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

## PRELIMINARY DECISION Missile Club Subdivision – ADL 421397

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

RELATED ACTION(S): Proposed Special Exception to the Yukon Tanana Area Plan AS 38.04.065 Proposed Mineral Order (Closing) AS 38.05.185 and AS 38.05.300

#### PUBLIC COMMENT PERIOD ENDS 5:00PM, TUESDAY, MARCH 2, 2021

#### I. <u>Proposed Action(s)</u>

Preliminary Decision: Missile Club Subdivision - ADL 421397
Attachment A: Vicinity Map and Lease Map
Attachment B: Public Notice
Public is also invited to comment on the proposed related actions:
Draft Special Exception to the Yukon Tanana Area Plan (YTAP)
Draft Mineral Order (Closing) 1250

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

LCS proposes to sell land within the Missile Club project area for the purpose of providing land for settlement by developing a subdivision of no more than 16 parcels varying in size, but no smaller than 40,000 square feet, and additional remainder tracts, as necessary. The project area consists of approximately 185 acres, with up to 80 acres identified for disposal by this proposed action. 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 (FFD), if the project proceeds to that step. Additional adjustments may be made prior to survey, as needed to reserve areas for public use, minimize conflicts between uses, or ensure compliance with platting requirements. Although actions under this proposal are limited to the stated maximums, additional offerings may be authorized under future proposals, which could increase the density of privately-owned parcels within, adjacent to, or near the project area.

<u>Proposed Related Action(s)</u>: These related actions will be developed separately, however; public notice is being conducted concurrently.

*Special Exception*: DNR proposes a special exception to YTAP to exempt a portion of the project area from the unit P-22 requirement for a 100-foot buffer adjacent to the Parks Highway. DNR proposes this exemption because it would exclude improvements within residential leases from subdivision parcels, and because of the severe limitations on parcel usability this buffer would cause. Refer to the <u>Planning and Classification</u> subsection of this document for more information on this proposed related action.

*Mineral Order (Closing)*: DNR proposes to close the project area to new mineral entry. There are no mining claims within the project area. Refer to the <u>Mineral Activity and</u> <u>Order(s)</u> subsection of this document for more information on this proposed related action.

These related actions will be developed separately. However; approval of the proposed actions is dependent upon one another in that one action will not proceed without approval of all actions.

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

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

#### II. Method of Sale

LCS proposes to offer for sale land within the project area as described herein, through a future offering under *AS* 38.05.045 Generally. *AS* 38.05.055 Auction Sale or Sealed Bid Procedures allows DNR to sell land by public outcry auction following 11 AAC 67.045 Auction procedure. Leases ADL 415712 and 415715 might be eligible to purchase land non-competitively under *AS* 38.05.102 Lessee preference, following submittal and adjudication of a preference right application.

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

## 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." Pursuant to *AS* 38.05.055 Auction Sale or Sealed Bid Procedures, bidders for commercial land are not required to have been an Alaska resident for one year preceding the date of the sale. If it is deemed appropriate, DNR has the authority to

Missile Club Subdivision – ADL 421397 Page 3 of 19

develop and offer parcels larger than 5 acres under the allowances listed in AS 38.04.020(h) Land Disposal Bank.

For related actions, AS 38.04.065 Land Use Planning and Classification, AS 38.05.300 *Classification of Land*, and AS 38.05.185 *Generally* allow for special exceptions to area plans and mineral orders.

#### IV. Administrative Record

The project file, Missile Club Subdivision - ADL 421397, constitutes the administrative record for this proposed action. Also incorporated by reference are:

- Yukon Tanana Area Plan for State Lands (YTAP, adopted January 2014) and associated land classification files.
- Alaska Interagency Wildland Fire Management Plan 2016 (March 2019 Review).
- 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 July 6, 2020.
- Interior Board of Land Appeals decision 007/BLA083 (August 18, 1972)
- *Harvest and Use of Subsistence Resources in Four Communities in the Nenana Basin, 2015.* (2017). Alaska Department of Fish and Game Division of Subsistence, Technical Paper No. 429.
- DNR case files: leases ADL 415710, 415711, 415712, 415713, 415714, 415715, 415716, 415717 and 415718; utility easements ADL 20529, 30788, 414705, 415721, 415722, 418268 and 420874; and other cases, documents, reports, etc. referenced herein.

## 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 LCS's proposal to offer State-owned land within the defined project area for disposal and to conduct the special exception and mineral order as described herein. The scope of this proposal does not include the control of post-patent use and LCS does not intend to impose deed restrictions for this purpose. The subdivision may be conducted in multiple stages.

## VI. Location

The project area is located within DNR's Northern Region, between Parks Highway mileposts 288 and 289, approximately 4 miles east of Anderson, within Section 36, Township 6 South, Range 8 West, Fairbanks Meridian, within the Unorganized Borough. The project area consists of approximately 185 acres, with approximately 40 to 80 acres identified for disposal by this proposed action.

*Platting Authority*: The project area is within the Unorganized Borough and is subject to the State of Alaska platting authority.

*Native Regional and Village Corporations*: The project area is within the boundaries of the Doyon regional corporation. The village of Nenana is within 25 miles of this proposed action and notice will be sent to the Toghotthele Corporation and Nenana Traditional Council.

#### VII. Property Description

NW1/4 NE1/4, NW1/4 SE1/4, and Government Lots 1, 5, and 6 of Section 36, according to the BLM supplemental plat of Section 36, Township 6 South, Range 8 West, Fairbanks Meridian, Alaska, accepted for the Director on June 10, 1994 by the Deputy State Director for Cadastral Survey, Alaska excluding:

- Patent 50-73-0171, and
- USS 10832, according to the BLM plat accepted for the Director on February 28, 1992 by the Acting Deputy State Director for Cadastral Survey, Alaska.

All containing 184.09 acres, more or less, as depicted on the attached map.

<u>Property Description of the Special Exception to the YTAP</u>: That portion of the Missile Club Subdivision project area approximately encompassing leases ADL 415710, 415711, 415713, 415714, 415715, 415716, and 415718, as depicted in *Attachment A*: Vicinity Map and Lease Map.

#### VIII. <u>Title</u>

Title Report No. 20952, current as of June 26, 2020 indicates the State of Alaska holds tentative approval to the land and mineral estate within the project area under Tentative Approval F-024563 dated December 15, 1995. The applicable State case file is GS 15. The parcel is subject to the reservations, easements, and exceptions contained in the federal tentative approval.

#### 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 <u>Access To, Within, and Beyond Project Area</u> subsection of this document.

The Bureau of Land Management has not made a navigability determination for waters within the affected townships for title purposes.

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

#### IX. Physical Characteristics and Hazards

Information about the project area is based on internal research, information received during agency review, and on-ground field inspections conducted on August 15, 2019, September 16, 2020, and September 24, 2020. This is by no means a complete description of the project area and if this proposal is approved and parcels offered for sale, it will be the responsibility of interested parties to inspect individual parcels prior to purchase to familiarize themselves with the physical characteristics of the land and improvements, if present.

*Terrain and Major Features:* A portion of the subdivision has highway frontage. The topography is very flat. However, small changes in topography are significant, as they often represent a transition from wetlands to soils more suitable for development.

*View:* Local views with a low probability of a regional view of the northern Alaska Range.

*Vegetation:* The vegetation is a mix of spruce, aspen, and birch trees in the well-drained areas, and a mix of stunted spruce trees and shrubs in and around the poorly-drained areas.

*Soils*: Soils within the project area near the highway and access road generally consist of moderately well to well-drained sandy loam, loamy fine sand, and silt loam underlain by sand or gravelly sand; non-irrigated capability class 3c. East of the highway in areas with or near standing water, soils within the project area generally consist of very-poorly drained soils containing peat, muck, mucky peat, mucky silt loam, or silt loams near the surface with the potential for shallow permafrost; non-irrigated capability class 6w or 7w.

*Wetlands:* Freshwater forested/shrub wetlands exist throughout the project area.

*Geologic Hazards*: There is potential for discontinuous, ice-rich permafrost to be present in area soils. Interior Alaska generally is an active seismic zone. The risk from building on permafrost and within an active seismic zone should be accommodated by following appropriate construction best practices. Should any specific geologic hazards be discovered in the development of this proposal, LCS will provide information in offering materials. *Fire Information*: Pursuant to observations from field inspections and information received from the Division of Forestry, fire risk in the area is likely to be high. There is no reported history of fires within the project area, beyond spot fires. Large wildland fires burned to the east of the project area in 2006, 2009, and 2015.

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

Fire management options and policies for the area are identified in the Alaska Interagency Wildland Fire Management Plan available from DNR Division of Forestry. The current fire management option for most of the project area is "critical." The policy on areas with the "critical" management option reads that "wildfires...are assigned the highest priority for suppression actions and assignment of available firefighting resources." Small portions of the project area northeast corner are within the "full" management option. The policy on areas with the "full" management option reads that "wildfires...are assigned a high priority for suppression actions and assignment of available firefighting resources, but are below wildfires within or threatening a Critical management option area or site." It also states that the designation of a fire management option does not ensure protection from wildfire, that a protection response will be based on various factors, and "Ultimately, it is the responsibility of [landowners] to mitigate and minimize risk to their property before it becomes threatened by a wildfire".

*Flood Hazard:* There is no Flood Insurance Rate Map available for the project area. There is potential for seasonal flooding and erosion of parcels adjacent to water bodies, especially in low-lying areas.

*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). No water rights exist within the project area; a subsurface water right exists immediately adjacent to the project area in government lot 3. There is no water quality information within the area, however, orange staining within improvements of lease ADL 415712 indicates the groundwater may be iron rich. Information from well logs indicate that well depths in the vicinity are shallow, with depths ranging from 28 to 40 feet. However, most water rights in the vicinity lack well construction data. Additional information on wells, water quality, and drinking water may be obtained from the Alaska Department of Environmental Conservation.

*Utilities*: This area is currently served by Golden Valley Electric Association (GVEA), and multiple electricity distribution lines are within the project area.

*Waste Disposal:* The Denali Borough Landfill is located at Parks Highway milepost 282.5, approximately six miles south of the project area. All on-site wastewater disposal systems must meet the regulatory requirements of the Alaska Department of Environmental Conservation.

**Preliminary Decision** Missile Club Subdivision – ADL 421397 Page 7 of 19

#### X. Background:

LCS proposes to create the Missile Club Subdivision to provide resolution for residential leases within the project area. The land comprising the central portion of project area was originally part of a federal trade and manufacturing (T&M) site application in the 1960s. While the application was in process, the applicant made agreements with numerous people to acquire subdivided portions of the T&M site, leading to the development of several homes within the project area. The U.S. Bureau of Land Management (BLM) rejected the T&M site application, leaving the residents within the project area without a path to land ownership. Other applications to acquire federal land in the vicinity successfully created private property within and immediately adjacent to the project area, but these efforts were independent of the failed T&M site application.

The State sought title to the land from the federal government as part of statehood entitlement, but desired resolution for the unauthorized occupancies within the project area prior to accepting title. The BLM created lease agreements for nine residents between August 1989 and April 1991. In 1996, the BLM transferred the land within the project area to the State, and the State agreed to honor the previously issued federal leases. Once the land was transferred to the State, the leases were amended to change the name of the lessor from the BLM to the State.

Most of original leases have since lapsed due to leaseholder attrition, resulting in several abandoned, dilapidated structures and debris piles on State land. The transferred leases expired in 2009. Only leases ADL 415712 and 415715 have been kept current by monthly extensions at the request of the leaseholders.

During field inspections conducted in 2019 and 2020, DNR DMLW talked with neighbors living on private land within and adjacent to the project area, the lessees of leases ADL 415712 and 415715, an individual that was raised within lease area ADL 415718, and a family temporarily living on ADL 415718. This provided the opportunity for the community in the vicinity of the project area to ask questions about the subdivision and land sale process. LCS learned about the local history and preferences for the subdivision that have helped guide this proposed action.

All of the former leases have some degree of improvements and debris remaining on site:

- All leases have driveways connecting to the Parks Highway with paved approaches, excepting ADL 415712 which is accessed by a road connecting to the Parks Highway.
- ADL 415710 and 415717 have junked vehicles and miscellaneous debris, but no structures.
- ADL 415711, 415713, 415714, 415716, and 415718 have structures and debris. All of these structures are highly dilapidated; the debris is extensive within ADL 415711 and 415718.
- ADL 415711 and 415714 have structures that might be completely or partially within the highway right-of-way.

ADL 415718 had trespass use between 2019 and 2020 by a family renovating the house within the former lease area. Based on information provided by residents within the project area and

**Preliminary Decision** Missile Club Subdivision – ADL 421397 Page 8 of 19

September 2020 site inspections, the home is no longer occupied. Other residents have attested to sporadic trespass use within several of the former lease areas in the past.

Active leases ADL 415712 and 415715 have occupied or maintained structures and outbuildings. DNR acknowledges that the leaseholders own the improvements within the leases. LCS has discussed with the leaseholders the potential to pursue a preference right purchase of the land under *AS* 38.05.102. No preference right applications have been submitted to DNR yet, however, such applications can be adjudicated by DNR concurrently with this proposed action. If no preference rights applications for these lease areas are received prior to platting the subdivision, LCS may proceed with offering them for competitive sale.

There are three areas of privately-owned land within Section 36 of Township 6 S, Range 8 W, Fairbanks Meridian, as depicted in *Attachment A*: Vicinity Map. Individuals gained title to this land from the federal government between 1966 and 1996. The parcels range in size from 2.67 acres for USS 10832 to approximately 40 acres for Government Lot 3. Government Lot 3 and the land conveyed by patent 50-73-0171 have subsequently been subdivided into smaller parcels. The primary land use of this area is residential. The parcel conveyed by federal patent 50-73-0171 has a history of commercial use, such as the Missile Club lodge in the 1960s and 1970s and the Fireweed Roadhouse throughout the 2000s.

GVEA provides electricity to the current leases and private property in the project area vicinity from distribution lines on both sides of the highway. GCI and MTA have utility easements that extend through the project area, and several occupants within the project area have phone and internet service. GVEA's high-voltage distribution line connecting Nenana and Healy traverses the project area on the east side of the highway. There are two closed materials sites, ADL 415719 and 415720, within or immediately adjacent to the southern boundary of the project area that were never developed.

Per AS 38.04.020(h) Land Disposal Bank, LCS intends to create at least one parcel larger than 5 acres within the subdivision due to the relatively marginal soils and shallow groundwater within the project area. Larger parcels will help facilitate successful development of structures and wastewater systems. Lease ADL 415712 is approximately 11 acres in size, therefore creating a parcel over 5 acres in area is necessary to convey the improvements and approximate geometry of the lease area.

#### XI. Planning and Classification

The project area is within Yukon Tanana Area Plan (YTAP, adopted January 2014), Parks Highway and West Alaska Range Region, unit P-22. Lands within this unit are currently designated Settlement and classified Settlement Land under Land Classification Order No. NC-10-005. The project area consists of a portion of the management unit. LCS reviewed the general management intent of the area plan and management unit for consistency with the proposed offering.

*Unit P-22 / Parks Highway and West Alaska Range Region Considerations:* The management unit is appropriate for land disposals, although only portions may be appropriate for settlement because of widespread wetlands. The suitability for settlement should be determined before preparing a preliminary decision.

LCS chose the project area from the larger YTAP management unit considering accessibility, suitability for settlement, and the location of leases described in **Section X. Background**. The project area is approximately 185 acres, whereas unit P-22 is 2,280 acres. Only approximately 40 to 80 acres of the project area is proposed for parcels to be offered for sale. These decisions have been guided by field inspections of the project area, agency review, and review of the administrative record.

The management intent for unit P-22 states to provide a riparian protection area adjacent to Fish Creek and a 100-foot buffer adjacent to the Parks Highway. Fish Creek is not within 100 feet of the project area. DNR proposes a special exception to exempt part of the project area from the requirement for a 100-foot buffer adjacent to the highway, as discussed in **Section 1. Proposed Actions**.

Areawide Considerations: LCS reviewed the area plan's guidelines in Chapter 2 Areawide Land Management Policies and in the introduction to Chapter 3 Land Management Policies for each Management Unit. LCS will incorporate these considerations into the design and development of the project. Lands to be retained in public ownership, conditions, and reservations will be included on the plat and in offering materials as appropriate. Specific areawide management intent and management guidelines affecting this proposal are discussed below.

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

<u>Cultural Resources</u>: Management Guidelines call for coordination with the Office of History and Archaeology (OHA) if OHA determines that a cultural survey may be required during agency review of a proposed land disposal. Cultural surveys should be considered when OHA reports sites or if there is a high potential for sites. LCS included OHA in the agency review for this project but did not receive a reply. There are no sites documented within or nearby the project area within the Alaska Heritage Resources Survey. OHA will be notified of any cultural resource discoveries during the development of this project, and sale materials will include information regarding archaeological sites.

<u>Fish and Wildlife Habitat</u>: Management Guidelines provide that the ADF&G should be consulted prior to issuing authorizations in an area that may have moose calving and rutting. This applies to land designated Habitat, however, LCS considered this guideline because unit P-22 contains moose rutting, calving, and winter concentration area. No mitigation is proposed because the project area is limited to a small portion of the management unit centered around the Parks Highway, and ADF&G did not express concern during agency review.

<u>Public Access</u>: Management Guidelines provide that prior to disposal of State lands, rights of access will be retained, and reasonable access will be provided across State land to other public or private land. The project area has well-developed

access to areas with highway frontage. The gravel road that provides access to lease ADL 415712, private land within Government Lot 3, and State land within the project area will be reserved as a public access easement as part of the subdivision platting process.

<u>Settlement</u>: Areawide management guidelines regarding settlement include:

- Protect life and property, such as avoiding sensitive areas like wetlands and considering the wildland fire risks.
- Close to mineral entry Settlement designated units prior to sale.
- Retain appropriate green belts, public-use corridors, riparian buffers, wildlife migration corridors, and provide an open space system designed to protect or maintain important uses and values.

This proposal has considered these guidelines as addressed throughout this document. The subdivision design will consider site limitations such as drainage and soil quality and will consider the need for retaining corridors and buffers. A mineral order to close the project area to mineral entry is proposed as a related action. The proposed project will not interfere with any critical recreation or environmental resources and LCS will solicit input from local landowners through the public notice and comment process, as stated in the Coordination and Public Notice subsection above.

The proposed offering will be consistent with areawide land management policies and general management intent of the YTAP and specific management unit if the proposed special exception and mineral order are approved in accordance with *AS 38.04.065 Land Use Planning and Classification*, *AS 38.05.300 Classification of Land*, and *AS 38.05.185 Generally*.

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.

*Special Exception*: DNR proposes a special exception to YTAP to exempt a portion of the project area from the unit P-22 requirement for a 100-foot buffer adjacent to the Parks Highway. DNR proposes this exemption because it would exclude improvements within residential leases from subdivision parcels, and because of the severe limitations on parcel usability this buffer would cause.

*Mineral Order (Closing)*: DNR proposes to close the project area to new mineral entry. There are no mining claims within the project area. Refer to the <u>Mineral Activity and</u> <u>Order</u> subsection of this document for more information on this proposed related action.

<u>Mineral Activity and Order</u>: No mineral activity has been identified on these lands. The entirety of the project area (approximately 185 acres) will be closed to new mineral entry if the mineral order is approved in accordance with *AS* 38.05.185 Generally and *AS* 38.05.300 *Classification of Land* for a land disposal. The proposed mineral order, if approved, will close the area to new mineral entry only and will not affect current existing mining claims. Closing the entire area to mineral entry is consistent with the management intent of the YTAP.

Mineral orders which close an area to mineral entry, close the applicable 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. Area plan land management policy for each management unit states that, in general, areas designated Settlement should 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 Unorganized Borough, and the State does not pursue zoning of private lands.

#### XII. Traditional Use Finding

The project area is within the Unorganized Borough, and a traditional use finding is therefore required under *AS 38.05.830 Land Disposal in the Unorganized Borough*. Information obtained from the YTAP, research, agency review, and site inspections indicate that the project area vicinity is currently used for settlement, limited commercial enterprise, and wild resource harvesting. Residents of Anderson and Nenana report using areas in the vicinity of the project area for subsistence harvest of wild resources, according to ADF&G Division of Subsistence research (Technical Paper Number 429). Anderson residents reported contemporary subsistence search and harvest areas for non-salmon fish, moose, grouse, and ptarmigan within the vicinity of the Parks Highway between Nenana and Anderson. They also reported hunting and trapping small land mammals within an area around Anderson that encompasses the project area. Nenana residents reported contemporary subsistence search and harvest area gathering of berries and greens within the project area vicinity east of the Parks Highway.

As the project area is centered around the Parks Highway and has longstanding residential use, LCS assumes that significant wild resource harvests take place in the broader surrounding area versus strictly within the project area. There are no anticipated significant changes to traditional uses of the land and resources of this area as a result of the proposed action, other than a possible increase in the various traditional activities which may be practiced by new private-property owners. Impacts on existing resource users will be minimized by creating parcels for sale that encompass the existing lease areas and areas immediately adjacent.

Additional information on traditional use is welcome during the public comment period and if this proposal is approved, LCS will address the information received in a subsequent Final Finding and Decision, if one is issued. See the **Section VIII Submittal of Public Comments** at the end of this documents and *Attachment B:* Public Notice for details on how to submit comment.

#### XIII. Access To, Within, and Beyond Project Area

Access to the project area is by the Parks Highway. Most of the lease areas have developed driveways accessing the highway. The gravel road providing access to ADL 415712 and

**Preliminary Decision** Missile Club Subdivision – ADL 421397 Page 12 of 19

Government Lot 3 from the Parks Highway is not authorized where it crosses State land. DNR will dedicate a public access easement encompassing this road as part of the subdivision platting process; however, the State does not maintain the road. The lease areas that have frontage along this road might be required to use it for legal access instead of direct access to the Parks Highway. Subdivision design will consider topography and access to lands beyond the project area and within the project area boundaries.

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 rights-of-way as necessary to ensure unobstructed access to and along the body of water. Regulations dictating the creation of easements or rights-of-way under this statute include 11 AAC 51.035 Determination of Navigable and Public Water, 11 AAC 51.045 Easements To and Along Navigable and Public Water, and 11 AAC 53.450, Buffer Strips, Reserved Areas, and Public Easements.

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 (21) *Definitions*.

LCS 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 reservations in accordance with *AS 38.05.127 Access to Public or Navigable Water*, and a 50 or 100-foot building setback from the OHW of the water body.

*Easements, Setbacks, and Reservations*: Subdivision design may include a variety of easements, setbacks, and retained lands, which will be identified on the subdivision plat and included in related documents. Standards for easements are provided in *11 AAC 51.015* or by local platting ordinances. *11 AAC 53.450* calls for retaining in public ownership a 300-foot strip of land adjacent to primary or secondary State roads. YTAP unit P-22 management intent reduced the width of this reservation to 100 feet. This reservation will be applied to the proposed subdivision outside of the area described in the special exception to the YTAP.

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

- public access easements;
- utility easements;
- 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 Rightsof-Way and 11 AAC 51.065 Vacation of Easements as part of the subdivision development; and
- 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.

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

*Retained Lands:* DNR will retain a 100-foot-wide buffer adjacent to the Parks Highway right-of-way, outside of the special exception area, in accordance with the YTAP unit P-22 management intent, and the 100-foot corridor encompassed by easement ADL 30788 as it crosses the project area. A significant portion of the project area will be remainder tracts retained by DNR, as the primary intent of the subdivision is to convey land within lease areas and land in the immediate vicinity of the leases.

#### XIV. Hazardous Materials and Potential Contaminants

During ground field inspections conducted on August 15, 2019, September 16, 2020, and September 24, 2020, field staff observed potential environmental hazards within the project area. On September 16, 2020, LCS staff observed two partially full drums within former lease ADL 415714. One drum was upright, the other was on its side until tilted upright by LCS staff. The underlying vegetation did not appear to have signs of contamination. Both drums were weathered but appeared intact and with closed bungs. The drums labels indicated that the contents might be hazardous waste. LCS and DMLW's Statewide Abatement of Impaired Lands (SAIL) section coordinated to characterize the drums contents with a waste contractor. The pending results will inform the appropriate disposal of these drums.

On September 24, 2020, LCS staff observed a partially full drum within former lease ADL 415718 with unclear markings. The drum was weathered but appeared intact and with closed bungs. There are numerous other drums within virtually all lease areas, however, all those observed by LCS staff were cut open and clean, open and empty, or inferred to be empty based on apparent mass.

All of the former lease areas have miscellaneous debris, which in some cases is extensive. Complete assessment of this debris is complicated by the potential presence of buried infrastructure, such as underground fuel storage tanks, and degraded structures that make investigation unsafe in some areas.

Based on information within an Interior Board of Land Appeals decision pertaining to the rejected T&M site application (decision *007IBLA083*), several of the lease areas had below ground improvements typical for residential habitation: water supply and wastewater systems. LCS has no documentation about the location and condition of these systems. Based on 2019 and 2020 site inspections, lease areas ADL 415711, 415712, 415717 have above ground heating oil tanks on site, and ADL 415715 and 415718 have below ground heating oil tanks. The condition of these fuel tanks is unknown. Lease areas ADL 415713, 415714, and 415716 formerly had heating oil tanks on site based on site inspections conducted by DMLW in the 1990s. LCS does not have documentation on the prior use of heating oil and other petroleum products within the lease areas.

There are no known environmental hazards present within the project area beyond the items mentioned above; 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.

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

#### XV. Survey, Platting, and Appraisal

After evaluating 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.

The project area is located within the Unorganized Borough, and therefore survey and platting will be subject to State of Alaska subdivision standards.

In accordance with *AS 38.05.840 Appraisal*, an appraisal meeting DNR 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 DMLW staff, to evaluate 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 or purchase price for the sale of State land.

#### XVI. 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 September 9 through September 23, 2020. 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.

<u>Department of Environmental Conservation (DEC) Comment</u>: DEC requests that the subdivision parcel sizes and geometry allow for adequate separation distances between wells and onsite wastewater systems, as required in *18 AAC 72.020* and *18 AAC 80.020*. These separation distances apply within a parcel and to neighboring parcels. Also consider that areas with poorly draining soils may require an engineered wastewater system, which are more costly and require more land area than a conventional onsite wastewater system.

*DNR DMLW LCS Response*: LCS appreciates your input on the subdivision proposal. There are some residential leases within this subdivision that will be near to our minimum parcel size of 40,000 square feet due to the existing development within the lease areas. However, most of the parcels in this subdivision will be substantially larger, for example, parcels of approximately two to ten acres in area.

Subdivision design will generally avoid wetlands and parcels intended for sale will not be continuous through the project area. Parcels will be created in areas more suitable for development and close to existing access corridors. LCS informs potential purchasers that wells and wastewater systems must be installed in compliance with DEC regulations.

<u>Department of Fish and Game (ADF&G) Comment</u>: ADF&G has no fish or wildlife concerns with the proposed subdivision.

DNR DMLW LCS Response: LCS appreciates your review of our proposal.

<u>DNR Division of Oil & Gas (DOG) Comment</u>: DOG has no objection to the proposed land disposal and noted there are no third-party authorizations or pending applications on the property. DOG appreciates that DMLW makes potential purchasers aware that the State retains the mineral estate and that mineral orders closing the land to locatable mineral resources do not apply to leasable mineral resources.

*DNR DMLW LCS Response:* LCS will continue to provide information about State reservations of title and the applicability of mineral orders on the mineral estate in decision documents and the sales materials.

<u>DNR Division of Forestry (DOF) Comment</u>: Wildland fire management and planning should be considered for the subdivision, as extreme fire behavior and heavy, continuous fuels are common in this area. While the proposed subdivision is in the critical fire management option, DOF has long response times due to its distant location from Fairbanks. A few parcels should be reserved to provide safety zones for subdivision residents, and Firewise principals can help ensure adequate safety zones. DOF recommends developing a Community Wildfire Protection Plan (CWPP) for this subdivision, and DOF can provide advice for its development. Fuels reduction projects, landowner participation in Firewise, and other mitigation efforts constitute a well-developed CWPP.

*DNR DMLW LCS Response:* Based on this agency review input, LCS coordinated further with DOF about the subdivision design to minimize the wildfire danger. Because the subdivision is centered on residential leases along the Parks Highway, most parcels will have easy egress. LCS plans on the subdivision having only up to 16 parcels with large tracts of State retained land within the project area. DOF stated that given the subdivision plans, a safety zone may not be effective or needed.

As discussed with DOF, LCS will not be able to lead the development of a CWPP on behalf of a subdivision. CWPPs within Alaska appear to be developed within municipalities or communities, whereas the project area is without any such organization. DOF agreed that individuals within the project area taking precautions based on Firewise principles will be more effective. LCS will make potential purchasers aware of *Firewise* literature.

<u>Department of Transportation (DOT) Comment</u>: DOT noted that highway access to individual parcels should be minimized or prohibited, and that driveways and approach roads require advance permits. DOT requests that LCS work with the DOT Northern Region Right-of-Way (ROW) Group to ensure access is appropriately permitted and constructed.

*DNR DMLW LCS Response*: LCS has engaged DOT Northern Region ROW Group about the subdivision proposal and about debris potentially encroaching in the highway ROW within the project area. LCS will coordinate further with DOT as the project moves forward.

Subdivision design will minimize highway access from individual parcels. As this subdivision is centered around developed residential leases with existing driveways and an access road already in use, LCS does not anticipate applying for permits or constructing additional access. LCS is willing to coordinate with DOT to identify redundant driveways and to note in the subdivision plat which provide legal access to parcels.

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

- Alaska Railroad;
- Department of Commerce, Community, and Economic Development;
- Department of Natural Resources;
  - Division of Agriculture;
  - Division of Geological & Geophysical Surveys;
  - o Division of Parks and Recreation, Field Operations;
  - o Division of Parks and Recreation, Office of History and Archaeology;
  - Mental Health Trust Land Office;
  - Office of Project Management and Permitting;
  - State Pipeline Coordinator's Section; and
- Fairbanks Soil and Water Conservation District.

#### XVII. Submittal of Public Comments

#### See Attachment B: Public Notice for specific dates and conditions.

Pursuant to *AS 38.05.945 Notice*, LCS is issuing public notice inviting comment on this Preliminary Decision, draft special exception, 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 to hold a public hearing.

LCS will consider all timely, written comments received. If analysis of such comments indicates the need for significant changes to the Preliminary Decision, draft special exception, or draft

**Preliminary Decision** Missile Club Subdivision – ADL 421397 Page 17 of 19

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, draft special exception, and draft mineral order including any deletions, minor changes, and summary of comments and LCS responses will be issued as a subsequent Final Finding and Decision, Special Exception to the YTAP, and Mineral Order 1250 without further notice. All related actions will be developed separately. However, approval of any action is dependent upon one another. One action will not proceed without approval of all actions.

Only persons from whom LCS receives timely, written comment during the identified comment period will be eligible to file a request for reconsideration of the Final Finding and Decision, Special Exception to the YTAP, and Mineral Order 1250. Upon approval and issuance of these actions, a copy of the decision, special exception, and order will be made available online at <a href="http://landsales.alaska.gov/">http://landsales.alaska.gov/</a> and sent with an explanation of the request for reconsideration process to any party who provides timely written comment.

LCS 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 B:* Public Notice.

## DEADLINE TO SUBMIT WRITTEN COMMENT IS 5:00 PM, TUESDAY, MARCH 2, 2021

#### **XVIII.** Alternatives and Discussion

LCS is considering the following alternatives:

<u>Alternative 1</u>: (Preferred) Survey and plat a subdivision consisting of up to 16 parcels no smaller than 40,000 square feet in area, and additional remainder tracts as necessary, and offer the parcels for sale. The development and offering of these parcels may be completed in multiple stages. This proposal includes the special exception to the YTAP and mineral order. This alternative allows for the concurrent adjudication of potential preference right applications for leases ADL 415712 and 415715.

<u>Alternative 2</u>: Survey and plat a subdivision of only two parcels encompassing lease areas ADL 415712 and 415715, and additional remainder tracts as necessary, and offer the parcels for sale. This proposal includes the special exception to the YTAP and mineral order. This alternative allows for the concurrent adjudication of potential preference right applications for leases ADL 415712 and 415715.

<u>Alternative 3</u>: (No Action) 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

Missile Club Subdivision – ADL 421397 Page 18 of 19

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 meet the obligations laid out in the Constitution and statute and maximizes public interest. This alternative provides an opportunity for lessees that own improvements to gain title to the underlying land, for the State to sell areas formerly under lease, and for the public to obtain land for settlement in a rural area with developed access and utilities. This proposal, if approved in a subsequent Final Finding and Decision, will allow LCS 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 more Alaskans to purchase land within this area and would distribute the subdivision development costs over a greater number of parcels. Due to the unique history of this area, location relative to the communities of Anderson and Nenana, and the proximity to existing residential private property, the project area is better suited to subdivision prior to offering. Alternative 1 is preferred.

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

Alternative 2 does not maximize public interest and financial return to the State. While this alternative would provide an opportunity for lessees that own improvements to gain title to the underlying land, it would deny many Alaskans the opportunity to purchase land and deny the State the opportunity to sell areas formerly under lease. This alternative would not provide a financial return to the State because of the costs of development would likely exceed the revenue. Alternative 2 is not preferred.

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

Alternative 3 does not met the legislative and public desire for DNR to offer State-owned land for private ownership. Retention of this land would remove the means of conveying land with improvements from current and former leases and inhibit DNR from meeting its constitutional, statutory, and legislative goals. Not offering the project area would deny many Alaskans the opportunity to obtain land in an area that is suited to settlement and consistent with the surrounding development. Alternative 3 is not preferred.

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

Recommendation follows.

#### XIX. Recommendation

Page 19 of 19

This Preliminary Decision for the proposed disposal of State lands, Special Exception to the YTAP, and Mineral Order 1250 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, Special Exception to the YTAP, and/or Mineral Order 1250. If the decision is approved, Special Exception to the YTAP, and Mineral Order 1250 will accompany and precede any Final Finding and Decision issued.

/s/

Prepared by: Colin Craven Natural Resource Specialist Land Conveyance Section Division of Mining, Land and Water Department of Natural Resources State of Alaska

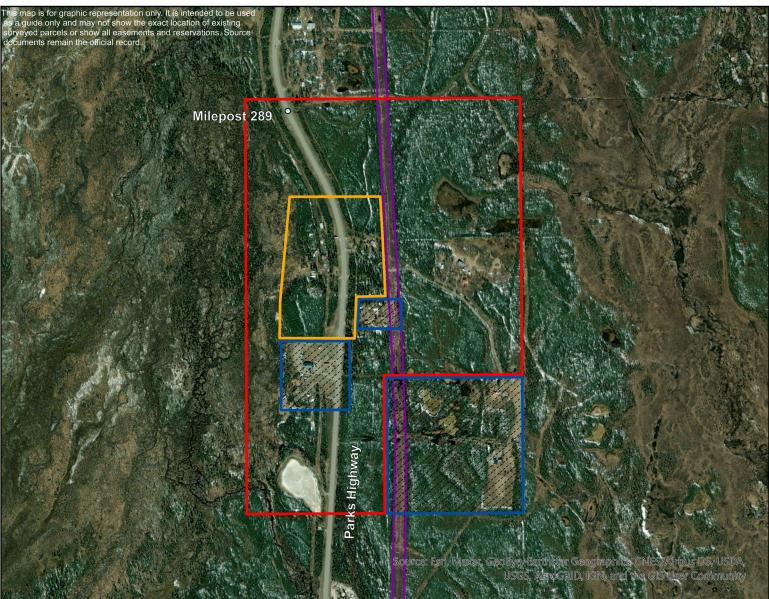
/s/

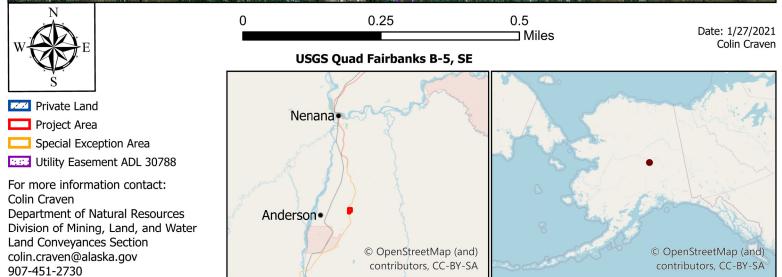
Approved by: Tim Shilling Natural Resource Manager II Land Conveyance Section Division of Mining, Land and Water Department of Natural Resources State of Alaska Jan. 28, 2021 Date

Jan. 28, 2021 Date

# Attachment A: Vicinity Map Missile Club Subdivision ADL 421397



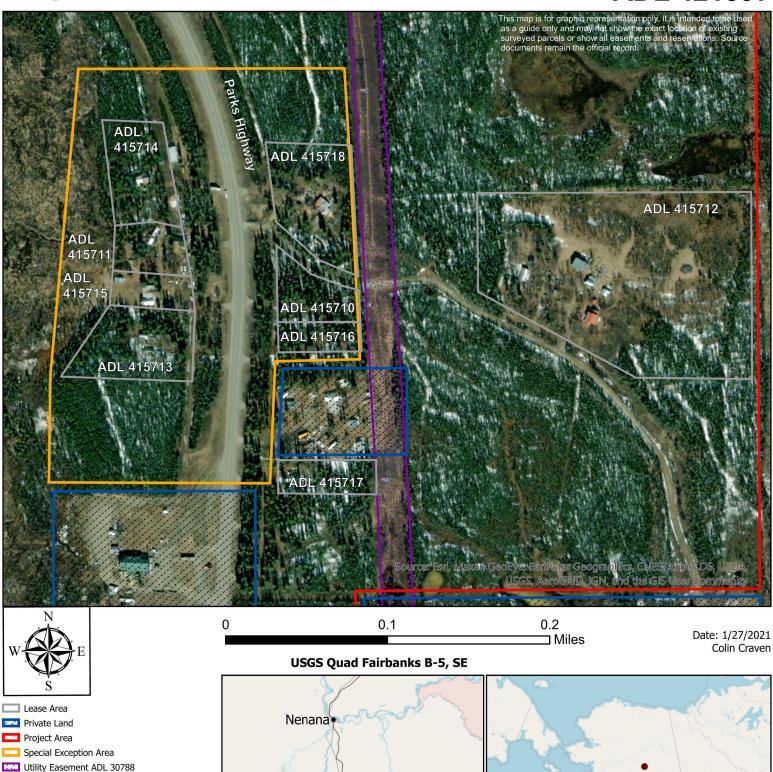




# Northern Region

# Attachment A: Lease Map Missile Club Subdivision ADL 421397





Anderson•

For more information contact: Colin Craven Department of Natural Resources Division of Mining, Land, and Water Land Conveyances Section colin.craven@alaska.gov 907-451-2730



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

# ATTACHMENT B: PUBLIC NOTICE

## Requesting Input for a Proposed Land Offering: Missile Club Subdivision – ADL 421397

## COMMENT PERIOD ENDS 5:00PM, TUESDAY, MARCH 2, 2021

This proposed project includes offering for sale surveyed parcels in a future offering under the method described in the Preliminary Decision document, including the proposed related actions. The project may be subdivided and offered in multiple offerings over time.

The Missile Club Subdivision project area is located between Parks Highway mileposts 288 and 289, approximately 4 miles east of Anderson, within Section 36, Township 6 South, Range 8 West, Fairbanks Meridian, within the Unorganized Borough

DNR proposes to sell land within the Missile Club project by developing a subdivision of no more than 16 parcels varying in size, but no smaller than 40,000 square feet, and additional remainder tracts, as necessary. The project area consists of approximately 185 acres, with up to 80 acres identified for disposal by this proposed action.

To obtain a copy of the Preliminary Decision, Mineral Order, Special Exception, or instructions on submitting comment, go to <a href="http://landsales.alaska.gov/">http://landsales.alaska.gov/</a> or <a href="http://aws.state.ak.us/OnlinePublicNotices/">http://landsales.alaska.gov/</a> or <a href="http://aws.state.ak.us/OnlinePublicNotices/">http://aws.state.ak.us/OnlinePublicNotices/</a>. 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, Fairbanks at 907-451-2705, or the Southeast Land Office in Juneau at 907-465-3400 (TTY for the hearing impaired for all locations: 711 for Alaska relay or 800-770-8973), or go to <a href="http://dnr.alaska.gov/commis/pic/">http://dnr.alaska.gov/commis/pic/</a> 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, Tuesday, February 23, 2021.

Pursuant to *AS 38.05.945 Notice*, the public is invited to submit comment on the Preliminary Decision, Mineral Order, and/or Special Exception for which notice is being conducted concurrently. If commenting on more than one proposed action, separate comments should be submitted for each. **The deadline for public comment is 5:00PM, TUESDAY, MARCH 2, 2021.** Only persons from whom DNR DMLW LCS 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, fax, or postal mail. To submit comments or for direct inquiries, contact Colin Craven, DNR Land Sales, 3700 Airport Way, Fairbanks, AK 99709, <u>land.development@alaska.gov,</u> fax # 907-451-2751. If you have questions, call Colin Craven at 907-451-2730.

If no significant change is required, the Preliminary Decision and related actions including any minor changes and a summary of comments and responses, will be issued as the Final Finding

#### Attachment B: Public Notice

Missile Club Subdivision – ADL 421397 Page 2 of 2

and Decision, Mineral Order 1250, and Special Exception to the Yukon Tanana Area Plan without further notice. A copy of the Final Finding and Decision and related actions will be sent to any persons who commented timely on the Preliminary Decision.

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