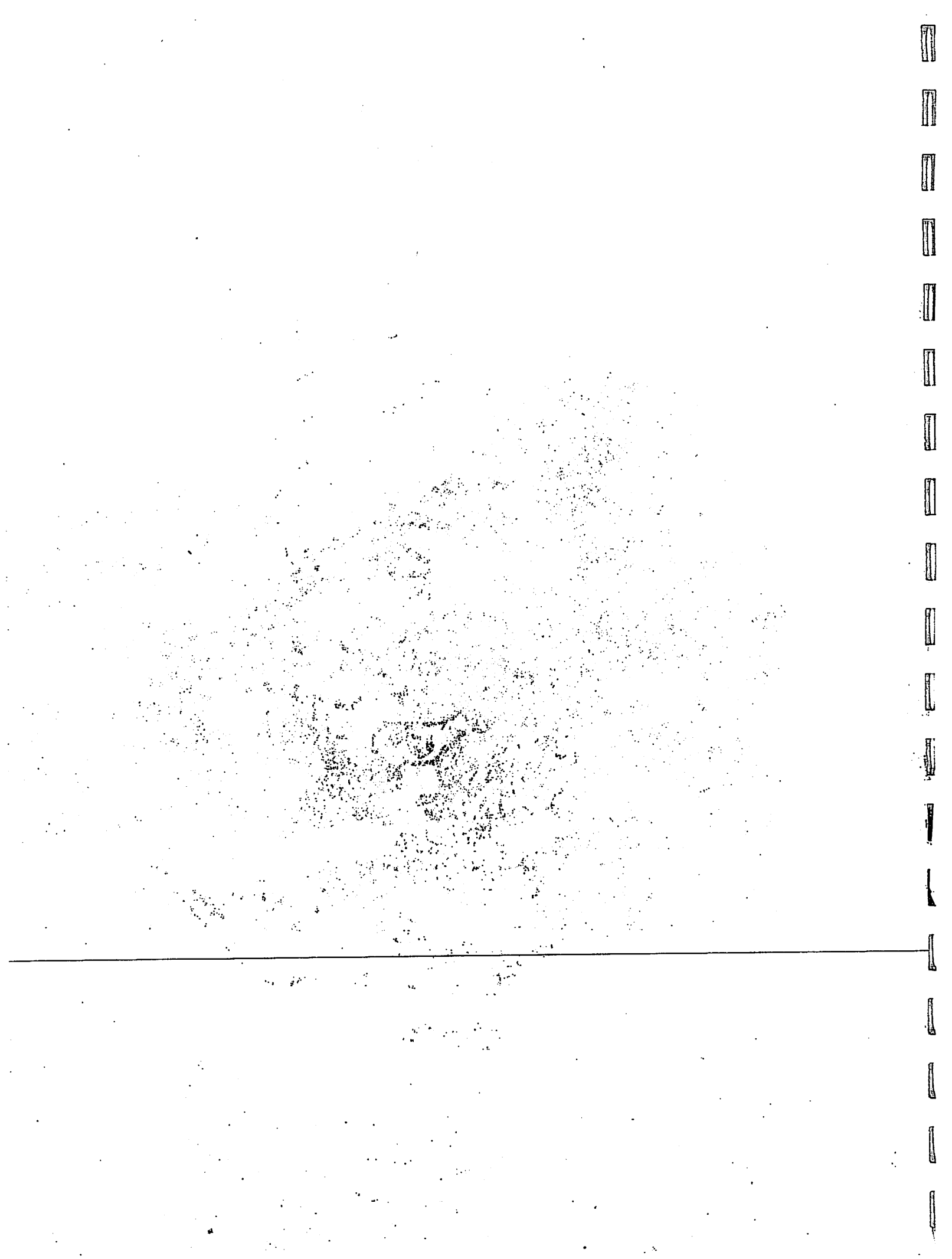


History of the

Matanuska-Susitna Borough

1964 - 1989











History of the Borough Seal

On March 3, 1964, seven drawings were selected by the Borough School Board Committee from the entries of school children who participated in the contest of the official seal for the Matanuska-Susitna Borough. On April 7, 1964, the winners were announced. The first-place winners, Barbara Smith and Arthur Theodore, received \$25 - \$12.50 from Koslosky's Department Store and \$12.50 from the Borough Assembly.

On July 7, 1964, Borough Chairman Koslosky presented a composite from the drawings of the two winners of the Borough Seal which was produced by Color Art Printing Company for the assembly's consideration. The assembly asked that the drawing of the cow be reworked and resubmitted for further consideration. On September 1, 1964, the assembly basically accepted the same drawing as before but changing some of the components around (There is no record as to what was changed.) The clerk was instructed to present the draft copy to an engraver for a preliminary drawing to be approved by the assembly. At a special meeting on October 14, 1964, the borough seal was unanimously approved, and the chairman was requested to proceed with ordering the legal seals and the engraver to supply colored renderings. (The seal you have today reflects the size and colors of the pencil-colored drawing done by the engraver.)

Finally, on November 3, 1964, Ordinance Serial No. 64-07 was approved. It provided for the establishment of a code of ordinances and adopting as a part of the code provisions relating to the borough name, boundaries, seat, date of incorporation, seal, defining prohibited acts and providing for penalties.

The provision of Ordinance Serial No. 64-07 relating to the borough seal read as follows:

Sec. 1.25.010. Seal. The Borough shall have a Seal having two concentric circles. The outer circle shall be formed to depict a ribbon and bear the words MATANUSKA-SUSITNA BOROUGH SEAL and the date 1964. Also included within the outer circle shall be the images of a moose, mountain sheep, salmon, and a bear. The center of the Seal shall consist of a mural using the "horn of plenty" as the foreground theme. Included in the central part of the Seal shall be a cow, representing the dairy business; logs and trees to represent timber products; a coal miner with his pick and ore car, representing mining; and a skier running down a slope with a background of mountain peaks topped by a brilliant sun.

I hope you enjoy this bit of Borough history pertaining to the seal.

Lonnie R. McKechnie, CMC
Borough Clerk

*History of the Matanuska-Susitna Borough
1964-1989*

Lawrence E. Roberts

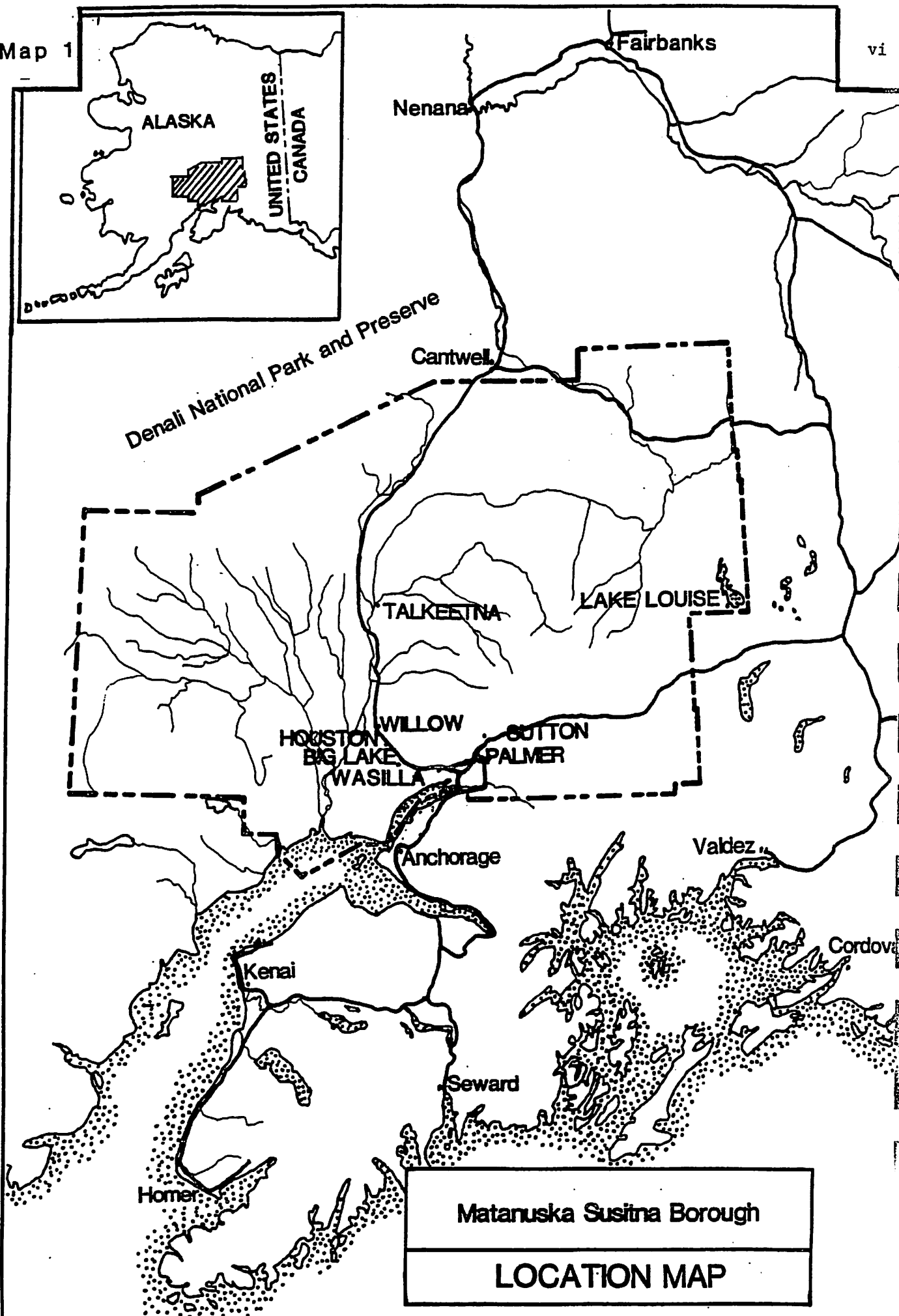
Matanuska-Susitna Borough, Palmer, Alaska
1991

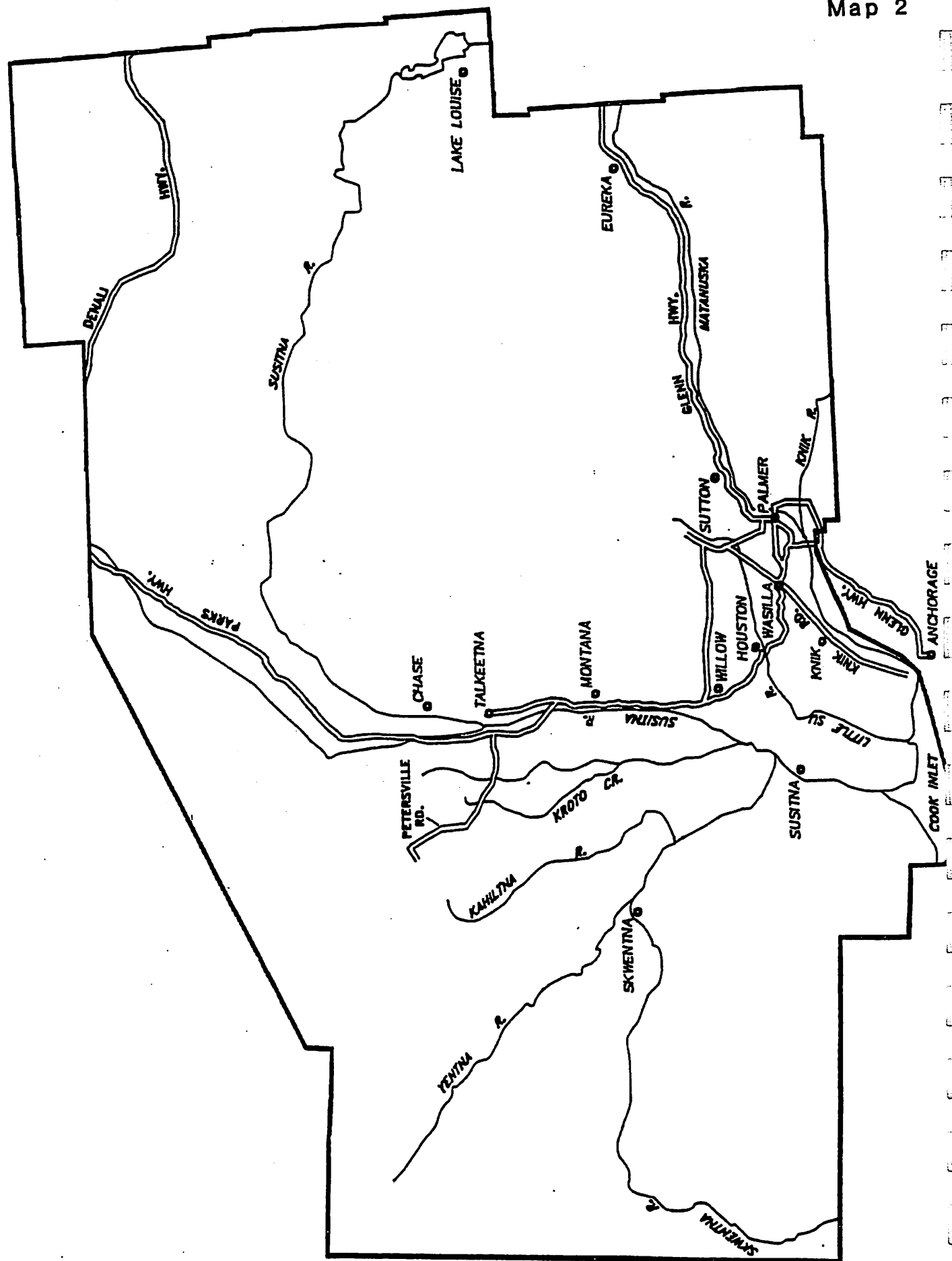
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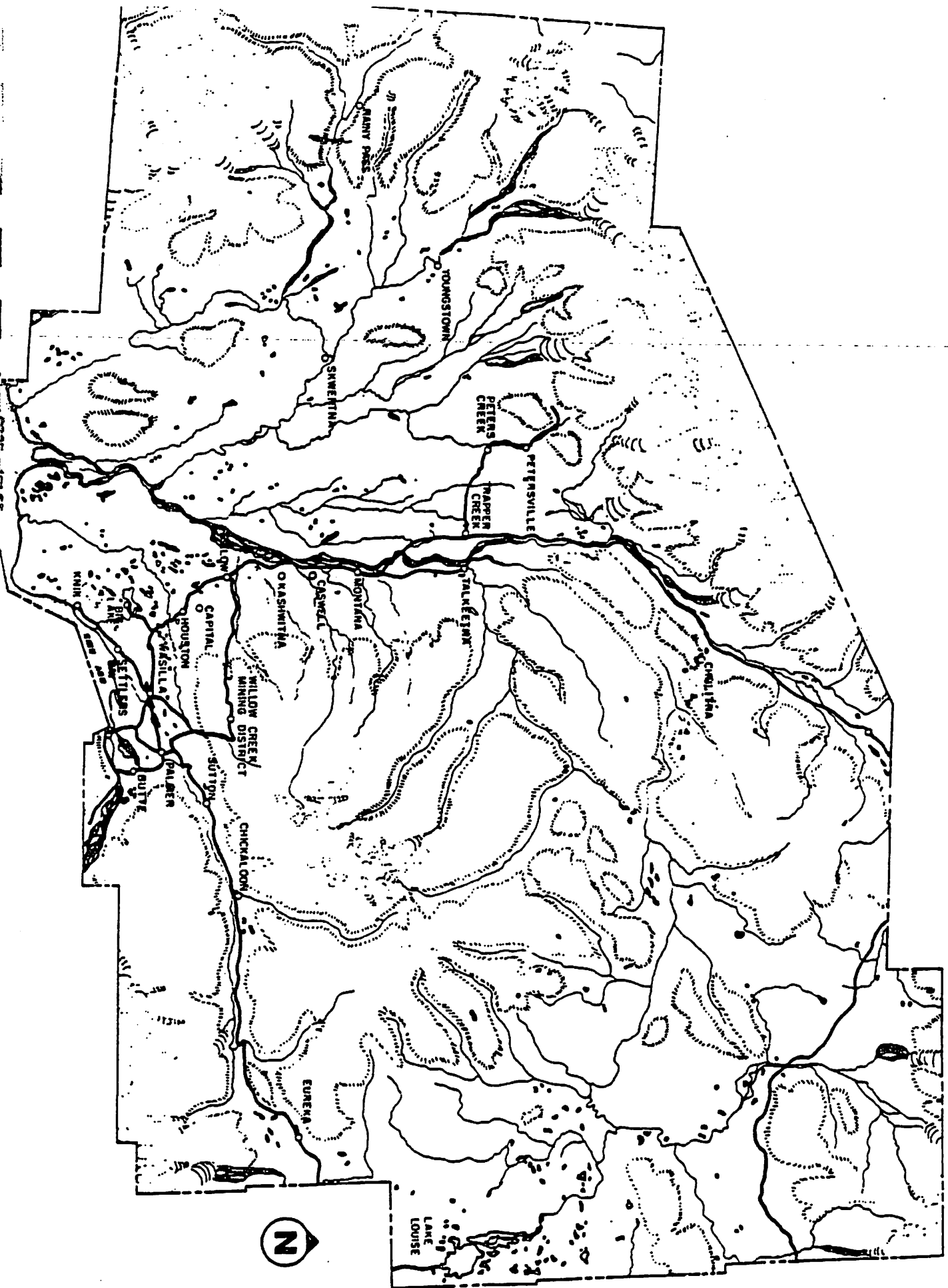
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Map 1







Map 3

OFFICIAL MAP OF THE ALASKA ELECTION DISTRICTS AS DETERMINED IN ACCORDANCE WITH PROVISIONS OF THE CONSTITUTION FOR THE STATE OF ALASKA

FOLLOWING THE OFFICIAL REPORTING OF THE
U.S. 1960 DECENNIAL
CENSUS

Senote	Dist	Election Dist
A	SOUTHEASTERN	1, 2, 3, 4, and 5
B	KETCHIKAN-PRICE OF WALES	
C	WIRIANG, PETERSBURG, SITKA	2 and 3
D	JUNEAU - YAKITAT	4 and 5
E	SOUTHCENTRAL	6, 7, 8, 9, 10, 11 and 12
F	CORDOVA - VALDEZ	6
G	ANCHORAGE, PALMER	7 and 8
H	SEWARD - KENAI	9 and 10
I	KODIAK - ALEUTIANS	11 and 12
J	CENTRAL	13, 14, 15, and 16
K	BRISTOL BAY - BETHEL	13 and 14
L	YUKON - KUSKOKWIM	15
M	FAR BANKS - FORT YUKON	16
N	NORTHWESTERN	17, 18, and 19
O	BARROW - KODUK	17
P	NOME - WADE HAMPTON	18 and 19

Map 4



PROLOGUE

In the process of looking back over the past quarter of a century's history of the Matanuska-Susitna Borough, I have realized that we are now in a position to learn from some of our mistakes, and yet to take our successes and use both in our planning for the future.

I have had the privilege of serving on the Assembly and as Mayor for a combined total of nearly one half that twenty five years, and have been able to participate in the processes outlined here. I also had the privilege of being a "colony kid" in the 1930's. Both periods of our history as a community and as a political entity were comparably dramatic in the changes brought forth as a result.

I hope you each take the opportunity to review our history through this book and, while we can ask "what if...", let's not dwell on the things that didn't go right, but concentrate on the things we did accomplish and apply the lessons learned to the future.

Not matter what stage of growth and history each may be in at this time, all communities throughout history started with an idea that was acted upon, then was carried forth throughout the succeeding generations, with adjustments made along the way to accommodate the economic and other realities. Our history has been set, but our future is still being molded, and each of us has equal opportunity to make a mark.

Dorothy Jones, Mayor
Matanuska-Susitna Borough

PREFACE

In 1989 the Matanuska-Susitna Borough commemorated its twenty-fifth birthday. It was a time for celebration and reflection. A time to look forward to a future full of promise and challenge and to look back on a past full of challenges and achievements. Local government is personal and immediate. It deals with those issues (zoning, schools, sanitation, parks, roads, etc.) that are a part of our everyday lives.

It may seem presumptuous to write the "history" of something that is only twenty-five years old. Nonetheless, an attempt was made to fashion a narrative that mentions some of the key people and events in the Borough's first two-and-a-half decades of existence. The book is not intended to be a complete history, nor does it attempt to interpret the actions of various persons involved in Borough politics and activities. Such an indepth analysis must wait for future political historians. This is not to suggest that controversies in the Borough's past have been ignored - they have not. No attempt has been made, however, to establish the rightness or wrongness of the contending sides in those arguments.

The goals of this work are modest ones. For those who lived through the period we hope to revive some memories. And for those unfamiliar with the Borough's history we want to acquaint you with the industry of the Valley's citizens, the positive accomplishments of local government and with how much impact you, the private citizen, can have on your government.

ACKNOWLEDGEMENTS

Many people helped to put this book together. Special thanks to Susan Lee for doing much of the research. Various people served as editors, especially John Duffy, Borough Planning Director. The word-processing and proofing for the seemingly countless drafts were well handled by Twila Lambert. The Planning Department's graphics section, Lindsey Finney and Ellen Wycoff, took care of maps and graphs. Also much thanks to Jill Smythe (Senior Planner) for answering many questions and helping me find various research materials and to Fran Seager-Boss for writing the introduction. To those I have left out, my apologies. To those who helped, thank you. Funding for this project was provided by the Matanuska-Susitna Borough Assembly.

Any mistakes, historical or otherwise, are, of course, the responsibility of the author.

Lawrence E. Roberts
March 31, 1991
Borough Historian

INTRODUCTION

The geographic and political boundaries of the Matanuska and Susitna Valleys located in South Central Alaska, are defined by the geological relief of the area. What is referred to as "the Valley" encompasses approximately 23,000 square miles within the Matanuska-Susitna Borough. Dominant rivers draining the region are the Matanuska, Knik, Susitna, Yentna, Chulitna and Talkeetna. Along with their extensive watersheds they make up the lowlands. The Susitna drainage to the west is vast, stretching northward and inland approximately 293 miles to the crest of the Alaska Range in Central Alaska. Flowing into the Valley from the east, the Matanuska River, (meaning muddied waters) separates two mountain ranges; the Talkeetnas which create the northern boundary and the Chugach Mountains which form a rim around the eastern and southeastern edge. From the Knik glacier, in the Chugach Mountains, to the southeast, the Knik River flows, meeting the Matanuska River at the Knik Arm which empties into Cook Inlet. Occupying the coastal portion of the Valley, the Inlet determines much of the weather effecting the area.

The Matanuska-Susitna climate, primarily influenced by the Japanese current, is considered mild. Warm, moisture laden winds sweep into the Valley providing the region with abundant precipitation. Average Summer temperatures are 50-55 degrees Fahrenheit and records show a growing season of over 100 days stretching from May into September. The Valley, benefiting from Alaska's midnight Sun, has days with between fourteen and twenty hours of sunlight during the summer season.

Early Contact with the Native Populations

One of the first white people to enter the Valley was Captain George Vancouver in 1794. He succeeded Captain James Cook in navigating the Inlet and reportedly explored both the Matanuska and Susitna Rivers. Vancouver later named the Inlet in honor of Captain Cook. Several different Russian explorers also penetrated into the Matanuska and Susitna Valleys. One such man, Peter Malakhov, reportedly reached the upper recesses of the rivers in 1834, although little is known of his trip. Other expeditions by the Russians, in 1843, ran into difficulties with the currents on the Susitna. Russian maps drawn in 1845 demonstrated a general knowledge of the courses of both the Susitna and Matanuska Rivers.

The native Den'ina (Tanaina), a semi-nomadic people inhabiting this section of the country, followed the yearly cycles of the fish migrations and caribou herds. Their territory encompassed approximately 41,000 square miles with winter villages located at strategic points along major waterways and lakeshores. During the Russian occupation they played the middleman role between the Russians and the interior Athabaskans providing the Russian American Company (RAC) with furs and skins. As with many native populations the exposure to non-native diseases posed the greatest threat to their lives. The Tanaina population declined by approximately 50% by 1840 due to an epidemic of smallpox.

The Russians were the first Caucasians to establish trade with the natives, however, their tenuous hold was limited strictly to the coastal areas of Cook Inlet and the Kenai Peninsula. In 1844 the Russians started several agricultural settlements around Cook Inlet. One of these settlements, known as "Rossiskoe Selenie" (Russian Settlement), was located near what later became Tyonek; another was near Old Knik (Eklutna). Because of the temperate climate, the Inlet was specifically chosen for agriculture; crops included potatoes, turnips, radishes, lettuce, onions and garlic.

The Russian Orthodox Church also played an active role in the early Russian settlements and would remain a force in native life even after the sale of Alaska to the United States. A Russian Orthodox church was built at Tyonek near the end of the 19th century where, reportedly, there lived approximately 150-200 natives, "all members of the church".

Early American Settlement and Commerce

In 1867 Russia sold Alaska to the United States. A twenty-year period of benign neglect followed the sale. The Alaska Commercial Trading Company bought out the Russian concerns and continued to operate in a similar style, with growth limited to opening up several more stations. A few prospectors and trappers passed through to the interior but the intensity of the mosquitoes daunted many. George Palmer set up a private trading post near the confluence of the Matanuska and Knik Rivers between the years of 1875 and 1882. During those same years he operated the old Knik trading post, as an agent, for the Alaska Commercial Company. In 1882 he bought out the trading post at Old Knik, whereupon he closed his store at Matanuska.

In 1895 gold was discovered on the Kenai, near Turnagain Arm, and rapid changes followed. The next year the famous Klondike strike shifted activity into high gear. Three thousand prospectors landed at Tyonek heading for the gold fields, some headed up the Susitna and Matanuska rivers, while others rushed to the Turnagain Arm mines. Responding to the stampede, the Alaska Commercial Company, in 1896, founded Susitna Station, near the confluence of the Yentna and Susitna Rivers. Other stations were established at Point Hope and Sunrise on the Turnagain Arm.

The rivers that flow into the Valley became natural causeways out of the low lands and into the mountains and interior. Taking the paths of least resistance the prospectors, miners, trappers, traders and speculators passed through the peripheral trading

posts and into the mining districts. Some of the trails they followed were age worn routes known to the Dena'ina natives; others were cut out of the wilderness following the major water arteries and tributaries along the relatively flat lands to the interior. One such route was the famous Iditarod trail. Many new placer mines opened up along the tributaries of the major rivers, as the miners penetrated their depths.

Commerce and Government

On the heels of the prospectors came the geologists, railroad men, entrepreneurs and homesteaders. The town of Knik having been washed out by the river at its former site, relocated on the western side of Knik Arm in 1887, where it became the prime supplier and outfitter for the prospectors.

In 1898 a United States Geological Survey expedition was conducted of the Susitna River by George Eldridge, the Yentna River by J.E. Spurr, and the Matanuska River by W.C. Mendenhall. Associated with Captain Edward Glenn's Army Department expedition, Mendenhall followed the Matanuska River in an attempt to find an "all American" route to the gold fields near Circle City, and the Klondike. Under Lt. J.C. Castner's supervision the expedition went up the Matanuska Valley and then cut across the Copper River Basin to Fairbanks. The whole trip took approximately six months, and according to Castner, it was a miserable expedition. Some Klondike stampedeers used Castner's trail before following the high ridges across the timber line and on to the mighty Yukon River where they joined the rest of the stampedeers. Part of the trail however, took on a greater significance when gold was found in the Little Nelchina River area. Later it became the main thoroughfare from Anchorage to Fairbanks.

With the influx of freighters, miners and speculators the trading post of Knik burgeoned into a prosperous little town. By 1915 it boasted a population of 250 permanent residents with 200-300

transients (many of the miners would winter in Knik). Knik became the commercial center for the mines. Regular wagon trails led out of town to the various mining districts. The Willow Creek Trail serviced the Willow Creek mines; the Iditarod Trail supplied the Kuskokwim region; other trails leading to Hatcher Pass, and the Matanuska-Chickaloon-Nelchina areas were also used for freighting the much needed supplies to the prospectors, placer mines, quartz, and coal mining operations. On January 10, 1912 two freight sleds pulled by 33 dogs, with 2,600 pounds of gold from Iditarod came through Knik, on their way to Seward. Gold, however, was not Alaska's only source of wealth.

Information compiled from several geological surveys identified rich coal deposits in the Matanuska Valley, and in the Nenana River country; and vast copper deposits were located in the Kennicott district. Successful development of the mineral wealth of the country, however, depended on a reliable means of transportation. Several attempts by private investors between 1906-1912 to build a railroad failed.

In 1912 when Alaska became a U.S. Territory, there was renewed interest in an Alaskan railroad. Under President Taft, several feasibility surveys took place to research the best routes. On April 10, 1915 President Woodrow Wilson, Taft's successor, made the final decision regarding the route. The Alaska Engineering Commission (AEC) was put in charge of the construction of the railroad. The route would follow a previously built track across the Kenai Peninsula from Seward to Turnagain Arm. From there the track would traverse the Susitna River valley, then turn east following the Nenana and Tanana river basins to Fairbanks. A spur was to be built from the confluence of the Matanuska River, to the U.S. Navy's new Chickaloon coal mine forty miles up river.

A tent city appeared over night at Ship Creek, in anticipation of work on the railroad. The headquarters for the construction of the railroad was established there because of a protected harbor

with fairly long ice free seasons, lasting from early spring until late fall, an important factor for the shipment of construction materials to the central headquarters. It was not long before Ship Creek became a permanent town, later to be renamed Anchorage. In many instances, supply stations and construction bases became townsites. Matanuska, Moose Creek, Wasilla, Pittman, Houston, Willow Creek, Montana and Talkeetna became small outposts along the railbelt. Former trading posts such as Tyonek, New Knik, Susitna Station and McDougal all lost their importance as commercial outfitters. Also with the railroad came a more permanent population.

Prior to 1914, Valley residents were predominantly miners and freighters. However, between 1914 and 1918, a new group of people came to the Valley interested in homesteading and farming. Many preferred to homestead in previously cleared areas along the tracks. Others moved into the new towns platted by the railroad. The Valley began to take on an air of permanence. Potatoes became a cash crop during the 1915-17 period and farming was a self-supporting venture. To help with storage and marketing of the potato crop the Valley's farmers, in 1915, formed the Matanuska Farmers Association. Seeing the potential for agriculture in the region, the United States Department of Agriculture, in 1917, established an experimental farm near Matanuska, with M. J. Snodgrass as the Manager. The station distributed information on soils, seeds, and land clearing techniques. The Valley's growth ended abruptly in 1918 with the involvement of the United States in a world war.

World War I (1914-1918) caused a tremendous decline in the population of Alaska as young men left the Valley for the war. The United States engagement in the war elevated wages in the lower forty-eight states making them commensurate with those in Alaska, thus the incentive to stay in Alaska for higher pay no longer existed. Sickness also disrupted activities. A 1918 flu epidemic crippled the work force in the mines and on the rails.

Native populations became totally decimated by the influenza attack. Villages collapsed and were abandoned throughout the region, even the sizeable native populations at Knik, Tyonek and Matanuska Stations.

By the end of the 1920's virtually the entire Susitna valley was empty of the Dena'ina people. Those few who were left congregated at Eklutna (Old Knik), their former way of living having been completely eroded. They became totally dependent on the white man's economy, with the railroad becoming their primary chance of employment. White settlers didn't do much better. By 1930, less than 200 homesteaders remained in the Valley.

The decline in settlers and the resulting loss of freight traffic caused the Alaska Railroad concern. In an effort to bolster its business, the railroad in 1929 attempted to promote the Matanuska valley for farming. Otto Ohlson, the Manager of the Railroad, hired Mr. Snodgrass, from the experimental farm, to interview all interested applicants. Out of several thousand applicants Snodgrass interviewed over 600, with 55 families ultimately moving to the Matanuska Valley. The Great Depression interfered with the further promotion of this plan.

As a result of these various impediments to growth, the Matanuska Valley, in 1934, was still largely unsettled. Between 1915 and the mid 1930's there had been over 500 entries for homesteads. Many of the claims were never proved up and had to be relinquished. In 1934 there were only 117 homesteaders still in the Valley and about 700 total population. The town of Matanuska had 50 residents; Wasilla had 100; Knik had 2 white families and 10 native families; and the Palmer siding had 5 residents, three bachelors and one married couple. Land occupied by homesteaders in 1934 equalled approximately 23,000 acres (of which 600-800 acres were cleared), out of a total of over 250,000 acres in the Valley. This small number of homesteads grew very little surplus produce for sale and almost all of Alaska's foodstuffs were shipped by boat from Seattle, Washington.

Colony Settlement

In 1935 the federal government chose the Palmer railroad siding as the site for a government financed Rural Rehabilitation Colony. The Colony Project chose the eastern half of the Valley for the relocation of depression stricken farmers from the Upper Great Lakes States. Palmer was selected because of its proximity to Anchorage, a major city, situated 37 miles to the southwest. In addition, Palmer's climate and soils were considered similar to the Great Lakes area. The Colony Center was built a little west of the Matanuska River, in the heart of the Valley's better farmlands. The Valley was divided into 40, 60 and 80 acre tracts. The 40 acre tracts were located on comparatively good soils, close to the Matanuska River, whereas, most of the 60 and 80 acre tracts were located a couple of miles west of the Matanuska River on the upper terraces, where the top soils begin to thin out, and in lower swampy regions adjacent to, and encompassing, several of the lakes which are numerous throughout the Valley. After a trying start, agriculture took hold in the Valley. By the 1950's dairy farming had become one of the chief agricultural enterprises. Vegetable farming, on a commercial scale also gained importance.

Road Construction and Government in the Valley

With the colonists arrival in 1935, the Palmer siding became a town. In 1936, the Matanuska Valley Farmers Co-op Association was organized to help farmers market their produce. Also in 1936, a school and hospital were built for the new community. Private businesses started to build a commercial center across from the Colony Center on the opposite side of the railroad tracks. Soon after the Colonists arrived work was undertaken to expand the network of roads throughout the Valley. A highway between the towns of Anchorage and Palmer was finally completed in 1936, after bridging the last hurdle, the Knik River.

Colonists congregated at the bridge for the grand opening of their major artery to Anchorage.

Invasion of the Aleutian Islands, (the unprotected, northernmost outposts of the United States), by the Japanese, during World War II, (1941-1945) prompted another burst of construction activity. Reacting to the Japanese presence, the United States built major Army bases in Fairbanks and Anchorage. Concerned over the vulnerability of shipping goods and equipment by sea, the army decided a hookup by road to the lower 48 was of paramount importance.

Highway construction started immediately. An emergency road, was drawn connecting Alaska to the lower 48 via Canada, with the Army Corps of Engineers in charge of the construction. It was called the ALCAN and connected with the Richardson Highway (Valdez-Fairbanks Highway) at Tok, and was designated strictly for military use. Construction of the Glenn Highway, a thoroughfare connecting Anchorage with the Alcan at Tok, beginning in 1941, coincided with the building of the ALCAN. A million dollars from the War Department was given to the Alaska Road Commission for the Glenn Highway project. Replacing the old packhorse trail up the Matanuska, the road was built 20 feet wide. Work was started, June 1941 from Palmer and Glennallen. A base camp and powder house was constructed at Sutton in the Matanuska Coal mining region. As military personnel came streaming in from the Lower 48, many colonists (those not in military service) left their farms for more lucrative civilian jobs on the bases, and for work in highway construction.

Living in "Wanigans", 600 men worked in shifts around the clock during peak construction of the Glenn highway. Following the edges of the Matanuska Valley, they dynamited and jackhammered their way through the mountains. Occasionally men were lowered over the sides in slings, where they slowly carved the

rock away with jackhammers. Construction on footings or spurs for the bridges was carried out during the winter, while the streams were both frozen and low. All bridges as far as Chickaloon had guards to protect against acts of sabotage. Past Chickaloon the country was considered wild. The roadbed consisted of crushed granite and gravel with a coal fill. This proved very slippery when wet and extremely dusty and dirty when dry. Completed in 1945, the road was narrow, bumpy and unbelievably rough. Once completed, the road provided an incentive for businesses to develop along the highway. By 1953 the road was improved and paved from Anchorage to Glennallen. From 1946 until 1971 the Glenn Highway served as the main traffic route to Fairbanks from Anchorage. With the completion of the Parks Highway in 1971 a more direct route from Anchorage to Fairbanks was realized.

The military construction boom created an opportunity for the expansion of other industries. Coal mining especially benefited from the new activity. To meet new energy demands in the 1940's, an idled government coal mine at Eska reopened. Several privately owned mines also operated in the area, providing coal for fuel to local residents and the military bases. The Evan Jones mine near Sutton claimed distinction as the largest mine. At their peak, the mines produced over 300,000 tons of coal per year and employed 300 workers. The coal industry in the Valley thrived for about thirty years. The Jonesville mine, the last major operation to close, ceased operations in 1968.

In the 1970's another natural resource boom brought prosperity to the Valley. In the late 1960's large oil reserves were discovered at Prudhoe Bay Alaska in the Arctic. Once again, the need for transportation caused a flurry of construction, not only for roadways, but also for the building of an oil pipeline which was to traverse the wilderness of Alaska from Prudhoe Bay to the port of Valdez, situated in Southcentral Alaska. From Valdez the oil would be shipped to the Lower 48. With the discovery of oil

the population of the Matanuska-Susitna Valley exploded, peaking in 1987 with a population of over 38,000. Oil prices fell dramatically soon thereafter, causing a general economic depression statewide that hit the Valley hard.

The Matanuska Valley today is attempting to stabilize its economic base. The area is still considered the top agricultural region of Alaska, however, many of the original Colony farm tracts have given way to fashionable subdivisions. With nearly 30 percent of the working population commuting to Anchorage, the Valley has become a bedroom community for its big city neighbor. As the Valley rebuilds its economy it is counting on one old source of economic growth - coal mining - and two newer agents of economic development, tourism and small industry, to anchor a new period of sustained growth.

Fran Seager-Boss
Archaeologist
June 30, 1991

CHAPTER I

Creation of the Matanuska-Susitna Borough

On January 3, 1959, Alaska ceased being a territory and became a state. Several years of hard work on the part of many Alaskans preceded that day. In 1955-56, delegates from all of Alaska's election districts met in Fairbanks to draft a constitution for the state-to-be. A principle theme during the debates was the idea that many functions of government should be handled at the local level. Consequently, the proposed constitution required that "the entire state shall be divided into boroughs, organized or unorganized," for the purpose of local government administration. People in the Matanuska-Susitna Valley immediately took steps to explore the various questions that needed answers before a borough could be formed.

In January, 1959, the Wasilla Parent-Teacher Association asked that a committee be formed to study the issues involved in creating a borough. A question of first importance concerned the determination of the possible boundaries for a Matanuska-Susitna Borough. Some people argued that the Borough should be as large as possible, perhaps even including Anchorage. Others stressed the fact that boroughs should, as far as practicable, encompass areas of similar needs and concerns. Opponents of the large borough proposal pointed out that the Matanuska-Susitna Valley would have little influence on a borough assembly composed predominantly of Anchorage members.

In December 1959, the Local Boundary Commission, which operated out of the governor's office, held the first of two hearings in Palmer. The Commission had three members: Paul Choquette of

Homer, who served as Chairman, Mrs. Gordon Lyon of Anchorage, and Ben Fleenor of Ketchikan. Three alternative boundaries were proposed for a Matanuska-Susitna Borough based on the 1960 state election district map: 1) election district seven plus the area from Goose Bay south around to Susitna Station, 2) only that part of the election district seven east of the Seward Meridian, and 3) election district seven plus the Chugiak-Eagle River area (see map No. 4).

Early in January 1960 Valley residents formed a Borough Steering Committee to review and debate the various issues involved in creation of a borough. The committee consisted of twenty-two delegates representing the communities of Houston, Pittman, Wasilla, Fairview, Willow, Palmer, Big Lake, Schrock Road, and Knik as well as organizations such as the Palmer League of Women Voters, City of Palmer, League of Alaskan Cities, Wasilla Parent-Teacher Association, Matanuska Valley Chamber of Commerce, Willow School, Palmer Board of Education, and the Wasilla Grange. Alaska State Representative James Hurley also served on the committee. The Steering Committee was charged with developing a recommendation regarding boundaries for the Borough to present to the Local Boundary Commission.

In the fall of 1960 the Steering Committee created "Borough Study Committees" to explore the needs and desires of the Borough residents relative to borough government. Committees were created to investigate the following areas:

- A. Borough Assembly size and apportionment conducted by the Wasilla Grange, Don Winkel, Master;
- B. Service area functions and determination of areas that may require use for supporting fire protection service - conducted by K.R. Gillow of Wasilla, Libby Martin, and Jean Woods of Palmer;
- C. School Administration and transitional programming, fiscal investigation and projected costs of upgrading all state schools to levels of the Palmer Independent School

District - consisted of several committees, Dorothy Jones, Talkeetna Parent-Teacher Association; Blankenship and Lankford, Montana Creek; Ed Martin, Caswell; Jeannie Edwards, Big Lake; Mary Carter, Wasilla; William Zahradnicek and the School Board members of the Palmer Independent School District;

D. The extent of real property evaluation, City of Palmer administration costs, sources of shared taxes with the state, and projected costs of Borough government and service - L.J. Smith, Chairman;

E. Governmental structure and department functions and which present state and city functions may be integrated into the local government unit, cost analysis for recommending inclusion or exclusion and projected department personnel needs - Reverend Claude Klover and William MacPhearson of Wasilla

F. Transition program for assumption of local road maintenance and construction - L.J. Smith and R. Karnofsky.

Robert Vroman served as overall Chairman overseeing the activities of these committees.

One important question that needed to be addressed concerned whether the proposed political subdivision should be a first, or second class borough as defined by the 1961, Alaska Borough Act. Both first and second class boroughs must provide education, planning, platting and land use regulation, and property tax assessment and collection areawide. A first class borough, however, may exercise by ordinance on a nonareawide basis any power not otherwise prohibited by law. A second class borough is restricted to a specific list of nonareawide powers it may exercise by ordinance.

The first petition circulated in April 1962 for the organized borough of the Matanuska-Susitna Valley called for a second-class borough with Wasilla as the seat of Borough government. The larger community of Palmer objected to the proposed siting and

many people felt that the original petition failed to incorporate a large enough land area. A second petition circulated in May 1963 expanded the area of the proposed Borough to include all of election district seven and the drainage of the Matanuska and Susitna River systems. Palmer would be the seat of government for the first five years after which the people would choose a permanent seat of government by referendum. The need to determine the question of Borough boundaries was given additional impetus when the state legislature, in 1963, passed the Mandatory Borough Act setting a January 1, 1964, deadline for voluntary incorporation of boroughs.

While residents in the Valley debated boundaries and the location of the seat of Borough government several Anchorage residents threatened to make the entire question moot. It had been suggested that a Captain Cook Borough proposed for the Anchorage area should incorporate the Matanuska-Susitna Valley by combining election districts seven and eight to form the larger borough (see map No. 4). In April 1963 the Northland Grange in Palmer sponsored a public meeting for the purpose of discussing the pros and cons of the large versus the small borough. Robert Vroman spoke on behalf of the Matanuska-Susitna Borough proposal, while Robert Fischer and Scott Hamilton of Anchorage spoke in favor of the large (Captain Cook) borough.

Although most of those in attendance at the meetings and the majority of testimony given favored the Matanuska-Susitna Plan, the Valley did have a faction that preferred the inclusion of the Matanuska-Susitna Valley in the Captain Cook Borough. Lucy Mick defended the Captain Cook Borough arguing that the Valley had significant economic, social, cultural and geographic ties with Anchorage. Eugene Reid, state representative from Palmer, supported the Captain Cook Borough idea; a position that contributed to his subsequent defeat at the next election. A letter, signed by eight residents of district seven, supporting the Captain Cook Borough concept was sent to the State Local

Affairs Agency. The authors of the letter argued in detail why the Matanuska-Susitna Valley should be part of a larger borough with Anchorage. For reasons unexplained, the Local Affairs Agency seemed to be more impressed with the letter than with the May 1963 petition supporting a separate borough for the Valley.

The other state agency involved in the decision, the Local Boundary Commission, scheduled a hearing for June 1963, to consider the petition for a separate Matanuska-Susitna Borough. At the last minute the Commission cancelled the hearing on the grounds that the area involved had already been included in another borough (the Captain Cook Borough). On July 11, the Boundary Commission informed the Matanuska-Susitna petitioners of the decision to extend the boundaries of the Captain Cook Borough to include District seven, thus making the Matanuska petition moot. The petitioners argued that such an action violated the state's constitution; they had a right to a hearing and threatened to file a suit with the Alaska Supreme Court to stop the Boundary Commission's action. Robert Vroman; Ralph Moore, Palmer Mayor; and R.C. Carter, Palmer Independent School District Superintendent immediately traveled to Juneau where Governor William A. Egan, Secretary of State Hugh J. Wade, and Ronald Cease, Director of the Local Affairs Agency informed them that a hearing would be granted if sufficient members of the Boundary Commission, which had been disbanded, could be assembled.

A date for the hearing never materialized and on August 7, 1963, the Matanuska-Susitna petitioners filed suit in the Third District Superior Court. The suit sought an injunction to stop the Captain Cook Borough election and to require the Local Affairs Agency and the Boundary Commission to process the Matanuska-Susitna petition. The complaint listed the State of Alaska, Secretary of State, Hugh J. Wade, and the Local Affairs Agency. Court documents filed by the petitioner's attorneys alleged that Ronald Cease and the Local Affairs Agency unlawfully failed to process the Matanuska-Susitna petition and the Boundary

Commission instead included the Valley within the proposed Captain Cook Borough.

Robert Vroman and Palmer Mayor, Ralph Moore submitted affidavits on behalf of the petitioners. Mr. Vroman argued that the large area in the Captain Cook Borough would be unwieldy and expensive, that it would lack effective response to local government, cause undue hardship to taxpayers, and be undemocratic as far as voting residents of the Matanuska-Susitna area were concerned. District seven would have only one representative, and the Assembly members from Anchorage would be able to control the merged borough on all important questions. Moore's affidavit stated that the proposed Captain Cook Borough denied Valley residents the opportunity to express their views on formation of a separate borough, a choice on the seat of borough government and adequate representation on the School Board and Assembly. The petitioners argued that neither the spirit of nor the actual law had been carried out by the actions of the Public Affairs Agency and the Boundary Commission. In fact, the petitioners alleged that the Boundary Commission never reviewed the Matanuska-Susitna petition for a separate borough, as required by law.

The lawsuit enjoyed considerable public support. Private citizens donated over \$3,000 to help cover the court costs. Members of the state legislature spoke on behalf of the petitioners. On the senate side, Brad Phillips stated that Valley residents had been railroaded in the handling of the Matanuska-Susitna Borough petition. He argued that the Local Affairs Agency had an obligation by law to study all petitions, make recommendations, and turn the petition over to the Boundary Commission. Phillips stated, "The Boundary Commission couldn't possibly have acted on your petition. They never had it. All the Local Affairs Agency has done in processing your petition is to open their mail." On the House side John Roder, in an appearance on an Anchorage television station said the Matanuska-

Susitna petitioners had a good legal case and the courts should stop the scheduled September 17 Captain Cook Borough election.

On August 23, the court denied the request for an injunction to prohibit the Captain Cook Borough election. Still to be heard was the petitioner's appeal of the decision combining the proposed Captain Cook and Matanuska-Susitna Boroughs. The Valley opponents to the large borough plan raised the familiar arguments of representation, genuine "local government", and convenience and practicality of participation in Assembly meetings, considering the travel time between the Valley and Anchorage. Those supporting the fusion of the two proposed boroughs argued that District Seven (the Mat-Su Valley) lacked the capability to govern itself, that it was economically, socially and politically interrelated with Anchorage, and that the bigger borough would have a broader tax base.

A busy court docket prevented the petitioners from getting their case heard before September 17, consequently the election took place as scheduled. The Captain Cook Borough proposal for including the Valley and Anchorage was overwhelmingly defeated, five to one in District Seven (Mat-Su) and three to one in District Eight (Anchorage). This failure opened the way for the separate incorporation of districts seven and eight.

On December 3, under the provisions of the Mandatory Borough Act, an election for incorporation of a District Seven borough took place. Since incorporation was mandatory, the district residents voted only on first or second-class borough status and between a Borough Chairman or Manager form of administration.¹ The voters

¹Under a manager system the manager is appointed by the Assembly and serves at their pleasure. A manager's duties are administrative. He does not participate in assembly debate. Under the chairman system the borough chairman had to be a qualified voter of the organized borough. He served a term of three years; or if there was a first class city in the borough his term was equal to that of the mayor. The Chair's duties

in District Seven also chose three Assembly members at-large from the area outside Palmer's incorporated city limits, two would be appointed from the Palmer city council. Voters also elected five Borough School Board members at-large.

By a vote of 664 to 450 the Matanuska-Susitna voters opted for a second-class borough designation. Voters approved the Chairman form of government by a vote of 775 to 274. Jan M. Koslosky, Palmer businessman since 1935 and a resident of the state since 1915, was elected the first Chairman of the Borough. Borough Assembly members elected for the area outside the incorporated limits of the City of Palmer were V. Louise Kellogg, Harold Newcomb, and Robert Vroman. On December 13, William Hermann and Willard Johnson were elected from the Palmer city council to serve on the Assembly. George E. Smith, Lew Honks, May Carter, Joyce Kerttula, and Emilie St. Pierre won election to the Borough's first School Board. Nominations for all these posts, with the exception of Assembly members representing first class cities, was by petition in the form prescribed by the Alaska Secretary of State. The Assembly members representing first class cities were appointed by and from their respective city councils.

The legislative power of an organized borough is vested in the Assembly. Members are appointed or elected according to the apportionment determined by the standards stated in the 1961 borough act. The term of offices is three years or the same as that of council members if there is a first class city in the

included appointment of some borough employees, enforcement of borough ordinances, preparation of the annual budget, regular examination of the accounts and records, and annual submittal of a complete report on the finances and administrative activities of the borough. He was responsible for the care, maintenance and construction of all borough property, buildings, and roads. He could participate in assembly discussions but could not vote. He could veto an ordinance or resolution on the assembly; but his veto could be overridden by a two-thirds vote.

Borough, and each member must be a qualified voter of the organized borough. The Assembly elects its own presiding officer and clerk and meets regularly at least every three months. The duties of the Assembly are; 1) to enact ordinances to exercise certain of its powers, e.g., in the areas of Borough departments, members compensation, fines or penalties, taxes, borrowing money, and purchasing land; 2) to determine the procedures used in the Assembly; 3) to deal with the budget; 4) provide supplies; and 5) provide for an annual audit. Members of the Borough School Board and their terms of office are the same as provided by law for the independent school district.

On December 18, 1963, the newly elected Matanuska-Susitna Borough Assembly and School Board held their first informal meeting. Discussion over Borough obligations and requirements in taking over the educational system dominated the session. The need to work out a program of assessment for taxation purposes was also discussed as well as general discussion regarding other powers the Borough might assume. A meeting date, January 9, 1964, was set for the first official meeting of the Matanuska-Susitna Borough Assembly.

CHAPTER II

WE HAVE A BOROUGH - NOW WHAT?

On January 9, 1964 the Matanuska-Susitna Borough Assembly held its first official meeting in the Palmer High School cafeteria. Edward V. Davis, Presiding Judge of the Superior Court, Third District, administered the oath of office to the Borough Chairman and to members of the Assembly and School Board.² In its first act of business the Assembly elected Robert Vroman, Presiding Officer and Harold Newcomb, Deputy Presiding Officer. Then the Assembly voted to hire a full-time Borough Clerk and authorized appointment of a committee to screen applications for the position. Next they turned to the long list of basic issues that demanded their attention: how to organize the Borough government, starting a property assessment/taxing program, selecting Borough land from available state land, creating a Planning Commission and taking over operation of the school system. The tasks before the Assembly and School Board members were formidable ones, but ones they would meet successfully.

At that first meeting on January 9 the Borough received a check in the amount of \$25,000 from the State Local Affairs Agency. The Mandatory Borough Act entitled each organized borough a

²Assembly Membership: Jan Koslosky, Chairman, V. Louise Kellogg, Harold Newcomb, Robert Vroman, William Hermann and Willard Johnson.

School Board Membership: George E. Smith, Lew Honks, May Carter, Joyce Kerttula and Emilie St. Pierre.

transitional money grant equal to \$10 for every qualified voter within the Borough who voted in the last general election, with each borough entitled to a minimum of \$25,000. This money, along with \$5,000 in state-shared taxes which would be returned to the Borough, provided part of the funds for the first Borough budget for the period through June 30, 1964.

Though regular Assembly meetings were set for the first Thursday of each month, Assembly members agreed that during the press of organizational business, special meetings would be held every week. Through the rest of January 1964 the Assembly dealt with several administrative matters. Encumbered with the convoluted title of "Palmer-Wasilla-Talkeetna Election District Number Seven Borough" the Assembly decided by a unanimous vote, at the January 16 meeting, to name the District Seven unit of local government the Matanuska-Susitna Borough. This is the name which appeared on the local option petition presented to the Local Affairs Agency and which had generally been associated with the Borough. A motion to initiate a contest among Borough school children to design an official Borough seal also won approval at the January 16 meeting. Koslosky's Department Store offered a prize of \$25 to the winner.³ The Assembly left some pending personnel decisions for the next meeting.

During the January 23 meeting the Assembly continued with basic organizational and housekeeping issues. They voted unanimously to name Palmer as the Borough seat. The motion, made by Assembly President Robert Vroman, included the stipulation that the location would be subject to referendum at any time. At the same meeting the Assembly approved the motion ratifying the choice of

³On March 3, the judges for the Borough seal contest presented their findings to the Assembly. The seal would incorporate parts of two entries. Barbara Smith and Arthur Theodore tied for first place. They each received \$25. Honorable mention went to Jimmy Anderson, Ron Bissett, James Bennett, Ruth Phillips and Stephen Ede. Each received \$5 for their efforts.

Libby Martin as Borough Clerk. She became the Borough's first full-time employee at a salary of \$6,000 per year. John Marshall, Palmer Independent School District Tax Assessor, received the title of Deputy Borough Clerk and the job of tax assessor/collector at a salary of \$100 per month. Also on this date the Assembly approved John Shaw as Borough legal counsel. Assembly members voted in favor of reimbursement for themselves at the rate of \$25 per meeting with the Borough Chairman to receive \$100 a month for performing administrative functions.

The January 23 meeting also set the terms of office for Assembly members. City representatives' terms would expire the first Tuesday in October 1965 and the three rural representatives terms would expire in October 1966. Needing a permanent location from which to conduct business the Assembly authorized the Borough Chairman to lease space for a Borough office and tax office on the ground floor of the Severns Building at a rental of \$350 per month. The area contained 1,380 square feet of office space. Before adjourning for the evening the Assembly voted to rescind a previous motion to adopt Anchorage Assembly procedures. Louise Kellogg and Harold Newcomb were appointed to work on developing Assembly procedures to fit the needs of the Matanuska-Susitna Borough.

By the end of January 1964, most of the essential administrative procedures and practices were in place or in the process of being designed and implemented. Assembly President Vroman appointed Bill Hermann as Chairman of a committee charged with creating a revenue ordinance and authorized him to choose other members of the committee from residents of the Borough. Willard Johnson and Chairman Koslosky worked together in setting up an administration department ordinance. At the January 30 meeting, the Assembly instructed the Chairman to engage the services of a Certified Public Accountant who would set up an accounting system and bookkeeping records for the Borough. After thorough discussion

the first official Borough budget, \$50,000 for the period January 31 to June 30, 1964, won unanimous approval.

The question of finances was one of the key issues ~~with which~~ the new borough had to deal. ^{with} Part of the initial start-up money came from the state. In addition to the \$25,000 transitional grant mentioned ^{previously} above, a plan was proposed in the state legislature that would provide funds on a half-grant, half-loan basis for new boroughs which lacked sufficient funds to set up their initial tax rolls. Loans would be repaid over a five year period by withholding a portion of state-shared taxes. Ron Cease of the Local Affairs Agency drafted the plan and submitted it to the House Local Government Committee.

Of course the basis of financial stability and solvency had to rest on some type of Borough taxation policy. On February 20, 1964 the Assembly held two hearings on tax ordinances for the Matanuska-Susitna Borough. The first hearing focused on the legal framework for a taxing program in the Borough. The second hearing concerned creation of a joint tax office to be used by the Borough, the School District and the City of Palmer. In addition, an agreement with the Palmer Independent School District whereby Borough and School District taxes would be assessed and collected by the same assessor/collector was discussed.

The Assembly discussed with John Marshall setting up an assessment program and its probable cost. He estimated the cost of assessing the area outside the original Palmer School District to be between \$40,000 and \$50,000. Separate self-assessment forms for personal property and real property were prepared and mailed in early March. Marshall said that his office prepared as complete a list of owners as possible but that inevitably many would be missed in the mailing. He asked that owners of either or both classes of property who did not receive the forms request them from the tax office. During the month of March the

Matanuska-Susitna Borough Assembly and representatives from the Assessor's office held a series of special meetings with residents throughout the Borough. These meetings served to acquaint the residents of the outlying areas in the Borough with the tax program ordinance approved by the Assembly. On March 13, the Assembly journeyed to Willow; on March 20, to Big Lake; and on March 27, the Assembly met with Wasilla residents. In conjunction with the special Assembly meetings, a representative from the tax office also visited various communities in the Borough. The purpose of these visits was to give the people in the different communities assistance in completing their self-assessment forms and to answer any questions which they might have.

Assessment notices would be mailed May 1. State law provided a period of 30 days during which time property owners could question their valuations or give notice of intent to appear before the Board of Equalization. This placed the date for the Assembly meeting as a Board of Equalization during the first week in June. Such changes the Assembly might approve would be incorporated into the tax roll. The Assembly would determine the mill levy and prepare tax bills for a July 1 mailing. Payment would be in two installments, with the first half due on or before February 1, 1965.

At a public hearing on June 19, 1964 the Assembly considered the proposed Borough budget for the 1964-65 fiscal year. Following approval of the Borough budget the Assembly set the mill rate to cover the amount which had to be raised by local effort. The rate would also cover administrative costs for schools outside the Palmer Independent School District (PISD). A mill rate of eight was set as the tax levy for the parts of the Borough outside the PISD. Within the PISD the rate would be 16 mills. Borough Assembly members approved a resolution setting the mill rate following an executive session with Dennis Cook, Acting Director of the State Local Affairs Agency. Previous to the

executive session, and following the public hearing at the June 19 Assembly meeting, the Borough administrative budget was approved by the Assembly. Revenue from approximately five mills would cover Borough administration costs. Remaining revenue would go for school maintenance expenses which would not be covered by state funds. The state would pay the 1964-65 bill for state school costs, but would not advance funds for capital outlay or maintenance of plant. The mill rate would be charged on an assessed valuation of \$9,625,280. Cook gave his approval to the proposed taxing plan after Assembly members established that the PISD would be matching the Borough's contribution to administrative and tax office expenses.

The PISD continued to operate as a separate unit until the Borough Assembly and School Board could determine a logical date for the Borough takeover. The district operated under the 1964-65 budget as set up by the PISD Superintendent of Schools and approved by the Palmer City Council. John Shaw, Borough Attorney, advised postponement of the PISD takeover until January 1965. This would leave the incorporated school district as an island, operating as it had in the past. The postponement would also allow time for sale of the PISD bonds to finance Palmer school construction. At a special meeting on October 20 the Assembly had adopted a resolution informing the School District Board of Directors of the projected takeover, and instructing the Borough Chairman to carry out the necessary steps to achieve it. After January 1, 1965 property assessment and tax collections would be made in the former school district area by the Borough. The Borough had assumed taxing powers for the area outside the school district the previous year. Closely linked to the issue of assessment and taxation was the issue of land ownership.

Under the provisions of the Mandatory Borough Act, each borough was entitled to ten percent of the vacant, unappropriated

unreserved state lands within its boundaries.⁴ The State Division of Lands had a policy whereby it would sell borough-selected lands at public auction, withhold administrative and advertising costs from the proceeds, and then forward the balance to the Borough. The Matanuska-Susitna Borough adopted an ordinance which earmarked the funds derived from such land sales for capital improvements only. State acreage within the Borough's boundaries totaled approximately 13 million acres. Thus the Borough anticipated receiving approximately 1,000,000 acres.

Alleging interference with their right by law to select available state lands, the Assembly met in special session on March 26, 1964 to officially protest to the State of Alaska against recently scheduled sales of state lands. The Assembly demanded the revenue of recent sales within the Borough until the Borough had completed its selection process. Lands in question included a corridor through the Susitna valley from tidewater to Talkeetna approximately 25 miles wide, also corridors into the Chulitna canyon and along the Petersville Road, and selections in the Lake Louise and Willow mining areas. Also in question were tide lands and submerged lands lying seaward of Borough lands. At a Borough Assembly meeting held in Big Lake on March 20, 1964, a resolution was approved directing the state legislature to make these coastal lands available for selection by the original boroughs adjacent to them. It was argued that these lands were indispensable for future development of the Borough.

The Borough also stood to profit handsomely from future land sales made from these selected parcels. Projected revenues from direct sales of land ranged from \$12 million to \$60 million based on values of \$10 to \$50 per acre, according to Assembly President Robert Vroman. Such revenues would permit operation of the

⁴This provision would later be changed by the state legislature and will be discussed in Chapter IV.

Borough tax-free for a period of six to thirty years, Vroman estimated. "It would enable us to accomplish a complete local road service program, and establish flood control along the Matanuska and Little Susitna Rivers, as well as the Susitna River mouth, thus increasing the value of selected lands in these areas. We would further be able to develop industrial sites in the lower Susitna valley, and provide for a new international airport sorely needed in the near future, as well as to meet the pressing needs of existing communities within the Borough," Vroman argued. He concluded, "With the sale of these lands will come more people and accompanying industry, promising a bright future for the area. It appears inconceivable to think of any alternative to the [retention] of this legacy. In making our protest, it is the intent of the Assembly to protect the interests of the residents within this borough." Meanwhile land auctions were being planned for Willow and Talkeetna.

A hearing on April 28, 1964 at Willow was concerned with setting aside a 40 acre tract for a townsite. If the people of Willow wanted the townsite, the Borough would select the land as part of its selection of state lands. This would return the revenue of the sale to the Borough. That revenue would then be used at the townsite to put in streets and other improvements of a public nature. Approximately fifty lots, a municipal reserve, and an access street were planned. A little more than a week later, on May 6, the Alaska State Division of Lands conducted the Talkeetna homestead auction. The sale netted \$115,300. Since the Borough had selected all the parcels of land included in the sale, the entire amount, less allowance to homesteaders for improvements, would revert to the Borough over a 10 year period. Twenty-three of twenty-nine parcels were sold. The remaining six parcels were available for over-the-counter sale at their appraised value. Of the parcels sold, sizes ranged from 40 acres to 640 acres. This sale represented only a small portion of the total transitional land grant due the Borough under the Mandatory Borough Act. Several more land auctions would follow.

In November 1964, an auction of Borough land was held in Anchorage. David Ring, temporary Land Selection Officer for the Borough had selected 3016 acres from the Wilderness Estates group for the Borough. The anticipated revenue from the sale of that acreage would be \$75,000 for the Borough. Ring had also made several other selections, including 7,362 acres in the Point MacKenzie ~~Point~~ area, 7,432 acres in the Willow township, including the Willow townsite, [and all but 1,000 acres of the township, which Ring said was too swampy to be of value] and 5,500 acres in the South Goose Bay area. It was estimated that the selected lands had a value of between \$2 - 5 million. Land ownership, of course, also required land management.

At a May 19, 1964 Assembly meeting, a planning, platting and zoning ordinance received its first reading. A second reading and public hearing was scheduled for June 2, 1964 at the regular meeting of the Assembly. The ordinance provided for the establishment of a planning commission to work for the systematic development and betterment of the Borough. On May 19 the Assembly had authorized Chairman Koslosky to appoint the members of the proposed commission. At the June 2 Assembly meeting, the second and final reading of the ordinance was held. Approval of the measure was unanimous. The nine-member commission appointed by Koslosky included three people from the Palmer Planning and Zoning Commission; Sam Rieger, Richard Giles and Charles Wilson. The other members were Lucy Mick, Ken Gillow, Frank M. Smith, Bob Tucker, John Joslin and George Fowler. The Borough's first six months had been busy.

The remainder of this first year of operation was taken up with procedural matters. An ordinance was adopted to establish procedures and regulations for elections (the lack of this law had resulted in no Borough election in 1964). In addition to the election ordinance, Assembly members adopted as part of the Borough Code an ordinance which set forth the powers, qualifications, terms of office, compensation, and duties of the

Borough Chairman and Assembly members. Having dealt with these basic issues, the Borough government was ready to tackle the job of governing.

CHAPTER III

1965-1972, YEARS OF TRANSITION

The seven year period starting in 1965 marked an era of significant change in the Mat-Su Valley. Coal mining and agriculture, the traditional economic base of the Borough, were declining and in jeopardy. Conversely, as the Valley became home for many working in Anchorage, 40 miles away, population in the area increased and with it the demand for government services. Fundamental questions regarding economic development, finances, land selection and management, taxes, platting and planning measures, and a variety of lesser issues presented themselves during these years. The structure of the Borough government changed from a Chairman and Assembly to an Assembly and Borough Manager system. Land prices began what would become a steep upward climb as speculators bet on the Trans-Alaska oil pipeline and the proposed city of the future, "Seward's Success", to dramatically change the character of the Matanuska-Susitna Valley. Local government found the period a dynamic and challenging one.

A January 5, 1965 Assembly meeting initiated the first controversy when they passed a resolution appropriating \$3,000 to "retain effectual persons or organizations to present its plea before the Congress of the United States of America and the Legislature of the State of Alaska" for an economic study to assist in the promotion of additional industrial development within the Borough. Fearful that the reappropriation would result in increased taxes several Borough residents attended a public hearing on January 3, and the regular Assembly meeting on January 5, to protest the use of tax money for what they claimed was an effort to help a single company (Evan Jones Company).

Supporters of the measure argued that the purpose of the lobbying campaign was much broader than simply helping any one industry. It would be an attempt to broaden the future economic base as well as preserving the present Valley industries. Assembly President Robert Vroman, and Borough Attorney John Shaw, emphasized that the residents had been given a strong political tool to fight a situation which had occurred many times in this area - the loss of an industry. Assemblyman William Hermann estimated the loss of the coal industry and the business associated with it would represent a tax loss of twenty-to-twenty-five percent to the Borough.

Everyone was not convinced of the merits of these arguments and on January 6 a suit was filed in the Superior Court of Alaska to block the use of Borough funds for any private purpose. Four Wasilla residents, August Scheele, Kenneth Gillow, Heinie Snider and William Andrew filed the suit. The Plaintiffs contended that the reappropriated funds would not be used for the public good of all Borough residents. In November 1965 the case was dismissed by the Alaska Superior Court in Anchorage. It was indicative of the sometimes stormy debate that has often and continues to occur over the use of Borough funds and natural resources.

How to raise revenue produced as much controversy as how to spend it. While the Borough's first budget was based on real estate tax levies, there was a desire to increase revenues without placing the entire burden on property owners. Beginning in March 1965 the Borough Assembly began consideration of a sales tax and whether or not to call a special election to decide the issue. Opponents raised several questions regarding the proposed tax. The most serious complaints concerned the nature of the tax, what was to be covered, and what the tax rate would be. Residents feared they were being asked to write a blank check. In addition they questioned the desirability of holding a special election to decide the issue. In general, the public wanted the Assembly to develop a more detailed proposal for consideration.

Strongest opposition to the sales tax proposal came from Palmer. At a public hearing on April 20, Palmer merchants argued that since Palmer already had a two percent sales tax, any increase would drive shoppers away and, as a consequence, the tax would not prove to be a profitable means of raising revenue for the Borough. Others argued that talk of a sales tax was premature and that proponents had failed to clearly establish a need for the tax. After a great deal of debate the advocates of the sales tax failed to convince the Assembly of the need for a special election.

November 4, 1965 marked an event that many hoped would benefit the economy of the Matanuska-Susitna Borough. On that date the newly completed bridge and highway complex spanning the Knik and Matanuska Rivers and the Palmer Hay Flats opened for public use. The completion of the new section of highway reduced the distance between Anchorage and Palmer by eight miles. More importantly it circumvented a narrow winding road with a modern highway. It was hoped the new road would induce more people from Anchorage to come to the Borough for shopping, recreation and housing.

Early in 1966 the Assembly once again turned its attention to economic and resource development. In February 1966 the Borough government participated in the initial Western Alaska Research and Development Conference sponsored by the State Economic Planning Office. As a result of this meeting, Borough Chairman Robert Vroman, was informed in June that an economic task force comprised of labor, agriculture and state economic planning personnel would be placed within the Borough for the purpose of coordinating and developing programs connected with agriculture and agri-business. To further its basis for economic development the Borough created a "Water and Resources Committee." The Committee worked with the Bureau of Reclamation and Borough Chairman Vroman and Assemblyman Willard Johnson to conduct a resource study designed to indicate the extent of resources

within the Borough and how best to utilize those resources to enhance Borough revenues.

The Assembly already had under consideration the amount of revenue needed and how to raise it. At the May 3, 1966 meeting the Assembly set the tax levy at 11 mills for the 1966-67 fiscal year. With most of the funds coming from state and federal sources the total budget figure amounted to approximately \$2 million. In an effort to make the revenue functions of the Borough more efficient and cohesive the Assembly on May 17, 1966 approved a "Central Treasury" plan. This plan provided for a general management plan whereby the Borough Chairman would be responsible for all treasury management. Management included the investment and reinvestment of all revenues of the general government, the school system and any other agency which may subsequently be created within the Borough. The plan would lay the groundwork for an eventual central accounting department. The ordinance placed limits on the types of investments permissible for Borough funds. In addition, the plan included provisions for preparation and submission of budgets and capital improvement programs. It was hoped such policies would add stability and coherence to the Borough's fiscal policy which would further enhance economic growth.

Borough Chairman Robert Vroman explored another avenue for economic development while attending the October 22, 1966 meeting of the Borough Chairman's Conference in Anchorage. The Matanuska-Susitna Borough had under consideration participation in the state and federal sponsored Economic Development Act (EDA) program. The boroughs of Kodiak, Kenai, Anchorage, Matanuska-Susitna and North Star would work with federal and state teams to develop power, transportation and industry on a unit basis. The administrators of the EDA district program described it as a means to overall development through shared costs. Vroman argued the Borough could gain substantially from the program because of its geographic location in the railbelt. Commerce of the

Anchorage and North Star Boroughs, as well as Kenai Peninsula and Kodiak Island Boroughs would directly affect that of the Matanuska-Susitna Borough, Vroman emphasized. He viewed participation in the plan as an opportunity, rather than an obligation, and as a way to bring additional prosperity to the Mat-Su Borough. In early November of 1966 Vroman announced that the Western Alaska Borough Conference would be the organization to implement the Economic Development Act Program.

Through 1967 and 1968 the Borough pursued various avenues designed to encourage economic development in the Valley. In 1967, the Western Alaska Boroughs Research and Development Conference, organized in 1966, elected Mat-Su Borough Chairman Robert Vroman as President. Throughout the course of 1967 the group held several meetings to discuss methods of operating a regional economic development program. In March of 1967, the Mat-Su Borough passed a resolution intended to inform neighboring boroughs, the state legislature and the Governor on the growing need for a strong agricultural industry in Alaska. The resolution stated that the Assembly recognized agriculture as a basic resource industry and would take steps to promote and encourage development of agriculture within the Borough and would work with other boroughs to promote the development of agriculture on a statewide basis.

Economic development, in 1968, also concentrated on establishing the basis for further growth and diversification. On January 16, 1968 the Planning and Zoning Commission presented a resolution to the Assembly listing the priorities for the Borough Overall Economic Development Plan. Projects under the main headings of agriculture, timber, minerals, tourism and recreation, and water supply topped the list. In April the Assembly approved the amended bylaws and articles of incorporation of the Central Alaska Railbelt Economic Development Corporation with one stipulation. The stipulation stated that in assigning certain segments of the regional economy to specific boroughs, fishing

should be assigned to the Mat-Su Borough. Economic activity continued to be a top priority in 1968, but the latter half of the year witnessed a flurry of political activity preceding the October general election.

Two issues dominated the election: taxes and the location of the seat of Borough government. Between 1967-68 the Assembly took steps to improve its tax assessment and collection activities. In April of 1967 the Assembly had approved an ordinance which authorized the appropriation of a maximum of \$155,000 from the capital improvements fund to pay for a mass tax mapping and appraisal of taxable real property in the Borough. The passage of the measure had marked the close of a heated community debate. In early 1968 the Assessment Department of the Borough computerized its assessment roll; and in March 1968 persons whose property had been reappraised under the tax mapping program received the unwelcome news of a tax hike in their assessment notices. The tax increase, coming as it did in an election year, stirred new interest in alternate methods of raising revenue. Once again the idea of a sales tax gained support. On June 4, 1968, by a vote of three-to-two, the Borough Assembly voted to place a three percent sales tax proposition on the election ballot in October.

The question "Shall the Borough seat remain Palmer," also appeared on the October ballot. The original resolution which established Palmer as the Borough seat carried a provision that the location was "subject to referendum at any time." One Assembly seat was also being contested. On October 1 the voters cast their ballots decisively on two of the three items appearing on the ballot. By a vote of 814 to 365 they decided to retain Palmer as the seat of Borough government. Despite the threat of higher property taxes, voters rejected the proposed sales tax by a nine-to-one margin. Libby Martin, the former Borough Clerk, won a very close four-way race for the single three-year Assembly seat being contested. With the election behind them the Borough

Assembly and administration returned to the task of governing. A new year was approaching, and 1969 would be a challenging and interesting time.

The year started with an early controversy when Ray Johnson of Willow presented a petition at the February 18, 1969 Assembly meeting asking the Assembly to call a special election for the purpose of changing the Borough administration from a Chairman and Assembly system to a Mayor, Assembly and Manager form of government. Johnson requested the special election in order to settle the question before the October general election when the Chairman's term would expire. He also stressed the fact that his support of the Manager system in no way reflected on the work of Bob Vroman the present Chairman. The petitioners argued that a paid Manager would be a trained administrator and responsive to the wishes of the Assembly, and his or her employment could be terminated for unsatisfactory job performance. Further, they argued that an incompetent person could too easily win an election. Proponents of retaining the Chairman form of government argued that the Chairman's office supplies a method of checks and balances. The Chairman is elected by the people and is responsive to the people; his power of veto may be a balance against a Borough Assembly unresponsive to the people's wishes. An incompetent Chairman could be removed by impeachment.

John Bear, Director of the State Local Affairs Agency, advised the Assembly on February 27 that the petitioners would need signatures equalling twenty-five percent of the number of voters who went to the polls in the last Borough election, special or otherwise, to require a special election. At its March 4 meeting the Assembly tabled, until April 1, a resolution requiring that the measure be placed on the October ballot. The petitioners tried to acquire the necessary signatures, but when Ray Johnson appeared before the Assembly at the April 1 meeting the petition still lacked the required number of signatures. Despite this fact Johnson asked the Assembly to schedule a special election

without the additional signatures. The Assembly, however, argued that the cost of a special election was unwarranted and once again tabled the issue.

Of greater concern to the Assembly during that April 1969 meeting was the matter of funding for construction of an addition to the Wasilla High School. State Commissioner of Education, Dr. Clifford Hartman, had informed Borough Chairman Vroman that a \$200,000 state grant for school capital improvements in the Borough would come to the Borough in five annual payments of \$40,000 each. This created a problem since the Borough had already earmarked the entire \$200,000 for the Wasilla school addition. Consequently the Borough had to scramble to arrange new financing.

Budgetary problems for the Borough during 1969 continued into May and June. On May 8 the Borough Chairman vetoed the Assembly's budget ordinance, approved May 6, on the grounds that anticipated revenues failed to equal the budget appropriations. At the May 28 meeting the Assembly debated a revised budget ordinance; however, disagreement on how to fund the budget resulted in a deadlocked vote. Another public hearing in early June produced yet another budget proposal, that resulted in another veto by the Borough Chairman. A second hearing in late June produced a budget acceptable to the Chairman and the Assembly, with the Assembly agreeing to a 13 mill levy on real property.

Having resolved the budget crisis the Assembly turned its attention to the coming fall election. On September 2 the Assembly approved a resolution placing the question of Borough Chairman vs. Borough Manager on the October 7 ballot. The question of the addition of the non-area-wide power to set up and administer sanitary landfills in an area outside incorporated cities also appeared on the ballot. Since there was no way of predicting the outcome of the Manager versus Chairman question on the ballot, the Borough found it necessary to hold an election

for Borough Chairman to insure the continuance of orderly government should the proposal for a Borough Manager fail. On October 7, the electorate spoke decisively on the ballot questions. They overwhelmingly supported the addition of the non-area-wide Borough power to establish and administer sanitary landfills for disposal of garbage. Just as decisively, by a vote of 733 to 435 they rejected the change to a Borough Manager form of government. While governmental organization and budget concerns dominated much of 1969, economic news dominated the final months of the year.

On September 9, 1969 Tandy Industries announced their plans for the construction of "Seward's Success," described as the world's first completely climate controlled city. The totally enclosed city would be located on eight sections of land within the Borough at Point MacKenzie, pending surveys and appraisals by the state and approval of a fifty-five year lease by the Borough Assembly. A tramway to be built across Knik Arm would connect the proposed city with Anchorage. Borough regulations required that the land in question be offered for lease at a public auction. To be eligible to bid on the parcels, potential bidder needed to submit a written development plan that indicated substantial usage of the land, described the proposed development, and included a timetable for development. Tandy Industries qualified as the successful, and only, bidder at the November 6, 1969 lease sale. The fifty-five year lease covered 3,209 acres of land for which the Borough would receive an annual rent of \$56,780.

In addition to the "city of the future" the Borough had its own list of projects. In October of 1969 Vroman outlined twelve specific projects being sought for the Matanuska-Susitna Valley:

1. Production of cement from natural resources.
2. Fabrication of cement products, pre-stressed concrete modules, and structures adaptable to high rise buildings.
3. Major recreational complex developments.

4. Mt McKinley Hotel and facilities within the Borough boundaries.
5. Agriculture capitalization and development of processing facilities and land base and credit programs.
6. Brewery facilities in conjunction with private efforts.
7. New community development and expansion for housing and business at existing communities as well as planning for new towns.
8. An integrated road system within the Borough area.
9. Acceleration of the Nancy Lake State Park.
10. Investor familiarization within the Borough area.
11. Utilization of timber resources within the Borough for North Slope activity.
12. Industry warehousing within the Borough area along the Alaska Railroad and at Borough airfields.

It was a challenging list for the newly elected Assembly. Several of these ideas enjoyed varying degrees of success.

In early 1970 the Assembly took action to resolve two issues that had carried over from 1969: Borough employees pay and implementation of the non-area-wide sanitary landfill referendum approved in the October 1969 election. On January 20, 1970 the Assembly approved the introduction and first reading of an ordinance to provide for the establishment and maintenance of sanitary landfills. They scheduled a public hearing on the ordinance for the 27th of February. During the interim, the Assembly disposed of the pay issue by approving an ordinance for the adoption of the State of Alaska Classification, Pay Plan, and Benefits System. The State Department of Personnel agreed to evaluate existing Borough employee positions and classify them on the state scale. After dispensing with the pay issue the Assembly prepared for the public hearing on the ordinance establishing sanitary fills.

The issue of landfills, however, became more controversial than expected, considering the positive response of voters on the

landfill referendum in the October election. Problems arose when the ordinance introduced at the February 27 Assembly meeting proposed creating a Division of Environmental Services in addition to building and regulating sanitary landfills. Opponents argued that the referendum had misled the voters. After listening to the large crowd at the Assembly meeting voice universal opposition to the ordinance, the Assembly voted unanimously to reject the proposal. In voting not to adopt the ordinance, the Assembly directed the Borough attorney to draw up a new ordinance to implement the sanitary landfill program in a fashion more in line with the original referendum question.

At their April 7 meeting the Assembly introduced a new ordinance which would enact the sanitary landfill service by "establishing, constructing, maintaining and regulating a system of sanitary fill sites within the area outside cities." Administration of the service would be under the direction of the Borough Chairman, who would have the authority to hire a supervisor for the service. Enforcement of the regulations would be the responsibility of the Borough Chairman. Basically, the Assembly intended the regulations to cover health and safety needs, protect adjoining property owners, and establish ground rules for future developers.

Economic development in 1970 looked promising. By the spring of the year, the Mat-Su Borough and Tandy Industries Inc. had completed negotiations on "Seward's Success." On May 12 Borough Chairman Robert Vroman and Tandy signed a fifty-five year lease agreement involving 2321.39 acres of land in the Point MacKenzie area near Lake Lorraine. Hoping to maximize the impact of "Seward's Success" the Assembly decided at its December 15, 1970 meeting to request a technical assistance grant to carry out a feasibility study of a deep-water port at Point MacKenzie. Chairman Vroman told the Assembly that the Borough had submitted its comprehensive plan for the development of the area to the federal government, and a feasibility study on the port

represented the next logical step. Given a favorable report construction of such a facility could begin within seven years. According to its advocates a modern port facility was an essential component of economic growth for the Borough.

The economic development picture in 1971 and 1972 continued to be dominated by "Seward's Success." In May 1971 Tandy announced there would be probable delays in the project. Edward Leonard, Vice-President and general council of Great Northern Corporation (Tandy's parent company) indicated to Borough Chairman Robert Vroman that the construction would be slowed due to delays in the start of the Trans-Alaska pipeline. Vroman said the delay would be in direct proportion to the moved back pipeline construction date and would probably be something under a year. The lease agreement the company signed with the Borough had called for completion, by November 1972, of the first phase of construction. Engineering and other preparations were being carried on without interruption. Leonard said, "Everything in this project was timed with the construction of the pipeline; the economic basis for the new city does not exist without the pipeline." While economic development remained high on everyone's list of priorities, 1971 also saw political change come to the Borough.

In 1971 a ghost of past elections made an appearance on the ballot. Proponents of a Borough Manager system of government, (versus the Borough Chairman model) once again circulated a petition to place the question of Manager versus Chairman on the October ballot. The standard arguments, pro and con, were once again put forward. Supporters of the Manager proposal argued that it would result in a more accountable and qualified administrator, opponents countering that it diminished the

⁵Delays surrounding the issuance of the pipeline construction permit were a result of various court challenges, most significant among those were land claims by various Alaska Native groups. The permits were finally issued after passage of the Alaska Native Claims Act in December 1971 settled the major land claims disputes.

traditional checks and balances needed to control legislative assemblies. Proponents of the Manager system presented a more forceful case this time than in past attempts and on October 5 the voters approved by a vote of 757 to 583 the switch from a Borough Chairman to a Borough Manager system of government.

At the October 11 meeting, the Assembly passed a resolution establishing the Borough Manager system according to the ballot proposal. Under the system the Assembly would hire a professional Manager to act as its agent in administering policies laid down by a simple majority of its members. Robert Vroman, former Borough Chairman, was appointed as interim Borough Manager for a 90 day period. The Assembly hoped this would be sufficient time to solicit applications and conduct interviews for the new position. Although they failed to meet the 90 day deadline the Assembly did announce on January 26, 1972 that they had selected a Manager. Effective March 1, 1972, Wesley Howe, the City Manager of Fayetteville, Arkansas would become the Matanuska-Susitna Borough's first professional Manager. He would find several challenging issues upon his arrival.

By mid 1972, the "Seward's Success" project seemed to be at an impasse. Several months earlier Great Northern asked to be released from a time schedule of improvements. On August 15, 1972 Borough Attorney William Tull, informed the Assembly that Great Northern did not meet its August 6 lease payment. Lawyers for the company indicated to Tull that they wanted no more money put into the lease with out a firm decision regarding the Trans-Alaska pipeline. The lease agreement called for the completion by November 1972, of \$200 million worth of improvements to the leased acreage. The company refused to do this while the pipeline permit remained unissued.

Despite the inactivity surrounding "Seward's Success" a proposition appeared on the October 3, 1972 election ballot asking voters to decide if the Borough should assume port powers.

The proposition read "Shall the Matanuska-Susitna Borough assume and exercise the power to provide ports, harbors, wharves, docks, elevators, storage yards and other related marine facilities?" The Borough Assembly proposed the referendum on the assumption that a port would develop at some time in the Point MacKenzie area and that the Borough should plan for it now and be assured of tax revenues from the facility. Voters approved the assumption of port powers. Borough Manager Wes Howe continued to pursue funds for a feasibility study of the port proposal.

Because of the Borough's position as a major land owner the question of land selection, management and use figured prominently in all economic development within the Borough. In June 1965 the Borough signed a land management agreement with the Alaska Division of Lands. The signing confirmed a verbal agreement reached more than a year earlier. Boroughs, under the provisions of the Mandatory Borough Act, were allowed to select up to ten percent of vacant, unappropriated, and unreserved state land within Borough boundaries. Under the management agreement, the Division of Lands would handle surveying, classification, and disposal of Borough selected land in return for a management fee which would cover the state's administrative costs.

By mid-1965 the Division of Lands had returned \$33,240 in land sale proceeds to the Matanuska-Susitna Borough. Much of the land sold on a nine-year contract basis, meaning the Borough would receive yearly payments. The management agreement helped to speed land disposal because the Division of Lands could sell or lease, on behalf of boroughs, lands to which the state had received only tentative approval. This eliminated the delay for final patent from the federal government and subsequent patent to the Borough. The management pact also preserved the validity of long time timber sale agreements and allowed sustained yield management under a single authority, thus providing the assurance required for private industry before investing in processing plants. Over the next three years the Matanuska-Susitna Borough

led the state's other eight organized boroughs in land selection. By December 1968 the Borough had tentatively selected 364,549 acres.

While the process by which the Borough could select and acquire land seemed clearly established, the process by which the Borough could dispose of land was less clear. On March 26, 1969 the Assembly met with the Borough Planning Commission and officials from the State Division of Lands to formulate guidelines for the disposal of Borough properties. The three groups designed a policy intended to assist the prospective buyer of Borough lands who might find it difficult to wait months, or perhaps years, for a land sale to be set up. Under the new policy, the Borough would draw on paper a proposed subdivision and would permit short-term leasing (not to exceed five years) at a rental of no more than \$250 per year. The policy would permit individuals to execute their own survey, or, if enough tracts are involved, the Borough would initiate the survey and set up the sale. If the person leasing the property built improvements on it, then faced an opposing bidder, whose price he could not meet, the successful bidder had to pay cash for the improvements on the day of the sale.

While the selection and management of land provoked some controversy the real debate over land came with the proposals regarding platting, planning and zoning. On May 4, 1965 the Assembly passed unanimously Ordinance 68-8, which provided for platting rules and regulations. At a meeting ten days later the Assembly approved a resolution authorizing the Alaska State Housing Authority to institute a reconnaissance survey of the Borough for planning and zoning purposes. These actions fulfilled the basic requirements, under the law, of being an organized borough.

When the Assembly sought in July 1965 to amend the original Borough platting regulations concerning subdivisions, it created

a bit of a firestorm. The original regulations stipulated that when a subdivider split his land into three or more parcels, any of the parcels of less than forty acres, required a plat to be filed with the Planning Commission for approval. If the subdivider divided his land into two or more parcels, any one of which is less than five acres, he also had to file a plat with the Commission for approval. This left an area open that circumvented the Planning Commission. For example, if you divided land into two parcels only, each over five acres, there was no requirement for Planning Commission approval. The proposed amendment required that the owner file a plat for approval with the Planning Commission if he divided land into two or more parcels, any one of which equalled less than forty acres.

Opposition, not only to the proposed amendment, but to any requirements for platting of land subdivisions in the Borough, surfaced at an August 3 public hearing. Approximately seventy-five Borough residents and landowners appeared at the hearing. While some argued for eliminating all platting requirements most expressed the view that the regulations should be simplified. Specifically, they requested that subdividers not have to wait for the regular meetings of the Planning and Zoning Commission to get approval of their subdivision plat before filing it for the public record. The Assembly pointed out to the group that it had not acted arbitrarily in proposing platting regulations for landowners. Planning and zoning represented mandatory powers required of all second-class boroughs under state law. Many landowners at the meeting seemed surprised to learn that there already existed a Borough ordinance which required filing of plats with the commission. All five Assembly members differed somewhat in their view of how the amendment should ultimately be worded, but they agreed that for orderly development in the Borough and for protection of property owners, access routes, and utility easements the Borough needed the amendment. After rewording the original amendment to conform to state law the Assembly passed the measure at its November 16, 1965 meeting.

The new wording defined a subdivision as the division of a tract or parcel of land into two or more lots, sites or other divisions, without reference to size.

By early 1966 the Borough Assembly decided that they needed a Boroughwide comprehensive plan for development. At the end of March 1966 the U.S. Department of Housing and Urban Development approved a grant of \$46,500 to the Alaska State Housing Authority to aid the Matanuska-Susitna Borough and the city of Palmer in a comprehensive planning study. The Assembly contracted with the Alaska State Housing Authority to carry out the study. It was hoped that the project would coordinate city and Borough zoning and planning, and supply data on which future public works programs could be based. The study would provide recommendations on land use, roads, and community facilities.

In July 1966 a three member team from the Alaska State Housing Authority began work on the project. The Assembly set January 1967 as the tentative deadline for the initial proposals of the team, with September 1967 set as the completion date for the study. The Borough study would include a composite of information on which to base estimates of how the community would grow. Those estimates would be used as the basis for future economic and recreational planning. The data collected fell into three survey categories: structures and roads, public facilities, and population and economic base. Following the compilation of data, work would begin on the preparation of a development plan which would attempt to provide a base plan for the future growth of the Borough. The study team attempted to coordinate its work with that of the Borough Planning and Zoning Commission and other government agencies such as the Bureau of Reclamation, which had instituted a land and water resource study.

The study proceeded slowly over the next year and the Borough Assembly, at a September 5, 1967 meeting, approved an extension

of time for completion of Phase I of the Comprehensive Plan. During the same meeting the Assembly also began discussions regarding the second phase of the comprehensive plan which would provide detailed proposals for community facilities and communities other than Palmer. At an October meeting the Assembly appropriated \$5,000 toward the cost of Phase II of the Comprehensive Plan.

While the Assembly awaited Phase I and prepared for Phase II of the study it went ahead with its own capital improvement program. On February 6, 1968 the Assembly approved a Six-Year Capital Improvements Program for the Borough prepared for the Planning and Zoning Commission by the Borough's financial consultant. Although primarily concerned with educational needs, the program also recommended parks and recreation development and municipal service area improvements. The recommendations included improvements at Wasilla Elementary School and installation of a sprinkler system at Central School. Other planning included a bonding proposal for the Wasilla Junior-Senior High School, portables to serve outlying areas, and a bond election for funds to replace the Central School in 1972.

At the end of April 1968 the U.S. Department of Housing and Urban Development approved a \$15,000 grant toward Phase II of the Matanuska-Susitna Borough Comprehensive Plan. The Borough administration viewed these studies as crucial for the rational development of the Borough. Inevitably the demand for more housing and for increased recreational and educational facilities would grow as the North Slope oilfields expanded and more oil field workers chose the Matanuska-Susitna Borough for their home base argued the Borough Chairman. The comprehensive plans also would satisfy federal aid program requirements established by the United States Congress. Phase I of the plan was presented to the Assembly in October 1968 and Phase II in May 1970.

Education represented an important component of both ~~of~~ the Borough's comprehensive plan studies (1968 and 1970) and ~~of~~ the Borough's own development program. The Borough made a significant commitment to support education at all levels during the 1965-1972 period. Many schools were physically improved and several new schools were built (for a complete list see appendix 3). In addition the Borough made a significant contribution to higher education with the donation of an eighty acre parcel of Borough land for a new campus for the Matanuska-Susitna Community College.

The Borough had made significant progress from 1965-72 in creating a government organization to handle the complex, and controversial issues that local government must deal with: land use, natural resource development, property taxes, and a host of other concerns. The remainder of the decade of the 1970's and the first half of the 1980's would offer a new list of specific issues, but they would still be part of those fundamental questions - land, taxes, governmental organization and development - that had dominated the Borough's first eight years of existence.

CHAPTER IV

1973-1985 YEARS OF GROWTH

The Matanuska-Susitna Borough experienced substantial change from 1973 to 1985 in all areas. Its population increased from roughly 7,000 to approximately 36,000 residents. More and more the Borough became home for Anchorage workers. By the mid 1980's, nearly thirty percent of the Borough's employed labor force worked in Anchorage. Demands for government services increased proportionally with the population as did the growth of businesses providing goods and services to new Valley residents. Land prices in the Valley increased by as much as 1,500 percent as speculators bet on the continued boom associated with the oil industry and on a proposal to move Alaska's capital city to a new site in the Matanuska-Susitna Borough. With a growing population and a booming economy the future looked bright for the Matanuska-Susitna Borough. The era began with many of the same questions that occupied the previous period. Land management, planning and zoning, and the organization of Borough government topped the list of issues.

During 1973 pro-active land management and land disposals occupied much of the Borough's attention. On May 19, the Borough held its first sale of lands owned by tax foreclosure. The assessed valuation of the forty-seven parcels in question was approximately \$150,000. In 1973 the Borough also took a major step in land management. On November 20, the Assembly voted to establish a land management office, with a staff of one plus a part-time secretary. Two considerations prompted the Borough's action. First, the Borough ranked as the third largest land holder in the state, after the federal and state governments, and the Borough felt that it could do a better job of planning for its large holdings if it assumed management. Prior to this the

Alaska Division of Lands had managed all the Borough's lands. Second, the Borough believed it could realize a greater profit from the large inventory of Borough lands if they kept management of the land in-house. Money from the land sales would help to retire a bond cost of \$12.6 million issued to build two new high schools. At their December 4 meeting, the Assembly voted to provide the funds for the land management office they had created in November. Near the end of 1973, however, the federal government made a decision that threatened to reduce the amount of land the Borough could select and also to reduce the Borough's tax base.

The Bureau of Indian Affairs (BIA) ruled that five local areas within the Borough (Knik, Caswell, Montana Creek, Alexander Creek, and Chickaloon) qualified as Native groups under the 1971 Alaska Native Claims Settlement Act. The Borough objected to the claims for two reasons. One, if approved, each village would be entitled to select the surface estate of one township or 23,040 acres. Any land so selected would reduce the amount of land available for state selection, and thus for Borough selection. The second reason for objecting was that under the Claims Act all unimproved lands owned by Native corporations were exempt from local taxation. On January 2, 1974 the Borough Assembly voted to formally challenge the BIA's ruling.⁶ The controversy over Native claims did not disrupt the Borough's newly adopted land management policy which formally debuted June 1974.

On June 29, 1974 the Borough conducted its first land auction. The Borough offered twenty parcels for sale and three parcels for lease. Pre-sale estimates placed the value of the land at \$400,000 for the twenty parcels. The Borough, however, still experiencing a land speculators boom, received final bids of

⁶The Borough's challenge was unsuccessful. The five communities kept their status as Native groups and were allowed to select land under the provisions of the 1971 Alaska Native Claims Settlement Act.

nearly \$700,000. This first auction was intended to start a semi-annual program. Sales would be held every June and October, with an aim of selling between \$1.5 and \$2 million worth of property each year. A land sale in October 1974 brought in \$641,500 to the Borough.

The Matanuska-Susitna Borough made greater use of their land selection rights than any other borough in the state. By December of 1976 the Borough had applied for a total of 386,123 acres and received tentative approval of 206,269 acres and patent for another 83,553 acres. From the patented acreage the Borough had sold slightly over 50,000 acres. In 1978, however, the state legislature enacted a statute which severely restricted the acreage of state land that a borough could select. The Municipal Land Entitlement Act of 1978 limited boroughs to a maximum of 355,210 acres of state land. Despite the change in state law, over the next several years land sales promised to contribute substantially to Borough revenues.

Land payment collection became a major problem for the land sales program, and one that made what had promised to be a very lucrative business for the Borough into something less than promised. There was a high delinquency rate. In some cases people purchased land, developed the resources, and then the buyer would default and allow the land to go back to the Borough. State residents purchased most of the land. Many Anchorage residents bought land for summer cabins. By 1978 the Borough mailed fifty-five percent of its tax notices to Anchorage addresses. However, nonresidents also participated in the speculative activity. In 1983, a California interest bought over 1,000 acres. Throughout this period property values continued to increase, driven by continued demands for residential and business property and by speculation.

Developers offered unbelievable prices to land owners - not in up-front cash, but in offers to pay after subdividing the land and selling lots. As a result, some horrible "paper

subdivisions" sprang into being. These subdivisions were platted on paper but no roads were built (in some cases it was not possible to build roads), lots were too small for on site septic or to swampy, rendering them unusable without a city sewer system. By the mid 1970's, land sold for \$1,500 to \$3,000 per acre even in modestly large tracts. Individual lots and small tracts sold for as much as \$7,500 per acre. Part of this speculation centered on a proposal to move Alaska's capital from Juneau to a new site in the Mat-Su Valley.

The Capital Site Selection Committee chose 100 square miles of state-owned land at the apex of the Matanuska-Susitna Valleys for the new "Capital City". It would be a planned community offering the widest range of, and best developed, amenities and public facilities and services designed to serve a local population. Projections showed the city, by 1992, attaining a population of 30,000 people. It would represent the greatest concentration of urban population, employment and services in the Borough. In 1974 the people of Alaska voted to move the capital. In 1978, however, they voted to reject funding for the move, an amount estimated at \$2 billion. Alaska's capital remained in Juneau and many real estate speculators in the Borough, Anchorage, and beyond would ultimately suffer severe economic loss.

Aroused by the continuing land boom and increasing population a growing number of residents and government officials called for greater Borough control over land use. Working from the Borough Comprehensive Plan completed in 1968-1970 the Assembly pursued a variety of ideas to exert greater control over development. In the first move of a several months long process the Borough Assembly on January 16, 1973, introduced new subdivision and zoning measures. The ordinance on subdivisions included a requirement that roads be constructed before final approval and it also set a minimum size for lots with on-site sewage disposal as well as providing for other requirements. Builders and developers argued that the proposed regulations would ruin the

construction industry, but the Assembly passed the new regulations anyway. In 1977 the Assembly adopted a controversial inspection fee ordinance relating to new subdivisions that imposed a two-percent inspection fee on estimated subdivision costs, payable in advance. In 1982 the Borough Assembly adopted the Wasilla Comprehensive Plan and Land Use Ordinance. General in nature the plan document comprised a set of policies intended to guide growth and development of Wasilla into the 1990's. The ordinance did not impose zoning districts in the city.

Concerned with the loss of its agricultural lands to subdivisions the Borough Assembly, in 1985, passed an ordinance to "encourage and facilitate the agricultural use" of Borough land and "assure that such land is put to no use which will diminish its agricultural use." The Assembly adopted the policy out of concern over the large amount of agricultural land that had been purchased from the Borough, but left undeveloped agriculturally. Speculators were waiting for prices to rise to the point where subdivision of the land would be profitable. By the mid 1980's the Borough had sold over 20,000 acres of agricultural land, but only about 1,100 acres of that total was in production or being prepared for production. Despite these various efforts at ensuring orderly and planned development, many argued that the need could best be addressed by a regional comprehensive development plan covering the entire Borough.

A public opinion survey conducted in the fall of 1984 supported a comprehensive plan for the Borough. Out of a 1,602 person sample eighty-four percent favored zoning to separate residential uses from commercial and industrial uses. The survey also indicated strong support for a comprehensive plan limiting housing density, requiring building codes, and encouraging the Borough to assume an active role in environmental protection. On February 25, 1985, the Borough Planning Department introduced a draft comprehensive plan covering all Borough owned public lands. The proposed plan generated heated debate and an organized opposition

formed within a week of its being released. After two months of public hearings and controversy the Borough Assembly voted on May 7, 1985, to "permanently abolish" the draft comprehensive plan.

One area of land use planning that received strong support within the Borough was the identification and designation of recreational trails in the Valley. In 1972 the Assembly created a Borough Trails Committee. Robert Tucker, a retired mining engineer, who moved to Sutton in 1939 to work in the area coal mines served as the Chairman (a position he held until 1985). Created in part to help identify trails across federal land being claimed by Native villages under the 1971 Natives Claims Act the Committee, by 1985, had identified about 1,000 miles of recreational trails in the Borough. While this aspect of planning may have received more support than others, to some it still represented government intrusion.

One off-shoot of the emphasis on planning by the Borough Manager in the 1980's was an attempt by the Mat-Su Property Owner's Association to persuade Borough residents to change from a Manager form of government administration to a strong mayor system. The Association argued that the current Borough administrative structure was non-responsive to the wishes of a majority of the public. In July 1985 the property owners submitted a petition with 800 signatures to the Borough Clerk requesting that the question of retaining the Manager form of government be placed on the ballot. After two months of vigorous debate the voters expressed their opinion on the question and defeated the proposition by a vote of 2,715 to 2,289. While land management and land use policies generated much of the controversy between 1973-85, the organization of Borough government and what the powers of Borough government should be, also fostered considerable discussion.

In 1973, after a year-and-a-half of political limbo the Assembly finally addressed questions concerning the size and nature of

Borough government. Originally the Borough began the necessary process to increase the size of the Assembly from five members to seven, after the 1970 census figures showed that the Borough population had surpassed 6,000. Under then existing state law the Borough was required to increase Assembly representation. Prior to the 1971 Borough election, however, the state legislature began the process of changing the state municipal code. The new municipal code, enacted into state law in September of 1972, did not include the wording calling for a seven member Assembly in an area with 6,000 plus population. Left free to prescribe any Assembly composition and apportionment consistent with equal representation, the Assembly opted to maintain its existing five member composition.

The new municipal code also required that boroughs establish an office of mayor within six months of the code's passage. Consequently there was concern that the Borough would need a mayor by March 10, 1973. However, William Tull, Borough Attorney, issued an opinion stating that the Borough needed to establish the office of mayor, but it could be left unfilled until the next special or general election.

The latter half of 1973 witnessed a flurry of political activity. On October 2 Ron Larson of Palmer won election as the first Borough Mayor. The position carried no salary or administrative authority but it did possess a veto power. In the same election voters approved the addition of the non-areawide library power. Also as a result of the election a proposal to increase the size of the Assembly, by electing two additional members areawide, was defeated. A debate over the composition of the Borough's Board of Ethics closed out the year. At a December 4 Assembly meeting Ethics Chairman Howard Baltzo asked the Assembly to consider several major changes in the ethics ordinance, starting with the deletion of all elected officials from the Board's membership. Baltzo stressed the difficulty of increasing public confidence in government when elected or appointed officials of the Borough

served as Board of Ethics members. During the December 18 meeting the Borough Assembly took action to prohibit membership on the Ethics Board by Borough officials. While this action put to rest one area of concern by local residents several other controversies remained.

Budget hearings in the spring of 1974 instigated a debate about the desirability of the Borough's exercise of its parks and recreation power, originally adopted in 1966 by referendum. Members of the Matanuska-Susitna Taxpayers Association and other citizens argued that the parks and recreation funds could be eliminated from the Borough budget. Unwilling to accept the Assembly's decision to retain the power opponents began circulating petitions in an effort to put the question on the October election ballot. Instead, those opposed to the Borough having parks and recreation powers succeeded in securing the necessary signatures and the question was placed before the voters where it won approval. Parks and recreation would be out of business by year end, or so its critics thought. Instead, those who supported retention of these powers gathered forces and circulated their own petition asking that the public reconsider their decision. They cited the importance of youth activities which the recreation department coordinated; the parks program throughout the Borough; and the loss of grant money from the United States Bureau of Recreation for construction of park facilities. On December 3 the question of parks and recreation powers once again appeared before the voters, and once again the voters decided to eliminate the Borough's authority in that area.

Despite two votes supporting the removal of parks and recreation powers from the Borough the issue remained unresolved. In a final challenge supporters initiated a law suit contesting the validity of the referendum. The debate came to a end on March 2, 1976 when Borough Attorney William Tull informed the Assembly that an Anchorage Superior Court judge ruled the elections repealing the Borough's parks and recreation power "straw

ballots" and without legal force. Therefore the Borough still possessed parks and recreation powers.⁷ A power the Borough lacked, but one that many residents thought they should possess, was the authority to require the Borough's elected officials to disclose their sources of income.

Although the Assembly unanimously opposed the income disclosure proposal it agreed to place the question before the voters in the form of a referendum on the October 7, 1975 election ballot. Some Assembly members hinted they would resign if the measure passed rather than comply with its provisions. Unswayed by such arguments voters decided, by an almost two-to-one margin to have Borough and city officials and candidates for office abide by the State Disclosure and Campaign Finances Law. Despite the threats of non-compliance before the election, only one Assembly member, Robert Vroman, resigned from the Assembly rather than comply with the disclosure requirements. Over the next several years the Borough Assembly, or the voters, debated and decided several controversial issues.

In 1978 the voters overwhelmingly (866 to 167) defeated a proposal to extend garbage collection powers into the cities. In a special 1979 election voters defeated the adoption of building codes by a six to one margin. The same election saw voters overwhelmingly approve local road service areas which prompted Assemblyman Milton Lichtenwater to comment that the people "want government to provide basic services, and stay out of everything else. And there is nothing more basic than roads." Also in 1979, the Assembly passed an ordinance establishing a motor

⁷Despite the controversy over the parks power many people supported the work of the Parks and Recreation Department. As the population of the Borough increased in the 1980's and as people realized the economic benefits of having non-residents come to the Borough to utilize the recreational opportunities, support increased for the active development of recreation facilities. By the end of the 1980's the Borough managed approximately fifteen parks, several ballfields, at least two campgrounds, an ice arena and two swimming pools.

vehicle registration fee, which replaced the practice of taxing vehicles on personal property forms. In 1981 the Assembly rejected a move to create rural, urban, and remote land use districts in the Mat-Su Borough, after overwhelming opposition from the public. Assemblywoman Barbara Lacher, in voting against the ordinance argued that it was "an attempt to get zoning in the back door. People don't want zoning. They made that very clear years ago." Also in 1981 the Assembly approved the formation of community councils. It was hoped these councils would encourage citizen participation in local government. Some Borough residents, however, did not want to participate.

Lake Louise residents, in 1982, made it clear they did not want zoning or anything else from the Borough. Arguing that they paid too much in taxes and received too little in services residents of the area petitioned to have the community detached from the Borough. The Borough Assembly, unsurprisingly voted four-to-one to recommend to the Local Boundary Commission that they not allow Lake Louise to leave the Borough. Also unsurprisingly the Local Boundary Commission supported the Borough's position and denied the petition for detachment. Such debates often occurred in the still maturing Borough.

In addition to the natural give and take of the political process the period from 1973 to 1985 also witnessed some rather acrimonious exchanges and charges. The confrontation, in 1975, between Assemblyman August "Gus" Scheele and then Borough Manager Wesley Howe exemplified the atmosphere. Scheele ran for the Borough Assembly seat from Wasilla on a platform of removing Howe from office. "That's what I promised my voters and I can hardly wait to get started," commented Scheele. As part of this effort, in 1977, a group circulated an unsuccessful petition to abolish the Borough Manager's position. Whether Scheele had much impact on his decision, in October 1977, Howe resigned as Borough Manager, effective May 13, 1978, saying, "six years is long enough." Scheele outlasted Howe, but not by much. Some of

Scheele's constituents, unhappy with his attacks on Howe, began a recall petition. On December 8, 1977 the Assembly certified the recall petition and scheduled a special election for February 7, 1978.

Scheele did take the recall effort quietly. On February 1, 1978 Scheele sought an injunction in Superior Court to stop the election from being held. He alleged illegalities in the acceptance of the recall petition by the Borough Clerk. Superior Court Judge James Singleton denied a stay of the election but ordered the ballots sealed pending a decision on the issues raised by Scheele. Ballots were cast by 370 Wasilla residents, and then collected and secured uncounted in a bank. The Borough Assembly voted to appeal the judges ruling, but on March 7, Mayor Ron Larson vetoed the Assembly's decision. In his veto message Larson urged Scheele to solve the problem, at no extra cost to the Borough, by allowing the ballots to be counted and abiding by the results. When asked his response to the mayor's veto message Scheele said, "I think there is a possibility of going to court over the veto message for slander." On March 21 the Assembly voted to override the Mayor's veto. The outcome of the recall vote and the pending court case were rendered moot on October 4, 1978 when Kathryn Schmall narrowly defeated Scheele for the Wasilla slot on the Borough Assembly. Meanwhile the Borough Assembly on May 1, 1978, chose Norm Levesque as new Borough Manager to replace Wesley Howe effective May 5.

Levesque's tenure lasted just over two years. On May 5, 1980 Levesque fired thirteen-year employee Ron McNeese, the Finance Director. The firing of McNeese climaxed a stormy relationship between the Manager and the Borough employees and Assembly. A month later, June 3, 1980, the Assembly voted three to one (with one member absent) to fire Levesque. Terminated without cause the Manager received a \$25,000 severance fee. Lee Wyatt, head of the Borough Planning Department, served as Acting Manager while the Assembly began a search for a permanent replacement.

The firing did not end the Levesque episode. Two months after being dismissed as Borough Manager, Levesque filed suit in the Anchorage Superior court. He claimed breach of contract on the Assembly's part and damage to his professional and personal reputation through action taken by the Matanuska-Susitna Borough Employees' Association and the Assembly.

Levesque also had supporters within the Borough. A group called "We The People", angered by the Assembly's firing of Levesque, initiated a recall drive against Assembly members Kathryn Schmall and James Hitchcock, two of the three members who supported Levesque's dismissal. "We The People" brought their arguments before the Assembly which approved a resolution placing the recall question on the October ballot. Schmall introduced the resolution and Hitchcock provided the second for it. Schmall stated that it is a privilege of the voters to take steps to recall an Assembly member they are unhappy with. She said she was not opposed to standing for re-election, and if defeated at the polls she would "gracefully step down." Hitchcock also spoke in favor of the motion saying that stopping the recall would "not have been a wise course of action." He stated that the Assembly would cause more dissension, and lose more credibility if it acted to stop the recall petition. On election day, October 7, 1980, both Schmall and Hitchcock were recalled from office by the voters in their districts.⁸

Early in 1981, after a nine month search, the Assembly announced it had found a permanent replacement for Levesque. Effective February 7, 1981 Gary Thurlow, an Anchorage attorney, would become the new Borough Manager. He would find the position

⁸The final chapter in the Levesque case was not written until 1982. A March 31, 1982 trial date had been set for the case. Originally the complaint contained seven counts, however, a Superior Court Judge ruled three counts lacked merit and dismissed them in summary judgment. While prospective jurors waited, attorneys for both sides hammered out settlement terms just hours before the trial was to begin.

stronger than it was when Levesque left. Despite the stormy relationship with the ex-Manager, the Assembly, on May 20, 1980, unanimously approved an ordinance giving the Borough Manager direct authority to hire and fire Borough department heads and to review and adjust their salaries.

In spite of the political controversies and the general demands of planning, land management, and governmental organization the Assembly also attempted to craft decisions and pursue policies during these years that would encourage economic development. The new Borough Manager, Gary Thurlow, stressed the Borough's need to develop long term economic projects. "Our number one goal," he said, "is the economic development of Point MacKenzie. That means roads, sewers and dock facilities for potential coal and petrochemical exports. The Borough will have to do a lot more than talking and planning if they are going to get into that." Thurlow argued that the Valley had functioned with a maintenance type government for too long. That policy combined with a "vagueness of goals" had produced an "unhealthy atmosphere for attracting investors." The Manager stressed, however, that he thought the 1980's would be a very good decade for the Matanuska-Susitna Valley.

Thurlow was both right and wrong. The first half of the decade of the 1980's turned out very good. The second half of the decade turned out equally poor. A great deal of the economic boom experienced in the Valley during the early 1980's occurred in the construction industry, both residential and commercial properties. Between 1982 and 1984, the industry built 413 commercial structures and 4998 residential structures. Construction employment grew 590 percent from 1980-84, resulting in a net gain of 600 jobs in construction over the 1980 levels.

Employment in general grew by 120 percent in the Matanuska-Susitna Borough between 1980 and 1985, making the Borough the fastest growing area in the state. Most of the employment gains

occurred in industries providing goods and services to Mat-Su residents and to associated residential and commercial construction. Government employment also experienced significant increases. Government jobs - on all levels, accounted for nearly thirty percent of Borough employment. The Borough government itself employed 110 people by 1985, up from 80 in 1981.

An economic review of the Borough during this period cannot leave unmentioned state government policies and revenues - since their combined effects set the stage for this vibrant economic development. State government stimulated economic growth in a variety of ways including capital project grants, mortgage subsidies, dividend checks and tax relief. Over the period, millions of dollars were appropriated by the state legislature for capital projects ranging from fire houses to roads, while the Alaska Housing Finance Corporation provided subsidized mortgages, in addition to the state funding nearly sixty-percent of the Mat-Su Borough's operating budget, thereby helping to hold down taxes, relieve debt obligations, and to enhance funding for education. The flow of state dollars, however, would not last indefinitely.

By the end of 1985, signs of a serious economic slow down appeared. State revenues began declining in 1985 and would decline even further in 1986 as the price of oil plummeted. Less revenues on the state level meant less revenues for local governments in the form of grants and capital projects. Construction employment fell in 1985, the first time in four years, and the overall employment growth rate of nine percent could hardly compare with the twenty-three percent of the previous year.

The Matanuska-Susitna Borough, from 1973-85, experienced a very dynamic period. Its population increased by 500 percent and, with the growth, came new demands for additional government services. Rural and urban met, and not always harmoniously.

Government moved from being strictly reactive, to taking positive action to provide needed services and to direct and control development. Government though sometimes turbulent and personal, also provided the necessary direction to deal with the Borough's principal problems. Forces beyond local control would present the Borough with even greater challenges during the remainder of the decade.

CHAPTER V

Years of Controversy and Economic Decline 1986-1989

The Matanuska-Susitna Borough, like much of Alaska, owed its rapid growth from 1970-1985, in large part, to a thriving oil industry. When oil prices started falling in 1985 and continued their slide in 1986, many communities, including those within the Borough, experienced severe economic downturns. Population peaked in 1986 at about 40,000 and then began to decline, dropping to approximately 36,000 by 1989. Land prices fell dramatically leaving many people with mortgages worth more than the property itself. Housing sales virtually stopped, and building activity faltered. The perennial questions of land management, planning and platting, and governmental organization continued to occupy the Assembly's time, but the depressed economy seemed to intrude into most issues.

No where did the declining economy have a greater impact than on real estate values. In 1986 after several years of constant increases property values declined. Borough property values peaked in the 1985-86 tax year at \$2.4 billion. That figure declined by 1.8 percent in 1986-87; a staggering 23.5 percent in 1987-88, and an additional 15.4 percent in the 1988-89 tax year. By 1989 the total assessed value of Borough real estate totaled only \$1.5 billion; a decline of 37.5 percent from the 1985-86 tax year.

In a rare occurrence some Borough residents complained of their assessments being too low. In addition to seeing their equity evaporate, home owners feared that low assessments would make it

difficult to sell or refinance a home. The precipitous decline in the Borough's tax base also put a great deal of pressure on the Assembly to find a source of funds for Borough services.

Governments often experience greater amounts of discord during times of economic stress and the Matanuska-Susitna Borough was no exception. From September 1986, until September 1987, the Borough spent much of its time and energy dealing with personnel problems. After almost six years of fighting for more schools, more paved roads, and controversial land-use plans, Borough Manager Gary Thurlow, decided to call it quits. In September of 1986, Thurlow announced his retirement, effective January 15, 1987. But on October 21, 1986, by a vote of four to three, the Assembly passed Assembly member Rose Palmquist's motion accepting the Manager's resignation, with the stipulation that Thurlow be placed on "permanent leave" starting October 29. Thurlow said he didn't view the Assembly's action as personal. He played down the hurried nature of his departure saying, "I was going to take that month off anyway." The Assembly appointed Vern Roberts, Borough Finance Director, as acting Borough Manager until a replacement for Thurlow could be found, a process expected to take from three to six months.

The first several months of 1987 was a turbulent time for the Borough government. The Assembly watched the departure of all but one major department head from the administration led by Gary Thurlow. Many of the partings were bitter, and some included lawsuits for unfair firing. Borough Engineer Rodger Lewerenz was the first to resign in 1987. In April, Borough Comptroller Monty Hotchkiss and Public Works Director Dave McClelland opted for early retirement. A few weeks later, the Assembly, alleging poor job performance, fired Borough Planning Director Bob Robes. Robes filed suit against the Borough, but later dropped the action and was rehired as a consultant to the Borough. Upper level positions were not the only ones effected by the turmoil.

Responding to falling revenues in 1987, the Assembly deleted twenty-five positions from Borough government.

In the midst of the storm, on April 21, 1987, the Assembly appointed KABN radio station founder and former homesteader, John Hale, as Borough Manager. Hale named Ric Davidge as Planning Director in May. Yet, despite the new administration, the departure of Borough employees continued. By the end of May, Finance Director Vern Roberts resigned over differences in philosophy with the new administration. Land use specialist Bill Gissel also lost his job in May. Gissel filed suit against the Borough and eventually settled out of court. Finally, in September 1987, Borough Attorney Lee Sharp resigned. With Sharp's departure, only Borough Assessor Gary Lewis remained as a department head from the previous administration of Gary Thurlow. Despite the political controversy engulfing the Borough in 1987, the administration and Assembly continued their efforts to spur economic development.

The Borough had assumed port powers in October 1972 with the idea of eventually developing a facility at Point MacKenzie. When hired as Borough Manager in 1981, Gary Thurlow had listed the MacKenzie project as a priority. Serious work on development of the site did not begin until September 1987 when the Borough began work on a road to the proposed port site. The Borough intended to construct a gravel road along the route staked out by surveyors to connect the end of the existing Point MacKenzie Road to the proposed port site, a distance of approximately seven miles. This rough road would make it easier to sell timber in the area and allow prospective bidders on the final road project to see the area and the nature of the road clearly. In November of 1987, bids for the final project were submitted. The Assembly, however, voted in December to reject all bids for the road to the port location and have the project built in-house.

January 1988 saw the road project running on schedule and within budget. The Borough administration and Assembly had received substantial criticism when they decided to reject private construction bids for the project and have the road built in-house by the Public Works Department. Nearly complete by the end of February the road, according to Borough Public Works Director Jack Cole, was built three weeks ahead of schedule and \$10,000 under budget. The question now was how to develop the port.

In 1988 the Assembly made a conscious effort to solicit industries interested in developing and marketing the Borough's natural resources and geographic location. In January, a delegation from the Matanuska-Susitna Borough, including Assembly members Rose Palmquist, Doyle Holmes, and Norm Levesque, and Planning Director Ric Davidge and local logger Mike McCrary, traveled to Finland to learn about that country's wood products industry. Interested in developing a similar industry in the Valley the Borough delegation hoped to persuade their Finnish hosts of the merits of investing in the Matanuska-Susitna Borough. In April, a delegation from the Matanuska-Susitna Borough consisting of Assemblyman Gary Silvers and Paul Barry, Development Services Director Ric Davidge and John Dede, Director of the Valley's Regional Economic Development Corporation, traveled to Korea for a week-long series of meetings with Korean business leaders. The Koreans had expressed a willingness to invest their money to bring Mat-Su resources to market. Borough officials wanted to impress upon the Koreans the Borough's seriousness in developing a port facility at Point MacKenzie.

Stressing the importance of the port as a key part of the Borough's economic development the Assembly unanimously adopted an ordinance in March 1989 that called for the creation of a port division and an ad hoc port task force. The division would be under the direct control of the Borough Manager and a Port Manager position would be figured into 1989's fiscal budget. Until the port division became operational the task force would

make recommendations about the port concerning administrative relationships, governance, financing, industry interest and capital improvement needs. In July 1989 Assemblywoman Rose Palmquist proposed a sales tax with revenues earmarked for the port. Although port development was seen as an important inducement to the Korean corporations interested in resource development in the Valley the sales tax proposal failed to gain the necessary Assembly votes to place it on the fall election ballot. In addition to the Korean corporations other foreign corporations also expressed an interest in investing in the Mat-Su Borough.

The Japanese corporation, Idemitsu Kosan Ltd., in 1988, began negotiations, based on earlier survey work, to reopen the Wishbone Hill mining area near Sutton. A large scale project was planned that would provide approximately 280 full time jobs in the Borough. This project was proceeding smoothly when an unexpected obstacle arose. Part of the land included in the mine area was involved in litigation as a result of having originally been part of the Mental Health Trust Lands in Alaska.⁹ Another major project proposed for the Borough, in 1988, centered around the development of a major ski resort and outdoor recreation area at Hatcher Pass.

A Japanese firm, Mitsui and Company, proposed spending over \$200 million to develop the Hatcher Pass facility. The company signed a 55 year lease at \$65,000 a year to develop the area for their

⁹The Mental Health Trust, consisting of one million acres, was established in 1956 to provide an income for mental health needs. In 1972, the Alaska State Legislature dissolved the trust, agreeing to provide yearly funds to mental health agencies from the general fund. The courts later ruled that the legislature had acted improperly, and ordered the state to either restore the lands, or work out a sum of money agreeable to the mental health agencies in lieu of restoring the land in trust. As of this writing the state has agreed to restore the trust lands. The final details of the agreement are currently being negotiated.

resort. This project, in part, was based on the possibility of Anchorage being selected as the site of the 1992 Winter Olympics. Anchorage's failure to win the Olympics bid in 1989 combined with an immature international market and high infrastructure costs resulted in the demise of the Hatcher Pass project. Mitsui notified the state of its intentions to abrogate the lease. Despite the failure of the Hatcher Pass Resort Plan, the Borough renewed its efforts to market the recreation potential and history of the Mat-Su Valley to tourist and non-tourist alike.

In a move intended to aid in financing a tourism promotional campaign the Borough Assembly on March 21, 1989 passed an ordinance formally known as the "Transient Accommodations Tax" (bed tax). The ordinance imposed a five percent tax on rooms rented in hotels, motels and bed and breakfast businesses for less than thirty days. Adoption of the measure was prompted by the passage of a referendum on the question on the October 1988 election ballot. Supporters of the proposed measure expected that the tax would raise between \$60,000 and \$80,000 per year. Revenue from the tax would be used to help fund the budget of the Matanuska-Susitna Convention and Visitors Bureau (MSCVB).

Created in 1988 and funded by the Borough, the MSCVB worked to promote the area's visitor potential. Their activities included efforts to market the recreation potential of the Valley to out of state tourists and citizens of the state, especially Anchorage residents. In 1989, after a year of delay, the MSCVB began construction of a new, combination visitors center and administrative offices building near the intersection of the Parks and Glenn highways. With a 4.26 acre site donated to MSCVB by the Great Western Bank of Bellevue, Washington, \$225,000 in legislative grant funds, and a lot of volunteer labor the MSCVB built a handsome 4,000 square foot log building.

The history of the Valley represented one area of visitor interest in the Matanuska-Susitna Borough. The Borough Assembly

created a Historic Preservation Commission in 1982. Since its inception the Commission has commissioned several historic surveys of the Borough. In 1987 the Assembly enhanced the power of the Commission by funding a Cultural Resources Office within the Planning Department. At the same time the Borough applied for, and received, recognition by the State Office of History and Archaeology as a Certified Local Government, entitled to apply for federal grant funds in support of historic preservation projects within the Borough. In 1989 the Cultural Resources Division received a grant for the purpose of nominating an historic portion of Palmer to the National Register of Historic Places.¹⁰

The Borough has also been the recipient of several pass through grants from Alaska's legislature for the purposes of historic preservation. One such grant in the amount of \$100,000 allowed the Wasilla-Knik-Willow Creek Historical Society, in 1987, to move one of Wasilla's earliest buildings, Teelands Store - saving it from demolition and setting the stage for its rehabilitation and reuse. The promotional efforts geared toward selling the Borough's recreation potential represented one element in the beginning of an economic turn-around in the Borough.

A second project, the selection of the Matanuska-Susitna Borough as a site for a new Job Corps Center, also indicated an economic turn-around. The federally funded center would offer vocational instruction for 200-250 students and employ approximately 50 full-time staff. Job Corps centers are constructed as instructional/residential complexes and are intended for young people between 16 and 21 years of age. The Job Corps announcement combined, with other projects, held the promise that the worst of the economic downturn was over. Problems continued, however, in other areas of Borough life.

¹⁰The Keeper of the National Register in Washington, D.C. approved the nomination in June 1991.

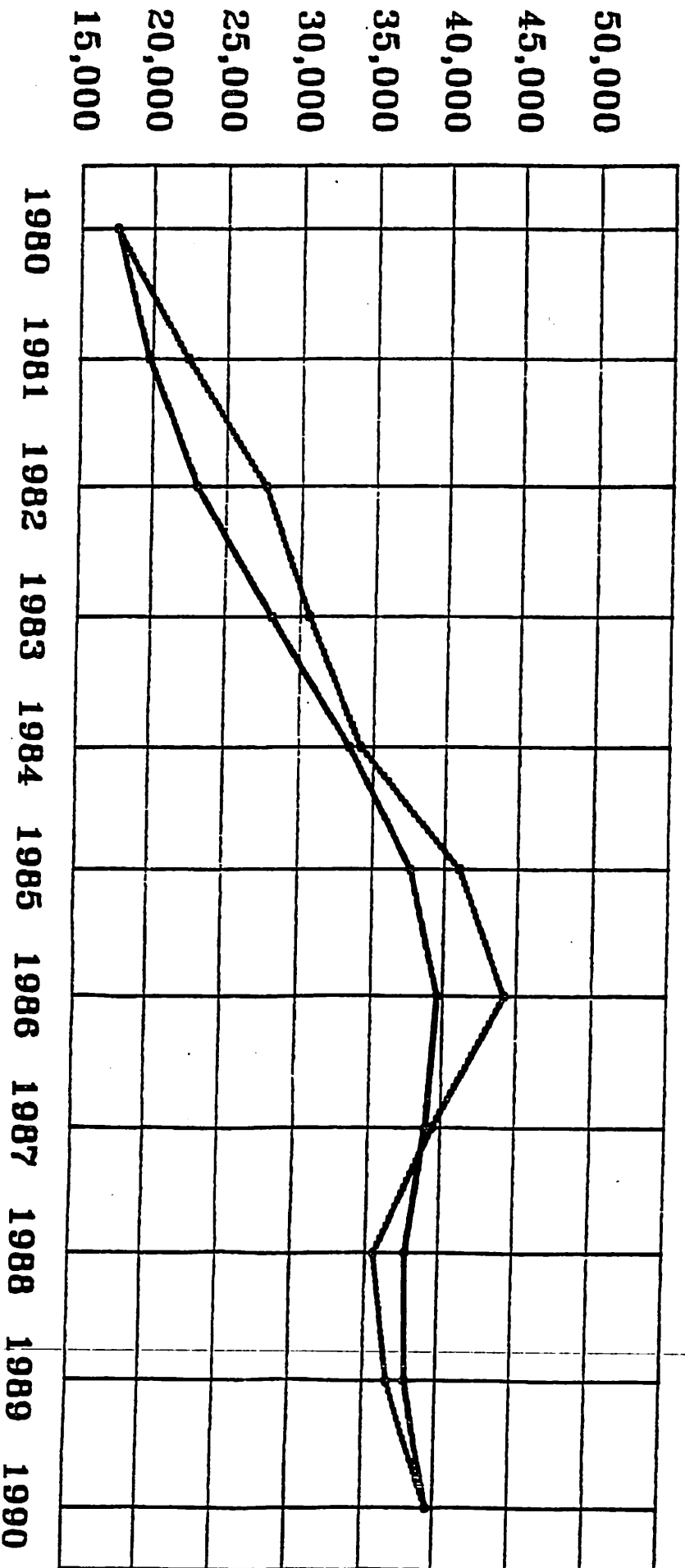
In October 1988, Manager John Hale had submitted his resignation effective January 1, 1989. Hale indicated he would be willing to work until April 1989, if the Assembly desired he do so. In November, the Assembly voted to accept Hale's resignation, but asked him to stay until a new Manager could be hired. The Manager agreed, but said he did not wish to work beyond April 21. The Borough advertised for the Manager's position through January 31, 1989, placing an emphasis on economic development experience.

In the midst of the interview process Manager Hale found himself the center of controversy and an investigation concerning the issuance of a road contract by Public Works Director Jack Cole. Critics accused Cole of steering a contract for the Florence Drive road project to a contractor that he preferred. Hale allegedly failed to do as much as he might have to resolve the problem. On February 16, 1989, the Assembly placed Hale on administrative leave and named Borough Finance Director Bob Jensen, Acting Manager. Jensen then suspended Cole from his position as Director of Public Works. At their February 21, 1989 meeting the Assembly voted 6 - 1 to make Hale's resignation (planned for April) effective at the end of February. Meanwhile the search continued for a permanent replacement.

On April 4, 1989, the Assembly made official the selection of Donald Moore as the new Borough Manager. Moore was then employed as the Manager of Cordova, where he was busy dealing with the after effects of the Exxon Valdez oil spill in Prince William Sound. The new Manager inherited an unsettled situation and several difficult issues, including negotiation of a new Borough employee contract. By July of 1989 Moore had established a comfortable working relationship with the Assembly and had done much to improve the atmosphere between the office of the Borough's chief administrator and his employer, the people's representatives on the Borough Assembly. The economic turn around (or at least an end to the continued decline) in the latter half of 1989 enhanced the atmosphere of cooperation.

From 1986-89 land management, planning, economic development, and the organization and power of Borough government continued to be the primary topics of debate within the Borough government and among the citizens of the Valley. Political controversy and economic instability marked the period. The Borough went from one of the fastest growing areas of the state to one of the fastest shrinking areas. Its government faced a series of complex issues and declining revenues. The Borough Assembly and Administration placed a renewed emphasis on the economic development and marketing of the Matanuska-Susitna Borough's abundant resources, history, and beneficial geographic location, especially emphasizing its potential for a deep water port. By the end of 1989, population in the Valley once again began to grow and the economy to improve. The promise of a challenging and prosperous new decade lay ahead.

Matanuska-Susitna Borough POPULATION TRENDS



Appendix 1

MSB ESTIMATES

AK D.O.L. ESTIMATES

NOTE: 1980 & 1990 = U.S. CENSUS

MSB Planning Dept./Graphics Section
2/11/91

MATANUSKA-SUSITNA BOROUGH

TITLE	1/16/64	1965	10/7
BOROUGH CLERK	Mary E. (Libby) Martin	Mary Martin	
BOROUGH ATTORNEY	John Shaw Legal Council	John Shaw	
CHAIRMAN/MANAGER	Jan Koslosky	Jan Koslosky	
MAYOR			
ASSEMBLY RURAL REP/DIST 1	Robert Vroman, Pres	Robert Vroman, Pres	
ASSEMBLY CITY REP/DIST 2	Willard Johnson	Willard Johnson, RE	
ASSEMBLY CITY REP/DIST 3	William Hermann	William Hermann, RE	
ASSEMBLY RURAL REP/DIST 4	Harold Newcomb, DP	Harold Newcomb, DP	
ASSEMBLY RURAL REP/DIST 5	V. Louise Kellogg	V. Louise Kellogg	
ASSEMBLY DISTRICT 6			
ASSEMBLY DISTRICT 7			
ASSEMBLY DISTRICT 8			
ASSEMBLY DISTRICT 9			

LEGEND: APPOINTED * RE-ELECTED RE
 RESIGNED ** RECALLED R
 DECEASED *** DEPUTY PRESIDENT DP

Assume the person's term expired in October of Year given unless otherwise noted. Also assume person was elected in first year name shows up, unless otherwise noted. Titles of offices held are noted. All regular elections were held on the first Tuesday in October of each year.

MATANUSKA-SUSITNA BOROUGH

<u>TITLE</u>	<u>1966</u>	<u>10/4</u>	<u>1967</u>	<u>10/3</u>
BOROUGH CLERK	Mary Martin		Mary Martin 2/21 Kathleen F. Heddell 3/23	
BOROUGH ATTORNEY	John Shaw		John Shaw	
CHAIRMAN/MANAGER MAYOR	Jan Koslosky 6/7 Robert Vroman*, RE		Robert Vroman	
ASSEMBLY RURAL REP/DIST 1	Robert Vroman** 6/7 Lorenzo F. (Joe) Martin		Lorenzo F. Martin	
ASSEMBLY CITY REP/DIST 2	Willard Johnson		Willard Johnson	
ASSEMBLY CITY REP/DIST 3	William Hermann		William Hermann	
ASSEMBLY RURAL REP/DIST 4	Harold Newcomb RE, Pres		Harold Newcomb Pres.	
ASSEMBLY RURAL REP/DIST 5	Louise Kellogg Jesse R. Lee		Jesse R. Lee, RE	
ASSEMBLY DISTRICT 6				
ASSEMBLY DISTRICT 7				
ASSEMBLY DISTRICT 8				
ASSEMBLY DISTRICT 9				

LEGEND: APPOINTED * RE-ELECTED RE
 RESIGNED ** RECALLED R
 DECEASED ***

Assume the person's term expired in October of year given unless otherwise noted. Also assume person was elected in first year name shows up, unless otherwise noted. Titles of offices held are noted. All regular elections were held on the first Tuesday in October of each year.

MATANUSKA-SUSITNA BOROUGH

TITLE	1968 10/1	1969 10/7
BOROUGH CLERK	Kathleen Heddell till 7/31 Evelyn Thompson 8/6	Evelyn Thompson
BOROUGH ATTORNEY	John Shaw	John Shaw
CHAIRMAN/MANAGER MAYOR	Robert Vroman	Robert Vroman, RE
ASSEMBLY RURAL REP/DIST 1	Lorenzo Martin Mary Martin, Pres.	Mary Martin
ASSEMBLY CITY REP/DIST 2	Willard Johnson Allan Linn	Allan Linn** 4/1 Max Clements* 4/1 John Dolenc
ASSEMBLY CITY REP/DIST 3	William Hermann, RE	William Hermann
ASSEMBLY RURAL REP/DIST 4	Harold Newcomb	Harold Newcomb RE, Pres
ASSEMBLY RURAL REP/DIST 5	Jesse R. Lee	Jesse Lee** 8/5 Paul Huppert* Ray Johnson
ASSEMBLY DISTRICT 6		
ASSEMBLY DISTRICT 7		
ASSEMBLY DISTRICT 8		
ASSEMBLY DISTRICT 9		

LEGEND: APPOINTED * RE-ELECTED RE
RESIGNED ** RECALLED R
DECEASED ***

Assume the person's term expired in October of year given unless otherwise noted. Also assume person was elected in first year name shows up, unless otherwise noted. Titles of offices held are noted. All regular elections were held on the first Tuesday in October of each year.

MATANUSKA-SUSITNA BOROUGH

TITLE	1970	10/6	1971	10/2
BOROUGH CLERK				
	Evelyn Thompson		Evelyn Thompson	
BOROUGH ATTORNEY				
	John Shaw		William Tull	
CHAIRMAN/MANAGER MAYOR			Robert Vroman 10/11 *Manager on 11/16	
ASSEMBLY RURAL REP/DIST 1	Robert Vroman Mary Martin 6/16** Paul Huppert* 6/16 VP, RE		Paul Huppert RE, Pres	
ASSEMBLY CITY REP/DIST 2				
	John Dolenc, RE		John Dolenc, RE	
ASSEMBLY CITY REP/DIST 3				
	William Hermann Randall Frank		Randall Frank LeRoy Johnson, DP	
ASSEMBLY RURAL REP/DIST 4			Harold Newcomb Elizabeth K. (Kitty) Johnson	
ASSEMBLY RURAL REP/DIST 5	Harold Newcomb Pres			
	Ray Johnson, RE		Ray Johnson	
ASSEMBLY DISTRICT 6				
ASSEMBLY DISTRICT 7				
ASSEMBLY DISTRICT 8				
ASSEMBLY DISTRICT 9				

LEGEND: APPOINTED * RE-ELECTED RE
RESIGNED ** RECALLED R
DECEASED ***

Assume the person's term expired in October of year given unless otherwise noted. Also assume person was elected in first year name shows up, unless otherwise noted. Titles of offices held are noted. All regular elections were held on the first Tuesday in October of each year.

TITLE	1972	10/3	1973	10/2
BOROUGH CLERK	Evelyn Thompson	Evelyn Thompson	Evelyn Thompson	
BOROUGH ATTORNEY	William Tull	William Tull	William Tull	
CHAIRMAN/MANAGER	Robert Vroman 1/26	Robert Vroman 1/26	Wesley Howe, Mgr	
MAYOR	Wesley M. Howe	Wesley M. Howe	Ronald L. Larson	
ASSEMBLY	Mgr 1/26	Mgr 1/26	Mayor	
RURAL REP/DIST 1	Paul Huppert, Pres	Paul Huppert, Pres	Paul Huppert	
ASSEMBLY	John Dolenc	John Dolenc	Ronald L. Larson	
CITY REP/DIST 2	Ronald L. Larson	Ronald L. Larson	Willard Johnson	
ASSEMBLY	Leroy Johnson, DP	Leroy Johnson	Leroy Johnson	
CITY REP/DIST 3	Elizabeth Johnson, RE	Elizabeth Johnson	Elizabeth Johnson	
ASSEMBLY	Raymond Johnson	Raymond Johnson	Raymond Johnson	
RURAL REP/DIST 4			Mary Lou Briggs	
ASSEMBLY				
RURAL REP/DIST 5				
ASSEMBLY				
DISTRICT 6				
ASSEMBLY				
DISTRICT 7				
ASSEMBLY				
DISTRICT 8				
ASSEMBLY				
DISTRICT 9				

APPOINTED
RESIGNED
DECEASED ***

Assume the person's term expired in October of year given unless otherwise noted. Also assume person was elected in first year name shows up, unless otherwise noted. Titles of offices held are noted. All regular elections were held on the first Tuesday in October of each year.

MATANUSKA-SUSITNA BOROUGH

TITLE	1974	10/3	1975	10/7
BOROUGH CLERK	Evelyn Thompson		Evelyn Thompson	
BOROUGH ATTORNEY	William Tull		William Tull	
CHAIRMAN/MANAGER	Wesley Howe, Mgr	Ronald L. Larson	Wesley Howe, Mgr	Ronald L. Larson
MAYOR	Mayor	Mayor	Mayor	
ASSEMBLY	ASSEMBLY	John Nash, RE	John Nash	
RURAL REP/DIST 1	ASSEMBLY	Willard Johnson	Jack Maze	
CITY REP/DIST 2	ASSEMBLY	Jack Maze	Robert Vroman	
ASSEMBLY	ASSEMBLY	Leroy Johnson	Elizabeth Johnson	
CITY REP/DIST 3	ASSEMBLY	Elizabeth Johnson	Gus Scheele	
RURAL REP/DIST 4	ASSEMBLY	Mary Lou Briggs	Mary Lou Briggs**	
RURAL REP/DIST 5	ASSEMBLY			
ASSEMBLY	ASSEMBLY			
DISTRICT 6	ASSEMBLY			
ASSEMBLY	ASSEMBLY			
DISTRICT 7	ASSEMBLY			
ASSEMBLY	ASSEMBLY			
DISTRICT 8	ASSEMBLY			
ASSEMBLY	ASSEMBLY			
DISTRICT 9				

LEGEND: * APPOINTED ** RESIGNED *** DECEASED
RE-ELECTED RE R

Assume the person's term expired in October of year given unless otherwise noted. Also assume person was elected in first year name shows up, unless otherwise noted. Titles of offices held are noted. All regular elections were held on the first Tuesday in October of each year.

MATANUSKA-SUSITNA BOROUGH

TITLE	1976	10/5	1977	10/4
BOROUGH CLERK	Evelyn Thompson		Evelyn Thompson	
BOROUGH ATTORNEY	William Tull		William Tull	
CHAIRMAN/MANAGER	Wesley Howe, Mgr	Ronald L. Larson	Wesley Howe, Mgr	Ronald L. Larson
MAYOR		Mayor, RE	Mayor	
ASSEMBLY	John Nash		John Nash, RE	
ASSEMBLY	Jack Maze	Jim Ekstedt	Jim Ekstedt	
ASSEMBLY	Bob Vroman	Jim Hitchcock	Jim Hitchcock	
ASSEMBLY	Gus Scheele		Gus Scheele	
ASSEMBLY	Ed Martin*	Milton	Milton	
RURAL REP/DIST 5	Lichtenwalner		Lichtenwalner	
ASSEMBLY				
DISTRICT 6				
ASSEMBLY				
DISTRICT 7				
ASSEMBLY				
DISTRICT 8				
ASSEMBLY				
DISTRICT 9				

LEGEND: * APPOINTED ** RESIGNED *** DECEASED
 RE-ELECTED RE
 RE

Assume the person's term expired in October of year given unless otherwise noted. Also assume person was elected in first year name shows up, unless otherwise noted. Titles of offices held are noted. All regular elections were held on the first Tuesday in October of each year.

MATANUSKA-SUSITNA BOROUGH

TITLE	1978	10/3	1979	10/2
BOROUGH CLERK	Evelyn Thompson		Evelyn Thompson	
BOROUGH ATTORNEY	William Tull 8/31 Ed King 8/31		Ed King 7/6 Allan Tesche 7/12	
CHAIRMAN/MANAGER MAYOR	Wes Howe, Mgr 5/18 Norm Levesque* 5/18 Ronald Larson Mayor		Norm Levesque Ronald L. Larson Mayor, RE	
ASSEMBLY RURAL REP/DIST 1	John Nash		John Nash,	
ASSEMBLY CITY REP/DIST 2	Jim Ekstedt		Jim Ekstedt, RE	
ASSEMBLY CITY REP/DIST 3	Jim Hitchcock		Jim Hitchcock, RE	
ASSEMBLY RURAL REP/DIST 4	Gus Scheele Kathryn Schmall		Kathryn Schmall	
ASSEMBLY RURAL REP/DIST 5	Milton Lichtenwalner		Milton 6/19 Litchenwalner*** Dorothy Jones*, RE	
ASSEMBLY DISTRICT 6				
ASSEMBLY DISTRICT 7				
ASSEMBLY DISTRICT 8				
ASSEMBLY DISTRICT 9				

LEGEND: APPOINTED * RE-ELECTED RE
 RESIGNED ** RECALLED R
 DECEASED ***

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 unless otherwise noted. Also assume person was elected in first
 year name shows up, unless otherwise noted. Titles of offices
 held are noted. All regular elections were held on the first
 Tuesday in October of each year.

MATANUSKA-SUSITNA BOROUGH

TITLE	1980 10/7	1981 10/6
BOROUGH CLERK	<u>Evelyn Thompson</u>	<u>Evelyn Thompson</u>
BOROUGH ATTORNEY	<u>Allan Tesche** 12/31</u>	<u>Steve Morrissett 3/17</u>
CHAIRMAN/MANAGER MAYOR	<u>Norm Levesque** 7/1</u> <u>Lee Wyatt* 7/1</u> <u>Ronald Larson Mayor</u>	<u>Lee Wyatt, Act 2/7</u> <u>Gary Thurlow* 2/7</u> <u>Ronald Larson Mayor</u>
ASSEMBLY RURAL REP/DIST 1	<u>John Nash</u> <u>John Musgrove</u>	<u>John Musgrove</u>
ASSEMBLY CITY REP/DIST 2	<u>Jim Ekstedt**</u> <u>Edna Armstrong-DeVries</u>	<u>Edna Armstrong-DeVries</u>
ASSEMBLY CITY REP/DIST 3	<u>Jim Hitchcock R 10/7</u> <u>Bob Barry* 12/4</u>	<u>Bob Barry, RE</u>
ASSEMBLY RURAL REP/DIST 4	<u>Kathryn Schmall, R 10/7</u>	<u>Barbara Lacher, RE</u>
ASSEMBLY RURAL REP/DIST 5	<u>Dorothy Jones</u>	<u>Dorothy Jones</u>
ASSEMBLY DISTRICT 6		
ASSEMBLY DISTRICT 7		
ASSEMBLY DISTRICT 8		
ASSEMBLY DISTRICT 9		

LEGEND: APPOINTED * RE-ELECTED RE
RESIGNED ** RECALLED R
DECEASED ***

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MATANUSKA-SUSITNA BOROUGH

TITLE	1982	10/5	1983	10/4
BOROUGH CLERK	Evelyn Thompson		Evelyn Thompson	
BOROUGH ATTORNEY	Steve Morrissett		Steve Morrissett	
CHAIRMAN/MANAGER MAYOR	Gary Thurlow, Mgr Ronald Larson Mayor Edna DeVries-Armstrong		Gary Thurlow, Mgr Edna Devries- Armstrong	
ASSEMBLY RURAL REP/DIST 1	John Musgrove		John Musgrove	
ASSEMBLY CITY REP/DIST 2	Edna Armstrong- DeVries Al Strawn* 11/16		Al Strawn, RE	
ASSEMBLY CITY REP/DIST 3	Bob Barry Barbara Carr		Barbara Carr	
ASSEMBLY RURAL REP/DIST 4	Barbara Lacher** 12/31		Rose Palmquist* 1/4, RE	
ASSEMBLY RURAL REP/DIST 5	Dorothy Jones Vern Ungerecht		Vern Ungerecht	
ASSEMBLY DISTRICT 6	Elizabeth Barry		Elizabeth Barry** 11/9 John Eder* 12/8	
ASSEMBLY DISTRICT 7	Dorothy Jones		Dorothy Jones	
ASSEMBLY DISTRICT 8				
ASSEMBLY DISTRICT 9				

LEGEND: APPOINTED * RE-ELECTED RE
 RESIGNED ** RECALLED R
 DECEASED ***

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MATANUSKA-SUSITNA BOROUGH

TITLE	1984	10/2	1985	10/1
BOROUGH CLERK	Evelyn Thompson** 3/1	Chris Seagraves* 5/15	Chris Seagraves	
BOROUGH ATTORNEY	Steve Morrisett** 11/12	Lee Sharp* 6/1	Gary Thurlow, Mgr	
CHAIRMAN/MANAGER	Gary Thurlow, Mgr	Edna DeVries** 12/31	Dorothy Jones	
MAYOR			1/22, RE	
ASSEMBLY	RURAL REP/DIST 1	John Musgrove	John Musgrove	
ASSEMBLY	CITY REP/DIST 2	Al Strawn	Al Strawn	
ASSEMBLY	CITY REP/DIST 3	Barbara Carr	Barbara Carr	
ASSEMBLY	RURAL REP/DIST 4	Rose Palmquist, RE	Rose Palmquist	
ASSEMBLY	RURAL REP/DIST 5	Vern Ungerecht, RE	Vern Ungerecht	
ASSEMBLY	DISTRICT 6	John Eder	Walt Harris	
ASSEMBLY	DISTRICT 7	Walt Harris	Steve Cypira	
ASSEMBLY	DISTRICT 8	Dorothy Jones	Dorothy Jones**1/22	
ASSEMBLY	DISTRICT 9		Jim Hoag* 3/19	
			Doyle Holmes	

LEGEND: * APPOINTED ** RESIGNED *** DECEASED
 RE-ELECTED RE RECALLED R

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MATANUSKA-SUSITNA BOROUGH

TITLE	1986	10/7	1987
BOROUGH CLERK	Chris Seagraves	Chris Seagraves** 8/87	Chris Seagraves** 12/1/87
BOROUGH ATTORNEY			
CHAIRMAN/MANAGER	Lee Sharp	Mike Gatti* 11/1/87	Lee Sharp** 10/1/87
MAYOR	Gary Thurlow Mgr** 11/86	Vern Roberts Act Mgr John Hale* Mgr 4/87	Dorothy Jones, Mayor
ASSEMBLY	John Musgrove	Fred Lloyd	Fred Lloyd
ASSEMBLY	Al Strawn	Gary Silvers	Gary Silvers
CITY REP/DIST 2			
ASSEMBLY			
CITY REP/DIST 3			
ASSEMBLY			
ASSEMBLY			
RURAL REP/DIST 4			
ASSEMBLY			
RURAL REP/DIST 5			
ASSEMBLY			
DISTRICT 6			
ASSEMBLY			
DISTRICT 7			
ASSEMBLY			
DISTRICT 8			
ASSEMBLY			
DISTRICT 9			

LEGEND: * APPOINTED ** RESIGNED *** DECEASED
RE-ELECTED RE
R

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MATANUSKA-SUSITNA BOROUGH

TITLE	1988	10/4	1989	10/3
BOROUGH CLERK	Linda Dahl		Linda Dahl	
BOROUGH ATTORNEY	Mike Gatti		Michael Gatti	
CHAIRMAN/MANAGER	John Hale	John Hale**2/28/89	John Hale**2/28/89	
MAYOR	Dorothy Jones, RE	Dorothy Jones	Don Moore 4/89	
ASSEMBLY	Fred Lloyd	Mary Geist	Mary Geist	
ASSEMBLY	Gary Silvers	Karl Rye*	Barbara Carr	
ASSEMBLY	Eleanor Malapanes	Eleanor Malapanes		
ASSEMBLY	RURAL REP/DIST 4	Rose Palmquist	Rose Palmquist	
ASSEMBLY	RURAL REP/DIST 5	Norm Levesque	Norm Levesque	
ASSEMBLY	DISTRICT 6	Steve Cypira, RE	Steve Cypira	
ASSEMBLY	DISTRICT 7	Ted Smith	Ted Smith	
ASSEMBLY	DISTRICT 8			
ASSEMBLY	DISTRICT 9			

LEGEND: * APPOINTED ** RESIGNED *** DECEASED
RE-ELECTED RE R

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MATANUSKA-SUSITNA BOROUGH

TITLE	1990	10/2	1991	10/1
BOROUGH CLERK	Linda Dahl		Linda Dahl	
BOROUGH ATTORNEY	Mike Gatti		Mike Gatti	
CHAIRMAN/MANAGER MAYOR	Don Moore Dorothy Jones		Don Moore Dorothy Jones Ernest Brannon	
ASSEMBLY RURAL REP/DIST 1	Mary Geist		Mary Geist	
ASSEMBLY CITY REP/DIST 2	Barbara Carr		Barbara Carr	
ASSEMBLY CITY REP/DIST 3	Eleanor Malapanes		Eleanor Oakley RE	
ASSEMBLY RURAL REP/DIST 4	Rose Palmquist Barbara Lacher		Barbara Lacher	
ASSEMBLY RURAL REP/DIST 5	Norm Levesque, RE		Norm Levesque	
ASSEMBLY DISTRICT 6	Steve Cypra		Steve Cypra Robert Wells	
ASSEMBLY DISTRICT 7	Ted Smith		Ted Smith Dorothy Jones	
ASSEMBLY DISTRICT 8				
ASSEMBLY DISTRICT 9				

LEGEND: APPOINTED * RE-ELECTED RE
 RESIGNED ** RECALLED R
 DECEASED ***

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PLN/tl/CR/791

Appendix 3

MATANUSKA-SUSITNA BOROUGH SCHOOLS

FACILITY	APPROX. SQ. FT.	ORIGINAL CONSTRUCTION DATE/ COSTS
Glacier View Elementary	5,883	1981 \$ 859,926.00
Cottonwood Elementary	49,041	1983 1984 4,263,347.00
Trapper Creek Elementary	16,192	1982 1983 2,674,915.00
Talkeetna Elem-Original Bldg	6,284	1964 1969 188,571.00
Talkeetna Elem-Addition	7,948	1969 302,750.00
Su Valley High-Original Bldg	32,000	1973 1,253,381.00
Su Valley High Band & Shop Ad	6,300	1982 1983 841,707.00
Big Lake Elem-Original Bldg	6,640	1964 116,458.00
Big Lake Addition	28,000	1979 2,240,760.00
Big Lake Addn 2nd Floor C.R.	19,800	1983 1984 1,783,157.00
Willow Elem-Original Bldg	4,149	1964 95,000.00
Willow Elementary Addition	1,992	1966 57,500.00
Willow Elementary Addition	7,656	1977 827,768.00
Houston Jr/Sr High	93,152	1985 1986 10,826,920.00
Wasilla High-Original Bldg	112,962	1976 6,917,015.00
Wasilla High Addition & Pool	77,195	1980 6,735,156.00
Wasilla Jr. High-Original Bld	21,496	1962 531,500.00
Wasilla Jr. High Addition	8,588	1969 334,289.00
Wasilla Jr. High Addition	64,725	1980 6,069,767.00
Iditarod Elem-Reconst Org Bld	47,809	1981 1982 2,816,736.00
Iditarod Elem Food Svc Addn	7,970	1982 705,979.00
Tanaina Elementary	49,811	1984 1985 5,213,616.00

FACILITY	APPROX. SQ. FT.	ORIGINAL CONSTRUCTION DATE/ COSTS
Snowshoe Elementary	48,944	1979 3,341,575.00
Finger Lake Elementary	50,000	1985 1986 5,341,000.00
Wasilla-Elem-Original Bdg/Add	9,607	1934 1950 - Addition
Wasilla Elementary Addition	13,892	1954
Pioneer Peak Elementary	48,944	1984 1985 4,600,000.00
Palmer High School	126,000	1976 8,073,454.00
Palmer High Agri Facility	4,360	1981 1982 458,593.00
Palmer High Pool	17,262	1982 1983 3,045,026.00
Palmer High Add. & Remodel	45,000 20,700	1985 1986 7,323,500.00
Palmer Jr. High Orig Bldg	40,053	1955 1,068,775.00
Palmer Jr. High Addition	22,459	1964 533,500.00
Palmer Jr. High Addition	4,000	1970 50,000.00
Palmer Jr. High Addition	5,526	1973 198,900.00
Palmer Jr. High Add Phase I	10,326	1983 1984 1,252,438.00
Palmer Jr. Add Phase II & III	17,000	1985 1986 5,995,074.00
Palmer Jr. High Add-Library	5,000	1986 913,000.00
Sherrod Elementary	45,000	1971 1,661,474.00
Swanson Elem-Original Bldg	8,410	1953 216,795.00
Swanson Elementary Addition	12,693	1959 305,775.00
Swanson Elementary Addition	10,232	1964 215,809.00
Butte Elementary	49,041	1980 3,352,007.00
Wasilla Ice Arena	28,200	1983 1984 1,842,188.00
Colony Jr. High School	119,976	1986 1987 15,518,389.00
Colony Sr. High School	180,000	1986 1987 22,286,799.00

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MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 93- 056

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY RECOMMENDING
THAT THE MATANUSKA-SUSITNA BOROUGH ADMINISTRATION BUILDING BE NAMED
IN HONOR OF DOROTHY SWANDA JONES

WHEREAS, the building naming committee met to discuss the
naming of the borough's administration building; and

WHEREAS, the committee evaluated several different individuals
as possible candidates; and

WHEREAS, the committee evaluated candidates using criteria
which included years of residency, public service involvement,
leadership qualities, caring personality, and willingness to lend
a helping hand; and

WHEREAS, Dorothy Swanda Jones qualified in all these areas and
had many more positive personality attributes as well.

NOW THEREFORE, BE IT RESOLVED that the Matanuska-Susitna
Borough Assembly recommends that the borough administration
building be named in honor of Dorothy Swanda Jones.

NOW BE IT FURTHER RESOLVED that the committee also recommends
that a borough building be named in honor of Robert Vroman.

ADOPTED by the Matanuska-Susitna Borough Assembly this 13th
day of July, 1993.

ATTEST:

Ernest W. Brannon
ERNEST W. BRANNON, Borough Mayor

Linda A. Dahl
LINDA A. DAHL, Borough Clerk

BOROUGH ASSEMBLY DOCUMENT
CONTROL & AM/IM FORM

Matanuska-Susitna Borough
350 East Dahlia Avenue
Palmer, Alaska 99645-6488

For Agenda of: June 1, 1993

No. AM 93-151

SUBJECT: Rescinding of May 25, 1993 action on Resolution No. 93-056 and setting a public hearing on June 26, 1993.

ATTACHMENT(S): Fiscal Note: Yes No XXX
Resolution No. 93- 056
Ordinance No. 92-012, establishing Chapter 1.51, Naming of
borough buildings, pg 3

Route to	Dept/Committee/Individual	Initials	Remarks
1	: Originator K Johns, Clerk's Office	:	:
	: Clerk	: <i>JS</i>	:
2	: Assistant to the Manger	: <i>AS</i>	:
	: Attorney	:	:
	: Finance Director	:	:
	: Planning Director	:	:
	: Assessor	:	:
	: Public Works Director	:	:
	:	:	:

SUMMARY STATEMENT:

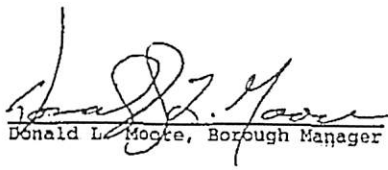
On May 25, 1993, the assembly approved Resolution No. 93-056. This was to be set for public hearing as called for by MSB 1.51.

The approval needs to be rescinded and the resolution set for public hearing on July 13, 1993. This will give ample time for public notification.

AM 93-135 is requesting that regular assembly meetings of July 6, and 20, 1993 be cancelled. This will not allow for a public hearing on July 6, 1993. The July 13, 1993 will be the next available date.

MSB code 1.51.030(C) states: "The assembly will set the naming resolution for public hearing at least one month after introduction and ensure appropriate information dissemination to the public during this period." Ordinance No. 92-012 was adopted by the assembly on February 18, 1992.

RECOMMENDED ACTION: Rescind approval of Resolution No. 93-056 and set for public hearing on July 13, 1993.

APPROVED BY: 
Donald L. Moore, Borough Manager

appropriate names for the facility. The panel may consider those names submitted by the mayor or the assembly or propose an alternative, taking care not to overlook the contributions of women and minorities to the borough, state, and nation. Geographic influences will be considered to the degree possible in selecting names for facilities. Upon agreement by a quorum of the panel, a letter advising the mayor shall be dispatched. The mayor will make the panel's letter an attachment to a resolution for consideration by the assembly. Memoranda as appropriate may be appended to the resolution to explain or amplify relevant information for the assembly.

(C) The assembly will set the naming resolution for public hearing at least one month after introduction and ensure appropriate information dissemination to the public during this period.

1.51.040 Changing of names.

Nothing in this ordinance shall be construed to prohibit the changing of names of facilities provided the guidelines of this ordinance are followed.

1.51.050 Naming a facility for other than an individual.

Names for borough facilities may be selected from categories other than persons. Procedures prescribed herein remain applicable.

1.51.060 Application.

This title shall not apply to the naming or renaming