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

FINAL FINDING AND DECISION

of a
Proposed Land Offering in an Organized Borough
One Thousand Skies Subdivision – ADL 229494
AS 38.05.035(e), AS 38.05.045

and its
RELATED ACTION:
Proposed Mineral Order (Closing)
AS 38.05.185 and AS 38.05.300

This Final Finding and Decision complements and updates the Preliminary Decision dated March 26, 2013. The Preliminary Decision and Related Action have had the required public review.

Attachment I: Updated Vicinity Map
Attachment II: Preliminary Decision

I. Recommended Action(s)
The State of Alaska, Department of Natural Resources (DNR), Division of Mining, Land, and Water (DMLW), Land Sales and Contract Administration Section (LSCAS) recommends offering for sale State-owned land for private ownership within the One Thousand Skies project area (ADL 229494), as described in Attachment II: Preliminary Decision. If deemed feasible and in the best interests of the State, surveyed parcels may be offered for future sale by a method under AS 38.05.045 Generally [Land for Sale].

The area of proposed sale is located approximately 14 miles west of Nelchina and 112 miles northeast of Anchorage. As a result of comments received and additional consideration since the time of issuance of Attachment II: Preliminary Decision, the project area has been reduced in size and is located within that portion of Lot 1, Section 1, lying south of the Glenn Highway, and E1/2 Section 12, Township 2 North, Range 10 West, Copper River Meridian. The project area now consists of approximately 826 acres identified for disposal by this proposed action. See Attachment I: Vicinity Map for a graphic depiction of the approximate location of the reduced project area.

For the purposes of providing land for settlement in the Eureka-Nelchina area, if deemed feasible, DNR may develop a subdivision of no more than 60 parcels from nominal 5 to 20 acres, with retention of larger tracts. This project area is located within the Matanuska-Susitna Borough and therefore survey, platting, and road construction will be completed to the relevant subdivision standards. If deemed feasible and in the best interests of the State, the project may be subdivided and offered in one or more separate offerings.
There is one associated action with this proposal: a mineral order.

**Mineral Order:** DNR DMLW proposes to close the project area to new mineral entry.

Public notice for this Related Action was conducted concurrently with the notice for the primary action's Preliminary Decision.

**II. Authority**

DNR has the authority under 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, as required by AS 38.05.035(e) Powers and Duties of the Director.

For the Related Action, AS 38.05.185 Generally [Mining Rights] and AS 38.05.300 Classification of Land allows for closing lands to mineral entry. AS 38.05.300 limits the classification of land as an incompatible use with mining, mineral entry or location, mineral prospecting, or mineral leasing if the area is 640 contiguous acres or more, except when the classification is necessary for a land disposal.

**III. Traditional Use Findings**

In accordance with AS 38.05.830 Land Disposal in the Unorganized Borough, a traditional use finding is required for project areas located within the Unorganized Borough. This project area is within an organized borough; therefore no Traditional Use Finding is required.

**IV. Summary of Public Notice and Comments**

Pursuant to AS 38.05.945 Notice, public notice inviting comment was distributed between March 26 and March 27, 2013. The public notice stated that in order to ensure consideration and eligibility to appeal, written comments were to be received by LSCAS by a specified deadline. The initial notice stated a deadline for comments of 5:00 PM, May 9, 2013. The notice was extended and redistributed noting a final deadline for comments of 5:00PM, May 23, 2013. For more information, refer to Attachment II: Preliminary Decision.

Among other comments LSCAS received, some alleged that the State did not meet the requirements for public notice because individuals outside MSB were not sent personal notice. We will address this issue first, explaining the steps LSCAS completed to notice the public of the proposals within the Preliminary Decision and Related Action. After we address how public notice was completed, we will address the other comments received.

Public notice requirements are addressed in state law, specifically, AS 38.05.945 Notice, quoted in part here:

> "AS 38.05.945 (b)(3), if the notice is of an action described in (a) of this section, other than notice of an action under (a)(3)(A) of this section, the department shall give notice at least 30 days before the action by posting notice on the Alaska Online Public Notice System for at least 30 consecutive days and by one or more of the following methods:
>   (A) publication of a notice in display advertising form describing the proposed action and referencing the online notice required in this paragraph in newspapers of statewide circulation and in newspapers of general circulation in the vicinity of the proposed action, if available, at least once a week for two consecutive weeks;"
(B) publication through public service announcements on the electronic media serving the area affected by the action;
(C) posting in a conspicuous location in the vicinity of the action;
(D) notification of parties known or likely to be affected by the action;
(E) publication of a legal notice, at least 30 days before the action, briefly describing the proposed action and referencing the online notice required in this paragraph in newspapers of statewide circulation and in newspapers of general circulation in the vicinity of the proposed action, if available; or
(F) another method calculated to reach affected persons.
(c) Notice at least 30 days before action under (a) of this section shall also be given to the following:
   (1) to a municipality if the land is within the boundaries of the municipality, to a coordinating body established by community councils in a municipality if the coordinating body or a community council within the area served by a coordinating body requests notice in writing: if there is no coordinating body within the municipality, notice shall be provided to each community council established by the charter or ordinance of the municipality if the land is located within the boundaries of the municipality and if the community council requests notice in writing;
   (2) to a regional corporation if the boundaries of the corporation as established by 43 U.S.C. 1606(a) (sec. 7(a), Alaska Native Claims Settlement Act) encompass the land and the land is outside a municipality;
   (3) to a village corporation organized under 43 U.S.C. 1607(a) (sec. 8(a), Alaska Native Claims Settlement Act) if the land is within 25 miles of the village for which the corporation was established and the land is located outside a municipality;
   (4) to the postmaster of a permanent settlement of more than 25 persons located within 25 miles of the land if the land is located outside a municipality, with a request that the notice be posted in a conspicuous location;
   (5) to a nonprofit community organization or a governing body that has requested notification in writing and provided a map of its boundaries, if the land is within the boundaries.”

The relevant sections of the statute are addressed below.

“AS 38.05.945(b)(3) if the notice is of an action described in (a) of this section, other than notice of an action under (a)(3)(A) of this section, the department shall give notice at least 30 days before the action by posting notice on the Alaska Online Public Notice System for at least 30 consecutive days…”

In accordance with this law, LSCAS posted notice on the Alaska Online Public Notice System at http://notes.state.ak.us/pn/ for 59 consecutive days between March 26, 2013 and May 23, 2013, thus meeting and exceeding this requirement.

As previously mentioned, the statute goes on to require at least one other method from a specified list of options (“…and by one or more of the following methods:…” (A) through (F)). To effectively notify the public, LSCAS distributed notice by four of the six other methods when only one was required, as described below.

“AS 38.05.945(b)(3)(C) posting in a conspicuous location in the vicinity of the action;”
In accordance with this law, LSCAS sent public notice documents to the nearest post office (Glennallen) and library (Copper Valley Community Library) on March 26, 2013 with instructions for posting the notice for at least 30 days. When the public notice period was extended, updated notices were sent to the same locations on April 10, 2013, with instructions for posting the updated notice for at least 30 days.

“AS 38.05.945(b)(3)(E) publication of a legal notice, at least 30 days before the action, briefly describing the proposed action and referencing the online notice required in this paragraph in newspapers of statewide circulation and in newspapers of general circulation in the vicinity of the proposed action, if available;”

As an elective effort to better notify the public, LSCAS published notice under this option in legal notices of the statewide Anchorage Daily News on Sunday, March 31, 2013 and the local Copper River Record, on Thursday, March 28, 2013. Notice for the extension of the comment period was also published in the Anchorage Daily News on Sunday, April 14, 2013 and the Copper River Record, on Thursday, April 18, 2013.

“AS 38.05.945(b)(3)(F) another method calculated to reach affected persons.”

As an elective effort to better notify the public, LSCAS posted notice on the LSCAS public notice website at http://dnr.alaska.gov/mlw/landsale/public_notice/ from March 27 through May 23, 2013. In addition, LSCAS posted about the proposal and related notice on our Alaska State-Owned LandForSale facebook page (http://facebook.com/alaskaland/) and related Twitter accounts (@AlaskaLand4Sale and @LandForAlaskans) on Wednesday, March 27. On the same day, LSCAS also emailed notices to more than 6,100 subscribers to our email notification lists. When the comment period was extended, another post was made to our facebook and @AlaskaLand4Sale Twitter account and emailed to our subscribers on Wednesday, April 10, 2013.

“AS 38.05.945(b)(3)(D) notification of parties known or likely to be affected by the action;”

As an elective effort to better notify the public, On March 26, 2013, LSCAS mailed letters containing the public notice to local community and Native organizations, including Ahtna, Inc., Cook Inlet Region, Inc., and the nearest Soil and Water Conservation District of record (Palmer). On the same day, LSCAS also mailed letters containing the public notice to the Matanuska-Susitna Borough and parties of MSB record who own property located within the Borough and within approximately 10 miles of the project area. When the public notice period was extended, updated notices were sent on April 10, 2013 to the same parties. For the extended notice, LSCAS also expanded the radius of property owners to receive notice to parties of record who own property located within the Borough and within approximately 35 road miles of the project area and within 6-10 miles from the Glenn Highway.

LSCAS received comments from seven parties that identified themselves as owners of parcels located within the Twin Lakes Remote Area and between approximately 1 to 7 miles southeast of the proposed One Thousand Skies project area on the opposite side of the Nelchina River. These commenters expressed concerns that individual land owners in their neighborhood did not receive personal notice of the proposed sale. One commenter contended that if public notice had been sent to the original patentees of the parcels (the last known address in the
State’s Land Administration System database), most of the individuals affected by the subdivision would probably have received the notice. Another commenter stated his belief that LSCAS had not met the requirements for public notice under AS 38.05.945 Notice because the owners of parcels within the Twin Lakes Remote Area were not sent personal notice of the proposed subdivision.

As referenced in the Background subsection on page 4 of Attachment II: Preliminary Decision, the Twin Lakes Remote Area is a prior State development located outside the Matanuska-Susitna Borough in the Unorganized Borough. Therefore, there is no tax authority and thus no local government that would maintain a database of current land owners. The department uses its Land Administration System (LAS) to track projects and case files in the process leading up to the first conveyance into private ownership. Once land is sold by the State, updates to LAS stop. Therefore, LAS cannot be used as a current land owner database.

The department, per AS 38.05.945, relies on public notice posted on the State’s online public notice system and, in this case, legal notices published in newspapers of state-wide and local circulation to accomplish the legally required notice. Further, it is apparent that LSCAS’ public notice efforts were effective because at least seven separate parcel owners within the Twin Lakes area confirmed their knowledge of the proposal by submission of written comments.

“AS 38.05.945 (c) Notice at least 30 days before action under (a) of this section shall also be given to the following:
(1) to a municipality if the land is within the boundaries of the municipality, to a coordinating body established by community councils in a municipality if the coordinating body or a community council within the area served by a coordinating body requests notice in writing; if there is no coordinating body within the municipality, notice shall be provided to each community council established by the charter or ordinance of the municipality if the land is located within the boundaries of the municipality and if the community council requests notice in writing;”

As previously noted, LSCAS mailed notices to the Matanuska-Susitna Borough.

“AS 38.05.945 (c)(2) to a regional corporation if the boundaries of the corporation as established by 43 U.S.C. 1606(a) (sec. 7(a), Alaska Native Claims Settlement Act) encompass the land and the land is outside a municipality;
(3) to a village corporation organized under 43 U.S.C. 1607(a) (sec. 8(a), Alaska Native Claims Settlement Act) if the land is within 25 miles of the village for which the corporation was established and the land is located outside a municipality;

Although AS 38.05.945(c)(2)-(3) do not apply because the project area is located within the Borough, LSCAS mailed notice to Ahtna, Inc. and Cook Inlet Region, Inc.

“AS 38.05.945 (c)(4) to the postmaster of a permanent settlement of more than 25 persons located within 25 miles of the land if the land is located outside a municipality, with a request that the notice be posted in a conspicuous location;”

LSCAS sent public notice documents to the nearest post office (Glennallen) on March 26, 2013 with instructions for posting the notice for at least 30 days. When the public notice period was
extended, an updated notice was sent to the same location on April 10, 2013, with instructions for posting the updated notice for at least 30 days.

“AS 38.05.945 (c)(5) to a nonprofit community organization or a governing body that has requested notification in writing and provided a map of its boundaries, if the land is within the boundaries.”

AS 38.05.945(c)(5) is not applicable as no nonprofit community organizations or governing bodies has boundaries that encompass the proposed subdivision project area nor has any such organization or governing body requested notification in writing. AS 38.05.945(h) also is not applicable because no known community bodies nor organizations listed in (c)(5) exist in the area. In addition, although 11 AAC 67.029 does not apply because the project area is not located within a soil and water conservation district, LSCAS mailed and emailed notices to the nearest Soil and Water Conservation District of record (Palmer).

As described, public notice was completed in accordance with the applicable statutes and regulations. DNR DMLW LSCAS received comments from the State of Alaska, Department of Fish and Game; the State of Alaska, Department of Natural Resources, Division of Mining, Land and Water, Realty Services Section; DNR Division of Oil and Gas; DNR Mental Health Trust Land Office; Ahtna, Inc.; Copper Valley Electric Association, Inc., and fourteen private individuals. Commenters of record will receive a copy of this Final Finding and Decision and our responses to their comments as summarized and addressed below.

In summary, there is no statutory or regulatory requirement that each and every affected property owner in the vicinity of the proposed state land sale receive personal notification. However, all the requirements of AS 38.05.945 were met and exceeded to provide the public and affected land owners with notice of the proposed action.

DNR Division of Oil and Gas (DOG) Comment: DOG asked that “the mineral order, if approved, incorporates language that under AS 38.05.125 [Reservation] the order does not apply to oil and gas leasing, coal leasing, shallow gas leasing, and exploration licensing for such, nor does it preclude reasonable surface access to these resources.”

DNR DMLW Response: Thank you for your comment. This language is included in the Preliminary Decision for this subdivision and is routinely included in the offering brochure. We contacted Bruce Phelps, then Section Manager of the Resource Assessment and Development Section (RADS) within DMLW and author of the Mineral Order language. He indicated that adding this language to the Mineral Order is not appropriate. LSCAS does not have the authority to make this change to the language in the Mineral Order and agrees with the determination by RADS.

DNR Mental Health Trust Land Office (MHTLO) Comment: MHTLO commented that the project area does not impact Mental Health Trust Lands and therefore they had no objections or comments on the proposed subdivision.

DNR DMLW Response: Thank you for your comment.
Department of Fish & Game, Division of Sport Fish (DFG) Comment: DFG stated that DNR had adequately responded to their concerns regarding existing trails and public waters in the Preliminary Decision. They stated that they had no additional concerns.

DNR Response: Thank you for your comment.

Ahtna, Inc.: Ahtna, Inc. submitted a comment indicating their opposition to the sale. They expressed concerns regarding the potential for negative impacts to fish and wild game. They indicated that the project is near the Little Nelchina River, which has been and continues to be a crossing for the Nelchina Caribou Herd. They also stated that this area is moose territory. They noted that the Nelchina River is an important historic river that is listed in the Ahtna Place Names List.

DNR Response: Thank you for your comment. Please note that the project area has been significantly reduced in size. See Section V. Modifications to Decision and/or Additional Information of this document for comments from the Alaska Department of Fish and Game regarding wildlife populations in this area. In terms of the historic importance of this area, LSCAS contracted out for a cultural resources survey of this project area. Field work was completed in late August, early September 2013 and a report of the findings from this survey was received October 17, 2013. Possible cultural resources were identified; however, because of the reduction in size of the project area, the resources identified are now outside the project area. LSCAS will work with the DNR Division of Parks and Outdoor Recreation’s Office of History and Archaeology to determine appropriate measures to protect potential cultural resources.

Copper Valley Electric Association, Inc.: Copper Valley Electric Association (CVEA) submitted a comment indicating that they would be capable of providing single-phase power to potential customers that would reside within the subdivision. They indicated that the portions of the original project area within Sections 13 and 14 are not part of their certified service area. However, if there was sufficient demand for service in those sections, they would entertain the possibility of expanding their service area, as established by the Regulatory Commission of Alaska. They indicated that the location of their line was being shown incorrectly on the Bureau of Land Management Master Title Plat for this area, and was therefore incorrect on the Attachment A: Vicinity Map. They indicated that the line actually lies south of the highway in the same location as the proposed easement, ADL 230669. They asked to be included in future processes associated with the subdivision to ensure that electric utility easements are appropriately planned.

DNR Response: Thank you for your comment. We appreciate you noting the correct location of your utility line; Attachment I: Vicinity Map should indicate the correct location of this line. The Borough requires 15’ utility easements along all rights-of-way and LSCAS will follow Borough platting requirements. The authority for approval of platting actions has been delegated to the local platting authority (MSB), and there will be a separate public notice process through the Borough for any platting action. In addition, we will advise the Borough at the time of preliminary plat submittal that you should be notified as the primary service provider in this area.
Comments regarding the size of the disposal and its impact on trails, wildlife, and the environment and local property values from multiple, individual members of the public: LSCAS received five comments concerned with the size of the disposal area. Multiple commenters argued that a subdivision of over 400 parcels with an average of 3-4 residents per lot would result in a new town larger than some well-known, existing villages. Commenters were concerned that the influx of people to the area would lead to overcrowding, with consequences for the wildlife habitat as well as the local trail system. Several commenters indicated concern that wildlife populations in the area were already low. Commenters stated that use of ATVs and snowmachines in the area were resulting in degradation to the trail system. Property owners were also concerned that the proposed offering would negatively impact local property values.

DNR Response: Please note that the project area has been reduced, and DNR will not be disposing of the full 826 acres that now encompass the project area. The maximum number of parcels has also been reduced from 430 to 60. As discussed in the Areawide Considerations subsection on pages 4 and 5 of Attachment II: Preliminary Decision, the Susitna Matanuska Area Plan (adopted 2011) requires DNR to provide for greenspace and movement corridors for moose as necessary in the area. Some wet, low-lying areas through the middle of the project area have been identified for accomplishing this goal. DNR is also required to retain public waters in State ownership. In addition, the project may be offered in one or more separate offerings over time. As stated in the Preliminary Decision for this subdivision, DNR intends to offer the project in multiple separate offerings in consideration of the impact of the offering on the local market. Developing the project in increments over time and offering the lots in multiple separate offerings may also minimize the impact to local land and resources. Please see Section V. Modifications to Decision and/or Additional Information of this document for comments from DFG regarding wildlife populations in this area. With regard to trail degradation within the project area, if feasible, LSCAS may use existing trails for platted rights-of-way and may develop trails or roads for access within the subdivision in accordance with MSB code. In instances where trails are found to be infeasible, alternative access may be platted to concentrate access to common corridors and minimize braiding and expansion of trails.

Comment: “The subject project is well justified by public desire to acquire private parcels for settlement and recreation in the Nolchina area. As a landowner in the John Lake Subdivision I would support a well designed Subdivision in the Project Area. Access roads must be a part of the plan. Subsurface soils characteristics should be thoroughly investigated and the information developed incorporated into subdivision planning and design. From experience, I am aware that subsurface conditions are highly variable within the project area.”

DNR Response: Thank you for your comment. LSCAS plans to develop access within the subdivision to the Borough standard. In addition, LSCAS is working with the DNR Southcentral Region Office to obtain an easement for a parking and staging area, as well as a public access and utility easement to provide access from the Glenn Highway to the subdivision. Soil tests will be conducted in accordance with Borough code requirements.
Summary of Comment: Commenter disagreed with wording from the Preliminary Decision used in reference to “unauthorized trails” within the project area. They stated that trails are allowed on State lands and that the trails should be referred to as “non-dedicated” instead. They indicated that recreational access to every lot should be preserved and that trails should be incorporated into the subdivision design. Commenter concluded their comment with a statement of support for the subdivision.

DNR Response: Thank you for your comment. We agree that the trails may be more appropriately described as non-dedicated or as a generally allowed use, in accordance with 11 AAC 96.020. However, even though an existing trail may have been used by the public for many years, this does not create a right or entitlement and does not preserve access via that trail. We recognize how important practical recreational access is in remote areas. In locations where trails exist, if feasible, we may use those trails for platted rights-of-way. In instances where they are not found to be feasible, alternative access may be platted. All parcels within the subdivision will have legal platted access. LSCAS is also considering creating parking and staging areas within the project area.

Comment: “This land sale is a very good idea. We need more recreational land within 3 hours’ drive of Anchorage/Valley that is on the road system. I support this development. This is a high demand area - people are always asking about land for sale in the area and there is currently a lack of private land for sale. Do not let Mat-Su Borough annex this land for tax purposes only without any services being returned.”

DNR Response: Thank you for your comment. The project area is within the boundaries of the Matanuska-Susitna Borough and will be subject to all Borough codes, ordinances, and taxation, over which the State has no authority.

Summary of Comment: In the first comment submitted, concern was indicated that, as a homeowner near the project area, they had not received notification of the proposed sale. They later submitted a second comment indicating that they did not approve of the decision. Some of Commenter’s concerns are addressed above in the concerns expressed by multiple commenters. They also expressed concern that as a local landowner they had not been notified of the proposed subdivision earlier in the process. Commenter also asked what changes had been made to Borough road ordinances that resulted in the project being reconsidered. They questioned as to who is responsible for survey of the parcels and also wanted to know how the subdivision might impact property taxes and public services in this area. Commenter indicated concern that growth and development of the area be sustained in a healthy and sanitary way.

DNR Response: Thank you for your comments. Many of Commenter’s concerns were addressed on pages 2-6 of this document by the explanation of public notice requirements completed. Additional details regarding this process follow. We also received phone calls from local residents concerned about not receiving public notice of the project area. We subsequently discovered that the list of addresses we received from the Borough’s Tax Assessor’s office was incomplete. As a result, public notice was extended and expanded to a larger area.
In response to the second set of comments you submitted, we submit the following. In terms of public notice of a project, the Public Notice of a Preliminary Decision is specifically designed as the first notification to the public of a project and to allow them to respond before a Final Finding and Decision is considered. LSCAS considers hosting public meetings to discuss potential projects with the issuance of a Preliminary Decision where practical and effective as a normal course of business. LSCAS did not determine a public open house to be an effective means of reaching the public for this project area. Considering that individuals who did not receive direct notice still found out about the project and were able to submit comments during the comment period, public notice was effective.

The Matanuska-Susitna Borough recently changed its ordinances for roads that are outside of road service areas. Previously, under Title 27 of Borough code, LSCAS would have been required to develop roads within the subdivision to the residential standard. Title 27 of Borough code has since been replaced with Title 43 and LSCAS has been informed by the Borough that we will no longer be required to develop roads to the residential standard but to a lesser standard for subdivisions outside a road service area. LSCAS is responsible for paying the costs of the survey of the subdivision. Survey and road construction will be contracted out to a private company, subject to a State review and inspection process. According to Title 43 of MSB code, maintenance will not be provided by the borough until the roads are upgraded to the residential standard and accepted for maintenance by the public works department; no borough funds will be expended to upgrade the roads. A Local Improvement District may be created to allow petitioners to share the costs of upgrading the roads to be accepted for borough maintenance. Local landowners may petition for the creation of a Road Service Area, which would result in additional taxes, charges or assessments. In regards to the ability of the area to sustain growth and development in a healthy and sanitary way, the State does not impose restrictions that govern post-patent use. Authority has been delegated to MSB and the Department of Environmental Conservation to govern this.

**Summary of Comment:** Some of Commenters’ concerns are addressed above in the concerns expressed by multiple commenters. They indicated that they use a parking lot at Mile 137 north of the Glenn Highway to access an established trail to the Twin Lakes area, where they own a cabin. They requested that subdivision development not block this trail access. They also noted that the parking lot is already too small to accommodate the number of people that frequently use it on weekends.

**DNR Response:** Thank you for your comments. Please see *Easements, Setbacks, and Retained Lands* subsection on page 8 of Attachment II: Preliminary Decision. This states, “Where feasible in subdivision design, existing trails may be depicted on the plat.” The feasibility of any trails that exist within the project area will be assessed by surveyors in the field to determine whether it meets public access needs. If determined to be feasible, and no other access options are determined to provide equal or better access, the trail will be reserved where it exists within the project area. If determined not to be feasible, the trails may be relocated in order to meet public access needs. In addition, DNR will consider establishing staging and parking areas within the project area, as noted in the *Areawide Considerations* section on page 4 of Attachment II. Please note that the parking area you are currently using is not within the project area, as it is not designated Settlement, and may be located within the Glenn Highway right-of-way.
Summary of Comment: A concern was raised regarding the effect that the development would have on the value of his property near Eureka.

DNR Response: Thank you for your comment. The potential effect on property values is unknown. As stated in the Preliminary Decision for this subdivision, DNR intends to offer the project in more than one sale offering over time in consideration of the impact of the offering on the local market.

Summary of Comment: Commenter asked how much parcels would be selling for. They also questioned to what standard roads in the project area would be built. They asked if the increased populations associated with the sale would have an impact on services, including road maintenance, in the area and whether this would impact the mil rate. Commenter questioned if utilities would be provided prior to sale. They ended their comment with a statement of opposition to the proposed sale.

DNR Response: Thank you for your comments and questions. The parcels within this subdivision will be offered for appraised fair market value, as determined by a qualified appraiser, in accordance with the Uniform Standards of Professional Appraisal Practice, and within two years of the date of offering, as required by AS.38.05.840 Appraisal. LSCAS plans to develop access roads to the Borough standard for roads outside of a road service area. We have been informed by the Borough that pioneer roads must be developed, according to Title 43 of Borough code. We will also consider creating parking and staging areas off the Glenn Highway and within the project area for access to all lots. DNR will not be providing utilities to individual lots. See previous comments and responses regarding road maintenance and borough fees and taxes.

Comment: Commenters indicated that they own a remote parcel near the project area on the Nelchina River within the Twin Lakes Remote Parcel Area. They stated, “We believe that the Division’s Preliminary Decision is inherently flawed because the Land Sales & Contract Administration Section staff was unaware of and therefore failed to consider crucial land status information: the existence of DNR’s own and nearby Twin Lakes Remote Parcel Area… We believe that had your office been aware of the Twin Lakes Remote Area it would have taken the proximity of that land offering and the remote nature of that program into account when drafting the Preliminary Decision.”

Commenters suggested reducing the size of the subdivision to around 50 lots and moving the project area to State-owned lands located north of the Glenn Highway. They suggested that moving the project north of the highway would provide connectivity to an established trail network and would minimize unsafe crossings of the Glenn Highway. Commenters also stated that the Subdivision Development and Remote Recreation Cabin Sites Staking programs are incompatible programs and therefore should not be located so close to each other.

DNR Response: Thank you for your comments. Please note that the size of the project area has been reduced, and the maximum number of allowable parcels has been reduced from
430 to 60. Although DNR staff did not initially note the Twin Lakes Remote Recreation Area by local name, we were in fact aware of the existence of remote parcels east of the project area and referenced them in the Background subsection on page 4 of Attachment II: Preliminary Decision. In addition, subdivision parcels and remote parcels do successfully co-exist side by side across the state. One example is Ridgeview development near the intersection of the Glenn Highway with the Lake Louise Road. The Ridgeview Subdivision directly abuts the Ridgeview Remote Recreational Cabin Sites (RRCS) staking area (offered under the State’s current version of a remote parcel program, per AS 38.05.600) and some parcels from each program are immediately adjacent to each other.

Although the State does own land north of the Glenn Highway in this area, it is within the Nelchina Public Use Area (L-03), a Legislatively Designated Area (LDA) that is not available for disposal. There are over 2.25 million acres within this LDA that are designated for Wildlife Habitat and Public Recreation-Dispersed in the Susitna Matanuska Area Plan (see page 3-121 of the plan). This Legislatively Designated land is specifically slated for uses consistent with the protection and maintenance of fish and wildlife habitat, particularly caribou calving areas, trumpeter swan nesting areas, and other important habitats for moose, Dall sheep, and brown bear so that traditional public uses of fish and wildlife populations may continue; perpetuation and enhancement of public enjoyment of fish and wildlife and their habitat including fishing, hunting, trapping, viewing, and photography; perpetuating and enhancing general public recreation in a quality environment; perpetuating and enhancing additional public uses described in the area plan; and allowing additional compatible public uses of the area.

Comments: Commenter expressed concern that there would be an increase in recreational users that would likely contribute to the motorized vehicle use in this area. They stated that they currently hike into their cabin and chose to stake with the remote parcel program in this area to have a cabin accessible only by a wilderness hike. They noted that the presence of grizzly bears rooting in the floodplain less than one mile south of the subdivision was observed by a family member during a trip to his cabin last summer. They asked who the likely users of this proposed subdivision would be and indicated that they thought recreational users would be more likely. Commenter expressed concern that neither they nor the other three parcel owners that live the closest to the proposed subdivision received personal notice of the project and requested that the comment period be extended until November 1 in order to prepare information and evidence as to the historical use of the area in different seasons. Commenter also offered to provide a free flyover of the area to LSCAS staff. In correspondence with LSCAS, Commenter responded that they did not agree that the requirements under AS 38.05.945 Notice had been met because they had not received personal notification as a party likely to be affected by the action. A second request for extension of the comment period was submitted.

DNR Response: LSCAS staff responded to Commenter’s request for an extension of the Public Notice period on Tuesday, May 14, indicating that the comment period would not be extended, as the requirements under AS 38.05.945 had been fulfilled and in fact, exceeded. They submitted a second request for the comment period to be extended because of concern that the requirements under AS 38.05.945 had not been met, which was elevated to the LSCAS Section Manager. The request was again denied, as the Section Manager detailed how the statutory requirements had been fulfilled and in fact exceeded. Their offer
to provide a flyover of the area was also elevated to the Section Manager. After conferring with the DNR Ethics Supervisor it was determined that for multiple legal and administrative reasons this offer must be declined, of which Commenter was informed.

Previous disposals have attracted a variety of Alaska residents. Because of the rural remote nature of the area, it is likely that recreational use will increase due to this proposed subdivision. In reference to travel across State-owned land, Title 11 of the Alaska Administrative Code (AAC) refers to this issue. State Regulation 11 AAC 96.020, Generally Allowed Uses allows for the use of highway vehicles of up to 10,000 pounds and off-road or all-terrain vehicles up to 1,500 pounds to cross State-owned land, whether on or off an established road easement, as long as use that does not occur on an existing road easement, “does not cause or contribute to water quality degradation, alteration of drainage systems, significant rutting, ground disturbance, or thermal erosion.” The use of motorized vehicles is a generally allowed use on State-owned land, except for designated public use areas and special-use lands.

Summary of Comments: In a joint submission, multiple Commenters indicated that each had staked a parcel under the Remote Parcel Program specifically because of the remoteness of the land and that they would like the remote nature of their land preserved. They stated that placing a subdivision so close to their parcels would change this remote nature and that subdivisions should be located “scores of miles” from remote program sites and not in the same watershed. They also stated that any development that is approved should remain close to the Glenn Highway to minimize impact on their remote parcels.

DNR Response: Thank you for your comments. Please see our previous response regarding the proximity of subdivision parcels to remote parcels. In addition, the State makes no commitment to preserve the remoteness of previous or current disposals and in fact recognizes the legislative mandate to continually offer lands for Settlement purposes. Much of these concerns are answered by the adoption of the Susitna Matanuska Area Plan, which designated this project area as Settlement and determined a land disposal to be appropriate.

The following agencies were also invited to comment but did not respond:

- Bureau of Land Management;
- Cook Inlet Region, Inc.;
- Copper Valley Chamber of Commerce;
- Copper Valley Development Association;
- Glennallen Improvement Corporation;
- Matanuska-Susitna Borough;
- Nelchina/Mendeltna Corporation; and
- Palmer Soil and Water Conservation District.
V. Additional Information

At the request of the Matanuska-Susitna Borough, field work for a cultural resources survey was conducted in late August, early September 2013. A final report was received October 17, 2013. Possible cultural resources were identified; however, because of the reduction in size of the project area, the resources identified are now outside the project area. LSCAS will work with the DNR Division of Parks and Outdoor Recreation’s Office of History and Archaeology to determine appropriate measures to protect potential cultural resources.

During the Cultural Resources Survey for this project area, the Chickaloon Village Traditional Council (CVTC), whose nearest lands are located approximately 45 miles west of the project area, was contacted by MSB regarding their knowledge of the area. Jennifer Harrison, Director of CVTC, indicated concern as to how the subdivision development would impact sheep, goat, moose, and caribou populations already perceived to be struggling. She indicated that this is an area traditionally and currently used for collecting berries, which would also be impacted by this development. In response, LSCAS solicited additional comments beyond those given by the Alaska Department of Fish and Game during Agency Review regarding wildlife populations in the area. The following response was received, “DFG is not aware of any goat or sheep populations that use this parcel of land. The Nelchina caribou herd tends to stay north of the Glenn Highway with some use to the south and east of the project area. Caribou numbers have declined in this area, but they remain within our herd population objectives. Moose numbers are not currently monitored in this area, but nearby information shows the numbers to be higher than normal. We have no additional wildlife concerns with this review or proposed subdivision.”

With regard to berry picking activities, LSCAS requested further information from CVTC on the location of this activity but received no response. Much of the State-owned lands between the project area and CVTC-owned lands are designated for Habitat and Public Recreation-Dispersed and are therefore available for berry picking activities. In addition, the Nelchina Public Use Area, more than 2.25 million acres of land north of the Glenn Highway and north and west of the project area also designated for Habitat and Public Recreation-Dispersed, is also available for this use. This Legislatively Designated land is specifically slated for uses consistent with the uses commenters considered traditional for this general area.

Concerns regarding wildlife populations and traditional berry-picking were presented to LSCAS; in turn, LSCAS requested additional information from DFG and CVTC regarding these concerns. DFG indicated no significant concerns regarding wildlife populations in the area. In addition, there is abundant land in the surrounding area that is designated for Wildlife Habitat and Public Recreation-Dispersed, which is available for continued berry-picking activities. Furthermore, the project area has been significantly reduced from the size originally proposed in the Preliminary Decision. For these reasons, LSCAS has determined that these concerns are not in conflict with the proposed subdivision.

LSCAS considered an additional alternative to those proposed in the Preliminary Decision: increasing the maximum parcel size to allow the land to be subdivided into 40 acre parcels or larger. This would potentially eliminate or reduce the road construction requirements imposed by the Matanuska-Susitna Borough. However, it was determined that the topography of this project area is not well suited to this option.
VI. Modifications to Decision

The recommended action has been modified from the original proposed action(s) described in Attachment II: Preliminary Decision. The size of the project area has been reduced from 3,570 acres to approximately 826 acres, and the total number of parcels to be offered has been reduced from 430 to 60 parcels, with retention of larger tracts. Parcel sizes from nominal 5 to 20 acres remain unchanged.

A typographical error listed the management unit of the Susitna Matanuska Area Plan within which the project area lies as Unit G-2 on page 4 of Attachment II: Preliminary Decision and in the Attachment B: Area Data Summary Table. The project area actually lies within Unit G-21, as correctly indicated on page 5 of Attachment II. All descriptions of the management intent associated with this unit correctly refer to Unit G-21. This is a minor typographical error and does not change the decision.

Recommendation and Approval of the Final Finding and Decision follow.
Final Finding and Decision
Proposed Land Offering in an Organized Borough
One Thousand Skies Subdivision – ADL 229494
Page 16 of 17

VII. Final Finding and Decision
The Department recommends proceeding with the proposed action as described in Attachment II: Preliminary Decision as supplemented, amended, changed, or deleted and described herein. This action is undertaken under relevant authorities. Offering these parcels for sale will help meet the State’s goal to provide land for settlement for sale to the public and raise revenue for the State.

The findings presented above have been reviewed and considered. Public Notice has been accomplished in accordance with AS 38.05.945 Notice and comments received were considered. The project file has been found to be complete and the requirements of all applicable statutes have been satisfied. The proposed actions are consistent with constitutional and statutory intent for State-owned land and this action is undertaken under relevant authorities.

Under the authority of the applicable statutes, it is hereby found to be in the best interest of the State of Alaska to proceed with the recommended action(s) as described and referenced herein.

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

9/2/2015 Date

/s/ Approved by: Brent Goodrum
Director
Division of Mining, Land, and Water
Department of Natural Resources
State of Alaska

10/2/2015 Date

/s/ Approved by: Mark Meyers
Commissioner
Department of Natural Resources
State of Alaska

1/14/2016 Date
Reconsideration Provision

A person affected by this decision who provided timely written comment or public hearing testimony on this decision may request reconsideration, in accordance with 11 AAC 02. Any reconsideration request 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 the Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Ste. 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918; or sent by electronic mail to dnr.appeals@alaska.gov. If reconsideration is not requested by that date or if the commissioner does not order reconsideration on his own motion, this decision goes into effect as a final order and decision on the 31st calendar day after issuance. Failure of the commissioner to act on a request for reconsideration within 31 calendar days after issuance of this decision is a denial of reconsideration and is a final administrative order and decision for purposes of an appeal to Superior Court. The decision may then be appealed to Superior Court within a further 30 days in accordance with the rules of the court, and to the extent permitted by applicable law. An eligible person must first request reconsideration of 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.
This map is for graphical representation only. It is intended to be used as a guide only and may not show the exact location of existing surveyed parcels or shall all easements and reservations. Source documents remain the official record.

USGS QUAD 1:63,360
Valdez D-8
For more information contact:
Lauren Rouen
Department of Natural Resources
Division of Mining, Land and Water
Land Sales & Contract Administration Section
Phone 907.269.8851
Fax 907.269.8916
Email landsales@alaska.gov
STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND, AND WATER

PRELIMINARY DECISION
Proposed Land Offering in an Organized Borough
One Thousand Skies Subdivision – ADL 229494
AS 38.05.035 (e), AS 38.05.045

RELATED ACTION(S):
Proposed Mineral Order (Closing)
AS 38.05.185 and AS 38.05.300

COMMENT PERIOD ENDS 5:00PM, THURSDAY, MAY 9, 2013

I. Proposed Action(s)

Primary Proposed Action(s): 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 offering under the method as described herein.

Attachment A: Vicinity Map
Attachment B: Area Data Summary Table
Attachment C: Public Notice

Located within the Department’s Southcentral Region, approximately 14 miles west of Nelchina and 112 miles northeast of Anchorage, the project area is within the portion of Lot 1 lying south of the Glenn Highway, Section 1; the portions of Lots 1 and 2 and E1/2NE1/4 lying south of the Glenn Highway, Lots 3 and 4, SW1/4NW1/4, and S1/2 of Section 2, excluding USS 5634; and Sections 11-14, all, Township 2 North, Range 10 West, Copper River Meridian. The project area consists of approximately 3,570 acres identified for disposal by this proposed action. See Attachment A: Vicinity Map for a graphic depiction of the approximate location of the project area.

For the purposes of providing land for settlement in the Eureka-Nelchina area, if deemed feasible, DNR may develop a subdivision of no more than 430 parcels varying in size, with a majority of the parcels in the nominal 5 to 20 acre range. Certain tracts of land will be retained and not sold under this decision. If it is deemed necessary, DNR may consider parcels over five acres per the allowances listed in AS 38.04.020(h) Land Disposal Bank. This proposed project area is located within the Matanuska-Susitna Borough and therefore survey, plating, and road construction will be completed to the relevant subdivision standards. The project may be subdivided and offered in phases.
**Proposed Related Action(s):** There is one related action with this proposal:

**Mineral Order (Closing):** DNR DMLW proposes a mineral order to close the project area to new mineral entry. Refer to the Mineral Order subsection under Section VI of this document for more information on this proposed related action.

Public notice for the related actions is being conducted concurrently with the notice for the primary action’s Preliminary Decision. If approved after consideration of public comment, the related actions will be developed as separate actions and accompany the Final Finding and Decision for the primary action. The Final Finding and Decision 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. Refer to the Planning and Classification subsection of this document for more information.

Pursuant to AS 38.05.945 Notice, this notice will also be posted on the State of Alaska Public Notice website at [http://aws.state.ak.us/OnlinePublicNotices/](http://aws.state.ak.us/OnlinePublicNotices/) for at least 30 consecutive days. The public is invited to comment on the proposed primary and related actions. See Section X Submittal of Public Comments at the end of this document and Attachment C: Public Notice for details on how to submit a written 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 these proposed actions are approved, DNR will issue a Final Finding and Decision.

**II. Method**

DNR proposes to offer for sale the project area as described herein, through a future auction or another method under AS 38.05.045 Generally [Sale of Land].

**III. 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.

For related actions, AS 38.04.065 Land Use Planning and Classification, AS 38.05.300 Classification of Land, and AS 38.05.185 Generally [Mining Rights] allow for amendments and special exceptions to area plans, land classifications, and mineral orders.

**IV. Administrative Record**

The administrative record for the proposed action(s) consists of the documentation contained in the project file, ADL 229494. Incorporated by reference is the Susitna Matanuska Area Plan, adopted in 2011 and any updates or amendments to the associated land classification file CL SC-09-002.

**V. Scope of the Decision**

The scope of this proposal, under the statutes described in the preceding Section III Authority of this document is limited and specific to DNR DMLW’s proposal to offer State-owned land within
the defined portion of the project area for disposal and to conduct the proposed related actions as described herein. 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. The subdivision and offering may be conducted in phases.

VI. Description
See Attachment B: Area Data Summary Table for a brief listing of the key descriptions for the project area. Additional details are provided in the following paragraphs.

Location: The project area is located within the Department’s Southcentral Region, approximately 14 miles west of Nelchina and 112 miles northeast of Anchorage, along the Glenn Highway. The project area consists of approximately 3,570 acres identified for disposal by this proposed action. See Attachment A: Vicinity Map for a graphic depiction of the approximate location of the project area.

Legal Description: The project area is located within six sections within the Chitina Recording District, Third Judicial District, Alaska, as follows:

Township 2 North, Range 10 West, Copper River Meridian
- Section 1: that portion of Lot 1 lying south of the Glenn Highway,
- Section 2: those portions of Lots 1-4, E1/2NE1/4, SW1/4NW1/4, and S1/2 lying south of the Glenn Highway, excluding USS 5634, and
- Sections 11-14, all.

Title: Information from Title Report No. 1050, current as of September 17, 2009 indicates the State of Alaska holds fee title to the land and mineral estate within the project area under Patent 50-89-0654, dated September 13, 1989. The applicable State case file is GS-2039. The parcel is subject to the reservations, easements and exceptions contained in the federal patent.

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. Under common law, 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 also provides that the land estate (surface) owner will be compensated for damages resulting from mineral exploration and development.

Physical Characteristics: Attachment B: Area Data Summary Table describes the project area’s physical characteristics. In addition, the following paragraphs describe the project area based on internal research and a field inspections conducted by DNR Survey staff in July 2004, April 2009, and October 2009. This is by no means a complete description of the project area and if this proposal is approved and the area offered for sale, it will be the responsibility of interested parties to inspect individual parcels prior to purchase to familiarize themselves with the physical characteristics of the land.
There are potential flooding issues for lots adjacent to lakes in Sections 1 and 12. Lake basins were largely dry on older maps, but recent satellite imagery shows that the lakes have expanded as small local basins and have filled with water. Data are insufficient to predict if the lakes will continue to grow and by what amount, although the local topography and geologic setting suggest they may be at or near their maximum size. Glacial outburst floods are known to travel down the Nelchina River adjacent to this proposed subdivision (Post and Mayo, 1971). The distance from the river (approximately one mile) and elevation above stream level (approximately 100 feet) are probably sufficient to make flooding in the subdivision from such an event unlikely (though not impossible).

Background: Remote staking occurred throughout the 1980s and into early 1990s in sections east of the project area. Lots within John Lake Subdivision, a state project, approximately 8 miles northeast of the project area, were mostly sold in the 1980s.

The project was first considered in 2005 and determined to be too costly at that time due to borough road ordinances. Now, with new borough road ordinances the project is being considered again.

Planning and Classification: The project area is within the Susitna Matanuska Area Plan (SMAP) Glenn Highway Region, Unit G-2. Settlement is the current, primary surface use designation for this unit. The area is classified Settlement through Classification Order (CL) SC-09-002.

Areawide Considerations: DMLW will follow management guidelines in SMAP Chapter 2-Settlement.

Planning and Coordination: Specific subdivision designs and offerings by DMLW will be done in consideration of the factors listed under this portion of the SMAP. LSCAS will coordinate with MSB on subdivision requirements. For example, DMLW is aware of the need for parking/staging areas, and consultation with MSB and other agencies such as the Department of Fish and Game (DFG), on such sites will be part of the project design.

Protection, Management, and Enhancement of Other Resources: Appropriate design should be utilized to compliment human and wildlife uses. Resource management principles will be considered for elements such as scenic features, incompatible mining activity, and timber harvesting. DNR should determine the need for and retain appropriate areas for other uses as stated in the Area Plan on pages 2-38 (Section C, item 7).

Design: DNR, as a general policy, should retain appropriate green belts, public-use corridors, water supply areas, riparian and coastal buffer areas, wildlife migration corridors, public access sites, material sites, roads and other public facilities, as well as other open space to create a desirable land use pattern in developing areas. Generally, subdivision design should provide for the creation of an open space system designed to protect or maintain important uses and values. Subdivisions will be designed to preserve and enhance the quality of the natural setting and the recreational opportunities that make an area attractive to potential buyers. All lots will be designed
to include sufficient buildable area for private use and will comply with MSB subdivision requirements.

*Unit/Region G-21*: Management guidelines for this unit provide that moose winter concentration areas should be carefully evaluated and greenspace or movement corridors provided as necessary. Particularly significant moose concentration areas are to be avoided or protected. Management guidelines also state that a buffer of state land should be retained and building setbacks should be utilized along the Glenn Highway. DFG is also to be consulted to identify and protect public access through the parcels.

**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 land estate (surface) owner be compensated for damages resulting from mineral exploration and development. Refer to the Mineral Order(s) section of this document for more information on restrictions on use of the mineral estate within the project area.

**Mineral Order(s)**: There are no existing mineral orders.

There is no existing mineral activity within the project area.

Mineral closing orders, where established, close an 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 land estate owner will be compensated for damages resulting from exploration and development.

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

**Mineral Order Proposal**:

**Mineral Order (Closing)**: DNR DMLW proposes a mineral order to close the project area to new mineral entry.

Public notice for the related actions is being conducted concurrently with the notice for the primary action’s Preliminary Decision. If approved after consideration of public comment, the related actions will be developed as separate actions and accompany the
Final Finding and Decision for the primary action. The Final Finding and Decision 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.

Hazardous Materials and Potential Contaminants: During field inspections in July 2004 and April and October of 2009, staff did not observe any hazardous wastes, spills, or other potential contaminants within the area. There are no known environmental hazards present within the project area, 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 eventually be found. Interested parties are encouraged to inspect the property and familiarize themselves with the condition and quality of the land prior to bid or application submission.

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 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.

Traditional Use Finding: The project area is located within the Matanuska-Susitna Borough (MSB) and a traditional use finding is therefore not required per AS 38.05.830 Land Disposal in the Unorganized Borough. However, information on current or traditional use is welcomed and can be given during the public comment period. See the Submittal of Public Comments section at the end of this document and Attachment C: Public Notice for details on how to submit comments.

Local Planning: Where they exist, local zoning and related ordinances govern private land use. The project area is within the MSB and platting actions within this borough are subject to the MSB platting and zoning authority. Approval of platting and zoning actions, and dedication of right-of-ways will require separate processes and public notices through the Matanuska-Susitna Borough. The project area is within the Glacier View Special Land Use District. This SPUD requires obtainment of a conditional use permit to install major electrical transmission lines and associated electrical substations.

Access To, Within, and Beyond the Project Area: Access to the project area is from the Glenn Highway. There will most likely be two access points to the subdivision between Miles 135 and 137 of the Glenn Highway. Roads will be constructed to Matanuska-Susitna Borough standards for roads outside of Road Service Areas. The project area is within the platting authority of the MSB. Approval of platting actions and dedication of right-of-ways will require separate processes and public notices through the Matanuska-Susitna Borough.

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 AS 38.05.127:

- navigable water are generally lakes larger than 50 acres in size or streams larger than 50 feet in average width;
- public waters are generally lakes larger than 10 acres in size or streams larger than 10 feet in average width; and
- waters may be determined public or navigable consistent with AS 38.05.965 (18) Definitions.

For the purposes of reserving access to public or navigable water under the aforementioned statutes and regulations, if a water body is determined to be public or navigable prior to disposal, a continuous easement extending upland from the ordinary high water mark will be reserved within parcels located along said waters. An alternate upland access route may be reserved if topography or obstructions prevent or make a continuous easement difficult. If a water body determined to be public is located entirely within a parcel, a public use access easement from the parcel boundary to and along the water body will be reserved and dedicated at the time of field survey. Refer to the Easements, Setbacks, and Retained Lands and Agency Comments sections for additional information.

There are no known navigable or anadromous water bodies within this project area. There are two unnamed lakes within the project area that are public waters. If additional water bodies are deemed public or navigable, DNR DMLW will comply with statutory requirements to provide access to and along said water bodies.

**Building Setbacks From Public or Navigable Water:** If subdivision is deemed feasible, DNR DMLW proposes to place a note on the final survey plat describing a building setback upland from the ordinary high water (OHW) mark of public and navigable water to protect access, fish and wildlife habitat, and personal property. Except for 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, structures and subsurface sewage disposal systems will not be permitted within the building setback. We will continue to develop and apply criteria as needed and the public is invited to comment. Refer to the Easements, Setbacks, and Retained Lands and Agency Comments sections of this document for additional information.

**Easements, Setbacks, and Retained Lands:** Parcels may be subject to a variety of easements, setbacks, and retained lands. Easements, setbacks, and retained lands will be identified on the subdivision plat and included in related informational documents. Approval of platting actions will require separate processes and public notices through the Matanuska-Susitna Borough. Final width and location of easements and reservations will be determined as part of the platting process.
Previous site visits have revealed several unauthorized trails running north to south in the project area. Where feasible in subdivision design, existing trails may be depicted on the plat. In addition, a pre-application meeting with the Mat-Su Borough, held on January 22, 2010, indicated that this region is crisscrossed by trails used by Ahtna and Dena’ina and later Euro-Americans. Consequently, the borough requested a thorough cultural resource survey be conducted prior to any development activities within the subdivision. A cultural resource survey will be conducted, and if any cultural resources are found, mitigation factors will be incorporated into the subdivision design.

Parcels and subdivision design may be subject to a variety of reservations where appropriate, such as:

- a 50’ public access easement on each side of surveyed or protracted section lines on state-owned land, unless vacated under AS 19.30.410 and 11 AAC 51.065;
- a 50’ continuous easement is commonly required upland from the ordinary high water mark of public or navigable water bodies (AS 38.05.127);
- anticipated 60’ subdivision rights-of-way (ROW) or public access easements in accordance with MSB local platting authority requirements;
- a 300’ buffer south of and adjacent to the edge of the Glenn Highway ROW;
- a 5’ survey easement from the nearest practical point on the property boundary to control monuments within the parcel and an easement with a 5’ radius around the control monument, and as applicable, a 5’ direct line-of-sight easement from the control station to an azimuth mark or other control monument (typical plat note);
- SMAP easements and buffers required along trails, roads, waterbodies, wetlands, and related environmental features are found in Chapter 2, pages 2-40 through 2-45, 2-54 and 2-55, Table 2-1 at pages 2-46 through 2-47, and Chapter 3, Resource Allocation Table. For this project, the following will be used:
  - 75’ building setback adjacent to all waterbodies and sensitive environmental features;
  - minimum 25’ pedestrian and 40’ motorized trails and easements within developed or developing areas. Trails or other access facilities of statewide or regional significance- minimum 100; (50’ either side of centerline) (page 2-54 and 2-55).
- A-062297, a transmission line for the Copper Valley Electric Association, within N \( \frac{1}{2} \)N \( \frac{1}{2} \), Sec. 1, T2N, R10W, CRM;
- An easement across a strip of land fifty (50) feet in width, lying twenty-five (25) feet on each side of the centerline of the Alaska Communications System’s open wire or pole line and/or buried communication cableline, within N1/2, Sec. 1, T2N, R10W, CRM;
- ADL 230669 – easement application for a proposed fiber optic cable line;
• Pending a cultural resource survey, mitigation factors will be incorporated into the subdivision design, if necessary.

Where appropriate, reservations and restrictions will be depicted on the plat and described in plat notes.

Survey, Platting, and Appraisal: Depending on agency and public commentary, physical conditions of the land, and access issues, DNR DMLW may survey and subdivide the project area as discussed herein to prepare and offer the property for sale if deemed feasible. This proposed project area is located within MSB and therefore survey and platting will be completed to the relevant Borough subdivision standards.

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

VII. Agency Comments
Agency review was conducted from August 27, 2009 to September 29, 2009. Comments pertinent to this proposed action received during agency review have been considered and addressed in the following paragraphs. Additional timely comments received during the Public Notice period will be considered and addressed in the Final Finding and Decision if the proposal proceeds to that step.

DNR Division of Geological & Geophysical Surveys Comment (summarized)
There are potential flooding issues for lots adjacent to lakes in Sections 1 and 12. Lake basins were largely dry on older maps, but recent satellite imagery shows that the lakes have expanded as small local basins and have filled with water. Data are insufficient to predict if the lakes will continue to grow and by what amount, although the local topography and geologic setting suggest they may be at or near their maximum size. Glacial outburst floods are known to travel down the Nelchina River adjacent to this proposed subdivision (Post and Mayo, 1971). The distance from the river (approximately one mile) and elevation above stream level (approximately 100 feet) are probably sufficient to make flooding in the subdivision from such an event unlikely (though not impossible).

DNR DMLW Response
DMLW recognizes the terrain and lake basins mentioned in Sections 1 and 12. The final design of the subdivision, while dependent on many factors, will incorporate a method for addressing the expansion of the lakes and the impacts they may have on home sites. Possible methods for addressing this issue are building setbacks, designing larger parcel sizes, or retaining land along significant water bodies.

Alaska Department of Fish and Game Comment
Any existing ATV and snow machine trails that are found within this parcel should also be considered in the subdivision design so traditional access means are maintained. The Susitna Area Plan also recommends that land directly adjacent to the highway not be offered unless there is adequate screening by vegetation or topography to protect the visual quality of the area and should then be designed to minimize impacts on scenic vistas. From the maps provided
and aerial photographs of the area there appears to be three small lakes. Building setbacks should be implemented to protect the vegetation and water quality of these water bodies.

DNR DMLW Response
It is DMLW’s intention to design the subdivision in a manner that allows for the continuation of current use and provides for future recreational use of the area. Existing trails may be incorporated into the final subdivision design. In addition, platted roads will create alternative access through project area.

The Susitna Matanuska Area Plan recommends that a visual buffer be maintained along the Glenn Highway, and as part of the subdivision design DMLW will seek to minimize visual impacts from the development. The area plan does not specify a width, so a width of 300’ will be used, which is the same buffer that was used for the Glenn Highway in the nearby Ridgeview Subdivision and the buffer required in SMAP for the Parks Highway, a highway of similar status.

There are wetlands and several small lakes within the project area. Building setbacks will be used to protect wetlands and lake shore. See pages 8 and 9.

VIII. Alternatives and Discussion
DNR DMLW is considering the following alternatives:

- **Alternative 1**: (Preferred) Survey and plat a subdivision consisting of up to 430 parcels varying in size, and offer those parcels for sale. The development and offering of these parcels may be phased.

- **Alternative 2**: Do not subdivide the project area prior to offering. Offer the project area as a single, 3,570-acre parcel.

- **Alternative 3**: (Status Quo) Do not offer this project area for private ownership. Retain the land in State ownership.

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 [Sale of Land] has placed this charge with DNR. Alternative 1 provides a method for DNR to help meet the obligations laid out in the Constitution and statute. Alternative 1 maximizes public interest. This offering provides an opportunity for the public to obtain land for settlement in a desirable area. The subdivision as described will allow DNR DMLW to create a design that will maximize use of the land and provide the public a greater opportunity to purchase land within this area.

Alternative 2 does not maximize public interest and is not preferred. Due to the unique amenities of the area, location relative to the communities of Eureka and Nelchina, and the size of the project area, the project area is better suited to subdivision prior to offering. Subdividing the project area prior to offering will maximize the opportunity for conveyance to private ownership. Alternative 2 is not preferred.

Alternative 3 is not preferred. The Legislature and the public have indicated a desire for DNR DMLW to offer State-owned land for private ownership. Retention of this land would inhibit DNR
DMLW 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 is suited to settlement. For the aforementioned reasons, Alternative 1 is the preferred alternative. Recommendation follows.
IX. 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 this proposed action 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 action altogether. If the decision is approved, the related action will accompany and precede the Final Finding and Decision.

/s/       March 8, 2013
Prepared by Lauren Rouen
Natural Resource Specialist II
Land Sales and Contract Administration Section
Division of Mining, Land, and Water
Department of Natural Resources
State of Alaska

/s/       March 26, 2013
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
X. Submittal of Public Comments

See Attachment C: 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 posted on the State of Alaska Public Notice website at http://aws.state.ak.us/OnlinePublicNotices/. Notices will also be published in newspapers in statewide circulation and newspapers of general circulation in the vicinity of the land offering. In addition, 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.

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. Only persons from whom the Department receives timely, written comment during the identified comment period will be eligible to file an appeal of the Final Finding and Decision. 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 will be sent to any party from whom DNR DMLW LSCAS receives timely, written comment.
Copper River Meridian, Township 2 North, Range 10 West

**USGS QUAD 1:63,360**

Valdez D-8
For more information contact:
Lauren Rouen
Department of Natural Resources
Division of Mining, Land and Water
Land Sales & Contract Administration Section
Phone 907.269.8851
Fax 907.269.8916
Email subdivision.sales@alaska.gov
STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND, AND WATER

ATTACHMENT B: AREA DATA SUMMARY TABLE

to the
Preliminary Decision

for a
Proposed Land Offering in an Organized Borough
One Thousand Skies Subdivision – ADL 229494

<table>
<thead>
<tr>
<th>Project Area Acreage</th>
<th>3,570 acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Number of Parcels, Acres per Parcel</td>
<td>Up to 430 parcels, varying in size from nominal 5 to 20 acres</td>
</tr>
<tr>
<td>Location</td>
<td>14 miles west of Nelchina and 112 miles northeast of Anchorage</td>
</tr>
<tr>
<td>Area Access</td>
<td>Primarily via the Glenn Highway, there will most likely be two access points to the subdivision from the Glenn Highway. Individual lots would be accessible via platted internal easements.</td>
</tr>
<tr>
<td>Native Regional &amp; Village Corporations within 25 miles</td>
<td>Ahtna, Inc.</td>
</tr>
<tr>
<td>Platting Authority, Coastal Issues, &amp; Local Planning Considerations</td>
<td>The Matanuska-Susitna Borough, local communities, and villages will receive public notice and an opportunity to comment. The Matanuska-Susitna Borough also has platting authority. The project area is not within the zone of coastal influence.</td>
</tr>
<tr>
<td>Title</td>
<td>All land within the project area was patented to the State (Patent #50-89-0654), all under General Grant (GS 2039)</td>
</tr>
<tr>
<td>Legal Description</td>
<td>The portion of Lot 1 lying south of the Glenn Highway, Section 1, the portions of Lots 1 and 2 and E1/2NE1/4 lying south of the Glenn Highway, Lots 3 and 4, SW1/4NW1/4, and S1/2 of Section 2, excluding USS 5634, and Sections 11-14, all, Township 2 North, Range 10 West, Copper River Meridian</td>
</tr>
<tr>
<td>Area Plan</td>
<td>Susitna-Matanuska Area Plan (SMAP) (adopted 2011), Management Unit G-2/Glenn Highway Region</td>
</tr>
<tr>
<td>Classification</td>
<td>Settlement (Se), CL SC-09-002</td>
</tr>
<tr>
<td>Mineral Order</td>
<td>The project area is presently open to mineral entry; the project area will be closed to new claims prior to sale.</td>
</tr>
</tbody>
</table>
| **Topographic Map** | USGS Quads Valdez D-8, Valdez D-1  
Several ridges with corresponding lower lying areas  
2300 feet (at southeast corner) to 2900 feet (at northwest corner) above sea level |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Geologic Hazards</strong></td>
<td>There are no known geologic hazards. Should any additional geologic hazards be discovered in the future, they will be considered in the project's design and described in the project file and offering materials.</td>
</tr>
<tr>
<td><strong>Soils</strong></td>
<td>Soils seem to be well-drained per site visit, but there are some wet low-lying areas. Known soil concerns will influence the project's design and feasibility and such features will be described in the project file and offering materials where relevant.</td>
</tr>
<tr>
<td><strong>Vegetation</strong></td>
<td>Site visits indicate that vegetation is comprised mostly of a variety of willow with scattered black spruce. There is also dwarf birch, alder, white spruce, and scattered stands of aspen.</td>
</tr>
<tr>
<td><strong>Fire Hazards</strong></td>
<td>Full Fire Management Area. No information available on most recent burn.</td>
</tr>
<tr>
<td><strong>Navigable Waters</strong></td>
<td>NONE</td>
</tr>
<tr>
<td><strong>Public Waters</strong></td>
<td>Two small, unnamed lakes within the project area are public waters.</td>
</tr>
<tr>
<td><strong>Anadromous Streams</strong></td>
<td>None. Should additional streams be identified throughout the design phase, DNR DMLW will evaluate the appropriateness of buffers for such water bodies.</td>
</tr>
<tr>
<td><strong>Flood Zone</strong></td>
<td>Within Flood Zone D. Flood Zone D is defined as possible but undetermined flood hazards. The relevant Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map is Community Panel Number 020021. — Undetermined Flood Zone.</td>
</tr>
<tr>
<td><strong>Comments, Questions, or Known Concerns</strong></td>
<td>Cultural resource survey to be conducted prior to offering. Mitigation will occur if any historic or archaeological resources are found.</td>
</tr>
</tbody>
</table>
ATTACHMENT C: PUBLIC NOTICE

STATE OF ALASKA, DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND, & WATER
LAND SALES & CONTRACT ADMINISTRATION SECTION

PUBLIC NOTICE

for a Preliminary Decision of a Proposed Land Offering:
One Thousand Skies Subdivision – ADL 229494
and its Proposed Related Action:
Mineral Order (Closing)

COMMENT PERIOD ENDS 5:00PM, THURSDAY, MAY 9, 2013

This proposed project includes offering for sale surveyed parcels in a future offering under the method and the related actions as described in the Preliminary Decision document. The project may be subdivided and offered in phases.

Located within the Department’s Southcentral Region, approximately 14 miles west of Nelchina and 112 miles northeast of Anchorage, the project area is within the portion of Lot 1 lying south of the Glenn Highway, Section 1; the portions of Lots 1 and 2 and E1/2NE1/4 lying south of the Glenn Highway, Lots 3 and 4, SW1/4NW1/4, and S1/2 of Section 2, excluding USS 5634; and Sections 11-14, all, Township 2 North, Range 10 West, Copper River Meridian.

Project size: 3,570 acres proposed development area, up to 430 parcels sized from nominal 5 to 20 acres.

There is one related action with this proposal: a Mineral Order closing the project area to new mineral entry. If approved after consideration of public comment, 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 is being conducted concurrently with the primary action’s Preliminary Decision.

To obtain the notice, Preliminary Decision, or instructions on submitting comment, or to request auxiliary aids, services, or special accommodations, go to http://aws.state.ak.us/OnlinePublicNotices/ or http://dnr.alaska.gov/mlw/landsale/. For assistance in obtaining the documents by an alternative method, contact DNR’s Public Information Centers on State work days, Monday through Friday, between 10AM and 5PM in Anchorage at 907.269.8400 (TDD for the hearing impaired: 907.269.8411) or Fairbanks at 907.451.2705 (TDD for the hearing impaired: 907.451.2770), or the Southeast Land Section in Juneau at 907.465.3400 (TDD for the hearing impaired: 907.465.3888), or go to http://dnr.alaska.gov/commis/pic/ for additional contact information. Individuals who require special assistance must request assistance from the Public Information Center in Anchorage no later than 4:00 PM, Thursday, May 2, 2013.

Pursuant to AS 38.05.945 Notice, the public is invited to submit comment on these proposed actions for which notice is being conducted concurrently. If commenting on more than one
proposed action, separate comments should be submitted for each. The deadline for public comment is 5:00PM, THURSDAY, MAY 9, 2013. Only persons from whom DNR DMLW LSCAS receives timely, written comment during the identified comment period will be eligible to file an appeal of the Final Finding and Decision. Written comment may be received by fax, email or postal mail. To submit comments or for direct inquiries, contact Lauren Rouen, 550 W. 7th Avenue, Suite 640, Anchorage, AK 99502; fax at 907.269.8916; or electronic mail at subdivision.sales@alaska.gov. If you have questions, call Lauren Rouen at 907.269.8851.

If no significant change is required, the preliminary decision, including any minor changes and a summary of comments and responses, will be issued as the final finding and decision without further notice. A copy of the final finding and decision will be sent to any persons who comments and the preliminary decision.

DNR reserves the right to waive technical defects in this notice.
STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND, AND WATER

EXTENDED DATE FOR PUBLIC COMMENT
COMMENT PERIOD NOW ENDS
5:00PM, THURSDAY, MAY 23, 2013
for the

PRELIMINARY DECISION

of a
Proposed Land Offering in an Organized Borough
One Thousand Skies Subdivision – ADL 229494
AS 38.05.035 (e), AS 38.05.045

and its
RELATED ACTION(S):
Proposed Mineral Order (Closing)
AS 38.05.185 and AS 38.05.300

This page added to the preliminary decision only for the purpose of informing
the public of the extended public comment and notice period.

EXTENDED DATE FOR PUBLIC COMMENT
COMMENT PERIOD NOW ENDS
5:00PM, THURSDAY, MAY 23, 2013