

# CITY OF TENAKEE SPRINGS

**Don Pegues**  
**MAYOR**

**P.O. Box 52**  
**Tenakee Springs, Alaska 99841**

February 10, 2010

Alaska State House of Representatives

Representative Bill Thomas

Dear Rep. Thomas,

I want to thank you for your hard work representing us on HB 295. Last Thursday the Tenakee Springs City Council adopted Resolution 2010-16, relating to the community's desire to have ST 1003 excluded from the list of lands to be granted to the University of Alaska. The Resolution is enclosed. Also enclosed, are three pieces of correspondence between the City of Tenakee Springs and DNR, the Stipulation for Settlement Tenakee Springs vs. State of Alaska 1JU 80-1666, March 9, 1981, and three pages from the Northern Southeast Area Plan (NSEAP). Tenakee Springs strongly desires to be excluded altogether from the University Bill and if that is not possible to have an amendment inserted binding the University to the terms of the Stipulation for Settlement. We intend to convey this material to Senator Kookesh, and if you have the opportunity, hope you would urge him to help with the exclusion.

Much of the concern expressed at the public hearing on resolution 2010-16 and by the Council members centered around whether the Stipulation with the land-use restrictions cited in the March 9, 1981 Court Order would remain in effect if the land were transferred to the University. In 1977, when the US Forest Service wanted to build a road and log dump and cut three timber units within the corporate boundaries of Tenakee Springs, the City's objections resulted in a Memorandum of Understanding between the city of Tenakee Springs the State of Alaska and Alaska Pulp Corporation. The US Forest Service declined to participate. A part of the MOU promised that DNR would convey to Tenakee Springs the lands selected under statehood with the understanding some would be retained by the State. When the conveyance was not forthcoming the City sued the State and the end result was an court order approving the Stipulation for Settlement, 1JU 801666, March 9, 1981. In the Stipulation for Settlement paragraph 1.2 describes a tract of land to be retained by the state for "commercial, industrial, row right away and borrow pits purposes... containing 261 acres, more or less." This track is designated C34 in the NSEAP. Paragraph 1.4, describes a "public facilities reserve, 40 acres more or less" and is designated C30 in NSEAP. C30 encompasses C31 and C32. The University list erroneously adds the acreages of C30, C31 and C32 together totaling 80 acres when the actual acreages 40 as a result the total acreage in ST 1003 is 301 acres. In the correspondence from 2005 enclosed DNR stated that they do not believe this day to be bound by the terms of the stipulation for settlement as to land-use.

The community is very concerned about the potential increased burden for new services that may be placed upon us. Extending power lines, improved access, and snow removal are all

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things that would overwhelm our limited budget. If the University is not bound by the Stipulation for Settlement and is able to privatize these lands that burden could be considerably

greater. A fiscal note to the bill from the University of Alaska indicates that the 20-year projected income from these lands might produce 1% of the annual income required by the University. The 301 acres in Tenakee comprises only .11% of the total land grant in HB 295. Consequently the income derived from this land would be less than .0013 percent of the University's annual requirement. The potential burden to the city, in our minds, far outweighs the potential gain to the University.

The City of Tenakee Spring would be grateful for any help that you could provide in excluding the Tenakee Lands from the University Bill. One of our Council members, in contact with your office, has indicated you might be willing to forward amendment language to the House Committee on Community and Regional Affairs for an exclusion amendment. The Community and Regional Affairs Committee is meeting this week. I know that you work closely with Senator Kookesh and hope that together you can get exclusion amendments in both HB 295 and SB 225.

Respectfully,

Don Pegues, Mayor  
City of Tenakee Springs

CC: Alaska House of Representatives  
Committee for Community and Regional Affairs

## City of Tenakee Springs

### RESOLUTION 2010-16

In the Council  
February 11, 2010

Introduced by  
Council President

#### **A RESOLUTION FOR THE CITY OF TENAKEE SPRINGS, ALASKA, SUPPORTING AN AMENDMENT TO HB 295 AND SB 225, "UNIVERSITY LAND GRANT", EXCLUDING PARCEL ST 1003 FROM CONVEYANCE TO THE UNIVERSITY OF ALASKA**

- WHEREAS, the Alaska Department of Natural Resources, (DNR) adopted the Northern Southeast Area Plan (NSEAP) on October 15, 2002; and
- WHEREAS, the City of Tenakee Springs, the public, various stakeholders and other government agencies had input into the land-use designations for local state lands in the NSEAP; and
- WHEREAS, the NSEAP acknowledges that the State of Alaska shall retain certain lands in state ownership and manage them for the purposes designated in the Stipulation of Settlement pursuant to the order of the Alaska Superior issued on March 9, 1981 in case number IJU-80-1666; and
- WHEREAS, if these lands in ST 1003 are conveyed to the University of Alaska, the University remains bound by the management uses designated for these lands in the IJU-80-1666, March 9, 1981 court order; and
- WHEREAS, the Parcel Number ST 1003 includes parcels identified in the NSEAP as C30 which includes C31 and C32, 40 acres more or less, is designated to be managed "as a public facilities reserve" by court order; and
- WHEREAS, the NSEAP states, "Other than development that may be related to marine support at the boat harbor, further development of this parcel is not considered appropriate."; and
- WHEREAS, Parcel Number ST 1003 also includes the parcel identified in the NSEAP further as C24, 261 acres more or less, and the NSEAP and March 9, 1981 Court Order declares that "Lands within this parcel are to be retained by the state"; and
- WHEREAS, the Stipulation for Settlement, (para 1.4), Tenakee Springs vs. State of Alaska, IJU-80-1666, March 9, 1981 stipulates these retained lands to be managed for "Commercial, industrial, right of way, and borrow pits" uses; and
- WHEREAS, DNR did not solicit public comment from residents of Tenakee Springs for the 2010 legislation (HB 295) when designating Parcel ST 1003 for conveyance to the University; and

- WHEREAS, all of the parcels in ST 1003 are within the city limits of Tenakee Springs; and
- WHEREAS, fiscal Note 3 of House Bill 295 indicates, "after substantial additions to the LGTF endowment UA can see modest operating revenue i.e., in approximately 20 years UA anticipates annual investment earnings on new land sales to reach 1% of state general fund support or \$2.6M."; and
- WHEREAS, the total acreage of land recommended for conveyance from the State of Alaska to the University of Alaska in HB 295 and SB 225 is 260,000 acres; and
- WHEREAS, parcel number ST 1003 is approximately 301 acres in size, which equates to .0013 percent of the total acreage of land to be conveyed to the University; and
- WHEREAS, the City of Tenakee Springs would be unduly burdened by conveyance of these lands compared to the relatively insignificant additional revenue this parcel would contribute to the University's budget;
- THEREFORE BE IT RESOLVED by the Common Council of the City of Tenakee Springs, Alaska that we support an amendment to HB 295 and SB 225 either removing the transfer of ST 1003 to the University of Alaska or binding the University to the terms of the Stipulation for Settlement in IJU-80-1666, City of Tenakee Springs vs. State of Alaska, March 9, 1981

**ADOPTED 7 Yes, 0 No THIS 11<sup>th</sup> DAY OF February 2010.**

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Don Pegues  
City Council President  
Ex officio MAYOR

ATTEST:

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Mary M. Almy  
Acting City Clerk