

ALASKA LEGISLATIVE COMMITTEE HOUSE DOZ 0072

1950

SRES

HB 31

1950

amounts cannot be made at the time the estimate is submitted the Department must include a schedule for obtaining the estimates, constructing the access roads or capital improvements and disposing of the land (5) identification of land which will be proposed for disposal in future fiscal years.

(Current law requires three alternative financing requests; does not specifically authorize requests for financing of capital improvements).

Lands would be disposed of as remote parcels, subdivision, agricultural, commercial or industrial ^{or other} land. Lands designated for subdivision disposal may not exceed five acres unless the Commissioner determines that a larger size is necessary to comply with local zoning ordinances, or to permit the design of a viable subdivision because of topographical features, soil conditions, on-site sewage disposal requirements, or water drainage or supply considerations that are unique to the subdivision.

(Current law does not authorize larger than five acre parcels under any circumstances). Lands designated for subdivision disposal must be disposed of as follows: a) up to 80% by lottery (b) at least 10% under homesite under the homesite law (AS 38.08) and at least an additional 10% under homesite lottery provisions.

(Current law establishes a flat 80-10-10-formula). Lands designated agricultural, commercial, industrial or suitable for other disposal may be sold by auction or lottery.

13 AL

Department of Natural Resources retains authority to sell land outside the land bank under any of its land disposal laws. Continues existing semi-annual nomination process for including or excluding lands from the land bank and the requirement that the Commissioner must make a written determination after receipt of a nomination if he determines that land nominated will not be classified or reclassified as requested. Adds a requirement that this determination be made within six months of the nomination. Requires a classification order instead of a mere finding when land is transferred from retention in State ownership to the bank or from the bank to retention. Delete provision in current law that the Commissioner may withdraw from the land disposal bank land that has been offered for disposal but not conveyed within five years after inclusion in the bank.

Section A - MUNICIPAL LAND DISPOSALS. A municipality may apply for financial assistance to execute a land disposal program for municipal entitlement lands by submitting a request to the Commissioner for inclusion in his annual budget request. Assistance can include cost of surveying land, designing subdivision plats, installing improvements required by municipal ordinances or regulations of the platting board and other "reasonable direct costs of land disposal". Requests must be accompanied by a five-year disposal schedule based on an assessment

→ Municipal assessment included in 38.04 0.00 (F)

13.4 (2)

of the demand for private land within the municipality which includes an estimate of the number of acres planned to be disposed of, a description of the method in terms for disposal and description of the land proposed to be disposed of during that five-year period. The Commissioner must determine that the request meets requirements of this section before it is submitted to the Legislature. If the money is appropriated, the Commissioner administers the money under this section. Money appropriated for these purposes constitutes a grant unless otherwise provided by the Legislature. A grant to a first class city or to a first or second class borough may not exceed five times the amount of money appropriated by this city or borough for the disposal of municipal land unless Commissioner exempts the City or Borough from this subsection. If exempted, the amount of money appropriated for disposal of municipal land,

submitted under 38.04.000 (2)

OR A MUNICIPALITY

add second class

may not exceed seven times the amount appropriated for disposal of the City or Borough for disposal.

Section 5 - Deletes reference to school land in statute which authorizes university and school land to be made available at fair market value for private use. (Technical amendment. "school land" designation was previously repealed).

Section 6 - Provides that easements and rights of way on or across land that is made available for private use as necessary to reach or use public water and public and private land may include the established trails traditionally used for commercial recreation or transportation.

14 #41

Section 7 - Contracts with an appraised value of up to \$50,000 may be signed by the Director without the Commissioner's concurrence (now it is \$10,000); leases with an annual rental value up to \$5,000 may be approved by the Director without consent of the Commissioner (now \$1,000). This section further provides that contracts for negotiated sales authorized by 38.05.115, shore fishery site leases under 38.05.082 and revocable permits issued by Department of Natural Resources are not subject to written finding requirements of this section.

Section 8 ^{sub} - Clarifies that the purchase price of land ^{sold} ~~purchased~~ under this section is the price set on the date of original entry or if the price is not set at that time at a price determined by Division to fairly represent the value of improved land at the time the claim was established.

Section 9 ^{sub} - Clarifies that the purchase price of land purchased under this section is the fair market value "on the date that the person first entered the land".

Sections 10+11 - Authorizes conveyance to an adjoining landowner parts of land created by a highway right of way alignment or realignment or a parcel created by the vacation of a State owned right of way not to exceed the minimum lot size for that

14 (1)

zone under ~~certain~~ specified circumstances. Parcels conveyed under this section must be sold at fair market value as determined by the Director on the basis of an appraisal. This land may be sold to a person not qualifying as an adjoining landowner if the adjoining landowner declines to purchase. State land rental and installments payment deadlines may be extended for good ^{cause} reason if penalties and interest are paid. Preference right parcels may be conveyed without classification or reclassification.

Section 12 - Requires that auction, lotteries or homesite/lottery disposals must be held in a municipality that is "closest to the land to be sold or disposed of and in which regular sessions of a court of the State are held".

Section 13 - Requires bidders to be present at auction sales of recreational and residential land unless medical reasons, attendance at school or military service outside the State prevent attendance. A bidder may be represented by an Attorney or Agent if the land offered for disposal is commercial, industrial or agricultural land; technical amendments; changes downpayment from 10% to 5% of the purchase price after deduction of the discount; to allow verification of discounts, requires Commissioner to issue a receipt of sale at auction instead of current requirement that sale contract be signed.

Section 14 - Deletes lottery minimums (\$400 per acre general lottery; \$100 per acre for agricultural rights) Adds a new requirement that applicants be present at the lottery if the land offered is for residential or recreational purposes unless medical reasons, attendance at school or military service outside the State prevent attendance. An agent may represent the applicant if land is offered as commercial, industrial or agricultural land, Require 5% deposit on day of lottery. Clarifies that the downpayment is determined after deduction of the discount.

Section 15 - Negotiated leases are not eligible for a preference right under 38.05.102.

Section 16-21 - REMOTE PARCEL PROGRAM. These sections substantially revise the remote parcel program. Under current law, an individual selected by lottery is entitled to stake a remote parcel which may not exceed 40 acres. After staking, the qualified applicant may lease the remote parcel for five years with an option to renew for an additional five years. The rent for this parcel is \$150 an acre for the first five acres, and \$50 for each additional acre. At the end of the lease, the lessee is entitled to purchase the first five acres of the parcel if he has surveyed the land and built a habitable dwelling on this land. The lessee may purchase additional acreage over five

OK

?
10 in
acre

brush
lines

~~acres in a remote parcel if he surveys that land and constructs permanent improvements. The purchase price of the remote parcel is the appraised value at the time ^{of the lease} the survey plat is approved by the Commissioner.~~

Under ^{CS 102} CS for HB 31 remote parcel areas would simply be opened to staking rather than sold through semi-annual lotteries. The annual rental is reduced to a flat \$10 per acre fee. The bill adds ^a ~~an additional~~ requirement that unless the land is surveyed the lessee shall within one year of approval of a lease application and continuously for the lease period physically delineate the boundaries of the parcel by brushing the lines so that they are readily visible from the ground. In order to qualify to purchase up to 40 acres, the lessee must survey the land. Habitable dwelling and other improvement requirements are eliminated. The lessee must pay 5% of the discounted purchase price of the land. ^{down payment} The fair market value is determined as of the date the remote parcel was first leased to the purchaser of the land. Remote parcel purchasers must certify that they have not leased or purchased State land (except ^a commercial or industrial) from the land bank with 8 years immediately preceding the date of staking. Holders of existing remote parcel leases are allowed to convert to the new more liberal terms (See Section ³⁹ ~~28~~). Rental in excess of 10/acre paid under old remote parcel leases (under current program) may be credited against future rentals under a new lease or deducted from the purchase price. (See Section 34)

Section 22 - If a person stakes a remote parcel in good faith but includes land in the parcel which was previously claimed by another person eligible to stake a remote parcel Director is required to approve that part of the later ^{staking} selection which does not conflict with the earlier ^{staking} selection and allow the person to stake additional land in the remote parcel selection area. If a good faith remote parcel entrant includes land in his parcel which is outside the remote parcel selection area, the Director shall either disapprove the staking outside the remote parcel area and allow the person to stake additional land in the remote parcel selection area or he may approve the staking outside the remote parcel selection area.

Sections 23, 24 - Technical amendments to remedy a defect in prior legislation. Exempts eligible applicants from payment of annual rental on State land leased for a youth encampment As defined by the Commissioner by regulation.

Section 25 - Lessees of land offered for sale or long term leases may purchase or lease the land for the appraised fair market value (now they may purchase for the amount of the ^{high Bid} leasehold at public auction). This section does not apply to negotiated leases.

Section 26 - Upon application of a municipality, the Department may vacate, release, modify or relocate easements or rights of way to and along navigable or public waters if the Commissioner determines it is in the public interests.

or affected owners 16(2)

Section- 27 Repeals and reenacts 38.05.305 which currently provides for notice of proposed disposals of an interest in land to municipalities, regional and village native corporations, and communities of twenty five individuals or more. This section which must be read in conjunction with Section ~~27~~³⁰, restates a requirement in existing 38.05.305 that before disposing of an interest of land in the unorganized borough Commissioner must consider the effect that the disposal may be expected to have on the density of the population in the vicinity of the land and any potential for conflicts with traditional use of the land which could result from the sale, lease or disposal. If necessary, the Commissioner is required to develop a plan to resolve or mitigate the conflicts in a manner consistent with the public interest.

Section 28 - See Section 26j 24

Section 29 - See Section 26j 24

defer technical amendments Youth Encampment

Section 30 - Repeals and reenacts 38.05.305 notice provisions to clarify ambiguities in existing law and to delete unnecessary procedural obstacles. Generally provides for 30 day notice of any pending disposal actions ^{of} publication, posting, electronic media, notification of party likely to be affected by the action or other methods calculated to reach affected persons. Also requires notice to municipalities (if within the organized borough) or regional and village naticce corporations and communities of more than 25 persons (if outside the organized borough) at least 30 days classification ^{PHOR to (including mineral lease orders)} ~~prior to~~ zoning, best interest finding or disposal. Irrevocable permits and negotiated sales under 38.05.115 are exempt from the requirements of this section.

Section 31 - Homesite applicants must present proof of residency to the Department in ^a ~~person at the time and place~~ ^{manner} designated by the Director.

Section 32 - The Forest Practices Act established a Division of Forest, Land and Water Management and provided that the Director be appointed from a list submitted by the Board of Forestry. This section repeals the requirement to establish a Division of Forest, Land and Water Management, ~~and~~ ^{and} authorizes the Governor to establish a separate Division of Forestry and allows the Commissioner to hire a Director in his discretion.

Section - Repealers (1) 38.05.047 -- repealed and reenacted in new 38.04.020; see Section ~~13~~¹³. (2) 38.05.065(a) - repeals auction sale terms language, see section 14. (3) 38.05.077(b)2 - repeals reference to "residential purposes" land within a remote parcel; see sections ~~18-22~~¹⁸⁻²² (4) 38.05.078(b) - repeals reference to land "not used for residential purposes" in a remote parcel; ~~see sections 18-22(4)~~¹⁸⁻²² (5) 38.05.078(d)(1) - repeals provisions which prohibits conveyance of remote parcel for 10 years after sale unless title devolves by inheritance. (6) 38.05.097 - see Section ²⁴; amendments authorizing rent fee youth encampment leases.

Section - Remote parcel lease conversion and rent of credit; see sections ~~18-22~~¹⁸⁻²²

Section - Effective date of July 1, 1981.

distributed 2/24/81

SS HB 31 v HB 193

- 1. a. HB 31 - All municipalities with land entitlements under 29.18.201 must submit to the legislature a five-year municipal land disposal plan by March 15, 1982. (Section 1)
- b. HB 193 - Establishes a program for disposal of municipal entitlement land into private ownership with State assistance. Allows municipalities to submit funding requests through the legislature to cover disposal costs provided the request is accompanied by a five-year disposal schedule and a description of sale terms. Treats appropriations as loans to be repaid to the State under established conditions. (Section 17)
- 2. a. HB 31 - Provides that public access to navigable and public waters of the State shall be preserved only under 38.05.127. (Section 2) annuls 11 AAC 53.450(c) (Section 35)
- b. HB 193 - No parallel provision.
- 3. a. HB 31 - Adds agricultural land to the land disposal bank; deletes obsolete reference to July 1, 1979 (Section 3).
- b. HB 193 - Same provision; also requires all State land to be classified by November 1, 1983; clarifies categories of land which are deposited in the land disposal bank - remote cabin sites, recreational, residential, commercial and industrial land (Sections 2, 3 & 4).
- 4. a. HB 31 - Reduces quota from at least 100,000 acres per year to 60,000 acres per year (excluding agricultural land); amount of municipal land offered for private ownership by municipalities after January 1, 1980, may be credited against the quota. (Section 4)

- b. HB 193 - Repeals quota; department would make a recommendation each year to the legislature based upon an assessment of demand; land bank still must contain at least 500,000 acres of state land available for purposes set out above. (Section 5).
- 5.
- a. HB 31 - Revises financing request language to provide that department submit three alternatives financing requests - a request for 100,000 acres mandated by law; a request for appropriations required to finance disposal of 50% of that amount (Now the law says "one-half"), and an estimate of the appropriations required to finance a disposal of twice the amount (now the law says "50%" more). (Section 5).
 - b. HB 193 - Rewrites financing request section to provide that the request must include (1) an estimate of the appropriations required to finance disposal of lands identified for disposal of lands recommended for disposal during that fiscal year; (2) an estimate of the appropriations required to finance the survey of the amount of land recommended for disposal during the first succeeding fiscal year and (3) an estimate of the appropriations required to finance the identification and classification of the amount of land recommended for disposal during the second succeeding fiscal year; and (4) any required capital improvements for subdivisions scheduled for disposal within municipalities. The State also is required to submit along with its financing request, a map showing the areas in which the disposals are to occur. Any request by municipalities for loans, would also be included in the Department's financing submittal. (Section 7).
- 6.
- a. HB 31 - Technical Amendment which excludes school land as lands which may be made available at fair market value for private school lands use. Designation was repealed during 1978 session. (Section 6).

- b. HB 193 - No parallel provision.
7. a. HB 31 - Provides that easements and rights-of-ways on or across land which is made available for private use may include established trails traditionally used for commerce, recreation or transportation. (Section 7)
- b. HB 193 - No parallel provision.
8. a. HB 31 - Contracts with an appraised value of up to 50,000 may be signed by the Director without the Commissioner's concurrence (now it is 1,000); and leases with an annual rental value of up to \$5,000 may be approved by the Director without the consent or approval of the Commissioner. (Now 1,000) Further provides that contracts for negotiated sale authorized by AS 38.05.115, permits issued under 38.05.330, or are exempt from this section. (Section 8)
- b. HB 193 - No parallel provision.
9. a. HB 31 - Authorizes conveyance to an adjoining landowner parts of land created by highway right-of-way alignment or realignment or a parcel created by the vacation of a state on right-of-way not to exceed one acre under certain specified circumstances. Parcels conveyed under this section must be sold at fair market value as determined by the Director on the basis of an appraisal. (Sections 9 & 10).
- b. HB 193 - No parallel provision.
10. HB 31 -- Subdivision parcels may exceed five acres if a municipal ordinance or regulation adopted by the Department of Environmental Conservation requires larger parcels to prevent water pollution. (Now parcels cannot exceed five acres.) The Commissioner is

required to give priority to surveying districts which contain land that "is in the vicinity of existing access roads". (Section 11).

- b. HB 193 - The requirement to establish survey districts has been deleted. However, all lands which are subdivided for residential services or purposes must be sold in accordance with current AS 38.05.047(f) (80% lottery, 10% homesite under 38.08, 10% homesite lottery). Parcels cannot exceed five acres unless a larger size is necessary for the "full use and enjoyment of the land". The maximum is 40 acres. The Department is also required to include a municipality in its planning for State land located within the boundaries of the municipality by providing each municipality information regarding the amounts and location of State land within that municipality proposed for classification or survey or disposal at least 60 days before submission to the Governor of its financing request. Within 30 days of receipt, the municipality may recommend alternative locations, terms, and subdivision designs. If municipal land is recommended for disposal to satisfy all or part of the accessed need for land within the municipality, the Department's financing request must identify state lands for which disposal is not recommended if loans for the disposal of municipal lands are approved by the legislature. HB 193 also clarifies which lands are available for disposal following the classification process. (Sections 13 through 16).
- 11. a. HB 31 - Requires that auction, lotteries, or homesites disposals must be held in a municipality that is "closest to the land to be sold or disposed of and in which regular sessions of the Superior Court are held". (Section 12)
 - b. HB 193 - No parallel provision.

12. a. HB 31 - Requires bidders to be present at auction sales of recreational and residential land. Bidders may be represented by an Attorney or Agent if the land offered for disposal is commercial, industrial or agricultural land. Changes downpayment from 10% to 5% of the purchase price after deduction of the discount. (Section 13).
- b. HB 193 - No parallel provision.
13. a. HB 31 - Deletes lottery minimums (\$400 per acre general lottery; \$100 per acre if land is limited to use for agricultural purposes); requires the Commissioner to sell land by lottery for less than fair market value if he determines the scarcity of land for private use in the area of the land to be sold has resulted in unrealistic land values. Under current law this authority is discretionary. Also requires applicants to be present at the lottery if the land offered is for residential or recreational purposes. An Agent may represent the applicant if land is offered as commercial, industrial or agricultural land. Clarifies that the downpayment is determined after deduction of the discount. (Section 14).
- b. HB 193 - Repeals minimums; provides that the downpayment is taken off the purchase price after deduction of the discount. (Section 18)
14. a. HB 31 - Provides that all contracts of sale shall be a period of not more than 20 years. Interest on the unpaid principal is calculated in advance. Interest accrues beginning 30 days after the purchaser receives the contract from the Department for its execution. (Section 15).
- b. HB 193 - No parallel provision.

15. a. HB 31 - Changes reference from Director to Commissioner. Provides that contract must be signed by the purchaser and the Commissioner on behalf of the State. The purchaser must sign and return the contract within 30 days after he receives the contract. The Commissioner must sign the contract within 30 days after receiving the contract from the purchaser. If the purchaser fails to sign the contract, the deposit should be retained by the Commissioner as to liquidate damages to repay the State for the cost of selling the land to another purchaser. (Section 16).
- b. HB 193 - No parallel provision.
16. a. HB 31 - Increases appraised value of the lease transaction which may be negotiated by the Director without advertisement from \$250 per year to \$1000 per year. (Section 18).
- b. HB 193 - No parallel provision.
17. a. HB 31 - Changes the remote parcel program. Under current law, an individual selected by lottery is entitled to stake a remote parcel which may not exceed 40 acres. After staking, the qualified applicant may lease the remote parcel for five years with an option to renew for an additional five years. The rent for this parcel is \$50 an acre for the first five acres, a \$150 for each additional acre. At the end of the lease period, the lessee is entitled to purchase the first five acres on the parcel if he has surveyed the land and built a habitable dwelling on the land. The lessee may purchase additional acreage over five acres in the remote parcel if he surveys that land and constructs permanent improvement. The purchase price of the remote parcel is the appraised value at the time the survey plan is approved by the Commissioner. HB 31 provides that remote parcel areas would simply be open to staking rather than

sold through semi-annually lotteries. The annual rental is reduced to a flat \$10 per acre fee. Requirements for improving land in excess of five acres are eliminated. In order to qualify to purchase up to 40 acres, the lessee must survey the land and build a habitable dwelling on that land. The value of the remote parcel would be determined at the time of entry. Holders of existing remote parcel leases are allowed to convert to the new more liberal terms. (Sections 19 through 24).

- b. HB 193 - Same as HB 31 with two exceptions: (1) eliminates habitable dwelling requirements (2) allows rentals to be credited to purchase price. (Sections 19 through 24).
18. a. HB 31- If a persons selects a remote parcel in good faith that includes land in his parcel which was previously claimed by another parcel lessee, the Commissioner shall approve that part of the selection which does not conflict with the earlier selection and allow the person to select additional land in a remote parcel selection area. If a person selects a remote parcel in good faith but includes land in his parcel which is outside the remote parcel selection area, the Commissioner shall either disapprove the selection outside the area, and allow the person to select additional land, or he may approve the selection of the land outside the remote parcel selection area. (Section 25).
- b. HB 193 - No parallel provision.
19. a. HB 31 - One in a series of technical amendments which rectify an error made several years in a bill which purported to exempt eligible applicants from the payment of annual rent on State land lease for a youth encampment. (Section 26).
- b. HB 193 - No parallel provision.

20. a. HB 31 - Adds wastes disposal site and grazing permits to list of permits that may be issued by the Director without prior approval of the Commissioner. (Section 27).
- b. HB 193 - No parallel provision.
21. a. HB 31 - Amendments to notice laws recommended by the Department last year. (Sections 28 and 29)
- b. HB 193 - No parallel provision. However department has developed a proposed alternative.
22. a. HB 31 - Allows larger than 5 acre homesite parcels if a municipal ordinance or regulation adopted by DEC requires larger parcels to prevent water pollution.
- b. HB 193 - Also authorizes larger parcels to permit the "full use and enjoyment of the land". (Section 25).
23. a. HB 31 - Requires homesite applicants to present a proof of residency to the Department in person at the time and place designated by the Director.
- b. HB 193 - No parallel provision.
24. a. HB 31 - Repealers: (1) AS 38.05.065(a) - Auction sale terms (2) 38.05.077(b)2 - Deletes reference to "residential purposes" land within a remote parcel (3) 38.05.078(b) - deletes reference to "residential purposes" land in a remote parcel (4) 38.05.078(b)(1) - repeals requirement that remote parcel land may not be sold, leased or otherwise conveyed before 10 years after the date the contract of sale is signed by the purchaser (5) 38.05.095(b) and 38.05.097 - (See #19)

- b. HB 193 - Repeals 38.05.077(b)(2), 38.05.078(b), 38.05.078(d)(1), Also repeals 38.05.047(e) - (See #10); and 38.05.078(f)- definition of "habitable dwelling".

Miscellaneous Amendments Contained In HB 193 Only:

1. When considering the classification of State land for disposal, the Director must taken into account the existing and potential opportunities for other uses of the land which will be lost as of the result of this disposal - Fish and Game Proposal (Section 1).
2. Land withdrawn from the land disposal bank which has not been conveyed within five years may be reclassified for any purpose. Now the land must be reclassified for purposes associated with private use settlement and development - Fish and Game Proposal (Section 6).
3. Allow State agencies to nominate State land for classification or reclassification for other private ownership or State retention - Fish and Game Proposal (Section 8).
4. Estimates of the cost of land disposals must include administrative costs overhead, expenses of providing financing term for land sale contracts and costs from administering the land disposals and maintaining capital improvements - Fish and Game Proposal Plans (Section 9).

5. Provides that the Commissioner must consult with effected State agencies and local governments before disposing of State land for private use in order to establish lakefront development standards. Official regional or area land use plans adopted by the Commissioner must be consistent with the lakeshore development standards established above - Fish and Game Proposals (Sections 10 and 11).
6. The Bill would also modify the requirement in existing law that the local subdivision authority must approve a State subdivision plat before the plat may be recorded and lot sold by the State. Plat approval authority would be retained in this Bill. However, if municipality fails to take action on a plat submitted by the Department of Natural Resources within 60 days after submitted or places conditions on plat approval which are unacceptable to the Department, the Department may deduct the amount of land in that subdivision plat from the total financed for disposal that year.
also "protection from geophysical hazards"
7. Adds "protection from geophysical hazards" to list of "multi-use" categories listed in A.S. 38.05.047.

Alaska State Legislature

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Senate

Committee on Resources

MEMORANDUM

TO: SENATOR DON BENNETT
CHAIRMAN
SENATE FINANCE COMMITTEE

THRU: SENATOR BETTYE FAHRENKAMP
CHAIRMAN
SENATE RESOURCES COMMITTEE

FROM: JIM PALMER
SENATE RESOURCES COMMITTEE STAFF

RE: POSSIBLE AMENDMENTS TO SCS FOR CSHB 31. (Resources)

DATE: JUNE 1, 1981

After receiving your memorandum of May 25 which addresses your concerns in the area of trapping cabin permits, the staff of the Senate Resources Committee contacted the Department of Natural Resources and the legal division of the Legislative Affairs Agency.

Three different items have resulted from these discussions. First, the Resources staff has prepared an amendment (attached) which gives a person holding a trapping cabin permit preference in acquiring land on which the cabin is located if the land is to be disposed of by the state. Second, amendments are being drafted by the legal division of the Legislative Affairs Agency dealing with items 1,2,4 and 5 of your May 25 memorandum. From discussions I have had with the attorneys at DNR and Legislative Affairs and from my reading of the uniform rules, these amendments most probably violate the single subject rule. Since the amendments deal with cabin permits, they should be contained in separate legislation and not in legislation dealing with state land disposals. Thirdly, the Department of Natural Resources has informed the Resources Committee that the regulation referred to in item #3 of your memorandum is currently being repealed and redrafted. This regulation (11 AAC 53.450(c)) will no longer mandate at least a 50ft easement but will vary with different conditions.

ALASKA

STATE LEGISLATURE

MEMORANDUM

DATE: MAY 25, 1981

TO: SENATOR BETTYE FAHRENKAMP, CHAIR OF SENATE RESOURCES COMMITTEE

FROM: SENATOR DON BENNETT



I have some concerns in the area of trapping cabin permits on state lands. I would like to propose improvements to the lands bill that the Senate Resources Committee is presently working on that would alleviate many of the concerns of the trappers:

- * Allow the cabins to be located on any state land where trapping is allowed, regardless of land classification.
- * Eliminate article 2 AAC 94.250 dealing with the number and size of buildings that can be built on the trapping cabin site.
- ok * Eliminate the waterfront setback provision that is presently in force for remote parcel development so that cabins may be built closer to the waters edge.
- * Provide for at least 5 acres in a trapping cabin site.
- * Make the language explicit enough so that regulations written will not alter the intent.

Your attention in this matter is appreciated. If you have any questions, please call me.

AMENDMENT

OFFERED IN THE SENATE:

By: _____

To: CS for CSHB31 SENATE BILL No. _____
(Resources) HOUSE BILL No. _____

PAGE: p 13

LINE: 3

AS 38.05 is amended by adding a new section to read:

Sec. 38.05.064 SALES PREFERENCE TO HOLDERS OF TRAPPING CABIN CONSTRUCTION PERMITS. (a) An individual who holds a permit under AS 38.95.080 is entitled to a preference right to acquire the land on which the trapping cabin is located. The preference allowed under this paragraph extends only to the amount of land that is no larger than the largest parcel offered for disposal by the director within the disposal area. (b) A holder of a permit under AS 38.95.080 can only use the preference right in paragraph (a) only once.

April 30, 1981

The Honorable Don Bennett
Pouch V
Alaska State Legislature
Juneau, Alaska 99811

Dear Senator Bennett:

You have asked me to comment on a problem raised by a constituent regarding the remote parcel program. The letter correctly points out that proposed revisions to the remote parcel program contained in CS for HB 31 (Resources) would reduce rental payments to a flat \$10.00 per acre annual fee. In addition, these payments would be credited against the purchase price if the lessee chose to purchase the parcel. The author contends that had the 10 acre rental applied at the time he staked his parcel, he would have staked 20 acres instead of five. He now would like the option to stake an additional 15 acres under the new program.

Section 22 of the House Bill provides that individuals who have acquired a right to select a remote parcel prior to July 1, 1981, are entitled to convert their lease to a new lease agreement under the revised program. Thus, following passage of this proposed act, current remote parcel lessees could obtain new leases which establish a \$10.00 per acre rental fee. The legislation, however, does not authorize the lessee to stake additional acreage in connection with obtaining the new lease.

This could be accomplished as follows:

1. If the one year staking period is still running, the lessee could simply request a modification of his lease to include additional acreage; assuming availability of contiguous land for that purpose (land is open to staking under the remote parcel program and there are no prior entries). After the effective date of CS for HB 31 he could then apply to convert his lease to a new lease which would provide for a \$10.00 per acre rental;

*reasons
about*

2. If the staking period has lapsed, the land bill could be amended to allow an individual with a pre-July 1, 1981 lease to amend his original staking up to the full amount authorized at the time he first staked his parcel; again assuming availability of contiguous land for that purpose. Please note that current law and CS for HB 31 provide that individuals may only lease one remote parcel every eight years. This limitation would have to be amended to accomplish the above.
3. In the alternative, amendments could authorize current lessees to relinquish their remote parcel leases, and stake new entries under the revised remote parcel program.

I hope this answers your question.

Sincerely,

David Rogers

David Rogers
Special Assistant
to the Commissioner

DR:msp

MAY 18 1981

Central, Alaska 99730
May 14, 1981

Senator Don Bennett
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Don:

Thanks for the information on the highway crew and maintenance--and especially the good news about additional funding for the Museum.

Today we had a meeting with State Div. of Lands Re: potential agricultural lands in this area--a meeting which had good input on people's wishes for larger, more flexible homestead-like land selections and which also brought about some pretty general agreement that in the available State lands, there really wasn't much of even minor agricultural nature. The Lands people were also given a conducted tour through the swamp they propose to make into a sub-division for 1983 disposal--perhaps this will convince them, even more than our protests in January, of the unsuitability of such land for homesites.

But the interesting news came about in a "slip" during conversation--it appears that on the "oldtimer" subdivisions (Central, Delta, Tok and Healy) from the first lottery, the State Div. of Lands intends to go ahead and give titles to anyone who has built on their lands, whether or not they have met the requirement of five months' residency by June 30, 1981. This, of course, is grossly unfair to those who have put in the time as required--and makes a complete joke of the requirements, however unreasonable they might have been.

In the "Wrinkleville" subdivision near the Hot Springs, of some 60 lots, there are 5-10 people who will have fulfilled residency requirements by June 30. There are several older people who started to, but because of ill health have been unable to complete requirements and have been told by Lands people that there will be no extensions on residency, only on actual buildings. And there are others who have had houses built, but made no attempt at all to fulfill residency requirements they were fully aware of when they applied for the land originally.

At any rate, it appears there'll be a real hornet's nest over the situation if the State gives title to people who have made no attempt to complete requirements which were clearly stated when they got the land. So thought you might be interested in this situation before it blows. Apparently the State Lands decision has been made already in reference to the Tok area sites and is expected to carry through on other sub-divisions also.

Saw the project engineer for the mining-roads job yesterday--he said they'll be starting within 10-14 days. So we're all hoping the dust control project gets underway soon, too. "Bike Trail" meeting has been announced for Friday, May 22, at 7:30 p.m. at Central Lodge--don't know why a holiday weekend night was chosen or whether there'll be any turnout, but we'll see. Local feelings toward the idea generally are pretty negative.

Things are quiet on the electricity scene--Hutchinson seems to be concluding that it isn't feasible for him--so who knows what's coming up next? (I know--I'm going to put in my own power, although how I'll be able to fuel a plant with oil prices climbing as they are remains a question.)

2--Bennett

Hope things are moving along well in Juneau and that you can get back to God's country before too long. You and Bev remember that there's plenty of parking space on my creekbank for your camper whenever you can come out this way for a day or so.

Cheers,

Fat Oakes

P.S. A thought--is it possible to devise a plan whereby those who pay to build roads into their State sub-division lots could get credit for this toward the purchase price of their land? It could encourage road building and would also make roads available at a lower cost than if the State itself put in the roads and added the cost to the land price. Would also keep the jobs of road-building in the hands of the small, local outfits instead of putting it in the hands of the big outfits who have to price up for all the fuss and paperwork of doing it on State contract. Would encourage all who live along the roads to pay their share, too. It would also mean that road efforts would go where people are actually developing the land, rather than having State-built access roads where they might not be needed in the immediate future. In this area, a mile of road was built into a steep, hillside subdivision (above the Wrinkleville subdivision) for about \$5,000. It is a very adequate road for the needs of the subdivision. I doubt that the State could design, put to bid, and contract that road mile for less than \$100,000. Somehow it just seems that a plan with credit for building one's own road or having it built privately might be beneficial and a savings to all.

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH M
JUNEAU, ALASKA 99811
PHONE: (907) 465-2400


May 4, 1981

Mr. Michael T. Ward
SR 22116
Fairbanks, Alaska 99701

Dear Mr. Ward:

Enclosed is the Decision on Appeal regarding the Kantishna Remote Parcel disposal. If you have further questions, please call my office.

Sincerely,


Robert E. LeResche
Commissioner

Enclosure

COMMISSIONER'S DECISION ON APPEAL

Mr. Michael T. Ward	*	Kantishna Remote
SR 22116		Parcel Disposal
Fairbanks, Alaska 99701	*	
	*	
	*	
	*	

Background

The Kantishna remote area near Fairbanks was offered for disposal in December, 1980. During the interagency review, the Alaska Department of Fish and Game requested a 300 foot habitat protection easement along the Kantishna River. Initially, the Northcentral District determined to impose the standard 50 foot easement. The Advertisement brochure published the 50 foot easement. A few days before the filing period, the Alaska Department of Fish and Game appealed the easement width. The issue went before the Lands Disposal Review Committee which decided in favor of the 300 foot easement. Lottery winners first learned of the change at a meeting with Department of Natural Resources regarding staking instructions.

Situation

Mr. Michael T. Ward has filed an appeal with the Commissioner including two requests:

1. That the Commissioner issue a regulation requiring the Department of Natural Resources to adhere to the standard 50 foot setback on river front disposals in the interior and hold public hearings prior to lottery when any other setback is contemplated.
2. That the Department of Natural Resources will refund the lottery fee to all participants of the Kantishna disposal who wish to forfeit their entry permits.

Decision

Pursuant to 11 AAC 53.330(b) the director is required to reserve an easement at least 50 feet in width along public and navigable waters. Specific width is left to the director's discretion. Public hearings are held prior to all land disposals and further public comment is welcomed at any time. Information from the public hearings together with recommendations of those State agencies involved is used in determining specific reservations. Easements are routinely designated prior to the printing of the advertisement brochure so that all parcels are fairly represented. The last minute change on the Kantishna disposal was a departure from normal

Departmental procedure. Further, the Department of Natural Resources is charged with the responsibility to administer the State's resources for the good of all Alaskans. A regulated 50 foot easement would eliminate site specific considerations and thus preclude sound management decisions pursuant to upholding that responsibility. To require additional public hearings after reservation decisions are made would not be appropriate. At that point, the public has recourse in the appeal process.

Lottery fees are generally non-refundable. However, it is the policy of the Department of Natural Resources to refund fees whenever land sold is found to have been misrepresented in the advertisement process. Therefore, recognizing that the ultimate easements along the Kantishna River were not accurately represented in the advertisement brochure, any aggrieved participant in the Kantishna disposal may receive full refund of fees on request to the Division of Forest, Land and Water Management, 323 East Fourth Street, Anchorage, Alaska.


Commissioner


Date

cc: The Honorable Bettye Fahrenkamp
The Honorable Don Bennett
The Honorable Sally Smith
Chris Guinn
Frank Mielke

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

HOUSING ASSISTANCE DIVISION

MAR 6 1981
JAY S. HAMMOND, GOVERNOR

44-17
2600 DENALI, SUITE 400
ANCHORAGE, ALASKA 99503
PHONE: (907) 272-4585

February 27, 1981

The Honorable Senator Don Bennett
Pouch V
Juneau, AK 99811

Don
Dear Senator Bennett:

I am writing to you with regards to a problem that has been brought to my attention on numerous occasions concerning the difficulties in securing title to state lands that have been obtained through the Open-to-Entry Program, homesite by lottery or residency, remote parcel and subdivision lottery, and the Agricultural Preference Right Program. Specifically the problems arise when individuals attempt to obtain financing for housing construction on their state land disposal properties.

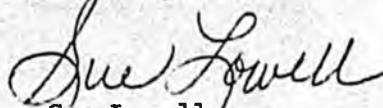
At the present Don, construction financing is not available through private lending institutions or state housing loan programs, as fee simple title is not held by the prospective borrowers. Actually, what we have here is a "Catch-22" situation; whereas, in order for an individual to receive title to the land, he or she must erect a structure on the property within a five year period of time. But, financing cannot be obtained unless the borrower shows acceptable security, i.e., title to the land on which the structure is to be built. Ultimately, being as a structure is not built on the property, the land reverts back to the state within a five year period of time. Therefore, it would seem that two major areas of the Alaskan lifestyle are being affected; one being the opportunity to own a piece of land, and the other being, the opportunity to build a home on this land. This problem is developing into a very real dilemma as more and more Alaskans are faced with the personal frustrations of the above situation.

In an effort to seek a possible resolution to the title problems, I contacted David Rogers of the Department of Natural Resources in November and a meeting was scheduled for discussion. In attendance was a representative from the Attorney General's office, Bob Sullivan of the Alaska Mortgage Bankers, a representative from National Bank of Alaska, David Rogers, and Jack Smodey and myself.

Don, I have also discussed this problem with Representative Haugen, as several of his constituents have contacted me seeking housing financing. I have enclosed a copy of a letter from an individual in Petersburg which pinpoints the difficulties with homesite parcels. Additionally, House Bill 193 was introduced on February 19, and possibly could provide the vehicle for the necessary amendments.

If I can provide further input, please give me a call. I will be waiting to hear from you.

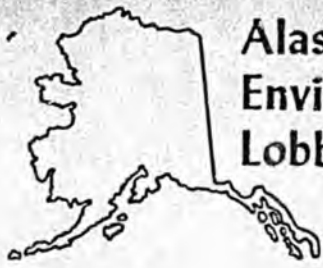
Best regards,

A handwritten signature in cursive script that reads "Sue Lowell".

Sue Lowell

Deputy Director

cc: Senator John Sackett
Senator M.E. Dankworth, Co-Chairman, Senate Finance Committee
✓Senator Bettye Fahrenkamp, Chairwoman, Senate Resources Committee



Alaska
Environmental
Lobby

419 6th St., Suite 321
Juneau, Alaska 99801

586-2345

TESTIMONY BEFORE THE SENATE
RESOURCES COMMITTEE ON SB 531/HB 31

May 20, 1981

by

Roland Shanks

I am Roland Shanks representing the the Alaska Environmental Lobby.

I am very happy to be able to testify in favor of SB 531. We have been seeking land disposal reforms for sometime. We have identified three areas of concern. First the removal of the 100,000 acre quota. Secondly, changes in the classification system that will provide better protection to public use areas. And thirdly, a system that provides for more public input in the disposal process. SB 531 adequately addresses all of our immediate concerns.

I thought it might be useful to provide the committee with a few statistics regarding the current land disposal system and how it has worked or not worked as the case may be. These facts come from a report prepared by George Gee for the Institute for Social and Economic Research, University of Alaska. Of the 12,441 parcels he looked at in his study only 5,641 or 43% of the subdivision parcels, 776 or 72% of the homesites, and 1,705 or 85% of the remote parcels sold. Less than 30% of the subdivision and homesite parcels were bought by local people, and 70% of all the parcels were bought by residents of the Fairbanks North Star Borough or the Municipality of Anchorage. The total return to the state has been \$43, and the average discount has been \$3,400. I think we can see from these figures that the program has not been working as planned. And in the process we have lost some important wildlife habitat areas, mineral areas, and forest areas.

I would like to take this opportunity to discuss a few specific points in SB 531.

AS 38.04.020(i) in Section 4—This section received much discussion in the House Resources Committee, but I still don't fully understand this section. This is sold by DNR as an unimportant housekeeping amendment, but I am concerned that it could be abused to make disposals without classific-

ation. I would like to see the intent of this section spelled out very clearly in the record of these hearings.

Sections 3 and 7 dealing with access thru private use areas. We feel that this section helps insure that the public will retain the right to have access to these areas after the disposals. We feel that traditional trails and waterways should be protected in all disposals.

Section 26 dealing with the assignment of leases. This section should go along way towards controlling the transfer of leases and may help control speculation.

Section 30 addresses disposals in the Unorganized Boroughs. This section should go along ways towards addressing the problems that have beset disposals in the bush.

There are several sections that attempt to give local people preference in various ways. For the most part we have supported that concept. We felt that one of the reasons of having a disposal program was to provide land for Alaskans to live on near their homes. However, this desire to provide land to locals must be balanced against the needs of all the state's residents. This land does belong to all Alaskans and when it is sold it is important that everybody have a shot at it, but we still feel that it might be desirable to use methods that give locals a preference in some cases, particularly where land is scarce.

In summary I would like to praise the sponsor for offering such a comprehensive answer to this difficult problem. I would also ask the committee to act quickly on this issue. We must begin to mold a land disposal system that will truly meet the needs of Alaskans for land, while at the same time protecting the values that make people want to live in Alaska.

GARY NEWMAN
SR BOX 51233

SYNOPSIS CHRONOLOGY - STEELE CREEK/TUNGSTEN SUBDIVISION

Phase I-Assessment

See
Soils
file

March 7, 1980 from John Carlson FNSB to Wm. Copeland DNR

"This area is very steep but has some potential for residential use on about half of the area. North slopes and creek bottoms should remain as open space. Legal access is questionable. Because of terrain, full road designs are a must. A full transportation plan must be developed to assure future access to all State land in the area. Because road costs will be very high, an economic analysis should be carried out to determine if the developable land can carry the development costs necessary for residential use." (NCDO memo states Al Cronk recommended lot sizes over 20 acres)

Resource Assessment-Area Nominations-DNR internal (excerpts)

"This view property is highly desirable for disposal because it is close to Fairbanks, has excellent scenic value, and is suitable for home sites.

Soils- The more desirable south and east slopes have well drained unfrozen Fairbanks silt and rocky Gilmore soils that are suitable for building sites. Permafrosty, poorly drained Minto and Goldstream soils are found in low areas. Very shallow frozen Ester soils may be found on some of the north facing slopes.

Hydrology-Glaciering occurs near creeks. The water supply is probably quite limited in the upper elevations and deep wells would need (sic) drilled. Supply is probably abundant in low area (inferred from similar sites near Fairbanks)

Water Quality-It is probably excellent in higher area and very mineralized near low areas.

Reasons for selection-The area is accessible and contiguous with other State land.

Socio-Economic Factors-There will be minimal impact.

Impacts of Proposed Use- Local residents will probably have strong objections to new neighbors moving into a nearby State subdivision. Access is only available along existing section line easements which many residents in the area do not recognize willingly. Borough officials recommend we subdivide areas quite steep and with poor soils into lots of 10 acres or larger.

Benefits-The disposal would increase land available for private ownership. The disposal is desirable because of the...fact that we have little land in the "Land Bank" near fairbanks.

Access-Poor access to and within the parcel is the greatest problem with this disposal. Existing section line easements are available for road construction. (Unfortunately, the ESRO Road is private as determined in court). Road construction within steep parts of the disposal will be expensive because of the topography.

The District recommends that 500 acres of this 1260 acre tract be sold by lottery or homesites in lots 5 to 10 acres in size."

May 16, 1980 Public Hearing NCD0(Fairbanks), DNR

Four people spoke in testimony against proposed Steele Creek sub-division because of access problems, steep slopes, and lack of water quantity even with deep wells.

Phase II- Sub-division Design and Survey

Steele Creek Subdivision Guidelines DTS/DNR to surveyor(excerpts)

"Parcel size and Location- Because of poor existing road access, steep terrain, and permafrost soils, only 500 acres out of approximately 1260 acres within the unit will be selected for sale.

The subdivision(s) should be comprised of five acre lots in accessible areas without permafrost. It is recommended that subdivision of the north facing slopes and drainages be avoided as the more desirable property, best suited for residential purposes, is located on the east to south facing slopes. Access, terrain, and soil conditions will be determining factors in the selection of areas within the unit that are suitable for subdivision.

Access To and Within the Subdivision- The greatest difficulty in selling this area is establishing legal access to it. It is of utmost importance that recommended access routes be carefully investigated by the consultants to determine that they are both legally and physically feasible. Cost estimates are needed for the construction or improvement, when necessary, of the recommended roads. Because the 500 acres may be sold in different areas within the unit, an extensive road system might need to be constructed, making costs prohibitive.

Soil Types- The soil types in this area are highly variable, ranging from permafrost bog to steep rocky slopes. It is very important to consider soil quality when determining the location of roads and desirable subdivision lots. The soil survey should be specific in critical areas such as recommended road locations and areas with marginally quality soils."

July 24, 1980 Disposal Review Committee Meeting (excerpt)

Discussion with Kaljenco (the contracting surveyor):

"(Kaljenco) wants to use a cat to perform the actual clearing of trees and vegetation. Use of a hydroaxe in this area is precluded because of steep slopes and large tree size.

Several private landowners in the area have indicated a willingness to discuss dedications of access across their property.

Water can be expected to be found at depths of 300-500' in this area.. based on information obtained from others in the area as well as Kaljenco's personal knowledge."

Kaljenco Feasibility Study presented to DTS/DNR August 5, 1980
(excerpt)

"Summary and recommendations- We have been instructed by the Fairbanks office of DNR that they believe that 5 acre lots will have too great an impact on the water table. We have been told by D.E.C. that they will not approve lots of only five acres if permafrost is suspected or if grades exceed 25%. We have received the same message from the Fairbanks North Star Borough: they recommend 10 acre lots."

August 12, 1980 Public Hearing before DNR Chiefs

Testimony related to both Hopper Creek and Steele Creek disposals. Problems over small lot sizes in these disposals were acknowledged by Ted Smith and Jeff Haynes, but said they had no choice by legislative mandate. Ted Smith said that only by Borough zoning to larger lots prior to disposal could larger lots be accomplished. He agreed to provide letters of non-objection to rezoning both subdivisions so that the FNSB could consider the re-zones. Newman wrote letter dated 8/14/81 requesting non-objection to GA-LAII.

August 19, 1980 Letter to Gary Newman from NCDO/DNR(entire)

"Regarding your request for a letter of non-objection to the zoning of the proposed Steele Creek disposal, the State has no objection to said requests provided that the zoning does not preclude or prevent the land from being disposed of."

August 20, 1980 Newman submits rezone request to GA-LAII to FNSB Planning Dept.

September 2, 1980 Letter from NCDO/DNR to Don Goggin/FNSB
(entire)

"In reference to a letter from this office dated August 19, 1980 regarding non-objection to a request for zoning of the proposed Steele Creek land disposal area, I would like to clarify that it is not the intention of this Division to concur with the specific typw of zone requested, but to express non-objection to the process of zoning. In this instance we would have objection to a minimum lot size of 40 acres were this proposed disposal area to be rezoned GA-LAII."

Newman spent much of the month of September meeting with NCDO and DTS officials trying to find out what the DNR would not object to with respect to specific zones. DNR was firm in objecting as well to GA-LAI, but were not emphatically against GA (5 acres or greater). Also, many specific requests and constructive suggestions Newman and others made toward specifics of subdivision design were considered and then dropped with no reasons given.

October 8, 1980 Letter from Newman to NCDO/DNR (entire)

"This is a request for a letter of non-objection that will specifically state that the State has no objection to a rezone of General Agriculture, 5 acres or greater. This rezone would help to alleviate some of the problems surrounding this disposal."

November 12, 1980 Letter from DNR(Frank Mielke,Acting Chief)
(entire)

"The NCDO has forwarded a copy of your request for a letter of non-objection to your proposal to rezone land within the proposed Steele Creek subdivision to General Agricultural. It has been decided not to issue any non-objection or to combine lots within the subdivision as requested. Though requests like yours have been granted in the past, it is properly the function of the local planning authority to make such recommendations. However, it is Division policy that all local platting, planning and zoning ordinances and regulations are followed. If the FNSB does rezone the Steele Creek land, the Division will comply with the rezone.

November 20, 1980 Ordinance 80-60 introduced to no longer require the consent of the State of Alaska in rezoning State Owned land. Ordinance is passed at the first assembly meeting of January 1981. Passage of this ordinance allowed the original rezone requested by Gary Newman to be re-activated and comes before the FNSB Planning Commission on March 3, 1981 to rezone Steele Creek/Tungsten subdivision and some State land adjacent to it to the originally requested zone of GA-LAII.

Development Cost Summary as extracted from Kaljenco/Isberg
Cost Estimate October 6, 1980

On site arterials: \$1.9 million

Off site arterials:

Brice Rd. (section) \$237,000

Brice Rd. (alternate access) est. \$300,000

Pilcher Tr. \$290,000

North Rd. \$765,000

On site streets: \$ 721,000

Total Roads and streets \$3,800,000 to 3,900,000

\$38,000 per lot 2.8 acres to 14 acres

With GA-LAII zoning and 40 acre lot size, cost of roads can be reduced to \$2,200,000 including eliminating two off site arterials which do not provide access at the present time. Cost per lot \$146,000

SUMMARY

The body of evidence summarized in the synopsis shows the many vulnerabilities of this proposed subdivision.

If the lots are small, an extensive road system is required, greatly increasing the amount of road frontage on each lot which also increases the amount of land tied up in easements both by road frontage (30' beyond road r.o.w.) and between each lot for utility easements (30' shared between each of the adjacent lots). There will certainly be a deleterious effect on the already deep and low water table on the higher terrain lots, affecting present residents above and adjacent to the subdivision. Pollution from many sewer systems may occur both on the higher slopes where bedrock is very shallow and on lower lots where the ground may be poorly drained. Maximum development may lead to erosion problems on the steeper terrain.

If the lots are large, it will reduce the impact of the about mentioned items, although the development costs per lot plus the costs to purchase each lot will be substantially greater. This will lead to a more lengthy period of development of the land and substantially allow the use to conform more in concert with the land use around the proposed subdivision.

GA-LAII will permit everything unconditionally except:

Residential structure containing more than two units

Rooming house

Mobile Home park

Nursing Home

Clinic

Commercial Radio and TV Broadcasting facility

Sawmill

Gas station with minor automobile repair

Hardware Store, Garden Supply store, self-service dry cleaning and laundry

~~Lite industrial~~
~~Carpentry, electrical, plumbing, machine, heating, sheetmetal,~~
painting, or upholstering shops; tire recapping, major
automotive repair, brewery, dry cleaning plant laundry, tanning.

Mobile home trailer sales

Heavy contractor equipment, truck or bus repair

Bank

Office

Hotel

Restaurant

Power plant

above ground fuel storage

petroleum refinery, junkyard

retail grocery or drugstore

Manufacturing (w/ exceptions)

Lumberyard, storage yard, etc.

Bus depot

Natural resource development-i.e. mining

Basically no industrial, heavy commercial, lge business, multifamily dwelling

CONDITIONAL USES ARE:

Mechanized sport racing

Day care, group home

Sanitarium

Food and beverage wholesale processing

Fraternal or social hall

Museum, auditorium, indoor sports facility, convention hall or zoo.

Transfer station

Planned unit development

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF FOREST, LAND AND WATER MANAGEMENT

323 E. 4TH AVENUE
ANCHORAGE, ALASKA 99501

November 12, 1980

Gary Newman
Star Route Box 51233
Fairbanks, Alaska 96701

Re: Request for Non-objection to Rezone of Steele Creek Land

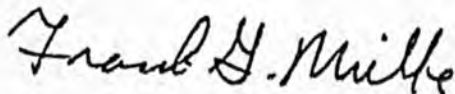
Dear Mr. Newman:

The Northcentral District office has forwarded a copy of your request for a letter of non-objection to your proposal to rezone land within the proposed Steele Creek subdivision to General Agricultural. It has been decided not to issue any non-objection, or to combine lots within the subdivision as requested.

Though requests like yours have been granted in the past, it is properly the function of the local planning authority to make such recommendations. However, it is Division policy that all local planning, planning and zoning ordinances and regulations are followed. If the Fairbanks North Star Borough does rezone the Steele Creek land, the Division will comply with the rezone.

I apologize for any delay in responding to your request.

Sincerely,



Frank G. Mielke
Acting Chief, Land Management

5-YEAR REAPPRAISAL REPORT ON
Rail-Air Industrial Park Inc.
Anchorage Area

*Dankworth's
amendment*

Date: July 17, 1970
Appraisal No. 771
ADL Nos. 02846, 03135

To: Kenneth H. Hallback
Chief, Lands Section

Dates of Inspection: July 8 and July 10, 1970

Purpose of Appraisal: To estimate Fair Annual Rental.

Legal Description: PARCEL 1 - ADL No. 02846, Lot One(1) of the north 230 feet of the SE $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 36, T13N, R4W, S.M. Commencing at the NW 1/16 corner of Sec. 36; thence N89°52'20"E 1027.69 feet; thence S21°15'20"E 32.16 feet to Corner #1, the actual point of beginning; thence from Corner #1, by metes and bounds, S14°01'W 206.25 feet to Corner #2; thence N89°52'20"E 30.42 feet to Corner #3; thence N17°21'36"E 145.19 feet to the Alaska Railroad right-of-way; thence N21°15'20"W 66 feet to Corner #1, the actual point of beginning, containing 0.138 acres, more or less; and

Lot Two(2) of the north 230 feet of the SE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 36, T13N, R4W, S.M. Commencing at the NW 1/16 corner of Section 36; thence S00°07'40"E 30.00 feet to Corner No. 1, the actual point of beginning; thence from Corner No. 1 by metes and bounds, S00°07'40"E 200.00 feet to Corner No. 2; thence N89°52'20"E 927.00 feet to Corner No. 3; thence N14°01'E 206.25 feet to Corner No. 4; thence S89°52'20"W 977.40 feet to Corner No. 1, the actual point of beginning, containing 4.372 acres, more or less, subject to a 20-foot wide public use easement along the westerly boundary of this tract. This description is based on a survey made in 1960 by Gustav V. Johnson, Registered Engineer.

Total area of this parcel is 4.510 acres: Lot 1=0.138 acres; Lot 2=4.372 acres

PARCEL 2 - ADL No. 03135 - That certain parcel and piece of land starting at the NW 1/16 corner of Sec. 36, T13N, R4W, S.M.; thence S0°07'40"E 230 feet to the point of beginning, being Corner No. 1; thence N89°52'20"E 1019.30 feet to Corner No. 2; thence S17°21'36"W 209.74 feet to Corner #3; thence S89°52'20"W 956.08 feet to Corner No. 4; thence N0°07'40"W 200 feet to Corner No. 1, the point of beginning, which is a tract of land containing 4.535 acres, more or less, and is situated lying and being in the north 430 feet of the SE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section Thirty-Six(36), Township Thirteen(13) North, Range Four(4) West, of the Seward Meridian, State of Alaska, subject to a road easement, which is described as follows: Beginning at the Northwest sixteenth(1/16) corner of Section 36, T13N, R4W, S.M.; thence S0°07'40"E 230.00 feet; thence N89°52'20"E 927.00 feet to the point of beginning, being Corner No. 1; thence N89°52'20"E 61.88 feet to Corner No. 2; thence S14°01'W 206.25 feet to Corner No. 3; thence S89°52'20"W 61.88 feet to Corner No. 4; thence N14°01'E 206.25 feet to Corner No. 1, the point of beginning, which is a tract of land containing 0.28 acres, more or less, and is situated, lying, and being in the north 430 feet of the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section Thirty-Six(36), Township Thirteen(13) North, Range Four(4) West of the Seward Meridian. This parcel is also subject to a 20-foot wide public use easement along its westerly boundary.

Ex 1

General Description: These two parcels are located west of the Alaska Railroad right-of-way and north of International Airport Road, approximately 3 miles south of the city center, in an area which is developing into an industrial park. This trend should accelerate with the completion of the new Spenard throughway.

Reference Material: Land Status Records
Land Planning Report #197
ADL Appraisal Nos. 15, 37 and 503
Comparable Data maintained within the Department
Onsite Inspection
Various Maps

Classification: Industrial
Classification Order 351
Land Planning Report 197

Estimated Highest and Best Use: Industrial (see General Description)

Method of Appraisal: Market Approach using comparative data

Remarks: The Spenard Throughway has necessitated the reduction in size of both parcels for right-of-way purposes, and also has blocked off Parcel #2 from the Alaska Railroad right-of-way. This latter should not be a factor in the value of this parcel, however, as a spur track would be needed for utilization of the railroad potential. There is still an adequate area for this spur's future construction (see photograph) on the partial railbed not utilized through the first years of this lease. This railroad spur it appears is not necessary to the operation of this facility as its raw materials and finished products are oriented to highway usage.

<u>Estimated Fair Annual Rental:</u>	<u>Area</u>	<u>Fair Annual Rental</u>
Parcel #1	4.51 acres	\$2390.00
Parcel #2	4.535 acres	\$2170.00
TOTALS	2 9.045 acres	\$4560.00

Qualifying Statements: I certify I have no personal financial interest in the subject or adjacent properties; that I believe to be correct all estimates and information used for this appraisal; that no pertinent information known to me was wilfully or knowingly omitted from my analysis; that no compensation is contingent upon the value found; and that I have personally inspected the subject property. No responsibility is assumed for condition of title, legal matters, the survey, or for information supplied by others.

W Bruce Atkinson
Appraiser: W. Bruce Atkinson

Reviewed by:

Alan G. Olson

ACCEPTED BY Kenneth A. Halladay THIS 21 DAY OF Sept, 1970, which is the effective date of this appraisal.

DATE	ISSUE	SERIAL NUMBER AD	CUSTOMER ID	SUBJECT	INDEX OR FILE NO
07-31-74	2	C02946-4	41516	LAND LEASE	751896

PAYOR

DAYSIDE LAND, INC
 P O BOX 308
 ELLIOTT, AK 99509

ack 29874 for 3948.75

PURPOSE	FROM	PERIOD	TO	AMOUNT
QUARTERLY RENTAL	09-15-74	12-15-74		597.50

RECEIVED BY	DATE	RECEIPT AMOUNT	PAY THIS AMOUNT	AMOUNT
jb	10/97	597.50		597.50

REMARKS

MAIL OR DELIVER TO.

RETURN THIS COPY WITH YOUR REMITTANCE

DIVISION OF LANDS
 323 EAST 4TH AVENUE
 ANCHORAGE, ALASKA 99501

DO NOT MAKE REMITTANCE PAYABLE TO

DO NOT ACCEPT THIS COPY AS A RECEIPT
 THIS IS A BILL OR NOTICE

DEPARTMENT OF REVENUE

CASE FILE

*cc of this to
 Bill Sumner*

*David ...
 312-346-7400
 Roy ...
 243-8470 265-7316
 Graveland*

Ex 2

135.

5-YEAR REAPPRAISAL REPORT ON
3 Miscellaneous Leases
Section 36, T13N, R4W, S.M.
Southwest Anchorage

Date: July 31, 1974
Appraisal No. 1111
ADL Nos. 02846
03135
22595

To: KENNETH H. HALLBACK
Chief, Lands Section

Date of Inspection: July 17, 1974

Purpose of Appraisal: To estimate Market Value In fee simple without Mineral Rights. Market value is hereby defined as "the highest price estimated in terms of money which a property will bring if exposed for sale in the open market allowing a reasonable time to find a purchaser who buys with knowledge of all the uses to which it is adapted and for which it is capable of being used" (A.I.R.E.A. Appraisal Handbook, page 131).

Legal Description:

PARCEL 1 - ADL 02846 - A parcel of land located within the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 36, T13N, R4W, S.M., and within the Anchorage Recording District, Third Judicial District, State of Alaska, and more particularly described by metes and bounds as follows:

Beginning at the NW 1/16 Corner position of Section 36, T13N, R4W, S.M., as shown on a plat of survey dated May 14, 1962, ADL File No. 15-31; thence on a record bearing and distance of S00°07'40"E, along the W 1/16 line of Section 36 a distance of 30.00' to the northwesterly corner of the here-in-after described parcel and the true point of beginning; thence continuing on record bearings and distances of S00°07'40"E along the here-in-before mentioned W 1/16 line, a distance of 200.00' to the southwesterly corner; thence parallel with the N 1/16 line of Section 36 N89°52'20"E, a distance of 927.00' to the southeasterly corner; thence N14°01'E, a distance of 206.25' to the northeast corner; thence parallel with the N 1/16 line of Section 26 S89°52'20"W, a distance of 977.40' to the point of beginning containing 4.37 acres more or less.

PARCEL 2 - ADL 03135 - A parcel of land located within the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 36, T13N, R4W, S.M., and within the Anchorage Recording District, Third Judicial District, State of Alaska, and more particularly described by metes and bounds as follows:

Beginning at the NW 1/16 corner position of Section 36, T13N, R4W, S.M., as shown on a plat of survey dated May 14, 1962, ADL File No. 15-31; thence on a record bearing and distance of S00°07'40"E, along the W 1/16 line of Section 36 a distance of 230.00' to the northwesterly corner of the here-in-after described parcel and the true point of beginning; thence continuing on record bearings and distances of S00°07'40"E along the here-in-before mentioned W 1/16 line a distance of 200.00' to the southwesterly corner; thence N89°52' parallel

with the N 1/16 line of said Section 36, a distance of 727.91±' to the southeasterly corner, said point intersecting a curve and being on the westerly right-of-way of the Alaska Railroad as shown on State of Alaska, Department of Highways, plat of Project S-0545(4); thence in a northeasterly direction on a computed curve to the left having a R-831.47', Δ 17°58'10", T-131.46', and Arc Length of 250.77±' along the here-in-before mentioned right-of-way to the northeasterly corner; thence S89°52'20"W parallel with the N 1/16 line of Section 36, a distance of 893.56±' to the northwesterly corner and the point of beginning containing 4.14 acres more or less.

PARCEL 3 - ADL 22595 - Lot 4, Block J, International Way Alaska Subdivision, located within Section 36, T13N, R4W, S.M., containing 1.27 acres.

General Description: The subject three leases are located within Section 36, T13N, R4W, S.M.; approximately 3 miles southwest of Anchorage's City center and 2½ miles east of the International Airport Terminal building.

Classification: Parcels 1 and 2: Industrial
Classification Order No. 351
Land Planning Report No. 197

Parcel 3: Commercial-Industrial
Classification Order No. 5
Land Planning Report No. 5

Estimated Highest and Best Use: As classified.

Reference Material: ADL Files
Appraisal Nos. 767, 771, 911 and 993-1
Status Plats
GS Map
Comparable Sales Data
Plats of Highway Projects S-0545(4) and
QF-042-1(46) (E-87112)

Remarks: The legal description of subject Parcel 1 (ADL 02846) and subject Parcel 2 (ADL 03135) as used in this report were completed by the Engineering Department and do not read the same as the legal description given in the above ADL Files.

In order to clarify the exact lands being appraised, it was considered more appropriate to describe the lands with an accurate legal description, rather than to attempt to use the description as given in the ADL Files and then exclude the taking by Highway Project #F-042-1(24) and the area contained within ILMT 59551.

Estimated Market Value:

<u>Parcel</u>	<u>ADL No.</u>	<u>Gross Acres</u>	<u>Market Value</u>
1	02846	4.37	\$203,000
2	03135	4.14	\$164,000
3	22595	1.28	\$69,500
TOTALS 3 Parcels		9.79	\$436,500

Handwritten notes:
 2.232 (circled) above Gross Acres
 4.016 (circled) next to Gross Acres
 3.2 above Market Value
 164,000 above Market Value
 .06 above Market Value
 9,840,000 (with arrow) next to Market Value

Qualifying Statements: I certify I have no personal financial interest in the subject or adjacent properties; that I believe to be correct all estimates and information used for this appraisal; that no pertinent information known to me was wilfully or knowingly omitted from my analysis; that no compensation is contingent upon the value found; and that I have personally inspected the subject property. No responsibility is assumed for condition of title, legal matters, the survey, or for information supplied by others.

Ben Rudisill
 Appraiser: Ben Rudisill

Reviewed by:

Bruce Anderson

ACCEPTED BY *Kenneth A. Hubbard* THIS 12 DAY OF Aug
 .9 74, which is the effective date of this appraisal.

SUBJECT: Location: 1.00
 (Key Unit) Size : 55,757 SF
 Parcel 3 Frontage: Yes
 Access : 1.00
 Phys.Char. ~~XXXXX~~ : 1.00
 Util. of Use: 1.00

CORRELATION CHART - PHASE II

Sale No.	Unit Price Per SF	Time of Sale	Cash or Terms	Square Feet XXXXXX	Frontage	<u>Adjustments from Comparable to Subject</u>							Indicated Value of Subj. Unit Per SF	XXXXXX	XXXXXX
						Time	Loc.	Size	Phys.	Access	Avail. of Utils. XXXXX	Total Adj. Factor			
1	\$2.95	7/73	T	18,326	Yes	1.15	.90	.80	1.00	.80	.90	.80	\$2.36		
2	\$1.10	5/73	T	49,838	Yes	1.17	1.00	1.00	.95	1.00	.95	1.06	\$1.17		
3	\$1.25	5/73	T	19,678	3 sides Yes	1.17	1.10	.80	.95	.90	.95	.84	\$1.05		
4	\$1.91	6/73	T	20,175	Yes	1.16	1.10	.80	.90	.90	.90	.74	\$1.41		
5	\$2.33	4/73	T	22,500	2 sides Yes	1.18	.90	.80	.90	.80	.90	.55	\$1.28		
6	\$1.56	3/73	C	27,262	Yes	1.20	1.10	.90	.95	.90	1.00	1.02	\$1.59		
7	\$3.06	2/73	T	22,043	Yes	1.21	.65	.80	1.10	.80	.90	.50	\$1.93		

CONCLUSION TO VALUE - PHASE II

The seven comparables indicate a value range to the subject of \$1.05 to \$2.36 per square foot.

Comparables 1 and 7 indicate a high limit of value to the subject; Comp 1 because of its location on International Airport Road near the intersection of Arctic Boulevard, and Comp 7 because of its Tudor Road frontage.

The remaining comparables indicate a fairly tight value range of \$1.05 to \$1.59 PSF.

The appraiser will conclude the estimated value of subject Parcel 3 to be \$1.25 PSF.

55,757 SF x \$1.25 PSF = Market Value of \$69,696,
rounded to: \$69,500.

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

WILLIAM A. EGAN, GOVERNOR

DIVISION OF LANDS

323 E. 4TH AVENUE
ANCHORAGE 99501

August 15, 1974 .

ADL 2846 - Lease of Alaska Land- Quarterly payments

1
Bayside Land, Inc.
P.O. Box 308
Bellevue, Wa 98009

Qter of 9-15-75 to 12-15-74 will remain the same

Qter of 12-15-74 to 3-15-75 will reflect the new appraisal, Qterly payments
of \$3,045.00.

Enclosed billing notice is for the rental of your lease. We are presently reappraising the property to determine the adjusted annual rental in accordance with AS 38.05.105 and the provisions of the lease. The current lease rental will apply until such time as you are billed at the new rental rate. This new rate will then remain in effect for the balance of the regular 5-year period of the lease.

Ex-4

1. The sum of \$600,000 is hereby appropriated from the general fund to the Department of Natural Resources to be disbursed to municipalities for the reduction of purchase money obligations due to such municipalities from persons who were formerly the legal or beneficial holders of leaseholds of State lands and can demonstrate to the Department of Natural Resources by written application:

a) That the applicant applied for and received a converted lease from the State of Alaska pursuant to Sec. 12, Ch. 138 SLA 1977 as amended by Sec. 21, ch. 182 SLA 1978 wherein the fair market value used to establish the fixed base annual rent for the initial period was based on an appraisal performed between January 1, 1974 and January 1, 1975, and

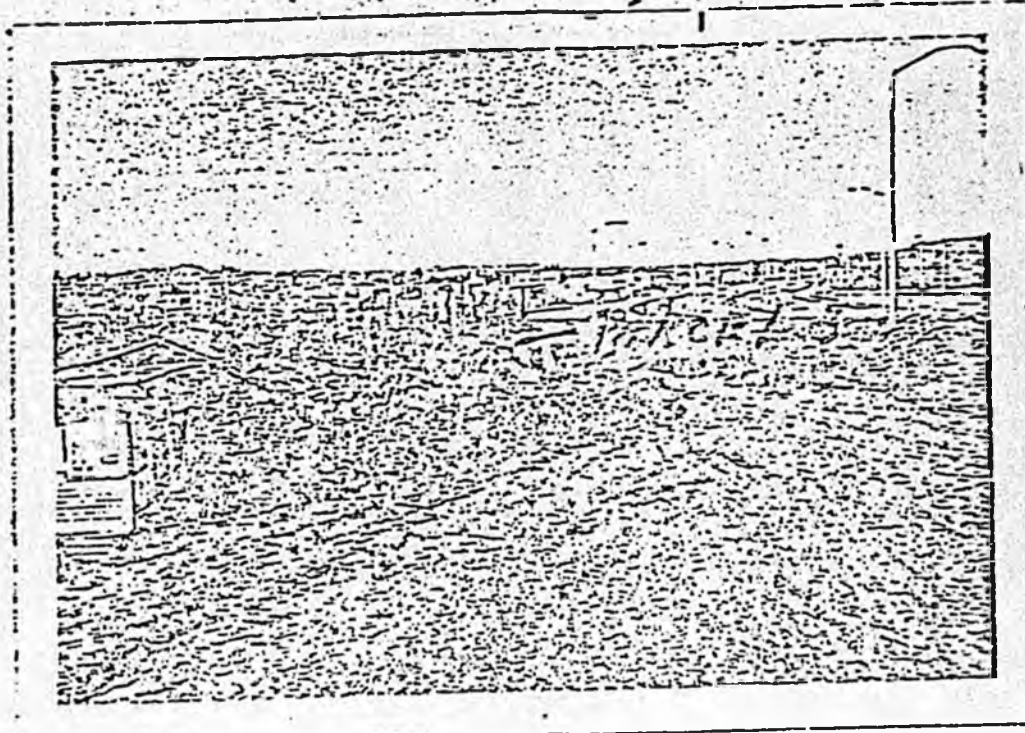
b) That the lands subject to the converted lease were subsequently conveyed to a municipality and thereafter sold by a municipality to the applicant which sale created the purchase money obligations to be reduced by these funds, and,

c) That the lease rentals to the State and the municipality and the downpayment and purchase price to the municipality have exceeded what they would have been if Sec. 12, Ch. 138 SLA 1977 as amended had originally referred to fair market values as the parcels were last appraised on or before January 1, 1974 instead of January 1, 1975.

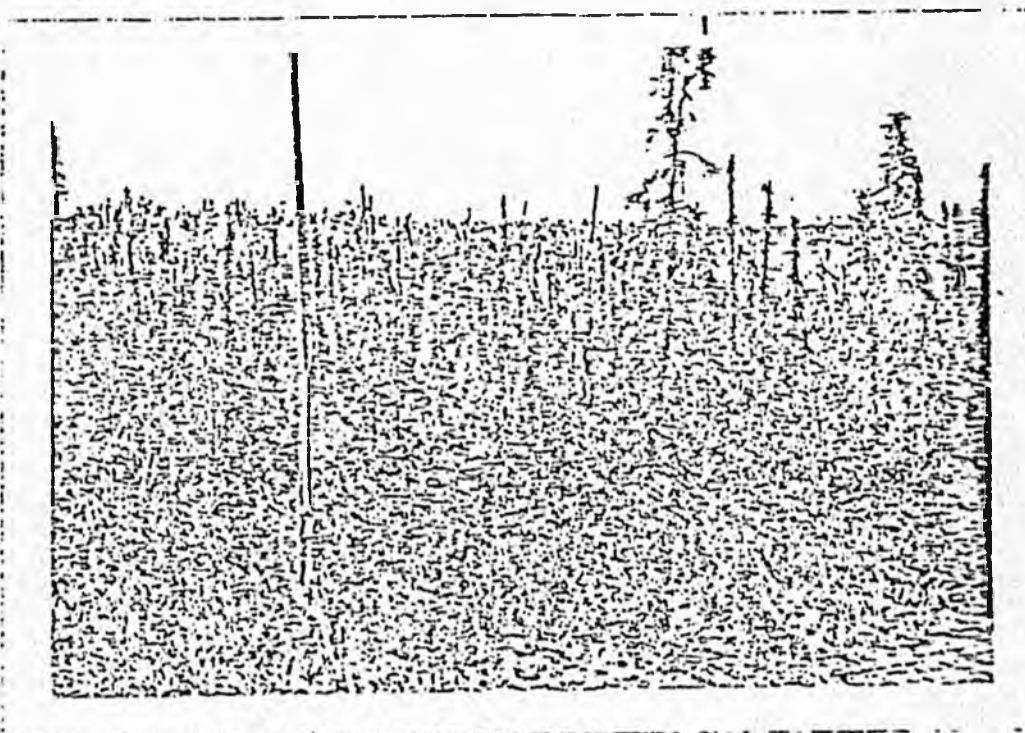
2. The amounts to be disbursed to municipalities under this appropriation and applied to reduction of the applicant's obligation to such municipalities shall be determined by the Department of Natural Resources using its established conversion methods by calculating the difference between the aggregate of the applicant's rental payments to the State and municipality, the down payment and purchase price actually agreed to be paid and the amounts of those payments and obligations as they would have been determined if Sec. 12, Ch. 138 SLA 1977 as amended had referred to appraisals made before January 1, 1974 instead of before January 1, 1975.

SUBJECT PHOTOS

PHASE 11



Subject Parcel 3
Facing westerly along
International Airport
Road.



Subject Parcel 3
Head-on view

1. The sum of \$600,000 is hereby appropriated from the general fund to the Department of Natural Resources to be disbursed to municipalities for the reduction of purchase money obligations due to such municipalities from persons who were formerly the legal or beneficial holders of leaseholds of State lands and can demonstrate to the Department of Natural Resources by written application:

a) That the applicant applied for and received a converted lease from the State of Alaska pursuant to Sec. 12, Ch. 138 SLA 1977 as amended by Sec. 21, Ch. 182 SLA 1978 wherein the fair market value used to establish the fixed base annual rent for the initial period was based on an appraisal performed between January 1, 1974 and January 1, 1975, and

b) That the lands subject to the converted lease were subsequently conveyed to the Municipality and thereafter sold by the Municipality to the applicant pursuant to _____ which sale created the ^{purchase money} obligations ~~ought~~ to be reduced by these funds, and,

c) That the lease rentals to the State and the Municipality and the downpayment and purchase price to the Municipality have exceeded what they would have been if Sec. 12, Ch. 138 SLA 1977 as amended had originally referred to fair market values as the parcels were last appraised on or before January 1, 1974 instead of January 1, 1975.

2. The amounts to be disbursed to municipalities under this appropriation and applied to reduction of the applicant's obligation to such municipalities shall be determined by the Department of Natural Resources using its established conversion methods by calculating the difference between the ^{aggregate of the} applicant's rental payments to the State and municipality, the down payment and purchase price actually agreed to be paid and the amounts of those payments and obligations as they would have been determined if Sec. 12, Ch. 138 SLA 1977 as amended had referred to appraisals made on before January 1, 1974 instead of before January 1, 1975.

MEMORANDUM

State of Alaska

DEPARTMENT OF NATURAL RESOURCES - DIVISION OF RESEARCH AND DEVELOPMENT

TO: J.W. Sedwick, Director
Division of Land and Water
Management

DATE: January 28, 1982

FILE NO: 1150.8871 (g) & (h)

TELEPHONE NO: 276-2653 ext 340

FROM: David Creekman *DC*
Regulations Coordinator

SUBJECT: Regulations relating
to remote cabin per-
mitting and implementation
of HB 31

020 - p 3
088 - p 10
110 13
700 14
010 - 24

Attached is the final version of regulations initially developed last fall to implement the remote cabin permit program (AS 38.05.079) and changes to Alaska's land laws brought about by last year's passage of HB 31. I believe this version fully incorporates consideration of all testimony received in response to the proposed regulations, the concerns and suggestions for improvement made by employees of your division, and the concerns, as I understand them, of Commissioner Katz.

The remote cabin permit regulations establish a system whereby the permits issued under it grant not only a right to make use of the surface of state land but also grant the permittee the first option at a sale or lease of the land should one be scheduled subsequent to the issuance of the permit. Under the regulations, the permittee must, within a two year period, comply with remote cabin location instructions before the permit is endorsed and actually valid for use as an authorization to use and enjoy the cabin located and built under the terms of the location instructions. As these permits convey a compensable property interest, their issuance is subject to the department's "best interest of the state" finding under AS 38.05.035 (a)(14) and constitutionally mandated notice to the public under Article VIII, Section 10 and as prescribed by AS 38.05.345.

The regulations based upon HB 31 contain many "housekeeping" revisions to regulations currently in effect. Additionally, substantive provisions designed to implement the municipal land disposal grant program are contained in the regulations. The municipal land disposal grant program regulations are applicable only if the legislature continues to appropriate funds to the department to administer in its discretion as it did last year.

In addition to the regulations, I am also attaching the original copies of all documents which must accompany the regulations to Commissioner Katz for adoption and then remain with the regulations through the review of the Department of Law. If after your review of the regulations you find you have questions concerning their substance or procedures to follow in the adoption process, please give me a call.

Attachments

cc: Dick LeFebvre
Frank Mielke

-Mark Wittow-only reqs. attached ~

The rough draft of the land disposal bill makes many desirable changes in land law, chiefly the elimination of the 100,000-acre-per-year disposal quota. Some of the proposed amendments are counter to sound public policy, however.

Sec. 2: AS 29.40.260 should simply be amended to allow such leases, but should not tie the municipality to particular terms and conditions; they are not the business of the State.

Sec. 4: This section eliminates the quota in AS 38.04.020, but it also freezes land planning within municipalities at the 1980 state of the art. In 1979 the State was given only three months to carry out land use planning within the municipalities, and the 1980 classifications are based on decisions made during those three months. As more is learned about state land and its resources, those classifications may need to be changed. The department must retain the authority to move land into and out of the land disposal bank.

In (e)(5), "future fiscal years" needs to be limited to some reasonable figure so that the Commissioner knows what the Legislature expects of him. (f) should be replaced by the ^{attached} revision

), which eliminates the impossible-to-define term "artificially inflated" and ^{requires an analysis of} ~~replaces it with the data necessary to~~ ^{vigorous} ~~tabulate~~ how ~~many~~ a land market exists in the area. (if land ~~on the market~~ ^{is not selling}, the price may be ^{artificially inflated,} but there may be too much land ^{on the market in comparison to buyers' needs for it,} or the economy may be depressed, leaving no money available ^{for investment.} ~~for investment.~~ The revision also clarifies that the amount of state land that is "necessary" to meet the demand is the amount needed in addition to land available from private land-owners or the municipal or federal government.

For economy, (g) and (j) should be combined. It is critically important that the reference to classification in (j) be made for agricultural land as well as remote parcel and subdivision land. The State's agricultural rights law (AS 38.05.321) applies to land "classified as agricultural," leaving a very dangerous loophole if the classification reference is omitted. "Fast track" procedures may be politically desirable for commercial and industrial disposals, but they are not ^{for} agricultural sales.

Sec. 5: AS 38.04.021(c) that money supplied by the Legislature so that a municipality can survey, subdivide, and improve its

→ land for disposal is an outright grant. This is ^{an} unnecessary ^{subsidy}. The municipality can readily repay the money when the land is sold.

A no-interest loan would be preferable to a grant and is more than enough incentive for the municipality to dispose of land.

(d) and (e)'s references to "money appropriated for municipal land grant entitlements" by the municipality ^{are} baffling. The municipalities did not appropriate money for their entitlements, which were a gift from the State. These two subsections should be stricken.

✓ Sec. 8: The reference in AS 38.05.035(a)(14)(B) to a "permit" is incorrect. Permits are clearly not disposals of land or interests/ ^{in land,} so a director's finding is never required. There is no point in stating the obvious. However, AS 38.05.330 also authorizes the granting of easements and rights-of-way, which are definitely disposals. Perhaps these two types of disposal should be exempted from the requirement for a director's finding.

✓ Sec. 10: This statute was special legislation passed in 1959 to benefit a man who had invested his life's savings in trespass improvements (a home and business) on state tidelands. It should have been repealed twenty years ago. Nothing is to be gained by further rewarding trespassers. If they must be rewarded, let them pay current fair market value for the land, not its value in 1935 or 1948.

✓ Secs. 14 and 15: Amendments to require that a person applying or bidding for recreational land be present in person at the auction or lottery are grossly discriminatory. Anchorage residents--half the state's population--will be hurt the most, since no state land will ever be offered for sale near them. Why should they be forced into the expense of a flight to Ketchikan or Delta Junction if they wish to participate in a land lottery? The obvious intent is to deter them from applying or bidding.

✓ Sec. 16: The mining claim system is already subject to considerable abuse in the form of claimstaking by those who have no intention of mining but rather wish to hold land for speculation or want a site for a recreational cabin. This preference right would increase the problem.

LEADS TO DECREASE
LIKELIHOOD OF
PREMATURE,
POOR
SUBMISSIONS

can reasonably use.

Sec. 23: What public policy is served by virtually giving away 40-acre tracts at five cents on the dollar, with lease rentals applied to the purchase price? If the State had an unlimited supply of land, so that there was no conflict between remote parcel disposals and alternative uses (farming, grazing, forestry, coal mining, sport hunting, etc.), this amendment would still be objectionable. A remote parcel lease issued in 1981 will be converted to a sale contract by 1991--the same year that Prudhoe Bay revenues will begin their precipitous decline. The State will need every legitimate source of revenue it can find, and giveaway programs of years past will make the fiscal crisis all the

more painful. ^{Compare this provision to the State's homestead policy. It gives away homesteads but the purpose is to settle the public lands. It requires the recipient to cover the State costs, it imposes development and occupancy requirements, and it limits homesteads to five acres in size and one per household.}

Sec. 26: The mandate to classify as grazing land all land that has been found

"suitable" for grazing is not only a very bad precedent, it indicates a fundamental misunderstanding of resource management. Most land is capable of growing grass, but if it is also capable of producing grain, abundant salmon, high-grade coal, or prime Sitka spruce, it should not be diverted to the much less productive purpose of livestock grazing. And there are too many bogus grazing leases extant to use current leases as a basis for classification.

In (c), a lessee should be allowed to grow crops on the leased land only if the commissioner determines that the land is suitable for that purpose. Grazing land tends to be too steep, too dry, or too poor to produce crops. It can be damaged or ruined by intensive cultivation.

Sec. 29: Of all lessees, grazers are the least likely to have placed valuable improvements on the land. Why, then, should they be given a lease renewal right no other lessee enjoys? Except for a single five-year renewal to a remote parcel lessee, no other lessee is eligible for a renewal, and the lessee preference under AS 38.05.102 to purchase or lease the land after meeting high bid at public auction is granted only at the director's discretion. This amendment is inequitable. Furthermore, it makes no sense to give the lessee a 10-year renewal if his original lease was for half that long, as is the case with the many negotiated

Sec. 30: LeResche promised to repeal DNR's 50-foot minimum standard for access easements to public waters if this section disappeared from the bill.
 ✓ Actually, however, this section is preferable to repealing the regulation. The 50-foot easement is widely accepted by private purchasers and most municipalities; only Juneau objected strongly. (A municipality would have a serious conflict of interest, of course, in trying to decide whether to ~~maintain~~ vacate an encumbrance on land that had been given to it. The constitutional duty to preserve public access to waters would be likely to suffer.) If this amendment is retained, notice of the hearing in AS 38.05.127(f) should be given to ADF&G as well as to DNR. DNR is usually not familiar with the land it is managing; easement expertise ~~is not available~~ and knowledge of public access needs has to be provided by ADF&G.

Secs. 31 and 34-36: Very tidy solutions to the notice problems that have developed over the years.
 ✓ Because the wording in the amended AS 38.05.305(c) applies to classifications as well as to disposals, AS 38.05.345(h) should also refer to classifications.

Sec. 38: The AS 38.05(a) repealer is not a good idea; the amendment to AS 38.05.055 proposed in this bill would not replace it. AS 38.05.065(a) would need to be amended so that the payoff term is consistent with a 5% down-payment (logically the term should be a maximum of 20 years instead of ten), but the rest of the subsection is still necessary. The repealer of AS 38.05.078(d)(1) is a very serious mistake; if 40-acre parcels can be purchased for a twentieth of their value, the ten-year ~~restriction~~ restriction on reconveyance should remain in effect as a curb on fraud. AS 41.01.100 does not exist, so there is no need to repeal it.

Sec. 40: The regulation to be annulled calls for retaining greenbelts in state ownership (rather than merely reserving easements) when the State subdivides land along the coast or where there is high ~~public~~ ^{of public} use.
 There is no justification for annulling the regulation, but with or without it DNR retains the discretion to retain such greenbelts or to impose any other requirement that is in the public interest.

terrible idea! →

SEC 33 01 020 (f) - Proposed re-write

(f) The request of the commissioner under (e) of this section shall be based on a written assessment by the commissioner of the current market for state land in the different regions of the state. The assessment shall be developed in consultation with municipalities. The assessment must include a survey of the supply of privately owned land offered for sale, municipal land for which a disposal plan has been completed, and federal land available by sale, lease, or permit for specific activities. The assessment of the market for state land shall be based on an analysis of the amount of private, municipal, and federal land available for disposal on terms equivalent to those used in comparable state land disposal programs and the length of time land remains on the market before it is sold. The assessment must include findings regarding the amount of state land, in addition to land offered by private landowners or available from municipal or federal government, that is necessary to meet the statewide demand for at least three fiscal years immediately after the year in which the assessment is made. The commissioner must also state the general location of land proposed for disposal in the next fiscal year and recommendations for the method of disposal under which the land will be offered to the public.

*DEAN ED
FBI
a copy of this file
Ron Swenson
Dial*

TO: Ted Smith, Director
Division Forest Land and Water
Management
Department of Natural Resources
343 East Fourth Avenue
Anchorage, Alaska 99501

FROM: AVRUM M. GROSS
ATTORNEY GENERAL
By: Shelley J. Higgins
Assistant Attorney General
AGO - Anchorage

DATE: October 10, 1979

FILE NO.

TELEPHONE NO.

SUBJECT: Extension of Seldovia OTE
Leases

AG

This memorandum is a follow-up to the brief discussion we had in Juneau last week regarding the need to extend some OTE leases in the Seldovia area which are due to expire in the near future. As I advised you last week, in my opinion a blanket extension of any of the Seldovia open-to-entry leases which are due to expire in the next two months is warranted because of the following circumstances.

The legal status of open-to-entry leases ADL 46883; ADL 46398; ADL 41022; ADL 41023; ADL 42103; ADL 429110; ADL 47663; ADL 47154; ADL 50791; ADL 50863; and ADL 46402 has been subject to litigation since 1975. Those leases are involved in litigation pending before the Alaska Native Claims Appeal Board (Appeal of State of Alaska, ANCAB VLS 77-10). In that proceeding, the State is appealing a Bureau of Land Management decision which revoked the State's tentative approval to the land subject to the above-mentioned open-to-entry leases and approved those lands for conveyance to Seldovia Native Association, subject to the unexpired leases. The Secretary of Interior has issued a secretarial order (3029) holding that open-to-entry leases validly initiated before the enactment of the Alaska Native Claims Settlement Act must be excluded from conveyances to Native associations to allow the lessee to exercise his option under State law to purchase the land.

The Native Claims Appeal Board is now awaiting a decision from the Secretary as to whether his order on the legal status of open-to-entry leases will apply to the Seldovia leases now before the Board in ANCAB VLS 77-10. I have been advised by Jack Allen, Regional Solicitor, that a decision has been made in Washington, D.C. to retro-actively apply Secretarial Order 3029 to the Seldovia OTE leases and that this decision will be made public in the next two weeks. Upon receipt of the Secretary's decision to the effect that the Seldovia OTE leases must be excluded from any conveyance to Seldovia pursuant to Secretary Order 3029, I anticipate the Board will promptly issue a final ruling in ANCAB VLS 77-10 and remand the case to BLM for reinstatement of the State TA on the leased parcels and issuance of a revised decision on interim conveyance excluding the OTE leases from the conveyance to Seldovia.

Ted Smith
Re: Extension of Seldovia
OTE Leases

-2-

October 10, 1979

Until the BLM decision revoking the State's tentative approval to the land subject to the Seldovia open-to-entry leases is reversed the State has no tentative approval on which to base patents to the affected OTE lessees. Although the State could proceed to quitclaim deeds to the lessees before the State's tentative approval is officially reinstated, it would be preferable to wait until the litigation is resolved and tentative approval is reinstated and then issue patents to the lessees as provided under AS 38.05.077. The fact that the State is unable to issue patent to the lessees until the State's tentative approval is reinstated at the conclusion of this litigation, justifies extending the term of any leases due to expire within the next two months. One of the leases ADL 46883-Coon) will expire before the end of October and therefore requires immediate action. An extension of three to six months should be sufficient to assure that the litigation will be resolved and the State's tentative approval will be reinstated.

In considering this matter I have become aware that there is no specific statutory or rule provision authorizing the extension of a lease when as a result of litigation the State is unable to perform or the lessee is deprived of the beneficial use of the leased land. In my opinion, AS 38.05.020 and AS 38.05.035 provide implicit authority for extending leases under these circumstances. However, you should consider recommending adoption of a new statute or rule provision that specifically authorizes lease extensions when warranted because of litigation.

cc: Bob Cross
Ron Swanson
Chip Dennerlein

PATRICK RODEY
ANCHORAGE

601 W. 5TH AVE. SUITE 820
ANCHORAGE, ALASKA 99501

DURING SESSION

POUCH V
JUNEAU, ALASKA 99811

Alaska State Senate
JUNEAU, ALASKA 99811

APR 21 1981

M E M O R A N D U M

DATE: April 15, 1981

TO: Senator Fahrenkamp

FROM: Senator Rodey

PMR

RE: State Land Disposal

Please find attached a copy of Mr. Robert Breeze's letter of March 5, 1981, regarding the State Land Disposal Program. The information which he supplied may be of interest to you.

Betty
Bob's a knowledgeable
guy and his comments
are worth looking
at.
Pat

Rose & Breeze
Attorneys at Law - a Professional Corporation
526 J Street - Anchorage, Alaska 99501

Nissel A. Rose
Robert A. Breeze

Telephone
(907) 277-0533

RECEIVED

MAR 09 1981

March 5, 1981

Senate Majority Leader Pat Rodey
Pouch V
Juneau, AK 99811

Subject: State Land Disposal

Dear Pat:

Enclosed are two letters I have written to the new Matanuska-Susitna Borough Manager, Gary Thurlow, outlining some of the problems relating to the rural subdivision program administered by the Department of Natural Resources, Division of Lands. The letters relate specifically to the Chase II Subdivision and a subdivision in the Peters Creek area. You will see from the letters that our primary concern is that the DOL is recording plats which contain plat approval conditions which the DOL have made no attempt to comply with. As I am sure you are aware, it is contrary to Borough ordinance and regulation as well as to State law for any subdivision developer to record a plat which contains plat approval conditions which have not been complied with. Simply stated, DOL is violating the law by recording these plats and giving prospective lot purchasers the fraudulent impression that access to the subdivisions is feasible and that it is legally possible to build on their lot. As the letters point out, this is not true.

Based on our discussion and your concerns expressed to me about the State's administration of the land disposal program I feel that this information would be of value to you. I most strongly urge you to seek legislative review of the manner in which the land disposal program is administered. It is significant I think that the residents in the upper Susitna Valley are not opposed to State land disposals per se. The large majority of land in remote parcels and agricultural land have not only not been opposed by local residents but have generally been supported by them. [The creation of paper subdivisions to which access does not exist nor is possible is another matter.] As to most of the lots in the Chase II Subdivision and the Peters Creek Subdivision, they are located in wetland areas that have soil conditions which preclude construction and which further require Corps of Engineer permits both to gain access to the lot and to build upon the lot if it is physically possible to do so.

Senate Majority Leader
Pat Rodey
March 5, 1981
Page Two

The DOL is misrepresenting to prospective purchasers that they could ever build upon the lot they purchase.

I hope that this information will be of assistance. If you have any further questions about these subdivisions or the State's land disposal program as it is being administered in the Matanuska-Susitna Borough, please feel free to call or write me.

Very best regards,

ROSE & BREEZE, P.C.

By: 

Robert A. Breeze

RAB/nh

cc: Sheila Myers, Chase Community Association
Dennis Bradbury, Peters Creek Association

February 26, 1981

Matanuska Susitna Borough
Box B
Palmer, AK 99645

Attn: Mr. Gary Thurlow,
Borough Manager

Re: A.S.L.S. 80-144, Peters Creek

Dear Mr. Thurlow:

This office has been retained by the Peters Creek Association, Inc., a non-profit corporation organized by property owners in the Peters Creek area in the Upper Susitna Valley. The residents in that area are concerned with the above-referenced state subdivision, which may be included in the state's upcoming land disposal sale in April. I would like to bring to your attention some of the concerns of the residents in that area and bring to your attention the failure of the State of Alaska, Division of Lands' compliance with the Matanuska Susitna Borough's Platting Board conditions placed on the plat of this subdivision.

Records of the Platting Board's action in reference to A.S.L.S. 80-144 show that on February 20, 1981 the Board gave contingent approval to the subdivision, predicated on several conditions. Amongst the conditions so delineated were 3(a) and (b). These conditions require that the State of Alaska submit documentation adequate to substantiate the feasibility of constructing roads to Borough standards including data substantiating the availability of a practical material source of sufficient quantity and quality and submit road plans and profiles substantiating the feasibility of constructing road grades in conformity with Borough ordinance. Based on conversations I have had with your planning staff and on representations made to me by Division of Land personnel, it is apparent that DOL does not intend to comply with these conditions. I understand that it is their intent to record the plat which, as you know, cannot be lawfully done unless conditions are met. If the plat is recorded, prospective purchasers of lots in the subdivision will be misled in reviewing the recordation and plat because they will believe that lawful access and adequate access to and through the subdivision exists or can exist. The truth

Robert A. Breeze, Esq.

to

Mr. Gary Thelow

February 26, 1981

Page Two

is that no adequate access to the subdivision exists and that no showing can be made that access through the roads depicted on the plat in the subdivision can be lawfully constructed or even that dwellings can be constructed or that on-site sewage can be constructed on lots.

Reports in the Borough's file and testimony given at the Platting Board hearing demonstrate conclusively that portions of this subdivision are in wetland areas in which roads cannot be constructed without permit from the Corps of Engineers. Further, dwellings cannot be constructed on lots or on-site sewage systems constructed without similar permits. These permits cannot be granted until construction is actually about to commence. Under these circumstances, it cannot be demonstrated that permits will be granted.

A.S.L.S. 80-144 is subterfuge and fraud. If this subdivision had been presented to the Platting Board by a private developer, the Borough's ordinances and regulations would have precluded approval. The Board apparently gave approval only upon certain conditions being met in the belief that the state had otherwise met the minimum standards proscribed by statute and ordinance. The conditions proscribed by the Board are de minimus. They require only that the state show that access can be made possible. This would seem to be the minimum standard that should be applied to subdivisions within the jurisdiction of the Borough. While the residents in the Peters Creek area do not believe that this subdivision should have been approved and are seeking reconsideration of the Board's decision to approve even with conditions, the conditions imposed by the Board must be complied with before recordation. Since DOL has, in the past, recorded plats which contained conditions which have not been complied with, the Peters Creek Association is deeply concerned that this may happen yet again with this subdivision. I would recommend that you review the Chase II subdivision file in which you will find that six (6) preliminary plat approval conditions are required by the Board. Not one of the six plat approval conditions have been complied with, nonetheless the Chase II subdivision has been recorded by DOL. If the Borough permits plats to be recorded with plat approval conditions which have not been complied with, potential buyers will conclude that the plat approval conditions have been complied with. In that they have not, a subterfuge and fraud results which if a private developer were responsible for, he would be subject to criminal penalty.

We most strongly urge the Borough to review this matter carefully and seek that all plats recorded with conditions which have not been met be withdrawn and that if necessary the Borough bring legal action

Mr. Gary Whitlow

February 20, 1951

Page Three

against the State of Alaska to have these subdivisions removed from any land disposal sale.

If you have any questions concerning the above-referenced subdivision or questions concerning the state's failure to comply with plat approval conditions in other subdivisions, please feel free to contact me. The Peters Creek Association, Inc. is prepared to join with the Metanuska Susitna Borough in any legal action the result of which will require the State of Alaska to comply with plat approval conditions on state subdivisions prior to their being recorded and lots sold.

Best regards,

ROSE & BREEZE, P. C.

By: _____
Robert A. Breeze

cc: Mr. Dennis Bradbury,
Peters Creek Association, Inc.

raa:lw

March 2, 1981

Gary Thurlow, Borough Manager
Matanuska-Susitna Borough
Box B
Palmer, AK 99645

Subject: ASLS 79-149 Chase II Subdivision

Dear Mr. Thurlow:

In 1979, this office was approached by residents in the Chase area in the upper Susitna Valley concerning the above referenced State of Alaska subdivision. The residents in the Chase area were concerned that the subdivision did not have adequate access, was located in part on wetlands and that soil conditions were substantially substandard within the subdivision. This office discovered during our investigation in this matter that the subdivision had been conditionally approved subject to six plat approval conditions. These conditions were as follows:

1. Clearly defined transportation corridors to be utilized for access to subdivisions;
2. Fully analyzed defined transportation corridors as to grade and soils to insure that the feasibility of borough standard road construction;
3. In all areas within the subdivision proposal where existing grades indicate potential road grade problems, submit proposed road plans and profiles to the satisfaction of the engineering department;
4. Set up provisions (ex. public improvement district, automatic homeowner's association) for the orderly construction of required public improvement;
5. Obtain approval from the Alaska Department of Environmental Conservation for all proposals;
6. Submit all plats for final plat review.

Gary Thurlow, Borough Manager
March 2, 1981
Page Two

Based on the above plat approval conditions the residents in the Chase area felt that the subdivision should not be a part of the 1980 land sales program. After considerable effort on the part of this office and of the residents in Chase the subdivision was withdrawn from the 1980 sale. At the time this office was working with the Division of Lands on this subdivision, the plat had not been recorded and lawfully could not be recorded until the plat approval conditions had been met. Unbeknownst to us, however, subsequently the State of Alaska recorded the plat even though none of the six plat approval conditions had been met. It is this matter which I wish to bring to your attention.

The six above described plat approval conditions should be considered a minimum standard required for final approval and recordation of any state subdivision. The plat approval conditions do nothing more than give a prospective purchaser a reasonable assurance of access and buildability on a lot within the subdivision. The act of the state recording the plat without compliance with the conditions is unlawful and clearly contrary to good public policy. It also creates potential liability both against the State of Alaska and the Matanuska-Susitna Borough by disgruntled purchasers who purchased the lot to which access is not practically possible and on which he could not build a home because of access problems, soil conditions and the inability to obtain Corps of Engineer permits because of flood plain, soil, and wetland problems.

It has come to our attention that the State of Alaska DOL is seriously considering placing the Chase II Subdivision in its upcoming land sale scheduled in April. At this time, individuals interested in purchasing a subdivision lot would by diligent inquiry discover at the recorder's office that the plat has been approved by the Matanuska-Susitna Borough with certain plat approval conditions. That prospective purchaser would conclude that since all plat approval conditions had to be submitted and approved prior to final plat approval, that the recordation of the plat indicates such approval. In fact it does not.

The act of the State of Alaska in recording a plat prior to final plat approval as required in the plat approval conditions is a violation of Borough ordinance and regulation as well as State law. If a private developer were to act in such a manner they would be subject to both civil and criminal liability. No less should apply to the State of Alaska. In discussions with your planning staff, they are cognizant that the DOL has recorded several subdivisions

Gary Thurlow, Borough Manager
March 2, 1981
Page Three

which contain plat approval conditions which have not been met including the critical condition that all plats must be submitted for final approval before recordation. This wholesale disregard by the DOL of the Borough's ordinance and regulations should not be permitted to stand. On behalf of the Chase Community Association, Inc., I urge the Borough to conduct a complete review of all of the DOL subdivisions in the Borough to ascertain whether those conditionally approved have had all of their plat approval conditions met prior to recordation. I believe you will find that not one subdivision that has been so conditionally approved has had all of the plat approval conditions met prior to recordation. Under these circumstances the Borough should require that all such subdivisions be withdrawn from recordation and also withdrawn from any proposed land sale. Further, if the State of Alaska does not comply with these requests, the Borough should take legal action to restrain and enjoin the sale of any lots in those subdivisions. On behalf of the Chase Community Association, Inc., we would act in concert with the Borough if any legal action is taken. We are considering seeking a temporary restraining order and/or preliminary injunction compelling the State of Alaska to withdraw all such subdivisions from the upcoming land sale. We would, of course, prefer that this matter be handled administratively, but feel that if an administrative resolution is not possible, then a legal resolution is required. We hope and believe that the Borough is as concerned about the violation of its own ordinances and regulations as we are.

I would appreciate your advising me of whatever action the Borough intends to take regarding the Chase II Subdivision and those other subdivisions which have been recorded by the DOL without compliance with plat approval conditions.

Best regards,

ROSE & BREESE, P.C.
Attorneys for Chase Community
Association, Inc.

By: _____

Robert A. Breeze

cc: Sheila Myers

SEC 38 04 020 (f) - Proposed re-write

(f) The request of the commissioner under (e) of this section shall be based on a written assessment by the commissioner of the current market for state land in the different regions of the state. The assessment shall be developed in consultation with ~~municipalities~~ ^{adjacent municipalities and unincorporated communities in the area} ~~parties~~ ^{communities}. The assessment must include a survey of the supply of privately owned land offered for sale, municipal land for which a disposal plan has been completed, and federal land available by sale, lease, or permit for specific activities. The assessment of the market for state land shall be based on an analysis of the amount of private, municipal, and federal land available for disposal on terms equivalent to those used in comparable state land disposal programs and the length of time land remains on the market before it is sold. The assessment must include findings regarding the amount of state land, in addition to land offered by private landowners or available from ^{Government} ~~municipal~~ or ~~federal~~ government, that is necessary to meet the statewide demand for at least ⁵ ~~three~~ fiscal years immediately after the year in which the assessment is made. The commissioner must also state the general location of land proposed for disposal in the next fiscal year and recommendations for the method of disposal under which the land will be offered to the public.

PUT ON PAGE 9 line 18

P17

M E M O R A N D U M

05/20/81

SUBJECT: Letter of Intent
 [SCSCSHB31(Res)]
TO: Sen. Bettye Fahrenkamp
 Chairman, Resources Committee
FROM: Richard A. Bradley
 Legislative Counsel

Jim Palmer asked that I prepare a letter of intent for the bill to address the problem stated in paragraph 2 of David Rogers' letter to Sen. Bennett.

In my view, the provisions of Sec. 33 of the bill address the concerns clearly and for that reason no specific language within the bill itself was added. Because Jim thought that there might be some nervousness on this question, he asked that a letter of intent specifically indicate the language that resolved the concerns of Sen. Bennett.

I suggest the following:

SENATE
LETTER OF INTENT
FOR
SCS CSHB 31(Res)

The provisions of Sec. 33 as enacted in SCS CSHB 31 (Res) permit a "person who selected a remote parcel or acquired a right to select a remote parcel before July 1, 1981 to convert his remote

Sen. Bettye Fahrenkamp
Chairman, Resources Committee
Page 2

parcel lease agreement to a new lease agreement which contains terms and conditions consistent with AS 38.05.077(a) and (d), 38.05.078(a) and (c) and the repeal of AS 38.05.078(b) and (d)(1). . . ."

The legislature intends that the "terms and conditions" under which the conversion may occur include:

(1) rental payments at the rate established in AS 38.05.077(d)(3);

(2) an entitlement to 40 acres under AS 38.05.077(a) if land contiguous to the earlier entry is available; and

(3) the elimination of the requirement from AS 38.05.078(a) for the erection of a habitable dwelling on the land.

ALASKA

STATE LEGISLATURE

MEMORANDUM

DATE: APRIL 27, 1981

TO: SENATOR BETTYE FAHRENKAMP, CHAIRMAN SENATE RESOURCES COMMITTEE

FROM: SENATOR DON BENNETT *DB*

Please review the attached letter and advise me if this is an area that your committee is working on with new legislation concerning the land disposal system.

Thank you.

V. RECOMMENDATIONS

The Administration bill contains the following recommendations for changes in the law respecting the problems described above:

1. Quota Reformulation. The flat 100,000 acre quota presently mandated should be revised so ~~that~~ the quota is established annually by the Legislature in conjunction with the appropriations process. The governor would annually submit as part of the budget recommendations regarding lands to be sold and the costs of disposal (including capital improvements necessary to provide access). Prior to the submission, disposal areas proposed by the Department would be given to municipalities so that their position would be before the legislature at the time disposal funding requests were considered. Once appropriations were received, the Department would proceed with the disposals in accordance with the funding received, the schedule established, and any other legislative intent. *

There remains unresolved by the Administration the question of whether DNR should have complete override authority regarding borough subdivision regulations once a disposal has been funded by the Legislature with the municipalities' position considered as part of the funding process.

2. Municipalities. The municipalities have the prime residential commuter land, and should be strongly encouraged to get into the land disposal business through establishment of a program for disposal of municipal land into private ownership with State assistance. Municipalities would be able to submit funding requests to the legislature to cover disposal costs provided the request is accompanied by a disposal schedule and a description of sale terms. Appropriations would be treated as loans to be repaid to the State under established conditions.

3. Remote Parcels. After required monumentation, remote parcel areas would simply be open to staking rather than sold through semiannual lotteries. The five acre residential restriction would be removed so that remote parcels could be up to 40 acres. The rental would be reduced to a flat \$10 per acre, and rentals would be applicable to the purchase price. No requirements for improvements would be imposed; the lessee would qualify for purchase once the land had been surveyed. Valuation would take place at the time of entry rather than plat approval. Existing remote parcel leaseholders would be able to convert to leases containing the new, more liberal terms. ok

Dear Sen. Bennett

Please change the remote parcel program as outlined on back of this sheet.

APR 20 1981

Also please take the remote parcel program out of the Lottery system. Most people, including myself, that took advantage of this program were confined to very small (I got 2 acres) parcels due to the bad terms of the program and poor topography of the land spread. and its not fair to lose the 10 or 8 year chance for land over that.

Thank you

Karen R. Tracy

S.R. Box
50344
FAI 9970

Land Bill HB 31

Section 1- If a municipal selection or nomination is rejected by the Director, a municipality may select additional State land as necessary to satisfy its entitlement not later than 90 days after receiving the Director's rejection.

Sections 2 & 3 - This section states that a local platting board may not refuse to sign or disprove a subdivision plat submitted by the state for state lands because of local requirements for capital improvements or road construction.

The state must comply with all other requirements of the platting board in existence at the time the commissioner notifies the platting board of the proposed subdivision sale.

Section 4- Authorizes a municipality to lease municipal land for up to 55 years to a non-profit charitable, religious, scientific, educational or social welfare organization without an ordinance or voter ratification. This land may not be used for commercial development. The organization must be financially able to carry the project and the land must be used for an established or proposed project which is open for use by the public.

Section 5- LAND DISPOSAL BANK. Consolidates AS 38.04.020 (land disposal bank provisions) and 38.05.047 (classification and disposal procedures for land within municipalities); clarifies confusing provisions in both sections of the law; makes a number of major substantive changes to these laws; including:

1. The Department is required to classify all State lands outside municipalities into disposal or State retention categories by July 1, 1983
2. The 100,000 acre annual quota is repealed. The Department would be required to submit an annual recommendation for disposals to the legislature based on a demand assessment.
3. Financing requests for capital improvements required by municipal subdivision ordinances must be submitted to legislature in addition to requests for identification, survey and disposal of State land.
4. Subdivision parcels can exceed 5 acres if necessary to conform to local zoning requirements or unique soil, terrain, water or sewage considerations.

Specifically:

Requires Department of Natural Resources to finish classifying all State lands either as land disposal bank lands or retained multiple use lands by July 1, 1983. (Current law only applies

to lands within municipalities). All land suitable for disposal of fee simple title including commercial, industrial, agricultural, residential, recreational and other lands would be included in land bank unless the land has been selected by a municipality to satisfy a municipal entitlement. (Under current law, agricultural lands are not included in the land bank). Lands conveyed to the State by the Federal government which are to be retained in State ownership or deposited in the land disposal bank consist of those lands classified by the Commissioner within two years of receipt of tentative approval or patent whichever occurs first. The banks must contain at least 500,000 acres. (No change).

On January 15 of each year the Department is required to report to the Legislature the status of land in the land disposal bank. The 100,000 acre annual quota is repealed. Instead, Department of Natural Resources is required to submit annually a recommendation based on assessment of the current market for State land in the land disposal bank developed in consultation with affected municipalities.

The assessment must consider demand in each region of the State and include a survey of the supply of privately owned land offered for sale, municipal land subject to a completed disposal plan and Federal land available for sale, lease or permit. The assessment must be based on an analysis of private, municipal and Federal land available for disposal on terms "equivalent to those used in comparable State land disposal program and shall include the length of time the land is available on the market before it is sold". The financing request must include an estimate of the amount necessary for (1) survey and disposal of land proposed to be made available for remote parcel staking for the succeeding fiscal year with the general location of the land (2) survey and disposal of land to be offered as agricultural, commercial or industrial land during the succeeding fiscal year with general locations (3) survey and disposal of the land proposed to be offered as subdivisions with general locations (4) preliminary feasibility studies, engineering design work and construction of access roads and capital improvements required by municipal subdivision ordinances or regulations of the platting boards; if an accurate determination of those amounts cannot be made at the time the estimate is submitted the Department must include a schedule for obtaining the estimates, constructing the access roads or capital improvements and disposing of the land (5) identification of land which will be proposed for disposal in future fiscal years. (Current law requires three alternative financing requests; does not specifically authorize requests for financing of capital improvements).

Lands would be disposed of as remote parcels, subdivision, agricultural, commercial, industrial or other land. Lands designated for subdivision disposal may not exceed five acres unless the Commissioner determines that a larger size is necessary to comply with local zoning ordinances, or to permit the design of a viable subdivision because of topographical features, soil conditions, on-site sewage disposal requirements, or water drainage or supply considerations that are unique to the subdivision. (Current law does not authorize larger than five acre parcels under any circumstances). Lands designated for subdivision disposal must be disposed of as follows: a) up to 80% by lottery (b) at least 10% under homesite under the homesite law (AS 38.08) and at least an additional 10% under homesite lottery provisions. (Current law establishes a flat 80-10-10-formula). Lands designated agricultural, commercial, industrial or suitable for other disposal may be sold by auction or lottery.

Department of Natural Resources retains authority to sell land outside the land bank under any of its land disposal laws. Continues existing semi-annual nomination process for including or excluding lands from the land bank and the requirement that the Commissioner must make a written determination after receipt of a nomination if he determines that land nominated will not be classified or reclassified as requested. Adds a requirement that this determination be made within six months of the nomination. Requires a classification order instead of a mere finding when land is transferred from retention in State ownership to the bank or from the bank to retention. Retains provision in current law that the Commissioner may withdraw from the land disposal bank land that has been offered for disposal but not conveyed within five years after inclusion in the bank.

Section 6- MUNICIPAL LAND DISPOSALS. A municipality may apply for financial assistance to execute a land disposal program for municipal entitlement lands by submitting a request to the Commissioner for inclusion in his annual budget request. Assistance can include cost of surveying land, designing subdivision-plats, installing improvements required by municipal ordinances or regulations of the platting board and other "reasonable direct costs of land disposal". Requests must be accompanied by a five-year disposal schedule based on an assessment of the demand for private land within the municipality which must be included in the State's assessment submitted under 38.04.020(f). The schedule must include an estimate of the number of acres planned to be disposed of, a description of the method in terms for disposal and description of the land proposed to be disposed of during that five-year period. The Commissioner must determine that the request meets requirements of this

section before it is submitted to the Legislature under 38.04.020(e). If the money is appropriated, the Commissioner administers the money under this section. Money appropriated for these purposes constitutes a grant unless otherwise provided by the Legislature. A grant to a first class city to a borough or a unified municipality may not exceed five times the amount of money appropriated by this city or borough for the disposal of municipal land unless Commissioner exempts the City or Borough from this subsection. If exempted, the amount of money appropriated for disposal of municipal land may ~~not~~ exceed seven times the amount appropriated by the City or Borough for disposal. A grant to a second class city may not exceed seven times the amount appropriated for disposal.

Section 7- Deletes reference to school land in statute which authorizes university and school land to be made available at fair market value for private use. (Technical amendment; "school land" designation was previously repealed).

Section 8- Provides that easements and rights of way on or across land that is made available for private use as necessary to reach or use public water and public and private land may include the established trails traditionally used for commerce, recreation or transportation.

Sec - 9 - Dept of Low - Disposals continue - Port Ledge Pond

Section 8- Contracts with an appraised value of up to \$50,000 may be signed by the Director without the Commissioner's concurrence (now it is \$10,000); leases with an annual rental value up to \$5,000 may be approved by the Director without consent of the Commissioner (now \$1,000). This section further provides that contracts for negotiated sales authorized by 38.05.115, shore fishery site leases under 38.05.082 and revocable permits issued by Department of Natural Resources are not subject to written finding requirements of this section.

Section 10- Clarifies that the purchase price of land sold under this subsection is the price set on the date of original entry or if the price is not set at that time at a price determined by Division to fairly represent the value of improved land at the time the claim was established.

Section 11- Clarifies that the purchase price of land purchased under this subsection is the fair market value "on the date that the person first entered the land".