

**H C R**

**11**

# HOUSE COMMITTEE REPORT

(9)

Date Referred: February 3, 1989

FURTHER REFERRALS: FINANCE

Date of Committee Action: 4-19-89

The RESOURCES Committee recommends that:

HOUSE CONCURRENT RESOLUTION NO. 11

[LAND TRADE: SELDOVIA NATIVE ASSN & STATE]

Supporting a land trade between the Seldovia Native Association and the state.

[ ] be replaced with \_\_\_\_\_ [ ] the same title  
[ ] a new title

[ ] have attached amendment(s)

- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact
- zero fiscal note
- zero with analysis

APPROVES PREVIOUS:

- fiscal note(s) published:  
\_\_\_\_\_
- zero fiscal notes(s) published:  
\_\_\_\_\_

SIGNING DO PASS:

[Signature]  
\_\_\_\_\_  
Chiff Danden  
\_\_\_\_\_  
George Jankoff  
\_\_\_\_\_  
Mike Savane  
\_\_\_\_\_  
Richard Dorey 2  
\_\_\_\_\_  
Mike Duff  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SIGNING OTHER THAN DO PASS:  
(Do Not Pass, No Recommendation, Amend)

Wf unrec no rec  
\_\_\_\_\_  
Best Sharp No Rec  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
Chairman's signature

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_  
 Title: Land Trade: Seldovia Native Assn  
& State  
 Sponsor: Rep. Navarre, Swackhammer  
 Requestor: House Resources Committee

Agency Affected: DNR  
 BRU: \_\_\_\_\_  
 Components: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

<b>CAPITAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
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<b>REVENUE</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

**POSITIONS:**

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

**ANALYSIS : (Attach a separate page if necessary)**

Prepared by: House Resources Committee *Curt Menard* 465-4944  
 Division: Representative Curt Menard, Chairman Date: 4/19/89

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
 Agency: \_\_\_\_\_

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

# Seldovia Land Exchange - Brief Summary

April 19, 1989

Rep. Mike Navarre

## *History:*

Kachemak Bay State Park was established by the legislature in 1970. In 1971, the U.S. Congress passed the Alaska Native Claims Settlement Act (ANCSA), entitling Alaska Natives to receive land as settlement of aboriginal land claims. In some cases, lands selected by regional and village corporations were lands under selection by the state under the statehood act, or lands already transferred to state ownership.

Seldovia Native Association (SNA) selected some 29,000 acres of land within Kachemak Bay State Park as part of its settlement under ANCSA, including coastal areas of high public use. These lands then became private inholdings within the boundary of the park.

There have been negotiations relating to an exchange for nearly a decade. In 1979, in an attempt to resolve land disputes arising from ANCSA selections within the park, a Memorandum of Understanding was executed. Among other things, the memorandum committed the state and SNA to exchange SNA's inholdings within the park for state land of equal value.

To date, there have been four equal value exchange attempts. Two small exchanges have been successful, two larger exchanges were not. Through the smaller exchanges, the state has acquired 4,538 acres of SNA land (3,578 acres at Tutka Bay, 960 acres near China Poot Bay) in trade for 2,648 acres of state land elsewhere. The total value of lands exchanged to date are approximately \$4.2 million. Problems that led to the failure of the two larger exchanges include a diminishing pool of available state land of sufficient interest to SNA, removal of parcels from the land pool due to other competing public interests, and an inability by both parties to reach an accord on the appraisal process needed to establish a value-for-value trade.

Seldovia Native Association still holds nearly 24,000 acres within the park, including the lands surrounding China Poot Bay. Due to their accessibility, these lands offer outstanding recreational and scenic opportunities, and are some of the most heavily used lands in the park.

## *Current situation:*

In May of 1987, Seldovia Native Association sold timber cutting rights on some 12,000 acres of its lands within the park, along with the timber cutting rights on some other nearby SNA lands, to Timber Trading Company

(TTC), a subsidiary of Koncor Timber Company. TTC has a contract which allows them to cut timber for a for a 12 year period (from May 30, 1987 until April 30, 1999).

News of the timber sale generated a great deal of concern among park users and environmental groups, both in the immediate Homer area, and statewide. The desire to preserve the integrity of Kachemak Bay State Park has renewed interest in the land exchange. DNR has compiled a pool of lands and timber available for exchange, and DNR and SNA are back at the negotiating table.

Public meetings on the exchange pool of lands have been conducted by DNR in Homer, Soldotna, and Anchorage, and at those meetings there was widespread support for the exchange, with virtually no objection by those in attendance to any of the lands being offered to SNA.

Since the pool of land being offered consists of parcels in different areas of the state, DNR has comprehensive public meetings planned for each of those areas this fall.

This week, SNA and DNR are meeting to discuss the preliminary exchange agreement. If an accord is reached, the agreement should be finalized and signed by sometime next week.

HCR 11 provides to the parties involved in the land exchange a symbol of legislative support, and allows them to proceed in the negotiating process with an assurance that the legislature has an active interest in seeing the exchange completed.

Since the value of the exchange exceeds \$5 million, the final agreement and exchange must be reviewed and approved by the legislature. The anticipated timeframe for the exchange should place it before the legislature for review next session.

# SAVE KACHEMAK BAY STATE PARK



An Update from *Kachemak Bay Citizens Coalition* January 1989

Box 15242 FCB Homer, Alaska 99603 907/235-8214  
1421 N Street, Anchorage, Alaska 99501 907/276-5677

## ***A Brief History:***

Kachemak Bay State Park was established in 1970. A year later, Seldovia Natives filed claims on approximately 23,000 acres in the very heart of the park. A federal court awarded the park inholdings to Seldovia Native Association (SNA). In 1979, in return for Barabara Creek lands, SNA agreed to participate in a land exchange with the state of Alaska. Due to negotiation deadlocks, the trade process stalled.

## ***Why Now? Why Again?***

SNA and the Department of Natural Resources (DNR), with the encouragement of the Kachemak Bay Citizens Coalition (KBCC), began negotiating the trade again in September 1988. Timber Trading Company, a subsidiary of Koncor Forest Products, is also involved in the trade, as Koncor purchased timber rights on SNA lands both inside and outside the park. Koncor's desire to clearcut SNA timber holdings in 1989 adds further impetus, and complexity, to the trade.

## ***Where the Trade Stands Between DNR and SNA:***

Restoring state ownership of Native inholdings to Kachemak Bay State Park necessitates legislative approvals in both the 1989 and 1990 sessions.

1989: Legislators would vote on the following:

- 1) A general resolution supporting the land trade.
- 2) A pro-bill approving transfer of \$250,000 in cash and/or land sale contracts to SNA, in return for an equal value amount of SNA land in the park, regardless of the outcome of further negotiations.
- 3) A separate supplemental appropriations bill for fiscal year 1989, granting at least \$50,000 to the state and SNA, to conduct immediate land appraisals.

1990: The final land exchange package would include the following elements:

- 1) Transfer of 23,000 acres, SNA state park inholdings, to state ownership.
- 2) Transfer of various state lands (which have passed public review) to SNA ownership.
- 3) Any remaining value due SNA would be paid by a combination of state land sale contracts and bid chit credits. SNA could use chit credits in state and gas sales as well as future state land sales.

## ***Where the Trade Stands Between DNR and Koncor:***

Koncor requires a total buyout of its SNA timber holdings in order to participate in the land trade.

1. On SNA holdings within state park boundaries, DNR is negotiating for acquisition of timber rights.
2. On SNA holdings outside state park boundaries—in Jakolof Bay (critical habitat zone), plus Rocky River and Windy River drainages—the state cannot acquire Koncor's timber. Kachemak Heritage Land Trust is negotiating with Koncor for timber rights in these areas, and with SNA regarding future use of these lands.
3. Timber on approximately 400 acres in Peterson Bay, Halibut Cove, and the island peninsula between Peterson and China Poot Bays are also held by Koncor. This area is the "scenic centerpiece" of the state park, and is widely used for marine recreation and general tourism. Alternatives ranging from state acquisition of this area to land trust options are currently being explored.

## Kachemak Heritage Land Trust - Box 2400 - Homer, Alaska 99603

needs members and other sponsors so that it can facilitate the land trade by acquiring timber rights from Koncor outside park boundaries. Future projects for this non-profit corporation will include acquiring land and easements for fish and wildlife habitat, public recreation and trails, and cultural and historical lands and properties.

### ANNUAL MEMBERSHIP CATEGORIES

I've chosen the membership level indicated below:

- \_\_\_\_\_ Student/Senior Citizen (over 65)/Limited Income: \$15
- \_\_\_\_\_ Regular: \$25
- \_\_\_\_\_ Family/Non-profit organizations: \$50
- \_\_\_\_\_ Supporting (business or individual): \$100
- \_\_\_\_\_ \*Contributing (business or individual): \$250
- \_\_\_\_\_ \*Patron (business or individual): \$500

### LIFE MEMBERSHIP CATEGORIES

- \_\_\_\_\_ \*Heritage Patron (business or individual): \$1000 or more

### CHARTER MEMBERSHIP DRIVE (January 19-June 21, 1989)

All members who contribute \$250 or more will be permanently recognized as founding members of the Kachemak Heritage Land Trust. Installment payments may be arranged.

- I have enclosed my check.
- Please bill me.

Name:  
Address:  
Phone:

## HOW YOU CAN HELP:

1. Write Governor Cowper (P.O. Box A, Juneau, Alaska 99811) and DNR Commissioner Lennie Boston-Gorsuch (P.O. Box M, Juneau, Alaska 99811). Write your legislators at P.O. Box V, Juneau, Alaska 99811: Senators—Paul Fischer, Arliss Sturgulewski, Tim Kelly, Rick Uehling, Mike Szymanski, Jan Faiks, Pat Pourchot, Patrick Rodey, Bettye Fahrenkamp, and Drue Pearce. Representatives—Mike Navarre, C. E. Swackhammer, Curt Menard, Cliff Davidson, Red Boucher, Ramona Barnes, Kay Brown, Virginia Collins, Sam Cotten, Dave Donley, Johnny Ellis, Walt Furnace, Max Gruenberg, Alyce Hanley, Terry Martin, Steve Rieger, and Loren Loman. Ask them to support the 1989 land trade resolution, the bill requesting \$250,000 for continuing negotiations, plus the bill for conducting land appraisals.

2. Kachemak Heritage Land Trust, Box 2400, Homer, Alaska 99603 welcomes members and financial support for purchasing Koncor's timber outside park boundaries so that the land trade can be completed. Readers are reminded that some of Kachemak Bay's most important areas scheduled for clearcutting are just outside the Park.

3. Volunteer time in your local coalition. If your area lacks a coalition, volunteer to help form a group in your community, or to post and distribute materials, petitions, etc. Spreading public awareness and support for the land trade is the coalition's main function, and we need your help!

4. THANKS to all who have donated funds to KBCC! We welcome continued financial support for printing newsletters and sending negotiators to meetings, so that this process can continue to a final conclusion in 1990.



### *Kachemak Bay Citizens Coalition*

Box 15242 FCB  
Homer, Alaska 99603

