STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND, AND WATER

PRELIMINARY DECISION

of a
Proposed Land Offering in an Organized Borough
Riverwood Subdivision – ADL 419921
AS 38.05.035 (e), AS 38.05.045

and its
RELATED ACTION(S):
None Proposed

COMMENT PERIOD ENDS 5:00PM, WEDNESDAY, MARCH 26, 2014

I. Proposed Action(s)

The following discussion explains the proposed actions of this Preliminary Decision.

Primary Proposed Action(s): The primary proposed action of this Preliminary Decision of the State of Alaska, Department of Natural Resources (DNR), Division of Mining, Land, and Water (DMLW), Land Sales and Contract Administration Section (LSCAS) is to offer for sale State-owned land for within the identified project area. If approved, surveyed parcels will be offered for sale in a future offering under the methods as described herein.

Attachment A: Vicinity Map
Attachment B: Area Data Summary Table
Attachment C: Public Notice

Located within DNR's Northern Region, along the south bank of the Chena River, approximately 10 miles east of Fairbanks and 6 miles north of North Pole, the project area is within the northeast quarter of Section 9, Township 1 South, Range 2 East, Fairbanks Meridian, within the Fairbanks North Star Borough. The project area consists of approximately 30 acres identified for disposal by this proposed action. See Attachment A: Vicinity Map for a graphic depiction of the approximate location of the project area.

In accordance with the governing area plan and for the purposes of providing land for settlement, DNR proposes to sell land within the project area. In order to offer these lands for sale, if approved and deemed feasible, DNR may develop a subdivision of no more than 15 parcels varying in size, no smaller than 1 acre. Of note, if it is deemed necessary, DNR may consider parcels over 5 acres per the allowances listed in *AS 38.04.020 (h) Land Disposal Bank*. This proposed project area is located within the Fairbanks North Star Borough and therefore survey, platting, and road construction will be completed to the relevant subdivision standards. The project may be subdivided and offered in phases.

If this proposed primary action is approved, the actual area offered for sale may consist of all or only a portion of the overall project area. After consideration of public comment, the size and boundaries of the development area will be described in a subsequent Final Finding and Decision, if the project proceeds to that step. There may be adjustments to the development area prior to survey/subdivision, as described in the applications to the Borough, as needed to reserve areas for public use, minimize conflicts between uses, or ensure compliance with Borough platting requirements. Of note, although actions under this proposal are limited to the stated maximums, additional offerings may be authorized under future proposals, which could increase the density of privately-owned parcels within the project area.

Proposed Related Action(s): There are no related actions with this proposal.

Public Notice of Proposal: In accordance with *AS 38.05.945 Notice*, during a period of at least 30 consecutive days, the public will have the opportunity to submit written comment on this proposal. See Section VIII Submittal of Public Comments at the end of this document and Attachment C: Public Notice for details on how to submit a comment for consideration. If after consideration of timely, written comments the proposal is approved, DNR DMLW will issue a Final Finding and Decision.

II. Method of Sale

DNR DMLW proposes to offer for sale land within the project area as described herein, through a future offering under *AS 38.05.045 Generally [Sale of Land]*. If the parcels do not sell when offered at auction, they may be offered by another method (e.g. Over-the-Counter) under *AS 38.05.045 Generally [Land for Sale]*.

Offerings are noticed and administered by DNR DMLW LSCAS's Marketing and Sales Administration Team. DNR DMLW will announce an offering pursuant to *AS 38.05.945 Notice*. Public notice describes availability of land sale brochures, which usually advertise several previously surveyed parcels offered simultaneously across the state; provide conditions of the offering; describe the costs involved; and note appraised values and minimum bids. Participants submit bids certifying eligibility to participate in a public auction in an attempt to win a maximum of one parcel per offering in the subdivision of their choice. This method maximizes opportunity for eligible Alaska residents while providing for a means of return on the State's investment in development of the parcels.

III. Authority

DNR DMLW has the authority under *AS 38.05.035 (e) Powers and Duties of the Director* and *AS 38.05.045 Generally [Sale of Land]* to sell State-owned land if, on preparation and issuance of a written finding, it is determined to be in the best interest of the State. In addition, if it is deemed appropriate, DNR has the authority to develop and offer parcels larger than 5 acres under the allowances listed in *AS 38.04.020 (h) Land Disposal Bank*.

IV. Administrative Record

The project file constitutes the administrative record for this action. Also incorporated by reference are:

- Tanana Basin Area Plan for State Lands (TBAP, adopted 1985, update 1991) and associated land classification files;
- *Alaska Interagency Wild land Fire Management Plan* (amended October 2010);
- *2013 Catalog of Waters Important for the Spawning, Rearing, or Migration of Anadromous Fishes*;
- USDA Custom Soils Report; and
- Mineral Closing Order No. 67

V. Scope of the Proposal

The scope of this proposal, under the statutes described in the preceding Section III Authority of this document is limited and specific to DNR DMLW's proposal to offer State-owned land within the defined project area for disposal and to conduct the proposed related actions as described herein. The scope of this proposal does not include the control of post-patent use and DNR DMLW does not intend to impose deed restrictions for this purpose. The subdivision and offering may be conducted in one or more separate offerings.

VI. Description

The following section describes the project area.

Location: Located within DNR's Northern Region, approximately 10 miles east of Fairbanks and 6 miles north of North Pole, the project area is within the northeast quarter of Section 9, Township 1 South, Range 2 East, Fairbanks Meridian, within the Fairbanks North Star Borough, as depicted on Attachment A: Vicinity Map. See Attachment B: Area Data Summary Table for additional information.

Borough/Municipality: The project area is within the Fairbanks North Star Borough and subject to the borough's platting and zoning authority.

Native Regional and Village Corporations: The Riverwood project area is within the boundaries of the Doyon, Limited regional corporation. There are no villages located within 25 miles of the project area.

Legal Description: Government lot 1 and the NE¼ SE¼ NE¼ of section 9, Township 1 South, Range 2 East, Fairbanks Meridian, located within the Fairbanks Recording District, 4th Judicial District, Alaska.

Title: Information from Title Report No. 4439, current as of May 15th, 2013 indicates the State of Alaska holds fee title to the land and mineral estate within the project area under Patent 50-75-0096, dated October 25th, 1974. The applicable State case file is GS 770. The parcel is subject to the reservations, easements and exceptions contained in the federal patent.

Retention of and Access to Mineral Estate: In accordance with *Section 6 (i) of the Alaska Statehood Act* and *AS 38.05.125 Reservation [of Rights to Alaska]*, the State retains ownership of the mineral estate that may be in or upon the land that it sells. This retention is for all minerals, including both locatable minerals, such as gold, copper and silver; and non-locatable minerals such as oil, gas, coal, ore, minerals, fissionable material, geothermal resources, and fossils.

The State and its successors reserve the right to enter onto the land for the purposes of exploring for, developing, and producing these reserved mineral resources. Access reserved to these retained interests is superior to any and all surface uses. The State may also lease these retained interests to mineral developers or allow mining locations to be staked. However, *AS 38.05.130 Damages and Posting of Bond* also provides that the land estate owner will be compensated for damages resulting from mineral exploration and development.

Navigable Waters: Per *AS 38.05.126 (b) Navigable and Public Waters*, "the State has full power and control of all of the navigable or public water of the state, both meandered and unmeandered, and the State holds and controls all navigable or public water in trust for the use of the people of the state." This trust is in accordance with the principles of the Public Trust Doctrine, which are included in *Article VIII, Section 14 of the Alaska Constitution* and protected in *the United States Constitution*. It is vested in the title to this land, is not transferable, and the State's title to submerged lands under navigable waters cannot be relinquished by a transfer of the property. In holding with this concept, navigability determinations are made and access will be reserved per *AS 38.05.127 Access To and Along Public and Navigable Water*. For more information, see <u>Access To, Within, and Beyond Project Area</u> subsection of this document.

The Bureau of Land Management has made a navigability determination for waters within the affected townships for title purposes. The Chena River has been determined navigable, and is adjacent to the project area. Refer to the <u>Access To, Within, and Beyond Project Area</u> and <u>Setbacks, Reserved Areas, and Easements</u> subsections of this document for additional information.

<u>Physical Characteristics and Hazards</u>: Attachment B: Area Data Summary Table describes the project area's physical characteristics. In addition, the following paragraphs describe the project area based on internal research and a field inspection conducted by foot on June 11, 2013. This is by no means a complete description of the project area and if this proposal is approved and the area offered for sale, it will be the responsibility of interested parties to inspect individual parcels prior to purchase to familiarize themselves with the physical characteristics of the land.

Geologic Hazards: According to information provided by DNR, Division of Geological and Geophysical Surveys (DGGS), the project area is likely within the thawed zone of the Chena River floodplain, and significant permafrost soils are unlikely in the near-surface. DGGS also indicated that seasonal flooding may be a concern for parcels adjacent to the Chena River.

Fire Hazards: The Division of Forestry indicated that due to local winds, flat terrain, continuous flammable vegetation (spruce), and structures; the area north of the project area is classified as high risk, and that area south of the project area is classified as very-high risk from wildland fire. However, vegetation within the project area primarily consists of stands of birch, reducing fire risk within the project area.

Potential for wild land fire is high in Interior Alaska. Landowners with structures are encouraged to follow the Alaska Wild land Fire Coordinating Group *Firewise Alaska* recommendations. The project area is within the North Star fire service area.

Fire management options and policies for the area are identified in the Alaska Interagency Wildfire Management Plan available from DNR Division of Forestry. The current fire management option for most of the project area is "Critical." The intent for areas with the "Critical" management option reads, "These are the highest priority areas/sites for suppression actions and assignment of available firefighting resources. Lands in wildland urban interface and other populated areas where there is an immediate threat to human life, primary residences, inhabited property, community-dependent infrastructure, and structural resources designated as National Historic Landmarks qualify to be considered for this designation. This classification is applicable for an entire village or town as well as a single inhabited structure." It is important to note, however, that DNR Division of Forestry warns that DNR Division of Mining, Land, and Water inform participants there is no guarantee their property will be defended or spared from harm from a wild land fire, even if the area is designated "Critical" fire management option.

Flood Hazard: The project area is downstream from the Chena Flood Control project. The Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps indicate that the majority of the project area is within Flood Zone X, as determined to be outside the 500-year flood plain. Field inspection indicated that the majority of the area is not subject to seasonal flooding. The only area identified that appears to be subject to flooding is the far western portion adjacent to Carl Crossman Way. Parcels directly adjacent to the Chena River may be subject to erosion.

Utilities: Power is available adjacent to the project area. Power lines extend along Carl Crossman Way to the western corner to the project area, and at North Freeman Road to the southern and eastern boundaries of the project area. Phone and internet service is also available for the project area. Municipal water and sewer are not available.

Background: The Riverwood Subdivision is being proposed pursuant to the designation in the TBAP. There are no current State land sales in the vicinity of the project area. Lands to the east of the project area were sold via auction circa 1965, and a few parcels to the south of the project area were sold circa 1974. The remaining lands to the south and west of the project area were sold by the federal government in the early 1960's.

Presently the project area appears to be used primarily for recreation and access to the Chena River north of the project area. There is an unauthorized, developed access road through the northern portion of the project area, which departs the section line along the easterly boundary, and travels north into section 4. The road appears to be used to access

an undeveloped boat launch area along the Chena River north of the project area. There is another trail through the project area which runs roughly south-southwest from the northeast corner of the project area, generally paralleling the Chena River, and terminates before reaching Carl Crossman Way. This trail did not appear to be actively in use at the time of field inspections in June and October, 2013. Refer to the Access To, Within, and Beyond Project Area and Setbacks, Reserved Areas, and Easements subsections of this document for additional information.

The adjacent parcel to the north (the peninsula within section 4) appears to see some regular recreational use. There was a network of trails within the parcel, and several 'pull-out' areas which appear to be used for day-use recreation.

Planning and Classification: The general management intent of the area plan unit and subunit were reviewed for consistency with the proposed offering. The project area is within Tanana Basin Area Plan TBAP, (adopted 1985, updated 1991), Fairbanks North Star Borough Subregion, Cleary Summit-Pedro Dome Management Unit, Subunit 1J1c – Riverwood Subdivision. Lands within this unit are currently designated and classified Settlement under Land Classification Order No. NC-90-002.

LSCAS reviewed the area plan's guidelines in Chapter 2 Areawide Land Management Policies regarding Cultural Resources; Fish and Wildlife Habitat and Harvest; Forestry; Public Access; Recreation and Tourism; Settlement; Stream Corridor and Instream Flow; Trail Management; Transportation; and Wetlands Management, and LSCAS will incorporate these considerations into the development of the project. Lands to be retained in public ownership, conditions, and reservations will be issued in the land sale brochure and area-specific staking instructions and maps.

The proposed offering is consistent with area-wide land management policies and general management intent of the TBAP and specific management unit. The unit is designated Settlement and State-owned lands within the unit are appropriate for disposal, including sale, during the planning period.

> *Area-wide Considerations:* The management guidelines in TBAP Chapter 2-Settlement provide for a minimum lot size of 1 acre for areas with 0-12% slope. Management Guidelines in TBAP Chapter 2-Stream Corridors and Instream Flow provide that a minimum building setback of 100 feet landward from the ordinary High Water mark will be established. Management Guidelines in TBAP Chapter 2-Trail Management provide that prior to disposal of public lands, trails that merit protection should be identified.
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> *Unit/Region 1J1c :* Settlement is the primary surface use within subunit 1J1c. Management intent states that up to 30 acres may be offered for private ownership. The plan also notes that Riverwood Subdivision may be susceptible to flooding and should be reviewed in the next plan update for change to Public Recreation/Wildlife Habitat designation. FEMA flood data indicates that the area is within flood zone X, and field inspection in June 2013 confirmed that the majority of the area is not subject to seasonal flooding. Refer to the *Flood Hazard* subsection of this document for more information.

Reservation of Mineral Estate: In accordance with *Section 6 (i)* of the *Alaska Statehood Act* and *AS 38.05.125 Reservation [of Rights to Alaska],* the State, in this decision, reserves unto itself the mineral estate, including oil and gas, and the rights expressed in the reservation clause of the statute, that being the right to reasonable access to the surface for purposes of exploring for, developing, and producing the reserved mineral resources. Exploration and development, that could occur, would be consistent with *AS 38.05.130 Damages and Posting of Bond* and any other applicable statutes and regulations, which provide that the land estate owner be compensated for damages resulting from mineral exploration and development.

Mineral Activity and Order(s): No mineral activity has been identified on these lands. The project area is closed to mineral entry under Mineral Closing Order No. 67.

Mineral closing orders, where established, close an area to new exploration and development of locatable minerals such as gold, copper, platinum, etc. Such mineral orders do not apply to non-locatable minerals, including oil and gas leasing, coal leasing, shallow gas leasing, or exploration licensing for such, nor do they preclude reasonable surface access to these resources.

Mining activity would be incompatible with the past, current, and proposed land estate uses for land disposals. To allow new mineral location within the boundaries of the parcels encompassed by this decision could create serious conflicts between land estate and mineral estate users. Area plan mineral estate management policy states that, in general, areas scheduled for disposal will be closed to mineral entry prior to sale to minimize potential conflict between land estate and mineral estate users.

Local Planning: Where they exist, local zoning and related ordinances govern private land use. The project area is within the Fairbanks North Star Borough (FNSB) and platting actions within this borough are subject to the FNSB platting and zoning authority. The project area is presently zoned General Use (GU-1). LSCAS may pursue a zoning action to change the area to a more restrictive zoning as part of the subdivision development. Approval of platting and zoning actions, and dedication of right-of-ways will require separate processes and public notices through the FNSB. The project area and the adjacent subdivisions are part of a broader area designated Open Space/Natural Area through the 2005 Fairbanks North Star Borough Comprehensive Plan.

Coastal Issues: The project area is not within the zone of coastal influence.

Traditional Use Finding: The project area is located within the Fairbanks North Star Borough (FNSB) and a traditional use finding is therefore not required per *AS 38.05.830 Land Disposal in the Unorganized Borough*. However, information on current or traditional use is welcomed and can be given during the public comment period. See the Section VIII Submittal of Public Comments and Attachment C: Public Notice for details on how to submit comment.

Access To, Within, and Beyond Project Area: Access to the project area is via constructed roads from Nordale Road to Freeman Road. North Freeman Road, a dedicated 33' ROW,

forms the easterly boundary of the project area. There is a 50' section line easement adjacent to North Freeman Road, along the west side of the section line. Access to the western portion of the project is via Carl Crossman Way. Carl Crossman Way is dedicated 50 feet in width for the first 280 feet, thereafter it exists along easements reserved via federal patent.

There is an unauthorized gravel access road in the northeast corner of the project area. This road departs the section line north of North Freeman Road, and continues northerly into section 4. The trail appears to access an undeveloped boat launch along the Chena River, and appears to be used for access to private property on the opposite bank. There is another trail within the project area, which connects to the previously-mentioned access road and continues southwest through the project area. The trail generally parallels the Chena River, and terminates before reaching the western boundary near Carl Crossman Way. This trail was fairly overgrown during the June 2013 field inspection, and does not appear to receive much use.

As part of the platting process, if deemed appropriate, DNR may reserve an easement for the gravel access road in its current location, or may reserve an alternate access route to accommodate subdivision design. The project area is within the platting authority of the FNSB. Approval of platting actions and dedication of right-of-ways will require separate processes and public notices through the FNSB.

Access To and Along Public or Navigable Waters: In accordance with *AS 38.05.127 Access To Navigable or Public Water*, DNR will determine if a body of water or waterway is a navigable or public waterway and establish easements or right-of-ways as necessary to ensure unobstructed access to and along the body of water. Regulations dictating the creation of easements or right-of-ways under this statute include *11 AAC 51.035 Determination of Navigable and Public Water* and *11 AAC 51.045 Easements To and Along Navigable and Public Water*.

For the purposes of *AS 38.05.127*:

- navigable water are generally lakes larger than 50 acres in size or streams larger than 50 feet in average width;
- public waters are generally lakes larger than 10 acres in size or streams larger than 10 feet in average width; and
- waters may be determined public or navigable consistent with *AS 38.05.965 (18) Definitions*.

For the purposes of reserving access to public or navigable water under the aforementioned statutes and regulations, if a water body is determined to be public or navigable prior to disposal, a continuous easement extending upland from the ordinary high water mark (OHWM) will be reserved within parcels located along these waters. An alternate upland access route may be reserved if topography or obstructions prevent or make a continuous easement difficult. If a water body determined to be public is located entirely within a parcel, a public use access easement from the parcel boundary to and along the water body will be reserved and dedicated at the time of field survey. Refer to

the Easements, Setbacks, and Retained Lands subsection and Section VII Agency Comments section of this document for additional information.

The Chena River is a public and navigable water body, and forms the northwestern boundary of the project area. The Chena River is identified in the *2013 Catalog of Waters Important for the Spawning, Rearing, or Migration of Anadromous Fishes* as an anadromous water body. Refer to the Easements, Setbacks, and Retained Lands and Building Setbacks From Public or Navigable Water subsections, and Section VII Agency Comments section of this document for additional information.

Building Setbacks From Public or Navigable Water: If subdivision is deemed feasible, DNR DMLW proposes to place a note on the final survey plat describing a building setback upland from the OHWM of public and navigable water to protect access, fish and wildlife habitat, and personal property. Except for utilities, water-dependent structures whose purpose is access to or across the stream or lake, or minor accessory structures for uses that must be in or adjacent to the water body in order to function, structures and subsurface sewage disposal systems will not be permitted within the building setback. We will continue to develop and apply criteria as needed and the public is invited to comment. Refer to the Section VII Agency Comments section of this document for additional information.

Per 11 AAC 93.035(a) and (b), any operations that require the use of a significant quantity of water will require a water use authorization or permit. Potential purchasers are informed of potential water rights and permit requirements in offering materials.

Easements, Setbacks, and Retained Lands: Parcels may be subject to a variety of easements, setbacks, and retained lands. Easements, setbacks, and retained lands will be identified on the subdivision plat and included in related informational documents. Approval of platting actions will require separate processes and public notices through the FNSB. Final width and location of easements and reservations will be determined as part of the platting process.

Parcels and subdivision design may be subject to a variety of reservations or restrictions where appropriate, such as:

- a public access and utility easement along interior parcel boundaries;
- a 50-foot-wide public access easement on each side of surveyed or protracted section lines on State-owned land, unless formally vacated;
- a 50-foot continuous easement upland from the OHWM of public or navigable water bodies; and
- a 100-foot building setback from the OHWM of public or navigable water bodies.

Where appropriate, reservations and restrictions will be depicted on the plat and described in plat notes.

Hazardous Materials and Potential Contaminants: During field inspections in June and October, 2013 staff did not observe any hazardous wastes, spills, or other potential

contaminants within the area. There is a privately owned parcel adjacent to the southwest of the project area off Carl Crossman Way which appears to contain large amounts of trash, and potential contaminants. Although this appeared to be isolated to this parcel, potential purchasers should be aware of the adjacent issue.

There are no known environmental hazards present within the project area, however, the State makes no representations and no warranties, express nor implied, concerning the existence or absence of any hazardous substances, hazardous wastes, contaminants, or pollutants on the land here proposed for conveyance. The State further assumes no liability for the removal of hazardous substances, hazardous wastes, contaminants, or pollutants, nor for the remediation of the site should such substances eventually be found. Interested parties are encouraged to inspect the property and familiarize themselves with the condition and quality of the land prior to bid or application submittal.

DNR DMLW recognizes there are potential environmental risks when previously vacant land is occupied. Many of the activities increasing these potential risks are regulated by other agencies, such as the regulation of septic system installation by the State of Alaska, Department of Environmental Conservation. Given the high degree of interest from both the legislature and citizens in sale of State-owned land, DNR DMLW is of the opinion that the benefits outweigh the potential risks.

Survey, Platting, and Appraisal: Having considered agency comments and depending on public comments, physical conditions of the land, and access issues, DNR DMLW proposes to offer the property for sale. In order to offer the property, a combination of survey, subdivision, or plat may be required. This proposed project area is located within the FNSB, and therefore survey and platting will be completed to the relevant subdivision standards.

The FNSB's planning requirements provide for separate public notice periods and processes for platting actions within the Borough. These additional opportunities for public involvement occur after Final Finding and Decision, if this proposed primary action is approved and the project moves forward.

In accordance with *AS 38.05.840 Appraisal*, an appraisal meeting DNR DMLW standards will be required within two years of the date fixed for the sale of any parcel developed under this proposed action.

VII. Agency Comments

Agency review was conducted from September 3rd, 2013 through October 15th, 2013 concurrently with other separate proposed projects. Comments pertinent to this proposed action received during agency review have been considered and addressed in the following paragraphs. Additional timely comments received during the Public Notice period will be considered and addressed in a subsequent Final Finding and Decision, if one is issued.

DNR Division of Parks and Outdoor Recreation, Northern Region Comment: State Parks has no objections.

DNR DMLW LSCAS Response: LSCAS appreciates your review of our proposal.

DNR State Pipeline Coordinator's Office (SPCO) Comment: The SPCO has no concerns about the project as there are no AS 38.35 pipeline rights-of-way in their proximity and the proposed Alaska South Central LNG Pipeline / Alaska Pipeline Project alignments do not appear to be in close proximity to these proposed subdivisions.

DNR DMLW LSCAS Response: LSCAS appreciates your review of our proposal.

DNR Division of Geological and Geophysical Surveys (DGGS) Comment: Although located in the zone of discontinuous permafrost, the area is likely generally contained within the thawed zone of the Chena River floodplain and significant permafrost soils are unlikely in the near-surface. Localized silty swale-infillings may have high ice content. Seasonal flooding may be a concern for parcels adjacent to Chena River.

DNR DMLW LSCAS Response: Field inspection of the area did not reveal any areas with vegetation indicative of significant permafrost soils. FEMA information indicates that the majority of the project area is within Flood Zone X. Field inspection indicated that the only area presently affected by seasonal flooding is the far western portion of the project area adjacent to Carl Crossman Way. Refer to the Geologic Hazards subsection of this document for additional information. Potential purchasers are encouraged to inspect parcels prior to purchase.

DNR DGGS Comment: There are no identified conflicts with metallic mineral resources in the area.

DNR DMLW LSCAS Response: LSCAS appreciates your review of our proposal.

DNR Division of Forestry (DOF) Comment: The area to the north of the project is classified as High risk from wildland fire and areas to the south are Very High risk. The factors that placed the area into higher risk include strong local winds, flat terrain, continuous flammable vegetation (spruce), and structures. When developing the subdivision, the State should consider Firewise principles. Freeman Road is the only access into and out of this area. A review of the Fairbanks North Star Borough Draft Evacuation Zone map book indicates residences in this area can use Nordale Road as an evacuation cross road. There is no secondary access road. The nearby Chena River can be a benefit to fire suppression by decreasing the re-load time for tankers.

DNR DMLW LSCAS Response: LSCAS will consider Firewise principles in subdivision design. Additionally, potential purchasers are provided with information about the Firewise program, and are encouraged to implement wildfire mitigation methods.

DNR DOF Comment: Due to the cost of heating fuel, the Fairbanks North Star Borough has reported an increase in illegal cutting on vacant lands in this area (state, borough, and private). In addition the proposed area is located near the Chena River which is noted for its high value resident fish and salmon spawning habitat. DOF noted that impacts to the stream

banks can be detrimental to fish habitat. DOF also noted that a section of the Chena Slough has been infested with non-native aquatic plants. DOF recommend keeping a public buffer along the river.

DNR DMLW LSCAS Response: DNR DMLW will provide riparian protection along the Chena River through a 100-foot building setback. Refer to the Easements, Setbacks, and Retained Lands subsection and Section VII Agency Comments section of this document for additional information.

DNR Division of Parks and Outdoor Recreation, Office of History and Archaeology (OHA) Comment: OHA has no immediate concerns with the project area. State law requires all activities requiring licensing or permitting from the State of Alaska to comply with the Alaska Historic Preservation Act, which prohibits the removal or destruction of cultural resources (historic, prehistoric, and archaeological sites, locations, remains, or objects) on land owned or controlled by the State. This also includes reporting of historic and archaeological sites on lands covered under contract with or licensed by the state or governmental agency of the State. The Alaska Heritage Resources Survey (AHRS) database indicates that there are no recorded cultural resources within the proposed subdivisions. Please note, however, that only a very small portion of the State has been surveyed for cultural resources and therefore, the possibility remains that previously unidentified resources may be located within the project area. As such, should inadvertent discoveries of cultural resources occur during the duration of the project, our office shall be notified so that we may evaluate whether the resources should be preserved in the public interest (as specified at Section 41.35.070[d]).

DNR DMLW LSCAS Response: LSCAS appreciates your review of our proposal. Should any such inadvertent discoveries be made during the development of this project, OHA will be notified. Additionally, LSCAS informs potential purchasers that they are required to notify OHA if any such discoveries are made.

Department of Fish and Game (DFG), Division of Sport Fish (DSF) Comment: DFG DSF has no objection to the proposed project, and provided the following recommendations:

- Maintain the undeveloped boat launch as public access and exclude the area from development other than water related uses;
- Reserve section line easements and depict on the subdivision plats.

DNR DMLW LSCAS Response: The undeveloped boat launch in section 4 is outside of the project area, and management or development of this are is beyond the scope of this decision. A permit or other written authorization is required for activities not listed in 11 AAC 96.020 *Generally Allowed Uses*. However; LSCAS intends to reserve access to this parcel of State land.

LSCAS will reserve section line easements and other easements as necessary and appropriate. If any section line easements are to be vacated, it will be done in accordance with 11 AAC 51.065 *Vacation of Easements*.

DFG DSF Comment: DFG DSF also recommended DNR reserve a buffer or building setback from the Chena River.

DNR DMLW LSCAS Response: After further discussion with DFG, LSCAS agreed to reserve a 100-foot building setback from the Chena River. Refer to the Easements, Setbacks, and Retained Lands subsection of this document for additional information.

Department of Transportation (DOT) Comment: DOT noted that the project area does not border any DOT maintained roads. However, Freeman Road is a DOT maintained road, and would likely be the route taken by the landowners to get to Carl Crossman Road and North Freeman Road to access this property. DOT noted that since the intersections of Carl Crossman Way with Freeman Road and North Freeman Road with Freeman Road are the locations where new/increased traffic would connect to Freeman Road; these intersections may need to be upgraded to commercial standards if they're not to that standard already.

DNR DMLW LSCAS Response: LSCAS will continue to work with the FNSB Community Planning Department, and identify necessary road construction requirements.

Other Agencies: The following agencies or groups were invited to participate in Agency Review but we did not receive any comments in response:

- Department of Natural Resources;
  - Division of Agriculture;
  - Division of Oil and Gas;
- Department of Environmental Conservation;
- Department of Commerce, Community, and Economic Development; and
- Fairbanks Soil and Water Conservation District.

VIII. Submittal of Public Comments

See Attachment C: Public Notice for specific dates and conditions.

Pursuant to *AS 38.05.945 Notice*, DNR will issue public notice inviting comment on this Preliminary Decision and related actions, if any. If commenting on more than one proposed action, separate comments should be submitted for each.

In accordance with *AS 38.05.946 (a) Hearings*, a municipality or corporation entitled to receive notice under *AS 38.05.945 (c)* may hold a hearing within 30 days after receipt of the notice. If a hearing is held, the Commissioner (or representative) shall attend the hearing. The Commissioner has discretion whether or not to hold a public hearing.

We will consider all timely, written comments received by DNR DMLW LSCAS. If timely written comments received in response to this notice indicate the need for significant changes to the Preliminary Decision or related actions, additional public notice for the affected lands will be given. Reducing the amount of land offered and making minor changes to the proposal will not be considered significant changes requiring additional public notice.

If the proposal is approved and no significant change is required, the Preliminary Decision, including any deletions, minor changes, and summary of comments and the DMLW responses, will be issued as a subsequent Final Finding and Decision without further notice. The related actions, if any, will be developed separately. Approval of the primary and related actions is dependent upon one another. One action will not proceed without approval of the subsequent actions.

Only persons from whom DNR DMLW LSCAS receives timely, written comment during the identified comment period will be eligible to file an appeal of the Final Finding and Decision. Upon approval and issuance of a Final Finding and Decision, a copy of the decision will be made available online at http://dnr.alaska.gov/mlw/landsale/ and sent with an explanation of the appeal process to any party who provides timely written comment.

DEADLINE TO SUBMIT WRITTEN COMMENT IS
5:00 PM, DAY OF WEEK, WEDNESDAY, MARCH 26, 2014

VIII. Alternatives and Discussion

DNR DMLW is considering the following alternatives:

Alternative 1: (Preferred) Survey and plat a subdivision consisting of up to 15 parcels varying in size, and offer those parcels for sale. Alternative 1 will also allow for the offering of Riverwood project area as a single parcel if deemed appropriate. The development and offering of these parcels may be phased.

Alternative 2: (Status Quo) Do not offer this project area for private ownership. Retain the land in State ownership.

Article VIII, Section 1 of the Alaska Constitution states, in part, that. "it is the policy of the State to encourage the settlement of its land…" Furthermore, *AS 38.05.045 Generally [Sale of Land]* has placed this charge with DNR.

Alternative 1 provides a method for DNR to help meet the obligations laid out in the Constitution and statute. Alternative 1 maximizes public interest. This offering provides an opportunity for the public to obtain land for settlement in a desirable area. The subdivision as described will allow DNR DMLW to create a design that will maximize use of the land and provide the public a greater opportunity to purchase land within this area.

Alternative 2 is not preferred. The Legislature and the public have indicated a desire for DNR DMLW to offer State-owned land for private ownership. Retention of this land would inhibit DNR DMLW from meeting its Constitutional and legislative obligations. Not offering the project area would deny many Alaskans the opportunity to obtain land in an area that is suited to settlement.

For the aforementioned reasons, Alternative 1 is the preferred alternative. Recommendation follows.

IX. Recommendation

This Preliminary Decision for the proposed primary and any related actions described throughout this document and its attachments is consistent with the overall management intent for State-owned land; potential changes to public resources and the public interest as a result of the proposal are acceptable; and these proposed actions appear to be in the best interest of the State. It is hereby recommended to proceed to public notice.

This is a Preliminary Decision and subsequent public review may result in changes to the preferred alternative or disapproval of the proposed primary action.

/s/ February 18, 2014

Prepared by: Tim Shilling
Natural Resource Manager
Land Sales and Contract Administration Section
Division of Mining, Land, and Water
Department of Natural Resources
State of Alaska

Date

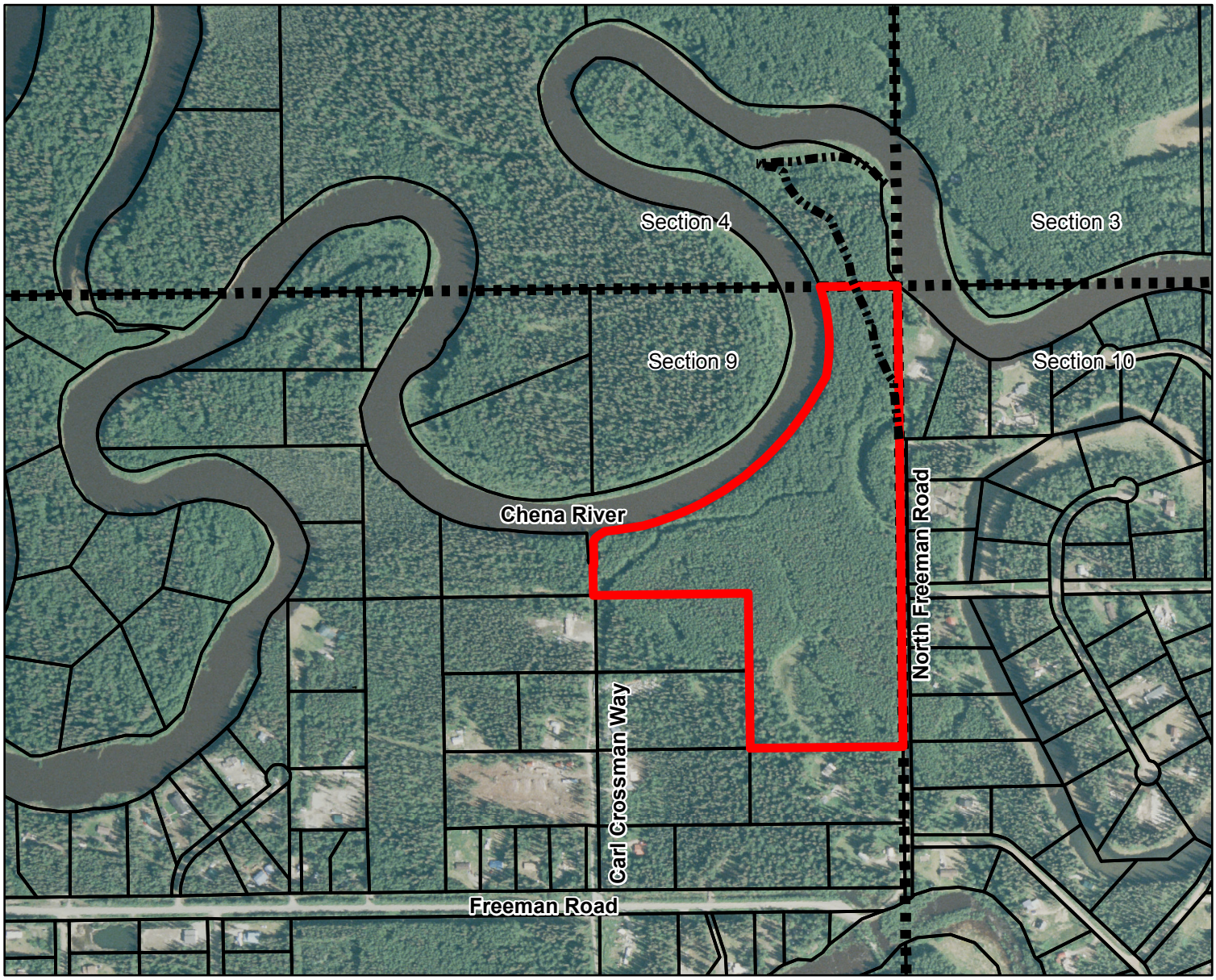
/s/ February 18, 2014

Approved by: Kathryn Young
Section Manager
Land Sales and Contract Administration Section
Division of Mining, Land, and Water
Department of Natural Resources
State of Alaska

Date

Attachment A: Vicinity Map

to the Preliminary Decision
for a Proposed Land Offering in the Fairbanks North Star Borough
Riverwood Subdivision - ADL 419921



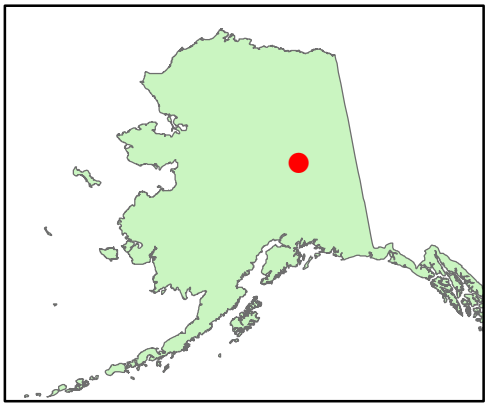
Section 9, Township 1 South, Range 2 East, Fairbanks Meridian

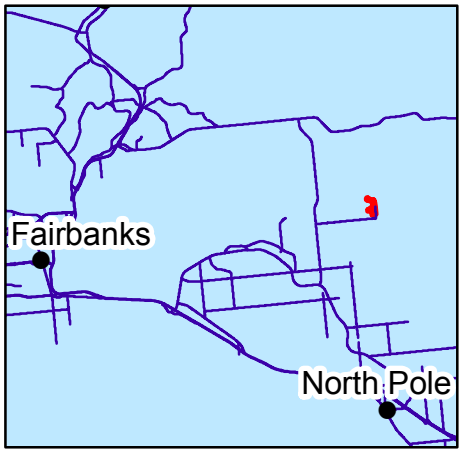
TAS 01/23/2013

Legend
- Project Area
- FNSB Parcels
- Sections
- Trespass Road

Miles: 0, 0.1, 0.2, 0.3, 0.4, 0.5

N





USGS QUAD 1:63,360

Fairbanks D-2

For more information contact:
Tim Shilling
Department of Natural Resources
Division of Mining, Land, and Water
Land Sales & Contract Administration Section
Phone 907.451.2734
Fax 907.451.2751
E-mail: landsales@alaska.gov

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND, AND WATER

ATTACHMENT B: AREA DATA SUMMARY TABLE

to the
Preliminary Decision

for a
Proposed Land Offering in an Organized Borough
Riverwood Subdivision – ADL 419921

Offering Information	
Proposed Number of Parcels	Up to 15 parcels.
Proposed Parcel Size	Varying in size no smaller than 1 acre.
Proposed Related Actions	None
Project Area	
Location	Approximately 10 miles east of Fairbanks and 6 miles north of North Pole, adjacent to the Chena River.
Project Area Acreage	~30 acres
USGS Topography Map	USGS Quad Fairbanks D-1
Legal Description	Government lot 1 and the NE¼ SE¼ NE¼ of section 9, Township 1 South, Range 2 East, Fairbanks Meridian.
Title	Patented State-owned land
Area Plan and Classification	Tanana Basin Area Plan (TBAP) (adopted 1985, updated 1991), Fairbanks North Star Borough Subregion , Cleary Summit-Pedro Dome Management Unit, Subunit 1J1c – Riverwood Subdivision. Lands are classified Settlement.
Mineral Orders	Mineral Closing Order No. 67
Physical Characteristics	
Access	Access to the project area is via constructed roads from Nordale Road to Freeman Road, then via North Freeman Road to eastern boundary of the project area, or Carl Crossman way to the western boundary. There is an unauthorized constructed road through the northern portion of the project area, which accesses lands to the north. There is another trail generally paralleling the Chena River through the project area, which does not appear to be in presently in use.

Terrain and Major Features	The terrain is generally flat, with average slopes approaching 0%. The project area is bounded by the Chena River to the northwest and North Freeman road to the east. There is one small remnant oxbow pond in the project area, and a few smaller shallow depressions in the southern portion.
View	Chena River to the northwest, and birch forest to the interior.
Climate	Interior Alaska experiences seasonal temperature extremes. In the Fairbanks/North Pole area average January temperatures range from -19 to -2 °F; average July temperatures range from 49 to 72 °F. Annual precipitation averages 11.5 inches with 67.8 inches of snowfall. Temperatures have been recorded as low as -62 °F in mid-winter and as high as 96 °F in summer. During the winter months, if the temperature drops below -20 °F, ice fog can occur.
Soils	Soils in the project area are of the Jarvis-Salchaket Complex. These are characteristically well drained soils, consisting of fine sandy loams, stratified sand and silt loams, to gravelly sand at depths below 24-45 inches. DGGS indicates that the area is likely within the thawed plain of the Chena River, and ice-rich permafrost is unlikely. However, localized silty swale-infillings may have high ice content. Known soil concerns will influence the project's design and feasibility and such features will be described in the project file and offering materials where relevant.
Vegetation	Vegetation is primarily birch forest, with small shrubs in the understory.
Water Source	The project area is adjacent to the Chena River. Well log information indicates that well depths in the vicinity range from 40-feet to 113-feet. Water quality is unknown.
Anadromous Waters	Chena River
Local Management Information	
Fire Management Option	The project area has a Critical Fire Management Option, and is within the North Star fire service area.
Game Management Unit	Within GMU 20B, and within the Fairbanks Management Area.
Local Authority	Fairbanks North Star Borough currently exercises authority for planning, platting, taxes, and zoning for the project area.
Flood Zone	The majority of the project area is within Flood Zone X, and is outside the 500-year flood plain. A small portion along the westerly boundary is within special flood hazard area Zone AO, and is inundated by the 100-year flood at a depth of 2 feet. The relevant Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map is Community Panel Number 025009 0202 G.
Utilities	This area is currently served by Golden Valley Electric Association (GVEA).
Waste Disposal	All on-site waste water disposal systems must meet the regulatory requirements of the Alaska Department of Environmental Conservation.

Setbacks, Reserved Areas, Easements, and Conditions	
Improvements	Prior to construction of any structure or waste disposal system, contact the platting authority for any permits or for required setbacks from water bodies, lot lines, and easements.
Building Setbacks	Parcels are subject to a 100-foot building setback from the ordinary high water mark (OHWM) of water bodies determined to be public or navigable. Water-dependent structures may be allowed within the building setback. Area plan guidelines and DMLW riparian protection guidelines will be consulted during the decision process to determine additional setbacks and other restrictions.
Public Access and Utility Easements	Parcels may be subject to the following: • a public access and utility easement along interior parcel boundaries; • a 50-foot-wide public access easement on each side of surveyed or protracted section lines on State-owned land, unless formally vacated; • a 50-foot continuous easement upland from the OHWM of public or navigable water bodies;
Public or Navigable Water Bodies	Chena River If additional water bodies are deemed public or navigable, DNR DMLW will comply with statutory requirements to provide access to and along said water bodies.
Additional Information	
Native Regional Corporations	The Riverwood project area is within the boundaries of the Doyon, Limited regional corporation.
Villages and Tribal Councils	There are no villages located within 25 miles of the project area.
Oil and Gas Activity	None known
Mining Activity	None known.
Comments	Presently the project area appears to be used primarily for recreation and access to the Chena River north of the project area. There is an unauthorized, developed access road through the northern portion of the project area, which departs the section line along the eastern boundary, and travels north into section 4. The road appears to be used to access an undeveloped boat launch area along the Chena River. There is another trail through the project area which runs roughly south-southwest from the northeast corner of the project area, generally paralleling the Chena River, and terminates before reaching Carl Crossman Way. This trail did not appear to be actively in use at the time of field inspection in June and October, 2013.

ATTACHMENT C: PUBLIC NOTICE

STATE OF ALASKA, DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND, & WATER
LAND SALES & CONTRACT ADMINISTRATION SECTION

PUBLIC NOTICE

Requesting Input for
of a Proposed Land Offering:
Riverwood Subdivision – ADL 419921
a Preliminary Decision and its Proposed Related Actions:
None Proposed

COMMENT PERIOD ENDS 5:00PM, WEDNESDAY, MARCH 26, 2014

This proposed project includes offering for sale surveyed parcels in a future offering under the method and the related actions as described in the Preliminary Decision document. The project may be subdivided and offered in phases.

Located within DNR's Northern Region, along the south bank of the Chena River, approximately 10 miles east of Fairbanks and 6 miles north of North Pole, the project area is within the northeast quarter of Section 9, Township 1 South, Range 2 East, Fairbanks Meridian, within the Fairbanks North Star Borough. The project area consists of approximately 30 acres identified for disposal by this proposed action.

Project size: ~30 acres proposed development area, up to 15 parcels no smaller than 1 acre.

To obtain the notice, Preliminary Decision, or instructions on submitting comment, go to http://dnr.alaska.gov/mlw/landsale/ or http://aws.state.ak.us/OnlinePublicNotices/. For assistance in obtaining the documents by an alternative method, to request auxiliary aids, services, or special accommodations, contact DNR's Public Information Centers on State work days, Monday through Friday, between 10AM and 5PM in Anchorage at 907.269.8400 (TDD for the hearing impaired: 907.269.8411) or Fairbanks at 907.451.2705 (TDD for the hearing impaired: 907.451.2770), or the Southeast Land Office in Juneau at 907.465.3400 (TDD for the hearing impaired: 907.465.3888), or go to http://dnr.alaska.gov/commis/pic/ for additional contact information. Individuals who require special assistance must request assistance from the Public Information Center in Anchorage no later than 4:00 PM, Tuesday, March 18, 2014.

Pursuant to *AS 38.05.945 Notice*, the public is invited to submit comment on these proposed actions for which notice is being conducted concurrently. If commenting on more than one proposed action, separate comments should be submitted for each. **The deadline for public comment is 5:00PM, WEDNESDAY, MARCH 26, 2014.** Only persons from whom DNR DMLW LSCAS receives timely, written comment during the identified comment period will be eligible to file an appeal of the Final Finding and Decision. Written comment may be received by fax, email or postal mail. To submit comments or for direct inquiries, contact Tim Shilling at

3700 Airport Way, Fairbanks, AK 99709, fax at 907.451.2751, subdivision.sales@alaska.gov. If you have questions, call Tim Shilling at 907.451.2734.

If no significant change is required, the preliminary decision, including any minor changes and a summary of comments and responses, will be issued as the Final Finding and Decision without further notice. A copy of the Final Finding and Decision will be sent to any persons who commented timely on the preliminary decision.

DNR reserves the right to waive technical defects in this notice.