

LEG. FINANCE - BILLS 1977 - 1978 809

HB 793 cont. 809

FAIRBANKS TOWN & VILLAGE ASSOCIATION
FOR DEVELOPMENT, INC.


RURAL CAPITAL IMPROVEMENTS
EXPENSE STATEMENT
as of January 31, 1978

	BUDGET	Y T D EXPENDITURES	M T D EXPENDITURES	AVAILABLE BALANCE
Salaries & Wages	\$ 5,040.00	\$ 1,298.50	\$ 742.00	\$ 2,999.50
Contracted Services-Bookkeeping	675.00	153.00	76.50	445.50
Contracted Services-Consultants	11,345.00	4,695.76	2,600.00	4,049.24
Transportation	7,404.00	791.14	1,275.28	5,337.58
Per Diem	3,596.00	1,709.00	594.50	1,292.50
Office Space	-0-	375.00	500.00	(875.00)
Equipment Rental	2,760.00	585.00	-0-	2,175.00
Consumable Supplies	890.00	322.67	133.29	434.04
Printing and Publications	3,826.00	-0-	86.84	3,739.16
Phone Service	500.00	62.55	196.24	241.21
Personnel Burden	504.00	-0-	48.05	455.95
Miscellaneous	<u>960.00</u>	<u>266.20</u>	<u>7.25</u>	<u>686.55</u>
	\$37,500.00	\$10,258.82	\$ 6,259.95	\$20,981.23

Fairbanks Town & Village Association for Development, Inc.

CONSOLIDATION OF BUDGET AND EXPENDITURE REPORT

	BUDGET	1977 Y T D EXPENDITURES	1978 Y T D JAN. & FEB.	PROJECTED EXPENDITURES Through 3/31/78	AVAILABLE BALANCE AS OF 3/31/78
Salaries & Wages	\$5,040.00	\$1,298.50	\$1,463.00	\$ 525.00	\$1,753.50
Contracted Services-Bookkeeping	675.00	153.00	151.50	75.00	295.50
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FAIRBANKS TOWN & VILLAGE
ASSOCIATION FOR DEVELOPMENT
INCORPORATED

526 Fifth Avenue
P.O. Box 1267
Fairbanks, Alaska 99707
Phone (907) 452-4761 Ext. 278

March 6, 1978

The Honorable Lisa Rudd
Chairman
House Community & Regional
Affairs Committee
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Chairman Rudd:

Thank you for the opportunity to testify this morning on HB 795. I appreciated the breadth and depth of knowledge and understanding demonstrated by the members of the committee and I hope my answers were satisfactory.

Before continuing, I'd like to express my personal appreciation to Representative Brown of Fairbanks and his staff for assisting me in the preparation of these materials.

With respect to those questions the committee asked me to address in this letter, I have prepared the following statements for the committee's information:

1. With respect to our current cash balances in the RCIP Budget, the Association's bookkeeper has provided me with a cash flow statement through February 29. This is attached as ATTACHMENT #1.
2. Rynneiya Wescott, Project Coordinator for the Association, has advised me that remaining funds in the following budget line items will have been fully expended by March 30, 1978 for purposes stated on ATTACHMENT #2.
3. Budget items not so obligated, or expended by that date, are being held for purposes stated on ATTACHMENT #3.
4. The Rural Capital Improvements Program was originally contemplated as a two year program and I apologize to you for failing to mention that to you in our discussions prior to the hearing.

If we had the \$75,000.00 originally appropriated by the Legislature, we would have been able to prepare a final report by late April. The final report would have included:

- a. An updated list of community facilities in each community in Interior Alaska. This list has evolved and has been refined during the past three years. It provides the basic data for our regional development efforts in those areas outside the Fairbanks North Star Borough.
 - b. A summary and preliminary analysis of questionnaires received from each community. (Copies of this questionnaire are available in the interim report.)
 - c. A preliminary statement on the condition of existing facilities in each community with notes, where appropriate, on glaring deficiencies which need immediate attention by reason of their hazard to life and or property.
 - d. A current list, as of the publication date, of capital improvements which are scheduled for construction in each community by public and quasi-public agencies of government during the subsequent three years. Including an opportunities list for combining projects for the purposes of reducing construction and operation costs.
 - e. A status report on each community's discussion of economic development issues and questions affecting their community.
 - f. A statement of preliminary conclusions and recommendations concerning the first year's work, and a detailed work program for the second year.
5. Obviously the interim report falls far short of what we contemplated for the first year's final report. The \$37,500.00 we are now requesting will enable the Association to complete our first year's work.
6. Finally, Madame Chairman, though we know what the subject of the final report will be, the second year's work is still tentative in terms of how we plan to do the work. To a large extent we do not want to detail our work in the second year until we have completed the final report on the first year's work, and have a better understanding, therefore, of how to best organize our available resources.

We do have a budget prepared for next year's work and a copy is enclosed for the committee's information as ATTACHMENT #4. We have advised Representative Cowper and Senator Sackett--both of whom represent areas served by FTVAD--of our request and are awaiting their advice on how we should proceed to properly bring it before the Legislature.

March 6, 1978

7. With respect to the "subject" of the final report. The Fairbanks Town & Village Association for Development, Inc. is involved primarily with long term regional economic development; professional planning and project development assistance to Fairbanks and the 45 smaller communities within the Interior; and, finally, development of public works financing.

The RCIP is aimed at the last item. The second year report will list a project, or projects, in each community which is needed by the community, desired by them, which is financable in terms of both construction and operation, will not disrupt desirable life styles and will contribute to the community's own efforts toward community development.

Since this program, though administered by DCRA, has to do with public facilities, a question may arise concerning our relationship with the State's Department of Transportation and Public Facilities. Over the years the Association has worked very closely with the officers and staff of both the former Departments of Public Works and Highways and the current Department of Transportation and Public Facilities, both in planning and in project development and financing.

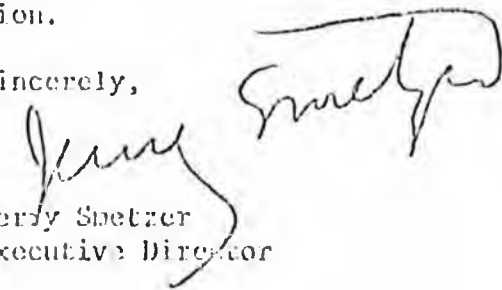
We intend to continue this important relationship throughout the duration of the Rural Capital Improvements Program, and beyond.

I hope these statements have fully answered the committee's questions. I may remain in Juneau until the committee reconvenes on Wednesday morning and, if so, I'll be able to answer further questions.

Otherwise I'll be at my office in Fairbanks at 452-4761.

Thank you again for your consideration.

Sincerely,



Jerry Spetzer
Executive Director

JS:kfm

Attachments

cc: Representative Steve Cowper
Senator John Sackett

FAIRBANKS TOWN & VILLAGE ASSOCIATION
FOR DEVELOPMENT, INC.

RURAL CAPITAL IMPROVEMENTS
EXPENSE STATEMENT
as of February 28, 1978

	M T D EXPENDITURES	AVAILABLE BALANCE AS OF 3/31/78
Salaries & Wages	\$ 721.00	\$1,753.50
Contracted Services-Bookkeeping	75.00	295.50
Contracted Services-Consultants	2,000.00	-(2,980.76)
Transportation	141.63	-0-
Per Diem	261.00	-0-
Office Space	250.00	-(1,375.00)
Equipment Rental	-0-	1,892.50
Consumable Supplies	84.00	65.04
Printing and Publications	128.60	3,411.72
Phone	25.53	125.68
Personnel Burden	46.69	372.51
Miscellaneous	116.50	453.55
	<u>\$ 3,849.95</u>	<u>\$4,014.24</u>

ATTACHMENT

ATTACHMENT

#1

#3

FAIRBANKS TOWN & VILLAGE ASSOCIATION
FOR DEVELOPMENT, INC.

RURAL CAPITAL IMPROVEMENTS
PROJECTED EXPENDITURES
Through March 31, 1978

Salaries & Wages	\$ 525.00
Contracted Services-Bookkeeping	75.00
Contracted Services-Consultants	5,030.00
Transportation	5,195.95
Per Diem	1,031.50
Office Space	250.00
Equipment Rental	282.50
Consumable Supplies	285.00
Printing and Publications	198.84
Phone	90.00
Personnel Burden	36.75
Miscellaneous	<u>116.50</u>
	\$13,117.04

ATTACHMENT

#12

FAIRBANKS TOWN & VILLAGE ASSOCIATION
FOR DEVELOPMENT, INC.

BUDGET PROPOSAL:
Rural Capital Improvements Program for FY 79

1. SALARIES

Coordinator	\$24,000.00
+10% P.B.	2,400.00
	<u>\$26,400.00</u>
Secretary 1600 hrs. @ \$7.00/hr.	11,200.00
+10% P.B.	1,120.00
	<u>12,320.00</u>
	<u>\$38,720.00</u>

2. CONTRACTUAL

4 Sub-regional Planners @ \$7200.00	\$28,800.00
Bookkeeping @ \$240.00/Mo.	3,000.00
Community Plans and Maps	11,250.00
	<u>\$43,050.00</u>

3. RENTALS

Office Space @ \$350.00/Mo.	\$ 4,200.00
Equipment	4,400.00
	<u>\$ 8,600.00</u>

4. TRAVEL

Travel	\$18,176.00
Per Diem	10,954.00
	<u>\$29,130.00</u>

5. OTHER DIRECT COSTS

Office Supplies \$ 2,700.00

Communications 1,800.00

Graphic Services 8,500.00

\$13,000.00

TOTAL

\$132,500.00

I. INTRODUCTION

A. Purpose

The Rural Capital Improvements Program (RCIP) was initiated in November, 1978 through a legislative appropriation to the Fairbanks Town and Village Association for Development (FTVAD). The program was established to meet three primary needs.

Item One: To identify and prioritize needed capital improvement projects in forty-six rural communities as assessed by residents in each community.

Item Two: To encourage and assist the forty-six villages in the study region to begin community growth and economic development planning.

Item Three: To identify the existing infrastructure of the villages, to enable state and federal planners to make informed decisions on the scheduling of construction programs in each community.

B. History

The concept of the RCIP was developed as an out-growth of the Rural Impact Information Program (RIIP), which was initially set up to monitor the effect of the Trans-Alaska Pipeline Project on rural Alaska.

The results of that project, summarized in The Impact of the Trans-Alaska Oil Pipeline on Rural Communities in Alaska's Interior, dated June, 1977, illustrated the need for a major investigation into the development needs of rural Alaska.

Initial funding for the RCIP came as a legislative appropriation to the Department of Community and Regional Affairs, in the amount of \$37,500. The original request amount was for \$75,000, but was reduced during the final budget process.

A full-time project supervisor was hired under contract to FTVAD in November, 1977, to establish a workable format for data collection; hire and supervise sub-regional consultants; and establish primary communications with the communities in the study region.

In late November and early December, consultants were hired to work in the United Crow Band, Ingalik, Kutchin and Tena sub-regions of the Tanana Chiefs Conference. A series of workshops were held in December in McGrath and Fairbanks to familiarize village council, city council and local government specialists with the working format and objectives of the RCIP.

Following the training workshops, the RCIP questionnaire was sent to each of the communities within the FTVAD/TCC region, with instructions and advisory notes on the method of completion.

Sub-regional consultants were instructed to follow-up with contacts to each village to assure completion of the survey forms, and to update information contained in the RCIP Community Facilities Survey (CFS), issued in June, 1977.

C. Methodology

Techniques used in the information collection process of the RCIP were based on the use of an "open end" questionnaire and direct contact to significant community leaders, to obtain first hand observations of rural needs.

The initial questionnaire (Appendix A) was drawn from other survey forms used by the University of Alaska Institute of Social and Economic Research (ISER), various state agencies, and various consulting firms which develop comprehensive community plans. In addition to standard economic and planning questions, the form included broad category

questions on the Alaska gas line, subsistence, and community economic development planning.

These questions were phrased in such a manner as to encourage public discussion on the potential effect of development in these general categories.

In subsequent discussions with the State Department of Community and Regional Affairs, Commerce and Economic Development, Department of Environmental Conservation, and Transportation and Public Facilities, it was decided that additional and expanded questions on these and additional subjects be included for a second phase look at each community.

Subject to full response by each community, the data contained in the survey form will be incorporated into the CES, and a draft Overall Economic Development Program prepared for village review and comment.

II. SCOPE OF SURVEY/OBSERVATIONS

A. FTVAD/TCC/Doyon Region

The Rural Capital Improvements Program survey program is directed at forty-six villages contained within the Tanana Chiefs Conference/Doyon Limited boundaries. This area is further sub-divided into four Athabascan regional administrative units.

These regions are: Crow Band Region, with an administrative center at Tok; Kutchin Region, with Ft. Yukon as the historical center; Tena Region, with the Tanana-Galena axis as the historical center; and the Ingalik Region, with McGrath as the administrative center.

Of the communities included in the study, twenty-three are incorporated second-class cities; three are first-class cities; and the remainder are governed by traditional native councils. Specific communities are listed in Appendix B.

B. Sub-Regional Responses:

Because of limited responses to the questionnaires, to date, it is difficult to present a clear picture of community needs and perspectives on economic growth and planning. The obvious limitations on communications and transportation, plus the different levels of village awareness to growth problems makes evaluation of responses a largely subjective effort. No valid statistical interpretations can be made, until a significantly larger sampling is obtained.

However, based on existing responses, it is possible to generalize some few observations:

1. Communities that have had some measure of continuing communication and transportation access to urban centers view economic expansion as desirable and positive for their interests.

2. Communities historically remote from urban centers see economic expansion as threatening and eventually destructive of cultural and community integrity. Most of these communities give high priority to preserving their subsistence lifestyle.

3. There is a uniform distrust of larger governmental structures, despite a contradictory dependence on these same agencies for provision of what are viewed as "essential" programs.

4. There is an increasing need for rural communities to be trained and informed as to roles and functions of all aspects of government.

5. All communities see a degree of need for community planning. However, much of this "planning" is viewed as an outside attempt to influence economic expansion, often at the expense of local desires.

6. Capital construction in the study communities has a tendency to be based on needs which may not be internally generated. This, in turn, gives rise to a "shopping list" approach to projects, without an understanding of the long term effect of said project on the community's structure.

C. Findings by Sub-Region

1. Crow Band:

11 villages

This area will be significantly affected by construction of the Alaskan Gas Pipeline, and the attendant population influx. Some degree of community and native corporation planning is being generated, but lack of firm data on project start-up dates and supporting programs has made the effort, to date, largely speculative.

Questionnaire responses indicate an awareness of greater job and investment opportunity, with an improved potential for early conveyance of native lands. The negative effects of pipeline construction center on changes in community structure and lifestyle, an overburdening of existing

service agencies, and a major shift in population. Further, one remote village (Healy Lake) questions such problems as trespass, damage to native lands, and a direct impact on subsistence activities.

The community of Eagle also feels that the construction effort may have an adverse effect on the tourist industry, and may result in forced improvements beyond that desired by the individual communities.

A separate question was asked concerning the effect of economic development on subsistence activities. Generally, the answers were vague, and did not specifically address the effect of growth on the subsistence way of life.

Where a community saw reason to favor economic development as a means of improving an individual's status, they did not connect those changes with long term impact on hunting, fishing or trapping as an alternative economic concept. The failure to make this connection may be a reflection of lesser dependency on subsistence activity than in other regions, but insufficient data exists to substantiate this point.

A general listing of needed capital projects was solicited, with results varying according to the relative awareness of the respondent. Some answers included programs and proposals beyond the scope of capital projects, and ranged to social service programs, and private sector development.

No attempt is made, in this report, to tabulate community needs for general projects. Such data will be included, by village, in the final project summary.

An attempt to assess local ability to fund for projects was sought, but the responses indicated a uniform dependence on external funding sources (grants and direct subsidy).

2. Kutchin Region *10 villages*

To date, two responses have been obtained from the communities in this region.

Although some of the lands within this region will be used for the gas pipeline, village perceptions of its effects and benefits remain minimal. It is reported that several of the village corporations in the region are investigating joint venture opportunities, and there is some discussion of the creation of a third-class borough to encompass the villages in the region.

At present, no effect, beyond residential employment is seen as a derivative of the pipeline construction effort. The primary negative effect of the construction effort is the loss of skilled workers by each village.

Economic development in the region is viewed as a positive influence, in the creation of more jobs, and a general upgrading of individual standards of living. No perceived effect on subsistence styles is noted, with the exception of potential depletion of existing physical resources.

Capital projects listed by the two communities responding include electrical power generation, medical facilities and new or improved community offices and public use facilities. No local financing alternatives were reflected, indicating a continuing dependence on external public funding.

3. Tena Region *12 villages*

Questionnaire responses from this region are limited to individual statements completed during village training sessions in early December. Because these responses were for exemplary purposes, to enable the local governments to more effectively consider the question of economic development and planning, the generalizations should not be viewed as indicative of any official position.

Subsequent to the sub-regional training session, the Galena City Council approved the responses submitted by the City Manager, at that time. While the data presented is a fair reflection of needs, it must be judged on the limitations placed during training.

As in the other regions, needed projects covered the range of power generation, health and community recreational facilities to road and sewer and water improvements.

Overall perspectives towards growth and development were marked by a conservative attitude of local determination, with severe restrictions on outside participation.

Where there is an apparent need to develop certain industrial bases, a uniformly negative response to expansion of the tourist and recreational potential was observed.

Local industrial and/or economic growth is desired in the agricultural, fur, timber and fisheries areas, with expansion of energy programs viewed as significant to all areas.

All communities responding showed a continuing dependence on external funding sources for start-up and maintenance of projects, with limited awareness of local taxation options.

Many of the attitudes reflected in the survey responses hinge on the continuance of a subsistence lifestyle, despite a contradictory desire for programs and facilities which may generate pressures to move the villages into a cash economy, and away from the other closed lifestyle.

4. Ingalik Region

9 villages

One response has been garnered from the communities on the Kuskokwim and Lower Yukon Rivers. Other responses were, as previously noted, provided during the December training sessions, and continue to reflect attitudes prevalent in the Tena region.

Little direct benefit is seen from development of the Northwest gas pipeline, aside from individuals gaining employment. Incidental negative impact is seen in delays in shipment of goods and provision of services to areas outside of the primary construction effort.

No clear perception of the effects of economic development are apparent. It should be noted that the phrase "economic development" if left undefined is generally viewed as externally influenced growth, generated by non-residents seeking definite financial gain.

A clear divergence of opinion exists as to the desirability of such "economic development", which clouds the perception of community goals and planning.

In large measure, these communities perceive a need for fundamental education in the basics of local government, community administration, and in development of a more effective planning process.

Generally there is a stated need for development of some industrial activity on the local level, but with safeguards to community and culturally derived standards. This view echoes most of the communities in the Tena region in their opposition to recreational and tourist related

growth.

Area willingness to defray costs of capital construction is virtually non-existent, because of the absence of a revenue base. Projects contemplated must be funded by grant or direct subsidy.

III. Summary of Activity

To date, the RCIP has dealt with the study communities through individual (telephone and letter) contacts, and the monthly publication of a newsletter. The bulk of the contact has been in response to inquiries about specific problems or programs. For example: The village of Allakaket sought the assistance of the RCIP in resolving a fuel shortage problem that occurred during the week of February 13.

Although this office was unable to do more than advise parties concerned of actions pending, the apparent communications function did facilitate an earlier resolution of the problem than would have resulted had no contact been made.

Further, this office has been active on a continuing basis in working with the Tok area in scheduling and planning for an Alaska Humanities Forum program on Gas Pipeline Impact on April 8 and 9. While much of the planning does not specifically address capital improvements, the obvious connection is in the areas of overall economic development and growth planning.

This office has assisted the villages of Kikolai and Healy Lake in their attempts to gain funding for completion of village electrification programs and is exploring means of obtaining funding for a community recreational program in Beaver.

It should be noted that during the life of the Rural Capital Improvements Program, many issues have been raised which do not appear to be directly related to village capital construction programs. Because of the apparent need, however, by rural residents, to have direct contact with responsible agencies, the RCIP has assumed some of these advocacy roles.

IV. CONCLUSIONS AND RECOMMENDATIONS

The effective performance of the Rural Capital Improvements Program hinges on the confidence that village residents are capable of placing on it. To this end, it is imperative that all survey and attitudinal data be collected by on-site contact.

A recurring comment by workshop and training participants, as well as the sub-regional consultants, is that they do not feel "comfortable" rendering decisions away from the consensus bodies of their home villages, and that they will not see the final utilization of whatever data is produced.

Since the RCIP is constituted to address community planning, as well as the immediate capital construction needs, a minimum of one day spent in each of the forty-six villages for "hands on" experience is necessary.

Further, to avoid the appearance of organizational indifference, sufficient weight must be given to each village's perception of needed programs, thereby underwriting community involvement in the planning process.

Appendix A contains representative responses from communities in each region.

FAIRMARKS TOWN & VILLAGE ASSOCIATION
FOR DEVELOPMENT, INC.

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as of January 31, 1978

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Fairbanks Town & Village Association for Development, Inc.

CONSOLIDATION OF BUDGET AND EXPENDITURE REPORT

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Phone (907) 452-4761 Ext. 278

FAIRBANKS TOWN & VILLAGE
ASSOCIATION FOR DEVELOPMENT
INCORPORATED

March 6, 1978

The Honorable Lisa Rudd
Chairman
House Community & Regional
Affairs Committee
Alaska House of Representative
Pouch V
Juneau, Alaska 99811

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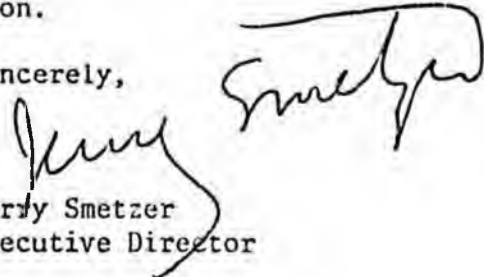
We intend to continue this important relationship throughout the duration of the Rural Capital Improvements Program, and beyond.

I hope these statements have fully answered the committee's questions. I may remain in Juneau until the committee reconvenes on Wednesday morning and, if so, I'll be able to answer further questions.

Otherwise I'll be at my office in Fairbanks at 452-4761.

Thank you again for your consideration.

Sincerely,



Jerry Smetzer
Executive Director

JS:kfm

Attachments

cc: Representative Steve Cowper
Senator John Sackett

FAIRBANKS TOWN & VILLAGE ASSOCIATION
FOR DEVELOPMENT, INC.

RURAL CAPITAL IMPROVEMENTS
PROJECTED EXPENDITURES
Through March 31, 1978

Salaries & Wages	\$ 525.00
Contracted Services-Bookkeeping	75.00
Contracted Services-Consultants	5,030.00
Transportation	5,195.95
Per Diem	1,031.50
Office Space	250.00
Equipment Rental	282.50
Consumable Supplies	285.00
Printing and Publications	198.84
Phone	90.00
Personnel Burden	36.75
Miscellaneous	<u>116.50</u>
	\$13,117.04

ATTACHMENT

#2

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**



Phone (907) 452-4761 Ext. 278

FAIRBANKS TOWN & VILLAGE
ASSOCIATION FOR DEVELOPMENT
INCORPORATED

March 6, 1978

The Honorable Lisa Rudd
Chairman
House Community & Regional
Affairs Committee
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Chairman Rudd:

Thank you for the opportunity to testify this morning on HB 795. I appreciated the breadth and depth of knowledge and understanding demonstrated by the members of the committee and I hope my answers were satisfactory.

Before continuing, I'd like to express my personal appreciation to Representative Brown of Fairbanks and his staff for assisting me in the preparation of these materials.

With respect to those questions the committee asked me to address in this letter, I have prepared the following statements for the committee's information:

1. With respect to our current cash balances in the RCIP Budget, the Association's bookkeeper has provided me with a cash flow statement through February 29. This is attached as ATTACHMENT #1.
2. Rynneiva Wescott, Project Coordinator for the Association, has advised me that remaining funds in the following budget line items will have been fully expended by March 30, 1978 for purposes stated on ATTACHMENT #2.
3. Budget items not so obligated, or expended by that date, are being held for purposes stated on ATTACHMENT #3.
4. The Rural Capital Improvements Program was originally contemplated as a two year program and I apologize to you for failing to mention that to you in our discussions prior to the hearing.

If we had the \$75,000.00 originally appropriated by the Legislature, we would have been able to prepare a final report by late April. The final report would have included:

- a. An updated list of community facilities in each community in Interior Alaska. This list has evolved and has been refined during the past three years. It provides the basic data for our regional development efforts in those areas outside the Fairbanks North Star Borough.
 - b. A summary and preliminary analysis of questionnaires received from each community. (Copies of this questionnaire are available in the interim report.)
 - c. A preliminary statement on the condition of existing facilities in each community with notes, where appropriate, on glaring deficiencies which need immediate attention by reason of their hazard to life and or property.
 - d. A current list, as of the publication date, of capital improvements which are scheduled for construction in each community by public and quasi-public agencies of government during the subsequent three years. Including an opportunities list for combining projects for the purposes of reducing construction and operation costs.
 - e. A status report on each community's discussion of economic development issues and questions affecting their community.
 - f. A statement of preliminary conclusions and recommendations concerning the first year's work, and a detailed work program for the second year.
5. Obviously the interim report falls far short of what we contemplated for the first year's final report. The \$37,500.00 we are now requesting will enable the Association to complete our first year's work.
6. Finally, Madame Chairman, though we know what the subject of the final report will be, the second year's work is still tentative in terms of how we plan to do the work. To a large extent we do not want to detail our work in the second year until we have completed the final report on the first year's work, and have a better understanding, therefore, of how to best organize our available resources.

We do have a budget prepared for next year's work and a copy is enclosed for the committee's information as ATTACHMENT #4. We have advised Representative Cowper and Senator Sackett--both of whom represent areas served by FTVAD--of our request and are awaiting their advice on how we should proceed to properly bring it before the Legislature.

March 6, 1978

7. With respect to the "subject" of the final report. The Fairbanks Town & Village Association for Development, Inc. is involved primarily with long term regional economic development; professional planning and project development assistance to Fairbanks and the 45 smaller communities within the Interior; and, finally, development of public works financing.

The RCIP is aimed at the last item. The second year report will list a project, or projects, for each community which is needed by the community, desired by them, which is financable in terms of both construction and operation, will not disrupt desirable life styles and will contribute to the community's own efforts toward community development.

Since this program, though administered by DCRA, has to do with public facilities, a question may arise concerning our relationship with the State's Department of Transportation and Public Facilities. Over the years the Association has worked very closely with the officers and staff of both the former Departments of Public Works and Highways and the current Department of Transportation and Public Facilities, both in planning and in project development and financing.

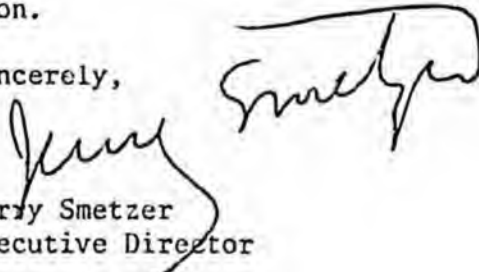
We intend to continue this important relationship throughout the duration of the Rural Capital Improvements Program, and beyond.

I hope these statements have fully answered the committee's questions. I may remain in Juneau until the committee reconvenes on Wednesday morning and, if so, I'll be able to answer further questions.

Otherwise I'll be at my office in Fairbanks at 452-4761.

Thank you again for your consideration.

Sincerely,


Jerry Smetzer
Executive Director

JS:kfm

Attachments

cc: Representative Steve Cowper
Senator John Sackett

FAIRBANKS TOWN & VILLAGE ASSOCIATION
FOR DEVELOPMENT, INC.

RURAL CAPITAL IMPROVEMENTS
EXPENSE STATEMENT
as of February 28, 1978

	M T D EXPENDITURES	AVAILABLE BALANCE AS OF 3/31/78
Salaries & Wages	\$ 721.00	\$1,753.50
Contracted Services-Bookkeeping	75.00	295.50
Contracted Services-Consultants	2,000.00	-(2,980.76)
Transportation	141.63	-0-
Per Diem	261.00	-0-
Office Space	250.00	-(1,375.00)
Equipment Rental	-0-	1,892.50
Consumable Supplies	84.00	65.04
Printing and Publications	128.60	3,411.72
Phone	25.53	125.68
Personnel Burden	46.69	372.51
Miscellaneous	116.50	453.55
	<u>\$ 3,849.95</u>	<u>\$4,014.24</u>

ATTACHMENT
#1

ATTACHMENT
#3

FAIRBANKS TOWN & VILLAGE ASSOCIATION
FOR DEVELOPMENT, INC.

RURAL CAPITAL IMPROVEMENTS
PROJECTED EXPENDITURES
Through March 31, 1978

Salaries & Wages	\$ 525.00
Contracted Services-Bookkeeping	75.00
Contracted Services-Consultants	5,030.00
Transportation	5,195.95
Per Diem	1,031.50
Office Space	250.00
Equipment Rental	282.50
Consumable Supplies	285.00
Printing and Publications	198.84
Phone	90.00
Personnel Burden	36.75
Miscellaneous	<u>116.50</u>
	\$13,117.04

ATTACHMENT

#2

FAIRBANKS TOWN & VILLAGE ASSOCIATION
FOR DEVELOPMENT, INC.

BUDGET PROPOSAL:
Rural Capital Improvements Program for FY 79

1. SALARIES

Coordinator	\$24,000.00
+10% P.B.	<u>2,400.00</u>
	<u>\$26,400.00</u>
Secretary 1600 hrs. @ \$7.00/hr.	11,200.00
+10% P.B.	<u>1,120.00</u>
	<u>12,320.00</u>
	<u>\$38,720.00</u>

2. CONTRACTUAL

4 Sub-regional Planners @ \$7200.00	\$28,800.00
Bookkeeping @ \$240.00/Mo.	3,000.00
Community Plans and Maps	<u>11,250.00</u>
	<u>\$43,050.00</u>

3. RENTALS

Office Space @ \$350.00/Mo.	\$ 4,200.00
Equipment	<u>4,400.00</u>
	<u>\$ 8,600.00</u>

4. TRAVEL

Travel	\$18,176.00
Per Diem	<u>10,954.00</u>
	<u>\$29,130.00</u>

5. OTHER DIRECT COSTS

Office Supplies \$ 2,700.00

Communications 1,800.00

Graphic Services 8,500.00

\$13,000.00

TOTAL

\$132,500.00

OVERALL ECONOMIC DEVELOPMENT PROGRAM FOR FAIRBANKS AND THE INTERIOR OF ALASKA



Published August, 1977 by the
Fairbanks Town and Village
Association for Development, Inc.

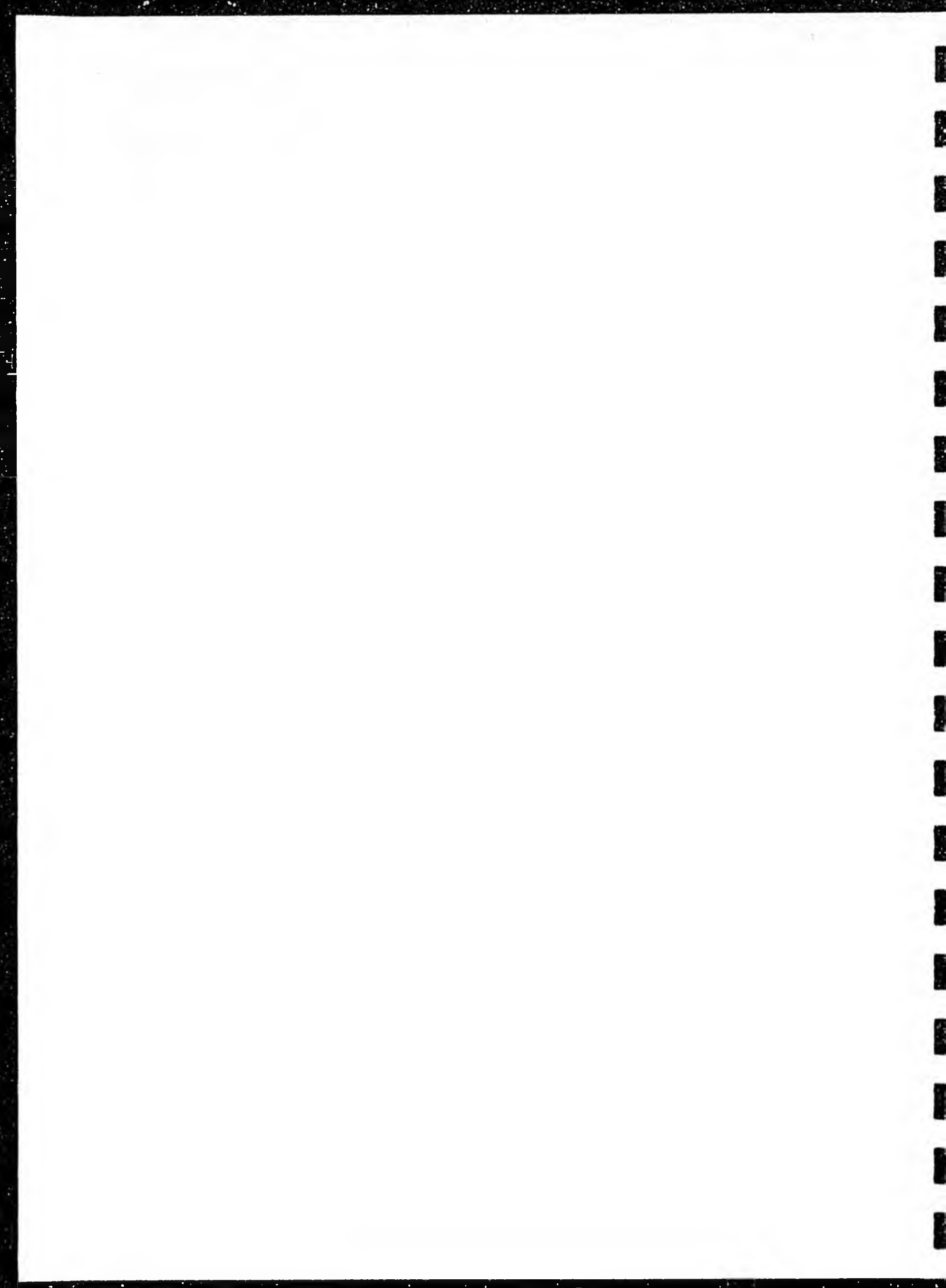
Financed and made Possible by the
Fairbanks North Star Borough, the
Economic Development Administration
of the United States Department of
Commerce and the State of Alaska
Department of Community and Regional
Affairs.


OVERALL ECONOMIC DEVELOPMENT PROGRAM FOR FAIRBANKS AND THE INTERIOR OF ALASKA



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Department of Community and Regional
Affairs.





**FAIRBANKS TOWN & VILLAGE
ASSOCIATION FOR DEVELOPMENT
INCORPORATED**

520 Fifth Avenue
P.O. Box 1267
Fairbanks, Alaska 99707
Phone (907) 452-4761 Ext. 278



Dear Friend:

At the time I became a member of the Association's Board of Directors in late 1974, the Association was shaking off the adverse effects of an uncertain and somewhat rocky beginning. By the time I was elected President in March of 1976, most of these problems had been resolved. I claim no credit for this. Rather it was a result primarily of continued financial support by the Economic Development Administration and the Fairbanks North Star Borough, and a unique combination of dedication, constant support and encouragement by four of the Corporation's Charter Members; Mr. Dodson, Mr. Wallis, Mr. Seeliger, Borough Mayor John Carlson - all of whom continue to serve on the Board of Directors - and by many years of similar dedication and hard, skillful work by our staff.

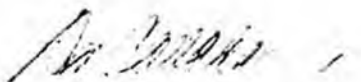
This has begun to pay major dividends to the people of the Interior. In the six months just past, the Association has been involved in a major expansion of our staff, our board, and our program into Agriculture, Airport Development, Regional Public Works and Transportation Development, Winterization and Energy Conservation, and, as part of our interest in Beaufort Sea Oil and Gas development, a significant role in financing construction of the new University of Alaska Museum.

One result of this expansion has been the opening of doors to our representatives at the highest levels of industry and government. A second more important result will become apparent during the 1978 construction season as public facilities are begun in several Interior Alaskan communities. Such expansion has associated risks, however, if we become too diffuse in our efforts, and if we fail to complete the projects and programs we have only recently begun.

Because economic development in the Interior during the period following pipeline construction will become more difficult and complicated rather than less, I believe, as President, that consolidation during the year ahead of the gains we have achieved during this period of expansion will help us avoid some of these risks and will better prepare us for the major challenges of the 1980's.

I should note that though we revise and update our OEDP each year, this is the first formal publication of an Overall Economic Development Program for the Interior since spring of 1974. As always we invite and welcome close public scrutiny and public comment concerning our operations and management in the hopes that it will yield an improved understanding of the needs and aspirations of the people of Interior Alaska.

Sincerely,



Don Callahan
President

METHODOLOGY

In preparing the Overall Economic Development Program for this year, the Association determined that it was necessary to try and convey a concise description of the overall policy, operations and management of the Association, and to confine detail work to the basic descriptions of our Projects and Programs.

We believe we have accomplished this, although we recognize that as a consequence the document itself contains little in the way of specific data on the physical, economic, governmental and social infrastructure, nor on the resources of the Interior of Alaska.

Since the District boundaries encompass a largely undeveloped area the size of the State of Texas, however, even the briefest presentation of such information tends to unnecessarily swell the document to unmanageable size.

Additionally much current information merely repeats information available in the Association's Initial Overall Economic Development Program of which we published in the spring of 1974. The Economic Development Administration does require this information, however, and we have chosen to respond to that requirement by making available, on request, supplementary documents which have evolved as a result of our development work on other projects. These are listed below.



Rynnieva Wescott,
Project Coordinator

SUPPLEMENTARY DOCUMENTS:

1. "Community Facilities Summary"; Published July 1, 1977.
2. "Final Report" Rural Impact Information Program; Published 7/1/77.
3. "Compiled Project Status Reports"; Published July 1, 1977.
4. Compiled "NEWSLETTERS" Rural Impact Information Program; Published July 1, 1977.
5. "Rural Airfields Sub-Committee Work Report"; Published 4/1/77.
6. "Bulk Fuel Storage Facilities Inventory"; Published June 1, 1977.

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*Dick Greuel
City Council
Fairbanks*

*Mellic Terwilliger
Tok Chamber of Commerce
Tok*

*Chris Anderson
Tanana Chiefs Conference
Fairbanks*

*Spud Williams
Tanana Chiefs Conference
Fairbanks*

*Rudy Hamilton
City of Shageluk
Shageluk*

*Wally Burnett
Vocational Education
Fairbanks*

*Bill Stringer
Borough Assembly
Fairbanks*

*Lee Fett
At-Large
Big Delta*

*Bonita Neiland
At-Large
Fairbanks*

photos helmar

INTRODUCTION

The Fairbanks Town and Village Association for Development, Incorporated is a non-profit corporation chartered under the laws of Alaska, and has been designated a tax-exempt corporation under Section 501 c (3) of the Internal Revenue Code.

The Association is involved with the long-range economic development of Interior Alaska; program and project assistance to communities and public interest organizations; business assistance; and public works financing.

In order to carry out these responsibilities, the Association has been officially designated as an Economic Development District by the Economic Development Administration of the United States Department of Commerce under Title IV (b) of the Federal Public Works and Economic Development Act of 1965.

The Economic Development Administration supplies the bulk of the Association's annual operating funds, and because of the district designation, public works construction projects within the Interior become eligible for EDA grants of up to 80% of total project costs.

Jurisdictional boundaries of the District are the same as those of Doyon, Limited, the Native regional corporation established under the authority of the Alaska Native Claims Settlement Act of 1971. These boundaries encompass an area of some 240,000 square miles.

Within these boundaries lie the City of Fairbanks, the Fairbanks North Star Borough and some 45 smaller cities, villages, and isolated settlements.

Policy and operating guidance for the Association is provided by a 31-member Board of Directors, all of whom are long-time residents of Interior Alaska. Directors are appointed by participating municipal governments, the Tanana Chiefs Conference, and public interest organizations designated in the Association's By-Laws.

Operating funds supplied for FY '77 include \$78,300 cash from EDA; \$54,914 cash from the Fairbanks North Star Borough; and approximately \$9,000 worth of office space.

During FY '78, operating funds are anticipated from EDA in the amount of \$78,300 cash; and have been committed by the Fairbanks North Star Borough in the amount of \$40,000 cash, and approximately \$11,520 worth of office space.

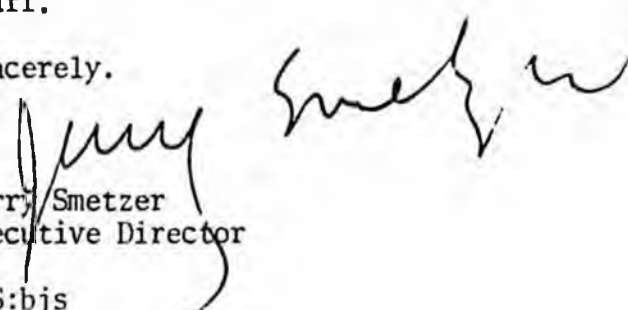
The Association regularly seeks financing from other public and private sources for its own special projects and programs, and the projects and programs of those whom it assists. The total dollar value of projects made possible as a result of these efforts to June 30, 1977 is in excess of three million dollars.

This document is being prepared in an attempt to resolve three problems currently facing the Association's staff and directors: (1) the recent nationwide EDA requirement for an extensive revision of the basic District Planning Document, the OEDP; (2) the persistent operational problem of identifying and productively allocating the Association's very scarce administrative resources; and, (3) an accurate but concise description of what and who the Association is, what it does, and how it does it.

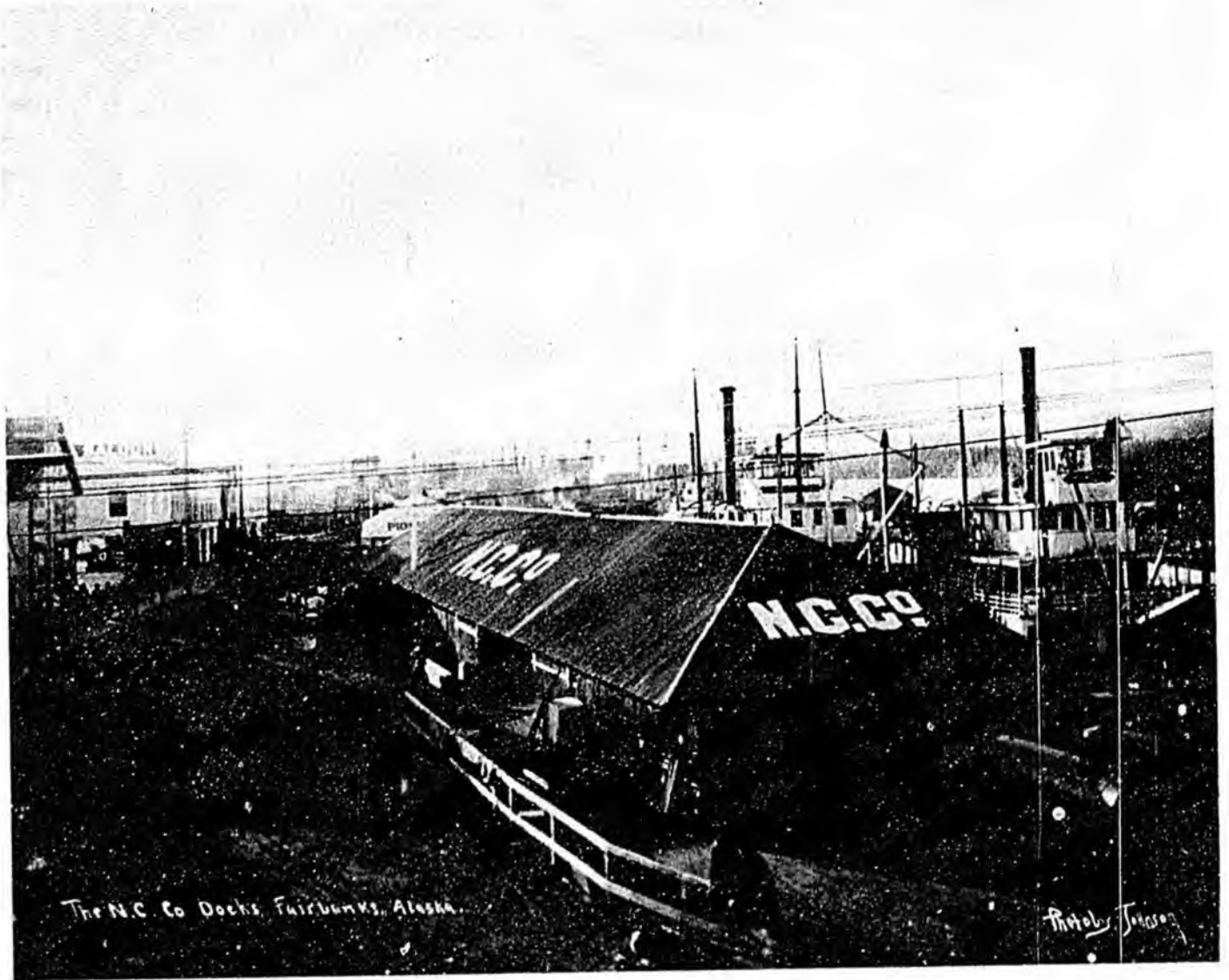
Clearly, the people who live and work in Interior Alaska are the intended recipients of whatever value we succeed in bringing to the Interior as a result of our efforts. All things of value have their costs, however, and the major responsibility of a citizen in a free society is judging value received against costs of acquisition. It is our intention with this document to help those citizens, the directors and staff of the Association, and those responsible for supplying our operating funds to make that critical judgement.

Finally, as always, the high quality of day to day work of the Fairbanks Town and Village Association is possible only because of the very high level of dedication and skill of the people who work with me on the staff.

Sincerely,


Jerry Smetzer
Executive Director

JES:bjs



1st Avenue near Cushman - Fairbanks, about 1910.
ralph mackay collection, university archives

READER'S NOTES



*Executive Committee Meeting - Fairbanks, June 29, 1977
Doyon, Ltd. Board Room. photo wescott*

ADMINISTRATIVE ORGANIZATION OF THE FAIRBANKS TOWN AND VILLAGE
ASSOCIATION FOR DEVELOPMENT, INCORPORATED

As a non-profit corporation, the Association's operations are constrained by the statutory requirements of Alaska Statutes Title 20, Non-Profit Corporations. Further constraints are imposed by our tax-exempt status under the authority of Section 501 c (3) of the Internal Revenue Code, and by the federal, state, and local contractual obligations and requirements of law which accompany our expenditures of public funds.

Ultimate responsibility and authority for all phases of the operation of the Fairbanks Town and Village Association for Development, Incorporated, including the hiring and firing of the professional staff, are vested in the Board of Directors, all of whom are residents of Interior Alaska.

Any resident of Interior Alaska is eligible to serve on the Board of Directors. The method of appointment to the Board is established in the Articles of Incorporation.

The Articles were carefully designed to enhance the public interest philosophy of the Association by emphasizing the representation of diverse geographic, social, political, and economic points of view among the Directors and guaranteeing Board majority comprised of elected public officials.

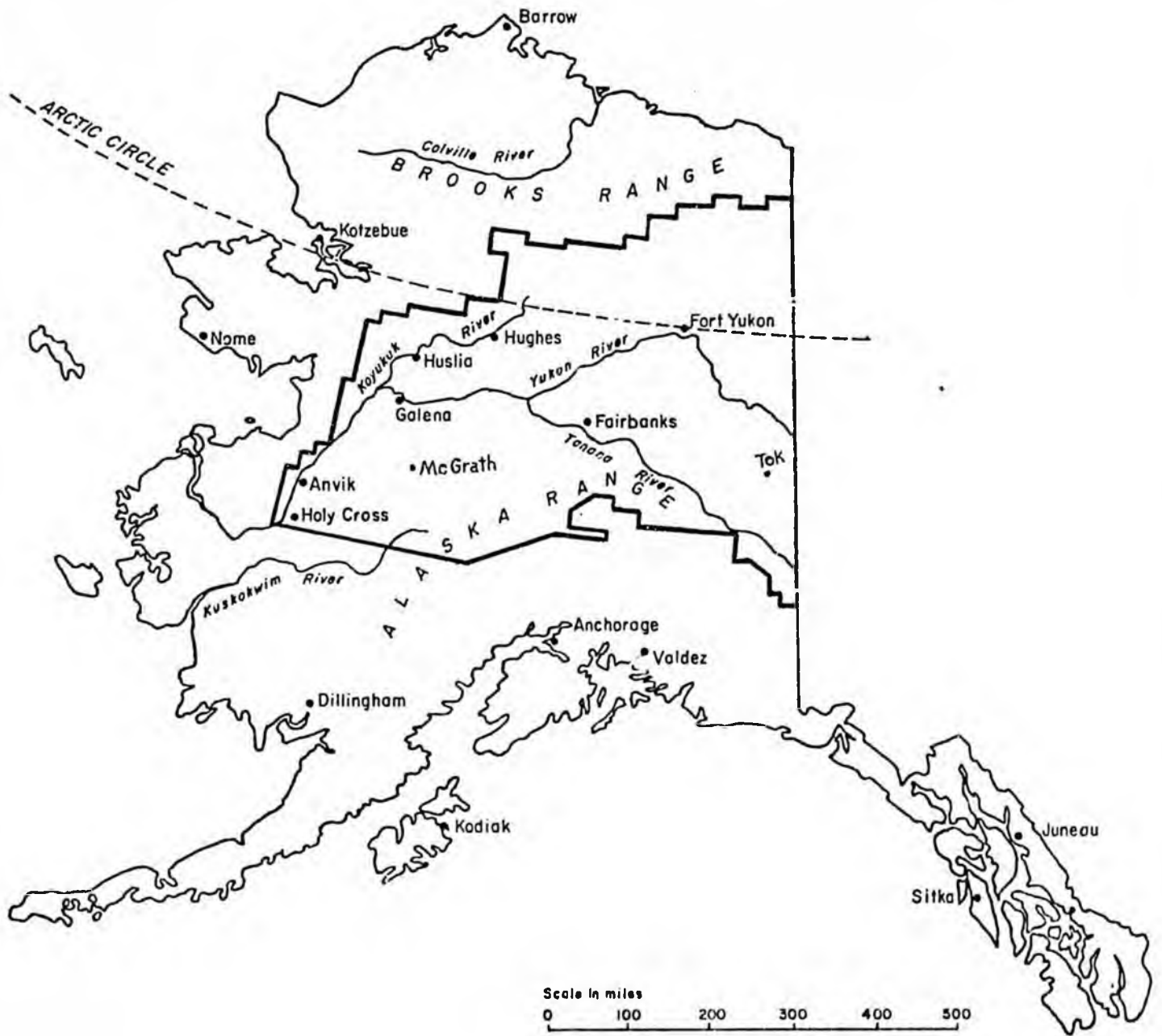
Appointments to the Board of Directors are made by municipal governments within the Interior by certain public interests, organizations designated in the Articles and By-Laws, and, under a restricted at-large concept, by the Board itself during its annual meeting.

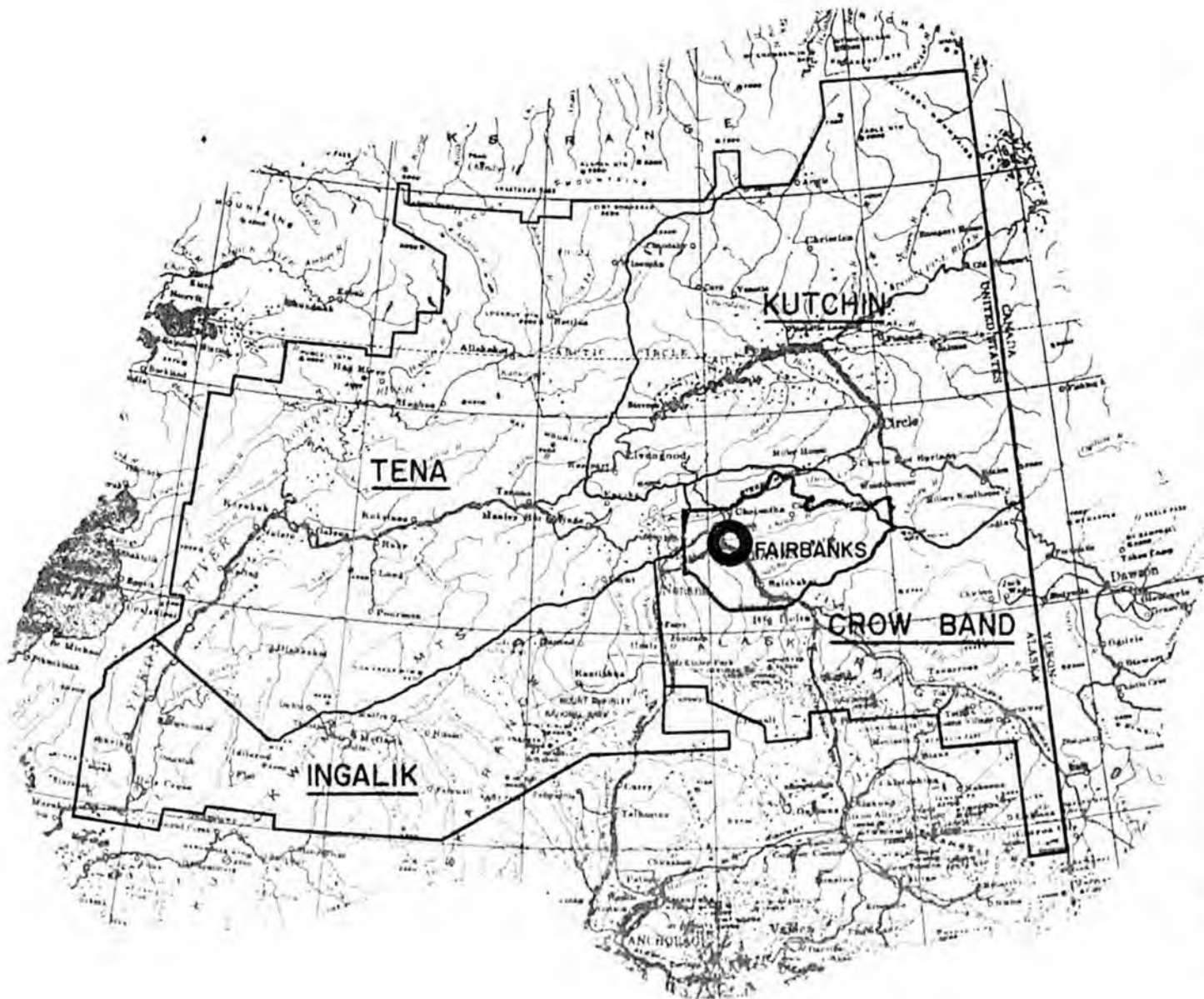
There is no limit on the number of Directors who may serve at one time on the Board. Currently there are 31 Directors serving on the Board.

The Articles of Incorporation encourage geographic representation on the Board, and, as a result, Directors live in communities scattered all over the 240,000 square miles of Interior Alaska. The Director living most distant from the Association's Fairbanks office is 600 miles away. Because of travel costs and unpredictable weather, however, regular meetings of the full Board are not feasible. The Articles of Incorporation, therefore, establish an Executive Committee which has the authority of the full Board when the full Board is not in session.

The Executive Committee is comprised of seven Directors including the President, Vice-President, Secretary, and Treasurer of the Association and three other Directors. The officers and the three members of the Executive Committee are elected each year at the annual Board meeting held in December.

Economic Development District Boundaries





INTERIOR ALASKA

This map shows the regional boundary of the Fairbanks Town and Village Association; Doyon, Ltd.; and the Tanana Chiefs Conference. The cultural and linguistic boundaries of the four sub-regions are also shown, as is the Fairbanks area--the region's growth center.

100 miles
SCALE

Normally the full board meets twice a year, once in December for general planning and business purposes, and again in March in order to establish project priorities and make preliminary decisions on the Association's operating budget during the coming year.

Interim decisions on behalf of the full board are made at quarterly meetings of the Executive Committee. Decisions requiring actions of the Executive Committee are, when meetings are impractical, made on the basis of mailed materials followed by telephone polling of each Executive Committee member by the Association's staff.

Responsibility for daily operations of the Association, and authority for the implementation of Board policy is vested in the Executive Director. Fiscal monitoring of expenditures is accomplished by means of an annual audit; and a co-signature by one of the four officers on each check written on the Association's accounts.

As a matter of preference, policy, and law, the Association maintains no copyrights and no proprietary interests in its work. All records, files, etc., are available to the public for inspection at any time.

TABLE I
PARTICIPATING ENTITIES

A. Municipalities with Representatives on FTVAD Board:

Allakaket	Ft. Yukon	McGrath	Nulato
Fairbanks	Galena	Nenana	Shageluk
FNSB	Grayling	North Pole	Tok

B. Other Communities with Representatives on the Board:

Arctic Village	Delta Junction
Circle City	Ruby

C. Other Participating Organizations with Representatives on the Board:

Tanana Chiefs Conference
N.A.A.C.P.
Tok Chamber of Commerce

TABLE II

Current Directors of the Association and current staff are listed below by title, appointing entity, occupation, and place of residence.

<u>NAME</u>	<u>REPRESENTING</u>	<u>OCCUPATION</u>	<u>RESIDENCE</u>
Don Callahan** President	At-Large Member	Fireman	Fairbanks
Spud Williams* ** Vice-President	Tanana Chiefs	Director, T.C.C. Housing Authority	Fairbanks
Al Seeliger** Secretary	Charter Member	Manager, Health Clinic	Fairbanks
Bill Stringer Treasurer	FNSB Assembly	FNSB Assemblyman Geophysicist	Fairbanks
James Dodson** Member, Executive Committee	Charter Member	Owner/Manager, Air Charter Service	Fairbanks
Bob Magnuson Member, Executive Committee	McGrath	Owner/Manager, Air Charter Service	McGrath
Tim Wallis* Member, Executive Committee	Charter Member	Pres., Doyon, Ltd.	Fairbanks
Chris Anderson* **	Tanana Chiefs	Dir., Village Gov't. Services	Fairbanks
Wally Burnett**	Vocational Education	Mgr., Polaris Investments	Fairbanks
John Carlson	FNSB	Mayor, FNSB	Fairbanks
Jack Coghill	Nenana	Fuel Oil Dis- tributor	Nenana
Larry Crowder**	Fairbanks	Engineer	Fairbanks
Eleanor David	Allakaket	City Clerk	Allakaket
Henry Deacon	Tanana Chiefs		Grayling
Douglas Euers**	At-Large Member	Lodge Owner	Tok
Lee Fett**	At-Large Member	Farmer	Delta Junction
Richard Greuel	Fairbanks	Real Estate Agent City Councilman	Fairbanks

<u>NAME</u>	<u>REPRESENTING</u>	<u>OCCUPATION</u>	<u>RESIDENCE</u>
Carl Guillaume	North Pole	City Councilman	North Pole
Kudolph "Hamilton"	Shageluk		Shageluk
Donald Honea*	Tanana Chiefs		Ruby
Allen John*	Tanana Chiefs	Village Chief	Circle City
Al Ketzler*	Tanana Chiefs	President, T.C.C.	Fairbanks
Joe Marshall*	NAACP, Fairbanks	City Councilman	Fairbanks
Bonita Neiland	At-Large Member	Botonist	Fairbanks
Gabriel Nicholi*	Grayling	Mayor, Trapper	Grayling
John Sanden	Galena	City Councilman Trapper	Galena
Jonathon Solomon* **	Tanana Chiefs	City Manager	Fort Yukon
Steve Squires**	At-Large Member	Minister	Delta Junction
Leonard Stickman*	Nulato	Mayor	Nulato
Mellie Terwilliger**	Tok	Storekeeper	Tok
Paul S. Williams* **	Tanana Chiefs		Arctic Village

* Member of a minority
 ** Private citizen

Staff as of July, 1977

Jerry Smetzer, Executive Director
 Rynnieva Wescott, Project Coordinator
 Janice Farrell, Community Projects Officer
 Barbara Sepelak, Secretary
 Nancy Perkins, Accounting Consultant
 Ron Ponchione, Carpenter/Advisor, Winterization Program
 Scott Bell, Carpenter Assistant, Winterization Program
 Michael Breese, Carpenter Assistant, Winterization Program

READER'S NOTES

Section II

HISTORY



INDIAN COUNCIL HELD AT FAIRBANKS, ALASKA, JULY 5TH & 6TH, 1915.
*Julius Pelt of Mexico, Alexander Titus, Mr. Spry, G. F. Crozier, Thomas Piggott, C. W. Phillips, Chief Alexander William, James
 Yal, Chief of Tanana, Chief Wilson, Evans, Chief Alexander, Evans, Chief Thomas, Menara, James Hildersham, Chief Isaac of Coakhat, Chief Charles of Akutan,
 Chief Joe, Sutchot, Chief John of Chena, John Fisher of Tanana, Mr. Guy H. Madara, Paul Williams of Tanana, Interpreter.*

Walter Phillips Collection University Archives

II. A HISTORY OF THE PROGRAM -

Fall, 1969 - Spring, 1973

The Economic Development Administration of the United States Department of Commerce has been active in the Interior of Alaska since it was first created by the Public Works and Economic Development Act of 1965. Election District Number 16, which at that time included the Fairbanks and Upper Yukon areas, was qualified by EDA on January 28, 1966 to receive special assistance from them in project development and overall planning assistance in the Interior of Alaska.

In 1966 the Fairbanks area was involved with the development of Alaska '67, the Alaska purchase centennial celebration. EDA's first public works grant in this community financed the exhibition hall at the Alaska '67 site which is now called Alaskaland. Alaskaland provides a focus for community activities year round, and is a major drawing card for summer tourists.

In late 1969, with the advent of the oil discoveries at Prudhoe Bay on Alaska's North Slope, EDA, at the invitation of public officials, native and community interest organizations in the Interior, helped initiate a community wide comprehensive planning process for Fairbanks and the Interior of Alaska. This process resulted in the creation of an Overall Economic Development Program which has been the cornerstone for subsequent EDA activity in this area. The first OEDP documents were published in April and July, 1970. In reviewing the document, EDA commented: "In terms of community involvement, this is a model OEDP. The planning is comprehensive, imaginative, and far sighted."

The some 70 participants in the preparation of the document identified the following as ten priority OEDP objectives of the Fairbanks Development Area. We are providing a statement of current status for each of these objectives.

1. Prepare a general economic development plan with a qualified economic planner for the Fairbanks Development Area including all of Interior Alaska.

With the creation of the Fairbanks Town and Village Association for Development, Incorporated, and the publication of the Initial Overall Economic Development Program for Interior Alaska, this objective has been met.

2. Fully develop the Fairbanks International Airport for intermodal transfer, southside improvement, and terminal completion.

A coordinated community development effort at the Fairbanks International Airport has been established by means of a citizen's committee formed by the mayor of the Fairbanks North Star Borough. The Association has received supplemental project financing from the borough, the

City of Fairbanks, and the State of Alaska and will work closely with the Fairbanks Metropolitan Airport Advisory Committee. The Town and Village Association, in its efforts to develop a consolidated intermodal air cargo transfer and storage facility at the airport hopes, if successful, to draw more attention to the airport and the critical need for infrastructural improvements and greatly expanded support facilities. The Association believes that the airport and adjacent Van Horn Road Industrial area is the key to the concept of Fairbanks as a supply and service center for Interior and Northern Alaska.

3. Add 1,000 new housing units in the Fairbanks area.

With the initial mobilization of pipeline construction, new housing construction proceeded rapidly. However, it is estimated by the federal Department of Housing and Urban Development that only 36% of the estimated housing requirement has been met.

4. Complete a public road to the North Slope.

The North Slope Road was constructed by Alyeska Pipeline Service Company, in order to provide an overland supply route for contractors building the pipeline. The question of whether the road will subsequently become a public road is now being debated by several agencies of the State of Alaska, including the Governor's recently formed Alaska Transportation Planning Council of which the Association's Executive Director is a member.

5. Provide 100,000 square feet of new office space to meet the expanding needs of downtown Fairbanks.

Some new office space was created, again in response to the office space requirements of Alyeska Pipeline Service Company; however the downtown Fairbanks area has gained little economic impetus from pipeline construction. Instead the community has seen its main development occurring in suburban service and shopping centers around the city. The deterioration of the downtown "core area" has become an issue of some concern, and there has been increasing talk of trying to "do something about downtown Fairbanks."

6. Protect Fairbanks from future flood disasters.

Presently the Corps of Engineers of the United States Army and the Fairbanks North Star Borough are involved in a ten year flood control project designed to protect the urban Fairbanks area which is also the growth center for the Interior. This project is on schedule.

7. Build a secondary sewage treatment plant to meet the sanitary needs of the Fairbanks area.

A major sewer improvement project is under construction by the City of Fairbanks and should be completely operational this year.

8. Bring water and sewer lines into an extended railroad industrial area.

The extended water line to the railroad industrial area has been complete, and a major water system expansion is proposed for the Van Horn Road Industrial area adjacent to the south city limits, and at the Fairbanks International Airport. Developing federal and state construction financing assistance for these projects constitute the highest priority public works projects of the Association.

9. Launch a campaign to stop the spread of air, water and esthetic pollution.

The initiative in the matter of environmental quality has come from the federal Environmental Protection Agency and the newly created State of Alaska Department of Environmental Conservation. The Fairbanks North Star Borough, in response to the publicly expressed need for an organized approach to environmental quality has created the Department of Environmental Services, which maintains air quality and solid waste control and works toward the improvement of the environment in the Fairbanks area.

10. Greensward the banks of the Chena River.

This project was not initiated, although there is continuing discussion of the esthetic problem of the Chena River and Noyes Slough, and its adverse effect on the community, particularly near the downtown area.

Spring, 1973 - Present

Following publication of the original OEDP, impending development of the petroleum resources of the North Slope dominated the thinking of the Fairbanks community and the need for a comprehensive planning process was pursued and resulted in the creation of the Economic Development District.

The District began operations in July of 1972 and was fully staffed in January of 1973.

The key issue at that time was the impending construction of the trans-Alaska pipeline and it was felt by the Association's Board of Directors that the key need was for a comprehensive process flexible enough to anticipate and respond to the rapid and massive increase in economic activity which was forecast for the area.

There was a corollary need to immediately develop the infrastructure of the communities in the Interior so they would be better able to absorb

the pressure of pipeline construction and respond to the needs of the petroleum industry and a rapidly expanding commercial sector.

A major obstacle in the way of community development in the rural areas particularly was the absence of concise, coordinated up to date information on rural communities, state and federal capital improvements programs and priority lists of urgently needed facilities. It is only within the past two years that the Association has been able to build up an information base adequate to support regional development programs.

Even though the immediate and massive nature of the pipeline construction project could have consumed all of the administrative resources of the Association, it was determined that a development program for the deflated post pipeline period was urgently needed, as was the longer term regional need to develop non-petroleum related basic industries.

This three phase development strategy was established in the "Initial Overall Economic Development Program for Interior Alaska." The document, published in the spring of 1974, provides the basic parameters of our work in the Interior.

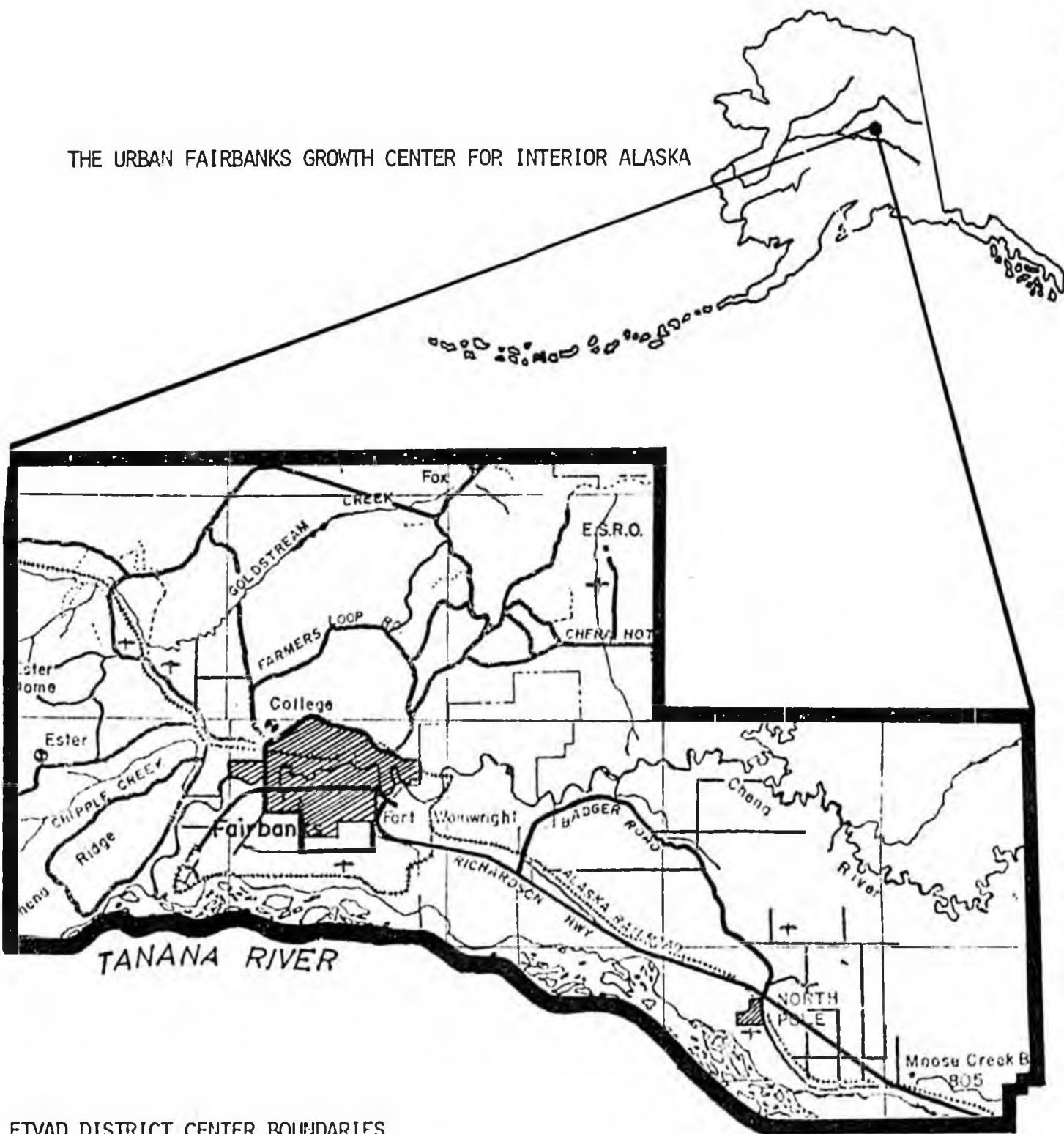
With respect to the first phase of the strategy, the Town and Village Association worked closely with the Social Concerns Committee of the Fairbanks Council of Churches in the conduct of two forums dealing with the pressure of pipeline construction on the community and its several social, economic and political effects, and worked closely with the Borough in the creation of the Impact Information Center. Subsequently, the Town and Village Association, with a grant from the State of Alaska Department of Community and Regional Affairs, set up a similar information processing function in the rural communities in Interior Alaska.

With respect to the second phase, the Association staff instituted an infrastructural development program within the Interior which was designed to improve the Interior's ability to handle the economic opportunities which became available with the construction and operation of the pipeline. Primary efforts within the growth center involved support for the creation of the North Star terminals area on Van Horn Road as



*1st and Cushman - Fairbanks, 1975
photo helmar*

THE URBAN FAIRBANKS GROWTH CENTER FOR INTERIOR ALASKA



FTVAD DISTRICT CENTER BOUNDARIES

the main supply center for Alyeska pipeline operations; the development of improved training facilities at the Hutchison Career Development Center; and the development of a consolidated intermodal air cargo transfer and storage facility at the Fairbanks International Airport.

The work of the Fairbanks Town and Village Association outside the growth center among the 45 scattered towns, villages and settlements of the Interior has always been complicated by vast distance, a lack of telephone communications and surface transportation links. Nevertheless by working closely with the regional native organizations, the mayors of small communities and other state and federal agencies with rural responsibilities, we have attempted to assist in the development of community infrastructures. To date we have worked closely with the Upper Tanana Regional Council on Alcoholism based in Tok, Alaska in the development of a community multipurpose building and with the Alaska Department of Highways in several small communities in the development of local service roads.

The passage in December, 1971 of the Alaska Native Claims Settlement Act with its emphasis on the supply of development capital and resource rich lands to the native people of Interior Alaska has created a force for local economic development in the rural Interior which has not been present heretofore.

The Association is well into the second phase of our development strategy, and in the near term we expect to concentrate heavily on the Fairbanks International Airport and the Van Horn Road area in the growth center. Water and sewer improvements in these areas are critically needed, and we will be working to see these improvements made.

In the rural areas beyond the growth center, the Association has begun a major program aimed at upgrading certain small community airports in the Interior.

The Association intends to continue working toward development of improved communication and transportation links between the urban Fairbanks area and the smaller rural communities; and better community facilities within these communities. It is our feeling that they too should be in a position to take advantage of the economic opportunities which are becoming available to them through ANCSA '71, and Alaska's explosive resource development.

The third phase of our strategy is now taking shape, and we hope by the end of 1978 to be fully involved in the development of non-petroleum related basic industries. The Association is particularly interested in agriculture in Big Delta and Nenana, Alaska and a major dimension spruce industry in the Interior.

The details of the strategy for the coming year are presented in the Public Works, Technical Assistance and Projects section of this document beginning on page 52.

Evaluation

In trying to honestly evaluate the success of the Economic Development District program in the Interior, we have, through our active membership in the National Association of Development Organizations, found little comparison with the experience of the other 150 or so active Economic Development Districts around the country. First of all, the territory represented by Alaska's single Economic Development District is as large as the State of Texas with nearly 45 small communities far-flung, remote and with no direct access to rail, highway or telephone systems. The construction of the massive trans-Alaska pipeline and the intense pressure on Interior communities to respond to the myriad effects of that project has swamped most attempts to try and coordinate and promote the long range development of the territory by the Fairbanks Town and Village Association and by others similarly engaged.

Even in matters of energy resource development "impact," the recent "Boom Town Conference" conducted by the National Association of Development Organizations in Salt Lake City underscored this lack of comparability with our problem and that of rapid energy resource projects in the Western states.

There simply can be no comparison between the rural areas of the United States, with their long established electricity and telephone systems, highway and railroad links, developed airports, established transportation, trucking and rail routes, etc., and the Interior of Alaska where these things are almost entirely absent.

Further, the boom town projects discussed at the conference compared in no way with the magnitude of the trans-Alaska pipeline. The largest of the projects discussed involved hundreds of millions of dollars and as many as 3,000 construction workers

None of the communities involved with these projects were more than a few hundred miles from an urban center of some size.

The trans-Alaska pipeline, with its current estimated costs of about 8 billion dollars, and its construction labor force in excess of 23,000 in 1975 and 19,000 in 1976, simply cannot be compared. The fact that the nearest urban center of any size is Seattle - over 2,300 road miles away - does not make the problem more manageable for the public officials



*Fairbanks and Interior Alaska; a one day Community Forum on Growth.
Fairbanks, 1975
photo murphy*

who must somehow weave public policy, coordinate public investments, and protect the public interests.

One noteworthy publication discussed at NADO's Boom Town Conference was a March, 1976 document published by the Department of Housing and Urban Development titled: "Rapid Growth From Energy Projects." On page two the following conclusion was reported by the Denver Research Institute which has been actively engaged in the analysis of boom town phenomena:

"An annual growth rate of ten percent strains local service capabilities. Above 15% seems to cause breakdowns in local and regional institutions."

Our problem in the Interior with the data emerging from the boom period is discussed in the section titled "The People and Economy of Interior Alaska," which follows on the next page. Suffice it to say here that we can see from our experience that the D.R.I. conclusions have considerable merit, and bear close evaluation.

Our efforts and those of the Fairbanks area, and communities generally of the Interior to see some coordination in their locally initiated development efforts has been further complicated by the general lack of coordination among federal agencies, and even more so a lack of interest by the federal government in coordinating federal resources to support local and regional efforts, and comprehensive programs.

We see little encouragement that improvements will be made during the period of gas pipeline construction just ahead. This is a critical policy question of some concern to many in Alaska. We hope to mitigate the problem somewhat by requesting the A-95 Review authority for federal assistance projects in the Interior of Alaska.

EDA has been a notable exception to this federal problem, and their continued support during these difficult years has been appreciated.

Despite the frustrations of the boom period, the Association believes its development strategy has withstood some very difficult tests and, with the financial assistance of the Economic Development Administration primarily, we believe we have brought many benefits to the Interior of Alaska.

We look forward to a continued evolution of our program, and to increased service to the people of Interior Alaska in the future.

THE URBAN FAIRBANKS AREA:
GROWTH CENTER FOR THE INTERIOR OF ALASKA

The theory of the function of a "growth center," or "centers" within an Economic Development District applies itself very well to the Interior of Alaska. The Association, in compliance with EDA guidelines on growth center selection, applied the theory to the urban Fairbanks area in 1974. Selection of Fairbanks as the growth center community was almost self-evident for historical reasons alone, inasmuch as Fairbanks has always been considered as the supply and service center for most of Interior and northern Alaska.

Much of the Association's subsequent development work in the Interior has been designed to help Fairbanks expand its vigorous economic base, so that it can more efficiently fulfill that role for the scattered communities of the Interior.

In selecting boundaries for the growth center the Association felt it necessary to go beyond existing city municipal boundaries to try and reflect the full extent of urban and suburban development within the Fairbanks North Star Borough. The Association also felt it was necessary to encompass within the boundaries the major factors in the community's economic base such as the University of Alaska, the Fairbanks International Airport, Fort Wainwright, the area protected by the new flood control project initiated following the disastrous 1967 flood, the new refinery at North Pole, developing agricultural areas, and the primary service areas of the three municipal governments in Alaska.



*courtesy alaska national bank
of the north*



Moving Freight into the Bush

*courtesy frontier flying
service and dawn swanson*

We believe this was accomplished in the final growth center boundaries which were developed by the Association, and, following extensive discussions in August, 1974, approved by the City of Fairbanks, the City of North Pole, the Fairbanks North Star Borough, and the Tanana Chiefs Conference.

The location of the growth center within the district is shown on the map on page 8, and actual growth center boundaries are shown on the map on page 18.

The Association remains satisfied with the growth center established in 1974, and sees no reason for contemplating change at this time.

One aspect of the growth center designations for the Interior which have not yet been fully explored are the official designations of growth centers in the rural areas outside the Fairbanks North Star Borough.

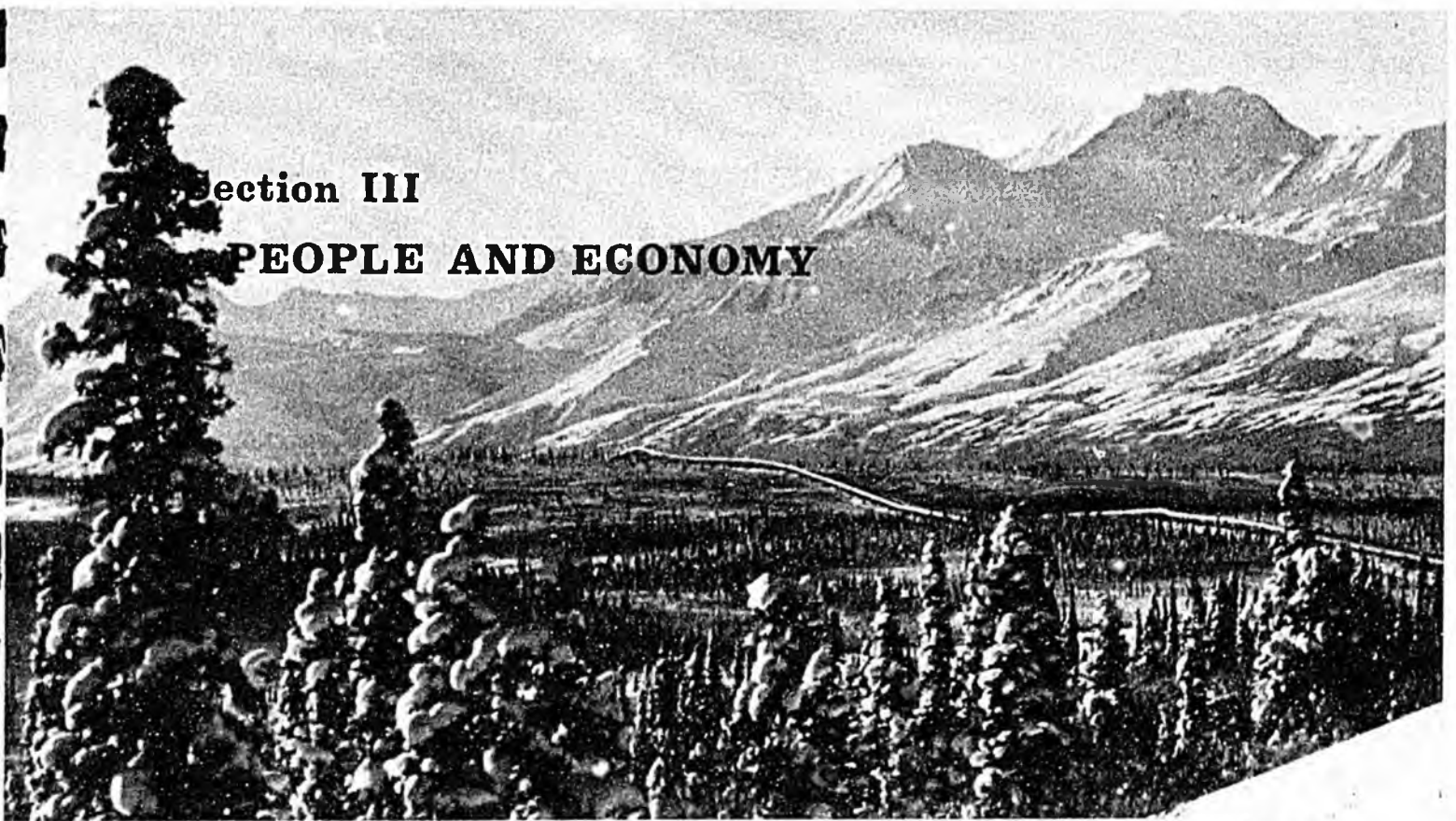
In 1974 the Association proposed several of these communities as possible growth centers in our Initial OEDP.

These communities are: Tok, Big Delta/Delta Junction, Nenana, Tanana, Fort Yukon, Galena, McGrath and Bettles. Though officials in these communities have not requested formal growth center designations the Association will evaluate their requests and decide whether or not they can qualify for designation whenever they choose to initiate discussions.

READER'S NOTES

Section III

PEOPLE AND ECONOMY



Trans Alaska Pipeline - Delta

photos helmar



Gold dredge - Fairbanks



Trading - Galena

III. THE PEOPLE AND ECONOMY OF INTERIOR ALASKA

Guidelines for this section of the OEDP ask for an indepth analysis of relevant socio-economic data from the Census Bureau, the state agency affiliated with the U.S. Department of Labor and other sources as well as additional local research concerning the District as a whole.

Since the Association is not involved in gathering original data, we must use data and analysis supplied to us by others. In reviewing available data for the revised OEDP, some major discrepancies appear which have caused considerable skepticism about the reliability of several statistical indicators.

The most serious problem involves the federal census estimates which have been prepared annually by the Bureau of Census since the census count in 1970. Alaska population is estimated by the Bureau of Census on July 1, 1975 at 352,000 persons. The State of Alaska Department of Labor estimates total Alaska statewide population at 404,634 on the same date. A discrepancy of this magnitude renders corollary population and demographic analysis almost useless. Preliminary estimates of the population of Alaska on July 1, 1976, released by the Alaska Department of Labor are set at 423,900 persons.

Information received from the federal Bureau of Census indicates that a revised July 1, 1975 estimate for Alaska is being prepared and should more nearly match the State of Alaska Department of Labor estimate. An effort to correct this problem by requesting the Bureau of Census to perform a mid term census failed when the Alaska Legislature determined that the \$750,000.00 payment requested by the Bureau of Census for the work was prohibitive given the other demands for state spending.

Though there is official uncertainty about population, a preliminary analysis of the effects of construction of the proposed trans-Alaska gas pipeline on Alaska, prepared by the state's Department of Labor, does project population and labor force composition by SIC code and by area for the period 1974-1983.

The analysis titled: "The Trans-Alaska Gas Pipeline Project," uses what is called a disaggregated economic base model which relates the level of economic activity within a given region to the aggregate demand for the region's products. According to the report, the model is a refined version of the model adopted by Alyeska Pipeline Company in its projections of the socio-economic effects of trans-Alaska pipeline construction.

The estimates and projections from the Department of Labor report, which are presented below, provide the only published information relating current population and labor force composition for the Fairbanks area.

TABLE I

Fairbanks' annual average work force and population projections for the period 1974-1977 with no gas pipeline:

	1974	1975	1976	1977
Population	60,600	68,900	73,300	74,000
Work Force	21,500	26,400	28,700	29,500
Employed	19,100	22,900	24,400	24,800
Unemployment Rate	11.2%	13.6%	15%	16.2%

Assuming the gas pipeline is scheduled for 1977 construction start, the analysis projects no changes in 1974, 1975 and 1976, but projects the following changes in 1977:

Population	75,300
Work Force	30,100
Employed	25,200
Unemployment Rate	16.6%

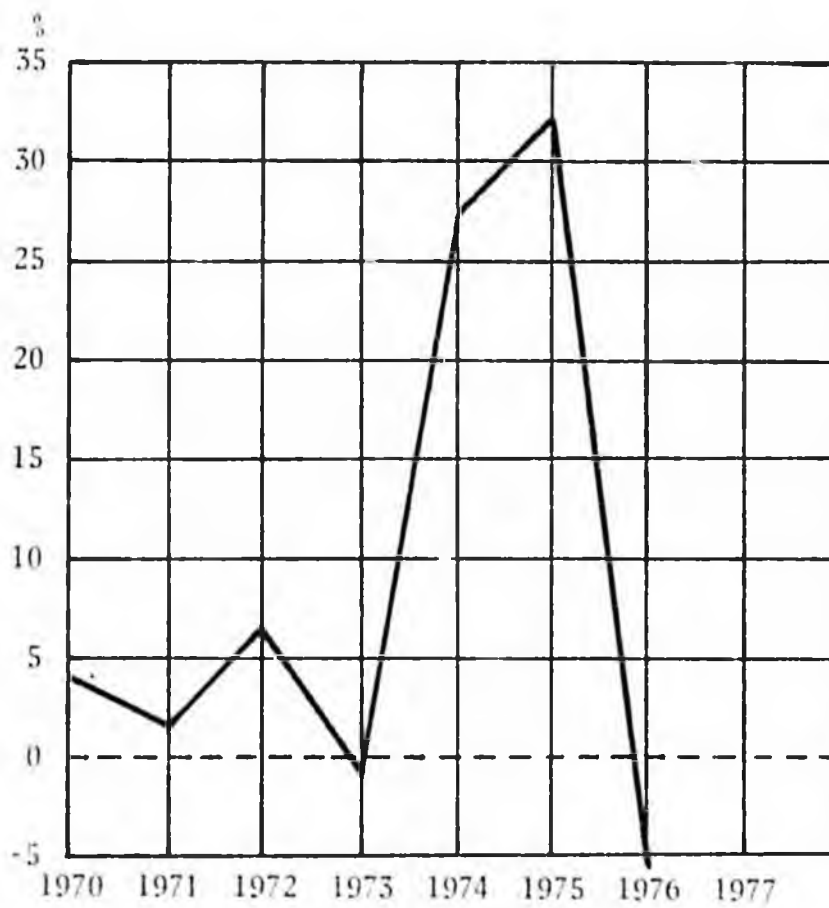
The 1976 Labor Force Composition projection for Fairbanks is presented with labor force statistics from the full year 1974 -- the latest full year for which complete statistics have been compiled and published -- in appendix C.

In the supercharged atmosphere of pipeline construction, and given the lack of reliable, up to date statistics, we are reluctant to draw conclusions concerning the present size and composition of the population and labor force.

Population estimates in particular are the foundation for the development of demographic analysis, which form, in turn, the basis for judgments on the significance of economic indicators. The economic indicators, for better or worse, are inevitably cited by elected officials in support of or in opposition to the investment of public funds, particularly the investment of public funds for construction of publicly owned or publicly maintained capital improvements.

Because of the considerably higher level and long term commitments of public funds involved in public facilities for initial construction, and long term maintenance and operations, economic indicators play a larger role in investment decisions, than they do in program oriented operations of government.

Because of the undifferentiated phenomena known as "pipeline impact," the Fairbanks Town and Village Association, and others in the Interior who play some role in the public facilities development process, are rapidly entering a period where decisions involving tens of millions of dollars in outlays for construction of public facilities must be made.

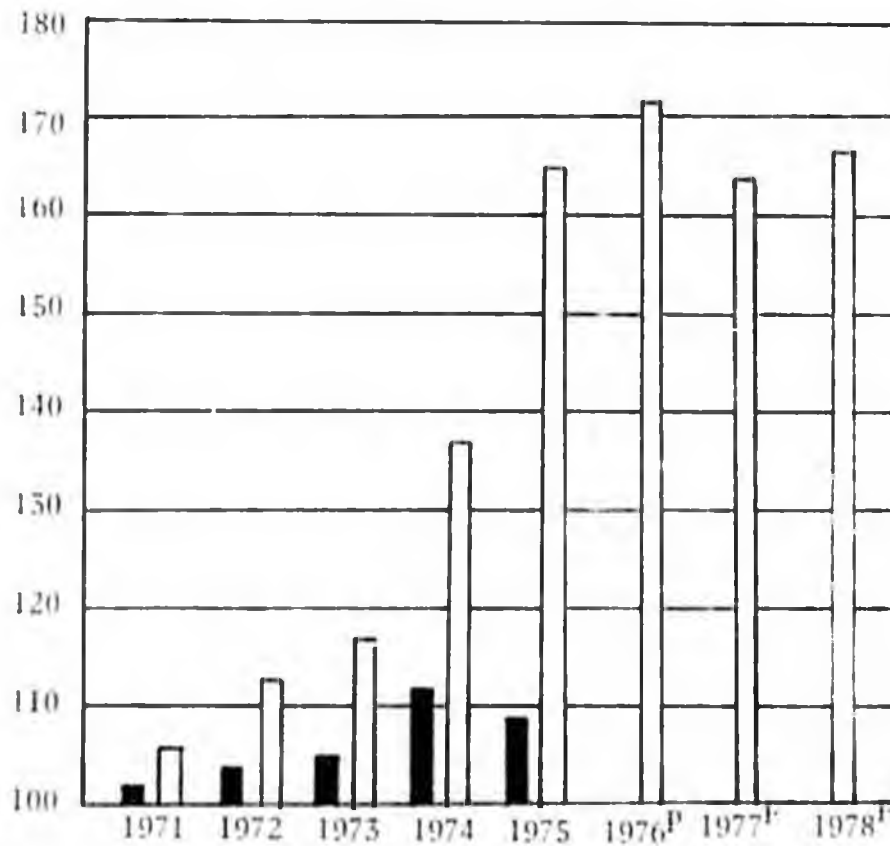


FAIRBANKS LABOR AREA
NON-AGRICULTURAL WAGE
AND SALARIED EMPLOYMENT

(1970 - 1977)

PERCENT CHANGE FROM
PRECEDING YEAR

Source: Alaska Dept. of
Labor



COMPARISON OF U.S.
AND ALASKA EMPLOYMENT
LEVEL CHANGES

1971 - 1978

■ U.S.
□ Alaska

P = Preliminary
F = Forecast

Where differences of a percentage point or two can affect the life cycle costs of a single facility by millions of dollars, accurate, current economic data on which to base projected costs, and accurate population data and projections on which to base taxation, revenue and usage projections, and pay back schedules are critically needed. Existing information, though available from many sources, is not sufficiently reliable as a basis for public works decisions, or public policy in general, because of the deficiencies in the population estimates.

Worse, because of the present deficiencies and official disagreement in the key data element - population - we are in no position to make the kind of judgments that are necessary to gain the best facility from the increasingly scarce public funds that taxpayers are willing to approve for these purposes.

Many statistics, though similarly outdated, indicate dramatic increases in certain categories of economic activity. Obviously much of the indicated increases are attributable to the effects of the pipeline construction, but in the absence of more refined data it is impossible to separate the effect of pipeline construction on the statistics from "normal" growth patterns in the state, and inflationary pressures which have national and international roots.

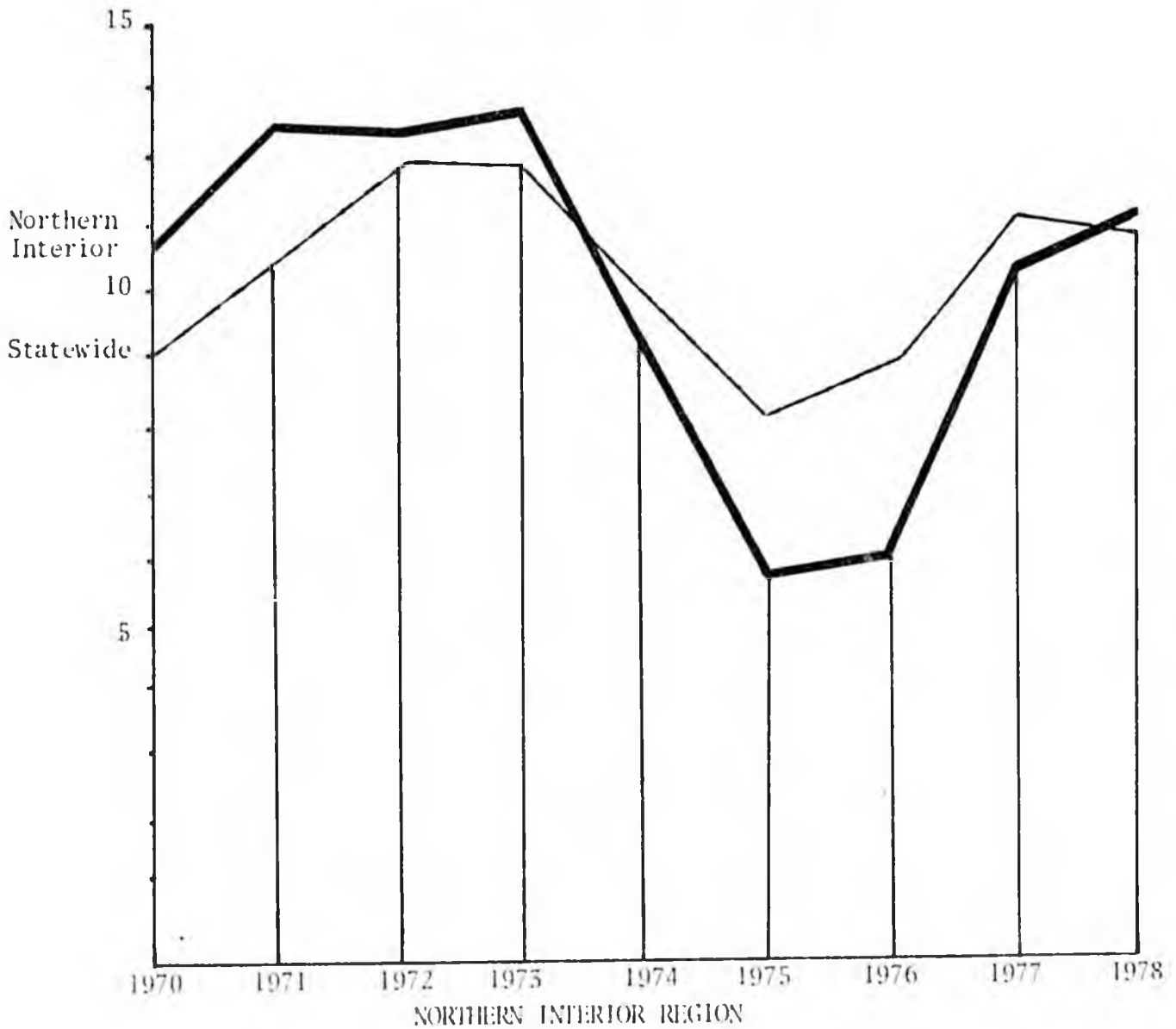
Without data which would enable public officials to differentiate between the causes of these increases - all of which have their concomitant requirements for new and upgraded public facilities - it is difficult to make a public case for the assignment of some part of the public costs of these increases to the main causes of them.

These comments should not be interpreted to mean however, that there were no efforts to investigate the effects of the pipeline on Fairbanks. The Fairbanks North Star Borough, for example, has operated an Impact Information Center since June of 1974. The center continues to prepare regular reports on a wide variety of social, economic and governmental factors affected directly or indirectly by construction of the pipeline. These reports are prepared by a skilled information specialist generally using existing data. They are publicly reviewed by a community Impact Advisory Committee and are widely disseminated via periodicals, news media, and an extensive mailing list.

In the rural areas of the Interior, the Association conducts a Rural Impact Information Program which is similar in reporting format to the Impact Information Center, and coordinated with it. This program has been financed during the 1976 and 1977 fiscal years by direct appropriation from the Alaska Legislature.

Funds for both these programs have been minimal during the period of pipeline construction, and neither program was designed for in-depth research and analysis. Nevertheless the continuous monthly public discussion and recording of impact phenomena, even though generally lacking in detail and in-depth analysis, has provided an invaluable source of information which is the only guide available for future

COMPARISON OF UNEMPLOYMENT RATES



Year	Labor Force	Amount of Change	Employment	Amount of Change	Unemployment Rate
1970	20,242	---	18,102	---	10.57
1971	20,681	439	18,115	11	12.42
1972	21,908	1,227	19,208	1,095	12.32
1973	22,051	145	19,275	67	12.59
1974	28,278	6,227	25,629	6,354	9.37
1975	44,203	15,925	41,705	16,076	5.65
1976	48,741	4,538	45,826	4,121	5.98
1977	38,716	-10,025	34,737	-11,089	10.28
1978	38,188	-528	33,999	-738	10.97

public policy and public investment decisions in the Interior.

Both programs were initially financed with grants from the State of Alaska Department of Community and Regional Affairs out of an impact fund created by the Alaska Legislature in 1974, and have been continued through June 30 of this year.

Part of the lack of data problem stems from certain widely accepted assumptions about "pipeline impact" which were prevalent prior to construction mobilization. With respect to statistics generally which have been compiled since 1972, it is important to understand that virtually all projections made at the beginning of that period have fallen far short of the evidence in the outdated statistical reports available in mid-1977.

As one example, a population projection prepared in May of 1973 for all of Interior, North and Northwest Alaska showed a population in 1975 of 84,100. Estimates prepared by the Department of Labor for 1975 and just published show a population in the Interior alone of 81,335, with an additional 17,662 in the northern and northwest portions of the state for a total estimated population for Interior, Northern and Northwest Alaska of 98,907.

Another significant discrepancy resulted from the most authoritative source of social and economic projections concerning pipeline impact - a massive three volume report financed by Alyeska Pipeline Service Company, published in September, 1972, and titled: A Study of the Economic and Sociological Impact of Construction and Initial Operation of the Trans-Alaska Pipeline. The document forecast a peak 1975 direct project employment level of 6,500. According to an April, 1976 report, actual direct project employment during 1975 exceeded 23,000.

The authoritative nature of the document was such that it became the key planning document used by all governmental entities in Alaska with responsibilities for public responses to the pipeline. Prevailing institutional public and private thinking about the pipeline was such that the central thesis of the report was readily accepted, and the projections therefore, quickly assimilated into the public decision making process.

This thesis and its official acceptance by the State of Alaska should be noted here.

From "Conclusions," page 38 of Volume I of the Alyeska study:

"The most general impact is the achievement of a given level of activity two to three years earlier than would be achieved without the construction impact in the normal growing economy (of Alaska)."

The State of Alaska's official acceptance of this thesis appears on page 11 of a pamphlet titled: Pipeline Impact, prepared by the Governor's Office of Planning and Research in January, 1974:

"All studies have indicated that the urban areas of Anchorage and Fairbanks will have the greatest growth in terms of absolute numbers of people. Fortunately, the existing infrastructure of these communities should, with some minimal "beefing-up," be adequate to absorb the anticipated in-migration."

Funds for the "...minimal 'beefing-up,'" became available in a legislative enactment designed to provide impact grant assistance to municipalities which could not immediately meet the costs of "impacted" public services.

The Department of Community and Regional Affairs, which administered the impact fund, prepared a report on state expenditures under the program in 1976. The report contains some startling observations about the actual costs to the public of the pipeline, and creates serious doubts about the wisdom of the "accelerated growth" hypothesis of the pre-mobilization period.

Relevant excerpts from the report, titled: Report on FY-75 Trans-Alaska Pipeline Impact Expenditure by State and Local Governments, follow.

Page 21 of the report states:

"There is little evidence that public service and facility capacity will be adequate at current levels to meet post-Alyeska demands. The Department of the Interior has predicted that the supply of housing and public utilities will not have expanded sufficiently to meet the post-pipeline needs. In this study, the Department of the Interior found that neither Anchorage nor Fairbanks has developed adequate housing, utility or transportation systems required to meet Alyeska-induced demands and that a large scale gas pipeline project will further overburden those systems. These findings suggest additional public costs of both capital and operating nature."

With respect to housing, the report quotes Report No. 22 prepared by the Fairbanks North Star Borough Pipeline Impact Information Center, published November 19, 1975:

"Housing starts in 1975 are well below the level projected by the HUD to meet the Fairbanks region's pipeline generated housing needs."

"With only one construction season remaining before HUD's April 1, 1977 target date, only 36% of the necessary housing starts have been recorded."

Report No. 20 of the Fairbanks North Star Borough Impact Information Center dated September 17, 1975 states as follows:

"Fairbanks Municipal Utilities System water treatment plants are operating regularly at or near design capacity. In the month of July for example, MUS delivered amounts of water in excess of design capacity approximately one half of the month with one plant operating at 122% of rated capacity for the entire month."

With respect to electricity, as cited in Report No. 23, dated January 21, 1976:

"The peak load demand for electricity in the Golden Valley Electric Association has increased 64% since pipeline construction began. New service connections during 1975 are 2 1/2 times the 1973 level. In the past two years total service connections have increased by approximately 38%."

With respect also to electrical generation, it should be noted that Golden Valley Electric Association has recently received approval for increases in its basic rate structure which resulted in electricity rates and payments of electric bills as much as 78% higher than the bills in 1975. Because of the so-called "fuel surcharge" levied by GVEA in 1974, monthly electricity bills increased around 100% in electrically heated homes over the year before.

The Community and Regional Affairs report points out:

"The importance of these increases in demand for public utilities is that assumptions that added demands can be easily absorbed by present facilities are not valid. The economies of scale or marginal costs projected in association with the continued population growth resulting from large scale construction projects do not adequately consider the present capacities and facility make-up of local utility systems."

A final hidden public cost which can be tied directly to the Alyeska pipeline project concerns the dramatic inflation of public works project costs. To quote again from the Department of Community and Regional Affairs report:

"An analysis of the State parking garage project in Fairbanks by the Legislative Budget and Audit Committee indicates the inflationary effect of the attractive wages paid by the Alyeska project and its high material and transportation service needs. The parking garage, originally designed as a four story structure, costing \$3,648,550.00 has to be redesigned as a two story structure, costing \$4,165,550.00. The Budget and Audit Committee found that a one year delay in start of construction from an early 1974 pre-Alyeska date to the 1975 season resulted in an increase of 15% for materials costs and nearly 100% for labor costs."

With respect to labor costs, the Department of Community and Regional Affairs report cites:

"The attraction of skilled personnel to the Alyeska pipeline project has had effects which have been felt state-wide. This competition with the Alyeska pipeline for qualified employees has, in some cases, forced municipalities to increase wage levels nearer to Alyeska levels. The effect on local costs is obvious."

"A less obvious effect of this competition results from the inability of a number of communities to increase wages to competitive levels, thereby losing skilled public employees. These communities may be unable to find suitable replacements in the near future. The quality of public services in these areas, then, may deteriorate for some time."

With respect to prices, the Community and Regional Affairs report states as follows:

"Prices in Anchorage, [the only city in Alaska with a Cost Price Index] already much higher than the United States' average national dollar figures, have also increased much more rapidly during the Alyeska construction period than the United States price index. It is noteworthy that this is the first time the Consumer Price Index for Anchorage has risen faster than national levels since Alaska statehood."

These findings clearly suggest that massive public investment in new and vastly expanded public facilities must be initiated rapidly in order to meet the quantum leaps in the demand for public services. To defer these public investments means that their costs -- which are almost beyond the limits of political acceptance already -- will rapidly escalate beyond state and local governments' actual financial ability to absorb them. More precisely, given the institutional and political reluctance to confront this problem directly, it is likely that present levels of service will simply deteriorate to the point where the community can no longer reasonably guarantee clean water, public safety, basic health, telephones, electricity, school buildings, roads, etc., at a price the average tax-paying citizen can afford.

Obviously some profound questions of public policy are enfolded within this issue, and they are not necessarily unique in this case, to Fairbanks.

Because of the potentially massive costs involved, it is better to begin some coordinated discussions now about allocating public resources for urgently needed improvements for public facilities, rather than later when one of them gives out permanently under the continuous and increasing demands of what appears to be explosive population growth accompanying rapid energy resource development projects in Alaska.

Although not much research has been done on these questions in Alaska, there is nevertheless, considerable research into so-called "Boom Town" phenomena in the Western states. One organization, the Denver Research Institute, has extensively analyzed these phenomena and has issued a general statement which bears mentioning here:

"An annual growth rate of 10% strains local service capabilities. Above 15% seems to cause breakdowns in local and regional institutions."

Increases in several economic indicators have already been discussed in this section. Some of those, as well as some not yet mentioned, are listed here with their annual rates of increase computed.

	1970	1972	1974	1975	1976	1980
Interior Alaska population	56,500	56,400	60,700 60,600	66,500 68,900	73,300	70,000* 76,300**
				81,335***		

Source: State of Alaska, Department of Labor

* Projection prepared March, 1974

** Projection issued Spring, 1976 - No publication date, assumes no gas pipeline is constructed. If gas pipeline construction is assumed, projected 1979 population is shown as 80,800, and 1982 population as 88,000.

*** Population estimate for July 1, 1975.

Fairbanks Traffic Up an average of 19% between May, 1975 and May, 1976.

Fairbanks Bank Deposits Up 128% between 1972 and 1975.

Source: Fairbanks North Star Borough Impact Information Center, Report No. 29.

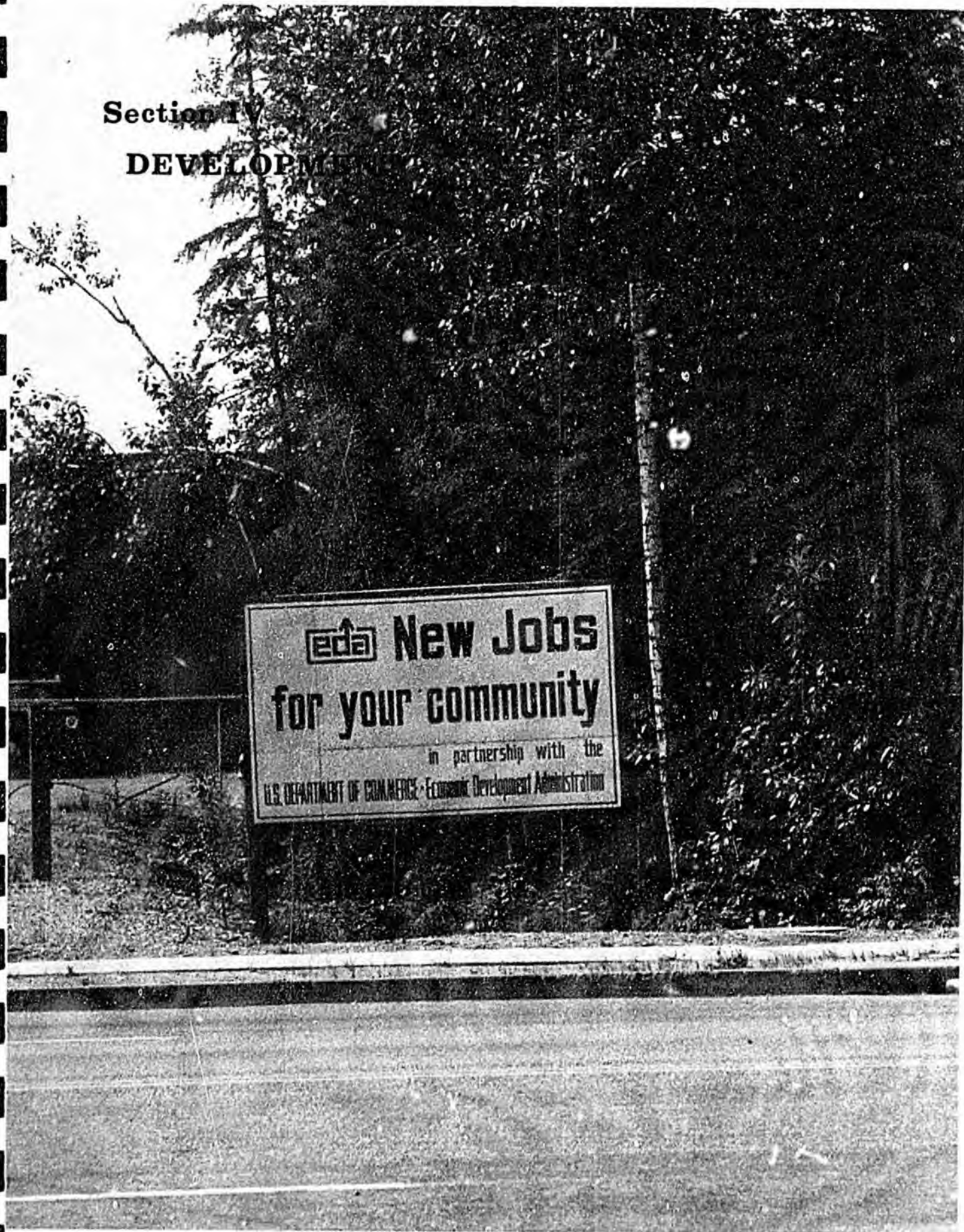
Average weekly earnings in the construction industry October, 1974 - October, 1975
\$650.00 - \$975.00

Source: The Alaskan Economy; A Performance Report - 1975.

READER'S NOTES

Section IV

DEVELOPMENT



Site of the Hutchinson Career
Development Center - Fairbanks

photo wescott



POLICY & GOALS



*Fairbanks and Interior Alaska; a
one day Community Forum on Growth.
Fairbanks, 1975
photos helmar*

GENERAL POLICY AND GOALS OF THE ASSOCIATION

Interior Alaska

Five Issues

- An isolated geographic area the size of Texas, 2,200 road miles from the nearest other state.
- An urban center characterized by abnormally high unemployment and 45 cities, villages, and settlements, unconnected by roads, rails, or telephones.
- Rural unemployment officially and persistently between 15% and 25%, and unofficially as high as 80%.
- An economic history of boom and bust, heavy federal involvement, and resource exploitation.
- A regional population characterized by a strong Indian cultural tradition, pioneer traditions and attitudes, high levels of education, newcomers, and transients, all bound by a reverence for the physical beauty of the Interior.

The Fairbanks Town and Village Association for Development, Incorporated, was founded in order to carry out the following task:

Develop regional communication, planning, project development, and resource coordination structures linking the rural and urban communities, the governing and commercial institutions, and public interest organizations of Interior Alaska in order to strengthen the Interior's economy, and foster the long-term development of the region's economic base.

As a corollary, it is also the intent of the Directors to foster information exchange, dialogue, and debate on important economic development issues facing Interior Alaskans, and furthermore, to foster the resolution of conflicts and the advocacy of common interests among rural and urban interests in Interior Alaska.

The Short Term

From the Initial Overall Economic Development Program for Interior Alaska, published Spring, 1974:

Goal: Recognizing that construction and operation of the proposed trans-Alaska pipeline is the most significant and most immediate economic development issue facing Interior Alaska, it is necessary to investigate issues relating to the pipeline and devise means of

mitigating short run disruptions and maximizing long run benefits for Interior Alaskans.

This goal was conceptualized shortly after Congressional action authorizing construction of the trans-Alaska pipeline, and was published as equipment was being mobilized for the first season of pipeline construction.

At this writing the first crude oil from the field at Prudhoe Bay is in the recently completed trans-Alaska pipeline and is expected to arrive at the Valdez terminal about the same day this document will be published in Fairbanks.

It is appropriate therefore that the Association evaluate our success since Spring, 1974 in meeting our short term goal, and that we recast our short term goal for the coming two or three years in terms of our stated intermediate goal in 1974.

Evaluation

At the beginning of operations of the Fairbanks Town and Village Association in 1972, it was thought the most important economic development issue facing the region was related to the impending construction of the trans-Alaska oil pipeline. From the first days therefore, the Association has concentrated much of its efforts on the problem of gathering data relevant to the pipeline and its impact on the communities of Interior Alaska, and on changes in the policy making and decision making structure in the community so that necessary responses could be made in a timely way.

"Fortunately, the existing infrastructure of these communities should, with some minimal 'beefing up,' be adequate to absorb the anticipated in-migration."

A key to this effort to "negate short run disruptions and maximize long run benefits" was a development of services of information directly relevant to the impact of the pipeline on the urban Fairbanks area and the rural communities of Interior Alaska. Through the efforts of the Fairbanks Town and Village Association in late 1973 and early 1974, jointly with others vitally interested in the question of "pipeline impact" on the several communities in the Interior, the two programs were created to carry out this function. The main urban program was the Impact Information Center which operated continuously from June, 1974 through June, 1977. A rural counterpart to the Impact Information Center was also created and operated directly by the Fairbanks Town and Village Association. This was titled the Rural Impact Information Program and it sought to perform a similar and related function in the

rural areas of the Interior. This program was operated, as funds permitted, continuously from March, 1975 to June, 1977.

Another aspect of the continuous data gathering, evaluation, analysis and dissemination involved the development of two community forums. These forums were developed jointly by the Fairbanks Town and Village Association and the Social Concerns Committee of the Fairbanks Council of Churches. They involved broadly based public discussions of impact information and general attitudes about the pipeline. Both were held in Fairbanks, one in February, 1974, and one in April, 1975, and were extensively covered by print and broadcast journalists.

"...the Department of Interior found that neither Anchorage nor Fairbanks has developed adequate housing, utility or transportation systems required to meet Alyeska demands and that a large scale gas pipeline project will further overburden those systems."

The Impact Information programs continually produced information and data relevant to pipeline impact on the several communities of Interior Alaska. Both have gained national and international attention as firsts of their kind. During the coming year, we expect to spend some time evaluating this information in terms of a municipal and regional mechanism dealing with subsequent massive petroleum resource projects. This information and the policies and institutional structures which may evolve based on a thorough evaluation of the information, will enable us to more effectively predict the impact of the petroleum resource development on the intermediate goal, broadening the infrastructure in the Interior.

These programs were extensively documented and will remain available for study. The materials provide a comprehensive record of the communities' experience with a unique problem of local government and economic development.

The Intermediate Term

From the Initial Overall Economic Development Program for Interior Alaska, published Spring, 1974:

Goal: Recognizing that Interior Alaska now faces potentially rapid development, it is necessary to realize that sound economic development depends on five (5) factors that are inseparable and inter-related. Those are:

- a. Transportation
- b. Communications
- c. Identified natural resource in commercial quantities
- d. Inexpensive, plentiful energy
- e. Financing

Fish, timber and agricultural resources worldwide may be subject to rapidly increasing demands during the next five (5) years. Developing Interior Alaska's huge potential in these areas will depend absolutely on the identification and development of the most efficient, modern and technologically advanced systems of transportation, communication and power generation. Finding these systems of devising ways of using them in Interior Alaska is the highest priority intermediate goal of the District.

Evaluation

It is appropriate that transportation heads the list of economic development factors bearing on our long range goal of strengthening the economic base. The Association is heavily involved in the development of the Interior's transportation system and will be for the foreseeable future, largely because of our long term goal which is discussed subsequently.

Because of the complexity of communications systems, the Association has had less of a role to play than with transportation. We firmly believe, however, that of all the technological supports to modern society it is critically deficient in the Interior. We have generated an extensive data base on the Interior's communications system and, where appropriate, lent our support to those who seek to expand the system in the Interior, and seek to improve its service and reduce its costs to Interior residents.

Natural resources and their value as export commodities and processing stock leading to an expanded economic base in the Interior have enjoyed little more than "interest" by the Association until this year.

"An annual growth rate of 10% strains local service capabilities. Above 15% seems to cause breakdowns in local and regional institutions."

With the recent addition of a permanent professional officer with a high personal and professional interest in developing renewable resources the Association is moving rapidly into the development of agriculture and other renewable resources in the Interior.

The phrase, "inexpensive, plentiful energy," was conceived before the full impact of the "energy crisis" was fully understood. As a result primarily, of work associated with the rural and urban impact information centers and with our own weatherization program in Fairbanks, we are developing information, procedures and an energy evaluation system which, we hope, will lead to more efficient uses of energy in the Interior.

We have only scratched the surface of this issue and hope to go into the question in much greater detail during the coming year.

We have not so far addressed the specific issue of expanding finance availability in the Interior beyond, of course, the financing of individual projects and programs.

We anticipate more involvement in this critical element of the economic base as we work on the coordinated intergovernmental capital improvements program in the rural areas during the coming year.

The Long Term

From the Initial Overall Economic Development Program for Interior Alaska, published Spring, 1974:

Goal: In the belief that the greatest potential markets for Interior Alaska's natural resources lie beyond Alaska's borders, it is necessary to gain familiarity with the institutions, the personalities, and the nations who will play the major roles in the development of global commerce during the remaining decades of the 20th Century. In meeting this challenge, it is necessary to begin identifying global demand for Alaskan resources, and to begin identifying methods of supplying this demand in ways consistent with the attitudes of people living here.

Evaluation

Since the long term goal contemplates an evolution of development in the Interior through the end of this century, we cannot truly say that we have progressed far enough in order to have anything to evaluate.

Of all of our active projects however, our work at the Fairbanks International Airport, particularly the expansion of air cargo capability, is probably most relevant to our long term interests. This work is proceeding.

*Concorde Testing, Fairbanks
International Airport -*

Fairbanks, February, 1974



courtesy division of aviation

THE GOALS RESTATED

The Interior's Infrastructure

Five Issues

- The federal government's interest, control and involvement in Interior Alaskan lands is pervasive and their intentions presently unknown. Understanding the regional economy therefore, is extraordinarily difficult and predicting the future impossible.
- The Interior's present system of transportation and communication has been accurately compared to the western United States at the turn of the century.
- As in much of the western United States, there has been a heavy reliance on road and rail construction in the Interior as a means of opening up undeveloped areas. However, new attitudes about land, energy shortages and escalating costs may have rendered road and rail construction economically unfeasible.
- Without roads and rails, however, the Interior must emphasize modern water and air transportation technology complemented by sophisticated communication and information processing.
- The Interior is rich in physical resources, including energy, but poverty stricken in infrastructure, finance capital and entrepreneurial skills. The result has been exploitation by forces external to and beyond the control of Alaskans.

The Short Term

1. Goal: Intensify work toward the development of a coordinated intergovernmental capital improvements program and construction priority list for the region with emphasis on the rural communities.
2. Goal: Develop a data base relevant to Congressional activity on the D-2 lands, in order to provide effective support to Congressional decision-making which aids the Association in its long range efforts to strengthen the region's economic base, and to resist activity which is contrary to those efforts.

The Intermediate Term

1. Goal: Recognizing that Interior Alaska now faces potentially rapid development, it is necessary to realize that sound economic de-