

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

PRELIMINARY DECISION

**Rolling Hills Hideaway Subdivision – ADL 232333 Proposed Land Offering in the
Kenai Borough**

AS 38.05.035 (e), AS 38.05.045

RELATED ACTION:

Proposed Mineral Order (Closing)

AS 38.05.185 and AS 38.05.300

PUBLIC COMMENT PERIOD ENDS 5:00PM, MONDAY, OCTOBER 16, 2017

I. Proposed Actions

Preliminary Decision: Rolling Hills Hideaway Subdivision - ADL 232333

Attachment A: Vicinity Map

Attachment B: Area Data Summary Table

Attachment C: Public Notice

Public is also invited to comment on the proposed related action:

Draft Mineral Order, MO #1190, Closing

Primary Proposed Action: The primary proposed action of this Preliminary Decision of the State of Alaska, Department of Natural Resources (DNR), Division of Mining, Land, and Water (DMLW), Land Sales Section (LSS) is to offer for sale State-owned land within the identified project area. If approved, surveyed parcels will be offered for sale.

Located within DNR's Southcentral Region, approximately 3 air miles south of Anchor Point and 10 air miles northwest of Homer on the Kenai Peninsula adjacent to, and north of, the Old Sterling Highway, the project area is within Section 24, Township 5 South, Range 15 West, Seward Meridian, within the Kenai Peninsula Borough (KPB). The project area consists of approximately 80 acres identified for disposal by this proposed action.

In accordance with the governing area plan and for the purposes of providing land for settlement, DNR proposes to sell land within the Rolling Hills Hideaway Subdivision project area. In order to offer these lands for sale, if approved and deemed feasible, DNR may develop a subdivision of no more than 25 parcels varying in size from nominal 2 acres to approximately 11 acres. This proposed project area is located within the KPB and therefore survey, platting, and access to and within the project area will be subject to the relevant subdivision standards. The project area may be subdivided and offered in multiple stages.

After consideration of public comment, the size and boundaries of the project area will be described in a subsequent Final Finding and Decision, if the project proceeds to that step. Additional adjustments may be made prior to survey/subdivision, as described in the applications to the platting authority, as needed to reserve areas for public use, minimize conflicts between uses, or ensure compliance with platting requirements. Although actions

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under this proposal are limited to the stated maximums, additional offerings may be authorized under future proposals, which could increase the density of privately-owned parcels within or near the project area.

Proposed Related Action:

Mineral Order (Closing): DNR proposes a mineral order to close the approximately 80-acre project area to new mineral entry. There are no identified mineral claims in the project area. Refer to the Reservation of Mineral Estate subsection of this document for more information on this proposed related action.

While the related action will be developed separately, public notice is being conducted concurrently. Approval of the proposed actions are dependent upon one another in that one action will not proceed without approval of all actions.

Public Notice of Proposal: 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 and related action. Public notice for all actions is being conducted concurrently.

Public Scoping Meeting: DNR DMLW held an informal public scoping meeting to discuss the proposal and share information about the project area on July 13, 2016, 6 – 8 P.M. at the Anchor Point Chamber of Commerce building, 34175 Sterling Highway. In addition to this project, topics discussed included general state land sale information on subdivision, remote recreational cabin staking, and agriculture offerings; access issues relating mainly to one proposal northeast of mile post 161 Sterling Highway; and the possibility of potential future projects east of Homer.

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 moves forward with the proposal, a Final Finding and Decision will be issued.

II. Method of Sale

DNR 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 states, "It is the policy of the State to encourage the settlement of its land and the 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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For related action, *AS 38.05.300 Classification of Land*, and *AS 38.05.185 Generally* allow for mineral orders.

IV. Administrative Record

The project file, Rolling Hills Hideaway Subdivision - ADL 232333, constitutes the administrative record for this proposed action. Also incorporated by reference are:

- *Kenai Area Plan for State Lands (KAP)*, adopted January 7, 2000, and associated land classification files;
- *Kenai Peninsula Borough Comprehensive Plan, June 2005*;
- *Alaska Interagency Wildland Fire Management Plan*;
- *Anchor Point / Happy Valley / Nikolaevsk Community Wildfire Protection Plan March 2006*;
- *Alaska Department of Fish and Game Catalog of Waters Important for the Spawning, Rearing, or Migration of Anadromous Fishes*;
- USDA, *Natural Resource Conservation Service Custom Soil Report* for this project dated February 9, 2016;
- ADL 34494 Homer Electric public utility easement;
- LAS 18994 misc. land use permit to DOT/PF closed; and
- ADL 227977 Municipal Entitlement Relinquished.

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 and to conduct the proposed mineral order as described herein. The scope of this proposal does not include the control of post-patent use and DNR DMLW does not intend to impose deed restrictions for this purpose. The subdivision may be conducted in multiple stages.

VI. Description

Location: within DNR's Southcentral Region, approximately 3 air miles south of Anchor Point and 10 air miles northwest of Homer. See Attachment A: Vicinity Map and Attachment B: Area Data Summary Table for additional information.

Platting Authority: Kenai Peninsula Borough

Native Regional and Village Corporations: The project area is within the boundaries of the Cook Inlet Region, Inc. (CIRI), a regional corporation. The villages of Ninilchik and Seldovia (Ninilchik Traditional Council, and Seldovia Village Tribe) will be sent notification to submit comments on this project.

Legal Description: N½NW¼ Section 24 subject to Old Sterling Highway right-of-way, Township 5 South, Range 15 West, Seward Meridian, located within the Homer Recording District, Third Judicial District, Alaska.

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Title: Information from Title Report No. 8180, current as of September 23, 2015, indicates the State of Alaska holds fee title to the land and mineral estate within the project area under Patent 1235379, dated March 6, 1964. The applicable State case file is GS 107. The parcel is subject to the reservations, easements and exceptions contained in the federal patent.

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 Decision dated August 26, 1988 administratively determined there are no navigable water bodies within the project area.

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

Physical Characteristics and Hazards: Attachment B: Area Data Summary Table describes the project area's physical characteristics. Information about the project area is based on internal research, information received during agency review, and a ground field inspection conducted by DMLW staff on October 13, 2015. 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.

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Soils: US Department of Agriculture (USDA), Natural Resources Conservation Service, Custom Soil Resource Report of February 9, 2016 listed soils within the project area as generally consisting of Redoubt silt loams found on well drained, moderately steep and gentle slopes of 4-20%, constituting about 59% of the project area; wetter complex Starichkof and Doroshin types are found on 0-4% slope wetlands covering almost 37% of the project area; nearly 4% of the project area is open fresh water. Permafrost may be present under wetland peat insulated segments. Known soil concerns will influence the project's design and feasibility and such features will be described in the project file and offering materials where relevant. USDA customized soil report for the project area for all soils denoted: not prime farmland.

Wetlands: US Fish and Wildlife Service, National Wetlands inventory map for the area shows wetlands existing within that portion of the project area roughly described under wetland complex soils above. The project area northeast corner includes a shallow pond that is less than 7 acres in total size; about 3.2 acres fall within the project boundary. Another fraction of an acre of standing water can be observed in the central eastern portion of the project area within the above described wet soil types.

Geologic Hazards: Geologic hazards are common throughout Alaska. According to information provided by DNR, Division of Geological and Geophysical Surveys, and DMLW field inspection, there may be potential for seasonal flooding and erosion of parcels adjacent to streams or drainages. Comments indicated permafrost is present under the low-lying swamp soils. Due to the location of volcanoes and earthquake faults around western Cook Inlet, general seismic hazard potential is high for the entire region. Should any other geologic hazards be discovered in the development of this proposal, information will be included in offering materials.

Fire Hazards: Due to extensive spruce bark beetle kill, some areas of the Kenai Peninsula face extremely serious wildfire hazard potential. Likelihood for wild land fire is generally high in this portion of the peninsula, and the developable portions of the project area are bounded by natural and manmade firebreaks consisting of developed right of ways and wetlands. Nevertheless, landowners with structures are encouraged to follow the Alaska Wildland Fire Coordinating Group *Firewise Alaska* recommendations. The proposed subdivision lies within KPB Anchor Point Fire and Emergency Medical Service Area. More detailed wildfire protection information for communities and individuals is available by consulting the *Anchor Point / Happy Valley / Nikolaevsk Community Wildfire Protection Plan March 2006* (<http://forestry.alaska.gov/fire/cwpp/index>).

Fire management options and policies for the area are identified in the Alaska Interagency Wildfire Management Plan available from DNR Division of Forestry (DOF). The current fire management option for the project area is "Critical Protection." The Operational Guidelines 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 plan also states that there is no guarantee of protection from wildfire in any management option, that response to a wildfire will be based on various factors, and that "Ultimately it is the personal responsibility of the [landowner] to mitigate and minimize risk to their property and structures and to be 'Firewise'."

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Flood Hazard: The project area is within FEMA Flood Insurance Rate Map Community Panel Number 020012 4325 A, effective date May 19, 1981. The project area is within flood zone D, defined as areas of undetermined but possible flood hazard. Buildable portions are on rolling uplands that appear to have good drainage transitioning into wetlands common to the general surrounding area. USDA customized soil report for the project area stated that for all areas of buildable soils frequency of flooding or ponding is none.

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). One water right application has been identified approximately within $\frac{3}{4}$ mile of the project area in the SE $\frac{1}{4}$ section 24; LAS 31642 shows application complete April 5, 2017 for Hidden Hills Peony Farm. DMLW Well Log Tracking System (WELTS) lists Log 14802 in the NE $\frac{1}{4}$ Section 24; the log shows well depth of 84 feet, flow 6-8 gallons per minute. Well Log 17658 in Lake Country Estates abutting the south boundary of the project area shows well depth of 119 feet and flow of 15+ gallons per minute. Private property to the northwest of the project area in SE $\frac{1}{4}$ section 14 has WELTS Log 21565 showing well depth of 45 feet but no flow data. Water quality for the project and surrounding area is unknown.

Background:

DMLW Project Development Team observed that on February 24, 2015 the Kenai Peninsula Borough had relinquished (ADL 227977) the western portion of this site from their potential municipal entitlement selection thus making this state-owned land eligible for a potential state subdivision project. The location abutting an existing main road and near-by utility lines made this site an attractive candidate for a state land sale offering.

There are no known 3rd party conflicts. Homer Electric Association has a power line generally following the Old Sterling Highway that passes through the southwest portion of the project area (ADL 34494), but this should not preclude private development. This public utility easement may be seen as a cleared vegetation swath visible on Attachment A.

Since the DOF Timber Harvest in the early 2000s there is no other known use of this land.

No recent state land offerings have been made in this area. Currently there are three other state land sale projects undergoing study and processing within the general area: ADL 232197, Anchor Point Heights Subdivision; ADL 232300, Old Sterling Highway Subdivision; and ADL 232332, Forest Knolls Subdivision. By combining field work, surveying, etc. with one or more of these potential projects LSS anticipates achieving cost savings and more efficient development processing. Projects are programmed to release only a few parcels at a time, spread over several different years to avoid flooding the local real estate market.

DMLW staff made a drive-by viewing on August 4, 2015 and ground field inspection on October 13, 2015 and confirmed that this KAP settlement parcel would be a very desirable location for subdivision offering. Highway access from the Old Sterling Highway across the small drainage and up the slope to access the mostly cleared high ground is possible and feasible. Highway access will meet Department of Transportation and Public Facilities standards. Subdivision platted ROWs will be located to fit the terrain and utilize existing

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remnants of the old logging skid roads where feasible. Internal ROWs and all parcels will be designed to comply with KPB subdivision and platting ordinances.

The general pattern of land use along both sides of the Old Sterling Highway in both directions from the proposed site is mainly for private residential parcels from an acre or two up to 10 or 20 acres in size. There are larger interspersed areas of municipal and state lands that presently have not been developed. State lands in the Kenai Area Plan may have been designated for other uses such as wildlife habitat, forestry, general use, etc. Based on research and two ground field inspections in 2015, the proposed Rolling Hills Hideaway offering should fit well in the settlement pattern of land use in the area.

DNR DMLW held an informal public scoping meeting to discuss the proposal and share information about the project area on July 13, 2016, 6 – 8 P.M. at the Anchor Point Chamber of Commerce building, 34175 Sterling Highway. Additional topics discussed included general state land sale information on subdivision, remote recreational cabin staking, and agriculture offerings; access issues relating mainly to one proposal northeast of mile post 161 Sterling Highway; and the possibility of potential future projects east of Homer. Those in attendance expressed unanimous support for all the projects. See I. Proposed Actions, Public Notice of Proposal.

Based on research, field inspections, economic feasibility considerations, and consultation with DMLW Resource Assessment & Development Section (RADS) and other offices, the DMLW believes this proposed project will fit well with surrounding land use and should bring a favorable economic return to the state.

Planning and Classification: The general management intent of the area plan and management unit was reviewed for consistency with the proposed offering. The project area is within Kenai Area Plan (KAP), adopted January 2000, revised June 10, 2004, Region 7, Unit 241. Lands within this unit are currently designated Settlement, and classified Settlement under Land Classification Order No. SC-99-002. The project area consists of the entirety of the management unit subject to the Old Sterling Highway ROW. The small segment at the extreme SW corner south of the highway will be dedicated to the Old Sterling Highway ROW.

Unit/Region KAP Considerations: KAP Chapter 3 gives land management policies for each area plan region and management unit. Unit 241 is listed on page 3-211. KAP does not identify any specific resource or use for this unit other than the designation of settlement. Within the unit is an old federal materials site/free-use permit (LAS 18994), which was closed October 10, 2006 because the site does not contain usable materials. This unit may be conveyable to a municipality; however, in 2015, KPB relinquished this parcel due to over-selection. See Background above.

Area-wide Considerations: LSS reviewed the area plan's guidelines in Chapter 2 Goals, Management Intent and Guidelines in general and specifically sections regarding Fish and Wildlife Habitat and Harvest; Heritage Resources; Materials; Mineral Resources; Public Recreation and Tourism; Settlement and Agriculture; Shoreline, Stream Corridors and Wetlands; Trails and Access; Transportation and Utilities; and Water Resources. These considerations will be incorporated into the design and development of the project. Lands to be retained in public ownership,

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conditions, and reservations will be included on the plat and in offering materials as appropriate. Specific area-wide management intent and management guidelines affecting this proposal are discussed below.

Fish and Wildlife Habitat and Harvest: Areawide Management guidelines for Fish and Wildlife Habitat and Harvest do not address any specific management intent or management guidelines specific to settlement. However, management guidelines provide that DNR and the Alaska Department of Fish and Game (ADF&G) will evaluate the use or development of state lands and the benefits or impacts it may have. ADF&G was consulted during Agency Review and stated no objection to the proposed project. See comments and reply at **VII. DMLW and Agency Review** below.

Heritage Resources: Management guidelines provide that cultural surveys or inventories should be conducted prior to the design of land offerings in areas that the Office of History and Archaeology (OHA) determines to have high potential to contain important heritage sites and for which information is inadequate to identify and protect these sites. Management intent also provides that when found, heritage sites should be reported to the OHA. LSS coordinated with OHA early in the development of this proposed project. OHA has indicated there are no reported cultural resource sites within the identified area; OHA did not determine that a cultural resource survey was required. OHA will be notified should any discovery of cultural resources occur during the development of this project, and offering material will include information regarding archaeological sites.

Materials: Management guidelines provide that generally, if a unit is designated Settlement but contains high-value material resources, a pit area will be identified prior to the land offering and be retained in public ownership. The proposed 80-acre subdivision area was once LAS 18994, a DOT/PF material site on the Old Sterling Highway. It was closed October 10, 2006 because the site does not contain usable materials.

Mineral Resources: Metallic and non-metallic minerals, coal, oil and gas, and geothermal resources remain within state ownership under regulation including exploration, location, and development. Existing mineral orders and leasehold location orders are outside of the project area. There are no known mineral claims or activities within the project area. This proposal includes a related action (**I. Proposed Actions, Proposed Related Action**) to close the 80-acre project area to new mineral entry pursuant to *AS 38.05.185 and AS 38.05.300*. See details below.

Public Recreation and Tourism: The KAP does not address any specific management intent or management guidelines regarding settlement for this project site. Generally, the proposed offering is located in an area of the state that has long been popular with tourists and local recreation users. There is no known information to establish that this specific site has been used for any public recreation activity. Field inspections did not identify any current recreational use of the area. Subdivision design to conform to the topography and offering treed buffers will mitigate impact to scenic resources. Nothing suggests that advancement of this

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project will be detrimental to public recreation activity or negatively impact tourism for surrounding communities.

Settlement and Agriculture: Management guidelines provide for the identification of open space or recreational lands within a subdivision where appropriate. Additionally, management intent also provides that prior to the disposal of land [DNR] shall, to the extent feasible, evaluate flood and erosion hazards. With the limited density of the proposed subdivision, and the availability and access to other public land in the area, DNR is not proposing to identify public open space or recreational lands within the project area. The project area is within an unidentified flood zone; however, given the location of the development area on higher elevations, overall flood risk should be minimal. Information from the USDA custom soils report did not identify any specific concerns with erosion issues.

This proposed 80-acre land sale location is classified settlement, and it is intended to be suitable for year-round residences. The site is compactly located in an area accessible to primary road transportation and utility lines. The locale within a four-mile radius contains a good number of private properties or small commercial entities; the proposed project will fit well with the existing surrounding residential and land use patterns.

Shoreline, Stream Corridors and Wetlands: Management guidelines provide that when transferring land out of state ownership that public access adjacent to waterbodies must be retained, and provides for minimum widths for retention or building setbacks along waterbodies. The proposed offering is mostly located on elevated land near the Old Sterling Highway. No public water bodies are located within the project area. The northeast corner project area boundary goes through a shallow pond that is less than 7 acres in total size; about 3.2 acres fall within the project boundary. Another fraction of an acre of standing water can be observed in the central eastern portion of the project area. Some abutting, interspersed wetlands are already in private ownership and the proposed project should have minimal impact on their fringes or on surrounding wetlands. Well, septic, and waste water disposal systems must comply with Alaska Department of Environmental Conservation (DEC) regulations.

Trails and Access: Management guidelines require that prior to the disposal of state lands, trails that merit consideration for protection should be identified and reserved. No evidence of recognized RS2477 trails or other trails was found for the area. Access to and within the area will be reserved along existing roads, section-line easements, and platted ROWs as appropriate. See the [Access To, Within, and Beyond Project Area](#) section for more information.

Transportation and Utilities: Management guidelines provide that before a land offering DNR will work with DOT/PF to identify appropriate locations, if needed, for access, and will also identify responsibilities for transportation facilities. The proposed subdivision project is located in an area accessible to primary road transportation and utility lines. KAP parameters will be considered in the subdivision design. Physical and legal access will be planned with future use in mind and in

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coordination with DOT/PF and the KPB as appropriate to ensure compatibility with their ROW regulations and ordinances. The Homer Electric Association serves the area, and electric power lines run along the Old Sterling Highway and across the southwest corner of the project area. Presently, there are no natural gas or central water or sewer distribution systems that serve the region. Solid waste disposal is handled at transfer facilities or sites maintained by the KPB at Anchor Point and Homer.

Water Resources: KAP does not provide any Water Resources management intent applicable to this project. Well, septic, and waste disposal must comply with Alaska Department of Environmental Conservation (DEC) regulations.

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

AS 38.04.065 (b) Requirements: The factors identified in this section of statute have been considered in this plan amendment and the proposed action is consistent with that portion of statute.

DNR proposes the following related action:

Mineral Activity and Order: No mineral activity has been identified on these lands. The entirety of the project area (approximately 80 acres) will be closed to mineral entry if mineral order number 1190 is approved in accordance with *AS 38.05.185 Generally* and *AS 38.05.300 Classification of Land* for a land disposal. Closing the entire area to mineral entry is consistent with the management intent of the KAP.

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.

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. Mineral estate management, in general, requires areas scheduled for disposal to be closed to mineral entry prior to sale to minimize potential conflict between land estate and mineral estate users.

Local Planning: The project area is within the KPB and property purchased through this proposed offering will be subject to the applicable zoning, ordinances, and restrictions of the borough. The project area is within the boundary of the *Kenai Peninsula Comprehensive plan of 2005*. DMLW staff reviewed that plan and did not find any conflicts with this proposed state land disposal.

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

Access To, Within, and Beyond Project Area: Access to the project area is directly from the Old Sterling Highway and will comply with DOT/PF and KPB requirements. Under *11 AAC 53.450(a), Buffer strips, reserved areas, and public easements*, "When the division subdivides land adjacent to a highway ... a strip of land having a common boundary with the highway right-of-way must be reserved and retained in public ownership as a buffer strip. ... However, no buffer strip need be reserved if (a)(1) the parcel being disposed of is an isolated one already surrounded by private land cleared and developed to the right-of-way, so that no reasonably continuous buffer strip is feasible; or (a)(2) existing land use on adjacent parcels ... clearly indicates that retaining a buffer strip is unnecessary or undesirable."

Both (a)(1) and (a)(2) apply to this project area. Some of the adjacent private land has been cleared and developed to the right-of-way. Additionally, DMLW finds that a buffer strip may not be practical or necessarily desirable for the project highway access location.

Subdivision design will take into account topography and access to lands beyond the project area boundaries, and internal platted ROWs will take advantage of old logging skid trails where practical. The project area is subject to the platting authority of the KPB. Approval of platting actions and dedication of right-of-ways will require separate processes and public notices through the borough. The project area is within KPB Road Maintenance Unit S3.

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. If any such water bodies are discovered, parcels will be subject to access

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reservations in accordance with *AS 38.05.127 Access to Public or Navigable Water* and a 100-foot building setback from the OHW of the water body.

Easements, Setbacks, and Retained Lands: Subdivision design may include a variety of easements, setbacks, and retained lands, which will be identified on the subdivision plat and included in related informational documents. Final width and location of easements and reservations will be determined as part of the local platting process, which will include an additional opportunity for public participation.

Parcels and subdivision design may be subject to a variety of reservations or restrictions where appropriate:

- public access easement(s);
- utility easement(s);
- Homer Electric Association utility easement ADL 34494;
- 200-foot wide Old Sterling Highway (100-feet on each side of the centerline) will be retained in state ownership;
- a 50-foot-wide section line easement on each side of surveyed or protracted section lines on State-owned land in accordance with *AS 19.10.010 Dedication of Land for Public Highways* and *11 AAC 51.025 Section-line Easements*; section-line easements may be vacated under *AS 19.30.410 Vacation of Rights-of-Way* and *11 AAC 51.065 Vacation of Easements* as part of the subdivision development;
- a 5-foot survey easement from the nearest practical point on the property boundary to control monuments within the parcel and an easement with a radius around the control monument, and as applicable, a 5' direct line-of-sight easement from the control station to an azimuth mark or other control monument; and
- additional reservations, and/or restrictions required by the local platting authority.

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

Hazardous Materials and Potential Contaminants: During ground field inspections conducted on August 4, 2015 and October 13, 2015 DMLW field staff did not observe any environmental hazards within the project area. 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

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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 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.

Survey, Platting, and Appraisal: After evaluation of public comment and conditions of the land, DNR will determine if it is in the State's best interest to offer the proposed project area. In order to offer the property, a combination of survey, subdivision, and/or platting actions may be required.

This proposed project area is located within the Kenai Peninsula Borough, and therefore survey and platting will be subject to the relevant subdivision standards. The borough's platting requirements provide for separate public notice periods and processes for platting actions. These additional opportunities for public involvement occur after an approved Final Finding and Decision, if one is issued.

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 April 7, 2016 through May 17, 2016. 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.

Department of Transportation and Public Facilities (DOT/PF) comment:

Access will need to be refined through the DOT Driveway Permitting process. Access to Old Sterling should be minimized to one location with internal circulation serving parcels of the subdivision and connection to existing platted roads.

For a subdivision of more than 4 parcels access will need to be applied for through the Approach Road Review (APR) process.

DNR DMLW LSS Response:

Preliminary Decision

Rolling Hills Hideaway Subdivision – ADL 232333

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This project will comply with the comments submitted. Subdivision design will take into account the parameters described.

Alaska Department of Fish & Game (ADF&G) comment:

The proposed subdivision is located within a previously logged area. There were no public or navigable waters identified in the review request. We concur with having 100-foot building setbacks from wetlands and section-line easements where applicable, including having any public waters subject to a 50-foot wide public access easement. The department has no objection to the development of this proposed state subdivision.

DNR DMLW LSS Response:

Close review of KAP revealed that there are no mandatory requirements for wetlands set-backs. However, LSS intends to encourage 50-foot structure set-backs from wetlands in the offering material. Research findings to date have not indicated any public or navigable water bodies within the project area; should any be identified prior to platting, appropriate to-and-along public access easements will be included in the subdivision plat. Section lines on state lands have 50-foot wide section-line easements (SLE). SLEs in this project will be retained by the state. Parcels will be subject to KPB ordinances regarding building and other set-backs as applicable.

Office of History and Archaeology (OHA) comment:

State law requires compliance with the Alaska Historic Preservation Act which prohibits removal or destruction of cultural resources (historic, prehistoric, and archaeological sites, locations, remains, or objects). Although no reported cultural resource sites are listed within the project boundaries, any discovery of such resources should be preserved and reported to OHA so a professional evaluation may be made to determine whether the resources should be preserved in the public interest as specified at AS 41.35.070(d). Examples include historical cabin remains; adits; dredges or other mining equipment; cultural depressions or pits; graves or cemeteries; prehistoric tools or artifacts; and paleontological (fossilized) remains.

DNR DMLW LSS Response:

This project will comply with the comments submitted. Offering materials regularly contain similar information and instructions for the public and those participating in the state land sale process.

Division of Geological and Geophysical Surveys (DGGS) comment:

There appear to be no potential metallic mineral resource mining conflicts. The region's overall seismic hazard potential is high, and standard best building practices should be used to accommodate this hazard. Better drained portions of the proposed subdivision are underlain by glacial till primarily composed of pebble-cobble gravel with traces of silt and sand and numerous sub-rounded boulders. Low-lying, water-saturated areas are underlain by organic swamp deposits generally 2 to 4 meters thick. Deposits may be locally perennially frozen at depth due to the insulating effects of peat.

DNR DMLW LSS Response:

Review and comments provided are greatly appreciated. Information will be utilized in design, development, and offering of the proposed project.

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The following two entities submitted similar comments; LSS combined response is found below.

Homer Soil & Water Conservation District (HSWCD) comments:

Wetlands in the project area need to be protected for the sake of the anadromous Anchor River drainage. HSWCD would like to see some of the lands put under agricultural title considering that 60% of the soils are Land Capability Class 3 and 4c which are designated as Soils of Local Importance and suitable for agriculture. A Smithsonian.com article on Development Supported Agriculture [DSA] in subdivisions was attached with comments. The HSWCD supports the Rolling Hills sales project and would be interested in providing further assistance as needed.

Division of Agriculture (DAg) comments:

The project area for the proposed Rolling Hills Hideaway SD has 45 acres of soils suited for agriculture (Class III & IV soils). There are no lands classified or designated for Agriculture within the Kenai Area Plan. DAg believes the project area should be re-evaluated and possibly re-designated for agricultural land disposal. If DMLW proceeds with a normal subdivision sale, DAg requests DMLW to highlight the suitable agricultural soils (Class III and IV soils) in the Auction/Sale brochure. The idea of a community or developer subdivision agriculture (DSA) use as a designed subdivision function would not likely be practical in the Alaskan environment unless the new owners all would step up to the task. Even with the HSWCD putting in time and effort to assist with a DSA project, it does not seem likely to be an option at this time.

DNR DMLW LSS Response:

Review, comments and information provided are greatly appreciated and have been given consideration in reaching this preliminary decision. The project lies a ½ mile from the Anchor River at it's closest point to the river. State lands classified general use and private lands are found between the proposed project and the Anchor River. Subdivision design will ensure adequate upland buildable space on each parcel subject to KPB subdivision ordinances. Well, septic, and waste water disposal systems must comply with Alaska Department of Environmental Conservation (DEC) regulations. Dredging or filling of wetlands may require a permit from the US Army Corps of Engineers. Given these factors, DMLW believes there is minimal need for concern regarding the impact of this proposal on the overall Anchor River drainage and its associated wetlands.

Although KAP does not designate or classify any agriculture lands, LSS recognizes that the good agriculture soil on higher ground is an attractive feature of this offering. The USDA Natural Resource Conservation Service Custom Soil Resource Report of February 9, 2016 characterized most of the project area as "Not prime farmland." Although the well-drained sites (Class IV soils and a small amount of Class III) are perhaps suitable for cultivation at the local level, such use would best be left to the discretion of the individual land owners, perhaps with assistance offered by the Homer SWCD. DMLW agrees with DAg on questioning the practical feasibility of a development supported agriculture concept in Alaska as presented in the Smithsonian article. Offering materials will point out the soil capability and reference the willingness of the HSWCD to provide further assistance to buyers interested in using the land for agricultural purposes. Surrounding land use as rural subdivision and residential

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ownership also tends to favor offering the project as a state subdivision land sale as proposed.

Based on observations during a field visit of October 13, 2015 and walking the western portion of the project area, review of topographic maps, the data offered in the custom soil report, a required minimal 40-acre agricultural sales size, and the fact that the KAP has not made any agricultural designation, DNR DMLW would not be in favor of re-designation of the project lands for agriculture disposal.

The following agencies submitted comments of non-objection: Alaska Department of Environmental Conservation (ADEC); Division of Oil and Gas (DOG); Mental Health Trust Land Office (MHTLO); Alaska Railroad, Land Services, Real Estate Department; Department of Commerce & Community Economic Development (DCCED); State Pipeline Coordinator's Section (SPCS).

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

- University of Alaska
- Department of Natural Resources – Division of Forestry

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 and draft mineral order.

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.

LSS will consider all timely, written comments received. If analysis of such comments indicates the need for significant changes to the Preliminary Decision or draft mineral order, 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 proposals are approved and no significant change is required, the Preliminary Decision and draft mineral order including any deletions, minor changes, and summary of comments and LSS responses will be issued as a subsequent Final Finding and Decision and Mineral Order 1190 without further notice. The related action will be developed separately. However, approval of any action is dependent upon one another. One action will not proceed without approval of both actions.

Only persons from whom DNR DMLW LSS receives timely, written comment during the identified comment period will be eligible to file a request for reconsideration of the Final Finding and Decision and Mineral Order 1190. Upon approval and issuance of a Final Finding and Decision and of the mineral order, a copy of the decision and order will be made available online

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at <http://landsales.alaska.gov/> and sent with an explanation of the request for reconsideration 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, MONDAY, OCTOBER 16, 2017

IX. Alternatives and Discussion

DNR DMLW is considering the following alternatives:

Alternative 1: (Preferred) Survey and plat a subdivision consisting of up to 25 parcels varying in size, and offer those parcels for sale. The development and offering of these parcels may be completed in multiple stages. This proposal includes the related mineral order.

Alternative 2: Do not subdivide the project area prior to offering. Offer the project area as a single, ~80-acre parcel.

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

Article VIII, Section 1 of the Alaska Constitution states, "It is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest." 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 proposal, if approved in a subsequent Final Finding and Decision, 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. Alternative 1 provides the greatest opportunity for Alaskans to obtain land for settlement in a desirable area. Due to the unique amenities of the area, location relative to the communities of Anchor Point and Homer, and the proximity to existing residential private property, the project area is better suited to subdivision prior to offering. Alternative 1 is preferred.

Alternative 2 does not maximize public interest and financial return to the State. Offering the project area as a single parcel would limit the offering to only one purchaser and deny more Alaskans the opportunity to purchase land in this desirable area. Alternative 2 is not preferred.

Alternative 3 is not preferred. The Legislature and the public have indicated a desire for DNR DMLW to offer State-owned land for private ownership. Retention of this land would inhibit DNR DMLW from meeting its Constitutional, statutory, and legislative obligations. Not offering the project area would deny Alaskans the opportunity to obtain land in an area that is suited to settlement and consistent with the surrounding development.

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The related action is necessary to allow for the offering of the project area. The primary action and related action are dependent upon one another, and if DNR DMLW does not approve the project, the related action will not be processed.

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

Recommendation follows.

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Rolling Hills Hideaway Subdivision – ADL 232333

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X. Recommendation

This Preliminary Decision for the proposed disposal of state lands and Mineral Order 1190 described throughout this document and its attachments are 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 and/or Mineral Order 1190. If the decision is approved Mineral Order 1190 will accompany and precede any Final Finding and Decision issued.

/s/

Prepared by: John W. Thomas, Adjudicator
Natural Resource Specialist III
Land Sales Section
Division of Mining, Land, and Water
Department of Natural Resources
State of Alaska

September 8, 2017

Date

/s/

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

September 11, 2017

Date

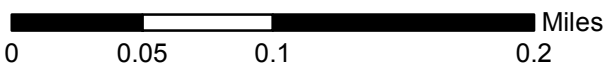


Rolling Hills Hideaway Subdivision ADL 232333

Attachment A - Vicinity Map

Proposed Land Offering in the
Kenai Peninsula Borough

This depiction is for illustrative purposes only. It is intended to be used as a conceptual guide only and may not show the exact location of existing surveyed parcels or show all easements and reservations. Source documents remain the official record.



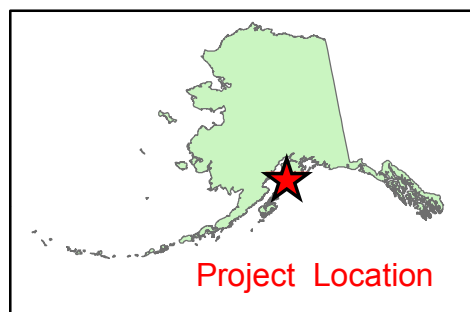
JWT 9/6/2017



Rolling Hills Hideaway
Subdivision Project Area

N1/2NW1/4 Section 24
Township 5 South,
Range 15 West
Seward Meridian

USGS QUAD 1:63,360
Seldovia (C-5)
For more information contact:
John W. Thomas
Department of Natural Resources
Division of Mining, Land, and Water
Land Sales Section
Phone 907 269-8591
Fax 907 269-8916
Email land.development@alaska.gov



Project Location



**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 Kenai Peninsula Borough

Rolling Hills Hideaway Subdivision – ADL 232333

Offering Information	
Proposed Number of Parcels	Up to 25
Proposed Parcel Size	Varying in size from nominal 2 acres to ~11 acres
Proposed Related Actions	Mineral Order No. 1190 (closing)
Project Area	
Location	Within DNR's Southcentral Region, 3 air miles south of Anchor Point and ~10 air miles northwest of Homer on the NE side of the Old Sterling Hwy
Project Area Acreage	Approximately 80 acres
USGS Topography Map	USGS Seldovia (C-5) Quad
Legal Description	N1/2NW1/4 Section 24, Township 5 South, Range 15 West, Seward Meridian
Title	Patent 1235379, dated 3/6/1964, State-owned land
Area Plan and Classification	Kenai Area Plan (KAP) (adopted 1/7/2000, revised 6/10/2004), Management Unit 241/Region 7. Lands are classified settlement.
Mineral Orders	None. Project area will be closed to mineral entry prior to offering.
Physical Characteristics	
Access	Access will be directly from Old Sterling Highway. Internal plat design will take advantage of old timber harvest skid roads where feasible.
Terrain and Major Features	Rolling hills from ~270 to 330 feet elevation interspersed with lower portions and wetlands in project area; portion of unnamed pond in NE corner, small pond in center-eastern segment; small drainage flow at SW corner has culvert under Old Sterling Hwy.
View	View from higher spots to Anchor River foothills to the east; large tree buffer around cleared areas provides view screen otherwise.
Climate	The area is within the gulf coast maritime climate zone, characterized by a rainy atmosphere, long, cold winters, and mild summers.

Attachment B: Area Data Summary Table

for a Proposed Land Offering in the Kenai Peninsula Borough

Rolling Hills Hideaway Subdivision – ADL 232333

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Soils	USDA custom soil report: Redoubt silt loams, moderately steep and gently sloping, constitute about 59% of the project area; Starichkof and Doroshin soils found in wet lowlands cover almost 37% of the project area; nearly 4% of the project area is open fresh water. Permafrost may be present under wetland peat insulated segments. Known soil concerns will influence the project's design and feasibility and such features will be described in the project file and offering materials where relevant.
Wetlands	Dispersed but significant patches of wetlands exist within the project area. Subdivision design will ensure adequate buildable space on each parcel as subject to KPB subdivision ordinances. Dredging or filling of wetlands may require a permit from the US Army Corps of Engineers.
Vegetation	Mixed mature spruce and birch with local understory vegetation around large expanses of second growth open areas showed no sign of recent wild land fire on field inspections, fall 2015; interspersed areas of wetland grass and sedges.
Water Source	Any water development must meet the regulatory requirements of the Alaska Department of Environmental Conservation. Water quality is unknown.
Anadromous Waters	None
Local Management Information	
Fire Management Option	Fire management option from the <i>Alaska Interagency Fire Management Plan</i> : Critical. The proposed subdivision is within KPB Anchor Point Fire and Emergency Medical Service Area
Game Management Unit	ADF&G game management unit 15C.
Local Authority	Kenai Peninsula Borough exercises authority for planning, platting, taxes, and zoning for the project area.
Flood Zone	The relevant Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map is Community Panel Number 020012 4325 A. This project area is in Zone D, areas of undetermined but possible flood hazard. Buildable portions are on uplands that appear to have good drainage transitioning into wetlands common to the general area. USDA customized soil report stated that for all areas of buildable soils frequency of flooding or ponding is none.
Utilities	This area is currently served by Homer Electric Association (HEA) and power lines run across the SW corner of the project area.
Waste Disposal	Solid waste disposal is handled at transfer facilities or sites maintained by the KPB at Anchor Point and Homer. All on-site waste water disposal systems must meet the regulatory 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, owners should contact the platting authority for any permits or for required setbacks from water bodies, lot lines, and easements.
Building Setbacks	Building setbacks per KPB ordinances.

Attachment B: Area Data Summary Table

for a Proposed Land Offering in the Kenai Peninsula Borough

Rolling Hills Hideaway Subdivision – ADL 232333

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Public Access and Utility Easements	Parcels may be subject to the following: <ul style="list-style-type: none">• public access easement(s);• utility easement(s);• Homer Electric Association utility easement ADL 34494;• 200-foot wide Old Sterling Highway (100-feet on each side of the centerline) will either be retained in state ownership or an easement will be placed on the land;• a 50-foot wide section line easement on each side of surveyed or protracted section lines on State-owned land in accordance with AS 19.10.010 Dedication of Land for Public Highways and 11 AAC 51.025 Section-line Easements; section-line easements may be vacated under AS 19.30.410 Vacation of Rights-of-Way and 11 AAC 51.065 Vacation of Easements as part of the subdivision development;• a 5-foot survey easement from the nearest practical point on the property boundary to control monuments within the parcel and an easement with a radius around the control monument, and as applicable, a 5-foot direct line-of-sight easement from the control station to an azimuth mark or other control monument; and• additional reservations, and/or restrictions required by the local platting authority.
Retained Lands	None identified other than Old Sterling Highway right-of-way.
Public or Navigable Water Bodies	None identified, but If any water bodies are deemed public or navigable within the project area prior to platting, DNR DMLW will comply with statutory requirements to provide access to and along said waters.
Additional Information	
Native Regional Corporations	Cook Inlet Regional Corporation - CIRI
Villages and Tribal Councils	Native Villages of Ninilchik & Seldovia; Ninilchik Traditional Council, & Seldovia Village Tribe
Oil and Gas Activity	None known.
Mining Activity	None known.
Comments	None.

ATTACHMENT C: PUBLIC NOTICE

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

PUBLIC NOTICE

Requesting Input for a Proposed Land Offering:

Rolling Hills Hideaway Subdivision Project Area – ADL 232333

a Preliminary Decision and its Proposed Related Action: Mineral Order (Closing)

Comment Period Ends 5:00 PM, MONDAY, OCTOBER 16, 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. The project may be subdivided and offered in multiple offerings over time.

Location: within DNR's Southcentral Region, approximately 3 air miles south of Anchor Point and 10 air miles northwest of Homer on the Kenai Peninsula adjacent to, and north of, the Old Sterling Highway, the project area is within Section 24, Township 5 South, Range 15 West, Seward Meridian, within the Kenai Peninsula Borough.

Project size: ~80 acres proposed development area

Proposed Offering: up to 25 parcels sized from 2 to ~11 acres

To obtain the notice, Preliminary Decision, Mineral Order, or instructions on submitting comment, go to <http://landsales.alaska.gov/> or <http://aws.state.ak.us/OnlinePublicNotices/>. For assistance in obtaining the documents by an alternative method, to request auxiliary aids, services, or special accommodations, contact DNR's Public Information Centers on State work days, Monday through Friday, between 10AM and 5PM in Anchorage at 907.269.8400 (TDD for the hearing impaired: 907.269.8411) or Fairbanks at 907.451.2705 (TDD for the hearing impaired: 907.451.2770), or the Southeast Land Office in Juneau at 907.465.3400 (TDD for the hearing impaired: 907.465.3888), or go to <http://dnr.alaska.gov/commis/pic/> for additional contact information. Individuals who require special assistance must request assistance from the Public Information Center in Anchorage no later than 4:00 PM, MONDAY, OCTOBER 9, 2017

Pursuant to *AS 38.05.945 Notice*, the public is invited to submit comment on the Preliminary Decision or Mineral Order for which notice is being conducted concurrently. If commenting on both, separate comments should be submitted for each. **The deadline for public comment is 5:00 PM, MONDAY, OCTOBER 16, 2017.** Only persons from whom DNR DMLW LSCAS receives timely, written comment during the identified comment period will be eligible to file an appeal of the Final Finding and Decision. Written comment may be received by email, postal mail, or fax: land.development@alaska.gov; DNR MLW LSS, 550 W. 7th Ave., Suite 640, Anchorage, AK 99501; or fax 907.269.8916. If you have questions, call John Thomas at 907.269.8591.

If no significant change is required, the preliminary decision and mineral order, 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.