

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

**FINAL FINDING AND DECISION**

of a  
**Proposed Land Offering in the Fairbanks North Star Borough  
Pyrite Subdivision – ADL 420836**

*AS 38.05.035(e), AS 38.05.045*

**RELATED ACTION(S):**

**None Proposed**

This Final Finding and Decision (FFD) complements and updates the Preliminary Decision (PD) dated October 2, 2017. The PD (attached) has had the required public review.

**I. Recommended Action(s)**

The State of Alaska, Department of Natural Resources (DNR), Division of Mining, Land, and Water (DMLW), Land Sales Section (LSS) recommends offering for sale State-owned land for private ownership within the Pyrite Subdivision project area (ADL 420836), as described in the PD. Surveyed parcels will be offered for future sale by a method under *AS 38.05.045 Generally*.

For the purposes of providing land for settlement in the Pyrite Subdivision project area, DNR may develop a subdivision of no more than 15 parcels no smaller than 160,000 square feet (approximately 3.67 acres). This project area is located within the Fairbanks North Star Borough (FNSB) and therefore survey, platting, and access to and within the project area will be subject to the relevant subdivision standards. The project may be subdivided and offered in multiple stages.

There are no related actions with this proposal.

**II. 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: "It is the policy of the State to encourage the settlement of its land and development of its resources by making them available for maximum use consistent with the public interest". In addition, if it is deemed appropriate, DNR has the authority to develop and offer parcels larger than 5 acres under the allowances listed in *AS 38.04.020 (h) Land Disposal Bank*.

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### III. Public Participation and Input

All State requirements for public notice and public comment input have been met as covered in detail in **Section V. Summary of Public Notice and Comments**. Further information may lead to alterations of design of this project within the parameters set forth through this decision. Should this project move forward with State approval, final subdivision design and survey will be completed by an Alaska licensed surveyor. The surveyor will submit a platting application including a preliminary plat to the local platting authority prior to survey. This process will be subject to FNSB ordinances and codes. During the process, the public will have opportunity at the local level to provide additional comment and feedback prior to final establishment of lot corners and monuments.

Subdivision design will be submitted to the FNSB for review in accordance with Title 17 *Subdivisions* of their ordinance.

Chapter 17.12.030F *Action on major plat applications*. “All plans, data, and other supporting material shall be available for public inspection at the department of community planning at least 14 calendar days prior to the time set for platting board review.”

Chapter 17.12.030D *Major Plats*. “Verbal testimony by parties and interested persons may be given at the platting board meeting.”

A Public Open House was held on October 17, 2017 at the North Pole Public Library to share information about the proposed project, and to provide opportunity for public input and questions. Two attendees were adjacent property owners, and addressed specific concerns about the project; one attendee was a nearby property owner, was potentially interested in purchasing the parcels, and came to the public meeting for more information; and another attendee was present merely to gather information. The Public Open House displayed that there is both support and opposition for the project. Attendees shared information about how they currently use the area, and provided information about their concerns with development of the property. Information received at the Public Open House has been considered in the development of this proposal. The majority of the comments and questions received at the Open House were for clarification on items within the PD. The majority of the topics discussed at the Open House are addressed in **Section V. Summary of Public Notice and Comments**.

### IV. 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.

### V. Summary of Public Notice and Comments

Pursuant to AS 38.05.945 Notice, public notice inviting comment appeared on the State of Alaska Online Public Notices website at <https://aws.state.ak.us/OnlinePublicNotices/> and was posted on the DNR DMLW LSS website at [http://dnr.alaska.gov/mlw/landsale/public\\_notice/](http://dnr.alaska.gov/mlw/landsale/public_notice/) for the entire public notice period.

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Notification and decision copies were sent directly to area state legislators and to multiple state agencies. Public notice was sent to other interested entities including landowners in the vicinity of the offering; additionally, parties were notified via the DNR Land Sales subscribers lists by email. Information was also posted to Twitter and Facebook. Notices were mailed to FNSB per AS 38.05.945(c)(1), as well as Doyon, Limited regional corporation per AS 38.05.945(c)(2)-(3). Additionally, notices and a request to post for the public comment period were sent to postmasters and librarians in the vicinity of the offering.

The public notice stated that written comments were to be received by 5:00PM, November 7th, 2017, in order to ensure consideration and eligibility to appeal. For more information, refer to the Preliminary Decision.

DNR DMLW LSS received comments from the Mental Health Trust Land Office, DNR Division of Forestry, FNSB Department of Community Planning, and from four private individuals. One private comment received was requesting more information, but did not provide any specific questions or comments; the commenter was referred to the PD. All comments received during the public comment period are summarized below.

LSS received brief comments of non-objection from the Mental Health Trust Land Office, and DNR Division of Forestry.

DNR DMLW LSS Response: Thank you for responding and taking the time to review the Preliminary Decision.

Fairbanks North Star Borough (FNSB), Department of Community Planning Comments: Pursuant to the FNSB Comprehensive Plan, the south side of the property is located in the Preferred Residential Land, and the north side of the property is located in the Outskirt Boundary/Outskirt Area. The zoning for this property is Rural Estate-4/Groundwater Damage Protection Overlay (RE-4/GWP) with minimum lot size of 160,000 square feet. Basements are not allowed to be constructed in the GWP overlay zone. If the lake area is remaining as public use, it should be rezoned to Outdoor Recreation (OR). The project area could potentially be rezoned to Rural Residential (RR).

Direct lot access is not allowed from Plack Road under FNSBC 17.56.010 (F). The development should use the available road network, connecting to Farmall Drive, Oliver Drive and Tractor Drive. This property is located in Flood Zone X: Protected by Levee and is not required to meet FNSB Title 15 Floodplain Management Regulations. This property is located in the North Star Fire Service Area.

DNR DMLW LSS Response: Thank you for taking the time to review the PD and providing a response. Although LSS has not proposed to modify the current RE-4 zoning, LSS may pursue a rezoning action for both RR and OR, along with the platting action, pursuant to recommendation from the FNSB Department of Community Planning. Per FNSB code, subdivision design will not provide direct lot access to Plack road. However, LSS proposes to keep existing access to the subdivision with connections to Plack Road and Farmall Drive. The final subdivision design will be submitted to FNSB for review in accordance with Title 17 *Subdivisions*. LSS will include information about the Ground Water Damage Protection Overlay zone and flood zone in the offering materials for the subdivision, if the project proceeds to that step.

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One individual provided a PowerPoint presentation regarding the proposed project area. The questions and comments provided within the PowerPoint generally restated what the individual presented at the public open house. LSS grouped and addressed the comments according to topic:

Property Demand: There are plenty of property listings, including properties ready for immediate occupancy, in the North Pole area and the commenter does not see the demand for the Pyrite Subdivision. Additionally, the commenter noted that there are other subdivisions being developed in the vicinity.

DMLW LSS Response: Though the FNSB has multiple property offerings available, the North Pole vicinity has a limited number of larger undeveloped parcels available. The proposed Pyrite Subdivision provides a unique opportunity for members of the public to purchase land of different acreage than what is currently on the market in this area. The offering of up to 15 parcels will supplement available land within the area. Parcels sold by DNR will be offered to Alaska residents first, and at terms which are typically less restrictive than private sales.

Sale Price: The commenter referenced the prices of land currently available on <http://ualand.com> and DNR Over-The-Counter (OTC) land sales. Parcels could speculatively be priced to promote a developer level of capital and only developers could afford the parcels.

DMLW LSS Response: Land prices referenced by the commenter on <http://ualand.com> are not necessarily comparable to general land sales through DNR because the University of Alaska operates a different land sales program with different requirements. Parcels currently available OTC on <http://landsales.alaska.gov> are in different locations with different conditions, and do not necessarily represent parcel prices for the Pyrite Subdivision. If this proposal is approved, parcels will be appraised in accordance with *AS 38.05.840 Appraisal*, and that appraisal will be based on the sale of comparable sales in the vicinity. Parcels will be offered for sale at a price based on the appraised fair market value. LSS sells land competitively at current market value and does not price land to single-out developers.

Need for land for F-35 squadron: The commenter said the Pyrite Subdivision does not support the F-35 arrival, noting that: contractors would not want to accept the financial burden; the parcels would be too expensive for airmen; officers could afford the parcels but wouldn't want them because of their short time being stationed at Eielson Air Force Base; and that Army service members currently at Eielson would gladly relocate to Fort Wainright. The commenter also noted that Eielson is at 88% capacity and the F-16 aircraft and its support would be leaving Eielson, creating more available housing.

DMLW LSS Response: If the F-35 squadrons are placed at Eielson Air Force Base, this may lead to an increase in population in the area in addition to the F-35 squadron and related personnel, including civilians, due to the demand for other goods and services. The F-35A Operation Beddown – Pacific Final Supplemental Environmental Impact Statement (F-35A EIS) projected an increase of 2,765 people, representing a 2.7% population increase in the FNSB. According to the FNSB Eielson Regional Growth Plan,

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the updated estimate is a population increase of 5,686 people by 2030, from induced and natural population growth. Although the sale of this proposed subdivision may help to support the projected population increase in the greater North Pole/Eielson area, the mission of LSS is to make State land available for sale. Even if the Pyrite Subdivision is not used by members of the Air Force, it is still appropriate for settlement.

The United States Air Force Record of Decision implemented the Proposed Action Alternative considered within the F-35A EIS. The Proposed Action alternative states that the beddown of the two squadrons of F-35A aircraft at Eielson AFB would be an addition to all existing mission activities. The Secretary of Airforce Public Affairs released a statement affirming that Eielson AFB would retain the F-16 aircraft. Eielson AFB provides a training environment with the Joint Pacific-Alaska Range Complex which supports exercises for aircraft such as the F-35s and F-16s. The F-35 aircraft and its support will be an addition to the F-16 aircraft.

The FNSB Eielson Regional Growth plan, updated November 3, 2017, provides that 91% of On-Base Corvias housing is currently occupied. Eielson AFB operates using a “tenant waterfall policy.” The primary purpose of privatized, on-base housing is to provide housing for active duty military families. When occupancy rates are low, on-base property managers may implement the tenant waterfall policy. Different tiers of tenants are then allowed to occupy the housing. Different tiers who qualify as “other eligible tenants” include service members who may typically live in barrack housing, retired military personnel, widowed spouses of retired military personnel, civilian personnel, and the general public. With the anticipation of the F-35 arrival, leases will not be renewed for those who are qualified as other eligible tenants. The FNSB Eielson AFB Regional Growth Plan found that 29% (268 housing units) of Corvias (Eielson AFB) housing is occupied by these other eligible tenants who will need to find other housing with the F-35 arrival.

Soils: The commenter quoted excerpts from the Preliminary Decision, specifically highlighting poor soils (Mosquito-Noonku soil type) in the North portion of the project area, permafrost that may be present, and the existence of wetlands.

DMLW LSS Response: As described in the PD, the majority of the project area (approximately 67%) is underlain by Jarvis-Salchaket complex soils, which are generally well drained. Approximately 12% of the project area, primarily within the northern portion, is underlain by Mosquito-Noonku complex soils, which are generally very poorly drained. The remaining soil types are Gravel Pit (14%), and Tanana Mucky Silt Loam (6%). The majority of the wetland areas are also limited to the northern portion of the project area. As noted in the PD, subdivision design will likely include larger parcels in the northern portion of the project area to allow sufficient buildable acreage. Permafrost is common in a large portion of the FNSB and interior Alaska. Lands with permafrost are often suitable for development if special building techniques are used. It is up to the purchaser to be aware of potential limitations of the property before purchase and to familiarize themselves with the physical characteristics of the land.

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Flood Zone: The commenter referenced Mr. Robert R. Holmes, Jr. and Karen Dinicola, 100-Year Flood - It's all about Chance. The commenter summarized that homes with a 1% chance of flood in any given year have a 26% chance of being flooded in a 30-year home mortgage. The commenter also noted that the State of Alaska (SOA) should exercise its responsibility to minimize or remove the potential to develop flood prone properties.

DMLW LSS Response: The Preliminary Decision states that the Pyrite Subdivision is within an “other flood area,” flood Zone X, defined as, “Areas of 0.2% of flood; areas of 1% annual flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from the 1% annual flood chance.” The Pyrite Subdivision, along with the surrounding residences is protected by the Chena River Lakes Flood Control Project. Potential purchasers should evaluate the risks associated with this flood zone. LSS will include information in the offering materials describing the flood zone.

Internet and Cell Phone Service: The commenter expressed that AT&T cellular service is unavailable or very poor, residential properties in the area do not have internet available, and that GCI may not provide service within the Pyrite Subdivision. The commenter noted that availability of modern conveniences is expected in this day and age.

DMLW LSS Response: The lack of internet access or cell phone service is common within the FNSB and much of Alaska. There are various options for internet service including dial-up, satellite, broadband, and wireless. Multiple cell phone providers offer different coverage options with each carrier and landline phones provide an alternative to spotty cell phone coverage.

Air Quality: The commenter noted that the development of additional property will increase the PM<sub>2.5</sub> count by the burning of fossil fuels and the development of properties. The commenter also noted that there is a significant chance of PM<sub>2.5</sub> from the onsite quarry or development of a new quarry on the North 40 acres.

DMLW LSS Response: The significant impact on air quality comes primarily from the burning of solid fuels such as wood and coal. The type of solid fuel and the device used to burn it can have a significant impact on PM<sub>2.5</sub> emissions. The FNSB has implemented restrictions with the direction of the Environmental Protection Agency (EPA) to promote responsible burning methods. The Pyrite Subdivision is within the North Pole Air Quality Control Zone and new construction must meet heating device emission standards. The addition of up to 15 parcels and their potential development is not anticipated to have a substantial impact on PM<sub>2.5</sub> emissions. The material site within the Pyrite Subdivision is no longer being used for material extraction and the Department of Transportation (DOT) expressed that it has no interest in reopening the material site. Removal of gravel from any parcel is prohibited while under contract. However, if a purchaser were to extract material from the parcel after patent, it is unlikely to increase PM<sub>2.5</sub>, as dust or particulates associated with material extraction and road traffic are much larger particles such as PM<sub>10</sub>.

Water Quality: The commenter noted that an adjacent property owner had some of the worst water quality in the Fairbanks North Star Borough due to iron and hardness. The commenter is concerned about increased disturbances to water quality from property

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development. The commenter provided a link to a document from the EPA about groundwater contamination, and a link to a document by Alaska Department of Environmental Conservation (ADEC) about chemicals that are toxic and commonly used and discarded during construction. The commenter referenced the EPA document and stated that approximately one-fourth of homes in the United States rely on septic systems, and that the large number and widespread use of these systems make them a serious contamination source. The commenter stated that the Pyrite Subdivision was poorly thought out and is an unwarranted burden to existing water quality, and that it would not be healthy to place an additional burden on the water quality.

DMLW LSS Response: Iron and hardness in well water can be treated with on-site water systems. Many residents within the FNSB elect to haul water due to the general poor water quality within the FNSB. As noted in the EPA document provided by the commenter, poor water quality because of septic systems is due to poor construction or improper use. In Alaska, the regulation of septic systems and on-site water treatment facilities is the jurisdiction of ADEC. There are a variety of options for handling wastewater disposal, including mounded septic systems or engineered onsite wastewater treatment systems. In further research through the Well Log Tracking System, wells within the nearby subdivisions surrounding the Pyrite Subdivision are typically very shallow at only approximately 50 ft. deep. The ground acts as a filter for groundwater contaminants and deeper wells can help reduce the impact of septic systems and other contaminants on groundwater. All landowners are required to comply with ADEC water quality protection laws. Additionally, the larger parcel size of 160,000 square feet (3.67 acres) or larger will help mitigate impacts to existing property owners and local water quality.

Environmental Impact: The commenter noted that EPA has identified numerous chemicals which are inherently toxic and are commonly used/discarded during construction, and referenced the EPA and ADEC documents discussed above.

DMLW LSS Response: The ADEC document the commenter supplied primarily references the management of construction and demolition waste. As discussed in that document, demolition or reconstruction projects may generate various hazardous wastes (lead, asbestos, mercury, etc.), and that document outlines the legal requirements for proper disposal of those materials. The proposed Pyrite Subdivision is currently undeveloped, and as such the demolition and reconstruction wastes is inapplicable to the project. That document also outlines options for proper disposal of clean woody debris, such as from land clearing. The supplied EPA document discusses ground water contamination (discussed above under water quality), and references various federal agencies and laws which regulate ground water quality as well as the proper storage and management of potential pollutants. As noted in the Preliminary Decision: “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 than 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

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interest from both the legislature and citizens in transferring State-owned land into private ownership, DNR is of the opinion that the benefits of offering the land outweigh the potential risks.”

Road Safety: The commenter noted that: Plack Road will receive an additional burden of construction vehicles, causing an increase in DOT maintenance; Plack Road is maintained at a priority level 3, but is rarely maintained by DOT until after 48 hours; roads are slick during the winter due to tall trees on the South side of the road; and, the additional traffic from a new subdivision is increasing the risk to all.

DMLW LSS Response: FNSB standards are that Priority Level 3 roads may take up to 48 hours to clear after a winter storm. DOT is responsible for designing, maintaining, and constructing roads in conjunction with traffic volumes. DOT should be contacted with any issues or concerns regarding road maintenance or safety. Plack Road is a major collector serving several hundred homes and businesses; the addition of up to 15 parcels is unlikely to have any measurable impact. Development of a parcel is typically a relatively short-term activity, and additional construction vehicle traffic would likely be limited to the duration of those construction activities. Plack Road services many properties in the area and is currently used by construction vehicles.

### Stewardship

Comment: The commenter supplied a link to the DNR DMLW FY17 Governor’s Operating Budget Component Budget Summary, and noted that the State of Alaska Office of Management and Budget has shown a projected long-term budget deficit. The commenter expressed that SOA land sales cost Alaska tax payer’s dollars, noted that the number of parcels sold has decreased from 2007 to 2015, and that the expenditure of tax payers’ money is unwarranted and thoughtless. The commenter recommends the entire process, along with most if not all other OTC land sales should be shelved, and that the income does not support the cost expenditure.

DMLW LSS Response: The ‘number of parcels sold’ that the commenter was referencing from the Component Budget Summary was referencing the number of parcels offered (available) OTC between 2007 and 2015. The number of parcels sold OTC has decreased in recent years due to a variety of reasons including the national economic downturn in 2007-2008, parcels removed from offering due to access and wetlands concerns, and fewer parcels available OTC because they were sold at auction or sold early in the OTC offering. The DNR land sale programs that generate revenue include sealed-bid auctions, over-the-counter sales, and remote recreational cabin sites.

Current land sales earnings and costs are monitored through the Land Disposal Income Fund (LDIF) under *AS 38.04.022 State Land Disposal Income Fund*. The LDIF was created when land sales were reinstated in 2001, is a sub fund of the General Fund, and is accounted for as if it were an individual fund. LSS pays for itself through money the program earns and does not use “tax payers’ dollars.” In the history of the LDIF, the fund has always maintained a positive balance. As part of the project development process, LSS evaluates the potential profitability of projects, and has determined that the Pyrite Subdivision will provide a positive return to the State. Additionally, the proposed Pyrite Subdivision was, in part, identified for potential sale in order to reduce the



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responsibility of and costs associated with managing the former material site and the current unauthorized use occurring there.

Comment: Alaska has a significant amount of undeveloped lands, developing lands just to urbanize rural communities takes away from the bountiful national resources of wildlands that Alaska has.

DMLW LSS Response: Prior SOA land sales created the private land surrounding the Pyrite Subdivision and this land offering will provide the same opportunity to future purchasers. The Pyrite Subdivision is relatively close to North Pole and is in an urban location, surrounded by existing development on three sides. Within the project area is a former material site with issues of unauthorized use. This project's impact to wildlands is negligible.

Comment: The destruction of wetlands and wildlands is not in the best interest of buyers, nor should it be the SOA's interest. The commenter expressed that lands are far more valuable in their natural state than being turned into a neighborhood, and that the destruction to wildlife habitat would be detrimental.

DMLW LSS Response: The former material site within the Pyrite Subdivision is no longer being used by DOT and is currently being used for illegal trash dumping, loud parties that disrupt neighbors, and other trespass activities. The land surrounding the gravel pit is not currently in its natural state and LSS hopes to reduce impact to the land from trespass by conveying it to private ownership. Surrounding land owners have expressed their interest in this area being converted to private ownership. The Pyrite Subdivision is part of the 240-acre F-58 Settlement Unit. LSS is currently proposing to offer only up to 80 acres of this Settlement Unit. The proposed larger parcel size (no smaller than 160,000 square feet, approximately 3.67 acres) will allow for a lower density development in the area, and allow purchasers to develop parcels while retaining a portion of the parcel relatively undisturbed. Although wetlands are likely to be present in some parcels, the management of wetlands is managed by the Army Corp of Engineers, and disturbance of those wetlands may require a permit. As noted in the PD, impacts to wildlife habitat are minimized by focusing the current development within the southernmost 80 acres of the management unit, adjacent to the surrounding developed subdivisions. Land that is conveyed into private ownership, especially larger parcels, still holds some value to wildlife. LSS coordinated with the Alaska Department of Fish and Game (ADF&G) during the Agency Review for this proposed project, and ADF&G offered no comments or concerns regarding wildlife habitat. LSS contacted ADF&G after Agency Review for additional information on impacts to wildlife habitat. ADF&G provided that although the area is important for moose and waterfowl, the proposed subdivision is unlikely to impact these species on a population level. ADF&G had no further comments regarding wildlife.

Comment: The commenter referenced the Component Budget Summary, noted that DNR lists one of their Core Services as "Defend Access to State Land and Water," and expressed that subdividing/selling this parcel is in direct opposition to this "Core Service."

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DMLW LSS Response: ADL 402374 is a public access easement within the project area, and connects to Parham McCormick Road west of the project area, Farmall Drive east of the project area, and Repp Road approximately ½ mile north of the project area. As discussed in the PD, this easement will be retained for the proposed subdivision and incorporated into subdivision design unless modified to create alternative access. Access to, within, and through the proposed subdivision will be retained as part of subdivision design. LSS also proposes to keep the pond in public ownership, retain a portion of the land adjacent to the pond for public access, and reserve a public easement and building setback on any parcels abutting the pond.

Additionally, the core service “Defend Access to State Land and Water,” as noted in the supplied document, refers primarily to defending access to State land and water through navigability determinations, Recordable Disclaimer of Interests, assertion of RS 2477 Rights-of-Way, ensuring public access is retained through federal transfers, supporting litigation of access to State resources, etc. These are the services provided by the DMLW Public Access Assertion and Defense Unit. The Component Budget Summary also lists one of the Division’s core services as “Sell and transfer land into private and municipal ownership.” As noted above, the proposed Pyrite Subdivision helps to support DNR’s mission to sell land.

In addition to the PowerPoint, the commenter also provided a copy of the PD with highlighted areas. The following comments were attached to the PD:

Comment: Regarding Alternative 1 in the PD, the commenter noted there is no mention of fewer or larger subdivision due to wetlands on the northern 40 acres.

DNR DMLW LSS Response: The discussion of larger parcels within the northern portion of the project area is located in section **IV. Description** of the PD under the Physical Characteristics and Hazards, and Background subsections. The alternatives within section **X. Alternatives and Discussion** list a summary of the scope of the project. LSS proposes up to 15 parcels no smaller than 160,000 square feet (approximately 3.67 acres). As noted in the discussion of Alternative 1, if approved in a subsequent Final Finding and Decision, the proposal will allow DNR DMLW to create and design a subdivision which will provide for the best use and development of the land and financial return to the State. For the proposed Pyrite Subdivision, the best use of the land in the northern portion of the project area is likely larger parcels as discussed. If the project is approved, a separate platting action through the FNSB will occur and the parcel design will be depicted on the final survey plat by design of a contracted surveyor.

Comment: Regarding why Alternative 2 is not preferred, the commenter questioned “what about the fiscal responsibility of agencies?”.

DNR DMLW LSS Response: As noted in the discussion of Alternative 1, the proposal, if approved, will allow DNR DMLW to create a design which will, in part, provide for the best financial return to the State. For fiscal information please refer to the response under the Stewardship topic of your previous comments.

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End of this individual's comment summary by topic.

Next Commenter:

Individual Comment: The commenter had several concerns which were expressed at the open house, specifically noting impacts to wildlife, the environment, and the financial burden to the community. The commenter asked for DMLW LSS to reconsider the proposal to move forward with the project.

DNR DMLW LSS Response: Thank you for attending the public open house and for your comments. Your comments have been considered in the development of this proposal. These topics, also discussed in the open house, have been discussed in the response to comments above.

The following comments were provided by one individual. LSS responded to the questions within the comment period and no further comments were received. A summary of the comments, questions, and LSS responses follows:

Comment: The individual stated that without seeing a more detailed map of what the proposed lots would look like for this subdivision, they are currently opposed to the project.

DMLW LSS Response: At this time, we are unable to provide a more detailed map of what the proposed lots would look like because the project is still in the proposal phase and no final design of the parcels exists yet. If the project is approved, subdivision design will be completed by a surveyor. Platting of the subdivision will be a separate action through the FNSB, and will include an additional public comment process. The parcel design will be depicted on the survey plat.

Comment: The commenter noted that their main concern is the protection of wooded areas along the developed lots within Berggren Court and along Arapaho, and asked what provisions have been created to protect adjacent lots from noise and potential development conflicts. The commenter also offered that one way to possibly handle noise issues would be to require a 50-foot no development easement between existing property owners and the new proposed lots.

DMLW LSS Response: We have not created any provisions to protect adjacent lots from potential noise and/or development conflicts. LSS is proposing a minimum parcel size of 160,000 square feet (approximately 3.67 acres) or larger, depending on the final subdivision design. The larger parcel size should mitigate impacts to existing private property. As with the development of any land, public or private, the land purchaser/developer will be subject to borough ordinances, zoning, and applicable law. Conflicts with neighbors are best addressed with the neighbor, or through the relevant agency responsible for enforcement of the applicable laws. LSS has received complaints of illegal trash dumping and loud parties near the pond and the state hopes to mitigate this by transferring the land to private ownership. Additionally, the reservation of a no-development easement would potentially require additional and costly management and enforcement.

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Comment: The commenter stated they would like to see where the proposed road easement off of Plack Road for the lots within the Pyrite Subdivision would be located.

DMLW LSS Response: Access locations will be subject to final subdivision design. However, LSS intends to use existing access locations where possible, specifically the existing former material site access onto Plack Rd. as the primary access to the proposed subdivision. Other access to the proposed subdivision may be available from Farmall Drive.

Comment: The commenter noted that the area had at one time been State land, that it has been over 40-years since the State has sold land in the area, and asked what the effect on local property values will be with the lots from the Pyrite Subdivision coming on the market.

DMLW LSS Response: The immediately adjacent subdivisions were created after the State sold the land in the late 1970s and early 1980s. LSS anticipates little to no impact on local property values with the sale of up to 15 parcels of undeveloped land in the proposed Pyrite Subdivision. The North Pole area has a large number of parcels which form the market for the area. With the relatively large size of the market, many of which are developed lots, the addition of up to 15 parcels is likely to have little effect as vacant land has less impact to the market. Changes in general market conditions will have a much more significant impact to property values. Parcels will be offered for sale at the appraised market value, and are typically offered over multiple years as opposed to in a single offering to avoid flooding the market in the area and help preserve current values.

Comment: The commenter asked what provisions have been proposed for continued access to the pond, and if public access is in the best interest of the development.

DMLW LSS Response: As discussed in the PD, LSS proposes to retain at least 50% of the pond frontage in public ownership. ADF&G submitted a comment to LSS expressing their interest in stocking the pond. The proposal also provides that if any parcels are located along the pond they will be subject to a 50ft building setback from the pond and a public easement along the pond perimeter for pedestrian access and recreation. Given the existing public use of the pond, as well as ADF&G's interest in stocking the pond and retaining public access, LSS feels that it is in the public interest to retain the pond in public ownership, and retain access to the pond. Additionally, the pond does provide an attractive feature for current and future neighborhood residents.

Comment: The commenter inquired if adjacent property owners be provided a first purchase option.

DMLW LSS Response: There is a provision under *AS 38.05.069(a) Preference to persons for agricultural purposes*, that provides a first option to purchase for select individuals for agricultural land only. The land within this project area is classified settlement and will be sold without agricultural restrictions. A 'first purchase option' is unavailable for these parcels.

Comment: The commenter asked what convenience provisions will be applied if any.

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DMLW LSS Response: LSS is unclear as to what this question is asking, and did not receive a response to our request for more information.

Comment: The commenter suggested that to assist in maintaining clean water, perhaps LSS could require limited use of the pond, and fill in the trenches on the property.

DMLW LSS Response: If this proposal is approved, and pond is retained in public ownership, it will be available for public use and recreation in accordance with applicable State regulations and FNSB ordinances. LSS does not propose filling in of the trenches within the southeast corner of the project area. The trenches may be included within a parcel to be sold, depending on final subdivision design. It will be the prerogative of the subsequent purchaser to retain or modify the trenches as they choose, in accordance with applicable regulations. Please refer to the responses above regarding Water Quality and Stewardship.

Comment: The commenter inquired why there is a need for additional property development with the amount of private property that has still not been developed.

DMLW LSS Response: The mission of LSS is to make land available for sale to Alaskans, there is an anticipated demand for land in the area with the proposed F-35 squadron arrival, and the sale of this land will assist in reducing the management responsibility for this parcel which currently receives unauthorized uses. Please refer to the responses above regarding demand for land in the area.

## **VI. Modifications to Decision and/or Additional Information**

The recommended action has not been modified from the original proposed action(s) described in the Preliminary Decision.

Recommendation and Approval of the Final Finding and Decision follow.

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**VII. Final Finding and Decision**

The Department recommends proceeding with the proposed action as described in the Preliminary Decision. 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 in accordance with the 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 Section  
Division of Mining, Land, and Water  
Department of Natural Resources  
State of Alaska

\_\_\_\_\_  
January 18, 2018  
Date

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

\_\_\_\_\_  
March 28, 2018  
Date

**Appeal Provision**

A person affected by this decision who provided timely written comment or public hearing testimony on this decision may appeal it, in accordance with *11 AAC 02*. Any appeal must be received within 20 calendar days after the date of “issuance” of this decision, as defined in *11 AAC 02.040(c) and (d)* and may be mailed or delivered to the Commissioner, Department of Natural Resources, 550 W. 7<sup>th</sup> Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 907.269.8918; or sent by electronic mail to [dnr.appeals@alaska.gov](mailto:dnr.appeals@alaska.gov). If no appeal is filed by that date, this decision goes into effect as a final order and decision on the 31<sup>st</sup> calendar day after issuance. An eligible person must first appeal this decision in accordance with *11 AAC 02* before appealing this decision to Superior Court. A copy of *11 AAC 02* may be obtained from any regional information office of the Department of Natural Resources.