

S B

1 4 8

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERENCE

DATE: 2/27/91

FURTHER: Resources
Finance

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED
INTO OFFICE: _____

L&C Committee considered SB 148

Special appropriations to the Dept. of Natural Resources for the purchase of the inholdings of the Seldovia Native Association, and the timber rights of the Timber Trading Company, within the Kachemak Bay State Park; and recommended:

- replace with _____ CS _____ same title
 attached amendment(s) new title
 _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

	Dept/Date		Dept/Date
<input type="checkbox"/> fiscal note(s)	_____	<input type="checkbox"/> zero fiscal note(s)	_____
_____		_____	
_____		_____	

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Bill Halford NO REC
Cyril Collier NO REC

Steve Pearce . NO REC
Chair: Signature and Recommendation

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB 148

Revision Date: _____ Department Affected: Natural Resources
 Title: Appropriation for Kachemak BRU: Land and Water Management
Bay Park Inholding Purchase Components: _____
 Sponsor: Sen Fischer
 Requestor: Senator Pearce COMPONENT SERIAL NO. 431

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of Current year impact:

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Ron Swanson Phone: 762-2680
 Division: Land & Water Management Date: 3-26-91

Approved by Commissioner: Harold Heinze Date: 3-26-91
 Agency: Department of Natural Resources

Distribution (by preparer) : Legislative Finance, legislative Sponsor, Requestor, OMB,
& Impacted Agency(ies).

Alaska State Legislature

Senator Drue Pearce, Chair
Senator Virginia Collins, Vice Chair
Senator Dick Eliason
Senator Rick Hallford
Senator Jay Kerttula




WHILE IN JUNEAU
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3844

3111 C STREET, SUITE 150
ANCHORAGE, ALASKA 99504
(907) 561-2018

SENATE LABOR AND COMMERCE COMMITTEE

TO: Senator Lloyd Jones, Chair
Senate Resources Committee

FROM: Senator Drue Pearce, Chair 
Senate Labor & Commerce Committee

DATE: April 3, 1991

RE: SB 148 - Kachemak Bay State Park

In spite of taking extensive testimony on the subject legislation, there were a considerable number of individuals who, in the interest of time, waived their chance at offering testimony.

For that reason, I would encourage the Senate Resources Committee to allow for teleconference testimony when hearing this legislation. I have enclosed a copy of those who signed up to testify and were unable to do so when it was being heard in the Senate Labor & Commerce Committee.

Attachment

DP:rrm

MAR 20 1991

Alaska State Legislature

Senator Paul Fischer
Senate District D
Box 784
Soldotna, Alaska 99669
(907) 262-9420 W
262-9269



State Senate

While in Juneau
P.O. Box V
Juneau, Alaska 99811
(907) 465-3791

MEMORANDUM

TO: Senator Drue Pearce, Chairman
Senate Labor & Commerce Committee

FROM: Senator Paul Fischer *PF*

SUBJECT: Senate Bill 148
(relating to Kachemak Bay State Park
timber rights)

DATE: March 19, 1991

I would appreciate your scheduling the above referenced bill for a hearing before the Senate Labor & Commerce Committee at your earliest possible convenience.

I have attached backup information for your committee files.

Your consideration would be greatly appreciated.

PAF/sgn

Attachments

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.**

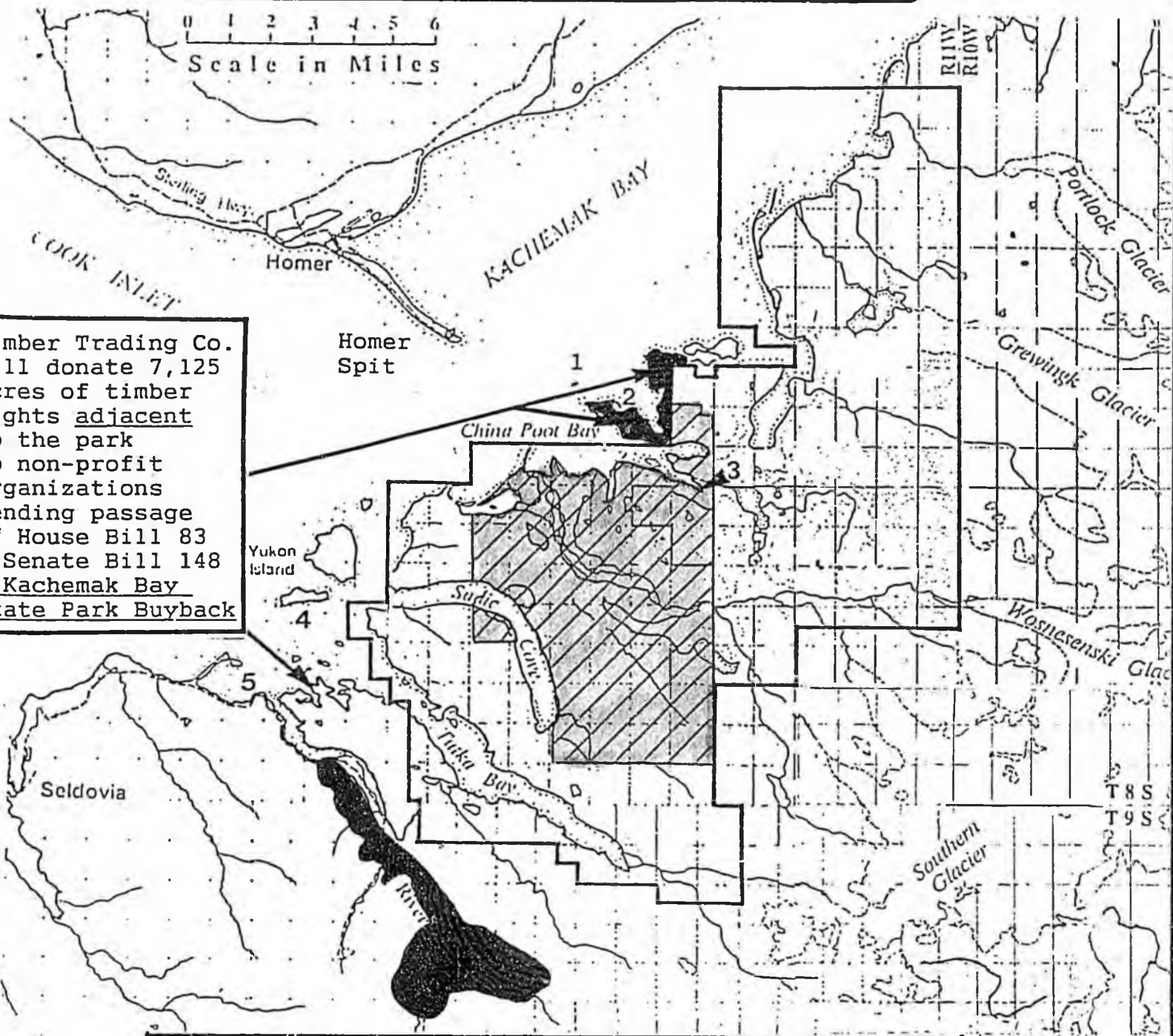
During the last legislative session, House Bill 590 (and a Senate companion bill, Senate Bill 536) was introduced by former Governor Cowper on March 28, 1990. The House Resources substitute provided \$20 million for the outright purchase of both land and timber inholdings within Kachemak Bay State Park.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

HOUSE BILL 83 AND SENATE BILL 148:
 LAND AND TIMBER PURCHASE
 INSIDE KACHEMAK BAY STATE PARK



Timber Trading Co. will donate 7,125 acres of timber rights adjacent to the park to non-profit organizations pending passage of House Bill 83 & Senate Bill 148 Kachemak Bay State Park Buyback

- Kachemak Bay State Park
 - Seldovia Native Assoc. inholdings
 - Timber Trading Co. timber rights outside the Park
-
- 1-Gull Is. seabird rookery
 - 2-Center for Ak. Coastal Studies facility
 - 3-ADFG personal use dipnet fishery
 - 4-sea otter habitat
 - 5-Univ. Ak. Fairbanks marine station

Seldovia/Kachemak Bay State Park Land Exchange

Land Values

Seldovia Native Association appraisal ----- \$25.6 million
Department of Natural Resources valuation --- \$12.0 million
Arbitrator (land value with some timber cut) -\$15.49 million

Timber Values

Timber Trading Corporation ----- \$10.6 million
Department of Natural Resources ----- \$ 5.9 million
Arbitrated value ----- \$ 6.4 million

Arbitrated Value of Land and Timber (last year's bill)

Arbitrator ----- \$17.82 million

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.

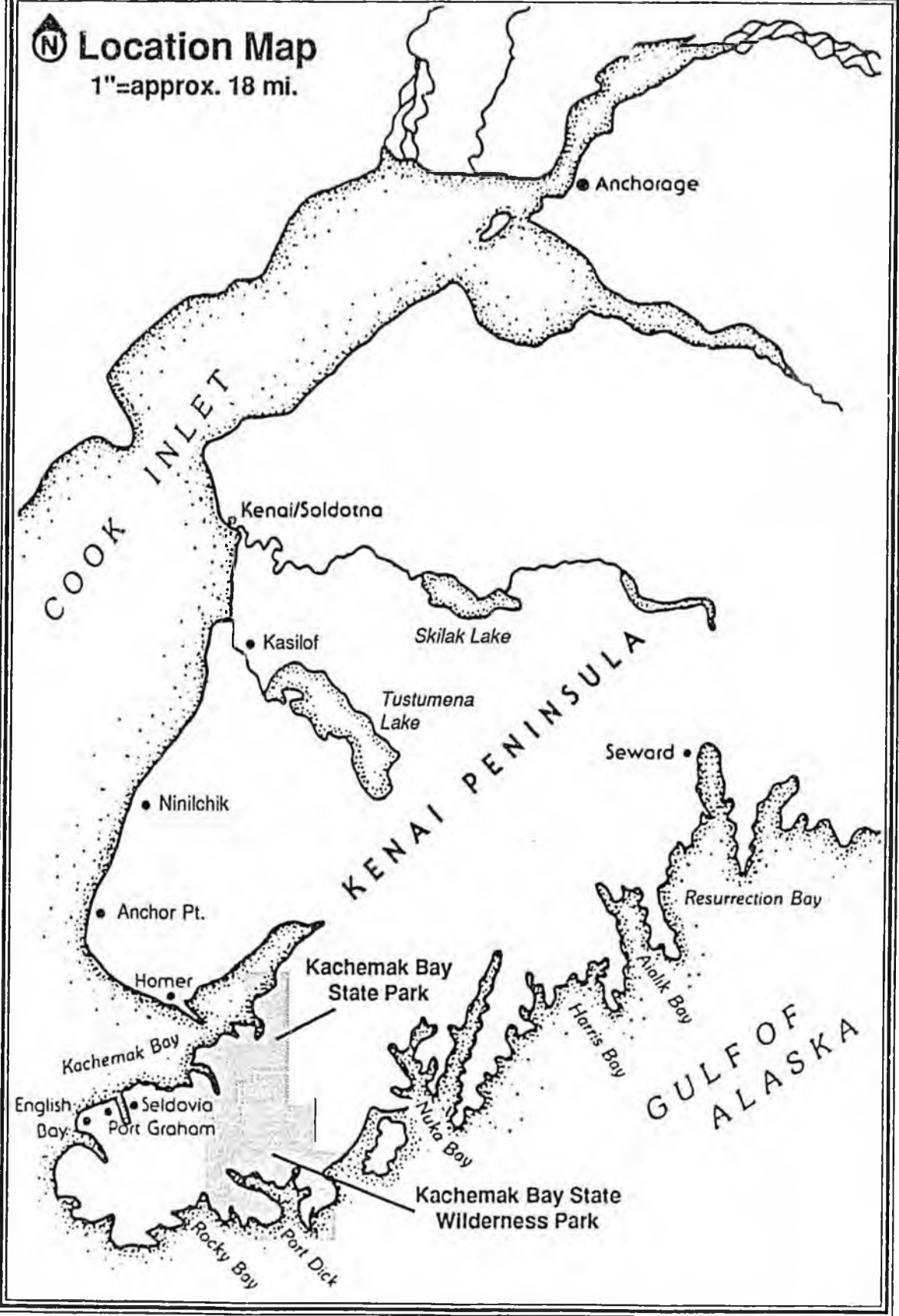
Since many beach areas provide firewood, tent sites, and occasional drinking water, they are important focal points for recreational activities, including picnicking, camping and hiking. Many of the existing trailheads in the park (see Fig. 2) are located on beaches, and thus are entry points for other 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.



N Location Map

1"=approx. 18 mi.



COOK INLET

KENAI PENINSULA

GULF OF ALASKA

● Anchorage

● Kenai/Soldotna

● Kasilof

Skilak Lake

Tustumena Lake

● Ninilchik

● Seward

● Anchor Pt.

Resurrection Bay

● Homer

Kachemak Bay State Park

Kachemak Bay

Alak Bay

English Bay

● Seldovia

● Port Graham

Harris Bay

Nuka Bay

Kachemak Bay State Wilderness Park

Rocky Bay

Port Dick

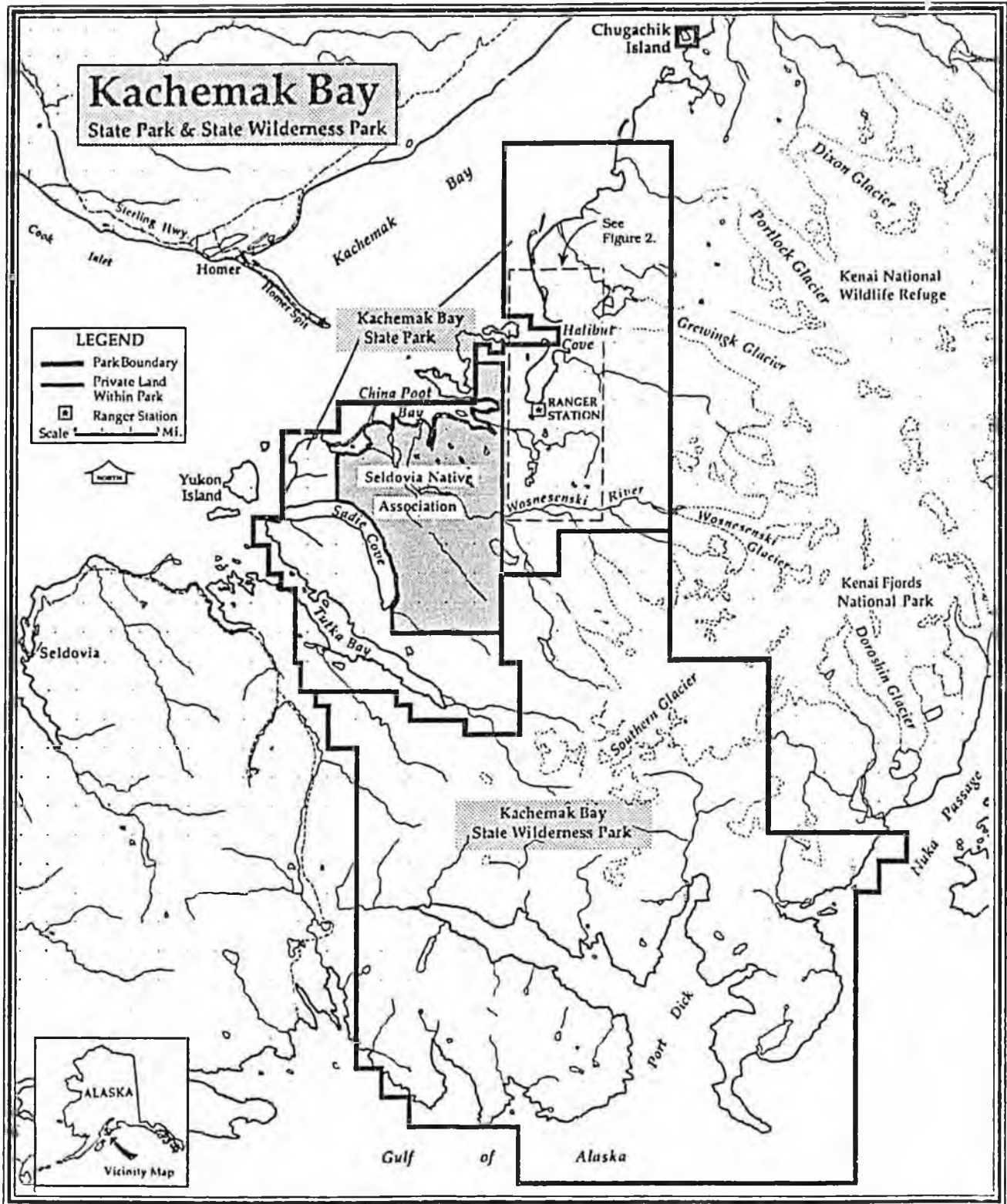


Figure 1.

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

400 WILLOUGHBY AVENUE
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400
FACSIMILE: (907) 586-2754

March 26, 1991

The Honorable Drue Pearce, Chair
Senate Labor and Commerce Committee
P.O. Box V
Juneau, AK 99811

Dear Senator Pearce:

Subject: SB 148, which appropriates \$20 million to the Department of Natural Resources to purchase land and timber inholdings within Kachemak Eay State Park.

Position: The Department will carry out the wishes of the Legislature if the funds are appropriated.

The Department acknowledges that there is value in obtaining this sort of inholding in a designated park area. The amount of the appropriation is not unreasonable for this type of transaction. While the legal interpretations of the Exxon-Valdez settlement are not specifically DNR's area, we understand that the money from the settlement may not be available for this type of expenditure.

Recommendation: If a general fund appropriation is required for the purchase of this inholding, the Department recommends that the appropriation receive an high level of scrutiny.

Sincerely,



Harold C. Heinze
Commissioner

cc: Senator Fischer
Bruce Kendall, Legislative Liaison, Office of the Governor



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.



Center for Alaskan Coastal Studies

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

Mission Statement

The mission of the Center for Alaskan Coastal Studies is to increase awareness, knowledge, and understanding of the marine and coastal environment by providing educational programs and encouraging research with emphasis on the Kachemak Bay area, and to advocate protection of habitats and responsible stewardship of Alaskan coastal and marine resources.

Adopted December 8, 1990

In just a few years we have accomplished a great deal with limited funding and an amazing volunteer effort. To expand our programs and serve the many people who request our services we need continuous, broad-based funding.

We invite you to become a partner with us in building on what has already been accomplished. Become a member. Join with us as a volunteer. Make a donation of time, materials or dollars. Do plan a visit so that you can see our programs in action.

The Center For Alaskan Coastal Studies

YES! I would like to help the Center for Alaskan Coastal Studies by donating:

Time

Materials (please describe)

I would like to make a donation in the amount of \$

Name:

Address:

City:

State:

Zip:

Phone (H):

(W):

Please clip and mail to:

Center for Alaskan Coastal Studies
P.O. Box 2225, Homer Alaska 99603

or call us at 907-235-0067

This brochure is donated by Westmark Hotels



The Center for Alaskan Coastal Studies in southcentral Alaska is an educational and scientific nonprofit organization whose goals are to increase awareness, knowledge and understanding of our marine environment. The Center is not anti-development, but advocates wise use of the environment. Established in 1981, the Center now delivers educational programs to over 1,500 students and visitors every year. Our grass-roots organization has grown to over 500 memberships, including many families.

The Center's programs are unique. Visitors have a chance to learn about the ecosystems and how the organisms in them live and interrelate. Elsewhere in the world, marine museums and botanical gardens display these organisms, but they cannot recreate the natural environment. We know of no other place in the world that has as many rich, living laboratories accessible for learning and appreciation as our Center in Kachemak Bay.



Thousands of students from public and private schools and universities visit the Center for field studies in the productive and diverse intertidal areas within walking distance of the Center. Students also study botany and ecological concepts at the 27 stations along the natural trail through the coastal forest. Our locally developed award-winning educational program is further enhanced by the use of two nationally recognized curricula: FOR SEA and Alaska Sea/River Week were selected as two of the top ten environment education programs in the United States.

During the summer months, visitors from all over the world can spend a day in this extraordinary outdoor setting



under the guidance of our trained volunteer naturalist/guide teams. Groups who come to the Center range from children's camps to senior citizens. We have also hosted churches, museums, natural history groups, hospital administrators, Audubon, the Alaska Native Plant Society, Alaska Prospectors, and the Elderhostel.

In keeping with our research goal, we sponsor the annual Kachemak Bay Coastwalk to gather baseline data and monitor the shores of Kachemak Bay. This bay is reported to be one of the richest in the world in regards to marine life. Through research, education, and wise use of resources, We hope to continue to have it as a living educational laboratory and an example of how people can live in harmony with their environment.

Protecting Our Heritage

Join Us

We need your support. As a member you will be part of an action-oriented group that is doing something tangible to protect natural lands, wildlife and plants for future generations as well as promoting sustainable relationships between people and land. You will receive our semi-annual newsletter. You will have the opportunity to get involved by casting your vote in our annual election or by volunteering your time, if you so choose.

Please Enroll Me

Please enroll me(u) as a member(s) of Kachemak Heritage Land Trust. Enclosed are dues for:

<input type="checkbox"/>	\$15	Special
<input type="checkbox"/>	\$25	Regular Membership
<input type="checkbox"/>	\$50	Family
<input type="checkbox"/>	\$100	Supporting
<input type="checkbox"/>	\$250	Contributing
<input type="checkbox"/>	\$500	Associate
<input type="checkbox"/>	\$1000	Benefactor

(Name)

(Street Address or P.O.)

(City, State and Zip)

(Telephone Number)

Mail to
Kachemak Heritage Land Trust
P.O. Box 2400
Homer, Alaska 99603

More Information

If you are interested in volunteering time, or would like additional information, please give us a call at (907)-235-5263 or write to us. Ask for our separate brochure on land and conservation easements.

"Whatever happens to the earth happens to the children of the earth. The earth does not belong to us; we belong to the earth. All things are connected, like the blood which unites one family."

Chief Seattle, 1844



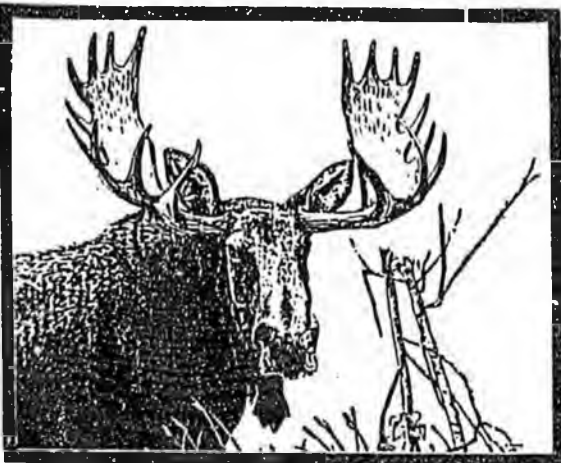
Printed on Recycled Paper

Kachemak Heritage Land Trust



Protecting Our Heritage

KACHEMAK HERITAGE LAND TRUST



Land Trusts

Land trusts have been in existence since the 1800's. They were created to protect lands that could not otherwise be protected through political action. Because they operate outside of political constraints, they can act with speed and flexibility. They enable private citizens to voluntarily protect their land from development and other undesirable activity for eternity.

Kachemak Heritage Land Trust

Kachemak Heritage Land Trust (KHLT) is a non-profit organization dedicated to preserving the natural heritage of the Kachemak region for public benefit. KHLT protects wildlife habitat, community greenbelts, and open space through the acquisition of land and conservation easements. KHLT's service area encompasses the lower Kenai Peninsula, from Anchor Point south to the Gulf of Alaska. The Trust works with landowners to safeguard the conservation values of their property for present and future generations. The Trust also works with the general public to foster sustainable relationships between people and the environment. Such activities include trail development, education and energy conservation.

Goals

We follow a three-step program to protect the priceless natural heritage of the Kachemak region:

1. We identify land that has one or more of the important conservation values designated by the Trust. We do not try to preserve the whole landscape but concentrate on selecting areas of the highest ecological value.
2. We work with landowners to protect the targeted land by accepting donations of conservation easements or outright gifts of land.
3. We maintain the perpetual health of the land through careful monitoring and management.

Conservation Easements

A conservation easement is a legal agreement between a landowner and a land trust which restricts the type and amount of development which may take place on the property. This voluntary agreement is tailored to satisfy the desires of the landowner to protect the conservation values of the property, such as wetlands, bird nesting sites, moose browse, salmon streams, old growth forest and scenic open space.

Under a conservation easement the land remains in private ownership and may be sold or bequeathed. The conservation easement runs with the deed and it is the legal responsibility of the land trust to ensure that the restrictions on the land are honored forever.

The gift of a conservation easement requires that the landowner and Kachemak Heritage Land Trust get together and agree on the specific terms of the easement. There is a twelve-step process to execute an easement. If the landowner wants to obtain income and estate tax benefits, the easement must meet certain federal requirements.

Funding

Our funding comes from membership dues, contributions, gifts, inheritances, grants and fund-raising activities, such as the the Lodge Hop and the Kachemak Heritage Costume Ball. We are an all volunteer operation. We have low overhead and efficient operations. Because of this you can be assured that your contributions go directly toward meeting the goals of the Trust.

Tax Benefits

The Trust is a non-profit and tax-exempt organization. As such, membership dues and contributions are tax deductible. In addition, gifts of land and conservation easements may generate substantial savings of income and estate taxes.



CONSERVATION AGREEMENTS ARE LANDMARKS OF COOPERATION

After two years of negotiations, Conservation Agreements providing a solution to Kachemak Bay conservation concerns have been signed by a timber corporation, Native Corporation, and two conservation-education associations. Costs of the agreements are being borne by private citizens and corporations:

Timber Trading Company has agreed to transfer timber rights outside Kachemak Bay State Park boundaries to Kachemak Heritage Land Trust (KHLT) and Center For Alaskan Coastal Studies (CACS).

Seldovia Native Association (SNA) signed an agreement to sell the Island Peninsula, focal point of Center For Alaskan Coastal Studies educational programs, to CACS. SNA has also agreed to work with the Land Trust in creating conservation covenants. Such covenants would include public access corridors to western reaches of Kachemak Bay State and Wilderness Park from SNA land.

Concerns regarding timber harvesting of Kachemak Bay Critical Habitat, including lands in Peterson and Jakof Bays, and along the anadromous Rocky River (see attached map) sparked formation of the Land Trust in 1989. "KHLT initiated negotiations with TTC and SNA," says KHLT Board President Janice Schofield, "seeking to acquire timber rights and conservation easements on lands outside Kachemak Bay State Park boundaries that would remain unresolved by State Park Buyback legislation."

CACS joined KHLT at the negotiation table in 1990 to acquire the Island Peninsula, where the Center's marine education programs are based. According to CACS President Steve Yoshida, "We felt our involvement was warranted as the Island Peninsula, lying just 4 miles from Homer Spit, is a gateway to the State Park, providing educational programs for 1600 statewide students and teachers, and nationwide visitors annually."

Implementation of the Conservation Agreement hinges on passage of the State Park buyback. "The Conservation Agreement," says Janice Schofield, "is designed to complement through the private sector, what the state is accomplishing with the Park. The goal is to protect the integrity of the whole ecosystem for present and future generations."

Mobilization for a timber operation would entail logging all TTC timber holdings, both within and adjacent to the State Park. Said operation would create 50 to 60 temporary timber jobs locally. However, a study of "Values at Risk" indicates that business and employment losses would occur throughout the Kachemak's multi-million dollar tourism industry from logging of the Kachemak Bay viewshed. For example, closure of just the Island Peninsula educational and tourist businesses could eliminate a dozen jobs and over \$400,000 in annual tourist-generated dollars for the local economy.

Passage of House Bill 83 (resolving lands and timber rights within State Park boundaries), together with the cooperative Conservation Agreement formulated by private citizens and industry (resolving park-adjacent lands) would permanently settle a longstanding land use issue.

Implementing the comprehensive solution hinges on a YES vote by the 1991 Alaskan legislature.

Timber Trading Company

For Immediate Release
March 20, 1991

Timber Trading Company
AGREES TO GIFT 7,125 ACRES
OF TIMBER RIGHTS

In 1988, Timber Trading Company (TTC) was approached by The Kachemak Heritage Land Trust (KHLT) concerning timber rights held by TTC outside Kachemak Bay State Park boundaries that would remain unresolved by State Park Buyback legislation. In 1990, KHLT was joined by The Center for Alaskan Coastal Studies (CACs) in their efforts.

After two years of negotiations, TTC has agreed, through Conservation Agreements, to gift 7,125 acres of timber rights to KHLT and CACS pending passage of House Bill 83 and Senate Bill 148.

"We believe that open communication is an effective way to solve environmental issues," says John L. Sturgeon, President of Timber Trading Company. "Cooperative efforts, when attempting to solve difficult issues, offer the best possible ways to reach a solution all parties can agree with."

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

Marketing Div.: Transpacific Trade Center, Suite 418
3700 Pacific Highway East
Tacoma, Washington 98424
(206) 922-5510 FAX (206) 922-8044

GRASSROOTS MOVEMENT RALLIES SUPPORT FOR STATE PARK BUYBACK

The Kachemak Bay Park Buyback has mobilized citizens both state and nationwide. Grassroots activities of the past two years include:

*weekly Coalition meetings on the State Park buyback

*KBCC and KHLT participation in Department of Natural Resources negotiations with SNA and TTC

*conservation agreement meetings between SNA, TTC, KHLT, CACS, KBCC, and the Nature Conservancy regarding protection of park adjacent lands

*meeting with TTC Board of Directors regarding transfer of timber rights outside State Park Boundaries to KHLT

*fundraising- Over \$55,000 has been raised by concerned citizens (since fall 1988) in support of the Kachemak Bay State Park Buyback:

KBCC has raised over \$30,000 -- funding mailings and petition drives, as well as lobbyist Mary Pearsall.

KHLT received \$4000 in grants for the State Park education campaign.

The Save-the Park campaign (sponsored by KBCC, CACS, and KHLT) features direct mail of educational packets, and promotion of a Save-the-Park fund for sponsoring ads and continued mailings. In the past month, over \$4500 has been raised from state, national, and international donations.

Additional donations to the project include pledges of permanent fund checks and gifts, totalling over \$17,000.

*press coverage includes statewide newspapers, television, Alaska Geographic, and Wall Street Journal

*networking with Kachemak Bay State Park Advisory Board and statewide organizations

*resolutions by local government and statewide associations

*petition drives supporting the State Park Buyback, garnering over 2000 signature state and nationwide

KBCC: Kachemak Bay Citizens Coalition KHLT: Kachemak Heritage Land Trust
CACS: Center For Alaskan Coastal Studies SNA: Seldovia Native Association
TTC: Timber Trading Co. subsidiary of Koncor Forest Products

TESTIMONY ON SENATE BILL NO. 148

Comments by David L. Nebert
862 Redpoll Lane
Fairbanks, AK 99712

I SUPPORT THE BUY BACK OF KACHEMAK BAY STATE PARK LANDS.

The highest and best use for Kachemak Bay Park land is for recreation and tourism. Clear cut logging practices are NOT a compatible use. One need only tour the clear cut areas in S.E. and in the Pacific Northwest for confirmation. My youth was spent in Oregon where I vividly remember walking through decimated clear cut areas on public lands. I am in sympathy with those residents of the Homer area who would have their view and tourist related businesses compromised. High visibility clear cutting areas in the park have the same appeal as a junkyard next door.

Marine resources flourish in Kachemak Bay waters. As a marine scientist I have a selfish concern that logging operations may have an adverse impact on breeding and nursery areas which contribute to the region's abundant marine life. Marine scientists are presently attempting to study this relatively pristine and productive ecosystem. Disturbances produced by potential logging operations may cloud studies of long term natural variability. It is more difficult to understand natural variability when manmade disturbances are added.

The dollar value is reasonable as it was determined by a form of arbitration. Timber Trading Company should not be forced to take a business loss; they appear to be negotiating in good faith and should be commended for holding up a potential sale so that this buy back can occur.

I object to Section 4 of Senate Bill 148. This buy back should not be tied to any other issue; it should stand or fall on it's own merit.

Thank you for the opportunity to provide input for your consideration.

David L. Nebert
26 MARCH 1991

Position Statement: March 1991
Private

I came here to help the Hickel administration.

The Kachemak Bay State Park issue is an opportunity.

Through his charismatic leadership, Governor Hickel can garner great public approval if he will move firmly to protect environmental, spiritual, and tourist industry concerns in Kachemak Bay.

This single issue has the potential of assuaging the fears and concerns of even some of his most loyal supporters. If Governor Hickel takes a strong position on this issue, as he has tried to do on the very expensive Prince William Sound Parks concept, legislative fence - hangers will rally to the cause. Typical of Alaskan issues, this one is very evenly split. The Governor's support will certainly break the gridlock, and forge new support and trust.

This is an either/or issue which can become a win/win/win situation if the right decision is made. A strong pro-environmental stance on this long-fought issue will assist in creating public confidence in the Governor's ability and intent to develop ANWR sensitively. It will demonstrate his ability to "Do it right the first time."

Either the state will allow the 2nd most scenic view visible from the highway system of Alaska to be clear cut or it will move to protect this priceless resource for future generations.

The community of Homer, which fears a significant loss of real estate value, and all of Alaska await the governor's word and leadership. The impact of his positive decision will have far - reaching implications for the future of the tourism industry in the entire South Central region. The people of Homer are not looking for a "quick fix," but industry wide balance and wise use.

Public relations and national media coverage can present to the world a positive environmental Governor for a cost that history will easily prove is worthwhile to the state.

It is worthwhile to note that the Federal Government is presently investing in the future of the Homer and Kenai Peninsula tourist economy an amount equal to the buyout figure. They are presently spending \$20 million to build a visitor's center in Homer for the National Maritime Wildlife Refuge.

As a state we should accept their challenge and rise to match this capital investment which they are making to our tourist industry infrastructure.

George Ripley

POB 2074
Homer, Alaska 99603
(907) 235-5635 or 4174

MAR 27 1991

bill file



PETER JOHNSON

LIBP, FRPS, Hon CIP

Senator Pearce,
Alaska State Legislature,
P.O. Box V (MS3100),
JUNEAU, AK 99811,
U.S.A.

14th March 1991.

Dear Senator Pearce,

In 1987 my co-author Alf Wannenburg, and I, visited Homer, Kachemak Bay the Kenai Peninsula and the Kachemak Bay State Park. It was, and will remain, one of the greatest of all of our wilderness and environmental experiences - in 20 years of travelling the world and writing books about conservation biology and environmental management for sustainable resource utilization in wilderness areas - as alternatives to other forms of land use.

The biological energy of Kachemak Bay State Park - the sheer volume of productivity from that incredibly beautiful place, left an indelible mark upon us.

So, Sir, may I add our voices to those of your own citizens who appeal to you to leave the Park free of clear-cut logging.

You see, if I may put it that way, wilderness areas, such as Kachemak Bay State Park, create wealth about them. To rape short term wealth from inside them (the Parks) is to remove the certain longterm creation of wealth outside and around their boundaries. Kachemak Bay State Park is an environmental factory - who ever heard of setting up a shop inside a working factory, to sell its manufacturing guts?

Besides, the creation of wealth by Parks outside their boundaries has an added advantage - it's a very inexpensive way for the State to stimulate and fund private enterprise

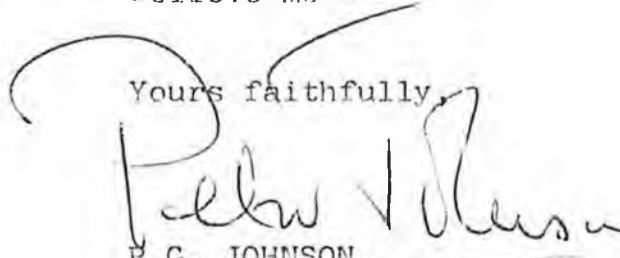
2/.....

and entrepreneurial endeavour. Then those that benefit from the park by setting up business around it can come from all walks of life and all sorts of economic backgrounds - own their own thing - employ people - contribute to the economy.

And the bottom line - the Park goes on and on and on creating more wealth.

Believe me .

Yours faithfully,



P.G. JOHNSON.

c.c. Mr A. Wannenturgh.
Mr M. McBride.



**WILDLIFE
FEDERATION
OF ALASKA**

The Alaska Affiliate of the
National Wildlife Federation

bill file

MAR 27 1991

March 25, 1991

Senator Drue Pearce
Chairman, Senate Labor and Commerce Committee
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Re: SB 148

Dear Senator Pearce:

The Wildlife Federation of Alaska seeks your support for the purchase at fair negotiated value of the inholdings of the Seldovia Native Association, and the timber rights of the Timber Trading Company, within the Kachemak Bay State Park.

In 1970 the Alaska State Legislature recognized the need for permanent protection of this unique area because of its exceptional scenic value and outstanding natural features. It established Kachemak Bay State Park, described by the Alaska Department of Natural Resources as "one of the most majestic in the state park system" and an area of "quiet, natural beauty." It was a farsighted decision, as shown by international acclaim and increasing tourism.

Our organization, dedicated to habitat conservation, can point out the costs of habitat destruction. We can discuss the effect upon exceptionally rich marine resources of the erosion and siltation caused by clear-cut logging. We can emphasize the value of the Park as a living laboratory and a center for educational programs which attract thousands of students from all over the United States. Yet beyond the aforementioned aspects, this locale is so special as to merit consideration, without contingency, for its importance in terms of the human need for inspiration and revitalization, the meaning of "recreation." The long-term value of the 24,000 acres in question, the centerpiece of the Park, should be seen not in board feet, but in an enhanced quality of life for all future Alaskans.

We ask and appreciate your assistance in necessary funds appropriation so that the integrity of Kachemak Bay State Park may be preserved.

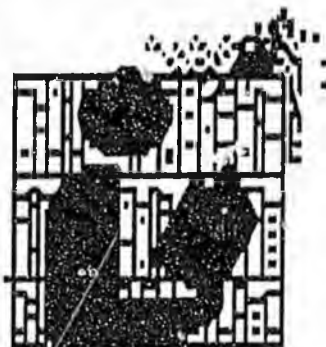
Sincerely yours,

Jeff Parker
President

JP:sm

APR 8 1991

1203



Library

Paul Banks Elementary School
Phyllis Cooper, Librarian
1340 East Road
Homer, AK 99603

(907) 235-8511

March 18, 1991

The Honorable Drue Pearce
Alaska State Senate
P.O. Box V
Juneau, AK 99811

Dear Senator Pearce:

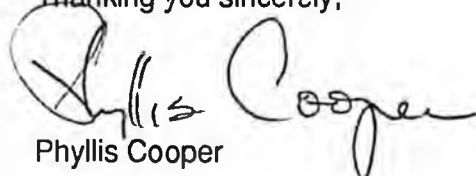
SENATE BILL 148

Each year hundreds of students from Anchorage and elsewhere use our Kachemak Bay for marine study. Pushing, shoving, laughing, they come into our school to bed down in the gym, eat in our cafeteria, and visit our wonderful seashore "classroom." They arrive, study, and leave with the thrill that they have experienced nature such as they may not see anywhere else in the world, certainly not anywhere else within a few hours drive from the metropolitan areas. Perhaps you or your children or your grandchildren have experienced walking our beaches and discovering the joy of tide pools and hidden caches of marine life.

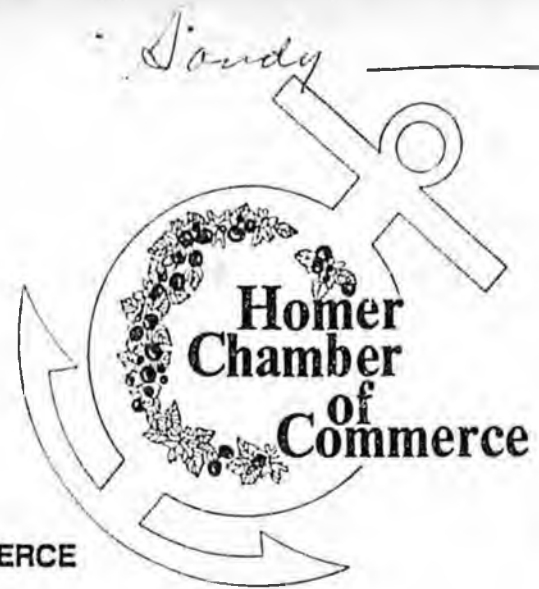
I have lived in Homer since 1958. I arrived here a young wife, and our three boys were born and raised loving the outdoors, the beauty of the bay, and the freedom to roam and learn the mysteries of our sea. Even as "worldly" adults they are drawn back here to the wonders of our Kachemak Bay. Please, let our future children of this state learn to love the sea and shores by keeping this extraordinary classroom in as close to a natural state as possible.

Homer has become the "playground" of Anchorage residents as well as tourists from around the world. Thousands of dollars are brought into our state, borough, and city every year by people who are enthralled by the natural beauty of the area. Please don't ruin this with short term solutions. Please vote YES on Senate Bill 148. This is your state, my state, and even more importantly our children's and grandchildren's state. Let us leave it so that they may be proud of it and of us.

Thanking you sincerely,



Phyllis Cooper



**Resolution 2 - 91
HOMER CHAMBER OF COMMERCE**

A Resolution Supporting House Bill 83 Relating to the Appropriation of Funds for the Purchase of Land from Seldovia Native Association and Timber Rights from Timber Trading Company within Kachemak Bay State Park.

WHEREAS, the City of Homer and most of its related businesses are presently dependent on industries relating to fishing and tourism; and,

WHEREAS, Homer is now a major tourism destination because of its outstanding scenery, geographic location, recreational opportunities and road accessibility from a major population center; and

WHEREAS, the economic, aesthetic, mental health and general quality of life is threatened due to the loss of Homer's view-shed; and

WHEREAS, Kachemak Bay State Park offers outstanding economic resource development potential for current and future enterprise relating to tourism for Homer; and

WHEREAS, the integrity of the Park is of vital interest to Homer, the borough and the state in relation to Alaska's visitor industry; and

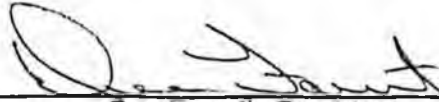
WHEREAS, the Homer Chamber of Commerce, an organization developed for the economic vitality of Homer, is **not opposed** to the logging industry, but finds that it is **opposed** to the development of the logging industry in this specific area which is the focal point of the view across the Bay directly from Homer proper.

WHEREAS, the purchase is contingent upon the 1991 Alaska State Legislature appropriating the necessary funds;

THEREFORE, BE IT RESOLVED, THAT

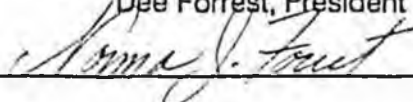
The Homer Chamber of Commerce urges the 1991 Alaska State Legislature to appropriate the necessary funds to purchase land from the Seldovia Native Association and timber rights from Timber Trading Company within the legislative boundaries of Kachemak Bay State Park, and therefore return these lands to their highest and best use for the people of the entire state of Alaska.

BE IT FURTHER RESOLVED, THAT the Governor is urged to support the appropriation of funds in its entirety.



Dee Forrest, President

Attest:



POD
APR 8 1991

THOMAS C. WOOD, M.D., F.A.C.P.
INTERNAL MEDICINE AND NEPHROLOGY
PROVIDENCE MEDICAL OFFICE BLDG
3340 PROVIDENCE DRIVE, SUITE 551
ANCHORAGE, ALASKA 99508
(907) 562-2712

April 3, 1991

Senator Drew Pierce
P.O. Box V
Juneau, AK 99811

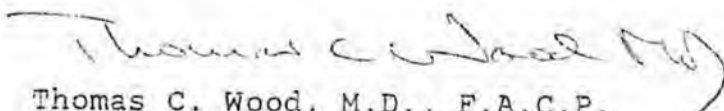
Dear Senator Pierce:

I am writing to encourage the passage of House Bill 83 and Senate Bill 148 which would allow purchase of the Timber Trading Company and Seldovia Native Association land on Katchemak Bay. This would increase the value of the Katchemak Bay State Park which would otherwise be damaged by creation of access roads and by disrupting much natural habitat.

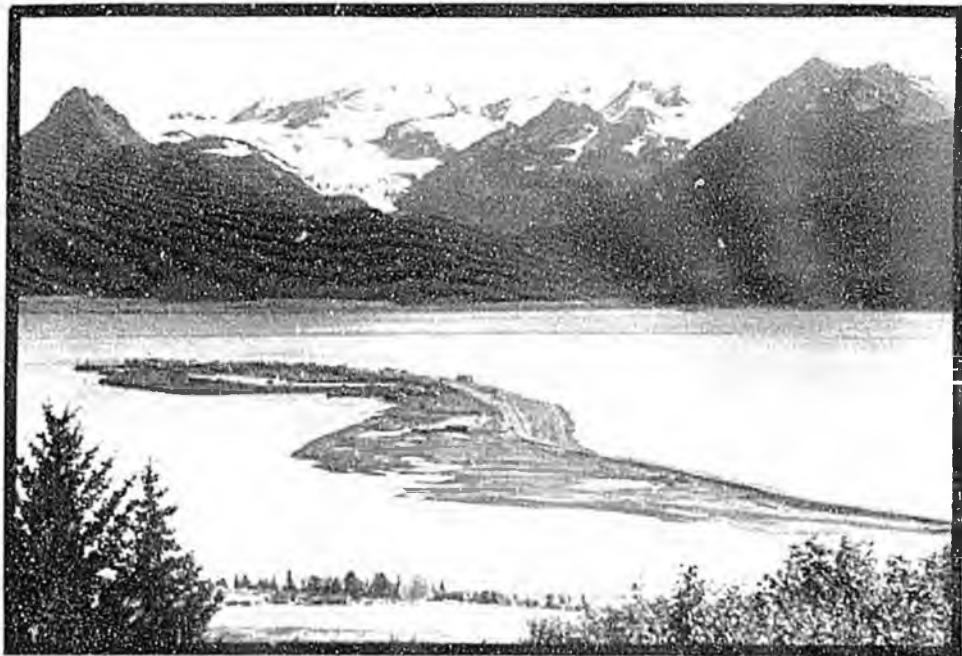
I have hiked and hunted in the area of the Katchemak Bay State Park and it is certainly one of Alaska's most scenic areas. Removal of timber in this area, which is so easily visible from the Homer region, would greatly detract from Homer as a tourist destination.

I hope you will support legislation enabling unification of the two segments of Katchemak Bay State Park.

Sincerely yours,


Thomas C. Wood, M.D., F.A.C.P.

TCW/DAU



© Ed Spence Photography

VOTE YES KACHEMAK BAY STATE PARK

Senator Pearce
Alaska State Legislature
P.O. Box V (MS3100)
Juneau, AK 99811

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.

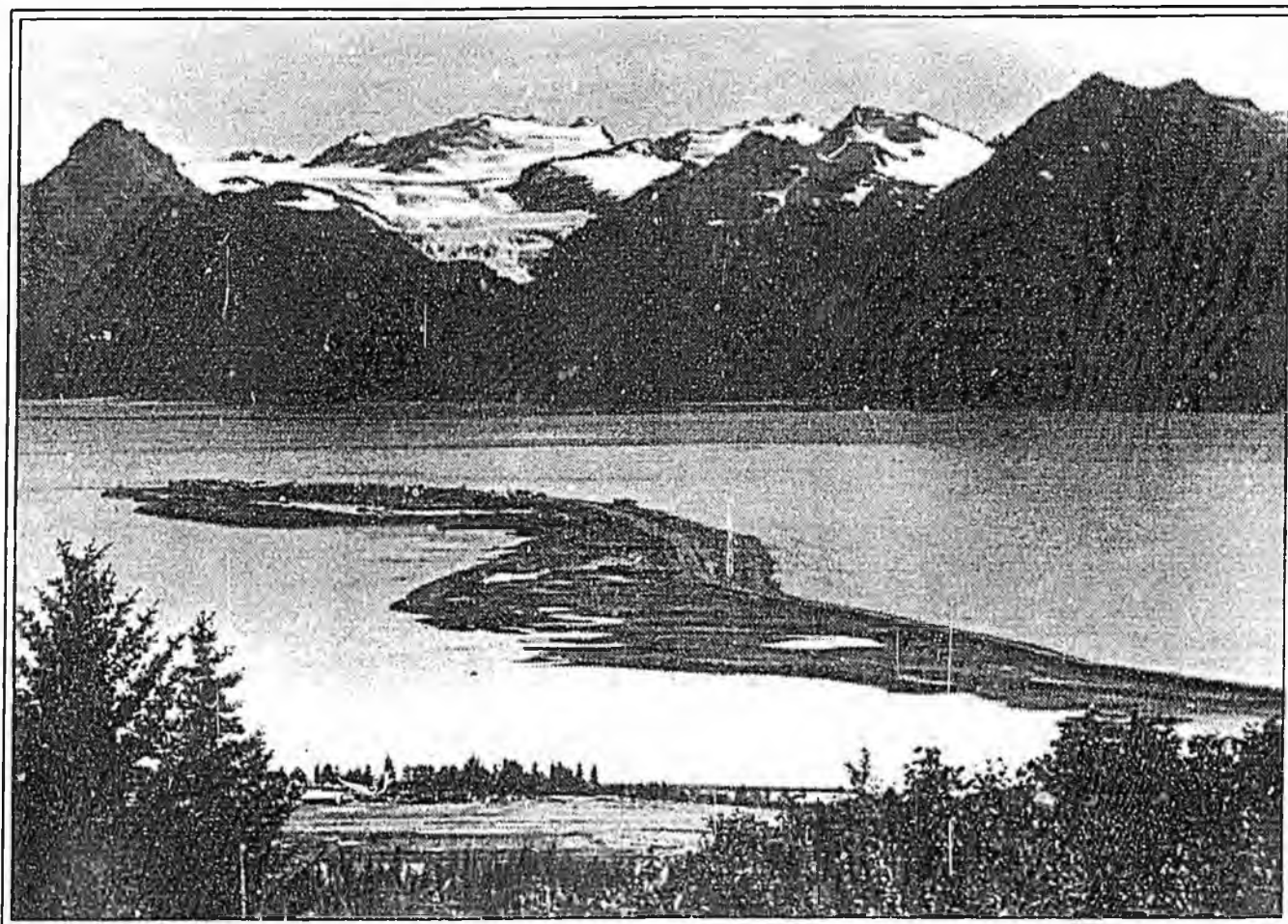


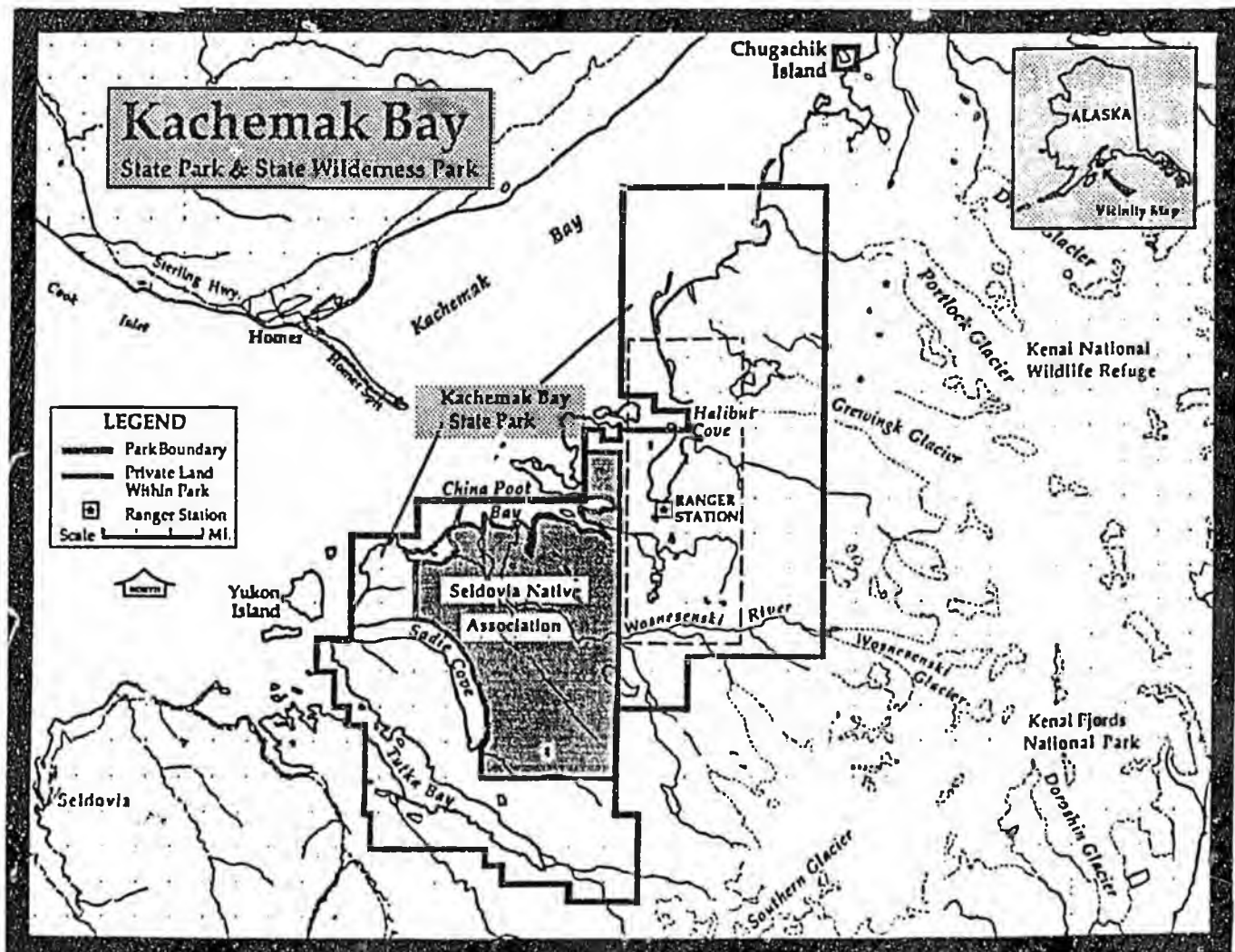
Photo by: Hal Spence Photography

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.



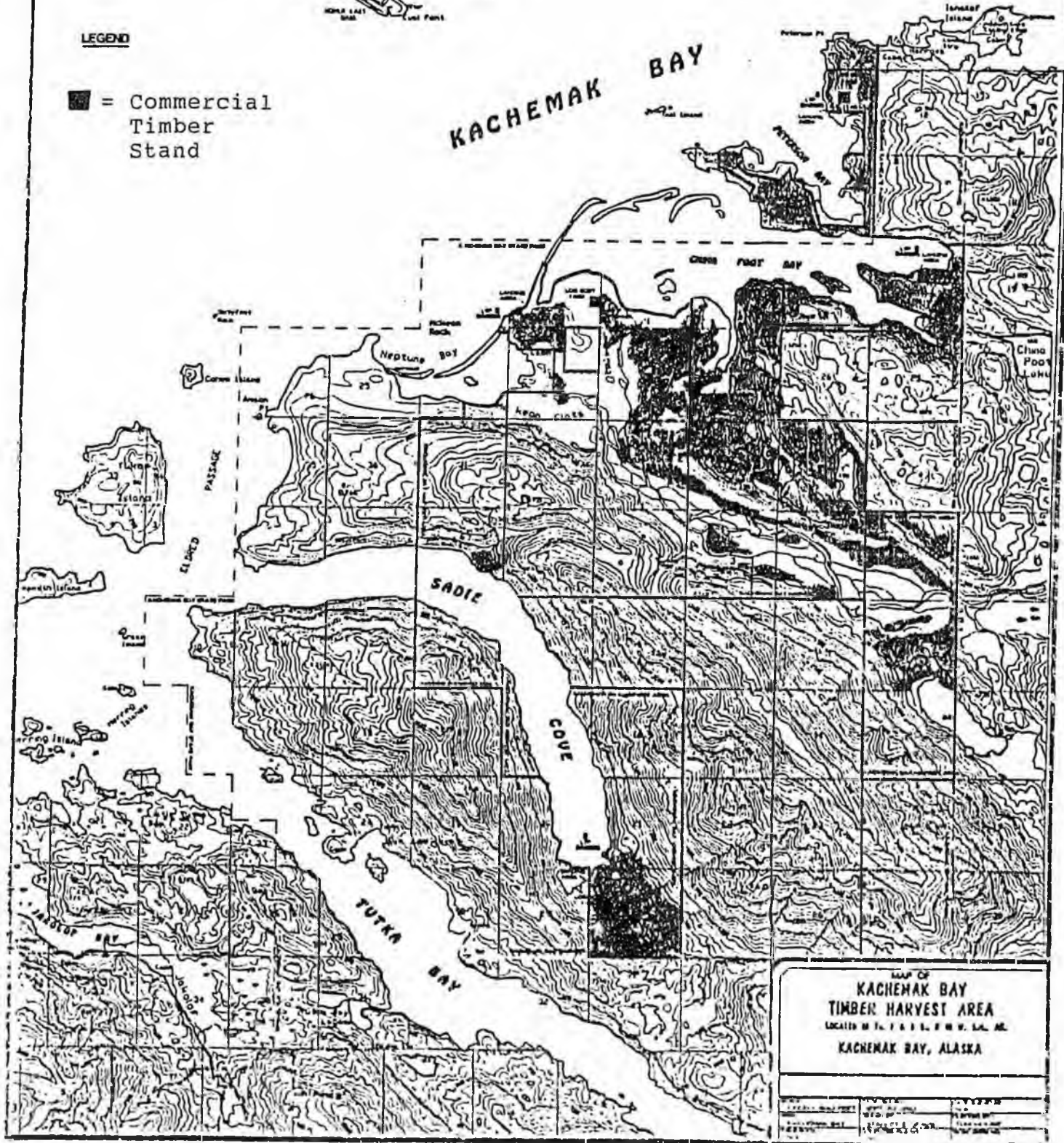
KACHEMAK BAY TIMBER HARVEST AREA



HOMER SMALL
BOAT HARBOR

LEGEND

■ = Commercial
Timber
Stand

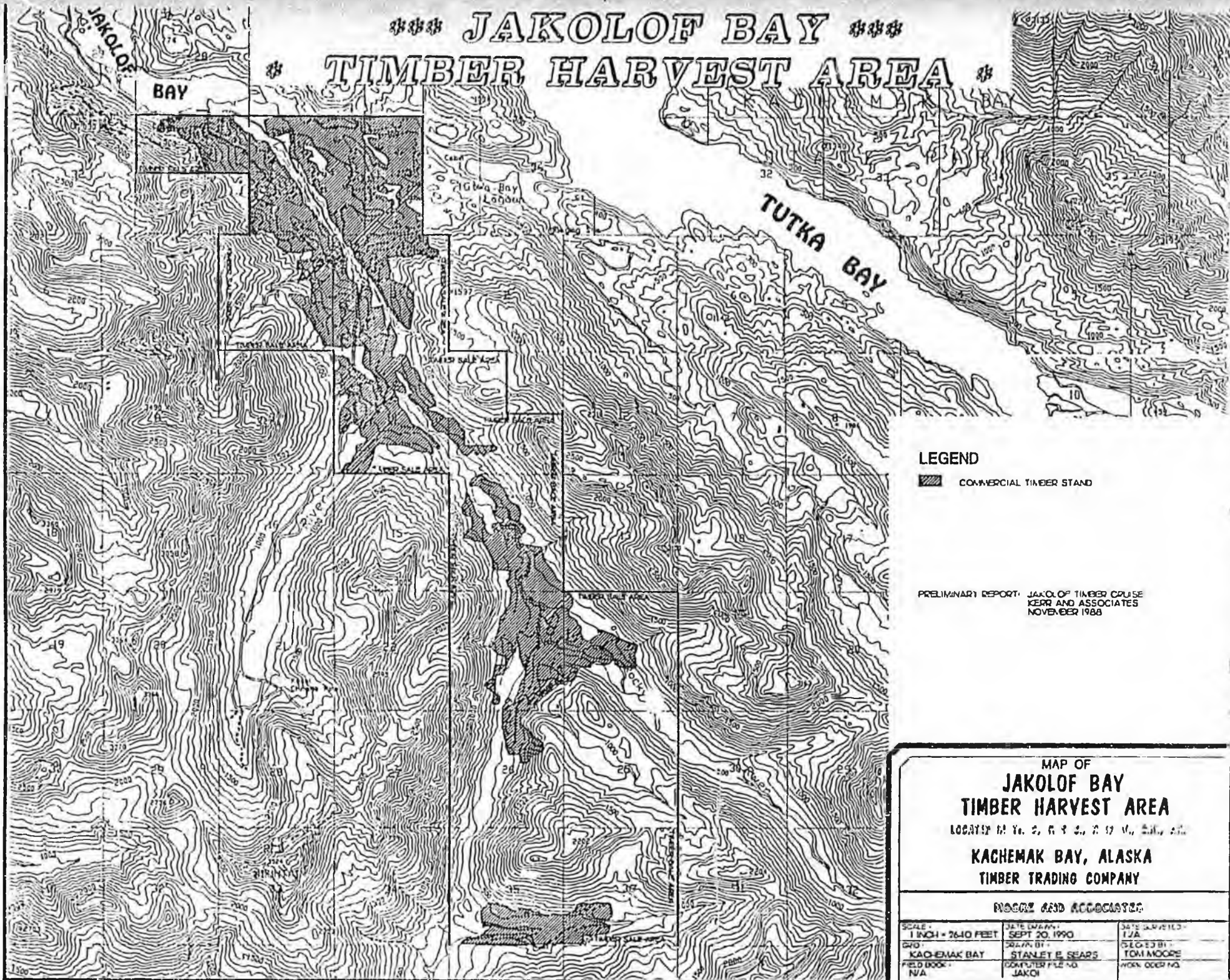


MAP OF
KACHEMAK BAY
TIMBER HARVEST AREA
LOCALITY IN T. 14 S. R. 10 W. S. 14. AL.
KACHEMAK BAY, ALASKA

DATE	1/22/51
BY	U.S. GEOLOGICAL SURVEY
SCALE	1" = 1 MILE
PROJECTION	UTM
COORDINATES	UTM

JAKOLOF BAY

TIMBER HARVEST AREA



LEGEND

 COMMERCIAL TIMBER STAND

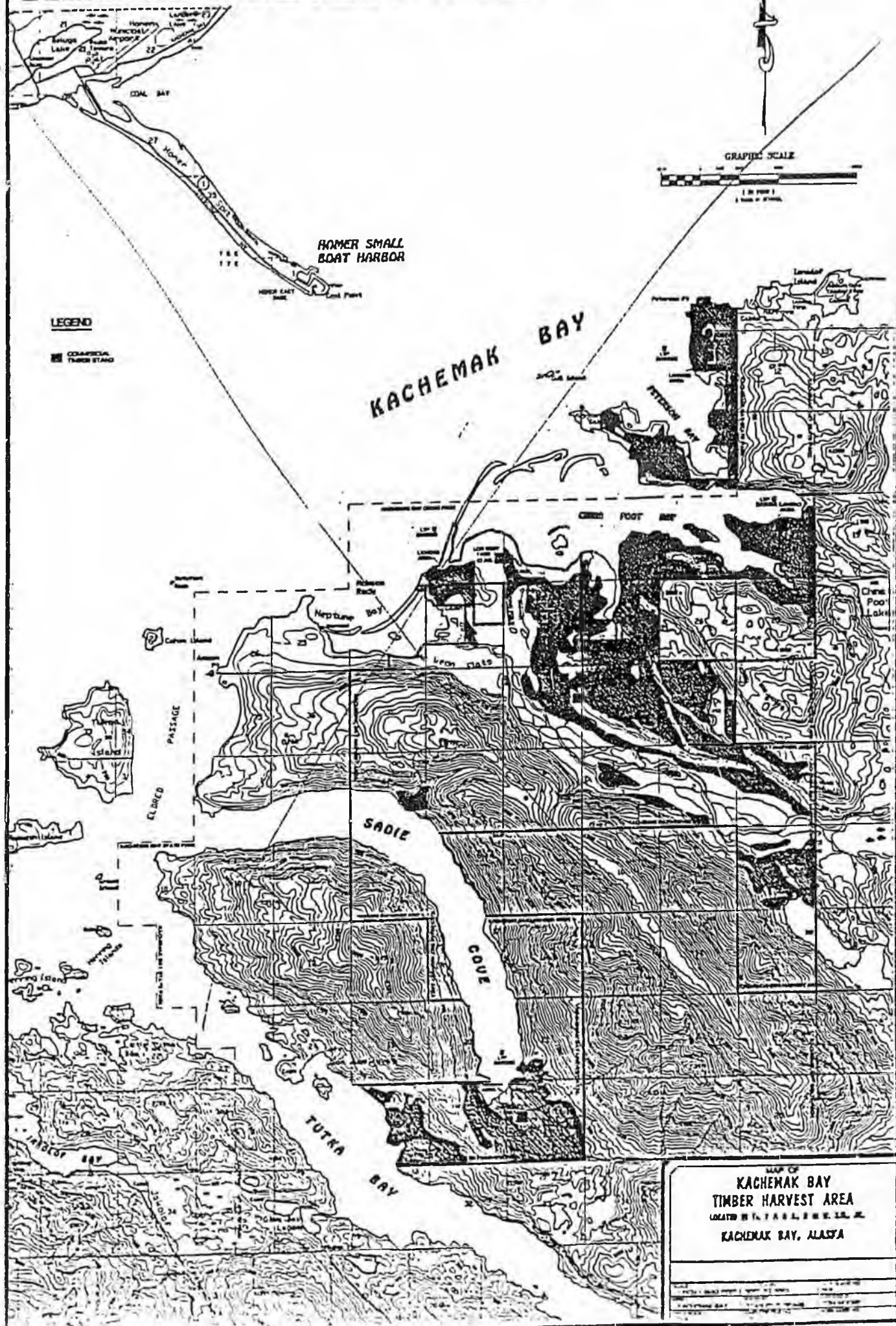
PRELIMINARY REPORT: JAKOLOF TIMBER CRUISE
KERR AND ASSOCIATES
NOVEMBER 1988

MAP OF
**JAKOLOF BAY
TIMBER HARVEST AREA**
LOCATION: T. 2, R. 9 S., S. 12 W., S. 14, ALASKA
KACHEMAK BAY, ALASKA
TIMBER TRADING COMPANY

MOORE AND ASSOCIATES

SCALE - 1 INCH = 7640 FEET	DATE DRAWN - SEPT 20, 1990	DATE REVISED - 1/91
DWG - KACHEMAK BAY	DRAWN BY - STANLEY E. SEARS	CHECKED BY - TOM MOORE
FIELD BOOK - N/A	COMPUTER FILE NO - JAKOI	WORK ORDER NO.

KACHEMAK BAY TIMBER HARVEST AREA



MAP OF
**KACHEMAK BAY
 TIMBER HARVEST AREA**
 LOCATED BY T. PARSONS, JR.
 KACHEMAK BAY, ALASKA

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, particularly 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).

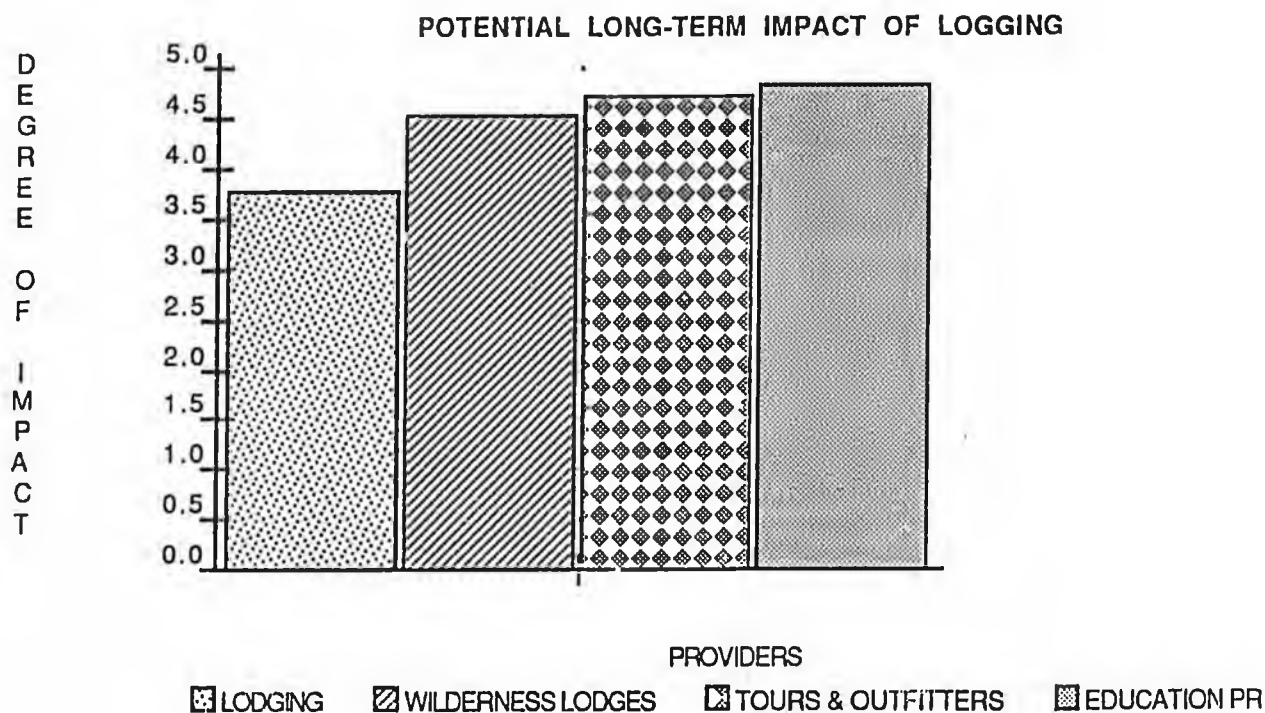
Impacts on tourism:

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 Koyuktolik 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 Koyuktolik Bay in 1990.

SURVEY OF HOMER RESIDENTS:

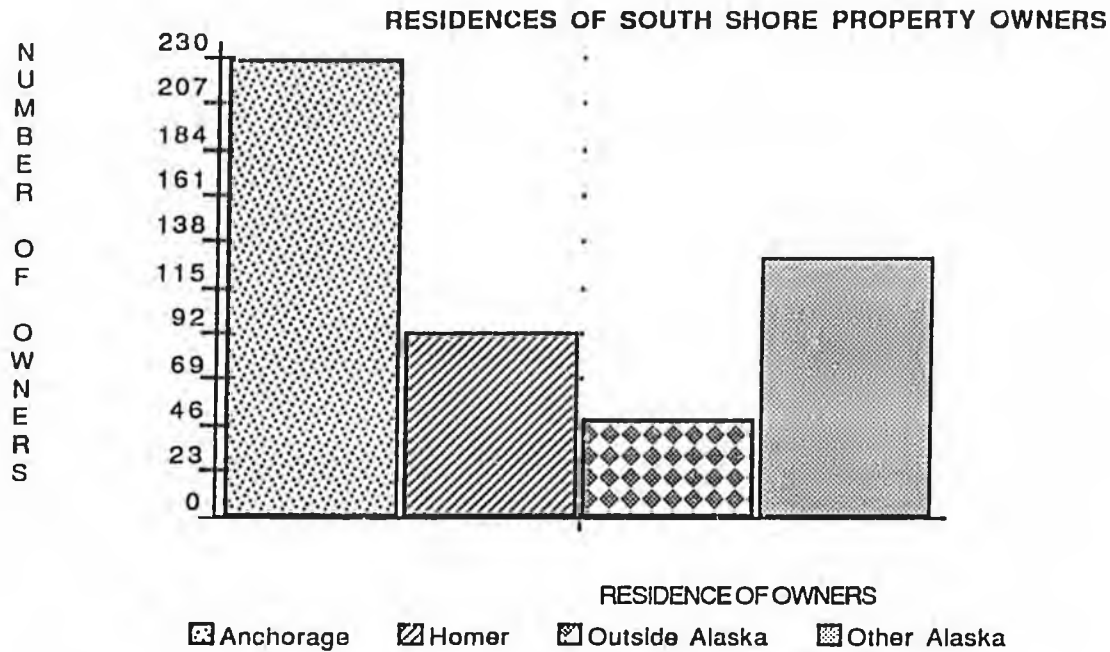
Eighty percent of 60 Homer adults contacted in a random telephone survey in October oppose logging, citing a variety of economic, esthetic, and environmental reasons. Only 8% favor logging.

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 Coughenhower
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

Land trust may solve trade woes

by Joel Gay
Managing Editor

The complicated three-way Kachemak Bay State Park land trade has just gotten an additional player, but one that may add a measure of stability to the negotiations.

A group of local residents is forming a Kachemak Bay land trust that would, with the help of national organizations and local donors, purchase land or timber rights or make long-term leases outside the park's boundaries.

Janice Schofield, who stumbled onto the

See "Land," Back Page

... Land trust idea seen as trade aid

Cont. from Page 1

Land trust idea through her work with the Kachemak Bay Citizens Coalition, said she will meet next week with the three main trading partners and hopes to make them an offer they can't refuse.

The land trade was complicated enough when it included just the state and Seldovia Native Association. The state has agreed to give Seldovia state assets worth no more and no less than the association's 23,000 acres within Kachemak Bay State Park. The state thinks it's possible, and last Friday Seldovia's board of directors approved continued negotiations.

The deal starts getting tangled when Koncor Forest Products comes in. They have purchased the right to cut 125 million board-feet of lumber out of Seldovia's holdings in China Poot Bay and other nearby lands.

So not only does the state have to trade Seldovia for the raw land, it must trade Koncor for the timber rights.

What makes the trade difficult, according to all sides, is that not all of Koncor's timber is within the park boundaries. The state does not want to trade for trees outside the park, while Koncor has said their timber holdings are worth less if the good trees in China Poot Bay are removed from their original purchase package.

Seldovia's board last Friday said their number one concern is that the state and

Koncor work out their differences.

Enter Ms. Schofield and the land trust. If a private, non-profit group could purchase those timber holdings outside the park, it would free everyone up for the important work — trading the park lands.

"Koncor sees it as a wonderful possibility," Ms. Schofield said. "They're excited about participating in it."

She said the land trust's articles of incorporation are already being drafted, and she has talked to several national organizations about ways to fund such a deal.

Although she would not divulge details, Ms. Schofield said a key element is the idea of "bridge funding" — in which a national organization might loan the local trust enough money to purchase the timber rights and expect to be paid off within a few years.

The larger organizations might also help the Kachemak Bay group find grants and fund-raisers, she said.

Selling its lands to a non-profit such as the land trust could also give Seldovia and Koncor excellent tax benefits, she said.

However, the Seldovia trade would not be the land trust's sole function, Ms. Schofield said. "This is only the first of any number of projects," she said. It could acquire greenbelt areas around Homer and address other land issues that have high environmental value but no agency or entity to

The land trust is "the brightest ray of sunshine I've seen in this whole trade deal."

Fred Elvsaas

protect them.

Charlie Nash, general manager of Koncor's Timber Trading Co., said he is optimistic about the formation of a land trust and its participation in the trade process.

"We think it's a good idea. We don't know much about it, but to the extent it might provide another vehicle to compensate us for our timber and move the trade along, we think it's worthwhile exercise at this point. We'll help them all we can."

Mr. Elvsaas called the idea "the brightest ray of sunshine I've seen in this whole trade deal."

There are numerous details yet to be worked out, he said, and so he will withhold his full approval until then. But the basic idea is good, he said.

"The concept sounds real good to me. I think it may alleviate some of the problems the state has with trading for land outside the park."

America's Best! WILDERNESS LODGE

Kachemak Bay Wilderness Lodge

China Poot Bay
via Homer, Alaska 99603

Michael and Diane McBride,
Proprietors

\$1,750 per day (5-day min.)
\$1,950 at Brown Bear Camp
(5-day min., air fare incl.)



At Kachemak Bay Wilderness Lodge, 225 miles from Anchorage, seals herd on the sand bar out front, Ollie the sea otter frolics on the beach, and eagles nest within walking distance. You can ride the incoming tides past wildflower cliff gardens, streams, and waterfalls. Or you can trace the line of ancient *barabaras* (sod houses) to reconstruct the past lives of ancient man. Most exciting of all is a bush flight into the northern camp to look for and photograph the magnificent brown bear, with an incomparable ice-blue glacier as your scenic backdrop.

Owners Mike and Diane McBride operate one of the few Alaskan lodges where guests join a year-round resident family. They have kept the camp small and usually accommodate only eight people at a time. The McBrides will meet you on a Thursday or a Sunday at the Homer Small Boat Landing. There they will show you something of the commercial fishing industry of the area, then head for the lodge in an open dory. On a clear day, you can see the mountains of Cape Douglas in the distance. Seals, porpoises, and whales help guide your way, and passing Gull Island, you'll see a rare nesting ground teeming with thousands of sea birds.

When you reach China Poot Bay, the area will be bustling with red-face cormorants, puffins, and guillemots playing in the waves. One of the hiking trails on the shore leads to the sea caves, which archaeologists think were used as the site of ancient burials.

The McBrides schedule their visitors according to the rhythms of nature—the salmon run, the extremely low tides, summer activity at the bird rookery, the concentrations of brown bears at the salmon streams.

The log lodge is dominated by a massive stone fireplace and is decorated with material the McBrides have salvaged and restored. (The kitchen cabinets came from an old halibut schooner.) Stone ledges in the living room walls lead to sleeping lofts.

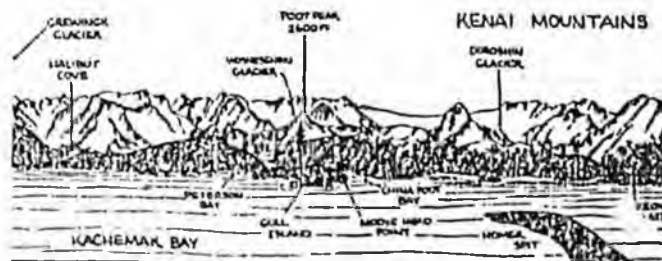
Meals always include home-baked bread and are served family-style in the dining room, where you can watch the ever-changing tidal pools from huge picture windows. Occasionally, a black bear will moosey by the window to check out the diners.

There are two guest rooms in the lodge, and private accommodations in three nearby cabins. They are considered deluxe by bush standards, containing electricity, wood stoves, and outside privies. There is also a community bathroom in the lodge with a tub and shower, and a large sod-roofed Finnish sauna.

The McBrides recommend visits of at least three days to become familiar with the territory. A typical day might include a trip to Grewingk Glacier, where you can sit and listen to the groaning of the ice and watch terns nest on the shoreline. You can also kayak, fish for salmon, trout, and halibut, hike through the dense forests, study the marine life—the possibilities are endless.

By special arrangement you can visit the Brown Bear Camp, 100 miles north of Kachemak Bay. This area has the largest concentration of brown bears in the world, and it's not unusual to see twenty bears at one time. The McBrides consider man to be the intruder in these parts. They feel he must be an unobtrusive visitor, and they will not allow you to take photographs unless you can guarantee that you will not interfere with the life patterns of the animals. The rustic tent cabins lie at the base of a great peninsular land bridge stretching toward Siberia. Archaeologists think this area may have been a link in man's earliest migrations.

The China Poot Bay area has had no permanent residents (except for a few scattered settlers) since the Athabaskans and the Eskimos, who flourished there centuries ago. Temperatures are rarely below freezing, and the proximity of the Japanese current makes the winter extremely warm. Mike fell in love with the area when he was stationed there with the Air Force. In 1969 he and Diane sailed across the Bay from Homer to settle their new home.



* DELIVER TO: LIOCROG *

* ORIGINAL *

* SENT: 03/27/91 TIME: 16:11 *

* FROM: LTCCMAT *

* SUBJECT: 106PL11 SLAB TMBR, GAME 3/27 *

* PRINT DATE: 03/27/91 TIME: 16:11 *

SUBJECT LINE TO READ: TC NO,; FL/FS;SHORT SUBJECT;DATE

T/C NO: 91-03-106
DATE: 3/27/91
SPONSOR: S L&C
SUBJECT: KACHEMAK TIMBER, ALCOHOL, GAMING
SITE: MAT-SU LIO - "update"
MODERATOR: MARY

PARTICIPANT LIST NUMBER 2

TO TESTIFY RE SB 148 KACHEMAK BAY:

1 LARRY VICTORS POB 521057 BIG LAKE 99652 892-6245

2 DAVID VIDMAR, VACE 701 E PARKS WASILLA 99687 376-8223

3 RICHARD DEBUSMAN 830 LANARK WASILLA 99687 376-5538

4 KAREN HOLSEN H233 BX 3177-K WASILLA 99687 376-6231

TESTIFY RE SB 4 AND SB 6 - GAMING:

1 ROGER CUNNINGHAM POB 874731 WASILLA 99687 373-1500

2 376-0253

OBSERVING:

1 TOM LESTER POB 872896 WASILLA 99687 376-7787

2

TO TESTIFY: 5

UNABLE:

OBSERVING:

TOTAL: 6

START TIME: 3:30 END TIME

```

*****
*
* DELIVER TO: LIOCROG
*
* ORIGINAL
* SENT: 03/27/91 TIME: 16:21
* FROM: LTCCHOM
* SUBJECT: 91-03-106; PL#3; S.L&C; 3-27-91
* PRINT DATE: 03/27/91 TIME: 16:21
*
*****

```

SUBJECT LINE TO READ: TC NO., PL/F/S; SHORT SUBJECT, DATE

```

T/C NO: 91-03-106
DATE: 3-27-91
SPONSOR: S LABOR AND COMMERCE
SUBJECT: SB 148 AND OTHERS
MODERATOR: CHARLENE AND ELLEN
SITE: HOMER

```

PARTICIPANT LIST #3

"update"

 TESTIFIES *to testify*

NAME/REPRESENTING	ADDRESS	PHONE	BILL NO.
1. JANICE SCHOFIELD, KHLT			SB148
2. ROBERTA HIGHLAND, KBCC, BOX 15312, FRTZ. CR		235-8558	SB148
3. R. W. TYLER, BOX 1284, HOMER		235-5171	SB148
4. JONI (JOHNNY) WHITMORE, 106 W. BUNNELL, HOM			SB148
5. CHRISTA COLLIER, CACS, BOX 2225, HOMER		235-6667	SB148
6. DAN DELMISSIER, 144 W. PIONEER, HOMER		235-8620	SB148
7.			
8.			
9.			
10.			

 OBSERVED

NAME/REPRESENTING	ADDRESS	PHONE	BILL NO.
1. KURT MARQUARDT, 106 W. BUNNELL, HOMER		235-7558	SB-148
2.			
3.			
4.			

```

*****
*
* DELIVER TO: LIOCROG
*
*
* ORIGINAL
* SENT:          03/27/91  TIME: 16:32
* FROM:          LICCMAT
* SUBJECT:       3106, PL, SB148, 3/27/91
* PRINT DATE:   03/27/91  TIME: 16:32
*
*****

```

SUBJECT LINE TO READ: TC NO, ; PL/FS, SHORT SUBJECT, DATE

```

T/C NO:          91-03-106
DATE:           3/27/91
SPONSOR:        S L&C
SUBJECT:        KACHEMAK TIMBER, ALCOHOL, GAMING
SITE:           MAT-SU LIU
MODERATOR:      MARY

```

update #2

PARTICIPANT LIST NUMBER 2

TO TESTIFY RE SB 148 KACHEMAK BAY:
 1 LARRY VICTORS POB 521057 BIG LAKE 99652 892-6245

2 RICHARD DEBUSMAN 830 LAMARK WASILLA 99687 376-5538
 3 KAREN HOLSEN H233 BX 3177-K WASILLA 99687 376-6231
 4 NURM LAWLER POBOX 520231 BIG LAKE 99652 892-8071

OBSERVING:

- 1
- 2

TO TESTIFY: 4
 UNABLE:
 OBSERVING:
 TOTAL: 4

START TIME: 3:30 END TIME