

Beyond Vision

Gwichyaa Zhee Gwich'in Tribal Government 2007 Community Plan

September 2007

Prepared by:

Katase Financial Management

In collaboration with

Ikayutit

Paid for in part with Mini Grant Assistance Funds made available through the State of Alaska Department of Commerce, Community and Economic Development and the Denali Commission

Table of Contents

	Page
1. Community Vision	3
2. Community Goals and Objectives	3
3. Community Involvement and Participation Process	3
4. Background For Planning	5
a. Location and Size	5
b. Physical Setting - Geology, Geography, Physical Hazards, Climate, Endangered and Threatened Species, etc.	5
c. History – Cultural and Economic Development History, Major Events, Etc.	6
d. Subsistence Resources and Seasons	7
5. Economy and Population	9
a. Existing Economy and Population	
b. Composition of employment	13
c. For unemployment and seasonality of employment	14
d. Barriers to development	15
e. For income levels	18
f. Population trends	19
g. Population composition	20
h. Potential for growth	21
i. Future population	25
6. Land Use	26
a. Existing Land Use	
7. Community Facilities and Utilities	30
a. Community Buildings	30
b. Cultural Facilities	30
c. Public Safety	30
d. Health Clinic	30
e. Education	31
f. Parks and Recreation	31
g. Cemeteries and Graves	31
h. Utilities	32
8. Transportation	34
a. Regional Transportation	36
b. Local Transportation	38
9. Carrying Out The Plan	39
a. Description of the Consultation Process	39
b. Adoption of the Plan	40
c. Development Project List	40
d. Capital Improvements Plan	41
e. Other Proposed Actions	41
10. Exhibits	42

1. Community Vision

During one of the community meeting, the following Community Vision was adopted:

“Gathering together for the protection of our land utilizing traditional knowledge to promote healthy living”

2. Community Goals and Objectives

To create an economic development plan that:

- Is generated from broad community input
- Encourage community engagement and ownership of the results
- Is based on community strengths and values and has sufficient detail to guide the agency staff and volunteers in implementation

3. Community Involvement and Participation Process

The following is a summary of community meetings held during fiscal year 2007:

a. March 20

The attendees were given an outline of the scope of work that will be involved in completing the 2007 Community Plan. Also discussed some parts of the 1996 Community Plan. Then the group made a list of different industries that may benefit Fort Yukon. One business idea most everyone agreed on, was the need for a Tribal Cultural building.

A copy of the minutes of the meeting and the Sign Up sheet (Exhibit 1) are attached.

b. April 4

The attendees came up with the following Vision Statement: “Gathering together for the protection of our land utilizing traditional knowledge to promote healthy living”

A presentation was given with regard to the Community Plan and what it entails, including a workshop on 8(a) Federal Contracting and Team Leadership. The Vision Statement along with an explanation of the Community Plan was presented over the local radio station.

A copy of the minutes and the Sign Up sheet (Exhibit 2) are attached.

c. May 22

A Community Values and Vision form was given to each attendee, which was used to list ten of the Community's most important economic development opportunities. Of the 10 items listed, the attendees voted for a cultural heritage center, tourism, sub-regional bulk fuel depot, bed & breakfasts and a transit system as the top 4. The Project Scoping Form was discussed then each attendee was given a copy. The form would be used to research the top 4 economic development opportunities and the findings would be reported back to the community. The attendees then went onto list those items that make it difficult to start up a new business. Finally, the group made a list of those community values that work and those values that need's improvement.

A copy of the minutes of the meeting and Sign Up sheet (Exhibit 3), Community Values and Vision (Exhibit 4), and the Project Scoping (Exhibit 5) forms are attached.

d. June 18

The group discussed the need to have resources available that will allow development. A recommendation was made to create an Economic Development Fund that would provide a support system for local development needs. Another recommendation was to create an employment position as an Economic Development Coordinator, who would assist local tribal and community members with support services, like their business plans, grant writing, research, marketing and capacity building. Finally, the attendees suggested that the Tribe develop a survey to learn what ideas the community has and ways it can assist members to build capacity and began making a list of business opportunities.

A copy of the minutes of the meeting and Sign Up sheet (Exhibit 6) are attached.

e. July 26

The group was given an up-date regarding the work done so far on the 2007 Community Plan. The attendees also discussed Business Strategies, Funding/Financing Strategies, Pre-feasibility/Business Plan Analysis and How To Pre-qualify for a Business Loan, followed by question and answer. Each attendee was given a copy of each of the documents to keep for future use.

A copy of the minutes of the meeting and Sign Up sheet (Exhibit 7), Business Strategies (Exhibit 8), Funding/Financing Strategies (Exhibit 9)), Pre-feasibility/Business Plan Analysis (Exhibit 10) and How To Pre-qualify for a Business Loan (Exhibit 11) are attached.

4. Background For Planning

a. Location and Size

Fort Yukon is located in an unorganized borough and was incorporated as a second class city in 1959. In 2006, the Department of Commerce, Community and Economic Development certified the population to be 596.

Fort Yukon is located at the confluence of the Yukon River and the Porcupine River, which is about 145 air miles northeast of Fairbanks. More specifically, Fort Yukon lies at approximately 66.564720° North Latitude and -145.273890° (West) Longitude. (Sec. 18, T020N, R012E, Fairbanks Meridian.) Fort Yukon is located in the Fairbanks Recording District. The area encompasses 7.0 sq. miles of land and 0.4 sq. miles of water.

b. Physical Setting-Geology, Geography, Physical Hazards, Climate, Endangered and threatened Species, etc.

The winters are long and harsh and the summers are short but warm. After freeze-up the plateau is a source of cold, continental arctic air. Daily minimum temperatures between November and March are usually below 0. Extended periods of -50 to -60 are common. Summer high temperatures run 65 to 72; a high of 97 degrees has been recorded. Total annual precipitation averages 6.58 inches, with 43.4 inches of snowfall. The Yukon River is ice-free from the end of May through mid-September. According to records kept by the Western Regional Climate Center regarding Fort Yukon, from 1938 to 1990, the average maximum temperature is 73.2° for the month of July, the average minimum temperature is -27.8° for the month of January, the average total participation is 1.06 inches for the month of August, the average total snowfall is 6.8 inches for the month of October and the average snow depth is 23 inches for the month of March.

According to the US Army Corp of Engineers, there are two vertical datums in the community. The Corps of Engineers (COE) datum is based on the U.S. Coast and Geodetic Survey's 1953 monumentation. The other datum is the one preferred by the city of Fort Yukon because much of the infrastructure was constructed using this datum. The difference between the two datums is 4.5 ft. Therefore, the city datum Base Flood Elevation (BFE) of 439.5 ft corresponds to the COE datum BFE of 435.0 ft. High Water Elevation (HWE) signs are distributed throughout town. Full bank is at approximately 432.2 ft. The most damaging flood in recent times occurred in 1949 as a result of ice jams on the Porcupine River. A still water elevation of 435 ft above Mean Sea Level (MSL) was reported in the community center. The floodwaters were 7 ft deep on Main Street. History shows that flooding within the city of Fort Yukon occurs in mid-May during the breakup of the Yukon and Porcupine Rivers and is caused mainly by ice jams.

According to the Division of Homeland Security and Emergency Management (DHSEM), with new legislation under the Disaster Mitigation Act of 2000, communities are now required to have a community adopted and FEMA approved Local Hazard Mitigation Plan (LHMP), if such communities want to apply for grant funds from DHSEM and use the funds for construction projects that would mitigate flood and/or other disasters. According to Scott Simmons of DHSEM, Fort Yukon has not submitted a LHMP.

c. History – Cultural and Economic Development, History, Major Events, etc.

Fort Yukon was founded in 1847 by Alexander Murray as a Canadian outpost in Russian Territory. It became an important trade center for the Gwich'in Indians, who inhabited the vast lowlands of the Yukon Flats and River valleys. The Hudson Bay Company, a British trading company, operated at Fort Yukon from 1846 until 1869. In 1862, a mission school was established. In 1867, Alaska was purchased by the U.S., and two years later it was determined that Fort Yukon was on American soil. Moses Mercier, a trader with the Alaska Commercial Company, took over operation of the Fort Yukon Trading Post. A post office was established in 1898. The fur trade of the 1800s, the whaling boom on the Arctic coast (1889-1904), and the Klondike gold rush spurred economic activity and provided some economic opportunities for the Natives. However, major epidemics of introduced diseases struck the Fort Yukon population from the 1860s until the 1920s. In 1949, a flood damaged or destroyed many homes in Fort Yukon. During the 1950s, a White Alice radar site and an Air Force station were established. Fort Yukon incorporated as a city in 1959.

The Gwichyaa Zhee Gwich'in Tribal Government (GZGTG) is the locally federally recognized tribe, and as of 2007 there were 1,245 enrolled members, including non-residents. The population of the community consists of 88.7% Alaska Native. Most Fort Yukon residents are descendants of the Yukon Flats, Chandalar River, Birch Creek, Black River and Porcupine River Gwich'in Athabascan tribes.

The sale of alcohol is restricted to the City-owned package store.

d. Subsistence Resources and Seasons

Like most rural communities, subsistence is an important part of the local economy and culture. Thomas Berger, in his book *Village Journey*, best describes subsistence this way: *The traditional economy is based on subsistence activities that require special skills and a complex understanding of the local environment that enables people to live directly from the land. It also involves cultural values and attitudes: mutual respect, sharing, resourcefulness, and an understanding that is both conscious and mystical of the intricate interrelationships that link humans, animals, and the environment. To this array of activities and deeply embedded values, we attach the word "subsistence," recognizing that no one word can adequately encompass all these related concepts.*

Food gathering activities occur throughout the year in a cycle following the seasons and natural events. Subsistence activities often require substantial cash to purchase, maintain and operate snow machines, boats, guns and fishing gear. .

Spring is marked by trapping of beaver and muskrats, hunting of migratory waterfowl and bear, and some occasional jigging through the ice for grayling. When water levels drop after break-up, nets are set to harvest king, coho, and chum salmon, pike, whitefish, sheefish, suckers and grayling. Trout lines are set for burbot.

By June the focus of subsistence activity shifts rapidly to fishing. Residents often take advantage of high water after breakup to ship house logs down river to Fort Yukon from their cutting locations. King salmon begin to arrive and are harvested using set gill nets and fish wheels in late June and early July. The king salmon run is followed by chum salmon in mid-August. Pike and grayling are taken with rod and reel, while sheefish are also harvested along with salmon. In addition, small game, waterfowl and black bear are occasionally taken. August is the primary month for gathering berries and greens.

Fall is also an important subsistence period, marked by a transition from an emphasis on fishing to hunting. Chum salmon run heavily in the fall and are netted until freeze-up. Moose, caribou and bear are hunted intensively during the fall. Migratory waterfowl are again harvested as they begin their migration south, staging and resting in the Yukon Flats area. Fish wheels are used mainly in late summer and fall for the late chum run, whereas nets are preferred for king salmon.

Winter is a fairly dormant period for subsistence harvest of food, but trapping swings into its most intense period during early winter when pelts are prime, and there is sufficient snow for snow machine travel. Grayling, pike, and burbot are fished through the ice in late winter.

According to Jim Simon, Regional Program Manager for the Division of Subsistence, Alaska Department of Fish & Game Fairbanks Office, due to funding constraints, the Department is not able to up-date a study of subsistence in Fort Yukon by the Alaska Department of Fish and Game which was completed in 1990, commonly referred to as the Technical Paper No. 179, *Patterns of Fish and Wildlife Use for Subsistence in Fort Yukon, Alaska* documents the importance of subsistence to the local economy. Much of the data comes from an intensive effort to sample 72 households (34 percent) in Fort Yukon from August 1987 through October 1988.

The study documented that all households use some wild resources during the survey year. An estimated 91.5 percent made direct attempts to harvest resources. Mammals (except furbearers) were used by 100 percent of the households, salmon by 97 percent, birds by 90 percent, non-salmon fish by 98 percent, furbearers by 43 percent, and plants by 38 percent

The estimated total edible weight of resources harvested by Fort Yukon residents during the study period was 625,725 pounds. This equals some 2,951 pounds per household, and an average per capita harvest of 1,071 pounds. Sixty-one percent of the total harvest consisted of salmon. The study also verified that sharing of resources between households remains an important part of community life and tradition.

Significantly, residents of Fort Yukon require a large geographic area to carry out subsistence activities. This area extends far beyond the municipal limits, as well as Gwichyaa Zhee Gwich'in lands. While some activities such as salmon fishing are concentrated within 10 or 20 miles of town, the overall community use area reaches up and down the Yukon River about 150 miles, and included tributary streams between Beaver and Circle. This territory also includes much of the Porcupine River and its drainages.

According to Bruce Woods, Public Affairs spokesperson for the United States Department of Fish and Wildlife, Fairbanks office, there were about 12,000 tests conducted throughout Alaska in 2006, and none tested positive for the Avian Flu.

5. Economy and Population

a. Existing Economy and Population

For the economy of Fort Yukon, the federal, state and city government have been the primary employers, followed by private sector industries and subsistence.

The following is a comparison of median household income, unemployment, estimated percentage of adults not working and estimated percentage of poverty for Fort Yukon, the Yukon Koyukuk Census Area (YKCA) and Alaska:

	Fort Yukon	YKCA	Alaska
FY 2000 Median Household Income	\$29,375	\$28,666	\$51,571
Unemployment	11.6%	12.5%	6.1%
Estimated % of Adults Not Working	35.6%	37.2%	28.7%
Poverty Status by Individuals	18.5%	23.8%	9.4%

The above table shows that Fort Yukon fares slightly better when comparing the above four indicators to its neighbors in the YKCA. However, Fort Yukon is significantly lower in all four categories when compared to the rest of Alaska; the median household income is 43% or \$22,196 lower, unemployment is almost twice as high, the estimated percentage of adults not working is 7% higher and the poverty status by individuals is twice as high.

63.3% of those employed work in government related jobs. Major government employers include the Gwitchyaa Zhee Gwich'in Tribal Government, Yukon Flats School District, City of Fort Yukon, State of Alaska, U.S. Postal Service, Bureau of Land Management, Council of Athabascan Tribal Governments (CATG), and the Tanana Chiefs Conference (TCC). The remaining 36.7% are employed in the private sector or self employed. The largest private sector employers include the Gwitchyaa Zhee Corporation, and their affiliate, the Gwitchyaa Zhee Utilities; Gwitchyaa Zhee Corporation is the local village corporation which was established as a result of the passage of the Alaska Native Claims Settlement Act in 1972. The next largest employer is the Alaska Commercial Company, who operates the largest general merchandise store, selling a variety of foods, frozen meats, hardware items, toys, clothes and shoes. Other private employment, include air taxi operators, fuel distributor and the sale of arts and crafts. The economic base is small (12% of the total economy) and consists of commercial fishing, fish processing, timber, mining, oil and gas exploration, pipeline services, tourism, a small federal government presence, fur trapping and Native arts. The federal government is included in the base because federal expenditures are essentially new money to Alaska.

The following illustrates the major public services with the primary providers; the primary providers are the City (City of Fort Yukon), and the Gwichyaa Zhee Gwich'in (GZG):

<u>Public Service</u>	<u>City</u>	<u>GZG</u>	<u>State/Federal</u>	<u>Other</u>
Police	X			
Fire Protection	X			
Water Utility	X			
Sewer	X			
Landfill	X			
Cable Television	X			
Games Operation		X		
Liquor Store	X			
Public Works	X			
Auto Repair	X			
Levee & Flood Control	X			
Road Maintenance	X			
Development Permit Program	X			
Washeteria	X			
Tribal Operations		X		
Realty Services		X		
Social Services		X		
Public Schools			X (Yukon Flats Scholl District)	
Clinic & Health Care			X (CATG)	
Dental Program			X (CATG)	
Mental Health & Alcohol Program			X (CATG)	
Electric Power			X (GZ Utilities)	
Radio			X (Gwandak Public Broadcasting, Inc.)	
Magistrate				X (State of Alaska)
Road Construction				X (DOT&PF)
Airport Construction & Upgrades				X (DOT&PF)
Airport Maintenance				X (DOT&PF)

Fort Yukon was incorporated as a Second Class City in 1959, and conducts its affairs under a manager form of government. City Council members are elected at large to staggered three-year terms. Elections are held annually. The Mayor of Fort Yukon is elected by the Council to serve a one-year term.

An appointed City Manager reports to the City Council. The City Manager is responsible for the day-to-day operations of the City, as well as recommending long-term initiatives to the City Council. The following shows which personnel/department is supervised by the City Manager and the Council:

	City Manager	Council
1. City Attorney		X
2. City Clerk		X
3. Chief Financial Officer, city treasurer and bookkeeper		X
4. Cable TV service	X	
5. Construction & capital projects	X	
6. Volunteer fire department	X	
7. Games Manager	X	
8. Grants administration	X	
9. City liquor store	X	
10. Police Department	X	
11. Public works	X	
12. Water utility	X	

Subsistence also is a significant part of Fort Yukon's economy and was explained in more detail in the aforementioned section, Background For Planning: subsistence resources and seasons.

In early 2005 interest had been shown by residents of Fort Yukon regarding the formation of a Yukon Flats borough. The topic was prompted by the prospect for development of oil and gas facilities in the Yukon Flats region, coupled with the potential for a proposal by the North Star Borough to propose annexation of a portion of the Yukon Flats region. On February 2005, the Gwichyaa Zhee Gwich'in Tribal Government sponsored a meeting that was attended by the Local Boundaries Commission, the Council of Athabaskan Tribal Governments, Tanana Chiefs Conference, the City of Fort Yukon and the Yukon Flats villages of Beaver, Venetie, and Birch Creek. One topic discussed at the meeting was the opportunity to achieve maximum local self government and four options were identified; remain unorganized, incorporate as a home rule, first class or second class borough. An initial determination was that the best option may be to incorporate as a home rule although it was recommended that further study of the matter was warranted. Consequently, in late 2005, the Local Boundary Commission granted the Council of Athabaskan Tribal Government to conduct a borough feasibility study. According to Ben Stevens, Acting Executive Director, Feasibility Study was completed in 2006 and Fort Yukon decided not to organize.

From FY 2000 to FY 2010, the State of Alaska spent \$13,265,200 on capital improvements for the airport, sewer & water, and road maintenance; \$265,200 was spent between FY 2000 and FY 2007; \$13,000,00 will be spent between FY 2008 and FY 2010. During construction, capital improvements bring cash into the economy. However, these projects have generally provided only limited opportunities for local employment.

Located in Alaska's Interior, the Yukon-Koyukuk Census Area (YKCA) stretches across more than 148,258 square miles from Canada's Yukon Territories to the lower Yukon River and is home to five national wildlife refuges, and is Alaska's largest geographic region and is home to 1% of the state's population. The population density is 0.1 people per square mile, one of the lowest population densities in the state. The Alaska average is 1.1 people per square mile. Most reference materials often do not have data specifically for Fort Yukon, instead the date refers to the Yukon Koyukuk Census Area which is comprised of three sub-areas, the Koyukuk-Middle Yukon sub-area consisting of 20 communities, the McGrath-Holy Cross sub-area consisting of 10 communities and the Yukon Flats sub-area consisting of 8 communities.

In 2000, only 6,551 people resided in the Yukon Koyukuk Census Area, over 70% of them Alaska Natives. One third of the area's population lived in the four largest communities, Galena (675), Fort Yukon (595), Nenana (402), and McGrath (401).

Fort Yukon is the largest community on the Yukon Flats and serves as a regional center for the surrounding communities of Beaver, Venetie, and Birch Creek. According to the 2000 Census the population of Fort Yukon was 595. According to Greg Williams, State for the Department of Labor and Workforce Development (DOL/WD), the population estimates from 2000 to 2006 are based on the State of Alaska Permanent Fund applications that were benchmarked to the 2000 Census. The following is a breakdown of the DOL/WD vintage 2006 population estimates for Fort Yukon from FY 2000 to FY 2006:

2000	2001	2002	2003	2004	2005	2006
595	565	569	558	592	569	596

For the most part, the overall population remained unchanged from 2000 to 2006. The population declined by 37 residents or 6.2% from 2000 to 2003. Then from 2004 to 2006, the population increased to the same number of residents there were when the Census was taken in 2000.

b. Composition of Employment

U.S. Census data for Year 2000 reports that Fort Yukon had 449 residents who fit the criteria of being part of the Potential Work Force. Of the 449, 237 are employed, 52 are Unemployed and seeking work making the unemployment rate 11.6 percent, and the remaining 160 residents or 35.6 percent of all adults were not in the work force.

Employment was further broken down as follows:

	Fort Yukon	YKCA	State
Total Potential Work Force (Age 16+)	449		
In Labor Force	289		
Employed	237		
Military Employment	0		
Civilian Unemployed (And Seeking Work)	52		
Percent Unemployed	11.6%	12.5%	6.1%
Adults Not In Labor Force (Not Seeking Work)	160		
Percent of All 16+ Not Working – (Unemployed + Not Seeking)	35.6%	37.2%	8.7%
Private Wage & Salary Workers	80		
Self-Employed Workers	7		
Government Workers	150		
Unpaid Family Workers	0		

When comparing the Percent of Unemployed and Percent of All 16+Not Seeking Work, Fort Yukon fares slightly better than those communities within the Yukon Koyukuk Census Area (YKCA). However, both Fort Yukon and YKCA are significantly worse when compared to the rest of the State of Alaska.

Of the 237 employed, 150 or 63.3% work in government related jobs. Major government employers include the City of Fort Yukon, State of Alaska, the Yukon Flats School District, U.S. Postal Service, and the Bureau of Land Management. The Council of Athabascan Tribal Governments, Tanana Chiefs Conference and the Gwitchyaa Zhee Gwich'in Tribal Government receive most of their funding through government contracting from the Bureau of Indian Affairs and various grant programs.

The remaining 87 employed, work in the private sector, with Gwitchyaa Zhee Corporation, and their affiliate, the Gwitchyaa Zhee Utilities being the largest employer; Gwitchyaa Zhee Corporation is the local village corporation which was established as a result of the passage of the 1971 Alaska Native Claims Settlement Act. The next largest employer is the Alaska Commercial Company, who operates the largest general merchandise store, selling a variety of foods, frozen meats, hardware items, toys, clothes and shoes. Other private employment, include air taxi operators, fuel distributor and the sale of arts and crafts.

c. For unemployment and seasonality of employment

The unemployment rate for Fort Yukon is 11.6% and for the communities within the Yukon Koyukuk Census Area (YKCA) is unemployment rate 12.5% are close by comparison, However, Fort Yukon and the other communities are much worse when compared to the rest of the State of Alaska, which is 6.1%.

Unemployment rates in the Yukon Koyukuk Census Area have always been substantially higher than statewide averages. This is not surprising since the opportunities to generate cash in the area are limited. The normal measure of unemployment (people not working and actively seeking work) is somewhat misleading in rural Alaska because it does not reflect the realities of a small cash economy and high dependence on subsistence. A better indicator of unemployment is an estimate of adults of working age who are not participating in the work force. In the Yukon-Koyukuk Census Area, the measure of adults not in the labor force was 35.6% in 2000. For a typical developed community in the United States, 20% of the adults are normally not in the work force. The higher percentages in Alaska reflect the amount of time and effort directed toward subsistence activities, as well as limited opportunities to earn cash.

Over the course of a year, there is a large variation in unemployment rates in the Yukon-Koyukuk Census Area. This variation reflects the seasonal nature of an economy based on natural resources and the scarcity of economic opportunities to generate cash.

Overall employment in the Census Area fell 5% from 1995 to 1999. Over this same period, there was a 51% decline in the economic base employment. The economic base includes businesses that create new wealth by generating exports or by displacing imports to Alaska. For the Yukon-Koyukuk Census Area, the economic base is commercial fishing, fish processing, timber processing, mining, oil and gas exploration, tourism, federal government, fur trapping and Native arts. Since federal expenditures are new money brought into the State, they are considered part of the economic base. Employment in the economic base was down due to decreases in mining, commercial fishing, seafood processing and federal government spending. The decreases in commercial fishing and seafood were the result of extremely poor salmon runs. Somewhat offsetting the job losses in the economic base were more jobs in the private support sector, up 5%, and in state and local government, up 3%. The private support sector includes businesses in construction, retail trade, wholesale trade, services, and finance-insurance-real estate. The growing employment in the private support sector was primarily due to the expansion in services - especially for health care.

According to Dan Robinson, Economist for the Alaska Department of Labor & Workforce Development (ADOL/WFD), weather plays an important part when studying unemployment rates. For instance, records show that Alaska always loses a lot of jobs between August and January due to the long winter months, because most people are not used to the long dark, cold days. Likewise, the State always adds back jobs between January and August. This phenomenon is not unique to Alaska, as most states have seasonal ups and downs depending on their particular mix of industries and employers. For example, Arizona tends to have a seasonal pattern roughly the opposite of Alaska's: higher employment in the winter, when warm, dry weather is a significant enticement for people from the top half of the country, and lower employment during the summer, when the desert heat rises well above the comfort level.

Economists have been working to develop a matrix so that it can be easier to tell whether the economy is growing or shrinking when comparing two different months. Or, whether the State produced a structural growth as apposed to seasonal gains. Telecommunications and healthcare are examples of industries that are not influenced as much by seasonal change. Fisheries, construction and tourism are examples of industries that are more influenced by the change in seasons. The Department of Labor & Workforce Development has been working on developing a matrix and do not expect to have one available until early 2007.

d. Barriers to development

Barriers to development include the cost of living, energy, and transportation. An article by Dan Robinson, economist for the Department of Labor & Workforce Development, written in July 2000, reveals that while it is still more expensive to live in Alaska than in much of the rest of the country, the gap is gradually narrowing.

The cost of living measures come in two basic types. One that looks at the change in prices over time, in a specific location, commonly referred to as the Consumer Price Index (CPI) and is considered the broadest and most comprehensive measure of inflation. Landlords, workers, unions, and employers use the CPI to adjust rents and salaries. The Alaska Permanent Fund Corporation uses the CPI to determine how much money must be added to the principle of the Permanent Fund every year to keep up with inflation.

Another measurement is to compare prices in different locations for a specified time period. These studies are used primarily by employers and benefit providers who want to equalize wages or payments to people in different locations.

According to Dan Robinson, of the DOL/WFD, there is no CPI information available for smaller communities, like Fort Yukon, in rural Alaska. However, the DOL/WFD does rely on information written by Bret Luick, Foods & Nutritionist Specialist for the University of Alaska Fairbanks – Cooperative Extension Service, entitled Alaska Food Cost Survey; which is a quarterly survey of cost for electricity, heating oil, gas, lumber and propane. The following table compares these costs for 2007 for Fairbanks, Delta Junction and Barrow:

March		Fairbanks 2007	Delta Junction 2007	Barrow 2007
1.	Electricity	145.90	145.90	250.25
2.	Heating Oil	130.90	240.35	-
3.	Gas	121.00	228.80	-
4.	Lumber	3.70	4.39	8.99
5.	Propane	64.90	50.74	-

Note: Electricity is based on per 1000kwh, heating oil & gas is based on purchasing a quantity equal to a 55 gallon drum, lumber is based on the cost of one 2”X4”X8” stud and propane is based the purchase of 100lb or 23.6 gallons.

Of the limited communities surveyed, Fairbanks was used because it is located nearest to Fort Yukon. Since Fort Yukon was not one of the communities surveyed, Delta Junction was used because, like Fort Yukon, it is located nearest to Fairbanks. However, using Delta Junction instead of Fort Yukon will be somewhat distorted because many of the goods travel to Delta junction by road, whereas for Fort Yukon the goods are delivered by barge, which makes the cost of transportation higher.

Barrow was used to demonstrate that overall costs for rural communities are higher than urban counter-parts. As the table points out, the cost of electricity and lumber is higher in Barrow than Fairbanks or Delta Junction. This means that operating costs to run a household and/or business will be more expensive in rural communities, as well as the cost to construct a home or commercial building.

In terms of energy costs, the following reveals what the cost of electricity and fuel costs are for Fairbanks compared to Fort Yukon from 2000 to 2006:

Fiscal Year	2000	2001	2002	2003	2004	2005	2006
Fairbanks:							
Per kwh(cents)	8.67	9.43	9.54	8.42	9.66	11.67	12.74
Fort Yukon:							
Per kwh (cents)	46.10	32.82	32.85	33.47	34.36	34.36	42.82
Less: PCE (cents)	14.12	10.77	10.19	15.36	11.19	14.74	24.29
kwh with PCE (cents)	31.98	22.05	22.66	18.11	23.17	19.62	18.53
PCE/Per kwh	31%	33%	31%	46%	33%	43%	57%
Fuel (dollars)	1.32	1.45	1.47	1.54	1.66	2.15	2.69

The information regarding the cost/kwh for Fairbanks was furnished by Corrine Bradish, Public Relations Officer for the Golden Valley Electrical Association. Information regarding the cost/kwh and cost of fuel for Fort Yukon was furnished by Terri Harper, Project Development Specialist for the Alaska Energy Authority/Power Cost Equalization.

The above table demonstrates that the cost of electricity in Fairbanks is about three and one-half times lower than that of Fort Yukon.

For Fort Yukon, the cost/kwh was at its highest in FY2000 at 46.10¢/kwh, then dropped to 32.82¢/kwh in FY 2001, then steadily increased every year thereafter to 42.82¢/kwh. From FY 2001 to FY2006, the cost/kwh increased by 31%.

However, after factoring in the subsidy paid by the Alaska Energy Authority's Power Cost Equalization (PCE), the cost/kwh drops on the average by 39%/year. Even with the PCE, the cost of electricity in Fort Yukon is about two and one-half times higher than that of Fairbanks.

By comparison, a gallon of heating fuel has been increasing steadily, from FY 2000 at \$1.32/gallon to FY 2006 at \$2.69/gallon, an increase of 104%.

e. For Income levels

Per capita wealth is the sum of all cash income, plus state and federal entitlements (transfer payments), plus the estimate of the replacement value of wild subsistence foods. Adjusting for inflation, the 1999 per capita wealth in the Yukon-Koyukuk Census Area was \$26,300, above the statewide average of \$25,700. The trend in per capita wealth between 1995 and 1999 declined. This overall decline occurred in spite of an increase in transfer payments such as medical assistance, income assistance, funding from the Bureau of Indian Affairs and the Permanent Fund Dividend. The increase in transfer payments was primarily the result of larger Permanent Fund Dividends and greater medical benefits.

On a per capita basis, food from subsistence activities accounts for about 24% of an individual's economic well being in the Yukon-Koyukuk Census Area. The Permanent Fund Dividend, accounts for 10% of the per capita income derived from wages and transfer payments, and is well above the Alaska average of 7%.

According to the 2000 federal Census reported 248 households. Of the 248 households, the income was distributed as shown below:

Amount of Annual Income	Number of Households
1. Less than \$10,000	46
2. \$10,000 - \$14,999	26
3. \$15,000 - \$24,999	35
4. \$25,000 - \$34,999	43
5. \$35,000 - \$49,999	35
6. \$50,000 - \$74,999	47
7. \$75,000 - \$99,999	9
8. \$100,000 - \$149,000	7
Per Capita Income	\$13,360
Median Household Income	\$29,375
Median Family Income	\$32,083
Persons in Poverty	120
Percent Below Poverty	18.6%

Based on the table below, the median household income was \$29,375, per capita income was \$13,360, and 18.55 percent of residents were living below the poverty level.

The following compares the median household income for Fort Yukon, Alaska and the US:

FY 2000 Median Household Income:

Fort Yukon	Alaska	Nationally
\$29,375	\$51,571	\$41,994

Fort Yukon's median household income of \$29,375 is 43% less than that of other Alaska residents and 30% less than those counterparts who reside in the contiguous lower 48 states.

Income patterns for the Yukon-Koyukuk Census Area do not follow the employment patterns. Overall income was down 20% between 1995 and 1999. Income in the economic base was small and variable compared with the private support sector and state and local government. From 1995 to 1999, income in the economic base dropped 62%. Likewise, income fell 23% in the private support sector. The decline in the private support sector was the opposite of what happened in other census areas and reflected the large losses in the economic base. State and local government income has been essentially stable and increased slightly, by 2%. Employment in the private support sector has been increasing while income has been falling. This is largely due to the growth in health services and also suggests that business owners have been willing to hang on and accept lower incomes until the economy recovers.

f. Population trends

Throughout rural Alaska there has been a steady out migration of residents to urban centers such as Fairbanks, Anchorage and the Matanuska-Susitna Borough. Although there is no quantitative analysis of population shifts, informal reports conclude that out migration is generally linked to the increase in cost of living, and the lack of employment and education opportunities. Moreover, even though out migration rates differ from one region to another, it appears that the movement to urban centers is expected to continue. With the exception of Venetie, the population of the Yukon Flats region has also witnessed a decrease in population that is linked to this out migration as well.

Local leaders have suggested that unless diverse and dependable employment opportunities are available in the region that this downward trend will continue and, in fact, may increase if the cost of energy and its associated affects are not addressed in a timely fashion. The following table shows the population trends for the Yukon Koyukuk Census Area from 1990 to 2006:

Yukon-Koyukuk Census Area from 1990 to 2005/2006 taken from DOL/WFD

	Population	Pop. Change	Births	Deaths	Net Migration
1990	6,714				
1990-00	6,510	-204	1,228	499	-933
2000	6,489	- 21	26	14	- 33
2000-01	6,486	- 3	84	63	- 24
2001-02	6,354	-132	88	47	-173
2002-03	6,300	- 54	99	39	-114
2003-04	6,217	- 29	84	46	- 67
2004-05	6,049	-222	61	37	-246
2005-06	5,860	-189	78	34	-233

The overall population for the Yukon-Koyukuk area has been on a steady decline, going from 6,714 residents in 1990 to 5,860 residents in 2006, resulting in an overall population change of -854. The primary contributor to the population decline is net migration, which is the difference between the numbers of individuals who move into the area versus the number of individuals who move out. According to the Department of Labor and Workforce Development, the closure of the military base in Galena in the early 1990's coupled the State of Alaska cutting back appropriations for rural Alaska are the two primary reasons for the population decline.

g. Population Composition

The 2000 Census reported a total population of 595, with 88.70% or 512 being Alaska Natives descended from Yukon Flats Gwich'in, as well as Gwich'in from the Chandalar River, Birch Creek, Black River, and Porcupine River areas.

More specifically, of the 595 residents, the 2000 Census found the population composition as follows: 64 were White, 512 Alaska Native, 1 Black, 1 Asian, 1 Other and 16 Two or More Races.

Alaska Natives, primarily Athabascan Indians, make up 63.3% of the total population in the Census Area. Unlike other census areas in Alaska, the Alaska Native population has dropped 15% since 1990. The percentage of Alaska Natives in the Yukon-Koyukuk Census Area is the seventh highest in the state. Alaska Natives represent 16.8% of Alaska's total population.

h. Potential For Growth

Fort Yukon, along with the other communities that make up the Yukon Koyukuk Census Area, may not have the population base to support many businesses found in larger communities.

However, tourism is an industry that smaller communities, have turned to in order to develop their local economies. Tourism is an industry that Fort Yukon may want to consider, not just during the summer months, but to include the winter months also.

According to Dave Worrell, Director of Membership, Sales and Communications for the Alaska Travel Industry Association (ATIA), the following table shows the total number of tourists who traveled to Alaska, and of that amount, those that arrived by cruise ship and those who arrived by road and/or airlines or the Independent traveler, from fiscal year 2002 to 2006, as follows:

Fiscal Year	2002	2003	2004	2005	2006
Total Visitors (000's omitted)	1,276	1,310	1,447	1,525	1,632
Cruise ship	740	777	876	948	959
Independent	536	533	571	577	673

Overall the tourist industry has grown about 5.5% per year from 2002 to 2006. ATIA projects overall growth to be about 2% to 4% per year for the foreseeable future.

For the future, ATIA expects to see the number of visitors who arrive by cruise ship to remain steady. Most of the growth is expected to be the independent traveler, with the largest segment comprised of the aging baby boomers.

According to the 2006 Alaska Visitors Statistics Program (AVSP) report, which was commissioned by the Department of Commerce, Community and Economic Development (DCCED), of the 1,631,500 visitors to Alaska, Fairbanks hosted about 25%, or roughly 391,560 tourists. Fairbanks third in the number of overnight visitors; of the 1,631,500 visitors to Alaska, 23% or 375,245 stayed overnight in Fairbanks, which ranks

According to Deb Hickok, President and CEO for the Fairbanks Convention and Visitors Bureau, the following is a breakdown of the number tourists, broken down by those who arrive by cruise ships and non-cruise ships, who have visited Fairbanks from in 2001, 2003, 2005 and 2006:

Fiscal Year	2001	2003	2005	2006
Total	264,000	271,000	301,000	375,245
Cruise	131,000	134,500	161,000	206,385
Non-cruise	133,000	136,500	140,000	168,860

In February 2006, the McDowell Group was commissioned by the Fairbanks Convention and Visitors Bureau, to prepare a report on the Fairbanks Visitors Profile, which found that non-cruise visitors spend on the average of \$194.00/person and \$400.00 per party.

Further, for those visiting Alaska, have rated cultural activities, museums & historical sites, wildlife viewing, nature walks, northern lights, and day excursions as the top attractions.

During one of the recent site visit community meeting, the following is a list of economic development projects the participants came up with:

- a. Bulk Fuel (sub-region)
- b. Bed & Breakfast
- c. Transit
- d. Traditional Feasts
- e. Tannery/Cannery
- f. Sporting Goods/Hardware
- g. Hunting Guides
- h. Grocery Store
- i. Alternative Energy
- j. Agriculture

Participants, during a subsequent site visit community meeting offered the following list:

1. Zip line
2. River rafting
3. Salmon bake
4. Native dancing
5. Walking tours
6. Fish camps/Smoke salmon demonstrations
7. Arts & crafts
8. Storytelling
9. Sport fishing
10. Cultural tours
11. Mountain biking
12. River tour: Guests are taken by boat from Fairbanks and return by airplane

Tourism offers opportunities both for the Tribe and its membership.

For example, the Tribe may be better suited to take on the larger projects that may require more of a cash outlay or require a longer term in order to achieve profitability. A tannery/cannery, agriculture, or traditional feasts are projects that the Tribe could seek grant funding to help pay for most, if not, all of the start up costs. Another project not mentioned would be a museum, which is listed as one of the top attractions tourists want to experience. The Tribe may also be able to secure grant funding and use the proceeds to provide training to their membership in the field of entrepreneurship; to include training in establishing a small business, bookkeeping, using the internet for marketing, and maintaining a savings and checking account.

On the other hand, individual members can establish themselves as a bed and breakfast operator, or offer taxi and/or car rentals. Interested members can offer services that would appeal to the summer or winter traveler. For instance, during the summer months offer a hunting guide service, conduct fish camp or walking tours. During the winter months, offer dog sled rides, viewing of the aurora borealis, snowshoeing, along with other winter activities.

A comment made in the 1996 Comprehensive Plan remains true today and that is that there are few easy answers for obtaining long-term economic development in rural Alaska, including Fort Yukon. Then it goes on to say that to work towards a sustainable local economy, the community should judge each on-going activity and new idea by asking the following questions:

- Will the activity or business help protect or enhance traditional cultural and subsistence resources?
- Are there training opportunities to prepare local people to take advantage of the opportunity?
- Will the activity or business provide meaningful employment for local people?
- Will income earned from the business or program stay in the community?
- Does it reduce long-term dependence on government?
- Does it promote health and public safety?
- Does it provide cash income?
- Is it feasible and sustainable over the long term?
- Would traditional consensus decision-making approve of the activity or venture?
- Is it subject to burdensome and unnecessary outside regulation?

If the answers to the above questions are yes, the venture or activity should be supported. If not, serious questions should be asked about the desirability of continuing or undertaking the idea.

i. Future Population

Alaska Natives are expected to experience stable population growth, from 118,840 in 2006 to 162,820 in 2030. Further, Alaska Natives are projected to grow as a share of the state's population, from 17.7% of the total state population in 2006 to 19.4% in 2030.

However, Alaska's individuals regions, borough's and census area's are expected to grow at a very different rate. The Yukon Koyukuk census area projected population is as follows:

July	2006	2010	2015	2020	2025	2030
Low		5,707	5,408	5,098	4,771	4,457
Middle		5,899	5,766	5,595	5,362	5,111
High	5,860	6,111	6,150	6,107	5,973	5,795

Using the Low and Middle quartile, the overall projected population is expected to decline compared to the 2006 population of 5,860. However, using the High quartile, the projected population is expected to increase slightly and peak at 6,107 in 2015, and then steadily decline to 5,795 residents in 2030.

j. Methods of forecasting

According to the Department of Labor/Work Force Development, population projections are distinct from population estimates in that population estimates use current and historical data to make statements about the present and past, while projections use expected or extrapolated data to make statements about the future. There is much uncertainty in population projections as it is not possible to predict future events, but projections based on reasonable assumptions are an important tool for planners and policy makers.

For projecting the Alaska Native population, the DOL/WFD used the following methodology; the Native population was divided into groups according to age and sex and projected forward into five year steps using the cohort method; projected births and in-migrants were added and projected deaths and out-migrants were subtracted at each step for each age-by-sex group. Recent statewide Alaska Native fertility and mortality data by age were used to inform the projections of natural increase. In and out migration data from the Alaska Permanent Fund and the 2000 was used in projecting migration by age. Rates of mortality for Alaska Natives are among the highest in the United States. Fertility rates for Alaska Natives are among the highest in the nation, although this is expected to decline due to the trend of migration from rural to urban. Rates of migration into and out of Alaska are relatively low compared to the state population as a whole; it is estimated that Alaska natives leave the state at slightly more than 1% per year, while slightly less than 1 % enter the state, resulting in a very slight annual loss.

6. Land Use

a. Existing Land Use

The largest owners of property include the federal, state, and local governments, including the Gwitchyaa Zhee Corporation and the Gwitchyaa Zhee Gwich'in Tribal Government.

The City of Fort Yukon lies at the confluence of the Yukon and Porcupine Rivers, and encompasses about 7.5 square miles. Because Fort Yukon serves as a regional center for the outlying villages, an unusually large percentage of land is devoted to public service facilities (school, clinic, and state or federal offices). The airport occupies 510 acres and the Air Force site, and public facilities which occupy 23 acres. Commercial development, which includes the Alaska Commercial Company, and former M&A General Store, former Sourdough Inn, and Midnight Sun Restaurant and Lodge, totals 4 acres. Map of Fort Yukon attached (Exhibit 12).

Fort Yukon was originally concentrated in the western portion of the town site, but the flood of 1949 forced relocation of much of the town to the higher ground of Crow Town--that portion presently occupied by the school, community center, post office, Alaska Commercial, the former M&A General Store, and the majority of newer residences. Virtually all high ground at Crow Town has now been developed. New HUD housing has been built on slightly lower ground just within the northern boundary of the town site. Within the central portion of Crow Town, stores and offices have been developed among some of the home sites. This results in more traffic around the homes and causes uncertainty in terms of the expansion potential for commercial and public uses. The location of the Alaska Commercial Store is convenient to schools, community center, post office, and other places where residents have business. Few platted sites remain and future residential growth will require additional surveys and platting.

The western portion of the town site is still occupied by the Gwitchyaa-Zhee Electric Utility Company, and the Yukon Fuel storage facility.

To the southeast of the town site are the U.S. Air Force Aircraft Control and Warning site, and the related communication network facility operated by a private contractor. This is one of the few areas above the base flood elevation (439.5 or 440 feet above sea level). The military has two properties in Fort Yukon: the old White Alice site, and the Long Range Radar Site. The White Alice property will be designated as surplus property, while the Long Range Radar Site will remain open and operational for the indefinite future.

The Fort Yukon airport is owned by the State of Alaska. Although nearby Hospital Lake is used for float plane access, the community prefers this area remain primarily for local subsistence use. There are five Native allotments within the City limits. The Fort Yukon Native Town site was patented to the town site trustee for disposal to the occupants. Municipal reserves, underdeveloped portions and streets were conveyed to the City. The most serious limitation on expansion is the relative lack of high ground.

Fort Yukon is surrounded by the Yukon Flats National Wildlife Refuge, which lies about 15 miles from Fort Yukon in most directions. Management plans recognize and support traditional subsistence and rapping activities on the refuge. The Alaska National Interest Lands Conservation Act (ANILCA) excludes Native lands from refuge management control. The U.S. Fish & Wildlife Service refuge management is headquartered in Fairbanks.

The 1971 passage of the Alaska Native Claims Settlement Act (ANCSA) led to the establishment of about 207 village corporations and 13 regional corporations. Gwitchyaa Zhee (GZ) Corporation, is Fort Yukon's local village corporation, and received surface rights and title to 103,680 acres (equal to 4 ½ townships). Doyon Ltd., the regional corporation, received title to the subsurface estate. Un-surveyed land is conveyed from the government by an interim conveyance document. Once this land is surveyed, a patent is then issued.

According to Ted Solomon, Natural Resources Specialist for the Gwitchyaa Zhee Gwich'in Tribal Government, in 1993, the Gwitchyaa Zhee Corporation and the Gwitchyaa Zhee Gwich'in Tribal Government signed an agreement to transfer 103,680 acres to the Tribal Government. This conveyance followed a majority vote by shareholders of G-Z Corporation. In conveying the land, tribal members stated that:

- land would have greater protection from possible loss through taxation, eminent domain or sale, if held by the non-profit tribal government,
- communal ownership by all tribal members would be more in keeping with traditional concepts of land use and ownership than ownership by a for-profit corporation,
- all tribal members and their families would have free access to tribal lands,
- through an agreement, economic benefit from selective land development would be retained with G-Z Corporation
- Native Village of Fort Yukon could undertake programs such as shareholder home sites for tribal members, and
- tribal land would never be sold

The Tribe leases from the City of Fort Yukon 2 acres that their office building and hall sits on. Current commercial use includes the former recycling center measuring 125' X 90', 2 acres for a community garden, 1 acre for the GZ Corp Utility Plant and 1 lot for GZ Corp gas station.

Current Residential use includes 14 acres under the Federal Town site, and 5 acres for Homesteads. During the 2000 U.S. Census, total housing units numbered 317, and vacant housing units numbered 92. Vacant housing units used only seasonally numbered 37. According to Ted Solomon, Natural Resources for the Tribe, future residential use includes 10 new blocks or 10 acres to accommodate 80 new homes.

The Tribe also plans to use 2 acres for a wood staging area for bio mass project-estimated to start in 2008. According to Richard Carroll, Acting City Manager, the City has no future land use needs for commercial, industrial, warehousing, housing, or utilities.

The Alaska Native Claims Settlement Act (ANCSA) requires that Village Corporations re-convey certain lands received under the Act to other parties. The intent was to provide title to the surface estate to those who had valid claims to land for designated purposes as of December 17, 1971. Re-conveyances are made under the following categories:

- Section 14(c)(1) -- for individuals (Natives or non-Natives) who occupied lands as of December 18, 1971 for primary places of residence, business or for subsistence campsites,
- Section 14(c)(2) -- to non-profit organizations who occupied tracts as of December 18, 1971 (such as churches and schools),
- Section 14(c)(3) -- to municipal governments for present and future public purposes; and
- Section 14(c)(4) -- to government agencies for safe operations of airports as they existed on December 18, 1971.

Gwitchyaa Zhee Corporation has fulfilled its obligations under Sections 14(c)(1),(2) and (4).

Section 14(c)(3) states:

"the Village Corporation shall then convey to any Municipal Corporation in the Native Village title to the remaining surface estate of the improved land on which the Native village is located and as much additional land as is necessary for community expansion, and appropriate rights-of-way for public use, and other foreseeable community needs: Provided, That the amount of lands to be transferred to the Municipal Corporation shall be no less than 1,280 acres;"

The requirement to convey "no less than 1,280 acres" was considered excessive for many small villages. After considerable debate, this section was modified in 1980 by Section 1405 of the Alaska National Interest Lands Conservation Act (ANILCA). Section 1405 adds additional language to Section 14(c)(3) as follows:

"unless the Village Corporation and the Municipal Corporation ".." can agree in writing on an amount which is less than one thousand two hundred and eighty acres... "

Section 14(c)(3) identifies what type of land is to be conveyed:

"Title to the remaining surface estate of the improved land on which the Native village is located and as much additional land as is necessary for community expansion, appropriate rights-of-way for public use, and other foreseeable community needs..."

According to the 1994 Annual Report of the Native Village of Fort Yukon I.R.A., 43 applications for Section 14(c)(1) subsistence campsites were approved by the Village Corporation. None of these sites have been surveyed and trespass is a problem. Several years ago, the City of Fort Yukon applied to the Corporation for 1,280 acres of 14(c)(3) and. In return, the Corporation issued a counter offer for a lesser amount. All parties, including the City, Native Village of Fort Yukon and Gwitchyaa Zhee Corporation, have formed a working committee to resolve 14(c)(3) claims. Current plans are to request a joint meeting between all parties for a revision to the approved plans to accommodate the new lagoon and landfill.

7. Community Facilities and Utilities

Community Buildings are comprised of municipal buildings; City Hall, water & sewer, liquor store and the Richard Carroll community hall. Tribal Buildings include the main office, and a recycling plant.

Cultural Facilities include the library, which is located within school. There is no museum.

The public safety buildings are comprised of the police station which is located with in City Hall. Fort Yukon has a volunteer fire department which owns their fire truck which is parked in garage attached to City Hall. There is no search and rescue.

The City has two health facilities:

The Yukon Flats Health Clinic (YFHC), is operated by the Council of Athabaskan Tribal Governments, and their Mission Statement is:

“To provide programs and services that will raise the health status of the people who live in the Yukon Flats Sub-region”

According to Lona Marioneaux-Ibanitoru, Health Director, the YFHC provides primary care and 24-hour emergency support services to residents of Fort Yukon, Arctic Village, Beaver, Birch Creek, Chalkyitsik, Circle, Fort Yukon, Stevens Village and Venetie. The clinic has a staff of 21 including 16 community health aides. Providing the following services:

- primary medical care
- referral and coordination of prenatal, well-baby and family planning clinics
- cooperate and assist with physician visits
- cooperate and assist with psychologist visits to the Fort Yukon Care Center
- maintain medical records
- maintain a pharmacy
- provide 24-hour emergency services
- respond to life threatening emergencies
- provide community prevention and health education services
- support services

In addition, the FYHC assists Tanana Chiefs Conference (TCC) in coordinating other health programs in the region, which include:

- Community Health Aid Program (CHAP)
- Dental
- Community Health Representatives
- Emergency Air Ambulance Services
- Mental Health/Alcohol
- Home Health Services

The YFHC is currently housed in two locations, using a combined 15,000sf. A new clinic is currently being built. Construction started in July of 2006 and is scheduled to be completed in October of 2007 at a cost of about \$7.2 million. The new clinic will allow FYHC to consolidate their office, and add a part-time optometrist.

The other medical facility is the Fort Yukon Public Health Office, which is comprised of a nurse and clerk, who offer general medical services and are housed in the YFHC complex.

The Yukon Flats School District is headquartered in Fort Yukon. The largest of the district's communities, Fort Yukon has an enrollment of 165 students. Elementary School, which is preschool through 8th grade, has an enrollment of 133 and has 11 teachers and 4 instructional aides. High School, which is grades 9 through 12, has an enrollment of 32 and has 4 teachers and 1 instructional aide. There are no district housing units available for teachers in Fort Yukon.

The University of Alaska's Fort Yukon Learning Center offers programs for all villages in the region, including undergraduate college courses leading to an Associate of Arts degree. Most courses are taught by audio-conference with local facilitators. Other courses are taught locally.

There are no Parks, other than 2 small picnic areas.

There are 2 cemeteries, 1 acre in town and 2 acres in old village.

Currently, water is derived from two wells, is treated, and then stored in an 110,000-gallon tank. A combination of piped water, water delivery and individual wells serves households. A flush/haul system, septic tanks, honey buckets and outhouses are used for sewage disposal. Approximately half of all homes are plumbed. The piped water system and household septic tanks were installed in 1984. The City has received funds to repair the piped water system and to construct a piped gravity sewer system to eventually serve 250 residents and businesses. Recently completed water service line upgrades and renovations at the water treatment plant have improved the water quality, should improve efficiency, and should eliminate previously recurring freezing problems in some of the water service lines. The water/sewer system is divided into 6 zones. Construction of sewer mains and service lines in zones 1, 2 and 3 is currently underway. Upgraded water service and new piped sewer service was installed for approximately 50 customers including the school. The project is currently shut down for the winter and work is scheduled to resume in the spring of 2007. Additional funding will be needed to complete subsequent stages of the overall project.

The typical method of disposing of sewage wastes in Fort Yukon is with individual on-site septic systems. Septic tanks and drain fields usually take the form of crib systems. Notable exceptions are the State Office Building and the new school. Both of these facilities pipe sewage directly to a lagoon that serves just these buildings. Newer government-funded homes which require DEC approval have been required to install holding tanks in many instances in order to meet minimum health and groundwater standards. The City maintains a sewage truck for cleaning septic and holding tanks. Effluent collected from septic and holding tanks is transported to the city sewage lagoons located near the city landfill.

The main problem with individual septic systems in Fort Yukon comes from the high ground water table which prevails throughout most residential areas in town. Many drain fields leach raw sewage directly into the high ground water. This contaminated material irrigates to swampy low areas of town, and appears as surface water. Standing surface water containing fecal contamination is a very significant health hazard. Research indicates that tests performed in the past have found evidence of fecal contamination.

The Alaska Native Tribal Health Consortium (ANTHC) began work on a water and sewer project in 2001 and is estimated to be completed in 2010. According to Luke Schulte, Engineer, for the Division of Health & Engineering for ANTHC, the total project cost is about \$23 million; \$20 million will be spent on installing a new community wide gravity sewer collection system and for a new 6.5 acre multi-cell facultative, and the remaining \$3 million will be spent on installing a new 250 gallon water storage & water treatment plant and replacing 800' of water mains. Upon completion of this project, the ANTHC will turn over ownership to City.

The Alaska Native Tribal Health Consortium has been involved with helping the city fund and to construct the system as part of a larger program to equip all villages with water and sewer facilities. "It's kind of a preventative health thing for us," said Matt Dixon, Director of central engineering services for the Alaska Native Tribal Health Consortium and one of the leads on the Fort Yukon project. Mr. Dixon has been helping train local residents for construction and maintenance jobs on the project. He said the program has been able to create between three and 30 jobs in each village.

Solid waste is comprised of a 5 acre open dump. Solid waste is disposed of at a landfill site constructed in 1975 approximately 2 miles north of town along the FAA road. A collection service is provided. Combustibles (paper, wood, cardboard) are typically burned in barrels, and the dump is used mostly for metals such as tin cans, auto parts, and discarded appliances. The landfill violates FAA regulations, since it's located within 5,000 feet of the airport. With the completion of the ANTHC water and sewer project, this solid waste site will be closed.

Electric power is provided by Gwitchyaa Zhee Utilities, a subsidiary of Gwitchyaa Zhee Corporation. 1,500 kW of electricity are produced by four generators. Residential rates are 46.11 cents for up to 100 kW, 31.12 cents up to 400 kW, and 23.62 cents for use over 401 kW. Commercial rates are 53.60 cents for the first 100 kW, 46.11 cents up to 400 kW, and 38.62 cents from 401 to 1,000 kW, 31.12 cents from 1,001 to 2,000 kW and 28.13 cents for more than 2,000 kW per month.

The bulk fuel had been operated by Yukon Fuel and was taken over by Crowley Marine Services, Inc. about two years ago. The fuel depot has 6 tanks totaling 550,000 gallons:

- 100,000 gallon tank- gasoline
- 100,000 gallon tank - diesel oil
- 200,000 gallon tank- heating fuel
- 50,000 gallon tank- heating fuel
- 50,000 gallon tank- heating fuel
- 50,000 gallon tank – heating fuel
- 550,000 gallons

Telephone service is offered by Interior Telephone Company, which is based in Anchorage and provides local telephone service. Long distance service is provided by Alascom, Inc. through a satellite earth station. In 1989, there were 107 residential and 76 commercial customers in Fort Yukon. All customers have single-party service. A few households have citizen's band radio equipment. The basic rate for residential service is \$24.40 per month, and the commercial rate is \$36.30 per month. Internet is offered by offered by GCI.

8. Transportation

Located in Alaska's Interior, the Yukon-Koyukuk Census Area stretches across more than 148,258 square miles from Canada's Yukon Territories to the lower Yukon River and is home to five national wildlife refuges, and is Alaska's largest geographic region and is home to 1% of the state's population. The population density is 0.1 people per square mile, one of the lowest population densities in the state. The Alaska average is 1.1 people per square mile. Most reference material often do not have data specifically for Fort Yukon, instead the date refers to the Yukon Koyukuk Census Area which is comprised of three sub-areas, the Koyukuk-Middle Yukon sub-area consisting of 20 communities, the McGrath-Holy Cross sub-area consisting of 10 communities and the Yukon Flats sub-area consisting of 8 communities.

One third of the area's population lived in the four largest communities, Galena (675), Fort Yukon (595), Nenana (402), and McGrath (401). Most settlements are located on the Yukon River or its tributaries. McGrath is an exception and lies on the banks of the Kuskokwim. Rivers are important transportation routes. In winter they serve as ice roads for snow machines. In summer, riverboats ply the waters. Just seven of the 41 settlements in this vast area are on Alaska's road system. Year round connections depend upon air transport. Air transport to Fairbanks and Anchorage is vital for year-round access.

Fort Yukon is accessible by air and barge during the summer months. Heavy cargo is brought in by barge from the end of May through mid-September; there is a barge off-loading area, but no dock. Riverboats and skiffs are used for recreation, hunting, fishing and other subsistence activities. A State-owned 5,810' long by 150' wide lighted gravel airstrip is available; Hospital Lake, adjacent to the airport, is used by float planes. There are 17 miles of local roads, and over 100 automobiles and trucks. There was a City Transit Bus system that provided transport throughout the town. Snow machines and dog sleds are used on area trails or the frozen river, which becomes an ice road to area villages during winter.

According to Jim Scholl, Statewide Transportation Improvement Plan Coordinator for DOT/PF Division of Program Development, since Fiscal Year (FY) 2000, DOT/PF had worked on the following projects in Fort Yukon:

1. FY 2000, Airport brush cutting at a cost of \$17,200.00
2. FY 2004, Airport re-surfacing at a cost of \$288,000.00
3. FY 2006, Airport dust palliative at a cost of \$40,000.00
4. FY 2007, Airport vegetative management at a cost of \$20,000.00

Two other projects are planned for 2008 and they are:

1. General airport improvement to install new lighting, build a new snow removal equipment building, work on the apron and runway, correct drainage at a cost estimated to be \$11,000.00; funding is expected in 2008, which is when the bid will be advertised with actual construction to start in the summer of 2009, and
2. Dust palliative for the roads in Fort Yukon at a cost of \$2,000,000.00 which is being paid by the Denali Commission; plan to start design work is planned for 2008 with construction to begin in 2009; actual dates are contingent upon completion of water & sewer project by ANTHC.

The State of Alaska Department of Transportation and Public Facilities are evaluating long-range regional transportation needs in Interior Alaska. This evaluation will guide the department in meeting community, regional and statewide transportation needs well into the future. This region of the state covers approximately 132,220 square miles, or an area about the size of Montana. It has two international border crossings, 36 state owned public airports, over 1,100 miles of National Highways and about 800 miles of State Highways. In the Fall of 2006, the DOT begin to develop the Interior Alaska Transportation Plan. DOT contracted with ASCG Incorporated of Alaska to develop the Plan. While the Plan will address what the long range transportation needs of the Interior, it will not address individual community projects. The plan is to address what the impact of future developments, like the proposed gas pipeline, mineral development, military training, Railroad Development and tourism, will have on highway, rail, aviation and local roads. The Plan is expected to be completed on December 2008.

There are 17 miles of local roads in Fort Yukon, which are owned and maintained by the City. Roadways outside the city limits located on Village Corporation lands are owned by Gwitchyaa Zhee Corporation. There are no state roads in the area. In addition to local streets, roads provide access to the airport, solid waste disposal site, the Air Force station and the gravel pit. The City did operate the Fort Yukon City Transit bus system providing rides throughout the town, which has since closed for business. Street right-of-ways vary in width, and in some cases contain structures. None of the streets is paved, but grading is adequate. Most roads are about 20 feet wide, and are constructed upon three to four foot thick gravel embankments. Roads and paths do not always follow a right-of-way, and vacant private property is commonly used by foot traffic and in some cases by cars. Property lines are not often visible in Fort Yukon.

The principal roads in the community include 3rd Avenue which connects the barge landing (northwest of town) to the airport, school complex, the Alaska Commercial Store, the Post Office, State offices, the Vocational Education facility and the Air Force station to the east of town. Spruce Street connects with 3rd Avenue near the center of town and provides access to the hospital, city office, two commercial businesses, and land to the northeast of town. Third Avenue is contained within a 60 foot right-of-way (ROW) inside the town site, and a 30-foot ROW east of the town site. No ROW is designated for 3rd Avenue from the town site boundary west to the barge landing site. Other streets within the town site have 20-foot to 75-foot ROW's designated, with 55 feet the predominant standard within the eastern portion of the town site and 30 feet within the western portion.

The Department of Transportation/Public Facilities (DOT/PF) and the Denali Commission have earmarked \$2 million for rehabilitation and surfacing of main roads and residential streets to airport, school and regional health clinic. The Denali Commission to fund \$1,819,400, with the State to match \$180,600, as part of the 2006-2007 Denali Transportation Improvement Plan.

a. *Regional Transportation*

With regard to trails, in 1866, the federal government passed the Revised Statute 2477, granting broad rights-of-way over unreserved federal lands wherever roads, trails or other common routes existed. The Department of Natural Resources and other agencies have reviewed over 500 potential RS 2477 corridors throughout the state. If validated, these corridors would provide public surface access across much of rural Alaska. To successfully prove each right-of-way, the state must show the route was constructed or used when the land was unreserved federal land. By establishing the validity of these corridors, the state believes that public options will be preserved for the future. These corridors would provide public access, in the event a landowner charged entrance fees, or refused public access.

Three RS 2477 trails begin at or near Fort Yukon; the RST 446 - Fort Yukon to Birch Creek Trail, the RST 477 - Fort Yukon to Christian Trail and RST 478 - Fort Yukon to Beaver.

RST #446 - Fort Yukon - Birch Creek Trail- This 30 mile winter trail originates on the Yukon River south of Fort Yukon. It heads southeast for two miles to a cabin, then southwest for 12 miles to Twelve Mile Lake. After crossing the lake, it ends 16 miles later at the town of Birch Creek. Surface owners include Gwitchyaa Zhee Corporation, Doyon, Ltd. and four Native allotments.

RST #477 - Fort Yukon - Christian Trail-- From Fort Yukon on the Yukon River, this historic winter trail travels northerly through Alexander's Village and the Yukon Flats. The trail ends at Christian on the Christian River. Total length is about 75 miles. Surface owners include Gwitchyaa Zhee Corporation, the wildlife refuge, Doyon, Ltd. and eight Native allotments.

RST 478 - Fort Yukon to Beaver -- This trail runs westerly from Fort Yukon, across the Yukon Flats along the north side of the Yukon River, to the village of Beaver. The length of the trail is about 58 miles. The State considers this a historic trail, and it served to carry supplies and the mail in the 1930's. The trail crosses 17 surface estate owners, including the City of Fort Yukon, Gwitchyaa Zhee Corporation, Doyon, Ltd. the Yukon Flats National Wildlife Refuge and ten Native allotments.

According to the state's RS 2477 Project Newsletter, the state is attempting to identify, research and document up to 500 rights-of-way established under this law. The three trails just described already provide public access through easements granted in Section 17(b) of the Alaska Native Claims Settlement Act. Local residents strongly prefer that these remain as public trails, rather than be considered for more intense development.

In terms of air transportation, Fort Yukon is the local hub airport for all villages in the Yukon Flats area, and has been designed as a regional center for essential air service. The airport, located just west of the community, is owned by the State of Alaska. The 5,800' x 150' gravel runway is equipped with runway lights and navigational aids. The runway is in good condition and is maintained by the city under contract to the Department of Transportation/Public Facilities (DOT/PF). The DOT/PF leases several airport lots to air taxi services and other aviation-related businesses. The apron is suitable for handling cargo from large aircraft such as C-130 Hercules. About 11 private aircraft are based at the airport.

Larry's Flying Service, Wright's, Warbelows and Frontier Flying Service provide regularly scheduled service between Fort Yukon and Fairbanks, and between several of the Yukon Flats villages. Charter air service is available from Fort Yukon to all villages in the region, as well as to point in Canada. The round-trip fare between Fort Yukon and Fairbanks averages about \$200. Fort Yukon residents depends almost totally on air travel for contact with Fairbanks, Anchorage, and other communities.

The airport was resurfaced by DOT &PF in 1991, and a palliative was added in an attempt to reduce the dust problem. Upgrades were also made to the electrical equipment. There are no plans to improve Hospital Lake into a staging area for float planes.

According to Judy Chapman, of the DOT Airport Improvement Plan (AIP) includes \$11 million to be used for the airport apron expansion and is contingent upon funding. When funded, work is estimated to start in 2010 and will be a 2 year project. Included in the project will be the construction of a snow removal equipment building at a cost estimated to be \$1.1 million, which will be done at same time as airport expansion project.

From 1985 to 1991 a total of \$1,374,506 was spent on airport upgrades to include improving road access, acquiring aircraft rescue & fire fighting equipment, rehabilitating the runway and installing apron lighting.

For water transportation, barges and passenger vessels have been an important means of transportation along the Yukon River since 1869. In 1900, about 1,000 barges operated along the length of the river. Stem-wheeler steamers operated until the mid-1950's. Although barges have been largely replaced by air freight service, they continue to hold the market on heavy freight such as bulk fuel oil, vehicles and building materials.

Yutana Barge Lines services the community 3-4 times per year, while Yukon Navigation reaches Fort Yukon 8-10 times per season. The first barge usually leaves Nenana in late May and the last barge of the season is back in port by mid-September. Currently~ 4-6 trips are made each season to Fort Yukon. Heavy cargo is brought in by barge from the end of May through mid-September; there is a barge off-loading area, but no dock.

Local residents own about 80 riverboats which they use for recreation, hunting, fishing, other subsistence activities and travel to other villages along the river. During the winter months when the rivers are frozen, residents travel the rivers on snow machine and dog sleds.

b. Local Transportation

There are 17 miles of local roads, and over 100 automobiles and trucks. There was a City Transit Bus system; however it is no longer in operation. There are no car rental service, no taxi service.

During 1995, DOT&PF completed a local roads resurfacing project in Fort Yukon in an effort to reduce the dust problem. The resurfacing project involved placing 6 or more inches of crushed gravel aggregate and dust palliative on the levee - roadways. A long-term solution to roadway dust is still required, however. A series of culverts was installed to improve seasonal drainage and remove flood waters.

There are no small boat harbors, nor boat storage facilities

9. Carrying Out The Plan

a. Description of the consultation process

The Gwichyaa Zhee Gwich'in Beyond Vision 2007 Community Plan was a collaborative effort between Chuck Katasse of Katasse Financial Management and Paulette Schuerch of Ikatutit.

Paulette Schuerch was responsible for facilitating the community meetings to conduct relevant workshops, while Chuck Katasse would be responsible for conducting the research needed to complete the 2007 Community Plan. A total of five site visits were held:

1. March 20 – Chuck Katasse & Paulette Schuerch

The meeting was for the community to get acquainted with the consultants and to explain to the attendees the scope of work involved in the 2007 Community Plan and the related timeframe to complete the work. Discussed various industries Fort Yukon could consider.

2. April 4 – Paulette Schuerch

As the facilitator, discussed the need for the community to have a Community Vision and then worked with the attendees to come up with a Community Vision statement. Attendees received a workshop regarding the Small Business Administration 8(a) Federal Contracting, as a possible economic development opportunity Fort Yukon can consider. Attendees also received a workshop in capacity building, with the topic being Team Leadership.

3. May 22 – Paulette Schuerch

During this community meeting, attendees were given a copy of the Community Values & Vision and Capital Projects and Infrastructure Priorities forms and discussed their use. Everyone then used the form to identify the top 10 economic development opportunities. Discussed were given another form, Project Scoping Form, and its use. Attendees then used the form to conduct additional research for the top 4 economic development opportunities.

4. June 18 – Paulette Schuerch

Discussed those support services Fort Yukon could use to help facilitate economic development. The attendees identified the need for the establishment of an Economic Development Fund, an Economic Development Coordinator, and develop a survey that will be used to query the community members to identify what their ideas are regarding economic development ideas.

July 26 – Chuck Katasse

During this community meeting, attendees were given an up-date on the work done so far on the 2007 Community Plan. After the up-date, attendee's were given a copy of Business Strategies, Funding/Financing Strategies, Pre-feasibility Study/Business Plan Analysis, and How To Pre-qualify For A Business Loan, and discussed the same.

Feedback received from each of the site visits were incorporated into the 2007 Community Plan. The Tribe was sent drafts of the 2007 Community Plan at frequent intervals for the purpose of seeking their feedback, which was incorporated in the Plan. The frequency of the site visits and furnishing drafts of the Plan was designed to receive maximum input from the community and the Tribe.

The new 2007 Community Plan offers the most current information available regarding Fort Yukon, its economy, population, land use, community facilities, utilities, transportation and carrying out the plan.

Information from the site visits and the 2007 Community Plan offer the Tribe and community members the tools needed to identify, research, select and implement economic development opportunities in order to fulfill the goal of Beyond Vision.

b. Adoption of the Plan

The Tribe, City and Village Corporation met and adopted the 2007 Community Plan by a joint Resolution, a copy is attached (Exhibit 13).

c. Development of Project list

During each of the five site visits, attendees participated in in-depth economic development workshops and discussed the use of relevant forms and questionnaires. During the course of the workshops, various economic development opportunities were identified encompassing different industries. Further, some economic development opportunities identified can be categorized as small businesses that would require minimal cash outlay that would be suitable for one or two individuals to operate. While other projects are much larger in scope and complexity and would require larger cash outlays that may be more suitable for the Tribe or village corporation to take on.

Several of the projects, are small enough, like a guide, taxi service or bed & breakfast, that these small businesses can be established by one or more tribal members. On the other hand, the larger, more complex projects, like a cultural building or sub-regional bulk fuel depot, are better suited for the Tribe or the Tribe and village corporation to develop.

Relying on the information learned from the workshops and the proper use of the forms, a tribal member(s) or the Tribe can use these tools to identify viable business opportunities to pursue.

d. Capital improvement plan

Like the Development of Project list, relying on the information learned from the workshops and the proper use of the forms, a tribal member(s) or the Tribe can use these tools to identify viable capital improvement projects to pursue.

e. Other proposed action

The Tanana Chiefs Conference (TCC) is the regional non-profit who offers social, economic development and other services to member villages who reside within their boundaries, of which Fort Yukon is one of the eligible villages. TCC has an Economic Development department, which offers technical assistance and training to Tribes in an effort to promote Tribal self-sufficiency. Capacity building trainings include entrepreneurship, business development workshops, grant writing/management and financial literacy. These are the same services the Tribe has identified as support services that are needed for economic development purposes.

While the Tribe works on establishing their own support system, which would be comprised of an economic development fund, and economic development coordinator, it can begin working with the TCC economic development department. TCC can assist the Tribe and its individual members to:

- Further refine and develop the Development Project list
- Further refine and develop the Capital improvement plan
- Assist with a business plan and/or feasibility study
- Secure bank financing and/or grant funding

Exhibit 1

March 20, 2007 site visit minutes and Sign Up sheet

March 20, 2007

Upon arrival, Mary Beth, Administrative Assistant, gave me a tour of Fort Yukon. I found this tour especially helpful for 2 reasons:

1. Because I learned that due to flooding, all the residents had to be relocated to where FY now is situated, and
2. Locations of where businesses were started then went out of business

After the tour, Mary Beth gave me a stack of documents to review. I spent the rest of the afternoon and evening reading all of the material. Upon completion, I made copies of those documents we would need for our project.

March 21, 2007

Met with Nancy James, during which time I reviewed the Community Plan Checklist and went on to explain that this is the Scope Of Work you & I would be working on. In addition, we would work with them to identify at least one project/business the Tribe would establish.

Nancy said that the tribe had been circulating an announcement informing everyone of the Community Meeting that was to take place from 11am to 1pm, with me conducting the meeting. When the meeting started, there was about 15 in attendance.

Before we started, I took the time to introduce myself, explain the Scope Of Work and that we are going to finish by the end of September. I then asked that we go around the room and introduce each other. Once we were done, then I explained that after reading the 1996 Comprehensive Plan, I had some questions:

1. Flooding-that there was a levee to be built that would eliminate at least 95% of the flooding. Was a levee build, the answer was yes. Is flooding still a problem? Yes, flooding is still a problem plus they now get standing water.
2. Population-it was projected that there would be 865 by 2005, what was the population today? 554 was the answer.
3. Natural gas-was any money sought to pay for exploratory drilling for natural gas? Yes, in 2004 methane was found
4. How do the surrounding 7 communities utilize FY? They come to shop and party
5. What is the cost of gasoline? \$4.75
6. How is the Yukon Flats Fur Cooperative doing? Trapping remains good. They would like to establish a tannery, although there was some who voiced concern about the use of toxic chemicals. Someone commented that they ought to go back to tanning hides naturally
7. What about an Interpretive facility and visitor center? A museum was built and due to the shoddy construction the museum was housed in, it had to move out therefore the museum was closed.

After asking my questions, I called everyone's attention to the Community Plan Checklist and explained that all of us will need to work on updating the 1996 Comprehensive Plan using the Denali Commission Community Plan Checklist as stated in the State of Alaska Mini Grant Award letter.

After our discussion, we then went onto discussing small businesses. That as we discuss business opportunities, we need to be mindful of the following:

Fort Yukon needs to:

1. establish those businesses that will result in being able to circulate the money at least 3 times in the community,
2. residents need to support each others businesses
3. that 60 to 70% of all new businesses that start will fail within 5 years
4. that a business needs at least 5 years to mature therefore it is during this time that you have to nurture the business
5. that we have to be mindful of Capacity-that is, do we have the management capacity? Cash reserves? Accounting/booking personnel? Do we have the capacity to start 1 or more new businesses at one time? Start small, then grow not the other way around

I then asked then for small business ideas? And they replied stating:

The City Manager (Mike Jackson) said that he attends these meeting so that can look at what the City has to offer by way of solid waste disposal and the airport facilities and compare it to what new businesses are being planned-can the City accommodate new business activity?

Ginny Alexander said there is a need for more B&B's because she has had to turn customers away.

Others commented about:

Taking over the administration of the old Airforce base and convert it for elders use

Need for a new building to house Tribal offices and for youth programs-a new building will give members a sense of pride and allows them to improve on what they have

City needs a solid waste management program

Not to be dependent upon grants. Need to revitalize the museum and archive. Need more businesses like a barber shop, and a movie theater. For tourists we need street signs and outhouses

We need Native type activities for tourists, like a fish camp, salmon bake, walking tour, and a museum

Need better communications between the organizations in town. We ought to have a chamber of commerce

Need natural gas

Traditional moose hide tanning

Need businesses to be open when tourists arrive. Stores have closed early so tourist could not get incidentals they need. Nor could they use a restroom. Or a restaurant to be open. Businesses need to be open so tourists can spend money

Need a bank so elders don't have to pay a higher than normal fee to cash their checks at the AC store

Need to destroy old buildings to clean Fort Yukon up-get rid of the eyesores

What can we do about drugs and alcohol used by our young children

After talking about the small business ideas, we moved onto the idea of building a Tribal Cultural building. For the most part, everyone agreed a new building is needed because the Tribe is housed in a old building that was used as a freezer

Before wrapping up the meeting, I announced to everyone that the next meeting would be held on the 4 7 5 of April. That we need to:

1. Formalize the working group
2. Establish 5 sub-groups
3. Write a vision statement
4. Sign off on an MOA
5. Establish guidelines and selection process for identifying a new business
6. Nancy to furnish a free hand drawing of how the floor plan would look for the newly proposed tribal cultural building

Meeting then adjourned.

Commie Club Mtg 3-21-07

1. Nancy Jones
2. Robert Solomon
3. Mike Jackson
4. Virginia Alexander
5. Vern Solomon
6. Mary Beth Solomon
7. Louie Fairchild
8. Georgina Solomon
9. Ron
10. Ron English
11. Virginia Peter
12. Dachs Alexander
13. Jerry Carroll
14. Jackie Carroll
15. Dillion Carroll

Vibel Di GOTO

Council Member

CITY MANAGER

2nd Chief

GZ Corp

Exhibit 2

April 4, 2007 site visit minutes and Sign Up sheet

April 4, 2007
Ft. Yukon Planning Session

Gathering together for the protection of our land utilizing traditional knowledge to promote healthy living.

This evening was a very positive meeting, together with community members of all ages came up with their mission statement for the community of Ft. Yukon. The community is working on an economic development plan while updating the 1996 comprehensive plan. In order to proceed it was important for the community that a vision statement was prepared so everyone involved will be in line with the vision. The process in which was used involved everyone in the room. It was a very enlightening experience.

Four presentations were given by PowerPoint; 1) Ikayutit and opportunities 2) A Comprehensive Plan and what is included 3) 8(a) Federal Contracting and 4) the Northwest Arctic Leadership Team

Approximately 20 people were in attendance and in most part included the Tribal Council and Administration; the meeting lasted 1.5 hours.

ASSESSMENTS:

Michael Jackson, City of Fort Yukon
Sue, Fort Yukon School Principal
Mary Beth Soloman, NvoFY

We had the opportunity to tour the community and also spent some time on the radio discussing what we are doing in FY and also the following morning I got back on the radio to share with the community the vision statement and what we will be doing and how important it is to have community involvement.

The next two visits are schedule for May 9 and 10 and also May 23 and 24. Due to scheduling conflicts I would like to propose to change the May 23/24 to May 16/17 if it is okay with Nancy and Mary Beth.

During the May 9 and 10 meeting I will provide community leadership training and the importance of working together. The invitees should include all organizations that are located in FY. I will get the letter drafted and list the intended invitees. This meeting will be held during the day and the community meeting will be held that evening. On May 16th I will be presenting the draft comprehensive plan and we can move forward on the OEDP. Currently we are on track.

April 4, 2007
Community Planning Meeting

Christine Rifredi	GTG
Adlai Alexander	GTG
Bobby Solomon	GTG
Mary B Solomon	GTG
Georgina Solomon	GTG
Nancy James	GTG

Exhibit 3

May 22, 2007 site visit minutes and Sign Up sheet

**Native Village of Fort Yukon
Community Meeting
BEYOND VISION**

May 22, 2007

SCHEDULED MEETINGS

1. NCAI: June 10-13 Luncheon meeting w/ Council to present draft document
 2. Community planning session; date to be determined
 3. Draft ED/Comp Plan presentation to community; date to be determined.
- Important to get draft to community at least 10 days prior to presenting the plan

ECONOMIC DEVELOPMENT

Economic Development opportunities brought forth by community members in attendance. The items are in order of importance to the community and prioritized by using a voting system that everyone participated.

The top four items will be researched and reported back to the community at the next community meeting that is yet to be determined. In order to provide adequate information to the community KFM will provide a financial overview and what avenues the community must take to achieve success.

Cultural Heritage Center	5
Tourism	4
Bulk Fuel (sub-region)	3
Bed & Breakfast	2
Transit	1
Traditional Feasts	1
Tannery/Cannery	1
Sporting Goods/Hardware	1
Hunting Guides	1
Grocery Store	1
Alternative Energy	1
Agriculture	1
Taxi Service	
Restruant/Bakery	
Recovery Camp	
Music Festival	
Local Hot Shot Crew	
Laundomat	
Hotel	
Furniture	
Firewood	
Child Care Center	
Barge/Freight Services	

Planning Meeting

Village:	Fort Yukon, Alaska
Date:	May 22, 2007
Time:	1:00 PM
Place:	Tribal Conference Room

Please Sign In

Name	Representing:	Phone #	Box Number
<i>Justine R. Smedley</i>	<i>GGTG</i>		<i>PER 241</i>
<i>Elice Thomas</i>	<i>CATG</i>		
<i>Robert Solomon</i>	<i>GGTG</i>		<i>PO Box 8</i>
<i>Les Solomon</i>	<i>GGTG</i>		
<i>PHILLIP SOLOMON</i>			
<i>Maria B Solomon</i>	<i>G TG</i>		<i>Box 384</i>
<i>MADISON LADZEW</i>	<i>Member</i>		
<i>Anna Hunt</i>	<i>CTG</i>		
<i>Georgia Solomon</i>	<i>Council</i>		
<i>Yina McHome</i>	<i>GGTG</i>		
<i>Juliana Peterson</i>	<i>CATG</i>		
<i>Margaret Gammill</i>	<i>CATG</i>	<i>587-5523</i>	
<i>Sharon Fields</i>	<i>GGTG</i>	<i>(662) 2581</i>	<i>NR-124</i>
<i>Margaret Wainwright</i>	<i>Council CATG</i>	<i>773-2822</i>	<i>PO 89</i>
<i>Stanley Eskelin</i>	<i>GGTG</i>	<i>662-2581</i>	<i>4850 125</i>
<i>Tim Herbert</i>	<i>GGTG</i>	<i>662-3233</i>	<i>380</i>
<i>Melanie Ward</i>			<i>3021</i>
<i>Wendy S. ...</i>	<i>Member Tribal Council</i>		
<i>Robert ...</i>	<i>Member</i>		
<i>John D. Thomas</i>	<i>CATG</i>	<i>662-3042</i>	<i>256</i>
<i>Kurt ...</i>	<i>CATG</i>	<i>662-2211</i>	<i>101 ...</i>

Exhibit 4

Community Values and Visions form

Community Values and Vision

Community Values. List your community's ten most important values. Underline the top five. If you feel you need to list more to truly reflect your community, do it.

1.	<u>Healthy Living (6)</u>
2.	<u>Traditional Knowledge (10)</u>
3.	Cooperation (1)
4.	<u>Protection of Land (10)</u>
5.	<u>Conservation (1)</u>
6.	Technology (1)
7.	Jobs (3)
8.	Pride (3)
9.	Caretaking (1)
10.	<u>Gathering (6)</u>
11.	
12.	
13.	
14.	
15.	
16.	
17.	
18.	
19.	
20.	
21.	
22.	
23.	
24.	
25.	
26.	

Community Vision Statement: Write a statement below that best describes what the community wants to be like in the future. This statement is based on your community's values.

Gathering together for the protection of our land utilizing traditional knowledge to promote healthy living.

Exhibit 5

Project Scoping form

Project Scoping Form

Community:	_____	Contact:	_____
Name of Project:	_____	Address:	_____
Date:	_____	Phone:	_____
	_____	Fax:	_____
	_____	Email:	_____

.....

Do your best to answer the following questions about your proposed project or program below. Attach other sheets of paper if necessary. If you don't have the information, do your best to find it. This information will help you manage your project from the beginning to the end.

Description:

1. What is the project? Briefly describe it.
2. Why is this project needed? Identify the problem/need/strategy that the project addresses.
3. Is this project part of a plan (economic development plan, environmental plan)? How does it fit in the plan?
4. List any studies or plans that are needed (feasibility, marketing, engineering, design or other technical studies). Identify whether they have been started or the stage the plan is currently in.

Costs:

5. What is the estimated cost of the project.
6. What funds have been secured? Specify amounts, sources, local match, and any conditions attached.
7. What is the annual cost and long-term cost for operation and maintenance of this project? How will the community meet those costs?
8. What local resources are available for the long term operation and maintenance costs of this project?

Jobs and Training:

- 9. What service jobs will be needed in order to operate and maintain this project?
- 10. How many full time, permanent jobs will this project create and/or retain?
_____ Create in 1-3 years _____ create in 3-5 years ___ retain
- 11. What training is necessary in order to prepare local residents for jobs on this project?

- 12. What construction jobs will be necessary to complete this project?

Job Type	Number of Jobs	Wage Rate

Coordination:

- 13. Are other projects related to or dependent on this project? ___ Yes ___ No
Is this project depended of other activities or actions? _____ Yes ___ No
If yes, describe projects, actions or activities specifying phases where appropriate.
- 14. Does this project fit into a regional strategy? _____ Yes _____ No
Does it meet the needs of other communities as well as your own? ___ Yes ___ No
- 15. How many businesses will be affected by the project and how?
- 16. What type of needed infrastructure does this project provide?

Other:

- 17. What permits will be required? List the permit, permitting agency, and status of existing applications.
- 18. What health and safety problems will this project address?
- 19. What state and/or federal compliance requirements will this project satisfy or correct?
- 20. How will the project improve the environment?

Exhibit 6

June 18, 2007 site visit minutes and Sign Up sheet

**Community Meeting
June 18, 2007**

Beyond Vision

In order to be successful at creating opportunity we need to have the resources that will allow development. So, to create an Economic Development Fund that will allow the Tribe to become part of the solution and providing a support system for local development needs.

- Small Business Loans
- Entrepreneur Workshops
- Career Days
- Management Training
- Task Force oversight
- Capacity Building

The position Economic Development Coordinator will support local tribal members and community members with needed resources:

- Business development
- Support services (office equipment, phone, fax, computer, internet, marketing, rental equipment (light/heavy duty))
- Business Plan development
- Grant Writing assistance
- Research
- Marketing
- Capacity building

The community suggested that a survey be developed by the Tribe to see what ideas the community has and ways it can assist members to build capacity. Suggested ideas and opportunities community members could be taking advantage of:

- Barge Services
- Co-op for groceries and goods to drive cost down and create competition
- Hauling logs for building homes
- Lumber
- Logs for woodstoves
- Commercializing toothpicks
- Beadwork & Arts
- Tourism in the old village
- Making furniture
- Enhance youth camp

The community sees the following as difficulty in starting new businesses:

- Not enough people to sustain new business
- Not setting realistic goals and finding real solutions
- Lack of working together
- Supplies and materials for arts and crafts
- No value added products
- Lack of marketing plan
- Not supportive of new business; once someone gets something started other community members closing them out and therefore causing failure
- Cost of fuel, food and supplies (transportation)
- Alcohol

The community feels that there is value in their community and suggested some working currently and some ways they can improve:

- Helping each other out in time of need
- (NI)¹ Beadwork: Supplies and weekend classes
- Great ideas but lack of knowledge in getting it going
- Burnout
- Waiting for someone to get it started
- Facilities
- Expectation of “it’s the other organization’s responsibility”

¹ Needs Improvement

Planning Meeting

Village:	Fort Yukon, Alaska
Date:	June 18, 2007
Time:	3:00 PM
Place:	Tribal Conference Room

Please Sign In

Name	Representing:	Phone #	Box Number
MARY Solomon	GTG	662-2581	384
Robert Solomon	GTG	662-2415	8
Ainda M. Nove	GTG	662-2581	158
Cheryl	GTG		
Jamie Solomon	GTG	662-2581	248
Bebra Anzakark	represent	—	64
Jill S. Fin	SELF	662-2743	177
Betty Flitt	"	"	"
Margaret B. Roberts	"	662-3080	
June Rose	GTG		
Rachel Solomon	GTG		156
Gary Lavance	GTG	662-2581	" "
Cheryl Jany	GGTG	2582	296
Mardow Solomon Jr.	" "	PO Box 751	662-2070
Duane Solomon	Self	—	—
Frederic L. Lamm	Self	2428	88

Exhibit 7

July 26, 2007 site visit minutes and Sign Up sheet

Community Meeting

July 25, 2007

Planned to conduct an overview of the status of the work completed on the 2007 Community Plan, however, due to subsistence fishing meeting was cancelled.

July 26

Discussed that today's workshop is consistent with previous site visit workshops where attendees were given new economic development information that can be used as tools to help the Tribe take the 2007 Community Plan the next step which is Beyond Vision.

During this site visit, we reviewed and discussed the following topics; Business Strategies, Funding/Financing Strategies, Pre-feasibility Study Analysis, How To Pre-qualify For a Business Loan. A copy of each topics discussed were given to each of the attendees for future use.

Exhibit 8

Business Strategies

Business Strategies

1. Management

To increase your chances of success, the owner or manager of the business must possess the industry knowledge, which will enable him/her to operate the business at a profit.

Be prepared to furnish a brief resume for each member of key management, and board of directors. For the board of directors, state the names of each member, length of term served and month/year of when term expires, along with a brief description of

Exercise due diligence when hiring key management and selecting board members. The key is to select individuals who will contribute to the long term success of the business. Avoid management or board of directors turn over. What you want is longevity, stability.

Make clear what the duties and responsibilities of management will be. Likewise, make clear what the duties and responsibilities of the board of directors will be. It is important for the board of directors to not micromanage; micromanaging is inefficient and ineffective.

Keep politics out of the business. Politics will inflict irreparably harm to the business.

2. Cash

Make certain to have sufficient cash reserves in order to pay for three basic costs; cash down, routine operating expenses and unforeseen expenses.

Cash down requirements vary depending on the bank your bank, although as a general rule, a 25% cash down is the average.

Operating expenses can be paid using a combination of a line of credit and your own cash.

Your Balance Sheet must show that you have sufficient cash reserves to pay for the cash down and routine operating expenses, and still have some cash reserves available to withstand adversity.

Avoid operating on a shoe string. Every business will have unforeseen expenses. Plan for it.

3. Credit

Every business will have an on-going appetite for cash in order to pay for start up costs, to replace equipment and/or to pay for business expansion. It is important to establish a banking relationship early on, because a bank is an excellent source to turn to help pay for these three basic costs.

Banks place a lot of importance on a person or business' credit. It is entirely possible to be turned down for a loan, even if you demonstrate that there is a clear source of repayment, adequate cash reserves and so forth. This is because banks believe that if you are unable to meet your previous or current legal obligations to pay, chances are you will not be able to honor the loan request you are requesting.

As a general rule, a few late payments may raise some eyebrows although will not be the reason to decline your loan request.

On the other hand, derogatory credit, or a series of chronic late payments, delinquencies, charge-offs or bankruptcy can be the reason a loan will not be extended. You may want to obtain a current credit report on the business and check it. By doing so, you will be prepared to answer any questions a loan officer asks.

The key is to keep current with your creditors. Avoid derogatory credit.

4. Collateral

When seeking bank financing, one of the loan officer questions will be the kind of collateral you have available to offer?

As a general rule, collateral is used for two purposes, 1) to be the Secondary Source of Repayment and 2) to determine the term of the loan.

Avoid over collateralizing. This has been the more common mistakes made by business owners.

5. Ownership

Most businesses in rural communities are small enough to be established as a sole proprietor.

6. Maturity

Statistics show that 60% of all new businesses will fail in the first five years. Therefore, the business owner must pay special attention to the new business for the first five years and be prepared to make adjustments as needed.

For the Income Statement, the owner must be attentive to what the market is dictating, because the goal will be to increase Sales. Another challenge will be to keep overall Expenses in line with Sales. The goal will be to have Sales exceed Expenses; Sales ought to exceed Expenses by at least 5% to 100%.

Avoid instances where Expenses exceed Sales or where Sales and Expenses equal each other.

Avoid starting another new business while working on the newly created business.

7. Feasibility Study and Business Plan

Every new business or the acquisition of an existing business or an expansion of current business operations must have a Feasibility Study and/or Business Plan.

A Feasibility Study is an analysis of the viability of an idea. It focuses on helping answer the essential question “should we proceed with the proposed project idea?” Determining earlier on that a business idea will not work saves time, money and heartache.

A Business Plan provides the planning function. It outlines the actions needed to take the proposal from idea stage and make it a reality.

Exhibit 9

Funding/Financing Strategies

Funding/Financing Strategies

Bank financing and grant funding are two primary options to consider when planning on how to pay for the cost to start a new business.

As a general rule, grant funding is available only for tribes. On the other hand, bank financing is available for tribes and individuals or established businesses.

Timing will be a key issue when considering whether to use grant funding or bank financing.

For instance, grant funds require a longer timeframe because funding agencies have deadline dates that can take up to 1 or 2 years to secure. On the other hand, bank financing can take 2 or 3 weeks.

For tribes, grant funding used to construct a building or acquire equipment offers some benefits, especially when seeking bank financing.

In either case, it is recommended that a business establish a banking relationship early on. Any business will have an on-going appetite for cash that funding agencies are not equipped to handle.

Economic Development Opportunities

a. Cultural Heritage Center

Ownership: May best be owned by the Tribe. The reason is the nature of the business and the start up costs may not be suitable for an individual to handle.

Cost: Depending on the size, type and overall design of the building, the cost to construct would average about \$200/sf. For a building that is, say, 2000sf, the cost to construct would be about \$400,000.00.

This does include the cost of land, to bring the utilities to the site, or furnishings and equipment.

Funding/Financing strategy: The goal will be to secure grant funds that would be used to pay for most, if not all of the cost to construct.

b. Tourism

Need to better define Tourism. Here are some tourism ideas:

1. Zip line
2. River rafting
3. Salmon bake
4. Native dancing
5. Walking tours
6. Fish camps/Smoke salmon demonstrations
7. Arts & crafts
8. Storytelling
9. Sport fishing
10. Cultural tours
11. Mountain biking
12. River tour: Guests are taken by boat from Fairbanks and return by airplane
- 13.

Ownership: Many of the businesses can fit the category of being “mom & pop” and therefore may not be suitable to be owned by the Tribe

Funding/Financing: There may be some grant funding available if the business is culturally related. Otherwise, bank financing may be the only alternative.

c. Bulk Fuel (sub-region)

Ownership: May be owned by the Tribe or jointly owned by the Tribe and the village corporation. May evaluate the idea of having the bulk fuel farm situated on Trust Property to avoid paying State and/or Federal taxes, thereby lowering the cost of fuel.

Funding/Financing: Pursue grant funding to pay for most, if not all, of the construction costs. If jointly owned, the Tribe may need to own at least 51% in order to be eligible for grant funding.

d. Bed & Breakfast

- e. Transit
- f. Traditional Feasts
- g. Tannery/Cannery
- h. Sporting Goods/Hardware
- i. Hunting Guides
- j. Grocery Store
- k. Alternative Energy
- l. Agriculture

Exhibit 10

Pre-feasibility/Business Plan Analysis

Fort Yukon Pre-Feasibility Study/Business Plan Analysis

Purpose:

The Tribe can use the Pre-Feasibility Study/Business Plan Analysis as a guide to help identify economic development opportunities that will benefit the community of Fort Yukon.

This Analysis can be used as a guide to assist the Tribe to make a list of potential business ideas, then using the General Guidelines to further refine the potential business ideas list to one or two alternatives that would require a more formal analysis in the form of a feasibility study/business plan. The feasibility study/business plan will reveal if any of the two alternatives are a “Go or no go.”

Methodology

Establish an Economic Development Project Committee:

The members will be comprised of individuals who have successfully own and operate a business, along with members of the Tribe.

The Committee will be responsible for making up a list of potential business ideas, by developing a list amongst themselves and from input from the membership and community.

Further, the Committee will then refine the list by identifying one or two business opportunities that would require a formal feasibility study/business plan. The feasibility study/business plan will reveal whether or not the business idea is a “go or no go.” If the result is a “go,” then the next step will be to pursue funding/financing to implement the business plan.

The Committee to list economic development opportunities relying on input from other committee members, Tribal membership and community residents. An example of a list of economic development opportunities are as follows:

1. Cultural Heritage
2. Tourism
3. Bulk Fuel (sub-region)
4. Bed & Breakfast
5. Transit
6. Traditional Feasts
7. Tannery/Cannery
8. Sporting Goods/Hardware
9. Hunting Guides
10. Grocery Store

11. Alternative energy
12. Agriculture

Refine the list of economic development opportunities by utilizing the following analysis:

1. List economic development opportunity
2. Product or service

Define or describe how the business will function in producing the product or service and providing it to the customer

3. Conduct informal investigation to determine if business idea makes any sense

A. Competition

- a. Business name
- b. Name of Owner
- b. Length of time on business
- c. Describe service or product sold
- d. Target market

B. Target Market

C. Financial Analysis :

- a. Building
- b. Land
- c. Equipment
- d. Personnel
- e. Supplies/Inventory

D. Season

E. Clientele

F. Business Structure

- Refine business idea list by eliminating business ideas that don't make sense
- Agree on at least 1 or 2 business ideas that are worth pursuing
- Conduct feasibility study/business plan
- Seek funding/financing to start business development
- Open house

Exhibit 11

How To Pre-qualify For A Business Loan

Table Of Contents

How To Pre-qualify For A Business Loan

1. Summary
2. Documentation
 - a. Loan Checklist
 1. Loan Request
 2. Business
3. Bank Loan Guidelines
 - a. Primary Source Of Repayment
 - b. Cash Reserves
 - c. Credit
 - d. Management and Character
 - e. Collateral
4. Working With Your Banker
 - a. Do's
 - b. Don'ts
5. Glossary Of Business Terms

Summary

Today, you will get a behind the scenes look at how banks evaluate business loan requests. To better understand the information you are about to learn to day, let me share with you a short story about one of the tribes I've worked with.

This particular tribe lives above the Arctic Circle, in one of the remote communities and wanted to establish a new business. I was asked to assist to help raise the capital, which would also include bank financing.

Relying on years of banking experience, I instinctively begin outlining the kind of documentation that would be required. Then, demonstrating to the client how a bank would use the documentation to evaluate whether or not an applicant meets the banks loan guidelines. In effect, I was preparing the tribe for their visit to the bank. As it turns out, the client had some but not all of the information that would be required for bank financing. And, the information the client had needed to be reorganized to enable the bank to better answer several of there key questions. The moral of this story is that it will help to make sure you are prepared for your initial visit to the bank, by knowing what loan documents will be required and how your loan measures up against the banks loan guidelines.

Lets start with the loan documents. Then we'll move on to discuss how you can figure out how your loan request measures up against the banks loan guidelines. Finally, we close with the do's & don'ts of dealing with your lender.

Bear in mind that this presentation is intended to provide the basics of what it takes to secure bank financing. It assumes only minimal knowledge of bank financing and emphasizes the practical, common sense approach to bank financing.

This book is not intended to be a complete and exhaustive dissertation on all conceivable aspects of what it takes to obtain bank financing. All loan requests are situational, that is to say that each loan is different, even if you have two loans from the same industry.

Documentation

Applicants need to furnish certain documents to support their loan request. At the same time, banks are going to need certain documents as part of their due diligence. The kind of documentation will vary from bank to bank depending on the complexity and dollar amount of the loan being requested. The following Loan Checklist represents a list of documents commonly requested by a bank.

This is not intended to be a complete list of loan documents your lender will require. After conveying your loan request, show this list to your loan officer and ask to list additional documents that will be needed and which, if any, documents on this list that not be required.

Loan Checklist

A. Loan request

1. Sources & Uses of loan proceeds, including own investment.
2. Vendor quotes for assets to be purchased
3. Construction bids from at least two qualified, bonded contractors (if applicable)
4. Insurance quotes for new assets being purchased

B. Business

1. Loan Request: how the proceeds will be spent
2. Business history: Product(s), good(s) or service(s) offered; length of time in business, market, location, business ownership, etc.
3. Management: Industry knowledge, education, specialized certifications,
4. Financial
 - a. ProForma: 3 years Income Statement and Balance Sheet statements
 - b. Tax Returns: prior 3 years
 - c. CPA prepared: prior 3 years, balance sheet & income statements
 - d. Business organizing documents: Articles of incorporation/bylaws, Partnership Agreement or business license
 - e. Resolution to borrow
 - f. Written authorization to conduct a credit check
 - g. Resume

Once all of the relevant documents have been given to the bank, let's turn our attention to how the information taken from documents you furnish is factored into five primary loan guidelines that banks use to evaluate the level of risk your loan has and to determine if that level of risk is sufficient to enable them to approve a loan request. The loan guidelines used will vary from one bank to another. However, there are five that are commonly used.

Bank Loan Guidelines

Once the bank receives all of the loan documents, the loan officer, for verification purposes begins analyzing the information. The analysis enables the loan officer to measure the applicants loan request with the banks five primary loan guidelines, and the guidelines are 1) Primary Source Of Re-Payment, 2) Cash Reserves, 3) Credit Report, 4) Management and 5) Collateral.

Primary Source Of Repayment

What is the primary source of repayment? Is the primary source of repayment going to come from a new or existing business? What is cash flow? Times Debt Service? Surplus Cash? Primarily numerical information will be needed to answer these questions, so the loan officer will look to the information contained in the Business Plan, section 5, Financial; the 3 years worth of ProForma, tax returns and CPA prepared financial statements.

The primary source of repayment has to be that source that has a seasoned income stream. A seasoned income stream is defined as that source that has been generating income for 1 to 1 ½ years.

In most instances, banks would not look to a new business as the primary source of repayment because there is no seasoned income stream. In this instance, make certain to explain to the lender that your plan is to have all of the loan payments to be made from the earnings of the business after the first year.

As the primary source of repayment, the bank is specifically interested in cash flow. To determine cash flow, the loan officer will focus on the Income Statement. Cash flow can be defined as net income plus all non-cash expenses, like depreciation, that can be used to make the loan payments:

Cash Flow = Net Income + Depreciation

How much cash flow does a bank require to service term debt?

A bank uses a measurement called Times Debt Service (TDS). TDS breaks down cash flow and the loan payment in \$1 units. For example, lets say that XYZ business has cash flow of \$500 and loan payments of \$500, which would result in a 1:1 TDS, or for every \$1 in loan payments there is \$1 in cash flow to make those payments. On the other hand, if the cash flow is \$1,000 and the loan payment is \$500, then the TDS is 2.0:1, or for every \$1.00 in loan payments, the business has \$2.00 in cash flow to service the debt.

As a general rule, most banks like the TDS to be around 1.5 to 2.0:1, or \$1.50 to \$2.00 for every \$1.00 in loan payments.

Surplus Cash represents remaining Cash Flow after making the loan payment(s). Your business needs enough surplus cash that can be used to pay for any unforeseen expenses, or put it another way, to withstand adversity.

For example, if the business has cash flow of \$500 and a loan payment of \$500, then there is no surplus cash (Cash Flow \$500 - \$500 Loan Payment = \$0). On the other hand, if cash flow is \$1,000 and the loan payment is \$500, then there is \$500 left over that can be used to withstand adversity.

Cash Reserves

The second loan guideline is Cash Reserves, which represents cash on hand that can be used as a Cash Down and to help pay for some of the operating and/or unforeseen expenses. A loan officer will look to the information found on the Balance Sheet, under Current Assets, listed as Cash in bank, Time Certificates of Deposit and/or Securities, are some examples.

The amount required for a cash down will vary depending on the type of loan being requested, although averages around 25%. This holds true for loans to purchase a commercial building or for an operating line of credit.

Banks rarely offer 100% financing. They are not willing to take on 100% of the risk. So, your 25% represents your commitment, your contribution or your share of the risk. For example, if a business is going to purchase a building for \$100,000, a bank would consider lending \$75,000

Once again, make sure you have enough cash saved up so that there is some cash left over. You don't want to have to clean out your account for the cash down and have nothing left over.

Credit

This is another one of the most important factors. It is entirely possible to be turned down for a loan, even if you demonstrate that there is a clear source of repayment, adequate cash reserves and so forth. Reason is, if you are unable to meet your previous or current legal obligations to pay, chances are you will not be able to honor this one.

As a general rule, a few late payments may raise some eyebrows although will not be the reason to decline your loan request.

On the other hand, derogatory credit, or a series of chronic late payments, delinquencies, charge-offs or bankruptcy can be the reason a loan will not be extended. The key is to keep current with your creditors. Avoid derogatory credit. You may want to obtain a current credit report on the business and check it.

To verify your credit, the loan officer will furnish a copy to their local credit bureau to request a copy of a credit report on the business.

Management and character

Having the industry knowledge, the credentials, an established track record operating a similar business at a profit, will strengthen your chances obtaining financing.

Be prepared to furnish a brief resume for each member of key management, along with tenure. For board of directors, state the names of each member, length of term served and month/year of when term expires. You want to demonstrate that there is stability as it pertains to key management and the Board.

All of the information will be taken from section a. Business Plan, # 3. Management and section b. Resume

Collateral

Collateral can be defined as that asset pledged by a borrower to secure repayment of a loan. Collateral is used to assure the lender that the loan will be repaid in, the unlikely event of a default. For example, when you buy a car, in addition to your cash down, the bank often will take the car as collateral in exchange for lending you the money. When a bank accepts the collateral they will do what is called perfecting their security interest, which means that the bank is going to place a lien on the collateral. For example, if you buy a car, the bank will work with the Division of Motor Vehicles; if it is a real estate, the bank will execute a deed of trust; if it is Accounts Receivable, the bank would execute Uniform Commercial Code or UCC filings.

A bank is not going to approve a loan solely on the basis on the collateral offered. Banks are not collateral lenders. All of the information regarding collateral can be found in the Balance Sheet.

As a general rule, collateral is used for two purposes, 1) to be the Secondary Source of Repayment and 2) to determine the term of the loan.

The Secondary source of repayment applies in the unlikely event of a default, the bank will sell the collateral and use the sales proceeds to pay off the outstanding loan balance. To insure there is going to be sufficient proceeds from the sale of the collateral, a loan officer will want to identify which assets the applicant has to offer, and of those, which of those asset(s) offer sufficient equity to cover the loan amount. A common practice is to reconcile Net Worth. Reconciling net worth allows the loan officer to identify which assets are owned outright, computed as follows:

Total Assets : (Total Liabilities)Net Worth

There has to be enough equity in the collateral such that the loan amount is represented as a % of the asset value. The actual % amount will vary, although the average is, say, 75% and is commonly referred to as 75% Loan To Value Ratio (LTVR). The Loan To Value Ratio (LTVR) is the ratio between the loan balance and the market value of the collateral expressed as a percentage. For example, lets say that a business is requesting a loan of \$400,000 and the bank is requiring a 75% loan to value, what should the dollar value of the collateral be?

Step 1: Divide 100% by 75%, which will equal 1.33

$\frac{\text{Collateral Value}}{\% \text{ of LTV}} = \frac{100\%}{75\%} = \text{collateral value expressed in the terms of } \1 Units.

$\frac{100\%}{75\%} = 1.33$ or for every \$1 in loans, collateral value will be \$1.33.

Step 2: Multiply the 1.33 by the loan amount of \$400,000, which will equal \$533,000. This means that the collateral value has to be at least \$533,000 in value in order to support a loan for \$400,000.

Step 3: Verify that the 1.33 is correct by dividing \$400,000 by \$533,000, which equals 1.33.

To determine the term of a loan, the loan officer would have to consider the overall condition and life expectancy of the collateral being offered. For example, lets say a business is going to borrow money to purchase a vehicle. If the vehicle is a new 2003 model, then a bank may offer up to 60 months to pay the loan back. On the other hand, if the vehicle is an older 1999 model, a bank may offer only 12 months to pay the loan off. Therefore, collateral that is in good condition with better than average life expectancy will offer a longer repayment term.

In the unlikely event of a default, the bank has a prescribed set of procedures to follow as a prerequisite to taking possession of the collateral. For example, the bank would sent the

borrower a series of demand letters which would give the borrower additional time to cure the default and to serve notice that the bank intends to take possession of the collateral if the loan is not cured. Once the bank takes possession, then the collateral is put up for sales with the sales proceeds used to pay the loan off.

Working With Your Bank

The following are some Do's and Don'ts when working with your banker

Do's

1. Schedule an appointment
2. Plan on the appointment being 30 to 60 minutes
3. Be organized: your presentation, documents and questions
4. Be honest: state the good and bad points
5. Educate & keep loan officer informed: invite loan officer to your place of business from time to time
6. After your presentation, ask "for planning purposes, what kind of terms can I expect?" Term for repayment, collateral, fees and/or interest rate.
7. Promptly return phone calls

B. Don'ts

1. Ask how much can I borrow: have a specific amount in mind and be prepared to give a general breakdown as to how the loan proceeds will be spent
2. Withhold information regarding business problems: inform in advance of any problems along with a plan of how you plan to correct the problem(s)
3. Switch banking relationships. There is nothing wrong with comparing loan repayment terms, collateral, fees, and/or interest rates, although as a general rule you don't want to change banks based solely because another bank offers a better term or rate unless your bank is not being competitive.

Glossary Of Business Terms

1. Balance Sheet:

An itemized statement which lists all of the assets, liabilities and equity of a business at a given moment of time.

2. Income Statement:

The statement of income and expenses of a given concern for a particular period of time.

3. Net Profit:

The excess of total income over the total expenses for a fiscal period

4. Net Loss:

The excess of the total expenses over the total income for a fiscal period.

5. Times Debt Service:

A typical bank loan guideline that measures the applicants ability to repay the proposed loan payments in addition to all other outstanding loan payments.

6. Pro Forma:

To forecast anticipated Income, Expenses and resulting Profit(Loss). Usually up to three years worth of projections are requested. In most instances, the forecast is broken down by month for the first year and by quarter for the second and third years. However, depending on the size and complexity of the loan, the second and third years may have to be broken down by month also.

7. Primary Source Of Re-Payment:

It is that source of income that the bank will examine to determine if that income stream will be sufficient to use for repayment ability. Typically, a bank would like that income stream to be at least one to one and one-half years old.

8. Collateral:

A piece of equipment, vessel, real estate, automobile, etc., that an applicant owns and is willing to pledge as security for the loan in order to meet one of the banks loan guidelines.

9. Cash flow:

Cash flow represents the total amount of income that is available, after all expenses have been paid, that can be used to pay the proposed loan payment. Cash flow is computed by adding Depreciation to the Profit(Loss).

10. Times Debt Service:

Is one of the banks loan guidelines, which is used to measure how much cash is left over, after making the proposed loan payment. The cash left over is what banks consider available to withstand adversity. Most banks have a threshold of, say, 1:20 or 1:21 or higher. Properly read, this means that for every \$1 available for debt service, there is \$1.20 or \$1.21 available for debt service or there is \$.20 or \$.21 available to withstand adversity.

11. Surplus Cash:

This can be cash left over after making your required cash down or cash left over as it relates to the TDS calculation.

12. Uniform Commercial Code or UCC filing:

This is a legal instrument used by banks to legally record their lien, or to perfect their interest, on the collateral pledged for the loan. Most states have a local and district office, where banks have to record their UCC filings.

13. Secondary Source of Repayment:

In the unlikely event, your loan goes into default, the bank will proceed to liquidate the collateral and use the proceeds to pay of the balance owing. Therefore, the primary source of repayment will be from earnings from the business and the secondary source of repayment will be from the liquidation proceeds.

14. Assets:

Anything owned by an individual or a business which has commercial or exchange value. This is the sum total of all of the cash, cash equivalent, equipment, automobile, real estate, and the like that is owned.

15. Total Liabilities:

This is the total of all legal obligations to pay. Often expressed in terms of short term, which is those amounts due within one year. Long-term obligations are payments due for one year or more.

16. Loan To Value Ratio (LTVR):

The ratio used to express, in terms of a percentage, the value of the collateral compared to the amount of the loan.

17. Prime Rate:

The interest rate banks charge on loans and is usually found published in the Wall Street Journal.

18. Due diligence:

The process of an investigation that a prudent person might be expected to exercise in the examination of advantages and risks associated with a business transaction.

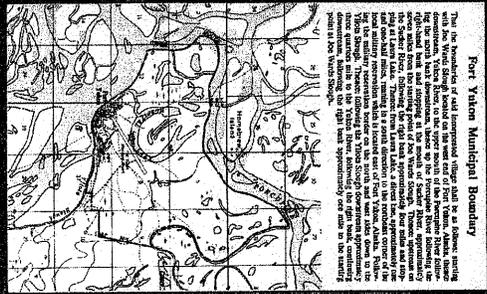
Exhibit 12

Map of Fort Yukon

COMMUNITY MAP
FORT YUKON

66° 34' N
 147° 13' W
 Division 637 (4 sheets)

The preparation of this document was financed through an appropriation from the Yukon-Charley Rivers National Preserve, Department of the Interior, 1990.



Fort Yukon Municipal Boundary

This is the boundary of all improved village land as it follows existing streets and building footprints. The boundary is shown in thick black on this map. The boundary is shown in thick black on this map. The boundary is shown in thick black on this map.

Land Use (from Field Survey July 1983)

	Industrial
	Commercial
	Public
	Vacant Structure
	Residential
	Wetland
	Road Right-of-Way
	Township Boundary
	Section Line
	Range Line

Comments:

- Industrial: Contained after the earthquake was used in 1983 housing a structure built by the Department of the Interior. Other structures are vacant and have been determined to be abandoned buildings.
- Public: US Army
- Vacant Structure: Contained after the earthquake was used in 1983 housing a structure built by the Department of the Interior. Other structures are vacant and have been determined to be abandoned buildings.
- Residential: Contained after the earthquake was used in 1983 housing a structure built by the Department of the Interior. Other structures are vacant and have been determined to be abandoned buildings.
- Wetland: Contained after the earthquake was used in 1983 housing a structure built by the Department of the Interior. Other structures are vacant and have been determined to be abandoned buildings.
- Road Right-of-Way: Contained after the earthquake was used in 1983 housing a structure built by the Department of the Interior. Other structures are vacant and have been determined to be abandoned buildings.
- Township Boundary: Contained after the earthquake was used in 1983 housing a structure built by the Department of the Interior. Other structures are vacant and have been determined to be abandoned buildings.
- Section Line: Contained after the earthquake was used in 1983 housing a structure built by the Department of the Interior. Other structures are vacant and have been determined to be abandoned buildings.
- Range Line: Contained after the earthquake was used in 1983 housing a structure built by the Department of the Interior. Other structures are vacant and have been determined to be abandoned buildings.

Exhibit 13

Tribe, City and Village Corporation Joint Resolution