

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

**PRELIMINARY DECISION
Proposed Land Offering
Lakes Subdivision – ADL 231196
AS 38.05.035 (e), AS 38.05.045**

**RELATED ACTION(S):
Proposed Amendment to the Susitna Area Plan
AS 38.04.065
Proposed Special Exceptions to the Susitna Area Plan
AS 38.04.065
Proposed Mineral Order (Closing)
AS 38.05.065, AS 38.05.185**

COMMENT PERIOD ENDS 5:00 PM, WEDNESDAY, MARCH 28, 2012

I. Proposed Action

The primary proposed action of this Preliminary Decision of the State of Alaska, Department of Natural Resources (DNR), Division of Mining, Land, and Water (DMLW) is to offer for sale State-owned land for private ownership within the identified project area. Surveyed parcels will be offered for sale in a future, public auction. If the parcels do not sell when offered at auction, they may be offered by another method under AS 38.05.045 Generally [Land for Sale].

Attachment A: Public Notice

Attachment B: Vicinity Map

Attachment C: Parcel List

Located within the Department's South-Central Region, along the shores of Lake Louise, Dinty Lake, and Susitna Lake, approximately 130 miles northeast of Anchorage and approximately 40 miles northwest of Glennallen, the project area is within Township 6 North, Range 7 West, Township 7 North, Range 8 West, and Township 8 North, Range 8 West, Copper River Meridian. Access to the project area is generally via Lake Louise and Dinty Lake by way of Lake Louise Road, which intersects the Glenn Highway near Milepost 160. Public launch into Dinty Lake and Lake Louise affords boat access to Susitna Lake and Lake Tyone north of Lake Louise. The lakes within the project area are float-plane accessible as well. See Attachment B: Vicinity Map for a graphic depiction of the approximate location of the project area.

The parcels are classified Settlement by the Susitna Area Plan (adopted 1985). For the purposes of providing land for settlement in the area, if deemed feasible, DNR DMLW may offer for sale up to 94 previously-surveyed parcels varying in size and totaling approximately 460 acres. This offering may be conducted in phases and some parcels may be combined prior to offering. For parcel-specific information see Attachment C: Parcel List.

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Since the project's parcels were already surveyed by the Federal government, in order to comply with AS 38.05.127 Access To Navigable or Public Water, we must provide for a public access easement along the ordinary high water mark of public water bodies. This easement would apply to parcels included in this proposal that front along Lake Louise, Susitna Lake, and Dinty Lake. Similarly, we may reserve additional easements along interior lot lines, where needed, to provide access between public water and uplands not adjacent to the water, including other State-owned parcels. The reservations may be reserved in the patents, or by other means as appropriate, referencing the relevant public water body for each parcel. In addition, we may reserve a building setback for riparian protections. See the Access To and Along Public or Navigable Waters, Building Setbacks from Public or Navigable Water, and Easements, Setbacks, and Retained Lands subsections of this document for more information.

There are five related actions with this proposal: a mineral order, an amendment to the Susitna Area Plan, and three Special Exceptions to the Susitna Area Plan (SUAP). These related actions will be developed as separate actions, accompany the Final Finding and Decision, and be approved prior to approval of the Final Finding and Decision. Public notice for these related actions is being conducted concurrently with the primary action's Preliminary Decision. The Final Finding and Decision for this proposed action will be dependent upon approval of the related actions such that if the related actions are not approved, the Final Finding and Decision will not be approved, unless modified. Likewise, DNR DMLW will not process the related actions unless proceeding with a Final Finding and Decision. Please refer to the Mineral Order(s) and Planning and Classification subsections of this document for more information. Separate comments should be submitted for each action.

Mineral Order (Closing): The entire project area (approximately 460 acres), will be closed to mineral entry prior to offering, consistent with the management intent of the Susitna Area Plan.

Plan Amendment: A plan amendment in accordance with AS 38.04.065 Land Use Planning and Classification and 11 AAC 55.030 (f) Land Use Plan is necessary for this proposed project. As detailed in the Planning and Classification subsection of this document, the Susitna Area Plan was adopted in 1985 and has not been updated since. This amendment, if approved will remove the limitation of the number of lots that can be offered along Susitna Lake and Lake Louise. This amendment and decision only affects previously-surveyed parcels with Settlement classifications under the Susitna Area Plan.

Special Exception: Three Special Exceptions to the Susitna Area Plan (SUAP) in accordance with AS 38.04.065 Land Use Planning and Classification and 11 AAC 55.030 (f) Land Use Plan are necessary for this proposed project:

- a Special Exception to SUAP exempting the area affected by this decision from SUAP Chapter 2 - Fish and Wildlife Habitat requirement, "on Susitna Lake, up to 25 additional lots may be offered for sale." The sale of additional parcels proposed by this offering will not result in the conveyance of more than 50% of the lakeshore out of public ownership. Fish and Wildlife Habitat and access to fishing opportunities will be preserved, given the size of the lake and the large amount of land in public ownership.

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- a Special Exception to SUAP exempting the area affected by this decision from SUAP Chapter 2 - Recreation requirement that provides that remaining public land surrounding large lakes with relatively little development, specifically Susitna Lake, will be retained in public ownership. Other management intent within SUAP's Areawide Land Management Policies and management intent for the Subregion allow for the sale of additional parcels on Susitna Lake.
- a Special Exception to SUAP to allow the offering of parcels on islands within Subunit 1b. Private parcels already exist on these islands, these parcels have been designated Settlement, and this action is consistent with the current land use in the area.

DNR DMLW may conduct a public open house during the public comment period. Refer to Attachment A: Public Notice for contact information to inquire as to the public's opportunity to participate, the schedule, and the location of the proposed public open house.

Pursuant to AS 38.05.945 Notice, the public is invited to comment on these proposed actions. See the Submittal of Public Comments section at the end of this document and Attachment A: Public Notice for details on how to submit a comment for consideration. If commenting on more than one proposed action, separate comments should be submitted for each. If, after consideration of timely written comments, this proposed action is approved, DNR DMLW will issue a Final Finding and Decision.

II. Authority

The State of Alaska, Department of Natural Resources (DNR) has the authority under AS 38.05.035 (e) Powers and Duties of the Director and AS 38.05.045 Generally [Sale of Land] to sell State-owned land if, on preparation and issuance of a written finding, it is determined to be in the best interest of the State. The Land Sales and Contract Administration Section (LSCAS) of the Division of Mining, Land, and Water (DMLW) is delegated authority to offer parcels through public auction under AS 38.05.050 Disposal of Land for Private Ownership and AS 38.05.055 Auction Sale Procedures. If the parcels do not sell when offered at auction, DNR DMLW is authorized to offer the parcels through other methods under AS 38.05.045.

For related actions, AS 38.05.185 Generally [Mining Rights] allows for closing lands to mineral entry, and AS 38.05.065 Land Use Planning and Classification and 11 AAC 55.030 (f) Land Use Plan allow for Area Plan Amendments and Special Exceptions.

III. Administrative Record

The administrative record for the proposed actions consists of the documentation contained in the project file. Incorporated by reference is the area plan, the Alaska Interagency Wildland Fire Management Plan (amended 1998), and the 1979 Exploratory Soils Survey of Alaska.

IV. Scope of the Decision

The scope of this proposal, under the statutes described in the Authority section of this document, is limited and specific to the DNR DMLW's proposal to offer State-owned land within the defined project area for disposal through a future, public auction or another method under

AS 38.05.045 Generally [Sale of Land], and to the proposed related actions as described herein. The offerings may be conducted in phases.

The scope of this proposal does not include the control of post-patent use and DNR DMLW does not intend to impose deed restrictions for this purpose, except as required to comply with statutes and regulations as described herein. See the Access To and Along Public or Navigable Waters, Building Setbacks from Public or Navigable Water, and Easements, Setbacks, and Retained Lands subsections of this document for more information.

V. Description

Location: The parcels listed in Attachment C: Parcel List are located along the shores of Lake Louise, Susitna Lake, and nearby Dinty Lake. The proposed parcels are approximately 130 miles northeast of Anchorage and approximately 40 miles northwest of Glennallen. Access to the project area is generally via Lake Louise and Dinty Lake by way of Lake Louise Road, which intersects the Glenn Highway near Milepost 160. The parcels are clustered in sites scattered along more than 70 miles of lakeshore along Lake Louise and Susitna Lake, primarily along the northern half of Susitna Lake with some parcels along the western shore of Lake Louise and the southern half of nearby Dinty Lake. Public launch into Dinty Lake and Lake Louise affords boat access to Susitna Lake and Lake Tyone north of Lake Louise. The lakes within the project area are float-plane accessible as well. See Attachment B: Vicinity Map for a graphic depiction of the approximate location of the project area.

USGS Map Coverage: USGS Quads Gulkana B-6, Gulkana B-5, and Gulkana C-6.

Coastal Issues: The Matanuska-Susitna Borough will receive public notice of an opportunity to comment.

Boroughs/Municipalities: The proposed project area is located within the Matanuska-Susitna Borough.

Native Regional and Village Corporations: The project area is within the boundaries of Ahtna, Incorporated and they will receive public notice of an opportunity to comment. There are no village corporations or councils within 25 miles of the project area.

Legal Description: All parcels are within the Talkeetna Recording District, Third Judicial District, Alaska. See Attachment C: Parcel List for a list of parcel legal descriptions.

Title: Current title reports: RPT 872, RPTs 1914-1953, RPTs 1958-1983, RPTs 1985-1991, RPTs 1993-1994, and RPT 2168, effectively dated between August 2009 and November 2010, indicate that the State of Alaska holds fee simple title to the land and mineral estate within the project area. See Attachment C: Parcel List for a list of lots and their corresponding title report numbers.

All of the land subject to this proposal was acquired by General Purpose Grant - Statehood entitlement under the Act of July 7, 1958, 72 Stat. 339, as amended. The patent numbers are 50-83-0200 dated June 21, 1983, 50-82-0090 dated July 27, 1982, and 50-96-0130 dated December 15, 1995. The applicable State case files are GS 1619, GS 1613, and GS 1624, respectively.

Retained Interests: In accordance with AS 38.05.125 Reservation of Mineral Rights to Alaska, the State retains ownership of oil, gas, coal, ore, minerals, fissionable material, geothermal resources, and fossils that may be in or upon the land that it sells. The State and its successors reserve the right to enter onto the land for the purposes of exploring for, developing, and producing these reserved mineral resources. This access reservation is superior to any and all surface uses. The State may also lease these interests to mineral developers or allow mining locations to be staked. However, AS 38.05.130 Damages and Posting of Bond provides that the surface owner will be compensated for damages resulting from mineral exploration and development.

Physical Characteristics: The following paragraphs describe the project area's physical characteristics.

Topography: The parcels are situated along the shores of Lake Louise, Susitna Lake, and Dinty Lake. The elevation at the ordinary high water mark of the lakes is approximately 2,360 feet above sea level. The topography differs from parcel to parcel, but generally slopes gradually up away from the ordinary high water mark.

Geologic Hazards: According to DNR Division of Geological and Geophysical Surveys, this area is largely underlain by material that was deposited by large glacial lakes, including laminated to massive clay, silt, sand, and gravel. Permafrost is common in these deposits in this part of Alaska, often with massive ice in the finer-grained materials. Because the parcels are located largely along lake shores, the likelihood of encountering frozen ground is diminished. Special construction methods typical of other permafrost areas in Alaska may be required to prevent thawing of frozen ground. The area between the northern part of Old Man Lake and Lake Louise is underlain by sandier lake deposits that are less subject to ice-rich permafrost. There are no other known geologic hazards within the area. Should any additional geologic hazards be discovered in the future, they will be described in the project file and disclosed in the offering brochure prior to sale. Interested parties are highly encouraged to inspect individual parcels prior to purchase.

Soils: Soils in the area are identified by the 1979 Exploratory Soil Survey of Alaska within the IQ-2 map unit. Soils types generally consist of histic pergelic cryochrepts, composed of silty material of variable thickness over very gravelly glacial drift. This is a very broad description of the general area and interested parties are highly encouraged to inspect individual parcels prior to purchase.

Vegetation: Vegetation is comprised of mainly black spruce with some mature aspen trees.

Fire Hazards: Fire management options and policies for the area are identified in the Alaska Interagency Wildfire Management Plan available from the DNR Division of Forestry. The current fire management option for the project area is "Full". The fire management policy on areas with the "Full" management option reads, "Fires occurring within or immediately threatening this designation will receive aggressive initial attack dependent upon the availability of suppression resources." It is important to note, however, that the DNR Division of Forestry has warned that DNR DMLW to inform participants there is no guarantee their property will be spared from harm from a wildland fire, even if the area is

designated “Full” fire management option. Landowners with structures are encouraged to follow the Alaska Wildland Fire Coordinating Group *Firewise Alaska* recommendations.

Flood Zone: There are no FEMA Flood Insurance Rate Maps available for this area. Although the parcels are mostly lakefront, floods do not appear to be a concern here. We will continue to investigate as needed and consider any new information discovered prior to offering individual parcels. Interested parties are highly encouraged to inspect parcels prior to purchase.

Background:

Chronological Background and History of the overall Lake Louise and Susitna Lake Area surrounding and including the project area:

- 1956-1970 - area surveyed by the Federal government, approximately 100 parcels along Lake Louise conveyed through the Small Tract Act
- 1970 - Lake Louise designated as an Army Recreational training center
- 1982 - State received Patent 50-82-0090 under General Purpose Grant (GS 1613) Statehood Entitlement Act
- 1983 - State received Patent 50-83-0200 under General Purpose Grant (GS 1619) Statehood Entitlement Act
- 1982-1984 – State classified parcels along Lake Louise, approximately 50 classified Public Use/Recreation the remainder classified Settlement
- 1983-1984 – State offered approximately 80 parcels along Lake Louise through Lotteries #12 and #13
- 1985 - Susitna Area Plan adopted
- 1986 - surrounding area classified Settlement CL-SC-86-012
- 1989 - University II Settlement Agreement (ADL 223456), 27 parcels along Lake Louise transferred to the University of Alaska
- 1991 - Unauthorized cabin identified within the project area on Lot 1 of USS 5654 along Susitna Lake (ADLs 226196 and 227092), Trespass Notice and Order to Quit issued
- 1995 - State received Patent 50-96-0130 under General Purpose Grant (GS 1624) Statehood Entitlement Act
- 2002 - Lot 5 of USS 3490 removed from the pool of Settlement parcels to preserve access to an existing trail (ADL 228167)
- 2002 - Lot 5 of USS 3483 along Lake Louise conveyed to the Matanuska-Susitna Borough under its Title 29 Land Entitlement (ADL 228187)
- 2003 - 25 lots along Susitna Lake offered in Auction #432
- 2009 - Surveyed parcels identified for potential land sales

From the mid 1950s to the early 1970s, the Federal government surveyed the lakeshore of the project area. The survey created parcels, mostly between 2 and 5 acres, all along the lakeshores of Lake Louise and Dinty Lake. About half of the Susitna Lake shore was left unsubdivided. During this time period, the Federal government sold approximately 100 parcels along Lake Louise through the Small Tract Act. Under the same Act, approximately 30 Susitna Lake parcels were sold.

The parcels along Lake Louise and Dinty Lake that were not already in private ownership were patented to the State in 1982 and 1983. Following the patent of this land, the State conveyed approximately 80 parcels into private ownership through Lotteries #12 and #13.

At the time of the adoption of the Susitna Area Plan in 1985, more than 50% of the Lake Louise lakeshore was already in private ownership. Approximately 50 parcels were classified as Public Use/Recreation and Public Use/Wildlife Habitat in a variety of areas around the Lake. The Susitna Area plan designated the subdivided portion of the Susitna Lake shore as Settlement while the unsubdivided lakeshore and surrounding land was designated Public Use Recreation/Wildlife Habitat. Only unsold parcels that were classified Settlement are included in this decision.

In 1991, an unauthorized cabin along Susitna Lake was identified on Lot 1 of USS 5654 (ADLs 226196 and 227092) and a Trespass Notice and Order to Quit was issued. A picture of the cabin that was taken during an early 1990s trip to the area by State of Alaska, Department of Fish and Game personnel shows an apparently well-built, log structure in a good state of repair. We will attempt to inspect the cabin to assess its status and condition prior to sale.

In 1995 the State received patent for the land around Susitna Lake that was not already privately owned. In 2003 the State sold 25 parcels along Susitna Lake through Auction #432. In 2009 this area was identified as a potential land sales project during a search for potential subdivision sales areas.

Planning and Classification: The project area is located within the Susitna Area Plan (SUAP); Lake Louise Subregion, Subunits 1b (Susitna Lake) and 1c (Lake Louise Settlement Lands). The project area is classified Settlement. Requirements affecting the proposed action were derived from SUAP Chapter 2 - Areawide Land Management Policies, and Chapter 3 - Policies For Each Management Unit. An Area Plan Amendment and three Special Exceptions to the Area Plan are required to effectuate this offering. The amendment meets the management intent of SUAP and the Special Exceptions are required for portions of the proposed action that do not meet the management intent provided in the Areawide Land Management Policies.

Areawide Land Management Policies: This offering was reviewed for consistency with SUAP Chapter 2 - Areawide Land Management Policies with regard to Agriculture, Fish and Wildlife Habitat, Forestry, Recreation, Settlement, Subsurface Resources and Materials, Transportation, Instream Flow, Lakeshore Management, Public Access, Stream Corridors, Trail Management, and Wetlands Management. Discussion of specific, relevant management guidelines and requirements follow:

- **Fish and Wildlife Habitat:** SUAP areawide management guidelines regarding fish and wildlife habitat recognizes that all lands serve to a degree as fish or wildlife habitat, and generally calls for consultation with the State of Alaska, Department of Fish and Game (DFG) prior to actions such as this proposed disposal. We have reviewed the Areawide Land Management Guidelines with regard to Fish and Wildlife Habitat and coordinated with DFG. See the Agency Comments section of this document for a list of DFG comments and our responses. SUAP Chapter 2 - Areawide Management

Policies, Fish and Wildlife Habitat, Land Allocation Summary, Allocations and Management Guidelines for Fishing provides that up to 25 additional lots may be offered for sale on Susitna Lake. We propose a Special Exception to exempt the area affected by this decision from this requirement. See the Proposed Special Exceptions to SUAP subsection of this document for more information.

- Recreation: Areawide Land Management Policies regarding Recreation provides that the State's proper role is to retain and manage land supporting recreational opportunities of regional or statewide significance. In accordance with SUAP, the State has already classified several areas of Lake Louise Lakeshore as Public Use/Recreation and these areas remain in State ownership and are not affected by this proposal. The majority of the Susitna Lake lakeshore is presently classified Public Use Recreation/Wildlife Habitat, which is in compliance with the Areawide Land Management Policies regarding Recreation. This Recreation policy states that lakes with important public recreational values will be protected through retaining in public ownership at least 50% of the land within 500 feet of the lake, a significant portion of which should be suitable for recreational activities. This requirement has been met with regard to Susitna Lake.

At the time of the adoption of SUAP, greater than 50% of the land within 500 feet of Lake Louise had already been conveyed into private ownership. With regard to this, management intent for the subregion allows for the sale of additional parcels along Lake Louise. Areawide Land Management Policies with regard to Lakeshore management provide that the percentage of land retained in public ownership may be reduced on a case-by-case basis. Given that less than 50% of the land within 500 feet of Lake Louise was in public ownership when the plan was adopted, and the management intent allows for the sale of additional parcels, we consider this Special Exception to SUAP to be consistent with the management intent. See the Lakeshore Management discussion in this section for more information.

SUAP further states "Remaining public land surrounding the large lakes with relatively little development - notably Susitna Lake, Chelatna Lake, Tyone Lake, Alexander Lake, Strandline Lake, and Old Man lake - will be retained in public ownership and managed to protect and provide public recreational opportunities. Where the decision has been made by the plan to sell additional land surrounding a lake greater than 640 acres (e.g., Lake Louise), those sales will be designed to minimize damage to public recreation values by retaining islands and lakefront property in public ownership, protecting public access from lakes to backcountry areas and protecting stream and trail corridors and other important open space areas." We propose a Special Exception to exempt Susitna Lake from the requirement to retain remaining public land in public ownership. Other management intent within Areawide Land Management Policies and management intent for the subregion allow for the sale of additional parcels on Susitna Lake and this proposed offering only includes those surveyed parcels designated Settlement. Those portions of the lakeshore designated Public Recreation are not a part of this proposed offering. Recreational activities along Lake Louise will be preserved, given the large area of the lake and the lands retained in State ownership. See the Proposed Area Special Exception to SUAP subsection of this document for more information. The

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requirement to design land sales around Lake Louise to minimize damage to public recreation values has been met. See the Access and Easements, Setbacks and Reserved Areas sections of this document for more information.

- **Settlement:** Areawide management guidelines regarding settlement have been reviewed and this proposed offering adheres to the Areawide Guidelines and design requirements. Of specific note, Areawide Land Management Policies for Settlement, Management Guidelines for Subdivision Design state that the minimum parcel size for areas with 0-12% slope should not be less than 1 acre. Subdivision design, lot size, and slope requirements have been met. All parcels within the proposed project are larger than 1 acre and slopes within the area do not appear to exceed 12%. Areawide Land Management Policies for Settlement and the Management Guidelines for Easements have also been met. See the Access To, Within, and Beyond the Project Area subsection of this document for more information.
- **Lakeshore Management:** Areawide Land Management Policies regarding Lakeshore Management provides that all islands and at least 50% of all public land within 500 feet of the lakeshore will be retained in public ownership on all lakes with significant recreation values, and that retained lands shall include 50% of the actual shoreline. The plan further provides that these percentages may be increased or decreased on a case-by-case basis if topography, amount of use, or other local conditions warrant. A significant portion of the lakefront land retained in public ownership should be suitable for recreational activities. Where feasible, the publicly-retained land should include the land adjacent to lake inlets and outlets.

Prior to the 1985 adoption of SUAP, more than 50% of Lake Louise had already been conveyed into private ownership. However, several areas have been reserved specifically for public use and recreation, to include land adjacent to lake inlets and outlets. We propose to offer for sale additional lots along Lake Louise, which is allowed under SUAP's specification for areas of high recreational value where there is a demand for land for private ownership in the area. At the time of the adoption of SUAP, greater than 50% of the land within 500 feet of Lake Louise had already been conveyed into private ownership. Additionally, management intent for the subregion allows for the sale of additional parcels along Lake Louise. Areawide Land Management Policies with regard to Lakeshore management provide that the percentage of land retained in public ownership may be reduced on a case-by-case basis. Given that less than 50% of the land within 500 feet of Lake Louise was in public ownership when the plan was adopted, and the management intent allows for the sale of additional parcels, we consider this action to be consistent with the management intent. Reducing the percentage of land to be retained in public ownership in this area is consistent with the land use patterns in the near vicinity.

For Susitna Lake, greater than 50% of the shoreline is already in public ownership. The sale of additional parcels as proposed in this action will not reduce the amount of publicly-retained shoreline below 50%. For Lake Louise, presently greater than 50% of its shoreline is in private ownership. This portion of the management guideline requirement is met.

Of the parcels proposed for sale through this action, 21 are located on islands within Susitna Lake. Lots 23-27 of USS 4590 are located on a small island along the northwest shore of Susitna Lake. Parcels within USS 4584 and USS 4582 are located on the large island in the south end of Susitna Lake. Greater than 50% of this island will remain in public ownership. Both of these islands already have some private parcels and the lots are clustered adjacent to existing private property. Recreational access will be preserved, given the size of Susitna Lake and the amount of public lands available for recreation. These parcels have been designated Settlement and this action is consistent with the current land use in the area. For these reasons, we believe it is appropriate to continue this type of development, and we propose a Special Exception to the area plan to allow the sale of parcels on islands in Susitna Lake.

- **Wetlands Management:** No Class I or Class II wetlands or streams have been identified within the proposed project area.

Chapter 3 – Policies For Each Management Unit: Lake Louise Subregion

- **Subunits 1a and 1c (Lake Louise Settlement Lands)**
 - **Location of Land Sales:** Management guidelines for Subunit 1c provide that future sales around Lake Louise should be limited to two or three clustered sites, specifically, between Lake Louise and Little Lake Louise. Much of the high-quality land in this area has been conveyed as Native Allotments and this area is not classified Settlement by SUAP. We propose to offer only previously-surveyed lots that are designated Settlement in order to meet the management intent of SUAP. The management guidelines also provide that a limited number (less than 25) of previously-surveyed lakefront lots is allowed. We propose an Amendment to SUAP to remove the limitation of the number of lots to be offered on Lake Louise. See the Proposed Area Plan Amendment to SUAP subsection of this document for more information. This action proposes to sell up to 29 lots (27 lots with lake frontage) clustered around Dinty Lake and two separate locations on the west shore of Lake Louise. This proposed offering meets the management guidelines for clustered sites along Lake Louise.
 - **Water Quality:** SUAP identifies water quality as an important consideration when planning land disposals in the Lake Louise area. All land sales in the area, as throughout the state, will require compliance with State of Alaska, Department of Environmental Conservation (DEC) water quality protection laws. DEC was contacted regarding this proposed action, but did not provide comment during the agency review period. In accordance with the Areawide Land Management Policies outlined in SUAP, water quality will be protected by a 100-foot building setback. See the Building Setbacks from Public or Navigable Water and Easements, Setbacks, and Retained Lands subsections of this document for more details on this setback.
- **Trails and Access Improvements:** DNR Division of Parks and Outdoor Recreation was contacted regarding this proposed action, but did not provide comment the

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during agency review period. We reviewed the Matanuska-Susitna Borough Recreational Trails Plan (adopted March 2000) and the Alaska State Trails Program. In accordance with the Areawide Land Management Policies outlined in SUAP, trails identified will be retained in public ownership, or protected by easement, patent reservations, or by other means as appropriate. See the Access To, Within, and Beyond the Project Area subsection of this document for additional information.

- Subunits 1a, 1b, and 1c (Lake Louise Public and Settlement Lands and Susitna Lake)
 - Swan Nesting Habitat: Management guidelines identify swan nesting habitat within Subunits 1a, 1b, and 1c. These nesting areas are not located within the proposed project area and do not affect the parcels involved in the proposals under the scope of this Preliminary Decision.

- Subunit 1b (Susitna Lake)
 - Location and Amount of Land Sales: The management intent for Subunit 1b states that the land in the vicinity of Susitna Lake will generally be retained in public ownership and managed to provide opportunities for hunting, fishing, boating and other recreational activities in a natural setting. Most of the land in the vicinity of Susitna Lake will be retained in public ownership following this action and those lands will provide adequate access to recreational opportunities. Management guidelines for Subunit 1b provide that lots offered in this proposal will be limited to the existing, vacant, State-owned, previously-surveyed lots around Susitna Lake and that the total number offered will not exceed 25 lots. SUAP further provides that parcels to be sold should be concentrated into areas where there are presently privately-owned lots. In accordance with SUAP, all of the parcels proposed for sale through this action are within clusters and adjacent to other privately-owned parcels. This requirement has been met. We propose an Area Plan Amendment to SUAP to remove the limitation of the number of lots to be offered on Susitna Lake. See the Proposed Area Plan Amendment to SUAP subsection of this document for more information.

Area Plan Proposals: There are four related actions with this proposal involving SUAP: an amendment to the Susitna Area Plan, and three Special Exceptions to the Susitna Area Plan (SUAP) as described in the following paragraphs.

- Proposed Area Plan Amendment to SUAP: DNR DMLW proposes to amend SUAP to remove the limitation of the number of lots to be offered on Susitna Lake by striking the language, “(<25 parcels)” within Management Intent for Subunit 1b, and to strike the language, “The total number offered will not exceed 25 lots” Within Management Guidelines for Subunit 1b. This amendment will also remove the limitation of the number of parcels to be offered on Lake Louise by striking the language, “(less than 25)” within Management Guidelines for Subunits 1a and 1c. The sale of an additional 29 lots along Lake Louise and Dinty Lake generally meets the management intent of SUAP. This Area Plan Amendment will meet the intent of

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the plan by preserving the recreational values along Lake Louise and Susitna Lake, given the large area of the lakes and the lands retained in State ownership. The addition of more than 25 lots along Susitna Lake is consistent with the current land use of the area.

- Proposed Special Exceptions to SUAP: DNR DMLW proposes a Special Exception to SUAP exempting the area affected by this decision from SUAP Chapter 2 - Fish and Wildlife Habitat requirement, "On Susitna Lake, up to 25 additional lots may be offered for sale." The sale of additional parcels proposed by this offering will not result in the conveyance of more than 50% of the lakeshore out of public ownership. Fish and Wildlife Habitat and access to fishing opportunities will be preserved, given the size of the lake and the large amount of land in public ownership.
- Proposed Special Exceptions to SUAP: DNR DMLW proposes a Special Exception to SUAP exempting the area affected by this decision from the Chapter 2 - Recreation requirement that provides that remaining public land surrounding large lakes with relatively little development, specifically Susitna Lake, will be retained in public ownership. The other large lakes mentioned in Chapter 2 (Recreation), namely, Chelatna Lake, Tyone Lake, Alexander Lake, Strandline Lake, and Old Man Lake, will not be affected by this Special Exception. SUAP states that where the decision has been made by the plan to sell additional land surrounding a lake greater than 640 acres (e.g., Lake Louise) those sales will be designed to minimize damage to public recreation values by retaining islands and lakefront property in public ownership, protecting public access from lakes to backcountry areas and protecting stream and trail corridors and other important open space areas. Other management intent within Areawide Land Management Policies and management intent for the Subregion allow for the sale of additional parcels on Susitna Lake.
- Proposed Special Exceptions to SUAP: DNR DMLW proposes a Special Exception to SUAP to allow the offering of parcels on islands within Subunit 1b. Private parcels already exist on these islands, these parcels have been designated Settlement, and this action is consistent with the current land use in the area.

These related actions will be developed as separate actions, accompany the Final Finding and Decision, and be approved prior to approval of the Final Finding and Decision. Public notice for these related actions is being conducted concurrently with the primary action's Preliminary Decision. The Final Finding and Decision for this proposed action will be dependent upon approval of the related actions such that if the related actions are not approved, the Final Finding and Decision will not be approved, unless modified. Likewise, DNR DMLW will not process the related actions unless proceeding with a Final Finding and Decision. Separate comments should be submitted for each action.

Mineral Order(s): The proposed project area is currently open to mineral entry. The proposed mineral order will include the all of the Settlement-classified parcels listed in Attachment C: Parcel List.

DNR DMLW recommends closing to mineral entry the entire project area (approximately 460 acres) in accordance with AS 38.05.185 Generally [Mining Rights] for a land disposal,

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which is consistent with the management intent of SUAP. The proposed mineral order closing the area to new mineral entry will apply only to new mineral location and will not remove valid existing mineral rights. No mineral activity has been identified within the project area. This related mineral order, if approved, will precede the Final Finding and Decision to approve the land offering.

Mineral orders that close an area to mineral entry, where they have been established, close that area to new exploration and development of locatable minerals such as gold, copper, platinum, etc. Such 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, AS 38.05.130 Damages and Posting of Bond stipulates that the surface owner will be compensated for damages resulting from exploration and development.

Mining activity would be incompatible with the past, current, and proposed surface uses for land disposals. To allow new mineral location within the boundaries of the parcels encompassed by this decision could create serious conflicts between surface and subsurface users. Area plan subsurface management policy states that, in general, areas scheduled for disposal will be closed to mineral entry prior to sale to minimize potential conflict between surface and subsurface users.

This related action will be developed as a separate action, accompany the Final Finding and Decision, and be approved prior to approval of the Final Finding and Decision. Public notice for this related action is being conducted concurrently with the primary action's Preliminary Decision. The Final Finding and Decision for this proposed action will be dependent upon approval of the related actions such that if the related actions are not approved, the Final Finding and Decision will not be approved, unless modified. Likewise, DNR DMLW will not process the related actions unless proceeding with a Final Finding and Decision.

Local Planning: Where they exist, local zoning and related ordinances govern any land use restrictions, as with other private land. The project area is within the Matanuska-Susitna Borough and subject to that platting and zoning authority. The scope of this proposal does not include the control of post-patent use and DNR DMLW does not intend to impose deed restrictions for this purpose, except as required to comply with statutes and regulations as described herein.

Other Constraints: As of the publication date of this proposal, there are no other known constraints. DNR DMLW will continue to research and identify constraints throughout the public comment period and up through the point of offering.

Traditional Use Finding: In accordance with AS 38.05.830 Land Disposal in the Unorganized Borough, a traditional use finding is required for project areas that are located outside an organized borough (within the Unorganized Borough). This project area is not within the Unorganized Borough, therefore no Traditional Use Finding is required.

Access To, Within, and Beyond the Project Area: All parcels under the scope of this Preliminary Decision are accessible by lake, trail, or by combination of lake and overland access. Lake Louise and Dinty Lake are accessible by Lake Louise Road, which intersects the Glenn

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Highway near Milepost 160. Public launch into Dinty Lake and Lake Louise affords boat access to Susitna Lake and Lake Tyone north of Lake Louise. The lakes within the project area are float-plane accessible as well.

Lake Louise Trail (RST 1522) begins at Mile 12 of Lake Louise Road and runs northwest along a portion of the western shore of Dinty Lake. A field investigation conducted on October 7, 2011 revealed that a trail exists within the boundaries of several of the parcels along Dinty Lake, specifically, USS 3494, Lots 11-23 inclusive. This trail may be RST 1522 and may provide access to some of the parcels along Dinty Lake. Access along the trail will be protected with an easement, patent reservations, or other means as appropriate. Other shorter trails were also discovered in the area. They appear to access private property across State-owned lots and do not appear to be RST 1522. These trails appear to be constructed outside the scope of 11 AAC 96.020 Generally Allowed Uses and do not appear to be authorized. DNR DMLW does not intend to establish easements along these routes. Although they were included in the distribution list, neither DNR Division of Parks and Outdoor Recreation nor DNR DMLW South-Central Region provided comment during the Agency Review period preceding this proposal's Public Notice period. We also reviewed the Matanuska-Susitna Borough Recreational Trails Plan (adopted March 2000) and the Alaska State Trails Program. DNR DMLW Land Sales and Contract Administration Section will continue to coordinate with DNR DMLW South-Central Region to identify additional existing access to be protected. The public is also invited to comment on the location of existing access.

Access To and Along Public or Navigable Waters: In accordance with AS 38.05.127 Access To Navigable or Public Water, DNR will determine if a body of water or waterway is a navigable or public waterway and will establish easements or right-of-ways as necessary to ensure unobstructed access to and along the body of water. Regulations dictating the creation of easements or right-of-ways under this statute include 11 AAC 51.035 Determination of Navigable and Public Water and 11 AAC 51.045 Easements To and Along Navigable and Public Water.

For the purposes of reserving access to public or navigable water under AS 38.05.127, and in accordance with its associated regulations, 11 AAC 51.035 - 11 AAC 51.045, a continuous easement extending upland from the ordinary high water mark will be reserved within parcels located along waters determined to be public or navigable. An alternate upland access route may be reserved if topography or obstructions prevent or make a continuous easement difficult.

For purposes of AS 38.05.127, lakes larger than 50 acres in size or streams larger than 50 feet in average width are navigable and lakes larger than 10 acres in size or streams larger than 10 feet in average width are public. In addition, waters may be administratively determined public or navigable water consistent with AS 38.05.965 (18) Definitions [General Provisions]. Refer to the Easements, Setbacks, and Retained Lands and Agency Comments subsections for additional information.

Lake Louise, Susitna Lake, and Dinty Lake have been identified as public water bodies within the project area, but the parcels identified for disposal within the project area were already surveyed by the Federal government without any easement for access to and along their shores. As such, in order to comply with AS 38.05.127, a public access easement

along the ordinary high water mark will be reserved for all of the parcels included in this proposal that front along Lake Louise, Susitna Lake, and Dinty Lake. See the Easements, Setbacks, and Retained Lands subsection of this document for more information. Uses or structures that obstruct movement within these easements are prohibited.

Building Setbacks from Public or Navigable Water: Building setbacks will be reserved for all of the lakeshore parcels offered in a disposal under this proposal. As the project's parcels have been previously surveyed and platted by the Federal government, DNR DMLW proposes to reserve a building setback 100 feet in width, upland from the ordinary high water (OHW) mark of public and navigable water, to protect access, fish and wildlife habitat, view shed, and personal property. Structures and subsurface sewage disposal systems are not permitted within the building setback except utilities, water-dependent structures whose purpose is access to or across the stream or lake, or minor accessory structures for uses that must be in or adjacent to the water body in order to function.

Easements, Setbacks, and Retained Lands: Parcels may be subject to a variety of easements, setbacks, and retained lands. DNR DMLW strongly encourages any persons interested in purchasing a parcel to visit the site and review all associated documents so that they have a good understanding of any potential issues concerning the parcel. Since the parcels were already surveyed by the Federal government, some easements, setbacks, and retained lands are not identified on the subdivision plats, but will be described in the marketing materials, related informational documents, contract, or patent as appropriate.

Parcels may be subject to a variety of reservations where appropriate, as described below. Uses or structures that obstruct movement within these easements are prohibited.

- a public access and utility easement along interior parcel boundaries;
- an easement centered on any surveyed or protracted section lines;
- a 50-foot continuous easement upland from the ordinary high water mark of public or navigable water bodies (see the Access To and Along Public or Navigable Waters subsection of this document for more information);
- a 100-foot building setback from the ordinary high water mark of public or navigable water bodies (see the Building Setbacks from Public or Navigable Water subsection of this document for more information);
- a survey easement from the nearest practical point on the property boundary to control monuments within the parcel and an easement with a radius around the control monument, and as applicable, a direct line-of-sight easement from the control station to an azimuth mark or other control monument;
- a 50-foot easement either side of the centerline (100 feet total) of RST 1522 (Lake Louise Trail), where appropriate to protect public access;
- other easements along existing trails as necessary to protect public access; and
- section-line easements under AS 19.10.010 Dedication of Land For Public Highways (where appropriate DNR DMLW may vacate portions of these easements and

provide equal or better access along parcels lot lines in accordance with 11 AAC 51.065 Vacation of Easements).

Reservation of Mineral Estate: In accordance with Section 6(i) of the Alaska Statehood Act and AS 38.05.125 Reservation [of Rights to Alaska], the State, in this decision, reserves unto itself the mineral estate, including oil and gas, and the rights expressed in the reservation clause of the statute, that being the right to reasonable access to the surface for purposes of exploring for, developing, and producing the reserved mineral resources. Exploration and development, that could occur, would be consistent with AS 38.05.130 Damages and Posting of Bond and any other applicable statutes and regulations, which provide that the surface owner be compensated for damages resulting from mineral exploration and development. Refer to the Mineral Order(s) subsection of this document for more information on restrictions on use of the mineral estate within the project area.

Hazardous Materials and Potential Contaminants: There are no known environmental hazards present within the project area. Where we are aware of unauthorized improvements and uses on the parcels, we will continue to investigate as needed and consider any new information discovered prior to offering individual parcels, however, the State makes no representations and no warranties, express nor implied, concerning the existence or absence of any hazardous substances, hazardous wastes, contaminants, or pollutants on the land here proposed for conveyance. The State further assumes no liability for the removal of hazardous substances, hazardous wastes, contaminants, or pollutants, nor for the remediation of the site should such substances be eventually found. Interested parties are encouraged to inspect the property and familiarize themselves with the condition and quality of the land.

DNR DMLW recognizes there are potential environmental risks when previously vacant land is occupied. Many of the activities increasing these potential risks are regulated by other agencies, such as the regulation of septic system installation by the State of Alaska, Department of Environmental Conservation. Given that this land was specifically designated for settlement and disposal, and given the high degree of interest from both the legislature and citizens in sale of State-owned land, DNR DMLW is of the opinion that the benefits outweigh the potential risks.

Survey and Appraisal: These lots were all previously surveyed by the US Government between 1956 and 1970. See Attachment C: Parcel List for individual parcel survey and lot numbers.

In accordance with AS 38.05.840 Appraisal, an appraisal meeting DNR DMLW standards will be conducted within two years of the date fixed for the sale of any parcel developed under the proposed action of this Preliminary Decision.

VI. Agency Comments

Agency review was conducted from September 29, 2009 through October 30, 2009. Comments received during agency review have been considered, summarized, and addressed herein. Additional comments received during the Public Notice period will be considered and addressed in the Final Finding and Decision.

DNR Division of Parks and Outdoor Recreation (DPOR), Office of History and Archaeology (OHA) Comment: According to the Alaska Heritage Resources Survey records, there are

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numerous prehistoric sites located in the vicinity of the project area. Including GUL-135, Tus-Kut-Ka, an extensive Ahtna, Incorporated settlement site. Little of the project area has been archaeologically surveyed, thus it has potential for containing additional prehistoric and historic sites. OHA recommends that the project area be surveyed by an archaeologist.

DNR DMLW LSCAS Response: We have coordinated with OHA for further investigation. Thirty-eight of the parcels listed in Attachment C had already been surveyed by OHA and found not to contain historic or prehistoric sites during a 2003 survey. After agency review we commissioned additional studies of the remaining parcels through OHA in 2011. The remaining parcels were found to be without historic or prehistoric sites containing a quantity or quality of data to address significant research questions, establish a period of significance, or meet any criteria for eligibility to the National Register of Historic Places. The relevant OHA report numbers are 2003-13 and 2011-03.

Department of Fish and Game (DFG), Division of Sport Fish (DSF) Comment: DFG recommends that several of these wetland, shoreline parcels remain in State ownership to allow for adequate use and passage of wildlife. DFG also recommends retention of some land at the north end of Lake Louise, where it connects to Susitna Lake, for an undeveloped public use site.

DNR DMLW LSCAS Response: There are several parcels in the vicinity of the project area that are currently designated Public Recreation/Wildlife Habitat. This decision only addresses those parcels that are designated Settlement. The parcel that lies along the channel between Lake Louise and Susitna Lake is not being considered for disposal. At the time that agency review was conducted, up to 160 State-owned, previously-surveyed parcels were being considered for disposal. For this decision, the number of parcels has been reduced to 94 Settlement-classified parcels. Parcels with other classifications such as Public Use and Recreation are no longer being considered.

DFG DSF Comment: DFG recommends identification and retention of all existing and potential winter and summer public access trails that may be affected by the disposal of these parcels as described in SUAP (pages 320-321). In addition to the 100-foot buffer recommended by SUAP (page 58), DFG also recommends that parcels located near or on these established routes be retained in State ownership to prevent user conflicts with existing trap lines. DFG recommends DNR reserve two or three additional access points along the Lake Louise trail system to ensure adequate public access. In the summer, the existing public boat launch and parking lot is full on a regular basis. Additional parking should be reserved, if possible, since there are no existing roads to other portions of Lake Louise. This is consistent with recommendations made in SUAP (pages 320-321).

DNR DMLW LSCAS Response: If DFG identifies individual lots as having pre-existing trails running through them, we will review the information and consider retaining those lots in public ownership. RST 1522 (Lake Louise Trail) appears to cross some of the private and State-owned parcels along Dinty Lake. An easement may be reserved, where applicable, to protect access along this trail. DNR DMLW has not identified any other easements or trails within the parcels affected by this proposal. To further identify access routes within the project area, the public is invited to comment on the location and reservation of access

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within this proposed disposal. Refer to the Easements, Setbacks, and Retained Lands subsection of this document for more information.

State-owned land near the public boat launch is not being considered for sale at this time. Some of this land may be dedicated for access and parking if it is practical and deemed necessary. However, such a dedication would require a separate action and is beyond the scope of this decision.

DFG DSF Comment: DFG requests that Lot 10 of USS 3493 be retained to protect a known trout spawning area.

DNR DMLW LSCAS Response: Lot 10 of USS 3493 is not being considered for disposal as part of this decision.

DFG DSF Comment: DFG has the following general comments which should be applied to all parcels:

1. Reserve and maintain in State ownership a 50-foot-wide public access easement upland of the ordinary high water (OHW) mark.
2. Establish 100-foot-wide building setbacks upland of the OHW mark to maintain near-shore habitats that provide cover for juvenile fish, maintain water quality, and prevent erosion. DFG is concerned with the impacts outhouses, septic systems, and gray water disposals may have on the water quality of the lake and therefore request that these also be located a minimum of 100 feet upland of the OHW mark.
3. All easements (including section-line) and setbacks should be properly depicted and noted on all subsequent maps and conveyance documents.

DNR DMLW LSCAS Response: As discussed throughout this document, the parcels were already surveyed by the Federal government and as such, public access easements and building setbacks may be reserved in the patents, or by other means as appropriate, referencing the relevant public water body for each parcel. Other noted concerns, such as the installation of septic systems are regulated by the State of Alaska, Department of Environmental Conservation, and they are therefore beyond the scope of this decision. However, we will impose a building setback to protect access, fish and wildlife habitat, view shed, and personal property. Structures and subsurface sewage disposal systems are not permitted within this setback, except utilities, water-dependent structures whose purpose is access to or across the stream or lake, or minor accessory structures for uses that must be in or adjacent to the water body in order to function. See the Building Setbacks from Public or Navigable Water subsection of this document for more information

DNR Division of Geologic and Geophysical Surveys (DGGS) Comment: This area is largely underlain by material that was deposited by large glacial lakes, including laminated to massive clay, silt, sand and gravel. Permafrost is common in these deposits in this part of Alaska, often with massive ice in the finer-grained materials. Because the parcels are located largely along lake shores, the likelihood of encountering frozen ground is

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diminished. Special construction methods typical of other permafrost areas in Alaska may be required to prevent thawing of frozen ground. The area between the northern part of Old Man Lake and Lake Louise is underlain by sandier lake deposits that are less subject to ice-rich permafrost.

DNR DMLW LSCAS Response: DNR DMLW recognizes that land conditions and building sites may vary within the project area. Prospective purchasers are highly encouraged to inspect individual parcels prior to purchase.

Other Agencies: The following agencies or groups were included in the agency review, but did not submit comments:

- Department of Environmental Conservation;
- Department of Fish and Game, Division of Habitat Management and Permitting;
- Department of Natural Resources;
 - Division of Agriculture;
 - Division of Coastal and Ocean Management, Alaska Coastal Management Program (sunset June 30, 2011);
 - Division of Forestry;
 - Division of Mining, Land, and Water;
 - Appraisal Section;
 - Mining Section;
 - Resource Assessment and Development Section;
 - South-Central Region
 - Survey Section;
 - Realty Services Section;
 - Division of Oil and Gas;
 - Division of Parks and Outdoor Recreation;
 - Joint Pipeline Office;
- Department of Transportation and Public Facilities;
- Mental Health Trust Land Office; and
- University of Alaska Land Management.

DNR DMLW LSCAS will consider all timely written comments submitted during the public notice comment period, including commentary from these agencies.

VII. Alternatives and Discussion

DNR DMLW is considering the following alternatives:

Alternative 1: (Preferred) Offer previously-surveyed, Settlement-classified parcels for purchase at public auction, or another method of sale, as described throughout this document. The offering of these parcels may be phased.

Alternative 2: (Status Quo) Do not offer this project area for private ownership. Retain the land in State ownership.

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Article VIII, Section 1 of the Alaska Constitution states, in part, that “it is the policy of the State to encourage the settlement of its land...” Furthermore, AS 38.05.045 Generally [Land for Sale] has placed this charge with the Commissioner of DNR. In turn, the authority to sell has been delegated down to DMLW LSCAS. Alternative 1 provides a method for DNR to help meet the obligations laid out in the Constitution and statute.

Alternative 1 also maximizes public interest. In accordance with the approved area plan, this area is designated Settlement. This offering provides an opportunity for the public to obtain Settlement land in a desirable area. There are few other opportunities to obtain private land in the vicinity of this offering.

Alternative 2 is not preferred. The Legislature and the public have indicated a desire for DNR to offer State-owned land for private ownership. Retention of this land would inhibit DNR from meeting its Constitutional and legislative obligations. Not offering the project area would deny many Alaskans the opportunity to obtain land in an area that has been designated Settlement.

For the aforementioned reasons, Alternative 1 is the preferred alternative. Recommendation follows.

VIII. Recommendation

This Preliminary Decision for the proposed primary and any related actions described throughout this document and its attachments are consistent with the overall management intent for State-owned land; potential changes to public resources and the public interest as a result of the proposal are acceptable; and these proposed actions appear to be in the best interest of the State. It is hereby recommended to proceed to public notice.

This is a Preliminary Decision and subsequent public review may result in changes to the preferred alternative or disapproval of the proposed primary action and the accompanying related actions altogether. If the decision is approved, a mineral order, an Area Plan Amendment, and three Special Exceptions to the Susitna Area Plan will accompany and precede the Final Finding and Decision.

/s/

Prepared by Thomas Beaucage
Natural Resource Specialist II
Land Sales and Contract Administration Section
Division of Mining, Land, and Water
Department of Natural Resources
State of Alaska

February 15, 2012

Date

/s/

Approved by Kathryn Young
Section Manager
Land Sales and Contract Administration Section
Division of Mining, Land, and Water
Department of Natural Resources
State of Alaska

February 15, 2012

Date

Submittal of Public Comments

See Attachment A: Public Notice for specific dates and conditions.

Pursuant to AS 38.05.945 Notice, a public notice inviting comment on this Preliminary Decision will be published in newspapers in statewide circulation and newspapers of general circulation in the vicinity of the land offering. Notices will be mailed to parties known or likely to be affected by the action; relevant postmasters of permanent settlements; relevant municipalities if the land is within the boundaries of a municipality; relevant regional corporations if the land is within their corporation boundary; relevant village corporations if the land is within 25 miles of the village for which the corporation was established; and relevant soil and water conservation districts. Finally, the notice will be posted on the State of Alaska Public Notice website at <http://notes.state.ak.us/pn/>.

In accordance with AS 38.05.946 (a) Hearings, a municipality or corporation entitled to receive notice under AS 38.05.945 (c) may hold a hearing within 30 days after receipt of the notice. If a hearing is held, the Department Commissioner (or representative) shall attend the hearing. The Commissioner has discretion whether or not to hold a public hearing.

DNR DMLW will consider all timely comments. If timely written comments received in response to this notice indicate the need for significant changes to the Preliminary Decision, additional public notice for the affected lands will be given. Reducing the amount of land offered and making minor changes to the proposed action will not be considered significant changes requiring additional public notice.

If the proposed action is approved and no significant change is required, the Preliminary Decision, including any deletions, minor changes, and summary of comments and Division responses, will be issued as a subsequent Final Finding and Decision without further notice. To recognize a party's eligibility to appeal a Final Finding and Decision, the Land Sales and Contract Administration Section (LSCAS) of DNR DMLW must receive timely written comment on the Preliminary Decision as set forth in Attachment A: Public Notice. Upon approval and issuance of a Final Finding and Decision, a copy of the decision will be made available online at <http://dnr.alaska.gov/mlw/landsale/> and sent with an explanation of the appeal process to any party who provides timely written comment.

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

ATTACHMENT A: PUBLIC NOTICE

**to the
Preliminary Decision**

**for
Proposed Land Offering in an Organized Borough
Lakes Subdivision - ADL 231196
AS 38.05.035 (e), AS 38.05.045**

**and its
Proposed Related Actions:**

**Amendment to the Susitna Area Plan
AS 38.04.065**

**Special Exceptions to the Susitna Area Plan
AS 38.04.065 Mineral Order (Closing)
AS 38.05.065, AS 38.05.185**

COMMENT PERIOD ENDS 5:00 PM, WEDNESDAY, MARCH 28, 2012

The State of Alaska, Department of Natural Resources (DNR), Division of Mining, Land, and Water (DMLW) proposes to offer for sale State-owned land for private ownership within the identified project area. Surveyed parcels will be offered for sale in a future, public auction. If the parcels do not sell when offered at auction, they may be offered by another method under AS 38.05.045 Generally [Land for Sale].

Located within the Department's South-Central Region, along the shores of Lake Louise, Dinty Lake, and Susitna Lake, approximately 130 miles northeast of Anchorage and approximately 40 miles northwest of Glennallen, the project area is within Township 6 North, Range 7 West, Township 7 North, Range 8 West, and Township 8 North, Range 8 West, Copper River Meridian. The area is located within USGS Quads Gulkana B-6, Gulkana B-5 and Gulkana C-6. The project area consists of 94 previously-surveyed parcels varying in size and totaling approximately 460 acres. This offering may be conducted in phases and some parcels may be combined prior to offering. For complete details on these proposals, maps, and a list of parcels, refer to the Preliminary Decision.

There are five related actions with this proposal: a mineral order, an amendment to the Susitna Area Plan, and three Special Exceptions to the Susitna Area Plan (SUAP). These related actions will be developed as separate actions, accompany the Final Finding and Decision, and be approved prior to approval of the Final Finding and Decision. Public notice for these related actions is being conducted concurrently with the primary action's Preliminary Decision.

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Attachment A: Public Notice

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DNR DMLW may conduct a public open house during the public comment period. For additional information on these proposed primary and related actions and to inquire as to the public's opportunity to participate, the schedule, and the location of the proposed public open house, contact Tom Beaucage by phone at 907.451.2730, Tim Shilling by phone at 907.451.2734, or email the DNR DMLW Land Sales and Contract Administration Section (LSCAS) at subdivision.sales@alaska.gov. Additional information is available at the DNR DMLW Northern Region Office at 3700 Airport Way, Fairbanks Alaska 99709. Copies of the documents, auxiliary aids, services, or special accommodations are also available at DNR's Public Information Centers on State work days, Monday through Friday, between 10:00AM and 5:00PM to Anchorage by phone to 907.269.8400, TDD to Anchorage at 907.269.8411, and email to dnr.pic@alaska.gov; to Fairbanks by phone to 907.451.2705, TDD to Fairbanks at 907.451.2770, and email to fbx-pic@alaska.gov; and to Juneau by phone to 907.465.3400 and email to sero@alaska.gov.

Pursuant to AS 38.05.945 Notice, information will be published in statewide newspapers and posted online at <http://dnr.alaska.gov/mlw/landsale/>. The public is invited to submit comment on these proposed actions by fax to 907.451.2751; by mail to DNR DMLW LSCAS, Attention: Subdivision Land Sales Program c/o DNR DMLW Northern Region Office at 3700 Airport Way, Fairbanks, Alaska 99709; or by email to subdivision.sales@alaska.gov. If commenting on more than one proposed action, separate comments should be submitted for each. The comment period ends at **5:00 PM Wednesday, March 28 2012**.

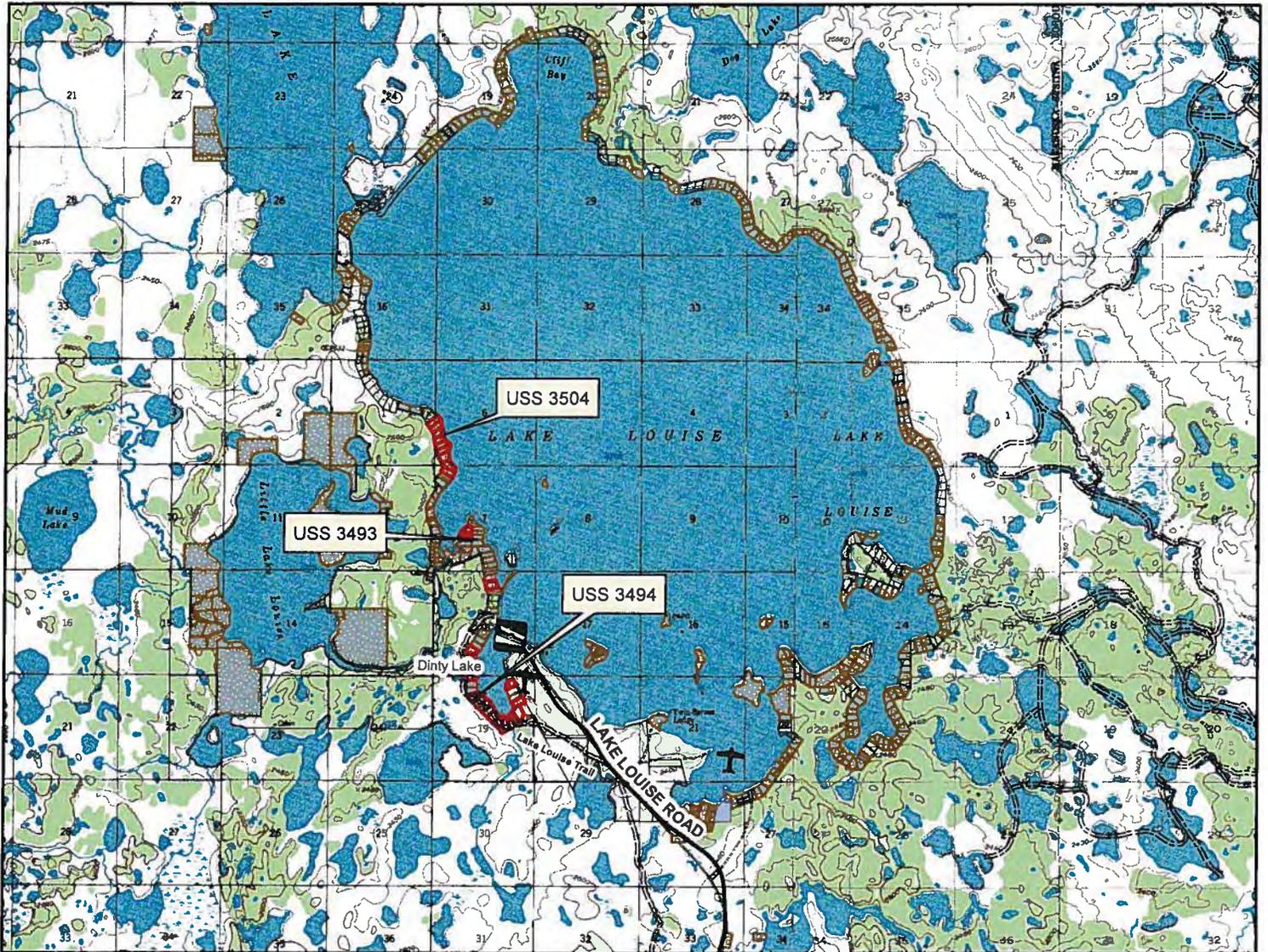
DNR DMLW will consider all timely comments. If timely written comments received in response to this notice indicate the need for significant changes to the Preliminary Decision, additional public notice for the affected lands will be given. Reducing the amount of land offered and making minor changes to the proposed action will not be considered significant changes requiring additional public notice.

If the proposed action is approved and no significant change is required, the Preliminary Decision, including any deletions, minor changes, and summary of comments and Division responses, will be issued as a subsequent Final Finding and Decision without further notice. To recognize a party's eligibility to appeal a Final Finding and Decision, DNR DMLW LSCAS must receive timely written comment on the Preliminary Decision as set forth herein. Upon approval and issuance of a Final Finding and Decision, a copy of the decision will be made available online at <http://dnr.alaska.gov/mlw/landsale/> and sent to any party who provides timely written comment.

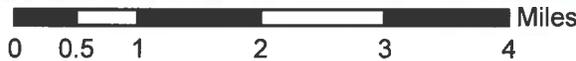
DNR reserves the right to waive technical defects in this notice.



Attachment B: Vicinity Map
 Preliminary Decision - Proposed Land Offering
 Lakes Subdivision - ADL 231196
 Page 1 of 2 SUAP Subunit 1c



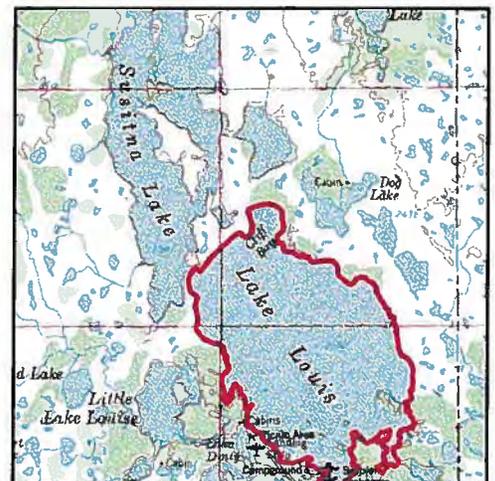
TJB 11/09/11



Within Township 6 North, Range 7 West; Township 7 North, Range 8 West; and Township 8 North Range 8 West, Copper River Meridian, AK

Legend

- Parcels proposed for sale
- General Ownership**
- BOROUGH
- PRIVATE
- STATE



USGS QUAD 1:63,360
 Gulkana B-6, Gulkana B-5 and Gulkana C-6
 For more information contact:
 Thomas Beaucage
 DNR Division of Mining, Land and Water
 3700 Airport Way
 Fairbanks, AK 99709
 Phone (907)451-2730
 Fax (907)451-2751
 Email tom.beaucage@alaska.gov

Attachment C: Parcel List
Proposed Lakes Subdivision ADL 231196

USS	Lot	Area	Owner	MTRS	Lake	Title Report Number
3493	11	4.88	SOA	C006N007W18	Lake Louise	rpt 1958
3493	23	3.19	SOA	C006N007W07	Lake Louise	rpt 1959
3493	24	2.67	SOA	C006N007W07	Lake Louise	rpt 1960
3494	3	3.59	SOA	C006N007W19	Dinty Lake	rpt 872
3494	6	4.69	SOA	C006N007W19	Dinty Lake	rpt 872
3494	8	5.89	SOA	C006N007W19	Dinty Lake	rpt 872
3494	9	4.06	SOA	C006N007W19	Dinty Lake	rpt 872
3494	11	5	SOA	C006N007W19	Dinty Lake	rpt 872
3494	12	4.81	SOA	C006N007W19	Dinty Lake	rpt 872
3494	13	5	SOA	C006N007W19	Dinty Lake	rpt 872
3494	14	4.53	SOA	C006N007W19	Dinty Lake	rpt 872
3494	15	4.89	SOA	C006N007W19	Dinty Lake	rpt 872
3494	16	4.74	SOA	C006N007W19	Dinty Lake	rpt 872
3494	17	5	SOA	C006N007W19	Dinty Lake	rpt 872
3494	20	4.04	SOA	C006N007W18	Dinty Lake	rpt 872
3494	24	4.38	SOA	C006N007W18	Dinty Lake	rpt 872
3494	21A	2.23	SOA	C006N007W18	Dinty Lake	rpt 872
3494	21B	2.37	SOA	C006N007W18	Dinty Lake	rpt 872
3494	22A	2.22	SOA	C006N007W18	Dinty Lake	rpt 872
3494	22B	2.63	SOA	C006N007W18	Dinty Lake	rpt 872
3504	5	4.75	SOA	C006N007W07	Lake Louise	rpt 1961
3504	6	4.98	SOA	C006N007W07	Lake Louise	rpt 1962
3504	7	4.86	SOA	C006N007W06	Lake Louise	rpt 1963
3504	8	4.92	SOA	C006N007W06	Lake Louise	rpt 1964
3504	9	3.94	SOA	C006N007W06	Lake Louise	rpt 1965
3504	10	3.96	SOA	C006N007W06	Lake Louise	rpt 1966
3504	11	4.03	SOA	C006N007W06	Lake Louise	rpt 1967
3504	12	4.46	SOA	C006N007W06	Lake Louise	rpt 1968
3504	13	4.73	SOA	C006N007W06	Lake Louise	rpt 1969
4582	1	4.88	SOA	C007N008W12	Susitna Lake	rpt 1970
4582	2	4.96	SOA	C007N008W12	Susitna Lake	rpt 1971
4582	3	4.81	SOA	C007N008W12	Susitna Lake	rpt 1972
4582	6	4.99	SOA	C007N008W13	Susitna Lake	rpt 1973
4582	7	4.44	SOA	C007N008W13	Susitna Lake	rpt 1974
4582	8	4.22	SOA	C007N008W13	Susitna Lake	rpt 1975
4582	9	3.99	SOA	C007N008W13	Susitna Lake	rpt 1976
4584	3	3.48	SOA	C007N008W02	Susitna Lake	rpt 1977
4584	4	4.4	SOA	C007N008W02	Susitna Lake	rpt 1978
4584	5	3.82	SOA	C007N008W02	Susitna Lake	rpt 2168
4584	7	4.99	SOA	C007N008W02	Susitna Lake	rpt 1979
4584	9	3.66	SOA	C007N008W03	Susitna Lake	rpt 1980
4584	10	3.3	SOA	C007N008W03	Susitna Lake	rpt 1981
4584	12	4.94	SOA	C007N008W03	Susitna Lake	rpt 1982
4584	14	3.81	SOA	C007N008W02	Susitna Lake	rpt 1983
4584	15	4.53	SOA	C007N008W02	Susitna Lake	rpt 1985
4585	10	4.69	SOA	C007N008W01	Susitna Lake	rpt 1914
4587	5	5	SOA	C008N008W34	Susitna Lake	rpt 1915

Attachment C: Parcel List

Proposed Lakes Subdivision ADL 231196

4587	6	4.96	SOA	C008N008W34	Susitna Lake	rpt 1916
4587	9	4.88	SOA	C008N008W34	Susitna Lake	rpt 1917
4587	10	4.6	SOA	C008N008W27	Susitna Lake	rpt 1918
4587	11	3.94	SOA	C008N008W27	Susitna Lake	rpt 1919
4587	12	4.31	SOA	C008N008W27	Susitna Lake	rpt 1920
4587	13	4.48	SOA	C008N008W27	Susitna Lake	rpt 1921
4589	2	4.79	SOA	C008N008W23	Susitna Lake	rpt 1986
4590	1	4.9	SOA	C008N008W27	Susitna Lake	rpt 1922
4590	2	4.93	SOA	C008N008W27	Susitna Lake	rpt 1923
4590	3	4.98	SOA	C008N008W27	Susitna Lake	rpt 1924
4590	4	4.92	SOA	C008N008W27	Susitna Lake	rpt 1925
4590	5	4.66	SOA	C008N008W27	Susitna Lake	rpt 1926
4590	6	4.92	SOA	C008N008W27	Susitna Lake	rpt 1927
4590	13	4.86	SOA	C008N008W27	Susitna Lake	rpt 1928
4590	14	4.93	SOA	C008N008W27	Susitna Lake	rpt 1929
4590	15	4.94	SOA	C008N008W27	Susitna Lake	rpt 1930
4590	16	4.9	SOA	C008N008W27	Susitna Lake	rpt 1931
4590	17	5	SOA	C008N008W27	Susitna Lake	rpt 1932
4590	18	4.96	SOA	C008N008W27	Susitna Lake	rpt 1933
4590	19	4.99	SOA	C008N008W27	Susitna Lake	rpt 1934
4590	20	4.82	SOA	C008N008W22	Susitna Lake	rpt 1935
4590	21	4.93	SOA	C008N008W22	Susitna Lake	rpt 1936
4590	23	4.79	SOA	C008N008W22	Susitna Lake	rpt 1987
4590	24	3.67	SOA	C008N008W22	Susitna Lake	rpt 1988
4590	25	4.98	SOA	C008N008W22	Susitna Lake	rpt 1989
4590	26	4.66	SOA	C008N008W22	Susitna Lake	rpt 1990
4590	27	4.65	SOA	C008N008W22	Susitna Lake	rpt 1991
4591	3	4.24	SOA	C008N008W14	Susitna Lake	rpt 1937
4591	4	4.02	SOA	C008N008W14	Susitna Lake	rpt 1938
4591	5	4.36	SOA	C008N008W14	Susitna Lake	rpt 1939
4591	6	4.39	SOA	C008N008W13	Susitna Lake	rpt 1940
4591	7	4.89	SOA	C008N008W13	Susitna Lake	rpt 1941
4591	14	3.57	SOA	C008N008W24	Susitna Lake	rpt 1942
4594	2	4.9	SOA	C008N008W15	Susitna Lake	rpt 1943
4594	3	4.95	SOA	C008N008W15	Susitna Lake	rpt 1944
4594	4	4.63	SOA	C008N008W15	Susitna Lake	rpt 1945
4594	5	4.96	SOA	C008N008W15	Susitna Lake	rpt 1946
4594	6	4.94	SOA	C008N008W15	Susitna Lake	rpt 1947
4594	7	4.71	SOA	C008N008W10	Susitna Lake	rpt 1948
4594	8	4.36	SOA	C008N008W10	Susitna Lake	rpt 1949
4594	9	4.43	SOA	C008N008W10	Susitna Lake	rpt 1950
5654	1	5	SOA	C008N008W26	Susitna Lake	rpt 1992
5654	2	32.41	SOA	C008N008W26	Susitna Lake	rpt 1993
5654	3	10.07	SOA	C008N008W26	Susitna Lake	rpt 1994
5655	1	4.93	SOA	C008N008W22	Susitna Lake	rpt 1951
5655	2	4.75	SOA	C008N008W22	Susitna Lake	rpt 1952
5655	3	4.97	SOA	C008N008W22	Susitna Lake	rpt 1953