

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

**FINAL FINDING AND DECISION**

of a Land Offering in the Fairbanks North Star Borough  
**Sulliwood Subdivision – ADL 417615**  
*AS 38.05.035(e), AS 38.05.045*

and its

**RELATED ACTIONS:**

**Amendment to the Eastern Tanana Area Plan NC-10-004A02**  
*AS 38.04.065*

**Land Classification Order CL NC-10-004A02**

*AS 38.04.065 and AS 38.05.300*

**Mineral Order 1205 (Closing)**

*AS 38.05.185 and AS 38.05.300*

This Final Finding and Decision (FFD) complements and updates the Preliminary Decision (PD) dated December 14, 2022. The PD (attached) and related actions have had the required public review.

**I. Recommended Action(s)**

The State of Alaska, Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), Land Conveyance Section (LCS) recommends offering for sale State-owned land for private ownership within the Sulliwood Subdivision project area (ADL 417615), as described in the PD. Surveyed parcels will be offered for future sale by a method under *AS 38.05.045 Generally*.

For the purposes of providing land for settlement and agriculture in the Sulliwood Subdivision project area, LCS may develop a subdivision of no more than 100 parcels no smaller than 20 acres. Subdivision design may include additional tracts to be retained by DNR as necessary. This project area is located within the Fairbanks North Star Borough and therefore survey, platting, and access to and within the project area will be subject to the relevant subdivision standards. The project may be subdivided and offered in multiple stages.

There are three related actions with this proposal:

Area Plan Amendment: DNR proposes to amend the Eastern Tanana Area Plan (ETAP, adopted 2015) to change the designation for part of management unit F-92 from Agricultural to Settlement, consistent with the management intent. The amendment would also change the designation for part of management unit F-94 from Settlement to Agricultural which is consistent with the management intent that land disposals are appropriate.

## Final Finding and Decision

Sulliwood Subdivision – ADL 417615

Page 2 of 12

Land Classification Order: In relation to the Area Plan Amendment, DNR proposes to issue a land classification order to reclassify portions of the project area from Agricultural Land to Settlement Land and other portions from Settlement Land to Agricultural Land.

Mineral Order: DNR proposes to close the project area to new mineral entry. There are no mining claims within the project area.

Public notice for these related actions was conducted concurrently with the notice for the primary action's PD.

## II. Authority

DNR has the authority under *AS 38.05.045 Generally* to sell State-owned land if, on preparation and issuance of a written finding, it is determined to be in the best interest of the State, as required by *AS 38.05.035(e) Powers and Duties of the Director*. Article VIII, Section 1, of the Constitution of the State of Alaska provides: "It is the policy of the State to encourage the settlement of its land and development of its resources by making them available for maximum use consistent with the public interest." Under *AS 38.05.055 Auction Sale Procedures*, land designated commercial, industrial, or agricultural by this decision may be available to non-residents at the land's first offering at auction. 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*. *AS 38.05.321 Restrictions on Sale, Lease, or Other Disposal of Agricultural Land* provides the authority for selling land subject to agricultural covenants.

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 amendments to area plans, land classifications, and mineral orders.

## III. Public Participation and Input

Pursuant to *AS 38.05.945 Notice*, public notice inviting comment on the PD for the proposed primary action and drafts of the related actions were published and distributed in the following manner:

- Posted under State of Alaska Online Public Notice from December 15, 2022 to January 26, 2023.
- Posted on DNR Land Sales website from December 15, 2022 to January 26, 2023.
- Notices mailed to the Fairbanks North Star Borough per *AS 38.05.945(c)(1)*.
- Mailed to postmasters in North Pole and Salcha with a request to post for 30 days, per *AS 38.05.945(c)(4)*.
- Mailed to the libraries in Fairbanks and North Pole with a request to post for 30 days.
- Mailed to the Doyon regional corporation per *AS 38.05.945(c)(2)-(3)*.
- Mailed to landowners within 0.5 miles of the project area boundaries.
- Mailed to the Salcha Senior Center.
- Sent notification to area state legislators and to multiple state agencies.
- Notified parties via the DNR Land Sales subscribers lists by email and the DNR Land Sales Facebook account.
- KUAC Morning News (89.9 FM) aired an article on December 27, 2022 about the subdivision proposal.

## Final Finding and Decision

Sulliwood Subdivision – ADL 417615

Page 3 of 12

- The Fairbanks Daily News-Miner featured an article about the subdivision proposal on December 28, 2022.

The public notice stated that written comments were to be received by 5:00 PM, January 26, 2023 to ensure consideration and eligibility to appeal. For more information, refer to the PD.

Should this project move forward, final subdivision design and survey will be completed by an Alaska licensed surveyor. The surveyor will submit a platting application including a preliminary plat to the local platting authority prior to survey. This process will be subject to Fairbanks North Star Borough ordinances and codes. During the platting process the public will have opportunity at the local level to provide additional comment and feedback prior to the final establishment of lot corners and monuments.

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

Chapter 17.12.030F *Action on major plat applications*. “All plans, data, and other supporting material shall be available for public inspection at the Department of Community Planning at least 14 calendar days prior to the time set for Platting Board review.”

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

## IV. Summary of Comments

DNR DMLW LCS received comments from the Alaska Department of Environmental Conservation, Alaska Department of Transportation & Public Facilities, the Fairbanks North Star Borough Community Planning Department, Alaska State Representative Mike Prax, and seven private individuals. All comments received during the public comment period are summarized below.

Alaska Department of Environmental Conservation (DEC) Comment: DEC noted that in 2007 the US Army conducted an environmental investigation of the former Haines-Fairbanks Pipeline corridor where the Army still held a property interest. This investigation included lands around the boundary or within of the project area. There was no contamination discovered, therefore the information isn't publicly displayed in DEC's Contaminated Sites Database.

DNR DMLW LCS Response: DNR appreciates DEC sharing this information. While DNR is not aware of any contamination within the subdivision project area, DNR is requesting that the Formerly Used Defense Sites Program remove the buried pipeline that remains within the project area and appropriately handle any contamination they may encounter. DNR intends to remove the uncertainty and potential liabilities from the abandoned pipeline infrastructure prior to selling the property in the vicinity of the pipeline.

Alaska Department of Transportation & Public Facilities (DOT&PF) Comment: DOT&PF has no additional comments on the proposal.

DNR DMLW LCS Response: Thank you for reviewing the proposal.

## Final Finding and Decision

Sulliwood Subdivision – ADL 417615

Page 4 of 12

Fairbanks North Star Borough (FNSB) Community Planning Department Comment: The Salcha-Badger Road Area Plan is the comprehensive plan for the proposed subdivision area, which designates all of the subdivision area Public Multi-Use. While the FNSB did not consider sale of the lands into private ownership within the subdivision area during the plan development, the low-density development described in the subdivision proposal is not incompatible with this land use designation.

DNR's proposed rezone to Rural and Agricultural zoning supports land use goals and strategies of the Salcha-Badger Road Area Plan and reduces the potential for land use conflicts allowed by the current zoning of General Use. Land not fit for agriculture due to wetlands may benefit from a rezone to Open Space Buffer or Outdoor Recreation. FNSB Community Planning welcomes a pre-application meeting to discuss rezone options.

The proposed subdivision would be a major plat per FNSB Title 17 since it would create more than four parcels and would likely benefit from the road construction exemption for parcels 20 acres or larger. However, the applicant is required to demonstrate that the proposed access is practical and economic to build, and lots created could not be further subdivided unless roads were constructed to Title 17 standards. FNSB Community Planning encourages pre-application meetings prior to a preliminary plat application.

DNR DMLW LCS Response: Thank you for your review of the proposal. DNR had a pre-application meeting with FNSB Platting in December 2022, and DNR will coordinate with FNSB Community Planning about the proposed planning actions prior to submitting an application.

Three comments regarding subdivision concept and minimum parcel size: One commenter supported the 20-acre minimum parcel size since it would avoid fast population growth in the area, help match local resident preferences, and provide larger parcels for sale that have become hard to find. One commenter generally stated support for the subdivision concept. Representative Mike Prax generally concurred with the subdivision proposal, but expressed concern that the 20-acre minimum parcel size would make road maintenance more expensive and complicate providing fire and emergency services. Representative Prax recommended considering smaller minimum parcel sizes or selling larger parcels to a developer.

DNR DMLW LCS Response: Thanks to all commenters for providing feedback about the subdivision proposal. DNR considered several scenarios before choosing the 20-acre minimum parcel size. Most of the project area exists currently as large parcels between approximately 65 and 160 acres. Because DNR can't sell directly to developers or impose development requirements, selling very large parcels would create substantial uncertainty about road development and emergency service access within the project area. Conversely, creating parcels smaller than 20 acres would trigger FNSB requirements to develop roads meeting Title 17 standards to every parcel. This scenario would be prohibitively expensive because of significant construction costs.

Creating 20-acre minimum parcels provides DNR flexibility in subdivision development because it removes the requirement to construct roads meeting FNSB Title 17 standards. This allows DNR to build pioneer roads that provide appropriate access for a low-density, rural subdivision, if determined economically viable. This scenario provides higher parcel

## Final Finding and Decision

Sulliwood Subdivision – ADL 417615

Page 5 of 12

values while keeping construction costs more manageable and provides future property owners more certainty about access within the subdivision.

Comments regarding public access and public land use: Two commenters requested protection for public access along existing roads, powerlines, and trails within the subdivision and to State land beyond the subdivision. One of the commenters specifically requested to reserve public access along the Haines-to-Fairbanks Pipeline corridor. One of the commenters advised concentrating development to avoid disrupting large areas of public land to allow room for trails and recreation, berry picking, hunting, and fishing.

DNR DMLW LCS Response: DNR prioritizes preserving access within and beyond State subdivisions to adjacent public land and, where appropriate, adjacent private property. DNR plans to plat a network of public access road rights-of-way (ROW) within the Sulliwood Subdivision. Tentative plans for the road routing would provide connections to public or private land along the northern, eastern, and western subdivision boundaries. Some of the existing trails within the subdivision may become road rights-of-way. DNR will evaluate other existing trails to see if a trail easement should be created as part of the subdivision platting, if they should be rerouted, or if they can continue to be used under generally allowed uses on State land (11 AAC 96.020).

Currently DNR plans not to convey or alter the Haines-to-Fairbanks Pipeline corridor within the project area. However, as described further in the PD, DNR has requested the Formerly Used Defense Sites Program remove the buried, abandoned pipeline because of the environmental uncertainty it presents. The future status of the pipeline corridor will depend on the outcome of the pipeline removal.

Note that utility easements (i.e. powerlines) typically don't provide for public access. Specifically, the existing Golden Valey Electric Association transmission line that runs east-west adjacent to and through the project area is not a public access easement.

The subdivision project area is a portion of a larger area of public land north of Johnson Road and east of the Richardson Highway. In this sense, the development area will be concentrated within the broader area of DNR land and the development area will focus on areas most suitable for residential and agricultural parcels.

Comments regarding agricultural land demand and covenants: One commenter recommended selling parcels without agricultural restrictions because of a regional housing shortage. Another commenter supported more local agriculture, but wondered if the demand for additional agricultural land exists.

DNR DMLW LCS Response: DNR appreciates your input on the subdivision proposal. Note that only 240 acres of the approximately 2,200 acres within the Sulliwood Subdivision would have agricultural covenants. Most of the subdivision will be designated settlement, which is a designation without agricultural restrictions.

DNR DMLW and Division of Agriculture worked collaboratively to revise the settlement and agricultural land use designations within the Sulliwood Subdivision, as described and illustrated in the PD. DNR has reasonable confidence that demand for new agricultural land exists within the Salcha area. However, to some degree all subdivisions are speculative in forecasting demand for the parcels being created. How these agricultural parcels sell and

## Final Finding and Decision

Sulliwood Subdivision – ADL 417615

Page 6 of 12

develop will help inform DNR on how to proceed with offering other agricultural designated land north of Johnson Road.

Individual Comment: One commenter suggested limiting the sale of parcels to residents and creating covenants to curtail future subdividing of the parcels within the subdivision.

DNR DMLW LCS Response: Land sold in State of Alaska Annual Land Auctions is limited to Alaska residents, unless the parcel is being sold as commercial land. In contrast, land sold in State of Alaska Agricultural Land Offerings is not limited to Alaska residents. DNR can't change the auction eligibility criteria specifically for the Sulliwood Subdivision.

Agricultural land sold by DNR is subject to perpetual agricultural covenants. Agricultural parcels may be subdivided only once, and any resultant parcels may not be less than 40 acres. Land sold by DNR in the Annual Land Auction (without agricultural covenants) is not subject to covenants or post-patent restrictions. However, FNSB zoning and subdivision ordinances restrict what is possible for future subdivisions. DNR may apply for a rezone of the Sulliwood Subdivision from General Use to Rural and Agricultural zoning. The Rural and Agricultural zoning district can set minimum parcel sizes between 5 to 40 nominal acres.

Individual Comment: One commenter found the purpose of the subdivision not clearly articulated and cautioned against selling large parcels in an area experiencing slow, steady growth. The commenter stated that a Fairbanks Daily News-Miner article about the Sulliwood Subdivision proposal provided conflicting reasons for the subdivision, specifically to meet demand for homes and agricultural land.

DNR DMLW LCS Response: DNR sells land to help meet State constitutional and statutory obligations for encouraging settlement. One means DNR uses to accomplish this is by choosing areas of State-owned land that are appropriate to sell and marketable for private ownership. The proposed Sulliwood Subdivision fits into this context by providing land within the FNSB that is well-suited for rural, low-density development.

The Sulliwood Subdivision has good potential for residential development because it contains well-drained hillsides mostly vegetated with hardwood trees. This helps purchasers by providing land more amenable to development than many areas in Salcha that are limited by shallow groundwater, permafrost, or poor drainage. This helps DNR by providing an inventory of valuable parcels within the FNSB to sell, which is a common request by the public. Please see the comment and response above regarding minimum parcel sizes for more information about DNR's subdivision design intentions.

Portions of the Sulliwood Subdivision have potential for agricultural development. Accordingly, select parcels will be designated agricultural by DNR and sold with perpetual agricultural covenants. DNR Division of Agriculture and DMLW worked collaboratively to revise the existing land use designations within the Sulliwood Subdivision, resulting in substantial changes between the settlement and agricultural designations, as described in the PD.

DNR does not see adjacent agricultural and residential land as conflicting land uses given the rural setting and large minimum parcels sizes. While most of the land within the subdivision will be sold without agricultural covenants, this does not preclude future owners from pursuing small-scale agriculture on such parcels, as occurs in other areas of the FNSB.

## Final Finding and Decision

Sulliwood Subdivision – ADL 417615

Page 7 of 12

Therefore it is possible that the boundaries of agricultural development within the subdivision will be partly determined by the desires of future property owners.

Individual Comment: One commenter cautioned not to rely on population growth at Eielson Air Force Base (AFB) as a foundation for the subdivision project given that many of the base personnel transient residents.

DNR DMLW LCS Response: DNR agrees that most people stationed at Eielson AFB won't be looking for large acreage, rural residential land. Most of the housing demand within the FNSB created by increases in local military personnel are best addressed by single and multi-family housing in areas with developed infrastructure, such as piped water and wastewater. However, DNR doesn't own land appropriate for dense residential development in this area and therefore is unable to directly address this housing demand. The Sulliwood Subdivision is intended to fit within the character of Salcha specifically while helping to meet DNR's State constitutional and statutory obligations encouraging settlement.

Individual Comment: One commenter expressed uncertainty about the subdivision location, wanting agricultural restrictions or zoning lifted on land between Eielson Farm Road and Grieme Road, and the complications of the shallow groundwater table near Grieme Road.

DNR DMLW LCS Response: The PD describes the Sulliwood Subdivision location relative to the Richardson Highway and Johnson Road, provides the property description relative to survey plats, and illustrates the subdivision boundaries with two maps. The Sulliwood Subdivision is east of the eastern end of Grieme Road. DNR welcomes specific questions on these topics. Addressing restrictions and zoning outside of this project area is beyond the scope of this decision.

Individual Comment: One commenter expressed concern about the impact of the subdivision on local roads, stating that the Richardson Highway is already busy, has aggressive drivers, and seems to have increasing accidents. The commenter stated that 200 additional homes would place a lot more daily traffic on Johnson Road and the Richardson Highway.

DNR DMLW LCS Response: DNR considered several options for the Sulliwood Subdivision to determine what would be appropriate given its rural setting and specific location. The proposed minimum parcel size is 20 acres, and it is likely that many parcels within the subdivision will be larger. For reference, the current zoning for the subdivision area allows parcels as small as 1 nominal acre. Beyond being appropriate for the rural setting, DNR's proposed large-parcel, low-density subdivision would create far less vehicle traffic on Johnson Road and the Richardson Highway relative to what is allowed by FNSB platting and planning requirements.

To help provide context on traffic volume within the Salcha vicinity, please consider the following traffic data provided by DOT&PF:

- An estimated average of 310 vehicles passed daily in 2021 along Johnson Road near the Richardson Highway intersection.
- An estimated average of 2,590 vehicles passed daily in 2021 along the Richardson Highway near milepost 341 (south of the Eielson Air Force Base access road).

## Final Finding and Decision

Sulliwood Subdivision – ADL 417615

Page 8 of 12

- An average of 6,370 vehicles passed daily in 2021 at Richardson Highway milepost 343 (north of the Eielson access road).

The Sulliwood Subdivision is proposed to authorize the creation of up to 100 parcels and FNSB zoning ordinances allow each parcel to contain up to two dwelling units. While highly unlikely, this could be interpreted as providing a theoretical maximum of 200 additional homes accessing Johnson Road. However, because not all parcels in the subdivision will be created at the minimum parcel size of 20 acres and not all areas within the subdivision will be conveyed into private ownership, it is probable that the number of conveyable parcels created will be significantly less. Furthermore, the development within each parcel will likely vary significantly, for instance, not all parcels will necessarily have two dwelling units. It is also unknown whether every parcel would create daily commuter traffic to the North Pole or Fairbanks area.

DNR assumes in the long term that the Sulliwood Subdivision could create a measurable increase in traffic along Johnson Road to access the Richardson Highway. However, it is likely that any additional traffic on the Richardson Highway attributable to the Sulliwood Subdivision would be lost within the fluctuations of annual average daily traffic.

It is important to consider that the Richardson Highway and Johnson Road are maintained by DOT&PF, which has more resources for road maintenance and upgrades than road service areas administered by the FNSB or for roads that have no organized maintenance.

Individual Comment: One commenter stated that Johnson Road is built on bad ground and gets severely damaged by military vehicle traffic. The commenter also stated that Johnson Road was established as a military access road without transitioning to State ownership.

DNR DMLW LCS Response: DNR agrees that Johnson Road displays maintenance challenges attributable to the soils in the area. In this regard it is similar to many of the roads in the Interior maintained by the State that have regular maintenance challenges due to wet soils and permafrost, such as Goldstream Road, Chena Hot Springs Road, and others. However, DOT&PF had no objections to the proposal using Johnson Road for access to the Sulliwood Subdivision.

Based on correspondence with DOT&PF, they agree that they do not own the land underlying Johnson Road and that an easement was not transferred from the federal government to the State. However, rights-of-way for public access are acquired by a variety of means. DOT&PF states that they have been maintaining Johnson Road since 1970 and public access along Johnson Road has been uncontested. Note that most roads maintained by DOT&PF statewide are easements, so the presence of a public road on private or public land not owned by DOT&PF is a common condition.

Individual Comment: One commenter stated that Johnson Road is underlain with ice lenses and wondered if the subdivision project area should be drilled to determine if it is appropriate for residential construction.

DNR DMLW LCS Response: Most of the subdivision project area is underlain by Steese-Gilmore soils, which are primarily silt loam over bedrock with low potential for permafrost. This is where DNR plans to locate the vast majority of the subdivision roads and the majority of the parcels for sale. However, other soil types with greater potential for permafrost exist



## **Final Finding and Decision**

Sulliwood Subdivision – ADL 417615

Page 9 of 12

within lower elevation areas of the project area. While the potential for permafrost in Interior Alaska is widespread, the actual presence of permafrost can be difficult to determine. Within a single parcel it is possible that there are areas with and without permafrost. When planning development in an area with significant potential for permafrost, it is best to investigate (e.g. drill test holes) directly within and adjacent to the footprint for a structure before development.

Because it is not practical nor a common practice to provide a detailed map of permafrost occurrence within a subdivision, potential purchasers are advised to seek professional assistance to investigate the soils around their planned development.

Individual Comment: A commenter asked for an extension for providing feedback on the subdivision proposal because not everyone in Salcha has internet access.

DNR DMLW LCS Response: DNR remains open to feedback and questions on the Sulliwood Subdivision proposal, whether by phone, email, letter, or by in-person appointment. The preliminary decision for the Sulliwood Subdivision was provided with ample public notice and time for comments to be submitted to ensure consideration in this FFD. Please note that DNR was not assuming residents would have internet access to receive notice or provide comment, as notices were mailed to property owners in the vicinity of the project area, mailed to the Fairbanks and North Pole libraries for posting, and mailed to the Salcha and North Pole post offices for posting, amongst other means summarized above.

Individual Comment: One commenter observed that a sticking point for potential property purchasers is the significant amount of junk in one area of the subdivision. This junk would take an excavator and dump trucks to haul off, not just an individual with a pickup truck.

DNR DMLW LCS Response: DNR agrees that the abandoned vehicles, debris, and garbage on DNR land near the intersection of Sulliwood and Johnson Roads is a nuisance that could deter potential purchasers. DNR is evaluating the economic feasibility of disposing of this waste before selling parcels within the Sulliwood Subdivision.

Individual Comment: A commenter that lives near Johnson Road reported that their 320-foot deep well produces very hard water with high concentrations of iron and arsenic.

DNR DMLW LCS Response: Thanks for sharing your water quality information. Many wells in the hills around Fairbanks also have significant concentrations of arsenic, which is a health hazard. There is often significant variability in 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, State of Alaska Epidemiology recommended that homeowners should test private wells annually for arsenic and other contaminants. DNR will inform potential purchasers of property within the Sulliwood Subdivision about the potential for arsenic in groundwater and the recommendation to test well water for arsenic.

## **V. Traditional Use Findings**

In accordance with *AS 38.05.830 Land Disposal in the Unorganized Borough*, a Traditional Use Finding is required for project areas within the Unorganized Borough. This project area is within an organized borough; therefore, no Traditional Use Finding is required.

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

The recommended action has not been modified from the original proposed actions described in the PD. However, additional information relevant to the subdivision property area acquired since the PD was published is summarized below.

### *US Fish and Wildlife Service Input*

In a letter received after the public comment period, the US Fish and Wildlife Service (USFWS) stated that the Sulliwood Subdivision project area contained no Endangered Species Act-listed species or designated critical habitat. USFWS considers bald eagles as potential inhabitants within the project area and other migratory birds as having potential to nest within or migrate through the project area. The nearest documented bald eagle nest is approximately 5 miles to the northwest of the project area. To avoid eagle take or disturbance, USFWS recommends avoiding construction activities during eagle nesting season (March 1 and August 31) or having a qualified biologist conduct an eagle nest survey to determine potential eagle nest sites and following USFWS management guidelines. Similarly, to avoid disturbance to migratory bird habitat, USFWS recommends avoiding land clearing during breeding season, which is best accomplished by conducting construction in late summer through mid-winter.

Regarding wetlands, USFWS finds the project area generally well located to avoid impacts to trust species that depend on wetland and aquatic environments. USFWS assessment of the project area, specific to features that support trust species and their habitats, shows it generally contains low habitat value with a small amount of medium habitat value. For the portions of the project area that contain wetlands, USFWS recommends non-destructive land uses such as non-motorized or winter recreation.

No changes to the PD were made based on this new information. LCS does not yet have specific construction plans or timelines. When the development plans for the Sulliwood Subdivision are more certain, LCS will coordinate with USFWS to address potential disturbances to bird habitat or eagle nests. Wetland areas within the project area will likely be contained within larger parcels that will contain areas more amenable to development, or will be within tracts to be retained by DNR and subject to generally-allowed uses on State land.

### *Alaska Department of Environmental Conservation Input*

During the PD public comment period, DEC provided additional information about environmental investigations performed along the Haines-to-Fairbanks pipeline corridor within and adjacent to the project area. The *Final Pipeline Sites Remedial Investigation Report Haines-Fairbanks Pipeline Environmental Remediation Services* (US Army Garrison Alaska, 2009) documents soil and soil gas sampling conducted along select portions of the pipeline corridor, including near the west section line of Section 21 within the project area. The Army contractor collected a soil sample at the point where soil gas readings indicated the potential presence of volatile hydrocarbons. No volatile petroleum hydrocarbons were detected in the soil sample and “diesel range organic” (DRO) compounds were detected below the most stringent DEC cleanup level. DRO samples often detect naturally occurring (non-petroleum) hydrocarbon compounds present in soil. The Army contractors confirmed the presence of the buried pipeline in this area based on metal detector readings.

**Final Finding and Decision**

Sulliwood Subdivision – ADL 417615

Page 11 of 12

No changes to the PD were made based on this new information. DNR continues to engage the Army Corps of Engineers Formerly Used Defense Sites program with the request to remove the buried fuel pipeline from the project area.

Recommendation and Approval of the Final Finding and Decision follow.

**Final Finding and Decision**

Sulliwood Subdivision – ADL 417615

Page 12 of 12

**VII. Final Finding and Decision**

The Land Conveyance Section recommends proceeding with the action as described in the Preliminary Decision. This action is undertaken under relevant authorities. Offering these parcels for sale will help meet the State’s goal to provide land for settlement for sale to the public and raise revenue for the State.

The findings presented above have been reviewed and considered. Public Notice has been accomplished in accordance with *AS 38.05.945 Notice* and comments received were considered. The project file has been found to be complete and the requirements of all applicable statutes have been satisfied. The actions are consistent with constitutional and statutory intent for State-owned land and this action is undertaken under relevant authorities.

Signature on file

Recommended by: Timothy Shilling  
Natural Resource Manager  
Land Conveyance Section  
Division of Mining, Land and Water  
Department of Natural Resources  
State of Alaska

30 August 2023

Date

Under the authority of the applicable statutes, it is hereby found to be in the best interest of the State of Alaska to proceed with the recommended action(s) as described and referenced herein.

Signature on file

Approved by: Christianna D. Colles  
Director  
Division of Mining, Land and Water  
Department of Natural Resources  
State of Alaska

9/7/2023

Date

Signature on file

Approved by: John Boyle  
Commissioner  
Department of Natural Resources  
State of Alaska

8 Sep 23

Date

### **Reconsideration Provision**

An eligible person affected by this decision of the department, and who provided timely written comment or public hearing testimony to the department, may request reconsideration to the DNR Commissioner per AS 44.37.011 and 11 AAC 02. Any request for reconsideration must be received by the Commissioner's Office within twenty (20) calendar days after issuance of the decision under 11 AAC 02.040. The Commissioner may order or deny a request for reconsideration within thirty (30) calendar days after issuance of the decision. If the Commissioner takes no action on a request for reconsideration within thirty (30) days after issuance of the decision, the request for reconsideration is considered denied. The Commissioner's decision on reconsideration, other than a remand decision, is a final administrative order and decision of the department. An eligible person must first request reconsideration to the Commissioner before seeking relief in superior court. The Alaska Court System establishes its own rules for timely appealing final administrative orders and decisions of the department.

Reconsideration may be mailed or hand-delivered to the DNR Commissioner's Office, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska, 99501; or faxed to (907)-269-8918 or sent by electronic mail to [dnr.appeals@alaska.gov](mailto:dnr.appeals@alaska.gov). Reconsideration must be accompanied by the fee established in 11 AAC 05.160(d)(1)(F), which has been set at \$200 under the provisions of 11 AAC 05.160(a)-(b). A copy of 11 AAC 02 is available on the department's website at <https://dnr.alaska.gov/mlw/pdf/DNR-11-AAC-02.pdf>.

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

**PRELIMINARY DECISION**  
**Sulliwood Subdivision – ADL 417615**

**Proposed Land Offering in the Fairbanks North Star Borough**  
*AS 38.05.035(e), AS 38.05.045*

**RELATED ACTIONS:**  
**Proposed Amendment to the Eastern Tanana Area Plan**  
*AS 38.04.065*  
**Proposed Land Classification Order**  
*AS 38.04.065 and AS 38.05.300*  
**Proposed Mineral Order (Closing)**  
*AS 38.05.185 and AS 38.05.300*

**PUBLIC COMMENT PERIOD ENDS 5:00PM, THURSDAY, JANUARY 26, 2023**

**I. Proposed Action(s)**

*Preliminary Decision: Sulliwood Subdivision - ADL 417615*

*Attachment A: Vicinity Maps*

*Attachment B: Public Notice*

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

*Draft Amendment to the Eastern Tanana Area Plan NC-10-004A02*

*Draft Land Classification Order CL NC-10-004A02*

*Draft Mineral Order (Closing) MO 1205*

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 Sulliwood Subdivision project area for the purpose of providing land for settlement and agriculture by developing a subdivision of no more than 100 parcels no smaller than 20 acres. Subdivision design may include additional tracts to be retained by DNR as necessary. The project area consists of approximately 2,192 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 (FFD), if the project proceeds to that step. Additional adjustments may be made prior to survey, as described in the applications to the platting authority, as needed to reserve areas for public use, minimize conflicts between uses, or ensure compliance with platting requirements. Although actions under this proposal are limited to the stated

## **Preliminary Decision**

Sulliwood Subdivision – ADL 417615

Page 2 of 23

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.

Proposed Related Actions: These related actions will be developed separately, however, public notice is being conducted concurrently.

*Area Plan Amendment*: DNR proposes to amend the Eastern Tanana Area Plan (ETAP, adopted 2015) to change the designation for part of management unit F-92 from Agriculture to Settlement, consistent with the management intent. The amendment would also change the designation for part of management unit F-94 from Settlement to Agriculture which is consistent with the management intent that land disposals are appropriate.

*Land Classification Order*: In relation to the Area Plan Amendment, DNR proposes to issue a land classification order to reclassify portions of the project area from Agricultural Land to Settlement Land and Settlement Land to Agricultural Land. Refer to the Planning and Classification 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 Mineral Activity and Order(s) 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.

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.

See **Section XVII. 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*.

Parcels offered through this action are offered fee-simple for the surface estate only. Agricultural parcels offered through this action will be subject to perpetual agricultural covenants per *AS 38.05.321 Restrictions on Sale, Lease, or Other Disposal of Agricultural Land*. For more information about the land sales program, please visit <https://dnr.alaska.gov/mlw/landsales/>. For more information about agricultural lands in Alaska, please visit <http://dnr.alaska.gov/ag/>.

## **Preliminary Decision**

Sulliwood Subdivision – ADL 417615

Page 3 of 23

### **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 or agricultural land are not required to have been an Alaska resident for one year preceding the date of the sale. 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*. *AS 38.05.321 Restrictions on Sale, Lease, or Other Disposal of Agricultural Land* provides the authority for selling land subject to agricultural covenants.

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 amendments to area plans, land classifications, and mineral orders.

### **IV. Administrative Record**

The project file, Sulliwood Subdivision - ADL 417615, constitutes the administrative record for this proposed action. Also incorporated by reference are:

- ETAP and associated land classification files.
- *Alaska Interagency Wildland Fire Management Plan 2021*.
- *Alaska Department of Fish and Game Catalog of Waters Important for the Spawning, Rearing, or Migration of Anadromous Fishes*.
- *US Army Alaska Directorate of Public Works, The Haines-Fairbanks Pipeline, CEMML TPS 03-04, April 2003*.
- *US Army Corps of Engineers, Chemical Data Report: Herbicide Residue Survey, Haines-Fairbanks Pipeline Alaska, January 2004*.
- *USDA, Natural Resource Conservation Service Custom Soil Report for this project, dated August 25, 2021*.
- DNR case files: potential hazard ADL 100833, agricultural sale ADL 416786, utility easements ADL 80371 and 414183, permit LAS 22914 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 proposed plan amendment, land classification order, 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, other than the reservation of perpetual agricultural covenants for parcels sold under that authority. The subdivision may be conducted in multiple stages.



## **Preliminary Decision**

Sulliwood Subdivision – ADL 417615

Page 4 of 23

### **VI. Location**

The project area is located within DNR's Northern Region in Salcha east of the Richardson Highway, within Sections 8, 9, 15, 16, 17, 21, 22, and 23, Township 4 South, Range 4 East, Fairbanks Meridian, within the Fairbanks North Star Borough (FNSB). The project area consists of approximately 2,192 acres identified for disposal by this proposed action.

*Platting Authority:* The project area is within the 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**

The project area's property description is defined as:

NE1/4 and N1/2 SE1/4 of Section 17 Township 4 South, Range 4 East, Fairbanks Meridian, Alaska, according to the plat accepted by the United States Department of the Interior, Bureau of Land Management on May 21, 1958, containing 240 acres, more or less.

Tract A of Section 8, Tract B of Section 9, SW1/4 NW1/4 of Section 15, Tract B of Section 16, that portion of Section 16 located westerly of the Sulliwood Road right-of-way and north of Tract B, Tract A of Section 17, Tract A of Section 23 according to Alaska State Land Survey No. 86-153 recorded on August 17, 1987, as Plat 87-69 Fairbanks Recording District, containing 826 acres, more or less.

Tract "B-1" of Section 15, Tracts "A-1" and "A-2" of Section 16, Tracts "A-1", "A-2", "B-1", "B-2", "C-1" and "C-2" of Section 22 according to The Replat of a Portion of French Creek Agricultural Subdivision within Sections 10, 11, 14, & 15, and Portions of Sections 16, 21 & 22, T.4S, R.4E, F.M., Alaska and the Vacation of Various Tracts Therein recorded on March 2, 1992, as Plat No. 92-34 Fairbanks Recording District, containing 846.083 acres, more or less.

Tract A-1-A according to Alaska State Land Survey No. 2010-7 recorded on March 25, 2011, as Plat 2011-29 Fairbanks Recording District, containing 279.84 acres, more or less.

In aggregate, all containing 2,192 acres, more or less.

Property Description of the Area Plan Amendment & Land Classification Order: The portions of the project area with proposed designation and classification changes are depicted in *Attachment A: Vicinity Map with Designations*.

### **VIII. Title**

Title Report No. 22045, current as of August 9, 2021, indicates the State of Alaska holds fee title to the land and mineral estate within the project area under Patent 1228638, dated September 18, 1962; Patent 50-65-0171, dated September 3, 1964; Patent 50-68-0131, dated November 21, 1967; Patent 50-65-0169, dated September 3, 1964; and Patent 50-68-0130, dated November 21, 1967. The applicable State case files are SCH 158, GS 41, and GS 545. The

## Preliminary Decision

Sulliwood Subdivision – ADL 417615

Page 5 of 23

project area is subject to the reservations, easements and exceptions contained in the federal patent, including:

- Excepting the telephone line, pipeline, and appurtenances in SW1/4 SW1/4 of Section 16, and the right to maintain, operate, repair, or improve the same, so long as needed or used for or by the United States (Patent 1228638).
- Reserving the power line in the E½ of Section 17 and the pipeline, electric transmission line, and appurtenances, and the right to maintain, operate, repair, or improve the same so long as needed or used for or by the United States (Patent 50-65-0171).
- Subject to the pipeline, powerline, and appurtenances and the right to maintain, operate, repair, or improve the same so long as needed or used for or by the United States (Patent 50-68-0131).
- Subject to such rights for electrical transmission purposes for the Golden Valley Electric Association (Patent 50-65-0169).
- Subject to the access road, powerline, telephone line, pipeline, and appurtenances, and the right to maintain, operate, repair, or improve the same so long as needed or used for or by the United States (Patent 50-68-0130).

### *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.**

## **Preliminary Decision**

Sulliwood Subdivision – ADL 417615

Page 6 of 23

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 field inspections conducted on June 28, 2017, August 30, 2017, August 4, 2020, March 29, 2021, July 22, 2021, and August 9, 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:* The project area encompasses most of a ridge that is oriented to the northwest and southeast. The maximum elevation is over 1,100 feet. The eastern side of the ridge levels out at approximately 850 feet while the western ridge toe ranges from 650 to 800 feet in elevation. The hillsides range from approximately 7 to 20% slopes. Sulliwood Road generally follows the ridge top and has gentle slopes.

*View:* Some western-facing areas have a view of the Tanana River and Alaska Range mountains, while some eastern-facing areas might have a view of the hills separating the Chena and Salcha River drainages. Other areas have local views.

*Vegetation:* The hillside areas are largely vegetated by birch forests of moderate density, much of which is regrowth after timber harvests from the 1970s and 1980s with pockets of mature white spruce or mixed deciduous and spruce trees. The forest understory is typically sparse in areas of prior timber harvest, but a portion of the project area has dense grasses, wild rose, and horsetail, or mosses in areas of concentrated spruce trees. Lower elevation areas include stunted black spruce and moss bog, black spruce and horsetail forest, mixed deciduous and spruce trees, and grass fields.

*Soils:* A key indicator of whether land is well suited for agriculture is the land capability class (LCC). LCC estimates how suitable soils are for mechanized agricultural production of commonly cultivated field crops. Soils are grouped based on limitations for field crops, risks for damage, and response to agricultural management. LCC ratings don't consider factors like accessibility and are not a measure of productivity for specific crops.

LCC ratings range from 1 to 8, with 1 being highest quality with no restrictions and 8 meaning that commercial plant production is not considered feasible. LCC 1 to 4 soils are considered appropriate for crop cultivation, and DNR generally uses this classification system to help guide the designation of land for such uses as agriculture or settlement. However, LCC 5 and 6 soils may have the potential to support such uses as pasture for livestock. The best agriculture-suited soils in the project area are LCC 4. The Natural Resources Conservation Service (NRCS) defines class 4 soils as having very severe limitations that reduce the choice of plants and/or require careful management. A significant factor in the soil classification for agriculture development is the climate.

## **Preliminary Decision**

Sulliwood Subdivision – ADL 417615

Page 7 of 23

Understanding that climate, in conjunction with plant choice and soil class, will determine success in agriculture crop production.

More than 70% of the soils in the Sulliwood Subdivision project area are the Steese-Gilmore complex, which primarily cover the ridgetops and southern and western hillsides above 750 feet in elevation. This soil complex is comprised of well drained silt loam overlying weathered metamorphic bedrock with a nonirrigated LCC of 6. Development of structures in this soil complex generally can be limited by slopes and depth to bedrock. Development of septic tank absorption fields generally can be limited by seepage at the bottom layer, depth to bedrock, and slopes.

The majority of the soils within the areas proposed for agricultural designation are the Minto-Chatanika complex. This soil complex is comprised of poorly drained to moderately well drained thawed or frozen silt loam and mucky silt loam. Minto silt has a non-irrigated capability class of 4; Chatanika silt has a nonirrigated capability class of 6. Development of structures and septic tank absorption fields in this soil complex generally can be limited by surface water ponding, subsidence, depth to the saturated zone, and permafrost.

The soils within the project area have the potential for permafrost, particularly for the portions at lower elevations, including large ice masses that could cause uneven settling if thawed.

*Wetlands:* Several freshwater forested/shrub wetland areas may exist within the project area based on the US Fish & Wildlife Service's National Wetlands Inventory. The wetlands tend to occur below 750-foot elevation on the western hillsides and 850-foot elevation on the eastern hillsides. Dredging or filling of wetlands may require a permit from the US Army Corps of Engineers.

*Geologic Hazards:* There is potential for discontinuous, ice-rich permafrost to be present within the project area. DNR Division of Geological & Geophysical Surveys noted that the project area is within the Salcha seismic zone and that the region's overall seismic hazard potential is moderate. The risk from building on permafrost and 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 cities of Fairbanks and North Pole have building codes that specify 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.

*Fire Information:* Pursuant to observations from the field inspections, fire risk in the area is likely moderate to high. Fire history indicates that a very small portion of the project area burned in spot fires over the past several decades.

The project area is within the Salcha Fire and Rescue (SF&R) response area. SF&R responds to all emergency calls, but property owners are billed for the response if they don't have membership with SF&R.

Potential for wildland fire is high in Interior Alaska. Landowners with structures are encouraged to follow the Alaska Wildland Fire Coordinating Group *Firewise Alaska*

## **Preliminary Decision**

Sulliwood Subdivision – ADL 417615

Page 8 of 23

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 within approximately ½-mile of Johnson Road is “Critical.” The policy on areas with the “Critical” management option reads that wildfires “occurring in the Critical Management Option or that threaten Critical sites are assigned the highest priority for suppression actions and assignment of available firefighting resources.” The remainder of the project area is within the “Full” fire management option. The policy on areas with the “Full” management option reads that wildfires “occurring in the Full Management Option or that threaten Full sites 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.” 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 No. 02090C6450J. The project area is within Flood Zone X, defined as outside the 0.2% annual chance floodplain, except for the northwest corner within Section 17 which is within Zone AE, a special flood hazard area subject to inundation by the 1% annual chance flood.

*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 three subsurface water rights within the Johnson Road vicinity that are within a mile of the project area, two of which have documentation:

- A 1980 well log for a property within Section 26 that documents a 180-foot boring with a 135-foot-deep static water level.
- A 1977 well log for a property within Section 26 that documents a 223-foot boring with a 60-foot static water level.

Both wells yielded 10 gallons per minute after installation. The lithology documented from the drill cuttings is inconsistent, but both have rock as the final water-bearing formation.

Potential water sources in the area include water wells and hauled water. Water quality is unknown. 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.

*Waste Disposal:* The closest FNSB transfer station is approximately 7 miles away in Salcha near the Richardson Highway. All on-site wastewater disposal systems must meet the regulatory requirements of the Alaska Department of Environmental Conservation.

## **Preliminary Decision**

Sulliwood Subdivision – ADL 417615

Page 9 of 23

### **X. Background**

DNR identified the Sulliwood Subdivision project area for residential and agricultural use in the 1980s, but development stalled due to disagreements over the preferred land uses and subsequently unfulfilled plans to develop a natural gas pipeline crossing the project area. Approximately 67% of the project area is currently designated Settlement and approximately 33% is currently designated Agricultural. If the proposed area plan amendment takes effect, this would shift to approximately 89% Settlement and 11% Agricultural, as depicted in *Attachment A: Vicinity Map with Designations*.

Several timber harvests were permitted within the project area by DNR Division of Forestry in the early and mid-1980s, primarily within Sections 22, but also within Sections 9, 15, 16, 17, and 21. A small portion of the project area within Section 22 near Johnson Road was authorized for material extraction in the late 1970s. The apparent public uses of the project area are relatively minor, consisting of trapping, general recreation, and access to other land beyond the project area.

Access to the project area is primarily from Johnson Road. There is a network of dirt roads and trails within the project area from former timber harvests; some of these trails have been maintained by trappers and recreational users. The former Haines-to-Fairbanks Pipeline corridor is used as a trail within the northwest portion of the project area, but is largely overgrown or obscured in the southwest portion. Vegetation within the project area varies considerably, depending on elevation, topography, drainage, and timber harvest history. Generally, the areas proposed for settlement designation are well drained while the areas proposed for agriculture designation vary in drainage characteristics.

Development of the project area is currently advantageous because of growth at the nearby Eielson Air Force Base, population growth in the Salcha area, and continued strong demand for land throughout the Fairbanks North Star Borough (FNSB). The preferred development alternative is a combined residential and agricultural subdivision with parcels at least 20 acres in area. Creating relatively large parcels (e.g. larger than five acres) is appropriate because of the rural location, areas of steep topography, and the need for sufficient area for agricultural development. Low-density development is consistent with the FNSB's Salcha-Badger Road Area Plan for the Salcha area. DNR may propose to zone the subdivision Rural and Agricultural through the FNSB zoning process concomitantly with subdivision platting. This would be consistent with the Salcha-Badger Road Area Plan by allowing for land uses consistent with properties in the vicinity while restricting land uses deemed inconsistent, such as junkyards and heavy industrial use.

LCS proposes to offer agricultural parcels in areas where soils and topography are appropriate for agricultural development. Purchase of agricultural parcels is not limited to Alaska residents, and the parcels are subject to perpetual agricultural covenants. These covenants, in part, limit the use of the land to agricultural purposes. Other uses of agricultural parcels may be permitted, provided they are incidental to and not inconsistent with the primary use of the land for agricultural purposes and approved in the State Farm Conservation Plan (SFCP). Additionally, agricultural covenants restrict the future subdivision of the parcel. Agricultural parcels may be subdivided only once, and any resultant parcels may not be less than 40 acres.

Successful bidders/purchasers of an agricultural parcel must complete a SFCP per 11 AAC 67.177 prior to entering a purchase contract. The SFCP describes how the parcel will be

## Preliminary Decision

Sulliwood Subdivision – ADL 417615

Page 10 of 23

developed for agricultural purposes. It is reviewed by the local Soil and Water Conservation District and approved by the DNR Division of Agriculture (DAg).

Agricultural parcels are subject to clearing and development requirements based on the amount of developable agricultural soils specific to each parcel. The amount of clearing required for each parcel will be determined by DAg and will be listed in the sale brochure. Clearing and development are prohibited until the required SFCP has been reviewed by the local SWCD, approved by DAg, and a purchase contract issued outlining the development requirements. DAg may authorize in the SFCP a purchaser to develop a particular parcel in a manner that does not require traditional clearing of the specified acreage outlined in the sales brochure. However, the proposed development must be for an approved agricultural use on the parcel and be of equal or greater investment to bringing the specified acreage to a tillable condition. The parcel must remain in the farmable condition consistent with the SFCP throughout the contract, and the clearing and development must be completed prior to issuance of a patent.

Creating parcels a minimum of 20 acres in area provides DNR flexibility in subdivision development because it removes the requirement to construct roads meeting FNSB Title 17 standards. This allows DNR to upgrade or build pioneer roads, if determined to be appropriate and economically viable, that provide adequate access for low-density, rural settings, thereby providing access for subsequent parcel owners and greater parcel values that reflect developed access at reduced development costs.

Developing a more dense, smaller parcel subdivision would require construction of an extensive road network meeting FNSB Title 17 standards. This would likely be an inappropriate style of development for a rural area within Salcha, except perhaps for a narrow corridor close to Johnson Road. Furthermore, construction of such a road network would have substantial development costs. A cursory economic analysis indicates that the 20-acre minimum parcel size development model will provide the State substantially similar or higher profit potential than a denser, smaller parcel subdivision with substantially lower development costs.

DNR intends to plat and develop the subdivision in phases because of the large project area size and current uncertainties involving the Haines-to-Fairbanks Pipeline within Sections 8, 16, 17, and 21 (illustrated in the *Attachment A* maps). The former military fuel pipeline was abandoned in place and has the potential to contain residual petroleum or undocumented contamination in the vicinity of the pipeline corridor (see **Section XIV. Hazardous Materials and Potential Contaminants** for more detailed information). Furthermore, DNR's Office of History and Archaeology recommended that the pipeline corridor be evaluated for potential cultural resources within the project area. These uncertainties will be investigated prior to surveying and selling parcels in the vicinity of the pipeline corridor and portions of the project area accessed by crossing the pipeline corridor.

Several properties in the project area vicinity were sold through DNR agricultural land sales or other sales programs. Several properties sold in an agricultural land lottery in 1981, including ADL 407085, 407090, 407091, 407092. ADL 413357 sold through a preference right purchase in 1987 and ADL 56095 sold via an unknown method in 1981. ADL 407084, 407086, and 407087 sold in a 1981 DNR agricultural land lottery, but returned to the State after the purchasers relinquished their interests or had contracts terminated. In contrast to most of the

## **Preliminary Decision**

Sulliwood Subdivision – ADL 417615

Page 11 of 23

Sulliwood Subdivision project area, these properties were almost exclusively in low-elevation areas prone to poor drainage.

Property to the south of the project area is mostly privately owned, as is the adjacent land north of the northernmost project area boundary. The FNSB owns land east of the project area southeast corner. Otherwise the project is bounded by other DNR land to the east and west of the project area. The entirety of the project area and adjoining properties are zoned “General Use” by the FNSB. The parcel sizes in the project area vicinity vary greatly from approximately one acre to several hundred acres in area, as some parcels are residential whereas several are used for agriculture.

### **XI. Planning and Classification**

The project area is within Eastern Tanana Area Plan (ETAP, adopted 2015), Fairbanks Region, Units F-92 and F-94. Lands within these units are currently designated Settlement (F-94) and Agriculture (F-92) and classified Settlement Land and Agricultural Land under Land Classification Order No. NC-10-004. The project area consists of all of management unit F-94 and part of unit F-92. LCS reviewed the general management intent of the area plan and management units for consistency with the proposed offering.

*Unit F-92 Considerations:* Agricultural land sales are appropriate if field inspection determines the land to be appropriate for agriculture. If not, settlement land sales are appropriate.

LCS has conducted multiple field inspections within the project area, some of which included DAg and NRCS soil scientists. LCS and DAg concur with the proposed designation changes illustrated in *Attachment A*.

*Unit F-94 Considerations:* Land sales are appropriate.

*Areawide Considerations:* LCS reviewed the area plan’s guidelines in Chapter 2 Areawide Land Management Policies. 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.

Agriculture and Grazing: Agricultural land sales shall be consistent with the requirements of 11 AAC 67 and parcels cannot be used for purposes that would preclude eventual agricultural use. Agricultural parcels should be a minimum of 40 acres in area, but may be smaller if requested by the DAg and determined to be in the best interest of the State. Evaluate the need to mitigate impacts to Settlement designated land adjoining agricultural land sales areas and incorporate such measures into the Final Finding and Decision or State Farm Conservation Plan. Agricultural land sales should exclude floodways. Agricultural operations shall be kept 300 feet away from known historic, archaeological, or paleontological sites identified by the Office of History and Archaeology (OHA), unless OHA agrees otherwise. OHA shall work with DAg to develop site-specific mitigation measures to protect known cultural sites.



## Preliminary Decision

Sulliwood Subdivision – ADL 417615

Page 12 of 23

LCS has coordinated with the DA<sub>g</sub> throughout the development of this proposal. The agricultural parcels will be a minimum of 20 acres in area, but are likely to be larger. DA<sub>g</sub> and DMLW have not identified any necessary mitigation measures for Settlement designated land adjoining Agriculture designated land beyond brushing the boundaries of agricultural parcels to help subsequent owners with parcel boundary location. None of the areas proposed for Agriculture designation are within an identified floodplain. DMLW is already coordinating with OHA because of potentially historic features within the project area. DMLW will continue to coordinate with DA<sub>g</sub> and OHA to ensure that cultural resource sites are appropriately identified and handled as part of this proposed subdivision development.

Coordination and Public Notice: Public notice will be given for the disposal of land as required under *AS 38.05.945 Notice*. Borough land use plans and zoning maps should be reviewed prior to issuing land use authorizations.

Public notice is being issued for this proposed action in accordance with *AS 38.05.945*. Refer to *Attachment B: Public Notice* and **Section XVII. Submittal of Public Comments** for more information. The FNSB Comprehensive Plan and Salcha-Badger Road Area Plan were reviewed in the preparation of this proposal. LCS will provide notice to the FNSB of this proposal.

Cultural Resources: Coordination between DMLW and the Office of History and Archaeology (OHA) is warranted if OHA determines during agency review that a cultural survey may be required for a proposed land disposal. Cultural surveys should be considered where OHA reported sites exist or if there is a high potential for sites.

LCS has coordinated with OHA while preparing this proposal because of the potentially historic Haines-to-Fairbanks Pipeline corridor within the project area. During Agency Review OHA stated that the Haines-to-Fairbanks Pipeline corridor should be evaluated by a qualified cultural resource professional if it will be affected by crossings or cleanup work. LCS will continue to coordinate with OHA for the appropriate evaluation and/or mitigation of the Haines-to-Fairbanks Pipeline.

Fish and Wildlife Habitat: 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 of the relatively large size and undisturbed nature of the project area. ADF&G did not express concern or have comments about the proposal during agency review.

Forestry: Selective timber harvests to support subdivision development are appropriate, such as the clearing of road rights-of-way, through collaboration between the Division of Forestry and DMLW. Timber harvests are also appropriate for Agriculture designated land if consistent with the State Farm Conservation Plan, which shall be coordinated between the Division of Forestry and the DA<sub>g</sub>.

LCS will consider selective timber harvests of settlement designated land and coordinate with DA<sub>g</sub> about agricultural designated land as the project develops.

## Preliminary Decision

Sulliwood Subdivision – ADL 417615

Page 13 of 23

Material Sites: Settlement areas with high material potential should have an identified source area for retention in State ownership for future use. There are no areas within the project area with known high material potential.

Public Access: 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. DMLW will plat dedicated subdivision roads to provide access to each parcel and to ensure continued legal access to adjacent State and private land.

Settlement: Areawide management guidelines regarding settlement include:

- Protect life and property by avoiding areas with unstable soils or floodplains and considering wildland fire risk.
- 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.
- Design subdivisions to preserve and enhance the quality of the natural setting and consider site limitations, such as slope and drainage.
- Comply with borough comprehensive plan and zoning ordinance, if applicable.

LCS consulted with the Division of Forestry about wildfire risks during and after agency review. Parcels will be sized appropriately considering such limiting factors as slope and drainage. Proposed Mineral Order 1205 would close the entire project area to mineral entry. Because of the large minimize parcel size, rural location, and lack of stream corridors, LCS does not foresee the need for green belts or public-use corridors beyond subdivision access roads. LCS has consulted with FNSB Parks & Recreation about reserving trails within the project area; no need as has been identified, but LCS will consider reserving trail corridors prior to subdivision platting based on public input. LCS found no conflicts from the subdivision proposal and the FNSB Comprehensive Plan. LCS may propose to change the project area zoning from “General Use” to “Rural & Agricultural”.

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 area plan amendment, land classification order, 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*. The project area is currently designated Settlement and Agriculture and requires an amendment to the ETAP prior to disposal to modify the boundaries of these designations.

*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.

*Area Plan Amendment:* DNR proposes to amend the ETAP to change the boundaries of Agriculture and Settlement designations for part of management units

## **Preliminary Decision**

Sulliwood Subdivision – ADL 417615

Page 14 of 23

F-92 and F-94 to be consistent with the management intent for each unit. The areas proposed for designation changes are based on site-specific evaluations of vegetation, topography, soil conditions, and access.

*Land Classification Order:* DNR proposes to reclassify approximately 630-acres from Agricultural Land To Settlement Land, approximately 160-acres from Settlement Land to Agricultural Land, and approximately 10-acres of unclassified land to Settlement Land based on the rationale provided in the proposed area plan amendment.

Mineral Activity and Order(s): No mineral activity has been identified on these lands. The entirety of the project area (approximately 2,200 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 ETAP.

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 project area could create serious conflicts between land estate and mineral estate users. Area plan mineral estate management policy states that, in general, areas scheduled for disposal will be closed to mineral entry prior to sale to minimize potential conflict between land estate and mineral estate users.

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 Comprehensive Plan, Salcha-Badger Road Area Plan, Comprehensive Road Plan, and Recreational Trails Plan. The FNSB was undertaking revisions to the Comprehensive Road Plan and Recreational Trails Plan while this proposal was being prepared; LCS provided input specific to the project area and no conflicts are anticipated with these plans. The Salcha-Badger Road Area Plan future land-use map shows the project area as “Public Multi-Use”. However, virtually all of Salcha is shown in the map as “Public Multi-Use” and “Outlying Area”. DNR may propose to rezone the project area from General Use to Rural and Agricultural, which would be evaluated by the FNSB for consistency with the Salcha-Badger Road Area Plan and FNSB zoning ordinances.

## **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

## Preliminary Decision

Sulliwood Subdivision – ADL 417615

Page 15 of 23

the **Section XVII. 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**

Access to the project area is from the Richardson Highway then east along Johnson Road approximately 3.2 miles to the intersection of Sulliwood Road along the southern boundary of the project area. Johnson Road is maintained by DOT&PF. There is legal access to the southwestern project area corner from Johnson Road along section line easements along sections 20 and 21. A road labeled Military Pipeline Road by the FNSB is in the same approximate location. However, based on the location of the road relative to the west quarter corner of Section 21, Military Pipeline Road is probably not within the 66-foot section line easement corridor, and it is unknown if it provides public access to the project area.

A network of old forestry roads and trails cross through the project area. A pioneer road largely follows the Sulliwood Road right-of-way from Johnson Road to near the northern end of the project area. A well-traveled trail follows the former Haines-to-Fairbanks military fuel pipeline corridor from approximately the center of the project area to the northern boundary. Many of the existing roads and trails are well located to provide access within and beyond the project area while largely avoiding steep topography. These existing corridors will be considered for subdivision road routing, flag lot access to parcels, or trail easements. LCS may apply to vacate section line easements within the project area per *AS 19.30.410 Vacation of Rights-of-Way* and *11 AAC 51.065 Vacation of Easements*. Subdivision design will consider topography and access to lands beyond the project area and within the project area boundaries. 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*, *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 building setback from the OHW of the water body.

## Preliminary Decision

Sulliwood Subdivision – ADL 417615

Page 16 of 23

*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. 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 subdivision development.
- A 50-foot continuous easement upland from the OHW of public or navigable water bodies in accordance with *AS 38.05.127 Access To Navigable or Public Water*.
- A minimum 50-foot building setback from the OHW of public or navigable water bodies, in accordance with the area plan.
- 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.
- An easement for and/or setback from the former Haines-to-Fairbanks Pipeline corridor, as appropriate.
- Additional reservations and/or restrictions required through the local platting authority.

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

*Retained Lands:* DNR may retain tracts on the perimeter of the project area adjacent to other State-owned land that are difficult to access and/or have continuous poor-quality soils for development. DNR may retain a portion or the entirety of the former Haines-to-Fairbanks Pipeline corridor, depending on the outcome of the requested removal action of the abandoned pipeline by the US Army Corps of Engineers, as detailed in **Section XIV. Hazardous Materials and Potential Contaminants**.

## **XIV. Hazardous Materials and Potential Contaminants**

During on-the-ground field inspections conducted in June and September 2017, July 2021, and August 2022, field staff observed potential environmental hazards within the project area.

The Haines-to-Fairbanks Pipeline, a formerly used military fuel pipeline, passes through the project area and is abandoned in place below ground. The average pipeline burial depth was

## Preliminary Decision

Sulliwood Subdivision – ADL 417615

Page 17 of 23

supposedly 30 inches, however, at least one pipeline section has daylighted due to erosion (illustrated in the picture below) and other sections appear to be near the surface based on ground morphology. This segment of the pipeline operated between 1955 – 1973 and 1979 carrying various petroleum products such as diesel, jet fuel, aviation gasoline, and motor gasoline. The environmental condition of the entire pipeline corridor has been investigated by the US Army Corps of Engineers and US Army Alaska; no known contamination exists within or near the project area. However, because the pipeline was operated before contemporary environmental protection laws and preventive measures for pipeline operation (such as corrosion protection), there is potential for residual petroleum product within the pipeline and/or contamination due to releases within the project area.



In March 2022, DNR DMLW requested that the US Army Corps of Engineers Formerly Used Defense Sites (FUDS) Program remove the abandoned pipeline and any contamination discovered within the project area. The FUDS Program has expressed willingness to conduct an evaluation, but has not yet received funding for the work. LCS plans to phase the subdivision development to initially avoid the pipeline corridor because of uncertainties about the environmental condition of the property.

The US Army used herbicides to help keep the pipeline corridor clear for visual inspections. While not exactly clear, it appears the application of herbicides might have occurred between approximately 1955 and 1969. The Army used a variety of herbicides, all of which are expected to degrade over the course of weeks or months once applied and are known or suspected to be of low acute toxicity to mammals. However, the primary contaminant of concern from the herbicide applications is a dioxin (abbreviated as) 2,3,7,8-TCDD that contaminated one of the herbicides used by the US Army. 2,3,7,8-TCDD is toxic, carcinogenic, and persistent in the environment. A complicating factor is that dioxins are formed by burning wastes with a chlorine source, whether by industrial processes or household waste burning, and there are many types of dioxins. So the presence of dioxins alone does not necessarily indicate the past presence of an herbicide. However, waste burning generally creates dioxins other than 2,3,7,8-TCDD, with a

## **Preliminary Decision**

Sulliwood Subdivision – ADL 417615

Page 18 of 23

dioxin (abbreviated as) OCDD as the primary dioxin created. In other words, the presence of 2,3,7,8-TCDD as the predominant dioxin in soil samples is indicative of past herbicide applications whereas the presence of OCDD as the predominant dioxin in soil samples is indicative of other activities such as waste burning.

The US Army Corps of Engineers evaluated the literature for studies on the presence of herbicide and dioxin contamination within the pipeline corridor and conducted a field study along the portions of the pipeline corridor within Alaska. Studies conducted in the 1990s within the Canadian portions of the pipeline corridor had mixed results. One study found no significant detections of dioxins in one location, whereas two studies detected 2,3,7,8-TCDD as the dominant form of dioxin in soil samples. This implies the presence of dioxins in those areas was primarily from past herbicide applications. In choosing locations for sampling within Alaska, the US Army Corps of Engineers selected 23 locations identified by stakeholders and the historical record as most likely to have been where pesticides were applied. One sample location was immediately south of the project area southwest corner. No herbicides or 2,3,7,8-TCDD were detected in any of the samples, and OCDD was the primary dioxin detected, suggesting that the source of dioxins was from other sources such as waste burning instead of past herbicide applications. The US Army Corps of Engineers concluded that:

These results do not prove that herbicides were never applied along Alaskan portions of the Haines-Fairbanks pipeline, but simply that no trace of such application can be detected in the present day in those areas that were sampled.

No contamination above Alaska Department of Environmental Conservation (ADEC) soil cleanup levels were documented in the US Army Corps of Engineers work and ADEC does not list the pipeline corridor as a contaminated site due to herbicide applications. However, LCS will notify potential purchasers that herbicides were likely used in the maintenance of the pipeline corridor within the project area.

Within Section 22 within the project area, debris and trash are dispersed over approximately two acres near the junction of Sulliwood and Johnson Roads. This debris largely consists of abandoned vehicles and appliances. No obvious contamination or potentially hazardous materials have been located, however, there is potential for either within this area.

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

## **Preliminary Decision**

Sulliwood Subdivision – ADL 417615

Page 19 of 23

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. To offer the property, a combination of survey, subdivision, and/or platting actions may be required.

This proposed project area is located within the Fairbanks North Star Borough, and therefore survey and platting will be subject to the relevant subdivision standards. The borough's platting requirements provide for separate public notice periods and processes for platting actions. These additional opportunities for public involvement occur after DNR issues a Final Finding and Decision, 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. 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 October 20 through November 10, 2021. 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: Mental Health Trust Land Office; Alaska Department of Environmental Conservation; DNR Division of Parks and Outdoor Recreation.

*DNR DMLW LCS Response:* LCS appreciates your review of the proposal.

Department of Fish and Game (ADF&G) Comment: Hunting and trapping may occur within the project area, but ADF&G does not have any specific information about such uses. ADF&G has no concerns or comments on this proposed land sale.

*DNR DMLW LCS Response:* LCS appreciates your review of the proposal.

DNR Division of Parks and Outdoor Recreation, Office of History and Archaeology (OHA) Comment: There are no reported cultural resource sites within the project area, but the Haines-to-Fairbanks Pipeline corridor should be evaluated by a qualified cultural resource



## Preliminary Decision

Sulliwood Subdivision – ADL 417615

Page 20 of 23

professional if it will be affected by crossings or cleanup work. If a federal agency will undertake work within the pipeline corridor, it would be subject to Section 106 of the National Historic Preservation Act. If there is no federal involvement, DMLW would be responsible for coordination with OHA under the Alaska Historic Preservation Act. If the corridor will be avoided or excluded, then no specific work would likely be recommended.

*DNR DMLW LCS Response:* LCS will continue to coordinate with OHA as the project progresses and as it becomes clear whether the US Army Corps will remove the abandoned pipeline. LCS currently plans to plat the project area in phases, the first of which would avoid the pipeline corridor.

*DNR Division of Forestry (DOF):* DOF has no objection to the proposed land sale, but notes that sale of the land would exempt DOF from further Alaska Forest Resources and Practices Act requirements, such as reforestation standards. DOF uses Johnson Road for forest designated land access and plans for timber sales in 2024.

*DNR DMLW LCS Response:* Thanks for your review of the proposal. LCS has no concerns about reforestation within the project area or use of Johnson Road for accessing timber sales.

*DNR Division of Geological & Geophysical Surveys (DGGS) Comment:* DGGS notes that the proposed subdivision is within an area where massive loess deposits cover metamorphic bedrock. These deposits are susceptible to gullying and may be susceptible to seasonal frost movement. The subdivision is within the zone of discontinuous permafrost. The subdivision is within the Salcha seismic zone, which has been active within the last 150 years and has had earthquakes of magnitudes up to 7.3. The risk posed by building within an active seismic zone should be accommodated by following appropriate construction best practices.

*DNR DMLW LCS Response:* LCS appreciates your review of the proposal. This information has been incorporated into the PD.

*DNR Division of Oil & Gas Comment:* 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.

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;

## **Preliminary Decision**

Sulliwood Subdivision – ADL 417615

Page 21 of 23

- Office of Project Management and Permitting; and
- State Pipeline Coordinator's Section.
- Department of Transportation and Public Facilities.
- Salcha-Delta Soil & 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, draft area plan amendment, draft land classification order, 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 area plan amendment, draft land classification order, 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, draft area plan amendment, draft land classification order, 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, ETAP Amendment No NC-10-004A02, Land Classification Order CL NC-10-004A02, and Mineral Order 1205 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, ETAP Amendment No NC-10-004A02, Land Classification Order CL NC-10-004A02, and Mineral Order 1205. Upon approval and issuance of these actions, a copy of the decision, orders, and amendment 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 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, THURSDAY, JANUARY 26, 2023**

## **Preliminary Decision**

Sulliwood Subdivision – ADL 417615

Page 22 of 23

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

LCS is considering the following alternatives:

Alternative 1: (Preferred) Survey and plat a subdivision consisting of up to 100 settlement and agricultural parcels at least 20 acres in size and offer those parcels for sale. The development and offering of these parcels may be completed in multiple stages. This proposal includes the amendment to the ETAP, land classification order, and mineral order.

Alternative 2: (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 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 offering provides an opportunity for the public to obtain land for settlement and agricultural use in a desirable area. 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. Due to the unique amenities of the area, location relative to Salcha and Eielson Air Force Base, agricultural potential, 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 meet the legislative and public 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 would deny many Alaskans the opportunity to obtain land in an area that is suited to settlement and consistent with the surrounding development. Alternative 2 is not preferred.

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

Recommendation follows.

**Preliminary Decision**

Sulliwood Subdivision – ADL 417615

Page 23 of 23

**XIX. Recommendation**

This Preliminary Decision for the proposed disposal of State lands, ETAP Amendment No NC-10-004A02, Land Classification Order CL NC-10-004A02, and Mineral Order 1205 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, ETAP Amendment No NC-10-004A02, Land Classification Order CL NC-10-004A02, and Mineral Order 1205. If the decision is approved, ETAP Amendment No NC-10-004A02, Land Classification Order CL NC-10-004A02, and Mineral Order 1205 will accompany and precede any Final Finding and Decision issued.

/s/ Colin Craven

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

Dec. 14, 2022

Date

/s/ Tim Shilling

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

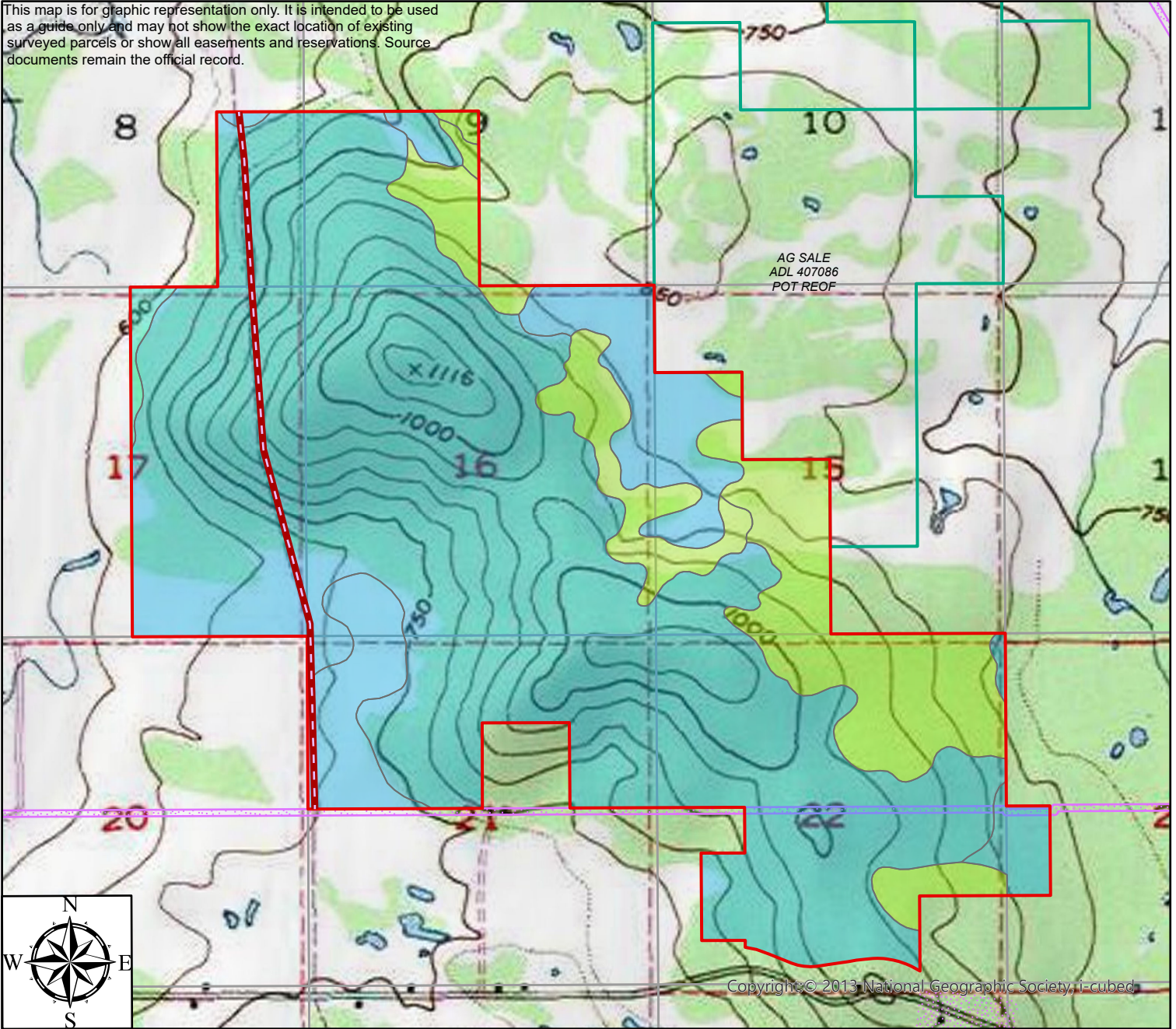
Dec. 14, 2022

Date



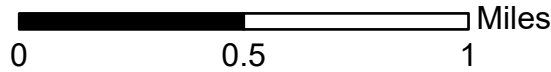
# Attachment A: Vicinity Map with Soil Characteristics Sulliwood Subdivision Project Area ADL 417615

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



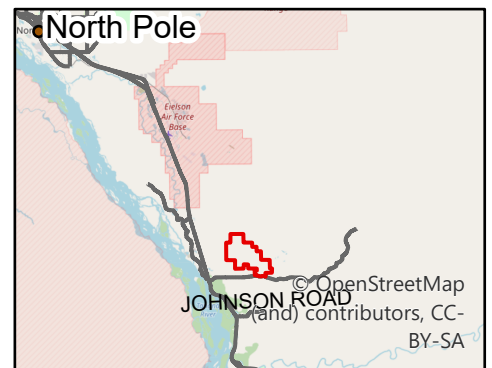
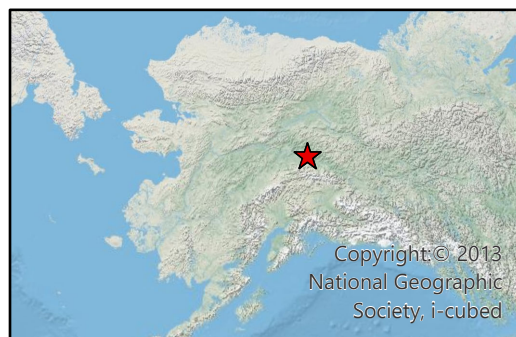
- Project Area
- Former Pipeline
- Land Capability Class
  - 4
  - 5
  - 6
- Potential Reoffer Parcels
- Utility Easement
- Sections

Colin Craven  
Department of Natural Resources  
Land Conveyance Section  
907.451.2730  
land.development@alaska.gov



USGS Quad Big Delta C-6

CMC  
Sept 29, 2022



Copyright © 2013  
National Geographic  
Society, i-cubed

© OpenStreetMap  
(and) contributors, CC-  
BY-SA

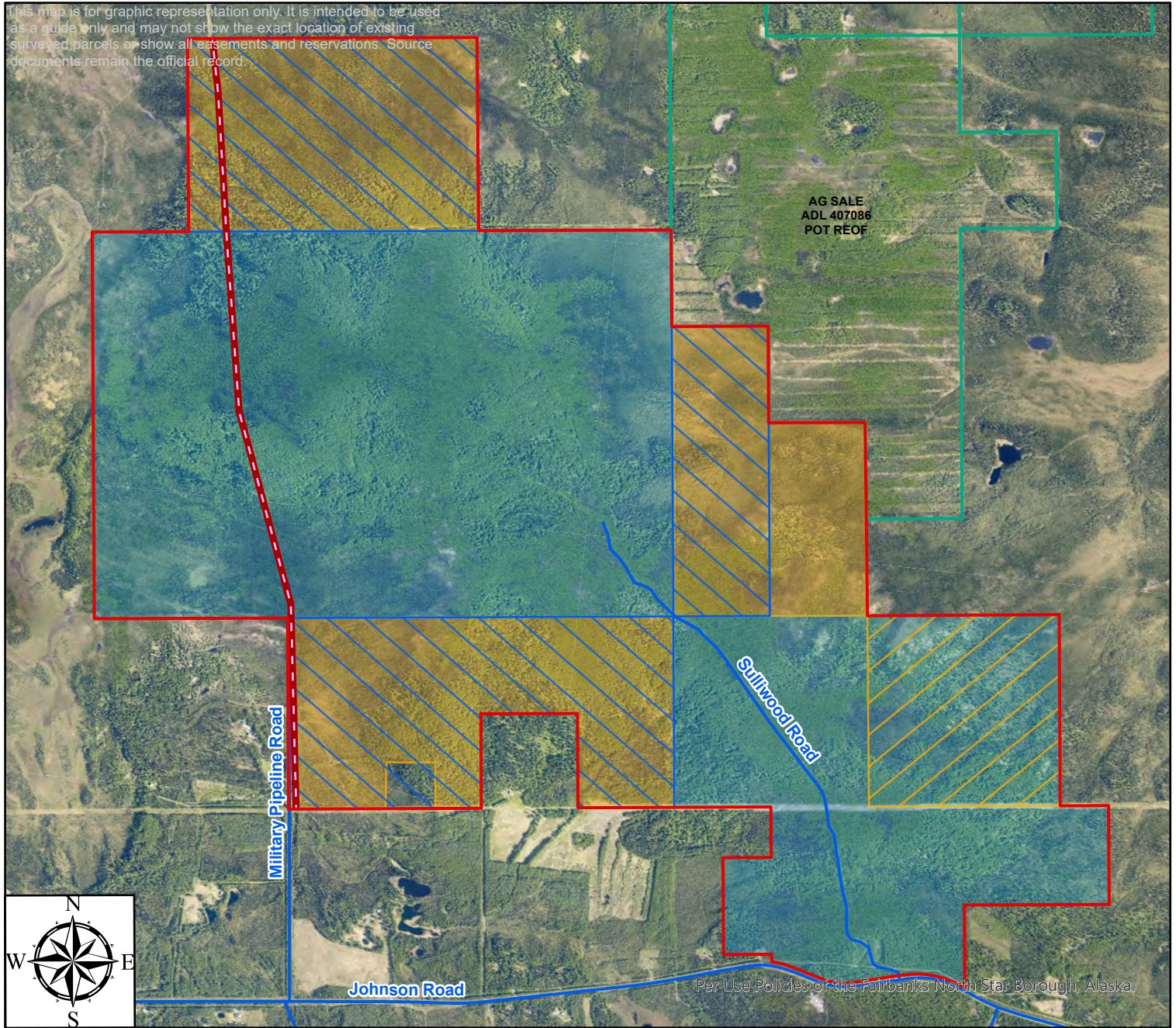


# Attachment A: Vicinity Map with Designations

## Sulliwood Subdivision Project Area

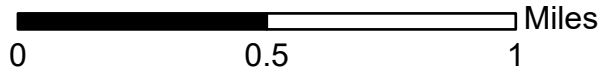
### ADL 417615

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



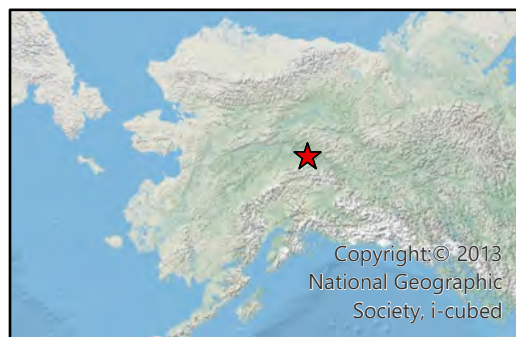
- Project Area
  - Former Pipeline
  - Potential Reoffer Parcels
- Designation**
- Ag Designation Current
  - Ag Designation Proposed
  - Se Designation Current
  - Se Designation Proposed

Colin Craven  
 Department of Natural Resources  
 Land Conveyance Section  
 907.451.2730  
 land.development@alaska.gov

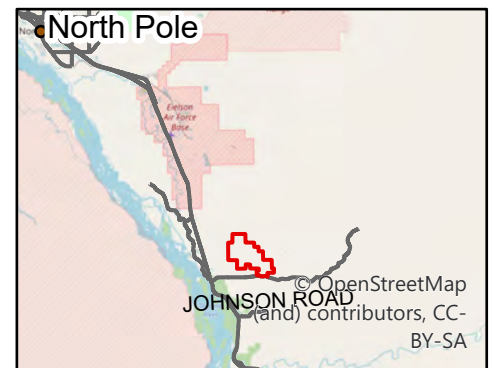


CMC  
 Sept 29, 2022

USGS Quad Big Delta C-6



Copyright: © 2013  
 National Geographic  
 Society, i-cubed



© OpenStreetMap  
 (and) contributors, CC-  
 BY-SA

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:  
**Sulliwood Subdivision – ADL 417615**

**COMMENT PERIOD ENDS 5:00PM, THURSDAY, JANUARY 26, 2023**

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 proposed subdivision is located in Salcha east of the Richardson Highway, within Sections 8, 9, 15, 16, 17, 21, 22, and 23, Township 4 South, Range 4 East, Fairbanks Meridian. The project area consists of approximately 2,192 acres identified for disposal by this proposed action

Project size: Up to 100 parcels each no smaller than 20 acres for approximately 2,192 acres.

To obtain a copy of the Preliminary Decision, Mineral Order, Land Classification Order, Area Plan Amendment or instructions on submitting comment, go to <http://landsales.alaska.gov/> or <http://aws.state.ak.us/OnlinePublicNotices/>. For assistance in obtaining the documents by an alternative method, to request auxiliary aids, services, or special accommodations, contact DNR's Public Information Centers on State work days, Monday through Friday, between 10AM and 5PM in Anchorage at 907-269-8400, 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 <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, Thursday, January 19, 2023.

Pursuant to AS 38.05.945 Notice, the public is invited to submit comment on the Preliminary Decision, Mineral Order, Land Classification Order, and/or Area Plan Amendment 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, Thursday, January 26, 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 or related actions. 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, [land.development@alaska.gov](mailto:land.development@alaska.gov), 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 and Decision, Mineral Order 1205, Land Classification Order CL NC-10-004A02, Area Plan Amendment NC-10-004A02, 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.