

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

PRELIMINARY DECISION
Boulder Lode Subdivision – ADL 420891

Proposed Land Offering in the Fairbanks North Star 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, TUESDAY, AUGUST 22, 2023

I. Proposed Action(s)

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Attachment A: Vicinity Map

Attachment B: Public Notice

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

Draft Mineral Order (Closing) MO 1220

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 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 Boulder Lode project area for the purpose of providing land for settlement by developing a subdivision of no more than ten parcels each no smaller than one acre. Subdivision design may include additional tracts, as necessary. The project area consists of approximately 14.3 acres identified for disposal by this proposed action. The project area may be subdivided and offered in multiple stages.

If this proposed primary action is approved, the actual area offered for sale may consist of all or only a portion of the overall project area. 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 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.

Proposed Related Action: This related action will be developed separately, however; public notice is being conducted concurrently.

Mineral Order (Closing): DNR proposes a mineral order to close the project area to new mineral entry. There are no active mining claims within the project area. Refer to the

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Mineral Activity and Order(s) subsection of this document for more information on this proposed related action.

This related action will be developed separately. However, 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. Public notice for all actions is being conducted concurrently.

Public Meeting: LCS will hold a public meeting to discuss the proposal and share information. The meeting will be held at DNR Northern Regional Office at 3700 Airport Way in Fairbanks on Wednesday, July 19, 2023.

See **Section XVIII. 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 FFD 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*.

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*.

For related actions, *AS 38.05.300 Classification of Land* and *AS 38.05.185 Generally* allow for mineral orders.

IV. Administrative Record

The project file, Boulder Lode Subdivision - ADL 420891, constitutes the administrative record for this proposed action. Also incorporated by reference are:

- Eastern Tanana Area Plan (ETAP) for State Lands adopted August 2015 and associated land classification files.
- *Alaska Interagency Wildland Fire Management Plan, 2021 (2022 Review)*.

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- *Alaska Department of Fish and Game Catalog of Waters Important for the Spawning, Rearing, or Migration of Anadromous Fishes.*
- *Alaska Resource Data File No. FB089* (McGrath occurrence).
- *Arsenic Exposure from Private Wells – Fairbanks Area, 2016.* State of Alaska Epidemiology Bulletin No. 14, May 17, 2016.
- *Arsenic, Nitrate, Iron, and Hardness in Groundwater, Chena Hot Springs Road, Steele Creek Road, and Gilmore Trail Areas (T.1N., R.1E., FM), Fairbanks, Alaska.* 1982. USGS Open-File Report 82-356.
- Custom Web Soil Survey Report for this project, USDA, Natural Resource Conservation Service (NRCS).
- *Naturally occurring arsenic in interior Alaska groundwater,* Alaska DNR DGGS Information Circular 71.
- *Radon in Alaska – Current Knowledge and Recommendations.* State of Alaska Epidemiology Bulletin No. 25, October 6, 2015.
- Other case files, reports, or documents 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 proposed 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.

VI. Location

The project area is located within DNR's Northern Region, approximately 6 miles northeast of Fairbanks and 3 miles south of Fox. See *Attachment A: Vicinity Map.*

Platting Authority: The project area is within the Fairbanks North Star Borough (FNSB) and subject to the borough's platting authority.

Native Regional and Village Corporations: The project area is within the boundaries of the Doyon regional corporation. There are no Native villages located within 25 miles of the project area.

VII. Property Description

Government Lot 12 of Section 18, according to the BLM supplemental plat of Section 18, Township 1 North, Range 1 East, Fairbanks Meridian, Alaska, accepted for the Director on July 30, 1984 by the Deputy State Director for Cadastral Survey, Alaska, containing 14.3 acres, more or less.

VIII. Title

Title Report No.11814, current as of April 1, 2019 indicates the State of Alaska holds fee title to the land and mineral estate within the project area under patent 50-86-0408, dated September 5, 1986. The applicable State case file is GS-958. The parcel is subject to the reservations, easements and exceptions contained in the federal patent.

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

The Bureau of Land Management has determined that there are no waters determined navigable within the project area.

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 ground field inspection conducted in September 2017, March 2018, September 2018, and September 2022. This is by no means a complete description of the project area and if this proposal is approved and the area offered for sale, it will be the responsibility of interested parties to inspect individual parcels prior to purchase to familiarize themselves with the physical characteristics of the land.

Terrain and Major Features: Most of the project area slopes to the west, except for the eastern portion that slopes to the south. Slopes vary from approximately 5 to 13%.

View: Local views.

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Vegetation: Primarily mature poplars and birch with limited white spruce. The understory consists largely of high bush cranberry, dwarf dogwood, wild rose, and grasses.

Soils: Soils within the project area generally consist of 20 to 40 inches of well-drained silt loam over weathered schist bedrock. These soils are extremely susceptible to gullyng and may be mildly susceptible to seasonal frost action. The DNR Division of Geological and Geophysical Surveys (DGGs) noted that the project area is underlain by three or more feet of loess over bedrock and with little to no potential for permafrost. Some well logs for water wells drilled within the Blueberry Ridge Subdivision north of the project area reported permafrost encountered near the ground surface to 63 - 100 feet deep. These occurrences of permafrost were limited to parcels on the north side of the ridge that have a northern or northwestern aspect. The NRCS custom web soil report states that development of residential structures in this soil complex can be complicated by slope and depth to bedrock. However, the slopes within the project area are moderate and residential development surrounds the project area.

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

Geologic Hazards: According to information provided by DNR DGGs, the project area is within the Fairbanks seismic zone, which has been active within the last 150 years with earthquakes of magnitudes between 5.0 and 6.0. The nearby Salcha seismic zone has had the largest recorded seismic event within Interior Alaska (magnitude 7.3 in 1937). The risk posed by building within an active seismic zone should be accommodated by following appropriate construction best practices. While there are currently no residential building code requirements within the FNSB, the City of Fairbanks specifies the seismic design category D1 from the International Residential Code (IRC). The International Code Council makes the IRC available for public access on their website.

Intrusion of radon gas into occupied buildings is a significant hazard in Alaska, and test data has shown that buildings in Fairbanks have some of the highest concentrations in the state. Radon gas is hazardous because inhaled particles undergo radioactive decay, presenting a long-term risk of lung cancer for individuals with sufficient exposure. DNR DGGs provides resources for the public on testing indoor air for radon and reducing radon intrusion into buildings. The most effective means of radon mitigation are integrated into new building construction.

Fire Information: Pursuant to observations from the various field inspections and information received from the Division of Forestry, fire risk in the area is likely low. There is no reported history of fires within the vicinity. The project area is within the Steese Fire Service Area.

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 the project area is "Critical." The policy on areas with the "Critical" management option reads that wildfires "occurring in the Critical

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Management Option or that threaten Critical sites are assigned the highest priority for suppression actions and assignment of available firefighting resources.” The Fire Management Plan states that there is no guarantee of protection from wildfire in any management option.

Flood Hazard: The project area is within FEMA Flood Insurance Rate Map Community Number 02090C3440J. The project area is within flood Zone X, defined as being outside of the 0.2% annual chance floodplain.

Water Resources: All surface and subsurface waters on all lands in Alaska are a public resource, subject to appropriation in accordance with the Alaska Water Use Act (AS 46.15). There are 20 subsurface water rights within a ¼-mile of the project area boundary. Well logs in the vicinity indicate well depths ranging from 100 to 200 feet and yields ranging from 2 to 15 gallons per minute. DNR DGGS noted that groundwater in the area is generally of good quality, typically with high hardness and low iron content, but with relatively low yields and large drawdown. High levels of arsenic have been found in several wells within a mile of the project area. There is large variability in the arsenic concentrations in well water from areas where arsenic is known to occur. In a study of arsenic exposure from private water wells around Fairbanks, the State of Alaska Epidemiology recommended that homeowners should test private wells annually for arsenic and other contaminants.

Utilities: This area is currently served by the Golden Valley Electric Association. Electrical distribution lines currently exist on several boundaries of the project area.

Waste Disposal: A FNSB operated transfer station accessible from the Old Steese Highway is located approximately four miles south of the project area. All on-site wastewater disposal systems must meet the regulatory requirements of the Alaska Department of Environmental Conservation.

X. Background

The Boulder Lode Subdivision project area is located immediately east of the Old Steese Highway in the hills north of Fairbanks within a developed residential area. The project area was identified by a public nomination to sell State owned land circa 2017. LCS initiated the proposal for the Boulder Lode Subdivision soon after receiving the nomination.

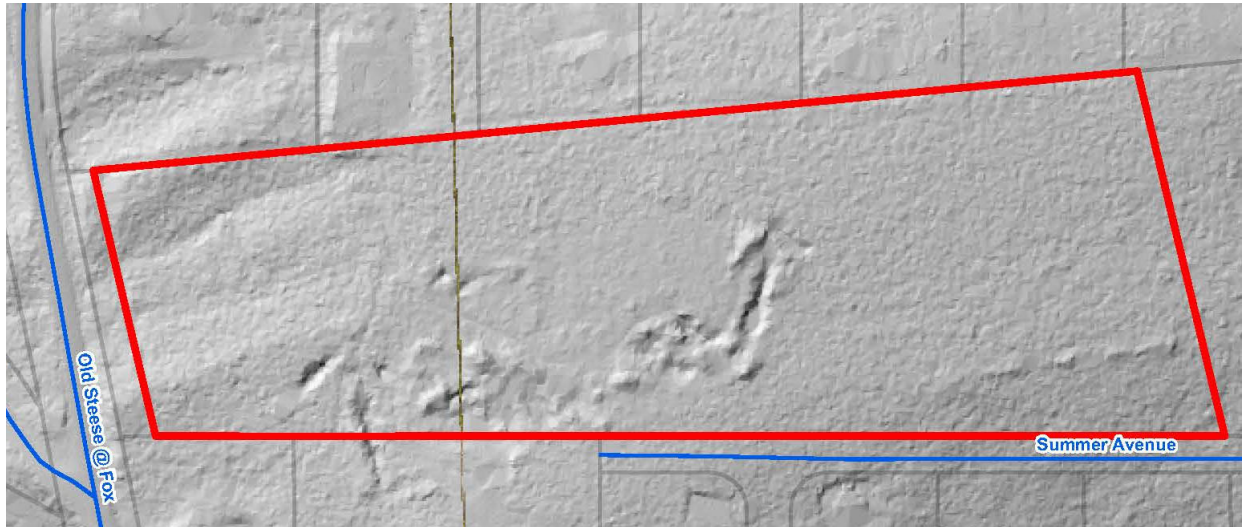
The project area is a portion of the former Boulder Lode federal mining claim defined by US Mineral Survey 2248. Exploration within the mining claim included an 80-foot shaft which collapsed due to inadequate bracing, according to the Alaska Resource Data File (ARDF) citing a 1957 study specific to the claim. While the ARDF stated that subsequent prospecting was limited to surface work and short shafts, the notes from Mineral Survey 2248 for survey work conducted in 1972 document four mining shafts with depths ranging from 33 to 100 feet. The BLM closed the federal mining claim in 1976. State mining claims ADL 353610 and ADL 353611 were staked within the project area in 1982. The State received patent to the project area in 1986 and the mining claims were abandoned in 2010. Based on the affidavits of annual labor, there was little activity within the State mining claims beyond clearing of vegetation, limited excavations, and some testing. Multiple overgrown trenches and overburden piles remain within the project area from the mining exploration. USMS 2248 documents the location of four shafts; nothing clearly identifiable as a shaft was located during DNR field inspections. DNR DMLW

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Mining Section stated that these former shafts present little to no risk for future development beyond minimal subsidence. The surface disturbances from mining exploration are visible in a digital terrain model accessible from DGGS's Elevation Portal, as illustrated below where the subdivision project area is defined by a red polygon.



A narrow trail runs approximately east-west from the utility corridor adjacent to the Old Steese Highway through the eastern boundary of the project area. The trail presumably originates from prior mining activities. There appears to be very little use of the trail based on field inspections. The trail largely traverses the center of the project area where a subdivision access road would likely be developed. DNR does not intend to reserve public access specifically for this trail.

The project area is mostly gently sloping with a westerly to southwesterly aspect. It is well drained and vegetated with balsam poplar, quaking aspen, birch, and limited white spruce. The project area is situated near the top of a hill that provides warmer air temperatures in winter because of the regional inversion. It is surrounded by other residential property and is well suited for settlement.

The land in the project area vicinity is privately owned and primarily residential with parcels ranging in size from approximately 1 to 3 acres. The land to the north, east, and west of the project area is part of the Blueberry Ridge Subdivision. This subdivision created a small parcel (Lot 13, Block 2) approximately 0.4 acres in area located between the Old Steese Highway and the project area that is currently owned by the Alaska Department of Transportation (DOT). The Bobbi's Park and Prospect Park Subdivisions bound the project area to the south.

DNR is considering several options for development, including subdividing the project area into ten parcels each approximately 1.3 acres in area or four parcels between 2.5 and 5 acres. Per FNSB requirements, subdivision of the project area would require construction of access to FNSB road standards. DNR is considering constructing a cul-de-sac road from the Old Steese Highway.

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XI. Planning and Classification

The project area was not captured in the Eastern Tanana Area Plan (adopted 2015). Pursuant to Determination NC-10-004-D03 signed October 20, 2017 and Determination NC-10-004D12 signed August 14, 2020, the project area has been included in nearby unit F-47. Lands within this unit are currently designated Settlement, and classified Settlement Land. The general management intent of the area plan and Unit F-47 was reviewed for consistency with the proposed offering.

Fairbanks Region/Unit F-47 Considerations: The ETAP states that portions of F-47 are of sufficient size to warrant disposal after careful evaluation.

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

Coordination and Public Notice: Management guidelines provide that public notice will be given for the disposal of land pursuant to *AS 38.05.945 Notice*, and recommends review of the FNSB comprehensive plan and zoning map.

Public notice for this action is being conducted in accordance with *AS 38.05.945 Notice*. Refer to *Attachment B: Public Notice* and **Section XVIII. Submittal of Public Comments** for more information. The comprehensive plan and zoning of the FNSB were reviewed and considered. The project area is within the Preferred Residential designation of the FNSB Regional Comprehensive Plan, and is zoned Rural Residential.

Cultural Resources: 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 where OHA reported sites exist or where there is a high potential for such sites to exist.

During agency review, OHA indicated that there are no reported cultural resource sites within the identified area. OHA did not recommend a cultural resource survey. OHA will be notified should any discovery of cultural resources occur during the development of this project, and offering materials will include information regarding archaeological sites.

Fish and Wildlife Habitat: Areawide management guidelines for fish and wildlife habitat apply to areas designated or co-designated Habitat. Management guidelines do not address any specific management intent or management guidelines specific to settlement.

Management intent specific to Unit F-47 did not address any habitat considerations. ADF&G was consulted during agency review and stated no fish or wildlife concerns.

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Forestry: Management guidelines for forestry state that timber harvests are appropriate in settlement-designated land to reduce wildfire potential, support subdivision development, or help provide access. The subdivision access road into the Boulder Lode project area will be too small and of insufficient value for commercial timber harvest. DNR is not proposing any timber harvest in advance of subdivision development.

Materials: Areawide management guidelines state that if a settlement area contains high-value material resources, they should be identified and retained for future use. DNR is not aware of any high-value materials within the project area and does not intend to retain a material site.

Public Access: Management guidelines cover general public access and management of trails within and between developing areas. Generally, before selling State land, DNR will reserve public use easements pursuant to the requirements of *11 AAC 51.015 Standards for Public Easements*.

LCS is proposing to develop a subdivision accessible by a road meeting the requirements of FNSB Title 17 without any additional access reservations.

Settlement: This section provides management guidelines regarding:

- Planning and coordination with local plans and governments.
- Types of settlement and land offerings.
- Protection, management, and enhancement of other resources.
- Design guided by considerations such as the cost of public services and ensuring access.

These guidelines have been considered in the development of this proposal. The proposed project will not interfere with any critical recreation or environmental resources and is consistent with local plans and zoning. LCS will solicit input from local landowners and the FNSB through the public notice and comment process.

Subsurface Resources: This section provides management guidelines regarding mineral closures and oil and gas resources. To close an area to mining, the DNR Commissioner must determine that mining is incompatible with a significant use of the surface estate.

The Boulder Lode Subdivision is currently subject to leasehold location order 39. To avoid potential conflicts between the surface estate and subsurface estate, LCS proposes to close the project area to mineral entry. Refer to the *Mineral Activity and Order(s)* section for more information. If approved, Mineral Order 1220 will close the project area to mineral entry. During the agency review for this project, DNR Division of Oil and Gas (DOG) expressed no objection to the proposed disposal, and noted there are no DOG authorizations or pending applications in the immediate vicinity.

DNR DGGS noted in agency review that the project area is within 1,000 feet of a known lode-gold vein called the McGrath occurrence. Several shafts are depicted on US Mineral Survey 2248. DGGS noted that after the 1950s, most of the prospecting has been confined to surface work, and it is unlikely that mineral exploration or

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development will occur in the project area due to it being surrounded by a residential subdivision.

The proposed offering will be consistent with areawide land management policies and general management intent of the ETAP and specific management unit if the proposed mineral order is approved in accordance with *AS 38.05.300 Classification of Land* and *AS 38.05.185 Generally*.

Mineral Activity and Order(s): No current mineral activity has been identified on these lands. The entirety of the project area will be closed to 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.

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 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. ETAP states that areas designated settlement should be closed to mineral prior to sale.

Local Planning: The project area is within the FNSB 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 FNSB Regional Comprehensive plan. Review of that plan did not indicate any conflicts with proposed land disposal. The FNSB has zoned the area Rural Residential, which requires a minimum lot size of 40,000 square feet.

XII. Traditional Use Finding

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

XIII. Access To, Within, and Beyond Project Area

Legal access to the project area is via Summer Avenue, which connects to Hagelbarger Avenue, a connector road between the Old Steese and Steese Highways. Summer Avenue is a 50-foot wide road right-of-way dedicated by the Grand View Subdivision to the east, continuing through the Prospect Heights Subdivision along the southerly boundary of the project area. Summer Avenue is unconstructed past its intersection with Vernal Street, leaving approximately 450 feet of undeveloped road between Summer Avenue and the project area.

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Legal access to the project area is also from the Old Steese Highway, if DOT grants access across Lot 13, Block 2 of the Blueberry Ridge Subdivision.

The project area is within the Tan Terra Road Service Area administered by the FNSB. The project area is subject to the platting authority of the FNSB. Approval of platting actions and dedication of rights-of-way will require separate processes and public notices through the borough.

Access To and Along Public or Navigable Waters: In accordance with *AS 38.05.127 Access To Navigable or Public Water*, DNR will determine if a 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* and *11 AAC 51.045 Easements To and Along Navigable and Public Water*.

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 reservations in accordance with *AS 38.05.127 Access to Public or Navigable Water*, and a 50-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 documents. Standards for easements are provided in *11 AAC 51.015* or by local platting ordinances. 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 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 Rights-of-Way* and *11 AAC 51.065 Vacation of Easements* as part of the project 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.

XIV. Hazardous Materials and Potential Contaminants

During the field inspections conducted from 2017 through 2022, field staff did not observe any environmental hazards within the project area. An abandoned scooter and various trash, such as empty 55-gallon drums and gas cans, were observed on the property; however, no hazardous materials were observed. There are no known environmental hazards present within

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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.

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

XV. 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 for sale, a combination of survey, subdivision, and/or platting actions may be required.

This proposed project area is located within the FNSB, 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 DNR issues a FFD, if this proposed action is approved.

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. DNR will consider selling project area parcels in multiple offerings over time to mitigate "flooding" the local market.

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 July 9 through July 25, 2018. Comments pertinent to this proposed action received during agency review have been considered and addressed below. Additional timely comments received during the Public Notice period will be considered and addressed in a subsequent Final Finding and Decision, if one is issued.

DNR DMLW LCS received brief comments of non-objection from the following agencies:
DNR Division of Forestry and DNR Division of Parks and Outdoor Recreation.

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

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Department of Fish and Game (ADF&G) Comment: ADF&G had no fish or wildlife concerns related to the subdivision. ADF&G recommended a subdivision design retaining the recreational use trail within the project area.

DNR DMLW LCS Response: LCS appreciates ADF&G's review of the subdivision proposal. The trail within the project area appears to be primarily a relic from past mining activities. There is little indication of trail use and the draft update of the FNSB Recreational Trail Plan does not show any trails within or nearby the project area.

If public comment indicates support, LCS may reserve a short trail easement along a parcel boundary connecting the subdivision access road and the adjacent undeveloped Summer Avenue right-of-way (i.e. public land), assuming subdivision road access is from the Old Steese Highway. If subdivision access is developed instead from Summer Avenue, DNR would not reserve such a trail easement to the Old Steese Highway because it would encourage pedestrian use of a road with frequent, high-speed vehicle traffic.

DNR Division of Oil and Gas (DOG) Comment: DOG expressed no objection to the proposed disposal, and noted there are no DOG authorizations or pending applications in the immediate vicinity. DOG appreciates LCS alerting potential purchasers about the State retention of and access to the mineral estate, and that mineral orders do not apply to leasable mineral resource exploration, development, or production.

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.

DNR Office of History and Archaeology (OHA) Comment: Review of the Alaska Heritage Resource Survey database indicated there were no known cultural resource sites within the subdivision area. However, OHA noted that only a very small portion of the state has been surveyed. Should inadvertent discoveries of cultural resources occur, OHA should be notified so that they may evaluate whether the resources should be preserved in the public interest.

DNR DMLW LCS Response: LCS appreciates OHA's review of the proposed decision. OHA will be contacted should any discoveries be made during development. LCS will continue to notify potential purchasers of archaeological requirements in the land sale offering materials.

DNR Department of Environmental Conservation (DEC) Comment: DEC noted that the project area is not near an active registered public water system source. Because future residents within the project area might install non-public wells, DEC recommends informing prospective well owners of best management practices for well installation.

DNR DMLW LCS Response: LCS appreciates your review of our proposal. LCS will refer any interested parties to DEC for current guidance on best management practices for water wells.

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DNR Division of Geological & Geophysical Surveys (DGGS) Comment: DGGS described the project area soil conditions and geologic hazards, as summarized in **Section IX. Physical Characteristics and Hazards**, and mineral resources as summarized in **Section XI. Planning and Classification**.

DNR DMLW LCS Response: LCS appreciates DGGS providing information relevant to the proposed subdivision. The information has been incorporated into this preliminary decision.

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

- Alaska Association of Conservation Districts.
- Alaska Mental Health Trust Land Office.
- Alaska Railroad.
- Department of Commerce, Community, and Economic Development.
- Department of Natural Resources:
 - Division of Agriculture,
 - Office of Project Management and Permitting, and
 - State Pipeline Coordinator's Section.
- Fairbanks Soil and Water Conservation District.
- University of Alaska.

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 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 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 LCS responses will be issued as a subsequent Final Finding and Decision and Mineral Order 1220 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.

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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 and Mineral Order 1220. Upon approval and issuance of a Final Finding and Decision and this action, a copy of the decision and order will be made available online at <http://landsales.alaska.gov/> 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, AUGUST 22, 2023

XVIII. Alternatives and Discussion

LCS is considering the following alternatives:

Alternative 1: (Preferred) Create a subdivision consisting of no more than ten parcels each no smaller than one acre and offer those parcels for sale. This proposal includes the mineral order.

Alternative 2: (Status Quo) Do not offer the 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 meet these obligations and provides an opportunity for the public to obtain residential parcels in a desirable area. Subdividing the property prior to sale would create parcels with constructed access and of similar size to the surrounding residential development. However, DNR may elect to sell the project area as one parcel without further subdivision or development. This proposal, if approved in a subsequent Final Finding and Decision, will allow LCS to sell the land with financial return to the State and benefit to the public.

The mineral order is necessary to allow for the sale of the project area. The primary action and related action are dependent upon one another, and if LCS does not approve the subdivision project, the mineral order will not be processed.

Alternative 2 is not preferred. The Legislature and the public have indicated a desire for DNR to offer State-owned land for private ownership. Retention of this land would inhibit DNR from meeting its constitutional, statutory, and legislative goals. Not offering the project area for sale 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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For the aforementioned reasons, Alternative 1 is the preferred alternative.

Recommendation follows.

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X. Recommendation

This Preliminary Decision for the proposed disposal of State lands and Mineral Order 1220 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 Mineral Order 1220. If the decision is approved, Mineral Order 1220 will accompany and precede any Final Finding and Decision issued.

Signature on file

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

June 30, 2023

Date

Signature on file

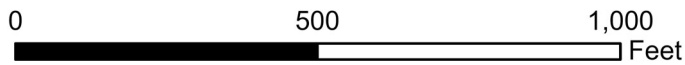
Approved by: Timothy Shilling
Natural Resource Manager II
Land Sales Section
Division of Mining, Land, and Water
Department of Natural Resources
State of Alaska

June 30, 2023




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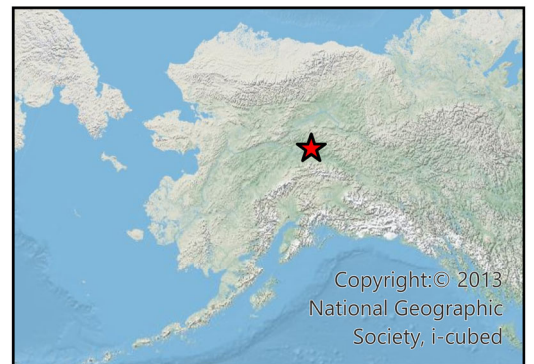
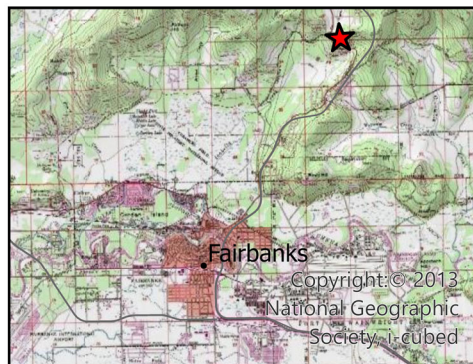
Attachment A: Vicinity Map Boulder Lode Subdivision ADL 420891



C. Craven
June 29, 2023

-  Project Area
-  Parcel Boundaries
-  Roads

Section 18, Township 1 North, Range 1 East
Fairbanks Meridian



For more information contact:
Colin Craven
Department of Natural Resources
Division of Mining, Land, and Water
Land Conveyance Section
907.451.2730
land.development@alaska.gov

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:
Boulder Lode Subdivision – ADL 420891

COMMENT PERIOD ENDS 5:00PM, TUESDAY, AUGUST 22, 2023

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

The project area is approximately 6 miles northeast of Fairbanks and 3 miles south of Fox, within the Fairbanks North Star Borough. The project area has access from the platted (not constructed) Summer Street and across DOT property adjacent to the Old Steese Highway.

Project size: 14.3 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 8:00 AM and 4:30 PM in Anchorage at 907-269-8400 or Fairbanks at 907-451-2705 (TTY for the hearing impaired for all locations: 711 for Alaska relay or 800-770-8973), 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, Tuesday, August 15, 2023.

Pursuant to *AS 38.05.945 Notice*, the public is invited to submit comment on either the Preliminary Decision or Mineral Order 1220 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, AUGUST 22, 2023.** 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 fax, email or postal mail. To submit comments or for direct inquiries, contact Colin Craven, 3700 Airport Way, Fairbanks, AK, 99709, fax # 907-451-2751, land.development@alaska.gov. If you have questions, call Colin Craven at 907-451-2730.

If no significant change is required, the Preliminary Decision and related action, including any minor changes and a summary of comments and responses, will be issued as the Final Finding and Decision and Mineral Order 1220, without further notice. A copy of the Final Finding and Decision and related action will be sent to any persons who commented timely on the Preliminary Decision.

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