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

PRELIMINARY DECISION Delta Odd Lots ADLs 418585, 418586, 418587, 418588, 418589, 420722

Proposed Land Offering in the Unorganized Borough AS 38.05.035 (e), AS 38.05.045

RELATED ACTION(S): None Proposed

PUBLIC COMMENT PERIOD ENDS 5:00PM, TUESDAY, MARCH 28, 2017

I. Proposed Action(s)

Preliminary Decision: Delta Odd Lots ADLs 418585, 418586, 418587, 418588, 418589, 420722

Attachment A: Vicinity Map

Attachment B: Area Data Summary Table

Attachment C: Public Notice

<u>Primary Proposed Action</u>: 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), Land Sales Section (LSS) is to offer for sale six parcels of previously surveyed State-owned land.

Located within DNR's Northern Region, approximately 1 to 20 miles southeast of Delta Junction, the project area:

- ADL 418585 is located on Barley Way off of Sawmill Road, at approximately milepost 1402 of the Alaska Highway, within Section 6, Township 12 South, Range 14 East, Fairbanks Meridian, within the Unorganized Borough;
- ADLs 418586, 418587, 418588, and 418589 are located on Agriculture Street, at approximately MP 1411 of the Alaska Highway, within Sections 8 & 9, Township 11 South, Range 12 East, Fairbanks Meridian, within the Unorganized Borough; and
- ADL 420722 is located at approximately milepost 1421 of the Alaska Highway, approximately 1 mile from the Richardson Highway junction; within Section 24, Township 10 South, Range 10 East, Fairbanks Meridian, within the Unorganized Borough.

The parcels consist of approximately 35 total acres identified for disposal by this proposed action. See *Attachment A:* Vicinity Map for a depiction of the project area.

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In accordance with the governing area plan and for the purposes of providing land for settlement, DNR proposes to sell the Delta Odd Lots parcels. All proposed parcels have been surveyed.

After consideration of public comment, parcels will be described in a subsequent Final Finding and Decision, if the project proceeds to that step. Additional adjustments may be made prior to sale, as needed to reserve areas for public use, minimize conflicts between uses, or ensure compliance with platting requirements. Although actions under this proposal are limited to the stated parcels, additional offerings in the area may be authorized under future proposals, which could increase the density of privately-owned parcels near these parcels.

<u>Proposed Related Action(s)</u>: No related actions proposed.

<u>Public Notice of Proposal</u>: In accordance with *AS 38.05.945 Notice*, during a period of at least 30 consecutive days, the public will have the opportunity to submit written comment on this proposal.

See **Section VIII. Submittal of Public Comments** at the end of this document and *Attachment C:* Public Notice for details on how to submit a comment for consideration. If, after consideration of timely, written comments, DNR DMLW moves forward with the proposal, a Final Finding and Decision will be issued.

II. Method of Sale

DNR DMLW proposes to offer for sale land within the project area as described herein, through a future offering under AS 38.05.045 Generally.

Parcels offered through this action are offered fee-simple for the surface estate only. For more information about the land sales program, please visit the website at http://landsales.alaska.gov.

III. Authority

DNR has the authority under *AS 38.05.045* Generally 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.* Article VIII, Section 1, of the Constitution of the State of Alaska provides that it is the policy of the State to encourage the settlement of its land.

IV. Administrative Record

The project file, Delta Odd Lots Subdivision - ADLs 418585, 418586, 418587, 418588, 418589, 420722 constitute the administrative record for this proposed action. Also incorporated by reference are:

- Eastern Tanana Area Plan (ETAP) (adopted August 28, 2015) and associated land classification files;
- Alaska Interagency Wildland Fire Management Plan 2016;
- Alaska Department of Fish and Game Catalog of Waters Important for the Spawning, Rearing, or Migration of Anadromous Fishes;

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- National Cooperative Soil Survey, Soil Survey of the Greater Delta Area, Alaska, 2008;
- USDA, Natural Resource Conservation Service Custom Soil Report for this project, dated December 1, 2016; and
- DNR case files for easements ADL 408003 and ADL 416601.

V. Scope of the Proposal

The scope of this proposal, under the statutes described in the preceding **Section III. Authority**, is limited and specific to DNR DMLW's proposal to offer State-owned land within the defined project area for disposal 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.

VI. Description

<u>Location</u>: Located within DNR's Northern Region, approximately 1 to 20 miles southeast of Delta Junction, the project area:

- ADL 418585 is located on Barley Way off of Sawmill Road, at approximately milepost 1402 of the Alaska Highway, within Section 6, Township 12 South, Range 14 East, Fairbanks Meridian, within the Unorganized Borough;
- ADLs 418586, 418587, 418588, and 418589 are located on Agriculture Street, at approximately MP 1411 of the Alaska Highway, within Sections 8 & 9, Township 11 South, Range 12 East, Fairbanks Meridian, within the Unorganized Borough; and
- ADL 420722 is located at approximately milepost 1421 of the Alaska Highway, approximately 1 mile from the Richardson Highway junction at; within Section 24, Township 10 South, Range 10 East, Fairbanks Meridian, within the Unorganized Borough.

See Attachment B: Area Data Summary Table for additional information.

Platting Authority: The parcels are within the Unorganized Borough and is subject to the State of Alaska platting authority.

Native Regional and Village Corporations: The parcels are within the boundaries of the Doyon regional corporation. The village of Healy Lake is within 25 miles of this proposed action and notice will be sent to the Mendas Chaag Native Corporation and the Healy Lake Traditional Council.

Legal Description: The parcels legal descriptions are defined as:

- ADL 418585: Tract 26 of Block 1 within ASLS 78-93, containing 5.00 acres, more or less;
- ADL 418586: Tract 15 of Block 5 within ASLS 78-93, containing 4.99 acres, more or less;
- ADL 418587: Tract 16 of Block 5 within ASLS 78-93, containing 4.87 acres, more or less;
- ADL 418588: Tract 17 of Block 5 within ASLS 78-93 containing 4.87 acres, more or less;

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- ADL 418589: Tract 18 of block 5 within ASLS 78-93, containing 4.99 acres, more or less; and
- ADL 420722: USS 2777 and US Govt Lot 17, Township 10 South, Range 10 East, Section 24, Fairbanks Meridian, containing approximately 9 acres, more or less.

All within the Fairbanks Recording District, 4th Judicial District, Alaska.

<u>Title</u>: Information from Title Report No. 9097, current as of Nov. 22, 2016, indicates the State of Alaska holds fee title to the land and mineral estate within ADL 418585 under Patent 50-76-0196, dated June 28, 1976. The applicable State case file is GS 797. The parcel is subject to the reservations, easements and exceptions contained in the federal patent.

Information from Title Reports Nos. 9098 (current as of current as of Nov. 22, 2016), 9099 (current as of current as of Nov. 22, 2016), 9100 (current as of current as of Nov. 23, 2016), 9101 (current as of current as of Nov. 23, 2016) indicate the State of Alaska holds tentative approval (dated Oct. 8 1963) to the land and mineral estate within ADLs 418586, 418587, 418588, 418589, respectively. The applicable State case file is GS 779. The parcel will be subject to the reservations, easements and exceptions contained in the federal patent when the land is patented to the State.

Information from Title Report No. 9146, current as of October 12, 2016, indicates the State of Alaska holds fee title to the land and mineral estate within ADL 420722 under Patent 50-85-0140, dated January 29, 1985. The applicable State case file is GS 2285. The parcel is subject to the reservations, easements and exceptions contained in the federal patent and an easement and right-of-way (ROW) for communication cableline by Easement Deed effective January 10, 1971, F-13508.

State Reservations of Title:

Retention of and Access to 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 retains ownership of the mineral estate that may be in or upon the land that it sells. This retention is for all minerals, including both locatable minerals (such as gold, copper and silver, etc.), and leasable minerals (such as oil, gas, coal, etc.).

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. Access reserved to these retained interests is superior to any and all surface uses. The State may also lease these retained 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 owner will be compensated for damages resulting from mineral exploration and development.

Navigable Waters: Per AS 38.05.126 (b) Navigable and Public Waters, "...the State has full power and control of all of the navigable or public water of the state, both meandered and unmeandered, and the State holds and controls all navigable or public water in trust for the use of the people of the state." This trust is in accordance with the principles of the Public Trust Doctrine, which are included in Article VIII, Section 14 of the

Constitution of the State of Alaska and protected in the United States Constitution. It is vested in the title to this land, is not transferable, and the State's title to submerged lands under navigable waters cannot be relinquished by a transfer of the property. In holding with this concept, navigability determinations are made and access will be reserved per AS 38.05.127 Access To and Along Public and Navigable Water. For more information, see Access To, Within, and Beyond Project Area subsection of this document.

The Bureau of Land Management has not made a navigability determination for waters within the project area accessed by Barley Way (ADL 418585). The Bureau of Land Management has determined that there are no waters determined navigable within the project areas for ADL 418586, 418587, 418588, 418589, and 420722.

Where they exist within the parcels, State third-party interests will be described in land sales brochures.

<u>Physical Characteristics and Hazards</u>: Attachment B: Area Data Summary Table describes the physical characteristics of the parcels. Information about the project area is based on internal research, information received during agency review, and a field inspections conducted on foot on July 21, 2009 for ADLs 418585, 418586, 418587, 418588, 418589 and August 30, 2016 for ADL 420722. 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.

Soils: Soils within the project area generally consist of silt loams and sandy loams underlying a thin layer of slightly to moderately decomposed organic material. The typical profile of soils within the project area transition to sand or very gravelly sand within the first foot or several feet below the surface. According to the Soil Survey of the Greater Delta Area, Alaska, the erosion hazard for these soils, with the organic mat removed, is slight for water and severe for wind. According to the USDA Web Soil Survey - Custom Soil Research Report:

- The soil within ADL 418585 consists primarily of the Lupine consociation, a very fine sandy loam from 6 to 20 inches in depth and is underlain by a very gravelly sand. This soil type is well drained, but subject to frequent ponding.
- The soil within ADLs 418586, 418587, 418588, and 418589 consists primarily of the Gerstle-Moosehead complex, a mixture of very fine sandy loam to stratified loamy fine sand to silt loam and underlain by sand. This soil class is well drained, but subject to frequent ponding.
- The soil within ADL 420722 consists primarily of the Chena consociation, a very fine sandy loam underlain by very gravelly sand which is excessively drained and not typically subject to ponding. A small portion of this area also consists of the Jarivs-Salchaket complex, which is a mixture of very fine sandy loam to stratified silt loam to fine sand and underlain by very gravelly sand. This soil type is well drained, but subject to frequent ponding.

Known soil features will be described in the project file and offering materials where relevant.

Wetlands: No wetlands have been identified within the project area.

Geologic Hazards: According to information provided by DNR, Division of Geological and Geophysical Surveys, there is potential for discontinuous, ice-rich permafrost to be present in area soils. These types of soils create the potential for thaw settling or collapse. The project area is also close to the Granite Mountain and other faults in the region which are known to be active. Design and construction of structures built in this area should consider these seismic hazards.

Fire Hazards: The vegetation in the project area is primarily mixed spruce and poplar with intermittent willow shrubs. ADLs 418585 and 420722 have largely been cleared; vegetation remains primarily in the parcel corners. A fire in 1979 burned an area encompassing ADL 418585, and a 1980 fire burned an area encompassing ADLs 418586, 418587, 418588, and 418589.

Potential for wildland fire is high in interior Alaska. Landowners with structures are encouraged to follow the Alaska Wildland Fire Coordinating Group *Firewise Alaska* recommendations. Offering materials include information regarding wildland fire prevention.

Fire management options and policies for the area are identified in the Alaska Interagency Wildfire Management Plan available from DNR Division of Forestry. The current fire management option for ADL 418585 is Full, and for ADL 420722 the current fire management option is Critical. ADLs 418586, 418587, 418588, and 418589 are near the boundary of Critical and Full fire management options. The policy on areas with the Critical management option reads, "Wildfires occurring in the Critical Management option or that threaten Critical Sites are assigned the highest priority for suppression actions and assignment of available firefighting resources". The policy on areas with the Full management option reads, "Wildfires occurring in the Full Management option are assigned a high priority for suppression actions and assignment of available firefighting resources, but are below wildfires within or threatening a Critical Management option area or site". It also states that the designation of a fire management option does not ensure protection from wildfire, and that a protection response will be based on various factors. "Ultimately it is the personal responsibility of the [landowner] to mitigate and minimize risk to their property and structures and to be 'Firewise'."

Flood Hazard: ADL 420722 is within FEMA Flood Insurance Rate Map Community Panel 020040005B. The project area is within flood zone C, defined as an area of minimal flooding. There is no Flood Insurance Rate Map available for the project area described by ADLs 418585, 418586, 418587, 418588, and 418589.

Water Resources: All surface and subsurface waters on all lands in Alaska are a public resource, subject to appropriation in accordance with the Alaska Water Use Act (AS 46.15). There are two subsurface water rights, ADL 69353 and LAS 24704, in the vicinity of ADL 420722. Information from well logs indicate that well depths in the vicinity typically range from 160 to 170 feet, with a static water table level of 75 to 90 feet deep. No water rights or well logs have been identified within the vicinity of ADLs 418585, 418586, 418587, 418588, and 418589. Water quality is unknown.

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<u>Background</u>: Private land development in the Delta Junction area has been relatively strong in the past several years. All of the project area is classified for settlement, already platted and within developed areas, and would provide additional land purchase opportunities.

ADL 418585 has a driveway crossing through the parcel used by adjacent property owner that is potentially misaligned from an access easement. The access easement extends 50 feet into ADL 418585 along the entirety of the northwest parcel boundary. Additionally, a 30-foot utility easement exists for electric transmission lines within ADL 418585 that runs diagonally across the parcel. Prior to offering ADL 418585 for sale, the location of the driveway relative to the access easement and the utility easement will be investigated.

ADL 420722 is immediately adjacent to the Alaska Highway, but no ROW for the highway has been identified specific to ADL 420722. Furthermore, ADL 420722 is subject to a 50-foot easement and ROW for communication cableline by Easement Deed F-13508. These easements will be investigated, and other easements or reservations may be assigned, prior to the sale of ADL 420722.

The other parcels near ADLs 418585, 418586, 418587, 418588, and 418589 located along Agriculture Street and Barley Way are residential parcels of a similar size previously conveyed by the State. These parcels are surrounded by much larger (approximately 2,000 – 3,000 acres) agricultural parcels conveyed by the State into private ownership. Agricultural practices in this area could potentially include activities such as open burning, movement of livestock, application of pesticides or herbicides, and movement of large equipment on area roads. The immediate vicinity of ADL 420722 is mixed residential and commercial use, and is close to the limits of the City of Delta Junction.

Access to the parcels is primarily via the Alaska Highway and developed roads that connect to the Alaska Highway.

These parcels were not included in prior land sales, and a decision in regards to disposal was lacking from prior decisions. The parcels are close to the City of Delta Junction, and there is interest in available land for settlement in the area.

<u>Planning and Classification</u>: The general management intent of the area plan and management units were reviewed for consistency with the proposed offering. The project area is within Eastern Tanana Area Plan (ETAP, adopted August 28, 2015), Delta Region. ADLs 418585, 418586, 418587, 418588, and 418589 are within Unit D-44. ADL 420722 is within Unit D-29. Lands within these units are currently designated Settlement, and classified Settlement under Land Classification Order No. NC-10-004. ADL 420722 consists of one of the three parcels in management unit D-29; ADLs 418585, 418586, 418587, 418588, and 418589 consist of five parcels of the six land disposal areas within in management unit D-44.

Unit D-29 and D-44 Considerations: The management intent for these units states that land disposals are appropriate within the planning period.

Area-wide Considerations: LSS reviewed the area plan's guidelines in Chapter 2 Areawide Land Management Policies, particularly regarding Agriculture, Coordination

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and Public Notice, Cultural Resources, Forestry, Public Access, and Settlement. These considerations will be incorporated into the development of the project. Specific areawide management intent and management guidelines affecting this proposal are discussed below.

Agriculture and Grazing: Management Guidelines provide guidance on the disposal and site specific requirements of land classified as Agricultural. The project area is classified Settlement under the ETAP, but there is a significant amount of agriculture in the vicinity of the parcels. Five of the parcels in the project area are in developed subdivisions surrounded by agricultural land. These parcels are more appropriate for settlement given their classification and relatively small size.

<u>Coordination and Public Notice</u>: Management Guidelines provide that public notice will be given for the disposal of land as required under *AS 38.05.945 Notice*, and recommends coordination with the borough and other land owners. Public notice is being issued for this proposed action in accordance with *AS 38.05.945*. Refer to Attachment C: Public notice and **Section VIII. Submittal of Public Comments** for more information.

<u>Cultural Resources</u>: Management Guidelines provide that if the state Office of History and Archaeology (OHA) determines that a cultural survey may be required during an agency review of a proposed land disposal, further consultation is warranted between OHA and DMLW prior to the sale. Cultural resource surveys should be considered in areas where OHA reports cultural resource sites exist, or where there is a high potential for such sites to exist. Agency review for this project included OHA, and OHA stated that the Alaska Heritage Resources Survey database indicated no reported cultural resources within the project area. Should any potential cultural resources be discovered by LSS during the development of this project, OHA will be notified. LSS will make information known to the public during offerings that OHA offices should be notify upon any inadvertent discoveries of cultural resources by the purchaser.

<u>Forestry</u>: Management Guidelines provide that timber harvests are considered appropriate in areas designated Settlement if intended to support the cost of the subdivision, provide access to the subdivision, or provide ancillary facilities. LSS is not proposing timber harvests prior to sale considering that the project area consists of relatively small parcels within developed areas and that some of the parcels have already been largely cleared of vegetation. During Agency Review for the proposed project, the Division of Forestry stated they have no objections with the proposed land sale.

<u>Public Access</u>: Management Guidelines provide that prior to disposal of state lands, public access will be reserved in accordance with the applicable regulations, and reasonable access across state land will be retained when lands are sold. The state will dedicate ROW and reserve public access and/or utility easements as appropriate in order to maintain access through and within the project and retain utility corridors. All of the parcels have been surveyed and access to, through and with the subdivision has been platted. LSS may consider additional reservations for ADL

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420722 prior to sale if necessary. See the <u>Background</u> and <u>Access To, Within, and Beyond Project Area</u> sub-sections for more information.

<u>Settlement</u>: Management Guidelines pertaining to settlement include planning and coordination with local governments; protection of life and property; protection of sensitive areas, habitat, scenic features, and other resources; and subdivision design. This proposal has considered these guidelines as addressed throughout this document. The proposed project will not interfere with any critical recreation or environmental resources, will be done with coordination with local governments, and LSS will solicit coordination with local landowners through the public notice and public comment process.

The proposed offering is consistent with area-wide land management policies and general management intent of the ETAP and specific management units. The units are designated Settlement and State-owned and tentatively approved lands within the units are appropriate for disposal, including sale, during the planning period.

Mineral Activity and Order(s): No mineral activity has been identified on these lands. The mineral estate is closed to mineral entry within ADL 418585, 418588, and 418589 through Mineral Closing Order 67A03; ADL 418586 and 418587 are closed to mineral entry via Mineral Order 1186. The mineral estate within ADL 420722 is restricted to leasehold location through Leasehold Location Order (LLO) 39.

Mineral closing orders, where established, close an area to new exploration and development of locatable minerals. Such mineral orders do not apply to leasable minerals (such as: oil, gas, coal, etc.), 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.

LLOs where they have been established allow for the staking of a leasehold location as opposed to a mining claim. The holder of the leasehold location may apply for a mining lease, and commercial production may not occur until an upland mining lease is issued. Prior to issuing the mining lease, the Department may place restrictions upon the lease which aid in the reduction of conflicts between multiple estate uses. LLOs do not close an area to mineral exploration and development and apply solely to locatable minerals. LLOs do not apply to leasable minerals (such as: oil, gas, coal, etc.), 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 for locatable minerals 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.

<u>Local Planning</u>: The project area is within the Unorganized Borough, and the State does not pursue zoning of private lands.

Traditional Use Finding: The project area is within the Unorganized Borough, and a traditional use finding is therefore required under *AS 38.05.830 Land Disposal in the Unorganized Borough*. Information obtained from the ETAP, research, Agency Review, and site inspection indicates that the project area has little to no current use. There are no known current uses of ADLs 418586, 418587, 418588, and 418589. ADL 418585 has an access easement along one of the parcel boundaries that appears to be used by an adjacent landowner. ADL 420722 may have a ROW for the Alaska Highway across the southwest parcel boundary as well as public utility use and easements within the parcel. There appears to be incidental vehicular traffic on the parcel given its proximity to Delta Junction. There are no anticipated significant changes to traditional uses of the land and resources of this area as a result of the proposed action. Additional information on traditional use is welcome during the public comment period and if this proposal is approved, LSS will address the information received in a subsequent Final Finding and Decision, if one is issued. See the **Section VIII Submittal of Public Comments** at the end of this documents and *Attachment C:* Public Notice for details on how to submit comment.

Access To, Within, and Beyond Project Area: Access to the parcels is via the Alaska Highway and platted developed ROW.

- ADL 418585 is accessed from Barley Way off of Sawmill Road, at approximately milepost 1402 of the Alaska Highway;
- ADLs 418586, 418587, 418588, and 418589 are accessed from Agriculture Street, at approximately MP 1411 of the Alaska Highway; and
- ADL 420722 is accessed directly from the Alaska Highway at approximately milepost 1421, approximately 1 mile from the Richardson Highway junction.

Barley Way and Sawmill Road are maintained by the Alaska Department of Transportation (ADOT) in winter at priority level four, meaning that they could take up to 96 hours to be cleared after a winter storm. Agricultural Street is a priority five road, meaning that no winter maintenance is provided by ADOT.

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 water body is navigable or public and 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 waters 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.

DNR has not identified any public, navigable, or anadromous water bodies within the project area.

Easements, Setbacks, and Retained Lands: The project area consists of surveyed parcels ADL 418585, 418586, 418587, 418588, 418589, and 420722. Parcels are subject to platted easements and reservations contained within the federal patent, ASLS 78-93, USS 2777, and US Govt Lot 17, including:

- a 50-foot easement for access, utilities, drainage, and conservation use on the northeast boundary of ADL 418585, western boundary of ADL 418586, western and northern boundaries of ADL 418587, northern and eastern boundaries of ADL 418588, and eastern boundary of ADL 418589;
- a 50-foot access easement along the northwest parcel boundary of ADL 418585;
- a 30-foot utility easement (ADL 408003) to Golden Valley Electric Association on ADL 418585 running approximately from the southwest parcel corner to the northeast parcel corner; and
- a 30-foot ROW (ADL 416601) contiguous with and north of Barley Way for ADL 418585 and contiguous with and west of Agricultural Street for ADLs 418586 and 418587.

Additionally, ADL 420722 may be subject to:

- a ROW of unknown width for the Alaska Highway along the southwest parcel boundary;
- a 50-foot easement for overhead and underground communication lines lying 25 feet on each side of the center line of the Alaska Communication System's open wire or pole line and/or buried communication line (F-13508); and
- other easements or reservations necessary prior to sale.

Section line easements do not apply to the project area because section lines either do not cross the parcels or the section line easements were vacated by plat EV-02-050.

Hazardous Materials and Potential Contaminants: During the field inspection conducted on August 30, 2016, field staff observed earthmoving activities on ADL 420722 and trash and debris adjacent to the northern parcel boundary. Due to the earthmoving activities on the parcel, DNR is unaware if any buried debris may be present on the parcel. There are no known environmental hazards present within the project area, however, the State makes no representations and no warranties, express or 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 submittal.

DNR DMLW recognizes there are potential future 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. This risk is no greater then when vacant private land undergoes development. Given that this land was specifically designated Settlement for transfer into private ownership, and given the high degree of interest from both the legislature and citizens in transferring State-owned land into private ownership, the Department is of the opinion that the benefits of offering the land outweigh the potential risks.

<u>Survey, Platting, and Appraisal</u>: The project area is located within the Unorganized Borough, and therefore survey and platting is subject to State of Alaska subdivision standards. The project area consists of previously surveyed parcels, and platting action is not required.

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. Even though the sale of project area parcels in multiple offerings over time will mitigate "flooding" the market, the two year appraisal requirement must still be followed.

Project research and development includes consideration of economic factors utilizing market data and project development costs compiled by DNR staff, which determines the economic feasibility of a project. Since it commonly takes several years for the project development process, *AS 38.05.840* ensures the current market conditions are addressed in order to obtain a realistic minimum bid for the sale of State land.

VII. DMLW and Agency Review

Information and comments received from multiple sections within DMLW prior to and during agency review have been considered and included in the preparation of this preliminary decision. Agency review was conducted from December 30, 2016 through January 17, 2017. Comments pertinent to this proposed action received during agency review have been considered and addressed below. Additional timely comments received during the Public Notice period will be considered and addressed in a subsequent Final Finding and Decision, if one is issued.

DNR DMLW LSS received brief comments of non-objection from the following agencies: Alaska Railroad; Mental Health Trust Land Office; Alaska Department of Environmental Conservation; DNR Division of Forestry; DNR Division of Oil and Gas; DNR Division of Parks and Outdoor Recreation; DNR Division of Agriculture; and DNR State Pipeline Coordinator's Section.

DNR DMLW LSS Response: LSS appreciates your review of the proposal.

Alaska Department of Fish & Game (ADF&G) Comment: ADF&G had no objection to the sale of the parcels and identified no anadromous streams or wetlands within the parcels. ADF&G noted that the parcels are within areas popular for hunting, therefore there may be more traffic and gun shots in the vicinity of the project area during the hunting season.

Furthermore, the project area is a major thoroughfare for bison and moose, so potential land purchasers should be aware of this and consider constructing fences with high tensile strength wire of sufficient height to deter wildlife from causing damage.

DNR DMLW LSS Response: LSS appreciates ADF&G's review of the proposed decision and the feedback. This information will be made available to potential land purchasers.

<u>DNR Division of Parks and Outdoor Recreation, Office of History and Archaeology</u>
<u>Comment</u>: OHA reviewed the Alaska Heritage Resources Survey databased and found no reported cultural resource sites within the parcels proposed for disposal. However, only a small portion of Alaska has been surveyed for cultural resources, therefore OHA should be notified of any inadvertent discoveries of cultural resources occurring during the duration of the project.

DNR DMLW LSS Response: LSS appreciates OHA's review of the proposal. LSS will notify OHA if we become aware of any cultural resources within the project area. Offering materials will inform potential purchasers to notify OHA if any cultural resources are identified.

<u>DNR Division of Geological and Geophysical Surveys (DGGS)</u>: DGGS noted there is potential for discontinuous, ice-rich permafrost to be present in area soils, creating the potential for thaw settlement. The project area is also close to the Granite Mountain and other active faults in the region. Design and construction of structures built in this area should consider these seismic hazards.

DNR DMLW LSS Response: LSS appreciates DGGS's review of the proposal. This information will be made available to potential land purchasers.

The following agencies or groups were included in the agency review but no comments were received:

- Department of Natural Resources
 - o Office of Project Management and Permitting;
- Alaska Department of Commerce, Community and Economic Development;
- Alaska Department of Transportation and Public Facilities:
- Salcha-Delta Soil and Water Conservation District; and
- University of Alaska, Land Management.

VIII. Submittal of Public Comments

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

Pursuant to AS 38.05.945 Notice, DNR is issuing public notice inviting comment on this Preliminary Decision.

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 Commissioner (or representative) shall attend the hearing. The Commissioner has discretion whether or not to hold a public hearing.

Delta Odd Lots – ADLs 418585, 418586, 418587, 418588, 418589, 420722 Page 14 of 16

LSS will consider all timely, written comments received. If analysis of such comments indicates 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 any of the proposals will not be considered significant changes requiring additional public notice.

If the proposal is approved and no significant change is required, the Preliminary Decision including any deletions, minor changes, and summary of comments and LSS responses will be issued as a subsequent Final Finding and Decision without further notice.

Only persons from whom DNR DMLW LSS 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://landsales.alaska.gov/ and sent with an explanation of the appeal process to any party who provides timely written comment.

DNR is prepared to accommodate individuals with disabilities by providing auxiliary aids, services, or special modifications in order to participate in this review. Individuals who may need such assistance should contact the Department's Public Information Center. For more information refer to *Attachment C:* Public Notice.

DEADLINE TO SUBMIT WRITTEN COMMENT IS 5:00 PM, TUESDAY, MARCH 28, 2017

X. Alternatives and Discussion

DNR DMLW is considering the following alternatives:

<u>Alternative 1</u>: (Preferred) Offer for sale six parcels of previously surveyed State-owned land. The development and offering of these parcels may be completed in multiple stages.

<u>Alternative 2</u>: (Status Quo) Do not offer these parcels 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 has placed this charge with DNR, and the legislature has provided funding to administer the land sale program.

Alternative 1 provides a method for DNR to help meet the obligations laid out in the Constitution and statute, and maximizes public interest. This offering provides an opportunity for the public to obtain land for settlement in a desirable area. This proposal, if approved in a subsequent Final Finding and Decision, will allow DNR DMLW to offer these previously surveyed parcels for sale which will provide for the best use and development of the land and financial return to the State. Alternative 1 provides the greatest opportunity for more Alaskans to purchase land within this area. The project location is close to the community of Delta Junction, where private land development has been relatively strong in the past several years. Furthermore, the parcels (except ADL 420722) are already platted and within developed subdivisions. ADL 420722 is already surveyed. Alternative 1 is preferred.

Delta Odd Lots – ADLs 418585, 418586, 418587, 418588, 418589, 420722 Page 15 of 16

Alternative 2 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, statutory, 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 and consistent with the surrounding development.

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

Delta Odd Lots – ADLs 418585, 418586, 418587, 418588, 418589, 420722 Page 16 of 16

IX. Recommendation

This Preliminary Decision for the proposed disposal of state lands described throughout this document and its attachments is consistent with the overall management intent for State-owned land. Alternative 1 is the preferred alternative because it provides the maximum opportunity for offering State land to the public, and helps meet the mission of the land sales program. The Preliminary Decision described above, as represented by the preferred alternative, has been reviewed and considered. I find that the recommended action may be in the best interest of the state and that it is hereby approved to proceed to public notice.

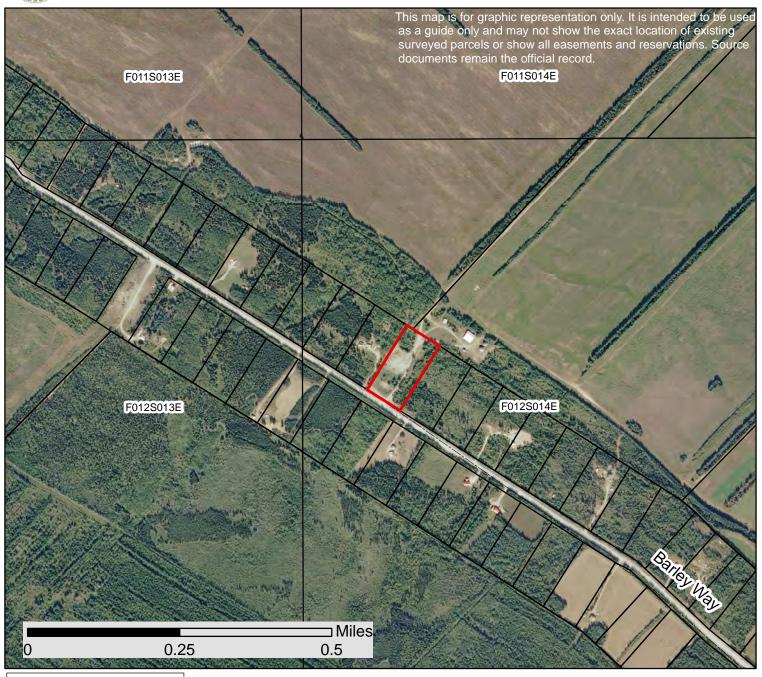
This is a Preliminary Decision, and analysis of subsequent public review may result in changes to the preferred alternative of the proposed disposal of state lands.

/s/	February 22, 2017
Prepared by: Colin Craven	Date
Natural Resource Specialist III	
Land Sales Section	
Division of Mining, Land, and Water	
Department of Natural Resources	
State of Alaska	
/s/	February 22, 2017
Approved by: Kathryn Young	Date

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



Attachment A: Vicinity Map Delta Odd Lots - ADL 418585



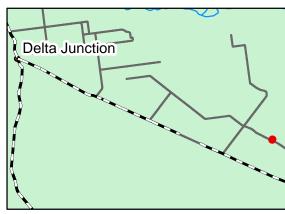


USGS QUAD 1:63,360

USGS QUAD Mt. Hayes D-3
For more information contact:
Colin Craven
Department of Natural Resources
Division of Mining, Land, and Water
Land Sales Section
Phone 907.451.2730
Fax 907.451.2751
Email: land.development@alaska.gov

Township 12 South, Range 14 East, Section 6, Fairbanks Meridian

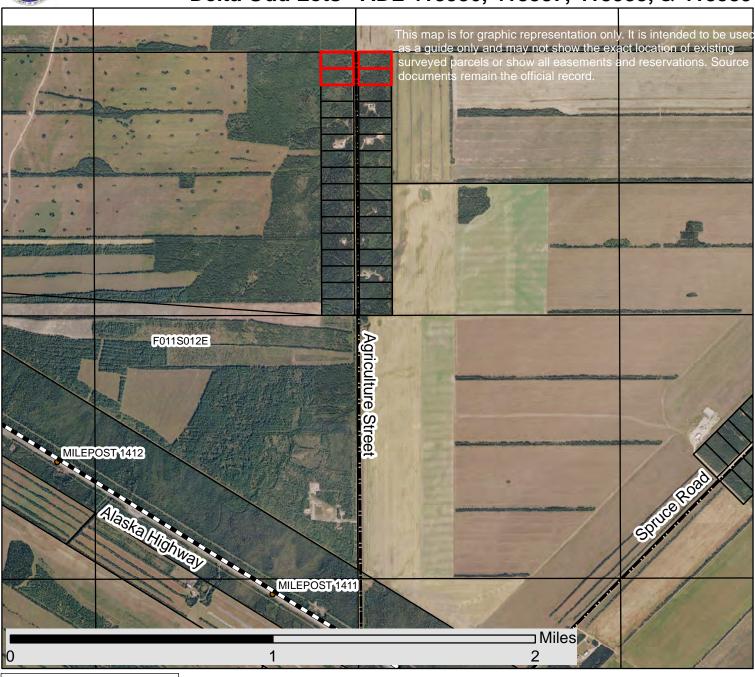


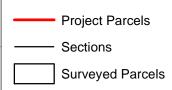


TAS 12/30/2016



Attachment A: Vicinity Map Delta Odd Lots - ADL 418586, 418587, 418588, & 418589





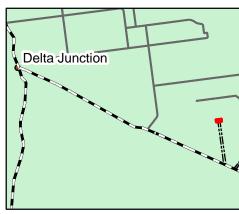
USGS QUAD 1:63,360

USGS QUAD Mt. Hayes D-3
For more information contact:
Colin Craven
Department of Natural Resources
Division of Mining, Land, and Water
Land Sales Section
Phone 907.451.2730
Fax 907.451.2751
Email: land.development@alaska.gov

Township 11 South, Range 12 East, Section 8 & 9, Fairbanks Meridian.

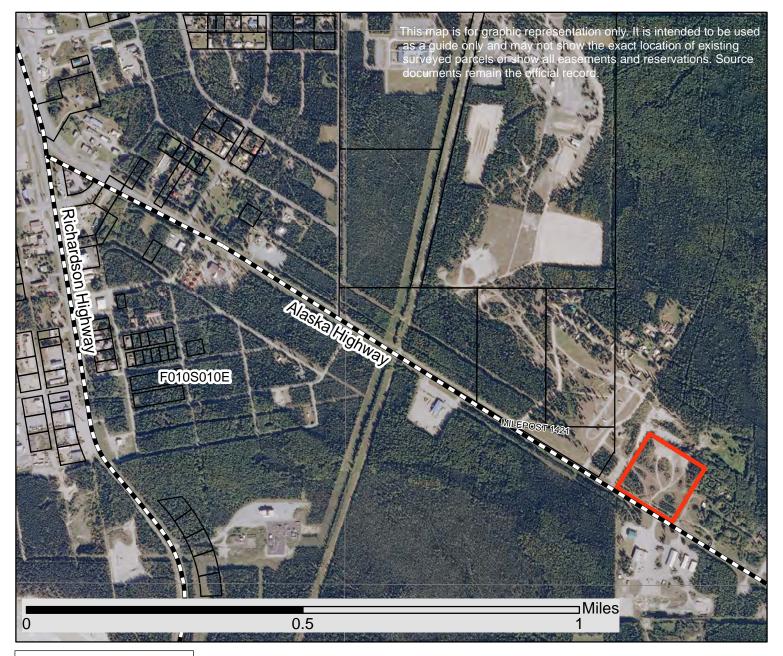


TAS 12/30/2016





Attachment A: Vicinity Map Delta Odd Lots - ADL 420722

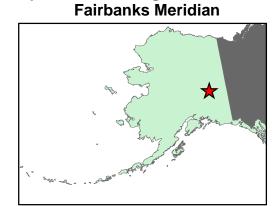




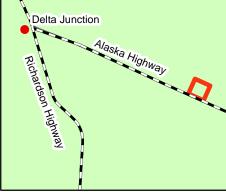
USGS QUAD 1:63,360

USGS QUAD Dig Delta A-4
For more information contact:
Colin Craven
Department of Natural Resources
Division of Mining, Land, and Water
Land Sales Section
Phone 907.451.2730
Fax 907.451.2751
Email: land.development@alaska.gov

Township 10 South, Range 10 East, Section 24,



TAS 12/30/2016



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 the Unorganized Borough Delta Odd Lots – ADLs 418585, 418586, 418587, 418588, 418589, 420722

Offering Information		
Proposed Number	Six previously surveyed parcels.	
of Parcels		
Proposed Parcel	The parcels range from 4.87 acres to approximately 9 acres each.	
Size		
Proposed Related Actions	None.	
Project Area		
Location	ADL 418585 is located on Barley Way off of Sawmill Road, at approximately milepost 1402 of the Alaska Highway.	
	ADLs 418586, 418587, 418588, and 418589 are located on Agriculture Street, at approximately MP 1411 of the Alaska Highway.	
	ADL 420722 is located at the Alaska Highway at approximately milepost 1421, approximately 1 mile from the Richardson Highway junction.	
Project Area Acreage	Approximately 35 acres.	
USGS Topography	USGS Quad Mt. Hayes (D-3) for ADLs 418585, 418586, 418587,	
Мар	418588, and 418589.	
Land Daniellan	USGS Quad Big Delta (A-4) for ADL 420722.	
Legal Description	ADL 418585: Tract 26 of Block 1 within ASLS 78-93;	
	ADL 418586: Tract 15 of Block 5 within ASLS 78-93;	
	ADL 418587: Tract 16 of Block 5 within ASLS 78-93;	
	ADL 418588: Tract 17 of Block 5 within ASLS 78-93;	
	ADL 418589: Tract 18 of Block 5 with ASLS 78-93; and	
	ADL 420722: USS 2777 and US Gov't Lot 17.	
Title	ADL 418585 Patented 6/28/1976, Patent # 50-76-0196. ADL 418586, 418587, 418588, 418589, Tentatively Approved 5/6/2011, state case file GS 779. ADL 420722 Patented 1/29/1985, Patent # 50-85-0140.	

Area Plan and Classification Mineral Orders	Eastern Tanana Area Plan (ETAP) (adopted August 28, 2015). Management Unit: D-29 for ADL 420722. Management Unit: D-44 for ADLs 418585, 418586, 418587, 418588, 418589. Lands are classified Settlement. Land Classification Order No. NC-10-004. Mineral estate is closed to mineral entry within: ADL 418585, 418588, and 418589 through MCO67A03; and	
	ADL 418586 and 418587 are closed via MO 1186. The mineral estate within ADL 420722 is restricted to leasehold location through LLO 39.	
Physical Characteristics		
Access	ADL 418585 is accessed from Barley Way off of Sawmill Road, at approximately milepost 1402 of the Alaska Highway.	
	ADLs 418586, 418587, 418588, and 418589 are accessed from Agriculture Street, at approximately MP 1411 of the Alaska Highway.	
	ADL 420722 is accessed directly from the Alaska Highway at approximately milepost 1421, approximately 1 mile from the Richardson Highway junction.	
Terrain and Major Features	The project area is located in and nearby Delta Junction which is fairly flat with limited topography.	
View	The Delta area is fairly flat. Some areas are open and offer views of the surrounding mountains or hillsides.	
Climate	Delta Junction has a subarctic climate with long, very cold winters, and short, warm summers. Winters last from late September / early October until late April/early May. The average winter low temperatures range from -5°F to -8°F, with extremes to -70°F. Summer temperatures can range from the 40s to 70s (°F), with extremes in the 90s (°F). The average annual rainfall is 11.60 inches, while the average annual snowfall is 54.8 inches.	

Soils	According to the USDA Web Soil Survey - Custom Soil Research Report:
	The soil within ADL 418585 consists primarily of the Lupine consociation, a very fine sandy loam from 6 to 20 inches in depth and is underlain by a very gravelly sand. This soil type is well drained, but subject to frequent ponding.
	The soil within ADLs 418586, 418587, 418588, and 418589 consists primarily of the Gerstle-Moosehead complex, a mixture of very fine sandy loam to stratified loamy fine sand to silt loam and underlain by sand. This soil class is well drained, but subject to frequent ponding.
	The soil within ADL 420722 consists primarily of the Chena consociation, a very fine sandy loam underlain by very gravelly sand which is excessively drained and not typically subject to ponding. A small portion of this area also consists of the Jarivs-Salchaket complex, which is a mixture of very fine sandy loam to stratified silt loam to fine sand and underlain by very gravelly sand. This soil type is well drained, but subject to frequent ponding.
	Known soil concerns will be described in the project file and offering materials where relevant.
Wetlands	No wetlands have been identified. Dredging or filling of wetlands may require a permit from the US Army Corps of Engineers.
Vegetation	Consists of mixed aspen and birch, with both black and white spruce intermixed. ADLs 418585 and 420722 are mostly clear of trees.
Water Source	Common source of water for residents in this area is by personal well or water holding tank. Water quality is unknown.
	Information from well logs in the vicinity of ADL 420722 indicate well depths range from 160 to 170 feet, with a static water table level of 75 to 90 feet deep.
	No water rights or well logs have been identified within the vicinity of ADLs 418585, 418586, 418587, 418588, and 418589.
	Alaska Department of Environmental Conservation requirements must be followed.
Anadromous Waters	None.
	Should streams be identified, DNR DMLW will evaluate the appropriateness of buffers for such water bodies.
Local Management Ir	nformation
Fire Management	Full for ADL 418585.
Option	Critical for ADL 420722.
	ADLs 418586, 418587, 418588, and 418589 are near the boundary of Critical and Full fire management options.

Game Management Unit	20D
Local Authority	The project area is within the Unorganized Borough and subject to
	the State of Alaska platting authority.
Flood Zone	Flood Insurance Rate Maps for ADLs 418585, 418586, 418587,
	418588, and 418589 are not available.
	For ADL 420722, the Flood Insurance Rate Map #020040005B lists
Utilities	the area as being in Flood Zone C, an area of minimal flooding. This area is currently served by Golden Valley Electric Association.
Waste Disposal	All on-site waste water disposal systems must meet the regulatory
Waste Disposal	requirements of the Alaska Department of Environmental
	Conservation.
Setbacks, Reserved	Areas, Easements, and Conditions
Improvements	Prior to construction of any structure, driveway, or waste disposal
	system, potential purchasers should contact the platting authority for
	any permits or for required setbacks from water bodies, lot lines, and
Building Setbacks	easements. None
Dulluling Schacks	INOTIC
Public Access and	Parcels are subject to platted easements-contained within the federal
Utility Easements	patent, ASLS 78-93, USS 2777, and US Gov't Lot 17:
	 a 50-foot easement for access, utilities, drainage, and conservation use on the northeast boundary of ADL 418585, western boundary of ADL 418586, western and northern boundaries of ADL 418587, northern and eastern boundaries of ADL 418588, and eastern boundary of ADL 418589; a 50-foot access easement along the northwest parcel boundary of ADL 418585; a 30-foot utility easement (ADL 408003) to Golden Valley Electric Association on ADL 418585 running approximately from the southwest parcel corner to the northeast parcel corner; and a 30-foot ROW (ADL 416601) contiguous with and north of Barley Way for ADL 418585 and contiguous with and west of Agricultural Street for ADLs 418586 and 418587.
	 Additionally, ADL 420722 may be subject to: a ROW of unknown width for the Alaska Highway along the southwest parcel boundary; a 50-foot easement for overhead and underground communication lines lying 25 feet on each side of the center line of the Alaska Communication System's open wire or pole line and/or buried communication line (F-13508); and other easements or reservations necessary prior to sale.

Retained Lands	None.
Public or Navigable	None identified.
Water Bodies	
Additional Information	on
Native Regional	Doyon Limited, Regional Corporation.
Corporations	
Villages and Tribal	The village of Healy Lake is within 25 miles of this proposed action
Councils	and notice will be sent to the Mendas Chaag Native Corporation and
	the Healy Lake Traditional Council.
Oil and Gas Activity	None known.
Mining Activity	None known.
Comments	The six parcels have been previously surveyed, however, some conditions may need further investigation and recording prior to sale.
	A driveway crossing through ADL 418585 is potentially misaligned from an access easement. A 30-foot utility easement exists for ADL 418585 that crosses diagonally across the parcel; the location of the driveway relative to this easement is unknown.
	There is trash and debris adjacent to the northern parcel boundary of ADL 420722 and recent earthmoving has occurred over much of the cleared area on this parcel. DNR is unaware if any buried debris may be present on the parcel. ADL 420722 is immediately adjacent to the Alaska Highway, but no ROW for the highway has been identified.

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

ATTACHMENT C: PUBLIC NOTICE

Requesting Input for a Proposed Land Offering: **Delta Odd Lots – ADL 418585, 418586, 418587, 418588, 418589, 420722**

COMMENT PERIOD ENDS 5:00PM, TUESDAY, MARCH 28, 2017

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.

Located within DNR's Northern Region, approximately 1 to 20 miles southeast of Delta Junction, the project area consists of six surveyed parcels:

- ADL 418585 is located on Barley Way off of Sawmill Road, at approximately milepost 1402 of the Alaska Highway, within Section 6, Township 12 South, Range 14 East, Fairbanks Meridian, within the Unorganized Borough;
- ADLs 418586, 418587, 418588, and 418589 are located on Agriculture Street, at approximately MP 1411 of the Alaska Highway, within Sections 8 & 9, Township 11 South, Range 12 East, Fairbanks Meridian, within the Unorganized Borough; and
- ADL 420722 is located at approximately milepost 1421 of the Alaska Highway, approximately 1 mile from the Richardson Highway junction; within Section 24, Township 10 South, Range 10 East, Fairbanks Meridian, within the Unorganized Borough.

Project size: Approximately 35 acres identified for disposal by this proposed action.

To obtain the notice, Preliminary Decision, or instructions on submitting comment, go to http://landsales.alaska.gov/ or <a href

Pursuant to *AS 38.05.945* Notice, the public is invited to submit comment on the Preliminary Decision for which notice is being conducted. **The deadline for public comment is 5:00PM, TUESDAY, March 28, 2017.** Only persons from whom DNR DMLW LSS 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 Colin Craven, 3700 Airport Way, Fairbanks, AK 99709, fax # 907.451.2751, phone # 907.451.2730, land.development@alaska.gov.

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 commented timely on the preliminary decision.

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