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STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

April 27, 1979

POUCH B
JUNEAU, ALASKA 99811

RECEIVED
MAY 4 1979
DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

Mr. Ralph R. Darbyshire
Darbyshire and Associates
639 "O" Street, No. 201
Anchorage, Alaska 99501

Dear Mr. *Darby*shire:

As provided for under Section 10 of the December 1, 1978 contract between Darbyshire and Associates and the Department of Community and Regional Affairs, this letter by mutual agreement will incorporate the following amendment:

The maximum sum of total compensation shown in the last sentence of Section 7 is changed from "\$40,000, plus authorized travel expenses" to "\$44,160, plus authorized travel expenses".

This change is required to pay for additional time spent by the contractor to perform a new project/budget element entitled "Community Information Services". This new element is considered to be absolutely essential by the local borough Study Committee and the Department.

The original contract, apart from this change, remains in full force and effect. Please sign two copies of this letter and return them to me. A copy of the fully executed contract amendment will be conveyed to you when it is signed by our Commissioner. Thank you.

Sincerely,

Palmer
Palmer McCarter
Director

DARBYSHIRE AND ASSOCIATES, CONTRACTOR

BY: *Ralph R. Darbyshire*

DATE: April 30, 1979

STATE OF ALASKA

BY: *Lee McCannery*
Commissioner, Department of
Community & Regional Affairs

DATE: 4 May 79

BY: *William W. Ludwig*
Department of Administration

DATE: 5-10-79

AUTHORITY TO ENTER CONTRACT NEGOTIATIONS

This form must be executed prior to entering negotiations regarding PROFESSIONAL SERVICE CONTRACTS when the contract amount is in excess of \$2,000 in an annual period. This includes the PROFESSIONAL SERVICES CONTRACTUAL RELATIONSHIP QUESTIONNAIRE on the back side of this form. Refer to Purchasing Regulations Manual, Chapter 5, for further instructions.

DEPARTMENT: Community & Regional Affairs DATE: September 28, 1978
DIVISION: Local Government Assistance AMOUNT OF CONTRACT: \$45,000
PREPARED BY: Pat Poland PERIOD COVERED FROM: October 15, 1978
TELEPHONE: 276-1721 TO: June 30, 1979

Purpose(s) of contract:
To conduct a study of the feasibility of establishing a borough in the Yukon Flats region. (pursuant to Legislative appropriation of FY 79)

We intend to negotiate with the following persons or firms. Agencies SHOULD list at least three choices or explain why it is not possible.

<u>NAME</u>	<u>ADDRESS</u>	<u>ALASKA BUSINESS LICENSE</u>	
<u>Dupere and Associates</u>		YES <u>X</u>	NO _____
<u>R. Darbyshire and Associates</u>		YES <u>X</u>	NO _____
<u>CH²M Hill</u>		YES <u>X</u>	NO _____

Request for letters of interest being published throughou' the State.
Budgetary Data:

BRU NAME Local Government Assistance COMPONENT Organization Grants
8 DIGIT CODE _____

The concurrence of the Department of Administration is sought so that we may proceed to negotiate the above contract.

FOR THE DEPARTMENT:
X
DEPARTMENT HEAD OR AUTHORIZED REPRESENTATIVE

DATE

CONCUR:
William W. Ludwig
DEPARTMENT OF ADMINISTRATION
10-5-78
DATE

The proposed contract must be forwarded to the Department of Administration after contractor and Departmental signatures have been affixed but prior to execution or effective date, for final approval.

PROFESSIONAL SERVICES CONTRACTUAL RELATIONSHIP QUESTIONNAIRE

PROPOSED CONTRACTOR: Unknown

YES	NO	N/A
	X	
	X	
X		
X		
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WILL THE CONTRACTOR BE SUBJECT TO SUPERVISION BY AGENTS, OFFICIALS, OR EMPLOYEES OF THE STATE?

WILL THE STATE BE INVOLVED IN TRAINING THE CONTRACTOR AS TO THE METHODS AND/OR TECHNIQUES THAT ARE TO BE USED TO ACCOMPLISH THE WORK THAT IS TO BE DONE?

WILL IT BE NECESSARY FOR THE CONTRACTOR TO RENDER THE SERVICES PERSONALLY?

WILL THE CONTRACTOR BE HIRING/FIRING, SUPERVISING AND FINANCING PAYMENT OF NON-STATE EMPLOYEES IN CONNECTION WITH THE FULFILLMENT OF THE PROPOSED CONTRACT?

WILL THE STATE RETAIN THE RIGHT TO SPECIFY THE HOURS (E.G., START/STOP TIMES, MINIMUM OR MAXIMUM HOURS, DAYS OF WEEK, ETC.) DURING WHICH THE CONTRACTOR IS TO ACCOMPLISH THE WORK REQUIRED BY THE AGREEMENT?

IF NO, WHAT WILL BE THE NATURE OF THE SPECIFICATION? _____

WILL THE STATE RETAIN THE RIGHT TO SPECIFY THE LOCATION AT WHICH THE CONTRACTOR WILL PERFORM THE REQUIRED SERVICES?

WILL THE STATE RETAIN THE RIGHT TO SPECIFY THE ORDER OR SEQUENCE IN WHICH THE TASKS INVOLVED WILL BE ACCOMPLISHED?

WILL THE CONTRACTOR BE PAID BASED UPON TIME WORKED (E.G., HOURS, DAYS, MONTHS) (IN CONTRAST TO PAYMENT FOR COMPLETION OF A PRODUCT OR, IN THE CASE OF PROGRESS PAYMENTS, A SPECIFIED PORTION OF THE TOTAL PRODUCT)?

WILL THE CONTRACTOR BE REIMBURSED FOR MISCELLANEOUS EXPENSES, SUCH AS TRAVEL, OVER AND ABOVE THE COMPENSATION AGREED UPON FOR THE SERVICES TO BE RENDERED? (CHECK "NOT APPLICABLE" IF NO MISCELLANEOUS EXPENSES, SUCH AS TRAVEL, WILL BE INVOLVED IN ACCOMPLISHING THE WORK TO BE DONE).

WILL THE STATE SUPPLY TOOLS AND MATERIALS NECESSARY FOR THE CONTRACTOR TO ACCOMPLISH THE WORK TO BE DONE? (CHECK "NOT APPLICABLE" COLUMN IF NO TOOLS AND/OR MATERIALS ARE INVOLVED IN THE WORK TO BE DONE).

WILL THE CONTRACTOR BE EXPOSED TO THE RISK OF A FINANCIAL LOSS UNDER THE TERMS OF THE PROPOSED AGREEMENT?

WILL THE CONTRACTOR BE AFFORDED LIABILITY PROTECTION UNDER STATE PURCHASED INSURANCE POLICIES? IF YES, WHAT TYPE OF COVERAGE? _____

IS THE CONTRACTOR CURRENTLY A PARTY TO AGREEMENTS FOR THE PROVISION OF SIMILAR SERVICES TO NON-STATE ENTITIES?

DOES THE CONTRACTOR MAKE HIS/HER SERVICES AVAILABLE TO THE GENERAL PUBLIC (I.E., MAINTAIN AN OFFICE IN A PUBLIC PLACE, ADVERTISE IN YELLOW PAGES, TRADE JOURNALS, ETC.)?

WILL THE STATE BE SUPPLYING OFFICE OR OTHER WORK SPACE FOR THE USE OF THE CONTRACTOR? (CHECK "NOT APPLICABLE" IF WORK SPACE IS ONLY INCIDENTAL IN PROVIDING THE REQUIRED SERVICES).

WILL THE STATE BE ABLE TO DISCHARGE THE CONTRACTOR PRIOR TO COMPLETION OF CONTRACT FOR REASONS OTHER THAN FAILURE TO PERFORM AS SPECIFIED BY THE AGREEMENT OR THE UNAVAILABILITY OF APPROPRIATED FUNDS?

WILL THE AGREEMENT MAKE THE CONTRACTOR PARTY LIABLE FOR PAYMENT OF DAMAGES ARISING OUT OF THE FAILURE TO PERFORM?

WILL THE STATE HAVE THE RIGHT OF FIRST CALL ON THE SERVICES OF THE CONTRACTOR?

WILL THE CONTRACTOR BE BOUND TO COMPLY WITH THE GENERAL POLICIES AND PROCEDURES GOVERNING THE BEHAVIOR OF STATE EMPLOYEES BY THE PROPOSED AGREEMENT?

WHY IS IT DEEMED PREFERABLE TO CONTRACT FOR THE REQUIRED SERVICES INSTEAD OF HIRING AN EMPLOYEE TO PROVIDE THEM?

Necessary range of expertise is not available in any one employee and proposed period of contract is less than 9 months.

THE ABOVE STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

[Signature]
SIGNATURE

Director
TITLE

9/28/78
DATE

CONTRACT FOR SERVICES
REGIONAL GOVERNMENT FEASIBILITY STUDY

THIS AGREEMENT, entered into as of this 1st day of December, 1978, by and between the firm of Darbyshire and Associates (herein called the "Contractor"), and the DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS (herein called the "Department"),

WITNESSETH THAT:

WHEREAS the Department desires to engage the Contractor to render certain technical or professional services hereafter described in connection with an undertaking which will be financed through an appropriation of the Alaska State legislature:

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. Employment of Contractor. The Department hereby agrees to engage the Contractor and the Contractor hereby agrees to perform the services hereinafter set forth.
2. Area Covered. The Contractor shall perform all the necessary services provided under this contract in connection with and respecting the area or areas, herein called the "planning area." The planning area includes the area within the boundaries of REAA No. 13 and immediately adjacent areas.

3. Scope of Services. The Contractor shall do, perform, and carry out, in a satisfactory and proper manner, as determined by the Department, the following services:

The services to be performed by the Contractor are set forth in Appendix A, attached hereto and made a part hereof.

Environmental Requirements. The planning activities will include an assessment of the natural and manmade environments and a summary or abstract of the proposed plan's or policy's effect on the environment.

Historic Preservation. Planning activities, policies and recommendations shall attempt to avoid adverse impacts on any property or district eligible for inclusion in the National Historical Register of Historic Places. A summary or abstract of the proposed plans or policies and their potential impact on historical preservation and enhancement shall be made.

4. Personnel. (a) The Contractor represents that he has or will secure at his own expense all personnel required in performing the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with the Department.

(b) All of the services required hereunder will be performed by the Contractor or under his supervision, and all personnel engaged in the work shall be fully qualified and shall be authorized under State and local law to perform such services.

(c) None of the work or services covered by this Contract shall be subcontracted without the prior written approval of the Department.

5. Time of Performance. The Services of the Contractor are to commence as soon as practicable after the execution of this Contract and shall be completed by June 20, 1979. The periods of performance may be extended for additional periods by the mutual written agreement of the parties herein.

6. Compensation. The Department agrees to compensate or reimburse the Contractor the sum of \$40,000.00 for the satisfactory performance of services in the completion of the work program described in this Contract.

Any travel or per diem required for the completion of the project will be reimbursed in accordance with established state policy, not to exceed the General Government Bargaining Unit State rate.

7. Method of Payment. The Department will pay to the Contractor the amount or amounts set forth in paragraph 6, which shall constitute full and complete compensation for the contractor's services hereunder. Such sum will be paid in the following manner, in every case, subject to receipt of a requisition for payment and a progress report from the Contractor specifying that he has performed the work under this Contract and that he is entitled to receive the amount requisitioned. All expenditures incurred against the Contract must have recorded documentation, and such documentation shall be made available to the Department upon request.

Payment will be made on the basis of work completed. Certified billings may be submitted to the Department monthly, or when major elements of the project have been satisfactorily completed. Final billings will be submitted on the project completion date, June 20, 1979. Such billings shall reflect the total cost incurred to date, less 10 percent of the amount eligible for payment by the Department. The billing shall be itemized by category of expense claimed, which itemization shall reflect total project costs incurred.

A sum of \$4,000.000, or approximately 10 percent of the amount of compensation set forth on the part of the Department in paragraph 6, shall be retained, in the manner described above, until the services have satisfactorily been completed, as determined by the Department.

It is expressly understood and agreed that in no event will the total compensation and reimbursement on the part of the Department, if any, to be paid hereunder exceed the maximum sum of \$40,000.00, plus authorized travel expenses.

8. Termination of Contract for Cause. If through any cause, the Contractor shall fail to fulfill in timely and proper manner his obligations under this Contract or if the Contractor shall violate any of the covenants, agreements, or stipulations of this Contract, the Department shall thereupon have the right to terminate this Contract by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least five days before the effective date of such termination. In that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports or other material prepared by the Contractor under this Contract shall, at the option of the Department, become its property, and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and materials.

Notwithstanding the above, the Contractor shall not be relieved of any liability to the Department for damages sustained by the Department by virtue of any breach of the Contract by the Contractor, and the Department may withhold any payments to the Contractor for the purpose of setoff until such time as the exact amount of damages due the Department from the Contractor is determined.

9. Termination for Convenience of Department. The Department may terminate this Contract at any time by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least fifteen days before the effective date of such termination. In that event, all finished or unfinished documents and other materials as described in paragraph 8 above shall, at the option of the Department, become its property. If the Contract is terminated by the Department as provided herein, the Contractor will be paid an amount which bears the same ratio to the total compensation as the services actually performed bear to the total services of the Contractor covered by this Contract, less payments of compensation previously made: provided, however, that if less than 60 percent of the services covered by this Contract have been performed upon the effective date of such termination, the Contractor shall be reimbursed (in addition to the above payment) for that portion of the actual out-of-pocket expenses (not otherwise reimbursed under this Contract) incurred by the Contractor during the Contract period which are directly attributable to the uncompleted portion of the services covered by this Contract. If this Contract is terminated due to the fault of the Contractor, paragraph 8 hereof relative to termination shall apply.

10. Changes. The Department may, from time to time, require changes in the scope of the services of the Contractor to be performed hereunder. Such changes, including any increase or decrease in the amount of the Contractor's compensation, which are mutually agreed upon by and between the Department and the Contractor, shall be incorporated in written amendments to the Contract.

11. Equal Employment Opportunity. (a) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotions or transfers; recruitment or recruitment advertising; layoffs or terminations; rates of pay or other forms of compensation; selection for training, including apprenticeship; and participation in recreational and educational activities. The Contractor agrees to post, in conspicuous places available for employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause. The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin. The Contractor will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Contract so that such provisions will be binding upon each subcontractor provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

(b) The Contractor shall keep such records and submit such reports concerning the racial and ethnic origin of applicants for employment and employees as the Secretary may require.

(c) The Contractor agrees to comply with such rules, regulations, or guidelines as the Secretary may issue to implement these requirements.

12. Interest of Members of Department and Others. No officer, member, or employee of the Department and no members of its governing body, and no other public official of the governing body of the locality or localities in which the Project is situated or being carried out who exercise any functions or responsibilities in the review or approval of the undertaking or carrying out of this Project shall participate in any decision relating to this Contract which affects his personal interest or the interest of any corporation, partnership, or association in which he is, directly or indirectly, interested or having any personal or pecuniary interest, direct or indirect, in this Contract or the proceeds thereof.

13. Assignability. The Contractor shall not assign any interest in this Contract and shall not transfer any interest in the same (whether by assignment or notation) without the prior written consent of the Department thereto: provided, however, that claims for money due or to become due to the Contractor from the Department under this Contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Department.

14. Interest of Contractor. The Contractor covenants that he presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Contract. The Contractor further covenants that in the performance of this Contract no person having any such interest shall be employed.

15. Findings Confidential. Any reports, information, data, etc., given to or prepared or assembled by the Contractor under this Contract which the Department requests to be kept as confidential shall not be made available to any individual or organization by the Contractor without the prior written approval of the Department.

16. Officials not to Benefit. No Members of or Delegates to the Congress of the United States of America and no Resident Commissioner shall be admitted to share any or part hereof or to any benefit to arise herefrom. No member of the Legislature or officer of the State of Alaska shall be admitted to any share or part hereof or to any benefit to arise herefrom.

17. Publication, Reproduction, and Use of Material. No material produced, in whole or in part, under this Contract shall be subject to copyright in the United States or in any other country. The Department shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, any reports, data, or other materials prepared under this Contract.

18. Audits and Inspections. At any time during normal business hours and as often as the Department may deem necessary, there shall be made available to the Department for examination all of its records with respect to all matters covered by this Contract and will permit the Department to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records or personnel, conditions of employment, and other data relating to all matters covered by this Contract.

19. Project Monitoring and Reporting. The project will be monitored by the Department of Community and Regional Affairs. Progress reports shall be submitted to the Department as a prerequisite to reimbursement and will provide the following information:

- (a) activities completed to date;
- (b) activities planned for the next reporting period; and,
- (c) comparison of completed activities to total project work program.

IN WITNESS WHEREOF, the Department and the Contractor have executed this agreement as of the day first above written.

CONTRACTOR

STATE OF ALASKA
DEPARTMENT OF COMMUNITY AND REGIONAL
AFFAIRS

By Ralph J. Dabyslure
Owner
Title

BY Lee M. Cavanaugh
Commissioner

Date December 8, 1978

Date 9 December 1978

William W. Ludwig
Dept. of Administration
12-14-78

IRS # 92-0061198

AK. Bus. LIC # 68886

APPENDIX A
SCOPE OF SERVICES

Background

The Alaska State Legislature, acting on a request from the people of the Yukon Flats region, has directed that a study be carried out to explore the feasibility of establishing a regional government in that area. The Alaska Department of Community and Regional Affairs, in concert with an Advisory Committee from the region, have designed this scope of services to undertake the feasibility study.

With minor exception, the formation of borough governments in Alaska has proven to be a highly controversial matter subject to wide-ranging local opinion. The state legislature forced the incorporation of eight of Alaska's eleven boroughs after local initiative in support of the idea failed to materialize. Further, one of the remaining three boroughs was incorporated only after the legislature passed special legislation diluting borough mandatory responsibilities.

While many factors contributed to these circumstances, it has been generally agreed that opposition to the formation of borough governments resulted from a feeling that the addition of a new level of government would bring unwarranted new controls and taxes to areas that were already receiving basic educational and other public services - at no additional cost - from the state. In recent years this situation appears to have been further compounded by legislation creating regional education attendance areas (REAA's) outside of organized boroughs. Now residents of these REAA's have complete management authority in the control of their school districts with the state paying the cost of providing basic educational services.

Given this history and the current public sentiments regarding local government taxation, there can be little doubt that the question of a Yukon Flats Borough will be closely scrutinized by residents of the area. If such examination and a final decision are to be made in an intelligent manner, a comprehensive and concise explanation of the advantages and disadvantages of having a borough government must be set forth.

Products

The product will present findings with respect to: alternatives available in borough incorporation; advantages and disadvantages of borough incorporation; and the legal, political, social and financial ramifications of borough incorporation. The study will be presented in a fashion that will be useful to both residents of the study area and the Local Boundary Commission.

Each element described below will be published and released as a separate paper. Ultimately, the individual papers would be combined into a single report, but the purpose in producing a series of individual papers serves to:

- ° Lead to a clearer understanding of the subject matter as it is more likely people will give closer attention to the details of a series of small reports than they would to one large report;
- ° Provide a more rational basis for debate as it will be easier to keep the different issues separated for discussion purposes;
- ° Streamline the study process as the review and debate of one element can be taking place while another is being prepared;
- ° Have subsequent use to other areas of the state which may consider the formation of a borough.

The narrative will be supported by the production and use of a number of tables and charts. Such public education tools support the intention of simplifying the subject matter as much as possible.

Work Program

The scope of work to be completed in this project will be developed in seven phases - one phase for each of the individual reports, as explained in the following paragraphs:

1) Local Government Options: This phase of the work program will set forth a comparative analysis of the home rule and general law borough governments that can be incorporated in the state. Drawing principally from the State Constitution, the Alaska Municipal Code (Title 29) and related case law; home rule, first class, second class and third class borough governments will be compared with respect to:

- ° Classification differences;
- ° Methods and procedures for incorporation;
- ° Mandatory areawide powers and duties;
- ° Powers and duties outside of cities (non-areawide powers);
- ° The assumption of additional areawide and non-areawide powers;
- ° The provision of services on less than an areawide or non-areawide basis;

- ° The construction of powers; and
- ° Legislative and executive organizational alternatives, with special emphasis placed on the question of assembly composition as it would relate to individual village representation.

This segment of the study effort will also:

- ° Define those powers available to all municipal governments in the state;
- ° Examine the impact a borough government would have on the existing REAA.

Certain portions of this work will be developed in narrative form. However, the comparative analysis suggested in the first part of this study element will be developed in chart, tabular or graphic form, for purposes of simplifying the presentation of differences and comparisons.

Darbyshire & Associates and the firm of Gallagher, Cranston & Snow will be responsible for completing this work element. Estimated manpower requirements are 15 man-days.

2) Standards for Incorporation: Both Alaska's Constitution and statutory laws speak of the definition of a borough's boundaries. While such limitations are brief and general, both the Local Boundary Commission and the courts look to these standards in determining the legitimacy of a borough.

This segment of the study will therefore focus its attention on the provisions of Article X of the State Constitution (Local Government) and Alaska Statutes, Chapter 18 (Incorporation) as they apply to the subject area. More specifically:

- ° Findings in Mobil Oil v. North Slope Borough (the State Supreme Court decision sustaining the incorporation of the North Slope Borough) will be analyzed.
- ° REAA 13 -- with special attention to the area located between the Yukon River and the Fairbanks North Star Borough - will be analyzed to see how it conforms to the required standards.
- ° REAA's 12 and 16 will be examined with respect to their compatibility to REAA 13 in the question of meeting required standards for incorporation and their ultimate place in the scheme of local government for Alaska.

Darbyshire & Associates and Gallagher, Cranston & Snow will be responsible for completing this work element.

Estimated manpower requirements for completing this work are 5 man-days.

3) Reconnaissance. This segment of the work program will be concerned with the collection and analysis of data affecting the operations, costing and financial aspects of the borough. In particular, this element of the study will be concerned with:

- ° Developing population and school enrollment estimates as they affect:
 - federal and state revenue sharing and education funding programs.
 - borough limitations in levying taxes per AS 43.56 and AS 29.53.
 - state financial assistance in organizing a new borough government ("organizational grants")
- ° The identification of local desired governmental service priorities;
- ° Inventorying land status of the area as it affects:
 - municipal land selection rights
 - federal in lieu of property tax grants to the new borough
- ° An inventory of existing governmental services as they would affect the borough's assumption, costing and financing of such powers;
- ° An inventory and analysis of existing and projected public facilities requirements;
- ° Developing estimates of existing and anticipated borough real and personal property tax bases that could be used to generate local tax revenues; and
- ° Assessing sales and use tax potentials.

Consultants can be very helpful in providing assistance in exploring issues and suggesting alternative policy choices and management options for the solution of problems. Consultants recommendations on public policy, however, should not replace the decisions of local residents. Accordingly, it is anticipated that the Borough Study Committee will set priorities with respect to the public services they might like to see. The consultant will delineate the options available, but the priority listing will be up to the Committee.

The completion of this work element is expected to require 23 man-days effort. Darbyshire & Associates will have responsibility for completing the population, school enrollment, land status, and governmental service facility inventories. Mr. James McHale will complete the borough real and personal property tax inventories and Mr. Jack Hayward will inventory the situation with regard to REAA 13 operations and facilities.

4) Borough Service Cost Estimates. This segment of the work program will be devoted to the calculation of estimated start up and continuing operational costs for the proposed borough. It is these costs which will ultimately affect local tax levies and, thus, the decision on which powers a new borough might exercise, if it is to be incorporated at all.

The first thing that will be accomplished is the costing of the following mandatory borough responsibilities and associated administrative requirements:

- ° Chief executive organizational and operational responsibilities and associated financial and legal assistance;
- ° Legislative organization and operations including the assembly and clerk;
- ° Elections;
- ° Tax assessment and collection requirements;
- ° Education;
- ° Planning, zoning and platting.

Next cost estimates will be developed for the additional government services the Committee proposes. This should include, but not necessarily be limited to, such things as:

- ° Public safety;
- ° Utilities;
- ° Solid waste;
- ° Water and sewer;
- ° Roads;
- ° Airports;
- ° Public health

The calculation of the legislative and administrative functions of government will be premised on the team's experience in organizing and administering such programs for other local government units. Thus, the team members of Darbyshire and Associates will develop the cost estimates associated with the chief executive's responsibilities as well as those for legislative elections and planning functions. James McHale will develop the cost estimates for tax assessment and collection responsibilities and Jack Hayward will concern himself with the figures for anticipated legal activities and Main Lafrentz will develop cost estimates for the financial accounting activities of the proposed borough. The costing for the additional service functions proposed by the Study Committee will be premised upon the experiences of other local governments in Alaska and be developed by Darbyshire & Associates. This work element is expected to consume 25 man-days effort.

5) Potential Revenue Sources. This segment of the work program will examine the potential sources of revenue the proposed borough could use to finance its organization and operation. This will include:

- ° A description of the many different sources of revenue available;
- ° What, if any, restrictions exist with respect to the use of such sources;
- ° The potential amounts each source could generate;
- ° Projections as to amounts that might be available in the future; and
- ° The pros and cons of particular revenue sources (e.g. personal property taxes, sales and use taxes, etc.)

This section will also analyze tax limitations per AS 43.56 and AS 29.53 and relate these to the findings of the recent Supreme Court North Slope Borough v. Sohio, et al. case.

The sources of revenue to be considered will include, but not necessarily be limited to:

- ° State organization grants and transitional assistance;
- ° Real and personal property taxation;
- ° Sales and use taxes;
- ° Governmental charges for services;

- ° The use of money and property;
- ° Licenses and permits;
- ° Intergovernmental revenues such as:
 - Business licenses.
 - Tobacco tax
 - Federal land entitlement
 - Shared revenues (federal and state)
 - Local Service roads
 - School foundation support (regular and vocational)
 - Transportation (state)
 - School foundation (special education)
 - State tuition (mini 874)
 - Elementary and secondary education (federal)
 - Bilingual and Bicultural Education (title VII)
 - Federal aid (PL874)
 - Elementary/Secondary Education (title I - VI)
 - Indian education aid
 - School lunch program

It is estimated that approximately 16 man-days effort will go into the completion of this element. Main Lafrentz will have prime responsibility for the completion of this work although Darbyshire & Associates will assist in the legal case review.

6) Implications for Regional Self-Determination and Local Control Issues. In this phase, an analysis of a number of issues concerning local self-determination and the relationship of a borough or other levels of government will be presented. The issues to be examined will include, but not necessarily be limited, to:

- ° Municipal land selections under the municipal land entitlement act;

- ° The division of authority between a new borough, various state and federal agencies and the City of Fort Yukon;
- ° Control over land and resource use inside a new borough, fish and wildlife management, D-2 proposals, etc.;
- ° Provision of public services that are or may be provided by non-governmental organizations such as the Tanana Chiefs Conference, Interior Village Association, and so on; and
- ° The role of a borough as a direct or indirect source of employment in the region.

Special emphasis will be placed on the analysis of a borough's ability and limitations to further local influence over factors affecting the region.

This analysis will be completed by Darbyshire & Associates. Some of the issues may initially be treated in other sections of the report, but the major analysis of factors surrounding each issue will be presented in this section. Sources of information will include printed materials and discussions with representatives of both governmental and non-governmental agencies to augment the experience of Darbyshire & Associates staff.

This work element will require 7 man-days effort.

7) Feasibility and Viability of Regional Government Alternatives.

This concluding element of the study will combine the findings of the previous sections into an analysis of the feasibility and viability of specific alternative borough government structures. Each type of borough (first, second, and third class) will be examined with respect to its cost/revenue requirements for the support of the basic mandatory responsibilities. In turn, the cost/revenue implications of additional services will be calculated into the mix. This syntheses and calculation will thus provide a specific and detailed financial comparison of the numerous governmental choices available, including the alternative of not forming a borough at all.

The lump-sum costs of the different combinations and levels of services developed above will provide an indication of the funding required for each service, as well as total operating and debt service costs for a borough. This data can be considered as the basis of a very general "budget" for that specific type of borough. When final decisions are made with respect to revenue sources and a service mix, it would be a simple task to accumulate the necessary data into a detailed borough budget.

This segment of the work program will also identify and exemplify what "typical" resident homeowners might have to pay in taxes to support the alternative borough structures. It is, after all, these costs that will have the most significant impact on the final decision on incorporation.

While the entire team will participate in the completion of this element, Darbyshire & Associates and Main Lafrentz will assume the principal responsibilities. It is estimated approximately 34 man-days will be required to complete this element.

Field Work

A meeting will be scheduled in Fort Yukon or Fairbanks for the purpose of explaining the scope and nature of the entire project to the Study Committee. This will be attended by the consultant together with departmental representatives, and should occur following completion and review of the first two study papers.

Prior to the study's conclusion, the consultant should expect to travel to each village in the region to present and explain the reports. These visits also will be made with departmental representatives.

Additional travel to the region may be required.

Project Schedule.

The project will require approximately 125 man-days effort over a period of six months. As shown by the scheduling chart, project completion should occur well before the June 30, 1979, deadline.

All Written products will first be submitted by the contractor to the Department for review. The Department will respond to all draft materials within 10 working days. After amending draft materials, a clean proof copy shall be submitted.

The final phase will be submitted to the Department no later than June 1, 1979.

Budget.

The total consultant budget of \$40,000 includes the following estimated allocation by work element:

Local Options	\$ 4,800
Standards for Incorporation	1,920

Reconnaissance	7,360
Borough Service Cost Estimate	8,000
Potential Revenue Sources	4,800
Self-Determination and Local Control	2,240
Feasibility and Viability of Regional Alternatives	<u>10,880</u>
Total	\$40,000

Other budget elements not within the scope of this work program include:

Travel and Per Diem

to be covered by the
Department of Community
and Regional Affairs

Printing

Covers: To be printed by the contractor and shall contain title, date of publication and appropriate credits.

Cover credits shall consist of the following: "This document was produced by Darbyshire & Associates under contract by the Department of Community and Regional Affairs as mandated by the Alaska Legislature and at the request of residents of the Yukon Flats Region."

Text: To be printed by Department of Community and Regional Affairs

YUKON FLATS BOROUGH FEASIBILITY STUDY

PROJECT SCHEDULE

<u>Work Program</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>
Local Government Options	_____ *						
Standards for Incorporation	_____ *						
Reconnaissance		_____ *					
Borough Service Cost Estimates			_____ *				
Potential Revenue Surces				_____ *			
Self-Determination and Local control					_____ *		
Feasibility and Viability of Regional Alternatives						_____ *	
Field Work		_____					_____
Reports *							

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.

Should see all
(House / Senate) committee
members receive completed
study. Good learning
material

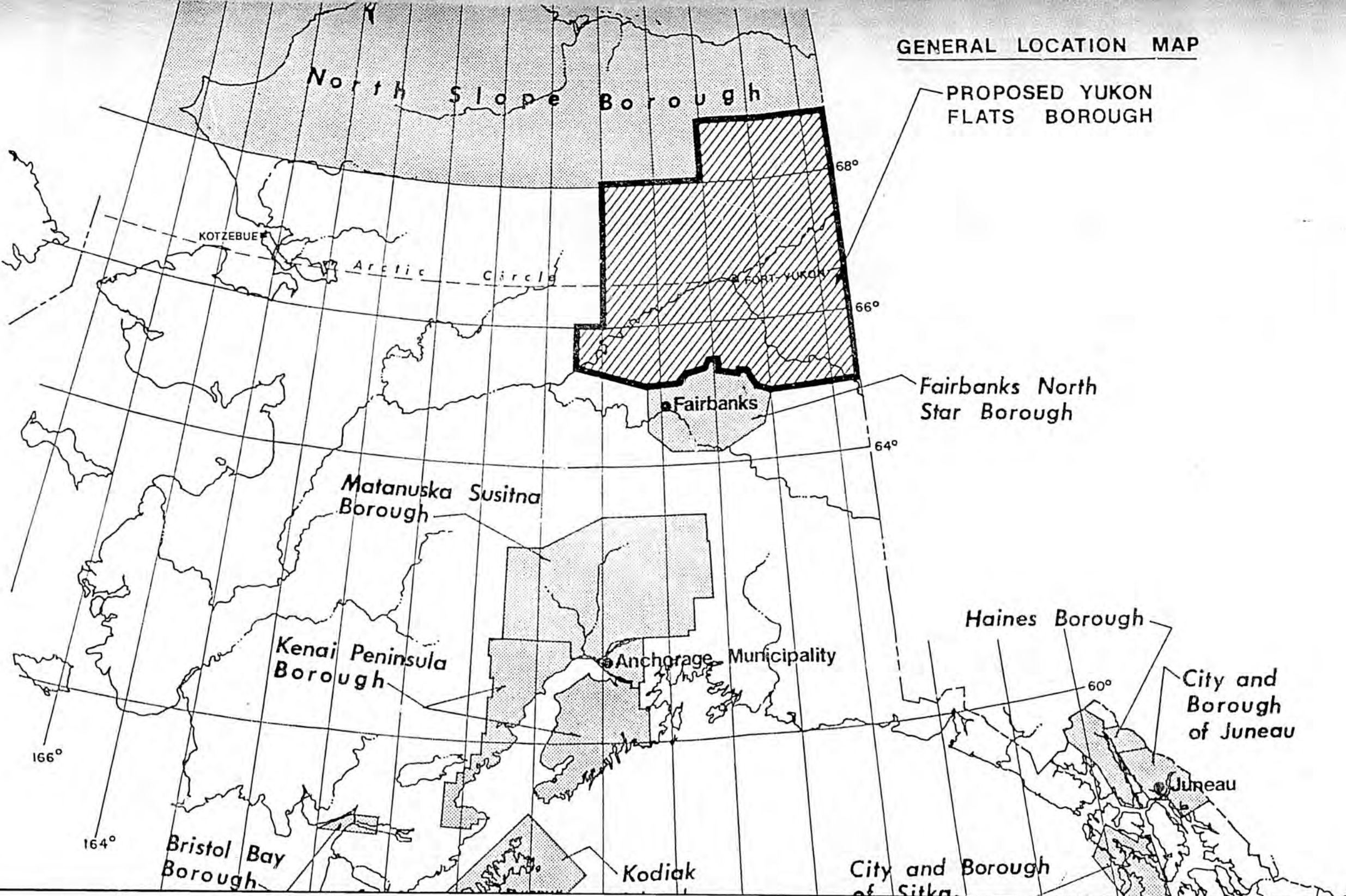
YUKON FLATS
REGIONAL GOVERNMENT STUDY

TECHNICAL REPORT No.1
The Incorporation Procedure

Darbyshire & Associates

May 1979

GENERAL LOCATION MAP



DARBYSHIRE & ASSOCIATES
community planning and management services

April 26, 1979

Ms. Lee McAnerny, Commissioner
Department of Community and
Regional Affairs
State of Alaska
Pouch B
Juneau, Alaska 99811

Dear Commissioner McAnerny:

We are pleased to submit this Yukon Flats Regional Government Study - "The Incorporation Procedure". This is but the first of several papers that we are to prepare that will examine the requirements and potential for a regional government in the Yukon Flats area. Others to be produced include: "Local Government Options"; "Standards for Incorporation"; "Data Reconnaissance"; "Borough Service Cost Estimates"; "Potential Borough Revenue Sources"; "Implications for Regional Self-Determination and Local Control"; and "The Feasibility and Viability of Regional Government Alternatives".

When we complete the last of our report "chapters", they will be combined and bound into a single summary report. At that time we will then travel to each of the communities in the proposed borough area and discuss our findings. This should be taking place towards the first part of June.

Throughout this undertaking we have worked closely with Mr. Pat Poland of your Local Governmental Assistance Division in Anchorage. In all instances he has been extremely helpful and eager to assist. Mr. Jonathan Solomon, Ms. Nancy James, and Mr. Sam Peter were also of invaluable assistance and support when we traveled to each of the communities in the region to explain this undertaking. Finally, the Borough Study Committee members were most helpful in organizing and arranging individual community meetings. For all of this we are most grateful and wish to extend our sincere thanks.

Respectfully submitted,

DARBYSHIRE & ASSOCIATES


Ralph R. Darbyshire

RRD/eq
Enclosure

YUKON FLATS REGIONAL GOVERNMENT STUDY

THE INCORPORATION PROCEDURE

PREPARED FOR:

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
DIVISION OF LOCAL GOVERNMENT ASSISTANCE
225 Cordova Street, Building B
Anchorage, Alaska 99501

BY:

DARBYSHIRE & ASSOCIATES
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Anchorage, Alaska 99501

IN ASSOCIATION WITH:

Charles Cranston, Attorney
Main Lafrentz & Co., Accountants
John Hayward, Educational Consultant
James McHale, Appraiser

YUKON FLATS REGIONAL GOVERNMENT STUDY

BOROUGH STUDY COMMITTEE

Jonathan Solomon, Chairman - Fort Yukon

Susan Baalam - Birch Creek
Leah Druck - Chalkyitsik
David Evans - Rampart
Nancy James - Fort Yukon
Edward John - Venetie
Steve Joseph - Beaver
Larry Nathaniel - Circle
Jim Reiter - Central
Don Stevens - Stevens Village
Lincoln Tritt - Arctic Village

YUKON FLATS REGIONAL GOVERNMENT STUDY

THE INCORPORATION PROCEDURE

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STUDY AREA BOUNDARIES* — PROPOSED YUKON FLATS BOROUGH

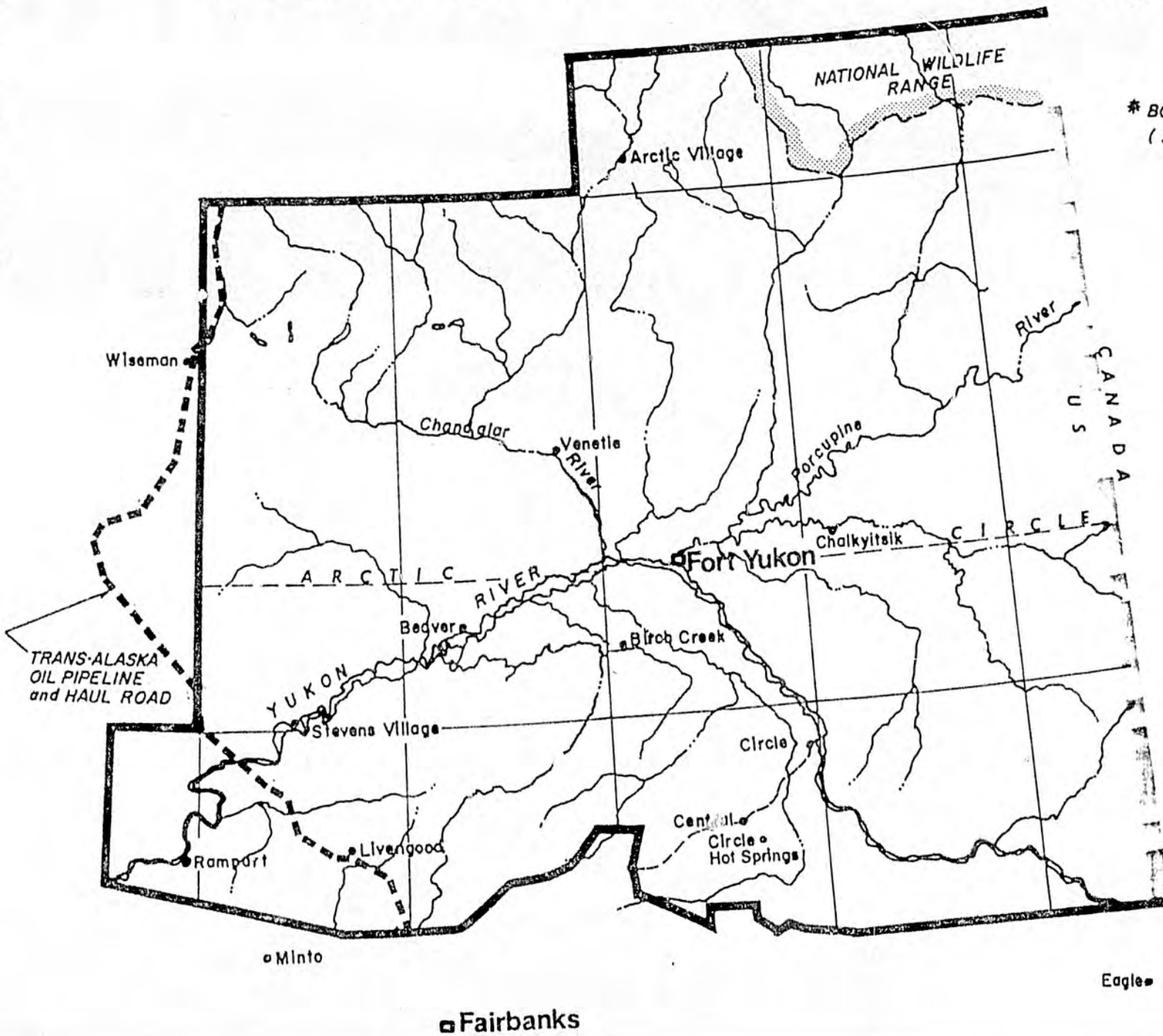


Figure 11

THE INCORPORATION PROCEDURE

INTRODUCTION

The body of law that controls the incorporation of a borough government in Alaska is found in Alaska Statutes Title 29, Article 2, Chapter 18, Sections .050 to .120 (attached as Appendix B). Briefly, the law:

- o Sets forth borough petition, review, investigation, and election procedures that must be observed;
- o Lists information that must be included in an incorporation petition;
- o Provides for the election of initial officers (mayor and assemblymen);
- o Provides for the integration of city powers which might be succeeded to by a new borough;
- o Sets forth time limits that the Department of Community and Regional Affairs, Local Boundary Commission, and the office of the Lieutenant Governor must adhere to in the incorporation process; and

- o Provides for assistance in defraying costs associated with transition to a borough government.

The Local Boundary Commission has the authority to adopt additional administrative regulations which implement the laws governing borough incorporation. No such regulations have, as yet, been adopted. We have been advised, however, that some draft regulations are presently being considered. Currently, the Department of Law is reviewing the proposed regulations. When they have completed their review, the draft regulations will be presented to the public for review and comment. According to recent information, this will occur somewhere towards the end of November, 1979.

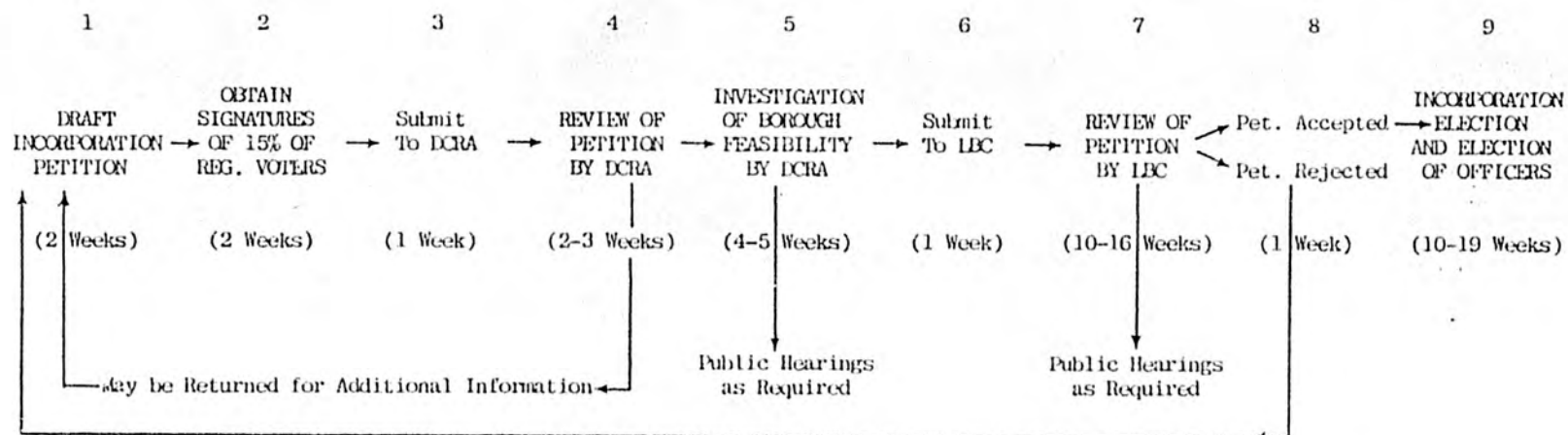
The details of the procedures that will have to be followed should residents of the study area decide to seek incorporation of a borough are described below. This includes estimated timing and scheduling requirements and a diagram which summarizes this process (see Figure III, page 3).

PETITION

Once residents of an area decide to seek the formation of a borough government, a petition requesting such must be drawn up. This petition should include the following information about the proposed borough:

FIGURE III.

THE INCORPORATION PROCESS



DCRA - Department of Community & Regional Affairs

LBC - Local Boundary Commission

- o The class (1st, 2nd, 3rd) of borough petitioners would like to see formed;
- o A name for the borough;
- o A description/map of the boundaries for the borough;
- o The composition and apportionment for the borough legislative body - the assembly;
- o A designation of the areawide powers* to be exercised (for 1st and 2nd class borough incorporation only);
- o A designation of the non-areawide powers** to be exercised (for 2nd class borough incorporation only);

* Powers that are exercised everywhere within the borough, including areas within city boundaries.

** Powers that are exercised only in the areas of the borough which are outside city boundaries.

- o A proposed operating budget for the borough projecting sources of income and items of expenditure through the first full fiscal year of operation; and

- o Maps, documents, and other information required by the Department of Community and Regional Affairs to show that the borough would meet the standards for incorporation described in AS 29.18.030.

The next step in the petition process requires the collection of resident voter signatures and addresses on the petition. At least 15% of the voters of the region who voted in the last general election must sign the petition before it will be accepted.*

In the case at hand, a minimum of 150 registered voters will be required to sign the petition. It is suggested, however, that as many signatures as possible be obtained. This will help make sure that the petition is not rejected because some

* If any 1st class cities were included in the area, 15% of the voters within each city would be required to sign the petition, in addition to the 15% of the voters who lived outside the cities.

apparent, "permanent resident voters" are discovered that have not registered to vote. Secondly, the Local Boundary Commission will look closely at the signatures on the petition to gauge its support. If a maximum number of signatures are obtained from each of the 11 communities in the region, there can be little doubt that the public overwhelmingly supports the proposal.

Once the required signatures have been gathered, the petition should then be submitted to:

Commissioner
Department of Community and
Regional Affairs
Pouch B
Juneau, Alaska 99811

REVIEW AND INVESTIGATION

After the Department of Community and Regional Affairs receives the petition, it is reviewed and checked for content and signatures. If the petition is found deficient, it will be returned for correction and resubmission. Once an approved petition is submitted, however, the Department investigates the proposal and must hold at least one public hearing in the area. This investigation focuses on how well the proposed borough meets the "standards for incorporation" outlined in AS 29.18.030. The Department also considers the relationship of surrounding areas and the overall system of

local government for Alaska. Finally, the Department reports its findings to the Local Boundary Commission with its recommendation on the matter.

The Local Boundary Commission is then required to hold at least one public hearing on the incorporation question in the affected area. The purpose of the hearing is to permit the Commission to receive testimony and evidence on the proposal. In point of fact, the Commission is likely to hold more than one hearing on the petition and schedule additional hearings in the area as well as in other parts of the state. For example, public and private parties showed so much interest on the question of North Slope Borough incorporation that hearings were held in Fairbanks and Anchorage, as well as Barrow.

The hearings are conducted in a formal manner. Commission members ask questions of those presenting their testimony and discuss the evidence that has been presented. Some participants have their testimony presented by attorneys. The Commission is not required to discover what testimony or evidence is "right" or "wrong" in a legal sense. Rather, they consider: will the proposed borough meet the incorporation standards of AS 29.18.030, and, is there enough local support for a borough to justify the expense of an election.

Ultimately, of course, the Local Boundary Commission must reach a decision on the matter. If they determine the proposed borough fails to meet the standards for incorporation, they will reject the petition. If they determine the proposed borough meets the standards, they will accept the petition. Finally, if they determine the proposed borough boundaries can be altered to meet the standards, they will make the necessary adjustments and accept the petition. Adjustments, other than this boundary adjustment, are not permitted. In a strictly legal sense, the people who signed and submitted the petition agreed to support the petition request - only! Therefore, any change in the petition as to the class of borough, areawide or non-areawide powers to be exercised, or the composition and apportionment of the assembly would require the approval of all of the petitioners. Practically, this means that any such adjustments would require the submission of an entirely new petition.

If the Local Boundary Commission rejects the petition, the petitioners have two courses of action available. If borough supporters feel there was some error or shortcoming in the administrative procedure followed by the Commission, the Commission's decision may be appealed. The subject of this appeal, however, will be limited to the process of decision-making used by the Commission, rather than whether the decision was "right" or "wrong" (AS 29.18.090(b)).

The second action available is the submission of a second incorporation petition. Both the Department of Community and Regional Affairs' and the Local Boundary Commission's reviews will contain opinions on shortcomings and recommendations on how the proposed borough might be adjusted to meet incorporation standards. Borough supporters could thus draft a second petition which takes this information into account. As no waiting periods must be observed, the circulation of a second petition can begin as soon as the original petition has been returned by the Commission.

ELECTION

Once a petition has been "accepted" by the Local Boundary Commission, they must immediately notify the Lieutenant Governor of their action. Within 30 days of this notification, the Lieutenant Governor must then "order" an election in the area on the question. This election is to be held not less than 30 days nor more than 90 days after the Lieutenant Governor has issued his "order" for election. The question of incorporation, the powers to be exercised by the borough, and the first officers of the borough are all voted on in this election (AS 29.18.110).

The election is conducted in a manner similar to other local elections and under the supervision of the Lieutenant Governor. Any registered voter who has lived within the

proposed borough for at least 30 days before the date of the election is eligible to vote. All costs of this election are to be paid by the state.

The election ballot has two parts. First, the question of incorporation is presented to the voters. The areawide powers, composition of the assembly, borough boundaries, and borough name that were included in the "accepted" incorporation petition are included as part of the question on incorporation. Voting for incorporation, then, means approving the type of borough government that was described in the "accepted" incorporation petition. If the "accepted" petition provides for a 2nd class borough, any non-areawide powers that are proposed to be exercised are also listed and voted on separately. The question on the non-areawide powers, however, are only voted on by those residents who live outside of any cities that exist within the proposed borough.

The second part of the ballot presents the slate of candidates for borough mayor and borough assemblymen. Local residents are nominated for office by submitting a petition signed by 50 registered voters. If the proposed borough assembly has been districted as part of its apportionment plan, assembly nominees must obtain required signatures from registered voters who reside in that district of the proposed borough. These petitions are turned in to the Lieutenant Governor before a date which will be specified in his election

order. The Lieutenant Governor then places the qualifying names on the ballot.

If the question on incorporation of the borough passes, the successful candidates for borough office are elected. If the question of borough incorporation fails, no officers are elected.

Elected officials take office on the first Monday following certification of the election by the Lieutenant Governor. The term of office is normally three years. Initial borough assembly members, however, determine by lot the length of their initial terms of office so that a proportionate number of terms expire each year over the first three years.

At this point the borough has been officially incorporated. The legality of the incorporation, however, can still be tested. State law provides that legal challenges to the formation of a borough must occur within six months of the date of incorporation. After this period, no one can legally question the borough's existence. This does not mean, however, that a court test of a borough's existence would be resolved in six months. A court test could take much longer. In a test of the constitutionality of the incorporation of the North Slope Borough, the issue was not decided by the State Supreme Court until 1-1/2 years after incorporation was approved.

TIMING

The time it takes to go through the incorporation process varies. Some of the steps (e.g., the incorporation election) must be completed within time frames specified by law. Most of the steps, however, are completed within time spans related to individual work loads and actions of people who are involved in the process.

Figure III (The Incorporation Process, page 3) summarizes each of the steps in the incorporation process. It also provides estimates of what we believe to be realistic time frames for the completion of each element. This schedule estimates a total of between 33 and 50 weeks to accomplish incorporation should residents of the area be successful. Assuming such an effort got underway July 1, 1979 (immediately after we completed our final presentations to each of the villages), incorporation could be completed between the end of February and the middle of June, 1980. This scheduling is premised upon the following:

Draft Incorporation Petition (2 Weeks): By the time we complete our hearings on this project in the latter part of June, residents of the area should have a pretty good idea of what they desire. Further, most if not all of the information required in the incorporation petition will be found in the reports we are preparing. The actual drafting

of the petition thus becomes more of a production effort than decision process. Two weeks should therefore be more than adequate time to complete this element.

Obtain Signatures of 15% of the Registered Voters (2 Weeks):

For the same reasons as above, the residents should also have a pretty good idea of whether they intend to sign the required petition. This process likewise thus becomes more of a mechanical than philosophical effort. Further, with a Borough Study Committee member residing in each community, no more than two weeks should be required to complete this work.

Submit to the Department of Community and Regional Affairs (1 Week): Whether the petition is hand carried or mailed, no more than one week should be required.

Review of the Petition by the Department of Community and Regional Affairs (2 to 3 Weeks): The petition information required to be checked in this step of the process is pretty straight forward. The signatures, on the other hand, will take some time to cross reference and verify. According to the Department of Community and Regional Affairs, two to three weeks is ample to complete this work.

Department of Community and Regional Affairs' Investigation of Borough Feasibility and Public Hearing (4-5 Weeks):

Normally, this segment of the process takes considerably longer. Since the "feasibility" of the proposed borough is the focus of this study, however, a great deal of the investigation will have been completed. It has also been suggested that the community hearings to be held at the conclusion of this study effort meet the Department's statutory obligations for such. Only four to five weeks should be therefore necessary to complete this work.

Submit to the Local Boundary Commission (1 Week): Presuming this requires a mail submittal to each member of the Commission, one week should suffice to complete this.

Review of the Petition by the Local Boundary Commission (10-16 Weeks): The length of time it will take the Local Boundary Commission to complete its work will depend in large part on the interest shown in the proposed borough. If public interest runs high, several public hearings will be necessary and a longer time will be required to complete this phase of the process. They may even decide to hold public hearings in Fairbanks and Anchorage, as was done in the case of the North Slope Borough. This would, of course, add further time to the process.

This is obviously the most open-ended of all of the elements. It is therefore the most speculative with respect to timing. As best as can be gauged, however, it would appear this stage of the process can be completed within 10 to 16 weeks.

Petition Accepted/Rejected (1 Week): When the Commission reaches their decision in the matter, it will have to be written up and submitted to the appropriate officials (Lieutenant Governor and/or petitioners). This should require no more than one week.

Incorporation Election (10-19 Weeks): The concluding element is by and large controlled by state law (AS 29.18.110). The Lieutenant Governor has 30 days within which to "order" an election after the Commission has notified him they have "accepted" the petition. The election itself must be held "not less than 30 nor more than 90 days after the date of the election order". On top of this, of course, the ballots must be counted and the election certified. This is estimated to take an additional two weeks. Finally, "initial elected municipal officials take office on the first Monday following certification of their election".

APPENDIX A

REAA #13 BOUNDARY DESCRIPTION

AREA

That area of the Unorganized Borough within Election District 15 drained by the Yukon River above its confluence with the Tanana River, and that area of Election District 16 drained by the Yukon River (to the southerly boundary of the North Slope Borough) and generally referred to as the Upper Yukon area, containing the following communities:

Arctic Village	Fort Yukon
Beaver	Rampart
Birch Creek	Stevens Village
Chalkyitsik	Venetie
Circle	

BOUNDARY

Beginning at the point of intersection of the southerly boundary of the North Slope Borough and the 150⁰W longitude; thence proceeding south along said longitude to the point of intersection with 66⁰ N latitude; thence proceeding west along 66⁰ N latitude to* the point of intersection with the Yukon River; thence proceeding in a southeasterly direction to the point of intersection with the northwest corner of the Fairbanks North Star Borough; thence proceeding in an easterly and northeasterly direction along the said borough's northern boundary to the point of intersection with 65⁰ N latitude; thence proceeding along said latitude in an easterly direction to the point of intersection with the Canada-Alaska border; thence proceeding north along that border to the point of intersection with the southeastern corner of the North Slope Borough; thence proceeding west to the point of intersection with 146⁰ W longitude; thence south to the point of intersection with the 68⁰ N latitude; thence west along said latitude to the point of beginning.

* Editors Note: According to the map, it would appear that "151⁰ W longitude; thence south to" should be inserted at this point. This was not included in the description supplied by the State.

NUMBER OF SECTIONS (3) (7 SEATS)

Section I (2 Seats - A, B): Arctic Village, Chalkyitsik,
and Venetie.

This section includes all that territory north of latitude
60° 30' N and lies within the boundaries of Region #13.
This section does not include Fort Yukon.

Section II (3 Seats - C, D, E): Fort Yukon.

This section includes all that territory within the four
square miles defined as the City boundaries of Fort Yukon.
This location is defined as latitude 66° 34' N; longitude
145° 16' W.

Section III (2 Seats - F, G): Birch Creek, Beaver, Circle,
Stevens Village, and Rampart.

This section includes all that territory south of latitude
60° 30' N and lies within the boundaries of Region #13.
This section does not include Fort Yukon.

Chapter 18. Incorporation.

Article 1. Requirements.

Sec. 29.18.011. Incorporation of cities. (a) A community which meets the following standards may incorporate as a first class city:

- (1) the community has 400 or more permanent residents;
- (2) the boundaries of the proposed city include all areas necessary to provide municipal services on an efficient scale;
- (3) the economy of the community includes the human and financial resources necessary to provide local services; in considering the economy of the community, the Local Boundary Commission shall consider property valuations, economic base, personal income, resource and commercial development, anticipated functions, and the expenses and income of the proposed city, including the ability of the community to generate local revenue;
- (4) the population of the community is stable enough to support local government;
- (5) there is a demonstrated need for local government.

(b) A community which meets all the standards established in (a) of this section except (a)(1) may incorporate as a second class city. (§ 1 ch 212 SLA 1976)

Sec. 29.18.021. Limitations on incorporation of cities.

(a) A community within the unorganized borough may not incorporate as a city if the services may be provided by annexation to an existing city.

(b) A community within an organized borough may not incorporate as a city if the services could be provided on an areawide or non-areawide basis by the borough in which it is located or by annexation to an existing city. (§ 1 ch 212 SLA 1976)

Sec. 29.18.030. Organized boroughs. An area may incorporate as an organized borough if it conforms to the following standards:

(1) the population of the area is interrelated and integrated as to its social, cultural, and economic activities, and is large and stable enough to support organized borough government;

(2) the boundaries of the proposed borough conform generally to natural geography and include all areas necessary for full development of local services;

(3) the economy of the area includes the human and financial resources capable of providing local services; evaluation of an area's economy includes land use, property valuations, total economic base, total personal income, resource and commercial development, anticipated functions, expenses, and income of the proposed borough;

(4) land, water, and air transportation facilities allow the communication and exchange necessary for the development of integrated local government. (§ 2 ch 118 SLA 1972)

Article 2. Procedures.

Sec. 29.18.050. Petition. Municipal incorporation is proposed by filing a petition with the Department of Community and Regional Affairs. The petition shall include the following information about the proposed municipality:

- (1) class;
- (2) name;
- (3) boundaries;
- (4) composition and apportionment of the assembly or council;
- (5) for a first class borough, a designation of areawide powers to be exercised;
- (6) for a second class borough, a designation of areawide and nonareawide powers to be exercised;
- (7) maps, documents, and other information required by the Department of Community and Regional Affairs;
- (8) for first class city incorporation, the signatures and resident address of 50 permanent resident voters or of 15 per cent of the permanent resident voters within the proposed municipality, whichever is greater, based on the number who voted in the area in the last general election;
- (9) for second class city incorporation, the signature and resident address of 25 permanent resident voters or of 15 per cent of the permanent resident voters within the proposed municipality, whichever is greater, based on the number who voted in the area in the last general election;
- (10) for borough incorporation, the signature and resident address of 15 per cent of the permanent resident voters in each first class city and 15 per cent of voters in the area outside first class cities based on the number who voted in the respective areas in the last general election;
- (11) for a city, a designation of the powers proposed by the petitioners to be exercised;
- (12) a proposed operating budget for the municipality projecting sources of income and items of expenditure through the first full fiscal year of operation. (§ 2 ch 118 SLA 1972; am § 9 ch 200 SLA 1972; am § 2 ch 212 SLA 1976)

Sec. 29.18.060. Review. The Department of Community and Regional Affairs shall review petitions for content and signatures and shall return deficient petitions for correction and completion. (§ 2 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Sec. 29.18.070. Investigation. (a) If the petition contains the required information and signatures, the Department of Community and Regional Affairs shall investigate the proposal.

(b) The department may combine petitions for incorporation from the same general area.

(c) The department shall hold at least one public hearing in the area proposed for incorporation. (§ 2 ch 118 SLA 1972; am § 9 ch 200 SLA 1972; am §§ 3, 4 ch 212 SLA 1976)

Sec. 29.18.080. Report and hearing. (a) The Department of Community and Regional Affairs shall report its findings to the Local Boundary Commission with its recommendations regarding the incorporation.

(b) The Local Boundary Commission shall hold at least one public hearing in the area proposed to be incorporated for the purpose of receiving testimony and evidence on the proposal. (am § 5 ch 212 SLA 1976)

Sec. 29.18.090. Decision on municipal incorporation.

(a) If the Local Boundary Commission determines that a proposed municipality fails to meet the standards for incorporation, it shall reject the petition. If the commission determines that the proposed municipality meets the standards, it shall accept the petition. If the commission determines that the proposed boundaries can be altered to meet the standards, it may alter the boundaries and accept the petition.

(b) A commission decision under this section may be appealed under the Administrative Procedure Act (AS 44.62). (§ 2 ch 118 SLA 1972; am § 6 ch 212 SLA 1976)

Sec. 29.18.110. Incorporation election. (a) The Local Boundary Commission shall immediately notify the lieutenant governor of its acceptance of an incorporation petition. Within 30 days after notification, the lieutenant governor shall order an election in the proposed municipality to determine whether the voters desire incorporation and, if so, to elect the initial officers in the same election. If incorporation is rejected, no officers are elected. The election is held not less than 30 nor more than 90 days after the date of the election order. The election order must specify the dates during which nomination petitions for election of initial officers may be filed. (am § 1 ch 23 SLA 1976)

(b) An Alaska voter who has been a resident of the area within the proposed municipality for 30 days before the date of the election order may vote.

(c) Areawide borough powers included in the incorporation petition are considered to be part of the incorporation question. In an election for the incorporation of a second class borough, each power to be exercised outside cities only is placed separately on the ballot. Adoption of a nonareawide power requires a majority of the votes cast on the question, and the vote is limited to the voters residing outside cities.

(d) The lieutenant governor shall supervise the election in the general manner prescribed by the Alaska Election Code (AS 15.05 - 15.60). The state shall pay all election costs under this section. (§ 2 ch 118 SLA 1972)

Sec. 29.18.120. Election of initial officers.

(b) Nominations for initial officers are made by petition. The petition is in the form prescribed by the lieutenant governor and includes the name and address of the nominee and a statement

of the nominee that he is qualified under the provisions of this title for the office that he seeks. A person may file for and occupy more than one office, but he may not serve simultaneously as borough mayor and as a member of the borough assembly or as mayor and as a member of the council of a home rule or first class city. Petitions to nominate officers of a second class city must include the signature and resident address of 10 voters in the area of the proposed city. Petitions to nominate elected municipal officers must include the signature and resident address of 50 voters in the area of the proposed municipality, or that area of the proposed municipality from which the officers are to be elected under the composition and apportionment set out in the accepted incorporation petition.

(c) The lieutenant governor shall supervise the election in the general manner prescribed by the Alaska Election Code (AS 15.05 - 15.60). The state shall pay all election costs under (a) - (c) of this section.

(d) The initial elected municipal officials take office on the first Monday following certification of their election.

(e) The initial elected borough assembly and city council members shall determine by lot the length of their terms of office so that a proportionate number of terms expire each year, resulting in staggered terms of office for members subsequently elected.
(am §§ 2 - 4 ch 23 SLA 1976)

Sec. 29.18.130. Integration of special districts and service areas. Service areas in a newly incorporated borough or city shall be integrated into the borough or city within two years after the date of incorporation. On integration the borough or city succeeds to all the rights, powers, duties, assets and liabilities of the service areas. After integration, the borough assembly or city council may exercise within a former service area all of the rights and powers exercised by the service area at the time of integration, and may levy and collect special charges, taxes, or assessments to amortize bonded indebtedness incurred by the service area or by a borough or city as successor to the service area. Upon integration no less than all property in the service area at the time of integration remains subject to taxation to pay the principal of and interest on the bonds. The provisions of this section apply to all organized boroughs whether incorporated or organized before or after September 10, 1972. (§ 2 ch 118 SLA 1972)

Sec. 29.18.140. Transition. (a) The powers and functions exercised by home rule or general law cities and service areas which are succeeded to by a newly incorporated borough or city are exercised by them until the new borough or city assumes the powers and functions, which may not exceed two years after the date of incorporation. Ordinances, rules, resolutions, procedures, and orders in effect before the transfer remain in effect until superseded by the action of the new borough or city.

(b) The borough or city shall give written notice of its assumption of the powers, duties and other items enumerated in §§ 130 - 140 of this chapter, to the city, and service area concerned before the assumption. Borough or city officials shall consult with the officials of the city and service area concerned, and arrange an orderly transfer.

(c) After the incorporation of a new borough or city, no service area within it may assume new bonded indebtedness, make any contract, or transfer any assets without the consent of the assembly or council. (§ 2 ch 118 SLA 1972)

Sec. 29.18.150. Challenge of legality. No person may challenge the formation of a municipality except within six months of the date of its incorporation. (§ 2 ch 118 SLA 1972)

YUKON FLATS
REGIONAL GOVERNMENT STUDY

TECHNICAL REPORT No. 2

Data Reconnaissance

Darbyshire & Associates June 1979

DARBYSHIRE & ASSOCIATES
community planning and management services

May 5, 1979

Ms. Lee McAnerny, Commissioner
Department of Community and
Regional Affairs
State of Alaska
Pouch B
Juneau, Alaska 99811

Dear Commissioner McAnerny:

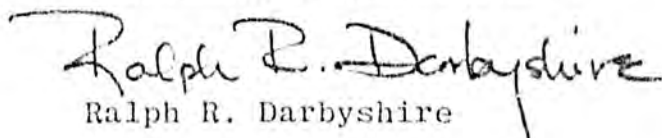
We are pleased to submit this Yukon Flats Regional Government Study - "DATA RECONNAISSANCE". This is the second of several papers that we are to prepare that will examine the requirements and potential for a regional government in the Yukon Flats area. Others to be produced include: "Local Government Options"; "Standards for Incorporation"; "The Incorporation Procedure"; "Borough Service Cost Estimates"; "Potential Borough Revenue Sources"; "Implications for Regional Self-Determination and Local Control"; and "The Feasibility and Viability of Regional Government Alternatives".

When we complete the last of our report "chapters", they will be combined and bound into a single summary report. At that time we will then travel to each of the communities in the proposed borough area and discuss our findings. This should be taking place towards the first part of June.

Throughout this undertaking we have worked closely with Mr. Pat Poland of your Local Governmental Assistance Division in Anchorage. In all instances he has been extremely helpful and eager to assist. Mr. Jonathan Solomon, Ms. Nancy James, and Mr. Sam Peter were also of invaluable assistance and support when we traveled to each of the communities in the region to explain this undertaking. Finally, the Borough Study Committee members were most helpful in organizing and arranging individual community meetings. For all of this we are most grateful and wish to extend our sincere thanks.

Respectfully submitted,

DARBYSHIRE & ASSOCIATES


Ralph R. Darbyshire

RRD/eq
Enclosure

YUKON FLATS REGIONAL GOVERNMENT STUDY
DATA RECONNAISSANCE

PREPARED FOR:

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
DIVISION OF LOCAL GOVERNMENT ASSISTANCE
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YUKON FLATS REGIONAL GOVERNMENT STUDY

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David Evans - Rampart
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Edward John - Venetie
Steve Joseph - Beaver
Larry Nathaniel - Circle
Jim Reiter - Central
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Lincoln Tritt - Arctic Village

YUKON FLATS REGIONAL GOVERNMENT STUDY

DATA RECONNAISSANCE

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DATA RECONNAISSANCE*

INTRODUCTION

Organizational, operational, costing, and financial aspects of the proposed borough will be greatly affected by population, land status, economic characteristics, community facilities and services, property values, and other characteristics of the study area. For instance, population directly affects the revenues boroughs collect through property taxation** and federal and state revenue sharing programs. Economic information will be useful to the Local Boundary Commission's deliberations on the feasibility of the proposed borough. State and federal land ownership patterns will affect the lands the borough might obtain through the State's Municipal Land Entitlement Program, as well as the revenues it might receive from the state government in lieu of land selection.

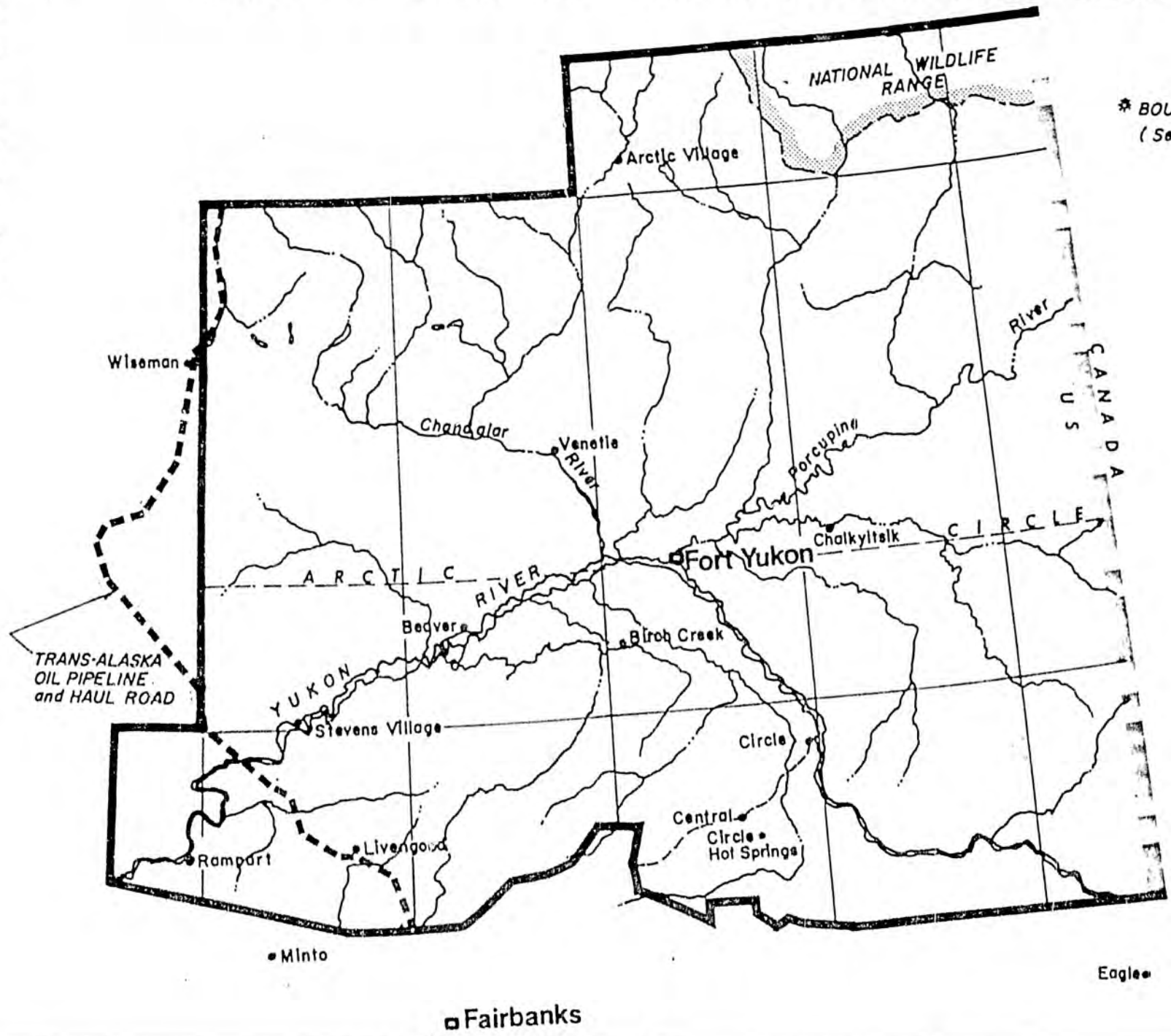
* For a more complete description/analysis of the area, see YUKON-PORCUPINE REGIONAL PLANNING STUDY - 1978, for the U.S. Forest Service, by the Agricultural Experiment Station - School of Agriculture & Land Resources Management, and the Institute of Social and Economic Research - University of Alaska, Fairbanks, Alaska.

** A.S. 43.56 and A.S. 29.53.

This report provides for the collection and analysis of this important information. As such, it examines:

- o The region's geographic characteristics and its relation to adjacent boroughs;
- o The history of the area's human occupation and an analysis of current and projected population characteristics;
- o Present economic conditions and the potential for future economic development;
- o Existing educational, transportation, and communication systems;
- o Existing public facilities and services and an analysis of future priorities and needs on a community-by-community basis;
- o General land ownership patterns as they might affect land selection rights, payments in lieu of land selection, and other state and federal programs; and

STUDY AREA BOUNDARIES* — PROPOSED YUKON FLATS BOROUGH



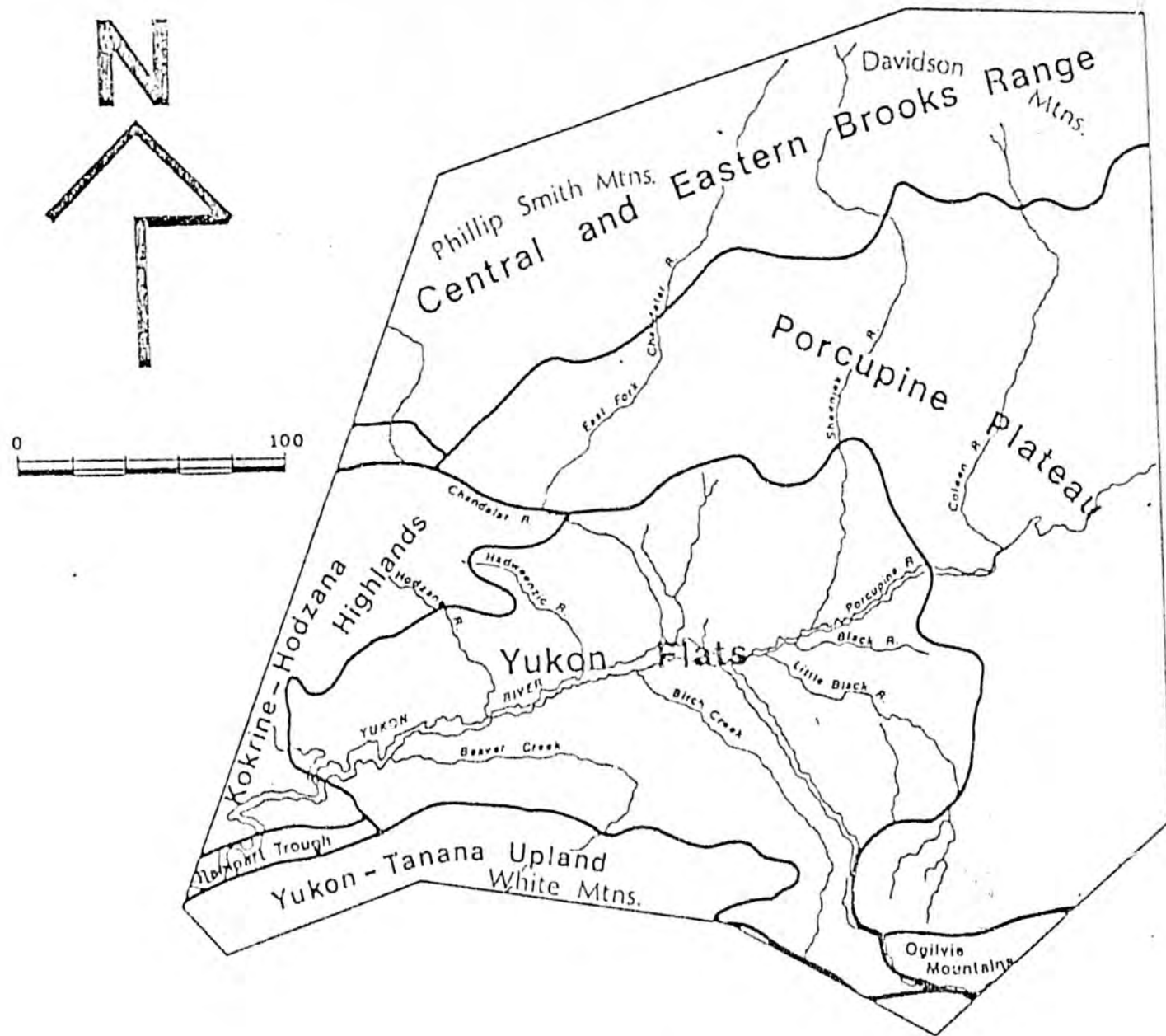
* BOUNDARIES of REAA #13
(See Appendix A)

Figure II

Seven different physiographic provinces exist within the study area: Central and Eastern Brooks Range, Porcupine Plateau, Yukon Flats, Ogilvie Mountains, Yukon-Tanana Upland, Rampart Trough, and Kokrine-Hodzana Highlands. (See Figure III, p. 7). Eight of the 11 settlements are located in the Yukon Flats province and the entire area has therefore become commonly known by that name. The Yukon Flats province covers about 10,000 square miles and is characterized by generally flat to gently rolling marshy flood plain lands with thousands of thaw lakes, oxbows, and sloughs.

It has been suggested that the western boundary of the study area was located so that the portion of the Alyeska pipeline would traverse both REAA #13 and REAA #12, which lies immediately to the west. This was apparently done so that both areas would be provided with a tax base should they decide to pursue the formation of a borough government.

The climate of the study area is generally classified as Continental Sub-arctic. It is characterized by great diurnal and annual temperature variations and low precipitation (7-10 inches). Maximum, mean, and minimum temperatures for January approximate the mid 30's, -30's, and -60's (degrees fahrenheit) for the area. For June, they approximate the mid 90's, mid 50's, and mid 20's (degrees fahrenheit), respectively.



From: Yukon - Porcupine Regional Planning Study - 1970 P. 10-2
 Figure III Major Physiographic Provinces in the Yukon-Porcupine Region

Vegetation in the area is about equally characterized by spruce-hardwood forest, spruce-poplar forest, alpine tundra, and barren ground. Moist tundra, low brush, bog and muskeg, and high brush are other vegetation types also found in the region.

Moose, Dall sheep, caribou, black bear, and grizzly bear are the principal big game species found in the study area. While they are not dispersed equally throughout the area, moose and caribou, as well as waterfowl, salmon, pike, and other fish, are the main subsistence foodstuffs utilized.

POPULATION

History: The Yukon Flats area is the center of territory which is considered the historic house of the Kutchin group - a major branch of the Athabascan Indian people. At one time, as many as seven Kutchin sub-groups lived in villages which extended from the junction of the Yukon and Tanana Rivers, throughout the Yukon Flats, and up the Porcupine and Yukon Rivers to and beyond the Canadian Border. The Kutchin's made widespread use of this territory. As noted in Alaska Natives and the Land, "The physiographic sections of Alaska occupied and used by these Kutchin groups center on the Yukon Flats, and extend to all parts of the basin..." (p. 205).

The growth of non-Native population in the region has been related to trapping, trade, and the exploration and extraction of minerals. Because of the cyclical nature of mineral activity that has occurred in rural Alaska, the region's population has varied widely. In some cases, communities have been established, grown sizeable populations, and then been abandoned within a few years. Circle best exemplifies this. In 1896, the population of Circle was estimated at 1,200 people; by 1910, the population had dwindled to 144 residents.

More recently, the search for potential petroleum resources has led to renewed exploration activity in the region. Finally, the construction of the Alyeska oil pipeline has generated some growth in the western portion of the region, with the establishment of maintenance and service camps along the pipeline route.

Seven traditional Native village sites have developed into present-day communities in the study area. These are: Arctic Village, Birch Creek, Chalkyitsik, Fort Yukon, Rampart, Stevens Village, and Venetie. Beaver is also a Native community; however, it is not considered a traditional Kutchin village as it was originally settled by several Japanese and Eskimo people who immigrated to the area from Barrow.

Circle also contains a sizeable Native population and is well within the Kutchin's historical area. As explained earlier, Circle was once a major mining and trading community that was nearly abandoned by the early 1900's. It became the home for residents of Charley's Village after that upriver community was destroyed by floods and ice in 1914.

Livengood, Central, and Circle Hot Springs are all non-Native settlements. Livengood and Central were established as roadhouses and Circle Hot Springs as a resort.

Throughout its history, the region has maintained an identity and cohesiveness based on the growth of Fort Yukon as an educational and trading center. This is less applicable to the communities of Livengood and Central which are connected to Fairbanks by road. They are influenced more by the trade and transportation systems centered in Fairbanks. Circle is also linked to Fairbanks by the Steese Highway. However, as a predominantly Native community located adjacent to the Yukon River, it has remained closely tied to the transportation and commercial networks of the Fort Yukon region.

Current Population Characteristics: Estimates on the current population of the study area vary. This results from the fact that the agencies which have gathered socio-economic information have used different boundaries in their analysis. If U.S. Census data is used, the Upper Yukon

Census Division had a 1970 population of 1,684 people. This, however, includes the community of Eagle and portions of the North Slope Borough and does not include the communities of Livengood and Rampart.. When adjustments are made for these considerations, the estimated 1970 population of the study area is 1,250. (See Table 1, p. 12).

Recent population trends for the region indicate that the area is growing slowly. A 1978 report developed for the U.S. Forest Service* estimates the region's population has risen from 942 persons in 1950 to 1,325 in 1976, a 17-year growth of 383 persons**. Although the accuracy of the census in remote areas can be questioned, the figures can be considered a rough indication of the general trend of modest growth which has occurred in recent years.

Based on 1978 population figures derived from a series of COMMUNITY PROFILES published by the Fairbanks Town & Village Association for Development, the 1978 population of the

* From YUKON-PORCUPINE REGIONAL PLANNING STUDY - 1978, for the U.S. Forest Service, by the Agricultural Experiment Station - School of Agriculture & Land Resources Management, and the Institute of Social and Economic Research - University of Alaska, Fairbanks, Alaska.

** These figures should not be considered as an exact population estimate for the study area as the U.S. Forest Service Study did not encompass the communities of Livengood, Central, Circle Hot Springs, or Alyeska Pipeline Pump Station No. 6.

TABLE 1

ESTIMATED POPULATION
YUKON FLATS REGION
1970 AND 1978

<u>PLACE</u>	<u>1970¹</u>	<u>1978²</u>
Arctic Village	85	111
Beaver	101	83
Birch Creek	52	29
Central	26	20
Chalkyitsik	130	99
Circle	54	76
Circle Hot Springs	8	10
Fort Yukon	448	700
Livengood	29	29 ³
Rampart	36	58
Stevens Village	74	78
Venetie	<u>112</u>	<u>148</u>
	SUB-TOTAL	1,155 1,441
Ft. Yukon Air Force Base	<u>95</u>	<u>160⁴</u>
	SUB-TOTAL	1,250 1,501
Pump Station #6	<u>-</u>	<u>70⁵</u>
	TOTAL	1,250 1,571

- 1 From 1970 U.S. Census, except for Fairbanks Town & Village Association for Development estimate for Birch Creek.
- 2 From Fairbanks Town & Village Association for Development COMMUNITY PROFILES, 1978, and estimates by Darbyshire & Associates.
- 3 Repeat of 1970 figure.
- 4 From Alaska Air Command, Office of Information.
- 5 From phone conversation with Mr. Sam Akin, Alyeska Pipeline Service Company.

region is estimated at 1,571 persons. (See Table 1, p. 12). Compared with a 1970 population estimate of 1,250 people, the Yukon Flats region has shown a growth of about 321 people in eight years. Assuming population increased steadily, the growth translates to a 3% annual increase in the region's population.

Individual village populations have shown marked changes during this same period. (See Table 2, p. 14). Some have shown dramatic increases, while others have suffered major losses in population. This data reflects the extreme dependence of the population on the region's changeable economic, subsistence, and public service systems. The movement of a few families in response to employment opportunities or the local disappearance of subsistence resources, can have a pronounced effect on village population levels.

Aside from an apparently unusual 1960 population figure, the city of Fort Yukon has shown steady growth from the late 1800's. Since the establishment of a Hudson's Bay Company post in 1847, Fort Yukon has served as the commercial center of the Yukon Flats region. The growth of Fort Yukon as a regional center for the administration of public services, including health, housing, education, and cultural programs, has drawn residents from surrounding communities to Fort Yukon. Fairbanks residents, both Natives and non-Natives, have also been attracted to Fort Yukon by the employment

TABLE 2

COMMUNITY POPULATIONS
YUKON FLATS REGION
1950 - 1978

<u>PLACE</u>	<u>1950</u>	<u>1960</u>	<u>1970</u> ¹	<u>1973</u>	<u>1975-76</u>	<u>1978</u> ²
Arctic Village	53	110	85	131	138	111
Beaver	101	101	101	96	-	83
Birch Creek	-	32	40-45 ³	30	40	29
Central	-	-	26	-	-	20
Chalkyitsik	-	27	130	80	85	99
Circle	83	41	54	63	54	76
Circle Hot Springs	-	-	8	-	-	8 ⁴
Fort Yukon	446	701	448	614	637	700 ⁵
Livengood	-	-	29	-	-	148
Rampart	94	49	36	-	34	58
Stevens Village	84	102	74	56	77	78
Venetie	81	107	112	108	160	29

From U.S. Forest Service, YUKON-PORCUPINE REGIONAL PLANNING STUDY - 1978, p. 2-1, unless otherwise noted.

- 1 From 1970 U.S. Census.
- 2 From Fairbanks Town & Village Association for Development COMMUNITY PROFILES, and Alaska Department of Community & Regional Affairs.
- 3 Estimates by Alaska Department of Labor - 1970, and Federal Field Committee - 1969.
- 4 Estimate by Darbyshire & Associates.
- 5 From the Fairbanks Town & Village Association for Development YUKON COMMUNITY PROFILE, 1978.

opportunities in public services and Native corporation activities. Fort Yukon, it appears then, has begun to assume the centralized administrative, transportation, communication, and economic functions for the Yukon Flats region.

There are an estimated 970 registered voters in the Yukon Flats region. The number of registered voters in each community is shown in Table 3, p. 16.

Race: In 1970, approximately 86% of the region's population was Native, compared with 1970 Native populations of 4% for the Fairbanks Census Division, and 18.2% statewide. Within the region, only Livengood, Central, and Circle Hot Springs are non-Native. In fact, no Natives were reported living in these communities in the 1978 Census done by the Fairbanks Town & Village Association for Development.

Age and Sex Characteristics: The age and sex composition of the study region indicates that the area's population structure is rapidly approaching the statewide norm. Figure IV, p. 18, indicates that there has also been a marked decline in the region's birthrate between 1960 and 1970. The number of people in the prime working years of 20-50 years of age has grown between 1960 and the present. However, the marked decrease in the proportion of those aged 10-19 years in 1960, compared with the proportion of the

TABLE 3

REGISTERED VOTERS BY COMMUNITY
YUKON FLATS REGION
MARCH 1978

<u>COMMUNITY/PRECINCT</u>	<u>NUMBER OF REGISTERED VOTERS</u>
Arctic Village -	86
Beaver	57
Birch Creek	(Included with Ft. Yukon)
Central (Includes Circle Hot Springs)	84
Chalkyitsik	52
Circle	61
Circle Hot Springs	(Included in Central)
Ft. Yukon (Includes Beaver)	361
Livengood	(Included in Rampart)
Rampart (Includes Livengood)	127
Stevens Village	58
Venetie	<u>84</u>
TOTAL REGISTERED VOTERS	<u>970</u>

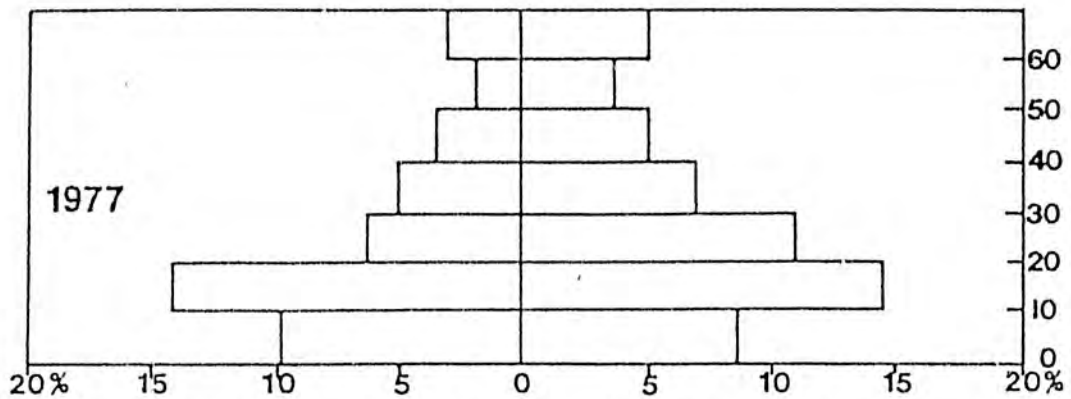
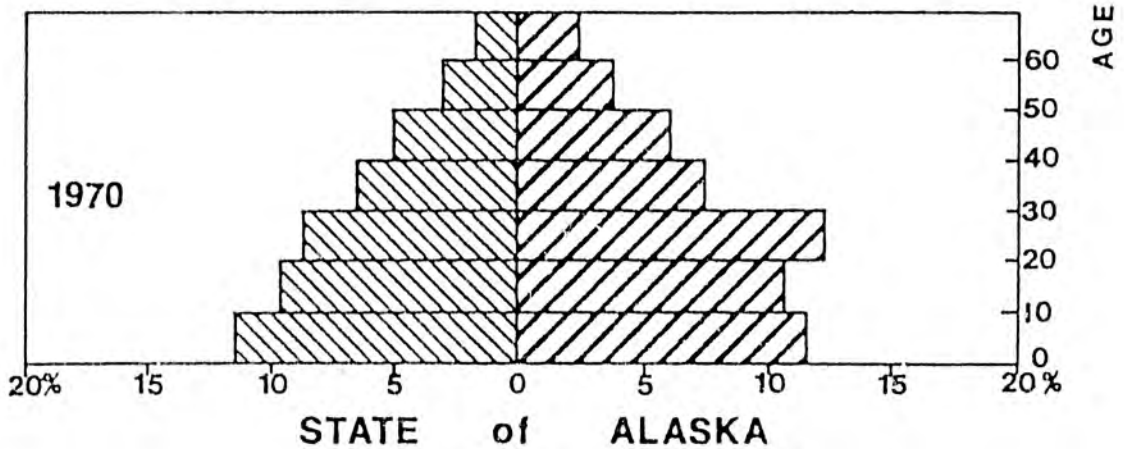
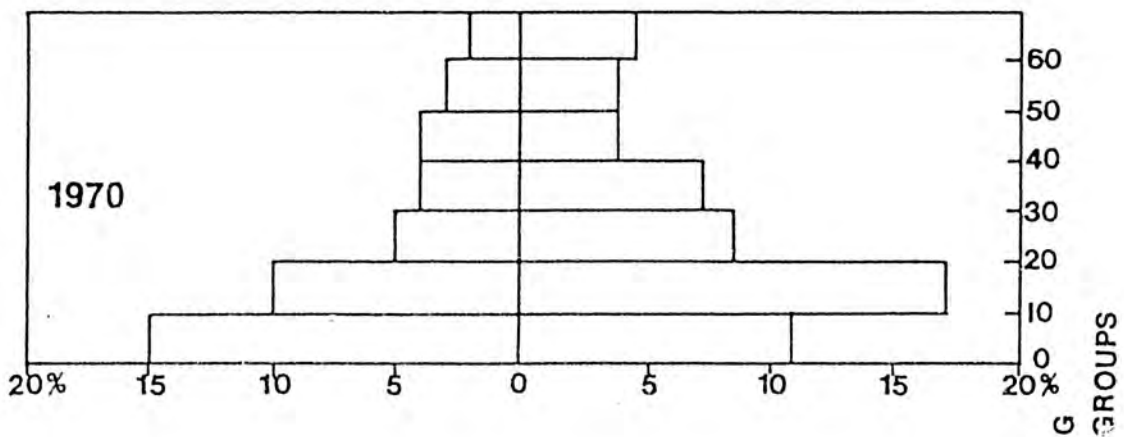
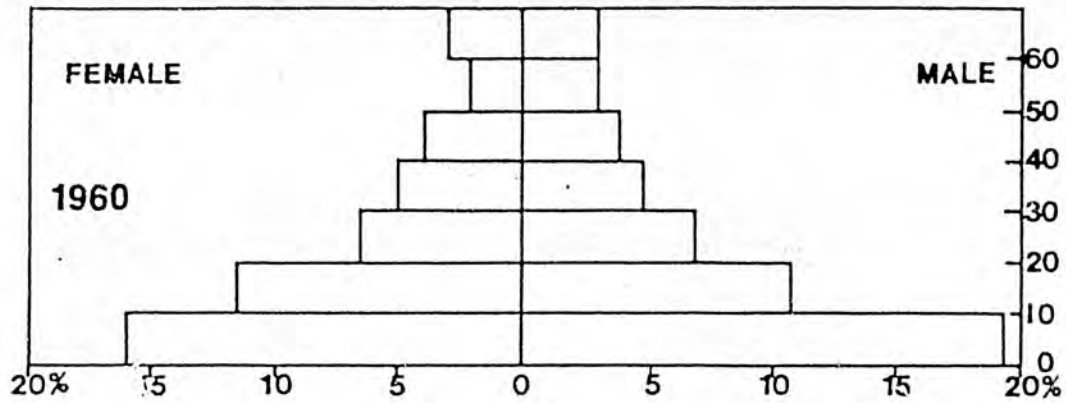
1970 age 20-29 group, indicates that a substantial number of young people are leaving the region. (See Figure IV, p. 18).

Even though movement out of the region by those in the working ages may be continuing, the percentage of the area's population in the working ages is growing. The U.S. Forest Service, YUKON-PORCUPINE REGIONAL PLANNING STUDY, estimates the percentage of the region's population between the ages of 20 and 60 has climbed from 36% in 1960 to 43% in 1976. This compared to 50% of Alaska's statewide population within the same age group.

Education: The level of education for residents in the study area has increased steadily in recent years to a 1970 median level of 9.2 years of school completed by those age 25 and older. (See Table 4, p. 19). In comparison with other organized boroughs, the 1970 educational attainment of the Yukon Flats area residents falls roughly in the center of figures which range from an average of 6.9 years of school to 12.7 years of school completed.

Regional enrollment at the secondary level has increased dramatically from 1970 to the present. Today, 33% of local public school students are enrolled at the secondary level, as opposed to 13% attending high school locally in 1970. (See Table 5, p. 20). This results principally from the "Molly Hootch Case" and the establishment of the REAA in

FIGURE IV
POPULATION PYRAMID
AGE AND SEX CHARACTERISTICS FOR
THE YUKON FLATS REGION - 1960-1977
AND THE STATE OF ALASKA - 1970



From U.S. Forest Service Report, Pg. 2-6, and 1970 U.S. Census

TABLE 4

AVERAGE YEARS OF EDUCATION
ORGANIZED BOROUGHES
1960 AND 1970

<u>BOROUGH</u>	<u>AVERAGE YEARS OF EDUCATION</u>	
	<u>1960</u> ¹	<u>1970</u>
REAA #13 Study Area	5.8 ²	9.2 ²
Greater Anchorage Area	12.4	12.6
North Slope	6.9	6.9 ³
Bristol Bay	7.5	12.5
Fairbanks North Star	12.3	12.6
Haines	11.0	11.6
City & Borough of Juneau	12.4	12.7
Kenai Peninsula	11.9	12.4
Ketchikan Gateway	11.9	12.4
Kodiak Island	11.8	12.3
Matanuska-Susitna	11.3	12.4
City & Borough of Sitka	11.3	12.4

From U.S. Bureau of the Census, 1960 and 1970, unless otherwise noted.

- 1 Data is for Census Divisions as no boroughs were incorporated in 1960.
- 2 Figures are from U.S. Forest Service, YUKON-PORCUPINE REGIONAL PLANNING STUDY - 1978, p. 3-1.
- 3 North Slope Borough figures are for the Barrow Census Division.

TABLE 5

SCHOOL ENROLLMENT BY NUMBER AND PERCENT
YUKON FLATS REGION
1970 AND 1978

<u>GRADE LEVEL</u>	<u>ENROLLMENT</u>			
	<u>1970</u> ¹		<u>1977</u> ²	
	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>
Kindergarten and Preschool	12	4	14	4
Elementary	261	83	211	63
Secondary	<u>41</u>	<u>13</u>	<u>108</u>	<u>33</u>
	314	100	333	100

From U.S. Census Bureau and Alaska Department of Education.

1 For Upper Yukon Census Division.

2 For Yukon Flats REAA. Decrease in total enrollment due to exclusion of students in Kaktovik and Eagle.

1975, wherein emphasis has been given to the provision of high schools in the smaller communities in the state. This is in lieu of sending these same students to boarding school outside of the area.

In summary, the educational achievement of the study area's residents is approaching the statewide norm and is, at present, comparable to the educational levels of residents of some other incorporated boroughs. Recent increases in school enrollment, especially at the high school level, indicate that the residents of the study area will rapidly attain an educational level quite comparable to the statewide norm.

Future Population: The future population of the Yukon Flats region can be estimated on the basis of current population trends and on the basis of expected economic growth.

Currently, the region's modest growth in population appears to be accompanied by a decreasing birthrate. In addition, the proportion of the region's population in the working age groups is increasing steadily. This indicates a decrease in the movement of young adults out of the region.

If these current trends continue to support the modest 3% annual population growth shown in the region over the past eight years, the region's population can be expected to reach approximately 2,240 people by 1990 and about 3,010 people by the year 2000. (See Table 6, p. 22).

TABLE 6

ESTIMATED POPULATION
YUKON FLATS REGION
1990 AND 2000

<u>METHOD</u>	<u>POPULATION</u>		
	<u>1978</u>	<u>1990</u>	<u>2000</u>
3% Annual Growth Rate	1,570	2,240	3,010
U.S. Forest Service Economic Forecast - All New Jobs Filled by New Residents	1,571	2,199	2,828
One-half of New Jobs Filled by New Residents	1,571	1,729	2,199

Simply multiplying present population growth rates to some future date assumes that the economy will also expand to provide jobs, goods, and services for the region's "expected" population. However, this might not be the case. A second method of projecting future population growth begins with an analysis of the area's future economy in order to forecast the number of jobs that will be added to the region's employment level. Future population growth can then be estimated on the basis of the number of new workers and their families that will be required to fill the new jobs.

Just such an economic analysis was included in the U.S. Forest Service report on the Yukon-Porcupine Region. In this report, roughly 180 new jobs are expected to be created by 1990, and from 200 to 220 new jobs will be added to the region's economy by the year 2000. If all of these new jobs are filled by workers new to the region, the U.S. Forest Service report projects population increases of 40% to 80% by the year 2000. However, if one-half of the expected new jobs are filled by local residents, the region's population would grow from 20% to 40% by 2000. As shown in Table 6, p. 22, estimated regional population levels, based on the U.S. Forest Service report, range from 1,885 to over 2,199 in 1990 and from about 2,199 to almost 2,828 by the year 2000.

Future School Enrollment: Presently, about 22% of the region's population is enrolled in school. As some high

school students still attend schools outside of the area, further increases in enrollment at the secondary level could raise the proportion of the region's population requiring educational services. A future enrollment level approximating 25% of the region's total population is therefore likely. Based on a 25% enrollment level, projections of future school enrollment can be easily derived from the preceding population estimates. As shown in Table 7, p. 25, future school enrollment levels could range from 471 to 560 pupils in the year 1990, and may increase to approximately 550 to 752 students by the year 2000.

ECONOMY

In a broad sense, the economy of the Yukon Flats region reflects the economic history of much of Alaska. An age-old Native trapping, trading, and subsistence economy provided a base for the development of a commercial fur trapping and trade economy by the mid-1800's. This was marked by the establishment of a Hudson's Bay Company trading post at Fort Yukon in 1847. Shortly afterwards, the discovery of gold deposits at several locations in the region led to the growth of mining activity as the region's major economic activity. Gold discoveries were made in 1873 between Fort Yukon and Fort Selkirk; in 1884 near Circle; from 1891-1893 near Birch Creek; and in 1892 in the Rampart District.

TABLE 7

SCHOOL ENROLLMENT
YUKON FLATS REGION
1990 AND 2000

<u>25% OF ESTIMATED POPULATION</u>	<u>SCHOOL ENROLLMENT</u>		
	<u>1977¹</u>	<u>1990</u>	<u>2000</u>
3% Annual Growth Rate	322	560	752
U.S. Forest Service Economic Jobs filled by new residents	322	550	707
One-half New jobs filled by new residents	322	471	550

1. Source: State of Alaska, Department of Education,
Public School Foundation Program 1978-79 Initial
Report.

As major gold mining activity moved to other areas of Alaska and Canada in the late 1890's (most notably to the Klondike discoveries of 1898), trade and transportation became the region's primary economic base. With an estimated 35 steam-wheelers serving the Yukon River settlements at the peak of mining activity, Fort Yukon maintained its identity as a regional trade and supply center. The communities of Circle, Central, Rampart, Beaver, and Venetie also served as supply, transportation, and trade centers for surrounding mineral developments.

The decrease in mineral activity in the region during the early 1900's resulted in a decline in the area's economy. The loss of mining as a major economic base was not made up by gains in other activities. Consequently, the level of trade and transportation activities in the region also declined. The development of modern road and air transportation networks in the area further weakened the economic health of those off-system communities that were no longer used as supply, transshipment, or trading posts.

With the establishment of Fort Yukon as a regional public service center, some economic stability has returned to the study area. As with other rural areas in Alaska, public service programs, supported by the state or federal governments, provide a form of "basic" economic activity in the region. However, the development of the area's natural

resources, in the form of timber, minerals, and agriculture, holds the potential of a stable regional economic base in the future.

Current Employment Composition: Information on the region's employment has been drawn mainly from a 1977 household survey completed by the University of Alaska's Institute of Social and Economic Research (ISER). This was done as part of the U.S. Forest Service, YUKON-PORCUPINE REGIONAL PLANNING STUDY, effort. It is also supplemented by data published by the Alaska Department of Labor.

The government sector, including the Yukon Flats School District, City of Fort Yukon, Bureau of Land Management fire crews, and various other state and federal agency jobs, is the region's primary source of employment. The ISER survey found that 34% of Fort Yukon's work force was employed in the public sector. In the outlying villages, government employees accounted for 45% of total employment. (See Table 8, p. 28).

Native organizations are the second largest employer in the region. Although employment figures for the profit and non-profit corporation activities were not separated, it is estimated that a substantial proportion of the positions involve the provision of public services. Employment in regional health and housing programs, operated by non-profit

TABLE 8

EMPLOYMENT BY SECTOR AND OCCUPATION
YUKON FLATS REGION
BY PERCENT

<u>EMPLOYMENT SECTOR</u>	<u>PERCENT OF LABOR FORCE</u>	
	<u>FORT YUKON</u>	<u>OUTLYING VILLAGES</u>
Government:		
School District	11	23
Federal	15	15
State	<u>8</u>	<u>7</u>
	34%	45%
Native Organizations	30%	15%
Private Business	20%	18%
Pipeline	9%	9%
Other	<u>3%</u>	<u>3%</u>
TOTAL	100%	100%
<hr/>		
<u>OCCUPATION</u>		
Professional-Technical	22%	18%
Managerial-Administrative	11%	13%
Sales-Clerical	20%	8%
Crafts-Operative	23%	21%
Laborer	12%	17%
Service	<u>12%</u>	<u>25%</u>
TOTAL	100%	100%

From U.S. Forest Service, YUKON-PORCUPINE REGIONAL PLANNING STUDY -
1978, p. 6-4.

organizations - funded by state and federal agencies - thus increases the role of government employment in the region's economy.

Private business and the Alyeska pipeline were the next biggest employers in the region. These sectors employed, respectively, 20% and 9% of the region's work force.

The importance of public employment in the area's economy is reflected in the type of occupations found in the region. Approximately one-third of the region's employees were classed as professional, technical, and managerial-administrative in the ISER survey. Sales and clerical positions accounted for approximately 15% of areawide employment. Service, labor, and crafts occupations accounted for slightly over one-half of the region's employment. (See Table 8, p. 28).

Seasonality and Unemployment: As in other rural portions of Alaska, unemployment is high in the Yukon Flats region. ISER estimated that regional unemployment averages 20% year-round. Native employment has a winter peak of 25% to 30%. (See Table 9, p. 30). Unemployment figures, however, consider only those participating in the labor force, i.e., those actively looking for work. The ISER study also estimates that only one-half of the region's working-aged population is in the work force at any time. As a large portion

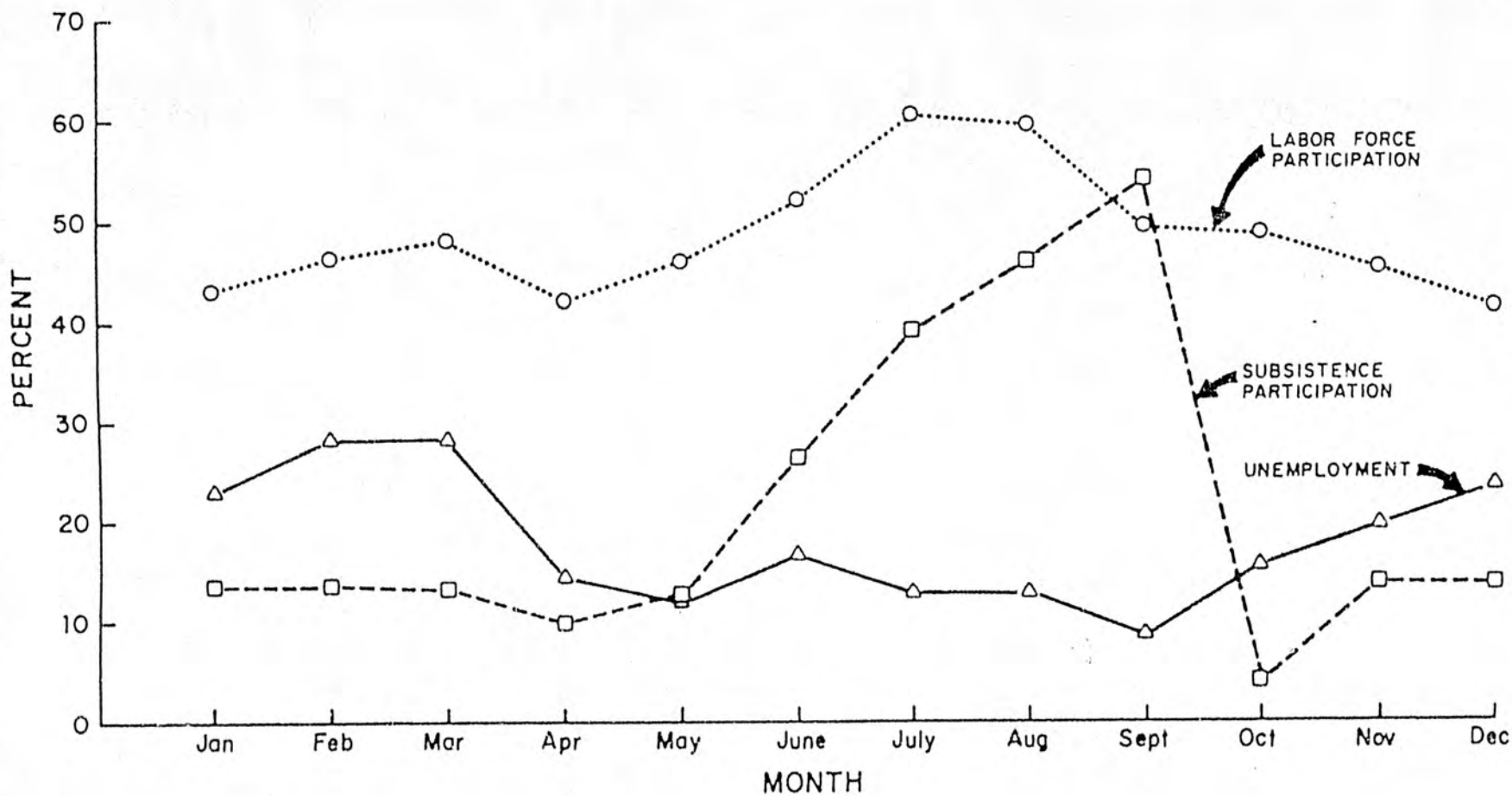


TABLE 9

Seasonality of Yukon-Porcupine Native Workforce Participation, Subsistence Activities, and Unemployment—1976

of rural employment opportunities are highly seasonal, changes in work force size can be expected.

There is some evidence that area residents would remain in the work force if employment opportunities increased. Most of those responding to the ISER survey, for example, stated that there were months during 1976 when they wanted to work, but that jobs were not available. According to the ISER survey, 54% of the region's Native residents wanted a year-round job, while 47% of those surveyed wanted more work during the winter.

Public sector employment in the region can have a stabilizing effect on employment seasonality. Nearly one-half of Fort Yukon's labor force was employed for 10 months or more during 1976; over two-thirds of Fort Yukon's labor force worked for seven months or more. In the outlying villages, however, the duration of employment was reversed. Over one-third of village workers were employed for less than three months and close to 60% worked less than six months during 1976.

Seasonality of employment can create conflicts between wage employment and subsistence activities for individual workers. As with wage employment, subsistence activities are highest during the summer. Participation in subsistence in the Yukon Flats region is concentrated during the months of June

through September, with peak activity in September. Peak participation in the labor force, by comparison, occurs during the months of July and August. The desire for increased employment opportunities during the winter months, then, could reflect a desire to pursue subsistence activities during the summer, as well as a need for year-round wage employment.

Subsistence: Subsistence activities are an important component of the Yukon Flats regional economy. The ISER study found that 52% of the region's total households obtained one-half or more of their food through subsistence activities. Over three-quarter's of the area's households use some form of subsistence food supplies. (See Table 10, p. 33).

About 70% of both Native and non-Native residents desire to pursue both wage employment and subsistence activities. While subsistence is considered primarily as a source of food, and perhaps skins for domestic use, a significant portion of the area's residents look to subsistence as a source of work income. The ISER survey found that 28% of Yukon Flats residents would rather earn money through such activities as trapping, rather than by wage employment. (See Table 11, p. 34).

Yukon Flats residents commit a significant amount of time to subsistence activities. ISER found that 70% of Native heads

TABLE 10

PROPORTION OF FOOD TAKEN THROUGH SUBSISTENCE
YUKON FLATS REGION
ALL HOUSEHOLDS, BY PERCENT

<u>PROPORTION OF FOOD PROVIDED THROUGH SUBSISTENCE</u>	<u>PERCENT OF HOUSEHOLDS</u>
Most	24
Half	28
Some	25
None	<u>23</u>
TOTAL	100%

From U.S. Forest Service, YUKON-PORCUPINE REGIONAL PLANNING STUDY -
1978, p. 5-5.

TABLE 11

PREFERENCES ON SUBSISTENCE ACTIVITIES
YUKON FLATS REGION
ALL RESIDENTS

<u>PREFERENCES OF TIME AND SOURCE OF CASH</u>	<u>PERCENT OF SAMPLE</u>
<u>Prefer Spending Time:</u>	
Mostly on Subsistence	13
Mostly on Wage Employment	18
Both	<u>69</u>
TOTAL	100%
 <u>Preferred Source of Money:</u>	
From Subsistence	28
From Wage Employment	61
Both	<u>11</u>
TOTAL	100%

DOES TIME SPENT ON WAGE EMPLOYMENT DECREASE TIME SPENT ON SUBSISTENCE OR ON AMOUNT OF SUBSISTENCE TAKE?

<u>Does Wage Employment Decrease?</u>	<u>Time Spent</u>	<u>Subsistence Take</u>
Yes	40	31
No	<u>60</u>	<u>69</u>
TOTAL	100%	100%

From U.S. Forest Service, YUKON-PORCUPINE REGIONAL PLANNING STUDY - 1978, pp. 5-2 and 5-11.

of households spent one month or more primarily engaged in subsistence activities. Nearly one-half of those surveyed spent from one to four months primarily in subsistence pursuits. These subsistence activities, as noted earlier, are most likely to take place during the summer months of June through September. (See Table 12, p. 36).

Employment for wages does not appear to substitute for a reliance on subsistence resources. For example, 60% of those surveyed felt that wage employment did not reduce the time spent in subsistence activities. An even larger proportion - almost 70% - felt that wage employment did not decrease the amount of their subsistence take. Regionally, 75% of the Native workers employed year-round reported spending one month or more in subsistence activities. This suggests that yearly vacation time and intensive after-hours or weekend subsistence activities are considered by area residents as time spent "primarily" for subsistence.

The availability of subsistence resources and the ability to ensure continued access to and protection of those resources are, then, important to Yukon Flats residents. Regional land use and resource development decisions will affect subsistence activities and resources. The ability of local residents to have some influence on these regional decisions will be discussed in a later report.

TABLE 12

TIME SPENT ON SUBSISTENCE ACTIVITIES,
 BY WAGE EMPLOYMENT
 YUKON FLATS REGION
 NATIVE HOUSEHOLDS

<u>MONTHS SPENT MOSTLY ON SUBSISTENCE</u>	<u>NATIVE HOUSEHOLDS</u>
0	30
1 - 2	24
3 - 4	22
5 - 6	17
7 - 12	<u>7</u>
TOTAL	100%

<u>MONTHS SPENT MOSTLY ON SUBSISTENCE</u>	<u>MONTHS EMPLOYED</u>		
	<u>1-5</u>	<u>6-11</u>	<u>12</u>
0	14	15	26
1 - 3	39	39	39
4 - 12	<u>47</u>	<u>46</u>	<u>36</u>
TOTAL	100%	100%	100%

From U.S. Forest Service, YUKON-PORCUPINE REGIONAL PLANNING STUDY -
 1978, pp. 5-6 and 5-9.

Income and Cost of Living: The average annual income of Yukon Flats residents is among the lowest in the state. At the time of the 1970 Census, the median per capita income of Native residents of the Upper Yukon Census Division was the lowest of any census division in Alaska. The level of income in the region does appear to be rising in relation to statewide income levels. While Native per capita income was only 28% as large as statewide per capita income in 1960, regional income levels increased to 36% of statewide median per capita incomes in 1970 and to 38% by 1976. (See Table 13, p. 38).

On the basis of a regional living cost index developed by ISER of 1.6 times higher than the national cost of living, the federal definition of poverty level family income can be adjusted to \$8,800 per year for a family of four. The ISER survey found that over half of the Native households in the region had 1976 incomes below this limit.

In spite of these low median per capita income levels, the number of Yukon Flats residents earning \$10,000 or more per year has increased dramatically since 1960. While only 13% of the Upper Yukon Census Division residents earned \$10,000 or more during 1959, fully 22% of Yukon Flats residents had achieved this income level by 1973. By 1976, nearly 48% of Yukon Flats residents were earning \$10,000 or more. While a portion of this increase may be due to pipeline employment,

TABLE 13

PER CAPITA INCOME LEVELS
YUKON FLATS NATIVES AND STATE OF ALASKA
1960 - 1977

	<u>PER CAPITA INCOME</u>		
	<u>1960</u>	<u>1970</u>	<u>1976</u>
Alaska	\$2,263	\$3,765	\$8,047
Yukon Flats Natives	640	1,343	3,033
Percent of State	28.3%	35.6%	37.7%

From U.S. Forest Service, YUKON-PORCUPINE REGIONAL PLANNING STUDY -
1978, p. 7-2.

the bulk of this increase must be attributed to the growth of highly paid, full-time public service employment in the region. As noted earlier, slightly less than 10% of the region's 1976 employment was accounted for by pipeline jobs; however, nearly one-fourth of the area's households had an income of \$25,000 or more in 1976. (See Table 14, p. 40).

The high cost of living in the Yukon Flats region places further strain on already low per capita income levels. The ISER survey found that living costs in Fort Yukon averaged almost 60% higher than costs of living in Anchorage. Put conversely, expenditures on cost-of-living in Fort Yukon purchase one-third less than dollars spent in Anchorage. However, the costs among particular types of goods vary widely. The cost of electricity, for example, is over five times higher in Fort Yukon than in Anchorage. (See Table 15, p. 41).

The cost of living in the outlying villages is even higher. Based on data developed by ISER, the cost of food in villages could be as much as 39% higher than Fort Yukon prices, or about twice the cost of food in Anchorage. Because of limited transportation alternatives and the lack of bulk fuel storage capacity, heating fuel prices in the more remote villages may be twice as expensive as in Fort Yukon, or nearly three times the cost of fuel in Anchorage.

TABLE 14

INCOME DISTRIBUTION FOR ALL RESIDENTS
YUKON FLATS REGION
1960 - 1976

<u>INCOME</u>	<u>1960</u> ¹	<u>1970</u> ¹	<u>INCOME</u>	<u>1973</u>	<u>1976</u>
	<u>Percent</u>	<u>Percent</u>		<u>Percent</u>	<u>Percent</u>
Less than 3,000	60	14	Less than 3,000	35	21
3,000 - 4,999	7	28	3,000 - 4,999	15	9
5,000 - 6,999	10	11	5,000 - 7,999	20	14
7,000 - 9,999	10	5	8,000 - 9,999	8	9
10,000 +	<u>13</u>	<u>42</u> ²	10,000 - 11,999	8	8
	100%	100%	12,000 - 14,999	4	8
			15,000 - 19,999	5	8
			20,000 - 24,999	3	10
			25,000 +	<u>2</u>	<u>13</u>
				100%	100%

From U.S. Forest Service, YUKON-PORCUPINE REGIONAL PLANNING STUDY - 1978, p. 7-2; adapted by Darbyshire & Associates.

- 1 1960 and 1970 figures include Kaktovik and Prudhoe Bay development.
- 2 Includes roughly 200 employees in Prudhoe Bay area.

TABLE 15

COST OF LIVING IN RELATION TO ANCHORAGE,
SELECTED ITEMS
FORT YUKON AND REGIONAL VARIATION
1976 - 1977

<u>ITEMS</u>	<u>% FORT YUKON COST ABOVE ANCHORAGE</u>	<u>% COST VARIATION WITHIN REGION</u>
Food	43%	39%
Heating Oil	51%	95%
Housing	84%	-
Gasoline	33%	108%
Electricity	550%	-

From U.S. Forest Service, YUKON-PORCUPINE REGIONAL PLANNING STUDY --
1978, p. 7-8.

Future Economy: The current outlook for major economic development in the Yukon Flats region before the year 2000 is not optimistic. In an analysis of the potential for development in six economic sectors, the U.S. Forest Service study found that petroleum development and recreation held the most promise for economic growth in the near future. The potential for large-scale agriculture and timber harvesting activities are severely limited due to the inability of locally produced crops and timber to compete in the national and international markets. Development of alternative energy sources (hydroelectric, wind, solar power, and geothermal means) have limited potential in the region due primarily to physical factors.

There is some possibility of future hard-rock mineral development activity. In addition to the region's existing gold mining, there are some resource estimates of the potential amount of mineralization in the Yukon Flats region. An accurate assessment of the types and occurrence of minerals awaits more extensive exploration, however. Major increases in the price of minerals on the world market; guarantees of access to mineralized lands; and major improvements in the regional transportation network are required before most types of mineral development can proceed economically. Thus, only limited exploration activity is expected to occur in the region in the near future.

Gold mining, on the other hand, is expected to remain stable over the next 10 to 20 years, with increases in both placer and lode mining if the price of gold on the world market rises significantly.

Increased regional employment related to petroleum activity (assuming moderate development in the Kandik Basin and limited exploration in the Yukon Flats) is expected to peak at roughly 125 to 150 people through the year 2000.

Additional regional employment resulting from increased mineral activity (primarily gold mining) could add between 60 and 200 jobs to the region's economy by the year 2000.

The U.S. Forest Service analysis develops four alternative scenarios for future economic growth in the Yukon Flats region. These are: limited development, maximum development, regional interest, and compromise alternatives. As the Forest Service states, the maximum development scenario assumes activities which are not, at present, economically feasible. Projected regional employment in the three remaining scenarios are almost identical. (See Table 16, p. 44). Roughly 180 new jobs are expected in the region by 1990 and from 200 to 220 new jobs by the year 2000.

Based on this level of added employment, the U.S. Forest Service projects an increase in population of 40% to 80% regionwide. However, these projections assume that these

TABLE 16

FUTURE EMPLOYMENT INCREASES,
FOUR SCENARIOS
YUKON FLATS REGION
1990 - 2020

<u>SCENARIO</u>	<u>INCREASED EMPLOYMENT</u>		
	<u>1990</u>	<u>2000</u>	<u>2020</u>
Limited Development	180	220	390
Maximum Development	1,800	4,000	3,900
Regional Interest	160	190	250
Compromise Alternates	180	220	320

added jobs will be taken by non-local workers who will in turn bring their families to the region. It is likely that a number of these new jobs requiring laborers and semi-skilled workers could be filled by workers from the region. A substantial portion of the employment associated with the expected growth in tourism, local trade and service industries, local construction and road maintenance, small-scale agricultural and timber development, and increased placer and lode gold mining also matches the job skills of the region's labor force. If half of the expected new jobs could be filled by the resident labor force, regional population increases of 20% to 40% could be expected by the year 2000.

As the region grows, the distribution of population could change dramatically. As economic development takes place, the role of Circle as a major transportation and distribution center will increase. This is especially true if oil development occurs in the Kandik Basin. Further, the movement of goods and materials to the oil field and the return transportation of oil or gas would likely be routed through or near Circle.

Similarly, if mining, timber, or agricultural developments occur in the region, the Yukon Crossing (i.e., the point at which the Pipeline Haul Road crosses the Yukon River) could become an important transportation center in the region.

Raw materials or produce could be moved downriver and loaded on trucks at the Yukon Crossing. In any event, the Yukon Crossing provides more direct river access to the communities of Rampart, Stevens Village, and Beaver than is currently available. Increased pressure to establish some type of community in the vicinity of the Yukon Crossing seems very likely.

Fort Yukon is expected to maintain its identity as the region's administrative, cultural, and economic center. The increased trade and transportation development projected at Circle and at the Yukon Crossing would likely tie those communities more closely to the Yukon Flats region and Fort Yukon. In short, growth and development in the Yukon Flats region should result in the increased involvement of that portion of the study area south of the Yukon River in the economy of the Yukon Flats region.

PUBLIC FACILITIES AND SERVICES (See Table 17, pp. 54-55 and Table 18, p. 58)

This section of the Data Reconnaissance provides a general description of the region's transportation, communications, and educational systems. In addition, an inventory of public facilities and services is included to give an indication of the nature and level of public improvements in the region. Finally, the public service priorities expressed by

community representatives are discussed in terms of the types and levels of desired local improvements.

Regional Transportation: The Yukon Flats area is served by regionwide air and water transportation systems. The communities of Livengood, Central, and Circle also have road connections to the Fairbanks area. The major link within the region between road and water transport networks is at Circle. Considerable barge traffic to the area also originates at Nenana via the Tanana River.

Air transportation systems in the area connect each of the region's communities to each other, to Fort Yukon, and, in turn, to the Fairbanks area. At the present time, scheduled air service connects Fort Yukon with Arctic Village, Beaver, Birch Creek, Chalkyitsik, and Venetie. The communities of Central, Circle, Livengood, Rampart, and Stevens Village, because they are closer to Fairbanks than Fort Yukon, are regularly served by flights originating in Fairbanks.

Charter flights are also an important component of the region's air transportation system. Charter flights provide quick transportation of passengers and cargo within the region and between Fairbanks and the Yukon Flats communities. Three charter flight services are located within the region - two in Fort Yukon and one at Circle. Other charter services operate principally out of Fairbanks. It has been

estimated that as much as 20% of the total air cargo in the region is handled by charter flights. Charter services also apparently account for as much as one-fourth of all passenger flights in the region.

Air cargo consists primarily of food and general merchandise. Fuel and building materials, however, must be air-shipped to those communities without river access barge service. One-sixth of all cargo moved into the Yukon Flats region is estimated to travel by air. The remainder of the region's cargo is shipped by barge.

A total of 12 airports serve the communities of the region. (See Table 17, p. 49). In addition, several airstrips have been built in association with, and adjacent to, the trans-alaska oil pipeline. The Yukon River and numerous other rivers and lakes provide landing spots for float planes in summer and wheel or ski planes in winter. Many of the airstrips are unusable during break-up. The Fort Yukon field is the only facility with lights and navigational aids.

Water transportation is the second major network in the Yukon Flats region. The Yukon and Porcupine Rivers, sloughs, and lakes provide a means of movement between communities and to the area's resources. Transportation to fishing sites and other locations of subsistence resources by riverboat is common during the summer months. In addition,

TABLE 17

AIRFIELDS
YUKON FLATS REGION

<u>AIRFIELD</u>	<u>OWNER</u>	<u>LENGTH (FT)</u>	<u>RUNWAY SURFACE</u>
Arctic Village	Private	4,400	Gravel
Beaver	State	3,650	Gravel
Birch Creek	State	4,150	Dirt
Central	State	3,200	Cravel
Chalkyitsik	State	2,500	Gravel/Dirt
Chandalar	State	4,500	Gravel
Circle	State	2,900	Gravel/Dirt
Fort Yukon	State	5,019	Gravel
Livengood	Public Domain	1,250	Turf
Rampart	State	2,500	Gravel
Stevens Village	State	2,200	Dirt
Venetie	Private	3,700	Dirt

From ALASKA REGIONAL PROFILES: YUKON REGION, for the State of Alaska and the Joint Federal-State Land Use Planning Commission for Alaska, by the University of Alaska - Arctic Environmental Information and Data Center; 1977, p. 307.

heavy materials (such as building supplies, equipment, and fuel) are transported by barge, as are other goods which can be ordered and shipped in volume.

The region is served primarily by two barge lines. Hunn Navigation, headquartered in Circle, serves Birch Creek, Chalkyitsik, and Fort Yukon. Fort Yukon, Beaver, Stevens Village, and Rampart are served by Yutana Barge Lines, located in Nenana. As noted earlier, approximately five-sixth's of the region's cargo travels by barge.

Of these two routes, the Nenana-Fort Yukon route handles approximately 20 times the volume of cargo as the Circle-Fort Yukon alternative. The Nenana-Fort Yukon route is a longer water route, but requires shorter more economical overland truck transport. In addition, Nenana is accessible by highway from Anchorage and Fairbanks year-round for staging and warehousing.

The road network in the area is limited to intra-community roads and two gravel highways. Only the communities of Circle, Central, and Livengood have highway access to the rest of the state. (See Figure I, p. 4). The Steese Highway terminates at Circle and connects Circle, Central, and Circle Hot Springs with Fairbanks. In its entirety, it is open only in summer although that portion between Central, Circle Hot Springs and Circle is kept open in the winter. Access is provided to the Yukon River at Circle. As noted, this supports the operation of one of the region's two major barge lines.

The Elliot Highway/North Slope Haul Road form the second portion of the region's road network. The Elliot Highway, and associated roads, link Fairbanks with Livengood. In turn, the North Slope Haul Road links Livengood with the Yukon River Crossing and then the Prudhoe Bay area. Paralleling the trans-alaska oil pipeline, the North Slope Haul Road traverses western portions of the proposed borough area. The remaining eight communities in the area are without road access.

Regional Communication: The region's communications network is comparable to that in other rural areas of Alaska. The state's program, which provides small satellite communications stations in smaller villages, has resulted in the extension of telephone service to all of the communities. In addition, Fort Yukon has a telephone system operated by Interior Telephone Company.

Commercial radio broadcasts from Fort Yukon or Fairbanks can be heard in all communities. Television is limited to Fort Yukon.

Newspapers available in the area include: the Fairbanks News-Miner, Tundra Times, All Alaska Weekly, and the locally published River Times. Subscription services are available with delivery by mail.

Education: Excepting for the B.I.A. school at Beaver and the B.I.A. elementary school at Venetie, education services in the area are provided by the Yukon Flats School District. This is one of 21 Regional Education Attendance Areas (REAA #13) created by the State in 1975. As such, the full costs for educational services and facilities are borne by the state, while a locally elected school board administers the education program.

The district operates facilities in all communities within the region, except for Central.

Additions to existing schools, remodeling, and construction of two new high school facilities are either budgeted or under construction.

Approximately 332 students are presently enrolled in the system. Student populations are expected to increase to between 471 and 560 by 1990, and to reach approximately 560 to 752 by the year 2000.

Like all Regional Education Attendance Areas, the Yukon Flats School District is governed by a locally elected School Board. Decisions on program needs and policies, curriculum, and facilities expansion are the primary responsibility of the School Board. A district superintendent, hired by the Board, administers the educational program. The State of Alaska, however, maintains responsibility for

the actual construction of facilities and cost of the district's operation.

Police and Fire Protection: Public services and facilities in the Yukon Flats area are extremely limited. While Fort Yukon enjoys city police and fire protection, the rest of the area relies on the services of State Troopers stationed in Fort Yukon and Fairbanks for police protection. Most of the communities have no organized system of fire protection, and those with volunteer fire departments lack firefighting equipment and facilities.

Water: Community water systems exist in only four of the region's communities. In each instance, these systems consist of a water treatment/storage facility that serve as watering points where individuals obtain water for their own use. The communities of Fort Yukon, Arctic Village, and Beaver have public water distribution points and laundry and showers combined in a single facility. Similar facilities are planned for Venetie and Stevens Village. In Circle, water is provided by a private operator with delivery to homes available. In the remaining seven communities, including Stevens Village and Venetie, water must be hauled from a stream or the Yukon River. This oftentimes necessitates the melting of ice to obtain water in the winter.

TABLE 18

PUBLIC FACILITIES AND SERVICES
ALL COMMUNITIES
YUKON FLATS REGION

<u>COMMUNITY</u>	<u>PUBLIC SAFETY:</u> <u>POLICE</u>	<u>FIRE</u>	<u>WATER</u>	<u>SEWER*</u>	<u>ELECTRICITY</u>	<u>HEALTH</u>
Arctic Village	State Troopers	No	Central Watering Point	No	No**	Health Aides, Clinic, No Water
Beaver	State Troopers	No	Central Watering Point	No	No**	Health Aides, Clinic, No Water
Birch Creek	State Troopers	No	No	No	No**	No Health Aides, No Clinic
Central	State Troopers	No	No	No	Private Utility	No Health Aides, No Clinic
Chalkyitsik	State Troopers	No	No	No	No**	Health Aide, No Clinic, No Water
Circle	State	No	Private Water Distribution	No	Private Utility	Health Aides, No Clinic
Fort Yukon	City Police	City Vol. Fire	Central Watering Point/Haul System	No	Private Utility	Health Aide, PHS Staff, Large Clinic
Livengood	State Troopers	No	No	No	No**	No Health Aide, No Clinic

TABLE 18 CONTINUED

Rampart	State Troopers	No	No	No	No**	Health Aides, Clinic, No Water
Stevens Village			No (Planned Central Watering Point)	No	No**	Health Aides, Clinic, No Power
Venetie	State Troopers	No	No (Planned Central Watering Point)	No (Septic Tanks Under Construction)	No**	Health Aides, No Clinic, No Water

From Fairbanks Town & Village Association for Development COMMUNITY PROFILES, 1978, and visits to the villages in January/February, 1979.

* Consists mostly of privies, although some seepage pit, cesspool, and honeybucket use exists.

** Have small village generation serving school and community center and/or washeteria.

Sewer: Community-wide sewage collection and disposal facilities are nonexistent. Some closed systems exist at several of the school facilities. Most sewage disposal, however, is taken care of by pit privies. Some seepage pit, cesspool, and honeybucket use also exists. Construction of a number of individual septic tanks is scheduled for Venetie this year. This action is, however, being reconsidered.

Electricity: All school facilities have their own electric generation systems. In some instances, lines from these systems have been extended to the community hall or washeteria - if one exists. Community-wide electrical systems are found only in Fort Yukon, Circle, and Central. The remaining eight communities have no electrical systems, although one or two individuals have their own small light plants.

Health: Health care, in contrast to other public services, is available to a limited extent in most of the region's communities. The Tanana Chiefs Health Authority has provided training for village health aides under a state program. The Authority has also coordinated the construction and stocking of health clinics in most of the communities. Health aides operate under the general direction of the U.S. Public Health Service staff at the Alaska Native Health Service Hospital in Fairbanks. The presence of telephone communications in all communities allows health aides to obtain

medical advice when required. This cooperative PHS-health aide service is called Medical Phone.

Community health aides are located in seven villages in the area, in addition to the Public Health Service staff located in Fort Yukon. Health clinics are held in eight communities. Three of these clinics are held in the health aides' homes, and five of the eight clinics lack running water.

The closest full-scale hospital facilities are located in Tanana and Fairbanks. An Alaska Native Health Service Facility is located in Tanana and is used by the residents of Rampart and Stevens Village. A larger Alaska Native Health Service Facility is located in Fairbanks. This has a complete range of medical and dental services.

Public Facility and Service Priorities: (See Table 19, p. 58). Local priorities on public service improvements reflect the lack of basic utility services in the Yukon Flats region. Six of the region's 11 communities rated water and sewer improvements and/or the construction of a centralized village water and sewer utility building as their first or second priority. Seven communities ranked village electrification as one of their top three priorities. In five of the seven villages, electrification was one of the top two public service priorities.

TABLE 19

PUBLIC FACILITY AND SERVICE PRIORITIES
ALL COMMUNITIES
YUKON FLATS REGION

	<u>PUBLIC FACILITIES</u>											<u>EDUCATION</u>						
	ELECTRIFICATION	AIRPORT IMPROVEMENTS	CENTRAL UTILITY BUILDING	HOUSING	COMMUNITY BLDGS. / CENTERS	ROAD IMPROVEMENTS	FIRE EQUIPMENT	MAINTENANCE EQUIPMENT	WARM STORAGE	BULK FUEL	DUMP	COMMUNICATIONS IMPROVEMENTS	HEALTH CLINIC	SCHOOL EXPANSION	GYMNASIUM	LIBRARY	CHILD CARE	
Arctic Village	2				1	3												
Beaver	2	6	1	3				5			4							
Birch Creek	3	5	1		6		7	4			8		2					
Central																		
Chalkyitsik	1	3	2			6		8		9			4	7	5			
Circle		3	2	5		4	6				7		1					
Fort Yukon				5	6		5		1									
Livengood	NOT AVAILABLE																	
Rampart	3		2	1	4										5	6		
Stevens Village	2	3	1	4						8	5		7		6			
Venetie	2												1					
TOTAL NO. VILLAGES	7	5	6	5	4	3	3	2	2	2	2	2	1	3	2	2	1	
AVERAGE SCORE	2.1	4	1.5	3.1	4.3	4.3	6	6	3	8.5	6	6	4	1	4	6	5.5	4

From Fairbanks Town & Village Association for Development - COMMUNITY PROFILES - 1978.

Even though the provision or improvement of water and sewage facilities was one of the most desired public improvements, the region's communities do not consider large, piped utility systems as necessary. In most cases, centralized watering points or sewage disposal facilities were specifically mentioned as the most desirable type of utility service.

Although lower in average priority, housing and airport improvements were listed as community needs by five communities. Road improvements and maintenance equipment were listed by four communities as important public service needs.

Bulk fuel storage is not considered a priority public facility by the region's communities. Only two communities listed bulk fuel storage as a desirable improvement. The availability of bulk fuel storage facilities in the villages, however, will make the provision of such services as electricity, water, sewage, and a centralized laundromat/shower/utility building much more economical. Thus, although the direct benefit to village residents is not readily visible, ✓ the provision of bulk fuel storage facilities in the region's communities is almost a prerequisite for the overall upgrading of the region's public facility and service systems.

Warm storage facilities provide a place for the storage and repair of community maintenance equipment, parts, and supplies. Such facilities are sometimes used for the staging or subassembly of portions of other local construction projects as well. The construction of warm storage facilities presents a problem similar to the provision of bulk fuel storage. Although not directly providing a service to community residents, the presence of a warm storage facility in a village makes the construction of other public services more efficient and supports the continued maintenance of community facilities. While local residents may not think of warm storage facilities as an important public improvement, the availability of such facilities is very useful from the point of view of those providing other capital improvements.

STATE LANDS

Alaska Statutes (A.S. 29.18.203) provide that "the general grant land entitlement of a municipality (borough) . . . is 10% of the total (state) acreage of vacant, unappropriated, unreserved land within the boundaries of that municipality." In other words, if a proposed Yukon Flats Borough came into existence it would be eligible to select for ownership the surface estate to 10% of the state general grant lands within its boundaries.

Historically, this program has resulted in borough entitlements ranging from 2,800 acres in the case of the Haines Borough to 353,210 acres for the Matanuska Borough. Obviously, the effects this legislation would have with respect to a proposed Yukon Flats Borough becomes an important consideration.

With Native and state land selection programs, associated interim and final land conveyances, d-2 legislation, conflicting state and federal opinions on selections, etc., it is nearly impossible to calculate the entitlement of a proposed Yukon Flats Borough. We have, however, obtained some information that gives an insight into the potential that exists.

According to a land status map dated April 1976* the state had selections pending for approximately 2,376,800 acres of land in the study area. More recently, an Alaska Division of Lands map** shows that the state has selections pending on 13,923,840 acres of land.

* ALASKA REGIONAL PORFILES -YUKON REGION, State of Alaska, by the University of Alaska Arctic Environmental Information & Data Center, p. 283.

** GENERALIZED STATE LAND ACTIVITY, Alaska Division of Lands, current to 3-31-79.

The state would have to classify its lands before borough selection could take place. This would probably reduce the boroughs entitlement somewhat. The state still, however, has some selections left to make. It is therefore possible that the state's acreage in the study area could increase.

In sum, there are no current means to accurately gauge the lands the proposed borough might be entitled to. On the other hand, an entitlement of between 200,000 and 2,000,000 acres does not seem an unreal expectation at this time.

YUKON FLATS
REGIONAL GOVERNMENT STUDY

TECHNICAL REPORT No. 3

Incorporation Standards

Darbyshire & Associates

June 1979

DARBYSHIRE & ASSOCIATES
community planning and management services

May 24, 1979

Ms. Lee McAnerny, Commissioner
Department of Community and
Regional Affairs
State of Alaska
Pouch B
Juneau, AK 99811

Dear Commissioner McAnerny:

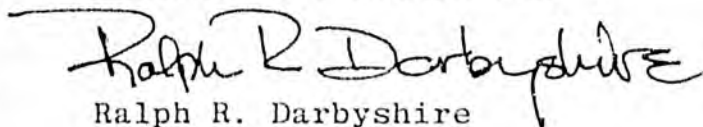
We are pleased to submit this Yukon Flats Regional Government Study - "INCORPORATION STANDARDS". This is the third of several papers that we are to prepare that will examine the requirements and potential for a regional government in the Yukon Flats area. Others to be produced include: "Local Government Options"; "Data Reconnaissance"; "The Incorporation Procedure"; "Borough Service Cost Estimates"; "Potential Borough Revenue Sources"; "Implications for Regional Self-Determination and Local Control"; and "The Feasibility and Viability of Regional Government Alternatives".

When we complete the last of our report "chapters", they will be combined and bound into a single summary report. At that time we will then travel to each of the communities in the proposed borough area and discuss our findings. This should be taking place towards the first part of June.

Throughout this undertaking we have worked closely with Mr. Pat Poland of your Local Governmental Assistance Division in Anchorage. In all instances he has been extremely helpful and eager to assist. Mr. Jonathan Solomon, Ms. Nancy James, and Mr. Sam Peter were also of invaluable assistance and support when we traveled to each of the communities in the region to explain this undertaking. Finally the Borough Study Committee members were most helpful in organizing and arranging individual community meetings. For all of this we are most grateful and wish to extend our sincere thanks.

Respectfully submitted,

DARBYSHIRE & ASSOCIATES


Ralph R. Darbyshire

RRD:jmp
Enclosure

YUKON FLATS REGIONAL GOVERNMENT STUDY
INCORPORATION STANDARDS

PREPARED FOR:

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
DIVISION OF LOCAL GOVERNMENT ASSISTANCE
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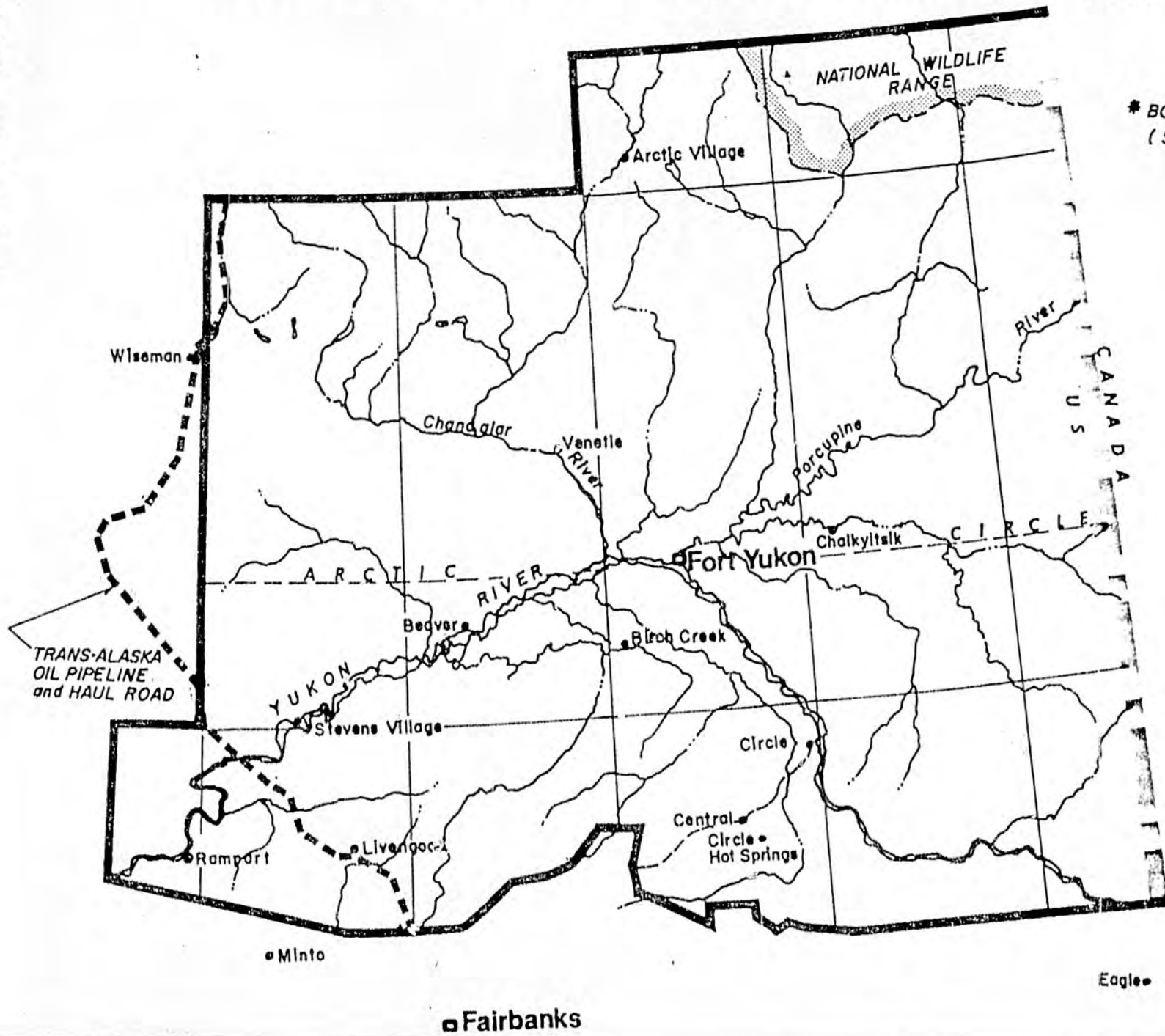
YUKON FLATS REGIONAL GOVERNMENT STUDY

INCORPORATION STANDARDS

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STUDY AREA BOUNDARIES* — PROPOSED YUKON FLATS BOROUGH



* BOUNDARIES of REAA #13
(See Appendix A)

Figure 11

INCORPORATION STANDARDS

INTRODUCTION

During the incorporation process, ~~both~~ the Department of Community and Regional Affairs and the Local Boundary Commission are required to evaluate a petition to form a new borough on the basis of certain "standards for incorporation" contained in Alaska law. The incorporation standards, defined in broad social, economic and geographic terms, set basic requirements that an area must meet before it is eligible to incorporate as a borough.

The purpose of this technical report is to evaluate how well the study area meets the standards for incorporation contained in State law. The State Department of Community and Regional Affairs will undertake the same type of evaluation if borough incorporation is pursued by residents of the study area. Therefore, it is important that any possible problems the area might have in meeting the incorporation standards be identified now, early in the incorporation process. In this way, a later incorporation petition could be designed to overcome any weaknesses in meeting state incorporation standards, thereby assuring approval of the incorporation petition.

This technical report provides an analysis of the incorporation standards and their applicability to the Yukon Flats study area. The subject areas covered in this analysis include:

- o The constitutional background and basis for the incorporation standards;
- o A description of the state law setting standards for incorporation of a new borough;
- o A comparison of each standard with the Yukon Flats study area; and
- o An evaluation of how well the study area meets the minimum standards for incorporation, based on the past interpretation of those standards by the Department of Community and Regional Affairs, the Local Boundary Commission, and the State Supreme Court.

(A complete description of the process of incorporation is contained in Technical Report #1, THE INCORPORATION PROCESS.)

THE CONSTITUTIONAL BACKGROUND

Provisions for the creation of local government are contained in Article X of Alaska's Constitution. This article also contains provisions for the creation of both the Local Boundary Commission and a local government agency, which is the Division of Local Government Assistance in the Department of Community and Regional Affairs.

In Section 3 of Article X, Alaska's constitution requires that new boroughs shall be established in accordance with standards provided by law. The constitution itself does not contain those standards. Instead, the constitution, in Article X, directs Alaska's legislature to develop the standards for borough incorporation.

The constitution, in Section 3 of Article X, does indicate the overall scope of those standards for incorporation. The standards are to consider "population, geography, economy, transportation, and other factors" (Section 3, Article X, Constitution of the State of Alaska). The specific definition of minimum standards for incorporation in each of these subject areas was left to the state legislature.

However, the constitution does provide some direction for

the legislature in developing standards for incorporation. In Section 3, the constitution directs that "Each borough shall embrace an area and population with common interests to the maximum degree possible." This constitutional mandate provided an overall goal for the legislature in drafting standards for incorporation. This same constitutional mandate also provides one basis for evaluating later proposals for borough incorporation.

The constitution also states the overall purpose of Alaska's system of local government. As set out in Section 1 of Article X, the purpose of local government in Alaska is to "...provide for maximum self-government with a minimum of local government units...". This statement has been interpreted by the Local Boundary Commission and the Department of Community and Regional Affairs to mean that, in part, the constitution supports the creation of boroughs which cover large geographic areas.

As documented in the report "Borough Government in Alaska"*, the constitution was originally designed to allow for a wide range of future borough governments, from densely populated

* Borough Government in Alaska, A Study of State-local Relations, Thomas Marcha^{WOREHOUSE}use and Victor Fischer, Institute of Social, Economic and Government Research, University of Alaska, Fairbanks, Alaska, 1971. 184 pp.

nt
urban areas to larger, more rural, sparsely populated areas. The intent of the constitutional delegates was to enable areas with very different geographic and socioeconomic conditions to qualify for self-government, if and when desired by local residents. The constitution's support for flexibility in the creation of local governments is shown in its general approach to the standards for incorporation.

The provisions of the constitution and the statements of intent drafted during the constitutional convention have been used by the legislature in drafting specific laws relating to the form, powers, and creation of cities and boroughs. The state courts have also relied on the constitution and statements of intent to guide judicial interpretation of state laws on borough formation in a number of cases. Thus, the provisions of the constitution have given strong support to the creation of new boroughs under a wide range of conditions.

THE STANDARDS FOR INCORPORATION

In response to the constitutional mandate, Alaska's legislature has adopted state laws which outline the minimum standards for borough incorporation. These standards are found in Title 29, Section 18, of the Alaska Statutes. The four standards that an area wishing to incorporate must meet are set out in AS 29.18.030.* (See Appendix C for the complete text of AS 29.18.030).

(Note: State laws are called 'statutes', and are published by subject area. Each subject area is called a 'title'; Title 29 of the Alaska Statutes contains almost all laws relating to the form, powers, and operations of local government. In referring to specific parts of state law, the title, chapter, and section numbers are all given. For example, the reference AS 29.18.030 means that the particular law being discussed is found in Alaska Statutes, Title 29, Chapter 18, Section 30; for more specific references, subsection numbers may be included in parentheses after the section number, as in AS 29.18.030(1)-(4).)

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report*

In general terms, the incorporation standards provide guidelines on the social, economic, transportation, and communications characteristics that must be met by an area petitioning for incorporation. As in the constitution, these incor-

poration standards in state law are not detailed; there are no specific requirements on the number of residents or acres of land a new borough must contain. Instead, the incorporation standards simply indicate the types of social, economic, and geographic characteristics that must be considered in the formation of a new borough.

Further, minimum conformance to the incorporation standards makes an area eligible for incorporation. In a case involving the incorporation of the North Slope Borough, the Alaska Supreme Court stated that the broad constitutional mandate on local government upholds the creation of boroughs if the requirements for incorporation have been minimally met.* This means that the broadest possible interpretation of the standards for incorporation will be applied to any petition to form a new borough government.

The Division of Local Government Assistance, in the Department of Community and Regional Affairs, has the primary responsibility for determining whether or not a proposed borough conforms to the standards for incorporation set out in

* See Mobil Oil Corporation, et al, V. Local Boundary Commission of the State of Alaska, et al, before the Supreme Court of Alaska, January 16, 1974, in Pacific Reporter, 518 P2 92.

AS 29.18.030. The Department's report is, in turn, submitted to the Local Boundary Commission for action on a borough petition.

As noted above, the four standards for incorporation are contained in AS 29.18.030. The incorporation standards include guidelines on evaluating the following regional characteristics:

- o The social, cultural, and economic integration of the area;
- + o Its ability to support organized borough government;
- o The relation between the boundaries of the proposed borough and natural geography;
- o The areas necessary for development of local services;
- o The capability of the area's economy to provide local services; and
- o The regional transportation system's ability to allow for the development of integrated local government.

The meaning of each of these guidelines, their relation to the study region, and the ability of the Yukon Flats study area to meet these guidelines has been analyzed. This analysis is presented in the remainder of this report, on the basis of the four standards for incorporation included in AS 29.18.030.

AS 29.18.030(1), Regional Integration and Stability: AS 29.18.030(1) requires that an area could incorporate as a borough if "...the population of the area is interrelated and integrated as to its social, cultural and economic activities, and is large and stable enough to support organized borough government." The first step in interpreting this standard is to break it down into separate subjects.

First, the area's population must be "interrelated and integrated" in social and cultural terms. Very generally, this means that the social and cultural identity of an area should be uniform throughout the region. In order to include all areas sharing a common social or cultural identity, the geographic limits of a region may be extensive. An example is the North Slope Borough; one of the determinants of the extent of that borough's boundaries was the common cultural identity of the area's Inupiat Eskimo residents.

Socially and culturally, the Yukon Flats communities from Circle to Rampart show a high degree of social and cultural interrelationships. This social identity is reflected in the boundaries established for the Yukon Flats REAA; this attendance area was, in part, designed to fit the historical pattern of Kutchin Indian settlement of the region, as exhibited by the locations of present-day communities.

While Livengood and Central are not traditionally closely interrelated to the social and cultural systems of the Yukon Flats, the future relationships between the region's communities must be considered. The common identification of the region as an administrative sub-unit of a number of state and federal agencies effectively "links" the Yukon Flats communities into an integrated system. At present, such agencies as the state department's of Education, Health and Social Services, Transportation and Public Facilities, and Natural Resources, as well as federal agencies such as the Forest Service and Bureau of Land Management, have geographic sub-units which cover the study area in varying combinations. In addition, communities within the region are linked by shared election precincts and existing health care, housing, and educational programs.

The provision and administration of a variety of government sponsored programs on a regional basis will increasingly strengthen the common identity and integration of the

communities within the study area, whether or not a borough is ever created. This has apparently already occurred to a limited extent through the provision of educational services on a regionwide basis. The inclusion of Central and Livengood in the Yukon Flats School District has resulted in the increased awareness of these communities of their links to the Yukon Flats, and to some similarity of regional interests and desires. There is, then, nothing inherent in the region which would prevent such integration between communities from developing.

The region's population must also be "...interrelated and integrated as to its ... economic activities." There again, the standards for incorporation require an area to be similar in economic identity, and interrelated as to economic activities. Presently, the Yukon Flats communities exhibit a type and level of economic activity common to most rural areas of Alaska. A combination of subsistence activities, government-related employment, and highly seasonal construction and natural resource development activity characterize the Yukon Flats region.

There are some distinct economic relationships within the region, though. First is the linkage among communities formed by water-borne commerce. Circle, for example, is closely related as a barge line headquarters to economic activity, and especially construction activity, in

Fort Yukon and the surrounding communities. Secondly, Fort Yukon presently serves as a regional economic and administrative center for surrounding villages. Private state and federal programs administered in Fort Yukon help tie the region together economically through expenditures of program funds in the region's communities.

One of the most important determinants of economic integration in the region relates to possible future economic development. There are, at present, large federal land holdings within the region. The management of these federal lands, whether for conservation, recreation or resource development, will directly affect the Yukon Flats region. The development of regional mineral, timber, or oil resources on private or state lands will have a similar integrating effect on the area's economy. As described in the U.S. Forest Service's Yukon-Porcupine Regional Planning Study*, increased economic activity would strengthen the economic ties of Circle to the Yukon Flats region. In addition, economic growth in the

* Yukon-Porcupine Regional Planning Study, for the U.S. Forest Service - Agricultural Experimental Station, School of Agriculture and Land Resources Management, and the Institute of Social and Economic Research - University of Alaska, Fairbanks, Alaska - 1978.

region could result in the establishment of a barge landing in the Yukon Crossing area, thereby linking Livengood and the surrounding road connected area more closely to the transportation of goods to and from the communities along the Yukon. As the economy of the Yukon Flats region develops, then, the integration and interrelationships within the region's economy will grow stronger.

The Yukon Flats region, it should be noted, has a social and economic identity separate from the surrounding areas. The fact that an area has a distinct identity supports the separation of that area from surrounding regions through the location of borough boundaries.* The Yukon Flats study area is bounded to the north by the North Slope Borough, on the south by the Fairbanks North Star Borough, and on the east by the Alaska-Canada border. To the west, the Koyukuk River Basin and middle Yukon River communities have a social, cultural, and economic identity distinct from the Yukon Flats region.

The area of influence of adjacent Koyukon communities such

* See Deltana Borough Proposal for Incorporation as a Third-Class Borough, Report to the Local Boundary Commission, by Department of Community and Regional Affairs, State of Alaska, Juneau. April, 1974.

as Galena and Nulato is quite separate from the sphere of influence exercised by Fort Yukon. This again supports the establishment of a borough, based on the boundaries of the study region.*

Finally, AS 29.18.030(1) provides that the region's population be "...large and stable enough to support organized borough government." This standard does not consider an area's financial ability to support local government; that question is found in the third standard for incorporation to be discussed later. Rather, at this point, only the stability of the area's population is to be considered. The purpose of this standard is to ensure that there are enough people in the area to provide local governmental services, the skills necessary to provide local government are or will be available locally, and that overall decline in a region's population or abrupt seasonal movement will not disrupt the provision of local governmental services and administration. In any local government, the assembly, school board,

* See Deltana Borough Proposal for Incorporation as a Third-Class Borough, Report to the Local Boundary Commission, by Department of Community and Regional Affairs, State of Alaska, Juneau. April, 1974.

and other local boards and commissions rely on the presence and continuity of their memberships to function effectively. The elected and appointed officers involved in borough administration must be available to carry out their duties on a day-to-day basis, again enabling continuity in the provision of public services.

This does not mean, however, that substantial proportions of an area's population cannot be involved in subsistence or commercial resource-based activities. The North Slope Borough, for example, functions effectively even though subsistence activities demand a significant amount of the time and energy of local residents, some of whom may be borough employees. The same is true of areas heavily involved in commercial fishing, such as the Bristol Bay Borough.

In the case of the Yukon Flats study area, the region's population has grown steadily - though slowly - and is expected to continue this trend over the near future. The successful administration of a number of regional health care, housing, and education programs in the Yukon Flats shows that people with administrative skills are available locally or, as important, can be attracted to the region from other areas. The Yukon Flats School District is a case

in point. Although supported by state funds, the operation and administration of the educational program is carried out within the Yukon Flats study region. The region should have little difficulty maintaining the same level of operation if a borough were created (assuming that the required local revenue was available).

The Data Reconnaissance report showed that both the average educational attainment and the proportion of the region's population in the working ages have been increasing in recent years. These two trends indicate that the availability of local manpower will increase in the future, encouraging more direct involvement of local residents in the operation and administration of public services provided on a regional basis.

AS 29.18.030(2), Borough Boundaries: The second standard for incorporation speaks directly to the extent of a proposed borough's boundaries. According to state law, AS 29.18.030(2) requires that "...the boundaries of the proposed borough conform generally to natural geography and include all areas necessary for full development of local services." Again, this subsection must be separated into its component parts for analysis.

First, AS 29.18.030(2) requires that the proposed boundaries of the region conform to the natural geography of the area. In some cases, the inclusion of distinct geographic units within a single borough has supported the formation of large boroughs. The North Slope Borough, as the name implies, includes the whole of the North Slope, from the Canadian border to the Bering Sea. The Kenai Peninsula Borough includes all of the Kenai Peninsula, as well as that land between the crest of the mountains in the Coast Range and the shores of Cook Inlet; in this manner, the Kenai Peninsula Borough encompasses the major portion of lands bordering the east and west shores of Cook Inlet.

In cases where distinct geographical boundaries cannot be followed, the Department of Community and Regional Affairs has determined that new boroughs should, if possible, adjoin the boundaries of existing boroughs so that small isolated gaps of uninhabited areas do not remain between boroughs.*

The boundaries of the Yukon Flats study region, as shown in Figures 1 and 2, satisfies fully these geographic con-

* See Deltana Borough Proposal for Incorporation as a Third-Class Borough.

siderations. On the one hand, the study area encompasses the entire Yukon Flats Basin, as well as the major drainages into the Yukon Flats from the north, west, and south. The common boundary between the Fairbanks North Star Borough and the Yukon Flats study region in fact follows the natural divide between the Tanana and Yukon Flats drainages. As the North Slope Borough boundary was initially established in terms of latitude and longitude, some of the headwaters of streams eventually flowing into the Yukon Flats from the north originate within the North Slope Borough. Likewise, the western boundary of the Yukon Flats study region includes the headwaters of the middle fork of the Koyukuk River. By and large, however, the boundaries originally established for the North Slope Borough, the Fairbanks North Star Borough and the Yukon Flats School District identify the Yukon Flats study area as a distinct geographic region.

The only significant deviation from natural geography in the delineation of the study region's boundaries involves the area around Rampart in the southwest corner of the region. Here the boundary makes a distinct westerly turn in order to include the community of Rampart and the Rampart ANCSA Village Selection Area within the Yukon Flats School District. This corner of the study area includes most of the Ramparts through and a portion of the Yukon-Tanana uplands.

As shown in the earlier Data Reconnaissance report, Rampart is closely linked both socially and culturally with the other Yukon Flats communities. In this case, as interpreted by the Department of Community and Regional Affairs, the inclusion of areas with a common cultural identity within the same boundary is a valid reason for not adhering strictly to natural geography. In addition, land ownership patterns, including the village selections authorized under the Alaska Native Claims Settlement Act, have also been considered by the Department of Community and Regional Affairs as important in giving identity to a geographical region. Thus, in terms of cultural identity and land ownership patterns, the extension of the Yukon Flats study area boundary to include the Rampart area would be fully acceptable under the standards for borough incorporation*.

The southern boundary of the study area links the Rampart area with the Fairbanks North Star Borough boundary by the most direct route. Thus, the minimum of territory is included in the study region while maintaining the common geographic boundary between the study area and the Fairbanks North Star Borough to the south.

* For a further discussion of the Department of Community and Regional Affairs interpretation of AS 29.18.030(2), see Deltana Borough Proposal for Incorporation as a Third Class Borough

By the same token, the southeast corner of the study area does not include that portion of the Yukon River near Eagle. Through land tenure and economic activity in this vicinity, Eagle is linked more closely to the Tanana Valley and Alaska Highway communities than to the Yukon Flats.

The second guideline on the location of boundaries contained in AS 29.18.030(2) states that a proposed borough should "...include all areas necessary for full development of local services." Under this guideline, an area proposed for incorporation as a borough must include all geographic areas that will be necessary to enable the provision of local services. This standard is not concerned with a region's financial ability to provide a service, but rather is intended to ensure that any areas that may be required in the operation and administration of local services have been included within the proposed boundaries. Adequate land for future waste disposal and watershed protection, sufficient land for community growth, access between communities within a region, and ability to manage air and water quality on a regional basis might be the types of questions considered under this directive.

In the case of the Yukon Flats study region, all land areas necessary for the full development of local services are

clearly included within the region's boundaries. First, all communities and possible areas for their expansion are well within the region. The boundaries are such that problems of access between communities should not occur. (Although transportation within the region is primarily by airplane and boat, possible inter-community road rights-of-way identified by the Department of Transportation and Public Facilities fall well within the existing regional boundaries). In addition, the areas with the highest potential for economic development, such as the proposed Yukon-Porcupine National Forest and areas of the Kandik Basin with possible oil and gas deposits, are located within the boundaries of the study area. Thus, any land needed to support extension of borough services to these future activities should be available within the study region's existing boundaries.

Finally, as the study region encompasses nearly all of the drainages into the Yukon Flats, any environmental effects of future community or industry activity could potentially be managed on an integrated, regional basis. Water and air quality, solid waste disposal, and control of land uses are all public services that benefit from the type of regionwide application that would be possible within the present boundaries of the Yukon Flats study area.

AS 29.18.030(3), Economic Viability: The third incorporation standard requires that the area wishing to incorporate as a borough must have an economy able to support local government. Under this section, the area's economy must include "...the human and financial resources capable of providing local services." This section then lists the specific topics that should be considered in an evaluation of an area's economy. These topics include: land use, property valuations, total economic base, total personal income, resource and commercial development, and the anticipated borough functions, expenditures, and revenues.

The ability of the Yukon Flats study region to meet this incorporation standard will be examined in detail in Technical Report #5, BOROUGH REVENUES and Technical Report #6, BOROUGH COSTS. However, the basis for evaluating a region's economy is reviewed in this report.

First, the Supreme Court, in Mobil Oil V. Local Boundary Commission, directed that an area wishing to incorporate needs to show only minimal conformance to the incorporation standards. In this case, if the financial and human resources of the Yukon Flats region can be considered as meeting minimum levels required to operate a local govern-

ment, this incorporation standard will have been satisfied. In terms of local financial resources, the Yukon Flats region shows rather limited development. However, the region does contain nearly \$1 billion worth of industrial property which could be placed on borough tax roles. This enormous tax base, combined with the comparatively modest population of the region, makes the provision of local government in the Yukon Flats study area economically feasible. (See Technical Report #5, BOROUGH REVENUES, for a more detailed discussion of potential borough revenues.)

AS 29.18.030(3) also requires that an area's human resources be capable of providing local services. The overall stability of the Yukon Flats region's population was discussed in regard to the first incorporation standard - AS 29.18.030(1). This third standard is concerned more directly with the specific governmental and administrative skills and abilities of the people within the region. In order to satisfy this concern, two questions must be answered:

- o First, do the people of the region understand the concepts associated with local government; and
- o Second, do the people in the region have the ability to make local government work.

The best evidence available on the ability of area residents to understand the concept of local government is found in the existence and operation of quasi-governmental agencies within the region. Many of the basic concepts of local governmental operation, such as public responsibility, need for public involvement, the use of representative boards and commissions in policy-making roles, and so on, are shared by the types of organizations which presently provide educational, health, and housing services. These organizations use boards and commissions to set policy, program direction, and oversee the administration of programs by staff members.

The governing or advisory boards of such organizations as the regional school district, health cooperative, and local housing authority, in turn, act as representatives from their own geographic areas and communities within the region; this representation is itself one of the primary concepts of our local governmental system.

Local residents interested in local government were able to form a borough study committee and obtain funding for that committee. This action, taken by local residents, indicates the strong desire area residents have to educate themselves on the subject of local government. One major purpose of the borough study committee's program is to prepare an

analysis of local government issues and options for use and review by the region's population. The goal of this effort is to provide area residents with information on the specifics of borough incorporation and operation, as well as the information necessary to make decisions on the form, powers, and type of borough government that may be most suited to the Yukon Flats region.

The second major question in the analysis of the area's human resources is whether or not the skills and abilities of area residents are sufficient to make local government work. This does not mean, of course, that all borough employees must be drawn from the local labor pool. Such a standard would be as unreasonable when applied, for example, to the operation of a local school district as it would be if applied to the University of Alaska. Rather, a major purpose of this standard is to ensure that the area's population has the ability to maintain a high level of involvement with the local government, either as employees or as interested and active citizens. The more involved local citizens are in the operation of local government, the more representative and responsive that government will be to its constituents.

There is, however, some evidence that local residents do have the occupational skills required to take a direct role

in the operation of borough government. State programs, and locally operated programs funded by the state and federal agencies, are presently run by people residing in the region. In addition, the formation and operation of private regional and village corporation programs within the region have exposed a significant number of area residents to concepts of administration and organization which can be equally applied to the delivery of public services.

In addition, the region does have the potential revenue base to enable a borough to attract the skilled technicians and professionals that may be required in the future. The provision of public services will not suffer, even if all required job skills cannot be found among the region's current residents. As noted in the Data Reconnaissance report, some highly skilled residents have returned to the Yukon Flats to fill positions in the public or private organizations operating in the region. There is, then, no major reason that a Yukon Flats borough could not successfully attract, if necessary, skilled people to the region in the future.

The presence of any city governments can also be considered as evidence that an area's citizenry understand the concepts of local government and have the skills necessary to support the provision of local public services. Fort Yukon is a second class city with a fiscal 1978 budget of

over \$500,000 divided among 12 city departments. In this case, it is obvious that the human and financial resources of Fort Yukon are sufficient to support local government.

No city governments have been created in the remaining 10 communities within the study area. This does not mean, however, that local public services could not be supported by the residents of those communities. In many cases, community residents are employed in current programs which provide local education, health, and housing construction and repair services.

Finally, the absence of city governments in a region could be a factor supporting the creation of a borough. At present, a variety of state programs operate within the region. In some cases, these programs have specific regional identities and may even work through local, quasi-public agencies such as the Tanana Chiefs Conference or village associations. Such programs would include the provision of educational services, state toopers, and support of the regional health cooperative and the regional housing association. In other cases, the programs are headquartered in Fairbanks, Anchorage, or Juneau, with less direct ties to the Yukon Flats region. State services, such as control of air and water quality, transportation, planning, land use planning and management,

and fire protection, are not provided on a tightly defined, regional basis.

A borough can function as a mechanism which coordinates the provision of public services and applies those services, as required, from an integrated regional perspective. In its review of the Deltana Borough Proposal, the Department of Community and Regional Affairs stressed that a borough's role as a "...conduit for more effective delivery of functions exercised by the State.", is important in areas of the unorganized borough without cities.*

AS 29.18.030(4), Regional Transportation and Communications:
The final standard for incorporation concerns the ability of a region's transportation and communications systems to support the provision of public services and governmental operation. AS 29.18.030(4) requires that a region's "...land, water, and air transportation facilities allow the communication and exchange necessary for the development of integrated local government." The State Supreme Court has

* Deltana Borough Proposal for Incorporation as a Third Class Borough, op cit, P. 32.

interpreted this incorporation standard in the case of Mobil Oil V. Local Boundary Commission. In this case, the Supreme Court stated that this standard will have been reasonably met if:

- o The region's present transportation and communications systems are comparable to the state in general;
- o The potential development of future transportation systems is similar to that expected for the state in general; and
- o The costs and ability of local residents to travel to a new borough seat is comparable to the costs and availability of transportation to existing governmental program centers in Fairbanks, Anchorage, or Juneau.

First, the Yukon Flats region is comparable to the rest of the state in terms of transportation and communications. While the road system within the borough is limited, the Yukon River supports a water transportation system which allows the transport of heavy equipment, materials, and supplies throughout the region. The characteristic of

limited roads, coupled with reliance on water transport, is common to all coastal areas of Alaska, except for Anchorage, Valdez, and the Kenai Peninsula. (For a more complete description of land, air, and water transport systems within the region, see Technical Report #2, DATA RECONNAISSANCE.

The Yukon flats region presently supports a well-developed air transportation network, as is common in most rural areas of the state. Air taxi services, some of which are presently headquartered within the region, provide for the movement of people and goods within the region and between the region and other portions of the state. In the case noted above, the Alaska Supreme Court specifically found that the heavy reliance of the North Slope Borough on air transportation in the conduct of borough affairs was not unreasonable; or even unusual, when considered in comparison to conditions in Alaska.

The availability of communications systems in the Yukon Flats region is also comparable to conditions in the rest of Alaska. Newspapers with regional and statewide circulation are available in all communities; again primarily through the air transportation network. All communities within the region, except Livengood, have direct telephone service, either through ground lines or through the satellite communications system. All communities receive radio broadcasts

from Fort Yukon or Fairbanks, with a local television station in Fort Yukon broadcasting to immediately surrounding communities as well.

The future development of the region's land, air, and water transportation systems is also similar to transportation program improvements planned for other areas of the state. The presence of the pipeline haul road along the western boundary of the region could provide a base for expansion of the road network into that portion of the region if required by economic development. Other road construction, though not planned, is possible if warranted. Such areas as the Kandik Basin, and even Fort Yukon and neighboring villages, could be connected by road to the Circle area if timber, oil, or other industrial activities warranted such development. These potential transportation system developments are certainly comparable to programs being considered for such regions as the North Slope, Seward Peninsula, Yukon-Kuskokwim Delta, and Bristol Bay.

Even in the more urbanized areas of the state, major road construction projects are undertaken by the state rather than by local governments. The Parks Highway, for example, was constructed as a state route, while the Alask., Richardson, and recently completed Skagway-Whitehorse routes

were federally-funded roads that are maintained by the state. This transportation standard, then, does not concern the ability of a potential borough to build or maintain major transportation improvements, but considers simply whether such improvements are possible and comparable to expectations for the state as a whole.

Finally, the Supreme Court directed that the region's transportation system can be reasonably considered to meet the standards for incorporation if the opportunities and costs of travel to the proposed borough seat are comparable to the present costs and opportunities for travel by area residents to existing governmental centers. The purpose of this comparison is to show that the residents of outlying communities will have access to the proposed borough seat, and will not be denied an opportunity to become involved in local government due to increases in the comparative costs and time involved in travel to government offices.

In the Yukon Flats region, a number of government agencies and government-funded programs operate out of Fort Yukon. Assuming Fort Yukon, as the present service center for the region, would be designated as the future borough seat, the costs of travel from outlying communities to the borough seat would remain unchanged.

Some governmental programs affecting the region, however, are headquartered in Fairbanks, Anchorage, and even Juneau. As shown in Table 20 on the following page, the costs of travel between the region's communities and Fort Yukon are, in most cases, significantly lower or equal to the cost of travel between these communities and Fairbanks. In only one case is the cost of air travel higher from Fort Yukon than from Fairbanks; the cost of chartering to Livengood is higher when originating in Fort Yukon simply because the flying time is longer. In some cases, the least expensive routing is from Fort Yukon, through Fairbanks, to another community. For example, the cost of flying from Fort Yukon to Circle, Central, and Circle Hot Springs area is considerably cheaper than flying from Fairbanks to the same area, even though the routing from Fort Yukon is through Fairbanks.

Direct flights from Fort Yukon to Circle and Central are available at a cost comparable to the Fairbanks-Circle rates; the direct Fort Yukon-Circle ticket price is only \$10.00 more. The costs of a direct flight from Fort Yukon to the communities of Stevens Village and Rampart, however, are considerably more than the cost of a direct flight from Fairbanks to these communities.

As air travel within the region increases, as would certainly result from the creation of a Yukon Flats borough, the level

TABLE 20

COSTS OF AIR TRAVEL FROM YUKON FLATS
COMMUNITIES TO FORT YUKON AND FAIRBANKS
MAY 1979

<u>Originating Community</u>	<u>Cost of One-Way Scheduled Ticket To:</u>	
	<u>Fairbanks</u>	<u>Fort Yukon</u>
Arctic Village	\$76.20	\$ 39.30
Beaver	39.30	27.00
Birch Creek	59.40	22.50
Central	78.00	39.30**
Circle	78.00	39.30**
Circle Hot Springs	78.00	39.30**
Chalkyitsik	59.40	22.50
Fort Yukon	59.40	0.00
Livengood	88.20*	192.90*
Rampart	36.20	36.20***
Stevens Village	36.20	36.20***
Venetie	59.40	22.50

Source: Air North, Inc., Fairbanks and Fort Yukon.

* Charter only.

** Through Fairbanks. Cost of direct flight from Fort Yukon is \$88.85.

*** Through Fairbanks. Cost of direct flight from Fort Yukon is \$73.10.

of air transportation services between Fort Yukon and the region's communities would be likely to increase. As intra-regional travel increases, direct flights between Fort Yukon and such communities as Circle, Central, Rampart, and Stevens Village would eventually replace the present routing through Fairbanks without, at least in the case of Central and Circle, increasing user costs. In the case of the North Slope Borough, the level of intra-regional air transportation increased significantly after borough incorporation, due in part to work-related travel by borough employees between the borough offices at Barrow and the other North Slope communities. Before borough incorporation, air travel to many of the North Slope communities was by charter only. Today, scheduled air service is available to all settlements within that borough.

This same pattern can be expected to occur in the Yukon Flats if a borough is incorporated in that region. Because of the present volume of air travel between communities is relatively high, improvements in air transportation services as dramatic as seen in the North Slope Borough should not be expected. However, increased use of air services, related in large part to borough functions, could encourage the improvement of the intra-regional air transportation system within the Yukon Flats region.

SUMMARY

The standards for incorporation, as found in AS 29.18.050, set forth certain criteria which must be met by an area wishing to incorporate as a borough. In its interpretation of these standards and Alaska's constitution, the State Supreme Court has held that the constitution upholds the creation of boroughs if these standards have been minimally met, and if there is any reasonable basis for that conclusion.

As shown in this report, the Yukon Flats study area does conform to the standards for incorporation, and does so well beyond any minimal level of compliance. In short, the historical identity of the region, its definite geographic unity, the present level of intra-regional transportation services and the existing human and financial resources of the study area comfortably satisfy the requirements of the incorporation standards.

A more detailed analysis of the economic feasibility of borough government in the study area, including the costs and revenues associated with the exercise of specific borough functions, is presented in detail in Technical Reports #5, BOROUGH REVENUES and #6, BOROUGH COSTS.

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.



JUNEAU ALASKA

Alaska State Legislature
House

309
File with
Gov. Study
Arlio file

MEMORANDUM

DATE: January 21, 1980
TO: Department of Community & Regional Affairs
All Fairbanks Legislators
Legislative Committee on Local Government
SUBJECT: Copy of letter enclosed-Yukon Flats Borough
(Proposed)

I am forwarding a copy of a letter received from Ms. Norma Cobb stating her concerns with the proposed Ft. Yukon Flats Borough. Please review her concerns and forward any possible answers you might have in regards to this proposal. I appreciate the time you might give to this concern.

H. Pappy Moss
Representative District #19

January 3, 1980

Dear Pappy Mass

I am writing in regard to the proposed Yukon Flats Borough. There are several points I would like to bring to the attention of the study committee and state legislature concerning this issue.

I am a homesteader with a family of seven. We just finished our requirements for a Trade and Manufacturing Site and will have to wait till 1981 or 82 to get land surveyed and titles. Now you say you'll put me in a borough and tax me even if I don't know if I'll get all my 80 acres. I moved 45 miles from Manley Hot Springs and 19 miles from Rampart just to avoid rules, regulations, and taxes.

First lets discuss the boundary lines that are proposed. I am under the understanding, that the boundary is so large because of two issues. One being that it takes this large of an area in order to take in the per capita of people required to make a borough. Second that you want to get it large enough to take in oil and gas pipeline for added revenue. Is that correct?

On the second issue, I can understand bringing in as much funds as possible to make something better. But on the first issue I don't understand why the borough would be allowed to extend so largely to get the needed number of people. The area around Ft. Yukon should wait until the per capita needed is closer to its surrounding area.

In the Fairbanks Miner you then mention the directional boundaries. They all look and sound logical except for one. That being the square stuck over to include the Rampart area and from Rampart to Livengood.

Rampart is not on the pipeline or the haul road for west boundary, yet you dipped over there regardless. Plus your lines are not consistant with rest of proposed boundaries on North, East, and upper West parts.

The boundary between Rampart and Livengood is also not straight as other side boundaries shown. Yet no guide line for the Southwest corner is used. Which is the one that could affect my area or situation. I was explained that you proposed this Southwest boundary in order to wrap up more of the pipeline area. Correct?

I fail to see the advantage the borough would be to Rampart or other villages like it. They have has some public facilities put in at expense of state and then neglected them or let them run down to ruin, (such as generators and school). So the most that would be accomplished is the borough taking more of our survival money. So far the state has \$10,000 set aside for Rampart for a snowgo trail to Eureka and we can't even get the state to put in a cow path. Of which a good number of us want a road even if just a gravel one. We have worked for years for that. But yet the state refuses to do it. I doubt the borough would have any enfluence on bush country roads; but if you take us in and we are taxed, believe me you'll hear no end to the road issue.

I feel that only if the borough was smaller, like North Star Borough,

would it be able to bring public facilities and development to the taxed people. You are taking in too many small villages in a large area to give proper side to these areas concerned.

Concerning these public services, the bush people surrounding these 11 villages would be cheated of their tax dollars because none of these public services could be supplied to them. At present, after paying state taxes, the only service I get is a state correspondence schooling for my children. I still can't get a road! You could offer me no more. In a borough one should expect to have police and fire protection, electricity, running water, sewers, health and dental clinics, education, libraries, public recreation facilities, roads, TV and radio reception, bus and travel facilities, etc. So far in Rampart we have a generator for electricity, a rundown dangerous school, and one air field that is given tax dollars. But as far as law is concerned, the state just removed the magistrate which was only form of law enforcement for area. But the state denies us a road to connect to the Elliott Hwy. from Eureka to Rampart. How can your borough promise me these things and not do it either?

You say the borough could controll land use and development. That's hard to swallow as the federal and state governments have done as they wished against the peoples wants, to wrap up the land so we can not hunt, fish, trap, mine, or build on these wilderness areas. Now in the proposed Yukon Flats areas and North Slope Borough areas, we can not even travel with any motorized vehicle on it. And you say the land is for the people! And you want to tax us on top of losing our survival rights and privileges.

You speak of improving housing and unemployment opportunities. That would be great, my husband wouldn't have to go away to work for our survival. But one big problem! The native villages don't want more work of any kind. And they live the way they want as they already have alternatives through the Native Corporations and state but do not take advantages of them. Of course, I am speaking on the percentage part. As there are individuals who have truly used these advantages to their betterment of their families.. So most of your housing and employment opportunities would be neglected or voted down or prejudicial. So where does that leave the bush people in the surrounding area who want jobs and services? Without a voice or a vote. Then there are also all the prejudicial views too.

Oh, I mentioned law and order here but not fire protection. That's a joke. They burn down in Rampart without much concern and they have the fire marshall and volunteers. Also most bush land burns without much aide unless large community is near like Manley Hor Springs. Look at the Delta fire all last summer. What a waste of land and property for private owners. I know some of them. I imagine I fear fire more than anything out here. Plus one can not insure ones property or home because of no fire protection near. And Rampart has one of sorts. So how can you help there?

Let me point out another factor from our families experience between Manley Hot Springs and Rampart. That if you don't live in the village or community you are denied voting on village issues, denied work in the village, poor mail service, and denied some recreational involvment. And the native pressure has made this even tougher to get a job in area living at. The villages are for themselves and resent outsiders no matter how close


they live. A white man cannot earn a living in his own area, but has to go to big cities to get a job. We tried and it became a big racial fight. So in order to hold peaceable relations we bowed out and went elsewhere for jobs and funds. How would you call that fair or equal rights or job opportunities. Tell me what could the borough do for that? I imagine nothing as who would back it up?

The fish and game management has effected this proposed brough area greatly in the last few years. I don't see the North Slope Borough helping fight against fish and game regulations. Our priviledges to hunt caribou, moose, bear, seals, whale, wolfe, etc., and fish for salmon on the Yukon has been greatly altered and regulated so that one can not survive or subsist any more on what we are accustomed to live by. Which either makes us law breakers or forces us to buy everything. The cost of living is too high in Alaska anyway, why force more on us. I also haven't seen the other boroughs side in this matter either.

Since there are a lot of people involved in your extremely large proposed borough to pay taxes, you should have borough benefits that aide to them also on a fair equal rights basis. I see no way now or in the near future that your taxation will benefit the bush people. Only when more advancement of people moving from big cities to smaller communities or villages takes place will this ever aide the bush person involved in this proposed borough. It is like promising the moon, but able to accomplish a small star. Besides, I don't like being told what to do or how to live or build, etc., like a borough does. The state and federal already run our lives enough. When my taxed money can be a benefit to my area too, then I will be eager, of sorts, to be a part, but no one likes to be used and suckered especially by the system. Taxation is also being proved unconstitutional!

I would like you to take this seriously. Then show, copy, or pass this on to anyone connected to this study group or legislature. I did not know who to contact or write so am taking a stab in the dark that my views will be measured, weighted, and utilized.

Very Concerned,



Norma Cobb
Rampart, Alaska 99767

Marge

APPENDIX A

SCOPE OF SERVICES

Background

The Alaska State Legislature, acting on a request from the people of the Yukon Flats region, has directed that a study be carried out to explore the feasibility of establishing a regional government in that area. The Alaska Department of Community and Regional Affairs, in concert with an Advisory Committee from the region, have designed this scope of services to undertake the feasibility study.

With minor exception, the formation of borough governments in Alaska has proven to be a highly controversial matter subject to wide-ranging local opinion. The state legislature forced the incorporation of eight of Alaska's eleven boroughs after local initiative in support of the idea failed to materialize. Further, one of the remaining three boroughs was incorporated only after the legislature passed special legislation diluting borough mandatory responsibilities.

While many factors contributed to these circumstances, it has been generally agreed that opposition to the formation of borough governments resulted from a feeling that the addition of a new level of government would bring unwarranted new controls and taxes to areas that were already receiving basic educational and other public services - at no additional cost - from the state. In recent years this situation appears to have been further compounded by legislation creating regional education attendance areas (REAA's) outside of organized boroughs. Now residents of these REAA's have complete management authority in the control of their school districts with the state paying the cost of providing basic educational services.

Given this history and the current public sentiments regarding local government taxation, there can be little doubt that the question of a Yukon Flats Borough will be closely scrutinized by residents of the area. If such examination and a final decision are to be made in an intelligent manner, a comprehensive and concise explanation of the advantages and disadvantages of having a borough government must be set forth.

Products

The product will present findings with respect to: alternatives available in borough incorporation; advantages and disadvantages of borough incorporation; and the legal, political, social and financial ramifications of borough incorporation. The study will be presented in a fashion that will be useful to both residents of the study area and the Local Boundary Commission.

Each element described below will be published and released as a separate paper. Ultimately, the individual papers would be combined into a single report, but the purpose in producing a series of individual papers serves to:

- ° Lead to a clearer understanding of the subject matter as it is more likely people will give closer attention to the details of a series of small reports than they would to one large report;
- ° Provide a more rational basis for debate as it will be easier to keep the different issues separated for discussion purposes;
- ° Streamline the study process as the review and debate of one element can be taking place while another is being prepared;
- ° Have subsequent use to other areas of the state which may consider the formation of a borough.

The narrative will be supported by the production and use of a number of tables and charts. Such public education tools support the intention of simplifying the subject matter as much as possible.

Work Program

The scope of work to be completed in this project will be developed in seven phases - one phase for each of the individual reports, as explained in the following paragraphs:

1) Local Government Options: This phase of the work program will set forth a comparative analysis of the home rule and general law borough governments that can be incorporated in the state. Drawing principally from the State Constitution, the Alaska Municipal Code (Title 29) and related case law; home rule, first class, second class and third class borough governments will be compared with respect to:

- ° Classification differences;
- ° Methods and procedures for incorporation;
- ° Mandatory areawide powers and duties;
- ° Powers and duties outside of cities (non-areawide powers);
- ° The assumption of additional areawide and non-areawide powers;
- ° The provision of services on less than an areawide or non-areawide basis;

- ° The construction of powers; and
- ° Legislative and executive organizational alternatives, with special emphasis placed on the question of assembly composition as it would relate to individual village representation.

This segment of the study effort will also:

- ° Define those powers available to all municipal governments in the state;
- ° Examine the impact a borough government would have on the existing REAA.

Certain portions of this work will be developed in narrative form. However, the comparative analysis suggested in the first part of this study element will be developed in chart, tabular or graphic form, for purposes of simplifying the presentation of differences and comparisons.

Darbyshire & Associates and the firm of Gallagher, Cranston & Snow will be responsible for completing this work element. Estimated manpower requirements are 15 man-days.

2) Standards for Incorporation: Both Alaska's Constitution and statutory laws speak of the definition of a borough's boundaries. While such limitations are brief and general, both the Local Boundary Commission and the courts look to these standards in determining the legitimacy of a borough.

This segment of the study will therefore focus its attention on the provisions of Article X of the State Constitution (Local Government) and Alaska Statutes, Chapter 18 (Incorporation) as they apply to the subject area. More specifically:

- ° Findings in Mobil Oil v. North Slope Borough (the State Supreme Court decision sustaining the incorporation of the North Slope Borough) will be analyzed.
- ° REAA 13 -- with special attention to the area located between the Yukon River and the Fairbanks North Star Borough - will be analyzed to see how it conforms to the required standards.
- ° REAA's 12 and 16 will be examined with respect to their compatibility to REAA 13 in the question of meeting required standards for incorporation and their ultimate place in the scheme of local government for Alaska.

Darbyshire & Associates and Gallagher, Cranston & Snow will be responsible for completing this work element.

Estimated manpower requirements for completing this work are 5 man-days.

3) Reconnaissance. This segment of the work program will be concerned with the collection and analysis of data affecting the operations, costing and financial aspects of the borough. In particular, this element of the study will be concerned with:

- ° Developing population and school enrollment estimates as they affect:
 - federal and state revenue sharing and education funding programs.
 - borough limitations in levying taxes per AS 43.56 and AS 29.53.
 - state financial assistance in organizing a new borough government ("organizational grants")
- ° The identification of local desired governmental service priorities;
- ° Inventorying land status of the area as it affects:
 - municipal land selection rights
 - federal in lieu of property tax grants to the new borough
- ° An inventory of existing governmental services as they would affect the borough's assumption, costing and financing of such powers;
- ° An inventory and analysis of existing and projected public facilities requirements;
- ° Developing estimates of existing and anticipated borough real and personal property tax bases that could be used to generate local tax revenues; and
- ° Assessing sales and use tax potentials.

Consultants can be very helpful in providing assistance in exploring issues and suggesting alternative policy choices and management options for the solution of problems. Consultants recommendations on public policy, however, should not replace the decisions of local residents. Accordingly, it is anticipated that the Borough Study Committee will set priorities with respect to the public services they might like to see. The consultant will delineate the options available, but the priority listing will be up to the Committee.

The completion of this work element is expected to require 23 man-days effort. Darbyshire & Associates will have responsibility for completing the population, school enrollment, land status, and governmental service facility inventories. Mr. James McHale will complete the borough real and personal property tax inventories and Mr. Jack Hayward will inventory the situation with regard to REAA 13 operations and facilities.

4) Borough Service Cost Estimates. This segment of the work program will be devoted to the calculation of estimated start up and continuing operational costs for the proposed borough. It is these costs which will ultimately affect local tax levies and, thus, the decision on which powers a new borough might exercise, if it is to be incorporated at all.

The first thing that will be accomplished is the costing of the following mandatory borough responsibilities and associated administrative requirements:

- ° Chief executive organizational and operational responsibilities and associated financial and legal assistance;
- ° Legislative organization and operations including the assembly and clerk;
- ° Elections;
- ° Tax assessment and collection requirements;
- ° Education;
- ° Planning, zoning and platting.

Next cost estimates will be developed for the additional government services the Committee proposes. This should include, but not necessarily be limited to, such things as:

- ° Public safety;
- ° Utilities;
- ° Solid waste;
- ° Water and sewer;
- ° Roads;
- ° Airports;
- ° Public health

The calculation of the legislative and administrative functions of government will be premised on the team's experience in organizing and administering such programs for other local government units. Thus, the team members of Darbyshire and Associates will develop the cost estimates associated with the chief executive's responsibilities as well as those for legislative elections and planning functions. James McHale will develop the cost estimates for tax assessment and collection responsibilities and Jack Hayward will concern himself with the figures for anticipated legal activities and Main Lafrentz will develop cost estimates for the financial accounting activities of the proposed borough. The costing for the additional service functions proposed by the Study Committee will be premised upon the experiences of other local governments in Alaska and be developed by Darbyshire & Associates. This work element is expected to consume 25 man-days effort.

5) Potential Revenue Sources. This segment of the work program will examine the potential sources of revenue the proposed borough could use to finance its organization and operation. This will include:

- ° A description of the many different sources of revenue available;
- ° What, if any, restrictions exist with respect to the use of such sources;
- ° The potential amounts each source could generate;
- ° Projections as to amounts that might be available in the future; and
- ° The pros and cons of particular revenue sources (e.g. personal property taxes, sales and use taxes, etc.)

This section will also analyze tax limitations per AS 43.56 and AS 29.53 and relate these to the findings of the recent Supreme Court North Slope Borough v. Sohio, et al. case.

The sources of revenue to be considered will include, but not necessarily be limited to:

- ° State organization grants and transitional assistance;
- ° Real and personal property taxation;
- ° Sales and use taxes;
- ° Governmental charges for services;

- ° The use of money and property;
- ° Licenses and permits;
- ° Intergovernmental revenues such as:
 - Business licenses.
 - Tobacco tax
 - Federal land entitlement
 - Shared revenues (federal and state)
 - Local Service roads
 - School foundation support (regular and vocational)
 - Transportation (state)
 - School foundation (special education)
 - State tuition (mini 874)
 - Elementary and secondary education (federal)
 - Bilingual and Bicultural Education (title VII)
 - Federal aid (PL874)
 - Elementary/Secondary Education (title I - VI)
 - Indian education aid
 - School lunch program

It is estimated that approximately 16 man-days effort will go into the completion of this element. Main Lafrentz will have prime responsibility for the completion of this work although Darbyshire & Associates will assist in the legal case review.

6) Implications for Regional Self-Determination and Local Control Issues. In this phase, an analysis of a number of issues concerning local self-determination and the relationship of a borough or other levels of government will be presented. The issues to be examined will include, but not necessarily be limited, to:

- ° Municipal land selections under the municipal land entitlement act;

- ° The division of authority between a new borough, various state and federal agencies and the City of Fort Yukon;
- ° Control over land and resource use inside a new borough, fish and wildlife management, D-2 proposals, etc.;
- ° Provision of public services that are or may be provided by non-governmental organizations such as the Tanana Chiefs Conference, Interior Village Association, and so on; and
- ° The role of a borough as a direct or indirect source of employment in the region.

Emphasis (Special emphasis will be placed on the analysis of a borough's ability and limitations to further local influence over factors affecting the region.

This analysis will be completed by Darbyshire & Associates. Some of the issues may initially be treated in other sections of the report, but the major analysis of factors surrounding each issue will be presented in this section. Sources of information will include printed materials and discussions with representatives of both governmental and non-governmental agencies to augment the experience of Darbyshire & Associates staff.

This work element will require 7 man-days effort.

7) Feasibility and Viability of Regional Government Alternatives. This concluding element of the study will combine the findings of the previous sections into an analysis of the feasibility and viability of specific alternative borough government structures. Each type of borough (first, second, and third class) will be examined with respect to its cost/revenue requirements for the support of the basic mandatory responsibilities. In turn, the cost/revenue implications of additional services will be calculated into the mix. This syntheses and calculation will thus provide a specific and detailed financial comparison of the numerous governmental choices available, including the alternative of not forming a borough at all.

The lump-sum costs of the different combinations and levels of services developed above will provide an indication of the funding required for each service, as well as total operating and debt service costs for a borough. This data can be considered as the basis of a very general "budget" for that specific type of borough. When final decisions are made with respect to revenue sources and a service mix, it would be a simple task to accumulate the necessary data into a detailed borough budget.

This segment of the work program will also identify and exemplify what "typical" resident homeowners might have to pay in taxes to support the alternative borough structures. It is, after all, these costs that will have the most significant impact on the final decision on incorporation.

While the entire team will participate in the completion of this element, Darbyshire & Associates and Main Lafrentz will assume the principal responsibilities. It is estimated approximately 34 man-days will be required to complete this element.

Field Work

A meeting will be scheduled in Fort Yukon or Fairbanks for the purpose of explaining the scope and nature of the entire project to the Study Committee. This will be attended by the consultant together with departmental representatives, and should occur following completion and review of the first two study papers.

Prior to the study's conclusion, the consultant should expect to travel to each village in the region to present and explain the reports. These visits also will be made with departmental representatives.

Additional travel to the region may be required.

Project Schedule.

The project will require approximately 125 man-days effort over a period of six months. As shown by the scheduling chart, project completion should occur well before the June 30, 1979, deadline.

All Written products will first be submitted by the contractor to the Department for review. The Department will respond to all draft materials within 10 working days. After amending draft materials, a clean proof copy shall be submitted.

The final phase will be submitted to the Department no later than June 1, 1979.

Budget.

The total consultant budget of \$40,000 includes the following estimated allocation by work element:

Local Options	\$ 4,800
Standards for Incorporation	1,920

Reconnaissance	7,360
Borough Service Cost Estimate	8,000
Potential Revenue Sources	4,800
Self-Determination and Local Control	2,240
Feasibility and Viability of Regional Alternatives	<u>10,880</u>
Total	\$40,000

Other budget elements not within the scope of this work program include:

Travel and Per Diem

to be covered by the Department of Community and Regional Affairs

Printing

Covers: To be printed by the contractor and shall contain title, date of publication and appropriate credits.

Cover credits shall consist of the following: "This document was produced by Darbyshire & Associates under contract by the Department of Community and Regional Affairs as mandated by the Alaska Legislature and at the request of residents of the Yukon Flats Region."

Text: To be printed by Department of Community and Regional Affairs

YUKON FLATS BOROUGH FEASIBILITY STUDY

PROJECT SCHEDULE

<u>Work Program</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>
Local Government Options	_____ *						
Standards for Incorporation	_____ *						
Reconnaissance		_____ *					
Borough Service Cost Estimates			_____ *				
Potential Revenue Surces				_____ *			
Self-Determination and							
Local control					_____ *		
Feasibility and Viability of Regional Alternatives						_____ *	
Field Work		_____					_____
Reports *							

****PLEASE NOTE****

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DESCRIPTION:

YUKON FLATS, REGIONAL GOVERNMENT STUDY

SUMMARY, AUGUST 1979

DARBYSHIRE AND ASSOCIATES

Yukon Flats panel to petition for creation of new borough



WILL CRAMPTON
Staff Writer

A petition calling for a 53,000-square-mile Yukon Flats Borough that would bring services and local planning powers to the region probably will be circulated in January or February, says Jonathan Solomon, chairman of the Yukon Flats Borough Study Committee.

It would be Alaska's second-largest borough—just larger than North Carolina—and would include 1,600 persons living in 11 communities: Arctic Village, Beaver, Birch Creek, Central, Chalkyitsik, Circle, Fort Yukon, Livengood, Rampart, Stevens Village and Venetie.

The petition would need only 70 signatures to be submitted to the state for review.

The borough's borders would be the Fairbanks borough to the south, Canada to the east, the trans-Alaska pipeline and haul road to the west, and

the North Slope Borough to the north.

The notion of a Yukon Flats Borough has been discussed for several years. This year, at the request of residents of the area, the Legislature allocated money to write the recently completed 185-page Yukon Flats Regional Government Study.

The study was written by consultants Darbyshire and Associates, the state Department of Community and Regional Affairs, and the Borough Study Committee. The committee has 10 members from 10 villages of the Yukon Flats region.

Two hundred copies have been printed and distributed to residents, state officials and legislators. A thousand copies of a summary brochure also has been distributed in the region.

Solomon told the News-Miner this week that the petition will call for a first-class borough, which carries mandatory area-wide powers of

taxation, schools and planning.

"Interest is up," he said. "People want local control."

Although the petition needs only 70 signatures, Solomon said the study committee is looking for travel money to collect signatures from all the villages. "We could get 70 signatures right away in Fort Yukon," he said.

Solomon said borough government would give residents a voice in decisions affecting the haul road. And with the oil pipeline and probably a natural gas line giving a substantial tax base, services could be provided to the villages with very low property taxes, he said.

The borough could be approved without the involvement of the Legislature.

A petition with signatures from 15 per cent of the registered voters is submitted to the Department of Community and Regional Affairs for review. If proper, it then goes to the

state Local Boundary Commission, which would conduct public hearings.

If the commission accepts the idea, an incorporation election and election of officers would be held in the region. If everything went smoothly, the entire process from petition to election would take eight to 10 months.

In the Yukon Flats region, "every community is badly in need of many public services and facilities. A third-class borough cannot respond to those needs and desires," says the study.

"Without planning authority," it says, "orderly and economic provision of such services is not possible. Finally, several significant land use/development activities—such as the haul road, oil pipeline, and proposed gas line—will affect the area. Without planning responsibility, a third-class borough is without authority to guide or control the impacts of these activities."

The study says all communities "are
(See BOROUGH, page 5)

PROPOSED BOROUGH—The shaded area shows the boundaries of the proposed Yukon Flats Borough. A petition calling for the area to become a 53,000-square-mile first-class borough will be circulated in the region in January or February. It would be Alaska's second-largest borough.

BOROUGH . . .

(Continued from page 1)

badly in need of basic public services, improving housing and employment opportunities. Water supply is, by and large, hauled—in some cases from a central watering point. Only two of the 11 communities have electrical systems."

With an economy heavily dependent on subsistence resources and with a very small tax base "there has been little the residents could do to improve these circumstances other than to seek state, federal or other assistance," the study says.

"With the coming of the valuable trans-Alaska oil pipeline through the area, however, the situation has changed," it says.

A first-class borough could bring such services as water, sewer, electricity, health, police and fire protection, and education to every village.

If the borough is formed, the study recommends an 11-member assembly, with five assemblymen from Fort Yukon and one each from Arctic Village, Venetie, Rampart and Stevens Village, Beaver and Birch Creek, Chalkyitsik, and Circle/Central/Livengood.

The study frequently mentions the North Slope Borough as a possible model for the Yukon Flats.

On such issues as fish and game management and land policies "the people of the Yukon Flats region have had little influence on any of these decisions," the study says.

"By contrast, the North Slope Borough has used both political and judicial means to guide government and industry decisions where regional subsistence rights might be affected," it says.