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255

ALASKA STATE LEGISLATURE



Interim:

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Session:

State Capitol
Juneau, Alaska 99801-1182
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SENATOR LYDA GREEN SENATE DISTRICT N

Sponsor Statement CS Senate Bill 255 (RES)

Unequal Land Exchange between the State of Alaska and Gold Cord, Inc.

Alaska State Parks has been working since 1978 to develop an opportunity for private reuse and management of historic buildings at Independence Mine State Park (IMSHP). To make such a private venture economical, the State has already completed or has in the works several projects. Parks completed paving the road to IMSHP, secured the underground mine tunnel (in a previous exchange) to allow for underground tours, and will complete rehabilitation of foundations and roofs on seven buildings (federal funds beginning in 2002), and several TRAAK projects to improve the trail system, parking lots, ADA access to existing visitor center, and interpretive panels on mine's history. An RFP seeking the private partner is scheduled for release in February 2002. Proposals will be due October 2002.

To facilitate road access to the underground mine tour, the State of Alaska sought an exchange with Gold Cord, Inc., the owner of a critical section of the road. While the State held an easement across the property, it was not of sufficient size to accommodate anticipated reconstruction to provide for bus access. In addition, Gold Cord held a federal mining claim that extended into the existing park boundaries.

The exchange has been agreed to by all parties as exemplified by the final exchange agreement that is anticipated to be signed by the DNR Commissioner on January 18, 2002. The State trades away no land, but provides the process by which Gold Cord can receive fee title to 19 acres of land valued at \$63,000 currently held by Gold Cord as federal mining claims. The State receives about six acres of land valued at \$68,500 from Gold Cord. Because the State brought no land to trade and because final values are not equal, the transaction requires legislative approval.

The Alaska Legislature approved another unequal value exchange at IMSHP between the State of Alaska and Alaska Hardrock, Inc. in 2000.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 255
(S) Publish Date: 2/11/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Natural Resources
Title: Land Exchanges: Gold Cord Development BRU: Parks & Recreation Mgt
Sponsor: Senator Green Component: Parks Management
Requester: (S) RES Component Number: 452

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
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 EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: none

Check this box (X) if funding for this bill is included in the Governor's FY2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

There is no fiscal impact associated with implementation of this legislation.

Prepared by: Jim Stratton Phone 269-8701
Division: Parks & Outdoor Recreation Date/Time 28-Jan-02
Approved by: Pat Pourchot Date 28-Jan-02
Agency: Natural Resources



**Alaska Department of Natural Resources
Division of Parks and Outdoor Rec.**



Department of Natural Resources
Division of Parks and Outdoor Recreation



**Public Notice
for the
Gold Cord Development Corp./
State of Alaska Land Exchange
in the Hatcher Pass Area**



The public is invited to comment on the proposed land exchange under AS 38.50 between Gold Cord Development Corporation, 519 W 8th Ave, Suite 209, Anchorage, AK 99501, and the State of Alaska, Department of Natural Resources, for land in the Hatcher Pass area in Independence Valley of the Matanuska-Susitna Borough. **The Division of Parks and Outdoor Recreation must receive comment at the address below by 4:30 pm on Friday, January 18, 2002.**

In this land exchange the State will receive approximately 6.125 acres in two parcels of land adjacent to Independence Mine State Historical Park. Both parcels have the access road to the main mining tunnel of the Independence Mine tunnel network and will become part of Independence Mine State Historical Park. The property has been appraised at \$68,500.

Gold Cord Development Corporation will receive 19.001 acres in two parcels just north of Independence Mine State Historical Park. Both parcels have been appraised at \$63,000. This will solidify ownership of property for their mining operation.

This proposed land exchange requires a special exception to the Willow Sub-Basin Area Plan and the Hatcher Pass Management Plan. All 25.126 acres of state land involved in the exchange are proposed to be closed to new mineral entry. The 19.001 acres going to Gold Cord Development Corporation will be reclassified to Reserve Use Land. Since the value of the property involved is unequal, this land exchange will be submitted to the Legislature for approval in January 2002.

Hard copies of documentation for the proposed exchange, mineral closures, land classification change, and special exception to the plans can be requested from the Anchorage State Park contact given below, or check the links at the end of this page. No public meetings are planned at this time. Any person asserting a claim to the property involved should contact the office below.

Comments on the proposed exchange should be sent to:

Kathryn Reid
Alaska State Parks
550 W 7th Ave, Suite 1390
Anchorage, AK 99501
ph: (907) 269-8709
fax: (907) 269-8907
e-mail: Kathryn_Reid@dnr.state.ak.us

Mat-Su Area Office
Alaska State Parks
HC 32, Box 6706
Wasilla, AK 99654
ph: (907) 745-3975
fax: (907) 745-0938
e-mail: matsu@alaska.net

Individuals with audio impairments who wish to respond to this public notice by telephone may call the department's Public Information Center in Anchorage between the hours of 10:00 am and 5:00pm, Monday through Friday at TDD# 269-8411.

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- ✓ **Map** - This shows where and what lands are involved. (This file is a jpeg file.)
- ✓ **Preliminary Report and Best Interest Findings on Proposed Land Exchange between Gold Cord Development Corporation and the State of Alaska for the Division of Parks and Outdoor Recreation, December 17, 2001** - This report tells the hows and whys of the land exchange.
- ✓ **Proposed Special Exception to Willow Sub-Basin Area Plan and the Hatcher Pass Management Plan, December 14, 2001** - This explains the special exception to the plans.
- ✓ **Proposed Land Classification Order #79-023-A01** - Request for land classification change for the state land going to Gold Cord Development Corporation.
- ✓ **Proposed Mineral Order #773** - Request for closure to mineral entry for all land involved in the exchange.

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**Proposed Special Exception
to Willow Sub-Basin Area Plan
and the Hatcher Pass Management Plan
December 14, 2001 * ADL 228152**

The Department of Natural Resources (DNR) proposes to make a Special Exception to both the Willow Sub-Basin Area Plan and the Hatcher Pass Management Plan. The special exceptions are necessary to enable a land exchange between the Gold Cord Development Corporation and DNR. DNR has determined that the land exchange is in the State's interest and is consistent with the management intent contained in these plans. However, the land classification prevents the exchange. State land included in the exchange is currently classified Public Recreation and Minerals. New state land, transferred from the federal government as part of the exchange, will be classified Public Recreation and Minerals. State land must be classified Settlement, Agriculture, or Reserved Use, or be unclassified, in order to be included in a land exchange (11 AAC 67.220).

A Special Exception is a one-time, limited-purpose variation of a land use plan's provisions (see 11 AAC 55.030).

The specific exception to the Willow Sub-Basin Area Plan (adopted in 1982) is to change the classification of current state land proposed for the exchange to Gold Cord Development Corporation (GCDC) to Reserved Use Land, and have that portion of new state land proposed for the exchange to GCDC initially be classified as Reserved Use Land. This is an exception to the classifications spelled out in the Willow Sub-Basin Area Plan, Appendix 3, page 3-5, Table 1. The portion of exchanged land to be added to Independence Mine State Historic Park would receive the classification listed in the area plan, which would be Public Recreation and Minerals Lands. This classification will not affect any other state lands within the Hatcher Pass management unit of the plan, and will only be implemented if a final land exchange agreement is reached. If the exchange is not consummated, the original classification will be restored on current state land, and federal land will remain under federal jurisdiction, having no state classification on it.

The exception to the Hatcher Pass Management Plan is intended to enable the exchange of the state land, current and future, to be classified as Reserve Use. Land exchanges and the Reserved Use classification are not mentioned in the Primary or Secondary uses for the Independence Subunit (Subunit #5, page 227) of the Hatcher Pass Management Plan. The Hatcher Pass Management Plan was adopted by DNR in 1986 and amended in 1989.

DNR has determined that these Special Exceptions are consistent with the Management Intent for these lands as expressed in the two plans. DNR is making this exception because it is in the State's interest considering the overall public benefits of the exchange, specifically the state's acquisition of land with access to a valuable tourism and historic mining resource in Hatcher Pass. DNR generally does not classify the surface estate of state lands for disposal in order to facilitate mineral development. In making the determination that the different classification for state land, current and future, is in the state's interest, the exchange must be looked at as a whole.

Consistency with Plans' Management Intent - The following explains how these actions are consistent with the plans' management intent:

Willow Sub-Basin Plan: The exchange is consistent with the management intent for the Hatcher Pass Management Unit (page 209 of plan) - which emphasizes Mining and Recreation. More specific management intent is found in the Hatcher Pass Management Plan.

Hatcher Pass Management Plan, Independence Sub-Unit (subunit #5): The State's acquisition of their portion of the parcels is clearly consistent with the plan's management intent for this subunit, which is to protect the area's historic mining character and encourages tourism and education. Land within Independence Mine State Historical Park already has a mineral closure, which is stated in the plan. Therefore, the land added to the park would also receive a mineral closure. This protects the State's ability to develop this area for tourism and protect the historic value, part of the plan's management intent.

GCDC acquisition of their portion of the parcels is also clearly consistent with the plan's management intent for this subunit, which is to support existing private mining operations. The mineral closure to be placed on GCDC's parcels support the plan's management intent by not allowing any new mining interests to interfere with the existing mining operation.



Department of Natural Resources
Division of Parks and Outdoor Recreation



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