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

FINAL FINDING AND DECISION
ADL 234762

Proposed Noncompetitive Sale to Public and Charitable Use Applicant
AS 38.05.035(e), AS 38.05.810

and its

RELATED ACTION
Proposed Amendment to the Southeast Susitna 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

This Final Finding and Decision (FFD) complements, updates, and modifies the Preliminary Decision (PD) dated July 10, 2026. The PD (attached) and mineral order (closing) have had the required public review.

Executive Summary: The State of Alaska (State), Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW) finds it is in the best interests of the State to convey approximately 6,800 acres (subject parcel) of State-owned land in the Matanuska-Susitna Borough to the Alaska Industrial Development and Export Authority (AIDEA) through a noncompetitive public and charitable use conveyance. AIDEA is a state agency that the legislature created to advance economic prosperity and the general welfare of the people of the state by facilitating energy and resource development projects. AIDEA proposes to use the conveyed land to establish a multi-use industrial and energy development district for the public purpose and public interest of creating jobs, improving energy reliability, and diversifying the economy. This conveyance is subject to existing authorizations, third party interests, and borough zoning and platting authority. DNR has reviewed all comments received during the concurrent agency review and public comment period and has modified or amended the preliminary decision that was issued on July 10, 2026, and incorporated mitigation measures based on the input received.

I. RECOMMENDED ACTIONS

After finishing the public process, which included a review of agency and public comments, DNR has determined that it is appropriate to reduce the conveyance acreage from 19,500 to approximately 6,800 acres, and to modify the arrangement of the subject parcel in a manner that will maintain public access and use of these lands while also incorporating measures intended to mitigate the anticipated impacts of the conveyance. DNR has determined that it is in the best interest of the State to convey these lands to AIDEA for the public purpose of advancing

economic prosperity through the establishment of a multi-use industrial and energy development district.

The conveyance will be a noncompetitive public and charitable use conveyance pursuant to Alaska Statute (AS) 38.05.810(a)(1) (Public and Charitable Use); a conveyance that DNR finds is in the best interests of the state under AS 38.05.035(e). In addition to reducing the size of the conveyance, DNR will include the following: (1) a condition requiring AIDEA to survey the land and complete all pre-patent requirements within 10 years of this decision, or this decision will be void; and (2) a reversionary clause in the patent consistent with AS 38.05.810(g).

The subject parcel is located within DNR's Southcentral Region, approximately two miles north of Houston in the Matanuska-Susitna Borough, within Township 18 North Seward Meridian. See *Attachment A: Vicinity Map* and *Attachment B: Legal Description and Survey Memo* for additional information.

There are three related actions with this conveyance:

> **Area Plan Amendment:** DNR is amending the SSAP by removing approximately 6,152 acres of land from units P-01, H-06, U-01, and U-22 to create a new unit, H-33. This new unit will be designated Settlement, which converts to the classification Settlement Land.
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> **Land Classification Order:** In relation to the Area Plan Amendment, DNR will reclassify approximately 6,150 acres.
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> **Mineral Order (Closing):** DNR plans to close the subject parcel to new mineral entry. There are no current mining claims located within the subject parcel. There are active gas leases within the subject parcel that this conveyance will be subject to.

Approval of each action is dependent upon approval of the others; one action will not proceed without the approval of all other related actions.

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

II. AUTHORITY

The Alaska Constitution provides the starting point for DNR's state land management. 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." Article IX, section 6 of the Alaska Constitution reads, "No . . . public property [shall be] transferred . . . except for a public purpose." These provisions guide DNR's land management through the laws adopted by the Legislature within AS 38.04 and AS 38.05.

Consistent with the Alaska Constitution, the legislature adopted AS 38.04.005(a) which directs DNR, "to provide for maximum use of state land consistent with the public interest" and

"to plan and manage state-owned land to establish a balanced combination of land available for both public and private purposes." Additionally, AS 38.05.035(e) preconditions disposal of state land on a finding that the disposal serves the best interests of the State.

These constitutional and statutory provisions confirm that DNR has been directed to manage state land to promote the development of natural resources, and to make those lands available for maximum use in a manner consistent with the public interest. Such management is consistent with Articles VIII and IX of the Alaska Constitution – because that management is for a public purpose as defined by those constitutional provisions and statutes.

AIDEA is a state public corporation that was created to undertake projects to "foster the expansion of exports of goods, services, and raw materials of the state."[1] AIDEA's projects are "in the public interest to promote the prosperity and general welfare of all citizens of the state by stimulating commercial and industrial growth."[2] Further, AIDEA's projects are legislatively directed to "increase job opportunities and otherwise encourage the economic growth of the state, including the development of the natural resources."[3] The Legislature has recognized that AIDEA projects are for a "public purpose."[4] AIDEA's development projects match the legislative directives and principles that guide DNR's management of state lands outlined above.[5]

As a result, a conveyance to AIDEA is legally distinct from conveyances to private parties. AIDEA is a state agency created to invest and develop projects that are inherently in the public interest and for a public purpose.[6] AIDEA, when it invests in development, can only invest in development which is in the public interest and for a public purpose – development that stimulates "commercial and industrial growth."[7]

Under AS 38.05.810(a)(1), DNR may dispose of state land to a state agency – like AIDEA – for no cost if the commissioner "ensures . . . that disposals of land under this subsection serve[s] a public purpose and are in the public interest." In doing so, DNR must consider "the terms of grant under which the land [being considered for disposal] was acquired by the state." DNR's findings under AS 38.05.810(a) must consider: (1) the terms of the grant under which the land was acquired by the State; (2) how the applicant will use the lands and if that use is in the public interest and for a public purpose. AS 38.05.810(g) requires that the State retain a reversionary interest in land conveyed under .810(a), unless DNR determines that the waiver of such a requirement is in the public interest.

AS 38.04.010(a) provides DNR additional direction as it evaluates AIDEA's land conveyance application. AS 38.04.010(a) states that DNR, "[i]n making state land available for private use, the director shall seek to guide year-round settlement to areas where public services

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[1] AS 44.88.010 - .070.
[2] AS 44.88.010.
[3] *Id.*; and AS 44.88.070.
[4] *Id.*
[5] AS 44.88.070; *see* AS 38.04.005 and AS 38.05 generally.
[6] AS 44.88.010 - .070.
[7] *Id.*

already exist, or can be extended with reasonable economy, *or where development of a viable economic base is probable*." This conveyance is consistent with AS 38.04.010(a) because AIDEA intends to use these lands to develop a multi-use industrial and energy development district and these lands have existing access and relative proximity to already existing communities.

Related actions are supported by statutory authority in 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 and special exceptions to area plans, land classifications, and mineral orders.

III. MODIFICATIONS TO DECISION

After completing the public process, which included reviewing agency and public comments, DNR has significantly modified the PD. Modifications between the PD and the FFD were made to **Section I (Proposed Action), Section V (Description of the Subject Parcel), Section VII (Planning, Classification, and Mineral Orders), Section X (Access), Section XIII (Stipulations), and Section XVI (Decision).** The wording in these sections has been updated to reflect the modifications to the preliminary decision.

Section I. Proposed Action

The modifications to **Section I. Proposed Action** from the preliminary decision are described in detail in **Section I. RECOMMENDED ACTIONS** in this FFD.

Section V. Description of the Subject Parcel

Section V. has been modified from the original subject parcel description to reflect the modifications to the size, location, and physical description of the subject parcel.

Location: The subject parcel is located within DNR's Southcentral Region, approximately two miles north of Houston in the Matanuska-Susitna Borough, within Township 18 North, all Seward Meridian. See *Attachment A: Vicinity Map* and *Attachment B: Legal Description and Survey Memo* for additional information.

USGS Map Coverage:	Anchorage C-7 and C-8
Platting Authority:	Matanuska-Susitna Borough
Regional Corporation:	Cook Inlet Region, Inc.
Village Corporation:	Knikatnu Inc.
Federally Recognized Tribes:	Knik Tribe

Legal Description:
Township 18 North, Range 3 West, Seward Meridian, Alaska Section 9: SE1/4 SE 1/4; Section 10: N1/2, N1/2 S1/2, S1/2 SE1/4, SE1/4 SW1/4, SW1/4 SW1/4; Section 11: all; according to the plat approved by the U.S. Surveyor General's Office in Juneau, Alaska, on April 2, 1917, containing 1,320 acres, more or less.

Portion of Tract A, of Township 18 North, Range 2 West, Seward Meridian, Alaska, according to the plat accepted by the United States Department of the Interior, Bureau of Land Management in Washington D.C., on April 9, 1963, containing approximately 3,560 acres, more or less.

S1/2, S1/2 NW1/4 Section 1; Lots 3 and 4, S1/2, S1/2 N1/2, Section 2; Lots 1 and 2, SE1/4, S1/2 SW1/4, S1/2 NE1/4 Section 3; and S1/2 SE1/4 Section 4, of Township 18 North, Range 3 West, Seward Meridian, Alaska, according to the plat approved by the U.S. Surveyor General's Office in Juneau, Alaska on April 2, 1917, containing approximately 1,441.30 acres, more or less.

S1/2, NE1/4 Section 13, of Township 18 North, Range 3 West, Seward Meridian, Alaska, according to the plat approved by the U.S. Surveyor General's Office in Juneau, Alaska on December 4, 1915, containing approximately 480 acres, more or less.

The legal description of the mineral order is the same as the subject parcel.

Parcel Description:
Portions of the northern boundary of the subject parcel are co-located with the northern boundary of township 18 North, but have been adjusted to the south along aliquot parts to avoid overlapping the Haessler-Norris Trail System. The boundary of the subject parcel turns southerly along the eastern boundary of Section 3 (S018N002W) and overlies section lines and aliquot parts for the remainder of the boundary line. The southern extent of the subject parcel is located approximately one half mile from the north bank of the Little Susitna River, and the western extent of the subject parcel is located approximately two miles from the George Parks Highway.

The western area of the subject parcel is characterized by gently rolling hills and interspersed, non-contiguous wetlands. To the East, the subject parcel climbs into the foothills of the Talkeetna Mountains where the terrain is defined by steeper slopes rising above flat benches and forested ravines. The vegetation in the subject parcel is dominated by a forested mix of birch and spruce, with grassy meadows surrounding the wetland areas that are interspersed throughout.

Zero Lake Road provides constructed access to the subject parcel and will also provide legal access contingent on the approval of the pending application for a public easement that was submitted by the Division of Forestry and Fire Protection (DFFP) on October 2, 2026 (see **Section X.** for additional details). In addition to Zero Lake Road, there are also secondary dirt roads that currently exist within the subject parcel were constructed by DFFP for the purposes of timber sale administration and wildland fire access. DFFP has invested in the construction of 23.9 miles of active, inactive, and planned forestry roads.

Section VIII. Planning, Classification, and Mineral Orders
Section VIII. has been modified to reflect changes to the related actions, specifically to the Area Plan Amendment and the Land Classification Order.

The subject parcel is located within the SSAP, Kashwitna-Willow Uplands Region (Units U-01, U-22), Big Lake-Houston Region (Units H-06, H-07, H-09), and the Palmer-Wasilla Region (Unit P-01). The SSAP was formally adopted in 2008.

The plan designates the management units within the subject parcel as Forestry (F), Habitat (Ha), Settlement (Se), and Water Resources (Wr). The SSAP states the management intent for Units U-01, U-22, H-06, H-07, H-09, P-01 as follows:

> U-01 (F): Manage unit consistent with requirements of Forestry section of Chapter 2 [SSAP] and with applicable Susitna Forestry Guidelines and Forest Practices Act requirements. Protect anadromous streams and moose winter concentration and rutting areas. Maintain the Central Mail Trail, Mail Trail Connector, and Willow Mountain Trail corridors. Other recreational areas and corridors may exist within this unit and a review to determine if other such uses exist should occur prior to or concurrent with Forest Land Use Plan preparation.
> U-22 (Ha, Wr): Manage unit to protect its habitat and water resource values. Maintain trail access.
> H-06 (F): Unit is to be managed for its timber values. Local and regional trails are to be maintained.
> H-07 (Se): Unit is considered appropriate for land disposal during planning period.
> H-09 (Se): Area is considered appropriate for land disposal during planning period. Protect anadromous stream and RST 95. Conserve areas of wetlands, focusing settlement in adjacent upland areas. Utilities and roads may cross wetlands. Maintain a 100' protection area adjacent to anadromous streams.
> P-01 (Ha): Manage parcel to protect the moose calving, rutting, and winter concentration areas.

The conveyance will be consistent with area-wide land management policies and general management intent of the SSAP and specific management unit if the area plan amendment is 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 units within the subject parcel are currently designated as Forestry, Habitat, and Water Resources, and Settlement. With the exception of Units H-07 and H-09 which are already classified as Settlement, the other designations will require conversion to a classification of Settlement through the area plan amendment to the SSAP prior to disposal.

Area Plan Amendment:
The amendment to the 2008 SSAP will remove approximately 6,152 acres of land from units P-01, H-06, U-01, and U-22 to create a new unit, H-33, that will be designated Settlement, which converts to the classification of Settlement Land.

The management intent for new unit H-33 is as follows:

"Area is considered appropriate for disposal in association with ADL 234762. See Chapter 2 for additional guidance on Settlement, Shorelands and Stream Corridors, Fish and Wildlife Habitat, and Public Access."

A Land Classification Order, SC-08-001A04, formally classifying unit H-33 Settlement Land accompanies this decision as a separate related action.

Section X. Access, Including Access to and Along Public or Navigable Water
Constructed access to the subject parcel is via Zero Lake Road, a gravel road that connects to the George Parks Highway just north of milepost 59. Zero Lake Road travels approximately 3.5 miles before crossing into the project area, and then gradually diminishes until becoming more of an ORV trail. DFFP submitted an application for a public easement along Zero Lake Road in October 2026. The conveyance is subject to the public easement application, which is intended to formalize access to state-owned lands for forest management, and to secure public access to state land. Zero Lake Road also provides access to Zero Lake, the Haessler-Norris trail system, numerous private parcels, and a private airport known as Black Spruce Airport.

Access also exists by section line easements, RST 95, Houston -Willow Creek Trail, RST 1691, Herning Trail-Question Creek, and Public Access Easement ADL 52374-A, to the Parks Highway.

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.

The following waters are public water per AS 38.05.126 and AS 38.05.127 as defined in AS 38.05.965(21):

1. Unnamed outlet of Bench Lake (AWC 247-41-10100-2287) within Section 18, T18N, R2W, SM;
2. Unnamed Stream (AWC 247-41-10100-2285) that flows on the north/south section line between Section 18, T18N, R2W, SM and Section 13, T18N, R3W, SM;
3. Unnamed Stream (AWC 247-41-10100-2231-3050) from Zero Lake Road near the south section line of Section 4, flowing into the project in Section 4,T18N, R3W, SM;

Waters within or bordering the subject parcel that have been identified as anadromous include:

1. AWC 247-41-10100-2287
2. AWC 247-41-10100-2285
3. AWC 247-41-10100-2231-3050

Easements and Setbacks:
The subject parcel is subject to section line easements. A 50-foot 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. For section lines running through the subject parcel, 50 feet measured on each side of the section line, for a total width of 100 feet, will be reserved. Easements and setbacks that the conveyance will be subject to include, but are not limited to:

- ADL 131: The portion of Zero Lake Road located within S018N003W16 may not constitute legal public access. ADL 131 was issued in 1957 as a private non-exclusive easement to provide roadway access to a nearby homestead parcel. The roadway extends north from the southern boundary of Section 16 to the junction of ADL 230260 and continues easterly towards Zero Lake. As the road was authorized as a private easement to a grantee that is now deceased, the South-Central Regional Office (SCRO) does not consider this route to constitute legal public access. Lands underlying a portion of the route in the SE 1/4 of Section 16 have been conveyed to the City of Houston subject to ADL 131, but this likely preserves access only to the private grantee.
- ADL 230731: The portion of Zero Lake Road located within S018N003W 4 and 9 may not constitute legal public access. ADL 230731 represents an application which was closed and combined with ADL 230260, which covered the northern portion of Zero Lake Road.
- ADL 234961: These routes are a part of the Zero Lake Road network that has been developed and maintained by DFFP for the purpose of public firewood cutting opportunities, commercial timber operations, access for emergency response, including wildland fire suppression, and other public purposes (*e.g.*, hunting, berry-picking). On October 2, 2026, DFFP applied for a public easement for the purpose of formalizing public access to state lands and to sustain forest management activities and investment from the DFFP.
- ADL 52374-A: This route may not be fully valid and does not constitute a full highway easement. ADL 52374 was issued on a conditional basis and is only valid in locations where the underlying lands passed through state ownership. Additionally, ADL 52374-A was issued to authorize existing 50-foot trails as-is, and specifically noted for use as "*swamp buggy, tracked vehicles, and horse trails*". ADL 52374-A appears to be largely co-located with RST 95 within the project area.
- There are two RS 2477 trails that cross the project area: RST 95 (Houston-Willow Creek Trail) and RST 1691 (Herning Trail-Question Creek). After a review of the casefiles for each RST, the Public Access Assertion and Defense (PAAD) unit asserts that the validity of these trails is not in question, they do provide legal access, and that the routes delineated in Mapper are sufficiently close to the historical trail's alignment as assessed against USGS bulletins and topographic maps. The standard corridor width of RS 2477 trails and other trails of regional or statewide significance is a minimum of 100 feet (50 feet on each side of the centerline).
- 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. Prior to conveyance AIDEA will be required to complete the survey of the subject parcel to include all easements according to directions set forth in **SECTION XIII. STIPULATIONS**.

A notice to proceed to survey will be issued if no requests for reconsideration are received, or, if applicable, when requests for reconsideration are resolved, after the issuance of the FFD. 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, if any, as set forth in the Survey Instructions. Survey costs shall be borne by the applicant.

Along the anadromous streams in the project area, area wide planning requires riparian buffers of 100-150 feet landward from the ordinary highwater line on each side of the river. This buffer prohibits residential structures, fences, and other non-water-dependent structures that will obstruct passage or those uses that may be prohibited by state regulations. Buffer widths of up to 300 feet may be authorized if, after consultation with the Alaska Department of Fish and Game, it is determined that larger widths are necessary to protect fisheries, wildlife, or habitat.

Development within the subject parcel is also subject to a building setback of 100 feet landward from all anadromous waters for the purpose of protecting riparian fish habitat, water quality, and recreation values along anadromous and high-value resident fish waters. This building setback applies only to non-water-dependent uses. The setback area shall remain vegetated to maintain habitat values and stream stability. SSAP guidelines require that measures be implemented to prevent adverse changes including erosion, turbidity, sedimentation, and temperature differences within the waterbody or adjacent wetlands.

Section XIII. Stipulations

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

1. As a condition of conveyance, 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. A notice to proceed to survey will be issued if no requests for reconsideration are received, or, if applicable, when requests for reconsideration are resolved, after the issuance of the FFD. 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, if any, as set forth in the Survey Instructions. Survey costs shall be borne by the applicant.
3. Upon approval of the survey, a notice to proceed to conveyance will be issued to the applicant. Within the time period specified in the proceed to conveyance notice, the applicant must submit the following to DNR:
   - A completed and signed Declaration of Intent form; and
   - Patent application and recording 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.
4. Prior to the completion of the conveyance 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, if such a contract is issued.

5. Within ten years from the date of this FFD, AIDEA shall comply with Stipulations 1 and 2 and complete a survey suitable for conveyance in accordance with the DMLW Survey Section's Survey Instructions. "Completion" means recordation of the plat in the appropriate recording district and submission of the recorded survey to DNR. As a no-cost conveyance, no appraisal is required. Upon acceptance of survey by DNR, AIDEA shall submit the documents and fees required under Stipulation 2 and may: (1) enter into a paid-in-full contract with DNR, or (2) elect to proceed without a contract and await issuance of a patent or quitclaim deed.

   If Stipulations 1 and 2 and the requirement to complete a survey are not met within 10 years from the date of this final decision, this decision and the approval it provides ends. Any rights or preferences conferred to AIDEA by this decision are extinguished and the parcel reverts to general state land and subject to general DNR management. Any future disposal or conveyance would require new applications, best-interest findings, and public processes. Any extension or modification of this provision requires a formal written amendment to this FFD.

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

Restrictions and Reservations

Conveyance document will be issued subject to the following restrictions and reservations:

1. Valid existing rights, including reservations, easements, and exceptions in the U.S. Patent, or other state or federal conveyance, and in acts authorizing the issue thereof; easements, rights-of-way, covenants, conditions, reservations, notes on the plat, and restrictions of record.
2. Reservation of the mineral estate pursuant to Section 6(i) of the Alaska Statehood Act and AS 38.05.125 Reservation; and reservation of reasonably necessary access to the mineral estate in accordance with AS 38.05.130 Damages and Posting of Bond.
3. AS 38.05.810(g), Public and Charitable Use, states that the commissioner shall retain a reversionary interest on each sale or other disposal granted under AS 38.05.810(a) or (e) Public and Charitable Use, unless the reversionary interest is waived. The FFD finds that retaining a reversionary interest is in the best interests of the state, as discussed fully in the modified **Section XVI. Decision,** subsection C.
4. The Public Trust Doctrine provides that the State holds certain resources (such as wildlife, minerals, and waters rights) in trust for public use and the "government owes a fiduciary duty to manage such resources for the common good of the public as beneficiary."[8] Patent will be subject to RS 2477 rights-of-way, easements to and along public water under AS 38.05.127, and any other easements reserved and managed by DNR, which will be held in public trust.

[8] *Kanuk ex rel. Kanuk v. State, Dept. of Natural Resources*, 335 P.3d 1088, 1100 (Alaska 2014).

Section XVI. Decision

The scope of the preliminary decision signed on July 10, 2026 considered the following: (A) whether AIDEA qualifies for a no-cost disposal under AS 38.05.810(a); (B) whether the disposal of this state land to AIDEA is in the public interest and for a public purpose; (C) whether a waiver of the reversionary interest in AS 38.05.810(g) is in the public interest; (D) the whether the State has accounted for the reasonably foreseeable cumulative impacts resulting from the conveyance; (E) whether DNR considered "the terms of the grant under which the land was acquired by the State; and (F) that in summation the disposal is in the best interests of the State pursuant to AS 38.05.035(e).

DNR broadly maintains the following findings from the PD: (1) that the disposal is in the best interests of the State pursuant to AS 38.05.035(e): (2) that the disposal is for a public purpose and in the public interest and thus qualifies for a no-cost disposal to AIDEA under AS 38.05.810(a).

There are several modifications to the PD that are discussed below:

DNR modifies subsection (A) from **Section XVI. Decision** of the preliminary decision to fix a sentence that incorrectly identified AIDEA as a political subdivision. AIDEA is a state agency.

Because of the information and comments received during agency review and the public comment period, DNR (1) has re-evaluated the merits of retaining conditional reversionary interests on the subject parcels; and (2) now better understands the cumulative impacts associated with this conveyance. In response, DNR amends the preliminary decision to address those anticipated impacts. Subsections (C) and (D) from **Section XVI. Decision** have been amended to reflect DNR's amendments and their adopted mitigation measures.

Those mitigation measures include: (1) reducing the size of the parcel being conveyed to AIDEA; (2) focusing the conveyance of a parcel in an area that mitigates impacts to public access and public use; and (3) the inclusion of additional stipulations, conditions, and an AS 38.05.810(g) reversionary interest.[9] Other than the modifications below, subsections (C) and (D) from **Section XVI. Decision** of the preliminary decision remain.

A. AIDEA is a state agency eligible for a no-cost conveyance under AS 38.05.810(a).

Under AS 38.05.810(a), DNR may convey state lands for no cost to a state agency. While the Alaska Land Act does not define "state agency," AS 40.21.150 in the Public Records Act defines a "state agency" as "a department, office, agency, state board, commission, public corporation." AS 44.88.020 states AIDEA is a public corporation.[10] Relying on AS 40.21.150's definition, AIDEA is a state agency. Therefore, AIDEA is eligible for a no-cost conveyance under AS 38.05.810(a).

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[9] These stipulations are consistent with AS 38.05.810(a) which states "The commissioner shall ensure, by regulation, deed restriction, covenant, or otherwise, that disposals of land under this subsection serve a public purpose and are in the public interest." These mitigation measures constitute "deed restrictions, covenants, or otherwise" that DNR has included to ensure the conveyance serves a public purpose and is in the public interest.

[10] AS 44.88.020 ("The authority is a public corporation of the state").

C. DNR finds that including a conditional post-patent reversionary interest in the patent is in the best interests of the state.

AS 38.05.810(g) states "The commissioner shall retain a reversionary interest on each sale other disposal granted under (a) . . . of this section." That reversionary interest may be waived if "waiver is in the public interest." In the PD, DNR determined that waiver of the reversionary interest for this conveyance to AIDEA was in the public interest on a preliminary basis.

After a review of comments received from agencies and the public, DNR will no longer waive AS 38.05.810(g)'s reversionary interest. DNR finds that it is in the best interests of the State to include a reversionary interest requiring that the lands conveyed in the subject parcel are to be developed in a manner consistent with that which is described in the development plan submitted by AIDEA. With this reversionary interest, lands not developed for the intended purpose described in the development plan will revert to general state ownership, subject to statutory requirements and management. This requirement ensures that state land is not indefinitely removed from public ownership without achieving the stated development objectives.

D. There are cumulative impacts associated with conveying this parcel to AIDEA, but those impacts can be mitigated as outlined in this decision.

In *Sullivan v. REDOIL*, the Alaska Supreme Court held "that consideration of cumulative impacts is constitutionally required [by DNR] throughout all phases of a project."[11] A *REDOIL* review of a project's cumulative impacts must be completed for all DNR disposals.[12] To comply with the Alaska Supreme Court's direction in *REDOIL*, DNR must conduct a "whole-project analysis" that "takes into account all aspects of a project, considered as a whole *and its existing development context.*"[13] DNR's REDOIL review does not need to consider future and speculative impacts.[14]

There are cumulative impacts associated with conveying approximately 6,800 acres of land to AIDEA for industrial development. DNR seeks to mitigate those impacts by including stipulations, conditions, and a reversionary interest.

The modifications to **Section XVI. Decision**, subsection C, reflect DNR's review of public comments and agency review, and the responsibility to incorporate the best available information into land management decisions. The cumulative impacts that can reasonably be expected to result from the conveyance of the subject parcel were enumerated in the PD and are revisited in the FFD with a summary of the mitigation measures adopted in the FFD. The information below adds to the cumulative impacts analysis DNR completed in the PD.

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[11] *REDOIL*, 311 P.3d 625, 634 (Alaska 2013).
[12] *ONC v. Boyle,* 579 P.3d 434, 439-440 (Alaska 2025)(quoting Alaska Const. art. VIII, §§ 1–2).
[13] *REDOIL*, 311 P.3d at 636 (quoting *Greenpeace, Inc. v. State Office of Management and Budget*, 79 P.3d 591, 893–94 (Alaska 2003)) (emphasis added)).
[14] *Id.*

1. **Loss of public access to state land, and reduced access to trails and an area traditionally used for travel and outdoor recreation.**

Commenters stated that the conveyance may result in a loss of access to state land in an area with numerous trail systems and opportunities for outdoor recreation. One trail system specifically identified as being potentially impacted by the conveyance proposed in the PD was the Haessler-Norris trail system; a network of trails that are highly valued for travel and recreational opportunities. DNR has modified the size and location of the subject parcel being conveyed to AIDEA to avoid any overlap with the Haessler-Norris trail system. The modified conveyance is thus expected to avoid impacts to the Haessler-Norris trail system. ADL 52374-A is another public access easement that provides access from the Parks Highway across the subject parcel and generally north towards the Talkeetna Mountains and an intersection with the Haessler-Norris trail system. The subject parcel has been modified to minimize the impacts to ADL 52374-A, and the conveyance will be subject to this easement so that trail users can continue to freely access the trail system and state lands beyond the subject parcel. Any future closures or development of trails such as state easements or RS 2477s will require an additional public process pursuant to 11 AAC 51.065.

The loss of access can also be mitigated in part by maintaining an allowance for public access on the subject parcel for certain activities during the period of time prior to development. DNR has been informed that AIDEA intends to continue to allow public access to the subject parcel prior to issuance of a patent, but will maintain the authority to determine which specific activities will be allowed on the subject parcels during that period of time. This agreement will prevent the subject parcels from sitting idly by allowing for the continuation of certain activities while AIDEA completes the pre-patent requirements described in **Section XIII. Stipulations**.

Zero Lake Road has been historically developed and maintained primarily by the DFFP for the purposes of forestry and forest management, but the road has also become an important avenue for public access to State land in the Houston area. The DFFP has applied for a public easement along Zero Lake Road for the purpose of formally preserving public access to state lands classified for forestry use, and to sustain DFFP forest management activities. This easement will allow for continued public access across and adjacent to the subject parcel and will also protect decades of investment from the timber industry and DFFP into the local road network. Attachment H of this FFD includes a map that displays the extent of the Zero Lake Road network that will be covered under the easement application.

In summary, DNR intends to mitigate impacts to public access by reducing the amount of land conveyed to 6,800 acres, modifying the subject parcel to exclude trails and public access routes, subjecting the conveyance decision to existing easements, receiving an agreement from AIDEA establishing expectations for continued public access, and adjudicating an application for a public access easement on the Zero Lake Road network.

2. **Potential impacts to surface water resources resulting from infrastructure development and impacts to subsurface water resources resulting from the water usage needs of a multi-use industrial and energy development district.**

Commenters expressed concerns about impacts to water resources within the subject parcel, and in downstream waterbodies. Impacts to surface water resources have been mitigated in

part by reducing the amount of land conveyed to 6,800 acres and by modifying the conveyance location to avoid anadromous water bodies such as Deception Creek, AWC 247-41-10100-2291, AWC 247-41-10100-2291-3008, and AWC 247-41-10100-2295. Furthermore, the decision requires that any development within the subject parcel is subject to a building setback of 100 feet landward from all anadromous waters for the purpose of protecting riparian habitat, water quality, and recreation values. The reduced conveyance area and mandatory building setbacks will maintain these values by protecting natural vegetation in riparian areas that are vital to fish and wildlife habitat, preserving access along public waterbodies, maintaining bank stability to reduce erosion, and minimizing sedimentation that may otherwise occur as a result of erosion.

3. Potential impacts to fish and wildlife populations resulting from the loss of habitat.
Impacts to fish and wildlife resources, specifically those resulting from habitat loss, were identified as a concern through public comments and information provided by agencies such as the Alaska Department of Fish & Game (ADF&G). The most substantive way by which DNR will mitigate impacts to fish and wildlife habitat is by reducing the size of the subject parcel and thereby minimizing the habitat loss that may occur as a result of the conveyance. Reducing the subject parcel in such a manner also preserves in State ownership the east-west migration corridors that have been identified by ADF&G as being especially important for wildlife species that rely on undeveloped habitat corridors for seasonal movement to and from the Talkeetna Mountains east of the subject parcel.

DNR has modified the subject parcel with the priority of avoiding wetland areas and vegetation community types that were identified as highly-valued habitats for wildlife such as large mammals and migratory birds. Although some areas of wetland habitat still exist in the final conveyance area, DNR has utilized information from State agencies, the U.S. Soil Survey, and public comments to prioritize upland habitat in the modified conveyance area to the degree feasible.

4. Removal of land from the state's timber resources inventory.
DNR has mitigated the loss of timber resources through two broad steps; 1) the modification of the subject parcel to exclude highly-valued timber resource areas and 2) the preservation of public access along Zero Lake Road.

The subject parcel that was proposed for conveyance in the PD included areas that have been identified as valuable timber resources due to the availability of high-quality timber, road access, and the forest health management activities that have been conducted by DFFP since the 1980s. The boundary of the subject parcel has been intentionally modified with the intent of preserving these high-value timber areas for future public benefit and continued public access. During the agency review period, DFFP identified specific areas in management units U-01 and P-02 that are planned for future timber sales or public firewood cutting. This information was used to modify the boundaries of the subject parcel to exclude most of the areas proposed for future timber or firewood sales. This action protects the investments in forest health management made by DFFP and mitigates the loss of some land from the state's timber resources inventory.

In addition to preserving areas planned for future timber sales and firewood cutting, DNR requires that the conveyance be subject to the application for a public easement on Zero Lake Road that was submitted by DFFP. Establishing long-term legal access along Zero Lake Road preserves DFFP's ability to conduct forest management and also sustains the option to expand the road and trail network to open up new areas for forestry resources in the future.

The removal of land from the State's timber resources inventory is therefore mitigated by modifying the subject parcel to intentionally exclude planned timber and firewood sale areas, and by preserving access along Zero Lake Road for the purpose of forestry, woodcutting, and forest health management.

IV. PUBLIC PARTICIPATION AND INPUT

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

- Posted under State of Alaska Online Public Notice from July 10, 2026 to September 14, 2026. The public comment period was originally scheduled to end on August 19, 2026, but on August 19, 2026 DNR-DMLW announced an extension to the public comment period. The extended public comment period ended on September 14, 2026.
- Posted electronically on the DNR home webpage and the DMLW social media account.
- Mailed to the postmaster in Houston, Willow, Big Lake, Wasilla, and Meadow Lake with a request to post in a visible location per AS 38.05.945(c)(4).
- Emailed to Anchorage, Palmer, Wasilla, and Statewide Soil and Water Conservation Districts per 11 Alaska Administrative Code (AAC) 67.029 and AS 41.10.130(a).
- Mailed to the Knik Tribe, the Eklutna Native Village, the Chickaloon Native Village, and Cook Inlet Region Inc. per AS 38.05.945(c)(2)-(3).
- Emailed to all members of the Alaska Legislature.
- Emailed to the applicant.
- Emailed to DNR-DMLW Managers and DNR Agency Review commenters, including the Division of Oil and Gas, the Division of Geological and Geophysical Surveys, the Division of Forestry and Fire Protection, the Division of Parks and Outdoor Recreation, and the Office of Project Management and Permitting.
- Emailed to Statewide Agency Review commenters including the Alaska Railroad, the Alaska Division of Community and Regional Affairs, the Alaska Department of Environmental Conservation, the Division of Community and Regional Affairs, and Alaska Department of Fish and Game, the Alaska Department of Transportation, the Alaska Mental Health Trust, the Office of History and Archaeology, and the University of Alaska Land Management
- Mailed notification to 278 landowners with property bordering the subject parcel per AS 38.05.945(b)(3)(D) or (E).

The public notice stated that written comments were to be received by 5:00 PM, September 14, 2026, in order to ensure consideration and eligibility to appeal. For more information, refer to the PD.

Comments Received

DNR received eight comments from agencies and 2,306 comments from the public during the public comment period. All comments received during the public comment period are summarized and addressed below.

Agency and Legislative Comments

DNR received comments of non-objection from the following agencies:
The Division of Oil and Gas

Alaska Department of Fish and Game (ADF&G) comment in summary:
The proposed conveyance area includes interconnected habitats that support moose, caribou, wolves, small game, furbearers, and numerous Species of Greatest Conservation Need (SGCN). Several management units contain documented moose calving, rutting, and winter concentration areas, and multiple anadromous and resident fish-bearing waters. ADF&G notes that much of the habitat information in the 2008 Southeast Susitna Area Plan is outdated and that current, site-specific data are needed to fully evaluate potential impacts of redesignation to Settlement.

ADF&G identifies data gaps across units P-01, P-02, P-03, U-01, U-22, and H-06, including the absence of updated moose movement, calving, and wintering surveys; limited information on fish habitat and hydrology; and lack of project-specific design details necessary to assess fragmentation, buffers, or connectivity. ADF&G notes that the eastern portion of U-22 contains the highest-value moose habitat and that the department cannot determine whether essential seasonal functions can be maintained under the proposed reclassification.

The area receives high public use for hunting, fishing, boating, and recreation and contains established access routes such as RS 2477 trails, Zero Lake Road, and the Little Susitna River. ADF&G recommends maintaining trail and river access, preserving easements and connectivity, applying buffers along established trails, and evaluating potential impacts on hunting opportunity and wildlife viewing. Seasonal blasting windows and baseline use monitoring are also advised.

ADF&G requests continued coordination with the Habitat Section and Access Defense program during planning and permitting.

Summary of ADF&G Mitigation Recommendations

- Apply seasonal timing windows for moose calving, rutting, and winter concentration periods.
- Maintain east–west wildlife movement, particularly across U-22a and U-22b.[15]
- Conduct updated wildlife and fish surveys and establish habitat buffers consistent with SSAP guidance.
- Limit clearing and disturbance until surveys confirm habitat functions will be maintained.
- Ground-truth SGCN-rich habitats and limit disturbance in sensitive wetlands and breeding hotspots.

[15] Note: the final area plan amendment to the SSAP will no longer separate U-22 into subunits. The reference to U-22 in this context is referring to the area plan amendment that was proposed in the PD. See modified **Section VIII. Planning, Classification, and Mineral Orders** of the FFD for a full description of the area plan amendment.

- Avoid vegetation clearing during migratory bird windows and use bird-friendly lighting and designs.
- Sample undocumented fish waters early and apply fish-friendly crossings, riparian buffers, and required permitting.
- Secure all attractants to minimize wildlife conflicts.
- Monitor wildlife and public use and apply project-related mitigation if declines occur.

DNR Response: DNR acknowledges ADF&G's concerns regarding potential impacts to fish and wildlife habitat, data gaps, public access, and existing recreational and subsistence uses. In response to these concerns, DNR has reduced the conveyance area from approximately 20,000 acres to approximately 6,800 acres. In addition to significantly reducing the acreage of the subject parcel, DNR further mitigates the impacts to fish and wildlife habitat by focusing the modified subject parcel in areas upland habitat, and by paring wetlands and other sensitive habitat types from the conveyance. The selective modification of the subject parcel was conducted using the data provided by ADF&G in conjunction with wetland data from the U.S. Soil Survey.

DNR acknowledges ADF&G's concerns regarding impacts to the quality of access provide by the Haessler-Norris Trail System, Zero Lake Road, public easement 52374-A, and the RS 2477 routes that cross the subject parcel. DNR has mitigated impacts to public access by intentionally modifying the reduced conveyance area to completely bypass the Haessler-Norris Trail System, and to include only a single crossing of public easement ADL 52374-A. DNR also recognizes the importance of the Zero Lake Road network as a means for public access related to hunting opportunities identified by ADF&G as a potential impact of conveyance. DNR will further mitigate impacts to public access by adjudicating the public access easement application submitted by DFFP for portions of the Zero Lake Road network. The conveyance will be subject to the easement application, which will preserve an important form of constructed access for public uses such as hunting. These modifications are implemented with the intention of preserving the quality of public access in and adjacent to the subject parcel, and in recognition of the value that these easements provide for access and as potential wildlife corridors.

Department of Transportation & Public Facilities comment:
The Alaska Department of Transportation & Public Facilities (DOT&PF) offers that all right of ways and DOT&PF-managed properties shall be maintained in State ownership and control. Central Region Utilities staff also noted that the project area is not mapped on any system maps. As such, it is recommended that the applicant notify any utilities that may operate within the Mat-Su valley before they transfer ownership of the State land.

DNR Response: DNR is retaining all known access corridors and will not be conveying DOT&PF managed properties in this conveyance.

DNR – Office of History and Archaeology comment:
The Office History and Archaeology (OHA) reviewed the notice titled *Noncompetitive Public and Charitable Land Sale near City of Houston – ADL 234762* (received July 14, 2026).

Based on this review, there is limited existing information about the cultural resources in the area. A very small portion of Alaska has been inventoried for cultural resources, and the absence of known resources in the Alaska Heritage Resources Survey (AHRS) database likely reflects the lack of prior cultural resource surveys in this area. As there are several historic trials passing through or near the parcel, the area may contain historical mining sites or older Dena'ina and Native Alaskan artifacts. Accordingly, it may be necessary in the future to complete surveys under the Alaska Historic Preservation Act or the National Historic Preservation Act based on the nature and scope of future use of the land or portions of it.

DNR Response: DNR acknowledges the legal requirements associated with any future development of the subject parcel. AIDEA is required to comply with all applicable laws and regulations associated with development of the parcel, which includes complying with the Alaska Historic Preservation Act (AHPA).

Division of Geological and Geophysical Surveys comment in summary:
DGGS reports that the project area contains a mix of alluvial, colluvial, glacial drift, peat, and manmade deposits. These materials vary in stability and may require site-specific geotechnical evaluation. Areas with fine-grained, wet, or ice-rich sediments may present concerns for foundations, thaw stability, or drainage. DGGS recommends detailed engineering investigations prior to construction.

Clean sand and gravel may be suitable for construction material where thickness, distribution, and ice content allow. Steep slopes or unstable deposits may not be appropriate for material extraction or development. Permafrost is isolated to absent, though frost action may be intense in fine-grained or wet sediments.

Flooding is possible along stream corridors during breakup or storm events. Drainage limitations may occur near wetlands or in fine-grained deposits. Coarse, well-drained materials and sloped terrain generally exhibit better drainage conditions.

The region has a very high seismic hazard due to proximity to the Castle Mountain fault, which is capable of producing significant earthquakes. Standard seismic design practices are recommended for all development.

Landslide hazard was not assessed. Tsunami hazard does not apply. The area may experience ashfall from Cook Inlet and Alaska Peninsula volcanoes. DGGS notes that radon levels in the broader area vary, and buildings should be tested.

Alluvial and outwash deposits may provide suitable material resources where conditions allow; low-lying peat or abandoned channel deposits require careful consideration. Both Houston West and Houston East sites have low mineral potential, with no known active mineral occurrences. Potential energy resources, including gas, coalbed methane, and geothermal systems, may be present based on regional geology, though no commercial accumulations have been identified. Subsurface resource reservations in the Preliminary Decision appear compatible with the proposed conveyance, though surface development may influence future access.

DNR Response: DNR acknowledges DGGS's comments regarding geologic conditions, geotechnical constraints, seismic hazards, and resource potential within the project area. These considerations are important for AIDEA's future site planning and development; however, the conveyance does not authorize specific development. Any future development undertaken by AIDEA will be subject to applicable engineering, permitting, and regulatory requirements, including site-specific geotechnical evaluation where appropriate.

Division of Forestry and Fire Protection (DFFP) comment in summary:
DFFP notes that the proposed conveyance includes Forest-classified lands that have historically supported timber sales and forest management. Recent Five-Year Schedules of Timber Sales identify approximately 5.5 million board feet of potential timber volume within units U-01, H-06, P-02, and P-03, and DFFP anticipates continued timber offerings as part of its Susitna Valley forest management planning.

DFFP has constructed and maintained approximately 29 miles of existing and planned forest roads within the project area, including primary, secondary, and spur roads, as well as long-term maintenance of Zero Lake Road. These roads support timber operations, forest management, and incidental public recreation. Several of these routes provide access to roughly 3,978 acres of Forest-classified lands that would remain in state ownership. DFFP does not hold established easements through the proposed conveyance and requests that access to remaining Forest-classified lands be secured through appropriate easements or other mechanisms.

The project area also adjoins the 480-acre Mike Peacock Experimental Forest, managed by DFFP. Continued access for management of this site should be maintained. If the proposed conveyance does not proceed, DFFP requests retention of the affected lands under Forest classification. If the project footprint changes, DFFP requests that areas identified as retention priorities remain in Forest classification.

DNR Response: DNR acknowledges DFFP's long-standing forest management activities within the project area, including timber sale development, investment in forest road infrastructure, and ongoing planning for Forest-classified lands in the Susitna Valley. DNR recognizes impacts to forestry resources as being one of the primary cumulative impacts anticipated as a result of conveyance and recognizes the importance of maintaining access necessary for continued management of state Forest-classified lands.

DNR has mitigated the loss of timber resources through the two broad steps described in the modified **Section XVI (Decision)**, subsection D. These steps for mitigation include 1) the reduction of the proposed conveyance area from approximately 20,000 acres to approximately 6,800 acres, and the modification of the subject parcel boundaries to exclude highly-valued timber resources and planned timber sales, and 2) by preserving access along Zero Lake Road through a public access easement.

Wasilla Soil and Water Conservation District (WSWCD) comment in summary:
WSWCD opposes the Preliminary Decision for ADL 234762 and requests that ADNR withdraw the proposal and retain the approximately 19,950 acres proposed for transfer to AIDEA. As a statutory subdivision of ADNR under AS 41.10.130, the District states its role is to advise on the

long-term conservation of soil, water, agricultural, and forestry resources. WSWCD identifies five primary concerns:

- A noncompetitive conveyance of nearly 20,000 acres without compensation could set a precedent for similar large-scale disposals without payment.
- Waiving the reversionary interest under AS 38.05.810(g) would leave the state without a mechanism to recover the land if development does not occur.
- The parcel contains anadromous waters and critical moose habitat, and the Preliminary Decision does not identify specific mitigation measures for protecting these resources.
- The lands include areas historically managed for timber production, including constructed forestry roads, inventory plots, and areas planned for timber sales; WSWCD asserts the conveyance would remove productive forestland from the state inventory and undermine prior state investment.
- A 40-day public comment period during peak summer does not provide adequate review time for a decision involving the permanent disposal of nearly 20,000 acres.
- WSWCD also opposes the related Southeast Susitna Area Plan amendment, the proposed reclassification of approximately 15,100 acres to Settlement, and Mineral Order 1330. The District requests that these comments be included in the administrative record for each associated action and that WSWCD be recognized as eligible to request reconsideration of any final decision.

DNR Response: DNR acknowledges the comments submitted by WSWCD regarding the conveyance. WSWCD's concerns related to the transfer of approximately 19,950 acres have been fully considered and are included in the administrative record.

With respect to the concerns regarding a noncompetitive conveyance and lack of compensation, DNR evaluated the proposal under the AS 38.05.810 statutory framework. Based on this review, DNR has determined that the conveyance complies with applicable authorities and meets the public interest findings required for disposal of state land.

Regarding the waiver of reversionary interest under AS 38.05.810(g), DNR has completed its evaluation and will include a reversionary interest in the final deed conveying this land to AIDEA. Please refer to modified **Section XVI (Decision),** subsection C for additional details regarding DNR's decision to maintain a reversionary interest in the subject parcels.

DNR acknowledges WSWCD's concerns regarding fish and wildlife habitat within the parcel. Comments submitted by ADF&G and other resource agencies have been carefully considered, and the Final Decision incorporates stipulations and mitigation measures where appropriate to address habitat protection and agency coordination.

DNR further recognizes the WSWCD's concerns about historical forestry use, prior state investment in road infrastructure, and ongoing forest management in the surrounding area. In coordination with the Division of Forestry and Fire Protection, DNR has ensured that access to remaining state Forest-classified lands will be maintained through easements or other access provisions included in this Final Decision.

WSWCD's concern regarding the public notice period has been noted. DNR confirms that the comment period met all regulatory requirements and was extended upon request. All comments submitted during that period, including the WSWCD's detailed submission, have been reviewed and considered in the preparation of this FFD.

Finally, WSWCD's comments related to the Southeast Susitna Area Plan amendment, proposed reclassification, and Mineral Order 1330 have been included in the administrative record for each corresponding action.

Senate Resources Committee's comments in summary:
On August 19, 2026 and September 9, 2026, the Senate Resources Committee commented on the PD. Their September 9, 2026 comment included a seven-page memorandum prepared by Legal Services. Both the comments and memorandum question the legality of the proposed conveyance and raise the following issues:

- DNR's recently adopted regulation – 11 AAC 98.010(4) defining "public purpose" – "may violate the legislature's lawmaking authority." Further that DNR "may have misled the public that the regulations were specifically intended for no-cost gravel to state entities" and not for potential AS 38.05.810 conveyances.
- That DNR is required to examine the disposal of land here under AS 38.05.810, but also AS 38.05.035(e) and failed to do so in the preliminary decision.
- The preliminary decision failed to consider "many of the potential negative consequences that populations and the environment endure from development of data centers, or specific effects that the residents of Houston and the Mat-Su Valley might experience."
- The preliminary decision "appears to inappropriately conflate public purposes and private purposes."
- The proposed conveyance violates Article IX, section 6 of the Alaska Constitution.
- DNR under AS 38.05.810 can convey land for a public purpose, but that "depends on the facts and circumstances particular to each case, including the use to which the land will be put." DNR would "convey the land to AIDEA without the ability to substantiate the uses to which the land is put, intentionally leaving AIDEA the flexibility to determine the eventual scope of the project and the uses of the land. There is no mechanism for DNR to ensure individual features of the industrial park will serve public purposes."
- DNR "cannot guarantee that [AIDEA's future] uses would . . . remain for a public purpose and in the public interest, because the transfer is proposed to be completed without the usual reversionary interest."

DNR Response: DNR acknowledges Senate Resources' comments and appreciates these concerns.

DNR prepared this FFD through the lens of the Alaska Constitution, AS 38.05.035(e), AS 38.05.810, and AIDEA's unique statutory role described in AS 44.88.010 - .070. It is true that a DNR land conveyance decision under the Alaska Land Act's public and charitable use statute[16] would be incomplete if it failed to identify whether this conveyance is consistent with DNR's

[16] AS 38.05.810.

regulatory definition of "public purpose,"[17] but the statute itself rather than 11 AAC 98.010 was the primary legal basis for DNR's analysis in this FFD.

As to which law or laws guided DNR's conveyance decision, DNR acknowledges the PD may have confusingly explained the interplay between AS 38.05.035(e) (that the conveyance is in the best interests of the state) and AS 38.05.810 (public purpose and public interest findings required for lands to be conveyed at no-cost to a state agency). This FFD and this response clarifies that both statutes apply and DNR finds that this no-cost conveyance of land to AIDEA is in the best interests of the state, serves a public interest, and is for a public purpose.

In making these findings, DNR also acknowledges that AIDEA is a unique land conveyance applicant. The legislature created AIDEA "to promote the prosperity and general welfare of all citizens" and to invest and engage in "public purpose" projects.[18] AIDEA must undertake projects that have serve a public purpose and are in the public interest.[19] AIDEA's board and management developed and submitted the application under these authorities and statutory obligations. By its guiding laws, AIDEA, in developing these lands, must undertake projects that are for a public purpose and in the public interest.[20]

Despite AIDEA's unique statutory directives, this FFD includes additional stipulations and mitigation measures to further protect the public. *See* **Section XIII, Stipulations**. These stipulations and mitigations measures are consistent with AS 38.05.810(a), which authorizes the commissioner to include a "deed restriction [and/or] covenant" to ensure that the disposal "of land . . . serves a public purpose and are in the public interest."

Given these facts and circumstances, this conveyance complies with Article IX, section 6 which states that "no . . . public property [may be] transferred . . . except for a public purpose." The Alaska Supreme Court has observed that "Public purpose" is "not capable of precise definition."[21] "It is a concept which will change as *changing conditions create changing public needs*. Whether a public purpose is being served *must be decided as each case arises and in the light of the particular facts and circumstances of each case*."[22] The "particular facts and circumstances" of this conveyance satisfy Article IX, section 6: DNR is conveying approximately 6,800 acres of land to AIDEA who is statutorily required to undertake public interest development projects. The mitigation measures and reversionary clauses DNR has added -- *See* **Section XIII, Stipulations** – ensure AIDEA will develop these lands consistent with their statutory directives. This conveyance satisfies Article IX, section 6's definition.[23]

To conclude, DNR finds a no-cost conveyance of 6,800 acres of land to AIDEA with the mitigation measures and reversionary interest outlined in this FFD is in the public interest and serves a public purpose and is in the best interests of the state. Any final decision may be subject

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[17] 11 AAC 98.010.
[18] AS 44.88.010(a)(10); AS 44.88.010(b) – (c); and AS 44.88.080(14).
[19] *Id.*
[20] *Id.*
[21] *DeArmond v. Alaska State Dev. Corp.* 376 P.2d 717, 721 (Alaska 1962).
[22] *Id., emphasis added.*
[23] *Id.*

to judicial review for precise application of these holdings, but DNR, the agency statutorily directed to manage state lands, has determined this conveyance complies with Alaska law.[24]

Summary of Public Comments

Public Comment General Summary: DNR received 2,306 public comments on the preliminary decision during the public comment period. The following summaries and corresponding departmental responses are organized by issue category, beginning with those raised most frequently. This ordering reflects the volume of comments submitted on each topic and should not be interpreted as assigning relative weight or significance to any particular issue.

DNR recognizes that the public comments identify a range of concerns including but not limited to the amount of land proposed for conveyance, public access, recreation, resource values, future development, and protection of existing State interests. In response to these concerns, DNR reduced and reconfigured the conveyance and included stipulations and mitigation measures.

Comments expressing general opposition to the land conveyance and construction of data centers:

DNR received numerous comments expressing general opposition to the proposed noncompetitive conveyance of approximately 20,000 acres of public land to AIDEA for potential development of data centers and related industrial infrastructure. Many commenters characterized the conveyance as an inappropriate transfer of public land to corporate or private interests and asserted that the proposal would not provide meaningful benefits to the broader public.

DNR Response: DNR acknowledges the substantial public concern regarding the proposed noncompetitive conveyance, particularly with respect to the overall acreage and potential future industrial development, including the prospect of scalable data center facilities. In finalizing this decision, DNR has evaluated the size and configuration of the conveyance and, based on this review, has reduced the conveyance area from approximately 20,000 acres to approximately 6,800 acres. The modified area focuses on lands identified as lower priority by DFFP and ADF&G, areas already designated for settlement, and lands with a higher proportion of uplands suitable for development.

To address concerns regarding long-term land stewardship, DNR is requiring development on the subject parcel consistent with the development plan and retention of a reversionary interest pursuant to AS 38.05.810(g). Under this provision, lands AIDEA does not develop for the intended purpose will, subject to statutory requirements, revert to state ownership. This ensures that state land is not indefinitely removed from public ownership without achieving the stated development objectives.

These measures have significantly reduced the quantity of state land to be conveyed while also conveying sufficient acreage to support the intended industrial and economic opportunities. A reversionary clause adds a safeguard in that the land returns to DNR-management should AIDEA not develop the lands.

[24] AS 38.04.005; AS 38.04.010; and AS 38.05 generally.

Any future development will remain subject to Matanuska-Susitna Borough permitting authority, zoning requirements, and other applicable authorizations. Additionally, this conveyance does not constitute approval of any specific construction or infrastructure.

Comments opposing the loss of public access and recreation:
DNR received comments stating that the subject parcel has high recreational value and is heavily used for different forms of recreation such as hunting, fishing, berry picking, dog mushing, snowmachining, hiking, and camping. Commenters emphasized the importance of these activities to the local identity and way of life. There is deep concern about the loss or degradation of established trail systems, including the Haessler-Norris system, Houston-Willow Creek Trail, Herning Trail, and others. Many commenters expressed fear that even if legal easements remain, the practical value and experience of these trails will be lost if the surrounding land is industrialized. Commenters emphasized that once public access is lost or the land is developed, it cannot be restored to its original state.

DNR Response: DNR recognizes the significant public interest in preserving existing public access and the wide range of recreational activities that occur within the project area, including hunting, fishing, trapping, firewood collection, dog mushing, snowmachining, hiking, and camping. These uses contribute meaningfully to community lifestyle and to the public's enjoyment of state land.

As part of the process for evaluating the conveyance, DNR has reviewed existing trails, roads, easements, and other public access features to determine where continued state ownership or exclusion from the conveyance is appropriate. Where feasible, areas containing established trail systems or critical public access routes have been removed from the conveyance area.

The measures that DNR has implemented for the purpose of mitigating impacts to public access are detailed in the modified **Section XVI. (Decision)** subsection D and summarized here. DNR has mitigated impacts to public access by reducing the conveyance area from approximately 20,000 acres to approximately 6,800 acres. The reduction of the conveyance area to approximately 6,800 acres, combined with the exclusion of important trail corridors where feasible, will help mitigate potential impacts to existing recreation and public access.

To address concerns regarding long-term land stewardship, DNR has also incorporated conditions requiring development consistent with the development plan, and retention of a reversionary interest pursuant to AS 38.05.810(g). Under this provision, lands not developed for the intended purpose will revert to state ownership, subject to statutory requirements. This ensures that state land is not indefinitely removed from public ownership without achieving the stated development objectives.

DNR has been informed that AIDEA intends to allow for public access in the subject parcel during the period of time between this decision and DNR's issuance of a patent. This will allow for the continuation of some activities while AIDEA completes the pre-patent requirements described in **Section XIII (Stipulations).**

The DFFP has also applied for a public easement along Zero Lake Road for the purpose of formally preserving that public access to state lands classified for forestry use, and to sustain DFFP forest management activities. This easement will not only allow for continued public access into this In addition to protecting decades of investment from the timber industry and DFFP into the local road network, this easement will also preserve public access opportunities within and adjacent to the subject parcel.

Comments describing concern over potential impacts to wildlife and the environment:
DNR received comments expressing concern about a range of potential environmental impacts associated with the conveyance. Commenters cited the risk of habitat loss, degradation of fish and wildlife resources, impacts to water quality and hydrology, increased pollution, and broader environmental and climate-related effects. Many commenters emphasized a desire to protect the ecological integrity of the area and expressed concern that industrial development could result in irreversible environmental changes. Commenters stated that the area includes critical wildlife habitat, moose calving and wintering areas, wetlands, and anadromous streams (*e.g.,* Deception Creek, Bench Lake). Many fear irreversible harm to fish, wildlife, and the broader ecosystem.

Commenters raised concerns about potential development of data centers. Data centers are seen as especially problematic due to their high levels of water usage for cooling, which could deplete aquifers, lower residential well levels, and threaten salmon streams and wetlands.

Commenters expressed concerns related to local pollution including noise, light, and air pollution from industrial activity, as well as potential contamination of water resources from chemical runoff or wastewater. Concerns over broader pollution and impacts to the climate were also raised, including the risk of permafrost thaw and increased local temperatures due to industrial heat output.

DNR Response: DNR acknowledges commenters' concerns regarding potential environmental impacts. Many of the impacts identified, including those associated with the design, construction, and operation of future facilities, are dependent on specific development proposals and are not authorized by the conveyance itself. The conveyance does not approve any specific development project. Any future development would remain subject to applicable permitting, regulatory review, and approval processes administered by the appropriate agencies and jurisdictions.

The changes to the FFD that DNR has implemented for the purpose of mitigating impacts to environmental resources are described in the modified **Section XVI. (Decision)** subsection D and are summarized in this response.

DNR has evaluated land characteristics and existing natural resource information when evaluating the conveyance and subsequent modification. DNR has mitigated some of the impacts to the broader ecosystem by reducing the conveyance area from approximately 20,000 acres to approximately 6,800 acres, by focusing the conveyance on areas with a greater proportion of uplands, and by removing the areas with higher resource or management priorities that were identified by ADF&G and the Division of Forestry during the agency review process.

Comments raising concern over energy usage and infrastructure strain:
DNR received comments expressing concern that the proposed development would place substantial strain on the existing electrical grid and that current infrastructure is inadequate to support large-scale industrial uses. Many commenters noted that the region already experiences energy shortages and high utility costs and fear that additional load from data centers or other industrial development could increase rates, reduce reliability, or contribute to power outages. Commenters also raised concerns that the area lacks sufficient transportation and utility infrastructure to support such development, citing potential increases in traffic, road wear, and associated safety issues.

DNR Response: DNR recognizes commenters' concerns regarding the availability of energy, roads, utilities, and other infrastructure necessary to support future development. In evaluating the conveyance, DNR's primary focus was on the suitability and configuration of the state lands under consideration. Reducing the conveyance area to approximately 6,800 acres decreased the extent of land that would require new infrastructure. The development of any new infrastructure itself would be subject to any applicable regulatory approvals, including zoning regulations, environmental permitting, and other federal, state, and local processes.

DNR also considered existing roads and access infrastructure when finalizing the land configuration to ensure that essential public and administrative access would be maintained where appropriate. Any infrastructure required to support future development would be subject to separate authorizations from the relevant agencies. The conveyance itself does not authorize the construction of roads, utilities, transmission facilities, or other associated improvements.

Comments expressing skepticism of economic benefits:
DNR received comments expressing doubts about the likelihood of job creation, concerns over tax and revenue from the potential development, and a preference for alternative uses. While the applicant and proponents cite economic development and job creation, commenters argue that specifically data centers provide few permanent local jobs after construction, with most positions being highly specialized or filled by out-of-state workers. There is skepticism that the project will generate meaningful tax revenue or economic benefit for local communities, especially if AIDEA and its tenants receive tax breaks or exemptions. Some suggest that if land is to be developed, it should be for housing, agriculture, or other uses that are perceived to directly benefit Alaskans, not for speculative industrial projects.

DNR Response: Some commenters have expressed differing views regarding the potential economic benefits of the proposed development. DNR's role is to evaluate the proposed land action under its applicable land-management authorities rather than determine the ultimate economic success of future development.

The mitigation measures include reducing the amount of land conveyed to approximately 6,800 acres. The remaining 12,700 acres of land identified in the PD will continue to be managed by DNR for other State purposes consistent with the management intent detailed in the SSAP.

DNR has also determined it is appropriate to include a reversionary provision requiring lands to revert to state ownership if the intended development does not occur. This reversionary clause will also ensure the lands are developed by AIDEA and will thus provide the economic benefit that will come from that development. If the lands are not developed, this reversionary clause will allow the lands to come back to DNR.

DNR has considered comments regarding potential economic impacts, including employment, tax revenues, utility costs, and infrastructure demands. Many of these impacts are critiques of future development AIDEA may undertake and are outside the scope of this conveyance and the impacts associated with this conveyance. DNR does not need to consider speculative impacts, like those related to the success or specifics of post-conveyance development opportunities.

Comments expressing concern over process, transparency, and legal concerns:
DNR received comments citing concerns over the lack of transparency, noncompetitive sale process, the proposed waiver of reversionary interest, legal issues, and conflicts with the State Constitution.

- Lack of transparency: Many commenters expressed the opinion that the process has been rushed, with inadequate public notice, insufficient time for comment, and a lack of meaningful consultation with local governments, tribes, and residents.
- Noncompetitive process: There is strong opposition to the noncompetitive nature of the transfer, with calls for open bidding or at least a fair market appraisal and compensation.
- Waiver of reversionary interest: Commenters object to waiving the state's right to reclaim the land if the promised public benefit does not materialize, seeing this as a loss of public control and accountability.
- Legal and constitutional issues: Some argue the transfer violates the intent of statutes governing public and charitable land use and may conflict with the Alaska Constitution's requirements for public benefit and resource management.

DNR Response: DNR has received comments requesting additional information regarding the proposed conveyance, its legal basis, the lands proposed for transfer, and the terms and conditions that would apply.

This FFD incorporates mitigation measures that have refined the conveyance and reduced potential impacts identified during the review process. These mitigation measures include a reduced conveyance area, exclusion of important trails and preservation public access, modification of the subject parcel based on existing land designations and resource priorities, and inclusion of development-related reversion provisions. These include a reduced conveyance area, exclusion of important trails and public access, selection of lands based on existing land designations and resource priorities, and inclusion of development-related reversion provisions.

DNR evaluated the appropriate legal mechanisms for addressing public access and resource-management interests. The reversionary interest, access provisions, easements, and other

appropriate conditions are included through this decision and are structured consistent with applicable statutory and regulatory authorities.

Comments expressing objection to the related actions, including the area plan amendment, land classification order, and mineral closing order:
Commenters stated that the proposed area plan amendment improperly modifies the existing Southeast Susitna Area Plan, which was developed through a more extensive public process than the proposed conveyance, and that the length of the public comment period for ADL 234762 does not constitute appropriate levels of public notice, consultation, or participation.

Commenters also opposed reclassifying land designated for forestry, habitat, and water resources without a more specific development plan from AIDEA, citing potential loss of protections for wildlife, wetlands, water, recreation, and public access.

Commenters warned that approving these interdependent orders could establish a precedent for large, no-cost land transfers without defined projects or adequate safeguards, and some specifically requested rejection of the amendment, classification order, and mineral order together because each depends on the underlying conveyance.

DNR Response: DNR has the authority under AS 38.04.065 and 38.05.300 to revise regional land use plans with public involvement under AS 38.05.945. DNR exceeded the statutory requirements of AS 38.05.945 by engaging in an extended public comment period of 67 days (July 10, 2026 to September 14, 2026) as well as holding two virtual public informational meetings. The public engagement process is described in greater detail under **SECTION IV. PUBLIC PARTICIPATION AND INPUT**.

In classifying and making state land available for private use and settlement purposes, DNR is directed under AS 38.04.005 to consider the natural resources and conditions present on the land and seek to minimize the adverse effect of private settlement on forestry, fish and wildlife habitat, water resources, and other significant resources of the land. Chapter 2, *Areawide Land Management Policies* of the SSAP presents land management policies for each of the major resources affected by the plan: fish and wildlife, forestry, materials, mineral resources, recreation and tourism, and water. The SSAP also presents management policies for several specific land management concerns: protection of fish and wildlife habitat, public and private access, timber harvest, settlement, and shoreline and stream corridor management. These policies apply to state land throughout the planning area regardless of the land use designation. The area plan amendment only changes the land classification but does not remove or limit any of the areawide management guidelines contained in Chapter 2.

The plan amendment, Land Classification Order, Mineral Order, and Public and Charitable conveyance are separate actions that are subject to their own distinct statutory and regulatory processes. Area Plans and land classifications do not authorize specific projects.

Comments expressing distrust of AIDEA and State Agencies:
DNR received comments related to the public perception of AIDEA:

- AIDEA's "track record": Many cite AIDEA's history of failed or controversial projects, financial losses, and lack of transparency as reasons to distrust the agency with such a large and valuable tract of land.
- Calls for oversight: There are repeated demands for more oversight, independent review, and public accountability before any transfer is approved.

DNR Response: Public critiques of AIDEA are outside the scope of this decision. In this FFD, DNR has included specific mitigation measures to protect the best interests of the state and to ensure this conveyance is in the public interest and serves a public purpose. Those mitigation measures include:

- Reducing the conveyance from approximately 20,000 acres to approximately 6,800 acres;
- Modifying the subject parcel to focus on lands with lower management priorities for DFFP and ADF&G;
- Excluding trails and other important public access areas where feasible;
- Focusing on lands already designated for settlement;
- Prioritizing areas with a greater proportion of uplands;
- Including a reversionary interest if AIDEA fails to develop the lands as intended;
- Receiving a commitment from AIDEA to continue allowing some forms of public access into the subject parcel prior to development;
- Finalizing the application from DFFP for a public access easement along Zero Lake Road.

These measures will provide additional safeguards concerning the State's continued interests in the lands following conveyance.

Comments describing the conflict between the proposed use of the conveyed lands and the identity and values of local communities:
DNR received comments about the qualities of the area in and around the subject parcels, qualities that make Alaska's identity unique and contribute to local culture.

- Alaska's uniqueness: Commenters emphasize Alaska's identity as "The Last Frontier," valuing wilderness, open space, and a rural lifestyle. There is a strong desire to preserve these qualities for future generations.
- Cultural and subsistence importance: The land supports traditional activities, including subsistence hunting and fishing, which are seen as integral to local culture and food security.

DNR Response: DNR recognizes that the lands proposed for conveyance currently support a variety of public uses, including but not limited to hunting, fishing, trapping, dog sledding, firewood collection, and general outdoor recreation. These activities have been identified as integral to the identity and lifestyle of local communities.

DNR has reduced the parcel size from approximately 20,000 acres to approximately 6,800 acres and has considered existing uses and access during the modification of the subject parcel. The reduced subject parcel retains in state ownership lands that have been identified as highly

valuable for the activities described by commenters as being important to local residents and communities. The reduced subject parcel also excludes established trails and other important public access where feasible, reduces the overall acreage conveyed, and focuses on areas already designated for settlement or with lower resource-management priorities. The measures are intended to mitigate conflict with existing uses and alleviate concerns over impacts to local communities.

Comments Requesting further studies and additional public process:
DNR received comments requesting environmental reviews and continued opportunities for public engagement, including an extended public comment period and public hearings.

- Environmental review: Many commenters call for comprehensive environmental impact studies, hydrological assessments, and wildlife surveys before any decision is made.
- Extended comment period and hearings: There are requests to extend the public comment period, hold in-person hearings, and ensure that affected communities have a real voice in the process.

DNR Response: DNR acknowledges requests for additional analysis of natural resources, public access, existing uses, and the potential effects of future development. DNR also acknowledges the requests for continued public engagement and additional opportunities for public involvement.

DNR has completed the required processes for evaluating a proposed land conveyance, including the solicitation of comments from subject matter experts and other state agencies. The agency review process has provided DNR with the best available information regarding the environmental resources present in the subject parcel, and how best to mitigate impacts to natural resources.

Regarding the request for an extended public comment period and additional public engagement, DNR made the decision to extend the public comment period from the original end date of August 19, 2026 to a new end date of September 14, 2026. DNR extended the comment period for the purpose of increasing opportunities for the public and agencies to engage in the public process, and to allow more time for commenters to understand the proposed conveyance and develop substantive comments. During the extended comment period, DNR also held two virtual public information meetings with a representative from AIDEA to provide an overview of application and review process related to the proposed land conveyance. These meetings were held on August 27, 2026 and on September 2, 2026.

Comments expressing conditional support for proposal:
DNR received some comments expressing conditional support for the proposed conveyance and the potential economic benefits. Commenters expressed support for economic development, job creation, and diversification, but these comments also emphasized a focus on careful planning, transparency, and environmental safeguards.

DNR Response: The mitigation measures that have been implemented by DNR are consistent with evaluating whether the conveyance can be structured to balance the intended development

purpose with existing State land-management considerations. Those mitigation measures include:

- Reducing the conveyance from approximately 20,000 acres to approximately 6,800 acres;
- Modifying the subject parcel with a focus on areas with lower management priorities for DFFP and ADF&G;
- Excluding trails and other important public access areas where feasible;
- Focusing on lands already designated for settlement;
- Prioritizing areas with a greater proportion of uplands;
- Including a reversionary interest if AIDEA fails to develop the lands;
- Working with AIDEA to determine what public access can continue during planning and development for hunting, fishing, trapping, and firewood collection;
- Working with the Division of Forestry on a plan for salvage of usable wood associated with development and clearing; and
- Finalizing the application from DFFP for a public access easement along Zero Lake Road.

Effect of proposed mitigation measures: Reducing the area to 6,800 acres allows the conveyance to alleviate many of the concerns raised during the public comment period. This adjustment ensures that the mitigation measures address commenters' concerns while still protecting existing state land-management interests.

V. TRADITIONAL USE FINDING

The subject parcel is located within the Matanuska-Susitna Borough. Therefore, a traditional use finding is not required per AS 38.05.830 Land Disposal in the Unorganized Borough. Public review brought forth no new information indicating traditional use conflicts that were not apparent at the PD stage, and conflicts have been addressed via the mitigation measures and modifications to the PD that are discussed throughout this decision.

VIII. FINAL FINDING AND DECISION

DNR approves the action as described in the PD and modified in the final decision. It is in the best interest of the State to convey the land to AIDEA for the public purpose of creating jobs, improving energy reliability, and diversifying the economy. The conveyance is subject to the existing authorizations, third party interests, and borough zoning and platting authority.

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. The actions are consistent with constitutional and statutory intent for State-owned land, and this action is agreed to under relevant authorities.

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 actions as described and referenced herein.

John Crowther

11 / 10 / 2026

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

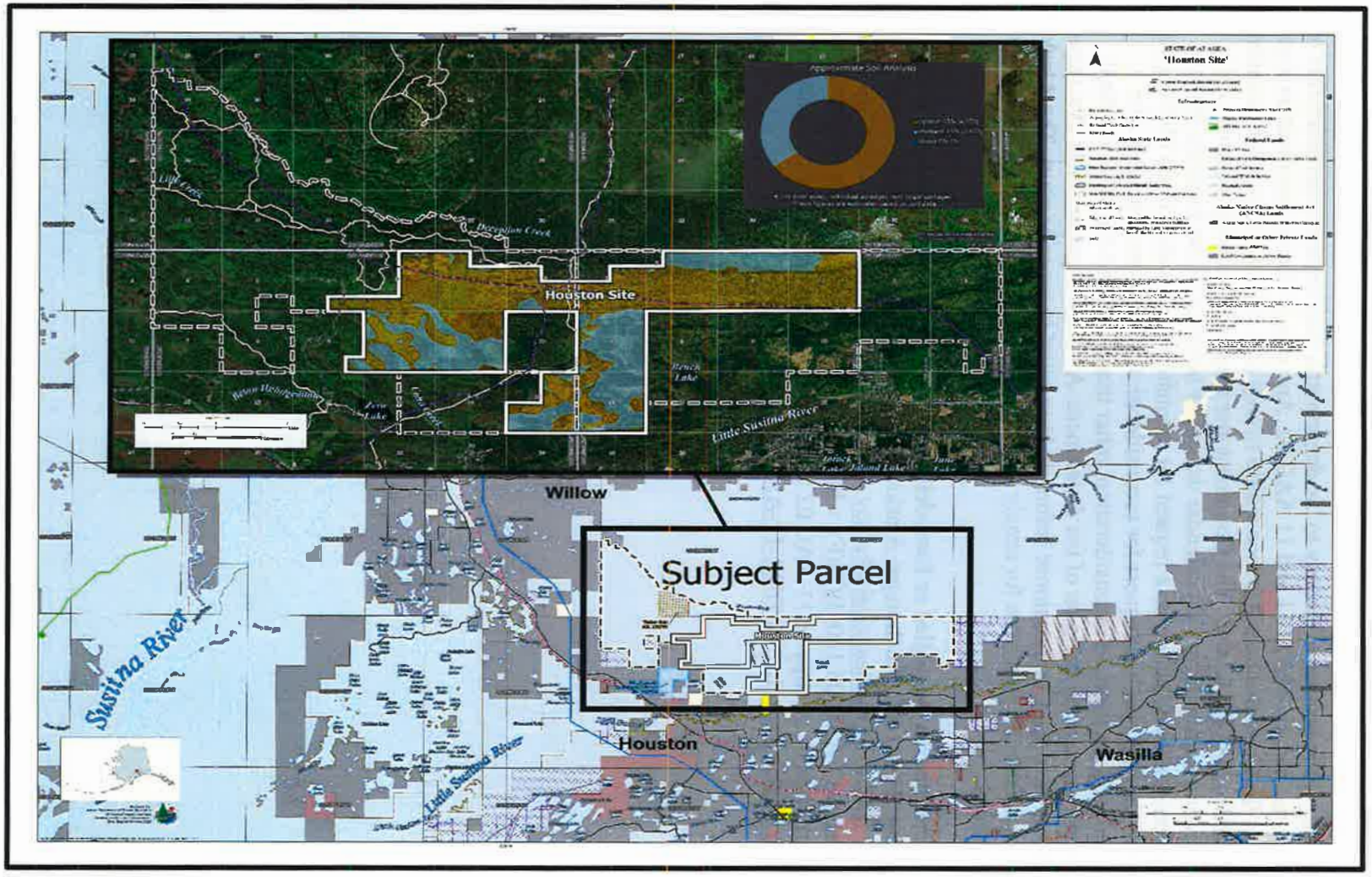
Date

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. 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.

Attachment A
Vicinity Map



Attachment B
Legal Description and Survey Memo

The following legal description is for adjudication purposes only. Portions of the land require survey, which will change the legal description of parcels prior to conveyance. See the Preliminary Survey Determination SURV 20255143 for further details on patent dates, legal access, survey requirements, and other relevant information pertaining to the parcels.

SURVEYED:

Houston West Site (portion):

TOWNSHIP 18 NORTH, RANGE 3 WEST, SEWARD MERIDIAN, ALASKA

SECTION 9: SE1/4 SE1/4;

SECTION 10: N1/2, N1/2 S1/2, S1/2 SE1/4, SE1/4 SW1/4,

SW1/4 SW1/4; SECTION 11: ALL;

ACCORDING TO THE PLAT APPROVED BY THE U.S. SURVEYOR GENERAL'S OFFICE IN JUNEAU, ALASKA, ON APRIL 2, 1917, CONTAINING 1,320 ACRES, MORE OR LESS.

UNSURVEYED:

Houston East Site:

Portion of Tract A, of Township 18 North, Range 2 West, Seward Meridian, Alaska, according to the plat accepted by the United States Department of the Interior, Bureau of Land Management in Washington D.C., on April 9, 1963, containing approximately 3,560 acres, more or less.

Houston West Site (portion):

S1/2, S1/2 NW1/4 Section 1; Lots 3 and 4, S1/2, S1/2 N1/2, Section 2; Lots 1 and 2, SE1/4, S1/2 SW1/4, S1/2 NE1/4 Section 3; and S1/2 SE1/4 Section 4, of Township 18 North, Range 3 West, Seward Meridian, Alaska, according to the plat approved by the U.S. Surveyor General's Office in Juneau, Alaska on April 2, 1917, containing approximately 1,441.30 acres, more or less.

S1/2, NE1/4 Section 13, of Township 18 North, Range 3 West, Seward Meridian, Alaska, according to the plat approved by the U.S. Surveyor General's Office in Juneau, Alaska on December 4, 1915, containing approximately 480 acres, more or less.

Attachment C
Public Notice

ADL 234762: Noncompetitive Sale to Public and Charitable Use Applicant

The State of Alaska (State), Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW) will convey approximately 6,800 acres (subject parcel) of State-owned land in the Matanuska-Susitna Borough to the Alaska Industrial Development and Export Authority (AIDEA) through a noncompetitive public and charitable use conveyance.

Location: The subject parcel is located within DNR's Southcentral Region, approximately two miles north of Houston in the Matanuska-Susitna Borough, within Township 18 North, Seward Meridian.

A copy of the Final Finding and Decision (FFD) is included as an attachment to this announcement. The FFD includes the amendment to the Southeast Susitna Area Plan (SC-08-001A04), Land Classification Order (SC-08-001A04), and Mineral Order (No. 1330) that are related actions to the FFD. This announcement also includes the vicinity map and the full application from AIDEA as attachments.

All commenters who submitted timely written comments during the public comment period are eligible to file a request for reconsideration. Please see the "Reconsideration Provision" on page 33 of the FFD for details related to filing a request.

For all future correspondence with DNR on this project, please contact Daniel Jenkins at dan.jenkins@alaska.gov.

Daniel Jenkins
Alaska Department of Natural Resources – Division of Mining, Land and Water
550 W. 7th Ave. Suite 1050
Anchorage, AK 99501
907-334-2546

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

Attachment D
Draft Affidavit Acknowledging Condition of Lands and Releasing the State from Related Liability

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER

AFFIDAVIT ACKNOWLEDGING CONDITION OF LANDS AND RELEASING THE STATE FROM RELATED LIABILITY

ADL 234762

We, Alaska Industrial Development and Export Authority (AIDEA), whose address is 813 W Northern Lights Boulevard, Anchorage, AK 99503 being first duly sworn under oath, state and declare as follows:

1) We are the fee simple acquirer of state-owned lands that we have heretofore had an agreement with the State of Alaska, Department of Natural Resources (DNR) to acquire for the development of a multi-use industrial and energy development district. The legal description of the land we are acquiring (hereinafter "the acquired property") is as follows:

Township 18 North, Range 3 West, Seward Meridian, Alaska Section 9: SE1/4 SE 1/4; Section 10: N1/2, N1/2 S1/2, S1/2 SE1/4, SE1/4 SW1/4, SW1/4 SW1/4; Section 11: all; according to the plat approved by the U.S. Surveyor General's Office in Juneau, Alaska, on April 2, 1917, containing 1,320 acres, more or less.

Portion of Tract A, of Township 18 North, Range 2 West, Seward Meridian, Alaska, according to the plat accepted by the United States Department of the Interior, Bureau of Land Management in Washington D.C., on April 9, 1963, containing approximately 3,560 acres, more or less.

S1/2, S1/2 NW1/4 Section 1; Lots 3 and 4, S1/2, S1/2 N1/2, Section 2; Lots 1 and 2, SE1/4, S1/2 SW1/4, S1/2 NE1/4 Section 3; and S1/2 SE1/4 Section 4, of Township 18 North, Range 3 West, Seward Meridian, Alaska, according to the plat approved by the U.S. Surveyor General's Office in Juneau, Alaska on April 2, 1917, containing approximately 1,441.30 acres, more or less.

S1/2, NE1/4 Section 13, of Township 18 North, Range 3 West, Seward Meridian, Alaska, according to the plat approved by the U.S. Surveyor General's Office in Juneau, Alaska on December 4, 1915, containing approximately 480 acres, more or less.

2) As the fee simple acquirer of the acquired property, we are aware of the history and condition of the site, including reports of unauthorized dumping and other trespass on the property.

3) We accept full responsibility for any claim, cause of action, liability, required remedial action, or required or response action arising in connection with any contamination. In the event of any such claim or action we agree to hold the State of Alaska and DNR harmless.

Further, we release DNR from any liability arising in connection with any contamination.

4) We affirm that in the event of any future sale, assignment, or other transfer of our ownership interest in the acquired property to another person or entity, we will disclose any potential contamination.

Sworn and Affirmed this _____day of _____, 2026, in _____, Alaska.

_____

Printed name, signature of signing authority for AIDEA Date

STATE OF ALASKA)
) ss.
_____ Judicial District)

THIS IS TO CERTIFY that on the _____ day of _____, 2026, before me personally appeared _____ known to me to be the person executing this affidavit and acknowledged voluntarily signing the same.

_____
Notary Public in and for the State of Alaska My Commission Expire

STATE BUSINESS - NO CHARGE

RETURN TO:
Program Support Section
DNR - DMLW
550 W, 7th Ave. Suite 1050
Anchorage, AK 99501

Attachment E
Amendment to the Southeast Susitna Area Plan

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

SOUTHEAST SUSITNA AREA PLAN AMENDMENT
SC-08-001A04
related to a
Noncompetitive Public and Charitable Land Sale – ADL 234762

The Commissioner of the State of Alaska, Department of Natural Resources (DNR) finds that the following amendment to the Southeast Susitna Area Plan (SSAP), adopted April 2008, meets the requirements of AS 38.04.065 Land Use Planning and Classification and 11 AAC 55.010-030 Land Planning and Classification for land use plans and hereby adopts the amendment. DNR will manage state lands within the area of the revision consistent with this designation and management intent. See the following attachment for more detailed information.

Designation and Classification: This amendment will remove approximately 6,152 acres of land from units P-01, H-06, U-01, and U-22 to create a new unit, H-33, that will be designated Settlement, which converts to the classification of Settlement Land.

Management Intent: The management intent for new unit H-33 is as follows:
Area is considered appropriate for disposal in association with ADL 234762. See Chapter 2 for additional guidance on Settlement, Shorelands and Stream Corridors, Fish and Wildlife Habitat, and Public Access.

Approved: John Crowther 11/10/2026

John Crowther, Commissioner
Department of Natural Resources

Date

ATTACHMENT
SOUTHEAST SUSITNA AREA PLAN AMENDMENT
SC-08-001A04
related to a
Noncompetitive Public and Charitable Land Sale – ADL 234762

Location and Legal Description: The project area is located in the Matanuska-Susitna Borough, near the city of Houston, Alaska, North and East of the George Parks Highway. See attached map for a depiction of the amendment lands and Attachment B of the associated Final Decision for a legal description of the subject lands.

Authority: The authority to revise plans derives from AS 38.04.065(b) Land Use Planning and Classification. 11 AAC 55.030(f) Land Use Plan defines when a revision constitutes a plan amendment.

Current Plan: The Southeast Susitna Area Plan (SSAP) contains the following designations, classifications, and management intent for the subject units.

Palmer- Wasilla Region
Unit P-01 is designated Habitat which converts to the classification of Wildlife Habitat Land: Manage parcel to protect the moose calving, rutting, and winter concentration areas.

Big Lake-Houston Region
H-06 is designated Forestry, which converts to a classification of Forest Land. Unit is to be managed for its timber values. Local and regional trails are to be maintained.

Kashwitna-Willow Uplands Region
U-01 is designated Forestry, which converts to a classification of Forest Land. Manage unit consistent with requirements of Forestry section of Chapter 2 and with applicable Susitna Forestry Guidelines and Forest Practices Act requirements. Protect anadromous streams and moose winter concentration and rutting areas. Maintain the Central Mail Trail, Mail Trail Connector, and Willow Mountain Trail corridors. Other recreational areas and corridors may exist within this unit and a review to determine if other such uses exist should occur prior to or concurrent with Forest Land Use Plan preparation.

U-22 is designated Habitat and Water Resources which converts to the classification of Wildlife Habitat Land and Water Resources Land. Manage unit to protect its habitat and water resource values. Maintain trail access.

Proposed Plan Amendment: This amendment will carve out approximately 6,152 acres of land from units P-01, H-06, U-01, U-22 (see attached map) and create a new unit, H-33. This new unit, H-33, will be designated Settlement, which converts to the classification of Settlement Land, and management intent that states: "Area is considered appropriate for disposal in association with ADL 234762. See Chapter 2 for additional guidance on Settlement, Shorelands and Stream Corridors, Fish and Wildlife Habitat, and Public Access". The remaining land in

units P-01, H-06, U-01, and U-22 will retain their existing management intent, and designations.

Explanation: The SSAP was adopted in April of 2008. One of the goals of the plan is to sell, lease or protect suitable land for future use for private commercial and industrial uses. At the time the plan was developed only a few parcels were identified for this use. The State of Alaska has received an application from AIDEA for the conveyance of state-owned land through a noncompetitive public and charitable use sale under Alaska Statute (AS) 38.05.810(a). The area proposed for conveyance is to be developed into a multi-use industrial and energy development district that will serve the public by increasing job opportunities, diversifying Alaska's economy, and contributing to a reliable energy supply.

Under the SSAP, land designated and classified as Settlement Land are determined by factors including, but not limited to, road access, topography, suitability for development, and minimal conflicts with recreation, scenic values, important fish and wildlife resources, or resource development. Compatibility with adjacent land uses and SSAP plan designations are also considered. This area is considered suitable for disposal due to favorable upland geography, nearby population, and proximity to energy and transportation infrastructure. This plan amendment will amend the boundaries of the subject units to create a new unit with management intent to facilitate disposal of land within the project area in line with the overall management goals of the SSAP by providing suitable public land for transfer for public purposes, including industrial and commercial development. Amending the plan to allow land disposal of the subject parcels would allow suitable state land to be conveyed to AIDEA for the purposes of providing land for energy and resource development projects.

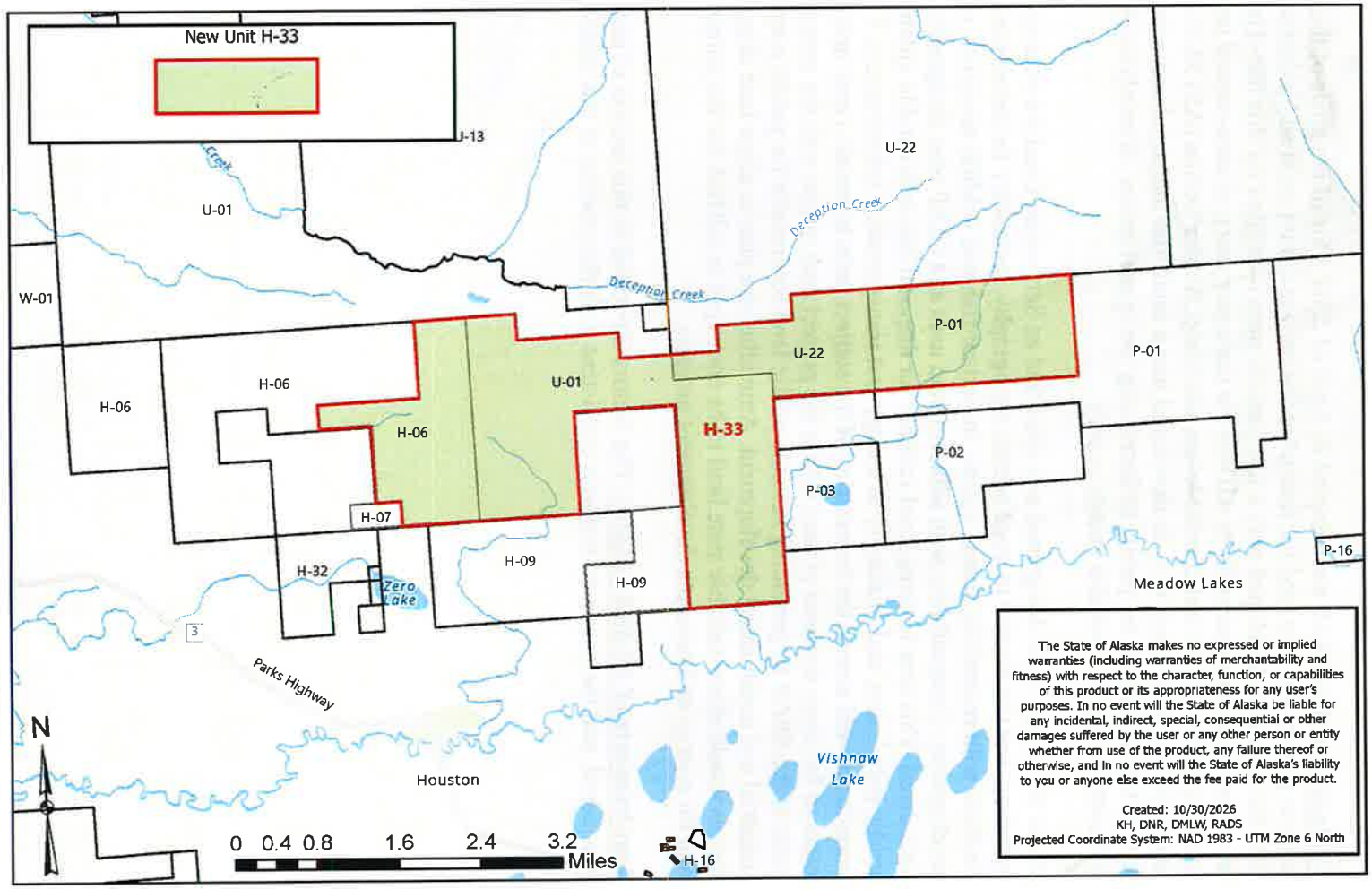
Requirements of AS 38.04.065(b): The factors identified in this section of statute have been considered, and the proposed action is consistent with that portion of the statute.

Southeast Susitna Area Plan (SSAP) Amendment SC-08-001A04

Big Lake-Houston Region Units H-06, H-07, H-09, Palmer-Wasilla Region Unit P-01, Kashwitna-Willow Region Unit's U-01 and U-22

related to a

Noncompetitive Public and Charitable Land Sale - ADL 234762



Attachment F
Land Classification Order

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

Land Classification Order No. SC-08-001A04

I. Name: Southeast Susitna Area Plan Amendment related to ADL 234762

II. The classifications in Part III are based on written justification contained the following:
- Southeast Susitna Area Plan adopted April 2008
- The administrative record and Noncompetitive Public and Charitable Land Sale decision for ADL 234762 dated November 10, 2026
- Southeast Susitna Area Plan Amendment dated November 10, 2026

III. Legal Description	Acreage	Acquisition Authority	Existing Classification	Classification by this Action
See amendment map	6,152	GS	Forest Land, Water Resources Land, Wildlife Habitat Land	Settlement Land

III. This order replaces and supersedes all existing land classification orders within the Southeast Susitna Area Plan Amendment LCO SC-08-001A04 boundary.

V. This order is issued under the authority granted by AS 38.04.065 and AS 38.05.300 to the Commissioner of the Department of Natural Resources. The above-described lands are hereby designated and classified as indicated. Nothing shall prevent the reclassification of these lands if warranted in the public interest.

Classified: John Crowther 11/10/2026

John Crowther, Commissioner
Department of Natural Resources

Date:

Attachment G
Mineral Order

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND, AND WATER
MINERAL ORDER No. 1330

__X__Closing Lands to Mineral Entry _____ Opening Lands to Mineral Entry

I. Name: Noncompetitive Public and Charitable Land Sale – ADL 234762

II. Reason for Mineral Order: This Mineral Order is based upon the attached Commissioner's Administrative Finding, applicable statutes, and the written justification contained in the following:

- Southeast Susitna Area Plan, adopted 2008;
- Southeast Susitna Area Plan Amendment SC-08-001A04, adopted November 10, 2026; and
- Preliminary Decision, Public and Charitable Land Sale – ADL 234762, dated July 10, 2026, and the subsequent Final Finding and Decision for same.

III. Authority: AS 38.05.185-.275 and AS 38.05.300.

IV. Location and Legal Description: The project area is located near the City of Houston within the Matanuska-Susitna Borough, North and East of the George Parks Highway, more specifically described in Attachment B and depicted on the vicinity map in Attachment A.

V. Mineral Closing: This order is subject to valid existing rights and is issued under the authority granted by *AS 38.05.185 – .275* and *AS 38.05.300* to the Alaska Department of Natural Resources. In accordance with *AS 38.05.185(a)*, I find that the best interests of the State of Alaska and its residents are served by closing the land described in this mineral order to mineral entry under the mineral location and mining laws of the State of Alaska. The above-described lands are hereby closed to entry under the locatable mineral and mining laws of the State of Alaska concomitantly with the adoption of the Southeast Susitna Area Plan Amendment and Land Classification Order SC-08-001A04.

Concur: Christy Colles 11/10/2026
Christianna Colles, Director Date
Division of Mining, Land and Water
Department of Natural Resources

Approved: John Crowther 11/10/2026
John Crowther, Commissioner Date
Department of Natural Resources

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

COMMISSIONER'S ADMINISTRATIVE FINDING
MINERAL ORDER NO. 1330
Closing Lands to Mineral Entry

Noncompetitive Public and Charitable Land Sale – ADL 234762

Pursuant to *AS 38.05.035 Powers and Duties of the Director*, the State of Alaska, Department of Natural Resources, Division of Mining, Land, and Water (DMLW) proposes to issue a Final Finding and Decision, serialized ADL 234762 to convey state-owned land under *AS 38.05.810(a), Noncompetitive Public and Charitable Sale*. The project area is located near the City of Houston within the Matanuska-Susitna Borough, North and East of the George Parks Highway. As noted in the Final Decision for ADL 234762 dated November 10, 2026, the subject lands are within the Palmer-Wasilla Region, Big Lake-Houston Region, and the Kashwitna-Willow Uplands Region of the Southeast Susitna Area Plan, adopted April 2008 (SSAP). In accordance with the area plan and the Final Decision for ADL 234762 dated November 10, 2026, DMLW proposes to close the entirety of the project area as depicted on the Vicinity Map (Attachment A) to mineral entry.

DMLW requests that the mineral estate of approximately 6,800 identified in the attached mineral order be closed to mineral entry and location, in accordance with *AS 38.05.300* for a land disposal. Mining activity on the subject lands would be incompatible with the proposed land estate uses. The lands do not contain any known mineral deposits and were not selected for mineral values. There are no mining claims on the lands.

Public notice of the comment period for the proposed mineral order was conducted in accordance with *AS 38.05.945*. Review of comments will be addressed in the final document.

In accordance with *AS 38.05.185(a)* and *AS 38.05.300*, I find that the best interests of the State of Alaska and its residents are served by closure of the land to mineral entry under the mineral location and mining laws of the State of Alaska as described by Mineral Order (Closing) No. 1330.

Approved: John Crowther 11/10/2026

John Crowther, Commissioner
Department of Natural Resources

Date

Attachment H
Zero Lake Road Easement Application Map

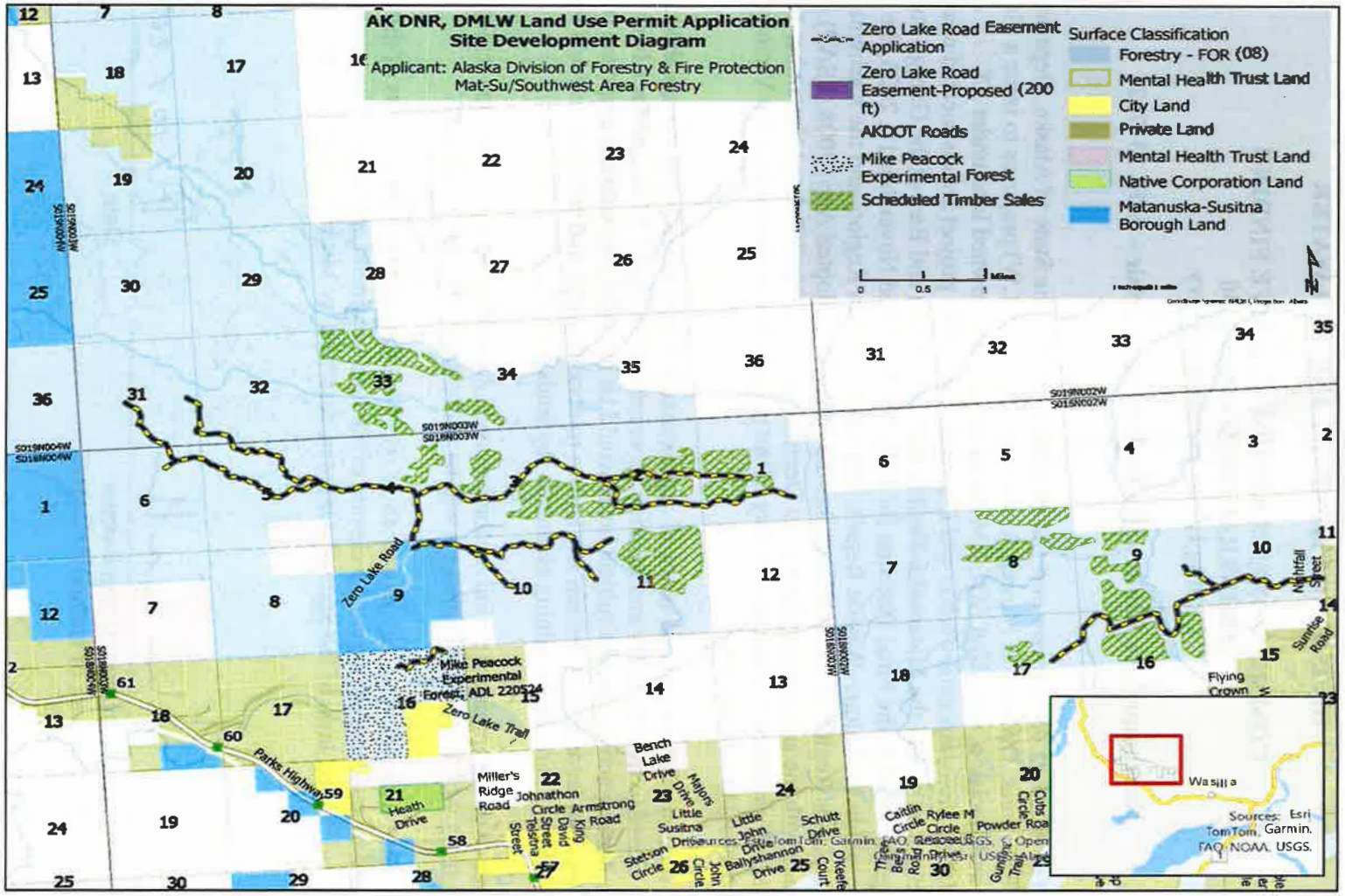


Figure 1. Map submitted as part of the application from the Division of Forestry and Fire Protection for a public easement along portions of the Zero Lake Road network.