

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

FINAL FINDING AND DECISION

of a
Noncompetitive Sale to Preference Right Applicant – ADL 51065
AS 38.05.102, AS 38.05.035(e)

This Final Finding and Decision (FFD) complements and updates the Preliminary Decision (PD) issued on May 17, 2023. The PD (attached) has had the required public review.

I. Recommended Action

The State of Alaska (State), Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), Land Conveyance Section (LCS) recommends offering for noncompetitive sale a parcel of state-owned land for private ownership pursuant to Alaska Statute (AS) 38.05.102 *Lessee Preference*. LCS recommends allowing the parcel to be sold through a noncompetitive sale to the applicant. The parcel is located along East Sunshine Road off the Talkeetna Spur Highway, approximately ten miles south of Talkeetna. The parcel encompasses the applicant's leasehold of 50 acres, more or less.

II. Authority

DNR has the authority under AS 38.05.102 *Lessee Preference* to sell state-owned lands only 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."

III. Public Participation and Input

Pursuant to AS 38.05.945 *Notice*, public notice inviting comment on the PD for the proposed action was published and distributed in the following manner:

- Posted on the State of Alaska Online Public Notice website from May 17, 2023, to June 19, 2023;
- Posted on the Public Notices page of the DNR DMLW Alaska State Land Sales website from May 17, 2023, to June 19, 2023;
- Mailed to postmasters in Trapper Creek, Talkeetna, and Willow post offices with a request to post for 30 days, per AS 38.05.945(c)(4);
- Mailed to the Trapper Creek and Talkeetna Public Libraries with a request to post for 30 days;
- Mailed to Cook Inlet Region, Incorporated and Montana Creek Native Association per AS 38.05.945(c)(2)-(3);
- Emailed to the Trapper Creek Community Council, Talkeetna Community Council, and Matanuska-Susitna Borough offices per AS 38.05.945(c)(1);
- Mailed to the applicant and adjacent landowners within the vicinity; and
- Emailed notice to the Alaska Center for the Environment, Alaska Soil and Water Conservation District, Alaska Miners Association, University of Alaska Land

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Management Department, Trustees for Alaska, and all State agencies who received the agency review notice.

The public notice stated that written comments were to be received by 4:00 PM, June 19, 2023, to ensure consideration and eligibility to appeal. For more information, refer to the attached PD.

IV. Comments Received

DNR DMLW LCS received two written comments from the State of Alaska, Department of Fish & Game (ADF&G) during the public comment period. LCS did not receive any written public comments. The comments received during the public comment period are summarized and addressed below.

ADF&G Comments: There is a section of lakeshore along an unnamed lake which is catalogued as an anadromous water body for rearing coho salmon within the subject parcel. Certain activities may require a fish habitat permit if modifying the bed and banks of the water body as well as any water withdrawal at this location. Types of activities that would require the permit include things such as docks, boat launches, culverts, and bridges. The applicant can reach out to the Palmer Habitat Section of ADF&G for further details.

DNR DMLW LCS Response: Thank you for your comment; it is noted that future activities may require a fish habitat permit from ADF&G. The applicant has been informed to reach out to the appropriate group in Palmer. The correction regarding the anadromous water body is noted in **Section VI. Modifications to Decision**.

V. Traditional Use Finding

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. The subject parcel is located within an organized borough; therefore, no Traditional Use Finding is required.

No conflicts with traditional uses of the land have been discovered. Public review brought forth no new information indicating traditional use conflicts that were not apparent at the PD stage.

VI. Modifications to Decision

Pursuant to comments received during the public notice period and other additional information obtained, there are two minor corrections or clarifications made between the PD and FFD. None of the below modifications change the original proposed action as described in the PD.

- *Section V. Description, Subsection g. Access, including Access To and Along Public or Navigable Water* notes that there are no anadromous water bodies within the parcel. ADF&G has clarified that there is a section of lakeshore along an unnamed lake, which is catalogued as an anadromous water body within the subject parcel, Anadromous Waters Catalog Code: 247-41-10200-2300-3022-0010.
- *Section V. Description, Subsection g. Access, including Access To and Along Public or Navigable Water* includes the point, "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." This language is unnecessary for the subject parcel.

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VII. Stipulations

The applicant will be required to comply with the following stipulations to complete the proposed land sale:

1. As a condition of sale, the applicant must sign an affidavit acknowledging the condition of the land and releasing the State from related liability due to the presence of potential hazards.
2. The lessee must remain in good standing with respect to the terms of the lease until the lease is relinquished. If the lessee is not in good standing at any time prior to the relinquishment of the lease, the purchase process will be halted until the lessee regains good standing as determined by DMLW.
3. A notice to proceed to survey will be issued if no requests for reconsideration are received, or when any requests for reconsideration are resolved, after issuance of a Final Finding and Decision. The applicant must hire a surveyor and the surveyor must apply to DMLW's Survey Section for Survey Instructions. The applicant's survey must be approved by DMLW and the Matanuska-Susitna Borough Platting Authority as outlined in the Survey Instructions. Survey costs shall be borne by the applicant.
4. Upon approval and recording of the survey, a notice to proceed to appraisal will be issued. Within two years from the date of the notice to proceed to appraisal, the applicant must hire an appraiser from DNR's Approved Appraiser list. The appraiser must apply for appraisal instructions issued by DMLW and then must submit a completed fair market value appraisal to LCS in accordance with the appraisal instructions. DMLW Appraisal Section must approve the appraisal. Appraisal costs shall be borne by the applicant.
5. Upon approval of the appraisal, a notice to proceed to purchase will be issued to the applicant. Within two years of an approved appraisal, the applicant must submit the following to LCS:
 - A signed and notarized affidavit acknowledging the condition of the land and releasing the State from related liability;
 - A completed and signed Declaration of Intent Form;
 - A signed and notarized Relinquishment of Land Lease form;
 - A completed Veteran's Land Discount form (if eligible); and
 - Payoff amount plus patent application and recordation fees OR minimum 5% of the purchase price as a deposit plus land sales contract application and recordation fees. Fees are established under *11 AAC 05.100 Land Disposals* and *11 AAC 05.200 Recorder's Office* and are subject to change. Some fees have been reduced by Director's Order Number 3.
6. Prior to the completion of the purchase and issuance of a state conveyance document, the applicant must remain in good standing with respect to all terms of the Contract for the Sale of Real Property throughout its term, if such contract is issued. The applicant must also remain in compliance with all applicable state and local ordinances and regulations, including all applicable taxes. Failure to do so may result in termination of the Contract for the Sale of Real Property.

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Special Note: The applicant must complete steps 1-6 above by *February 3, 2025*, to ensure the applicant has a signed land sales contract before the lease expires on *May 3, 2025*. Failure to do this will result in the loss of the right to purchase this parcel of land or may need to enter into a lease renewal and incur associated costs.

If extenuating circumstances delay any of the stipulations listed above, the applicant is responsible for notifying LCS and receiving approval from LCS for the delay with new timeframes for completion to be given. Failure to do this could result in the closure of the purchase application. The purchase cannot be completed until all the above stipulations have been satisfied.

Recommendation and approval of the Final Finding and Decision follow.

Final Finding and Decision


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VIII. 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.


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 case file has been found to be complete and the requirements of all applicable statutes have been satisfied. LCS recommends proceeding with the proposed action as described in the Preliminary Decision and this Final Finding and Decision.


Recommended by: Hannah Uher-Koch
Section Chief
Land Conveyance Section
Division of Mining, Land and Water
Department of Natural Resources
State of Alaska

9/21/2023

Date

Under the authority of the applicable statutes, it is in the best interest of the state to proceed with the recommended action(s) as described in this Final Finding and Decision.


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

9/22/2023

Date

Appeal Provision

An eligible person affected by this decision, and who provided timely written comment or public hearing testimony to the department, may appeal the decision to the DNR Commissioner per AS 44.37.011 and 11 AAC 02. Any appeal must be received within twenty (20) calendar days after issuance of this decision under 11 AAC 02.040. An eligible person must first appeal a decision 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. Appeals 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. Appeals 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>.

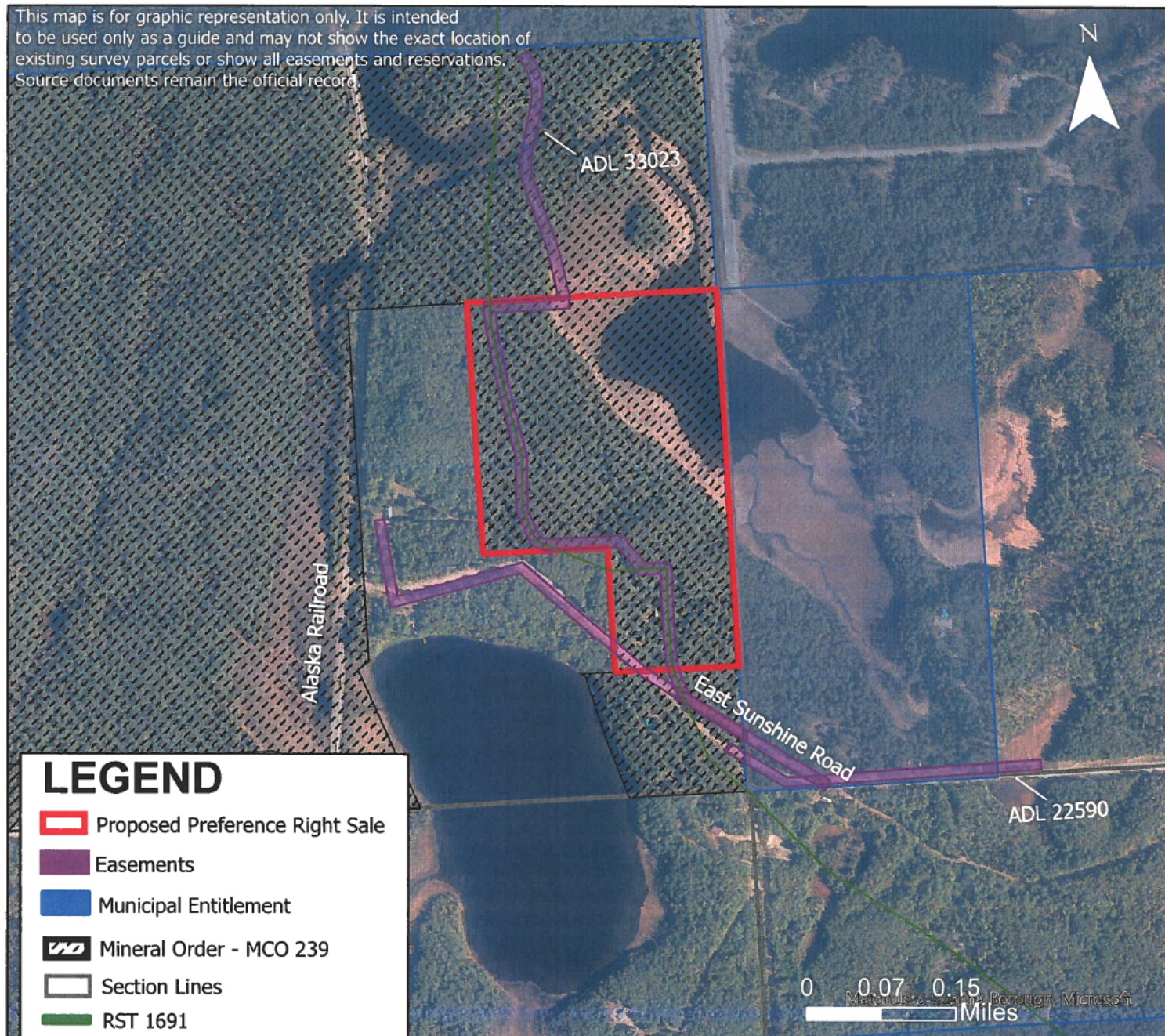


William Prittie
ADL 51065

Attachment A: Vicinity Map

Proposed Noncompetitive Sale
Pursuant to AS 38.05.102

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



LEGEND

- Proposed Preference Right Sale
- Easements
- Municipal Entitlement
- Mineral Order - MCO 239
- Section Lines
- RST 1691

USGS Quad 1:63,360 Talkeetna A-1

**Section 18, Township 24 North,
Range 4 West,
Seward Meridian**

For more information contact:

Stefania Kristjansson

Department of Natural Resources

Division of Mining, Land and Water

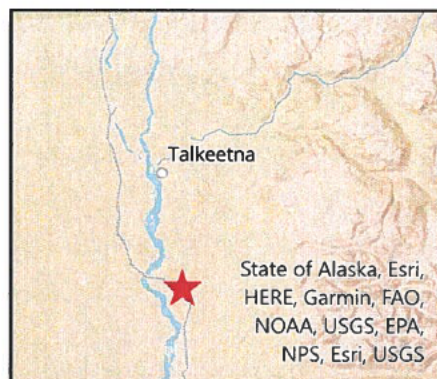
Land Conveyance Section

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SAK 9/5/23



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

PRELIMINARY DECISION
ADL 51065

Proposed Noncompetitive Sale to Preference Right Applicants
AS 38.05.035(e), AS 38.05.102

RELATED ACTIONS:
None

PUBLIC COMMENT PERIOD ENDS 4:00 PM, MONDAY, JUNE 19, 2023

I. Proposed Action

Preliminary Decision: Approval of Noncompetitive Preference Right Parcel Sale ADL 51065
Attachment A: Vicinity Map
Attachment B: Public Notice

Primary Proposed Action, Noncompetitive Sale: The State of Alaska (State), Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), Land Conveyance Section (LCS) has received an application from William Prittie to purchase a parcel of state-owned land pursuant to Alaska Statute (AS) 38.05.102 *Lessee Preference*. The proposed decision will allow the parcel to be sold through a noncompetitive sale to the applicant. The parcel is located approximately ten miles south of Talkeetna. The legal description for the parcel is within the NE1/4 SE1/4, NE1/4 SE1/4 SE1/4 of Section 18, Township 24 North, Range 4 West, Seward Meridian, containing 50 acres, more or less. See *Attachment A: Vicinity Map* for a depiction of the subject parcel.

AS 38.05.102 Lessee Preference allows the granting of a preference right purchase or lease to those holding leases authorized under *AS 38.05.070-105 Alaska Land Act* and who are currently in good standing. A 1981 amendment to *AS 38.05.070 Generally* made this section inapplicable to short-term leases.

Proposed Related Actions: There are no proposed related 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.

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

II. Authority

DNR has the authority under *AS 38.05.102 Lessee Preference* 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

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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." The authority to execute this decision has been redelegated to the Section Chief of the DMLW Land Conveyance Section.

III. Administrative Record

The case file for Alaska Division of Lands (ADL) 51065 constitutes the administrative record for this proposed action. Also incorporated by reference are:

- Susitna Matanuska Area Plan (SMAP, adopted August 11, 2011) and associated land classification files;
- Matanuska-Susitna Borough Comprehensive Development Plan, adopted 2005;
- DNR case files: mineral order (MO) 239; easements ADL 33023, ADL 22590; State conveyance files UNIV 37, OSL 792; and
- DNR RST 1691 Herning Trail – Question Creek files.

IV. Scope of the Proposal

The scope of this proposal, under the statutes described in the preceding **Section II. Authority** is limited and specific to determining the following: (1) if the applicant and subject parcel themselves qualify, (2) if it is in the State's best interest to sell the subject parcel, and (3) if it is in the State's best interest to sell the subject parcel to the applicant. The scope of this decision does not include the control of post-patent use, and LCS does not intend to impose deed restrictions for this purpose. The local zoning authority will handle restrictions regarding land use, if any.

V. Description

- a. Location: The subject parcel is located within DNR's Southcentral Region along the north side of East Sunshine Road west of the Talkeetna Spur Road, approximately ten miles south of Talkeetna in the Matanuska-Susitna Borough, within Section 18, Township 24 North, Range 4 West, Seward Meridian. See *Attachment A: Vicinity Map* for additional information.

USGS Map Coverage: Talkeetna A-1

Platting Authority: Matanuska-Susitna Borough

Regional Corporation: Cook Inlet Region, Incorporated

Village Corporation: Montana Creek Native Association

- b. Legal Description: NE1/4SE1/4, NE1/4SE1/4SE1/4, Sec. 18, T.24 N., R.4 W., S.M., according to the supplemental survey plat of Township 24 North, Range 4 West, Seward Meridian, Alaska, accepted by the United States Department of the Interior, Bureau of Land Management in Washington, D.C. on June 6, 1955. Containing 50 acres.
- c. Title: Information from Title Report No. 22052, issued August 11, 2021, indicated the State of Alaska holds fee title to the land and mineral estates under Statutory Quitclaim Deed, dated December 2, 1983, and accepted December 21, 1983, which was acquired through State Selection UNIV 37 and OSL 792. A Right-of-Way Agreement issued to Matanuska Telephone Association, Inc., recorded in Book 121, Page 947, was identified

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as the only third-party interest. The parcel is subject to the reservations, easements, and exceptions contained in the federal patent.

An updated title report has been requested; if any concerns are discovered, they will be addressed in the FFD.

State Reservation 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*, the State retains ownership of all oil, gas, coal, ore, minerals, fissionable material, geothermal resources, and fossils 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, 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 land 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 landowner will be compensated for damages resulting from mineral exploration and development.

Navigable Waters: Per AS 38.05.126(b) *Navigable and Public Waters*, "...the State has full power and control of all of the navigable or public water of the State, both meandered and unmeandered, and the State holds and controls all navigable or public water in trust for the use of the people of the State." This trust is in accordance with the principles of the Public Trust Doctrine, which are included in Article VIII, Section 14 of the Constitution of the State of Alaska and protected in the United States Constitution. It is vested in the title to this land, is not transferable, and the State's title to submerged lands under navigable waters cannot be relinquished by a transfer of the property. In holding with this concept, navigability determinations are made, and access will be reserved per AS 38.05.127 *Access To and Along Public and Navigable Water*. For more information, see Access, including Access To and Along Public or Navigable Water subsection of this document.

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

Native Interest: The subject parcel is within the boundaries of the Cook Inlet Region, Incorporated native regional corporation. There are no Native interests identified with this parcel.

Other Conflicts or Pending Interest: RST 1691 Herning Trail-Question Creek runs through the parcel. Reservation of this trail will be required as discussed in the Access, including Access To and Along Public or Navigable Water subsection of this document.

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d. Background:

The State received title to the subject parcel via Patent 1213622, dated October 17, 1960. The subject parcel was part of the lands subsequently conveyed to the Board of Regents of the University of Alaska, as trustee for the University of Alaska, on October 21, 1983, via Statutory Quitclaim Deed before being conveyed back to the State from the Board of Regents of the University of Alaska through a Statutory Quitclaim Deed accepted on December 21, 1983.

The State issued a 55-year lease under AS 38.05 to Chelcie R. Eager on May 4, 1970. The lease was assigned to Dixie Eager and Chelcie Eager on May 23, 1973, and subsequently assigned to William E. Prittie and Eleanor Henke on November 18, 2003. On March 12, 2013, William Prittie and Eleanor Henke applied to purchase the parcel pursuant to AS 38.05.102. The lease was amended on September 27, 2022, to remove Eleanor Henke from the lease, leaving Mr. Prittie as the sole lessee.

The subject parcel has been occupied and used as a primary residence for the applicant. Maintained structures are located on the southern portion of the subject parcel. DNR acknowledges that the leaseholder owns the improvements within the lease. Legal access to the subject parcel is by East Sunshine Road via the Talkeetna Spur Highway and public access easement ADL 33023.

Improvements on the subject parcel include a primary residence, a barn, and a woodshed. The residence uses wood heat, and toxic substances on the parcel are minimal.

As of the time of this PD, there are no liens associated with the subject parcel.

Separately from this Preliminary Decision, DMLW is proposing to realign and co-locate RST 1691 Herning Trail – Question Creek and ADL 33023 east of their current locations within the parcel, as no current development of the easements is evident. Moving the easements generally allows better access, and the new location conforms with the area's topography. Additionally, vacating the easements' current location provides additional unencumbered developable land and a better parcel layout for future uses. The "stacking" of the easements, provides one access thoroughfare in the place of two undeveloped easements.

DMLW proposes the realignment of RST 1691 and ADL 33023 through a Regional Manager's Decision to be issued by the Southcentral Regional Land Office. The noncompetitive sale proposed in this PD is not contingent upon adopting the Regional Manager's Decision or realigning the easements.

e. Planning, Classification, and Mineral Orders:

1. *Planning:* The subject parcel is located within the SMAP, South Parks Highway Region, Unit S-25, adopted on August 11, 2011. The plan designates the subject parcel as Settlement which converts to a classification of Settlement Land.

The SMAP states that the plan's management intent for Unit S-25 is as follows:

Management Intent:

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"If conveyed to state, uplands in eastern portion of unit may be appropriate for land disposal. The western and central portions, occupied by the Alaska Railroad and wetlands, respectively, are to be maintained in their present natural state. Protect anadromous streams. Protect trails and RS 2477 routes. Portions of this unit are in selection status; review land status prior to any management or disposal action."

A sale of the subject parcel supports the management goals of the SMAP by providing an opportunity for private ownership of land currently owned by the state for continued year-round use as a residence.

2. *Land Classification Order:* Determination of plan designation and land classification SC-09-002-DET03 designates this parcel settlement and, available for disposal into private ownership.
3. *Mineral Order:* The subject parcel has been previously closed to mineral entry by Mineral Order 239.

Mineral orders which close an area to mineral entry, close the area to new exploration and development of locatable minerals such as gold, copper, platinum, etc. 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 mineral exploration and development.

4. *Local Planning:* The project area is within the Matanuska-Susitna Borough. The disposal of state land into private ownership is consistent with policies and goals adopted in the Matanuska-Susitna Borough Comprehensive Development Plan adopted in 2005.
 5. *Flood Risk:* The Flood Insurance Rate Map for the Matanuska-Susitna Borough Panel 3515E adopted March 17, 2011, shows the parcel is not in a floodplain.
- f. Traditional Use Findings:
The subject parcel is located within the Matanuska-Susitna Borough, and a traditional use finding is therefore not required under AS 38.05.830 *Land Disposal in the Unorganized Borough*. There are no anticipated significant changes to traditional uses of the land and resources of this area as a result of the proposed action.

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

- g. Access, including Access To and Along Public or Navigable Water:
Public Access: Legal access to ADL 51065 is by East Sunshine Road via the Talkeetna Spur Highway and public access easement ADL 33023.

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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*.

DNR has not identified any public, navigable, or anadromous water bodies within the subject parcel. If any such water bodies are discovered, the parcel will be subject to access reservations in accordance with AS 38.05.127 *Access to Navigable or Public Water*.

Easements and Setbacks:

- A 50-foot public utility easement issued under ADL 22590 to the Matanuska Electric Association, Inc., located within NE1/4 SE1/4 SE1/4 of Section 18, Township 24 North, Range 4 West, Seward Meridian;
- An easement issued to the Matanuska Telephone Association for a 10-foot strip of land running northwesterly parallel with the north side of Sunshine Road in the NE1/4 of the SE1/4 of the SE1/4, thence along the north side of Sunshine Road in that portion of the NE1/4 of the SE1/4 of Section 18, T24N, R4W, Seward Meridian and depicted in an easement document recorded at Book 121, Pages 947 in the Talkeetna Recording District;
- 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*;
- 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;
- Any additional setbacks or restrictions reserved in Patent 1213622;
- Utility easements; and
- Additional reservations and/or restrictions required through the local platting authority.

The following easements shall be reserved in accordance with a Regional Manager's Decision to realign and co-locate the easements east of their current locations.

- A RS 2477 right-of-way for Herning Trail – Question Creek, serialized as RST 1691 shall be reserved in accordance with AS 19.10.010 *Dedication of Land for Public Highways*, AS 19.30.400 *Identification and Acceptance of Rights-of-Way*, and Patent 1213622; and
- An easement issued under ADL 33023 to DMLW for a 60-foot public access road.

Should DMLW determine that the easements should not be realigned and co-located, they shall both be reserved and surveyed as they are currently depicted.

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

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- h. Reservation of Mineral Estate: In accordance with section 6(i) of the Alaska Statehood Act and AS 38.05.125 *Reservation*, the State, in this decision, reserves unto itself the mineral estate, including oil and gas, and the rights expressed in the reservation clause of the statute, that being the right to reasonable access to the surface for purposes of exploring for, developing and producing the reserved mineral resources. Exploration and development, if any, which could occur, would be consistent with AS 38.05.130 *Damages and Posting of Bond* and other applicable statutes and regulations.
- i. Hazardous Materials and Potential Contaminants:
There is no known contamination of, or hazardous materials on, the subject parcel. The applicants are expected to inspect the subject parcel to ascertain the quality and condition of the land. The State makes no representations and no warranties, expressed or implied, concerning the existence or absence of any hazardous substances, hazardous wastes, contaminants, or pollutants on the land proposed for conveyance to the applicants. The State does not assume any liability for the removal of hazardous substances, hazardous wastes, contaminants, or pollutants, nor for the remediation of the site should such substances ever be identified.

The applicant will be required to submit an affidavit acknowledging the condition and history of the site prior to purchase.

- j. Survey: This parcel is determined to be unsurveyed by Preliminary Survey Determination (SD) 2021-18, dated April 14, 2022. Upon DNR approval for the conveyance of the parcel, a survey of the subject parcel performed by an Alaska Registered Land Surveyor under the direction of the DMLW Survey Section will be required at the applicant's expense. The Matanuska-Susitna Borough platting authority must approve this survey.

LCS will issue a notice to proceed to survey if no appeals are received or when appeals are resolved after issuance of an FFD. The applicant must hire a surveyor, and the surveyor must apply to DMLW's Survey Section for Survey Instructions. After issuance of the Survey Instructions, the applicant must submit a completed survey to DMLW's Survey Section for review. The applicant's survey must be approved by DMLW and the local platting authority, as set forth in the Survey Instructions. Upon approval and recordation of the survey, a notice to proceed to appraisal will be issued. The applicant bears the cost of the survey.

- k. Compensation/Appraisal: If the purchase is approved, the parcel will be sold at fair market value as required by AS 38.05.840(a) *Appraisal*. At the appropriate time, LCS will notify the applicant to begin the appraisal process and provide a list of approved appraisers. The DMLW Appraisal Unit will provide appraisal instructions to an approved appraiser. The applicant bears the cost of the appraisal. The date fixed for sale under AS 38.05.840(a) *Appraisal* and the valuation date of the appraisal will be set as the date of inspection by the appraiser.

VI. 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 PD. Agency review was conducted between January 19, 2023, through February 9, 2023. Comments pertinent to

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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: Department of Transportation and Public Facilities, DNR Division of Parks and Outdoor Recreation, DNR DMLW Statewide Abatement of Impaired Land, and DNR DPOR Office of History and Archaeology.

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

DNR Division of Oil and Gas (DOG): DOG thanked DMLW for the opportunity to review and comment on the project. DOG has no objection to the proposed conveyance and does not have any oil and gas activities, third-party interests, or pending applications on the subject lands.

DOG asks to please inform the applicants that the State reserves oil, gas, minerals, fissionable material, geothermal resources, and fossils that may be in or upon the land that it sells in accordance with Section 6(i) of the Alaska Statehood Act and AS 38.05.125. The State also reserves the right to enter the land for the purposes of exploring for, developing, and producing these mineral resources. The proposed mineral order closing the area to locatable mineral entry does not apply to leasable mineral resource exploration, development, or production.

DNR DMLW LCS Response: LCS appreciates the review of this proposed noncompetitive sale. Included in this decision is the reservation of mineral estate in accordance with Section 6(i) of the Alaska Statehood Act and AS 38.05.125 *Reservation*.

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

- Alaska Department of Fish & Game, DNR Division of Forestry and Fire Protection, Department of Environmental Conservation, DNR Division of Agriculture, DNR Division of Geological and Geophysical Surveys, DNR DMLW Public Access Assertion and Defense.

VII. 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.

In accordance with AS 38.05.946(a) *Hearings*, a municipality or corporation entitled to receive notice under AS 38.05.945(c) *Notice* may hold a hearing within 30 days after receipt of the notice. If a hearing is held, the Commissioner (or representative) shall attend the hearing. The Commissioner has discretion whether or not to hold a public hearing.

LCS will consider all timely, written comments received. If analysis of such comments indicates the need for significant changes to the PD, additional public notice for the affected lands will be

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AS 38.05.102 Preference Right – ADL 51065

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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 proposal is approved and no significant change is required, the PD, including any deletions, minor changes, and a summary of comments and LCS responses will be issued as a subsequent FFD without further notice.

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 FFD. Upon approval and issuance of a FFD, a copy of the decision will be made available online at <http://landsales.alaska.gov/> and sent with an explanation of the appeal process to any party who provides timely written comment.

DNR is prepared to accommodate individuals with disabilities by providing auxiliary aids, services, or special modifications in order to participate in this review. Individuals who may need such assistance should contact DNR's Public Information Center. For more information, refer to *Attachment B: Public Notice*.

DEADLINE TO SUBMIT WRITTEN COMMENT IS 4:00 PM, MONDAY, JUNE 19, 2023

VIII. Stipulations

If approved for conveyance, the applicant will be required to comply with the following stipulations to complete the land sale:

1. As a condition of the sale, the applicants must sign an affidavit acknowledging the condition of the land and releasing the State from related liability due to potential hazards.
2. The lessee must remain in good standing with respect to the terms of the lease until the lease is relinquished. If the lessee is not in good standing at any time prior to the relinquishment of the lease, the purchase process will be halted until the lessee regains good standing as determined by DMLW.
3. A notice to proceed to survey will be issued if no appeals are received or when appeals are resolved after issuing a Final Finding and Decision. The applicant must hire a surveyor, and the surveyor must apply to DMLW's Survey Section for Survey Instructions. The applicant's survey must be approved by DMLW and the local platting authority, as set forth in the Survey Instructions. The applicant shall bear survey costs.
4. Upon approval and recording of the survey, a notice to proceed to appraisal will be issued. Within two years from the date of the notice to proceed to appraisal, the applicant must hire an appraiser from DNR's Approved Appraiser list. The appraiser must apply for appraisal instructions issued by DMLW, then submit a completed fair market value appraisal to LCS per the appraisal instructions. DMLW must approve the appraisal. The applicant shall bear appraisal costs.
5. Upon approval of the appraisal, a notice to proceed to purchase will be issued to the applicants. Within the time period specified in this notice, the applicant must submit the following to LCS:

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- A signed and notarized affidavit acknowledging the condition of the land and releasing the State from related liability;
 - A completed and signed Declaration of Intent form;
 - A signed and notarized Relinquishment of Land Lease form;
 - A completed Veteran's Land Discount form (if eligible); and
 - Payoff amount plus patent application and recordation fees OR minimum 5% of the purchase price as a deposit plus land sales contract application and recordation fees. Fees are established under *11 AAC 05.100 Land Disposals* and *11 AAC 05.200 Recorder's Office* and are subject to change. Some fees have been reduced by Director's Order Number 3.
6. Prior to the completion of the purchase and issuance of a state conveyance document, the applicant must remain in good standing with respect to all terms of the Contract for the Sale of Real Property throughout its term, if such a contract is issued. The applicant must also remain in compliance with all applicable state and local ordinances and regulations, including all applicable taxes. Failure to do so may result in termination of the Contract for the Sale of Real Property.

Special Note: The applicant must complete steps 1-6 above by February 3, 2025, in order to ensure the applicant has a signed land sales contract before the lease expires on May 3, 2025. Failure to do this will result in the loss of the right to purchase this parcel of land or may need to enter into a lease renewal and incur associated costs.

If extenuating circumstances delay any of the stipulations listed above, the applicants are responsible for notifying LCS and receiving approval from LCS for the delay with new timeframes for completion to be given. Failure to do this could result in the closure of the purchase application. The purchase cannot be completed until all the above stipulations have been satisfied.

IX. Discussion and Alternatives

The original lease was issued in 1970 under the authority of *AS 38.05 Alaska Land Act* as amended, as stated on the lease agreement. DMLW finds that the issuance authority qualifies the lease for a preference right claim under *AS 38.05.102 Lessee Preference*.

The preference right applicant and current leaseholder of the parcel is in good standing with the terms of the lease as of the writing of this document. Title Report No. 22052 shows no third-party interests or liens. Therefore, the applicant qualifies under *AS 38.05.102 Lessee Preference* for a preference right claim.

The following alternatives were considered:

Alternative 1: Sell

Approve the proposed conveyance of the 50-acre subject parcel to the applicant in accordance with *AS 38.05.102 Lessee Preference*.

Alternative 2: Lease

Issue a lease renewal to the applicant.

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Alternative 3: Retain

DNR will take no action and retain the subject parcel.

Alternative 1 will provide settlement land for personal, residential use, generate revenue for the State, mitigate costs related to the management of leased lands, and is compatible with the area plan management intent. The sale of the parcel allows the applicant's improvements to remain *in situ* and provides the applicant with the assurances required for future planning and passing property to heirs. Therefore, it is in the best interest of the State to sell the parcel as proposed in this decision.

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." Alternative 1 provides a method for DNR to meet the obligations laid out in the Constitution and statute and supports DNR's goal of providing lands for private settlement and supporting economic growth throughout Alaska. This is the preferred alternative.

Under Alternative 2, DNR will issue a lease renewal to the applicant. Under this option, the State retains long-term interest in the land and the option to decline to renew the lease in the future. The lessee receives control of the leasehold for a given period. As the applicant qualifies and submits forms for a senior citizen's discount, under this option, the State currently does not earn revenue from the leasehold, in addition to incurring future management costs related to ensuring performance under the lease agreement and administrative costs related to lease administration. This is not in the best interest of the State. This alternative is not preferred.

Under Alternative 3, the State would need to expend resources managing the land while forgoing the income that a sale or lease could have generated. If the State chooses to neither sell nor lease the land to the current leaseholder, the lessee will be required to remove existing infrastructure from the land that was approved under a residential lease approved by the State and restore the land to its original condition. The applicants may lose improvements if they are immobile, causing the applicants detriment. Retaining the subject parcel in state ownership is not in the best interests of the State. This alternative is not preferred.

For the reasons outlined above, Alternative 1 is the preferred alternative. The sale of the subject parcel is beneficial to both the State, and to the prospective applicant. The sale provides land for settlement to the applicant and is the site of used and useful improvements. It provides maximum use for the public benefit by providing land for private settlement, the proposed parcel use does not disturb or curtail nearby state land uses, and it supports the long-term growth and development of the nearby community.

Recommendation follows.

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X. Recommendation and Preliminary Decision

This Preliminary Decision for the proposed disposal of State lands described throughout this document is consistent with the overall management intent for state-owned lands. Alternative 1 is the preferred alternative because it is the maximum best use of state land, addresses a land claim under preference right statutes, and helps meet the mission of the land sales program.


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. A Final Finding and Decision will address any significant issues or concerns during the public review process. If the applicants are unable to complete the stipulations, DMLW may decide to close this purchase application or require the continued annual renewal for the lease to allow additional time to complete the purchase process.

The PD 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.


Prepared by: Stefania Kristjánsson
Natural Resource Specialist 2
Land Conveyance Section
Division of Mining, Land and Water
Department of Natural Resources
State of Alaska

5/16/23

Date of Signature


Approved by: Hannah Uher-Koch
Acting Section Chief
Land Conveyance Section
Division of Mining, Land and Water
Department of Natural Resources
State of Alaska

5/17/2023

Date of Signature

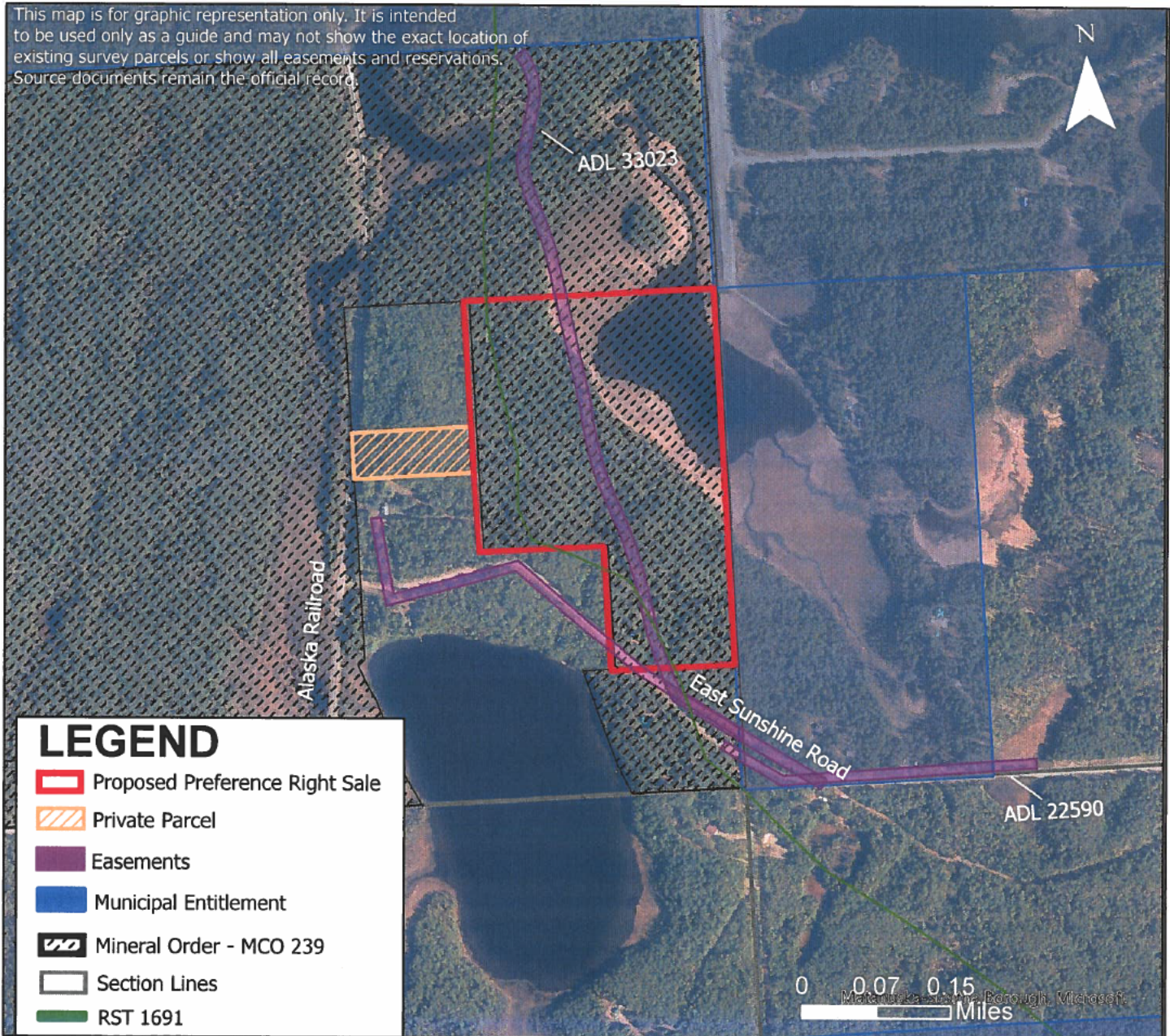


William Prittie
ADL 51065

Attachment A: Vicinity Map

Proposed Noncompetitive Sale
Pursuant to AS 38.05.102

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

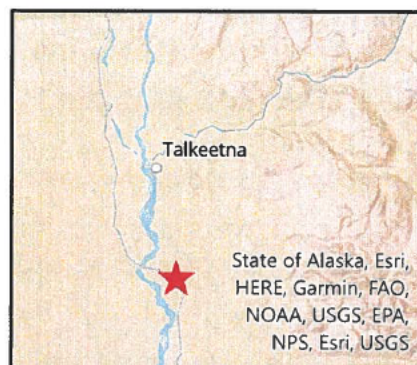


USGS Quad 1:63,360 Talkeetna A-1

**Section 18, Township 24 North,
Range 4 West,
Seward Meridian**

For more information contact:
Stefania Kristjansson
Department of Natural Resources
Division of Mining, Land and Water
Land Conveyance Section
Phone: 907-269-8851
Fax: 907-269-8916
Email: stefania.kristjansson@alaska.gov

SAK 2/9/23



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

PUBLIC NOTICE

**Requesting Input for Proposed Noncompetitive Sale to
Preference Right Applicants - ADL 51065**
AS 38.05.102

COMMENT PERIOD ENDS 4:00 PM, MONDAY, JUNE 19, 2023

The Alaska Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), Land Conveyance Section (LCS) is conducting a public notice for a noncompetitive land sale located approximately ten miles south of Talkeetna. The legal description for the parcel is within the NE1/4 SE1/4, NE1/4 SE1/4 SE1/4 of Section 18, Township 24 North, Range 4 West, Seward Meridian, containing 50 acres, more or less.

To obtain the notice, Preliminary Decision (PD), or instructions on submitting comment, go to <http://dnr.alaska.gov/mlw/landsale/> 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 10:00 AM and 5:00 PM in Anchorage at (907) 269-8400 or Fairbanks at (907) 451-2705 or the Southeast Land Office in Juneau at (907) 465-3400 or TTY: 711 for Alaska Relay or 1-800-770-8973 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, Monday, June 12, 2023.

Pursuant to AS 38.05.945 Notice, the public is invited to submit comments on the Preliminary Decision. **The deadline for public comment is 4:00 PM, MONDAY, JUNE 19, 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 (FFD). Written comment may be received by fax, email, or postal mail. To submit comments or for direct inquiries, contact Stefania Kristjansson by mail at 550 West 7th Ave, Suite 640, Anchorage, AK 99501 or by fax at (907) 269-8916 or by email at stefania.kristjansson@alaska.gov. If you have questions, call Stefania Kristjansson at (907) 269-8851.

If no significant change is required, the PD, including any minor changes and a summary of comments and responses, will be issued as the FFD without further notice. A copy of the FFD will be sent to any persons who commented timely on the PD.

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