STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES DIVISION OF MINING, LAND AND WATER

Non-competitive Sale to Preference Right Applicant, Henry and Sally Johnson – ADL 226385 Dennis Eastman – ADL 226400 Mark and Reyne Brockman – ADL 226876 Russell and Tami Jindra – ADL 226889

FINAL FINDING AND DECISION – AS 38.05.035(b)(7) MINERAL CLOSING ORDER – AS 38.05.185

This Final Finding and Decision is intended to complement and update the Preliminary Decision for ADL 226385, 2226400, 226876, and 226889 issued on October 17, 2006 See Attachment 2.

Proposed Actions:

The Department of Natural Resources (Department), Division of Mining, Land and Water (Division) proposes to sell several parcels of State land pursuant to AS 38.05035(b)(7) Remnant Preference Right. The proposed decision will allow the parcels to be sold through a non-competitive sale to the applicants upon the Department's acceptance of a complete preference right application. The table below lists the applicants, the associated file number and parcel size. Total acreage is 4.64. The parcels are located at the vacated portion of the Old Glenn Highway at Mile 143 of the Glenn Highway in the Nelchina area.

Henry and Sally Johnson	ADL 226385 Parcel A – 0.14 acre	Parcel A – State land located between USS 5637 and ASLS 2000-12 within Section 6, T2N R8W, CRM.
	Parcel B – 2.62 acres Total - 2.76 acres	Parcel B – State land located south and west of USS 5637, between the new Glenn Highway (ADL 73304) and a local access road within Section 1, T2N R9W, CRM.
Dennis Eastman	ADL 226400 0.56 acre	State land located between USS 5637 and Tract C of USS 4824 within Section 1, T2N R9W, CRM and Section 6, T2N R8W, CRM.
Mark and Reyne Brockman	ADL 226876 0.38 acre	State land located between USS 3336A, the new Glenn Highway (ADL 73304) and ASLS 2000-12 within Section 6, T2N R8W, CRM.
Russell and Tami Jindra	ADL 226889 0.94 acre	State land located between USS 5637 and Tract A of USS 4824 within Section 1, T2N R9W, CRM and Section 6, T2N R8W, CRM.

The Department also proposes to recommend closure of these parcels of State land to mineral entry pursuant to AS 38.05.185. In addition, the Department proposes to recommend closure of ADL 225967, to mineral entry pursuant to AS 38.05.185, a parcel already conveyed. This parcel is also located at the vacated portion of the Old Glenn Highway at Mile 143 of the Glenn Highway. The parcel size is 1.47 acres and described as ASLS 2000-12 in Section 6, T2N R8W, CRM. Total acreage for recommended closure is 6.11.

Authority:

The applicable authority includes, but is not limited to the following Alaska Statutes (AS) and Alaska Administrative Code (AAC):

AS 38.05.035(b)(7) – Remnant Preference Right AS 38.04.005 – Public and Private Land Use Policy AS 38.04.010 – Making Land Available for Private Use AS 38.04.020 – Land Disposal Bank AS 38.04.035 – Criteria for Program Selection AS 38.04.045 – Survey and Subdivision AS 38.04.055 – Access Through Private Use Areas AS 38.04.050 – Access to Private Use Areas AS 38.05.005 – Division of Lands AS 38.05.035 – Powers and Duties of the Director AS 38.05.045 – General Provisions for the sale of land AS 38.05.050 – Disposal of Land for Private Ownership AS 38.05.127 – Access to Navigable or Public Water AS 38.05.185 – General Policy on Mineral Location AS 38.05.185 – Reservation of Rights AS 38.05.840 – Appraisal Policy AS 38.05.910 – Policy of the State to Encourage Settlement AS 38.05.940 – Land Purchase Price Discount for Veterans AS 38.05.945 – Requirements for Notice

Traditional Use Finding:

11 AAC 55.277 – Existing Classifications

In accordance with AS 38.05.830, a traditional use finding is required since the subject parcel is not within an organized borough. There are no anticipated changes to the traditional use of fish and wildlife resources as a result of this proposed action. The subject parcels are adjacent to residential or commercial properties, within the small residential and commercial area of the community of Nelchina. The proposed action conveys the subject parcels to the existing residential or commercial owners of the adjacent land.

Mineral Order: A recommendation to close the subject parcels to mineral entry has been accepted. Documents ready for signature for this mineral order accompany this Final Finding and Decision.

Public Notice and Discussion:

For comments received pursuant to AS 38.05.945 and the Division's response, see Attachment 1.

Stipulations:

The following stipulation must be met by each applicant.

- 1. Within six months from the effective date of the Final Finding and Decision, the applicants must submit to the Department the following:
 - o A completed Preference Right Application and \$100 application fee
 - o A completed Right to Bear Cost of Advertising, Survey, and Appraisal form
 - A completed Applicant Environmental Risk Questionnaire
 - Reimbursement of advertising cost of the public notice. Applicants will be notified
 of the total cost for advertising the public notice in the Anchorage Daily News and
 the Copper River Record.
- 2. Within two years from the date of notice that Department has accepted the applicant's preference right application and issued the notice to proceed to survey, the applicants must submit to the Department a survey approved by the State of Alaska. Reservations of various easements, as described in the Background Section of this decision, must be shown on the survey plat.
- 3. Within two years from the date of notice that department has accepted the applicants' survey and issued the notice to proceed to appraisal, the applicants must submit to the Department a completed fair market value appraisal.
- 4. Within 30 days of the issuance of a notification to proceed letter, the applicant must submit to the Department the following:
 - A completed Veteran's Land Discount form (if eligible)
 - o A completed Declaration of Intent Form and \$100 document handling fee
 - Payoff amount or 5% deposit for the issuance of a sale contract
- 5. After full payment has been received and before patent has been issued, the survey will be amended to show the remnant parcel joined into one lot with applicants' adjacent property.

If the applicant submits an application to purchase the parcel after six months from the issuance of the original Final Finding and Decision or fails to complete any of the above mentioned stipulations within the time limit specified, an Amended Final Finding and Decision will be required prior to the completion of the purchase unless the delay and extenuating circumstances are pre-approved by the Department. The effective date of the appraisal will be adjusted to the effective date of the Amended Final Finding and decision. The applicant is responsible for submitting an updated appraisal and for any additional appraisal cost.

If the adjacent, privately owned land is sold to a new owner within the time limit specified, the Final Finding and Decision still holds for the new adjacent land owner, provided they apply for the preference right. The new applicant must still meet the stipulations and time limits specified above. If the new applicant does not meet the stipulations and time limits specified above, then an Amended Final Finding and Decision will be required prior to the completion of the purchase.

Final Finding and Decision:

No changes are proposed to the original Preliminary Finding and Decision dated October 17, 2006.

The remnant parcels are to be offered for sale as proposed in this decision. AS 38.05.035(b)(7) allows an adjacent land owner to purchase remnant land that is considered unmanageable through a non-competitive sale. The sale of the remnant parcel will provide settlement land to the private sector and generate revenue for the State. These sales are in the best interest of the State.

Recommend Approval:	
1/2 //2/21/21	2/11/17
Holly Roberson Hill,	Date of Signature
Section Manager,	
Land Sales and Contract Administration	

Approval:

Public notice has accomplished according to AS 38.05.945 and the comments received have been considered and summarized – see Attachment 1. The case file has been found to be complete and the requirements of all applicable statutes have been satisfied. It is the finding of the Director of the Division of Mining Land and Water that it is in the best interest of the State to proceed with this conveyance under the authority of AS 38.05.035(b)(7).

Richard Mylius, Acting Director,

Division of Mining, Land and Water

Date of Signature

Date of Issuance: February 14, 2007

Appeal Provision:

A person affected by this decision who provided timely written comment or public hearing testimony on this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received within 20 calendar days after the date of "issuance" of this decision, as defined in 11 AAC 02.040(c) and (d) and may be mailed or delivered to Tom Irwin, Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918; or sent by electronic mail to dnr_appeals@dnr.state.ak.us. If no appeal is filed by that date, this decision goes into effect as a final order and decision on the 31st day after issuance. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.

Attachment 1: Summary of Public Comment and Division Response Attachment 2: Preliminary Finding and Decision, dated October 17, 2006

Attachment 1

FINAL FINDING AND DECISION – AS 38.05.102
Non-competitive Sale to Preference Right Applicants
Henry and Sally Johnson – ADL 226385
Dennis Eastman – ADL 226400
Mark and Reyne Brockman – ADL 226876
Russell and Tami Jindra – ADL 226889

MINERAL CLOSING ORDER – AS 38.05.185 Also includes Charles Farmer – ADL 225967

Notice provided under AS 38.05.945: A public notice announcing the Preliminary Finding and Decision for the proposed noncompetitive sale and mineral closing order along with the solicitation for public comment was published and distributed in compliance with the above statute in the following manner:

- Published in two newspapers the Anchorage Daily News on October 18, 2006 and the Copper River Record on October 18, 2006;
- Posted under State of Alaska Online Public Notice from October 18, 2006 to November 17, 2006;
- Mailed, with a request to post for 30 days, to one postmaster (Glennallen) per AS 38.05.945©(4);
- Mailed, with a request to post for 30 days, to one library (Copper River Community Library);
- Mailed to one regional corporation per AS 38.05.945(c)(2)-(3);
- Mailed to adjacent land owners, community councils, villages and other state and local agencies.

Comments Received: We received two official written comments during the public comment period. These comments are summarized and addressed as follows:

From Department of Transportation and Public Facilities, Northern Region, Planning Section:

"DOT&PF has reviewed your request and we have no objections. DOT&PF policy limits access to its rights of way from private property. Recommend shared driveways wherever possible. The normal DOT&PF driveway permitting process will apply for new approaches or new driveways to DOT rights of way."

Response: Applicants are now notified of the recommendation for shared driveways and the permitting process for new approaches or driveways to DOT rights of way.

From Department of Transportation and Public Facilities, Northern Region, Right of Way Section:

"The lands intended to be conveyed under the preference right sale were previously subject to a public land order highway easement for the old Glenn Highway. The old highway easement subject to this sale was vacated to DNR by a corrective Commissioner's Deed of Vacation dated September 13, 1994 and recorded on October 7, 1994 in Book 41, Page 757-759, Chitina Recording District. DOT&PF Northern Region Right of Way has no objections to this sale."

Response: Thank for the confirmation and comment.

Attachment 2

STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES DIVISION OF MINING, LAND AND WATER

PRELIMINARY FINDING AND DECISION – AS 38.05.035(b)(7)

PROPOSED NON-COMPETITIVE SALE to Preference Right Applicants: Henry and Sally Johnson, ADL 226385 Dennis Eastman, ADL 226400 Mark and Reyne Brockman, ADL 226876 Russell and Tami Jindra, ADL 226889

PROPOSED MINERAL CLOSING ORDER – AS 38.05.185
Above applicants plus
Charles and Sandra Farmer, ADL 225967

Proposed Action, Non-competitive Sale: The Department of Natural Resources (Department), Division of Mining, Land and Water (Division) proposes to sell several parcels of State land pursuant to AS 38.05035(b)(7) Remnant Preference Right. The proposed decision will allow the parcels to be sold through a non-competitive sale to the applicants upon the Department's acceptance of a complete preference right application. The table below lists the applicants, the associated file number and parcel size. The parcels are located at the vacated portion of the Old Glenn Highway at Mile 143 of the Glenn Highway in the Nelchina area. See Attachment A.

Johnson, Henry and Sally	ADL 226385	Parcel A – 0.14 acre Parcel B – 2.62 acres Total of 2.76 acres
Eastman, Dennis	ADL 226400	0.56 acre
Brockman, Mark and Reyne	ADL 226876	0.38 acre
Jindra, Russell and Tami	ADL 226889	0.94 acre

Proposed Action, Mineral Closing Order: The Department proposes to recommend closure of these parcels of State land to mineral entry pursuant to AS 38.05.185. In addition, the Department proposes to recommend to close ADL 225967, to mineral entry pursuant to AS 38.05.185, a parcel already conveyed. This parcel is also located at the vacated portion of the Old Glenn Highway at Mile 143 of the Glenn Highway. The parcel size is 1.47 acres.

Authority: The applicable authority includes, but is not limited to the following Alaska Statutes (AS) and Alaska Administrative Code (AAC):

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AS 38.05.035(b)(7) – Remnant Preference Right
AS 38.04.005 – Public and Private Land Use Policy
AS 38.04.010 – Making Land Available for Private Use
AS 38.04.020 – Land Disposal Bank
AS 38.04.035 – Criteria for Program Selection
AS 38.04.045 – Survey and Subdivision
AS 38.04.055 – Access Through Private Use Areas
AS 38.04.050 – Access to Private Use Areas
AS 38.05.005 – Division of Lands
AS 38.05.035 – Powers and Duties of the Director
AS 38.05.045 – General Provisions for the sale of land
AS 38.05.050 – Disposal of Land for Private Ownership
AS 38.05.127 – Access to Navigable or Public Water
AS 38.05.185 – General Policy on Mineral Location
AS 38.05.185 – Reservation of Rights
AS 38.05.840 – Appraisal Policy
AS 38.05.910 – Policy of the State to Encourage Settlement
AS 38.05.940 – Land Purchase Price Discount for Veterans
AS 38.05.945 – Requirements for Notice
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11 AAC 55.277 – Existing Classifications

Administrative Record: The administrative record for the proposed action consists of the following case files: ADL 226385, ADL 226400, ADL 226876, ADL 226889 and ADL 225976. Also incorporated by reference are ADL 73304, USS 5637, USS 4824, USS 3336, USS 3336A, ASLS 2000-12, CL SC-86-030, GS 1656, state and federal plats, the Copper Basin Basin Area Plan adopted December 1986, and various recorded documents.

Scope of the Decision: The Division proposes to sell these parcels of State land pursuant to AS 38.05.035(b)(7) Remnant Preference Right. See Attachment A. The proposed decision will allow these parcels to be sold through a noncompetitive sale to the applicants upon the Department's acceptance of a complete preference right application. This action complies with the general recommendations of the Copper River Basin Area Plan. The purchase price for the parcels will be set at the appraised fair market value.

The scope of this decision also covers the proposal to recommend the subject parcels be closed to mineral entry.

The applicants are responsible for bearing the cost of the public notice, survey and appraisal. The Division does not intend to impose deed restrictions to control post-patent use. Restrictions regarding land use will be handled by the local zoning authority, if any.

Discussion:

<u>Geographic Location:</u> Milepost 143, Old Glenn Highway, Nelchina, 44 miles east of Glennallen.

<u>Municipality/Borough:</u> The subject parcel is located outside of any borough or municipality. Nelchina is unincorporated.

Alaska Coastal District: The subject parcel is outside any coastal district.

<u>School Trust Land:</u> This is not School Trust Land. It was conveyed to the State under the General Grant program.

Regional/Village Corporations/Councils: Ahtna, Inc. There are no villages or tribal councils in the area.

<u>USGS Map Coverage:</u> The subject parcel is located in USGS Quad Valdez D-8.

<u>Legal Description:</u> See table below.

Johnson	ADL 226385	Parcel A – State land located between USS 5637 and ASLS 2000-12 within Section 6, T2N R8W, CRM.
		Parcel B – State land located south and west of USS 5637, between the new Glenn Highway (ADL 73304) and a local access road within Section 1, T2N R9W, CRM.
Eastman	ADL 226400	State land located between USS 5637 and Tract C of USS 4824 within Section 1, T2N R9W, CRM and Section 6, T2N R8W, CRM.
Brockman	ADL 226876	State land located between USS 3336A, the new Glenn Highway (ADL 73304) and ASLS 2000-12 within Section 1, T2N R9W, CRM.
Jindra	ADL 226889	State land located between USS 5637 and Tract A of USS 4824 within Section 1, T2N R9W, CRM and Section 6, T2N R8W, CRM.

Title:

<u>Acquisition Authority:</u> Title report SC-06-087 was completed for the subject parcel and is current as of March 10, 2006. The State of Alaska received patent to the subject parcel under a General Grant on March 5, 1985. The patent numbers are 50-85-0422 and 50-85-0204. The applicable State case file is GS 1656.

<u>Title Status:</u> State land, patent numbers are 50-85-0422 and 50-85-0204, State case file GS 1656.

<u>Title Restrictions:</u> The following conditions in the conveyance documents apply to the subject parcels.

For all parcels, there is excepted and reserved from the conveyance:

1. A right-of-way for ditches or canals constructed by the authority of the U.S. in accordance with the Act of August 30, 1890, 26 Stat. 391; 43 U.S.C. 945.

For parcels in Section 6, T2N R8W, CRM, there is excepted and reserved from the conveyance:

1. An easement and right-of-way to operate, maintain, repair, and patrol an overhead open wire and underground communication line or lines, and appurtenances thereto, in, on, over, and across a strip of land fifty (50) feet in width, lying twenty-five (25) feet on each side of the center line of the Alaska Communication System's open wire or pole line and/or buried communication cable line, conveyed to RCA Alaska Communications, Inc., by Easement Deed effective January 10, 1971, AA-6188, pursuant to the Alaska Communications Disposal Act of November 14, 1967, 81 Stat. 441, 40 U.S.C. 771, et. seq.

<u>Native Interest:</u> The subject parcel is within the boundaries of Ahtna, Inc. There are no Native interests identified with this parcel.

Other Reservations: The State retains ownership of all oil, gas, coal, ore minerals, fissionable material, geothermal resources, and fossils that may be in or upon the land that it sells (AS 38.05.125). The State reserves the right to enter onto the land to explore for and develop these mineral resources. The State may lease them to mineral developers or allow mining locations to be staked. However, Alaska law also provides that the surface owner will be compensated for damages resulting from mineral exploration and development (AS 38.05.130).

Other Conflicts or Pending Interest: None have been identified.

Background: In the mid-1970's, the Alaska State Department of Transportation and Public Facilities (DOTPF) realigned the Glenn Highway at Milepost 143. The right-of-way permit for the realignment is case file ADL 73304. In the early 1990's, DOTPF issued deeds of vacation to the underlying land owners of the vacated section of highway. These owners are State of Alaska, through the Department of Natural Resources, Henry and Sally Johnson, owners of USS 5637, and Robert and Kahren Rudbeck, owners of USS 3336A. Both USS 5637 and USS 3336A boundaries are at the center line of the vacated section of highway.

It was thought that USS 4824 also went to the center line of the vacated section of highway, however it was determined that the original survey excluded the highway and so the boundary for USS 4824 is the southern edge of the highway easement for the vacated section of highway. Therefore, the underlying owner for this part of the vacated section of highway is the State of Alaska. This error has created some unintentional trespass issues, which would be resolved in this proposed action.

The ownership of USS 3336A and USS 3336 has changed. The current owners are Mark and Reyne Brockman.

Staff at DOTPF has determined that the deeds of vacation extinguished the old highway right-of-way. Therefore, there is no right-of-way or reservation of any kind on the vacated section of highway.

The vacated land belonging to the State of Alaska has been divided among the five adjacent land owners, as all are eligible under AS 38.05.035(b)(7). The parcel portioned out to Charles and Sandra Farmer has already been conveyed to the Farmers. This proposed action conveys parcels to the other four adjacent land owners and closes all parcels, including the Farmer's, to mineral entry. The associated files for the completed conveyance to the Farmers are ASLS 2000-12 and ADL 225967.

Details on each parcel:

ADL 226876 – The small triangle of state land between old center line of the vacated section of highway, the southern edge of the highway realignment (ADL 73304), and the western edge of ASLS 2000-12 is to be conveyed to Mark and Reyne Brockman as land owners of the adjacent land described as USS 3336A. A 20-foot wide public access easement should be reserved along the vacated section of highway. Only half of this easement is on state land, so only 10 feet of the easement will be platted.

ADL 226400 – The square parcel of state land directly north of Tract C, USS 4824 is to be conveyed to Dennis Eastman, as land owner of the adjacent land described as Tract C, USS 4824. The east boundary of the parcel is ASLS 2000-12. The north boundary is USS 5637. The west boundary is created by continuing the boundary line between Tracts A & C of USS 4824. Any portion of a 16-foot wide easement, as shown in Attachment B, that crosses this parcel must be reserved and shown on the survey plat. A 20-foot wide public access easement should be reserved along the vacated highway. Only half of this easement is on this parcel, so only 10 feet of the easement will be platted. There is a trespass building on this parcel

ADL 226889 – The rectangle of state land directly north of Tract A, USS 4824 is to be conveyed to Russell and Tami Jindra, as adjacent land owners of Tract A, USS 4824. The north boundary is USS 5637. The east and west boundaries are created by continuing the east and west boundaries of Tract A, USS 4824 north to USS 5637. The west boundary of this parcel is the same as the east boundary of ADL 226400. Any portion of a 16-foot wide easement, as shown in Attachment B, that crosses this parcel must be reserved and shown on the survey plat. A 20-foot wide public access easement should be reserved along the vacated highway. Only half of this easement is on this parcel, so only 10 feet of the easement will be platted. There is a trespass building on this parcel.

ADL 226385 – Henry and Sally Johnson, as land owners of the adjacent land described as USS 5637, are to be conveyed two parcels of state land. Parcel A is the narrow strip of land on the east side of USS 5637, between USS 5637 and ASLS 2000-12. A 20-foot wide public access easement should be reserved along the vacated highway. Only

half of this easement is on this parcel, so only 10 feet of the easement will be platted. There is a trespass building on this parcel.

Parcel B is an odd shaped parcel. This parcel is south and west of USS 5637, south of the southern edge of the highway realignment (ADL 73304), and north of a local access road and that portion of the vacated section of highway still used to access the same local road. The vacated section of highway and local road are decided to be a 20-foot wide public access easement. This easement is excluded from the parcel, making the north edge of this easement the southern boundary. The west boundary is the same as the east boundary of ADL 226889.

The easement widths are taken from the final finding and decision for ADL 225967 conveying land to Charles and Sandra Farmer, dated August 12, 1999, for consistency of easement widths in the area. See Attachment B for the location of local road easements of 16' width for ADL 226889 and ADL 226400.

Planning and Classification: The subject parcel is located within the Copper River Basin Area Plan in Management Unit 2 – North of Nelchina River. Recommended land use within this management unit includes Settlement.

<u>Land Classification:</u> The State classified the subject parcel as Settlement in the Copper River Basin Area Plan, 1986. The applicable file is Classification Order SC-86-030.

Area wide subsurface management policy states in general, parcels scheduled for disposal will be closed to mineral entry prior to sale to minimize potential conflict between surface and subsurface users. The Division will close the project area to mineral entry prior to sale.

Mineral Order: The Division proposes to recommend closing the parcel to mineral entry in accordance with AS 38.05.185 for land disposals. Mining activity would be incompatible with the past, current, and proposed surface uses for land disposals. To allow mineral location in the subject parcel could create serious conflicts between surface and potential subsurface users. Area plan subsurface management policy states that, in general, areas or parcels scheduled for disposal will be closed to mineral entry prior to sale to minimize potential conflict between surface and subsurface users. However, the subject parcel may still be subject to potential oil and gas leasing and exploration.

There are no current mining claims located within the subject parcel. The mineral order will accompany the final finding and decision.

Mineral orders for closures, where they have been established, close the area to exploration and development of locatable minerals such as gold, copper, platinum, etc. Mineral orders do not apply to leasable minerals, including oil and gas leasing, coal leasing, shallow gas leasing, or exploration licensing for such, nor do they preclude reasonable surface access to these resources. However, Alaska law also provides that

the surface owner will be compensated for damages resulting from mineral exploration and development (AS 38.05.130).

<u>Municipal/Borough Zoning:</u> All subject parcels are outside any borough or municipal boundaries.

<u>Easements and Setbacks</u>: Access easements will be reserved along existing roads and portions of the vacated section of highway.

<u>Traditional Use Findings:</u> In accordance with AS 38.05.830, a traditional use finding is required since the subject parcel is not within an organized borough. There are no anticipated changes to the traditional use of fish and wildlife resources as a result of this proposed action. The subject parcels are adjacent to residential or commercial properties, within the small residential and commercial area of the community of Nelchina. The proposed action conveys the subject parcels to the existing residential or commercial owners of the adjacent land.

Access: Access to the parcel is from the Glenn Highway and local access roads.

<u>Access To and Along Public or Navigable Water:</u> These parcels are not adjacent to any water bodies.

Survey and Appraisal:

<u>Survey:</u> Upon receiving DNR approval to purchase these parcels, the applicants must provide an acceptable survey to the State of Alaska. Specifically, the survey must address the State of Alaska monumentation requirements. The final survey design will comply with all State and local rules and regulations. In addition, the survey must reflect the reservations of various easements, as described in the Background Section of this decision. As this is a remnant parcel, the survey design will include two plats. The first plat will be for the parcel as is. The second plat will be an amendment of the first plat, and will include the remnant parcel as part of the adjacent lot owned by the applicant. This amended plat is to be approved just before patent is issued. The applicants bear the cost of survey.

Appraisal: The parcels will be sold at fair market value. The valuation date of the appraisal will be set as the date of issuance of an approved final finding and decision or subsequent amended final finding and decision. The Department will provide the applicant with a list of State approved appraisers and a notice for the applicant to request appraisal instructions. As this is for a remnant parcel, the appraisal will appraise both the adjacent private land owned by the applicant, and the combined parcel of the state remnant with the privately owned parcel. The difference between the two prices will be the value of the state remnant land. The applicants bear the cost of appraisal.

Agency Review: Agency review is being done concurrently with the public notice for the preliminary finding and decision. Agency comments will be considered and addressed in the final finding and decision.

Environmental Risk Assessment: There are no major environmental risks associated with the proposal to sell the parcel. Potential impacts as a direct result of the proposed sale are minimal. There would be a small increase in private land ownership in the area.

Note of Potential Flood Hazard: There are no FEMA maps for this area, and there is no state or local information.

Stipulations: The following stipulation must be met by each applicant.

- 1. Within six months from the effective date of the Final Finding and Decision, the applicants must submit to the Department the following:
 - A completed Preference Right Application and \$100 application fee
 - o A completed Right to Bear Cost of Advertising, Survey, and Appraisal form
 - o A completed Applicant Environmental Risk Questionnaire
 - Reimbursement of advertising cost of the public notice. Applicants will be notified
 of the total cost for advertising the public notice in the Anchorage Daily News and
 the Copper River Record.
- 2. Within two years from the date of notice that Department has accepted the applicant's preference right application and issued the notice to proceed to survey, the applicants must submit to the Department a survey approved by the State of Alaska. Reservations of various easements, as described in the Background Section of this decision, must be shown on the survey plat.
- 3. Within two years from the date of notice that department has accepted the applicants' survey and issued the notice to proceed to appraisal, the applicants must submit to the Department a completed fair market value appraisal.
- 4. Within 30 days of the issuance of a notification to proceed letter, the applicant must submit to the Department the following:
 - A completed Veteran's Land Discount form (if eligible)
 - A completed Declaration of Intent Form and \$100 document handling fee
 - Payoff amount or 5% deposit for the issuance of a sale contract
- 5. After full payment has been received and before patent has been issued, the survey will be amended to show the remnant parcel joined into one lot with applicants' adjacent property.

If the applicant submits an application to purchase the parcel after six months from the issuance of the original Final Finding and Decision or fails to complete any of the above mentioned stipulations within the time limit specified, an Amended Final Finding and Decision will be required prior to the completion of the purchase unless the delay and extenuating circumstances are pre-approved by the Department. The effective date of the appraisal will be adjusted to the effective date of the Amended Final Finding and decision. The applicant is responsible for submitting an updated appraisal and for any additional appraisal cost.

If the adjacent, privately owned land is sold to a new owner within the time limit specified, the Final Finding and Decision still holds for the new adjacent land owner, provided they apply for the preference right. The new applicant must still meet the stipulations and time limits specified above. If the new applicant does not meet the stipulations and time limits specified above, then an Amended Final Finding and Decision will be required prior to the completion of the purchase.

Alternatives: The following alternatives were considered.

<u>Alternative1:</u> Offer the remnant parcels for sale as proposed in this decision. If it is in the best interest of the State, AS 38.05.035(b)(7) allows an adjacent land owner to purchase remnant land that is considered unmanageable through a non-competitive sale. The sale of the remnant parcel will provide settlement land to the private sector and generate revenue for the State. This is in the best interest of the State. For the some of applicants, it resolves the unintentional trespass issues. This is the highest and best use. This is the preferred alternative.

<u>Alternative 2:</u> Offer the remnant parcels for sale through a competitive public sale. Some of the parcels are too small for a competitive sale. On other parcels, land topography or access easement requirements limit the viable land space. Those applicants with unresolved trespass issues would be adversely impacted if they did not win the bid and the trespass buildings passed to a different owner. This alternative is not preferred.

Alternative 3: The Department will take no action and retain the remnant parcels. Retaining this parcel is in opposition to the classification of Settlement designated in the Copper River Basin Area Plan. The State would need to expend resources managing the remnant parcels, while forgoing the income that would have been generated in this sale. It leaves the trespass issues unresolved. This alternative is not preferred.

Recommendation: I find that the proposed action in Alternative 1 is consistent with the overall management intent for state land. It is in the State's best interest and the applicants' best interest. The proposed action satisfies AS 38.05.035(b)(7), is consistent with the Copper River Basin Area Plan, and will generate revenue for the State. This decision is hereby approved to proceed to public notice in accordance with AS 38-05-945.

Adjudicator:

Kathryn Young

Natural Resource Specialist II

Oct. 17, 2006

Date

I concur with this recommendation.

Holly Roberson Hill, Section Manager,

Land Sales and Contract Administration

Date

Public Notice:

Pursuant to AS 38.05.945, public notice of this action will be conducted. The public is invited to comment on the proposed action. Copies of the preliminary finding and decision are available at the Division of Mining, Land and Water, Land Sales and Contract Administration Section, 550 West 7th Avenue, Suite 640, Anchorage, AK 99501. Copies are also available at the Department's Public Information Offices in Juneau, Fairbanks, and Anchorage, at www.dnr.state.ak.us/mlw/landsale/, or by mail upon request by contacting Kathryn Young by phone at (907) 269-8672; or alternatively by email at kathryn_young@dnr.state.ak.us; or by fax at (907) 269-8916. Comments must be received in writing by the Division of Mining, Land and Water, Land Sales and Contract Administration Section, attention to Kathryn Young at the above mentioned contacts on or before 5:00 pm, Friday, November 17, 2006 in order to ensure consideration.

All written timely responses will be considered. Only persons who comment during the comment period will be eligible to file an administrative appeal of the final finding and decision.

If public comment in response to this notice indicates the need for significant changes in the above decision, additional public notice for the affected decision will be given on or about the beginning of December 2006 The State reserves the right to withdraw a parcel from consideration at any time. Withdrawing a parcel will not be considered a significant change requiring public notice. If no significant change is required, the Preliminary Finding and Decision, including any minor changes and a summary of comments and responses, will be issued as the Final Finding and Decision of the Department of Natural Resources, without further notice. The final decision will set out the applicable process for appealing the decision under AS 38.05.035 (i)-(m). A copy of the final decision will also be available at the address above and will be sent to any person who comments on the preliminary decision. If you have any questions concerning this proposed action, please contact Kathryn Young at (907) 269-8672. Individuals with audio impairments may call the Department's Public Information Center in Anchorage between the hours of 10:00 am and 5:00 pm, Monday through Friday, at TDD# (907) 269-8411.



