

H B

8 3



# Center for Alaskan Coastal Studies

P.O. Box 2225 Homer, Alaska 99603 907/235-6667

The goal of the Center for Alaskan Coastal Studies, a non-profit organization, is to increase knowledge and understanding of the coastal and marine environments of Alaska by providing educational programs and encouraging research. Supported by approximately 500 paid memberships and numerous volunteers, the Center now delivers educational programs to approximately 1600 students and visitors every year.

The nucleus of the Center's programs is a marine field station on what is called locally the "Island Peninsula," a point of land between Peterson Bay and China Poot Bay, on the south side of Kachemak Bay. Covering this peninsula is a sub-arctic rain forest which is nearly surrounded by rich intertidal areas.

Approximately one half of those served by the Center's programs are children, grades one through twelve, locally and from as far as 500 miles away. In the spring and fall, school groups visit the field station accompanied by trained volunteer naturalists. During the summer months, visitors from all over Alaska, the rest of the United States and other countries visit the Center under the guidance of volunteer naturalist/guide teams.

The forest of the Island Peninsula, explored by hundreds of Alaskan school children every year, along with inholdings within Kachemak Bay State Park, is slated for clear-cutting if the Park buy-back (House Bill 83) does not pass. Within site and sound of the richest intertidal study pools will be a log transfer station.

However, if House Bill 83 succeeds, the timber owner (Timber Trading Company) has agreed to give the timber on the Island Peninsula to the Center, and the owner of the land (Seldovia Native Association) has agreed to sell it to the Center. Thus, in addition to restoring the private inholdings in Kachemak Bay State Park to the public in perpetuity, passage of House Bill 83 will enable the Center for Alaskan Coastal Studies to continue to provide its award-winning educational programs to the children of Alaska and other students of nature, while protecting the unique and beautiful Island Peninsula for the study and enjoyment of future generations.

LOGGING IN  
KACHEMAK BAY STATE PARK:  
PUBLIC VALUES AT RISK

Executive Summary

Anne Wieland  
Kachemak Bay Citizens Coalition  
Box 15242 FCB  
Homer, AK 99603

February 1991



recycled paper

## INTRODUCTION

### **Study of values at risk:**

The purpose of this study is to review some of the economic and intrinsic values of the Kachemak Bay State Park area, to educate the reader about what is at stake if the Seldovia Native Association and Timber Trading Company inholdings are not purchased for inclusion in Kachemak Bay State Park. The study was designed to document these values statistically through the use of surveys and research of information from agency and documentary sources. The survey methods employed were the development and distribution of questionnaires.

### **Study author and funding:**

The primary author of the study is Anne Wieland, retired Anchorage School District science teacher and long time resident of Anchorage and Homer. Wieland, a member of the Kachemak Bay Citizens Coalition, works in Homer in the summer as a marine biology counselor and as a sea kayak guide. Assistance with the study was provided by numerous Homer and Anchorage residents. The study was funded by donations from a few individuals. Several specialists served as volunteer editors.



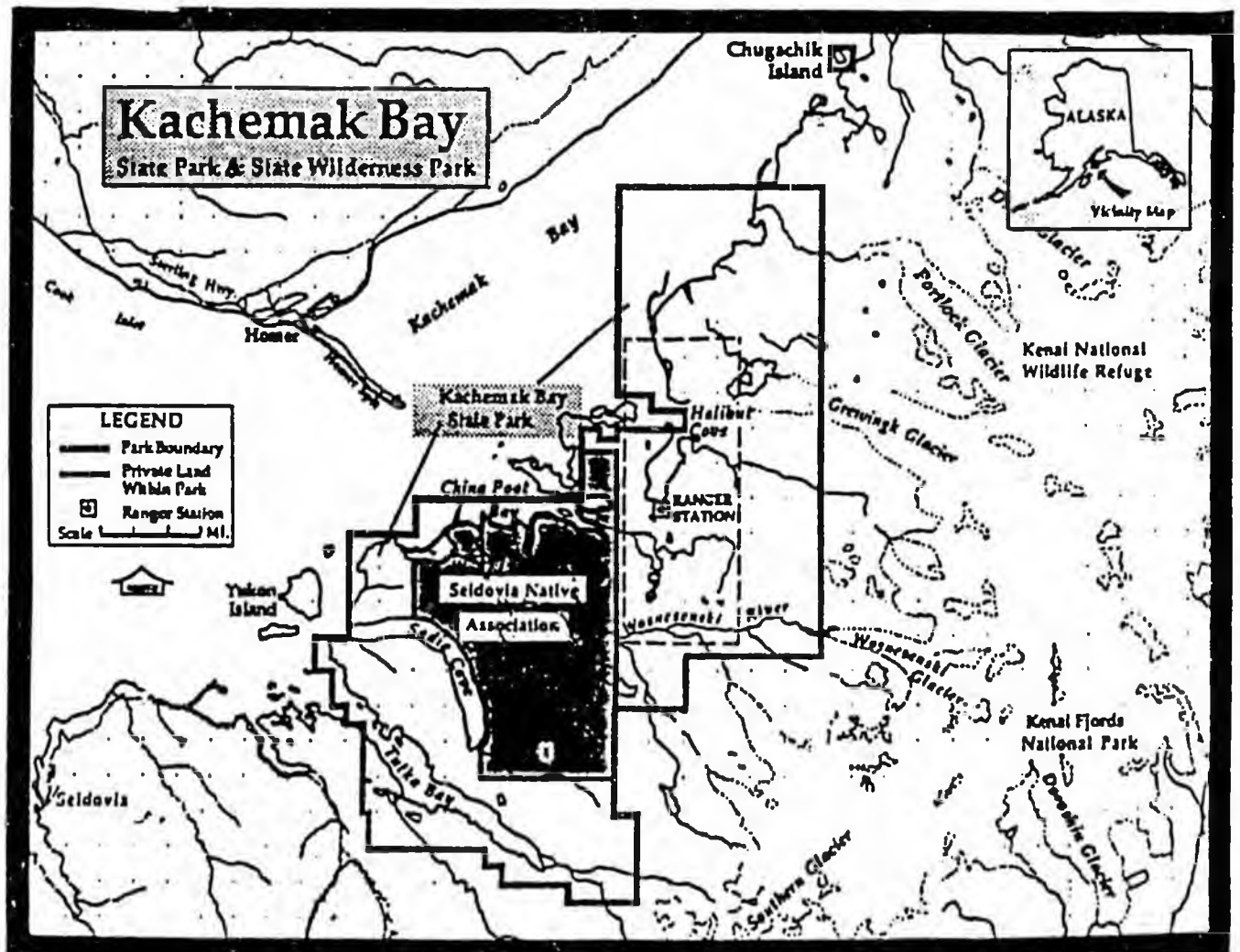
Photo by: Hal Spence Photography

### BACKGROUND:

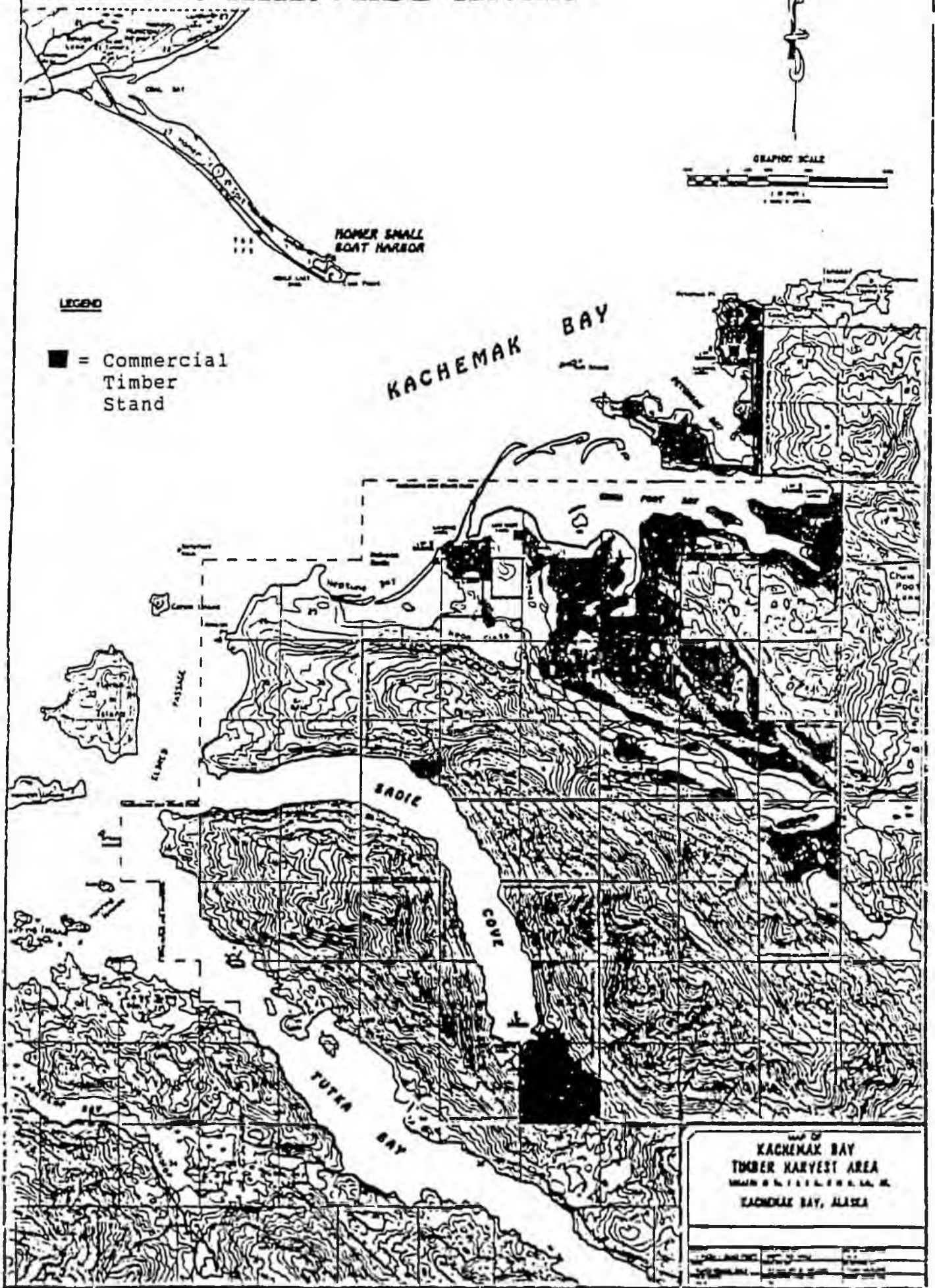
The Alaska Native Claims Settlement Act entitled Seldovia Native Association (SNA) to select 69,000 acres in the Seldovia area. SNA's preferred selections, Jakolof Bay lands, were protested by the state, so in 1974, SNA selected nearly 30,000 acres in and adjacent to Kachemak Bay State Park. In 1979, SNA signed a Memorandum of Understanding with the Kenai Peninsula Borough, Cook Inlet Region, Inc. and the state Department of Natural Resources (DNR) agreeing to exchange SNA's inholdings for state land of equal value. Some small exchanges subsequently occurred.

In 1987, when the complete exchange still had not been consummated, SNA signed a 12 year timber harvest contract with Timber Trading Company (TTC) on land within and adjacent to the park. Kachemak Bay Citizens Coalition (KBCC) formed to serve as facilitator to encourage DNR, SNA, and TTC to enter into exchanges. In the 1990 legislative session these proposed land and timber exchanges were transformed into a \$20 million buy-back which failed by a 20-20 vote in the House.

TTC submitted logging permit applications in January, 1991 and has reiterated its intention to harvest if the buy-back fails in the 1991 legislative session.

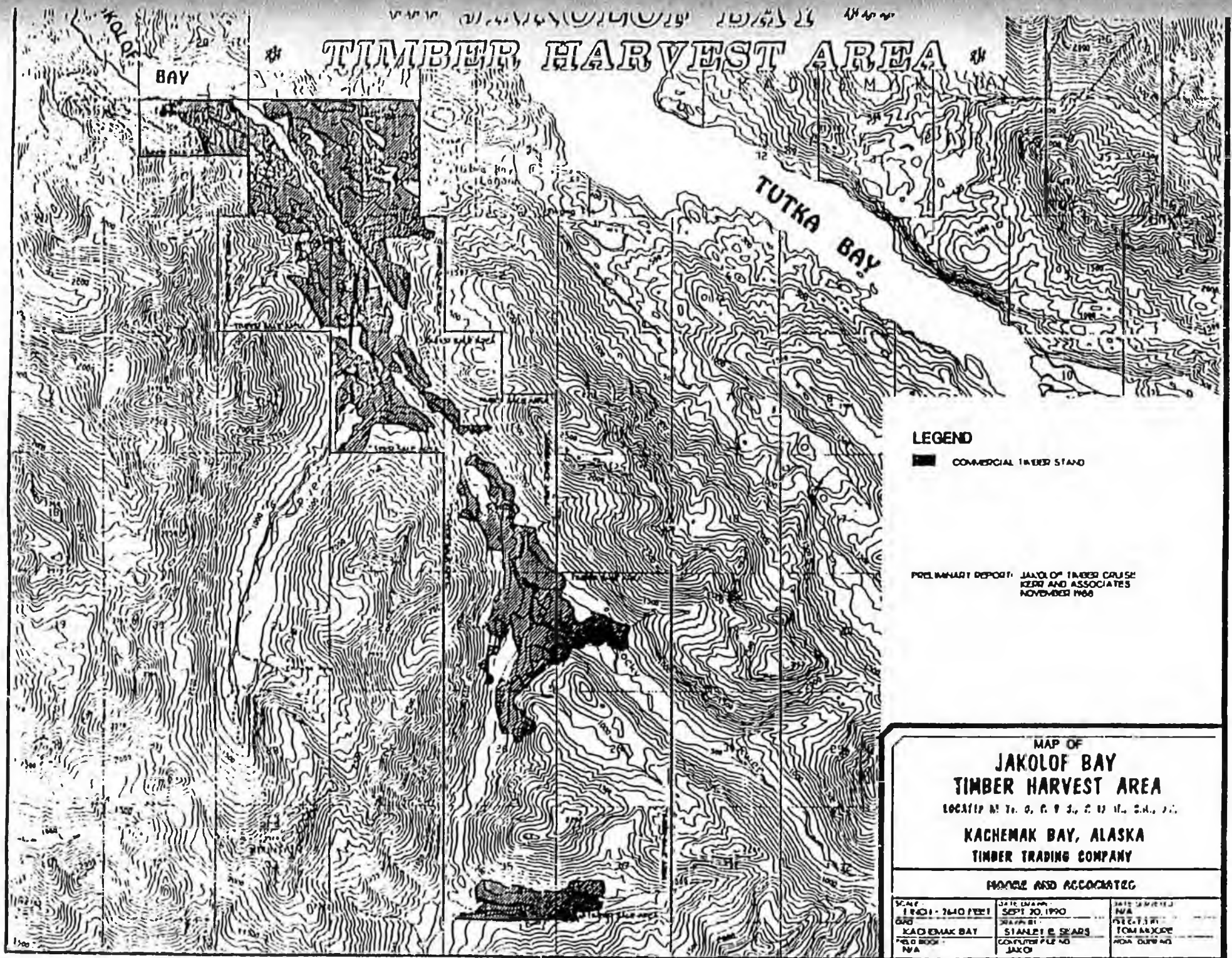


# KACHEMAK BAY TIMBER HARVEST AREA



U.S. GEOLOGICAL SURVEY 1963 48 40 24

# TIMBER HARVEST AREA



### LEGEND

■ COMMERCIAL TIMBER STAND

PRELIMINARY REPORT: JAKOLOF TIMBER CRUISE  
KEPP AND ASSOCIATES  
NOVEMBER 1968

<b>MAP OF JAKOLOF BAY TIMBER HARVEST AREA</b>		
LOCATION: T. 6, R. 9 S., S. 12 W., S. 4, 5 E.		
<b>KACHEMAK BAY, ALASKA</b>		
<b>TIMBER TRADING COMPANY</b>		
<b>PHONE AND ADDRESSES</b>		
SCALE 1 INCH = 240 FEET	DATE DRAWN SEPT 20, 1990	DRAWN BY MVA
PROJECT KACHEMAK BAY	DRAWN BY STANLEY E. SEARS	PROJECT TOMASOCCO
FIELD BOOK MVA	COMPUTER FILE NO JAKO	FIELD BOOK MVA 0190 40

### **IMPACT OF PURCHASE OF INHOLDINGS ON PARK MANAGEMENT:**

Purchase of inholdings within and adjacent to Kachemak Bay State Park will have several major positive impacts on this popular park. Significant recreational and scenic values as well as habitat will be acquired and preserved. The integrity of the park will be maintained instead of perpetuating the "doughnut hole" situation that currently exists with the heart of the park in private ownership. Opportunities to develop new trails, trailheads, ranger stations, campsites and access points will exist.

Acquisition will improve boundary definition. Many people are unfamiliar with the location of current park boundaries, particular in non-contiguous portions of the park away from the Halibut Cove Lagoon ranger station.

Kachemak Bay has been designated as a State Critical Habitat Area by the Alaska Legislature and is managed by the Alaska Department of Fish and Game and the Department of Natural Resources. Acquisition of private inholdings will protect park lands and waters adjacent to private inholdings from the disruption to the ecosystem that would occur as a consequence of logging.

#### **Impact of adjacent logging:**

Impact of adjacent logging on Kachemak Bay State Park would be negative. Management would be reactive, not proactive, because of multiple impacts on trails and access points, visitor use, boundary problems such as definition and trespass, and new law enforcement needs. Low flying helicopters may create noise pollution for park users. Additionally, there would be negative impacts on anadromous streams and wildlife habitat. The possibilities exist for increased topsoil erosion as a result of cutting on slopes, fire through carelessness, as well as enhanced conditions for spruce bark beetles such as windthrow in areas adjacent to clearcuts.

### **ECONOMIC VALUES AT RISK IF THE BUY-BACK FAILS AND LOGGING OCCURS:**

Tourism and fisheries are the mainstays of the Homer economy. This report documents the impacts to these and other industries if logging is allowed to occur. Homer is a very popular tourist destination, having been visited by about 76,000 out-of-state or foreign residents six years ago (Alaska Division of Tourism 1985 estimates), by at least an equal number of Alaskans, and by a high percentage of Anchorage residents (The McDowell Group of Juneau study).

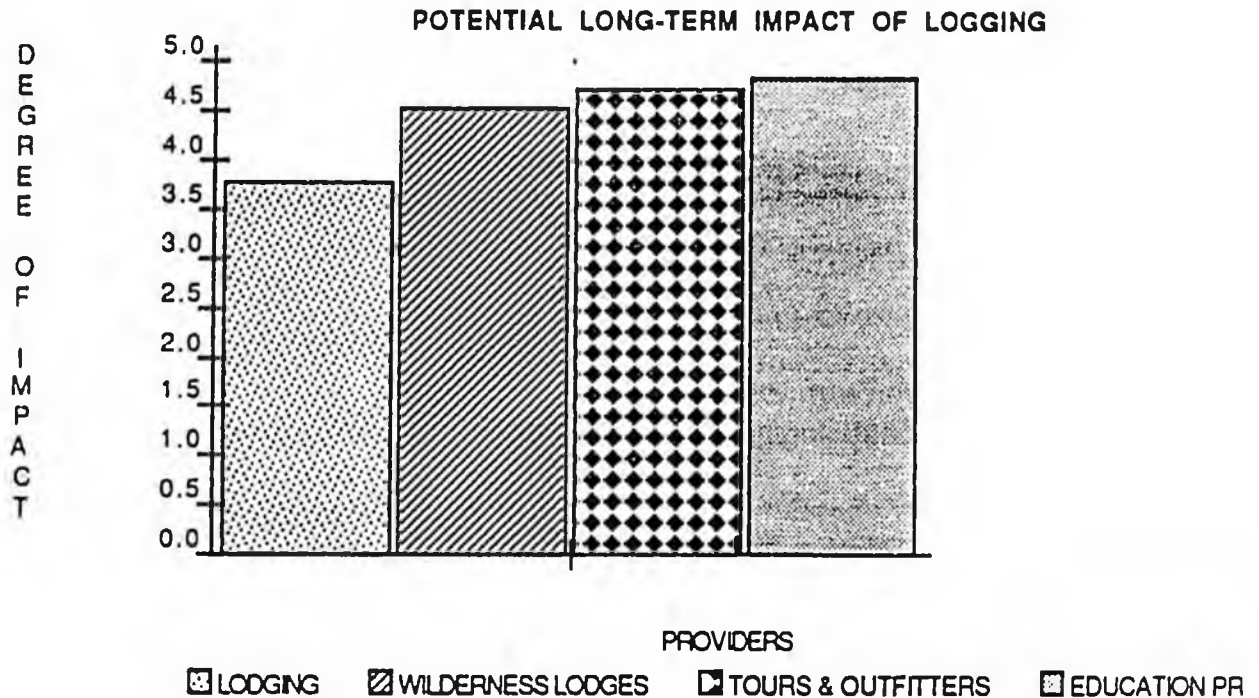
#### **Impacts on tourism:**

Seventy-four tourism-related area businesses were surveyed for this study, representing only a fraction of the Kachemak Bay focused tourism-related businesses. Surveyed were providers of lodging, education programs, tours and outfitters, and wilderness lodges. There were forty responses (54%). Others not surveyed because of study funding constraints include restaurants and other businesses on Homer Spit, liquor stores, boat storage yards, souvenir, general merchandise and tackle shops, and the owners of the cruiseships Sagafjord, S.S.Universe, Lindblad Explorer, etc. which make several calls per season to Homer.

### Opinions about potential impact of logging:

The providers of goods and services were asked to predict the short and long term impact on their businesses if clearcut logging were to occur on SNA's land in and adjacent to Kachemak Bay State Park. The following chart summarizes the respondents' predictions of the long term impact.

The scale is 1 = strongly positive impact to 5 = strongly negative impact.



The twenty-one responding providers of goods and services most connected with the south side of Kachemak Bay (wilderness lodges, tours & outfitters, and education programs) were almost unanimously negative in their perception of the possible impact of logging on their businesses. For several, logging would necessitate relocation, if that were even economically feasible, with extreme disruption to the owners or operators.

The opinions of lodging providers, most of whom are based in Homer and Anchor Point, were divided about the potential impact of logging. The majority (68%) thought logging would have slightly or strongly negative impact on their businesses and gave a wide variety of reasons for their positions.

**Over 200 jobs provided by surveyed businesses:**

The following table shows the estimated over 200 seasonal and permanent jobs provided by the 74 surveyed businesses in 1990 in the Homer area and elsewhere.

**PROVIDERS OF GOODS AND SERVICES - NUMBERS OF JOBS**

	LODGING	WILDERNESS LODGES	TOURS & OUTFITTERS	EDUCATION PROGRAMS
NUMBER OF SEASONAL JOBS:	Not Given	26 (3 lodges)	20	24.5

**TOTAL REPORTED JOBS = 70.5**

EXTRAPOLATED SEASONAL JOBS:	Over 100 est.	32	45	30
-----------------------------	---------------	----	----	----

**TOTAL ESTIMATED JOBS = OVER 200 (SOME ARE YEAR-ROUND)**

The 21 responding wilderness lodges, tours and outfitters, and education programs provided 70.5 seasonal jobs. If all 34 businesses had responded, this figure may be extrapolated to over 100 jobs.

The lodging providers served an estimated 1/2 million people in the peak season, and employ between 75-150 people. Adding their estimated figures to the ones reported by the other three categories yields over 200 jobs in just the four categories of goods and services surveyed.

**Gross incomes of surveyed businesses:**

The following table shows the gross incomes of the 74 tourism-related businesses that were surveyed.

**PROVIDERS OF GOODS AND SERVICES - GROSS INCOME**

	LODGING	WILDERNESS LODGES (3 only)	TOURS & OUTFITTERS (7 only)	EDUCATION PROGRAMS
GROSS INCOME	Not Given	\$500,000.00	\$455,000.00	\$123,000.00
EXTRAPOLATED INCOME	\$7 million est.	\$650,000.00	\$1,026,000.00	\$150,000.00

**TOTAL ESTIMATED INCOME = OVER \$8.8 MILLION**

The total income reported by the responding tours, wilderness lodges, and education programs for 1989 or 1990 was \$1,078,000. If all had responded, this figure may have reached \$1,826,000. Add to that the estimated yearly \$7 million gross income of lodging providers, and the total rises to over \$8.8 million.

In summary, the responses reflect a workforce of 200 jobs. Obviously, there is great concern by these employers that many jobs will be sacrificed if logging occurs. The responses also represent an industry which serves an estimated half million people and provides an income estimated at over \$8.8 million.

**Interdependence of tourist industry:**

The great majority of the persons served by the forty responding tourism-related businesses were from the south 49 states, southcentral Alaska, or elsewhere in Alaska. Only about 8% were from Homer. Therefore it can be expected that if logging occurs, not only these businesses but many other tourism-related businesses in the Homer area may be adversely affected. Some of these businesses are owned or operated by interests outside of Homer and even outside Alaska. Responding businesses reported their clients frequently incurred other expenses while visiting Homer. Wilderness lodges reported making major purchases in Anchorage as well as in Homer and elsewhere in Alaska.

**Survey of non-Homer people on the Homer Small Boat Harbor waiting list:**

One hundred non-Homer people on the Homer Small Boat Harbor moorage waiting list were surveyed. The majority of 49 respondents, many of whom currently transport their boats to and from Homer, would reduce the number of trips to Kachemak Bay if logging occurred. They included strongly worded negative comments about the consequences of logging on their boating habits, including the willingness to transport their boats and build elsewhere.

The demand for recreational use of Kachemak Bay comes from around the state and elsewhere. Of the 414 people currently on the waiting list, 35% are from Homer. Anchorage area residents, (28%), Matanuska-Susitna Valley residents, (4%), and Fairbanks area residents (3%) total an equal number. Soldotna and Kenai area residents comprise 9% and 8% respectively. Residents of other Alaskan towns and south 49 states comprise the remaining 13%. Of the over 700 boats currently moored in Homer Small Boat Harbor just under half, 48.9%, belong to Homer residents. Anchorage residents own 21.9%, second behind Homer.

**IMPACTS ON COMMERCIAL AND SPORT FISHING:**

Fishing is a major contributor to the Homer economy. Both commercial finfish and shellfish fisheries provide many jobs and bring millions of dollars into the local and the Kenai Peninsula economies annually. Sport fishing is given as the number one reason why clients of area lodging providers come to Homer, and the ADF&G sport fish summary statistics support this conclusion.

**Finfish fisheries:**

Species fished include halibut, all five salmon species, dolly varden, and rainbow trout in lakes. Salmon fisheries at risk include commercial seining, commercial and personal use setnetting, sport and dipnet fishing in areas slated for clearcut logging. In 1989, 64 southern district seiners and 23 setnetters fished. Yearly delivery of salmon averages \$1.9 million (ex-vessel value.) Commercial fishermen interviewed for this study say logging may damage ADF&G salmon enhancement projects and have a variety of negative impacts on salmon streams. They also comment that logging debris may escape into the water, as happened twice at nearby Koyuktoik Bay in 1990, creating entanglement problems.

To a lesser degree, commercial and charter halibut fisheries within Kachemak Bay are at risk. The halibut charter industry, a major contributor to the Homer economy, yielded \$9 million in 1985. Seventy-five percent of interviewed charter owners thought that logging may have a slightly negative impact on their business, primarily through loss of tourists no longer attracted by disfigured scenery, and by potential entanglement and safety hazards.

**Shellfish fisheries:**

Shellfish fisheries such as commercial and sport Dungeness and Tanner crab, clam, and mussel fisheries are also at risk from pot entanglement with debris and from accidental bark loss in water which damages habitat.

**BOATING SAFETY CONCERNS:**

Partially submerged floating logging debris is a safety issue mentioned by both commercial and sport fishermen. Recreation boats particularly are vulnerable because they are less likely to be equipped with radar. Since it takes the waters of Kachemak Bay an average of 27 days to exchange, loose logs and debris could present a long term hazard, increasingly so as logs become waterlogged and float lower in the water. Although the plans of Timber Trading Company are to prevent logs getting loose in the water, two such incidents occurred in nearby Koyuktoik Bay in 1990.

**SURVEY OF HOMER RESIDENTS:**

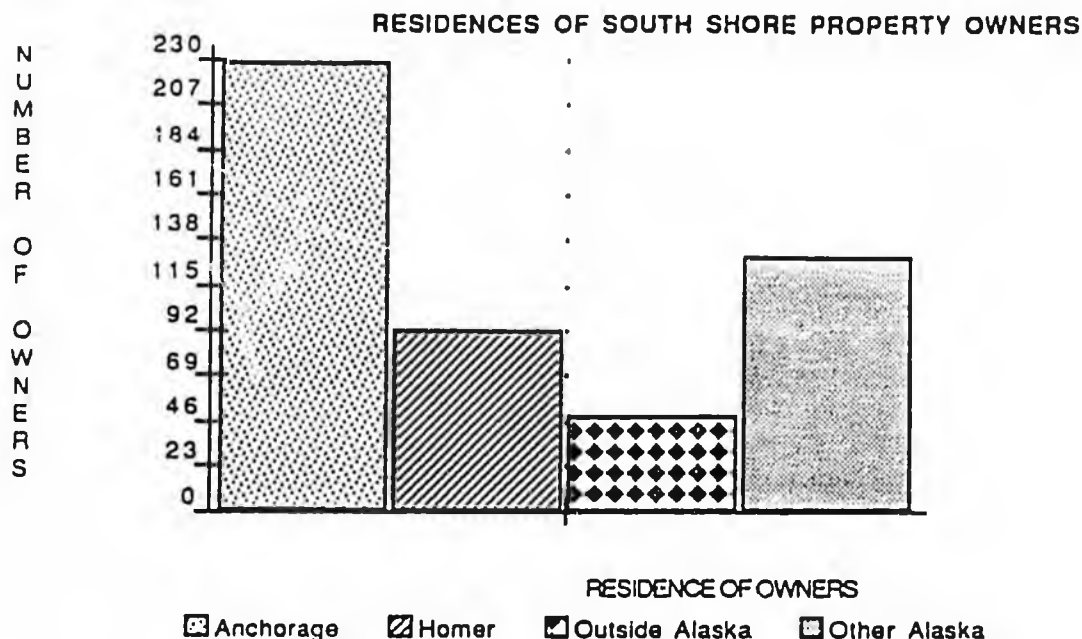
Eighty percent of 60 Homer adults contacted in a random telephone survey in October oppose logging, citing a variety of economic, esthetic, and environmental reasons. Only 8% favor logging.

**SURVEY OF IMPACTS ON REAL ESTATE VALUES:**

Sixty percent of responding real estate professionals predict a 10% decline in real estate values in Homer (\$27 million assessed value loss) if clearcutting occurs, and other factors remain constant. One consequence would be loss of tax revenues.

Many out-of-town people retire in Homer or have a second home here because of the high scenic and recreational values and proximity to major population centers. These owners as well as long-time Homer residents would be affected, according to realtors.

A significant decline in south shore Kachemak Bay property values near clearcuts is also predicted, but with an increase in values farther away, because of the unique nature of the south shore. The largest number of the 495 south shore land owners, 46.1%, are from Anchorage and would be the most affected.



### **INTRINSIC VALUES AT RISK IF THE BUY-BACK FAILS AND LOGGING OCCURS:**

#### **Scenic values:**

The proposed clearcut would be visible from Homer, Homer Spit, and elsewhere in the bay and park areas. As determined by the survey of Homer residents, the lost scenic values would be greatly missed by 82%, most of whom oppose logging. Based on other southern Kenai Peninsula tree regrowth rates, evidence of this logging may be visible for close to 50 years.

#### **Recreational values:**

Most Homer residents (85%) visit the south side of Kachemak Bay for a variety of recreational uses ranging from fishing, hiking, sightseeing, berry picking, hunting, trapping, skiing, flying, to even rockhounding. A large number (72%) say that logging would diminish their enjoyment of these lands. Fourteen percent say that they would stop using the lands altogether.

#### **Cultural values:**

There is a rich cultural heritage consisting of over 100 prehistoric and historic sites in Kachemak Bay documented by the Alaska Heritage Resources Survey, some dating to as early as 6000 years ago. Undoubtedly, based on the large number of new finds of the October 1990 survey, many more exist. Those on or adjacent to logging areas would be at risk.

#### **Wildlife, vegetative, and soil quality values:**

Long term negative consequences to several game species and furbearers including moose, mountain goat, bear, and land otters, would occur due to loss of habitat or presence of humans. The proposed logging camps may attract nuisance bears, necessitating their elimination.

Disturbance of seals and threatened Steller sea lions on haul-outs and pupping areas by low-flying helicopters transporting logs may occur, especially in China Poot and Peterson Bays. These marine mammals have already experienced recent drastic population declines in the Gulf of Alaska, and even in Kachemak Bay.

A possible loss of 9000 birds per year to logged areas has been predicted by an ornithologist, with particular negative impact to bald eagles and murrelets, both species that experienced losses in Kachemak Bay due to the Exxon Valdez oil spill. Murrelets are experiencing population declines in the southern portion of their range due to the exploitation of Pacific northwest old growth forests where they nest.

Topsoil in logged areas would be lost because of erosion and strong winds, causing flooding, siltation, sedimentation, loss of soil productivity. This may be especially critical in the Wosnesenski River valley, scheduled for extensive logging.

Areas of botanical interest may experience negative impact.

#### **FOUR QUESTIONS ADDRESSED BY THIS STUDY:**

Question 1. *Will moose benefit from a clearcut?*

Answer: No. There are few moose in the park area currently. Since Timber Trading Company plans to utilize clearcut harvesting, a method that would not be beneficial to moose and other wildlife species, much depends on how much and what kind of brush regrows after the cut. Because of past regrowth patterns, it is unlikely that much high quality moose browse will be established. Instead, the same species of brush that existed before a cut is most likely to regrow, with possible expansion of alder and/or grass cover. Additionally, moose would lose cover provided by the forest and would therefore have to negotiate greater snow depths in the winter, especially on the many north-facing slopes.

To quote a memorandum by Lance Trasky, Regional Supervisor, Habitat Division of Alaska Department of Fish and Game Re: Timber Harvesting Impacts on Moose Habitat - Kachemak Bay, dated November 19, 1990, "Increased browse production from the removal of the coniferous overstory by logging could lead to a short-term increase in local moose numbers, but we believe that the limiting factors discussed above will likely minimize that increase over the long term. Any increase in moose numbers after logging will depend on the quantity and quality of available understory browse plants. We believe that the low availability of palatable high quality browse during winter will continue to limit moose population growth over the long term."

Question 2. *Do spruce bark beetles infest Kachemak Bay State Park ?*

Answer: Spruce bark beetles prefer other species of spruce over Sitka spruce, and a warmer dryer climate found in the central Kenai Peninsula, rather than a cooler moist one found in Kachemak Bay State Park. The beetles also prefer uniform stands of old trees to broken stocks of mixed age trees. The following table demonstrates the conditions that affect success of spruce bark beetle populations.

<u>TYPE OF SPRUCE</u>	<u>CLIMATE</u>	<u>STOCKING OF TREES</u>	<u>CONDITIONS FOR BEETLES</u>
White	warmer, dryer	mature, uninterrupted	more favorable
Lutz	to	to	to
Sitka	cooler, moister	mixed age, broken stands	less favorable

In each case, the conditions on the south side of Kachemak Bay do not favor spruce bark beetle expansion unless there is a major disruption such as logging with subsequent blowdowns left on the ground, or significant climatic change. Spruce bark beetle populations there are being monitored by the Forest Service as well as state agencies.

To quote a memorandum by Roger Burnside of the Resource Management Section of the DNR, Re: Spruce Bark Beetle (Dendroctonus rufipennis Kirby) Occurrence on Seldovia Native Association (SNA) Land/Timber Trading Co. (TTC) Timber in Kachemak Bay State Park (KBSP), dated December 19, 1990, "Potential for increased spruce bark beetle activity on SNA land within the Kachemak Bay State Park (and subsequent threat of a major infestation developing) appears to be low at this time."

"Based on past detection surveys, spruce bark beetle impact on southside Kachemak Bay within Kachemak Bay State Park historically is low. Low spruce bark beetle impact is predicted, for the next 2-3 years, based on past survey data for this area. Major site disturbance such as unseasonable climatic trends could alter this prediction. Ongoing sampling will document beetle activity in live timber."

Question 3. *What is SNA's attitude regarding the sale of their land?*

Answer: SNA has continued to attempt to trade or sell their land for the last 16 years since they were denied their initial request for lands in Jakolof Bay and accepted land selections within Kachemak Bay State Park instead. SNA has stated that it is a land company but is willing to sell this land to the state to finalize this long process. Purchase of their inholdings would allow the SNA the opportunity to implement some long range plans and projects. These would include the retirement of debt on their fish plant, and the construction of a new office building to enable meetings to be held there.

Question 4. *Is the buy-back only a Homer issue?*

Answer: No. Kachemak Bay State Park is visited by people from the south 49 states, foreign countries, as well as Alaskans. The goods and services provided by 74 area tourist-related businesses that were surveyed primarily serve visitors. Only 8% of the clients were from Homer. Some of the owners or operators of these businesses live in other parts of the state. For example, the University of Alaska, Fairbanks uses two facilities on the south side of Kachemak Bay; one for Marine Science studies, and another for in-field teacher training.

Just 18% of south side property owners are from Homer; 46% are from Anchorage. Only one third of the people on the waiting list for moorage in Homer Small Boat Harbor are Homer residents; an equal number are from Anchorage, Fairbanks, and MatSu valley combined. Petitions supporting the park buy-back have been signed by Alaskans from 57 towns, with an approximately equal number from Homer and Anchorage. Residents from 45 states and 11 countries also signed these petitions.

Logging within Kachemak Bay State Park would establish a precedent of logging within state parks, which might then continue in other state parks.

#### **SHORT TERM GAINS AND LONG TERM LOSSES:**

In summary, the Kachemak Bay area including Homer and other nearby communities is gifted with many unique intrinsic and economic values; an intact wilderness ecosystem, a State Critical Habitat Area, an archaeologically rich heritage, two outstanding state parks, beautiful scenery, and a healthy intact economy whose main pillars are fishing and tourism.

Its economies are interwoven with other areas of Alaska, particularly the Kenai Peninsula and Anchorage. If well managed, the Homer and Kachemak Bay area will continue to have very productive fisheries and be an important tourist destination as the gateway to outstanding roadless recreation areas. It is an area of much vested and esthetic interest from all over southcentral Alaska, from rest of the Alaska, and from the south 49 states and foreign countries.

This study documents that logging is not especially welcome in the Kachemak Bay area. It is seen as a threat to the co-existing economies of fishing and tourism as well as to the intrinsic and recreational values of the park and surroundings. The fifty or so jobs that logging may provide in the short term (nine years remain in the timber harvest contract) may well cause a long term loss of many more jobs, and damage the wilderness ecosystem.

The buy-back of oil leases in Kachemak Bay as previously done by the state proved to be a very significant positive occurrence in the development of the area. The buy-back of these land and timber inholdings promises to promote the continued well-being of the area's existing industries and scenic and recreation values. It is hoped that consideration of these many values at risk will be given prior to a decision regarding the fate of the Seldovia Native Association and Timber Trading Company inholdings within and adjacent to Kachemak Bay State Park.

## ACKNOWLEDGEMENTS

Findlay Abbott  
Poppy Benson  
Dr. Matt Berman  
Daisy Lee Bitter  
Scott Burbank  
Lisa Bykonnen  
Christa Collier  
Bob and Alyson Dickson  
Willie Dunne  
Keith Iverson  
Al Kimker  
Peter Larson  
Kevin Loran  
Jim and Dee Mahaffey  
Mike and Diane McBride  
Marsha Million  
Mary Pearsall  
JoAnne Popham  
R.W. Tyler

Susan Aramovich  
Kim Benton  
Gretchen Bersch  
Bela Bodnar  
John Bushell  
Luther "Spike" Christopher  
Doug Coughenower  
Nick Dudiak  
Renda Horn  
Jeff Johnson  
Janet Klein  
Jack and Mary Lentfer  
Roger MacCampbell  
Sue Matthews  
Michael McHone  
Carl Nostrand  
Alan Phipps  
Janice Schofield  
Dr. George West

# SELDOVIA NATIVE ASSOCIATION, INC.

P.O. DRAWER L

SELDOVIA, ALASKA 99663

(907) 234-7625 • 234-7890

SELDOVIA NATIVE ASSOCIATION, INC.  
LANDS WITHIN KACHEMAK BAY STATE PARK

Seldovia Native Association, Inc. (SNA) is a Village Native Corporation, with a land entitlement of 69,120 acres in the Seldovia area.

When SNA made its land selections near Seldovia in the Jakalof Bay area, the State of Alaska filed objections to SNA's selections, with the Federal Government.

Because of the State's protest, and the uncertainty of SNA's financial ability to defend itself as a new Native Corporation with no funds, SNA selected land within the Kachemak Bay State Park to ensure its full land entitlement.

In 1975, when SNA selections within the Kachemak Bay State Park were determined to be proper and valid, SNA and the State started discussing a land trade. SNA was willing to trade its inholdings for State land elsewhere with commercial or income-producing potential, and the State wished to preserve the park.

Many attempts were made to finalize the trade through the years from 1975 to present. Two small trades of about 5000 acres were made in March 1983 and May 1985, but several years went by with no productive results of the trade.

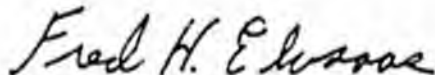
In 1987, SNA decided the trade was not workable, and sold timber on the land to Koncor-Timber Trading Co. This timber sale renewed the State's desire to acquire and preserve the park land once again. SNA and Timber Trading Co. agreed to try a land and timber trade with the State once more.

After a year of very diligent efforts by everyone, it was agreed that a equal value trade of land for land and timber for timber was not workable.

The State then proposed a cash buyout of SNA and Timber Trading Co. in the Park. SNA's appraisal by Mundy & Associates values the land at \$22,272,050.00. The States offer to SNA at \$15,490,000 is \$6,782,050 less than the SNA appraisal.

As a Native Corporation concerned about the future and lifestyle of its shareholders, who are restricted from selling their stock and thus "locked in" to SNA, the Directors, after great misgivings, agreed to accept the State's offer early in 1990.

Now, after sixteen long years, we can finally resolve this trade, if our legislators and Governor approve of the State's offer.



Fred H. Elvsaaas, President  
Seldovia Native Association, Inc.

December 5, 1990

The Seldovia Native Association, Inc.  
1972 to 1991

The Native people of Seldovia formed the Seldovia Native Association, Inc. (SNA) in 1972 after passage of the 1971 Alaska Native Claims Settlement Act, Public Law 92-203.

The original membership enrollment was 257 Natives, each received 100 shares of voting stock totalling 25,700 shares issued.

The stock issued to the original shareholders is restricted to each shareholder or their heirs. The stock cannot be sold or used as collateral. It can be gifted to relatives in a decending order.

Seldovia is on the Southern Kenai Peninsula on Kachemak Bay. The Kachemak Bay area has been a historic Native Trading, Visiting and Warring place, for centuries.

The Athabascan- Kenaitze Tribes are to the North, The Koniag-Aleuts are to the South, the Chugach-Eskimos are to the East and the Iliamna-Nondaltons are west of Seldovia. Thus, Seldovia is a place with people that have a variety of cultural histories. We are Indians, Aleuts and Eskimos.

SNA's ANCSA section 11 Land Entitlement is 115,200. acres. Of this entitlement 69120 acres can be from land selected by or tentatively approved to the State of Alaska. Most of the land around Seldovia and Kachemak Bay had been selected by the State.

The SNA has nine directors which are elected by the shareholders. Three directors are elected to serve three year terms each year. This gives SNA continuity in it's policy making and leadership.

Each year after the SNA annual meeting the directors elect a Chairman, a President, a Vice President and a Secretary: All officers serve one year terms.

A.N.C.S.A. when it was passed Dec. 18, 1971 was a settlement by and for the Federal Government. It was not a settlement by the individual natives. The congress drafted and voted for A.N.C.S.A, the natives were not given any opportunity to vote.

The Congress and Federal Government recognized The Alaska Natives had aboriginal Title to Alaska, thus Congress made the settlement.

When SNA was formed the corporation had several tasks, before it, none of which any of the directors had any experience in.

SNA had to identify and select its land entitlement, generate revenues for operations and dividends, plan a course for the future as well as address current and on going shareholder needs such as housing, employment, education etc.

SNA recognized A.N.C.S.A. had taken the Alaska Natives Land from aboriginal ownership and made it available to corporations which were formed after the act was passed.

With this in mind, SNA developed the Barabara Heights subdivision near Seldovia for shareholders. The subdivision was surveyed with road right of ways, utility easements and green belts. The lots are 3 acres each, allowing for on site water and septic systems.

On June 2 1979, after clearing up problems over SNA's title to the land a lottery was held for the shareholders. The deeds are fee simple with SNA reserving a first right of refusal on any sales. Many shareholders did not have land of their own before this.

Since 1979 many homes have been built, some are private constructed, some are SNA assisted homes. As of 1990, 170 people live in the subdivision, and it is growing.

SNA brought in and worked with the Cook Inlet Housing Authority and the Public Health Service to build 16 homes in the subdivision and several water and septic systems.

Locally the Bureau of Indian Affairs Housing-Improvement Program is managed by SNA. Several shareholders homes have been upgraded and improved. One new home is being completed with another one planned for 1991.

SNA uses it's wholly owned subsidiary 'S.N.A. Contractors' on these projects

SNA bought 2 lots and a building in Seldovia for its offices and meetings. 5 lots were purchased on which a sea food processing plant was built to provide a market for fisherman as well as local employment.

SNA worked with the Cook Inlet Housing Authority to build Lakeside Terrace, an 18 unit building for subsidized Elderly housing. At lakeside Terrace a senior citizen hot lunch program is run by SNA.

Recognizing the need to generate revenue SNA sold timber in the Seldovia Valley. A consulting firm was hired to design the cutting areas and make a road plan maximizing as much road construction as possible by the Logging Co.

Three small sales were held. This gave SNA several miles of road with access to more timber as well as a tide water loading yard and site.

SNA planted over 100,000 seedling tree in areas previously logged on SNA and Port Graham Corporation land. This not only restocked Native timber land and provided employment, it also was a great expression of SNA's concern for the land and it's future.

Cones were gathered locally for the new tree seed stock by shareholders.

The Corporation allows hiking, camping, berry picking, sight seeing etc. on it's land. Several trails are also in use. The beach areas at Peterson Bay is very popular with educational groups and tours from Homer and others areas.

SNA and the Regional Corporation Cook Inlet Region Inc. have a sub surface (sand, gravel, rock) management agreement in effect. SNA have sold rock for projects such as Homer Boat Harbor, Anchor River flood plain, Port Graham roads, oil and gas well blow outs, local needs and even as far away as the Kuskokwim River at Bethel.

Land is provided for the Kenai Peninsula Borough Sanitary Land fill. A septic sludge disposal site has been engineered with construction planned for 1991.

The local TV translator is on SNA land. Land leasing for home and recreational sites is one of SNA's on going programs. People can either lease within parcels or subdivisions SNA has or they may subdivide a parcel themselves. SNA offers both water front and upland leases. The leases are 55 year terms, can be renewed. Some very nice homes have been built on leased parcels.

SNA provides a scholarship for graduates of the Seldovia School. Although it is only \$400.00 at present, it represents the Corporations recognition of the importance of higher education in rural Alaska.

SNA strives to be a good corporate citizen and neighbor. A fund for donations to local fund raisers is set up. Notary service, copying, faxing, chamber of commerce work are some of our public service. SNA and it's staff provides the annual christmas stockings with fruit and candy for the school and pre school kids.

Two small museum display cases are available for tourist and visitor viewing.

Although SNA was officially incorporated by the Seldovia Natives to participate in the Alaska Native claims settlement act it also served for many years as the Tribal authority.

In 1990 the Seldovia Village Tribe Inc. was formalized to address tribal concerns and programs. The tribe is managing the Indian Health Service contracts for Natives in the Homer, Seldovia area. These contracts include 3 dentists, 3 medical clinics, The South Peninsula Hospital and 2 pharmacies. The goal is more quality health care for Natives, managed on the local level. Natives helping Natives.

The community Health representative and EMS director positions started at SNA, both are now handled by the Seldovia Village Tribe.

SNA is a member of the Community Enterprise Development Corp. (CEDC) a statewide Native organization that assists native people and companies in business ventures. CEDC has helped SNA review several business proposals such as fuel stations, marine storage and mariculture.

With Seldovia Native Association taking care of the business such as, ANCSA, land trades and profit ventures and the Seldovia Village Tribe handling health, social and other non profit type programs the Seldovia Natives now have the opportunity to decide and develop the future for themselves in a more positive means than ever before.

KACHEMAK BAY STATE PARK CITIZEN'S ADVISORY BOARD  
David Stutzer, Chairman  
Box 2296  
Homer, AK 99603

POSITION PAPER  
KACHEMAK BAY STATE PARK CITIZEN'S ADVISORY BOARD

Support for the State buy-out of Seldovia Native Association inholdings within the boundaries of Kachemak Bay State Park and the purchase of Timber Trading Company's logging rights.

Preamble

There are few, if any, parks in the world that can boast of the many attributes and qualities of Alaska's Kachemak Bay State Park and State Wilderness Park. No other park possesses such rugged and beautiful shoreline, not just on one body of saltwater, but on two. Straddling the rugged spine of the southern Kenai Mountains from the rich waters of Kachemak Bay to the turbulent seas of the Gulf of Alaska, these park lands contain numerous fjords, bays, glaciers, rivers, streams and high mountain lakes. The old growth coastal rain forest is home to bear, lynx, moose, coyote, eagle and wolf, while the high mountain ridges provide safe habitat for a healthy population of mountain goat. The waters of Kachemak Bay are some of the richest in the world in marine life and habitat.

All of these attributes provide for a range of recreational pursuits unmatched in any other park. On any given day during the summer months, people can be found fishing for salmon, halibut and trout; ocean kayaking, river rafting and power boating; camping, rock climbing, hiking and exploring; snow skiing and scenic flightseeing; photographing wildlife and doing scientific research; beach-combing, clamming, crabbing, scuba diving and even water skiing! People hunt for bear, moose and mountain goat during the hunting seasons. Well over twenty thousand visitors enjoy some aspect of the aforementioned activities each year in the park. Additionally, Homer's residents and untold thousands of visitors enjoy the aesthetics of the tremendous scenic view Kachemak Bay State Park affords them just across the bay.

It is the very heart of this great park, on lands which SNA selected around China Poot Bay, that is now threatened by clear cutting. The position of the Kachemak Bay State Park Citizen's Advisory Board is obvious; no one wishes to see the center piece of the park degraded aesthetically and environmentally by logging. The board wants the park to be made whole again.

## Background

In 1981, at the direction of State Parks Director Chip Dennerlein, a group of citizens from the Kachemak Bay area were brought together to form the Kachemak Bay State Park Citizen's Advisory Board. The mission of this board is to advise park administration of citizen's concerns and wishes in regards to the management of this unique resource and to serve the interests of the public in advocating Kachemak Bay State Park.

The single most important agenda item of the Board during the last ten years has been the re-acquisition of the Seldovia Native Association lands within the legislative boundaries of the Park. It has long been felt by the Board that this acreage represents the 'heart' of the park and its acquisition will ensure that this statutorily created scenic park will remain intact for future generations.

Each year, through various letters, resolutions and legislative contacts, the Board has expressed its unity and determination in supporting and campaigning for a land trade. The Board now supports the purchase of this property and the timber rights since it appears a land trade is no longer feasible. The Board now takes its strongest position that the purchase of the timber rights and SNA lands will provide for the best long term use of this land, both environmentally and economically, for the people of Alaska.

Following is a discussion of the possible consequences of non-acquisition of the SNA lands and timber rights versus the acquisition of same.

### NON-ACQUISITION OF LAND, TIMBER HARVESTED:

1. Potential negative economic impacts:
  - Could severely and negatively impact the growing tourism industry in Kachemak Bay communities including:
    - a. Scenic over-flights (air taxis)
    - b. Scenic and educational tours (boats, ferries)
    - c. Fishing charters and water taxi services to, in and around China Poot Bay, Peterson Bay and the remaining park areas.
    - d. Hotels, motels, private campgrounds and lodges on both sides of the bay.
    - e. Support industries directly and indirectly related to the above.

2. Clear cutting potentially increases the likelihood for the spread of spruce bark beetle in the Kachemak Bay area.

- Several areas of infestation exist throughout Kachemak Bay, including TTC's planned clear cut areas. Following is a quote from an ADNR, Division of Forestry report prepared by Roger Burnside for the Director of the Division, Malcolm R. Dick, dated 12/28/90. "Absent logging, it is unlikely significant spruce beetle populations will occur on SNA/TTC land during the next 2-5 years. Localized infestations (1-20 trees) will likely occur." The key word here is absent.

- The report does not speculate on what the likelihood of spread would be. Yet, in an earlier statement, it suggests that field evaluations are not warranted unless beetle outbreak indicators are present and properly documented. Indicators are defined as, among others, a major site disturbance (e.g. windstorm, right-of-way, clearing). The Board can only conclude that a clear cut would be a major site disturbance.

3. The view from Homer would be negatively impacted.

- A clear cut scar within the scenic viewshed would severely diminish the aesthetics from Homer. Many visitors to Homer are attracted to the other side of the bay because of the scenery, without ever having previous knowledge of the Park's existence. This is a direct correlation to #1 above.

4. User groups and use patterns may change.

- Existing recreational use of the Park as well as the China Poot Bay area may be altered. Recreationists who use SNA lands now may not do so once logging commences or after the area has been clear cut. The potential exists for these user groups to relocate, putting increased pressure on other park areas.

- Logging roads and/or clear cut areas may attract new user groups. Snowmachines and ATVs which are not regulated on private land may find easier access to the neighboring park lands. These impacts will cause pressure on park management to monitor and control this use along boundaries. Additionally, user group conflicts may arise between those wishing a more traditional park experience and groups utilizing private lands via motorized vehicles.

- Development of SNA land for remote or recreational cabin sites and road systems may compound these conflicts even further. This is not to say that people cannot cooperate and get along, but in the long run, the increased population in this area would definitely lead to expanded pressures on park resources and possible conflicts among user groups.

5. Indigenous species of this old growth forest ecosystem would be displaced by clear cut logging.

- The present balance in local wildlife dynamics would be disrupted with the loss of habitat due to logging.

#### ACQUISITION OF TIMBER RIGHTS AND SNA LAND THROUGH PURCHASE:

1. The scenic viewshed would remain intact. The park was created and defined as a "scenic park" with the 'heart' of the park's viewshed around China Poot Bay left in its natural state.

2. Park use could increase as a result of providing a larger area to use with more dispersed facilities which could include trailheads, trails, campsites and moorages. These additions would enhance the recreational use and enjoyment of this area in the park.

3. The China Poot Bay estuary and ecosystem, the richest in Kachemak Bay, would be protected from any negative impacts resulting from logging activities.

4. The long term economic benefits that a healthy tourism economy brings to the Kachemak Bay communities far outweigh the short term and limited economic benefit provided by logging.

#### Summary

According to former State Senator Clem Tillion, a member of the Kachemak Bay State Park Citizen's Advisory Board, advisor to Governor Hickel and oftentimes referred to as the "father" of Kachemak Bay State Park; the park was originally created to protect this area from logging. It would be ironic indeed if the State of Alaska allowed the foresight of twenty years ago to be lost with this one last chance to return to the park its centerpiece.

The Board feels that the best use of this land is as originally intended, as a State Park. Over the long term, the citizens of Kachemak Bay would benefit much more both economically and socially by the acquisition of the SNA lands and the TTC timber rights. The ultimate goal in business, politics and management is a negotiated WIN/WIN finish. This purchase is a solution where there are no losers.

Prepared and approved on February 6, 1991 by the Kachemak Bay State Park Citizen's Advisory Board.

David Stutzer, Chairman  
Dan Del Missier, Vice Chairman  
Ed Bailey  
Kohar Bertan  
Hugh Bevan  
Ralph Broshes

Phil Brudie  
Dave Doscher  
Kurt Marquardt  
Clem Tillion  
Joni Whitmore

# Timber Trading Company

FOR IMMEDIATE RELEASE  
JANUARY 22, 1991

## TIMBER TRADING COMPANY SUBMITS PERMIT APPLICATIONS FOR KACHEMAK BAY TIMBER HARVEST

Timber Trading Company announced today all necessary permit applications for timber harvesting in the area South of Kachemak Bay have been submitted to the State of Alaska Division of Governmental Coordination.

The permit applications pertain to the harvest of timber acquired from Seldovia Native Association in 1987.

"We are moving forward with our timber harvesting plans in the Kachemak Bay area," says Timber Trading Company President John Sturgeon. "While it is our position to recognize the State of Alaska buy-out proposal, we are prepared to commence timber harvesting in a sound environmental manner upon permit approval".

Cutting plans have not yet been submitted to Seldovia Native Association, but plans will be finalized once permits are received.

Additional permit application information can be obtained from the Division of Governmental Coordination at (907) 561-6131.

Main Office: 3501 Denali, Suite 202  
Anchorage, Alaska 99503  
(907) 562-3335  
FAX (907) 562-0599

Log Procurement Office: Professional Plaza  
256 E. Hurlburt, Suite 110  
Hermiston, Oregon 97838  
(503) 567-4420  
FAX (503) 567-4448

# Timber Trading Company

December 6, 1990

## STATEMENT OF POSITION

In 1987, Timber Trading Company (TTC) purchased timber harvesting rights for selected Seldovia Native Association (SNA) lands south of Kachemak Bay. At the time of the purchase, it was TTC's belief that the timber market although at its lowest point, was eventually going to improve. In addition to the Seldovia purchase, substantial timber was acquired elsewhere in the state. TTC correctly anticipated a market upturn to occur over the next few years that would allow the company to realize a profit for its native shareholders.

Presently, timber markets are such that it is an opportune time to commence timber harvesting and TTC is in the process of securing the necessary permits.

Concurrently, SNA has been approached by the State of Alaska with a land buy-out proposal. The buy-out proposal follows 15 years of unsuccessful attempts to trade land for land. Originally, the State had proposed a 'trees for trees' trade with TTC, but they could provide no trees for a trade, so subsequently, a cash buy-out was proposed by the State. TTC considers itself a responsible land manager. As such, the reasons TTC has agreed to a trade are numerous and include recognizing the legitimate concerns of the tourism and recreation interests in the Kachemak Bay State Park area. In addition, TTC also wishes to assist its fellow native community (SNA) in finalizing its 15 year-long land management strategies. A cash buy-out is a lower risk business venture as opposed to investing capital in a logging operation and playing the timber market.

TTC shareholders are due a return on the investment that the State approved appraised timber value of \$6.4 million represents. TTC's Board of Directors has opted to accept the lesser figure of \$4.51 million in an effort to assist SNA and to recognize area tourism and recreation interests. As a private, tax-paying, native-owned corporation, TTC has a responsibility to generate a profit for its shareholders.

TTC shareholders will receive a return on their investment through either a State buy-out or harvesting the timber. Accepting the proposed \$4.51 million buy-out offers a positive solution for all involved. But, if the buy-out fails to materialize or if the \$4.51 million figure waivers by the end of the 1991 Legislative session, TTC is prepared to move forward with timber harvesting in a sound environmental manner.

Main Office: 3501 Denali, Suite 202  
Anchorage, Alaska 99503  
(907) 562-3335  
FAX (907) 562-0599

Log Procurement Office: Professional Plaza  
256 E. Hurburt, Suite 110  
Hermiston, Oregon 97838  
(503) 567-4420  
FAX (503) 567-4448

# Timber Trading Company

In 1974, Seldovia Native Association was forced to select 29,405 acres of land within the boundaries of Kachemak Bay State Park after their attempts to select lands in the Jackalof Bay area were protested by the State. These lands were selected as a result of the Alaska Native Claims Settlement Act.

For the next 13 years, Seldovia Native Association was put in the position of having to manage these lands in some way for the benefit of its shareholders. Various land trades between SNA and the State were attempted throughout the years without success.

In 1987, Senator Paul Fischer introduced a bill to purchase SNA's park inholdings. The bill failed. Due to the lack of interest by the State in purchasing SNA's inholdings and the inability to trade land for land within the State, SNA moved forward with plans to utilize their property to produce corporate benefits for their shareholders.

Timber harvesting rights were sold by SNA in 1987 to Timber Trading Company (TTC) as the first step in its long-term land management plan implementation.

After the timber sale, the State again approached SNA and now TTC, to attempt a land for land, trees for trees trade. The State failed to commit a reasonable exchange package.

Due to the trade failure, the State proposed a cash buy-out of both land and timber rights. Independent appraisals were made by each party (SNA, TTC and the State) of their related land/resource values. The figures, as might be expected, were divergent.

In February 1990, the State hired a three appraisal panel to review all previous land appraisals. The panel concluded the value of SNA lands without timber ranged from \$11.6 million to \$15.49 million. SNA, as a large private corporate landowner with financial responsibilities to its shareholders, could not consider a buy-out for less than \$15.49 million given its appraisal estimate of \$22.7 million. The State and SNA agreed to the \$15.49 million cash buy-out figure in late February 1990.

In March 1990, TTC and the State entered into arbitration to determine the value of TTC's timber rights. The arbitrators reached the value of \$6.4 million. In an effort to assist its fellow native corporation, SNA, in resolving its fifteen year-long dilemma of ownership TTC agreed to sell its timber rights for less than the appraised value. Additional rationale that allowed TTC to accept a lesser value was the elimination of any market risk while still maintaining the ability to generate a profit that would be acceptable to its shareholders. In late March 1990, TTC and the State agreed to a \$4.51 million cash buy-out value.

This is the last effort on the part of the private native corporations involved to forego development opportunities. If the full \$20 million funding of the buy-out is not obtained during the 1991 Legislative session, SNA and TTC will be left to pursue their corporate obligation of providing their shareholders with the economic benefits they are due.

Main Office: 3501 Denali, Suite 202  
Anchorage, Alaska 99503  
(907) 562-3335  
FAX (907) 562-0599

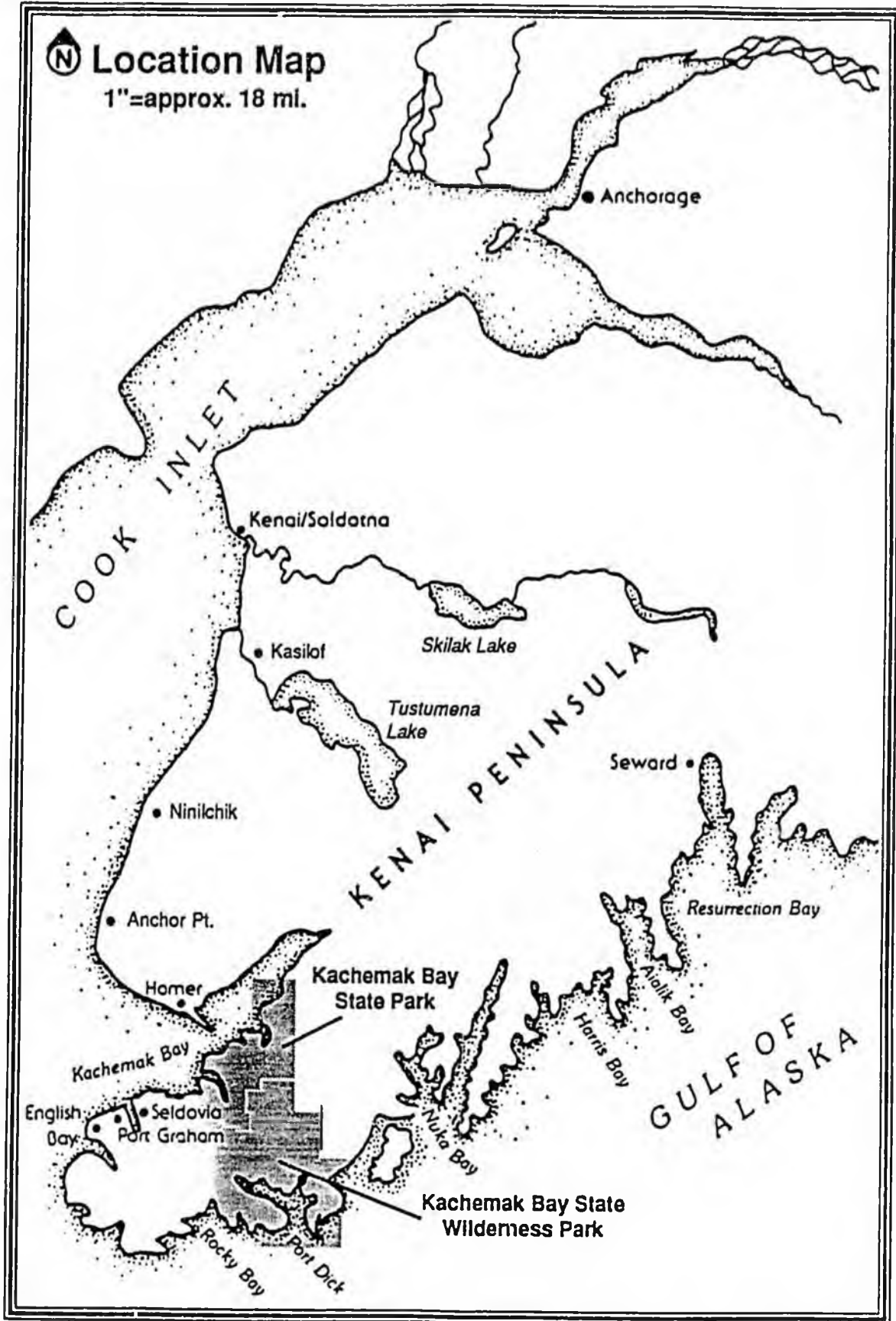
Log Procurement Office: Professional Plaza  
256 E. Hurlbut, Suite 110  
Hermiston, Oregon 97838  
(503) 567-4420  
FAX (503) 567-4448

**House Bill 83:**

**Purchase of Land and  
Timber Inholdings  
within  
Kachemak Bay State  
Park**

**N** Location Map

1"=approx. 18 mi.



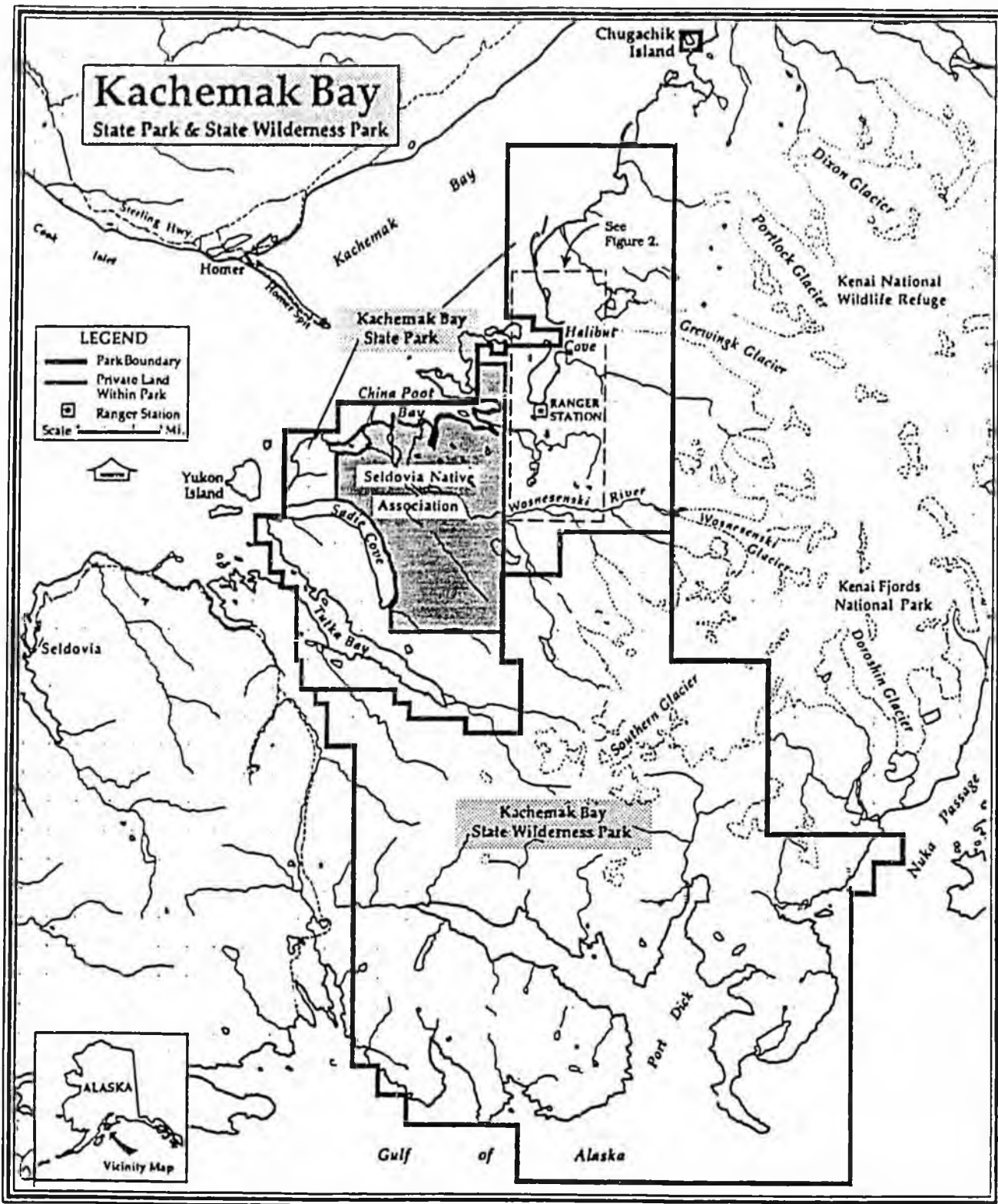


Figure 1.

# House Bill 83

## Kachemak Bay State Park

### Land and Timber Inholding Acquisition

#### History:

Kachemak Bay State Park was created by the Alaska Legislature in 1970. The following year, the U.S. Congress passed the Alaska Native Claims Settlement Act (ANCSA), which entitled Alaska Natives to receive land as settlement of aboriginal land claims (including federal lands that had already been transferred to the state).

SNA selected and received title to over 29,000 acres of its ANCSA settlement from lands within Kachemak Bay State Park. The SNA selections included key coastline and other high public use areas, including lands near China Poot Bay, one of the most beautiful and accessible sites within the park.

In 1979, a Memorandum of Understanding between SNA and the state Department of Natural Resources (DNR) was executed. Among other things, the memorandum committed the state and SNA to exchange SNA's park inholdings for state land of equal value.

In 1983 and again in 1985, the state and SNA successfully completed two small land exchanges. Two larger exchange attempts were unsuccessful, and further negotiations waned. At this writing, SNA still owns 23,642 acres within the park.

#### Recent Developments:

Roughly three years ago, it was disclosed that SNA had sold timber cutting rights on 15,400 acres of its park inholdings as well as other nearby SNA land to Koncor Forest Products Company, through its subsidiary Timber Trading Company (TTC).

With a twelve year timber harvest contract (from May 30, 1987 until April 30, 1999), TTC planned to begin logging operations in the near future. These plans dismayed a number of people who appreciate the recreational and scenic values of Kachemak Bay State Park, and who want to see the integrity of the park preserved.

Almost immediately, a statewide grass roots effort to revive the trade started, and a new round of negotiations began. Participants included representatives from DNR, SNA, TTC, members of the Kachemak Bay Citizen's Coalition, and legislative representatives.

The first step in the revived exchange process was to assemble a pool of state land to offer SNA. Once DNR completed this, the next step was an appraisal of SNA's land within the park.

An independent appraiser, under contract to SNA, arrived at two different values for SNA's property within the park, depending on the potential for timber harvest

was treated: \$22.7 million and \$25.6 million. Market value of timber was considered in addition to this, and at one point, the total value of the inholdings was estimated to be in the area of \$32 million.

DNR officials disagreed with the methods used by SNA's appraiser, maintaining that these values were not substantiated. DNR then contracted for its own independent appraisal, which placed the land values at \$12 million. SNA disagreed with this value.

In February of 1990, an arbitration panel of independent appraisers was selected by DNR and SNA to review the appraisals and render an opinion of the value of SNA's property. Though SNA agreed to the panel, it did not agree to be bound by the panel's results.

After some deliberation, the panel concluded that if timber on a portion of those lands were harvested, the value for the land alone ranged from \$11.62 to \$15.49 million, depending on what assumptions were made regarding the impact of any potential timber harvest. SNA still felt these values were too low, but agreed to negotiate.

After an exchange of offers and counter-offers, an agreement was reached on February 28, 1990. Under the terms of this accord, the state declared its willingness to purchase the balance of SNA's lands within Kachemak Bay State Park for \$15.5 million. Though the figure is at the high end of the arbitration panel's valuation, DNR concedes that it is a very difficult parcel to appraise. SNA has assented to this price only if the state makes an outright purchase of the property, not an exchange of land. At that point, the timber values were still in question. Through subsequent arbitration, the marketable timber values were set at \$6.4 million, and through negotiations a cash purchase value of \$ 4.5 million was determined. The end result produced a final cash value for both land and timber at \$20 million.

During the last legislative session, House Bill 590 (and a Senate companion bill, Senate Bill 536) was introduced by former Governor Cowper on March 28, 1990. The House Resources substitute provided \$20 million for the outright purchase of both land and timber inholdings within Kachemak Bay State Park. Unfortunately, HB 590 failed on the House floor by a 20-20 vote.

On January 30, 1991, Representative Mike Navarre introduced House Bill 83, to accomplish the purchase of the land and timber inholdings. HB 83 is a duplicate of HB 590 from the previous session.

## What the State will Gain:

Seldovia Native Association's 23,785 acres are in the center of Kachemak Bay State Park, lying south and east of China Poot Bay, and extending southward to Sadie Cove. This comprises the "heart" of the park, and is noted as one of the most beautiful scenic areas in the state. Because of its high recreational values as well, state acquisition of these inholdings will protect and preserve the integrity of the park for generations to come.

## Scenic and Recreational Values

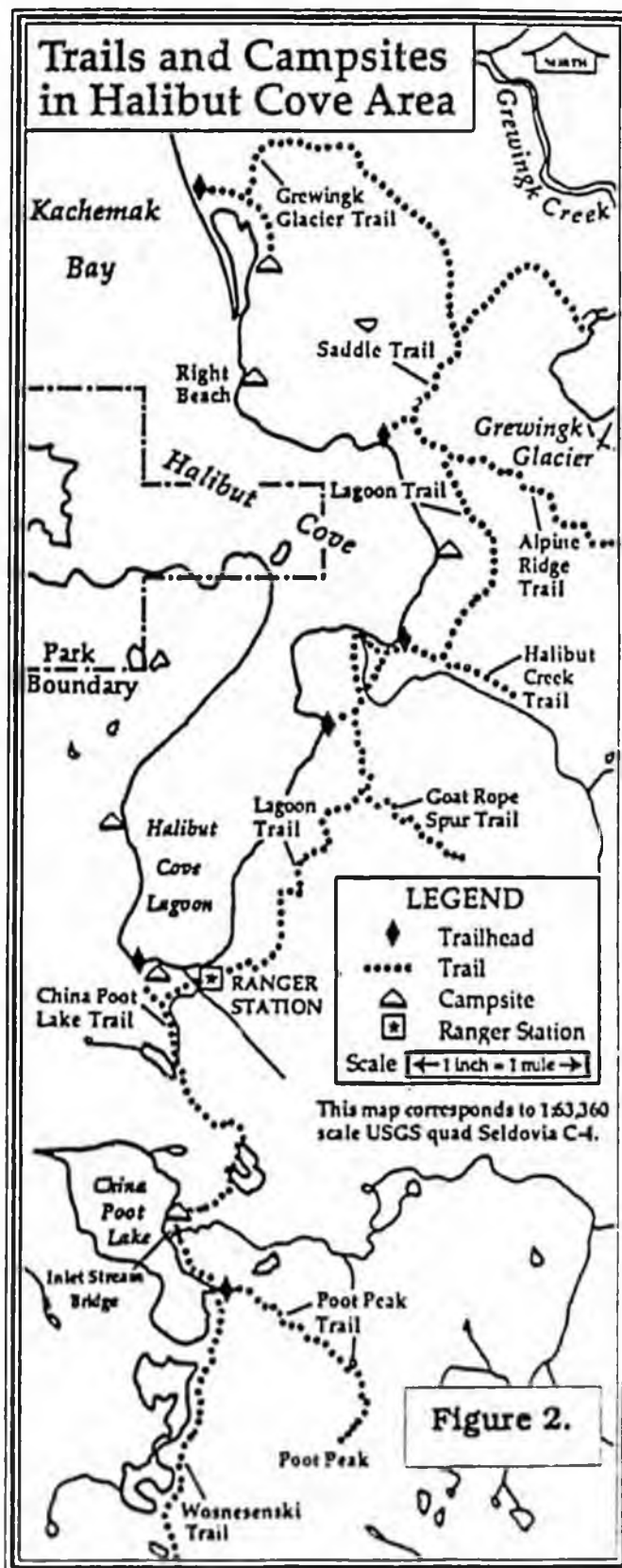
A large portion of SNA's park inholdings are highly visible from Homer and the Homer Spit, with China Poot Bay being the centerpiece for this breathtaking tableau. A photograph of China Poot, taken from the Homer side, was used by the Nation Geographic Society in its 1990 calendar, "Seashores of the World." The proposed timber harvest would include most of these scenic uplands.

Scenic flights and fly-in fishing trips are conducted by at least two Homer based flight services, and there are numerous charter boat operators offering scenic and fishing tours of the area. A major commercial lodge is located at China Poot Bay, directly across from SNA's land, and the Center for Alaska Coastal Studies is located on the Island Peninsula between Peterson bay and China Poot Bay. There are smaller lodges, private residences and cabins located along Peterson Bay, Neptune Bay, Sadie Cove and Halibut Cove. Most park users feel strongly that any logging of this pristine area would threaten the primary uses of the park, which are based on fishing and tourism. The common focus of the Homer and Kachemak Bay communities is to enhance and encourage greater recreational opportunities, while retaining the wilderness values of the park.

Most recreational use of Kachemak Bay State Park is concentrated on or adjacent to water - pleasure boating, sport fishing, clam digging, kayaking, crabbing, shrimping, beachcombing, photography, scuba diving and wildlife observation. Visitor use figures for Kachemak Bay State Park are hard to determine, and are incomplete, but annual visitor use day counts taken during periods from 1982 to 1989 range from 21,444 ( seven-month period in 1982) to 27,134 ( four-month period in 1987). A visit to the bay on any summer day makes it obvious that the park is one of the most heavily used recreational areas in southcentral Alaska.

Since many beach areas provide firewood, tent sites, and occasional drinking water, they are important focal points for recreational activities, including picnicking, camping and hiking. Many of the existing trailheads in the park (see Fig. 2) are located on beaches, and thus are entry points for other upland activities - hunting, backpacking, mountaineering and skiing. As the trail system improves, backpacking is becoming more popular, and improved access has spurred an increase in mountaineering and skiing on the park's many snowfields and glaciers.

Natural fish runs, combined with Dept. of Fish & Game enhancement programs, provide fishing opportunities that attract large numbers of both sport and commercial fishermen to Kachemak Bay waters.





Sitka State Parks Citizens Advisory Board, Box 142, Sitka, AK. 99835

Feb. 14, 1991

Alaska State Legislature  
Chairman, House Resources Committee  
P.O. Box V  
Juneau, Alaska 99811

RECEIVED FEB 15 1991

Dear Sir:

The Sitka State Parks Citizens Advisory Board at their meeting Feb. 12, 1991 expressed their concern over the proposed logging of over 24,000 acres within the boundaries of Kachemak Bay State Park.

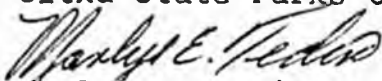
The Board believes that to allow any logging within the boundaries of a State Park negates all that a State Park symbolizes to most citizens of Alaska, therefore we strongly support House Bill #83, a special appropriation to the Division of Natural Resources for the purchase of the inholdings of the Seldovia Native Association and the timber rights of the Timber Trading Company within Kachemak Bay State Park.

The Board also recommends that these inholdings be added to the Kachemak Bay State Park acreage.

The Board appreciates the opportunity to present its position on this matter.

Sincerely,

Sitka State Parks Citizens Advisory Board



Marlys E. Tedin, Chair.