

Summary of Proposed Deltana Borough

Background

The Delta Borough area has roughly 5,000 residents. There is one local government-City of Delta Junction-with about 900 residents. City services include library, recreation, landfill, airport, road maintenance, cemetery and volunteer Fire/EMS/Ambulance. The Delta-Greely REAA provides educational services. Platting and planning in the area outside the city are conducted by the state of Alaska. There are no local taxes.

Internal

Growth-Population and Employment

1. Build up of Ft. Greely-Placement of Missile System at site
2. Construction and eventual operation of Pogo Mine by Teck-Pogo
3. Increase in Slavic population

External

1. State Administration/Local Boundary Commission Action
 - a. Model Borough Boundaries for the unorganized borough include the Delta area with the Alaska Gateway REAA (Tok).
 - b. Recent analysis of areas that minimally met the LBC incorporation standards included Delta/Tok area
2. Legislative efforts to mandate borough formation (SJR 12).
3. Interest by Fairbanks North Star Borough to annex adjacent area including Teck-Pogo mining district.

City Response

1. City appointed a Deltana Borough Charter Commission of nine members with the task of writing a charter and incorporation petition and submitting it to the LBC to allow for a vote on borough incorporation. Members represented different local interest groups and geographic areas in the region. Most members reside outside of the city boundaries.

Deltana Borough Charter Commission

1. Commission developed a charter and petition that entails the following key points.
 - a. The new borough will be a unified homerule borough in which there shall only be one local government. The assets and liabilities of the City of Delta Junction will be assumed by the **borough**. The new borough will assume education and planning powers along with the current powers and services of the City of Delta Junction.
 - b. The boundaries shall be those of the Delta-Greely REAA.
 - c. Local revenues shall include a 3% fuel tax and 10% energy tax along with the Teck-Pogo PILT agreement
 - d. All Assembly and School Board seats shall be elected at large.
 - e. Assembly with the Mayor's concurrence call appoint a borough administrator.

Teck-Pogo Agreement

Listed below are the key points to the Teck-Pogo Agreement

1. Agreement would be with the City of Delta Junction and would be assumed by the borough upon borough formation.
2. 10 year term
3. If no borough is organized by **12.31.08**, the agreement would terminate
4. Payment schedule by Teck-Pogo
 - a. 2005-\$500,000 to City
 - b. 2006 \$500,000 to City or Borough
 - c. 2007 \$1,000,000 to City or Borough
 - d. If payments b and c are made subsequent to any negative public vote ½ goes to City and ½ retained by Teck-Pogo.
 - e. 2008 and each year after annual payment of \$2 million or 10 mills on value of Teck-Pogo property, which ever is more.
 - f. Contribution by Teck-Pogo for bonded capital cost not exceed \$350,000 annually. Payments by Teck-Pogo may go to 2020. Teck-Pogo contribution for G.O. Bonds requires local contribution as well
5. Ballot on revenue issue shall be designed as one vote. Entire package has to be approved by voters.