

# MATANUSKA-SUSITNA BOROUGH

350 E Dahlia Ave., Palmer, Alaska 99645

## CHAIRPERSON

Mike Wood



## BOARD MEMBERS

Andy Couch

Howard Delo-VC

Larry Engel

Dan Mayfield

Tam Boeve

Amber Allen

Robert Chlupach

*Ex officio*: Bruce Knowles

## MSB STAFF

Ted Eischeid

## FISH AND WILDLIFE COMMISSION

### AGENDA

### Telephonic Meeting

**SPECIAL MEETING**

**2:00 P.M.**

**MAY 7, 2020**

Due to State Mandate 9.1.2, there will not be public attendance at the meeting. To listen to the meeting and/or offer comment at Agenda item III please phone in:

Conference Line: **(907)290-7880** or **(844)643-2217** (toll-free)

Conference ID: **281 671 873 #** (do not forget to enter the pound sign).

- Once you call in, please mute your phone until you wish to speak (if your phone does not have a dedicated mute button, use \*6 to mute; \*6 again to unmute). If you do not, there will be feedback and it will be disruptive to the meeting. When you unmute your phone to speak, be sure to identify yourself by name; for agenda item III, audience participation, when making public comment please use first and last name, spelling your last name.

**Public Comment:** Two options: verbally under agenda item III, or via email (info below):

\*\*\* You are also welcome to provide your input to the Fish and Wildlife Commission in writing to

[karol.riese@matsugov.us](mailto:karol.riese@matsugov.us) please put this in the subject line: *FWC May 7, 2020 – Input* \*\*\*

You can obtain copies of the meeting agenda and packet from the website:

<https://www.matsugov.us/boards/fishcommission>

- I. CALL TO ORDER; ROLL CALL; ESTABLISH QUORUM
- II. APPROVAL OF AGENDA
- III. AUDIENCE INTRODUCTIONS & PARTICIPATION (3 min./person, chair's discretion)
- IV. STAFF/AGENCY REPORTS & PRESENTATIONS
  - a. Staff report

V. ITEMS OF BUSINESS

- a. AK Senate Bill 204, State Land Surface Disposal background -- FWC position.
- b. West Susitna Access Road proposed MOU background – FWC position.
- c. COVID-19 impacts on sport fishing and guiding, Andy Couch’s work – report.

VI. MEMBER COMMENTS

VII. NEXT REGULAR MEETING – DATE AND AGENDA ITEMS?

VIII. ADJOURNMENT

STATE CAPITOL  
P.O. Box 110001  
Juneau, AK 99811-0001  
907-465-3500



550 West Seventh Avenue, Suite 1700  
Anchorage, AK 99501  
907-269-7450

Governor Michael J. Dunleavy  
STATE OF ALASKA

February 18, 2020

The Honorable Cathy Giessel  
Senate President  
Alaska State Legislature  
State Capitol, Room 111  
Juneau, AK 99801-1182

Dear President Giessel:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill clarifying the State's role in management of state land, removing barriers or obstacles in the state land sales process, allowing for the lease of state lands for economic or industrial development, and repealing statutes that have created land use or management problems for the State.

This bill would make land managed by the Department of Natural Resources -- including Mental Health Trust land, parks and recreation areas, refuges, and habitat areas -- subject to the Department of Natural Resources' platting authority, regardless of where the land is situated. Under current law, plats for subdivisions of state lands for disposal of sale must be approved by a municipality exercising its platting authority. Obtaining this approval delays the platting process and slows state land sales.

To make the most of all avenues available to encourage land use for the benefit of the public, this bill includes a new statute for leasing state lands for commercial or industrial development. Under this new statute, the State can lease and sell lands situated within federally designated Qualified Opportunity Zones, or nominated and assessed by the state as appropriate for commercial development. The statute includes a process for requesting proposals from prospective lessees, for accepting bids, and for entering a contract to lease. This statute will allow the lessee to apply to purchase the leased land at any time during the term of the lease if the department determines the lessee has used the land for commercial development consistent with their proposal.

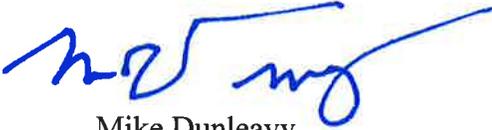
Further, this bill clarifies the state land sale bidding process by requiring an earnest money deposit, increasing the term of a contract for sale, and granting the state greater discretion as far as when to construct access roads related to state land sales.

President Giessel  
February 18, 2020  
Page 2 of 2

This bill also repeals the establishment of recreational rivers and corridors. These statutes have created management problems for the State and through this bill we can end those management issues, maintain public use, and allow the State to consider the disposal of some of those state lands.

In order to make the best use of our state land for all citizens, I urge your prompt and favorable action on this measure.

Sincerely,



Mike Dunleavy  
Governor

Enclosure

31-GS2809\A

**SENATE BILL NO. 204**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
THIRTY-FIRST LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 2/19/20

Referred: Resources, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to state lands; relating to the authority of the Department of Natural  
2 Resources over state owned lands; relating to the disposal of state land; relating to the  
3 leasing and sale of state land for commercial or industrial development; repealing  
4 establishment of recreation rivers and recreation river corridors; and providing for an  
5 effective date."

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 \* **Section 1.** AS 19.30.080 is amended to read:

8 **Sec. 19.30.080. Construction standards and maintenance.** An access road  
9 constructed under AS 19.30.060 - 19.30.100 may [SHALL] be of low standard, not  
10 necessarily suitable for all weather use and is exempt from municipal or local  
11 planning authority or related land use regulation. The state is not required  
12 [UNDER OBLIGATION] to maintain an access road constructed under AS 19.30.060  
13 - 19.30.100. If an access road is constructed outside a municipality that has the power

1 **of land use regulation** [ZONING ORDINANCES], the right-of-way width for the  
2 road shall be determined by the division of lands and the Department of  
3 Transportation and Public Facilities. If an access road is constructed within the  
4 boundaries of a municipality that has **the power of land use regulation** [ZONING  
5 ORDINANCES], the right-of-way width shall **be decided by the division of lands**  
6 [CONFORM TO THE SUBDIVISION CONTROL ORDINANCES OF THE  
7 MUNICIPALITY]. Contracts for the work on an access road are governed by  
8 AS 36.30 (State Procurement Code).

9 \* **Sec. 2.** AS 29.03.030 is repealed and reenacted to read:

10 **Sec. 29.03.030. Platting authority.** The Department of Natural Resources is  
11 the platting authority for the unorganized borough and as otherwise provided by law.

12 \* **Sec. 3.** AS 29.35.180 is amended to read:

13 **Sec. 29.35.180. Land use regulation.** (a) **Except as provided in**  
14 **AS 40.15.070, a** [A] first or second class borough shall provide for planning, platting,  
15 and land use regulation in accordance with AS 29.40.

16 (b) **Except as provided in AS 40.15.070, a** [A] home rule borough shall  
17 provide for planning, platting, and land use regulation.

18 \* **Sec. 4.** AS 29.35.180 is amended by adding a new subsection to read:

19 (c) The Department of Natural Resources is the platting authority for state  
20 lands as provided in AS 40.15.070. When the Department of Natural Resources  
21 exercises the department's platting authority for state lands located within a borough  
22 that has the power of land use regulation and is exercising the borough's platting  
23 authority, the Department of Natural Resources is exempt from borough platting  
24 authority and related land use regulation.

25 \* **Sec. 5.** AS 29.40.010 is amended to read:

26 **Sec. 29.40.010. Planning, platting, and land use regulation.** (a) **Except as**  
27 **provided in AS 40.15.070, a** [A] first or second class borough shall provide for  
28 planning, platting, and land use regulation on an areawide basis.

29 (b) **Subject to (c) of this section, if** [IF] a city in a borough consents by  
30 ordinance, the assembly may by ordinance delegate any of its powers and duties under  
31 this chapter to the city. The assembly may by ordinance, without first obtaining the

1 consent of the city, revoke any power or duty delegated under this section.

2 \* **Sec. 6.** AS 29.40.010 is amended by adding a new subsection to read:

3 (c) The Department of Natural Resources is the platting authority for state  
4 lands as provided in AS 40.15.070. When the Department of Natural Resources  
5 exercises the department's platting authority for state lands located within a borough  
6 that has the power of land use regulation and is exercising the borough's platting  
7 authority, the Department of Natural Resources is exempt from borough platting  
8 authority and related land use regulation. Where a Department of Natural Resources'  
9 plat or subdivision of state land does not comply with borough planning, platting, or  
10 land use regulation, the state is deemed to have received for the affected land an  
11 approved variance from that planning, platting, or land use regulation. Any variance  
12 allowed under this section is appurtenant to and runs with the land.

13 \* **Sec. 7.** AS 29.40.040(a) is amended to read:

14 (a) **Subject to (c) of this section, in** [IN] accordance with a comprehensive  
15 plan adopted under AS 29.40.030 and in order to implement the plan, the assembly by  
16 ordinance shall adopt or amend provisions governing the use and occupancy of land  
17 that may include, but are not limited to,

18 (1) zoning regulations restricting the use of land and improvements by  
19 geographic districts;

20 (2) land use permit requirements designed to encourage or discourage  
21 specified uses and construction of specified structures, or to minimize unfavorable  
22 effects of uses and the construction of structures;

23 (3) measures to further the goals and objectives of the comprehensive  
24 plan.

25 \* **Sec. 8.** AS 29.40.040 is amended by adding a new subsection to read:

26 (c) The Department of Natural Resources is the platting authority for state  
27 lands as provided in AS 40.15.070. When the Department of Natural Resources  
28 exercises the department's platting authority for state lands located within a  
29 municipality that has the power of land use regulation and is exercising the  
30 municipality's platting authority, the Department of Natural Resources is exempt from  
31 municipal platting authority and related land use regulation. Where a Department of

1 Natural Resources' plat or subdivision of state land does not comply with a municipal  
2 planning, platting, or land use regulation, the state is deemed to have received for the  
3 affected land an approved variance from that planning, platting, or land use regulation.  
4 Any variance allowed under this section is appurtenant to and runs with the land.

5 \* **Sec. 9.** AS 29.40.190(a) is amended to read:

6 (a) **Except as provided in (c) of this section, the** [THE] municipality or an  
7 aggrieved person may institute a civil action against a person who violates a provision  
8 of this chapter, a subdivision regulation adopted under this chapter, or a term,  
9 condition, or limitation imposed by a platting authority. In addition to other relief, a  
10 civil penalty not to exceed \$1,000 may be imposed for each violation. An action to  
11 enjoin a violation may be brought notwithstanding the availability of any other  
12 remedy. Upon application for injunctive relief and a finding of a violation or  
13 threatened violation, the superior court shall grant the injunction.

14 \* **Sec. 10.** AS 29.40.190 is amended by adding a new subsection to read:

15 (c) A civil action may not be brought against or penalty imposed under (a) of  
16 this section for a violation of municipal planning, platting, or land use regulation as to  
17 a Department of Natural Resources' plat or subdivision of state lands where the  
18 department is exercising its platting authority under AS 40.15.070 and where a  
19 variance has been approved under AS 29.40.010(c) or 29.40.040(c). Nothing in this  
20 section exempts the purchaser or owner of Department of Natural Resources' managed  
21 lands from compliance with an environmental requirement under AS 46.03 - AS 46.14  
22 or other state law from liability for noncompliance with that requirement.

23 \* **Sec. 11.** AS 38.04.020(e) is amended to read:

24 (e) The commissioner shall annually submit to the governor an appropriation  
25 request for funding estimated to be necessary for the next two years to allow

26 (1) survey and disposal of land proposed to be made available for  
27 homestead staking, with the general location of the land;

28 (2) survey and disposal of land to be offered as agricultural,  
29 commercial, industrial, or other uses under AS 38.05.055 or 38.05.057, with the  
30 general location of the land;

31 (3) the survey and disposal of land proposed to be offered as

1 subdivisions, with the general location of the land;

2 (4) preliminary feasibility studies, engineering design work, right-of-  
3 way acquisition, and construction of access roads and capital improvements required  
4 by the department [MUNICIPAL SUBDIVISION ORDINANCE OR  
5 REGULATION OF THE PLATTING AUTHORITY];

6 (5) identification of land that will be proposed for disposal under this  
7 subsection in future fiscal years.

8 \* **Sec. 12.** AS 38.04.022 is amended to read:

9 **Sec. 38.04.022. State land disposal income fund.** (a) The revenue from the  
10 state land disposal program shall be deposited in the state land disposal income fund in  
11 the state treasury. On June 30 of each fiscal year, the portion of that fund that exceeds  
12 **\$7,500,000** [\$5,000,000] shall be deposited in the state general fund. The legislature  
13 may appropriate money from the state land disposal income fund for expenditure by  
14 the Department of Natural Resources for necessary costs incurred by the  
15 commissioner in the implementation of state land disposal programs authorized under  
16 this title or for any other public purpose.

17 (b) Within five days after the legislature convenes in regular session, the  
18 Department of Natural Resources shall notify the legislature that a report reflecting all  
19 money deposited in the fund established under (a) of this section during the prior fiscal  
20 year is available. **The report may include a recommendation to amend the deposit**  
21 **limit established in (a) of this section.**

22 \* **Sec. 13.** AS 38.04.045(b) is amended to read:

23 (b) Before the issuance of a long-term lease under AS 38.05.070 or of a patent  
24 for state land, an official cadastral survey shall be accomplished, unless a comparable,  
25 approved survey exists that has been conducted by the federal Bureau of Land  
26 Management. Before land may be offered under AS 38.08 or AS 38.09, or before land  
27 may be offered under AS 38.05.055 or 38.05.057, except land that is classified for  
28 agricultural uses, an official rectangular survey grid shall be established. The  
29 rectangular survey section corner positions shall be monumented and shown on a  
30 cadastral survey plat approved by the state. For those areas where the state may wish  
31 to convey surface estate outside of an official rectangular survey grid, the

1 commissioner may waive monumentation of individual section corner positions and  
2 substitute an official control survey with control points being monumented and shown  
3 on control survey plats approved by the state. The commissioner may not issue more  
4 than one conveyance for each section within a township outside of an official  
5 rectangular survey grid. Land to be conveyed may not be located more than two miles  
6 from an official survey control monument except that the commissioner may waive  
7 this requirement on a determination that a single purpose use does not justify the  
8 requirement if the existing status of the land is known with reasonable certainty. The  
9 lots and tracts in state subdivisions shall be monumented and the cadastral survey and  
10 plats for the subdivision shall be approved by the state. [WHERE LAND IS  
11 LOCATED WITHIN A MUNICIPALITY WITH PLANNING, PLATTING, AND  
12 ZONING POWERS, PLATS FOR STATE SUBDIVISIONS SHALL COMPLY  
13 WITH LOCAL ORDINANCES AND REGULATIONS IN THE SAME MANNER  
14 AND TO THE SAME EXTENT AS PLATS FOR SUBDIVISIONS BY OTHER  
15 LANDOWNERS. STATE SUBDIVISIONS SHALL BE FILED AND RECORDED  
16 IN THE DISTRICT RECORDER'S OFFICE. THE REQUIREMENTS OF THIS  
17 SECTION DO NOT APPLY TO LAND MADE AVAILABLE FOR MATERIAL  
18 SALES, FOR SHORT-TERM LEASES, FOR PARCELS ADJOINING A  
19 SURVEYED RIGHT-OF-WAY, OR FOR LAND THAT HAS BEEN OPEN TO  
20 RANDOM STAKING UNDER THE HOMESTEAD PROGRAM IN THE PAST;  
21 HOWEVER, FOR SHORT-TERM LEASES, THE LESSEE SHALL COMPLY  
22 WITH LOCAL SUBDIVISION ORDINANCES UNLESS WAIVED BY THE  
23 MUNICIPALITY UNDER PROCEDURES SPECIFIED BY ORDINANCE.] In this  
24 subsection, "a single purpose use" includes a communication site, an aid to navigation,  
25 and a park site.

26 \* **Sec. 14.** AS 38.04.045 is amended by adding new subsections to read:

27 (c) Where state land managed by the Department of Natural Resources is  
28 located within a municipality with planning, platting, and zoning powers, plats or  
29 subdivisions of that state land under the platting authority of the Department of  
30 Natural Resources under AS 40.15.070 shall comply with local platting and related  
31 land use ordinances and regulations to the maximum extent the commissioner of

1 natural resources determines to be consistent with the state's interests. If the  
2 commissioner of natural resources determines that compliance with a municipality's  
3 platting or related land use ordinance is not consistent with the state's interests, a plat  
4 or subdivision shall comply with state platting requirements.

5 (d) Except as provided in (c) of this section, state land located within a  
6 municipality with planning, platting, and zoning powers and that is exercising the  
7 municipality's platting authority and land use regulation, state subdivisions shall  
8 comply with local ordinances and regulations in the same manner and to the same  
9 extent as subdivisions by other landowners within that municipality.

10 (e) All state subdivisions must be filed and recorded in the district recorder's  
11 office.

12 (f) The requirements of this section do not apply to land made available for  
13 material sales, short-term leases, parcels adjoining a surveyed right-of-way, or land  
14 that has been open to random staking under the homestead program in the past. Except  
15 for state lands under the platting authority of the Department of Natural Resources as  
16 provided in AS 40.15.070, for short-term leases, the lessee shall comply with local  
17 subdivision ordinances unless waived by the municipality under procedures specified  
18 by ordinance.

19 \* **Sec. 15.** AS 38.04.050 is amended to read:

20 **Sec. 38.04.050. Access to private use areas.** Wherever state land is surveyed  
21 for purposes of private use, legal rights-of-way and easements shall be reserved for  
22 access and, where appropriate, for utility services to each parcel of land. A right-of-  
23 way or easement shall be located to assure adequate and feasible access for the  
24 purposes for which the right-of-way or easement was intended. Where necessary and  
25 appropriate for the use intended [OR WHERE REQUIRED BY LOCAL  
26 SUBDIVISION ORDINANCES], the director may [SHALL] arrange for the  
27 development of surface access as part of the state land disposal [AVAILABILITY]  
28 program. The direct cost of local access development shall be borne by the recipient of  
29 the land unless otherwise provided by state statutes or regulations.

30 \* **Sec. 16.** AS 38.05.035(b) is amended to read:

31 (b) The director may

1 (1) delegate the administrative duties, functions, or powers imposed  
2 upon the director to a responsible employee in the division;

3 (2) grant preference rights for the lease or purchase of state land  
4 without competitive bid in order to correct errors or omissions of a state or federal  
5 administrative agency when inequitable detriment would otherwise result to a diligent  
6 claimant or applicant due to situations over which the claimant or applicant had no  
7 control; the exercise of this discretionary power operates only to divest the state of its  
8 title to or interests in land and may be exercised only

9 (A) with the express approval of the commissioner; and

10 (B) if the application for the preference right is filed with the  
11 director within three years from

12 (i) the occurrence of the error or omission;

13 (ii) the date of acquisition by the state of the land; or

14 (iii) the date of a court decision or settlement nullifying  
15 a disposal of state land;

16 (3) grant a preference right to a claimant who shows bona fide  
17 improvement of state land or of federal land subsequently acquired by the state and  
18 who has in good faith sought to obtain title to the land but who, through error or  
19 omission of others occurring within the three years before (A) the application for the  
20 preference right, (B) the date of acquisition by the state of the land, or (C) the date of a  
21 court decision or settlement nullifying a disposal of state land, has been denied title to  
22 it; upon a showing satisfactory to the commissioner, the claimant may lease or  
23 purchase the land at the price set on the date of original entry on the land or, if a price  
24 was not set at that time at a price determined by the director to fairly represent the  
25 value of unimproved land at the time the claim was established, but in no event less  
26 than the cost of administration including survey; the error or omission of a predecessor  
27 in interest or an agent, administrator, or executor that has clearly prejudiced the  
28 claimant may be the basis for granting a preference right;

29 (4) sell land by lottery for less than the appraised value when, in the  
30 judgment of the director, past scarcity of land suitable for private ownership in any  
31 particular area has resulted in unrealistic land values;

1 (5) when the director determines it is in the best interest of the state  
2 and will avoid injustice to a person or the heirs or devisees of a person, dispose of  
3 land, by direct negotiation to that person who presently uses and who used and made  
4 improvements to that land before January 3, 1959, or to the heirs or devisees of the  
5 person; the amount paid for the land shall be its fair market value on the date that the  
6 person first entered the land, as determined by the director; a parcel of land disposed  
7 of under this paragraph shall be of a size consistent with the person's prior use, but  
8 may not exceed five acres;

9 (6) after consulting with the Board of Agriculture and Conservation  
10 (AS 03.09.010), dispose of an interest in land limited to use for agricultural purposes  
11 by lottery;

12 (7) convey to an adjoining landowner for its fair market value a  
13 remnant of land that the director considers unmanageable, [OR] a parcel of land  
14 created by a highway right-of-way alignment or realignment, or a parcel created by the  
15 vacation of a state-owned right-of-way if

16 (A) the director determines that it is in the best interests of the  
17 state; **and**

18 (B) the parcel

19 (i) does not exceed the minimum lot size **established**  
20 **by either regulation or, where the parcel is located within a**  
21 **municipality that has exercised its platting authority, a municipal**  
22 [UNDER AN APPLICABLE] zoning **ordinance, for the area**  
23 [CODE]; or

24 (ii) is smaller than 20 acres and is completely enclosed  
25 by property owned by the adjacent landowner; [AND

26 (C) THE DIRECTOR AND THE PLATTING AUTHORITY  
27 HAVING LAND USE PLANNING JURISDICTION AGREE THAT  
28 CONVEYANCE OF THE PARCEL TO THE ADJOINING LANDOWNER  
29 WILL RESULT IN BOUNDARIES THAT ARE CONVENIENT FOR THE  
30 USE OF THE LAND BY THE LANDOWNER AND COMPATIBLE WITH  
31 MUNICIPAL LAND USE PLANS;]

1 (8) for good cause extend for up to 90 days the time for rental or  
2 installment payments by a lessee or purchaser of state land under this chapter if  
3 reasonable penalties and interest set by the director are paid;

4 (9) quitclaim land or an interest in land to the federal government on a  
5 determination that the land or the interest in land was wrongfully or erroneously  
6 conveyed by the federal government to the state;

7 (10) negotiate the sale or lease of state land at fair market value to a  
8 person who acquired by contract, purchase, or lease rights to improvements on the  
9 land from another state agency or who leased the land from another state agency.

10 \* **Sec. 17.** AS 38.05.055 is amended to read:

11 **Sec. 38.05.055. Auction sale or sealed bid procedures.** **(a)** Unless another  
12 method of sale is **allowed** [REQUIRED] under this chapter, AS 38.08, or AS 38.09,  
13 the sale of state land shall be made at public auction or by sealed bid, at the discretion  
14 of the director, to the highest qualified bidder as determined by the director. The  
15 director may accept bids and sell state land under this section at not less than 70  
16 percent of the appraised fair market value of the land.

17 **(b)** To qualify to participate under this section in a public auction or sale by  
18 sealed bid of state land that is other than commercial, industrial, or agricultural land, a  
19 bidder shall have been a resident of the state for at least one year immediately  
20 preceding the date of the sale and submit proof of that fact, as the commissioner  
21 requires by regulation. A bidder may be represented by an attorney or agent at a public  
22 auction.

23 **(c)** An aggrieved bidder may appeal to the commissioner within five days after  
24 the sale for a review of the director's determination [. THE SALE SHALL BE  
25 CONDUCTED BY THE DIRECTOR, AND, AT THE TIME OF SALE, THE  
26 SUCCESSFUL BIDDER SHALL DEPOSIT AN AMOUNT EQUAL TO FIVE  
27 PERCENT OF THE PURCHASE PRICE. THE DIRECTOR SHALL  
28 IMMEDIATELY ISSUE A RECEIPT CONTAINING A DESCRIPTION OF THE  
29 LAND OR PROPERTY PURCHASED, THE PRICE BID, AND THE AMOUNT  
30 DEPOSITED. THE RECEIPT SHALL BE ACKNOWLEDGED IN WRITING BY  
31 THE BIDDER].

1 \* **Sec. 18.** AS 38.05.055 is amended by adding a new subsection to read:

2 (d) The sale shall be conducted by the director. The successful bidder at a  
3 public action or all bidders at the time they submit their sealed bid, shall provide an  
4 earnest money deposit in the amount of at least five percent of the bid amount. Not  
5 later than 10 days after the public auction or sale by sealed bid, the director shall issue  
6 a receipt to the successful bidder. The director's receipt shall contain a description of  
7 the land or property purchased, the bid price, and the amount deposited. If the bidder  
8 fails to enter into a contract to purchase or defaults in the payment of the bid amount,  
9 five percent of the bid amount shall be forfeited to the state.

10 \* **Sec. 19.** AS 38.05.065(a) is amended to read:

11 (a) A [THE] contract of sale for land, **an interest in land, or property** sold  
12 **under this chapter may be issued for** [AT PUBLIC AUCTION OR BY SEALED  
13 BID UNDER AS 38.05.055 SHALL REQUIRE] the remainder of the purchase price  
14 to be paid in monthly, quarterly, or annual installments over a period of not more than  
15 **30** [20] years, with interest at the rate provided in (i) of this section. Installment  
16 payments plus interest shall be set on the level-payment basis.

17 \* **Sec. 20.** AS 38.05.065(b) is amended to read:

18 (b) The contract of sale for land sold under AS 38.05.057 or under former  
19 AS 38.05.078 shall require the remainder of the purchase price to be paid in monthly,  
20 quarterly, or annual installments over a period of not more than **30** [20] years.  
21 Installment payments plus interest shall be set on the level-payment basis. The interest  
22 rate to be charged on installment payments is the rate provided in (i) of this section.

23 \* **Sec. 21.** AS 38.05.065(c) is amended to read:

24 (c) The director shall, for contracts under (a), (b), or (h) of this section, set out  
25 in the contract for each sale the period for the payment of installments and the total  
26 purchase price plus interest. The director, with the consent of the commissioner, may  
27 also include in contracts under this section conditions, limitations, and terms  
28 considered necessary and proper to protect the interest of the state. Violations of any  
29 provision of this chapter or the terms of the contract of sale subject the purchaser to  
30 appropriate administrative and legal action, including but not limited to specific  
31 performance, **termination** [FORECLOSURE], ejectment, or other legal remedies in

1 accordance with applicable state law.

2 \* **Sec. 22.** AS 38.05.065(d) is amended to read:

3 (d) If a contract for a sale of state land has been breached, the director may  
4 issue a decision to [FORECLOSE AND] terminate the contract at any time 31 days  
5 after delivering by certified mail a written notice of the breach to the address of record  
6 of the purchaser. A breach caused by the failure to make payments required by the  
7 contract may be cured within 30 days after the notice of the breach has been received  
8 by the purchaser by payment of the sum in default together with the larger of a fee of  
9 \$50 or five percent of the sum in default. If there are material facts in dispute between  
10 the state and the purchaser, the purchaser may submit a written request for a public  
11 hearing for the review of the facts within 30 days after the notice of the breach has  
12 been received.

13 \* **Sec. 23.** AS 38.05.065(e) is amended to read:

14 (e) On a determination that there has been a breach of the contract based on  
15 the administrative record and the evidence presented at a hearing, the director shall  
16 issue a decision [FORECLOSING THE INTEREST OF THE PURCHASER AND]  
17 terminating the contract. The obligation to make payments under the contract  
18 continues through the date of the director's decision to terminate the contract  
19 [FORECLOSE BY THE DIRECTOR].

20 \* **Sec. 24.** AS 38.05.065(f) is amended to read:

21 (f) The director shall deliver the decision to [FORECLOSE AND] terminate  
22 the contract personally to the purchaser or send it certified mail, return receipt  
23 requested, to the address of record of the purchaser. If the breach is a failure to make  
24 payments required by the contract, the decision shall include a notice to the purchaser  
25 that if within 30 days the purchaser pays to the state the full amount of the unpaid  
26 contract price, including all accrued interest, and any fees assessed under (d) of this  
27 section, the department shall issue to the purchaser a deed to the land. If full payment  
28 is not made within 30 days or the breach is for other than failure to make payment, the  
29 decision [FORECLOSES AND] terminates all legal and equitable rights the purchaser  
30 has in the land.

31 \* **Sec. 25.** AS 38.05.065 is amended by adding a new subsection to read:

1 (j) If a sale of state land is to be made by means other than a means prescribed  
2 by AS 38.05.055, the director shall require a person applying to purchase land, an  
3 interest in land, or property, to submit an earnest money deposit of at least five percent  
4 of the purchase price with the application for a contract to purchase land, an interest in  
5 land, or property. This earnest money deposit shall be applied towards the purchase  
6 price. If the applicant fails to enter into a contract to purchase or defaults in the  
7 payment of the purchase price, five percent of the purchase price shall be forfeited to  
8 the state.

9 \* **Sec. 26.** AS 38.05 is amended by adding a new section to read:

10 **Sec. 38.05.086. Leases and sales of land for commercial development.** (a)

11 For purposes of stimulating economic development in the state, the commissioner may  
12 lease and sell lands that are identified in this section as appropriate for commercial  
13 development. As provided in this section, if the lease is in good standing and the  
14 development requirements of the lease have been satisfied, the lessee may purchase  
15 the leased land.

16 (b) The department may identify lands appropriate for commercial  
17 development from any or all of the following categories:

18 (1) state land identified or nominated as Qualified Opportunity Zones  
19 under 26 U.S.C. 45D, 26 U.S.C. 1400Z-1 and 1400Z-2, and 26 C.F.R. 601.601;

20 (2) state land nominated by the public; public nominations under this  
21 paragraph are limited to one for each person and may not exceed 640 acres in size;

22 (3) any other state land the department deems appropriate for  
23 commercial development.

24 (c) If land identified in (b) of this section is classified in a manner that does  
25 not allow disposal of the land, the commissioner may classify or reclassify the land  
26 through a classification order under AS 38.05.300 and a written decision by the  
27 director under AS 38.05.035(e).

28 (d) The commissioner may, from time to time, open certain areas of lands  
29 identified in (b) of this section for leasing and sale, and issue a request for proposals to  
30 develop land within the areas. Before proposals may be requested, the commissioner  
31 shall issue a decision under AS 38.05.035(e) that the lease and sale of the land within

1 the areas opened is in the state's best interest. The commissioner's request for  
2 proposals must be in writing.

3 (e) A person may apply to develop land within the areas by responding to the  
4 commissioner's request for proposals and paying an application fee as provided by  
5 regulation. In addition to any information requested by the commissioner in the  
6 request for proposals, a response to the request for proposals must include

7 (1) the specific type of commercial development proposed; and

8 (2) the specific location and description, including amount, of land  
9 requested for the proposed commercial development; the amount of land requested in  
10 a response to request for proposals may not exceed 20 acres and must be reasonably  
11 compact.

12 (f) The commissioner's request for proposals must be posted on the Alaska  
13 Online Public Notice System (AS 44.62.175) for at least 30 consecutive days, and  
14 must be sent, by mail or email, to anyone that received notice of the decision issued  
15 under (d) of this section.

16 (g) Responses to the commissioner's request for proposals must be in writing  
17 and submitted to the commissioner by the deadline set by the commissioner. The  
18 commissioner may reject any proposal that does not meet the requirements of this  
19 section or that the commissioner determines, in writing, is not in the best interests of  
20 the state. The commissioner's decision to reject a proposal is subject to appeal or a  
21 petition for reconsideration under AS 44.37.011.

22 (h) If the commissioner determines that only one suitable proposal for a  
23 specific area of land exists, the commissioner may issue a lease to that person as  
24 provided in this section. If the commissioner determines that there are two or more  
25 suitable proposals for the same land or overlapping land, the commissioner shall  
26 award the lease to the highest bidder as determined by the commissioner at a public  
27 auction or by sealed bid. Participation in the public auction or sealed bid under this  
28 subsection is limited to the persons who submitted proposals for the same land or  
29 overlapping land.

30 (i) The annual fee for a commercial land lease under this section shall be set  
31 by the commissioner so as to ensure that the state receives a fair return for the use

1 granted by the lease for the term of the lease and shall be a form of compensation set  
2 out in AS 38.05.073(m). A lease must be for a term of not more than five years. A  
3 lease in good standing may be renewed for one additional five-year period. The lease  
4 may not be assigned by the original lessee during the term of the lease or any renewal.

5 (j) A commercial land lease under this section may be terminated by the  
6 commissioner before the expiration of the term of the lease for a breach of the terms of  
7 the lease, including a failure to use the land in a manner required by the terms of the  
8 lease. After expiration of the lease term or termination of the lease before it expires,  
9 improvements or personal property on the land subject to the lease shall be managed  
10 in the manner required by AS 38.05.090.

11 (k) At any time during the lease, a lessee in good standing may apply to  
12 purchase all or a portion of the land leased under this section for its fair market value  
13 at the time of purchase, if the lessee

14 (1) has completed the development requirements of the land leased  
15 consistent with the proposal submitted under (g) of this section and as provided by the  
16 terms of the lease;

17 (2) has appraised and surveyed the site in a manner acceptable to the  
18 department, at the lessee's expense; and

19 (3) pays an application fee as provided by regulation.

20 (l) A lessee who purchases the land under (k) of this section may apply the  
21 amount of the lease payments made under the lease to the purchase price of the land.  
22 Other amounts paid, including fees, penalties, survey costs, and appraisal costs, may  
23 not be applied to the purchase price of the land.

24 (m) If an application to purchase land is denied, the lessee may continue to  
25 hold the lease according to the terms of the lease, and may apply again to purchase the  
26 land. Any subsequent application must address the reasons the previous application  
27 was denied.

28 (n) The commissioner shall adopt regulations under AS 44.62 (Administrative  
29 Procedure Act) to implement this section. Regulations adopted under this subsection  
30 shall, at a minimum, address

31 (1) the application procedures for a commercial land lease or sale

1 under this section;

2 (2) the auction or sealed bid process, if necessary, under (h) of this  
3 section;

4 (3) the terms and conditions that may be included in a commercial land  
5 lease under this section;

6 (4) resolving any and all competitive bidding disputes and issues;

7 (5) the procedure for requesting proposals;

8 (6) the criteria for assessing proposals; and

9 (7) any administrative fees.

10 \* **Sec. 27.** AS 38.05.965 is amended by adding a new paragraph to read:

11 (29) "public auction" means a public oral outcry auction or a public  
12 online auction.

13 \* **Sec. 28.** AS 38.09.080(b) is amended to read:

14 (b) The disposal of homestead entry land is subject to **state** [LOCAL] platting,  
15 recording, or subdivision requirements established under [AS 29.35.180 AND]  
16 AS 40.15.

17 \* **Sec. 29.** AS 40.15.020 is amended to read:

18 **Sec. 40.15.020. Plats to be acknowledged and contain certificate that taxes**  
19 **and assessments are paid.** Every plat shall be acknowledged before an officer  
20 authorized to take acknowledgment of deeds. A certificate of acknowledgment shall  
21 be endorsed on or annexed to the plat and recorded with it. **Except for the**  
22 **Department of Natural Resources when exercising the department's platting**  
23 **authority under AS 40.15.070, a** [A] person filing and recording a plat, map,  
24 subdivision, or replat of property, or vacating the whole or any portion of an existing  
25 plat, map, subdivision, or replat shall file and record with it a certificate from the tax-  
26 collecting official or officials of the area in which the land is located that all taxes  
27 levied against the property at that date are paid.

28 \* **Sec. 30.** AS 40.15.070 is repealed and reenacted to read:

29 **Sec. 40.15.070. Platting authority.** (a) The Department of Natural Resources  
30 is the platting authority for

31 (1) the unorganized borough;

1 (2) a municipality that does not have or is not exercising the power of  
2 land use regulation or platting authority; and

3 (3) all state land, regardless of location, that is managed by the  
4 Department of Natural Resources under AS 16.20, AS 27, AS 37.14.001 - 37.14.099,  
5 AS 38, AS 41.15.010 - 41.15.960, AS 41.17.010 - 41.17.955, AS 41.21.010 -  
6 41.21.990, and AS 41.23.010 - 41.23.630.

7 (b) When the Department of Natural Resources exercises the department's  
8 platting authority within a municipality that has the power of land use regulation and  
9 that is exercising the municipality's platting authority, the Department of Natural  
10 Resources is exempt from that municipal platting authority and related land use  
11 regulation, but shall comply with municipal platting and related land use ordinances to  
12 the maximum extent the commissioner of natural resources determines to be consistent  
13 with the state's interests. If the commissioner of natural resources determines that  
14 compliance with a municipal platting or related land use ordinance is not consistent  
15 with the state's interests, the plat must comply with state platting requirements. Where  
16 a Department of Natural Resources' plat or subdivision does not comply with a  
17 municipal planning, platting, or land use regulation, the state is deemed to have  
18 received for the affected land a variance from that planning, platting, or land use  
19 regulation. Any variance allowed under this section is appurtenant to and runs with the  
20 land.

21 (c) Except as provided in (b) of this section and otherwise by law, a  
22 municipality that has planning, platting, and zoning powers and is exercising platting  
23 authority and land use regulation is the platting authority as provided in AS 29.40.

24 (d) A subdivision or plat shall be submitted to the appropriate platting  
25 authority for approval. The subdivision or plat may not be filed and recorded until the  
26 subdivision or plat is approved.

27 \* **Sec. 31.** AS 40.15.200 is amended to read:

28 **Sec. 40.15.200. Application [TO STATE AND POLITICAL**  
29 **SUBDIVISIONS]. Except as provided in (b) of this section, all [ALL] subdivisions**  
30 **of land made by the state, its agencies, instrumentalities, and political subdivisions are**  
31 **subject to the provisions of AS 40.15.010 - 40.15.200 and AS 29.40.070 - 29.40.160,**

1 or home rule ordinances or regulations governing subdivisions, and shall comply with  
2 ordinances and other local regulations adopted under AS 40.15.010 - 40.15.200 and  
3 AS 29.40.070 - 29.40.160 or former AS 29.33.150 - 29.33.240, or under home rule  
4 authority, in the same manner and to the same extent as subdivisions made by other  
5 landowners.

6 \* **Sec. 32.** AS 40.15.200 is amended by adding a new subsection to read:

7 (b) All subdivisions of state land managed by the Department of Natural  
8 Resources and where the Department of Natural Resources is exercising the  
9 department's platting authority under AS 40.15.070 are subject to the provisions of  
10 AS 40.15.010 - 40.15.070.

11 \* **Sec. 33.** AS 40.15.305(a) is amended to read:

12 (a) The commissioner shall exercise the platting authority for the state **and all**  
13 **state land as provided in AS 40.15.070** [EXCEPT WITHIN A MUNICIPALITY  
14 THAT HAS THE POWER OF LAND USE REGULATION AND THAT IS  
15 EXERCISING PLATTING AUTHORITY].

16 \* **Sec. 34.** AS 29.10.200(54); AS 29.40.200; AS 38.08.010(b)(1); AS 41.23.400, 41.23.410,  
17 41.23.420, 41.23.430, 41.23.440, 41.23.450, 41.23.460, 41.23.470, 41.23.480, 41.23.490,  
18 41.23.500, and 41.23.510 are repealed.

19 \* **Sec. 35.** Section 1, ch. 122, SLA 1988 is repealed.

20 \* **Sec. 36.** The uncodified law of the State of Alaska is amended by adding a new section to  
21 read:

22 TRANSITION: REGULATIONS. The commissioner of natural resources may adopt  
23 or amend regulations as necessary to implement the changes made by this Act. The  
24 regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the  
25 effective date of the law implemented by the regulations.

26 \* **Sec. 37.** This Act takes effect immediately under AS 01.10.070(c).

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**Land Conveyance Section**  
Division of Mining, Land and Water  
Department of Natural Resources  
State of Alaska

# DIVISION OF MINING, LAND & WATER

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## **Alaska Constitution**

Article 8, Section 1 - 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 8, Section 9 – requires reservations of minerals (as required by Section 6(i) of the Statehood Act) and reservations for access to these resources (implemented by AS 38.05.125)

Article 8, Section 10 – requires public notice and “other safeguards of the public interest” when selling state land . No disposals or lease of state lands, or interests therein, shall be made without prior public notice and other safeguards of the public interest as may be prescribed by law.

## **Alaska Statute Title 38**

AS 38 serves as an "owner's manual" for Alaska's Statehood Act entitlement lands, dealing with management as well as conveyance.

Most of the authority of Land Sales is codified within AS Title 38, Chapter 05 – The Alaska Land Act

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Consolidation of platting requirements will add efficiencies to the development of state land for disposal to Alaskans; reducing costs and time necessary to bring state lands onto the market helping to fulfill the demand for state land parcels.

- Where appropriate the state will be consistent with municipal construction and subdivision stipulations into the subdivision designs to the maximum extent
- Road Rights of Ways will be platted consistent with ADOT requirements
  - Access to subdivisions will meet “Collector road” standards
- Reduces development costs making projects economically feasible
- Provides predictability in development costs and timelines
- Reduces rework of plats

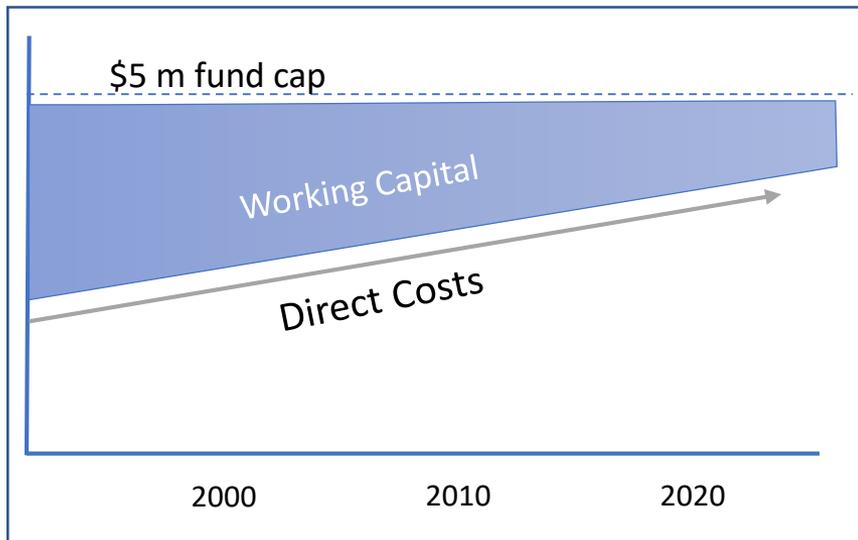


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The cap on the Land Disposal Income Fund is proposed to be increased from \$5.0M to \$7.5M to provide additional capital for the department to develop and dispose of state lands and to offset inflation since the fund was established in 2000.



- \$5M cap has not adjusted in 20 years
- Personnel and Development costs have increased significantly, reducing the available “working capital”
- Will result in more acreage available for sale and construction of access.

# DIVISION OF MINING, LAND & WATER

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## Sealed-Bid Auction Sales

- Available to Alaskan residents
- Online/Paper Bid system during set bidding period

Year	Parcels		Acres		Appraised Value		Bids Details		
	Offered	Sold	Offered	Sold	Offered	Sold	Bid Value Sold	Bids Received	Sold Ratio
2019	248	95	3,073	1,212	\$5,180,300	\$1,847,800	\$2,398,139	314	38%
2018	195	85	2,409	1,289	\$4,303,365	\$2,256,565	\$2,629,312	212	44%
2017	206	98	3,621	2,795	\$4,375,500	\$2,319,400	\$2,874,500	283	48%
2016	247	98	2,425	1,222	\$4,027,500	\$2,049,700	\$2,629,988	328	40%
2015	251	101	1705	699	\$3,886,800	\$1,940,600	\$2,409,746	342	40%

## Over-the-Counter Purchase

- Open to the public world-wide throughout the year

Year	Parcels Sold	Acres Sold	Value Sold
2019	73	996	\$1,278,100.00
2018	73	576	\$1,233,600.00
2017	112	902	\$1,801,600.00
2016	143	1188	\$1,802,100.00
2015	137	1231	\$1,782,000.00

## Remote Recreational Cabin Sites

- Stake it yourself program
- Lease to sale conversion

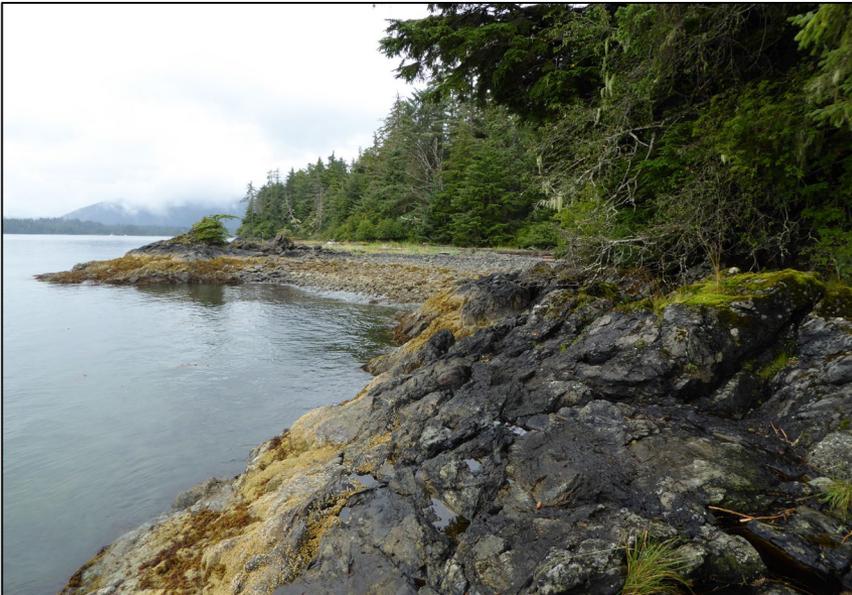
Year	Staking Areas Offered	Authorizations	Max. Acres
2014	5	211	4,220
2017	2	70	1,400
2019	4	128	2,560

# DIVISION OF MINING, LAND & WATER

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- Modifies auction requirements for easier administration of land offerings
  - Allows for more modern sale options, including online auctions
- Increase max contract term to 30 years
  - Currently capped at 20 years
  - Allows for longer financing of higher value parcels



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- Land can be nominated by the public
- Leasing option to complete requirements for sale and allow immediate commercial activity
- After conclusion of the lease requirements a sale will occur
- Individuals have requested a program to allow for such sales
- The number of acres identified for proposed development will be significant and the number of acres conveyed will depend on the proposals received



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- Reduction of current limitations on land management
- Repeal will end unenforceable management issues and restrictions on recreational and commercial use on over 260,000 acres
  - Provides for generally allowed uses
  - Allows expansion of Land Use opportunities
- May increase acreage available for inclusion in the Land Sales program or new commercial development program





**Senate Bill 204**  
**State Land Sales; Plats; Rivers**  
**Sectional Analysis 2/25/20**

**Section 1** amends AS 19.30.080 to exempt the state from municipal or local platting authority or related land use regulation, specifically those dealing with approval of access roads built on state lands.

**Section 2** repeals and reenacts AS 29.03.030 to designate DNR as the platting authority for the unorganized borough and as otherwise provided by law.

**Section 3** amends AS 29.35.180(a) and (b) to exempt DNR-managed lands as provided by AS 40.15.070 (as repealed and reenacted in Section 30 of this bill) from the platting authority of first-class, second-class, and home rule boroughs.

**Section 4** amends AS 29.35.180 by adding a new subsection (c) to state that DNR is the platting authority for state lands managed by DNR as provided in AS 40.15.070, and that DNR is exempt from borough platting authority and land use regulation when DNR exercises its platting authority for state lands located within a borough with the power of land use regulation and platting authority.

**Section 5** amends AS 29.40.010(a) and (b). Subsection (a) is amended to state that, except state land managed by DNR as provided in AS 40.15.070 (as repealed and reenacted in Section 30 of this bill), a first- or second-class borough shall provide planning, platting, and land use regulation on an areawide basis. Subsection (b) is made subject to new subsection (c).

**Section 6** amends AS 29.40.010 by adding a new subsection (c) to state that DNR is the platting authority for state lands DNR manages as provided in AS 40.15.070 (as repealed and reenacted in Section 30 this bill), and that when DNR exercises the platting authority for state lands located within a borough with the power of land use regulation and platting authority, DNR is exempt from that borough's land use regulation and platting authority. Where a DNR plat or subdivision of state land does not comply with borough planning, platting, or land use regulation, the state is deemed to have received an approved variance that is appurtenant to and runs with the land.

**Sections 7** amends AS 29.40.040(a) to state that subsection (a) is subject to a new subsection (c).

**Section 8** amends AS 29.40.040 by adding a new subsection (c) to state that DNR is the platting authority for state lands DNR manages as provided in AS 40.15.070 (as repealed and reenacted in Section 30 this bill); and that DNR is exempt from borough land use regulation and platting authority over land it manages that lies within a borough with such authority. Where a DNR plat

or subdivision of state land does not comply with borough planning, platting, or land use regulation, the state is deemed to have received an approved variance that is appurtenant to and runs with the land.

**Sections 9 and 10** amend AS 29.40.190 to state that subsection (a) is subject to a new subsection (c). New subsection (c) states that a civil action may not be brought or penalty imposed under (a) for a violation of municipal planning, platting, or land use regulation as to a DNR plat or subdivision of state lands where DNR is exercising platting authority under AS 40.15.070, as repealed and re-enacted in this bill, and where a variance has been approved under AS 29.40.010(c) and 29.40.040(c). This section does not exempt a purchaser or owner of DNR-managed lands from having to comply with environmental requirements in AS 46.03 – AS 46.14 or other state law.

**Section 11** amends AS 38.04.020(e) so that feasibility studies, engineering design work, right-of-way acquisition, construction of access roads, and capital improvements on state land need to comply only with state requirements (regulations and statutes), rather than municipal ordinances.

**Section 12** amends AS 38.04.022 by increasing the Land Disposal Income Fund's (LDIF) \$5 million deposit limit to \$7.5 million and by granting DNR discretion to request an increase of that deposit limit in its annual statutorily required report to the legislature. This proposed increase to the LDIF cap is critical to expanding state land sales and implementing a program for the leasing and sale of state lands deemed suitable for commercial development as provided for in this bill.

**Section 13** amends AS 38.04.045(b) by deleting language requiring plats for state subdivisions to comply with municipal planning, platting, and zoning powers.

**Section 14** amends AS 38.04.045 by adding new subsections (c) – (f). Subsection (c) provides that when DNR-managed state land is located within a municipality with planning, platting, and zoning powers, the state's plats and subdivisions under DNR's platting authority in AS 40.15.070 (as repealed and reenacted by this bill) shall comply with local platting and land use regulations to the maximum extent DNR's commissioner determines to be consistent with the state's interests. If the commissioner determines compliance is not consistent with the state's interests, a plat or subdivision shall comply with state platting requirements. New subsection (d) clarifies that, except as provided in (c), state land located within a municipality with planning, platting, and zoning powers and that is exercising platting authority and land use regulations, subdivisions by the state shall comply with local ordinances and regulations in the same manner and to the same extent as subdivisions by other landowners. New subsection (e) requires state subdivisions be filed and recorded in the district recorder's office. Finally, new subsection (f) lists the types of sales and leases not covered by the requirements of AS 38.04.045.

**Section 15** amends AS 38.04.050 by removing language requiring the state to comply with municipal platting and zoning requirements on state land within a municipality exercising its platting authority. Other amendments grant the director of the Division of Mining, Land and Water greater discretion in deciding when to develop surface access roads.

**Section 16** amends AS 38.05.035(b) to grant the state discretion to determine lot size based on state regulation or municipal regulation, and deletes (c) regarding conveyance of parcels to adjoining landowners.

**Sections 17 and 18** amend AS 38.05.055 by clarifying auction sale or sealed bid procedures, and inserting a new subsection (d) to detail the procedures for auction sales and sealed bidding.

**Sections 19 - 25** amend AS 38.05.065 by making housekeeping amendments clarifying the bidding process for sale of state lands, requiring an earnest money deposit, increasing the term of a contract for sale, and granting the state greater discretion in determining whether or not to construct access roads. Sections 19 - 20 increase the term of a contract for sale of state land. Sections 21-24 remove confusing foreclosure language. Section 25 adds a new subsection (j) to allow for land sale contracts for land sold by means other than AS 38.05.055, for which it also requires an earnest money deposit of at least 5 percent of the purchase price from a person applying to purchase land. If the applicant fails to enter into a contract to purchase, or defaults in the payment of the bid amount, the earnest money deposit will be forfeited to the state.

**Section 26** adds a new subsection AS 38.05.086, to allow leasing of certain state land for commercial or industrial economic development with an option to purchase, in order to stimulate economic development in the state, either those lands within Qualified Opportunity Zones, or other lands DNR may nominate and approve. After proper land use classification and the completion of a best interest finding under AS 38.05.035, the commissioner may request proposals from the public for developing and leasing up to 20-acre parcels of these lands. If only one person requests to lease and develop a specific parcel of land, the commissioner may enter into a negotiated lease. If more than one person requests to lease and develop a specific parcel of land, the commissioner will offer the lease at competitive bid. Successful bidders will then enter a five-year lease, renewable once for up to another five-year term. At any time during the lease term the lessee can purchase the land if they are in good standing, have completed the development proposed requirements, have surveyed and appraised the land at their own cost, and pays any applicable fees. Annual rentals paid during the lease may be applied to the purchase price. This statute includes various provisions to ensure DNR's decisions are not deemed arbitrary and to provide appeal opportunities for aggrieved bidders or lessees. This proposed program requires the increase to the LDIF cap proposed in Section 12 of this bill, or a greater appropriation out of the General Fund.

**Section 27** amends AS 38.05.965 by adding a new paragraph (29) to define “public auction.”

**Section 28** amends AS 38.09.080(b) to clearly state that homestead entry land is subject to state platting, recording, or subdivision requirements rather than local requirements.

**Section 29** amends AS 40.15.020 to exempt DNR from the requirement to obtain certificates of acknowledgment from a local tax authority to certify that taxes and assessments have been paid, when the DNR is exercising its platting authority under AS 40.15.070 (as repealed and reenacted in Section 30 of this bill).

**Section 30** repeals and reenacts AS 40.15.070 with the following subsections (a) – (d). New subsection (a) makes DNR the platting authority for the unorganized borough, in municipalities that do not have or are not exercising the power of land use regulation or platting authority, and all state land managed by DNR under the listed statutes. New subsection (b) provides that when DNR exercises platting authority in a municipality with the power of land use regulation and platting authority, DNR is exempt but shall still comply to the maximum extent the DNR commissioner determines to be consistent with the state’s interests. Where DNR’s plats or subdivisions do not comply with municipal planning, platting, or land use regulation, the state is deemed to have received a variance that is appurtenant to and runs with the land. New subsection (c) states that, except as provided in (b), a municipality with planning, platting, and zoning powers is the platting authority as provided in AS 29.40. New subsection (d) requires that a subdivision or plat be submitted to the appropriate platting authority.

**Section 31** amends AS 40.15.200 to state that, except as provided in new subsection (b) (adopted under Section 32 of the bill), subdivisions of land made by the state, its agencies, instrumentalities, and political subdivisions are subject to the requirements of statutes regarding recording and local platting authority.

**Section 32** amends AS 40.15.200 by adding a new subsection (b) to state that all subdivisions of state land managed by DNR, where DNR is exercising platting authority under AS 40.15.070 (as repealed and readopted under Section 30 of this bill), are subject to AS 40.15.010 – .070.

**Section 33** amends AS 40.15.305(a) to read that the DNR commissioner shall exercise platting authority for the state and all state land as provided under AS 40.15.070 (as repealed and readopted under Section 30 of this bill).

**Section 34** repeals several miscellaneous statutes and subsections to ensure the state is the platting authority for all state lands and to amend state law on contracts for state land:

- AS 29.10.200(54) (limitation of home rule powers)
- AS 29.40.200 (subdivisions of state land)
- AS 38.08.010(b)(1) (classification of land for homesite entry)

This section also repeals all recreation rivers statutes, allowing those lands to be regulated and disposed of consistent with other statutes:

- AS 41.23.400 (purposes)
- AS 41.23.410 (compatible activities)
- AS 41.23.420 (general management of recreation rivers and corridors)
- AS 41.23.430 (advisory board)
- AS 41.23.440 (management plan)
- AS 41.23.450 (management of municipal land)
- AS 41.23.460 (acquisition of additional land)
- AS 41.23.470 (application of public land laws)
- AS 41.23.480 (cooperative management agreements)
- AS 41.23.490 (limitation on establishment)
- AS 41.23.500 (establishment of recreation rivers and recreation river corridors (Alexander Creek State Recreation River, Kroto Creek and Moose Creek State

Recreation River, Lake Creek State Recreation River, Little Susitna State Recreation River, Talachulitna State Recreation River, and Talkeetna State Recreation River)).

- AS 41.23.510 (definition)

**Section 35** repeals an uncodified section of the recreation rivers statutes, Section 1, ch. 122, SLA 1988.

**Section 36** adds a section to the uncodified law to read: “TRANSITION: REGULATIONS. The commissioner may adopt or amend regulations as necessary to implement the changes made by this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the law implemented by the regulations.

**Section 37** states the act takes effect immediately.





## MATANUSKA-SUSITNA BOROUGH

### Office of the Borough Manager

350 East Dahlia Avenue • Palmer, AK 99645

Phone (907) 861-8689 • Fax (907) 861-8669

[John.Moosey@matsugov.us](mailto:John.Moosey@matsugov.us)

March 4, 2020

The Honorable David Wilson, District D  
The Honorable Mike Shower, District E  
The Honorable Shelley Hughes, District F  
The Honorable Colleen Sullivan-Leonard, District 7  
The Honorable Mark Neuman, District 8

The Honorable George Rauscher, District 9  
The Honorable David Eastman, District 10  
The Honorable DeLena Johnson, District 11  
The Honorable Cathy Tilton, District 12

RE: Senate Bill 204 "An Act relating to state lands; relating to the authority of the Department of Natural Resources over state owned lands; relating to the disposal of state land; relating to the leasing and sale of state land for commercial or industrial development; repealing establishment of recreation rivers and recreation river corridors; and providing for an effective date."

Dear Mat-Su Valley Senators and Representatives,

The Matanuska-Susitna Borough (Borough) has significant concerns with the proposed Senate Bill 204. The impacts of this legislation, in many cases, would result in land being transferred to citizens, groups or companies, who were not required to meet Borough requirements, and therefore the correction of those created issues will fall on the Borough. This legislation would eliminate the requirements to follow these important and fundamental Borough standards for construction:

- Meeting mandatory construction setbacks for right-of-way and water bodies
- Meeting acceptable road widths
- Requiring DEC lot sizes for septic systems (which could contaminate water bodies)
- A determination of usable area and configuration
- Fulfilling requirements to build access roads into sub-divisions
- Adhering to significant floodplain development regulations
- Completing the installation of fish culvert construction in salmon streams
- Adhering to requirements to prevent river contamination
- Completing requirements to build new roads to Borough standards.

The scope of the potential impact to the Borough would be huge. Within the incorporated boundaries of the Borough, the State of Alaska owns 14,806,812 acres of land, which is 91% of all land in the Borough. This legislation would allow the State to sell or transfer their land without being required to meet Borough established code, policy, or requirements. In addition, Mental Health Trust has an additional 38,668 acres and the University of Alaska has 24,970 acres, which would potentially be exempt from meeting Borough requirements. By sheer volume, this gives us pause for very serious concerns.

*Providing Outstanding Borough Services to the Matanuska-Susitna Community*

Our concern is that the State DNR will be allowed to sell land, without meeting Borough land management, platting, road construction and waterway requirements, and will not address issues created when the land is sold. The correction of those issues would then fall on the Borough, causing a tremendous amount of additional labor and very expensive operational costs to the Borough in order to correct these issues. Among those issues are:

- Without requiring State development to conform to Borough platting and land use requirements, there is significant potential for damage and for future MSB intervention and expenditure of taxpayer funds to correct these issues.
  - Loss of required fish passage culvert construction and floodplain management, which are both Federal programs. If the State does construct an access road, they will be required to construct fish passage culverts to State and/or Federal standards. However, by replacing the word "SHALL" with "MAY" in this legislation, the very real results will likely be that the access road "MAY" never get built. Sec. 19.30.080
  - Incomplete or substandard road construction: Sec. 19.30.080 – Under this provision, State lands could be transferred with substandard road construction. This will place a significant burden on the taxpayers and DOT (State roads) to correct the substandard roads. Additionally, much of the remaining legislation strengthens the State's position and provides DNR with the power to make all of these decisions without regard to Borough requirements or the fiscal burden it would place on the Borough.
  - Requirements to build access roads into newly developed subdivisions. As noted under fish passage culverts above in Sec. 19.30.080, by replacing the word "SHALL" with "MAY" in this legislation, the very real results will likely be that the access roads "MAY" never be built.
- This Bill eliminates AS 41.23.400 - 41.23.510, which establishes, manages, protects, and maintains the six recreational rivers in the Mat-Su Borough, all of which are anadromous water bodies. They are the Little Susitna River, the Deshka River, the Talkeetna River, Lake Creek, the Talachulitna River, and Alexander Creek. The removal of these recreational rivers and special purpose areas could have devastating effects on the fish and wildlife populations within these waterways. Without requiring development to conform to Borough platting requirements, there is significant potential for damage to our waterways and for future Borough intervention and expenditure of taxpayer funds to correct these issues.
- Potential trespassing issues: Sec 19.30.080 - The Borough has spent considerable time and resources over the years addressing trespassing issues on Borough and private lands, many of which were the result of poorly planned prior State land sales. When remote parcels are created without a platted or marked access route or easement, remote property owners park their vehicles along a State or Borough Right-of-Way and stage/unload along the roadway. Further, these same property owners often construct trespass access routes (trails/roads) bisecting multiple parcels of Borough and private lands. As more State land is sold, the related trespass issues multiply, and the Borough ends up with multiple trespass-related issues to clean up. This includes unnecessary damage to wetlands and waterways. This is one reason why the Borough has the platting requirements that it does, and that DNR should not exempt itself from local platting requirements and land use regulations.

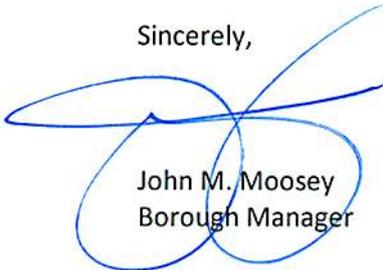
As an example, the Borough is working through the State's Municipal Entitlement Lands (MEL) program to transfer State land to the Borough. Today, there are still about 80,000 acres remaining to be transferred to the Borough from the State. At Hatcher Pass, we are currently working on surveying/platting over 6,000 acres of MEL land. The cost is approximately \$250,000 to meet the requirements established by the State. This process typically takes us 3-5 years to meet State requirements and receive a patent for the land. DNR's regulations require the Borough to meet their requirements and the State should be required to reciprocate and meet Borough requirements when disposing of State land in the Borough.

We are in favor of the State of Alaska proposals to disperse State lands for private use for economics, home ownership, or recreation. This action matches the State of Alaska messages, which have been given to us in the past, for the Mat-Su Borough to assume more responsibility for the land in our Borough. However, to exempt this action from our entire local control and requirements is just the opposite message from what we have received from the State. The transfer of any State land must meet Borough requirements rather than circumvent them.

If approved, this act will take effect immediately, which gives no entities an opportunity to address the numerous potential liabilities.

Please do not vote favorably for Senate Bill 204.

Sincerely,

A handwritten signature in blue ink, appearing to read "John M. Moosey", with a large, stylized flourish extending from the end of the signature.

John M. Moosey  
Borough Manager

cc: Assembly  
John Harris

A handwritten signature in blue ink, appearing to read "Vern Halter", with a large, stylized flourish extending from the end of the signature.

Vern Halter  
Mayor



## NON-BINDING MEMORANDUM OF UNDERSTANDING

Between:

**Alaska Industrial Development and Export Authority**

of 813 West Northern Lights Blvd., Anchorage, Alaska 99503

“(AIDEA)”

and

**Matanuska-Susitna Borough**

of 350 E Dahlia Ave, Palmer, Alaska 99645

“(MSB)”

and

**Nova Minerals Limited** (ACN: 006 690 348)

Suite 602, 566 St Kilda Rd, Melbourne, VIC, 3004

“(Nova)”

### 1. Duration of MOU

This is a non-binding Memorandum of Understanding (**MOU**) between AIDEA, MSB and Nova. The MOU will be effective from the date on which this MOU first becomes fully effective by all Parties as evidenced by the date of signature below (the “Effective Date”). The MOU will expire on the third anniversary of the Effective Date, unless otherwise extended by written agreement between the parties. Any party may terminate the MOU earlier for any reason at any time upon delivery to the other parties of written notice of termination.

### 2. Scope

- a) AIDEA, MSB and Nova are committed to maintaining a positive and cooperative working relationship.
- b) AIDEA, MSB and Nova are committed to an open public process and stakeholder engagement.
- c) AIDEA, MSB and Nova are committed, where practicable to work collaboratively to deliver an all-season industrial access road to the Yentna Mining District of Alaska, to provide access to MSB lands (consistent with current objectives), State of Alaska, and others.
- d) The parties recognize as a public entity the MSB’s interest is in providing public access to MSB controlled properties and resources.
- e) As part of the parties’ mutual commitment, AIDEA, MSB and Nova will act in accordance with the spirit and intent of this MOU, even though neither party intends that it be legally binding.
- f) Nova will invest a sum of US\$100,000.00 for West Susitna Access Road - Phase II studies within the consortium to be arranged for such Phase II by AIDEA and MSB.
- g) Nova to fund on a pro-rata basis at a minimum for further studies and development for West Susitna Access Road studies and development within the consortium to be arranged for said works by AIDEA and MSB.

- h) Nova to provide human resources and further synergy by providing aircraft support for Phase II studies whilst Nova's exploration programs underway to minimise costs utilising aircraft on-site where directed by AIDEA and MSB as and if required.

### 3. Goals and objectives

- a) To investigate the viability of permitting and constructing an all-season industrial access road to the Yentna Mining District of Alaska and Nova's Estelle Gold Project.
- b) To build upon the 2014 Roads to Resources study and advance the use of public lands, Alaska Statute (AS) 38.04.065, with local governmental and public involvement under AS 38.05.945, adopt, maintain, and, when appropriate, revise regional land use plans that provide for the use and management of State of Alaska-owned lands, and to identify important land resources that can be used for the maximum public benefit.
- c) Facilitate strategies to maximize the local economic benefit and job opportunities in the Mat-Su Borough as a result of responsible development of the Yentna Mining District.
- d) Establish the groundwork and collaboratively develop a plan for salmon habitat.
- e) Provide access by AIDEA and MSB to Nova with regard to environmental and baseline work for the Estelle Gold Project conducted by the consortium for the purpose of assessing the suitability of potential routes for an industrial access road within the Yentna Mining District.
- f) Establish the groundwork and collaboratively develop a plan for an all-season industrial road to provide access.
- g) Provide a framework for AIDEA, MSB and the consortium to cooperatively engage with local communities and other project stakeholders to incorporate their input via public meetings and consultations.
- h) Identify areas requiring federal, state and local permitting, and facilitate support for obtaining such permits.
- i) Working collaboratively to establish an agreement for Nova's usage of the potential all-season industrial access road.
- j) Nova, in cooperation with AIDEA, MSB and any arranged consortium, to support, provide relevant resources and contribute financier contacts and assistance in investigating AIDEA-supported financing options for project infrastructure and other means to maximize local employment and other economic benefits. No specific terms will be discussed on payment for usage of the all-season industrial access road to the Yentna Mining District.

### 4. Meetings

- a) Meetings in relation to the subject of this MOU will be held at 813 West Northern Lights Blvd. Anchorage, Alaska 99503.

- b) To accomplish the purpose and objective set forth in the MOU, the parties will meet monthly.
- c) Meeting agendas and minutes will be prepared by a consortium representative to be determined
- d) AIDEA and the consortium participants will circulate meeting agendas to all parties relevant to the subject of this MOU to AIDEA, MSB and Nova no later than 7 days ahead of a scheduled meeting.
- e) The consortium will circulate minutes of meeting to all parties relevant to the subject of this MOU to AIDEA, MSB and Nova within 7 days of the meeting.

## 5. Reporting

- a) The consortium will report on suitability of potential routes for an industrial access road within the Yentna Mining District;
- b) The consortium to establish the groundwork to develop a plan for an all-season industrial road to provide access;
- c) The consortium will establish a process to engage the public and various stakeholders;
- d) AIDEA and the MSB to identify areas requiring federal, state and local permitting, and facilitate support for obtaining such permits; and
- e) AIDEA and the consortium to investigate AIDEA-supported financing options for project infrastructure and other means to maximize local employment and other economic benefits.

## 6. Confidentiality

The parties acknowledge that information disclosed by one party to the other (the disclosing party) in the course of the subject matter of this MOU may be confidential and unless required by law must not be disclosed to a third party except with the prior written consent of the disclosing party.

Information shared with AIDEA under this MOU will be treated as confidential so long as that information falls within one of the categories AIDEA can keep confidential under AS 44.88.215. AIDEA will treat this information as confidential without necessity of any further finding on AIDEA's behalf.

The parties recognize that as a public entity MSB is subject to MSB code, and State statute, and as such, cannot provide the same level of confidentiality as AIDEA and Nova.

**7. Dispute resolution**

- a) If a dispute or difference arises between the parties out of or in connection with this MOU, either party may give the other a written notice specifying the dispute or difference.
- b) Within 7 days of the date of the notice, a person holding a position of senior management of each party must communicate and undertake negotiations in good faith and on a without prejudice basis with a view to resolving the dispute or difference.

**8. Variation**

- a) The parties may agree to vary any of the requirements of this MOU. Such agreement must be in writing and signed by both parties.

**SIGNATURES**

**Signed for Alaska Industrial  
Development and Export Authority  
“(AIDEA)” by its authorized  
representative in the presence of:**

.....  
Signature of witness

.....  
Signature of authorized representative

.....  
Name of witness

.....  
Name of authorized representative

DATE:

.....  
Title of authorized representative

**Signed for Matanuska-Susitna Borough  
“(MSB)” by its authorized representative  
in the presence of:**

.....  
Signature of witness

.....  
Signature of authorized representative

.....  
Name of witness

.....  
Name of authorized representative

DATE:

.....  
Title of authorised representative

**Signed for Nova Minerals Limited  
“(Nova)” by its authorized  
representative in the presence of:**

.....  
Signature of witness

.....  
Signature of authorized representative

.....  
Name of witness

.....  
Name of authorized representative

DATE:

.....  
Title of authorized representative





## MEMORANDUM

**To:** Board Members  
Alaska Industrial Development and Export Authority

**From:** Tom Boutin  
Executive Director

**Date:** April 15, 2020

**Subject:** West Susitna Access Road – Phase II MOU  
Resolution No. G20-15

AIDEA staff is requesting the Board's approval to enter into a non-binding Memorandum of Understanding (MOU) with Nova Minerals, a resource owner in the Yentna Mining District of the Matanuska-Susitna Borough (MSB), as partner with AIDEA in the planning of the Phase II engineering of the West Susitna Access Road. Nova Minerals is independently developing the Estelle Gold Project within the district.

### AIDEA MISSION

AIDEA's purpose is to promote, develop, and advance the general prosperity and economic welfare of the people of Alaska. The opening of new areas for natural resource development through the construction of access roads and/or transportation corridors is important in supporting economic development in connection with the extraction, transportation and production of timber, metals, minerals, hydrocarbons, petroleum products and other resources.

Under AS 44.88.172(a), AIDEA is entitled to expend money from the economic development account to finance, acquire, manage and operate development projects that the Authority intends to own and operate or to provide development project financing, all for projects defined under AS 44.88.900(13)(A), including roads and related infrastructure.

### BACKGROUND ON WSAR REQUEST

In 2014, the Alaska Department of Transportation and Public Facilities (DOT&PF) Roads to Resources program completed an extensive natural resources inventory and access corridor study referred to as the West Susitna Reconnaissance Study for Access to Resource Development Opportunities (West Susitna Access Study). The purpose of the study was to identify multiple resource development opportunities that can be accessed by one transportation corridor, thereby attracting multiple private sector, non-governmental and governmental investments across resources.

The MSB intends to plan, permit and construct an access route to the west side of the Little Susitna River. The planned extension advances the pioneer road two miles from the end of the West Susitna Parkway to the west side of the Little Susitna River. Advancing the work initiated by

Memorandum Board Members  
West Susitna Access Road Phase II MOU  
April 15, 2020

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DOTP&F would also allow the MSB to access borough owned resources as well as enhancing MSB's fire suppression activities.

### **Phase I Findings & Conclusion**

HDR completed field level reconnaissance for two preliminary multi-modal routes late last fall for the purpose of gathering LiDAR data and determining route feasibility to the Canyon Creek lease area and further west towards the Whistler Mining District. Phase I included data gathering to help identify the level of effort required for phase II engineering studies and seek an understanding of the constructability and overall feasibility for the two routes. To summarize the teams' findings:

- Port Mackenzie Route (PMR) from Ayrshire Road to Talachulitna River is a feasible route in terms of terrain that minimizes wetland impacts and includes viable water crossings.
- Upon the road reaching the Skwentna River, the route will need to cross to the North side of the Skwentna to avoid extremely challenging terrain along the south side.
- The Southern route, starting at Ladd Landing is environmental and geotechnical challenged. Segments of this route would need additional refinement to minimize wetland impacts and further investigation of material availability would likely be required.
- There are many cabins, lodges, and private property along the proposed routes and the project will need to consider land ownership, right-of-way acquisitions, subsistence, etc...
- The project will need to consider cultural and historical resources in the area.

### **Phase II Proposal**

Phase II's purpose is to build on the data collected in Phase I and perform preliminary engineering, field verification of wetlands, and development of cost estimates for the access corridor.

Phase II has two distinct goals:

- Advance the preliminary engineering to a point that opinions of probable capital costs can be reasonably determined for the purposes of economic decision-making.
- Capitalize on the summer field season to conduct and field verify wetlands mapping in preparation of submitting a wetland permit application during the winter of 2020/2021 – putting the project in position to initiate an EIS if its determined to be required.

These goals will be accomplished based upon the following tasks:

1. Acquire, compile, and review LiDAR and aerial imagery.
2. Develop overall master-project schedule.
3. Preliminary Engineering to include:
  - a. Design Criteria
  - b. Geotechnical Evaluation
  - c. Alignment Design
  - d. Waterway Crossing Design
  - e. Opinion of Probable Capital Cost
  - f. Prelim Engineering Report

Memorandum Board Members  
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4. Wetland desktop mapping and 2020 wetland field verification
5. Meetings/Project Management
6. Cultural resources and land ownership desktop study

Under the proposed MOU with Nova Minerals, AIDEA and Nova Minerals are agreeing to work together on a non-binding basis in the development of Phase II with the full budget and partner group to be determined. Nova Minerals is prepared to contribute up to \$100,000 with AIDEA on Phase II.

### **Strategic Project Partners & Funding**

The industrial access road stands to benefit the MSB and private resource companies in their efforts to develop Alaska's resources. AIDEA has identified two additional partners that are interested in participating in the early costs of project development.

AIDEA staff and MSB will continue to build on our partnership framework developed in Phase I. While the MSB does not have the ability to commit financially to Phase II at this time, AIDEA believes a strong working relationship and support from MSB will strategically benefit the project and partners. MSB is currently working on a design to bridge the Little Su and working in conjunction with the WSAR project, MSB can align the crossing location to benefit the project's determined route. AIDEA and MSB will build on the same framework established for Phase II and in partnership, through Contribution Agreements, with third party, non-governmental resource owners that benefit from the access routes.

### **RECOMMENDATION**

AIDEA staff recommends approval to enter into an MOU with Nova Minerals for the further development of the West Susitna Access Road.

**ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY**

**RESOLUTION NO. G20-15**

**RESOLUTION OF THE ALASKA INDUSTRIAL DEVELOPMENT  
AND EXPORT AUTHORITY APPROVING A NON-BINDING  
MEMORANDUM OF UNDERSTANDING WITH NOVA  
MINERALS LIMITED REGARDING PRE-DEVELOPMENT  
WORK ON THE WEST SUSITNA ACCESS ROAD PROJECT**

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**WHEREAS**, the Alaska Industrial Development and Export Authority (the “Authority”) has the ability under AS 44.88.172 to own and operate, or to finance, development projects that create infrastructure needed to bring natural resources to market;

**WHEREAS**, the opening of new areas for natural resource development through the construction of access roads is important in supporting economic development and is in furtherance of the Authority’s statutory mission;

**WHEREAS**, in Resolution No. G19-21, adopted October 23, 2019, the Board approved the West Susitna Access Road as a development finance project under AS 44.88.172 and the Board authorized the Authority to enter into a Memorandum of Understanding with the Matanuska Susitna Borough (the “Borough”) regarding pre-development work for the West Susitna Access Road;

**WHEREAS**, Phase I of the pre-development work on the West Susitna Access Road has been completed and the project is ready to move on with the pre-development work of Phase II; and

**WHEREAS**, Staff of the Authority is working on a non-binding memorandum of understanding (“MOU”) with Nova Minerals Limited to outline the joint efforts the Authority and Nova Minerals will take, in consultation with the Borough, in proceeding with Phase II of the pre-development work for the West Susitna Access Road.

**WHEREAS**, pursuing the MOU with Nova Minerals to advance Phase II of the pre-development work on the West Susitna Access Road is in furtherance of the Authority's statutory purposes to promote economic development and employment opportunities in the State.

**NOW, THEREFORE, BE IT RESOLVED BY THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY AS FOLLOWS:**

Section 1. The Authority is authorized to enter into a non-binding MOU with Nova Minerals Limited regarding Phase II of the pre-development work on the West Susitna Access Road. The Executive Director is authorized and directed to complete the negotiations regarding the proposed MOU, to sign the MOU on behalf of the Authority, and to cause the Authority to perform its non-binding obligations under the MOU.

Dated this 15<sup>th</sup> day of April 2020.

---

Chair

ATTEST  
[SEAL]

---

Secretary





# MATANUSKA-SUSITNA BOROUGH

## Planning and Land Use Department

### Planning Division

350 East Dahlia Avenue • Palmer, AK 99645

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21 April 2020

#### RESEARCH:

West Susitna Access Road and Related Issues

1. Estelle gold prospect grows with additional acreage. 10/23/2019. AK Journal of Commerce. <https://www.alaskajournal.com/2019-10-23/estelle-gold-prospect-grows-additional-acreage>
2. Background on Estelle Gold Mine project from Nova Minerals:  
<https://novaminerals.com.au/project/estelle-gold/>
3. ADN article about recent AIDEA action concerning the Estelle Gold Mine and industrial road access. : [https://www.anchoragepress.com/news/aidea-has-second-resource-road-initiative-underway-this-one-west-of-susitna/article\\_6bacff22-81a8-11ea-a580-93837c89d939.html](https://www.anchoragepress.com/news/aidea-has-second-resource-road-initiative-underway-this-one-west-of-susitna/article_6bacff22-81a8-11ea-a580-93837c89d939.html)
4. 2/6/2020. The Market Herald article on Estelle project:  
<https://themarketherald.com.au/nova-minerals-asxnv-receives-all-permits-to-begin-drilling-at-the-estelle-gold-camp-2020-02-07/>
5. Map showing relation of Mt. Estelle to Mat-Su:  
[http://dnr.alaska.gov/mlw/planning/areaplans/sumat/pdf/smap\\_2011\\_plan\\_overview\\_map\\_hires.pdf](http://dnr.alaska.gov/mlw/planning/areaplans/sumat/pdf/smap_2011_plan_overview_map_hires.pdf)

*Providing Outstanding Borough Services to the Matanuska-Susitna Community*  
**Ted Eischeid, Planner II**  
*Supporting Environmental Planning and the MSB Fish & Wildlife Commission.*  
[Ted.eischeid@matsugov.us](mailto:Ted.eischeid@matsugov.us) Ph. 907.861-8606, Cell 795-6281

6. August 2011. Susitna Matanuska Area Plan for State Lands. Ak DNR. Lengthy, **20 year plan**. Note page 3-89, Alaska Range Region, and map 3-7.

[http://dnr.alaska.gov/mlw/planning/areaplans/sumat/pdf/smap\\_2011\\_complete.pdf](http://dnr.alaska.gov/mlw/planning/areaplans/sumat/pdf/smap_2011_complete.pdf)

From p. 3-94:

R-07 Mi 594,702 Maps 3-7, 3-8 Various

- Manage unit for its mineral values.
- Protect anadromous streams with riparian buffers; and avoid moose winter concentration areas. Protect the INHTS and Iditarod Race Trail.
- Check land status in the selection areas prior to management or disposal decisions.

This large unit in the southwestern part of the region is associated with state lands having a high mineral potential. Prospects occur throughout this unit, with concentrations associated with the **Mount Estelle pluton**, which extends from Timber Creek in the north to Portage Creek in the south. Mineral potential is associated with both polymetallic deposits (precious and base metals) and base metal deposits (copper, lead, and zinc). Terrain within this unit is almost uniformly mountainous and contains numerous glaciers. (The river bottoms of the major drainages contain lowland, but these are contained within management unit R-02). Vegetation is alpine tundra in exposed locations (or barren rock). Portions of the INHTS and Iditarod Race Trail are in this unit. Dall sheep are known to be present in the western portions of the unit, generally coinciding with the townships occupied by Ranges 19 and 20. Moose winter concentration areas are present in the northernmost part of the unit, in T022NR017W and T022NR018W. Anadromous streams are present. Portions of this unit are in selection status; review land status prior to any management or disposal action.

7. 4/20/2020. Yahoo Finance Australia article. This recent article provides some depth on the gold project and proposed MOU: [LINK](#).

8. 4/15/2020 MSN Finance article. Key part: “Like Fort Knox, which poured its eight millionth ounce of gold last year, Korbel is an intrusive-related gold system that supports a significant heap leach operation.” “The company is targeting 2021 for the commencement of a feasibility

study on the higher grade starter pit at Block B feeding a heap leach operation or a combination of a heap leach and a Carbon-in-Leach (CIL) or Carbon-in-Pulp (CIP) plant for the higher grade pods within Block B.” <https://www.msn.com/en-au/finance/markets/does-nova-minerals-have-alaska-e2-80-99s-next-great-gold-camp-on-its-hands/ar-BB12BB0w>

9. 9/24/2019. Nova Minerals – Estelle Gold Project Technical Presentation. Lots of graphics/images, very understandable presentation:

<https://www.alaskajournal.com/sites/alaskajournal.com/files/estelle.pdf>

10. Nova Minerals touts the Fort Knox gold mine as a similar analog to the Estelle project in terms of geology. This article discusses the Fort Knox gold mine, its processes, and its environmental record. Contains some imagery of the tailings dam/pond at the facility:

<http://groundtruthtrekking.org/Issues/MetalsMining/FortKnoxMine.html>

11. 1/7/2020HDR’s West Susitna Access Phase 1 study, 19 pp. and many pictures of terrain in question; useful map of project routes on the last page:

[http://www.aidea.org/Portals/0/2020/010720\\_AIDEA-NTP9-WestSuAccessStudy-Final\\_HDR.pdf](http://www.aidea.org/Portals/0/2020/010720_AIDEA-NTP9-WestSuAccessStudy-Final_HDR.pdf)

12, Proposed MOU between Mat-Su Borough, AIDEA, and Nova Minerals LTD:

[http://www.aidea.org/Portals/0/Meeting%20Docs/2020BoardMeetings/041520/Nonbinding\\_AIDEA-MSB-NOVA-MOU-Final.pdf](http://www.aidea.org/Portals/0/Meeting%20Docs/2020BoardMeetings/041520/Nonbinding_AIDEA-MSB-NOVA-MOU-Final.pdf)