Acknowledgements

City of North Pole Residents

City of North Pole Core Team

• Bryce Ward, Mayor
• Bill Butler, Director of City Services
• Buddy Lane, Fire Chief
• Kathy Weber, City Clerk
• Steve Dutra, Police Chief
• Tricia Fogarty, City Accountant
• Elizabeth Holm, City Council Member
• Elyse Dawson, City Council Member
• Kevin McCarthy, City Council Member

• Preston Smith, City Council Member
• Santa Claus, City Council Member
• Thomas McGhee, City Council Member
• Michael Welch, Former City Council Member
• Sharron Hunter, Former City Council Member
• Larnetia Skipps, Public Representative
• Nadine Winters, Economic Development Representative

Boards, Committees, Businesses and Organizations

• Ainley International Memorial Fund, LLC
• Alaska Department of Environmental Conservation
• Alaska Health Fair
• Christmas in Ice
• Eagle’s Wings
• Eielson Air Force Base
• Fairbanks North Star Borough Planning Department
• Fairbanks Economic Development Corporation
• Fairbanks Water and Soil Conservation District
• Friends of the North Pole Library
• Madden Real Estate
• North Pole Chamber of Commerce

• North Pole Economic Development Corporation
• North Pole Elementary School
• North Pole Grange
• North Pole High School
• North Pole Middle School
• North Pole Parent Teacher Student Association
• North Pole Plaza Mall
• North Pole Safeway
• Santa Claus House, Inc.
• Santa’s Senior Center
• Small Business Development Center
• Tammy Randolph, State Farm Insurance
• Universal Welding

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Executive Summary

Core Plan :: Vision, Values, Goals and Priority Strategies

Vision

North Pole - we are a thriving Alaska community that embraces the small town, family-centered Christmas spirit.

Values

- Spirit of Christmas
- Rural, independent character
- Quality schools
- Small-town feel
- Thriving local businesses
- Supportive, generous, friendly people
- Conveniently located
- Safety and security
- Welcoming to the military
- Living the Last Frontier

Goals

Economic Development
- GOAL A: Grow and Support Existing Businesses and Organizations and Attract New Business
- GOAL B: Promote North Pole as a Destination
- GOAL C: Expand Workforce Development Opportunities for Residents

City Management, Public Facilities and Services
- GOAL A: Provide Quality, Efficient, Affordable Services to Residents
- GOAL B: Strengthen City Revenues and Contain Spending with an Emphasis on Fiscal Sustainability
- GOAL C: Increase Community Engagement and Communications
- GOAL D: Promote Community Health, Wellness and Education

Land Use and Housing
- GOAL A: Advocate for Updates to Land Use and Zoning Designations
- GOAL B: Explore Annexation Options to Expand City Boundaries
- GOAL C: Encourage Home Construction in the City of North Pole

Parks, Recreation and Transportation
- GOAL A: Encourage New Opportunities, Activities and Facilities for Youth and Families in the Community
- GOAL B: Promote a Connected Transportation System in North Pole
- GOAL C: Improve Traffic Circulation and Safety in North Pole

Energy
- GOAL A: Expand Access to Affordable, Clean Energy Sources
Environmental Health

- GOAL A: Ensure All Residents Have Access to Clean, Safe Drinking Water
- GOAL B: Improve North Pole Air Quality
- GOAL C: Protect Natural Systems and Maintain a Healthy Environment

Priority Strategies

The following are the priority strategies the City of North Pole will focus on over the next five years. For the full list of potential strategies and actions, see the Comprehensive List of Potential Goals, Strategies and Actions, starting on page 9.

- Strengthen and cultivate the community’s relationship with Eielson Air Force Base (EAFB).
- Attract new businesses that will generate revenue for the City and meet the needs of residents and visitors.
- Expand and strengthen career technical education and other workforce and career readiness opportunities at North Pole Middle School and High Schools.
- Continue to improve the City’s financial processes and structures.
- Increase communications between the City and its residents.
- Increase resident participation in the governance of the City of North Pole.
- Support the Interior Gas Utility’s efforts to bring natural gas to the community.
- Work with the Fairbanks North Star Borough (FNSB), the Alaska Department of Environmental Conservation (DEC) and area homeowners to mitigate the impacts of sulfolane contamination.

Objectives

- Increase in the number of new and occupied housing units; increase in median household value.
- Increase in the population of the City of North Pole.
- Increase in the number of businesses that meet resident needs (e.g., retail, medical).
- Increase in city council participation at community events.
- Increase in private sector investment in the community (measured through property tax values and sales tax revenue).
- Increase in civic engagement (number of residents who run for city council, number of regional seats filled by residents).
- Increase in engagement metrics on the City of North Pole Facebook page.
- Decrease in vacant commercial properties in the “commercial core” area.

Annual Implementation Work Plan :: One-Year Implementation Actions and Indicators

The process for implementing this plan will include developing an annual work plan of “priority actions” that support priority strategies identified in the plan. This annual work plan will take into account existing and anticipated resources and will provide direction to city leadership, staff and their partners. Equally important, the annual work plan will give North Pole residents, businesses and partners a detailed picture of what
progress is being made on the plan. The update will include a summary of actions taken, and progress made toward plan-identified goals and objectives. Additionally, the city will implement a process for gauging community satisfaction with plan progress. Residents of the Greater North Pole Area should be regularly encouraged to share comments, questions and concerns on plan contents and implementation, and more importantly, to get involved in plan implementation.

The following table outlines the proposed format for the annual work plan. This table will be filled out as a part of plan implementation.

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**Indicators (what specific measures or data can help us track progress):**

**Purpose: Why Develop a Comprehensive Strategic Plan?**

This Comprehensive Strategic Plan gives North Pole residents, businesses, neighbors and partners an opportunity to identify a shared course for the future, with goals and strategies to move forward. The plan provides a framework to guide future decisions on land use, economic development, city policies and other key community development topics. The plan and planning process also serve as a way to engage North Pole residents in the directions and decision-making of the community, and as an educational tool for sharing information on the city’s services and addressing concerns and misconceptions. The City Council and city department heads can refer to this plan to ensure actions and decisions align with community needs and desires.

While the City of North Pole initiated various community planning efforts in the past, including a thematic visioning effort in 2005 to 2007, the community does not have an approved community plan. In summer 2015, the City of North Pole hired Agnew::Beck Consulting to develop a Comprehensive Strategic Plan. Agnew::Beck, along with partners PDC Engineers and Northern Economics, have worked closely with the City Council, the mayor and city department heads to create a community-driven plan that will guide development, funding and planning efforts in the city over the next five years. This plan seeks to build on and enhance existing regional plans including the FNSB Regional Comprehensive Plan and the North Pole Land Use Plan. It provides specific direction and guidance for the City of North Pole residents, representatives and city staff.
Contents : : What’s in the plan?

The plan includes the following sections:

- **Executive Summary** – Includes an overview of the plan purpose, contents, defined project area, how the plan was developed and how the plan will be amended and updated. It also includes the **Core Plan** and an outline for the **Annual Implementation Work Plan**. Together, these two pieces are the key components of the strategic plan – the community **vision**, **values**, and **goals**, **priority objectives** and **strategies for the next five years**, and **annual action items** and **measures for assessing plan progress**, all organized by topic.

- **Comprehensive List of Potential Goals, Strategies and Actions** – Provides a complete list of potential strategic plan goals, strategies and potential action items.

- **Context for the Strategic Plan** – Includes key data (snapshot of today, trends, and projections), community survey results and other background information, including current and projected plans that have and will continue to inform the strategic planning and decision making process.

- **Appendices** – Provides a list of acronyms, maps and other supplementary materials, including a copy of the two community/stakeholder-wide surveys that were launched as a part of this strategic planning process, and the 2010 North Pole Land Use Plan.

Project Area : : What defines the “North Pole community”?

The City of North Pole has approximately 2,200 residents and covers 4.2 square miles (see Figure 1). There is a growing number of people living outside the formal city limits of North Pole, many of whom travel through the area, attend North Pole schools and visit the stores and services within city boundaries. In addition, many North Pole businesses are owned by people who do not live within the city limits.
For the purposes of the strategic planning process, the project team conducted outreach and talked with residents living within with the 99705 zip code, an area often referred to as the “Greater North Pole Area.” The Greater North Pole Area is the area that many people living outside of city boundaries associate with “North Pole” (as opposed to just the area within city boundaries). According to the North Pole Economic Development Corporation’s 2014 Radius Study, the 99705 zip code includes approximately 22,245 people, or close to one quarter of the population in the Fairbanks North Star Borough. While the focus of this plan is on activities and land within city boundaries, residents and business owners from outside the North Pole city limits contributed helpful and important feedback during this process. For maps of the greater North Pole area and of the 99705 zip code, see Appendix B.
Process : : How was the plan developed? How will the plan be amended and updated?

Plan Development

Many people contributed to this plan. Working in partnership with the mayor and city staff, the project team conducted the following activities to collect information and develop plan content:

- Conducted a training with the Core Team, which included all city department heads and the North Pole City Council. The training provided practical advice about successful community planning in the context of small Alaska towns and helped prepare community leaders for the upcoming planning process, including a review of Core Team roles and responsibilities. At the meeting, participants discussed and refined the North Pole strategic comprehensive planning approach, process and timeline.

- Compiled background secondary data on the community and region from various local, state and federal data sources.

- Reviewed past and existing community, Borough, regional and other relevant plans and reports.

- Offered a community survey to engage the community in the planning process and to gather feedback from residents. A total of 311 people responded to the survey, including 86 city residents. Postcards advertising the survey were distributed at community events and hard copies were available around town. The survey was also announced via social media, email, radio interviews and ads, and on the City’s web page.

- Had a presence at a variety of public events, including Patriot’s Christmas, North Pole Safeway (on Election Day), table at the October North Pole Grange art show and a booth at the North Pole Health Fair. At each of these locations, the project team used the time to share project information, collect feedback, encourage people to respond to the survey and collect names in order to send out email updates.

- Conducted 40 interviews with stakeholders, business owners and community leaders, as well as follow-up meetings to review and collect feedback on the draft.

- Held meetings with North Pole school principals and the North Pole High School Parent Teacher Student Association.

- Developed an email distribution list for sharing regular project updates with interested community and partner stakeholders.

- Conducted a review of 25 relevant community and regional planning documents, listed in Appendix C.

- Conducted four meetings with the Core Team to review preliminary results and to identify next steps in developing the draft plan.

- Conducted a survey to assess support for draft vision and values and proposed priority strategies. Ninety-two people responded to the survey.

- Incorporated edits from the survey, public comments and input from the Fairbanks Metropolitan Area Transportation System (FMATS) and the Fairbanks North Star Borough Planning Department.

“This survey is an absolutely good idea. It has made me feel like I’m part of my community instead of a ‘victim’ of it. Thank you for putting this together!!”

- community survey respondent

- community survey respondent
Plan Amendments and Updates

Outlined below are the steps for amending and/or updating the Comprehensive Strategic Plan:

• A minor change is a change that does not modify or add to the plan’s basic intent, and that serves only to clarify the plan, make it consistent, facilitate its implementation, or make technical corrections. Such changes can be recommended by the administration or public, and approved by the North Pole City Council.

• An amendment permanently changes the plan by adding to or modifying the basic intent. Such changes can be recommended by the administration or public and approved by the City Council.

• A more detailed update of the North Pole Comprehensive Strategic Plan should be conducted every five years, starting with a thorough review by the City Council and key city staff to determine which goals, objectives and strategies have been accomplished and which may need to be revised, added or deleted. Residents and other key stakeholders should also be engaged during the update process.
Comprehensive List of Potential Goals, Strategies and Actions

Note: priority strategies are bolded in blue and indicated with a blue asterisk = *. The City will focus on the priority strategies over the next five years.

Economic Development

GOAL A: Grow and Support Existing Businesses and Organizations and Attract New Business

   a. Action: Work with the FNSB to produce a regional retail market analysis to address potential market expansions, particularly those associated with growth on nearby military bases.
   b. Action: Coordinate with EAFB administration to understand the needs of incoming troops and their families and identify ways the city can help meet housing, education and recreational needs.
   c. Action: Consider hiring a FNSB or city-level military liaison, to improve communications between bases and communities.

2. *Priority Strategy:* Attract new businesses that will generate revenue for the City and meet the needs of residents and visitors.
   a. Action: Offer property tax incentives for new businesses.
   b. Action: Offer reduced costs for building permits for new businesses.
   c. Action: Offer small business loans.
   d. Action: Provide water and sewer rate discounts for new businesses.
   e. Action: Provide better support to current and potential business owners.
   f. Action: Involve and invite business owners into city decision-making, even if they do not live in city limits.
   g. Action: Encourage policymakers and business owners to become familiar with the Fairbanks – North Pole Program Study, and support implementation of the study’s recommendations.

3. Strategy: Initiate improvements to the downtown commercial core area.¹
   a. Action: Work with the public and FNSB to revise land use policies in North Pole’s commercial core area to better align with the area’s current uses and needs. (See Land Use and Housing section).
   b. Action: Partner with property owners to reduce vacancies and entice new businesses by renovating existing spaces and offering incentives for upgrades.

¹ While North Pole has a Central Business District (CBD) zoning overlay, the current CBD boundaries do not align with existing commercial development patterns. As a result, this plan uses the term “commercial core” to describe the centrally-developed area in North Pole, which includes the North Pole Plaza, Santa Claus Lane and other central parts of the city with a higher density of commercial properties.
4. **Strategy**: Increase positive coverage of the community through marketing, outreach and education to local and regional news outlets.
   
a. **Action**: For crime reporting, encourage local media outlets to better understand and define the city’s geographic boundaries, and to report incidents as either "within the City of North Pole" or "within the greater North Pole area, outside of city boundaries."
   
b. **Action**: Work with the Fairbanks Daily News-Miner and other media outlets to cover and promote positive stories and events in North Pole.
   
c. **Action**: Utilize the City website to promote local events and provide local information.

5. **Strategy**: Encourage residents to shop locally.
   
a. **Action**: Re-structuring the sales tax, such as exempting essentials like food from the tax and/or increasing the transaction cap.
   
b. **Action**: Create a seasonal farmer’s market or indoor market for residents to sell local food and artisanal crafts.

6. **Strategy**: Support the efforts of local economic development organizations such as the North Pole Economic Development Corporation (NPEDC) and the North Pole Chamber of Commerce.
   
a. **Action**: Improve communications between NPEDC, the North Pole Chamber of Commerce and the North Pole City Council to ensure the organizations are working collaboratively and are supporting one another.
   
b. **Action**: Work more closely with the Fairbanks Economic Development Corporation (FEDC) on regional marketing.
   
c. **Action**: Encourage local businesses to become members of Fairbanks First, a local advisory committee organized by FEDC that advocates for thinking and buying local.
   
d. **Action**: Create an Economic Development position to support “99705” marketing and economic development.
   
e. **Action**: Encourage North Pole residents to get involved in and take advantage of the Fairbanks Economic Development Corporation’s Knowledge Industry Network and other entrepreneurship resources.

7. **Strategy**: Explore and encourage new development and business in the community, both within the downtown core area and in outlying areas such as along the Richardson Highway and in the Hurst/Badger Road area.
   
a. **Action**: Support efforts to bring natural gas to North Pole, especially in the core area, to lower commercial energy costs. (See Energy section).

8. **Strategy**: Encourage the production and purchase of locally produced goods (including forest products and biomass) and locally grown foods.

**GOAL B: Promote North Pole as a Destination**

1. **Strategy**: Work in partnership with new and existing business to expand and market the community’s Christmas theme through planned initiatives with voluntary business participation.
   
a. **Action**: Create guidelines with optional recommended thematic design strategies for businesses interested in embracing the Christmas theme.
   
b. **Action**: Identify a dedicated area with businesses who are interested in creating a setting where the Christmas theme is encouraged and emphasized. The City of North Pole could facilitate the effort,
with land and business owners leading the process. This could include a theme overlay district in the commercial core area.

c. Action: Encourage businesses to create Christmas-themed storefronts through incentives, to possibly include a loan program or property tax breaks.

d. Action: Encourage new businesses, especially franchise businesses, to follow thematic design recommendations.

e. Action: Host a subdivision decorating competition around the Christmas holiday, with neighborhoods competing for the most homes decorated per capita.

2. Strategy: Support the efforts of economic development and tourism partners who offer seasonal events related to the Christmas theme.

a. Action: Support the activities of Christmas in Ice, including supporting efforts for the non-profit to acquire their own land in order to build permanent structures that could be re-purposed for community events in the off-season.

b. Action: Broaden the North Pole Christmas theme to include ice carvings and the northern lights.

3. Strategy: Maintain regular communications with NPEDC, the North Pole Chamber of Commerce and Explore Fairbanks to collaborate on efforts to promote the FNSB generally, and North Pole specifically, as a destination.

a. Action: Continue to maintain an attractive commercial core area through beautification efforts such as multi-season City-owned displays in the roundabouts.

4. Strategy: Improve the visibility and accessibility of the North Pole Visitor Center.

a. Action: Relocate the visitor center to a more central location.

b. Action: Improve road signage to help visitors locate the visitor center.

c. Action: Construct LED signs with information on upcoming community events and activities.

5. Strategy: Promote historic preservation to identify, protect and increase awareness of historic sites and resources in the North Pole area.

**GOAL C: Expand Workforce Development Opportunities for Residents**

1. **Priority Strategy:** Expand and strengthen career technical education and other workforce and career readiness opportunities at North Pole Middle School and High Schools.

a. Action: Encourage school partnerships with the City, FNSB, Eielson Air Force Base and local businesses.

b. Action: Partner with the school administration and the North Pole Parent-Teacher-Student Association (PTSA) to advocate for increased support for workforce development and career readiness programs.
c. Action: Strengthen communications with the schools by creating a school report as a standing agenda item at City Council meetings.

2. Strategy: Work with partners such as the University of Alaska Fairbanks to expand workforce development opportunities in the community.
   a. Action: Create a job resource center.
   b. Action: Encourage businesses and organizations to offer internships and apprenticeship opportunities.
   c. Action: Connect interested residents with the Small Business Development Center in Fairbanks, which offers entrepreneurial trainings and support for residents interested in starting a business.

City Management, Public Facilities and Services

GOAL A: Provide Quality, Efficient, Affordable Services to Residents

1. Strategy: Revise the city structure to create a more efficient and effective city government.
   a. Action: If approved by a vote of city residents, create a nonpolitical city manager position to help with administration and communications, with the mayor moving into a smaller role overseeing the City Council.

2. Strategy: Research annexation options to expand community services like water and sewer, and to increase the tax base and number of voting citizens in the community. See Land Use and Housing section for additional details.

3. Strategy: Expand water and sewer to subdivisions within city limits that do not currently receive services.

4. Strategy: Support ongoing improvements to city facilities and infrastructure on an as-needed basis.
   a. Action: Move forward with planned improvements to police department facilities.

GOAL B: Strengthen City Revenues and Contain Spending with an Emphasis on Fiscal Sustainability

1. **Priority Strategy:** Continue to improve the City’s financial processes and structures.
   a. Action: Support ongoing financial training for city staff.
   b. Action: Maximize the use of budgeting tools.
   c. Action: Implement the recommendations from city audits.
   d. Action: When developing budgets, prepare for declines in the availability of state and federal funding.

2. Strategy: Revise the city tax structure.
   a. Action: Evaluate modifications to the sales tax, such as lifting/increasing the tax cap and adding a groceries and/or gas station exemption.
3. Strategy: Encourage responsible economic development throughout the Borough to increase revenue and strengthen the local economy, as an alternative to raising taxation to cover the cost of city services.
   a. See the Economic Development section for related strategies and actions.

**GOAL C: Increase Community Engagement and Communications**

1. **Priority Strategy:** Increase communications between the City and its residents.
   a. Action: Support the efforts and recommendations of the new Events Committee.
   b. Action: Continue to send out the city newsletter on a regular basis.
   c. Action: Post regular updates to the community calendar with local events and activities.
   d. Action: Use the city’s new Facebook and Twitter pages to disseminate information and engage with citizens, in accordance with the new social media policy.
   e. Action: Continue to explore new tools and methods for engaging residents in city governance and decision-making.
   f. Action: Encourage increased City Council engagement in the community, including attendance at local events.
   g. Action: Improve outreach about existing facilities and recreation options.
   h. Action: Purchase an electronic community announcement sign.
   i. Action: Pass a city ordinance to encourage attendance at community events as an expectation of the duties of elected officials in the City of North Pole.

2. **Priority Strategy:** Increase resident participation in governance of the City of North Pole.
   a. Action: Encourage residents to get involved in committees and to run for City Council.
   b. Action: Offer a “citizenship course” with information on what the city does, how the budget works and how to get involved.
   c. Action: Identify major barriers and concerns to participation.
   d. Action: Improve outreach and distribution of meeting information and representation opportunities.
   e. Action: Encourage a North Pole resident to fill the designated community seat on the FNSB Planning Commission and other regional boards and commissions.

3. Strategy: Educate residents on service levels, benefits, costs and governance structures in the area.
   a. Action: Provide comparative information regarding mill rates, taxes, road service areas and costs, including the differences between the Fairbanks North Star Borough and the City of North Pole.
   b. Action: Provide easily-accessible information to residents about land use and zoning processes.

4. Strategy: Focus on friendly and positive messaging when interacting with residents and businesses.
   a. See the Economic Development section for related strategies and actions.
GOAL D: Promote Community Health, Wellness and Education

1. Strategy: Partner with health organizations, the City of Fairbanks police and the State Troopers to explore options for reducing drug use and crime in the region.
   a. Action: Explore options for addressing drug use such as a crime prevention campaign, a drug task force and increased police department focus on drug dealing and drug use.

2. Strategy: Advocate for North Pole schools and support school leadership in addressing topics such as staffing needs, workforce development opportunities and parental involvement, especially in light of declining state funding.
   a. Action: Support the efforts of the North Pole PTSA to increase community and parental involvement in the schools.
   b. Action: Maintain ongoing communications with school administrators in order to understand current school priorities, opportunities and challenges.

3. Strategy: Promote efforts to address air and water quality issues in the community.
   a. See the Environmental Health section for related strategies and actions.

Land Use and Housing

GOAL A: Advocate for Updates to Land Use and Zoning Designations

1. Strategy: Work with the FNSB, property owners and local residents to identify and implement re-zoning changes to Title 18 in order to encourage development and ensure zoning aligns with current use.

   The following are potential re-zoning changes and updates. The Mayor of North Pole, with City Council, landowner and resident support, may sponsor ordinances for the FNSB Assembly to implement re-zoning changes. Changes should be initiated by property owners when relevant, and all changes should include public outreach and involvement.2

   a. Action: With City Council support, the mayor of North Pole should co-sponsor ordinances for the FNSB Planning Commission to update the boundaries of the Central Business District (CBD) Overlay to more appropriately match existing commercial development patterns.
   b. Action: Re-zone certain undeveloped two-family residential areas to multi-family residential areas in central city locations to increase residential densities, including the area between 1st and 4th Avenues along Homestead Drive.
   c. Action: Re-zone St. Nick and Santa Claus Lanes to Central Business District to align with existing use.
   d. Action: Re-zone the four parcels currently zoned as Central Business District off the Old Richardson to align with existing use.
   e. Action: Establish an off-highway vehicle land use area to be located southwest of the Tanana River Levee/200-foot railroad re-alignment corridor, to extend north to 9-mile. (from North Pole Land Use Plan)

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2 The FNSB is working on a pilot project near the airport that involves mass re-zoning, with waived re-zoning fees. This approach could potentially be applied to North Pole to update outdated zoning boundaries.
f. Action: Conduct, at a minimum, an annual meeting with the FNSB Planning Department and the North Pole City Council to discuss current concerns, community needs and any challenges or desired changes to current land uses in the City.

2. Strategy: Work with interested developers to better understand their plans and needs. Partner with the FNSB to identify and address potential barriers and issues regarding land use and zoning.

3. Strategy: Work with the FNSB to enforce zoning requirements regarding junk yards and property upkeep.
   a. Action: Increase public education of zoning allowances, restrictions and enforcement procedures related to junk yards.

4. Strategy: Continue working with the FNSB and EAFB to ensure land use around Eielson is appropriate to both the community needs and the adjacent activities on the base, such as airport noise sensitive areas (zoning overlay adopted in December 2015), height overlays (currently being developed) and other locations where certain types of development may be incompatible with current and planned activities on the base.
   a. Action: Participate in and support the ongoing efforts of the Joint Land Use Study implementation.

GOAL B: Explore Annexations Options to Expand City Boundaries

1. Strategy: Work with the FNSB Planning department and local area residents to further explore the annexation of areas affected by sulfolane contamination.
   a. Action: Continue to hold conversations with the Alaska Department of Environmental Conservation, FNSB and land owners regarding annexation of sulfolane-affected properties.
   b. Action: If annexation moves forward, consider current and future land use needs of the annexed area and identify opportunities to improve the land use designations of the annexed area to better align with community needs.


3. Strategy: Explore long-term annexation of the floodplain/Moose Creek Dam area.

4. Strategy: Use existing process to provide opportunities for property owner initiated annexation into the City of North Pole.

GOAL C: Encourage Home Construction in the City of North Pole

1. Strategy: Determine ways to streamline the building code and permitting process.

2. Strategy: Support local efforts to construct additional senior housing and assisted living homes to meet increasing demands.

   a. Action: Within large subdivisions, add a density requirement for community set-asides such as park or trail access.
4. Strategy: Working with private and public partners, increase and diversify the North Pole housing stock to meet the needs of the expanding population of Eielson Air Force Base.
   a. Action: Maintain regular communications with Eielson Air Force Base to understand current and future housing needs and requirements of military and civilian personnel, and how to meet those needs.

5. Strategy: Work with housing developers to encourage new home construction in North Pole by sharing information, supporting development efforts and assisting with conversations with the FNSB to address land use or improper zoning.
   a. Action: Identify and publicize current city statutes and codes that offer incentives for development or development of commercial and residential areas.

Parks, Recreation and Transportation

GOAL A: Encourage New Opportunities, Activities and Facilities for Youth and Families in the Community

   a. Action: Improve education and outreach about the availability of existing facilities and outdoor recreation options such as trails and parks in order to increase utilization.
   b. Action: Identify ways to improve access to and use of existing community facilities for recreation such as school gyms, the library, the senior center and local churches.
   c. Action: Encourage businesses that offer activities for youth. In particular, survey respondents and interviewees are interested in entertainment options such as a movie theater or bowling alley.
   d. Action: Engage with the FNSB Parks and Recreation department to increase recreation access and programs for North Pole residents.
   e. Action: Investigate funding options for redevelopment of an existing structure or construction of a new community center that includes resident and visitor recreation and tourism programming and information.
   f. Action: Establish public recreational sites and trails along the Beaver Springs Creek corridor with the cooperation of the affected land owners in the form of a land use agreement. (from North Pole Land Use Plan)
   g. Action: Work with landowners and developers to establish designated recreation areas, including access to recreation from residential areas.

GOAL B: Promote a Connected Transportation System in North Pole

1. Strategy: Improve and increase transportation access to North Pole to increase opportunities for commerce and development.
   a. Action: Nominate projects through the Statewide Transportation Improvement Program (STIP) as priority projects that support regional connectivity.
b. Action: Develop a connection to Chena Hot Springs. One possible connection would be a loop with Circle Hot Springs Road and the Northern Steese Highway. (from FNSB Comprehensive Plan)

c. Action: Construct a road from Two Rivers to North Pole. (from FNSB Comprehensive Plan)

d. Action: Richardson Highway Alternate Route: Design and construct improvements to parallel routes on the north and south sides of the Richardson Highway through North Pole, between Peridot Street and Laurance Road. (from FMATS Long Range Transportation Plan)

e. Action: Dennis Road Extension: Reconstruct to handle increasing travel demands, improve safety and reduce maintenance costs. Extend Dennis Road from Badger Road to Seawolf Drive to provide public access to an existing residential area. The project should include pedestrian facilities from Badger Road to the north side of Chena River. (from FMATS Long Range Transportation Plan)

f. Action: Identify methods to improve snowmachine and ATV access to recreation areas.

2. Strategy: Partner with the Alaska Railroad (AKRR) on transportation improvements in the North Pole area.

a. Action: Continue to work with the AKRR to develop an appropriate realignment route for the Alaska Railroad along the Tanana levee that meets the needs of the community, local landowners, AKRR, the FNSB and EAFB, per the North Pole Road/Rail Crossing Reduction project.

b. Action: Reduce the number of at-grade crossings. Support efforts for an overpass at Mile 12, as proposed in the ADOTPF 2016-2019 Statewide Transportation Improvement Program.

c. Action: Identify ways to improve property access along the railroad corridor.

d. Action: Advocate for a railroad depot station in North Pole as a part of the realignment of the rail line to the levy. A proposed location is identified in the North Pole Land Use Plan.

e. Action: Support efforts to investigate the costs and benefits of extending rail service to the plant. (also listed under Energy)


a. Action: Participate in regional transportation planning efforts and advocate for North Pole priority projects.

b. Action: Support implementation of the FMATS Roadmap to 2040.


d. Action: Support implementation of the Transportation and Infrastructure chapter of the FNSB Regional Comprehensive Plan.

e. Encourage the FNSB to update the Comprehensive Road Plan and ensure North Pole participation in the effort.

GOAL C: Improve Traffic Circulation and Safety in North Pole


a. Action: Conduct the City Wayfinding Signage Project to increase signage around town, especially from the Richardson Highway to the visitor center, Santa Claus House and to other key locations in town. Work with ADOTPF to install an official welcome sign along the highway.

2. Strategy: Increase bike and pedestrian safety in high-use areas already identified in previous transportation planning efforts.
b. Action: Support implementation of the Safe Routes to School plans that have been developed for North Pole schools by FMATS.

c. Action: Support implementation of the FMAT’s 2012 Non-Motorized Transportation Plan.

d. Action: Provide safe, useable road crossings for all existing and proposed pedestrian, bicycle, and trail facilities in North Pole. (from North Pole Land Use Plan)


4. Strategy: Investigate the potential to use road bonds in conjunction with other project development to fund critical road upgrades in the city limits.

Energy

**GOAL A: Expand Access to Affordable, Clean Energy Sources**

1. **Priority Strategy:** Support the Interior Gas Utility’s (IGU) efforts to bring natural gas to the community.
   a. Action: Work with IGU to help identify viable conversion options for homes.

2. Strategy: Support the development of a regional and/or statewide energy plan.

   a. Action: Support efforts to investigate the costs and benefits of extending rail service to the plant.
   (also listed under Parks, Recreation and Transportation)

4. Strategy: Encourage energy utilities to improve electrical system resiliency and affordability through efficiency upgrades and system expansion.

For topics related to air quality and wood burning, see *Environmental Health.*

Environmental Health

**GOAL A: Ensure All Residents Have Access to Clean, Safe Drinking Water**

1. **Priority Strategy:** Work with the Fairbanks North Star Borough, the Alaska Department of Environmental Conservation and area homeowners to mitigate the impacts of sulfolane contamination.

2. Strategy: If capital funding becomes available, connect all properties in the city boundaries to the municipal water supply.

3. Strategy: Annex sulfolane-affected properties adjacent to North Pole city boundaries, or work with a private contractor to extend city water services to households, if water system expansion funding is paid for by an external party.

4. Strategy: Continue to offer public education on the impacts of sulfolane, the status of current efforts to address the plume and best practices for homes and businesses.
   a. Action: Continue to offer education during the building permitting process about construction and excavation in sulfolane-affected areas.
b. Action: Use the well permitting process to limit new wells within the sulfolane plume and as a mechanism for education.

5. Strategy: Support efforts to study and mitigate the perfluorooctane sulfonate (PFOS) and perfluorooctanoic acid (PFOA) groundwater contamination in the Moose Creek area.

**GOAL B: Improve North Pole Air Quality**

1. Strategy: Support the Alaska Department of Environmental Conservation (DEC) efforts to improve air quality through education, regulation, efficiency and accurate monitoring.
   a. Action: Encourage the FNSB, the DEC and the U.S. Environmental Protection Agency (EPA) to place additional air quality monitors in other locations in and around North Pole to increase the reliability of data.
   b. Action: Provide input and participate in decisions with the FNSB, DEC and EPA related to air quality activities, especially those with impacts to North Pole.
   c. Action: Install 25 vehicle plug-ins at the North Pole Library.
   d. Action: Consider enforceable measures for home heating systems in the City of North Pole. Whenever possible, minimize impacts on low income households and those with only solid fuel source home heating systems (such as wood burning stoves).
   e. Action: Prohibit new construction of outdoor hydronic heaters.
   f. Action: Prohibit the construction of only solid fuel source homes.
   g. Action: Adopt measures to meet EPA-compliant standards for new wood/pellet-fired boilers.

**GOAL C: Protect Natural Systems and Maintain a Healthy Environment**


2. Strategy: Conduct climate change adaptation planning that accounts for long-term climate projections in the region (hotter, drier summers with increased fire risk, warmer and wetter in the spring and fall).

3. Strategy: Encourage energy retrofits to reduce energy consumption throughout the community, and retrofit existing city buildings.

4. Strategy: Work with partners to support implementation of the FNSB Multi-Jurisdictional Multi-Hazard Mitigation Plan, which addresses the following five natural hazards: flood, wildfire, severe weather, seismic events and volcanic ash.


Context for the Strategic Plan

Community Information and Relevant Data Trends

Population

In 2014, the City of North Pole had an estimated population of 2,198 (Alaska Department of Labor and Workforce Development, Research and Analysis Section). Figure 2 shows the population change for the City of North Pole, the Fairbanks North Star Borough (FNSB) and Alaska between 1970 to 2010 and 2010 to 2014. The population of the City of North Pole has steadily been increasing from when the city was established in 1953, and experienced rapid growth between 2000 and 2010. Over the past 50 years, Alaska and the FNSB both experienced growth as well. In the past five years, population growth has levelled off for all three geographies.

Figure 2: Population Change, 1970-2014

Source: U.S. Census Bureau (1970-2010); Alaska Department of Labor + Workforce Development, Research + Analysis Section (2011-2014)
The FNSB prepares population projection information to support FNSB travel demand models. In 2014, the FNSB estimated the North Pole population will increase to 3,240 by 2040, up from 2,149 in 2013 (Figure 3). The Alaska Department of Labor and Workforce Development also publishes population projections for regions around the state. As seen in Figure 4, the FNSB is forecast to see a dramatic increase in its senior population. In 2012, the estimated 65 and older population was 7,527; that number is expected to more than double to 17,767 by 2032. The 75 and older population is expected to see an even more dramatic increase, from an estimated 2,456 in 2012 to 10,317 in 2037, or a four-fold increase.

<table>
<thead>
<tr>
<th></th>
<th>2013 data</th>
<th>Projections for 2040</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>2149</td>
<td>3240</td>
</tr>
<tr>
<td>Housing Units</td>
<td>840</td>
<td>1250</td>
</tr>
<tr>
<td>Employment</td>
<td>1290</td>
<td>1718</td>
</tr>
</tbody>
</table>

Source: FNSB traffic demand model data as shared by FNSB Planning Department Staff, December 2015

**Figure 3: Projections for the City of North Pole, 2040**

**Figure 4: Senior Population Projections for the Fairbanks North Star Borough, 2012-2042**

Source: Alaska Department of Labor + Workforce Development, Research + Analysis Section

**Migration**

The Alaska Department of Labor and Workforce Development provides Alaska Permanent Fund Dividend (PFD) data which shows how the population of a community is changing, and whether people are moving to and from the surrounding region or to other regions of the state. It does not include new PFD applicants, such as newborns and residents who are new to the state. The 2000 to 2014 migration information for the City of North Pole is shown below in Figure 5. Numbers in green indicate a net gain of new residents; numbers in red indicate a net loss. Between 2000 and 2014 the City of North Pole experienced a net gain of 252 residents due to migration within Alaska. The data also indicates there is a high rate of migration between North Pole and the surrounding region, with a large number of residents moving into and out of North Pole annually from other parts of FNSB.
Figure 5: Migration Into/Out of North Pole, 2000-2014

<table>
<thead>
<tr>
<th>City of North Pole</th>
<th>Stayed in same place</th>
<th>Moved within the Fairbanks North Star Borough (net change)</th>
<th>Moved from outside the FNSB, but within Interior Alaska (net change)</th>
<th>Moved to another region of Alaska (net change)</th>
<th>Total Annual Migration</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-2001</td>
<td>1,090</td>
<td>-52</td>
<td>3</td>
<td>-10</td>
<td>-59</td>
</tr>
<tr>
<td>2001-2002</td>
<td>1,082</td>
<td>13</td>
<td>0</td>
<td>-9</td>
<td>4</td>
</tr>
<tr>
<td>2002-2003</td>
<td>1,051</td>
<td>34</td>
<td>10</td>
<td>7</td>
<td>51</td>
</tr>
<tr>
<td>2003-2004</td>
<td>1,116</td>
<td>-43</td>
<td>-4</td>
<td>13</td>
<td>-34</td>
</tr>
<tr>
<td>2004-2005</td>
<td>1,100</td>
<td>19</td>
<td>5</td>
<td>27</td>
<td>51</td>
</tr>
<tr>
<td>2005-2006</td>
<td>1,113</td>
<td>39</td>
<td>4</td>
<td>6</td>
<td>49</td>
</tr>
<tr>
<td>2006-2007</td>
<td>1,155</td>
<td>103</td>
<td>1</td>
<td>-2</td>
<td>102</td>
</tr>
<tr>
<td>2007-2008</td>
<td>1,275</td>
<td>24</td>
<td>1</td>
<td>-19</td>
<td>6</td>
</tr>
<tr>
<td>2008-2009</td>
<td>1,351</td>
<td>41</td>
<td>2</td>
<td>-1</td>
<td>42</td>
</tr>
<tr>
<td>2009-2010</td>
<td>1,427</td>
<td>-29</td>
<td>8</td>
<td>15</td>
<td>-6</td>
</tr>
<tr>
<td>2010-2011</td>
<td>1,370</td>
<td>-37</td>
<td>0</td>
<td>-31</td>
<td>-68</td>
</tr>
<tr>
<td>2011-2012</td>
<td>1,383</td>
<td>70</td>
<td>1</td>
<td>3</td>
<td>74</td>
</tr>
<tr>
<td>2012-2013</td>
<td>1,429</td>
<td>33</td>
<td>9</td>
<td>-7</td>
<td>35</td>
</tr>
<tr>
<td>2013-2014</td>
<td>1,421</td>
<td>-1</td>
<td>-5</td>
<td>11</td>
<td>5</td>
</tr>
<tr>
<td>Total change, 2000-2014:</td>
<td>214</td>
<td>35</td>
<td>3</td>
<td>252</td>
<td></td>
</tr>
</tbody>
</table>

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, based on PFD data.

The State of Alaska also tracks migration to and from different census areas and boroughs in the state (also shown in Figure 5). Over the past five years, the FNSB has seen a net loss of 1,307 residents to the Municipality of Anchorage, and net gains from more rural parts of the state including the Yukon-Koyukuk Census Area (net gain of 292 people), the Southeast Fairbanks Census Area (net gain of 190 people) and the Northwest Arctic Borough (net gain of 109 people).

Over the past ten years, North Pole has experienced a high level of annual population migration and turnover into and out of the city. However, more than three out of four community survey respondents said they see themselves living in the North Pole area in five years, indicating there is still a large segment of the population who plans to stay in the area for a sustained period of time (see Figure 6).

Figure 6: Survey responses to the question:
"Do you see yourself living in the North Pole area in five years?"

- Yes: 76.0%
- No: 11.0%
- I don’t know: 13.0%
School Enrollment

Overall school enrollment in North Pole has stayed consistent over the past five years (see Figure 7). The elementary school saw a large increase from 395 students to 503 students between 2012 and 2015, while middle and high school enrollment has seen small fluctuations year to year but remains consistent. According to North Pole principals, the high school is currently at about 80 percent capacity, the middle school is only 15 students short of its 680 student capacity and the elementary school is over capacity by 20 students. North Pole Elementary is a Title I school, which means the school has a higher percentage of children from low-income families and is therefore eligible for additional federal funding. The designation applies to schools where over 40 percent of students are eligible for free or reduced-price lunch. For more information on Title I schools in Alaska, visit the following U.S. Department of Education web page: www2.ed.gov/programs/titleiparta/index.html.

![Figure 7: North Pole School Enrollment, FY 2011 – FY 2015](image)

Source: Alaska Department of Education + Early Development

Economy

Between 2008 and 2012, the City of North Pole had a per capita income of $31,705 and a median household income of $66,250 (United States Census Bureau, American Community Survey). These numbers are similar to the FNSB and the state numbers, all of which are higher than the U.S. income figures. For a breakdown of income by region, see Figure 8.

![Figure 8: 2012 Per Capita and Median Household Income](image)

Source: American Community Survey 5-Year Estimates (United States Census Bureau)
As depicted in Figure 9, the income category in the City of North Pole with the highest number of households is $100,000 to $149,999, with 23 percent of households falling into this range. The second highest is $50,000-$74,999 with 20 percent of households. A combined thirteen percent of households fall below the $25,000 household income line and a combined 9.4 percent of households make $150,000 or more per year.

**Figure 9: Household Income Distribution for the City of North Pole, 2012**

According to the 2008-2012 American Community Survey, approximately 187 individuals are living below the poverty line, or approximately 8.5 percent of North Pole’s 2,208 residents in 2012. That number is similar to the FNSB, with 8.4 percent of people living below the poverty level. These numbers are comparatively more positive than statewide and country averages, which are 9.9 percent and 15.4 percent, respectively. The same source also reveals that North Pole families with the highest poverty rates are single-female householders with children under 18 – about one-third of these families are below the poverty line.

Source: American Community Survey 5-Year Estimates (United States Census Bureau)
Economic Development

Employment and Industry Trends

The City of North Pole has a small but relatively thriving economy. North Pole businesses and schools serve many residents in the surrounding 99705 area. The biggest industries are “Trade, Transportation and Utilities” with almost one quarter of total North Pole workers, followed by “Leisure and Hospitality” and “Education and Health Services” (Figure 10). North Pole also benefits from its close proximity to Eielson Air Force Base (EAFB), as detailed later in this section. Major employers include the Petro Star Refinery, Fairbanks North Star Borough School District, Safeway, Wells Fargo Bank, Mt. McKinley Bank, Alaska USA Credit Union, United States Postal Service, Santa Claus House, and the City of North Pole.

Figure 10: Percentage of Workers by Industry, 2013


Of the total population 16 and over, 58 percent are employed, slightly lower than the Fairbanks North Star Borough (FNSB) and the statewide average of 61 percent. 68 percent of those employed are employed all four quarters of the year. Between 2010 and 2014, the percentage of residents employed increased three percent and total combined resident wages increased 18 percent, not accounting for inflation. Eighty-two percent of residents employed are in the private sector. The private sector saw a slight increase in employment between 2010 and 2014, while state and local government sectors saw a decrease. Between 2010 and 2014, unemployment insurance claimants decreased 27 percent, from 139 to 102. For a full overview of employment, see Figure 11.
Figure 11: City of North Pole Workforce Characteristics

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2013</th>
<th>2014</th>
<th>change, 2010-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents age 16 and over</td>
<td>1,410</td>
<td>1,420</td>
<td>1,381</td>
<td>-2%</td>
</tr>
<tr>
<td>Residents employed</td>
<td>800</td>
<td>807</td>
<td>806</td>
<td>1%</td>
</tr>
<tr>
<td>residents employed (%)</td>
<td>57%</td>
<td>57%</td>
<td>58%</td>
<td>-</td>
</tr>
<tr>
<td>Residents employed, FNSB (%)</td>
<td>60%</td>
<td>61%</td>
<td>61%</td>
<td>-</td>
</tr>
<tr>
<td>Residents employed, statewide (%)</td>
<td>61%</td>
<td>61%</td>
<td>61%</td>
<td>-</td>
</tr>
<tr>
<td>Total wages (not adjusted for inflation)</td>
<td>$26,966,297</td>
<td>$29,630,084</td>
<td>$31,710,939</td>
<td>18%</td>
</tr>
<tr>
<td>Sector employed in…</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private</td>
<td>648</td>
<td>656</td>
<td>661</td>
<td>2%</td>
</tr>
<tr>
<td>Local government</td>
<td>86</td>
<td>90</td>
<td>84</td>
<td>-2%</td>
</tr>
<tr>
<td>State government</td>
<td>66</td>
<td>61</td>
<td>61</td>
<td>-8%</td>
</tr>
<tr>
<td>Peak quarterly employment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>employed all 4 quarters (%)</td>
<td>68%</td>
<td>70%</td>
<td>68%</td>
<td>-</td>
</tr>
<tr>
<td>Employed all 4 quarters, FNSB (%)</td>
<td>70%</td>
<td>71%</td>
<td>72%</td>
<td>-</td>
</tr>
<tr>
<td>Employed all 4 quarters, statewide (%)</td>
<td>70%</td>
<td>71%</td>
<td>72%</td>
<td>-</td>
</tr>
<tr>
<td>New hires</td>
<td>287</td>
<td>277</td>
<td>292</td>
<td>2%</td>
</tr>
<tr>
<td>Unemployment insurance claimants</td>
<td>139</td>
<td>127</td>
<td>102</td>
<td>-27%</td>
</tr>
</tbody>
</table>

Source: Alaska Department of Labor + Workforce Development, Research + Analysis Section. Last updated on August 26, 2014.

The top occupations in North Pole are retail salespersons, cashiers and teacher’s assistants. For a list of all occupations in the city with ten or more workers, see Figure 12.

Figure 12: 2013 Top Occupations (10 or more workers) in the City of North Pole, 2013

<table>
<thead>
<tr>
<th></th>
<th># of workers</th>
<th>Change from 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Salespersons</td>
<td>38</td>
<td>+6</td>
</tr>
<tr>
<td>Cashiers</td>
<td>27</td>
<td>0</td>
</tr>
<tr>
<td>Teacher Assistants</td>
<td>27</td>
<td>+6</td>
</tr>
<tr>
<td>Combined Food Preparation and Serving Workers, Including Fast Food</td>
<td>23</td>
<td>0</td>
</tr>
<tr>
<td>Janitors and Cleaners, Except Maids and Housekeeping Cleaners</td>
<td>21</td>
<td>-5</td>
</tr>
<tr>
<td>Office and Administrative Support Workers, All Other</td>
<td>16</td>
<td>+7</td>
</tr>
<tr>
<td>Construction Laborers</td>
<td>14</td>
<td>-2</td>
</tr>
<tr>
<td>Supervisors of Food Preparation and Serving Workers (new category)</td>
<td>12</td>
<td>-</td>
</tr>
<tr>
<td>Registered Nurses</td>
<td>11</td>
<td>+3</td>
</tr>
<tr>
<td>General and Operations Managers</td>
<td>11</td>
<td>-1</td>
</tr>
<tr>
<td>Bookkeeping, Accounting, and Auditing Clerks</td>
<td>11</td>
<td>+2</td>
</tr>
<tr>
<td>Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products</td>
<td>10</td>
<td>-2</td>
</tr>
<tr>
<td>Secretaries and Admin. Assistants, Except Legal, Medical, and Executive</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Food Preparation and Serving Related Workers, All Other</td>
<td>10</td>
<td>-3</td>
</tr>
<tr>
<td>Automotive Service Technicians and Mechanics</td>
<td>10</td>
<td>-1</td>
</tr>
</tbody>
</table>


North Pole Comprehensive Strategic Plan: July 2016
Supporting Businesses in North Pole

The City of North Pole has a small commercial center, with a mall and grocery store in the center of town and a number of franchise operations nearby. According to the project interviews, many business owners feel excluded from city processes, even though city decisions impact them. This is especially true for business owners who do not live in the North Pole city limits. Overall, residents and business owners would like to see increased engagement and more positive messaging from both the City Council and city staff toward current and prospective business. North Pole is also home to a refinery owned by Petro Star, a subsidiary of Arctic Slope Regional Corporation. Petro Star is also currently constructing an asphalt plant and related expansions; details are somewhat limited as Petro Star declined to participate in this planning process. A larger refinery in North Pole owned by Flint Hills Resources closed in 2014.

North Pole is home to a family physician, a prescription laboratory, a pharmacy, a chiropractic clinic, an optometrist, a physical therapy office and four dentists; for other services, residents must travel to Fairbanks. The city has a growing senior population and has seen a resulting increase in the availability of senior services, with comparatively higher satisfaction with senior services. In the survey and interviews, residents expressed an interest in increased access to medical care in North Pole.

Figure 13 includes a list of the most frequently-occurring responses to the question, “What are the top three barriers and/or threats to economic development in the North Pole area?” Responses related to taxes were the most frequent response with 52 people citing taxes as one of the barriers, followed by energy (42 responses), cost of living/utilities (36 responses) and a lack of amenities such as activities, entertainment, shopping and support services (32 responses). The sales tax in particular was cited as a challenge in the survey and interviews. While the sales tax is an important source of city revenue, the tax poses a challenge to retailers and other businesses. Residents and visitors may choose not to shop in North Pole because of the tax, opting to shop in Fairbanks, where there is no sales tax.

In the surveys and interviews, respondents expressed a desire for a variety of new businesses and services in North Pole, including the following:

- Health care services including primary care, orthodontists, optometrists, behavioral health professionals and an urgent care clinic.
- Small retail stores, as well as a larger store such as Fred Meyer or Target.
- Real estate and residential development.
- More restaurants, especially sit-down restaurants.
- A coffee shop or bakery with quick, affordable, healthy options.
- Auto parts store, tool rentals.
- UPS store.
- Marijuana business, with associated regulations.
- Landscape architects.
- Legal/attorney services.
- Welding, electricians and other trade skills.
- A cold weather testing facility. The Fairbanks North Star Borough has been identified as an ideal location for this type of facility.
- Recreation facilities and activities.

**Figure 13: Survey Responses to the question, “What are the top three barriers and/or threats to economic development in the North Pole area?”**

*Below are the most commonly occurring themes, based on number of responses:*

- Taxes: (52 responses)
- Energy costs: (42 responses)
- Cost of living, cost of utilities: (36 responses)
- Lack of amenities such as activities, entertainment, shopping and support services: (32 responses)
- Small population, transient population: (27 responses)
- City governance, regulations and spending habits: (25 responses)
- Distance from Fairbanks and competition with Fairbanks: (18 responses)
- Limited availability of affordable land: (18 responses)
- Dependence on military bases: (14 responses)
- Contaminated groundwater: (14 responses)
- Lack of positive marketing and communications: (12 responses)
- Restricted traffic flow and connectivity: (10 responses)
- Current businesses that are unsupportive of new development: (10 responses)
- Crime rates: (9 responses)
- High rental costs: (9 responses)
- Air quality health impacts and regulation challenges: (8 responses)
- Restrictive building codes: (8 responses)
Education: North Pole Schools

North Pole is home to an elementary, middle and high school. Enrollment information can be found earlier in this chapter. The North Pole Parent-Teacher-Student Association (PTSA) re-formed in 2014 and is working to increase the community and parents in the schools. North Pole churches are also very supportive of the community’s schools. They provide volunteering, food to supplement the food program, school supplies and encourage parental involvement.

Feedback from North Pole High School Students

In the fall of 2015, the project team held a strategic planning meeting with approximately 25 members of the combined North Pole High School Key Club, National Honor Society, Ignition Mentors and Student Council. Outlined below are student responses to the project team’s four core questions regarding high school experience and future plans.

What would improve your high school experience? What would better prepare you for after you graduate?

- Better, more passionate teachers.
- More career-based learning options in technical and medical fields.
- More student-staff interaction.
- Classes to explore career interests.
- More elective classes such as foreign languages.
- More Advanced Placement (AP) classes.
- After school preparations classes.
- Better support for sports/activities (e.g., school recognition by the community, alumni, and teachers).
- Flex schedule options.
- Not having to sacrifice some classes to take other classes.
- College students/teachers to mentor and prepare us for college, including selecting a degree.
- Updated equipment for activities and classes.
- Drug/alcohol abuse education.
- Locker rooms open on weekends for students that may need it.
- Goal oriented classes.
- Travel opportunities.
- Alternative physical education classes (e.g. dance, yoga).

What are your plans for after you graduate?

- College
- Start a family
- Get a job
- Internal happiness
- Internship/residency
- International ambassador/negotiator/join Peace Corps
- Retirement
- Assist with sports program
- Better schools
- Opportunities for kids/youth
- Interesting places (ice skating park/community recreation area)
- More dining options/variety
- Small community

What would keep you or bring you back to North Pole?

- Family and friends
- Job opportunities
- Consumer options (do not want to always go to Fairbanks)
- Entertainment
- More affordable
- Infrastructure upgrades
- Nature
- Starting a family
- Retirement
- Assist with sports program
- Better schools
- Opportunities for kids/youth
- Interesting places (ice skating park/community recreation area)
- More dining options/variety
- Small community
Graduating Seniors: Survey Results

The Fairbanks North Star Borough School District conducts an annual survey of graduating seniors to learn about their high school experience and future plans. Results are shared in a report and can be viewed by school. For the Class of 2014, 90 of the 150 graduating seniors took the survey, for a response rate of 60 percent. For the full report, visit the FNSBSD website. Here we have summarized some of the data most relevant to North Pole:

- Fifty-one percent of North Pole class of 2014 seniors who responded to the survey plan to attend a four-year college/university after graduation, similar to the district average of 50 percent, followed by 20 percent who hope to get a full time job (14 percent for the district).
- Seventy-one percent of responding seniors had already been accepted into a college, apprenticeship program, university or other post-secondary education program, higher than the district’s average of 61 percent.
- The most popular career clusters for North Pole seniors were Health Science (23 percent), Science, Technology, Engineering and/or Mathematics (20 percent), Business, Management and/or Administration (19 percent) and Law, Public Safety, Corrections, and/or Security (13 percent), with 22 percent responding “Other.”
- Fifty percent of North Pole seniors say they are very likely or likely to leave Alaska to pursue educational opportunities, compared with 60 percent for the district overall.
- Sixty-two percent of North Pole seniors said they completed a Career Technical Education course during their high school career, compared with 50 percent for the district.

Local Economic Development Organizations

There are a number of groups working to strengthen the local economy. The North Pole Economic Development Corporation (NPEDC) works to attract, retain and support businesses and organizations in North Pole. NPEDC is working with regional partners to complete a Business Retention and Expansion Study to better understand the needs of local businesses and offer recommendations on improving the business climate. The North Pole Chamber of Commerce works to enhance economic opportunities and promote North Pole as a destination for both visitors and potential residents. The Chamber oversees the North Pole Visitor Center cabin and works with Fairbanks groups on marketing initiatives for Interior Alaska. The State of Alaska’s Small Business Development Center has an office in Fairbanks and offers services to residents in the North Pole area, including entrepreneurship training and technical assistance for business start-ups. The Fairbanks North Star Borough is in the process of becoming an Economic Development District (EDD) under the U.S. Economic Development Administration, which will allow the FNSB to advocate for and support local economic growth within the Borough.

“Businesses locate for market reasons. North Pole is a bedroom community. The city needs to improve itself as a preferred place to live. With a market, businesses will open here and existing businesses will remain.”

-Community survey respondent
Eielson Air Force Base (EAFB)

North Pole benefits from its close proximity to Eielson Air Force Base. As of December 2014, over 5,000 military, civilian and contractor personnel and dependents are working and/or living on EAFB. According to an information brochure created by the Fairbanks Economic Development Corporation (FEDC), ten percent of all revenue in the FNSB ($1.5 billion dollars) is generated by Eielson. The base occupies 63,195 acres, and is home to the 2nd longest runway in North America. EAFB is largely independent, with housing, K-12 education, a medical center, chapel, commissary, base exchange, various commercial-services businesses and year-round physical fitness and recreational facilities. People stationed at EAFB travel into North Pole, and 368 military households live off base.

In April 2016, the United States Air Force announced the final decision to bring 54 F-35 fighter jets to Eielson, including additional military and civilian personnel and expansion of new facilities. According to the Environmental Impact Statement (EIS), if the action is approved the first aircraft would be delivered in 2019 and would be fully operational by 2021. This change would add an estimated 1,563 military and civilian personnel to EAFB. According to the executive summary of the EIS, the F-35s would bring economic benefits to the Fairbanks North Star Borough and are unlikely to introduce significant changes to air quality, noise levels, wildlife, livestock or recreation. While EAFB provides significant economic benefits to North Pole, the community’s dependence on the base as an economic driver leaves the community vulnerable to long-term changes or reductions in base activities.

Christmas Theme

Since its founding, the City of North Pole has maintained a festive holiday theme, “Where the spirit of Christmas lives year round.” The theme is reflected in street names, decorations such as Christmas trees and candy striped light posts and has been embraced by some local businesses and organizations. There are also a number of annual community events, including Winterfest, Christmas in Ice carving festival and the Patriots Christmas over Fourth of July weekend. Not all North Pole businesses choose to celebrate the theme, and the city does not have any guidelines or formal recommendations regarding theme development. Some businesses have concerns about unfunded decoration and theme requirements.

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City Management, Public Facilities and Services

City Structure

The City of North Pole is a part of the Fairbanks North Star Borough (FNSB). The city is governed by a strong mayor and six council members. The City Council meets the first and third Monday of each month. The city provides police protection with 14 full time employees, fire protection with 14 full time employees and 25 volunteers, water and sewer service with three full time employees and public works with two full time and two seasonal employees. In addition the city employs a City Accountant, City Clerk/HR Manager, Director of City Services, Utility Billing/AR Clerk and AP/receptionist. Figure 14 shows the staffing layout of the city.

Figure 14: City of North Pole Organizational Chart

City Services

The city offers police and fire services, water and sewer and has a public works department that oversees water and sewer utilities, permitting and building, maintenance and other operations. In the initial community survey, over 70 percent of respondents selected either satisfied or very satisfied when asked about satisfaction in both the Law Enforcement and Fire/Emergency categories, the highest satisfaction levels out of all the categories (see Figure 15). The North Pole area has an Insurance Service Office (ISO) rating of 3. An ISO score indicates the level of fire risk, response capabilities and protection in a community. The scores are assigned on a scale of 1-10, with one being the best score possible. ISO scores can impact homeowner and business insurance rates. The North Pole area has an ISO rating of 3.
Pole Police Department also provides seasonal coverage to the Chena Lakes Area through a contract with the Army Corps of Engineers, and the Fire Department provides additional EMS services in neighboring areas through a contract with the FNSB.

Figure 15: Survey responses* to the question:
"How satisfied are you with the availability of the following programs and services?"
Service and Facility Categories (*excludes respondents who replied “not applicable”)

“The City Public Works Department can’t be beat. They run a tight ship on limited funds with minimal employees. Our bike paths and roundabouts have never looked better. Our Mayor is accessible and has introduced opportunities for residents to make their concerns known.”

- community survey respondent
When survey respondents were asked about their level of satisfaction with the performance of the City of North Pole, over 45 percent were satisfied or very satisfied, compared with less than 15 percent of survey respondents who said they were unsatisfied or very unsatisfied (see Figure 16). The response rate with the most selections (approximately 40 percent), “neutral,” is harder to analyze. It may indicate those participants do not have an opinion about the City’s performance, do not know enough about the City’s performance, or there is an opportunity for the city to do better. Over the past few years, the city has made many internal improvements, such as a new website and improved record-keeping and filing, including a public records search on the city website. The city has also been improving its budgeting process and procedures. Residents in the survey and interviews did express concern about the lack of community engagement at the Council level and would like to see increased participation in community events, as well as improved outreach and relations between the city, businesses and residents.

"We need better advertisements of local businesses or business opportunities. Often, I hear about business promotions or community events well after the fact. It doesn't ever seem clear cut as to what the facts are or where to get correct info."

- community survey respondent

North Pole Crime Rates

During the interview and survey process, some residents voiced concerns about a perceived high rate of crime in North Pole. However, data sources indicate North Pole crime rates are similar to or less than the City of Fairbanks. The FNSB collects crime data from different policing units in the Borough and sends it out in their Community Research Quarterly publication. Figure 17 shows average crime over a five year period, from 2009 to 2013. The City of North Pole shows similar rates when compared with Fairbanks, with a slightly smaller overall crime rate in North Pole at 6.2 percent of crimes per capita compared with seven percent in Fairbanks. The Fairbanks number excludes Fairbanks airport and University of Alaska Fairbanks (UAF) campus police, meaning the Fairbanks numbers may be slightly underestimated. Figure 18 shows annual crime occurrences in North Pole between 2009 and 2013. The two categories with the largest number of incidents are larceny and assault.

"North Pole is an excellent community. It is a great place to raise your kids, with low crime and a rural feel. North Pole offers great services for a small community. North Pole has a lot to offer such as the library, schools, police and emergency services."

- community survey respondent

Figure 16: Survey responses to the question: “How satisfied are you with the performance of the City of North Pole?”

<table>
<thead>
<tr>
<th>Satisfied</th>
<th>Very satisfied</th>
<th>Neutral</th>
<th>Unsatisfied</th>
<th>Very unsatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>72</td>
<td>22</td>
<td>85</td>
<td>77</td>
<td>22</td>
</tr>
<tr>
<td>73</td>
<td></td>
<td></td>
<td></td>
<td>9</td>
</tr>
</tbody>
</table>

Over the last three years: Over the last year.

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
Figure 17: Average Annual Crime Rates Per Capita, 2009-2013

<table>
<thead>
<tr>
<th></th>
<th>Criminal Homicide</th>
<th>Forcible Rape</th>
<th>Assault *</th>
<th>Robbery</th>
<th>Burglary</th>
<th>Motor Vehicle Theft</th>
<th>Larceny</th>
<th>Total Crimes</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of North Pole</td>
<td>0.0%</td>
<td>0.0%</td>
<td>2.1%</td>
<td>0.1%</td>
<td>0.5%</td>
<td>0.3%</td>
<td>3.2%</td>
<td>6.2%</td>
</tr>
<tr>
<td>City of Fairbanks</td>
<td>0.0%</td>
<td>0.1%</td>
<td>2.6%</td>
<td>0.1%</td>
<td>0.5%</td>
<td>0.3%</td>
<td>3.4%</td>
<td>7.0%</td>
</tr>
<tr>
<td>(excludes airport + UAF police statistics)</td>
<td>0.0%</td>
<td>0.1%</td>
<td>2.1%</td>
<td>0.1%</td>
<td>0.5%</td>
<td>0.3%</td>
<td>3.2%</td>
<td>6.2%</td>
</tr>
</tbody>
</table>

*includes simple and aggravated assault

Source: FNSB Community Research Quarterly, Summer 2015, as reported by local police departments

Figure 18: Crime Occurrences in North Pole, 2009-2013

Source: FNSB Community Research Quarterly, Summer 2015, as reported by local police departments
City Budget

Each year the mayor, working closely with the city accountant and city department heads, presents the City Council with a proposed annual operating budget for the coming fiscal year. The City Council reviews the budget at council meetings and a series of work sessions. The City Council is responsible for adopting the budget, sometimes with modifications. Like other communities throughout Alaska, North Pole faces declining State funding given an uncertain fiscal outlook for the State.

Figure 19 shows a pie graph with the breakdown of operating expenses for the City of North Pole’s 2016 Budget. It includes the water and sewer utility funds (shaded red) as well as other categories of the general fund (shaded blue). The two largest departments by expenditures are fire (29 percent of total operating expenditures) and police (28 percent of total operating expenditures). Expenditures data excludes depreciation, transfers and Public Employee Retirement Systeme (PERS) relief.

Many residents do not understand the tax structure and associated services at the city and FNSB. This was reflected in the community survey – 43 percent of respondents said they do not know anything about the budget, and 27 percent said they know a little bit about the budget (Figure 20).

Figure 20: Survey responses to the question: “How familiar are you with the City of North Pole’s budget (revenues and expenses)?”

- I am very familiar with the details of the budget. 10.1%
- I have basic knowledge of the budget but don’t know the specifics. 19.8%
- I know a little bit about the budget. 27.1%
- I don’t know anything about the budget. 43.0%
**Tax Rates and Revenues**

The City of North Pole collects taxes to support its operations. Figure 21 depicts a breakdown of rates and costs between 2012 and 2016. The figure includes actual revenue amounts from 2012 to 2014 and budgeted revenues for 2015 and 2016.

Proceeds from local taxes will account for an estimated 81 percent of the City’s General Fund revenue in 2016, with the general sales tax providing 54.7 percent of the General Fund revenue. The city sales tax includes a maximum fee per transaction of eight dollars. Sales tax revenues have been averaging a four percent or more annual increase over the past five years.

Twenty-five percent of bed tax revenues go toward the general fund. The remaining 75 percent are distributed through a grant process to support local economic development organizations. Alcohol and tobacco taxes also provide a steady stream of revenues for the city, with a slight increase in rates between 2014 and 2015.

As seen in the figure, the city experienced a significant drop in property tax revenues between 2014 and 2015 due to the closing of the Flint Hills Refinery and the associated devaluation of those parcels.

**Figure 21: Tax Rates and Revenues, 2012-2016**

<table>
<thead>
<tr>
<th>Name</th>
<th>Rate 2012</th>
<th>Rate 2013</th>
<th>Rate 2014</th>
<th>Rate 2015</th>
<th>Rate 2016</th>
<th>Revenue 2012</th>
<th>Revenue 2013</th>
<th>Revenue 2014</th>
<th>2015 budget</th>
<th>2016 budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bed Tax (no cap)</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
<td>$85,894</td>
<td>$55,273</td>
<td>$82,374</td>
<td>$90,000 (21,250 to Gen. Fund)</td>
<td>$90,000 (22,250 to Gen. Fund)</td>
</tr>
<tr>
<td>Alcohol Tax (no cap)</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>6%</td>
<td>6%</td>
<td>$207,515</td>
<td>$216,078</td>
<td>$211,997</td>
<td>$263,000</td>
<td>$264,500</td>
</tr>
<tr>
<td>Property Tax Mill Rate</td>
<td>3</td>
<td>3.5</td>
<td>3.5</td>
<td>3.5</td>
<td>3.5</td>
<td>$954,545</td>
<td>$1,030,386</td>
<td>$1,025,108</td>
<td>$870,000</td>
<td>$895,000</td>
</tr>
<tr>
<td>Sales Tax (max. tax per transaction $8)</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
<td>$2,463,477</td>
<td>$2,585,385</td>
<td>$2,663,397</td>
<td>$2,796,514</td>
<td>$2,909,999</td>
</tr>
<tr>
<td>Tobacco Tax (no cap)</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
<td>10%</td>
<td>10%</td>
<td>$117,771</td>
<td>$124,062</td>
<td>$132,228</td>
<td>$159,000</td>
<td>$162,500</td>
</tr>
</tbody>
</table>

Source: City of North Pole budgeting documents; FNSB Community Research Quarterly

Figure 22 shows the different mill rate trends for FNSB, Fairbanks and North Pole between 1994 and 2015. The rates for residents of the cities of Fairbanks and North Pole are in addition to the FNSB mill rate.
Limitations due to City Size

The City of North Pole experiences challenges due to its limited geographic size and small population. Only residents within city limits are eligible to run for city governance, making it challenging to fill City Council seats. During the 2015 North Pole City Council election, no one filed a declaration of candidacy to run for City Council prior to the deadline, resulting in two potentially unfilled council seats. The two seats were ultimately selected based on write-in votes.

The small population within the city limits also results in a limited tax base; it can be challenging to create governing efficiencies when serving such a small population. While the population outside the city is significant – over 22,000 residents in the 99705 zip code compared with just over 2,000 in the City of North Pole – prospective businesses may not realize the population size and associated business opportunities of the Greater North Pole area.

“I think it is possible to make this little town amazing. It’s close but just not all the way there.”

-Community survey respondent
Comparative Data

During the survey and interview process, some residents indicated concern and confusion about the City of North Pole’s budget. For example, only 23 percent of survey respondents were satisfied or very satisfied with the City’s financial processes and structures, while a combined 66.3 percent were neutral or unsure and another 10.7 percent were unsatisfied or very unsatisfied (see Figure 23).

In order to better understand how the City of North Pole’s municipal spending compares to other municipalities of comparable size in Alaska, the project team conducted a review of other Alaska towns to identify communities that can be used as benchmarks for comparative purposes. This data is also helpful in the analysis of potential benefits or disadvantages of annexing two areas adjacent to the city (see the Land Use and Housing section for the analysis). Further, this approach is useful in assessing and comparing financial benchmarks for economic analysis of both potential annexation areas. For example, is the City of North Pole generating sufficient revenue when compared to peers, with and without the additional area? Are there any expenses that are higher or lower, when measured against the same communities, again, with and without the two proposed additions?

Peer Communities

Population is the key factor used to compare City of North Pole with other communities, along with other factors such as access (roads, primarily), similar services (fire, police), and more than one revenue source (sales tax, property taxes, etc.).

Figure 24 shows population figures for selected peer communities, along with broader comparisons from the City of Fairbanks and the Matanuska-Susitna Borough.
Population figures shown are based on both federal and State of Alaska census data and projections. These numbers may differ slightly from single-source population databases but review suggests compensatory variation in higher (or lower) figures are leveled over the five years shown.

Compound Annual Growth Rates (CAGR) were also calculated for the five-years from 2010 to 2014; these reflect a year-over-year (compound) growth rate, averaged across the time period. North Pole’s growth rate was 0.8 percent per year and is similar to Dillingham’s rate (0.7 percent). City of North Pole’s growth was slightly higher than the City of Fairbanks (0.1 percent) but lower than either the City of Houston (2.6 percent) or the rapidly growing Matanuska-Susitna Borough (2.0 percent).

**Revenues – Total and Per Capita**

The following table shows results of tax revenue comparisons for City of North Pole and the three principal peers noted above. These were reported by each municipality to the State of Alaska, Department of Community and Community Development, Division of Community and Regional Affairs, publisher of the Alaska Taxable Database. The “Peers’ Weighted Average Revenue Per Capita” is the averaged per capita rate for the comparison communities.

**Figure 25: Peer Comparison of Revenues by Major Category, 2010-2014**

<table>
<thead>
<tr>
<th>Sales Tax Revenues</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Pole</td>
<td>$2,208,104</td>
<td>$2,709,510</td>
<td>$2,452,041</td>
<td>$2,463,477</td>
<td>$2,585,385</td>
</tr>
<tr>
<td>Dillingham</td>
<td>$2,427,974</td>
<td>$2,299,142</td>
<td>$2,682,126</td>
<td>$2,770,244</td>
<td>$2,732,315</td>
</tr>
<tr>
<td>Houston</td>
<td>$192,061</td>
<td>$221,107</td>
<td>$224,680</td>
<td>$158,014</td>
<td>$159,272</td>
</tr>
<tr>
<td>Soldotna</td>
<td>$7,236,738</td>
<td>$7,033,514</td>
<td>$7,522,648</td>
<td>$7,630,536</td>
<td>$7,725,471</td>
</tr>
<tr>
<td>North Pole Revenue Per Capita</td>
<td>$1,043</td>
<td>$1,289</td>
<td>$1,137</td>
<td>$1,117</td>
<td>$1,176</td>
</tr>
<tr>
<td>Peers’ Weighted Average Revenue Per Capita</td>
<td>$1,084</td>
<td>$1,022</td>
<td>$1,096</td>
<td>$1,114</td>
<td>$1,126</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property Tax Revenues</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Pole</td>
<td>$939,603</td>
<td>$913,953</td>
<td>$959,554</td>
<td>$954,545</td>
<td>$1,030,386</td>
</tr>
<tr>
<td>Dillingham</td>
<td>$1,939,617</td>
<td>$1,898,135</td>
<td>$1,991,343</td>
<td>$2,136,092</td>
<td>$2,084,357</td>
</tr>
<tr>
<td>Houston</td>
<td>$334,200</td>
<td>$368,756</td>
<td>$389,688</td>
<td>$365,585</td>
<td>$406,102</td>
</tr>
<tr>
<td>Soldotna</td>
<td>$336,649</td>
<td>$872,696</td>
<td>$602,405</td>
<td>$347,121</td>
<td>$268,057</td>
</tr>
<tr>
<td>North Pole Revenue Per Capita</td>
<td>$444</td>
<td>$435</td>
<td>$445</td>
<td>$433</td>
<td>$469</td>
</tr>
<tr>
<td>Peers’ Weighted Average Revenue Per Capita</td>
<td>$342</td>
<td>$336</td>
<td>$313</td>
<td>$301</td>
<td>$292</td>
</tr>
</tbody>
</table>

Source: Northern Economics Population Database
While the City of North Pole does have higher property tax revenues than its peers, a significant portion of these revenues come from industrial and commercial sources, as opposed to homeowner taxes. As seen in Figure 26, industrial properties brought in the largest portion of property tax income until 2015, when the Flint Hills Refinery closed. As of 2015, the largest sources of property tax revenues were from residential properties (43 percent of total revenue), industrial properties (31 percent) and commercial properties (21 percent).

Source: Fairbanks North Star Borough Assessor's Office, 2016
**Expenses, Total and Per Capita**

The following table shows a similar comparison of expenditures, on both a total and per capita basis. “Peers’ Population-Weighted Average” is the averaged per capita rate for the comparison communities.

**Figure 27: Peer Comparison of Expenditures by Major Category, 2010-2014**

<table>
<thead>
<tr>
<th>Category</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Administrative Expenditures</td>
<td>$1,761,344</td>
<td>$1,886,368</td>
<td>$1,923,558</td>
<td>$1,871,133</td>
<td>$2,059,965</td>
</tr>
<tr>
<td>North Pole</td>
<td>$1,761,344</td>
<td>$1,886,368</td>
<td>$1,923,558</td>
<td>$1,871,133</td>
<td>$2,059,965</td>
</tr>
<tr>
<td>Dillingham</td>
<td>$201,843</td>
<td>$215,375</td>
<td>$304,549</td>
<td>$217,321</td>
<td>$231,069</td>
</tr>
<tr>
<td>Fairbanks</td>
<td>$5,685,045</td>
<td>$5,818,689</td>
<td>$6,094,276</td>
<td>$6,217,283</td>
<td>$6,268,948</td>
</tr>
<tr>
<td>Houston</td>
<td>$58,075</td>
<td>$67,868</td>
<td>$72,117</td>
<td>$79,230</td>
<td>$78,767</td>
</tr>
<tr>
<td>Matanuska-Susitna Borough</td>
<td>$5,395,000</td>
<td>$6,123,009</td>
<td>$6,179,356</td>
<td>$6,907,873</td>
<td>$7,092,841</td>
</tr>
<tr>
<td>North Pole Expenditure Per Capita</td>
<td>$932</td>
<td>$897</td>
<td>$892</td>
<td>$848</td>
<td>$937*</td>
</tr>
<tr>
<td>Peers' Population-Weighted Average</td>
<td>$162</td>
<td>$170</td>
<td>$173</td>
<td>$173</td>
<td>$177</td>
</tr>
<tr>
<td>Fire Department Expenditures</td>
<td>$1,761,344</td>
<td>$1,886,368</td>
<td>$1,923,558</td>
<td>$1,871,133</td>
<td>$2,059,965</td>
</tr>
<tr>
<td>North Pole</td>
<td>$1,761,344</td>
<td>$1,886,368</td>
<td>$1,923,558</td>
<td>$1,871,133</td>
<td>$2,059,965</td>
</tr>
<tr>
<td>Dillingham</td>
<td>$201,843</td>
<td>$215,375</td>
<td>$304,549</td>
<td>$217,321</td>
<td>$231,069</td>
</tr>
<tr>
<td>Matanuska-Susitna Borough</td>
<td>$5,395,000</td>
<td>$6,123,009</td>
<td>$6,179,356</td>
<td>$6,907,873</td>
<td>$7,092,841</td>
</tr>
<tr>
<td>North Pole Expenditure Per Capita</td>
<td>$932</td>
<td>$897</td>
<td>$892</td>
<td>$848</td>
<td>$937*</td>
</tr>
<tr>
<td>Peers' Population-Weighted Average</td>
<td>$162</td>
<td>$170</td>
<td>$173</td>
<td>$173</td>
<td>$177</td>
</tr>
<tr>
<td>Public Works Expenditures</td>
<td>$499,204</td>
<td>$392,117</td>
<td>$602,654</td>
<td>$626,714</td>
<td>$622,927</td>
</tr>
<tr>
<td>North Pole</td>
<td>$499,204</td>
<td>$392,117</td>
<td>$602,654</td>
<td>$626,714</td>
<td>$622,927</td>
</tr>
<tr>
<td>Dillingham</td>
<td>$1,056,548</td>
<td>$1,036,881</td>
<td>$1,387,108</td>
<td>$1,262,542</td>
<td>$1,237,419</td>
</tr>
<tr>
<td>Houston</td>
<td>$285,823</td>
<td>$259,571</td>
<td>$311,499</td>
<td>$196,093</td>
<td>$196,093</td>
</tr>
<tr>
<td>Soldotna</td>
<td>$2,126,159</td>
<td>$2,082,046</td>
<td>$1,143,200</td>
<td>$2,196,726</td>
<td>$2,380,760</td>
</tr>
<tr>
<td>North Pole Expenditure Per Capita</td>
<td>$236</td>
<td>$187</td>
<td>$280</td>
<td>$284</td>
<td>$283</td>
</tr>
<tr>
<td>Peers' Population-Weighted Average</td>
<td>$391</td>
<td>$364</td>
<td>$293</td>
<td>$398</td>
<td>$404</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$5,345,362</td>
<td>$5,301,378</td>
<td>$5,209,493</td>
<td>$5,055,538</td>
<td>$5,559,062</td>
</tr>
<tr>
<td>North Pole</td>
<td>$5,345,362</td>
<td>$5,301,378</td>
<td>$5,209,493</td>
<td>$5,055,538</td>
<td>$5,559,062</td>
</tr>
<tr>
<td>Dillingham</td>
<td>$5,885,896</td>
<td>$6,351,492</td>
<td>$7,763,288</td>
<td>$6,793,886</td>
<td>$6,865,314</td>
</tr>
<tr>
<td>Houston</td>
<td>$1,313,203</td>
<td>$902,472</td>
<td>$1,078,068</td>
<td>$1,138,228</td>
<td>$1,138,228</td>
</tr>
<tr>
<td>Soldotna</td>
<td>$6,877,116</td>
<td>$6,688,921</td>
<td>$7,107,680</td>
<td>$6,595,539</td>
<td>$8,432,249</td>
</tr>
<tr>
<td>North Pole Expenditure Per Capita $2,525</td>
<td>$2,522</td>
<td>$2,416</td>
<td>$2,292</td>
<td>$2,529</td>
<td></td>
</tr>
<tr>
<td>Peers' Population-Weighted Average</td>
<td>$1,568</td>
<td>$1,535</td>
<td>$1,657</td>
<td>$1,526</td>
<td>$1,743</td>
</tr>
</tbody>
</table>
The City of North Pole’s general administrative expenditures are lower across the five-years, when compared to the peer weighted-average (based on population). Growth per year in general administrative expenditures, at 3.4 percent, is approximately the same as City of Dillingham (at 3.7 percent per year) and less than Houston (5.8 percent per year). Soldotna’s rate declined at -1.1 per cent per year. The City of North Pole’s per capita general administrative expenditures were $387 in 2014, just slightly higher than the peer group’s weighted average of $370 per person. Per capita general administrative expenditures were lower than the peer group for the years 2010 to 2013.

**Police and Fire**

The total cost of the City of North Pole’s police department was $1.9 million, compared to $2.1 million for Soldotna, and $0.8 million for City of Dillingham, all in 2014. The 2014 North Pole fire department budget was $2.1 million or approximately one-third of Fairbanks’ expenditures of $6.3 million. City of Fairbanks has approximately 32,000 residents, compared to the City of North Pole’s 2,200 citizens (rounded). However, neither the City of Fairbanks nor any of the other peer communities had two refineries operating within city limits. The Flint Hills refinery now functions only as a fuel terminal, while the Petro Star refinery continues operations. City of North Pole’s fire department is the lead first responder for Flint Hills and Petro Star, with mutual-aid agreements signed with nearby military fire departments as well as Fairbanks North Star Borough.

The City of North Pole’s fire and police departments’ cost per capita is approximately two to four times more expensive than weighted-average peer costs. For example, in 2014 City of North Pole’s police cost was $845 per capita and its fire department cost was $937 per capita; these compare with $306 and $177 for peers’ police and fire costs, also on a per capita basis. However, the City of North Pole’s police and fire departments receive fees to provide limited services outside of city limits, thereby reducing the actual per capita amount City of North Pole residents pay for services. Below is an explanation for how these contract numbers alter North Pole’s per capita revenue figures, using current 2016 contract fees as an example.

- The fire department contracts with the FNSB to provide ambulance services, which are $420,000 in 2016. Fees charged for ambulance transportation provided an additional $92,000 per year, for a total of $511,000 of estimated revenue in 2016. When the contract funding is factored out of the 2014 numbers, the per capita fire department spending is $705, or $232 less per capita.
• The police department contracts with the US Army Corps of Engineers for seasonal (summer) service at the Chena Lakes Recreation Area, which will bring in a total of $82,000 of fees in 2016. When the contract funding is factored out of the 2014 numbers, the per capita police department spending is $808, or $37 less per capita.

The net result of these revenues is a reduction in net per capita cost to City of North Pole residents.5

Public Works

The City of North Pole’s per capita public works expenditures were $283 in 2014, compared to $404 per capita for the weighted-average of the three peer communities, approximately 25 percent less.

Total Expenditures

Total city expenditures in 2014 were approximately $5.6 million, compared to $6.9 million (City of Dillingham), $1.1 million (City of Houston), and $8.4 million (City of Soldotna). Per capita costs for City of North Pole were $2,529 compared to $1,743 for the weighted-average per capita amount for the peer communities.6

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5 This analysis effort did not include a detailed review of the budgets of other comparative municipalities, and therefore they too may have contract dollars factored into their total department budgets that have not been considered here.

6 This overall North Pole weighted-average per capita amount does not take into consideration the police and fire contract amounts discussed above.
Land Use and Housing

Land Use

The Fairbanks North Star Borough (FNSB) oversees land use and zoning throughout the borough, including for the City of North Pole. The city can provide recommendations regarding land use and zoning to the FNSB for consideration. The FNSB Planning Commission has a dedicated seat reserved for a City of North Pole representative. In recent years, North Pole has been unable to find a city resident to serve on the Commission, so the seat has been empty.

The FNSB created a North Pole Land Use Plan as a component of the FNSB Regional Comprehensive Plan. The plan was directed by a Land Use Advisory Committee made up of North Pole residents and business owners, and involved input from the North Pole Business Advisory Committee and the general public. The City of North Pole passed a resolution of support for the plan in 2009, and the plan was adopted by the Borough Assembly in 2010. A copy of the Land Use Plan is included in Appendix E.

Large portions of land in North Pole have generalized land use policies that allow for flexible development; however, there are a number of areas in the city that are not zoned appropriately. For example, the “General Use” zoning designation is intended for rural areas and requires one acre minimum lot sizes; there are parts of the city with the general use designation that do not meet this requirement. Re-zoning could increase opportunities and reduce barriers for new development. In addition, while neighboring Fairbanks has limited undeveloped land available for housing, North Pole has land available within the City with water and sewer services available. While the City of North Pole saw modest growth from 2000 to 2010, the most significant growth has been in the census tracts surrounding the city, with growth rates as high as 40.5 percent (see Figure 29).

Housing

Figure 28 lists household characteristics for Alaska, FNSB and the City of North Pole based on 2010 Census data. The average household size in North Pole is 2.54 persons, very similar to the statewide and FNSB number. The homeowner vacancy rate is 4.6 percent, which is double the FNSB rate of 2.3 percent and also higher than the statewide number of 1.7 percent. North Pole’s rental vacancy rate is 9.1 percent, which is nearly identical to the FNSB and slightly higher than the Alaska average of 6.6 percent.

According to the 2014 North Pole Radius Study, residents of the greater North Pole area have a higher preference for home ownership compared with Fairbanks residents.

“\[quote\]I fell in love with this town as soon as we found it! Alaska is beautiful and this town is quaint and adorable, I really don’t want it to change too much!\]”

- community survey respondent

| Figure 28: Household Characteristics for Alaska, FNSB and North Pole, 2010 Census |
|---------------------------------|-----------------|-----------------|-----------------|
|                                | Alaska | Fairbanks North Star Borough | North Pole |
| Average household size         | 2.65   | 2.56                         | 2.54          |
| Average family size            | 3.21   | 3.13                         | 3.13          |
| Total housing units            | 306,967| 41,783                       | 916           |
| Homeowner vacancy rate         | 1.7%   | 2.3%                         | 4.6%          |
| Rental vacancy rate            | 6.6%   | 9.0%                         | 9.1%          |

Source: United States Census Bureau, 2010 Census
The construction of new units has decreased significantly over the past 10 years in both Fairbanks and North Pole. See Figure 30 for annual report of new structures in Fairbanks, North Pole and the Balance of Borough. The table further illustrates the fastest growth in the FNSB is occurring outside the limits of the two municipalities. With the recent decision to bring two squadrons of F-35 fighter jets to Eielson Air Force Base (EAFB), there will be an increased demand for housing in the area over the coming years. According to the FNSB Housing Needs Assessment, the City of North Pole is in the anticipated Housing Market Area (HMA) for EAFB, which also includes Moose Creek and a small portion of Salcha. The Air Force anticipates there will be approximately 314 households looking for off base housing within the HMA. The Housing Assessment estimates there are 715 vacant housing units within the HMA, and therefore much of the increased housing need for EAFB military households could be met by increasing occupancy in housing units that are currently vacant.

7 The “Balance of Borough” includes all areas of the FNSB not contained within a city; in this case, all land that is not a part of the City of Fairbanks or the City of North Pole.
According to survey and interview results, many residents and developers feel that current building and permit codes in North Pole are burdensome and discourage new development. In contrast, some survey respondents feel that zoning is too loose, and would like to see more enforcement from the FNSB on current zoning restrictions related to junk yards and unkempt lots in North Pole. Per FNSB zoning rules, junk yards are allowed in general use zones but require sight-obscuring screens (e.g., fences). Junk yards are not allowed in residential zones. FNSB staff do not seek out violations; they may only take action after receiving a written complaint from someone shown to have standing (e.g., an adjacent land owner or through a road service area). There has only been one written complaint filed in North Pole city limits since 2010.

**Figure 30: New Structures by Unit, Annual Report 2001-2015**

<table>
<thead>
<tr>
<th>Year Built</th>
<th>City of Fairbanks</th>
<th>City of North Pole</th>
<th>Balance of Borough</th>
<th>New Construction (ALL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>29</td>
<td>7</td>
<td>562</td>
<td>598</td>
</tr>
<tr>
<td>2002</td>
<td>50</td>
<td>6</td>
<td>593</td>
<td>649</td>
</tr>
<tr>
<td>2003</td>
<td>80</td>
<td>10</td>
<td>704</td>
<td>794</td>
</tr>
<tr>
<td>2004</td>
<td>65</td>
<td>50</td>
<td>858</td>
<td>973</td>
</tr>
<tr>
<td>2005</td>
<td>82</td>
<td>42</td>
<td>820</td>
<td>944</td>
</tr>
<tr>
<td>2006</td>
<td>83</td>
<td>39</td>
<td>780</td>
<td>902</td>
</tr>
<tr>
<td>2007</td>
<td>243</td>
<td>37</td>
<td>708</td>
<td>988</td>
</tr>
<tr>
<td>2008</td>
<td>154</td>
<td>11</td>
<td>372</td>
<td>537</td>
</tr>
<tr>
<td>2009</td>
<td>337</td>
<td>2</td>
<td>398</td>
<td>737</td>
</tr>
<tr>
<td>2010</td>
<td>95</td>
<td>11</td>
<td>423</td>
<td>529</td>
</tr>
<tr>
<td>2011</td>
<td>50</td>
<td>5</td>
<td>677</td>
<td>732</td>
</tr>
<tr>
<td>2012</td>
<td>35</td>
<td>5</td>
<td>338</td>
<td>378</td>
</tr>
<tr>
<td>2013</td>
<td>38</td>
<td>1</td>
<td>254</td>
<td>293</td>
</tr>
<tr>
<td>2014</td>
<td>15</td>
<td>2</td>
<td>228</td>
<td>245</td>
</tr>
<tr>
<td>2015</td>
<td>2</td>
<td>0</td>
<td>6</td>
<td>8</td>
</tr>
</tbody>
</table>

**NOTE:** The above table is from the FNSB Community Research Quarterly (Summer 2015), with information from the FNSB Assessment Department. Please note the 2015 numbers only include data from the first quarter of the year.

“I have loved living in the North Pole area and am proud of that but I do feel discouraged when I hear comments like ‘I don’t care what people outside city limits think.’ With that kind of attitude I think the city will find it hard to incorporate property into city limits… I believe the city would find it hard to support itself if not for those that pay sales taxes that do not live in North Pole.

Cooperation and collaboration are important.

-community survey respondent
Annexation Potential

The city is considering annexation of two areas. First, the area affected by the sulfolane contamination, “Potential Annexation Area Number 1”, is approximately 7,097 acres, based on GIS data provided by the FNSB (see Figure 31). The City of North Pole is also exploring annexation of the Chena Lakes Area, or “Potential Annexation Area Number 2” (see Figure 35). The second area is much larger – 108,609 acres based on FNSB’s GIS data – but has fewer developed parcels than the sulfolane area. This section provides an overview of the land use and development patterns of the two potential annexation areas, as well as an estimate of the potential property tax revenues and cost of providing services. Following the analysis is a summary of the full set of evaluation criteria used by the Local Boundary Commission to assess proposed municipal annexations.
Figure 31: Potential Annexation Area #1: Sulfolane Contaminated Area

Map Source: FNSB Planning Department
Potential Annexation Area #1: Sulfolane Contaminated Area

Figure 32 shows the projected additional acres that would become part of the City of North Pole if the sulfolane contaminated area was annexed into the city. Acreage is sorted by primary use and tax status. This information was obtained from the FNSB and uses the FNSB’s primary use categories, which are based on FNSB codes and appraisal data. Approximately 34 percent of the total acreage is taxable at this time. Of the vacant land acres, many are owned by private individuals and could be locations for new taxable developments in the future.

Figure 32: Acres of Taxable and Non-Taxable Property for Potential Annexation Area #1

<table>
<thead>
<tr>
<th>Primary Use</th>
<th>Taxable</th>
<th>Non-Taxable</th>
<th>Total</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assembled 1</td>
<td>0</td>
<td>8</td>
<td>8</td>
<td>0%</td>
</tr>
<tr>
<td>Commercial 2</td>
<td>195</td>
<td>1</td>
<td>196</td>
<td>3%</td>
</tr>
<tr>
<td>Exempt 3</td>
<td>0</td>
<td>26</td>
<td>26</td>
<td>0%</td>
</tr>
<tr>
<td>Farm Use 4</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>0%</td>
</tr>
<tr>
<td>Industrial 5</td>
<td>43</td>
<td>1</td>
<td>44</td>
<td>1%</td>
</tr>
<tr>
<td>Multi-family 6</td>
<td>20</td>
<td>0</td>
<td>20</td>
<td>0%</td>
</tr>
<tr>
<td>Other (misc) 7</td>
<td>24</td>
<td>0</td>
<td>24</td>
<td>0%</td>
</tr>
<tr>
<td>Parking Lot 8</td>
<td>20</td>
<td>0</td>
<td>20</td>
<td>0%</td>
</tr>
<tr>
<td>Residential 9</td>
<td>1,037</td>
<td>0</td>
<td>1,037</td>
<td>15%</td>
</tr>
<tr>
<td>Vacant Land 10</td>
<td>1,050</td>
<td>1,881</td>
<td>2,931</td>
<td>41%</td>
</tr>
<tr>
<td>State of Alaska 11</td>
<td>0</td>
<td>2,789</td>
<td>2,789</td>
<td>39%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,391</strong></td>
<td><strong>4,706</strong></td>
<td><strong>7,097</strong></td>
<td><strong>100%</strong></td>
</tr>
<tr>
<td>% of Total</td>
<td><strong>33.7%</strong></td>
<td><strong>66.3%</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Compiled by Northern Economics with data from the Fairbanks North Star Borough GIS 1.
1. Assembled: One building that extends over two or more lots.
2. Commercial: Parcels with commercial activities such as shops, office, theaters or restaurants.
3. Exempt: Parcels that are tax exempt, including government-owned, educational facilities, religious buildings.
4. Farm Use: parcels that support agriculture, including crop land, barns and greenhouses.
5. Industrial: parcels used for industrial activities such as fabrication, welding, processing or storage.
6. Multi-family: All residential parcels involving multi-unit construction, including duplexes.
7. Other (misc): all parcels that do not fit within other categories.
11. Land owned by the State of Alaska.
Figure 33 shows the number of parcels in the proposed sulfolane annexation area that have been identified as having improvements, sorted by primary land use. In this case, “improvements” can include buildings, infrastructure, driveways or other value-added modifications to a property. For example, there are 679 residential properties with homes, along with seven multi-family homes and one farmstead. Taxation is based on the value of improvements on a property and is unrelated to the primary land use classification.

**Figure 33: Parcels with Improvements in Potential Annexation Area #1**

<table>
<thead>
<tr>
<th>Primary Use</th>
<th>Taxable</th>
<th>Non-Taxable</th>
<th>Total</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assembled</td>
<td>0</td>
<td>25</td>
<td>25</td>
<td>3%</td>
</tr>
<tr>
<td>Commercial</td>
<td>27</td>
<td>1</td>
<td>28</td>
<td>3%</td>
</tr>
<tr>
<td>Exempt</td>
<td>0</td>
<td>4</td>
<td>4</td>
<td>0%</td>
</tr>
<tr>
<td>Farm Use</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Industrial</td>
<td>10</td>
<td>1</td>
<td>11</td>
<td>1%</td>
</tr>
<tr>
<td>Multi-family</td>
<td>7</td>
<td>0</td>
<td>7</td>
<td>1%</td>
</tr>
<tr>
<td>Other (Misc)</td>
<td>15</td>
<td>0</td>
<td>15</td>
<td>2%</td>
</tr>
<tr>
<td>Parking Lot</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Residential</td>
<td>679</td>
<td>0</td>
<td>679</td>
<td>82%</td>
</tr>
<tr>
<td>Vacant Land</td>
<td>0</td>
<td>62</td>
<td>62</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>740</strong></td>
<td><strong>93</strong></td>
<td><strong>833</strong></td>
<td><strong>100%</strong></td>
</tr>
<tr>
<td><strong>% of Total</strong></td>
<td><strong>89%</strong></td>
<td><strong>11%</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Compiled by Northern Economics with data from the Fairbanks North Star Borough GIS

The annexation area is home to an estimated 687 households, which equate to a population of approximately 1,745 residents. This is based on an average of 2.54 people per household.\(^8\) The area encompasses 1,039 taxable parcels and 93 non-taxable parcels for a total of 1,132 parcels, including residential parcels in five neighborhoods identified in the GIS database.\(^9\) North Pole’s mill rate (3.5 mills) was used to calculate total estimated property tax on the 1,039 taxable parcels. If these households were annexed into the City of North Pole, they would generate an estimated $504,000 in property tax for the city.

City of North Pole department heads estimated the additional staffing needs and equipment requirements they would need to service the proposal annexation area. Results are shown in Figure 34. Team members used the City of North Pole’s 2016 budget figures to generate an average annual cost per full time equivalent (FTE) employee; these costs were extrapolated and added to estimate the costs of the additional staffing to provide city services to the annexation area. The total estimated increase in personnel costs was $860,000 (rounded) with $625,000 of equipment, for an estimated total of $1.5 million of increased costs to service the sulfolane annexation area. These costs are higher than the estimated increased property tax from the area of $504,000. While this initial comparison shows a potential net financial loss from annexing the sulfolane area (approximately $996,000), additional analysis is needed to better understand the full costs and benefits of

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\(^8\) The 2.54 people per household figure comes from the State of Alaska, Department of Labor and Workforce Development, Research and Analysis, Alaska Local and Regional Information (ALARI).

\(^9\) Property taxes are paid on the mill rate times the assessed (taxable) value, which is not always the same as the appraised value. Assessed property values are determined by the FNSB assessor and certified appraisers. Mill rates are determined by municipal officials and approved by the Borough (in the case of the FNSB) or City Council (for North Pole). A mill is a monetary unit equal to 1/1,000 of a US dollar. For example, a property with $100,000 of assessed value, in an area with a mill rate of 10 mills, would generate property tax revenue of $10 for each $1,000 of assessed value or $10 times 100 (which is $100,000 divided by 1,000 – a “mill”), a total of $1,000.
annexation, including the existence of sales tax-generating properties, long-term development plans in the area and non-monetary benefits of annexation such as expanded services to households with contaminated water.

**Figure 34: Projected Staffing, by Department, and Equipment for Potential Annexation Area #1**

<table>
<thead>
<tr>
<th>Department</th>
<th>Current FTE, Paid</th>
<th>Additional paid FTE for sulfolane annexation</th>
<th>Additional annual equipment needs/ costs, sulfolane annexation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admin</td>
<td>5.25</td>
<td>.5</td>
<td>$50,000</td>
</tr>
<tr>
<td>Police</td>
<td>14</td>
<td>4</td>
<td>$225,000</td>
</tr>
<tr>
<td>Fire</td>
<td>15</td>
<td>2</td>
<td>$100,000</td>
</tr>
<tr>
<td>Public Works</td>
<td>2.75</td>
<td>0</td>
<td>$250,000+</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>1</td>
<td>$0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>40</strong></td>
<td><strong>7.5</strong></td>
<td><strong>$625,000</strong></td>
</tr>
</tbody>
</table>

*Source: City of North Pole, 2016.*

**Potential Annexation Area #2: Chena Lake Annexation**

Figure 35 shows a map of the proposed annexation area #2, which encompasses the Chena Lakes Recreation Area. The City of North Pole is already providing seasonal police services in the area. Annexation would open up opportunities for additional subdivisions that may be interested in annexation to join the city, and could also bring in future revenues from pipeline infrastructure and the development of lands adjacent to Eielson Air Force Base.
Figure 35: Potential Annexation Area #2: Chena Lakes

Map Source: FNSB Planning Department
Figure 36 below shows the projected acreage of this annexation, by primary use and tax status. This information was obtained from the FNSB and it uses the Borough’s same primary use categories.

**Figure 36: Acres of Taxable and Non-Taxable Property for Potential Annexation Area #2**

<table>
<thead>
<tr>
<th>Primary Use</th>
<th>Taxable Acres</th>
<th>Non-taxable Acres</th>
<th>Total</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>105</td>
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<td>0%</td>
</tr>
<tr>
<td>Exempt, Federal</td>
<td>0</td>
<td>890</td>
<td>890</td>
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<tr>
<td>Residential</td>
<td>66</td>
<td>0</td>
<td>66</td>
<td>0%</td>
</tr>
<tr>
<td>Vacant Land</td>
<td>51,676</td>
<td>55,872</td>
<td>107,548</td>
<td>99%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>51,847</strong></td>
<td><strong>56,762</strong></td>
<td><strong>108,609</strong></td>
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<tr>
<td><strong>% of Total</strong></td>
<td><strong>48%</strong></td>
<td><strong>52%</strong></td>
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</tbody>
</table>

Source: Compiled by Northern Economics with data from the Fairbanks North Star Borough GIS

NOTE: primary use category definitions are available in Figure 32

There are four commercial tracts listed in the GIS database and a single residential parcel (Figure 37). Based on property values, the five properties would bring in $8,493 in property tax revenues to the City of North Pole if the area were annexed, based on the current 3.5 mill rate.

**Figure 37: Parcels with Improvements in Potential Annexation Area #2**

<table>
<thead>
<tr>
<th>Primary Use</th>
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<th>Non-Taxable</th>
<th>Total</th>
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<td>Commercial</td>
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<tr>
<td>Exempt, Federal</td>
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<td>0</td>
</tr>
<tr>
<td>Residential</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Vacant Land</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5</strong></td>
<td><strong>0</strong></td>
<td><strong>5</strong></td>
</tr>
</tbody>
</table>

Source: Compiled by Northern Economics with data from the Fairbanks North Star Borough GIS

Due to the low population within potential annexation area #2 and the fact that the City of North Pole is already providing limited emergency response services to the area, city department heads estimated that no additional staffing or equipment would be necessary if the Chena Lakes area were to be annexed into the City of North Pole.

A more significant potential source of property tax revenue, not listed in Figures 36 or 37, are those taxes that would be generated from the portion of the Trans-Alaska Pipeline System (TAPS) and associated Right-of-Way that runs through Potential Annexation Area #2. In summary:

- Information obtained from FNSB staff states TAPS litigation over valuation has been settled for the next five years (as of 2016). FNSB’s negotiated per lineal foot rate for TAPS is $1,017.09.
- The section of TAPS that traverses Annexation Area #2 is estimated between 7,065 and 19,306 lineal feet (figures that would be refined, depending on final designs and survey).
- When the $1,071.09 amount is applied to these lengths, the potential assessed value of TAPS is between $7,185,741 and $19,635,940.
- Finally, when the City of North Pole 3.5 mill rate is applied to those assessed values, the calculation indicates potential annual tax revenue from TAPS to the City of North Pole ranging from $25,150 to $68,726.
• Together, with the estimated $8,493 for other properties (listed above), additional City of North Pole revenue generated by potential Annexation Area #2 would range from $33,643 to $77,219.

It is important to note, as a result of annexing this area, the City of North Pole may lose its contract funds (approximately $80,000 annually) from the Army Corps of Engineers to provide police services to the Chena Lakes Area. That said, the area also has a large amount of vacant land, suggesting the area could have development and expansion potential; depending on land ownership, these areas could bring in additional revenue to the city through property and sales tax. However, most of the vacant land is owned by the federal Bureau of Land Management and the U.S. Army Corp of Engineers, where taxable development is less likely to occur. Further analysis is needed to better understand the costs and benefits of annexation, including more accurate data regarding TAPS length and related property tax potential, existence of sales tax-generating properties, the status of the Army Corps police contract and long-term development plans in the area.

Annexation Considerations
The Local Boundary Commission (LBC) is part of the State of Alaska’s Department of Commerce, Community, and Economic Development (DCCED), Division of Community and Regional Affairs. It was established by Alaska’s Constitution to receive, review, and make final decisions on petitions for various municipal actions, including annexation. Article 3 of Alaska’s Administrative Code (3 AAC 110.090) offers annexation guidelines for the LBC. The State of Alaska has a specific process in place for communities considering annexation; to learn more, visit the following webpage: www.commerce.alaska.gov/web/dcr/LocalBoundaryCommission/Information.aspx.

There are five categories of evaluation criteria: need, character, resources, population and boundaries, with sub-criteria that define each of the categories. The five categories are summarized below.

NEED: A basic requirement is the annexed territory must exhibit a reasonable need for city government. A number of factors are considered by the LBC:

• Existing or anticipated social or economic conditions, including growth, during the 10 years following the effective date of annexation.
• Existing or anticipated health, safety, and general welfare.
• Existing or anticipated economic development.
• Adequacy of existing services.
• Extraterritorial powers available to North Pole and nearby municipalities.
• Whether residents may expect to receive benefits of services and facilities provided by North Pole.
• Can other cities provide more efficient municipal services?

CHARACTER: The LBC believes the annexed lands must be compatible with the annexing city, including:

• Land use, plating, and ownership.
• Salability of land for residential, commercial, or industrial use.
• Population density.
• Reasons behind recent population changes.
• Suitability of the annexed land.
• Existing transportation patterns.
• Natural geographic and environment factors.
RESOURCES: North Pole’s expanded boundaries must have the financial and human resources to provide essential municipal services in an efficient, cost-effective way. There are several factors that the LBC will consider:

- City functions in the annexed territory.
- New city expenses.
- Income from the annexations.
- Financial impacts on operating and capital budgets through a full fiscal year beyond the date of annexation.
- Economic base of the annexed lands after joining North Pole.
- Taxable property in the proposed annexations.
- Land use in the proposed annexations.
- Existing and expected development of industrial, commercial and other resources.
- Personal income of residents in the annexed areas.
- Need and availability of skilled and unskilled staff to serve North Pole.

POPULATION: The LBC must determine if the population of North Pole, following annexation, is large and stable enough to support increased government services. Relevant factors include:

- Census numbers.
- Residency patterns.
- Historical population trends.
- Seasonal population changes.
- Age distributions.
- Public school enrollment.
- Permanent fund dividend applications, Department of Revenue.

BOUNDARIES: Do the proposed boundaries of North Pole include the land and water necessary to provide essential municipal services, including cost-effectiveness? Factors evaluated by the LBC include:

- Land use, ownership.
- Population density.
- Transportation patterns and facilities.
- Natural geographic and environmental factors.
- Extraterritorial powers of North Pole.
- Contiguous lands, with no enclaves.
- Are the annexed lands serving predictable growth over the next 10 years?
- Are there large areas of unpopulated territory?
- Does the proposed annexation overlap other municipal boundaries?
Parks, Recreation and Transportation

Trails, Parks and Recreation

The City Public Works Department maintains over 11 miles of North Pole trails and is responsible for beautification throughout town, especially along Santa Claus Lane, around City Hall and within the roundabouts. North Pole is home to ten parks, eight of which are owned and operated by the Public Works Department. A map showing the parks and available facilities at each park is available on the City’s website: www.northpolealaska.com/parksites. The list includes a dog park, picnic areas, athletic fields, a BMX bike park and other facilities. North Pole is next door to the state-owned Chena Lakes Recreation Area, a popular destination that offers camping, volleyball courts, trails, swimming, boating access, fishing and groomed winter trails. North Pole also has a popular new library with space for community events and meetings.

There is an active network of community organizations, including churches, in the North Pole area. The popular Santa’s Senior Center coordinates and hosts a wide range of community activities and meals. However, survey and interview results indicate residents would like more recreation opportunities in North Pole, especially indoor activities and spaces for youth. Aside from school-organized sports and annual events, there are very few activities or locations for young people in North Pole. As seen in Figure 38, fewer than 30 percent of respondents said they were satisfied or very satisfied with youth activities in the community and only 20 percent were satisfied or very satisfied with museum, art and culture. Parks, recreation and trails received slightly higher marks with over half of respondents answering they were satisfied or very satisfied.

“I think North Pole has a lot to offer that people do not know about. I don’t think people know about the nature trail or the fitness trail. I also think a lot of activities happen that people don’t know about -- the new events committee is a great start for improving this!”

- community survey respondent

“We are lucky to have the continued support of the area’s senior citizens. We are so grateful to the city of North Pole for showing their support to these individuals who tough it out and have contributed their talents, abilities and monies to the area.”

- community survey respondent
Transportation

The Richardson Highway and the Alaska Railroad pass through the City, linking North Pole to the rest of the state and Canada. There are five privately owned airstrips in the vicinity and Fairbanks International Airport is nearby. The Fairbanks North Star Borough (FNSB) Bus System provides service for North Pole residents along the Green Line, and the FNSB Van Tran program provides paratransit services for senior citizens and disabled residents.

The Fairbanks Metropolitan Area Transportation System (FMATS) is the regional transportation planning entity and covers the entire urbanized portion of the Fairbanks North Star Borough, including Fairbanks and North Pole. The mayor of North Pole sits on the FMATS Policy Committee. For a map of major transportation routes in the FMATS area, see Figure 39.

“[I like North Pole because] I have the ability to get to Fairbanks quickly but not live in Fairbanks.”
- community survey respondent
The FNSB, the Alaska Department of Transportation and Public Facilities and the City of North Pole are all responsible for certain designated roads and street maintenance in the area. Outside the cities of Fairbanks and North Pole, the FNSB has over 100 Road Service Areas (RSAs) which each have unique mill rates and levels of road service, as decided by local RSA Commissions. There are also parts of the FNSB without RSA designations; these areas do not receive any road maintenance at all.

North Pole has seen a number of recent transportation upgrades such as pedestrian facilities, highway lighting, roundabouts, rehabilitated bike paths and improved interchanges with the Richardson Highway. While the roundabouts received a mixed reception when first installed, crashes at the intersections have been reduced by 68 percent, according to an interview with Alaska Department of Transportation and Public Facilities engineering manager Carl Heim as reported in the Fairbanks Daily News-Miner.


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Many residents commute to jobs in Fairbanks. The region has cold, dark winters with icy roads, making road maintenance and safety an ongoing challenge for the city public works department and for commuters.

“Wonderful job beautifying and decorating the central areas, developing the fitness trail course and the central park/playground, and adding the sidewalk along the frontage road.”

-community survey respondent
Energy

Interior Alaska has struggled with a lack of affordable energy options for decades. Energy costs are especially high during winter, when temperatures can reach well below 0°F. While average home energy consumption in the Fairbanks North Star Borough (FNSB) is less than Anchorage, energy costs are almost 2.9 times more (See Figure 40). According to the Alaska Housing Finance Corporation (AHFC) 2014 Alaska Housing Assessment, the average annual energy cost for homes in the FNSB is $8,110. Energy has been a top legislative priority for the City of North Pole for the past two years.

Figure 40: Average Annual Home Energy Cost and Use for FNSB, Anchorage and Nationwide

![Figure 40](image)

Source: AHFC 2014 Alaska Housing Assessment

Due to the unique combination of weather conditions, geography and home heating types in the FNSB, the region also faces challenges related to air quality and high concentrations of particulate matter in the air. For additional information regarding air quality, please see the Environmental Health Section.

North Pole is home to a refinery owned by Petro Star, a subsidiary of Arctic Slope Regional Corporation. The refinery produces heating fuel, kerosene, diesel and jet fuel, and is moving forward with the construction of a $20 million asphalt plant at its North Pole Refinery, with plans to be fully operational in summer 2016. A larger refinery in North Pole owned by Flint Hills Resources closed in 2014 and is now serving as a simple fuel terminal.

The State of Alaska initiated the Interior Energy Project to combat high energy costs and air quality challenges. The Interior Energy Project is a partnership between the Alaska Industrial Development and Export Authority (AIDEA), the Alaska Energy Authority and other state departments. The Interior Energy Project provides the financial tools and resources to address poor air quality and high energy costs by bringing natural gas to Interior Alaska. In order to support the effort on a local level, the FNSB established the Interior Gas Utility (IGU) in 2012. IGU is a public utility, with the primary objective “to provide low cost, clean burning, natural gas to the largest number of customers in the FNSB as soon as possible.”

“If natural gas is a cheaper alternative to fuel, it will be a great investment for North Pole’s future.”

- community survey respondent

In summer 2015, the Interior Gas Utility started phase one of a six-phase natural gas distribution system build-out in the North Pole area. This means North Pole will be the first in the interior to receive natural gas as a result of the project. In March 2016, AIDEA and IGU selected Salix as the natural gas supplier to bring
natural gas to the interior. IGU is hoping to achieve a cost equivalent to or less than $15 per thousand cubic feet, which is equivalent to $2.00 per gallon heating oil. However, residents have expressed concerns over whether prices will be competitive and whether enough homes will convert to natural gas for the project to be feasible. To complicate matters, in December 2015 Golden Valley Electric Association reduced their estimates for natural gas in favor of naphtha oil from Petro Star, which introduces additional demand and price uncertainty into the project. In addition, the significant drop in oil prices during the second half of 2015 means there is less demand for a fuel alternative such as natural gas. If low oil prices continue, efforts to bring natural gas to Interior Alaska will likely remain a lower priority.

In the community survey, residents were asked whether or not they agreed the cost of energy is a barrier to living in North Pole. Results to the question are shown in Figure 41. About 69 percent of residents said they agree or strongly agree the cost of energy is a barrier to living in North Pole. Many participants who answered neutral or disagree feel that while energy costs are a barrier to living in Interior Alaska, the community of North Pole does not face comparatively higher energy costs than its other regional neighbors such as Fairbanks. The survey was open July – November 2015; in the months since then, fuel costs throughout Alaska have declined dramatically and the demand for immediate action to reduce energy costs has declined. In the long term, however, more affordable and reliable energy sources will need to be identified in Interior Alaska.

"Energy costs are high throughout Alaska, not just here.”
- community survey respondent

Figure 41: Survey Responses to the Question,
"Please indicate your level of agreement with this statement: 'The cost of energy is a barrier to living in North Pole.'"

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>37.6%</td>
<td>Strongly agree</td>
</tr>
<tr>
<td>31.0%</td>
<td>Agree</td>
</tr>
<tr>
<td>17.9%</td>
<td>Neutral</td>
</tr>
<tr>
<td>11.4%</td>
<td>Disagree</td>
</tr>
<tr>
<td>2.2%</td>
<td>Strongly disagree</td>
</tr>
</tbody>
</table>

Environmental Health

The City of North Pole is surrounded by scenic landscapes, with reliable access to open space and recreation. However, the community is facing two serious environmental health concerns, one related to air quality and the other related to water quality.

Air Quality

The entire Fairbanks North Star Borough has high rates of a pollutant called “particulate matter” or PM$_{2.5}$. Particulate matter of this size can pass into the lungs, causing a variety of health problems and related economic and social costs. For a summary of health impacts caused by PM$_{2.5}$, please refer to Appendix F. The Fairbanks North Star Borough was designated as a nonattainment area for PM$_{2.5}$ in December 2009.12 According to a 2012 study commissioned by the FNSB, an estimated 60-80 percent of PM$_{2.5}$ in the FNSB during winter originates from wood smoke, most likely residential wood combustion.13 Preliminary monitoring results in parts of North Pole indicate levels of PM$_{2.5}$ may be even higher in North Pole than Fairbanks. However, many residents say the current monitoring location is in a particularly cold and polluted area and is not representative of the air in the greater North Pole area. As a result, North Pole residents would like to see additional monitoring at other sites throughout the city in order to better understand the air quality situation in North Pole.

The Alaska Department of Environmental Conservation (ADEC) worked with the Environmental Protection Agency (EPA) and the FNSB to identify strategies to reduce PM$_{2.5}$, including regulations targeting open burning, wood-fired heating device visible emission standards, solid fuel-fired heating device fuels, wood-fired heating device standards, and PM$_{2.5}$ air episode and advisories. The FNSB also initiated an education program, stove change-out program and other measures to address air quality. Unfortunately, the lack of an affordable alternate energy source for many FNSB residents is a significant barrier to substantially reducing PM$_{2.5}$. As discussed in the Energy section, plans to bring natural gas to Interior Alaska will play a significant role in bringing PM$_{2.5}$ down to allowable levels.

Figure 42: Map of Proposed Nonattainment Area Boundaries

Source: Alaska Department of Environmental Conservation, Division of Air Quality

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12 Alaska Department of Environmental Conservation, Division of Air Quality. “Air Non-Point Mobile Source: PM2.5 – Fairbanks.” [http://dec.alaska.gov/air/anpms/pm/pm2-5_fnbs.htm](http://dec.alaska.gov/air/anpms/pm/pm2-5_fnbs.htm)

13 Source Apportionment of PM$_{2.5}$ in a Subarctic Airshed - Fairbanks, Alaska, Aerosol and Air Quality Research, 12: 536–543, 2012 as cited in FNSB’s Air Quality Comprehensive Plan
In November 2015, the State of Alaska submitted a proposal to EPA to consider dividing the current non-attainment area into two non-attainment areas. The line would be drawn along Badger Road (see the proposed divide in Figure 42). According to the ADEC press release and a letter to the EPA, the two areas experience differences in pollution sources, air quality readings and residential activity patterns, and would benefit from customized approaches to address the unique situation in each area. The western area (Fairbanks) has seen a downward trend in concentrations since 2010. However, the eastern area (including the City of North Pole) will likely experience more challenges in addressing air quality, as stated in the ADEC’s request to EPA: “…Information indicates that Fairbanks is on a short-term path towards attainment of the 24-hour PM2.5 standard, while North Pole has a challenging, difficult path to attainment. Because of the differences in air quality trends and factors affecting those trends, Alaska requests a change in the existing nonattainment boundary.”

In March 2016, the FNSB announced its decision to discontinue its efforts to manage air quality in the area as a part of a larger effort to trim down administrative costs. Since air quality testing in the area is currently required by EPA, the State of Alaska will take over the monitoring responsibilities.

Water Quality

North Pole and the surrounding area face numerous challenges with water quality. While the City of North Pole has piped infrastructure with quality water and metered water service, many private residential wells in the area have contamination issues including septic problems, elevated iron levels and chemical contamination from fire retardants and industrial solvent.

In particular, the industrial solvent sulfolane is a concern in the community. Sulfolane was discovered in 2009 in drinking water wells near the North Pole Refinery, which is owned by Flint Hills Resources Alaska. According to the Alaska Department of Environmental Conservation (ADEC) Division of Spill Prevention and Response, the sulfolane plume is approximately 2 miles wide, 3.5 miles long and over 300 feet deep, making it the largest in the state. Many of the contaminated sites are outside the City of North Pole boundaries. The plume has been migrating slowly to the north-northwest, and is being tracked by Flint Hills Refinery through periodic groundwater sampling throughout the area. Currently very little is known about the long-term impacts of sulfolane on human health. Per ADEC’s request, the National Toxicology Program is conducting research on the long-term impacts of sulfolane exposure, with results forecast to be available in Spring/Summer 2017. Clean-up plans have been delayed pending the results of the research study because the clean-up and remediation plans will need to identify an appropriate and acceptable cleanup level for long-term exposure. Flint Hills Refinery has been implementing a variety of steps as a part of an Onsite Cleanup Plan for the refinery to remove soil contamination, improve groundwater treatment systems and bolster fuel storage. In the interim, Flint Hills Refinery is providing affected residents with alternate drinking water supplies. This amounts to approximately 1,500 people, including those within a buffer zone just beyond the current plume. The City of North Pole is currently pursuing a lawsuit against the Flint Hills Refinery, which

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includes seeking capital funding to cover the cost of extending the current city water infrastructure to contaminated residential areas as well as restitution for past and future damages and clean-up costs.

Given the challenge associated with large-scale cleanup of groundwater, the city is recommending expansion of the municipal water system to all properties within city boundaries and is also investigating the possibility of extending water service to properties located within the sulfolane plume but outside of city boundaries. The city would likely only pursue this option if capital funding costs are covered for the expansion, which would be the case if the city wins the lawsuit against Flint Hills Refinery. In 2014, the City of North Pole sent out a survey to all property owners affected by the sulfolane plume, and those on the immediate boundary of the plume. Figure 43 shows a screenshot of the survey. Of the 780 surveys sent out, 193 surveys were returned. When asked if residents would be interested in piped water, 52 percent of respondents said yes, 25 percent said no and 23 percent were unsure. Respondents who were interested or maybe interested in piped water were asked a follow-up question of whether they would prefer annexation and municipal water or a private operator. Of the 129 who answered that question, 48 percent said they would prefer annexation and a municipally-operated system while 52 percent said they would prefer to receive water service from a private company.

Moose Creek, a community to the southeast of North Pole, is also impacted by contaminated groundwater. As of May 2016, between 160 and 175 homes in the area tested positive for elevated levels of perfluorooctane sulfonate (PFOS) and perfluorooctanoic acid (PFOA), man-made chemical compounds with the potential for adverse health effects. PFOS and PFOA were formerly used in firefighting foam at Eielson Air Force Base (EAFB) and at a firefighter training center in South Fairbanks; EAFB also has high concentration levels of the chemical on some areas of the base. EAFB currently provides water to Moose Creek residents impacted by the contamination. For more information about PFOS and PFOA, visit EPA’s Drinking Water Health Advisories page: https://www.epa.gov/ground-water-and-drinking-water/drinking-water-health-advisories-pfoa-and-pfos.

Figure 43: Water System Expansion into the Sulfolane Plume: Survey Questions

Moose Creek, a community to the southeast of North Pole, is also impacted by contaminated groundwater. As of May 2016, between 160 and 175 homes in the area tested positive for elevated levels of perfluorooctane sulfonate (PFOS) and perfluorooctanoic acid (PFOA), man-made chemical compounds with the potential for adverse health effects. PFOS and PFOA were formerly used in firefighting foam at Eielson Air Force Base (EAFB) and at a firefighter training center in South Fairbanks; EAFB also has high concentration levels of the chemical on some areas of the base. EAFB currently provides water to Moose Creek residents impacted by the contamination. For more information about PFOS and PFOA, visit EPA’s Drinking Water Health Advisories page: https://www.epa.gov/ground-water-and-drinking-water/drinking-water-health-advisories-pfoa-and-pfos.

# Appendix A: Abbreviations

<table>
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<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>ADEC</td>
<td>Alaska Department of Environmental Conservation</td>
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<tr>
<td>ADOTPF</td>
<td>Alaska Department of Transportation and Public Facilities</td>
</tr>
<tr>
<td>AIDEA</td>
<td>Alaska Industrial Development and Export Authority</td>
</tr>
<tr>
<td>AHFC</td>
<td>Alaska Housing Finance Corporation</td>
</tr>
<tr>
<td>AKRR</td>
<td>Alaska Railroad</td>
</tr>
<tr>
<td>CAGR</td>
<td>Compound Annual Growth Rates</td>
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<tr>
<td>CBD</td>
<td>Central Business District</td>
</tr>
<tr>
<td>DCCED</td>
<td>Alaska Department of Commerce, Community, and Economic Development</td>
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<td>DEC</td>
<td>Alaska Department of Environmental Conservation</td>
</tr>
<tr>
<td>DMV</td>
<td>Department of Motor Vehicles</td>
</tr>
<tr>
<td>EAFB</td>
<td>Eielson Air Force Base</td>
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<tr>
<td>EDD</td>
<td>Economic Development District</td>
</tr>
<tr>
<td>EIS</td>
<td>Environmental Impact Statement</td>
</tr>
<tr>
<td>EPA</td>
<td>Environmental Protection Agency</td>
</tr>
<tr>
<td>FEDC</td>
<td>Fairbanks Economic Development Corporation</td>
</tr>
<tr>
<td>FMATS</td>
<td>Fairbanks Metropolitan Area Transportation System</td>
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<tr>
<td>FNSB</td>
<td>Fairbanks North Star Borough</td>
</tr>
<tr>
<td>FNSBSD</td>
<td>Fairbanks North Star Borough School District</td>
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<tr>
<td>FTE</td>
<td>Full Time Equivalent</td>
</tr>
<tr>
<td>HMA</td>
<td>Housing Market Area</td>
</tr>
<tr>
<td>IGU</td>
<td>Interior Gas Utility</td>
</tr>
<tr>
<td>ISO</td>
<td>Insurance Service Office</td>
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<tr>
<td>LBC</td>
<td>Local Boundary Commission</td>
</tr>
<tr>
<td>NPEDC</td>
<td>North Pole Economic Development Corporation</td>
</tr>
<tr>
<td>PM$_{2.5}$</td>
<td>Particulate Matter (less than 2.5 micrometers in diameter)</td>
</tr>
<tr>
<td>PTSA</td>
<td>Parent-Teacher-Student Association</td>
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<tr>
<td>RPF</td>
<td>Permanent Fund Dividend</td>
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<tr>
<td>STIP</td>
<td>Alaska Statewide Transportation Improvement Program</td>
</tr>
<tr>
<td>TAPS</td>
<td>Trans-Alaska Pipeline System</td>
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<tr>
<td>UAF</td>
<td>University of Fairbanks</td>
</tr>
</tbody>
</table>
Appendix B: North Pole Area Maps

Map of Zip Codes around the City of North Pole

Zip Codes
- 99701
- 99702
- 99703
- 99705
- 99709
- 99712

City Boundaries
- City of Fairbanks
- City of North Pole

Sources: ESRI, HERE, GaLotra, Inteimap, Increment P Corp., OEDCO, USGS, P&G, NPS, NROAN, Geosam, ION, Kediatric NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community
North Pole Area Map
# Appendix C: Relevant Plans and Resources

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<td>Fairbanks Economic Development Corporation</td>
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<td>Community Research Quarterly</td>
<td>Fairbanks North Star Borough Community Research Center</td>
<td>2015</td>
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<tr>
<td>Air Quality Comprehensive Plan</td>
<td>Fairbanks North Star Borough</td>
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<tr>
<td>Request to Divide the Fairbanks Nonattainment Area</td>
<td>Alaska Department of Environmental Conservation</td>
<td>2015</td>
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<tr>
<td>Class of 2014: Results of the Senior Survey and Postsecondary Enrollment Data</td>
<td>North Star Borough School District</td>
<td>2015</td>
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<tr>
<td>Fairbanks Metropolitan Area Transportation Plan: “A Roadmap to 2040”</td>
<td>Fairbanks Metropolitan Area Transportation System</td>
<td>2015</td>
</tr>
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<td>Various reports and documents on the Contaminated Sites Program: North Pole Refinery project webpage</td>
<td>Alaska Department of Environmental Conservation, Division of Spill Prevention and Response</td>
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Appendix D: Overview of North Pole Community Survey Respondent Demographics (311 total respondents)

Do you live within the North Pole city limits?**
- Yes: 1.9%
- No: 70.2%
- I don’t know: 27.8%

What is your gender?
- Male: 58.9%
- Female: 37.2%
- Prefer not to answer: 3.9%

How old are you?
- Under 18: 0.0%
- 18-24: 4.4%
- 25-34: 15.0%
- 35-44: 33.0%
- 45-54: 26.7%
- 55-64: 14.6%
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Which category best reflects your total household income?
- $0 to $9,999: 1.0%
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- $50,000 or more: 8.2%

What is your primary industry of employment?
- Government: Federal: 44
- Government: City or Borough: 43
- Professional and Business Services: 34
- Construction: 20
- Education: 17
- Healthcare: 17
- Retail: 17
- Government: State: 16
- Transportation: 15
- Housekeeper: Stay-at-home: 11
- Energy and Utilities: 11
- Other: 11

Note: categories with an *asterisk were added due to high recurrence in the “other” category
Appendix E: North Pole Land Use Plan

[insert PDF from here: ..\..\02.Background Info\Land Use + Environment\NPLandUsePlan_2010.pdf]
Appendix F: Summary of Health Impacts of PM$_{2.5}$

Health Effects of PM$_{2.5}$

In August 2015, the Fairbanks North Star Borough released a draft Air Quality Comprehensive Plan. The plan outlines the need for reducing PM$_{2.5}$, the challenges of reductions, the consequences for not reducing emissions and a variety of possible actions for reducing the levels of PM$_{2.5}$ pollutants. The document includes the following description of the health effects of PM$_{2.5}$:

Wood smoke is especially harmful to children, pregnant women, the elderly, and people with lung and heart disease.$^{10}$ Wood smoke is a mixture of solids, gases, and liquids. Much like cigarette smoke, wood smoke contains hundreds of air pollutants that can cause cancer and other health problems. The particles in smoke are tiny bits of solids and liquids made of incompletely burned wood from incomplete combustion, i.e., burning. When you breathe air with wood smoke in it, you inhale the fine particles deeply into your lungs. The particles contain toxic substances that can remain in your lungs for months, causing changes that lead to diseases and structural damage. These tiny particles are so small that they get past the respiratory tract’s defenses and reach the deepest areas of the lungs (the alveoli, which are tiny air sacs where oxygen enters the blood stream).

...Breathing wood smoke can have short- and long-term effects. Some of the short term effects may be: irritated eyes, throat, sinuses, and lungs; headaches; reduced lung function, especially in children; lung inflammation or swelling; increased risk of lower respiratory diseases; more severe or frequent symptoms from existing lung diseases (such as asthma, emphysema, pneumonia, and bronchitis), and risk of heart attack and stroke. Some other long-term effects can be: chronic lung disease including chronic bronchitis and emphysema (COPD); chemical and structural changes in lungs and cancer.$^{12}$

... From ADHSS we know there is a correlation between PM$_{2.5}$ spikes and hospital admission rates. On January 29, 2015, a representative of the Fairbanks Memorial Hospital testified to the FNSB Assembly that, between 2009 and 2014, there was a positive correlation between increased levels of PM$_{2.5}$ and emergency room visits.$^{21}$

Sources:
21 Testimony of Shawn X. Zhan to FNSB Assembly, January 29, 2015.
Appendix G: Preliminary Community Survey
Appendix H: Prioritization Survey
Appendix A: Abbreviations

ADEC  Alaska Department of Environmental Conservation
ADOTPF Alaska Department of Transportation and Public Facilities
AIDEA  Alaska Industrial Development and Export Authority
AHFC  Alaska Housing Finance Corporation
AKRR  Alaska Railroad
CAGR  Compound Annual Growth Rates
CBD  Central Business District
DCCED Alaska Department of Commerce, Community, and Economic Development
DEC  Alaska Department of Environmental Conservation
DMV  Department of Motor Vehicles
EAFB  Eielson Air Force Base
EDD  Economic Development District
EIS  Environmental Impact Statement
EPA  Environmental Protection Agency
FEDC  Fairbanks Economic Development Corporation
FMATS  Fairbanks Metropolitan Area Transportation System
FNSB  Fairbanks North Star Borough
FNSBSD Fairbanks North Star Borough School District
FTE  Full Time Equivalent
HMA  Housing Market Area
IGU  Interior Gas Utility
ISO  Insurance Service Office
LBC  Local Boundary Commission
NPEDC North Pole Economic Development Corporation
PM$_{2.5}$ Particulate Matter (less than 2.5 micrometers in diameter)
PTSA  Parent-Teacher-Student Association
RPF  Permanent Fund Dividend
STIP  Alaska Statewide Transportation Improvement Program
TAPS  Trans-Alaska Pipeline System
UAF  University of Fairbanks
Appendix B: North Pole Area Maps

Map of Zip Codes around the City of North Pole

Zip Codes
- 99701
- 99702
- 99703
- 99705
- 99709
- 99712

City Boundaries
- City of Fairbanks
- City of North Pole

Sources: Esri, HERE, DeLorme, Intermap, increment P Corp, GEBCO, USGS, FAO, NPS, NRCAN, Geos弥补ION, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, & OpenStreetMap contributors, and the GIS User Community.
## Appendix C: Relevant Plans and Resources

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<td>Community Research Quarterly</td>
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*Note: the survey included a map depicting the city limits

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Appendix E: North Pole Land Use Plan

NORTH POLE
LAND USE PLAN

Fairbanks North Star Borough

January 1, 1964

Adopted January 28, 2010
NORTH POLE LAND USE PLAN
INTRODUCTION

The Fairbanks North Star Borough Regional Comprehensive Plan adopted in 2005, is the guide for the Borough's response to future growth and change. The Plan recognizes that every community in the Borough is unique and recommends a specific land use plan be developed for each community.

From this directive, a North Pole Land Use Plan has been prepared that incorporates mixed land uses and sound transportation and pedestrian circulation as a basis for applying smart growth principles. The Plan also strives to represent the values of North Pole residents and the physical assets that make North Pole a great place to live. A North Pole Land Use Advisory Committee was instrumental in guiding the planning process and involving the North Pole public and business owners. The North Pole Land Use Plan is comprised of community goals, land use framework map, recommended implementation strategies, and proposed transportation, trails, pedestrian/bicycle and parks/open space maps.

The primary component of the North Pole Land Use Plan is a land-use framework map which identifies a geographic representation of North Pole's preferred future land use scenario. The framework summarizes the community's desires of how development and preservation should occur in the future. The land categories provide direction to land owners, developers, government staff and elected officials as they consider a variety of land use decisions. Public and private development investment, preservation activities, infrastructure and regulatory decisions will move North Pole toward the 'desired future condition' shown on the land-use framework.

In some instances, the land-use framework show land categories that differ from an existing or proposed use on a property. The land categories do not regulate land use and are intended to only provide direction when considering future land use decisions. All structures and land use need only comply with current zoning regulations on the property. The North Pole Land Use Plan will not have any effect on a landowner's ability to sell their property. It additionally will not stop anyone from developing property under what the existing zoning allows.

Once the North Pole Land Use Plan is adopted by the Borough Assembly it will become an element of the Regional Comprehensive Plan and the land-use framework will replace the existing land use plan map for the City of North Pole. The Plan, directed by the implementation strategies, will then be used in conjunction with the Goals, Strategies and Actions of the FNSB Regional Comprehensive Plan.

Legal Impact of the North Pole Land Use Plan

It is important to note that while the North Pole Land Use Plan will reflect the Borough's official policy for the North Pole area, it is not a zoning ordinance and does not codify any design standards. Specifically, it is the intent of the Assembly in adopting this Plan that the North Pole Land Use Plan may be modified in the course of implementation decisions and that it should not be interpreted as restricting the Assembly's ability to accommodate the actual development of the North Pole area and the changing needs of the community. It is a set of recommendations that should be considered in future land use determinations including requests for future zoning changes and development in the North Pole area.
NORTH POLE LAND USE PLAN
COMMUNITY GOALS

Over the past year, four public meetings were held in North Pole. From that public input the following community goals were developed by the North Pole Land Use Advisory Committee to serve as a guide for the plan. The goals are not prioritized.

- PROMOTE LOCAL SERVING RETAIL
- CREATE SAFE PUBLIC-USE SPACES
- IMPROVE AND MAINTAIN PEDESTRIAN AND BIKE CIRCULATION
- PROMOTE THE NORTH POLE CITY THEME
- PROVIDE MORE PARKS AND RECREATIONAL TRAILS
- IMPROVE AND MAINTAIN TRANSIT SERVICES
- EXPAND AND MAINTAIN PUBLIC UTILITIES
- CREATE OPPORTUNITIES FOR NEW BUSINESSES, INDUSTRY AND REDEVELOPMENT
- IMPROVE AND MAINTAIN TRAFFIC CIRCULATION AND PARKING
- PROMOTE A HEALTHY AND SAFE COMMUNITY
- PROMOTE AND DEVELOP A MEDICAL FACILITY
- PROMOTE ACTIVITIES FOR FAMILIES, YOUTH AND SENIORS
- CREATE A MIXED-USE CORE AREA
- PROMOTE LOCAL HISTORY CULTURE AND THE ARTS
- DEVELOP QUALITY HOUSING WHILE PRESERVING FAMILY FRIENDLY NEIGHBORHOODS
- STRIVE TO IMPROVE AIR AND WATER QUALITY
- PROMOTE AN ATTRACTIVE COMMUNITY
- PROMOTE NORTH POLE AS A DESTINATION
- EXPAND POST SECONDARY EDUCATIONAL OPPORTUNITIES
NORTH POLE LAND USE PLAN
LAND-USE FRAMEWORK / LAND CATEGORIES

LOW DENSITY RESIDENTIAL – Area with single and two family structures with density ranges from 1 to 4 units per acre.

HIGH DENSITY RESIDENTIAL – Area with multi-family structures at densities of 5 or more units per acre.

COMMERCIAL – Area to provide for a full range of commercial and retail to serve area residents and visitors.

MIXED COMMERCIAL / RESIDENTIAL / OFFICE – Area to provide a combination of commercial, high density residential or office uses. Upper floor residential above retail or office uses is encouraged.

INDUSTRIAL – Area to provide for industrial activities such as manufacturing, processing and mineral extraction.

MIXED INDUSTRIAL / COMMERCIAL – Area to provide a variety of Business, Commercial, and Industrial Uses including office, general business, retail, and industrial used. New development may need buffering to minimize adverse impacts on surrounding land uses.

EDUCATION – Area to provide public and private school facilities, and Libraries.

OPEN SPACE / NATURAL AREA – Open space is an undeveloped area in a natural state, golf course, park, or cemetery, along a road that provides some visual relief from urbanization and public recreation. Open space may or may not be improved, but it does serve to interrupt more intense land uses. Natural area is an area left in natural state deemed not suitable for development. Natural areas may be minimally improved, i.e., to provide access to or through them, or to accommodate a trail, but basically they are left to their natural state.
NORTH POLE LAND USE PLAN
IMPLEMENTATION STRATEGIES

The following strategies would best be implemented by utilizing the North Pole Economic Development Corporation to investigate public and private funding opportunities, and to prioritize urban renewal development and other projects recommended in the Plan.

- Consider changes to Fairbanks North Star Borough Title 18 to include New Zoning Districts for the following Land Categories.
  - Mixed Commercial / Residential / Office
  - Mixed Commercial / Industrial

- Provide Safe, useable road crossings for all existing and proposed pedestrian, bicycle, and trail facilities in North Pole.

- Establish public recreational sites and trails along the Beaver Springs Creek corridor with the cooperation of the affected land owner’s in the form of a land use agreement.

- Expand Water / Sewer Service throughout the City of North Pole.

- Provide Opportunity for Property Owner Initiated Annexation into the City of North Pole.

- Support Alaska Railroad Rail Line Relocation.
  - Provide 200 foot corridor along the Tanana River levee for rail line relocation through North Pole.
  - Encourage reversionary land title transfers as per the 1983 Alaska Railroad Transfer Act.

- Establish off-highway vehicle land use area to be located southwest of the Tanana River Levee / 200 foot railroad re-alignment corridor, to extend north to 9 mile.
Appendix F: Summary of Health Impacts of PM$_{2.5}$

Health Effects of PM$_{2.5}$

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$^{12}$ Affidavit of Dr. Ali Hamade in Case No. 4FA-13-01205SCI, State of Alaska v. Straughn, January 22, 2013
$^{21}$ Testimony of Shawn X. Zhan to FNSB Assembly, January 29, 2015.