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# SELDOVIA NATIVE ASSOCIATION, INC.

P.O. DRAWER L

SELDOVIA, ALASKA 99663

(907) 234-7625 • 234-7890

January 8, 1990

Gary Gustafson, Director  
Department of Natural Resources  
State of Alaska  
P.O. Box 107005  
Anchorage, Alaska 99510-7005

Dear Gary:

This letter is necessary to express to you and the State of Alaska Department of Natural Resources (DNR) my total dismay and disappointment with your actions at the Seldovia Native Association, Inc.(SNA) - DNR meeting Friday, January 5, 1990.

Up until that meeting, SNA had felt the DNR was trying to make this land trade work. After our last meeting, this does not seem to be the case.

As you are aware, you phoned our office last December 20, at which time you requested a meeting January 4 & 5, 1990. You said the State Appraisal (Follett) would be available January 3, 1990. You also said, "Regardless of the appraisals, it is important we negotiate a value of SNA's land which we can both support before the State legislators".

Because it was felt the two Mundy appraisals and the Follett appraisal would not be within 10% of each other, SNA agreed to meet and start negotiating toward a value which both SNA and DNR could support.

With this in mind, SNA arranged to have their attorney, land consultant, SNA's chairman, another Director and myself as President at your offices at 9:30 a.m. January 5, 1990. At that time, although you stated that Follett's appraisal was lower than you expected, you insisted on binding arbitration rather than negotiation. You must have been willing to start negotiating with SNA, when you requested the meeting. We do not understand why you changed your mind and worse yet, why you did not have the courtesy of informing us that you had. You could have told us this over the phone.

Trying to negotiate value is the proper procedure according to the preliminary exchange agreement, we signed last June 30, 1989. This agreement in section 8(b)(VI) page 7, states arbitration is used only if an "agreement cannot be reached between the parties". Also, prior to any arbitration, SNA has to have adequate time to study the Follett appraisal. The State has had 25 days to review and receive appraisal comments on the Mundy appraisal. It is most likely, SNA will be using a similar amount of time.

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After SNA's comment time Follett will probably need response time. The selection of a Senior MAI appraiser capable of arbitration will be difficult and may prove impossible. Please remember that SNA land must be appraised as "public interest". Mr. Mundy is an appraiser qualified to do so. Mr. Follett's expertise is in appraising shopping malls and farms according to his list of clients. Any arbitrator SNA approves of must be skilled in "public interest" appraisals.

SNA has been and still is of the opinion that any bill we submit for legislative action must be presented by January 18, 1990. We can do this if we are willing to work toward this goal. With all the tough issues our legislators are facing this session it is difficult to imagine them having time to properly address any land trade bill placed before them in mid-session.

Had we started some form of negotiation last Friday, even if just preliminary, I am confident the value gap would be a lot narrower than it is today.

We were prepared for meaningful negotiations as you requested, now the chances are uncertain. SNA's attorney will be away until the end of January. It is unfortunate the January 5, 1990 meeting turned out to be such a disaster. If DNR reconsiders and wishes to reactivate the SNA-DNR land trade again, please let us know. In the interim, we will be reviewing Follett's appraisal.

Sincerely,  
SELDOVIA NATIVE ASSOCIATION, INC.



Fred H. Elvsaaas  
President

FHE/pq

cc: Hon. Steve Cowper - Governor, State of Alaska  
All State Legislators  
Hon. Don Gilman - Mayor, Kenai Peninsula Borough  
Ernie Piper - Office of the Governor  
Mary Pearsall - Kachemak Bay Citizen Coalition, Homer  
Crista Collier  
Charlie Nash - Timber Trading Co.  
Board of Directors - S.N.A.  
Citizens of Homer, through the Homer News

SENATE COMMITTEE REPORT

~~FIRST COMMITTEE OF REFERRAL~~

~~Date of 5-DAY NOTICE  
IN ACCORDANCE WITH UNIFORM RULE 23~~

~~5/4/89~~

~~\*\*FISCAL NOTE(S) MUST BE ATTACHED  
IN ACCORDANCE WITH AS 24.08.035~~

*No further*

FURTHER

DATE TURNED INTO OFFICE 5-5-89

Mr. President:

RESOURCES

Committee considered

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

*+ reports it back as follows:*

and recommended:

- replace with CS \_\_\_\_\_  same title
- attached amendment(s) and  new title
- \_\_\_\_\_ letter of intent adopted
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to \_\_\_\_\_
- FISCAL NOTE(S) attached  zero  fiscal impact
- appropriation no FN attached  Gov. FN introduced w/ bill

*Previous  
CFN*

*again  
DNR*

MEMBERS SIGNING DO PASS

1 Curtis Suplein  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

OTHER RECOMMENDATIONS

2 Rick Halford NO REC  
2 Fred F. Zimoff No Rec.  
\_\_\_\_\_  
2 Dan NI REC  
\_\_\_\_\_  
\_\_\_\_\_

1 [Signature] *Do Pass*  
Chair signature and recommendation

Committee backup attached