



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

**2023 REPORTS TO THE ALASKA LEGISLATURE ON**

Identified RS 2477 Rights-of-Way

Availability of the Annual Mining Report

Status of the Land Disposal Income Fund

Status of Land in the Land Disposal Bank

Water Removals and Exports

Notification of Interim Classifications (Closing Land to Mineral Entry)

Cooperative Resource Management or Development Agreements

Efforts to Maintain or Enhance Access to and along Fishing Streams

and

Aquatic Farm Program

**January 2023**

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## INTRODUCTION AND OVERVIEW

The Division of Mining, Land and Water (Division) is the largest subunit of the Department of Natural Resources (Department), with over 200 employees based primarily in Juneau, Anchorage, and Fairbanks. These employees are responsible for overseeing the conveyance of title to the state's approximately 105 million acre statehood land entitlement and managing the use of over 160 million acres of state land<sup>1</sup> through the review and permitting of activities associated with almost every economic development activity that occurs in the state on lands that are managed by the Division. This work touches infrastructure, energy supply, communications, public safety, access for subsistence and recreation, mining, and many other critical areas in Alaskans' commercial, recreational, and personal lives. The Division provides a systematic, repeatable, and stable climate for businesses, and the public alike, to operate within. Revenue directly related to the Division's management of state lands and resources generated approximately \$32,496,600 in FY22.

The Division supports core missions of the Department including acquiring and disposing of land and resources; providing use of and access to state lands for the public; fostering responsible development of lands; managing resource data; and protecting the state's natural resource assets consistent with the public interest.

Alaska Statutes (AS) require annual reporting to the Alaska Legislature on specific areas of the Division's mission, and these collected statutory reports are compiled in this annual report. These reports do not encompass all areas of responsibility for the Division, indeed the spectrum of management activities within the Division's mission is as broad and expansive as the land the Department manages. Additional information about the Division will be provided upon request.

## REPORT ON IDENTIFIED RS 2477 RIGHTS-OF-WAY

### **Background**

The United States Congress enacted Revised Statute (RS) 2477 as part of the Mining Law of 1866. This law granted self-executing rights-of-way across federal lands that were not otherwise reserved or withdrawn, to encourage miners and settlers to expand into the western states and Alaska. These rights-of-way became perfected with simple development and use – when members of the public utilized a particular route as a right-of-way across federal land, a right of access across that land was reserved for the general public as a whole. Although Congress repealed RS 2477 in 1976, rights-of-way created under it continue to be valid existing rights for the public and are preserved under federal law.

There is an extensive network of RS 2477s throughout Alaska providing numerous benefits to

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<sup>1</sup> In total, the state currently owns approximately 100 million acres of uplands and 60 million acres of tidelands, shore lands, and submerged lands that are managed as general state land, trust lands, park land and critical habitat areas.

Alaskans. They preserve public access to lands and resources and enable the state to meet its constitutional mandate to make its resources “available for maximum use consistent with the public interest.” However, the use of these rights-of-way can be contentious, and must be asserted and defended to prevent state land and resources from becoming stranded by access closings.

In AS 19.30.400, the Legislature recognized the need to identify and assert RS 2477s throughout the state to preserve access for Alaskans and tasked the Department with supporting this work. The Department has met this need through the Division’s Public Access Assertion and Defense Section (PAAD), which is responsible for advancing public access to lands and resources in many areas, including through RS 2477s.

This report fulfills the directive of AS 19.30.400(b) for the Department to report RS 2477s within the State of Alaska that have been identified but are not already enumerated in AS 19.30.400. To provide context to this report, a narrative summary and status report of the RS 2477 program is included below. Information and answers to frequently asked questions involving RS 2477s is available online at: <http://dnr.alaska.gov/mlw/trails/rs2477/>

### **Identification of Additional RS 2477 Routes**

The Division and the Department of Law (LAW) have worked for many years to document and secure title to the state’s RS 2477 rights-of-way, resulting in the legislative codification and recognition of 602 routes (Chapter 26 SLA 1998). After AS 19.30.400 was enacted, 69 additional RS 2477s have been identified and reported to the Legislature. To date, the Legislature has not amended or added routes to the original statutory list, but this is not determinative for the routes’ legal validity. The Division continues to review identified routes throughout the state that appear to qualify as public rights-of-way because these routes may be legally valid RS 2477 access routes. As discussed above, the right to use an RS 2477 was perfected and secured by construction or use during the appropriate period, even without any legislative action.

The crux of identifying and asserting the validity of an RS 2477 right-of-way is demonstrating sufficient proof of historical use or development at a time when the land was legally open to the creation of an RS 2477 right. This is a complex and energy-intensive fact-finding process, which often requires on-site investigation and interviewing historical users to produce admissible legal evidence of use.

The Division identifies, locates, and makes determinations regarding existing and newly documented RS 2477s. In this past year, examples of this work include identifying:

- Locations of rights-of-way for the Department of Public Safety, the Department of Transportation & Public Facilities (DOT&PF), and others in state government.
- Locations of rights-of-way for numerous miners and others who wish to access public lands.
- Locations for developers to provide needed access for their developments or to assure that public access corridors are identified and protected across proposed developments.

- Locations for surveyors and others in state government to locate the parameters of RS 2477s for infrastructure planning and platting purposes.

Until FY22, the Division did not have funding to search proactively for new RS 2477s and the Division was limited by funding to identifying RS 2477s as issues or circumstances brought them to light — meaning that the Division was limited to reacting to and making determinations on the validity of claims as they were made. With a specific RS 2477s appropriation in FY22, PAAD commenced efforts to identify and determine RS 2477 qualification for new routes through a variety of initiatives including the DOT&PF Pioneer Roads Initiative, the Chugach State Park Access Initiative, the McCarthy-Wrangell-St. Elias Access Initiative, and the RS 2477 Rights-of-Way in Federal Areas Initiative. This work has begun in earnest and is ongoing. The Division will report on progress of this initiative in future reports. Moreover, the Division will continue to investigate and analyze possible RS 2477 rights-of-way that are nominated by the public; as requested by other state agencies or employees; and as otherwise claimed and brought before the Division.

### **RS 2477 Assertions**

RS 2477s are available for use by the public as a general right-of-way, but landowners whose property is crossed by a route sometimes have concerns or disagreements about the scope, route, or general use of that right-of-way. These disagreements may result in litigation over a contested right-of-way. When this occurs the state, on behalf of the public, may assert legal evidence of prior use and exercise of the right-of-way under the applicable federal law. Establishing positive RS 2477 case law is critical to protecting all Alaskans' rights to access state resources. As there is not currently a solid foundation of legal precedent for how these laws function in Alaska the Division has been strategic about which cases are brought and how challenges are defended.

The Division is involved in litigation in two complex cases. The first case is pending in United States District Court and concerns the extensive network of RS 2477s in proximity to Chicken, Alaska and the federal Wild and Scenic River Corridor. The Division undertook extensive fieldwork and substantial efforts have been made to build the state's case. This case represents an important opportunity to force the federal government to acknowledge the state's RS 2477 trail network as it crosses federal lands. The parties are engaged in settlement negotiations in the hope that the case can be resolved, and the state's interests protected.

The second active case involves the Klutina Lake Road, a historic mining road in the Copper Center region. While most issues were settled by the parties in this matter, two issues were decided by the Alaska Supreme Court: (1) allowed uses on RS 2477 rights-of-way and (2) aboriginal title on the state's acceptance of the RS 2477 grant. The case is now remanded for the trial court for final judgment and consideration of some minor factual issues.

A recently concluded RS 2477 case involved a portion of the National Historic Iditarod Trail. The Alaska Supreme Court affirmed a trial court judgment in favor of the state on all the relief, representing a victory for the state position. That decision was issued in the form of a published

opinion that will serve as a favorable judicial precedent and will greatly benefit the State of Alaska in protecting public access in the future. The state was awarded attorney's fees and costs in the amount of approximately \$250,000.00 as part of the judgment in its favor, which represents one of the largest such recoveries for the state against individual litigants.

Only one of the cases identified above was initiated by the state (the others were brought by landowners disputing the validity of the RS 2477); hence, vigorous defense of vital public access for all Alaskans is paramount. The case that was filed by the State of Alaska is against the federal government that refuses to recognize our RS 2477 rights-of-way across federal lands.

Pursuant to the FY22 appropriation discussed above, PAAD conducted extensive fieldwork during the past field season regarding what will be best understood as an omnibus Quiet Title Action that will be brought in FY23 or FY24 to remove federal clouds from numerous state-owned RS 2477 rights-of-way that are located within the Yukon-Charley Rivers National Preserve. This work is ongoing, but due to its scope, it represents a more wholistic approach to such litigation and involves an entire transportation network for a substantial portion of the state. Success in this litigation will likely result in additional omnibus cases to quiet title to state-owned RS 2477 rights-of-way in other large federal areas and elsewhere statewide.

Work to resolve other RS 2477 conflicts is ongoing. Among routes under investigation, the Division is examining identified trails in proximity to Tolovana Hot Springs; trails accessing Chugach State Park and Chugach National Forest; and trails within the Fortymile region. The Division is further working to assure that appropriate state-owned RS 2477 rights-of-way are preserved across lands identified for Dingell Vietnam Veteran Native Allotments to assure that allottees and the general public retain important public access corridors in relevant areas.

The Division contemplates and investigates litigation concerning numerous other RS 2477 rights-of-way on an ongoing basis.

The State of Alaska is further investigating the possibility reviving the Recordable Disclaimer of Interest (RDI) process with the Bureau of Land Management (BLM) pursuant to the Federal Land Planning and Management Act (FLPMA) for RS 2477 rights-of-way across federal lands.

### **RS 2477 Funding Summary**

Since 1993, the Department has received varying levels of funding to pursue research and adjudication for RS 2477 rights-of-way, including an increment to the Department in FY12 to help resolve longstanding access issues and bring clarity to state title in several complex legal cases relating to RS 2477s. A significant amount of the aforementioned increment supports a full-time attorney with LAW. It also pays for historical research needed to establish the validity of routes; funds expert witnesses; and provides staff resources that conduct LAW directed field work to support active cases. This funding was reduced in FY16 and FY17, but as discussed above, the Division received a new appropriation for additional RS 2477 work in FY22. This funding allows the Division to address additional RS 2477 rights-of-way for the duration of the five-year grant of funding.

## **RS 2477 Rights-Of-Way Previously Submitted But Not Codified in Law**

### **Routes First Reported to the Legislature in January 2001**

#### **Interior**

RST 1801	Lost Chicken - Wall Street Creek	RST 1968	Davidson Ditch Access Roads: Camp Creek– Ptarmigan Creek
RST 1967	Davidson Ditch Access Roads: Elliot Highway		

### **Routes First Reported to the Legislature in January 2000**

#### **Interior**

RST 625	Cantwell Small Tracks Road (Lovers Lane)	RST 1926	Fairbanks Creek-Fish Creek
RST 695	Donnelly Dome: Old Valdez Trail Segment	RST 1959	Dictator Creek Trail
RST 815	Birch Creek Trail	RST 1966	Caro Coldfoot-West Fork Route

#### **Northwest**

RST 732	Rennies Landing-Cripple Landing (South) – Bear Creek
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#### **South Central**

RST 1359	Keystone Canyon – Thompson Pass
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### **Routes First Reported to the Legislature in March 1999**

#### **Interior**

RST 99	Illinois Creek – Moran Creek	RST 1832	Chicken – Fish/McKinley Creeks
RST 278	Fairbanks – Chena Hot Springs	RST 1844	Little Melozitna Hot Springs Trail
RST 464	Richardson Highway (Birch Lake) – Caribou Creek Trail	RST 1856	Mastodon Creek – Eagle Creek Trail
RST 465	Fortymile Dome – Boundary Creek	RST 1846	Melozitna Hot Springs Trail
RST 644	Cleary Summit – Gilmore Dome Trail	RST 1849	Horner Hot Springs Trail
RST 656	Dennison Fork Trail	RST 1864	Silver Fox Road
RST 686	Ober Creek Trail	RST 1865	Last Tetlin (Nandell’s Village) – Tetlin Trail
RST 781	Richardson Telegraph Station – Ridge (aka Banner Creek Trail)	RST 1883	Walker Fork – Davis Creek – Border
RST 782	Redmond Creek – Banner Creek	RST 1888	Hogatza Road
RST 783	Shaw Creek Lodge – Tenderfoot	RST 1903	Poker Creek Trail
RST 787	Creek Trail Teddy’s Fork Trail	RST 1908	Chena Hot Springs – Olympia Creek Trail
RST 797	Napoleon Creek Trail	RST 1921	Washington Creek Trail

RST 841	Fish Lake – American Creek	RST 1921	Smallwood Creek – Nugget Creek Loop
RST 1477	Mastodon Creek – Mastodon Dome – Deadwood Creek Trail	RST 1924	Bear Creek Trail (Livengood quad)
RST 1572	Tuck Creek Trail	RST 1925	Solo Creek Trail
RST 1602	Ester Dome – Nugget Creek Trail	RST 1927	Walnut Creek Trail
RST 1611	Bergman – Cathedral Mountain Trail	RST 1929	Old Chatanika – Cleary Fairbanks Creek
RST 1642	Franklin – Chicken/Lilliwig Creek Trail via South Fork River Trail	RST 1930	Pedro Dome Road
RST 1644	Caro – Ft. Yukon Trail	RST 1931	Gilmore Hill Road
RST 1824	Alder Creek Trail (Ester)	RST 1932	Little Eldorado Road and Spurs
RST 1826	Chena (Ester)	RST 1958	Davidson Ditch Access Roads: Belle Creek, McKay Creek and Boston Creek, Long Creek

**Northwest**

RST 1719	Wesley Creek Trail	RST 1915	Kobuk – Alatna River Portage: Norther Route
RST 1744	Kobuk River – Junction Trail	RST 1913	Pah River Portage: Kobuk – Hogatza River

**Southcentral**

RST 1323	Quartz Creek Trail (Seward quad)	RST 1678	Greyling Creek Trail
RST 1506	Goose Creek Road	RST 1819	Chilsana – State Creek
RST 1509	Curry Landing Strip - Lookout		

**Southeast**

RST 1851	Keystone Trail		
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**Southwest**

RST 502	Boulder Creek – Flat Road		
RST 1211	Egegik – Pilot Point – Ugashik		
RST 1215	Coffee Creek Channel		

**Total Asserted RS 2477 Routes:**

Routes asserted in original legislation	602
Other Routes Reported to the Legislature	69
<b>Total RS 2477 Routes</b>	<b>671</b>



## NOTIFICATION OF ANNUAL MINING REPORT

One of the Division's critical responsibilities is the review and administration of mining in Alaska. Off-shore gold mining and small placer operations, coal supplies that provide power and electricity, and Red Dog, one of the world's largest producing zinc mines, are all monitored and authorized by the Division to promote the protection and development of Alaska's natural resources.

The most recent comprehensive state report on mining in Alaska, *Alaska's Mineral Industry 2020, Special Report 76*, was published in March 2022. This report is a joint effort between the Department's Division of Geological and Geophysical Surveys (DGGs) and the Division. AS 27.05.060 directs the Department to prepare this report annually and to notify the Legislature that it is available. It is prepared using data that is publicly available and compiled based on company reports, questionnaires, and other Department information related to the minerals industry that is voluntarily submitted by industry participants.

The 2020 report is electronically available as the DGGs Special Report 76 at: <https://dgggs.alaska.gov/webpubs/dgggs/sr/text/sr076.pdf> Printed copies are available by request from DGGs.

DGGs Special Report 77 has not been printed at the time of the filing of this report, therefore a summary of the key findings that will be available in the 2021 report are excerpted below:

- The total reported value of Alaska's mineral industry in 2020 was \$3.05 billion, unchanged from 2019.
- Mineral exploration expenditures stayed nearly steady in 2020 at \$170 million.
- In 2020, reported development expenditures in Alaska increased to \$393 million from \$348 million reported in 2019. This represents an 11 percent increase.
- Mineral industry employment increased in 2020 to 5,400 full-time-equivalent jobs, an overall increase of 35% from 2019 with 3,486 full-time-equivalent jobs.

Additional mining industry data is available in various statewide reports, such a May 2020 report provided by the McKinley Research Group and the Alaska Miners Association citing, among other indicators, that the average annual wage in the mining industry is \$115,740 (in 2021).<sup>2</sup>

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<sup>2</sup>The Economic Impacts of Alaska's Mining Industry. McKinley Research Group:  
[http://www.alaskaminers.org/files/ugd/beae26\\_58eaa908926f41a18a2d4cf5d74bad4b.pdf](http://www.alaskaminers.org/files/ugd/beae26_58eaa908926f41a18a2d4cf5d74bad4b.pdf)

# LAND DISPOSAL PROGRAM REPORTS

## **Introduction**

Under AS 38.04.020, the Legislature has directed the Department to maintain a land bank of appropriately classified and prepared land to be sold or otherwise transferred to the public – the Land Disposal Bank (LDB). Under AS 38.04.022, revenue from these sales is to be deposited in a fund in the state treasury from which appropriations are made to support the operations of land disposal programs operated by the Division – the Land Disposal Income Fund (LDIF).

This report is submitted to fulfill the requirements under AS 38.04.022(b) for the Department to provide a report to the Legislature reflecting all money deposited in the LDIF during the prior fiscal year, as well as the requirement of AS 38.04.020(d) to notify the Legislature on the status of land within the LDB that is suitable for disposal in the future. To provide context to these numbers, a narrative summary and status report of current state land disposal programs is included.

## **Overview of the Department’s Land Disposal Programs**

At different times in Alaska’s history a variety of disposal programs have been in place to allow the public to acquire land, and these programs have been supported recently, in whole or in part, by appropriations from the LDIF. In turn, land disposals generate receipts that are deposited into the LDIF to maintain its corpus. The primary purposes of these programs are to promote and develop land for purchase and settlement by the public, for recreational use, and for commercial (including agricultural) purposes.

Currently, the Department’s land disposal programs include:

- Municipal Entitlements – This program fulfills land entitlements for municipalities established under AS 29.65.
- Land Auctions – This program allows Alaskans to bid on subdivision parcels through competitive sealed bid auctions. Most land is initially offered in this manner to promote the greatest return to the state with competitive bids.
- Over-the-Counter (OTC) Land Sales – Once parcels have passed through the auction, they are offered online where they may be purchased by any interested party. For the first four weeks on OTC, these parcels can be purchased for above fair market value, then the price drops to fair market value as established by an appraisal. This maximizes revenue to the state from buyers who are non-residents, or for especially desirable parcels.
- Remote Recreational Cabin Sites (RRCS) – This program disposes of parcels in remote areas, often far from constructed public access routes or established infrastructure. Applications for a limited number of staking rights, are solicited. Then, randomly selected winners are allowed to create their own stake-it-yourself parcel in designated staking areas, which are then acquired through lease-to-purchase agreements.
- Non-Competitive Land Sales – The Legislature has established a number of different criteria where certain entities or individuals can purchase land through non-competitive or negotiated sales provided in statute and at the discretion of the Division. For example,

certain non-profit or public interest entities, or parties with certain kinds of unique claims to land, may be eligible for these sales.

- Agricultural Lands – Lands with characteristics suitable for agricultural purposes are segregated by the Division and may be purchased through a competitive program, open publicly, to promote Alaskan agriculture. These lands feature reduced pricing but come with covenants that restrict their use to the cultivation of agronomic crops and limit the number of times parcels can be subdivided and what structures maybe placed on the parcels.

### **History and Purposes of the Land Disposal Income Fund**

In 2000, the Legislature reinvigorated the Land Disposal program and established the LDIF within the General Fund to promote the program’s long-term success. The objective of the fund was to provide a stable funding source for land disposal programs so that opportunities to acquire land would continually be available to Alaskans. As noted above, funding for these programs must still be appropriated from the LDIF by the Legislature as part of the legislative budgeting process.

This structure was developed to balance the complex nature and high administrative and development costs associated with land sale programs with the potential revenue land sales may generate. The costs of these programs are significant and expand into a wide number of property and title areas. The LDIF provides a way to support all the tasks associated with disposing of land to the public, including:

- Identifying land suitable for disposal (through resource research and other means) and reclassifying land when necessary.
- Designing and platting subdivisions and settlement areas, including economic feasibility assessment of the project.
- Appraising parcels to establish fair market value for sales prices.
- Securing access rights-of-way and easements to and through settlement areas.
- Administering survey and road construction contracts, including platting authority approval of subdivision plats.
- Facilitating public notice and public meetings to collect public input regarding specific land sale projects and public notice for land sale offerings.
- Marketing sales and disposal areas.
- Administering and servicing land sale contracts.
- Implementing and administering the Remote Recreational Cabin Site program, including leasing, contracting, survey and appraisal.
- Preparing legally defensible administrative decisions to offer land for sale.
- Processing municipal entitlements.

### **Sustainability of the LDIF**

For several years, it had become increasingly difficult for the LDIF to sustain itself, and the funding outlook associated with land disposal programs has been challenged with both rising costs for developing sale parcels and decreasing revenue.

Pressure on the LDIF has been consistent in several ways. First, revenue from land sales has decreased in past years. The downturn in the national economy in the last decade is a driver in this area and weakened the market for disposals, and more recent challenges to Alaska's local economy have continued this pressure. Additionally, as areas offered for disposal become more remote and the more desirable parcels have already been disposed of, the market for remaining parcels has become limited.

Costs associated with preparing and holding land sales offerings have increased due to consistently high development costs, increased borough development restrictions, and increased resistance from individuals and communities to additional disposal of state land. All these challenges can require additional oversight, lengthen timelines, and increase the resources associated with taking a land sale disposal from start to finish.

Beginning in FY21, the Division looked carefully at land disposal programs and made several changes to stimulate and benefit its long-term economic outlook. The Division identified redundancies in various Division section's functions and reorganized to combine common tasks and functions into one section. The result is the cost burden of various land disposals is shared and the cost of implementing current land disposal programs is reduced. The Division scrutinized expenditures that were not directly associated with the sale of land and, with the help of the Legislature, had those expenditures removed. This provided more capital for the program for preparation, development, and implementation of all the land sale disposal programs.

### **Recent Fund Inflows and Outflows**

In FY22, \$5,374,902 of revenue was deposited into the LDIF: \$154,497 from agricultural sales and \$5,220,405 from all other land sales, which included auctions, OTC sales, non-competitive sales, and sale of RRCS parcels. By comparison, in FY21, \$5,007,586 of revenue was deposited into the LDIF: \$248,366 from agricultural sales and \$4,759,220 and in FY20, \$5,655,206 was deposited into the LDIF: \$86,464 from agricultural sales and \$5,568,742 from other sales. In FY19, \$5,206,457 was deposited, with \$246,571 from agricultural sales and \$4,959,886 from all other sales.

For FY22, the Department expended \$5,556,778 from the LDIF for land disposal programs, of which \$391,546 was spent on operating and personnel services expenses for agricultural land sales and \$4,286,359 for other land sales. Of note, these operating and personnel services expenses, include funding for the municipal entitlement program, where significant acreage of state land is transferred to municipalities, but no direct revenue is generated for the LDIF or the state. The FY22 total also includes \$878,873 of Capital Improvement Project (CIP) expense. These CIP funds were used to finance archaeology research, survey, appraisal, and road work for subdivision development required prior to land sale disposals for several projects.

## **Land Sale Disposal Programs Status Reports**

Recent activity within each of the major land disposal programs is summarized below:

### **Subdivision Disposal Status**

A primary mode of disposal for individual parcels is through the subdivision program, where members of the public may bid on lots within a new or expanding subdivision area. In FY22 auctions, the Department offered parcels in nine new subdivisions as well as parcels in 45 existing subdivisions and remote areas. The Department has variable volumes of sales through this program based on demand and the areas that are available in a given year but averages approximately 216 parcels disposed of per year since FY12.

Several factors impact the number of parcels that can be sold in a given year, some of which are external to the Department. For example, the Army Corps of Engineers may require extensive wetlands delineations that adds time to a potential sale's timeline, or boroughs may have detailed platting, road, and infrastructure requirements for new disposals. Additionally, the demand for land disposals may be affected by state, national, and international macroeconomic trends.

The first step of a subdivision sale is an offering at the annual sealed bid auction. The subdivision program has offered the following numbers of parcels by sealed bid auction in each respective fiscal year:

<b>Fiscal year</b>	<b>No. of parcels offered</b>
FY18	205
FY19	219
FY20	166
FY21	110
FY22	184

After the auction, parcels are next offered through the OTC program for any interested person to potentially purchase through the Division's website.

During FY22, the Department sold 148 parcels totaling 1,497 acres, 86 with parcels sold at the annual auction, and 62 parcels through OTC sales. By comparison, during FY21, the Department sold 161 parcels totaling 1,142 acres, with 34 parcels sold at the annual auction, and 127 parcels sold through the OTC sales. In FY20, the Department sold 261 parcels totaling 2,678 acres, with 139 parcels sold at three land auctions auction, and 122 parcels sold through the OTC sales.

As of November 30, 2022, 14 parcels representing 167 acres were available to purchase via the OTC program.

### **Remote Recreational Cabin Sites Disposal Status**

In 1997, the Legislature established AS 38.05.600, authorizing the disposal of RRCS to the public. These sites often feature scenic and desirable attributes for buyers but are far from established

infrastructure and access. These disposals make remote areas more available to interested parties who are able to address their own access needs.

In 2000, in conjunction with the establishment of the LDIF, the Department set a goal of offering 250 authorizations to stake a new parcel each year for the RRCS program. In FY09, that performance measure was reduced to 200 authorizations. This reduction was the result of new borough ordinances in many areas requiring established access before disposals could go forward and the limited success of stakers in completing the process that is described below.

The process for acquiring a RRCS site is as follows:

- Parties who desire to participate in the process submit their information, and a certain number are selected by drawing to receive a right to stake a parcel in a designated staking area.
- Actual physical staking of the parcel must then be done to identify the corners of the unique parcel according to staking instructions provided by the Department.
- When all of the necessary information has been confirmed, the state enters into a lease with the staking party for the prescribed time period necessary to complete survey and appraisal.
- After having the parcel surveyed and appraised, the stakers must pay the remaining balance due on the fair market value of the land or enter into a land sales contract with the state to pay this value over time.

This is a popular program, but on average only about one quarter of the applicants who receive an authorization to stake a parcel complete the full process to ultimately receive ownership of the parcel. To increase the success rate of RRCS applicants, the Department has modified the program in several ways since its inception. Starting in FY11, the Department began offering remote recreational cabin sites in alternate years to increase the authorization-to-staking success rate in offering years. In 2017, the program was further modified to allow for two back-to-back staking periods in an offering, allowing alternate winners to stake in the second period with any unused authorizations left from the first period. If an applicant is unable to complete the lease stage, the Department will still complete the survey and sell the parcel at auction.

The Department offered 70 authorizations for staking in FY18 (total of 1,400 acres offered). The Department planned to offer 5 staking areas in FY18; however, significant public opposition to 3 of the areas resulted in only 2 areas being offered hence the low number of authorizations for FY18. 26 lease applications were received out of the 70 authorizations issued in FY18. The Department made no remote recreational cabin site offerings in FY19. The Department offered 128 authorizations for staking in FY20 (a total of 2,560 acres offered), and 26 lease applications were received out of the 128 authorizations issued in FY20. During FY22, 108 staking authorizations were made available with a total of 2,160 acres offered. By the end of FY22, when the staking period was still ongoing, 8 lease applications had been received.

## **Total Land in the Land Disposal Bank (LDB)**

The total amount of land in the LDB as of November 2022 is approximately three million acres.<sup>3</sup> This is the total acreage of all lands classified as settlement land, not the number of acres suitable or available for disposal, which is far less. The reasons for this difference are:

- Some areas classified as settlement land may be, or are, in the process of selection and transfer to municipalities to fulfill municipal land entitlements under AS 29.65.
- Recent increases in acreage classified as settlement land through new or amended area plans are included in the total but may not have been assessed in detail to see which particular areas will be of public interest and readily marketable.
- Certain older area plans specify that only a certain percentage of a particular settlement unit may be developed (i.e., 10%, or 100 acres of a 1,000-acre unit). However, 100% of the acreage within the settlement units is included in the LDB inventory.
- Similarly, most land disposal programs, and especially the RRCS program, utilize a large amount of acreage for a project area but only ultimately dispose of a small percentage of the land. The percentage varies from project to project, but factors such as topography, elevation, and soils limit the percentage of an area that is actually desirable and marketable for land sale disposals.
- Some of the land classified as settlement land contains wetlands, which add regulatory and logistical complexity to development and thus may not be in demand for sale or disposal despite their classification.
- The Division is in the process of using new Geographic Information System (GIS) software and technology to manage the LDB, and this transition is accompanied by adjustments and corrections to the acreage numbers available for settlement.

Every land sale disposal has its own unique suite of logistical and geographical factors that determine which particular parcels are transferred and which are retained by the state. Thus, the percentage of any particular area, or the percentage of the approximately three million acres as a whole that may actually be sold, is unknown until staff has completed its fact-based evaluation of a specific project area.

## **Land for Subdivision Sales in the LDB**

The Subdivision Program focuses on disposing of tracts of land near existing communities. However, due to prior subdivision disposals and the volume of state land transferred to the University of Alaska, the Mental Health Trust Land Authority and various municipalities, the remaining state-owned land near existing communities or along the road systems is very limited.

The Department reviews approximately 7,500 acres per year that are known to be classified for settlement to confirm they are suitable for subdivision disposal. Of this amount, an average of 1,800 acres per year are offered for sale as subdivision lots. At this time there are a number of

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<sup>3</sup> Portions of the land disposal records are still manually maintained. As of the writing of this report, the Department is transitioning to a mainframe reporting system for greater accountability. Actual figures have been used in this report, but conservative estimates are used in some cases, and stated as such, due to the transition.

area plans throughout the state under revision and additional acreage may be identified and classified for settlement in potential subdivision areas when these plans are finalized.

#### **Land for Remote Recreational Cabin Sites in the LDB**

The RRCS program annually reviews several large tracts of land for possible inclusion as staking areas. These are low density developments with only be a few parcels available for disposal throughout a large block of acres.

Approximately 250,000 acres that are classified for settlement are reviewed every 2 years to determine if they may be suitable for the RRCS program. An average of 120 parcels, totaling a maximum of 2,400 acres, are offered every other year as RRCS parcels.

#### **Land for Agricultural, Commercial, and Industrial Disposal in the LDB**

More than 430,000 acres within the LDB are classified for agricultural purposes. Of note, this is not purely land for growing crops and may have potential for commercial and industrial use as well.

#### **Land for Homestead Disposal in the LDB**

The homestead program is not active at this time. Homestead land can be classified as agricultural land for agricultural homesteads and as settlement land for non-agricultural homesteading. Were land to be utilized for the homestead program, it would be drawn from the same settlement or agricultural lands that are currently in the LDB.

#### **Land for Other Purposes in the LDB**

It is also possible under law for state land to be disposed of for special purposes, such as public and charitable use. There is currently no land that is exclusively segregated for these other purposes, but land within the LDB may be subject to such claims or applications. Additionally, if a new borough or municipality is formed, the state is obliged to provide a land entitlement to the new local government entity. Thus, land in the LDB might at some point be claimed by a new borough and withdrawn from eligibility for other kinds of land disposals to the general public. In FY2022, Kenai Peninsula Borough received approximately 3.936 acres, the City of Gustavus received approximately 2.81 acres, and the Northwest Arctic Borough received approximately 20,091.76 acres. In total, 20,098.506 acres were conveyed to these municipalities.

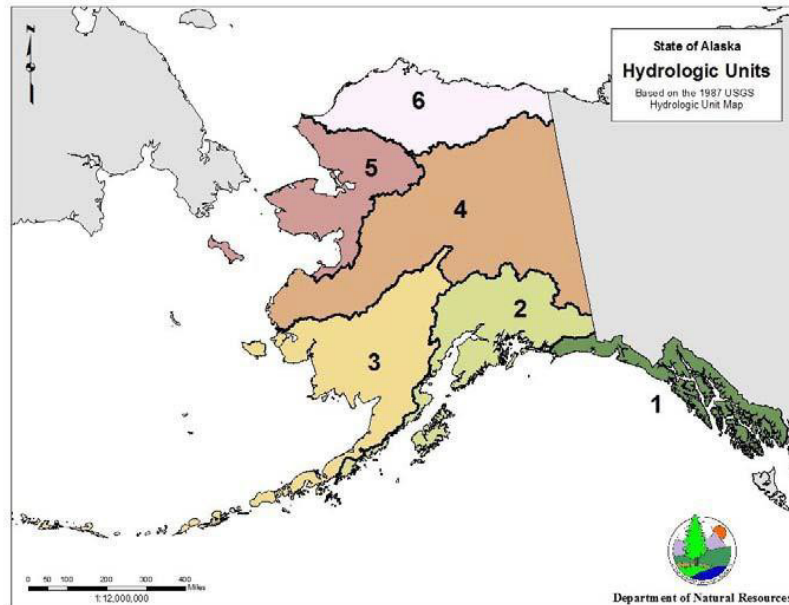
## **NOTIFICATION OF ANNUAL REPORT ON WATER REMOVALS AND EXPORTS**

### **Introduction**

AS 46.15.020(b)(5) requires the Department to prepare an annual report regarding activities under AS 46.15.035 and 46.15.037, which deal with the appropriation and sale of water, especially any such disposal of water across the boundary of a hydrologic unit within the state. These kinds of activities are restricted by law and may only be permitted by the Department in certain circumstances where they are in the public interest and consistent with a variety of legal



protections.



There are six hydrologic units in Alaska, as established and depicted by the United States Geological Surveys (USGS) on the Hydrologic Unit Map created and published in 1987.

### **Water Removal and Exports Management and Status Report**

The Water Section did not receive any new applications for the removal of water from a hydrologic unit between January 1, 2022 and December 31, 2022.

The Division issued no new permits to appropriate water or certificates of appropriation in calendar year 2022 for the purpose of authorizing removal of water from a hydrologic unit to another hydrologic unit.

The City and Borough of Sitka was issued a certificate on February 20, 2009 for export of water (LAS 19669) for 14,000 acre feet per year. While the City has been paid \$1,000,000 for the purchase of water, no water export has been reported under this certificate. A number of other contracts for the sale of water were negotiated in 2016, but no deliveries of negotiated contracts were made and no payments received. No sales were reported in 2022.

One application (filed in July 2010) from the Aleut Corporation (LAS 27736) is still in application received status and is pending adjudication. This application requests moving 500,000 gallons of water per day from Lake Betty near Adak, Alaska. There is not an existing pipeline infrastructure in place from this lake, so the applicant is currently not in a position to utilize this water source. The Aleut Corporation has not reported any water export under the two permits to appropriate water (LAS 27733 for 500,000 gallons/day for Lake Bonnie Rose and LAS 27735 for 500,000 gallons/day for Lake DeMarie) that were issued to it in September 2011 for export of water from

Adak, Alaska.

In November 2017, AQUEOUS International, Inc. filed one application (LAS 32069). The application requests moving 14,681 acre feet per year from the tailrace of the Snettisham Hydroelectric Powerhouse and export the water using tankers to Pacific Rim markets. The applicant needs to apply for a tidelands lease to build a tanker dock but has not done so. The application is in application complete status; and is pending adjudication.

Regarding the number and location of sales of water conducted by the Commissioner and on the volume of water sold this year, the Department has not sold any water and no actions are pending.

The Division continues to note the potential need to change the wording of AS 46.15.035(a) related to moving water from one hydrological unit to another so that it only applies to significant amounts of water as that term is currently defined in regulation (11 AAC 93.035). Making this change would make AS 46.15.035 consistent with other Alaska Water Use Act provisions that require an application for a water right or for a temporary water use authorization (and issuance of the corresponding permit) before the use of a significant amount of water as defined in 11 AAC 93.035. This change will also reduce the number of people who are in technical violation of the AS 46.15.035 statute when they remove a de minimis (less than the water quantities specified in 11 AAC 93.035) amount of water from a hydrologic unit without a permit.<sup>4</sup> Removal of de minimis amounts of water from a hydrologic unit without requiring an application and a permit to be issued should not result in harm to state interests.

### **Water Removal/Exports Revenue and Expenses**

A description of state revenue and expenses related to activities under AS 46.15.035 and AS 46.15.037 is as follows:

- From January 1, 2022 through December 31, 2022, the Department has had de minimis expenditures directly related to these statutes for report preparation and for pre-application discussions with project proponents, reporters and other interested state personnel.
- From January 1, 2022 through December 31, 2022, the state did not receive revenue from annual administrative service fees associated with issued permits to appropriate water or certificates of appropriation.

### **Recommendations of the Commissioner for Changes in State Water Law**

The Department recommends the Legislature consider a state water law under AS 46.15.020(b)(5)(C). The Department recommends the legislature consider striking the requirement for publication of notices in a newspaper under 46.15.065(b)(2) and 46.15.133(b).

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<sup>4</sup>Small amounts of water may be removed from hydrologic units in a variety of ways in technical violation of AS 46.15.035. For example, personal water tanks or jugs transported via air or ground across the boundaries of the units are technically a violation of existing statutes. However, the Department currently does not have the funding, direction, or intent to enforce this provision strictly.

All public notices are currently posted in the Alaska Online Public Notice system which is available to everyone at no cost to interested persons or the regulated community. The Department also notes the potential need to change the wording of AS 46.15.035(a) related to moving water from one hydrological unit to another so that it only applies to significant amounts of water as that term is currently defined in regulation (11 AAC 93.035). Making this change would make AS 46.15.035 consistent with other Alaska Water Use Act.

## **NOTIFICATION OF INTERIM CLASSIFICATIONS**

AS 38.05.300 requires the Department to submit for legislative approval all interim classification orders issued for areas exceeding 640 contiguous acres during the preceding year.

The Commissioner is directed under AS 38.05.300 to classify land for different surface uses such as: habitat, recreation, forestry, settlement, agriculture, commercial, and minerals, among others. Typically, this is done through an extended multi-step public land planning process.

However, to address short term needs, interim classification orders can be issued by the Commissioner that preclude, or designate as an incompatible use, mining, mineral entry or location, mineral prospecting, or mineral leasing. However, these interim classification orders must be approved by the Legislature and expire upon adjournment if not approved.

Between January 1, 2022 and December 31, 2022, the Department issued no interim classification orders that require notification to the Legislature.

## **SUMMARY OF COOPERATIVE RESOURCE MANAGEMENT OR DEVELOPMENT AGREEMENTS**

AS 38.05.027 requires the Department to submit a summary of cooperative resource management or development agreements it entered into to the Legislature within five days of the beginning of each regular session. The Division did not enter into any cooperative resource management or development agreements in 2022.

Below are examples of ongoing agreements; a comprehensive list of all active agreements may be requested from the Division at: [dmlwprogramsupport@alaska.gov](mailto:dmlwprogramsupport@alaska.gov).

- In 1991, the Division entered into a cooperative management agreement (ADL 105540) with the City of Skagway and DOT&PF to remove an old bridge, construct and manage a new bridge for access to West Creek. Includes material removal and culvert installation. City of Skagway will secure materials and funds for bridge, obtain legal access and hold DNR and DOT&PF harmless. DOT&PF will make inspections and copy inspection reports to DNR. DNR assume responsibility of the new bridge. This agreement does not expire.
- In 2002 the Division entered into a cooperative management agreement (ADL 106860) with the Division of Parks and Outdoor Recreation (DPOR) and the Division of Forestry (DOF) to manage, cooperate, develop, and assist in the management of state land and

resources in the area of the Chilkoot Lake and Campground, the land both selected and owned by the state in the area west of the Chilkoot Lake Road within the Haines State Forest, and the navigable waters of Chilkoot River between the inlet at Chilkoot Lake and its outlet at the intertidal area of Lutak Inlet. DPOR assume management authority of state lands and waters for the purpose of managing public recreational activities and facilities. DOF and the Division will retain all other activities and facilities including third party actions, native claims, and mining and timber management. This agreement is in effect until terminated in writing by one or more of the signatories.

- In 2005 the Division entered into a 5 year (expired 7/25/2010) cooperative management agreement (ADL 107367) with the City and Borough of Sitka (CBS) to manage recreational uses on all reserved easements in concert with CBS recreational trails program for the purposes of preventing resource damage, unsanitary conditions, and potential public safety concerns. This agreement allows CBS to construct, reconstruct, maintain, repair, improve, and or complete as-built surveys of the loop trail located within ASLS 8850.
- In 2007 the Division entered into a 20 year (expires 1/9/2027) cooperative management agreement (ADL 107456) with City of Gustavus to manage the construction, maintenance, repair, and management of Salmon River Boat Launch Facility.
- In 2017, the Division entered into a 10 year (expires 11/5/2027) cooperative management agreement (ADL 108812) with DPOR and Territorial Sportsman, Inc. to administer surface land management responsibilities in order to develop and manage a recreational cabin, signage and outhouse facility.
- In 2019, the Division entered into a 20 year (expires 4/1/2039) cooperative management agreement (ADL 108940) with the City of Gustavus to manage and develop a boat dock recreational area.
- In 2020 the Division entered into a 15 year (reinstated 9/9/2020) cooperative management agreement (ADL 105894) with the Petersburg Borough to manage, cooperate, and develop the Green's Camp Unit, the Banana Point Boat Launch Ramp and the Wilson Creek Access Site for public recreational purposes including camping, boating and sportfishing.
- In 2021, the Division entered into a 10 year cooperative management agreement with the Matanuska-Susitna Borough to manage and develop a campground at Sunshine Creek. Improvements and maintenance include picnic tables, signage, campsites, outhouse facilities, and waste receptacles.
- After removal of state-owned Bus 142 from Stampede Trail, the Department entered into a memorandum of agreement with the University of Alaska's Museum of the North for accession, curation, long-term storage and public display of the state-owned Bus 142 at the University of Alaska Fairbanks.

## **ANNUAL SUMMARY OF THE DEPARTMENT'S EFFORTS TO MAINTAIN OR ENHANCE ACCESS TO AND ALONG FISHING STREAMS**

### **Introduction**

AS 38.04.205 requires the Department, in consultation with the Commissioner of the Alaska

Department of Fish and Game (ADF&G), to provide to the Legislature and post on the Department's website an annual report:

- Detailing the Department's efforts during the previous year to maintain or enhance access to and along fishing streams.
- Stating the Department's objectives for enhancing and maintaining access to and along fishing streams by the public in the upcoming year.

### **Annual Report**

Between January 1, 2022 and December 31, 2022, in order to maintain or enhance access to and along fishing streams with an appreciable sport, personal use dip-net, commercial, or subsistence fish population, the Department took the following actions:

- Maintained and defended existing legal access easements and rights to and along water bodies, including defending the public trust doctrine's allowance for public use of waters through administrative acts and correspondence with landowners and the public.
- Progressed the following improvement projects, through the Department's DPOR to maintain or enhance access to or along fishing streams:
  - Completed facility-wide improvements to the Anchor River State Recreation Area's Slidehole Campground to include elevated walkway for angler access into the Anchor River.
  - Completed earthquake damage repair work at the North Fork Eagle River Bridge.
  - Began and completed a boat ramp replacement project at the Bing's Landing Unit of the Kenai River Special Management Area.
  - Began and completed riverbank restoration work along Eagle River at the Eagle River Campground.
- In 2020, DPOR maintained angler access trails, boat launches, parking areas, and restroom facilities for the public at the following locations:
  - Interior: Chena River, Delta-Clearwater River, Salcha River.
  - Mat-Su: Little Susitna River, Willow Creek, Montana Creek.
  - Chugach State Park: Bird Creek.
  - Kodiak Island: Buskin River and Pasagshak River.
  - Kenai Peninsula: Anchor River, Deep Creek, Kasilof River, Ninilchik River; and the following sites along the Kenai River: Bing's Landing, Cooper Landing, Slikok Creek, Morgan's Landing, The Pillars, and Eagle Rock.
  - Southeast: Chilkoot River.
- In 2021, the Division:
  - Reserved "to and along" easements under AS 38.05.127 when disposing of any land, whether through municipal entitlements, land sales, leases, Alaska Native allotment reconveyances, or other disposals of interests.
  - Ensured that access was maintained when considering requests for the vacation of public access to navigable and public water.
  - Reviewed and commented on conveyance documents issued by the BLM to Alaska Native Corporations to ensure adequate access was provided connecting major water bodies with state lands through ANCSA 17(b) easements.

## **Proposed Actions for Future Year Access Maintenance and Enhancements**

Between January 1, 2023 and December 31, 2023, the Department intends to take the following actions to maintain or enhance access to and along fishing streams with an appreciable sport, personal use dip net, commercial, or subsistence fish population.

- DPOR plans to:
  - Utilize the FY23 Governor proposed Vehicle Rental Tax authority increase to provide clean, accessible, and sanitary facilities.
  - Advance projects for constructing elevated walkways and fish habitat improvements at Funny River and Morgan’s Landing unit of the Kenai River Special Management Area;
  - Advance the projects to improve access at the Old Kasilof Landing State Recreation Site, and the Big Eddy Unit of the Kenai River Special Management Area; and
  - Continue to work with DOT&PF to construct elevated walkways at the Kenai River Flats unit of the Kenai River Special Management Area.
- The Division plans to:
  - Maintain and defend existing legal access easements and rights to and along waterbodies, inclusive of defending the public trust doctrine public use of waters;
  - Reserve “to and along” easements under AS 38.05.127 when disposing of land, whether through municipal entitlements, land sales, leases, or other disposals of interests; and
  - Review and comment on conveyance documents issued by BLM to Alaska Native Corporations to ensure adequate access is provided connecting major water bodies with state lands through ANCSA 17(b) easements.

## **ANNUAL REPORT OF AQUATIC FARM LEASE APPLICATIONS, MONETARY AND JOB ESTIMATES, AND RECOMMENDATIONS**

### **Introduction**

With the passage of House Bill 115 in 2021, the uncodified law of the state of Alaska and AS 38.05.035(a) were amended to require the Department, in cooperation with the ADF&G, to provide to the Legislature an annual report providing:

1. The number of aquatic farming and hatchery site lease applications under AS 38.05.083 that are pending review with the Department, including applications for a new lease and applications for renewal, amendment, and assignment of a lease, the date each application was submitted to the Department, the length of time each application has been pending with the Department, and the reason for which each application has not been granted.
2. The number of leases that the director elected not to renew under AS 38.05.070.
3. An estimate of the monetary investments and jobs that might be made or created if all pending applications relating to aquatic farming and hatchery site leases under

AS 38.05.083 were approved.

4. Recommendations from the Department, ADF&G, and other state agencies for the streamlining and improvement of the leasing arrangements, including assignment of leases, for aquatic farm and hatchery sites.

### **Annual Report**

As of November 15, 2022, there are 54 new, renewal, amendment, and assignment applications pending with the Department. In addition to the date the application was received, this report includes the date the application was completed by the applicant. An application cannot be adjudicated until the applicant provides all requested information and the application is deemed complete.

A break-down of these applications, date received, date complete, length of time pending, and reason each application has not been granted, is as follows:

### **New Applications**

<b>ADL Number</b>	<b>Application Received</b>	<b>Application Complete</b>	<b>Days Since Application Received</b>	<b># of Days Since Complete</b>	<b>Reason Not Granted at time of filing Annual Report</b>
233102	4/19/2018	11/15/2019	1,672	1,097	Awaiting mitigation agreement between applicant and ADF&G and application updates from applicant.
233124	4/25/2018	Not yet complete	1,666	0	Closure process initiated due to lack of updates or response from applicant.
233128	4/30/2018	11/13/2019	1,661	1,099	Closure process initiated due to lack of updates from applicant.

ADL Number	Application Received	Application Complete	Days Since Application Received	# of Days Since Complete	Reason Not Granted at time of filing Annual Report
233127	4/30/2018	2/26/2021	1,661	628	Applicant did not provide application updates based on mitigation measures with ADF&G until February 2021. Application has been moving forward since. Awaiting applicant to return signed lease and deliverables.
233132	4/30/2018	1/7/2020	1,661	1,044	Final Finding and Decision (FFD) currently in for manager review after receiving extensive comments during public notice period.
233407	4/30/2019	Not yet complete	1,296	0	Closure process initiated due to lack of updates or response from applicant.
233408	4/30/2019	Not yet complete	1,296	0	Closure process initiated due to lack of updates or response from applicant.
233412	4/30/2019	Not yet complete	1,296	0	Closure process started due to lack of updates from applicant.
233522	1/3/2020	12/17/2020	1,048	699	Applicant did not provide complete application until 12/17/20. Application has moved forward since. Awaiting applicant to return signed lease and deliverables.



<b>ADL Number</b>	<b>Application Received</b>	<b>Application Complete</b>	<b>Days Since Application Received</b>	<b># of Days Since Complete</b>	<b>Reason Not Granted at time of filing Annual Report</b>
233624	4/13/2020	4/22/2020	947	938	Awaiting applicant to return signed lease and deliverables. Issuance imminent.
233625	4/16/2020	4/23/2020	944	937	Closure process started due to lack of updates or signed deliverables from applicant.
233629	4/22/2020	5/20/2020	938	910	ADF&G required mitigation of original location. New location was selected requiring an amended PD and an additional public notice. Awaiting applicant to return signed lease and deliverables.
233631	4/28/2020	Not yet complete	932	0	Closure process initiated due to lack of updates or response from applicant.
233633	4/27/2020	Not yet complete	933	0	Awaiting mitigation agreement between applicant and ADF&G and application updates from applicant. Applicant has promised application updates in 2022.

<b>ADL Number</b>	<b>Application Received</b>	<b>Application Complete</b>	<b>Days Since Application Received</b>	<b># of Days Since Complete</b>	<b>Reason Not Granted at time of filing Annual Report</b>
233635	4/30/2020	11/17/2020	930	729	Applicant did not provide complete application until 11/17/20. Application has moved forward since. Awaiting applicant to return signed lease and deliverables.
233634	4/30/2020	Not yet complete	930	0	Awaiting complete application from applicant. Applicant has endured family tragedy. Applicant has stated they do want to continue with process in 2023.
233815	4/28/2021	7/20/2021	567	484	Waiting on deliverables from applicant for lease authorization.
233816	4/30/2021	9/10/2021	565	432	Waiting on deliverables from applicant for lease authorization.
233817	4/30/2021	3/3/2022	565	258	FFD in for manager review.
233820	4/30/2021	7/14/2021	565	490	Waiting on deliverables from applicant for lease authorization.

<b>ADL Number</b>	<b>Application Received</b>	<b>Application Complete</b>	<b>Days Since Application Received</b>	<b># of Days Since Complete</b>	<b>Reason Not Granted at time of filing Annual Report</b>
233821	4/30/2021	10/19/2022	565	28	Application was received in 2021. Working with applicant on issues related to cable areas at proposed lease location. Awaiting application updates from applicant. Application currently in Agency Review.
233912	1/10/2022	4/3/2022	310	227	Preliminary Decision (PD) is in for manager review.
233976	2/25/2022	3/21/2022	264	240	Application received in 2022. State land in areas of application have not been classified, requiring a Site-Specific Area Plan (SSAP). SSAP is being drafted.

<b>ADL Number</b>	<b>Application Received</b>	<b>Application Complete</b>	<b>Days Since Application Received</b>	<b># of Days Since Complete</b>	<b>Reason Not Granted at time of filing Annual Report</b>
233978	3/4/2022	3/21/2022	257	240	Application received in 2022. Complete application was submitted 3/21/22. State Parks required mitigation to application per proximity to State Park boundaries. Updated application was submitted on 5/31/22. Application has moved forward since complete application received. Office of History & Archeology (OHA) has been contacted after comments received during Public Notice period concerning archaeological surveys. FFD being drafted waiting on response from OHA.
233983	3/8/2022	5/6/2022	253	194	Application received in 2022. Complete application was submitted 5/6/22. Application has moved forward since complete application received. FFD currently being drafted.

<b>ADL Number</b>	<b>Application Received</b>	<b>Application Complete</b>	<b>Days Since Application Received</b>	<b># of Days Since Complete</b>	<b>Reason Not Granted at time of filing Annual Report</b>
233987	3/17/2022	5/4/2022	244	192	Application received in 2022. Complete application was submitted 5/6/22. Application has moved forward since complete application received. OHA has been contacted after comments received during Public Notice period concerning archaeological surveys. FFD being drafted while waiting on response from OHA.
233989	3/29/2022	Not Yet Complete	232	0	Application received in 2022. Request for Additional Information (RAI) sent to applicant on 5/19/2022.
234001	4/14/2022	5/13/2022	216	187	PD in for manager review.
234002	4/18/2022	5/27/2022	212	173	PD in for manager review.
234003	4/18/2022	5/16/2022	212	184	PD in for manager review.
234004	4/20/2022	Not yet complete	210	0	Application was received in 2022. Applicant requested additional time to complete application to adjust parcel and location on 7/26/22.
234006	4/20/2022	6/27/2022	210	142	PD in for manager review.

<b>ADL Number</b>	<b>Application Received</b>	<b>Application Complete</b>	<b>Days Since Application Received</b>	<b># of Days Since Complete</b>	<b>Reason Not Granted at time of filing Annual Report</b>
234007	4/21/2022	8/3/2022	209	105	PD in for manager review.
234009	4/22/2022	8/2/2022	208	106	PD in for manager review.
234010	4/22/2022	Not yet complete	208	0	Application received in 2022. RFAI sent to applicant on 7/19/2022.
234011	4/24/2022	6/27/2022	206	142	PD in for manager review.
234012	4/29/2022	7/12/2022	201	127	PD in for manager review.
234013	4/29/2022	7/13/2022	201	126	PD in for manager review.
234017	4/30/2022	10/12/2022	200	35	Drafting Agency Review.
234019	4/30/2022	Not Yet Complete	200	0	Application received in 2022. RFAI sent to applicant on 7/11/2022.

**Renewal Applications**

<b>ADL Number</b>	<b>Application Received</b>	<b>Application Complete</b>	<b>Days Since Received</b>	<b># of Days Since Complete</b>	<b>Reason Not Granted at time of filing Annual Report</b>
107833	6/21/2018	Not yet complete	1,610	0	Awaiting complete application from applicant. Program staff are doing extensive work to help lessee provide an acceptable application.
107834	6/21/2018	Not yet complete	1,610	0	Awaiting complete application from applicant. Program staff are doing extensive work to help lessee provide an acceptable application.
226873	6/15/2018	10/11/2018	1,615	1,498	Closure process initiated due to lack of updates and response from applicant for lease deliverables.
225296	6/30/2018	3/18/2022	1,601	244	PD in for manager review.
108093	10/12/2021	11/12/2021	401	370	Application was received in 2021. Application has moved forward since applicant provided complete application on 11/12/2021. Currently waiting on deliverables for lease authorization.
227597	1/20/2022	4/21/2022	301	210	Application was received in 2022. Currently waiting on deliverables for lease authorization.

<b>ADL Number</b>	<b>Application Received</b>	<b>Application Complete</b>	<b>Days Since Received</b>	<b># of Days Since Complete</b>	<b>Reason Not Granted at time of filing Annual Report</b>
106834	12/2/2021	Not yet complete	350	0	Application received 12/2/2021. SCRO determination on Commercial Use Requirement (CUR) needed for application.
108089	12/6/2021	Not yet complete	346	0	Application received 12/6/2021. SCRO determination on CUR needed for application.

### **Amendment Applications**

<b>ADL Number</b>	<b>Application Received</b>	<b>Application Complete</b>	<b>Days Since Received</b>	<b># of Days Since Complete</b>	<b>Reason Not Granted at time of filing Annual Report</b>
225561	12/6/2021	Not yet complete	346	0	Application was received in 2021. Applicant has been working on application updates and expects to turn them in near end of 2022.
233058	1/28/2022	Not yet complete	293	0	Application was received in 2022. RFAI sent 3/17/2022.
233612	3/30/2022	Not yet complete	232	0	Application was received in 2022. Amendment application was completed 4/12/22, but customer requested to add further changes to amendment application. Waiting on updated application to be returned.
233627	3/18/2022	3/18/2022	244	244	Application was received in 2022. FFD is in for manager review.



### **Assignment Applications**

<b>ADL Number</b>	<b>Application Received</b>	<b>Application Complete</b>	<b>Days Since Received</b>	<b># of Days Since Complete</b>	<b>Reason Not Granted at time of filing Annual Report</b>
107847	3/9/2022	3/9/2022	253	253	Assignment application received 3/9/22. Assignment and documents sent to assignor and assignee on 4/18/22. Waiting on assignee to return all deliverables.

### **Lease Renewals Denied**

The Department did not deny any renewal applications under AS 38.05.070 in 2022.

### **Monetary Investments and Jobs Created**

An estimate of monetary investments and jobs that might be created if all pending applications were issued is not available because this data is not collected from aquatic farmers. However, annual sales amounts are collected from aquatic farmers and can be used to estimate a monetary impact.

Aquatic farms that reported sales between 2019 and 2021 reported an average of \$64,330 in annual sales. Using this average and assuming all 40 pending new lease applications are issued, this would equate to approximately \$2,573,200 in new annual sales. Using this same average and assuming all 14 pending lease renewal, amendment, and assignment applications are issued, which will allow continued operation of existing farms, this would equate to approximately \$900,620 in continued annual sales.

- This average does not factor in farms that did not report sales. The Department has no way to predict which farms will meet this average annual sales mark.
- Most farms, particularly shellfish farms, will not reach their full potential for annual sales for several years after issuance.

It can be assumed that each application represents at least 1 job. If all pending new lease applications were issued this would equate to at least 40 new jobs. If all pending lease renewal, amendment, and assignment applications were issued this would equate to at least 14 existing jobs remaining.

### **Recommendations for Efficiencies or Improvements**

Recommendations from the Department, ADF&G, and other state agencies for the streamlining and improvement of the leasing arrangements, including assignment of leases, for aquatic farm and hatchery sites are as follows:

- Continue collaboration with the Division’s Southeast Regional Land Office.
- Continue public outreach and education on the aquatic farm leasing program.
- Maintain and improve communication between agencies.
- Continue to implement AS 38.05.070 renewal authority, granted by HB 115, to speed and streamline lease renewals.
- Continue collaboration with the Alaska Mariculture Alliance.
- Continue collaboration on Alaska Mariculture Map and Alaska Aquaculture Permitting Portal.
- Close any open “new” or “amendment” applications that have not received any response/action from the applicant for a specific time frame of 6 months or greater. This will reduce the number of pending open applications that staff would spend time attempting to communicate with applicant allowing more time to focus on applicants communicating with staff.
- Identify waters within Alaska that are not currently classified and develop Land Classifications. As interest in aquaculture spreads to all parts of the state, staff may need to begin assessing areas that have not previously seen interest or activity.