but distinct showing. In determining whether borough incorporation is in the best interests of the State, the Commission may consider whether incorporation promotes maximum local self-government, promotes a minimum number of local government units, relieves the State of responsibility for local services, and avoids exposing the State to unusual and substantial successor risk if the borough later dissolves.

The present record supports a finding that each factor is satisfied.

First, incorporation promotes maximum local self-government. Residents of Chugiak, Eagle River, Birchwood, Peters Creek, Eklutna, and surrounding areas are presently governed through a unified municipality whose political, fiscal, educational, planning, and service priorities are increasingly centered on the Anchorage Bowl. Incorporation will place core borough functions under a government directly accountable to the affected residents.

Second, incorporation promotes the minimum number of local government units. The proposal does not create unnecessary duplication. It creates one non-unified home rule borough for one integrated regional community. That structure is preferable to continued reliance on layered MOA service areas, tax districts, administrative charges, partial-service arrangements, and centralized decision-making by a municipal government whose majority constituency lies outside the proposed Borough. Because the proposed Borough is non-unified, it also preserves future flexibility for lawful city incorporation or other local-government arrangements if particular communities later satisfy applicable standards and voter-approval requirements.

Third, incorporation will relieve the State of responsibility for local services. The proposed Borough will assume local responsibility for borough-level governance, including service delivery,

school organization, planning, taxation, infrastructure, emergency-service coordination, and local fiscal decisions. A capable local borough reduces the need for state involvement in matters that can be handled by local government.

Fourth, incorporation is not reasonably likely to expose the State to unusual or substantial successor risk. The proposed Borough has a significant permanent population, substantial tax base, existing service-area revenues, established schools, organized emergency services, road-service structures, parks and recreation assets, commercial activity, residential stability, and a demonstrated record of civic commitment. The transition plan further reduces risk by addressing assets, liabilities, debt, school district transition, personnel and contracts, insurance, reserves, audit controls, utility continuity, mutual aid, and phased service assumption.

Petitioners need not prove that the proposed Borough will face no future fiscal, operational, capital, or service-delivery challenges. All municipalities face those pressures. The relevant question is whether the proposed Borough is sufficiently integrated, stable, and capable of assuming borough responsibilities without creating unusual and substantial risk to the State. The record demonstrates that it is.

Accordingly, incorporation of the Chugach Regional Borough satisfies 3 AAC 110.065 and serves the best interests of the State by promoting maximum local self-government, avoiding unnecessary duplication, localizing responsibility for services, and creating a capable borough government without unusual or substantial successor risk to Alaska.

F. Preserving Community-Level Self-Government Within a Non-Unified Borough

Another reason supporting the proposed boundary change is that incorporation as a non-unified home rule borough preserves future local-government options within Assembly District 2. Alaska's constitutional structure does not treat borough and city government as mutually exclusive. Boroughs provide regional governance, while cities may provide community-level self-government where local conditions, statutory standards, and voter approval support that step.

The proposed Chugach Regional Borough will exercise regional powers over core borough functions such as education, planning, taxation, roads, public safety coordination, emergency services, parks, and areawide services. At the same time, its non-unified structure will preserve the ability of communities to pursue lawful city incorporation or other local-government arrangements in the future. That flexibility matters because these communities share a regional identity sufficient for borough government, while still retaining distinct local identities that may justify more localized self-government over time.

The current unified municipal structure effectively forecloses that flexibility by combining borough and city functions in one Anchorage-centered government. Detachment and incorporation will restore the Article X balance: maximum local self-government with no more local government units than reasonably necessary. A non-unified Chugach Regional Borough is therefore more consistent with Alaska's constitutional design than continued inclusion of AD2 in a unified municipality whose political, fiscal, and service priorities are increasingly centered outside the Chugiak-Eagle River region.

G. The Incorporation Standards Apply Under 3 AAC 110.067

Under 3 AAC 110.067, the standards in 3 AAC 110.045 through 3 AAC 110.065 apply whether incorporation proceeds through legislative review under Article X, section 12 of the Alaska

Constitution or through local option methods under AS 29.05. The proposed Chugach Regional Borough satisfies those standards under either applicable procedural path.

H. Conclusion

The proposed Chugach Regional Borough satisfies the constitutional, statutory, and regulatory standards for borough incorporation. The record shows an interrelated regional population, a distinct community identity, compatible economic activity, adequate transportation and communication systems, organized emergency-service capacity, a large and stable population, sufficient human and financial resources, and boundaries that reflect the actual Chugiak-Eagle River community of interest.

Incorporation also serves the best interests of the State. It promotes maximum local self-government, uses the minimum number of local government units reasonably necessary to serve the region, localizes responsibility for services now handled through the unified municipal structure, and does not expose the State to unusual or substantial successor risk. The Commission should therefore find that incorporation of the Chugach Regional Borough, together with detachment from the Municipality of Anchorage, satisfies Alaska law and advances the best interests of the State.