ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672
5499 SRES HB 231

1071

HB
231

SENATE COMMITTEE REPORT

FURTHER: FINANCE

5/1/87

DATE TURNED INTO OFFICE_____

Mr. President:

RESOURCES Committee considered HB 231

Eagle River Greenbelt land exchange; efd.

and recommended:

[ ] replace with CS FOR _____) [] same title
[ ] or adopt _____ CS FOR _____) [] new title

[ ] attached amendment(s) and

[✓] do pass

[ ] do not pass

[ ] no recommendation

[ ] individual recommendations

[ ] further referral to_____

[ ] letter of intent adopted_____

Committee [ ] attached or [✓] adopted fiscal note(s)
[ ] new [ ] updated or [ ] previous
[ ] zero [ ] fiscal impact

MEMBERS SIGNING DO PASS	OTHER RECOMMENDATIONS
[signature]	
[signature]	
[signature]	
[signature]	
[signature]	

[signature] DO PASS
Chairman signature and recommendation

[ ] Committee Backup Attached

No. 1

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

235

REQUEST:

Bill Version: HB 231
Publish Date: HOUSE 3/30/87

Revision Date; March 27, 1987
Title: Eagle River Greenbelt land exchange
Sponsor: Rules (Governor)
Requestor:

Agency Affected: Natural Resources
BRU: Land and Water Management
Components:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Tom Hawkins
Phone: 465-2400
Division: Land & Water Management
Date: 3/27/87

Approved by Commissioner: Jennie Boston Gorsuch
Date: 3/27/87
Agency: Natural Resources

Distribution (by preparer):
- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

LAND EXCHANGE BETWEEN THE STATE OF ALASKA
AND EKLUTNA, INCORPORATED
ADL 223175

BEST INTEREST FINDING

A final exchange agreement is proposed between the State of Alaska, Department of Natural Resources and Eklutna, Inc. under AS 38.50 and 11 AAC 67.200-280. All requirements have been satisfied except for legislative approval under AS 38.50.140. I find that this exchange is consistent with the Alaska Coastal Management Program.

The objectives of this exchange include 1) acquire an Eagle River greenbelt and to add this to Chugach State Park to protect the important recreational and environmental resources within the greenbelt area, 2) resolve the issue of the state's use of Eklutna land at Eagle River Campground and the Thunderbird Falls parking lot, 3) stimulate economic vitality by making land in the Anchorage Central Business district available for private development.

Both parties agree that this exchange should be consummated based upon the established appraisal for both the state land and Eklutna, Inc. land. The difference in value of $173,300 to be paid in cash by the state to Eklutna, Inc. Further, the state has been offered an option to acquire two subunits from Eklutna, Inc. before May 1, 1988 by equivalent land value, money or other consideration. If sufficient capital improvement program funds in Appropriation No. 39454 are made available before July 1, 1987, the state will exercise its option to purchase subunits No. 3 and 4 before August 1, 1987.

The public and agency review period has affirmed that the objectives of this exchange are in the state's best interest. All public comments and public testimony presented at public hearings have been consicered in this exchange. The summary of comments are included in the amended report.

In conclusion, based on the information presented, it is my decision under AS 38.05.035(e) that this exchange best serves the interest of the state.

for Judith A. Bracy, Commissioner
Department of Natural Resources

March 6, 1987
Date

MEMORANDUM

State of Alaska

DEPARTMENT OF NATURAL RESOURCES

TO: Richard A. LeFebvre
Deputy Director
Division of Land and Water Management

DATE: March 2, 1987

FILE NO:

TELEPHONE NO: 465-2400

FROM: Judith M. Brady
Commissioner

SUBJECT: Delegation of Authority

I hereby designate Richard A. LeFebvre my authority to sign on my behalf the Final Exchange Agreement and the Final Finding for the Eagle River Greenbelt Exchange, ADL 223175.

To: Dick LeFebvre
meg Hayes

AMENDED
REPORT ON THE EQUAL VALUE
LAND EXCHANGE BETWEEN THE STATE OF ALASKA
AND EKLUTNA, INCORPORATED
ADL 223175

This report has been prepared pursuant to AS 38.50.130. Amendments have been made to this report to reflect comments or other information which has come to the director's attention following agency and public review. A summary of all comments and information received has been appended to this report.

BACKGROUND

The state began negotiations with Eklutna, Inc. in June, 1986. The greenbelt is based on the plan adopted by the Anchorage Assembly on May 7, 1985 (Assembly Resolution 85-88). Adjustments were made to the boundary to reduce the amount of developable land included in the greenbelt, and thus to reduce the overall cost to the state. Decisions about what the greenbelt should include were based on several field trips focusing on the quality of the recreational experience from the river itself. In addition, the state hopes to acquire the Thunderbird Falls parking lot near Eklutna, Alaska.

The land the state is offering in this exchange is Block 112A, Anchorage Original Townsite. This block was acquired by the state for an office complex. It is located between "A" and Cordova Streets and between Fifth and Sixth Avenues. Changing economic conditions have made plans for constructing a state office building on this site obsolete, thus making the land available for consideration in this exchange.

Only surface interests are being proposed for exchange. The state closed Block 112A to mineral entry on November 28, 1986. The subsurface estate of the land being offered by Eklutna, Inc. is owned by Cook Inlet Regional Corporation (CIRI). In an agreement reached with the Municipality of Anchorage on November 25, 1986, CIRI agrees to execute to the state, without compensation, a non-development covenant for the subsurface estate to a vertical depth of 250 feet as long as the area is used for passive public park purposes. The covenant will also allow the annual use of up to 500 cubic yards of sand and gravel on site for such uses as trails.

In that same agreement, CIRI provided its consent to Eklutna's acquisition of Block 112A pursuant to the "Turf Agreement" dated January 31, 1983.

Under the terms of the settlement reached between the state and the Municipality of Anchorage dated November 25, 1986, pursuant to the Municipal Entitlements Act, the Municipality of Anchorage will acquire the state's interests in Block 112A if this proposed land exchange agreement is not completed. Although the University of Alaska has challenged the legality of that settlement, a stipulation between the parties to that suit allows this land exchange to proceed.

PHYSICAL CHARACTERISTICS

Eagle River is considered the most important recreational river in the Municipality of Anchorage. The river and its valley provide many opportunities for recreation including, but by no means limited to, sport fishing, whitewater boating, hiking, camping, snowmachining, horsebackriding, and cross-country skiing. Many homeowners on its hillsides consider the scenic views of the river among their significant amenities. Several commercial companies now offer services to enjoy Eagle River, and these types of services are expected to grow in popularity.

A major resort has been proposed at the confluence of Eagle River and South Fork. Dr. Robert Rogner, who has major recreational facilities in Europe, is considering construction of a world class lodge and ski development. Among the services currently being considered are 500 room chalet rentals, 2 hotels (250 rooms each), indoor and outdoor tennis courts and swimming pools, restaurants, and bars.

Land the state proposes to acquire in this exchange includes 1,658 acres of developable land and 2,022 acres of wetlands located along Eagle River. In addition to providing a recreational experience along the river, these lands provide important habitat for moose and other wildlife.

The greenbelt includes south-facing hillsides which are covered with a montage of vegetation types ranging from birch-aspen forests, spruce forests, and open meadows. These hillsides generally abut private lands, and are themselves highly desirable for subdivision development. Because of their south-facing aspect, they catch more of the winter sun than the south side of the valley. Access is provided via Eagle River Road, and various subdivision roads.

North-facing hillsides are also included in this exchange. This area has access via Hiland Road, trails and subdivision roads. The land proposed for acquisition by the state abuts either existing subdivisions or land suitable for subdividing. Access will be improved with the construction of the proposed Eagle River bridge and overpass.

The western boundary of the greenbelt is the Eagle River Campground operated by the state, part of which is actually located on land owned by Eklutna, Inc. The eastern boundary of the greenbelt is the present boundary of Chugach State Park. If this exchange is completed, the entire greenbelt will be added to Chugach State Park as soon as it becomes state land. This is required by AS 41.21.121. There will be a continuous greenbelt on both sides of Eagle River from the current boundary of Chugach State Park to the Eagle River, except on the south side at the confluence with South Fork in the immediate vicinity of the proposed resort.

More information on the physical characteristics of Eagle River Greenbelt can be found in the Eagle River Greenbelt plan adopted by the Municipality of Anchorage.

In addition, the state hopes to acquire the parking lot for Thunderbird Falls. This facility is also located on land owned by Eklutna, Inc. The falls are a significant attraction both to visitors from out of state and to local residents.

The land being offered by the state is Block 112A, Anchorage Original Townsite, located on the east end of the Anchorage central business district. This block is bounded by "A" and Cordova Streets, and by Fifth and Sixth Avenues. It is serviced by usual urban utilities, including water, sewer, electricity, telephone and natural gas, although these utilities may need to be relocated depending on the type of development. The earthquake hazard danger is considered moderate.

APPRAISAL

The appraisals of all parcels in this exchange were prepared under contract by the firm of Black-Smith and Richards, Inc. They are opinions of fair market value.

The appraised value of Block 112A is $8,600,000.

The appraised value of the Eagle River Greenbelt is $9,072,000 (including the appraised values of parcels 1, 2, 3 and 4). The appraised fair market value of the Thunderbird Falls parking lot is $31,300. The total fair market value of the land offered by Eklutna, Inc. is $9,103,300.

Recognizing the uncertainty of the appraisal process, four minor subunits of the greenbelt were identified and appraised separately. They are described below:

Parcel 1: About 9 acres adjacent to the Rood Road cut-in and recreation site. Its value is $73,000.

Parcel 2: About 12 acres along the South Fork of Eagle River. Its value is $72,000.

Parcel 3: Mostly treeless slopes which are part of the viewshed from Eagle River, about 94 acres. Its value is $220,000.

Parcel 4: Another part of the viewshed from the river, and about 28 acres. Its value is $110,000.

The legislature appropriated $1,000,000 for the purpose of the acquisition of the Eagle River greenbelt in 1986. Two-thirds of this was put on hold by Governor Sheffield because of the shortfall in revenue experienced this fiscal year. After the expenses for completing this exchange (title insurance, appraisal and survey) are subtracted, there are insufficient unrestricted funds left to acquire all of these subunits. The state proposed to acquire an option to purchase parcels 3 and 4 from Eklutna at this appraised fair market value rather than to purchase them at this time. This option would have to be exercised before May 1, 1988. However if the funds restricted by Governor Sheffield in Capital Improvement Projects appropriation number 39454 are made available before July 1, 1987 the state will exercise its option to purchase these parcels before August 1, 1987. This decision is based on the state's priority in acquiring parcels important for active public use. The state proposes to pay Eklutna, Inc. $173,300 in cash to equalize values in the exchange.

BENEFITS AND DETRIMENTS

The benefits of the proposed exchange are numerous. Through this exchange, the state will acquire one of the most important recreational resources in close proximity to a major urban area. These lands will be added to and managed as part of Chugach State Park.

Because of declining oil revenues, interest in diversifying Alaska's economy is increasing. One of the sectors commonly expected to grow is tourism and private recreational developments. This exchange will guarantee that this recreational resource will be available to be enjoyed by visitors to Anchorage and to local residents as well.

In addition, the greenbelt will protect the scenic views so highly valued by homeowners in Eagle River Valley. It will guarantee them continued access to the sport-fishing, berrypicking, wildlife-viewing, and recreational resources which drew them to this area in the first place.

Through this exchange, two instances of potential state trespass on Eklutna, Inc. land will be resolved. Both of these areas, Eagle River Campground and Thunderbird Falls parking lot, are heavily used by the public. Resolving these trespass issues will allow the state to continue to manage and improve facilities needed to serve this large volume of users.

The Eagle River Valley contains habitat essential to the continued success of fisheries and wildlife species in an urban setting. Enjoyment of these resources will continue by protecting this habitat from disruptive development.

The exchange also makes Block 112A available for private development. This block is kitty-corner from the Anchorage Historical and Fine Arts Museum and is between the Sheraton Hotel and the primary tourist attractions of downtown.

The state's development of this block no longer seems feasible. Allowing it to remain used as a parking lot is considered by some to amount to urban blight. Visitors and tourists often enter Anchorage on Fifth Avenue. The vacant lot gives the impression that Anchorage is not the vibrant, growing, enthusiastic city it purports to be. The opportunity for development of this parcel is enhanced by this exchange. Eklutna, Inc., by using land assets instead of capital for acquisition, will be in a better position to bring development on line at an early opportunity.

The detriments which may occur as part of this exchange included a possible change in the use patterns of Eagle River Valley. Increased numbers of visitors may change the recreational experiences enjoyed by unauthorized persons now recreating on Eklutna's lands. Increased management and more facilties may be expensive for the state, especially at this time, and may not be universally popular.

Possible social impacts of developing Block 112A may also occur. Residents in that area may have preferred a state office building to the uncertainty of the types of development which may be proposed by Eklutna.

In summary, this exchange only confirms and stabilizes the type of land uses most appropriate for the lands under consideration. It will allow land valuable for public use to be acquired by the state. It will put land with good development capability in private ownership. Significant social, economic, and environmental impacts from this exchange are not expected in the near future. Such impacts may occur in the long term depending upon the management and types of facilities built on these lands.

FINDING OF ALTERNATIVES

Pursuant to AS 38.50.100, the state has considered several alternatives to the proposed exchange. Based on current knowledge, none of them seem feasible at this time.

The state's objectives are threefold:

1. to acquire an Eagle River Greenbelt and add it to Chugach State Park;

2. to resolve the state's trespass on Eklutna, Inc. lands at Eagle River Camoground and at Thunderbird Falls parking lot; and

3. to stimulate economic vitality by making land in the Anchorage Central Business District available for private development.

Alternatives to achieve each of these will be described below:

Objective 1: Acquire an Eagle River Greenbelt and add it to Chugach State Park

A. The surface estate interests in the greenbelt are currently owned by Eklutna, Inc. and thus are not available for selection under the Alaka Statehood Act.

B. The state does not have authority to add lands to Chugach State Park through eminent domain, but can acquire by purchase [see AS 41.21.125 and AG opinion file A66-292-80 (10 July 1980)].

C. The state could purchase these lands from Eklutna Inc. However, it is unlikely that approximately $9,103,300 would be appropriated from the general fund for this purpose in the current economic situation.

D. The state could lease the subject lands from Eklutna, Inc. However, the annual rent could be expected to total about $720,000/year, again an unlikely amount to be appropriated at this time. In addition, a leasehold only would not provide the assurance needed to manage and develop the Eagle River Greenbelt for the long term public interest.

E. The configuration of the greenbelt could be made larger or smaller. In fact, the existing Eagle River Greenbelt differs from the plan adopted by the Municipality of Anchorage Assembly Resolution 85-88. However, the area identified in this exchange is considered the minimum necessary to protect the recreational experience from the perspective of Eagle River itself. To acquire a greater area at this time does not appear feasible because of the state's lack of resources for such an acquisition.

Objective 2: To resolve the state's trespasses at Eagle River campground and Thunderbird Falls parking lot.

The state currently has improvements on and encourages the public to use Eklutna lands at these two locations.

A. These lands belong to Eklutna, Inc. and are not available for selection under the Alaska Statehood Act.

B. As explained above, the state cannot acquire these lands under eminent domain.

C. The state could acquire these parcels through purchase if funds were available. However, the $1,000,000 appropriated in 1986 was for the acquisition of an Eagle River Greenbelt, not merely these two parcels. In addition, this course of action would not meet the state's other objectives.

D. The state could lease these lands from Eklutna if money was available and Eklutna was willing. However, this alternative would not give the state the assurance necessary to intensely manage these high use public recreation facilities.

Objective 3: To stimulate the economic vitality of the Anchorage Central Business District by providing an opportunity for private development.

Block 112A, the state's land interest in this exchange, is currently used as a parking lot. It had been acquired by the state for an office complex. Changing economic conditions made this proposal unfeasible. In resolving Municipality of Anchorage claims under AS 29.65, the state agreed to convey this block to Municipality of Anchorage in the event that this land exchange was not consummated. Thus, Block 112A is not now available for lease or sale to private developers by the state.

APPENDIX

Appraisal

This section of the report corrects typographical errors in the preliminary report. These corrections can be found on pages 2 and 3 of this report.

Benefits and Detriments

As a result of agency review, the following information substantiates benefits if the Eklutna lands are added to the Chugach State Park and if block 112A is conveyed to Eklutna, Inc.

Figures for the amount of recreational use of the proposed greenbelt were gathered from records of the Division of Parks and Outdoor Recreation, Eklutna, Inc., and users of the river. Estimates were compiled based on voluntary user permits issued. Trespass problems on Eklutna land are common; therefore, recorded use could be doubled.

Eklutna records indicate issued permits for summer river use for 1984 through 1986 as follows:

1984	856	participants
1985	341	"
1986	371	"

The drop in 1985 and 1986 participants can be attributed to high water and adverse weather conditions. In addition, Eklutna has been more flexible in the permitting requirements. Two major users of the river, Alaska Travel Adventures and Knik Kanoers and Kayakers, strongly believe that major recreational uses of the river have noticeably increased. They report it to be one of the most heavily used whitewater streams in the state.

Records of the Division of Parks and Outdoor Recreation indicate visitor use for the Eagle River Campground and the Chugach State Park Visitor Center between May-October as follows:

Eagle River Campground

1984	25,392	visitors
1985	58,649	"
1986	74,049	"

Visitor Center

1984	42,142	visitors
1985	48,175	"
1986	54,774	"

As the records indicate, use of these recreational facilities have steadily increased in recent years. These two facilities located at opposite ends of the proposed greenbelt will encourage use within the greenbelt itself.

The development plans proposed by Eklutna, Inc. for the downtown Block 112A include a multi-complex office building containing retail shops, professional office space, and residential units. Intensity of development will depend on the zoning restrictions by the municipality. The private sector development will contribute to the local tax base.

Brief Summary of Public Comments

Public hearings were conducted as required by AS 38.50.120 and 11 AAC 67.250. These hearings were held February 18, 1987 in Anchorage, Eagle River and Chugiak. Attached are the sign-in sheets and summary of the comments and testimony presented at the hearings. No one attended the hearing in Chugiak.

Organizations as well as individuals were represented at the two hearings. The following agencies and organizations were represented and gave testimony in support of the exchange:

Chugach State Park Citizen's Adivisory Board, represented by Dave Young
South Fork Community Council, represented by Dave Young
Chugiak-Eagle River Chamber of Commerce, represented by Vince Vitale
Municipality of Anchorage, represented by Peter Scholes and Ron Crenshaw
Alaska Chapter of the American Snowmachine Association, represented by Wes Hamrick
Alaska Center for the Environment, represented by Stephane Kessler
Knik Kanoers and Kayakers, represented by Dave Blanchet

The following individuals gave testimony:

Sheryl Swigart - in favor
Lynn Tate - in favor
Rod Hansen - in favor
Jerry McCutcheon - expressed concerns
J. Wadell - in favor

In addition, resolutions strongly supporting this exchange have been submitted by:

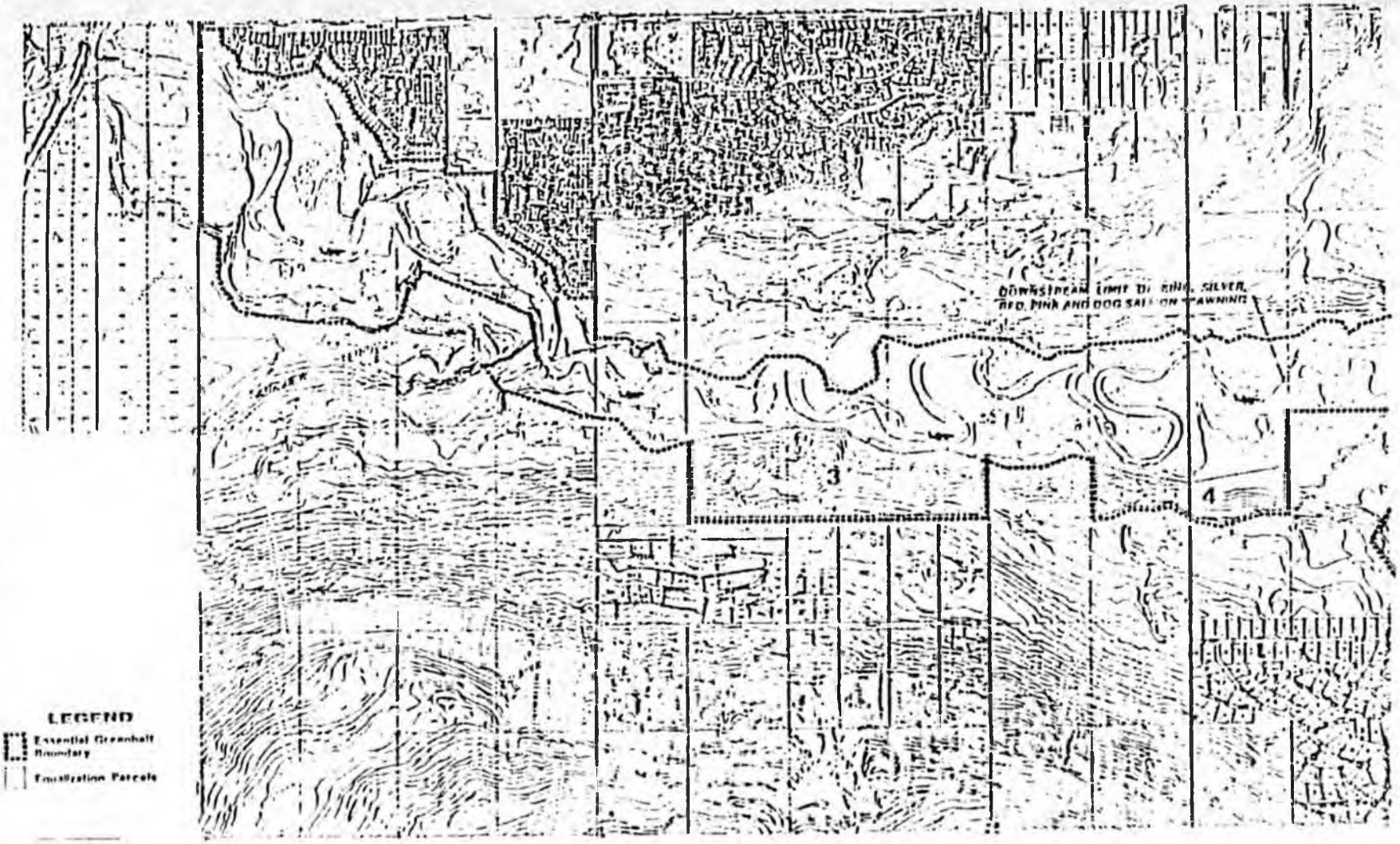
Anchorage Chamber of Commerce
Eagle River Chamber of Commerce

The hearing record remained open for two weeks following the conclusion of the public hearing in which many individuals submitted additional comments. Attached are individual letters with a response, if appropriate.

After the close of the record period, the Division of Land and Water Management received comments from DOTPF and the following people:

DOTPF - favored the exchange and expressed concerns which had already been addressed in the agreement.
Michel E. Gryalva - generally in favor
Jack and Mary Kaye Hession - generally in favor
Jack Mosley - generally in favor
Sharon Dowling - generally in favor
Michael Rees - generally in favor
James B. Gottstein - Opposed. He believes that Block 112A is better used in partial satisfaction of the state's responsibilities to the Mental Health Trust.

We have read and considered these comments. Only Jim Gottstein's comments expressed concerns opposed to the exchange. However, none of the lands involved in the exchange are Mental Health Trust lands. Moreover, the decision to convey Block 112A to the Municipality of Anchorage if this exchange is not implemented was made December 18, 1986. Mr. Gottstein had notice of that action and failed to appeal it. The department recognizes the state's obligations to the Mental Health trust and the legislature is considering various proposals to resolve that issue.



LEGEND

Essential Greenbelt Boundary

Evaluation Parcels

ASSOCIATION

KEY

Moose Preferred Habitat

Downstream Limit of King, Silver, Red, Pink and Dog Salmon Spawning as Indicated on Map

Upstream Limit of Salmon Spawning as Indicated on Map

EKLUTNA INC. LAND

(The state proposes to acquire options to purchase subunits 3 & 4

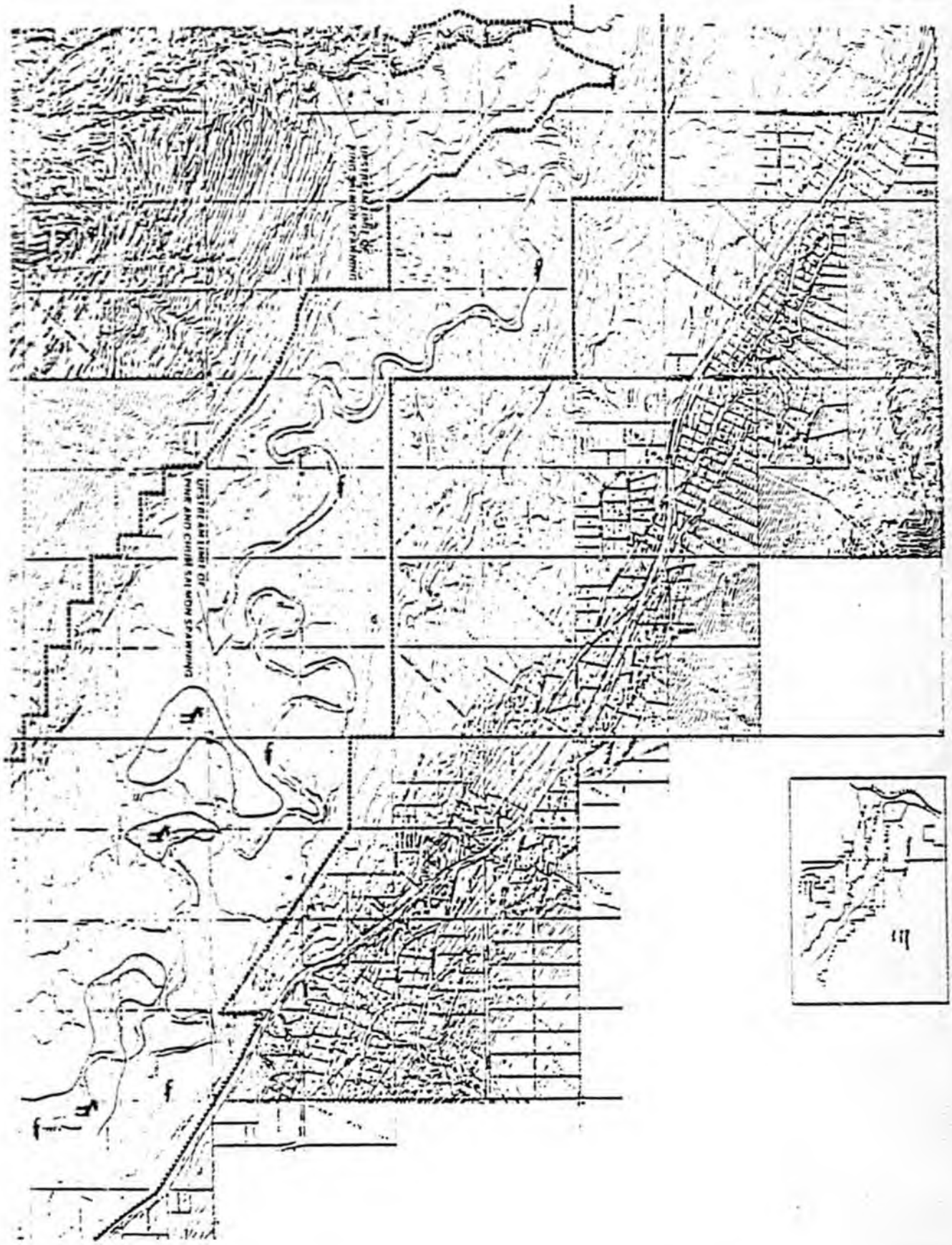
TRA/FMT

EAGLE RIVER GREENBELT PLAN

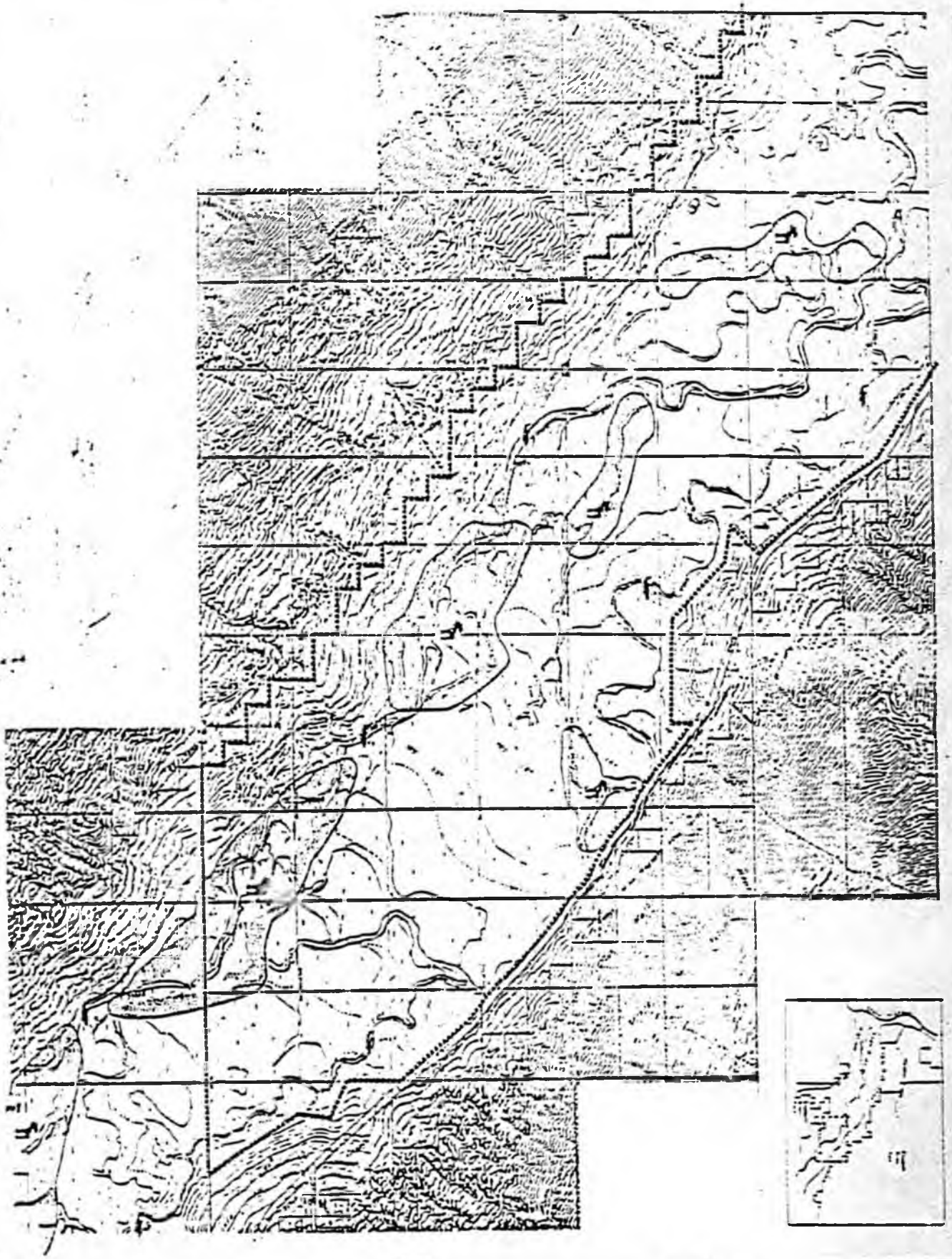
Wildlife Habitat

Map 3

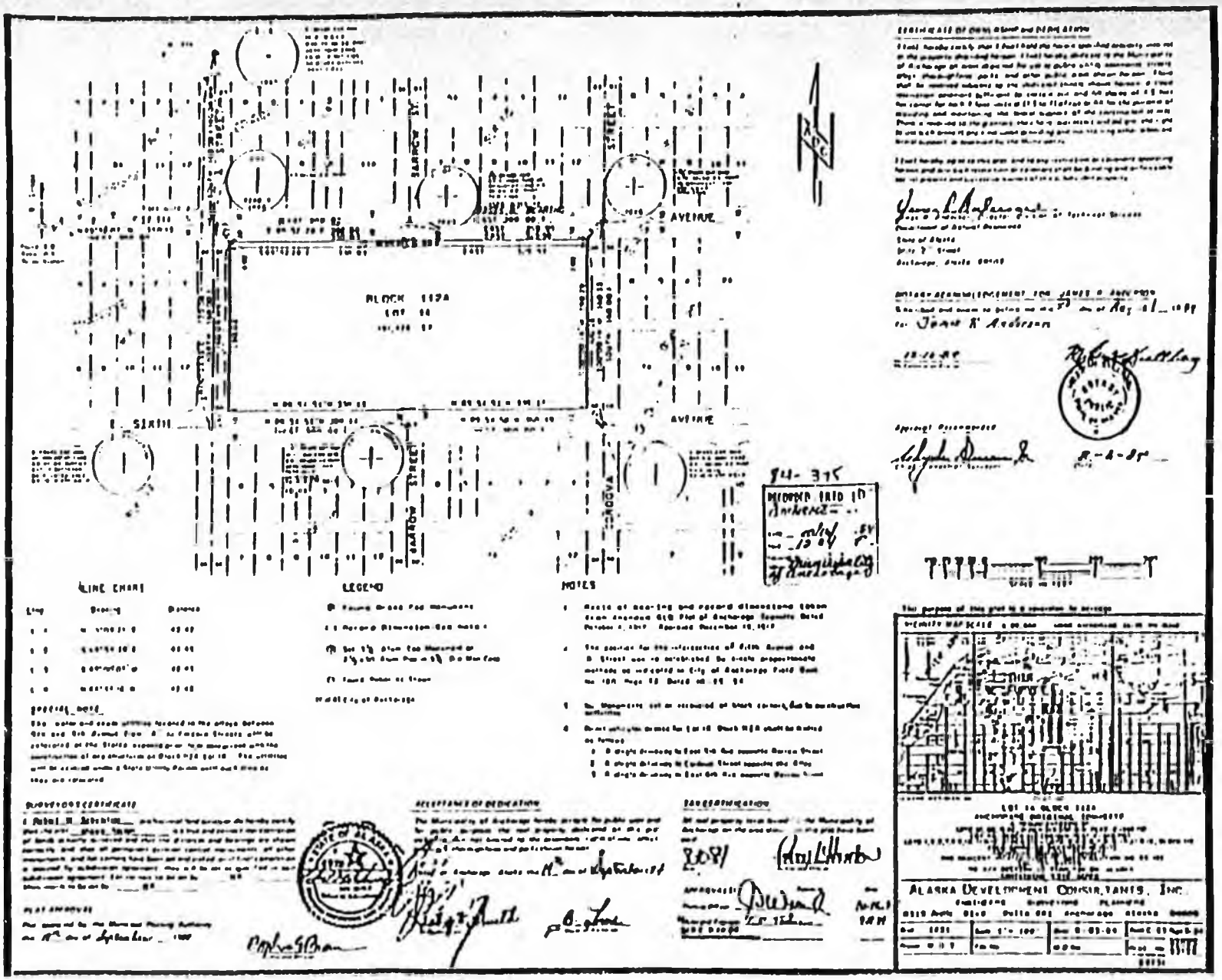
1



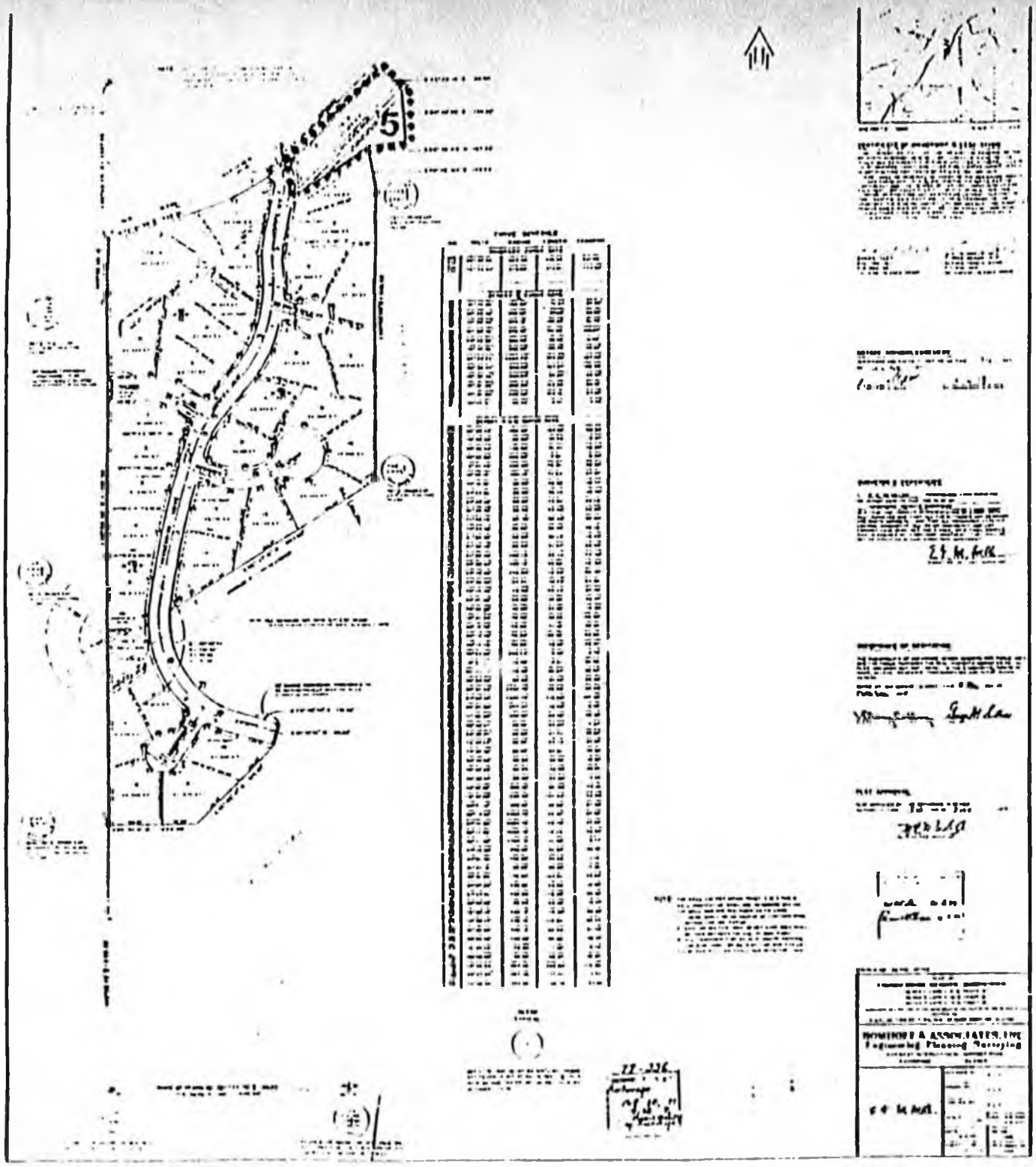
2	Wildlife Habitat Map 3		EAGLE RIVER' GREENBELT PLAN	TRA/FMT ARCHITECTURE ENGINEERING PLANNING INT. DESIGN 1001 E. MUNICH BLVD., ANCHORAGE, AK 99503 (907) 277-7641



3	Wildlife Habitat Map 1		EAGLE RIVER GREENBELT PLAN	TRA/Fitt ARCHITECTURE ENGINEERING PLANNING INTERIORS



STATE LAND: Lot 1A, Block 112A, Anchorage Original Townsite



EKLUTNA INC. LAND:

Thunderbird Falls
parking lot

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF LAND AND WATER MANAGEMENT
SOUTHCENTRAL REGION
P.O. BOX 107005
3601 "C" Street
Anchorage, Alaska 99510-7005
PUBLIC NOTICE UNDER AS 38.05.945 and AS 38.50.110

ADL 223175

Subject to the provisions of AS 38.05.945 and AS 38.50.110, and pursuant to the regulations promulgated thereunder, the Division of Land and Water Management gives notice that it proposes to conduct an equal value land exchange for the surface estate only on state-owned land under AS 38.50 for the surface estate only on private land owned by Eklutna Inc. The director further gives notice that a written finding of the state's best interest under AS 38.05.035(e) has been entered into the administrative record regarding the proposed exchange.

The purposes of the exchange are to acquire valuable recreational land along the lower segment of Eagle River for public use and to be included within Chugach State Park, to protect habitat and wetland areas, and to maintain the scenic Eagle River Corridor for public enjoyment and to acquire the Thunderbird Falls parking lot near Eklutna, Alaska for public use. Parties to the exchange are the State of Alaska, address above, and Eklutna, Inc., 555 West Seventh Avenue, Suite 1550, Anchorage, Alaska 99501.

All land is located within the boundaries of the Municipality of Anchorage and described as follows:

Eklutna Land To Be Acquired By The State

Land is generally described as being located within T14N, R2W, S.M. Section: 13; T14N, R1W, S.M., Sections: 16 through 27, 33 and 36; T14N, R1E, S.M., Sections: 30, 31 and 32 (along Eagle River); and T16N, R1W, S.M., Section: 25, the Thunderbird Falls parking lot; containing approximately 3,680 acres generally located in Eagle River and Eklutna, Alaska.

State Land To Be Acquired By Eklutna, Inc.

Lot 1A, Block 112A, Anchorage Original Townsite as shown on plat 84-375 filed in the Anchorage Recording District on October 16, 1984. Containing approximately 4.39 acres located between Cordova and A Streets and 5th and 6th Avenues in downtown Anchorage.

All land involved in the exchange is subject to prior valid existing rights. Both parties will waive the administration of these rights on the specific land the parties offer for exchange when the exchange is completed.

The proposed equal value exchange will be based upon appraised fair market values. An independent fee appraisal established the fair market value for the state land at $8,600,000 (State Appraisal No. 1975) and the value of the Eklutna, Inc. land at $9,072,000 for the Eagle River Greenbelt and $31,300 for Thunderbird Falls parking lot (State Appraisal No. 1974). Four minor subunits of the greenbelt are identified and given individual appraised values. Two of these four subunits and the Thunderbird Falls parking lot are proposed to be pursued in this exchange. The difference in appraised value of $173,300 will be paid in cash by the state to Eklutna. The state shall have option to acquire, before May 1, 1988, at the present appraised value, the remaining two units. The proposal must receive legislative review as provided by AS 38.50.140.

A report containing detailed maps, a physical description of the land involved, appraised values, impacts and alternatives considered and other statutory requirements are available at the Division of Land and Water Management, Southcentral Region Office, P.O. Box 107005, Anchorage, Alaska 99510 located at 3601 "C" Street, Suite 1080, Frontier Building in Anchorage.

Public hearings on the proposed exchange will be held simultaneously on Wednesday, February 18, 1987, beginning at 7:00 PM at the following locations:

Anchorage

Z. J. Loussac Library, Public Conference Room
3600 Denali Street

Eagle River

Eagle River Library, Community Room
Valley River Center

Chugiak

CCS Building, Multi Purpose Room
Mile 6, Old Glenn Highway

The hearing record will remain open for two weeks following the hearing date in order to receive written comments on the proposed land exchange.

Any comments, objections, or expressions of interest pertaining to the proposed exhange or assertions of a claim to the property involved must be received by the Division of Land and Water Management at the above address on or before 4:30 p.m., March 4, 1987, in order to be considered.

The Division of Land and Water Management reserves the right to waive technical defects in this publication.

/s/ TOM HAWKINS, Director
Division of Land and Water Management

PUBLISH: January 19 and 26 and February 2, 1987

EAGLE RIVER GREENBELT LAND EXCHANGE

Public Hearing - 7:00 P.M. February 18, 1987

Location: Eagle River

Name	Address	Phone	Do you wish to testify tonite?
Judy Jett	DNR, Pouch 7005	762-2234	
Ed Smoot	E.R. Chamber	694-4091	X (left before hearing began)
Rosemary Johnson	P.O. B. 770456 Eagle River	694-2543	?
DAVE YOUNG	S.R.2 BOX 9313 E.R.	694-9823	YES
BILL QUIRK	POB 213929 Anch	333-7540	NO
Vince Vitale on behalf of Chugiak - Eagle River Chamber of Commerce	P.O. Box 120149 Eagle River	694 2699	Yes
J. Wadell	9447 Dinaker Eagle River 99577	694-9046	YES -
Karen Widdell	9447 DINAKER CR EAGLE RIVER 99577	694-9046	
Peter Scholes	Municipality of Anchorage	264-4956	YES
Lynne Tate	523 9359 Hilland Rd. 99577	694-7101	YES
Greg Strong	17501 Livingham Cir Eagle River AK	694-2545	NO
Alex Klimenko	16445 Marion St E.R.	694-3334	
Craig E Campbell	13324 N. Parkview Terrace P.C.	694-4681	NO
G Debbie Sullivan	W 21 Box 1693 Eagle River	694-3446	NO

EAGLE RIVER GREENBELT LAND EXCHANGE

Public Hearing - 7:00 P.M. February 18, 1987

Location: Eagle River

Name	Address	Phone	Do you wish to testify tonite?
Pete Pommer	2220 Druid Ave	694-3193	No
Ron Fok	9123 Hiland	694-2312	No
Ted Hansen	9413 Hiland Rd	694-6506	Yes -

EAGLE RIVER GREENBELT LAND EXCHANGE

Public Hearing - 7:00 P.M. February 18, 1987

Location: Anchorage

Name	Address	Phone	Do you wish to testify tonite?
Dale Tubbs	S-4550 550 W 7th Ave Anch 99501	276-5701	
Stephanie Koslik - AK Center for the Environment	411 W 4th Suite 1A, 99501	274-3621	yes
[illegible]	[illegible]		
Don [illegible]	[illegible]		
[illegible]	Anchorage		
Dave Blanchet	4204 Cove St Anch 99503	561-0500	yes
Jack Nicoy	PO Box 240264 Anch 99524		
Ken Crenshaw	Municipality of Anch	264-4335	yes

EAGLE RIVER GREENBELT LAND EXCHANGE

Public Hearing - 7:00 P.M. February 18, 1987

Location: Chugiak

Name	Address	Phone	Do you wish to testify tonite?
Jim Nelson	Mun	343-4865	

MEMORANDUM State of Alaska

DEPT. OF NATURAL RESOURCES, DIV. OF LAND & WATER MGMT., SOUTHCENTRAL REGION

TO: Eagle River Greenbelt file
ADL 223175

DATE: February 27, 1987

FILE NO:

TELEPHONE NO: 762-2253

FROM: Bryant Kuby
Natural Resource Officer

SUBJECT: EPGB public hearing
Wednesday, Feb. 18, 1987

Meg Hayes, SCRO Regional Manager, and I conducted the Eagle River Greenbelt Land Exchange public hearing in Anchorage. Approximately 10 people were in attendance while only 8 signed the attendance list.

Meg began the hearing at 7:00 p.m. with a brief synopsis of the proposed exchange before opening the meeting to public testimony. Five people testified: Four spoke in support of the exchange and one person expressed concern about the wisdom of the exchange.

Following is a brief summary of what each person said:

1. Stephane Kessler - Alaska Center for the Environment.

   The Alaska Center for the Environment supports the exchange and believes the Eagle River is the most important recreational river within the Municipality of Anchorage. The 18 mile stretch of Eagle River included in the Exchange is easily accessible from Anchorage and greenbelts and local trails have proven to be very popular in the Anchorage area. The Eagle River and the surrounding area is important habitat that protects and maintains local wildlife and the exchange will help protect water quality both for fish and recreational uses. Scenic views will also be protected for local residents as well as instate and out-of-state visitors. The economic benefit of the exchange is invaluable as..."people don't spend money to come to Alaska to see our urban development." The exchange will be ideal for expansion of tourist and recreational industries and it is further recommended that the south fork waterfalls as well as parcels 3 and 4 be included.

2. Dave Blanchet - Knik Kanoers and Kayakers

   Knik Kanoers and Kayakers is an organization of 350 families who are concerned about conservation and water quality issues in Alaska. The Eagle River is the one used most for recreation by this group and almost all the club members have been on it. The Eagle River provides different qualities of paddling and is very accessible to the Anchorage community. This organization favors acquisition of the greenbelt to protect it for this and future generations.

3. Ron Crenshaw - Municipality of Anchorage

The MOA obviously supports this exchange and willingly enters into the agreement knowing that the trade for the downtown blocks will be credited against the municipality's land entitlement. The 8 million dollars worth of land in the central business district will be returned to the private sector and put back on the tax rolls. This will have huge economic benefits for the municipality and create development opportunity downtown for the private sector. The two parcels will end up under the best possible management scheme: The greenbelt managed for the public by the public and the downtown lots developed and managed by the private sector. The MOA feels there has been strong cooperation between the state and municipality and this speaks well of the cooperation between the private sector and various levels of the public sector all working together to pull off a "win-win" land exchange.

4. Jerry McCutcheon - 50 year resident of Anchorage

Mr. McCutcheon felt that this public hearing was the first time the information about the exchange was made available and the state apparently didn't have any idea how the greenbelt would be managed. The state didn't know what the management would cost or how it would get the money. The state didn't have any idea what impact the ski development would have. No consideration was given to plummeting land value on undeveloped land and stagnated values for downtown commercial land. The state doesn't have subsurface rights so it can't extract gravel for roads and trails, etc. nor do they know what it will cost to extract gravel. They don't know what's going to become of the subsurface rights because they control the surface rights. The state should get the entire acreage in fee simple before proceeding. Most of the land looked like ice plain and flood plain and other more desirable land such as federal land at Clunie Lake should be acquired.

5. Sheryl Swigart - Resident of the area

Ms. Swigart spoke in support of the exchange noting that the Chugach State Park offers wonderful resources close to the city of Anchorage. Since half the population of the state is in the Anchorage area this is an important exchange because the primary use of the Eagle River is for recreation. Currently there are access problems to the Eagle River and the exchange will solve the access and management problems. The Eagle River is used all year round and provides a wounderful corridor into the heart of Chugach State Park.

The public hearing adjourned approximately 8:30 p.m.

MEMORANDUM State of Alaska

DIVISION OF LAND & WATER MANAGEMENT, SOUTHCENTRAL REGION

TO: Eagle River Greenbelt File

DATE: February 20, 1987

FILE NO:

TELEPHONE NO:

FROM: Judy Jett, Chief
Lands Conveyance Section

SUBJECT: Public Hearing - February 18, 1987

The Wednesday night Eagle River public hearing on the ERGB exchange was attended by approximately 20-25 people (some came in late and fialed to sign the attendance list). Approximately 8-10 folks testified. Unfortunately, the tape reflects only 3 of those testimonies (I must have pushed the wrong button when I turned the tape over after Peter Scholes' testimony).

The testimonies given were all in favor of the exchange. Dave Young, member of the Chugach State Park Citizens Advisory Board and President of the South Fork Community Council expressed concern that DNR was not taking a more agressive approach in seeking the release of the $650,000 which had been withheld from the $1,000,000 appropriation received in last year's legislative session. Both interest groups had previously passed resolutions which supported acquisition of the park lands including Parcels 3 & 4 and the Barbara Waterfalls.

Vince Vitale, President-Elect of the Chugiak-Eagle River Chamber of Commerce informed us that the Board of Directors had adopted a resolution in support of the exchange. He submitted a copy of that resolution along with a letter of support to Governor Cowper.

Peter Scholes, Property Manager for the MOA expressed his personal interest in the exchange, as well as the MOA's. The greenbelt acquisition and subsequent inclusion into the park not only would assure long-term recreational use by the public of lands located within a reasonable distance to an urban center, but also that the exchange would result in revitalization of a portion of the city that has been dormant for several years.

The remaining testimonies were heard from local residents who were extremely interested in seeing that the exchange transpired. Their main concern was that they wanted the lands to return to public ownership to prevent future actions such as sale of the land for residential subdivisions that comes with private ownership. They preferred the land to be managed status quo as part of the park.

There were few questions asked about the actual exchange. I gathered that the group was not necessarily interested in the particulars of the exchange, but that it indeed would take place so that the lands would be protected from private development. No remarks concerning the values established by the appraisals were received - only concerns on how the area might be managed by the state after acquisition. I responded to those concerns by reminding them that management would be the responsibility of the DOPOR.

One question arose that I could not answer with a definite response. An Eagle River resident asked what the definition of "passive" public park purposes was. The President of the Alaska Chapter of the American Snowmachine Association was also interested in knowing the definition of this phrase used in the 11/25/86 CIRI/MOA agreement. I generalized that it meant uses compatible with existing park activities, such as trail construction. However, they wanted a more definite meaning. I have drafted a short letter to them in response and

will enclose copies of a portion the Chugach State Park Master Plan wh .n describes present uses allowed in the park (plus future development plans). Al Meiners has reviewed the draft and suggests that I mention the possibility of DOPOR adopting the MOA's greenbelt plan.

I concluded the meeting by emphasizing the need to contact state legislators for their support to the exchange.

MEMORANDUM State of Alaska

TO: Margaret J. Hayes
Regional Manager
Division of Land & Water Mgmt.
Department of Natural Resources

DATE: February 19, 1987

FILE NO: OM 1-1 C 1

TELEPHONE NO: 465-2700

FROM: Jim Sampson
Commissioner
Department of Labor

SUBJECT: Land Exchange Application
Eagle River ADL 223175

While I have no objection to the proposed Eagle River land exchange, I would mention that it has not been established that there are substantial benefits to the State. Although a number of benefits have been claimed, they have not been substantiated. For example; it has been inferred that recreation use is substantial, but the number of visitor days are not reflected. Also, it is suggested that Eklutna, Inc., would develop the Anchorage parcel of land to the economic benefit of Anchorage, yet no mention is made of the intended use by Eklutna. Without specifics, it is not possible to realistically evaluate the economic benefits of this exchange and its impact on labor.

Thank you for the opportunity to comment.

JS:kmc
Lex:17

MEMORANDUM

State of Alaska
DEPARTMENT OF FISH AND GAME

TO: Margaret J. Hayes
Regional Manager
Division of Land and Water Management

DATE: February 23, 1987

FILE NO.:

THRU: Department of Natural Resources

TELEPHONE NO.: 465-4105

SUBJECT: Land Exchange Application ADL 223175

FROM: Bruce H. Baker
Acting Director
Habitat Division
Department of Fish and Game

The Alaska Department of Fish and Game (ADF&G) has reviewed the proposed land exchange between Eklutna, Incorporated and the State of Alaska that is documented in land exchange application #ADL 223175 and which you distributed for comment on January 19. The department supports the basic articles of the proposed land trade. The results of such a trade should provide a reasonable opportunity for the state to accomplish the three objectives described in the Best Interest Finding section of the application.

However, the department is concerned that equalization parcels #3 and #4 within the Eagle River Green Belt were not proposed for inclusion in the initial trade. The department recommends that, prior to the end of the option-to-acquire period (5/1/88), the state reassess whether funds to purchase these important additions to the green belt are available and, if they are not, request an extension to this period.

Please keep my staff informed of your progress in these negotiations.

Thank you for the opportunity to comment.

cc: Carl Yanagawa, ADF&G
Paul Krasnowski, ADF&G
John Westlund, ADF&G
David Harkness, ADF&G
Kevin Delaney, ADF&G

Adam -

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502-0650

TONY KNOWLES
MAYOR

DEPARTMENT OF PARKS AND RECREATION

February 11, 1987

Margaret J. Hayes
Regional Manager
Division of Land &
Water Management
South Central Office
P.O. Box 10-7005
Anchorage, AK 99510-7005

Dear Ms. Hayes:

I am writing you in regard to your letter of January 19, 1987 soliciting comments on Land Exchange Application, ADL 223175.

The Eagle River/Chugiak Parks and Recreation Board of Supervisors has reviewed subject correspondence and has no comments regarding the exchange. The Board thanks you for the opportunity to examine the materials.

Sincerely,

Chuck Michels, Manager
Eagle River/Chugiak
Parks & Recreation Division

CEM/ej

Alaska State Legislature

Senate

SENATOR RICK UEHLING

P.O. BOX V
State Capitol
Juneau, Alaska 99811

Official Business

Senate Finance
Committee

RECEIVED
FEB 25 1987
DLWM
Director's Office

February 21, 1987

Tom Hawkins, Director
Division of Land and Water Management
Department of Natural Resources
P.O. Box 107005
3601 C Street
Anchorage, AK 99510

Dear Tom,

I wanted to make a brief comment on the proposed land exchange between the State and Eklutna Inc. (ADL 223175).

I have no particular problems with the proposed exchange. However, I would like to see a clause included in the agreement, which would require the eventual owner of the parcel in Downtown Anchorage to seed or at least do some minimal landscaping on the property. The area is currently somewhat of an eyesore and until it is developed, it would be a drastic improvement if a little bit of effort went into improving the appearance of the sight.

Thank you for your consideration in this matter.

Best Regards,

Senator Rick Uehling

RU/mh

Anchorage·Star of the North
Chamber of Commerce

RESOLUTION #87-03

EKLUTNA LAND TRANSFER

WHEREAS, the Native village corporation of Eklutna, Inc. is the present owner of 3,680 acres of Eagle River wetlands and adjacent property along the Eagle River corridor; and

WHEREAS, the state of Alaska has expressed a desire to acquire those lands to be used as an extension of the Chugach State Park to promote tourist and recreational activity along that corridor which will run through the Municipality of Anchorage; and

WHEREAS, the state of Alaska is financially unable to build and maintain a State office building on two square blocks of downtown Anchorage property which it owns located between Fifth and Sixth Avenues and Cordova and "A" Streets, and it is therefore beneficial that these two blocks be commercially developed by the private sector; and

WHEREAS, the state of Alaska and Eklutna, Inc. wish to exchange these tracts of nearly equal value for one another following legislative approval; and

WHEREAS, Eklutna, Inc. wishes to develop a recreational resort on an 103-acre tract of land abutting the proposed Eagle River Greenbelt; and

WHEREAS, the recreational resort is expected to create hundreds of full time jobs and bring millions of dollars of outside construction capital to Anchorage; and

WHEREAS, this recreational resort is one half mile from the proposed location for the 1994 Olympic luge, bobsled and downhill ski jump planned for Hiland Mountain in Eagle River; and

415 F Street, Anchorage, Alaska 99501-2254 (907) 272-2401

WHEREAS, Eklutna, Inc. wishes the resort to offer downhill skiing on Hiland Mountain and the adjoining Gordon Lyon Mountain; and

WHEREAS, the majority ownership of each of these mountains is held by the state of Alaska; and

WHEREAS, a world class resort and the use of these mountains for downhill skiing would contribute to our Olympic effort and attract a new tourist market from Europe and Japan;

NOW, THEREFORE, BE IT RESOLVED, that the Anchorage Chamber of Commerce supports and encourages the state of Alaska and Eklutna, Inc. to consummate the equal value land exchange and further encourages the state of Alaska to provide the opportunity for the commercial use of the STate held mountains adjacent to the proposed Hiland Mountain resort for downhill skiing.

APPROVED BY THE Anchorage Chamber of Commerce Board of Directors this 6th day of February 1987.

Ken Calhoon, President

Wayne K. Beckwith, Executive Vice President

January 27, 1987

The Honorable Steve Cowper
Governor of Alaska
Pouch A
Juneau, Alaska 99811

Dear Governor Cowper:

The goal of the Chugiak-Eagle River Chamber of Commerce is the improvement of the economic health of our community. Seldom can this goal be realized without giving up something in return. The Board of Directors feels that the community and the State of Alaska have been offered just such an opportunity with the development plans proposed by Eklutna Inc. and Dr. Rogner.

Two key elements are necessary to insure the success of this development. First is the State's acquisition of the Eagle River Green Belt and second is securing a long term lease for the use of Highland Mountain and Gordon Lyon Mountain as downhill ski slopes.

The Green Belt acquisition is a proposed swap of Eklutna Inc. land, located along the Eagle River, for state land located in Anchorage. Permits to use the ski slopes will be by negotiated lease for use of Chugach State Park land. The Board of Directors sees the successful completion of these agreements as one way to encourage economic development and increase tourism in our community.

At the January 22, 1987 meeting of the Chugiak-Eagle River Chamber of Commerce the Board of Directors unanimously approved a resolution supporting the development plans of Eklutna Inc. and Dr. Rogner. We would strongly encourage that you support such development as being in the best interests of all the people of Alaska and use all the good efforts of your office to insure it's timely approval.

Sincerely,

Stephen R. Punch, President

enclosure: Resolution 87-01

cc: Commissioner Tony Smith
Department of Commerce and Economic Development
Pouch D
Juneau, Alaska 99811

Commissioner Judy Brady
Department of Natural Resources
Pouch M
Juneau, Alaska 99811

Senator Rick Halford
Pouch V
Juneau, Alaska 99811

Senator Tim Kelly
Pouch V
Juneau, Alaska 99811

Representative Randy Phillips
Pouch V
Juneau, Alaska 99811

Representative Sam Cotton
Pouch V
Juneau, Alaska 99811

Eklutna Inc.
550 W. 7th, Suite 1550
Anchorage, Alaska 99501

RESOLUTION 87-01

EAGLE RIVER ECONOMIC DEVELOPMENT

WHEREAS, Knakanen Inc., the wholly owned subsidiary of Eklutna Inc., and Dr. Robert Rogner have entered into a joint venture partnership to develop a 1500 room resort complex on 103 acre tract located along the South Fork of Eagle River, and

WHEREAS, the use of the slopes of Highland Mountain and Gordon Lyon Mountain, for downhill ski runs, is crucial to insure a world class resort complex, and

WHEREAS, the creation of the Eagle River Green Belt, which will be an extension of Chugach State Park, will allow canoeing, rafting, hiking and other tourist uses, and

WHEREAS, the construction of this complex will bring 170 million dollars into the States economy and create 2000 local jobs as well as many other tourist related jobs.

NOW THEREFORE BE IT RESOLVED that the Chugiak-Eagle River Chamber of Commerce enthusiastically endorses the granting of a lease for the use of State Park land for the proposed downhill ski areas.

BE IT FURTHER RESOLVED that the Chugiak-Eagle River Chamber of Commerce strongly supports the acquisition of the Eagle River Green Belt as an addition to the Chugach State Park.

APPROVED BY THE Chugiak-Eagle River Chamber of Commerce Board of Directors this 23rd day of JAN, 1987.

Stephen R. Punch

Stephen R. Punch, President

Knik Kanoers & Kayakers Inc.
P.O. Box 101935
Anchorage, AK 99510
February 26, 1987

Margaret J. Hayes, Regional Manager
ADNR, Division of Land and Water Management
Southcentral Regional Office
P.O. Box 107005
Anchorage, Alaska 99510

Dear Ms. Hayes,

Knik Kanoers & Kayakers is an Anchorage based boating organization with some 350 family memberships. Our organization is very active in advocating, teaching, and organizing whitewater, flatwater, and ocean boating. We are also committed to maintaining the high quality of experience available on Alaska's rivers and lakes, for now and into the future. We are very pleased to see the progress that your division has made towards acquiring the proposed "Eagle River Greenbelt" for addition to Chugach State Park. We all wish to strongly voice our support in favor of incorporating this spectacular section of river into the State Parks system.

Eagle River is particularly near and dear to our Club since it provides such a superb variety of paddling experiences so close to Anchorage. Despite it's closeness to major populations, the river has very much of a wilderness flavor to it. Paddlers are frequently treated to seeing moose along the banks as well as an occasional black bear and much other wildlife. Almost all our members use parts of Eagle River for recreation, and for many of us, this use is at frequent intervals.

The Eagle River Greenbelt area is particularly rich in scenic and wildlife viewing opportunities. As well, it offers several good access points for boaters to put on and take off the river. We have used this section of river year after year for instructing beginning whitewater boaters on a variety of paddling and river travel techniques. Many of our members go back again and again to appreciate this wonderful section of river.

We in the Club feel that adding the Eagle River Greenbelt to Chugach State Park will aid in preserving and protecting this marvelous boating experience. Having such a jewel of a river within our very midst is infact what makes Alaska such a special place to live in and visit. We urge you to move forward quickly in acquiring these lands.

Thank you for the opportunity to comment and if we can be of additional assistence to you in describing river use, please let us know.

Sincerely,

Lulie Williams

LULIE WILLIAMS
President, Knik Kanoers & Kayakers, Inc.

cc: Governor Steve Cowper
Representative Sam Cotton
Representative Randy Phillips
Senator Rick Halford
Senator Tim Kelly

505 W. Second Ave. #1
Anchorage, AK 99501
February 25, 1987

Department of Natural Resources
P.O. Box 1007005
Anchorage, AK 99510-7005
ATTN: Arlan De Yong

Re: Eagle River Greenbelt

Dear Mr. De Yong:

I support the exchange of downtown land for Eagle River Greenbelt land. Because the Greenbelt is easily accessible to Anchorage residents and many out-of-state tourists, it is a very popular and important recreational resource. Returning the greenbelt to the park will protect wildlife habitat, the scenic aspects of this area, and water quality in this sensitive area. Also, the exchange will provide economic benefits to the whole area by increasing tourism and recreation industries, as well as making downtown land available for private development.

Very truly yours,

Patti J. Saunders

2201 Lake George Drive
Anchorage, AK 99504
February 26, 1987

Department of Natural Resources
P. O. Box 1007005
Anchorage, AK 99510-7005

Attention: Arlan DeYong

Dear Mr. DeYong:

I urge you to complete the transfer of a downtown office building site to Eklutna, Inc. in return for about 3,700 acres of recreational lands and wildlife habitat along 18 miles of Eagle River, plus the Thunderbird Falls parking lot. It is a very wise use of scarce resources at this time.

Eagle River is the most important recreational river in the Municipality of Anchorage, and returning the greenbelt to Chugach State Park will protect water quality and the scenic views enjoyed by visitors.

Please don't delay in making this urgently-needed transfer.

Sincerely,

Joyce Bauer

Joyce Bauer

Arlan DeYong
Department of Natural Resources
P.O. Box 1007005
Anchorage, Alaska 99510-7005

Dear Friend:

I am writing you to let you know of my strong support for the Eagle River greenbelt exchange.

Certainly anyone with foresight will quickly realize that preservation of the greenbelt now will be seen by generations to come as a wise decision. The River is the major hydrologic drainage in the Municipality, and its security from pollution is absolutely essential to the long term development of Eagle River. The greenbelt already provides significant recreational opportunities for locals and tourists, and is important habitat for the moose and other wildlife that we all expect to see inside our city. Saving it makes not only sound environmental sense, but economic sense as well.

In turn, the downtown acreage proposed for trade is better placed in private hands, for private development. That puts more valuable land on the tax rolls, and insures that the downtown is developed. In the hands of the government, which has no funds, the downtown property will forever remain vacant, adding to the empty blight of that area.

Thank you for accepting my comments.

Sincerely,

Diane K. Frank

Diane K. Frank
2224 Turnagain Parkway
Anchorage, Alaska 99517

Feb. 25, 1987
PO Box 2176
Palmer, Alaska

Mr. Arlen DeYonge
Alaska Dept. Natural Resources
Box 1007005
Anchorage, AK

Dear Mr. DeYonge,

I urge your department to continue with the trade agreement for acquisition of the greenbelt area along Eagle River.

The agreement is a prime opportunity to protect a large and popular outdoor recreation and watershed area close to an urban setting. I am familiar with the value such a greenbelt provides. Having used the Eagle River valley and similar areas in the Palmer area for boating, birding, and outdoor classes, I can testify to its importance to the public in Eagle River and in nearby communities.

Sincerely,

M. Brown

HAND DELIVERED

March 3, 1987

Stuart A. Ollanik
627 N Street, Apt. 2
Anchorage, Alaska 99501

Department of Natural Resources
P.O. Box 1007005
Anchorage, Alaska 99510-7005

Dear Sir or Madam:

I am writing concerning the reacquisition of the Eagle River greenbelt. I wholeheartedly support the proposed land exchange which will help protect this important recreational resource.

The value of municipal parks is recognized today as never before. One of the most important things setting Anchorage apart from cities elsewhere is access to recreational opportunities in natural settings. Certainly, Eagle River is among the most important such areas in the Municipality of Anchorage. The ease of access of this area and other such greenbelts and local trails adds immeasurably to the quality of life here. They are very popular with visitors from outside, who find unbelievable the access we have to wildlife.

To preserve this important benefit to the quality of our lives, maintain the region's attractiveness to tourists (and the dollars they generate), protect water quality and preserve wildlife habitat, I urge the department to consummate the exchange.

Sincerely,

Stuart A. Ollanik

Stuart A. Ollanik

MAR - 4 1987

DLWM
Director's Office

3-4-87

March 2, 1987

Tom Hawkins
Division of Land and water management

In response to the proposed Greenbelt of Eagle River valley. After attending the public hearing at the Z. J. Loussac library on the 13th of February I feel there are somethings yet to be considered. I'm a resident of Eagle river valley - south side. Part of the Zimmerman homestead. The following items are concerns I'd like to bring to your attention.

1) legal right of way of existing access routes for private land holdings on the south side of eagle river valley. At present one route is used daily by several residents. Its my belief the existing road crosses portions of the proposed greenbelt. In some areas running considerably inside proposed boundries. Consideration should be given toward future development of these private holdings. Specificly in that if such development takes place the road will be widened as well as up graded. The land holders have right of access. As of yet I've neither heard nor read any provisions concerning access to these private holdings. They must be considered.

2) Management - I am aware the greenbelt will become part of Chugach State Park. We all know state parks are ~~usually~~ under funded (cont)

3-4

and under-staffed. As a resident of the area I am concerned of an increase in usage without proper management. Trash, destruction of habitat, poor planning, and disreguard for private property are my imediate thoughts if Chugach does not have staff and funding to properly manage the area. I realize this is basicly out of your hands but it should be brought to the attention of the legislature in your report as well as by citizens of the area.

3) future acquisitions - In addition to parcels (3) and (4) I would like to see the area around the confluence of Eagle river and south fork added to the belt. Presently Dr. Rogner proposes a development in the area that quite possibly will never take place. It would be extremely desireable to add this area to the greenbelt.

4) yearly allowance of sand and gravel - what areas are suitable for extraction of materials? Obviously such areas will be out of site for visitors. As residents do we have the same guarantee? We like the view as is, not a gravel quarry.

I am in support of the greenbelt. I hope you will take these thoughts into consideration.

(3)

It is a good idea and hopefully will be made into something pleasant as well as usefull. I consider funding for management and development to be the major stumbling block to the plan. I strongly urge you to stress this in your findings.

Donald V. Withrow

Donald V. Withrow
mi. 4 Homesteaders Rd. 1-D9
S.R. 2 Box 9292
Eagle River, Ak.
99577

Response to Letter of Donald V. Withrow

Mr. Withrow is generally in favor of the land exchange. His concern about access to the private holdings on the south side of the valley is protected by the 17(b)(3) easement (EIN 1 D9) reserved by Eklutna, Inc. This current 60-foot wide easement will be expanded to 100 feet where it passes through lands acquired by the state to accommodate a future public road and public utilities. If necessary DCPOR can designate access routes across park land from the 17(b)(3) easement to the private lands.

The concern about management of these lands when added to the state park at a time of decreasing staff and budget is valid. This will have to be addressed when DCPOR budgets are considered.

Mr. Withrow's suggestion that the land within the development of Dr. Rogner be included in the greenbelt is not possible at this time because of Eklutna, Inc. having entered into an agreement to purchase with Dr. Rogner.

Areas of sand and gravel extractions will not be located within the greenbelt area. The provision of 500 cubic years of sand and gravel per year is for passive public park purposes only and is not to be used off-site. This is to be used for the preparation and grading for trails and public access points.

Maria D.L. Coleman
3131 Harvest Circle
Anchorage, Alaska
99502

Alaska Dept. of Natural Resources
Div. Land & Water Management
Southcentral Region Office
P.O. Box 107005
3601 "C" Street, Suite 1080
Anchorage, Alaska 99510-7005

RE: ADL 223175
Land Exchange
Objections

4 March 1987

To Whom it may Concern:

Here are my objections with comments on the proposed land exchange between Eklutna, Inc. and the State regarding the Eagle River Greenbelt property for downtown Anchorage property.

I. SUBSISTANCE - The residents of Eklutna have already been denied, in ANILCA through technical wording, subsistance use of public lands because they are urban residents rather than rural. ANILCA does recognize that the "continuation of the opportunity for subsistance uses ... by Alaska Natives on Native lands is essential," however, ANILCA's policies on the matter are limited to public land. The "rural resident" requirement does not apply to Alaska Natives on Native Lands. Meaning, Eklutna residents and other shareholders of Eklutna, Inc., for that matter, could maintain a subsistance lirestyle on their Native owned lands, through the authority they have in their special relationship to the government. The proposed Greenbelt is marveled for its abundant subsistance type qualities. Trading such land for a barren city block and incorporating such land into a known public land jurisdiction, denies Alaska Natives of Eklutna the opportunity for subsistance on those Native Lands.

OBJECTION To the taking of subsistance lands without compensation for the value of such a loss (subsistance values are not considered in the appraisal in their financial aspect).

II.Misrepresentaiton of Value - Throughout the memorandum of January 19, 1987 from Margaret J. Hayes regarding this land exchange application are descriptions depicting Eklutna's lands as valuable. e.g. "to acquire VALUABLE recreational land ... Eagle River is considered the MOST IMPORTANT ... includes 1658 acres of DEVELOPABLE LAND ... are themselves HIGHLY DESIRABLE for subdivision ... the scenic views so HIGHLY VALUED"

The downtown property, on the other hand, does not seem feasible for state development and is considered to amount to urban blight and alothough it is serviced by utilities, they may need to be relocated.

continued

ADL 223175 objections
4 March 1987/Maria D.L. Coleman
continued

Yet, Eklutna's land is appraised around 6¢ per square foot, while the downtown "urban blight" is appraised around $45. per square foot. Such appraisal values are inconsistant in their reflection of desirability of Eklutna land. The 6¢/s.f. value is grossly inappropriate when one recalls that worthless swamp (Conners Bog) was stated as being sold at a value of $2./s.f. in the recent past.

OBJECTION TO appraising valuable land at an extremely low rate, while giving a high rate of value to land that the state has no use for.

III Gravel - The question of who owns sand and gravel hasn't been determined conclusively, last I heard. Eklutna, Inc. may very well be the rightful owners of that property ans as such are the ones to reach an agreement with. Imagine the value of 500 cubic yards of sand and gravel added up year after year. It must have been overlooked in the appraisal for value.

OBJECTION TO getting CIRI agreement, exclusively, to allow use of sand and gravel when that property may not even belong to them.

IV. ABSENCE OF CONSTITUTIONAL OBLICATION - The shareholders of Eklutna, Inc. are most likely to be deprived of property, without due process of law. ANCSA Sec. 21 (c) gives the direction that for tax purposes, the basis for determining gain or loss from the dispostion of land shall be the fair value at the time of receipt (1C or Patent). The appraisal is based on current market value, not the value at time of receipt, which most likely would be considerably higher due to a better market an the time and the lack of restricted zoning. Comparison of the fair value at time of receipt and the current value would then give a result or loss through reduction of capital if rightfully shown. The exchange, described as equal value exchange, would actually result in a loss. Alaska Statutes provide for the shareholders to vote for the reduction of stated capital.

Having already been denied this right by the corporation, when they changed their accounting system, the state may very well be party to this denial by this exchange and terms of appraisal.

OBJECTION TO the states participation to deny shareholders the right to vote on the reduction of rightful stated capital, thus, the states participation in depriving Eklutna, Inc. shareholders of property, in the form of land value and stock value, without due process of law.

Sincerely,

Maria D.L. Coleman
Eklutna, Inc. Shareholder.

Response to Letter of Maria Coleman

Many of the concerns and objections raised by Ms. Coleman can be best answered by Eklutna, Inc.; however, in regard to the subsistance considerations, the appraiser has considered the highest and best use of these lands. A determination is then made as to what the greatest economic return is for the lands considered.

The fact that the state has no use for the downtown block 112A does not affect its value. The opinions of value by the appraiser have been substantiated by comparable sales of like lands.

Ms. Colemans concern of gravel has no major significance in light of the fact that gravel was sold at 75¢ per yard in Glacier Creek which is a good comparison. At most the annual value would be $500.00. This seems insignificant compared to land values at millions.

The concern for the difference in value between the appraisal and time of receipt of the land is also very minimal. No significant change in value would take place between the effective date of appraisal and the legislative action.

CENTRAL REGION
DEPARTMENT OF TRANSPORTATION and PUBLIC FACILITIES

MEMORANDUM State of Alaska

TO: Meg Hayes
Regional Manager
Division of Land & Water Management

DATE: March 5, 1987

FILE NO:

TELEPHONE NO: 266-1500

FROM: Tommy G. Heinrich
Director, Design & Construction

SUBJECT: Eagle River Greenbelt Comment

The Alaska Department of Transportation and Public Facilities (ADOT&PF) supports the land exchange between Eklutna Inc., and the State for the proposed Eagle River Greenbelt. ADOT&PF's only concern is that the land exchange agreement address the Eagle River Loop Road to Hiland Drive Connection project, which is also a community and legislative priority.

Please be advised that ADOT&PF has purchased a surface estate easement from Eklutna Inc., (copy attached) for the crossing of Eagle River as part of the Eagle River Loop to Hiland Drive Connection project. If you have any questions, please do not hesitate to contact Bill Ballard of my staff at 266-1589.

Attachment: Corporation Easement

WFB/

BOOK 1497. PAGE 0482

CORRECTION*
CORPORATION EASEMENT

THE GRANTOR EKLUTNA, INC.

for and in consideration of One Hundred Sixty Thousand Three Hundred and 00/100 - - - - - - - - - - ($160,300.00) - - - - - - - - - - - - DOLLARS

in hand paid, grants unto the STATE OF ALASKA, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, its successors or assignees, a perpetual, full and unrestricted easement and right of way along, over, and across the following described real estate located in the State of Alaska, to wit:

The Surface Estate of a portion of Tract A-1 as depicted on the plats of PARKVIEW TERRACE SUBDIVISION, PHASE II located in the NE¼ and S½ of Section 13, Township 14 North, Range 2 West, Seward Meridian, Alaska and a portion of PARKVIEW TERRACE EAST TRACT I located in the S½ of Section 18, Township 14 North, Range 1 West, Seward Meridian, Anchorage Recording District.

Beginning at the section corner common to Sections 13, 18, 24, 19, proceed N 00°01'59"W along the common line between Sections 13 and 18, 1,657.47 feet to the True Point of Beginning, this line is the Basis of Bearing for this description; thence N 90°00'00"W, a distance of 200.00 feet; thence S 00°01'59"E, a distance of 85.24 feet; thence S 34°10'56"W, a distance of 1,537.58 feet; thence S 77°45'00"E, a distance of 307.43 feet; thence along the arc of a curve to the left whose central angle is 28°29'40.9" and radius is 2,109.86 feet; and whose cord bears N 29°28'13.4"E, an arc distance of 1,049.29 feet; thence S 89°58'01"W, a distance of 124.65 feet; thence N 00°01'59"W, a distance of 32.50 feet; thence N 59°07'40"W, a distance of 37.47 feet; thence N 00°01'59"W, a distance of 561.35 feet to the True Point of Beginning.

This parcel contains 21.5389 acres, more or less, and is shown on the attached page 3 as Exhibit "A".

For the purpose of construction and maintenance of the Eagle River/ Hiland Road Bridge and installation and/or relocation and maintenance of utilities as may be required.

*This easement is being recorded to correct the legal description of that Corporation Easement recorded June 19, 1986 in Book 1440, Page 628.

And the Grantor hereby covenants with the State of Alaska that Grantor has good title to the aforedescribed premises and covenants that the State of Alaska shall have quiet and peaceable possession thereof; and shall have a free and unrestricted right to maintain said facilities as long as the right of way of which this easement area is a part, remains a public way.

Dated this 10th day of September, 19 86.

ATTEST:

EKLUTNA, INC.
Corporate Name

L. Barbara Hitchcock
(Title) Secretary-Treasurer

By: A. Debbie Gilbertson
(Title) President

INDEX
B & P

CORPORATE ACKNOWLEDGEMENT

STATE OF ALASKA
THIRD JUDICIAL DISTRICT

On this 10th day of September, 19 86 before me, the undersigned, a Notary Public in and for the said State, personally appeared A. Debbie Gilbertson and L. Barbara Hitchcock respectively President, and Secretary of Eklutna, Inc., a company, known to me to be the identical individuals who executed the foregoing instrument and they acknowledged to me that they executed the same as the free and voluntary act of said company, with full authority to to do and with full knowledge of its contents, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

My Commission Expires:

OFFICIAL SEAL
STATE OF ALASKA
NOTARY PUBLIC
DALE P. TUBBS
My Comm. Expires January 7, 1987

Dale P. Tubbs
Notary Public

Grant No. 53122

Return to:

Parcel No. 370

STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION
& PUBLIC FACILITIES
RIGHT OF WAY BRANCH

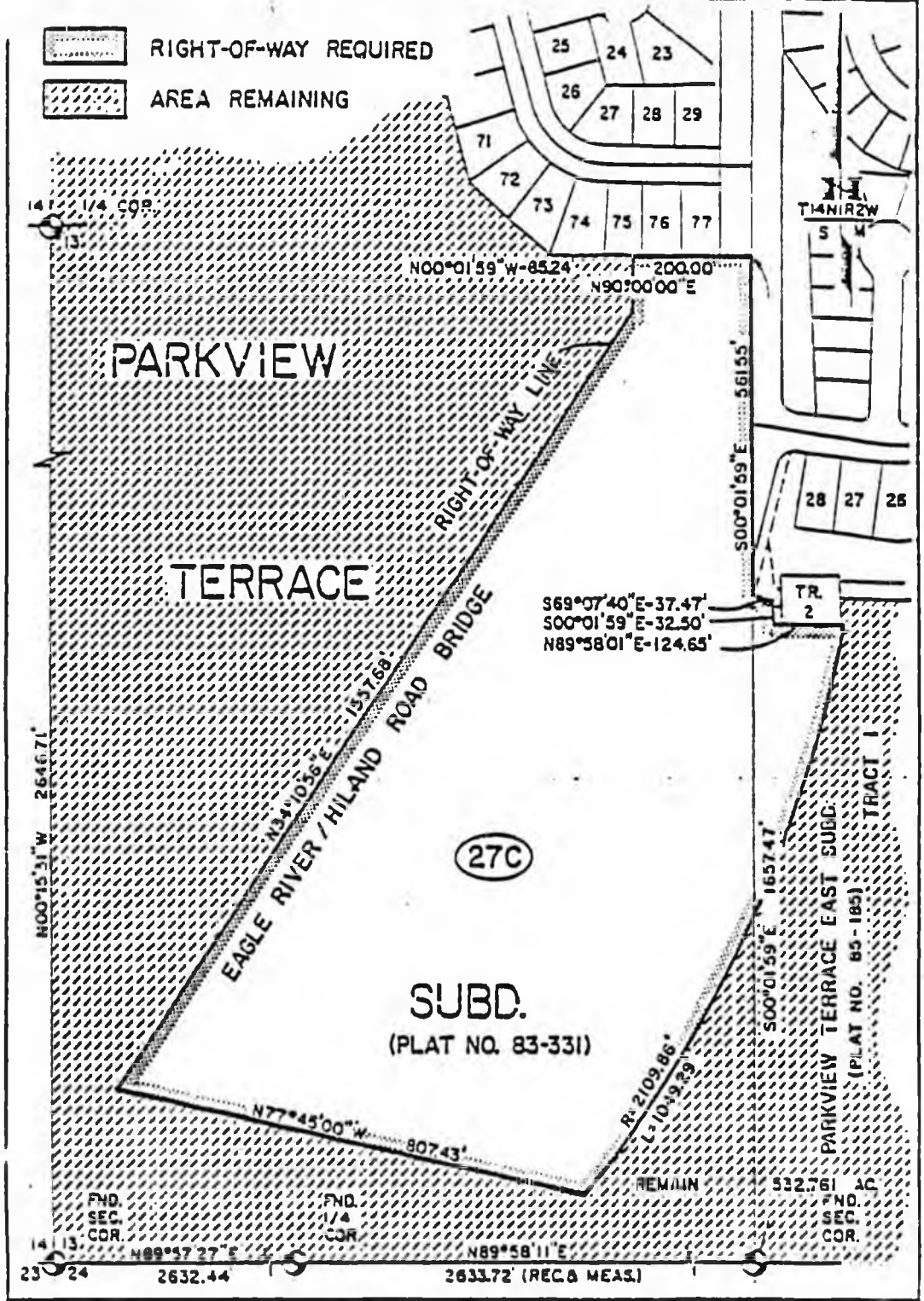
CERTIFICATE OF ACCEPTANCE

THIS IS TO CERTIFY that the STATE OF ALASKA, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, Grantee herein, acting by and through its Commissioner of Transportation & Public Facilities, hereby accepts for public purposes the real property, or interest therein, described in this instrument and consents to the recordation thereof:

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of September 1976.

DEPARTMENT OF TRANSPORTATION
and PUBLIC FACILITIES

By: _____
For the Commissioner



Signature	Date
Attached To Easement	Dated 9/10/86

STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES

MAP SHOWING
RIGHT OF WAY REQUIRED FOR
EAGLE RIVER/HILAND ROAD
BRIDGE

CENTRAL REGION Area 21.6389 AC.
Scale 1" = 200' Project No 53121
Date 12-27-85 Project No 27C

86-070365

NC

RECORDED-~~FILED~~
ANCHORAGE REC.
DISTRICT

SEP 25 11 07 AM '86

REQUESTED BY AG/DOT

ADDRESS _____

MAR 5

March 1, 1987

To
Margaret Hayes
Reg.Mgr., Div. of Land and Water mgmt.

I strongly suport the plan to create the Eagle River greenbelt area. This property should be preserved and developed only to the extent of making it available for people to enjoy, as close as possible to the natural state. Boating, hiking and exploring the area, to enjoy its scenic and wildlife wonders should be the primary emphasis.

I have personally hiked and boated this area many times and would like very much to continue to do so. It is indeed fortunate that we will have the oportunity to preserve this treasure before it can be "developed."

Please help to place this land under our protection.

Yours,

Michel E. Grijalva

Michel E. Grijalva

Jack Hession Mary Kaye Hession

Jack Mosby
3026 Wesleyan Drive
Anchorage, AK 99508
March 1, 1987

Governor Steve Cowper
Pouch A
Juneau, AK 99811

Dear Governor Cowper:

I am writing this letter to express my support for the Eagle River Green Belt Land exchange (ADL 223175). This is the land exchange that involves trading Eklutna's land (from the State's Eagle River Campground to the Chugach State Park boundary and several other smaller parcels) for the State's former office building site in downtown Anchorage (block 112 A).

As a frequent user of the area throughout the year with my family of four for walking, skiing and rafting, I place a very high value on this land for public recreation.

This trade will resolve two problems of trespass on Eklutna land at the Eagle River Campground and at the Thunderbird Falls Trail parking lot. These are areas that my family, friends and visitors alike use several times a year. The exchange also opens the potential for additional access to the Eagle River Green Belt and puts former state land back on the tax rolls.

Sincerely,

Jack M

Jack Mosby

cc: Representative Ramona Barnes
Representative Patrick Pourchot
Senator Rick Halford
DNR-Southcentral Mgr.
Representative Sam Cotton
Representative Randy Phillips
Senator Tim Kelly

1136 E. 37th St., #6
Anchorage, AK 99503
Feb. 27, 1987

The Alaska Dept. of Natural Resources
P.O. Box 1007005
Anchorage, AK 99510-7005

To Whom It May Concern:

I recently learned that the DNR is having second thoughts about recommending the reacquisition of the Eagle River greenbelt lands and returning them to Chugach State Park. I strongly urge you to proceed with recommending the proposed land exchange with Eklutna, Inc. to the legislature. The Eagle River greenbelt is one of the most important recreational river areas in the Municipality of Anchorage, easily accessible to over half of the state's population (as well as many of the tourists who come to visit this state). The greenbelt provides important wildlife habitat. Returning it to the state park would protect these values, as well as protect the river's water quality and scenic values. The greenbelt also has economic benefits to the state's recreation and tourism businesses. In addition, the land exchange would put downtown land back into private ownership for development, and increase the municipal tax rolls.

Again, I strongly urge you to recommend the Eagle River greenblet lands be returned to Chugach State Park. Thank you for your time. Please keep me informed on the outcome of this issue.

MR 5

Sincerely,

Michael Rees

Michael Rees

c.c. Jan Faiks

Margaret J. Hayes
Regional Mgr
Division Land & Water Mgmt
Southcentral Regional Office
PO Box 107005
Anchorage AK 99510

3/2/87

Dear Ms Hayes

I am writing in support of the land exchange in Eagle River that would extend the Chugach State Park to the Eagle River Greenbelt. Exchanging this vital piece of property for both environmental protection as well as for recreational use seems highly desirable.

I am an active environmentalist & strongly support protecting valuable albeit fragile properties that will help conserve our ecosystem. My fellow environmentalist that live outside come to visit me in Alaska frequently. Having such a lovely access to the Eagle River will lengthen our recreational pleasure as well as give us pleasure knowing that Alaska policy makers are responsive to environmental issues. I will be happy to speak more at your request

Sharon Bowling
3224 Muriel Pl
Anchorage AK 99517

JAMES B. GOTTSTEIN
ATTORNEY AT LAW
406 G STREET, SUITE 206
ANCHORAGE, ALASKA 99501
(907) 274-7686

March 5, 1987

HAND DELIVERED

Meg Hayes
Southcentral Regional Office
Department of Natural Resources
3601 C Street, Rm 1080
Anchorage, Alaska

Re: Proposed Eklutna Land Trade

Dear Ms Hayes:

Thank you for informing me of the status of the proposed exchange between the State, Eklutna, and the Municipality of Anchorage, wherein the State is essentially exchanging the two prime blocks in downtown Anchorage that were originally acquired for the State Office Building for the Eagle River Greenbelt to be conveyed to the Municipality of Anchorage.

I was quite surprised and dismayed that our long stated objections to the proposed exchange, communicated a number of times to Gary Gustafson, Chief, Land Management, Division of Land and Water Management, had not been forwarded to the appropriate person(s). As I explained on the telephone, as the attorney for the Intervening Plaintiffs, the Alaska Mental Health Association and others in the Mental Health Trust Lands Litigation, Weiss et al. v State, 4FA 82-2208 Civ., and on behalf of all the other plaintiffs in the case, it is our position that the two downtown lots are precisely the type of land that should be conveyed into the Mental Health Lands Trust to replace lands that have been lost and therefore should not be conveyed to anyone else.

It is our position that these lands, and indeed all other suitable state lands, should not be disposed of by the state until such time as the Mental Health Trust Lands Litigation has been resolved. As you know, the amount of available state land suitable for inclusion in the Trust is very limited. For the state to continue to dispose of suitable replacement lands in general and these specific parcels in particular, seriously hampers efforts to reconstitute the Mental Health Lands Trust as Ordered by the Alaska Supreme Court in State v. Weiss, 706 P.2d 681 (1985).

In our view, the state's commingling of Mental Health Trust Lands with all other state lands, combined with wholesale disposals of Mental Health Trust Lands results in a constructive trust being created for all state lands for the benefit of the Mental Health Lands Trust.

As you may know, the plaintiffs' side of the Mental Health Trust Lands Litigation and the State have a gentlemen's agreement not to pursue litigation at the current time in order to facilitate settlement negotiations. This gentlemen's agreement recognizes that either party will go to the court, however, in the event that it is considered necessary. If the State proceeds to approve the proposed exchange without making some sort of acceptable provision regarding the Mental Health Lands Trust, this may force us into court to attempt to prevent the exchange.

Again, I am sorry that our previously stated objections had not been conveyed to you, but felt that you ought to have our position before you in writing in determining the state's course of action.

Yours truly,

James B. Gottstein

cc: Alaska Mental Health Association
David Walker
Cooper Geraty
G. Thomas Koester
G. Gustafson
T. Braden
Interim Mental Health Trust Commission
Rep. Pourchot
Rep. Gruenberg
Sen. Halford
Sen. Fahrenkamp
Sen. Fischer
Sen. Josephson
Rep. Herrmann
Rep. Cotton
Sen. Coghill

FINAL EXCHANGE AGREEMENT
ADL 223175
Eklutna, Inc. and State of Alaska
Eagle River Greenbelt

This final exchange agreement for the negotiated exchange of lands is made by and between Eklutna, Inc. (herein referred to as "Eklutna") whose address is 550 West Seventh Ave., Suite 1550, Anchorage, Alaska 99501 and the State of Alaska, Department of Natural Resources (herein referred to as "the state") whose address is P.O. Box 107005, Anchorage, Alaska 99510.

RECITALS

1. This exchange is being made pursuant to AS 38.50 and Section 22(f) of the Alaska Native Claims Settlement Act as amended (43 USC § 1621(f)) and other authority.

2. The Commissioner of Natural Resources is authorized to exchange state land pursuant to AS 38.50 and 11 AAC 67.200-.280, subject to the requirement for legislative approval under AS 38.50.140.

3. The President of Eklutna has been authorized by resolution of the Board of Directors #1986-A dated August 12, 1986 to enter into this agreement.

4. The Commissioner of Natural Resources has found that the requirements of AS 38.50 and 11 AAC 67.200-.280 have been satisfied. The Commissioner has found in a written best interest finding dated March 6, 1987, that this exchange, as proposed in the Preliminary Exchange Agreement dated August 13, 1986, and as modified by Addendum #1 to the Preliminary Exchange Agreement dated January 16, 1987, best serves the interests of the state by furthering the goals of Chugach State Park as stated in AS 41.21.121.

5. The Commissioner has found that this exchange is consistent with the Alaska Coastal Management Program.

AGREEMENT

The parties hereby agree as follows:

6. Conveyance by Eklutna.

   a. Eklutna will convey the surface estate, subject to reservations and exceptions contained in the patents, the land described in Attachment A containing approximately 3558 acres. This land was acquired by Eklutna by United States Patents 50-79-0094, 50-79-0149, and 50-74-0164.

b. Eklutna will grant the state an option to acquire the surface estate in the land described below for the values shown. The option must be exercised in writing by the state before May 1, 1988; provided, however, that if sufficient funds in Capital Improvement Project account number 39454 are made available before July 1, 1987, the state must exercise its option before August 1, 1987.

Subunit No. 3, $220,000

T14N, R1W, S.M. Section 19: That portion of N1/2NE1/4 and NE1/4NW1/4 lying south of the north boundary of the 17 (b)(3) easement (EIN 1 09). Containing approximately 94 acres.

Subunit No. 4, $110,000

T14N, R1W, S.M. Section 20: That portion of NE1/4NW1/4 and NW1/4NE1/4 lying south of the north boundary of the 17(b)(3) easement (EIN 1 09) and north of the unimproved dirt road lying approximately 600 feet south and generally paralleling the said 17(b)(3) easement (EIN 1 09). Containing approximately 28 acres.

7. Conveyance by the state.

The state will convey Lot 1A, Block 112A, Anchorage Original Townsite, as shown on plat 84-375 filed in the Anchorage Recording Office on October 16, 1984 subject to the mineral reservation described in AS 38.05.125; containing approximately 4.39 acres. The state has closed these lands to mineral entry effective November 28, 1986. These lands were acquired by the state under the following actions:

OSL 771	Lot 1, Blk 112	C.A. No. 3AN-82-09440
OSL 772	Lot 2, Blk 112	C.A. No. 3AN-82-09410
OSL 773	Lot 3, Blk 112	C.A. No. 3AN-82-09439
OSL 774	Lot 4-A, Blk 112	C.A. No. 3AN-82-09404
OSL 775	Lots 7, 8, 9, 10, 11 & 12, Blk 112	C.A. No. 3AN-82-09405
OSL 776	Lots 1A & 2C, Blk 113	C.A. No. 3AN-82-09409
OSL 777	Lot 3, W1/2 Lot 2, E1/2 Lot 4, Blk 113	C.A. No. 3AN-82-09753
OSL 778	Lot 5, W1/2 Lot 4, Blk 113	C.A. No. 3AN-82-09438
OSL 779	Lot 6, Blk 113	C.A. No. 3AN-82-09752
OSL 780	Lot 7, Blk 113	C.A. No. 3AN-82-09408
OSL 781	Lots 8, 11 & South 95' of Lot 12, Blk 113	C.A. No. 3AN-82-09407
OSL 782	Lots 9 & 10, Blk 113	Warranty Deed dated 11/15/82 Anchorage Recording Office Book 813, Pg 0342

OSL 783 North 45' of Lot 12, Blk 113 C.A. No. 3AN-82-09406
Vacation of streets and alleys through Plat 84-375
resubdivision

8. Reservations and third party interests on the surface estate to be conveyed by Eklutna.

   The reservations and third party interests on the surface estate (including subunits No. 3 & 4) to be conveyed by Eklutna are described in Attachment B.

9. Reservations and third party interests on land to be conveyed by the state.

   The state will reserve only those interests required by 38.05.125 and the plat of survey 84-375. There are no third party interests in the land.

10. Equalization of values.

    The appraised fair market value of the land offered by Eklutna identified in Attachment A is $8,773,300.

    The appraised fair market value of the land offered by the state identified above is $8,600,000.

    The state will pay the difference in value of $173,300 in cash to Eklutna within 30 days of the effective date of the legislative act approving this exchange.

11. Survey.

    The state will pay the cost of surveying the land it is to acquire from Eklutna to the extent required for the transfer of legal title. The land to be acquired by Eklutna requires no additional survey.

12. Future Encumbrances.

    Each party agrees not to encumber the lands proposed to be exchanged or conveyed to the other party under this agreement and not to alter substantially the physical condition of the lands proposed to be exchanged or conveyed except to the extent required by law or upon the written consent of the other party.

13. Transfer of Management Rights and Equitable Title.

The parties agree that upon the effective date of legislation approving this exchange, equitable title in the lands to be conveyed by the state will be deemed to vest in Eklutna and Eklutna will thereafter have possession and management responsibilities for the lands. Similarly, upon the effective date of legislation approving this exchange, equitable title in the lands to be conveyed by Eklutna will be deemed to vest in the state and the state will thereafter have possession and management responsibilities for those lands.

From and after the effective date of legislation approving the exchange, Eklutna, Inc. shall defend and save the state harmless from any and all claims for damages or cause of action at law or in equity, real or supposed, mature or immature, that arise upon or in connection with the land to which Eklutna, Inc. receives possessory rights; provided, however, that the state will retain sole responsibility for the structures presently located on the land which will be removed prior to July 1, 1987.

From and after the effective date of legislation approving the exchange, the state shall defend and save Eklutna, Inc. harmless from any and all claims for damages or cause of action at law or in equity, real or supposed, mature or immature, that arise upon or in connection with the land to which the state receives possessory rights; provided, however, that Eklutna will retain sole responsibility for the adjudication and resolution of any claims concerning the land made pursuant to section 14(c) of the Alaska Native Claims Settlement Act, 43 USC § 1613(c).

14. Exchange of Deeds.

No later than thirty days after the Department of Natural Resources notifies Eklutna that all surveys necessary for the conveyance of legal title have been completed, each party will deliver to the other a draft quitclaim deed proposed to be executed to implement this exchange. Within ten days thereafter, each party will review the draft deed and notify the other of any objections to the proposed form of the deed. As soon as practicable after any objections have been resolved to the mutual satisfaction of the parties, the final deeds necessary to implement this exchange will be executed and delivered. Concurrent with the exchange of deeds, title insurance in the amount of $8,600,000.00 acceptable to Eklutna will be provided to Eklutna for the land it is to receive. The costs of the title insurance will be paid by the state.

15. Effective Date.

This agreement shall become effective upon its execution by both parties, and its effective date shall be the date upon which the last party signs the agreement, but performance of the obligations of paragraphs 6, 7, 13 and 14 of this agreement are expressly conditioned upon the enactment of legislation by the Alaska legislature approving and ratifying this agreement.

16. Cancellation.

In the event that legislation by the Alaska legislature approving and ratifying this agreement is not enacted prior to July 1, 1987, then either party may cancel this agreement upon thirty days written notice to the other party.

17. Amendments.

Any amendment, modification, or supplementation of this agreement must be in writing and signed by both parties. Further, any amendment, modification, or supplementation that materially amends the amount or value of the interests exchanged will be subject to approval by the Alaska legislature.

18. Waiver.

Neither party will be deemed to have waived any right, term, or condition of this agreement unless the waiver is in writing and signed by an authorized official of the party. Any failure of either party to object to or to seek a remedy of any violation by the other party of any provision of this agreement shall not be deemed a waiver of or an estoppel against any future right to object to or to seek a remedy of a subsequent violation, whether the later violation is of the same or another provision.

19. Notices.

Any notices, demands, or other communications under this agreement shall be in writing, and shall be deemed given if delivered in person or sent through the United States Postal Service by registered or certified mail as follows:

a. If to Eklutna: Eklutna, Inc.
550 West 7th Avenue
Suite 1550
Anchorage, Alaska 99501

b. if to the state: Director
Alaska Division of Land and Water Management
P.O. Box 107005
Anchorage, Alaska 99510

20. Interpretation.

a. This agreement will be constructed and enforced in accordance with and governed by the laws of the State of Alaska.

b. Both Eklutna and the state are jointly and equally responsible for the drafting of this agreement and consequently, an ambiguity, if any, may not be construed against one party or the other as its drafter. This agreement will be construed independently of any draft documents.

c. The captions used in this agreement are for convenience only and will not control or affect the meaning or construction of any of its provisions.

d. This agreement incorporates Attachments A and B which are referred to herein.

e. This agreement contains the entire agreement and understanding of the parties with respect to its subject matter. Any oral representations made by either party during the negotiations of this agreement which are not incorporated by writing into this agreement are not binding.

f. The terms of this agreement shall be binding upon and inure to the benefit of, and be enforceable by, the representatives and successors of the parties.

g. Any lawsuit arising out of or related in any way to this agreement must be brought in Anchorage, Alaska. The parties waive any objections to venue being located in Anchorage, Alaska.

h. If any legal action or other proceeding is brought for the enforcement of this agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this agreement, the prevailing party or parties shall be entitled to recover reasonable attorneys' fees, at trial and upon appeal, in addition to any relief to which it or they may be entitled.

STATE OF ALASKA

for Judith M. Brady, Commissioner

March 6, 1987
Date

STATE OF ALASKA)
) ss.
Third Judicial District)

THIS IS TO CERTIFY that on this 6th day of March, 1987, before me appeared Richard LeFebvre of the Department of Natural Resources of the State of Alaska, who executed the foregoing Final Exchange Agreement and acknowledged voluntarily signing the same.

Notary Public in and for the State of Alaska
My Commission Expires: My Commission Expires October 30, 1988

EKLUTNA, INC.

A. Debbie Fullenwider, President — March 6, 1987
Date

STATE OF ALASKA)
) ss.
3rd Judicial District)

THIS IS TO CERTIFY that on this 6th day of March, 1987, before me appeared A. Debbie Fullenwider to me known and known to me to be the person named in and who executed the document and acknowledged voluntarily signing the same.

Dale P. Tuckler
Notary Public in and for the State of Alaska
My Commission Expires: 1-28-91

Lee Steohan, Vice Presicent — March 6, 1987
Date

STATE OF ALASKA)
) ss.
3rd Judicial District)

THIS IS TO CERTIFY that on this 6th day of March, 1987 before me appeared Lee Steohan to me known and known to me to be the person named in and who executed the document and acknowledged voluntarily signing the same.

Dale P. Tuckler
Notary Public in and for the State of Alaska
My Commission Expires: 1-28-91

ATTACHMENT A

Eklutna lands to be acquired by the State as shown on map (Exhibit A and Exhibit D) and described as follows:

T14N, R2W, S.M.

Section 13: Tract 1-B Eagleridge Subdivision Phase B as shown on plat 83-252 filled in Anchorage Recording District on July 13, 1983; Tract A-1, proposed Somerset Terrace Estates (now redesignated as Tract D, Dena'ina Estates Subdivision Preliminary). Included in this parcel is the portion of the proposed Eagle River Road bridge crossing site, DOT/PF project numbers A84381/53121 (parcel 27C as shown in Exhibit C). Including the bed of Eagle River.

T14N, R1W, S.M.

Section 16: That portion of the S½SW¼ excluding the uplands bounded by the left bank of Eagle River and the right bank of the South Fork of Eagle River. Including the bed of Eagle River and tributaries.

Section 17: All land upland of the right bank of Eagle River to a line being 12.5 feet northerly and parallel to a line brushed and flagged for a trail centerline as shown on Exhibit B-1, to be plotted with the boundary survey, and all land upland of the left bank of Eagle River. Including the bed of Eagle River.

Section 18: All that part of Tract 1-C Parkview Terrace East Subdivision Tracts 1-A, 1-B and 1-C as shown on plat 86-120 recorded in Anchorage Recording District on July 15, 1986, lying south of Tract E and Tract 2 of Parkview Terrace Subdivision, as shown on plat 85-158, and its intersection with a line being 12.5 feet northerly and parallel to a trail centerline shown on Exhibit B-2, to be plotted with the boundary survey, excluding that portion south of the north boundary of the 17(b)(3) easement (EIN 1 D9). Included in the above description is the proposed Eagle River Road bridge crossing site, DOT/PF project numbers A84381/53121 (parcel 27C as shown in Exhibit C). Including the bed of Eagle River.

Section 19: All land within that portion of GLO Lot 1, N½NE¼ and NE¼NW¼ lying north of the north boundary of the 17(b)(3) easement (EIN 1 D9). Including the bed of Eagle River.

Section 20: All land within the NW¼NE¼ and N½NW¼ lying north of the north boundary of the 17(b)(3) easement (EIN 1 D9); E½NE¼SE¼NE¼ that portion within 200 feet of the left bank of the South Fork of Eagle River. Including the bed of Eagle River.

Section 21: NE¼; that portion of the NE¼SE¼ lying north of the north boundary of the 17(b)(3) easement (EIN 1 D9); that portion of the N½SE¼SE¼ lying north of the north boundary of the 17(b)(3) easement (EIN 1 D9); the NW¼ excluding the following two metes and bounds parcels:

Parcel 1

Commencing at the NW corner of Section 21; thence East along the North line of said Section 21, 440.00 feet more or less to the thread of the South Fork of Eagle River the true point of beginning; thence East along the North section line of Section 21 to the point of intersection with the line of ordinary high water on the left bank of Eagle River; thence in a southeasterly direction along the line of ordinary high water of the left bank of Eagle River, 1,575 feet more or less to a point lying 1,615 feet East of the West line of Section 21; thence South on a line parallel to and 1,615 feet easterly of the West line of Section 21, 494.48 feet; thence S 54° 51'30" E, 802.76 feet; thence South, 350.00 feet; thence S 36° 17' E, 624.27 feet more or less to a point on the North-South Center of Section 21 line; thence South along said line 220.04 feet more or less to the C ¼ corner; thence West along the East-West centerline of Section 21, 2,090.00 feet to the thread of the South Fork of Eagle River; thence in a northwesterly direction following the bends and turns of said thread, 2,688 feet more or less to a point on the westerly line of Section 21; thence North along said Section line 131.06 feet more or

less to the intersection of the thread of said stream which is approximately South 395.28 feet from the Northwest corner of Section 21; thence in a northeasterly direction along the thread of the South Fork of Eagle River, 778 feet more or less to the true point of beginning and containing 96 acres more or less.

Parcel 2

That portion of the SW¼SW¼NW¼ lying westerly of a line located 200 feet west of the left bank of the South Fork of Eagle River containing 5 acres more or less.

Including the bed of Eagle River.

Section 22: That portion of land within the S½ excluding that portion south of the north boundary of the 17(b)(3) easement (EIN 1 D9). Including the bed of Eagle River.

Section 23: S½NW¼SW¼, S½SE¼SE¼ all land south of the Eagle River Road right-of-way; and that portion of land described as follows: Bearing from the C-N-SW1/64 approximately S55° 20'E for approximately 3,215 feet to a point 150 feet north of the E1/16 corner common to Sections 23 and 26 excluding those lands northeast of the above mentioned line. Including the bed of Eagle River.

Section 24: All land south of the south boundary of the Eagle River Road right-of-way.

Section 25: That portion of land lying southerly and westerly of the following described boundary: Beginning at a corner common to Section 25, 30, 31 and 36; thence north approximately 1,450 feet along the section line common to Sections 25 and 30 to a point; then west approximately 1,530 feet to a point; then northwest approximately N48° W for 1,200 feet to a point; then northwest approximately N80° W 500 feet to a point; thence northeast approximately N47° E 600 feet to a point that intersects the Eagle River Road right-of-way; then northwest along the south boundary of the Eagle River Road right-of-way to the section line common to Sections 24 and 25. Including the bed of Eagle River.

Section 26: All lands within N½, E½SE¼, NE¼SE¼SW¼SE¼, NE¼SW¼SE¼, N½NW¼SW¼SE¼, NW¼SE¼, E½NE¼SW¼, NE¼SW¼NE¼SW¼, NW¼NE¼SW¼, E½NE¼NW¼SW¼, NW¼NE¼NW¼SW¼, and NE¼NW¼NW¼SW¼. Including the bed of Eagle River.

Section 27: N½NE¼, N½SE¼NE¼, N½S½SE¼NE¼, SE¼SE¼SE¼NE¼, NE¼SW¼NE¼, N½NW¼SW¼NE¼, N½NE¼NW¼, E½SE¼NE¼NW¼, NW¼SE¼NE¼NW¼, NE¼SW¼NE¼NW¼, NE¼NE¼NW¼NW¼ all land north of the north boundary of the 17(b)(3) easement (EIN 1 D9).

Section 35: NE¼NE¼NE¼, NE¼NW¼NE¼NE¼.

Section 36: That portion of land within NE¼, N½NE¼SE¼, SE¼NE¼SE¼, N½SW¼NE¼SE¼, N½NE¼SE¼SE¼, SE¼NE¼SE¼SE¼, NE¼NW¼SE¼, NE¼NW¼NW¼SE¼, N½SE¼SE¼NW¼, NE¼SE¼NW¼, E½NW¼SE¼NW¼, NW¼NW¼SE¼NW¼, NE¼NW¼, N½NE¼SW¼NW¼, E½NW¼NW¼, SE¼SW¼NW¼NW¼, N½SW¼NW¼NW¼, and NW¼NW¼NW¼. Including the bed of Eagle River.

T14N, R1E, S.M.

Section 30: All lands south of the Eagle River Road right-of-way. Including the bed of Eagle River and braided channels.

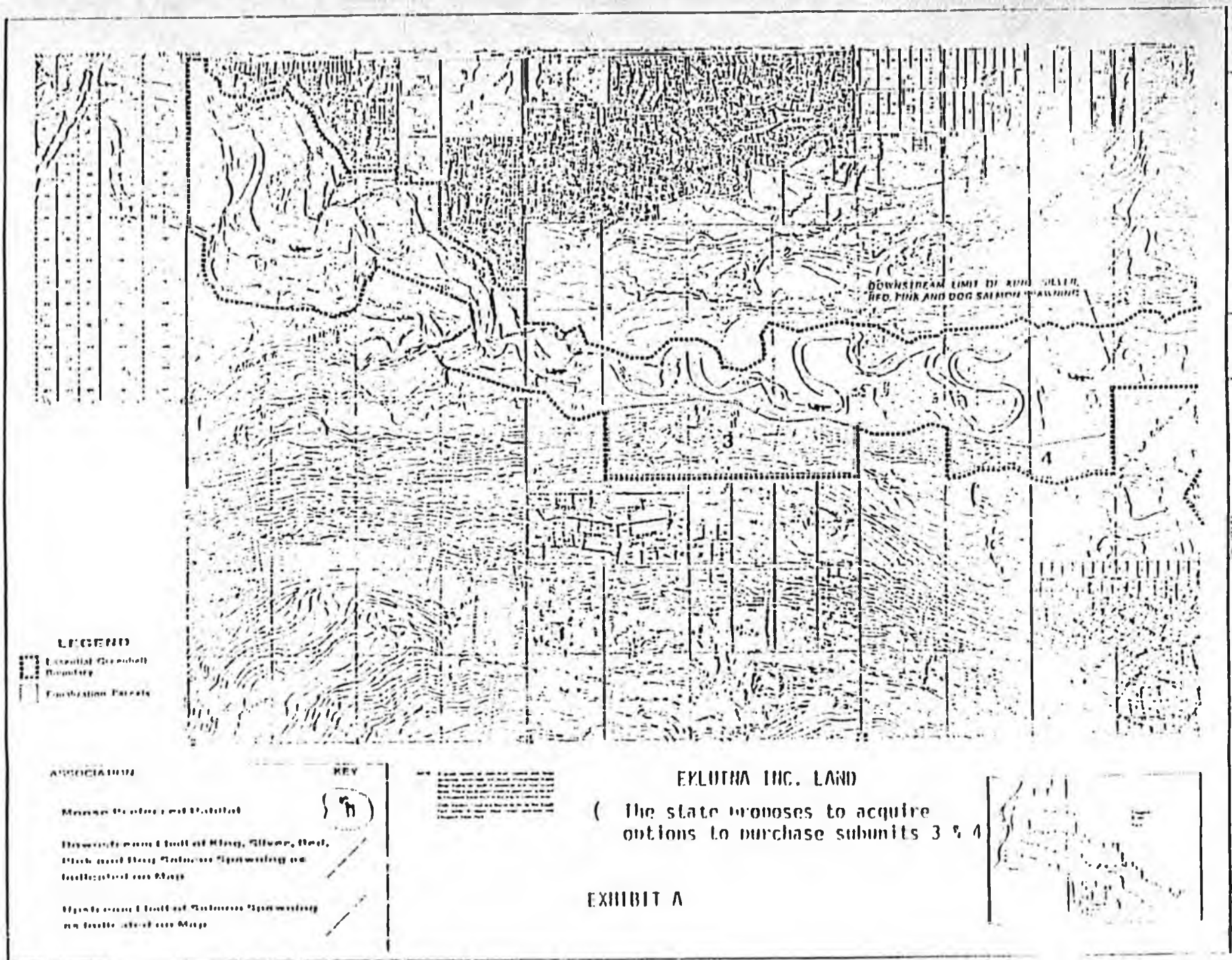
Section 31: That portion of land within the E½ excluding those lands northeast of the south boundary of the Eagle River Road right-of-way; E½W½, and GLO Lots 1, 2, 3 and 5. Including the bed of Eagle River and braided channels.

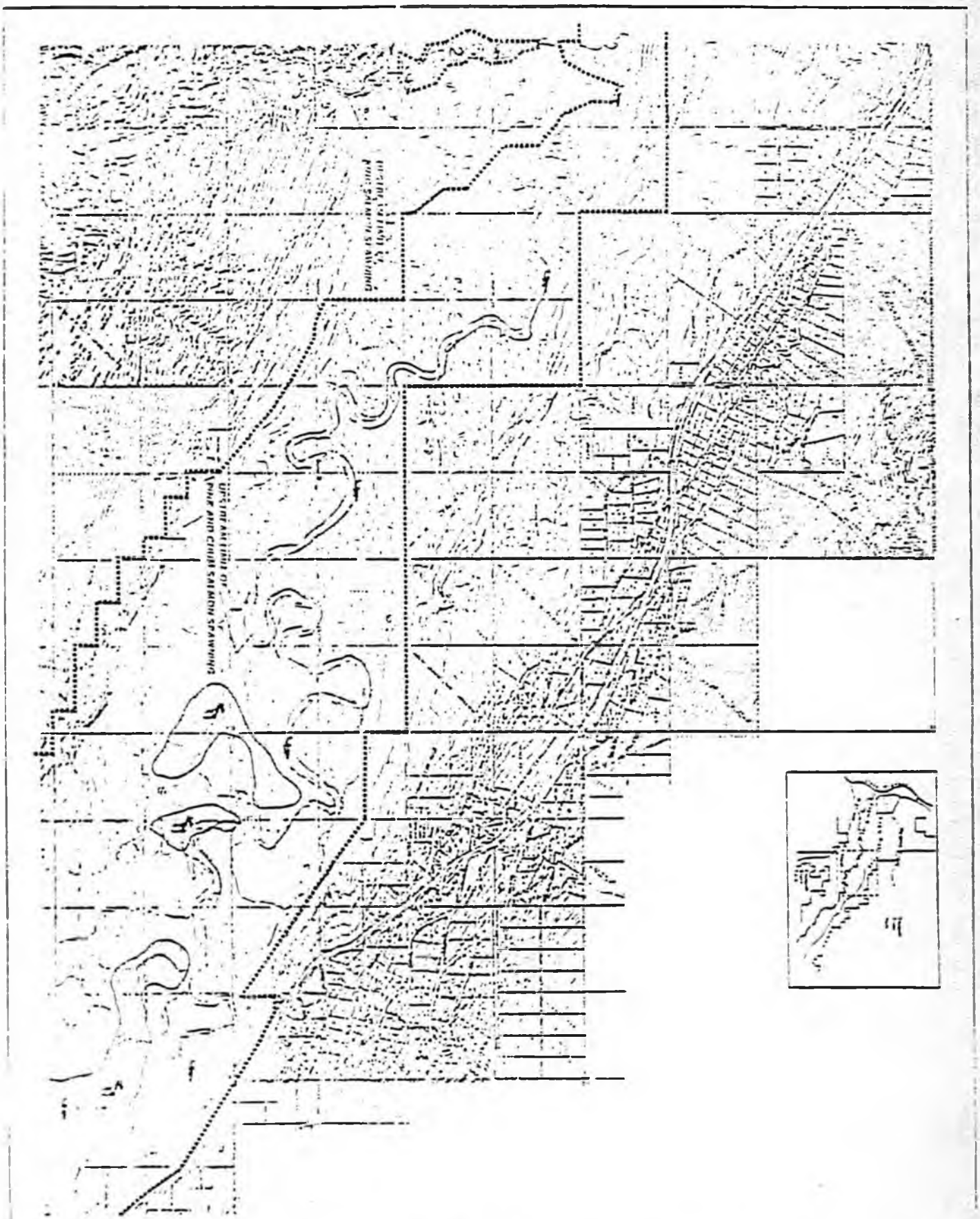
Section 32: Lands described as follows: Beginning at a corner common to Sections 31 and 32, T14N, R1E, Sections 5 and 6, T13N, R1E; thence north 90° E approximately 1,330 feet along the section line to a point; then northwest approximately N33° W 1640 feet to a point; then northeast approximately N8° E for 440 feet to a point; then northwest approximately N63° W° for 550 feet to a point on the section line common to Sections 31 and 32 then south along the section line common to Sections 31 and 32 to the point of beginning.

T16N, R1W, S.M.

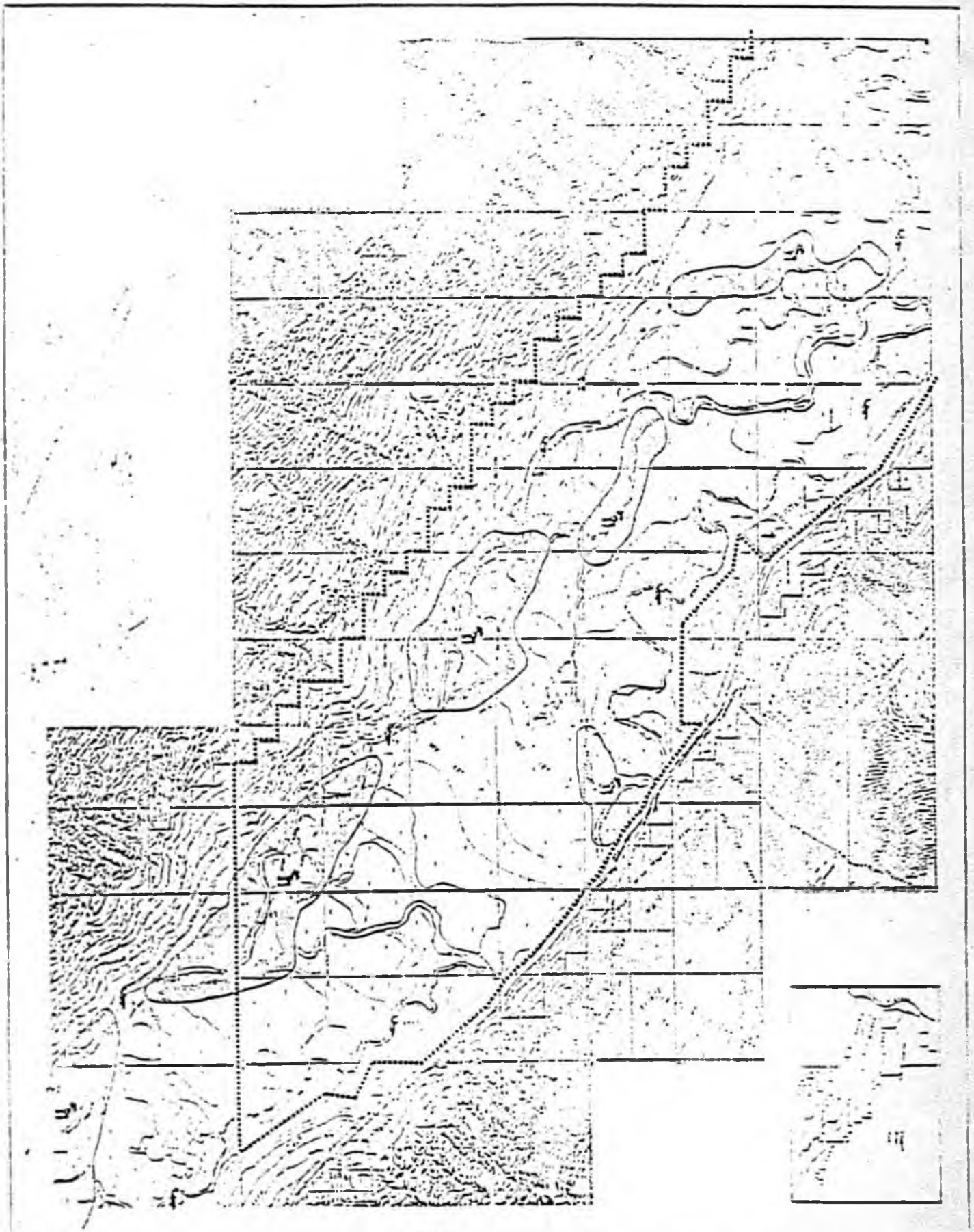
Section 25: Tract B, Thunderbird Heights Subdivision as shown on plat 77-226 filed in the Anchorage Recording District on October 10, 1977, as shown on Exhibit D. Containing approximately 1.09 acres.

The total lands described above contain approximately 3,558 acres.


DOWNSTREAM LIMIT OF KING, SILVER, RED, PINK AND DOG SALMON SPAWNING
3
4
LEGEND
ASSOCIATION
KEY
EYLUTNA INC. LAND
(The state proposes to acquire
options to purchase subunits 3 & 4
EXHIBIT A
EAGLE RIVER
Wildlife Habitat



2	Wildlife Habitat Map 3	EAGLE RIVER GREENBELT PLAN	TRA/PLAN ARCHITECTURE ENGINEERING PLANNING INTERIORS



3 Wildlife Habitat

EAGLE RIVER GREENBELT PLAN

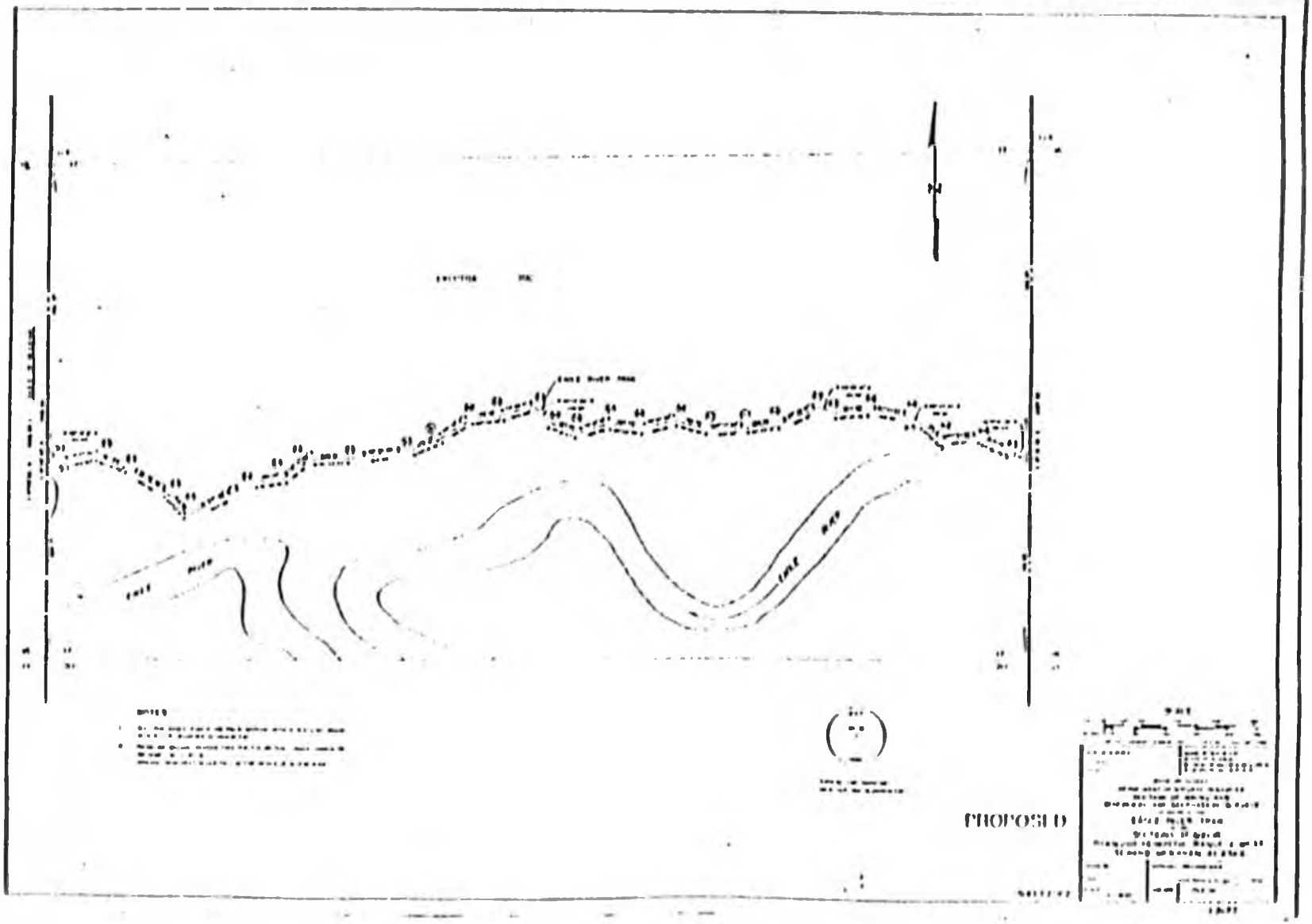
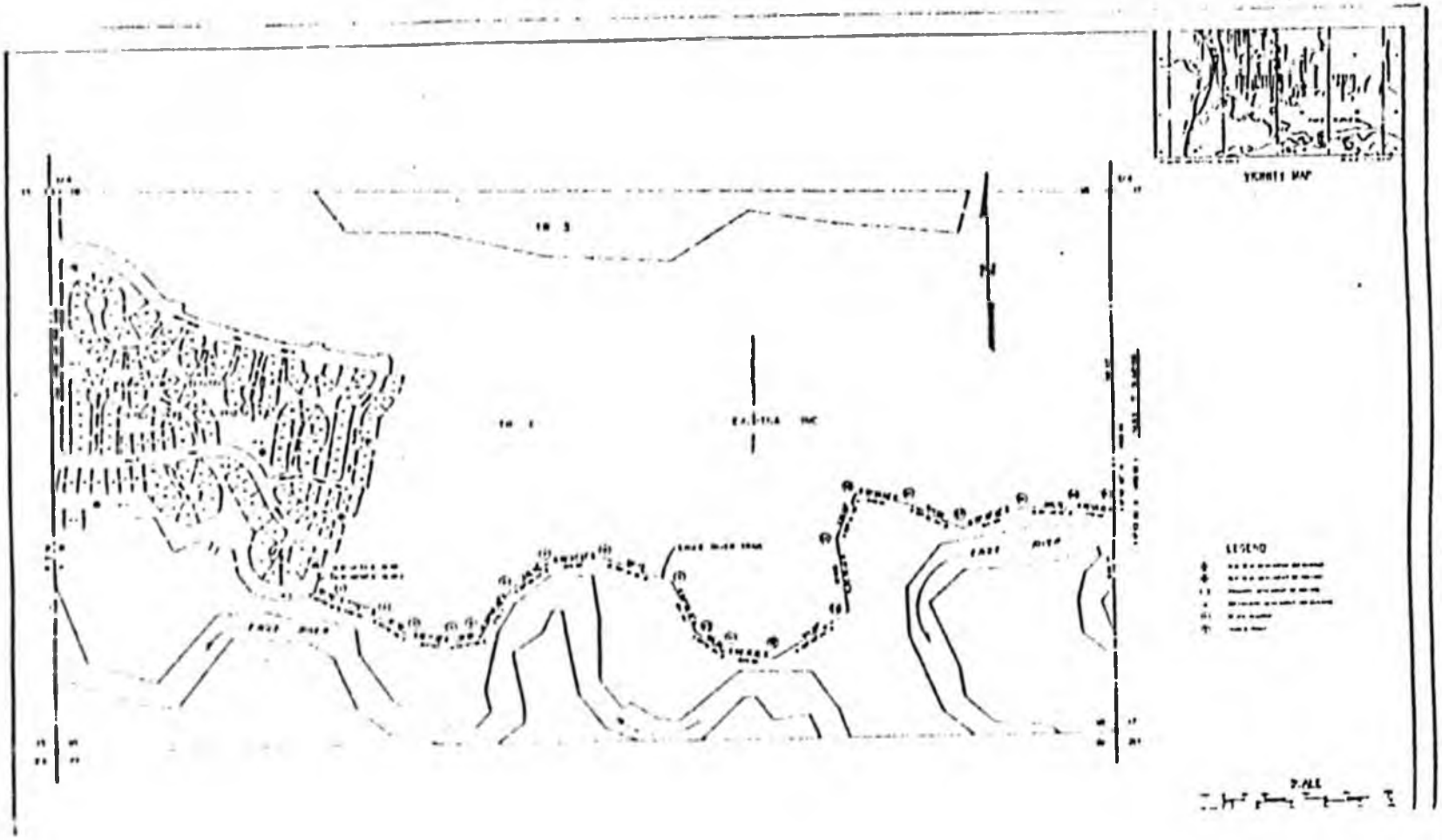


EXHIBIT B-1


LEGEND
SCALE