

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

PRELIMINARY DECISION

Proposed Land Offering Within the Unorganized Borough
City of Coffman Cove—Platting Authority
Coffman Cove Loop Subdivision – ADL 108055
AS 38.05.035 (e), AS 38.05.045

and its

RELATED ACTIONS:

Proposed Amendment to the Prince of Wales Island Area Plan
AS 38.04.065

Proposed Special Exception to the Prince of Wales Island Area Plan
AS 38.04.065

COMMENT PERIOD ENDS 5:00PM, TUESDAY, APRIL 7, 2015

I. Proposed Action(s)

Preliminary Decision: Coffman Cove Loop Subdivision – ADL 108055

Attachment A: Vicinity Map

Attachment B: Area Data Summary Table

Attachment C: Public Notice

Public is also invited to comment on the proposed related actions:

Draft Amendment to the Prince of Wales Island Area Plan (SE-98-001-AXX)

Draft Special Exception to the Prince of Wales Island Area Plan

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 within the identified project area. If approved, surveyed parcels will be offered for sale in a future offering under the methods as described herein.

Located within DNR's Southeast Region the project area is on Prince of Whales Island approximately one mile southwest of Coffman Cove, 37 miles southwest of Wrangell, and 56 miles south of Petersburg, within Coffman Cove City Limits. The project area consists of approximately 241 acres identified for disposal by this proposed action. See Attachment A: Vicinity Map for a depiction of the project area.

In accordance with the governing area plan and for the purposes of providing land for settlement in the Coffman Cove area 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 100 parcels varying in size from approximately 1-5 acres, along with larger remainder tract(s). This proposed project area is located within the Unorganized

Borough and within the city limits of the City of Coffman Cove and therefore survey and platting will be completed to the relevant subdivision standards. The project may be subdivided and sold in multiple offerings over time.

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 City of Coffman Cove, as needed to reserve areas for public use, minimize conflicts between uses, or ensure compliance with City platting requirements. 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): An Amendment and Special Exception to the Prince of Wales Island Area Plan are proposed.

Area Plan Amendment: DNR proposes to amend the Prince of Wales Island Area Plan (POWIAP adopted 1985, revised 1998, and amended 2008). The amendment will change language in the management intent for Subunit 6a to allow for non-commercial development. Refer to the Planning and Classification subsection of this document for more information on this proposed related action.

Special Exception: DNR proposes a special exception to POWIAP to allow for non-commercial land sales within the project area. Refer to the Planning and Classification subsection of this document for more information on this proposed related action.

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 proposed land offering, amendment to the area plan and special exception to the area plan. 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 proposed action is approved, DNR will issue a Final Finding and Decision.

II. Method of Sale

DNR 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]*.

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 limited number of parcels per offering. This method maximizes opportunity for eligible Alaska residents to purchase land while providing for a means of return of and on the State's

investment in development of the parcels. If the parcels do not sell when offered at auction, they may be offered by another method under AS 38.05.045.

III. Authority

DNR DMLW has the authority under 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 as required by AS 38.05.035 (e) *Powers and Duties of the Director*. 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*.

For related actions, AS 38.04.065 *Land Use Planning and Classification* and AS 38.05.300 *Classification of Land* allow for amendments and special exceptions to area plans.

IV. Administrative Record

The project file ADL 108055 constitutes the administrative record for this action. Also incorporated by reference are:

- *Prince of Wales Island Area Plan (POWIAP), Adopted 1985, Revised October 1998, and Amended 2008*, and associated land classification files;
- *Alaska Interagency Wild land Fire Management Plan* (amended October 1998);
- *Alaska Department of Fish and Game 2012 Catalog of Waters Important for the Spawning, Rearing, or Migration of Anadromous Fishes*;
- *1979 Exploratory Soil Survey of Alaska*;
- DNR case files relating to access easements, a right-of-way lease, a former material site, a right-of-way, and a trespass road, as discussed throughout this document: ADL 105874, ADL 108215, ADL 108073, and ADL 108293, respectively; and
- Herrera Report Coffman Cove wetlands report.

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 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 sale may be conducted in multiple stages.

VI. Description

The following section describes the project area.

Location: Within DNR's Southeast Region, this project area is on Prince of Whales Island approximately one mile southwest of Coffman Cove, 37 miles southwest of Wrangell, and 56 miles south of Petersburg; within the Unorganized Borough. See Attachment B: Area Data Summary Table for additional information.

Borough/Municipality: The project area is within the Unorganized Borough and the city limits of the City of Coffman Cove and is subject to the city's platting authority.

Native Regional and Village Corporations: Sealaska Corporation is the regional corporation for this project area. Courtesy notification will be distributed to village corporations and councils including Klawock Heenya Corporation, Craig Community Council, Organized Village of Kassan, and Klawock Cooperative Association, as they may potentially pursue traditional uses in the area.

Legal Description: The project area is described as:

- That portion of Government Lot 9 within and south of Coffman Cove Road (ADL 106933) and FDR 3030 and that portion of Government Lot 9 in the southwest corner as shown on Attachment A: Vicinity Map, excluding 100 feet inland along Coffman Cove;
- Government Lot 10, excluding 100 feet inland along Coffman Cove;
- That portion of Government Lot 13 within and south of Coffman Cove Road (ADL 106993) and that portion northeast of unnamed creek, excluding 100 feet inland along Coffman Cove and 200 feet north from unnamed creek;
- SE1/4SW1/4, excluding 200 feet north from unnamed creek and north west of FDR 3030;
- SE1/4 excluding ASLS 96-61; and
- That portion of the S1/2SE1/4NE1/4 southeast of ASLS 86-163 as shown on Attachment A: Vicinity Map;

all within Protracted Section 2, Township 68 South, Range 81 East, Copper River Meridian. The project area consists of approximately 241 acres identified for disposal by this proposed action, located within the Unorganized Borough, Ketchikan Recording District, First Judicial District, Alaska.

Title: Information from Title Report No. 2159, current as of November 18, 2010, indicates the State of Alaska holds fee title to the land and mineral estate within the project area under Patent 50-97-0280, dated July 17, 1997. The applicable State case file is National Forest Community Grant (NFCG) 230. The parcel is subject to the reservations, easements and exceptions contained in the federal patent and:

"The following Forest Development Road (FDR) appropriated by the United States, over or upon the lands, together with the right of the United States its officers, employers, agents, contractees, lessees, permittees, or assignees to the complete enjoyment of all rights, privileges, and benefits previously granted, issued, reserved, or appropriated under the Alaska National Interest Lands Conservation Act of December 2, 1980, 94 Stat. 2371 at 2442, 43 U.S.C. 1635(1) (1988):
FDR No. 3030-400 sixty-six (66) feet in width located in sections 1, 2, and 12, T. 68 S., R. 81 E., Copper River Meridian, Alaska."

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 [Access To, Within, and Beyond Project Area](#) subsection of this document.

The Bureau of Land Management made a navigability determination for tidal waters within NFCG 230 for title purposes in a decision for BLM Case AA-053098 dated November 25, 1986. Therefore, public waters within Coffman Cove abutting the northwest portion of the project boundary have been determined navigable. Refer to the [Access To, Within, and Beyond Project Area and Setbacks, Reserved Areas, and Easements](#) subsections of this document for additional information.

Where they exist within the project area, known private parcels will be depicted on maps in offering materials.

[Physical Characteristics and Hazards](#): 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 ground field inspections conducted on September 12, 2010 and September 18, 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: In general, active geologic forces are found throughout all of Alaska. Each site may have micro-conditions that could vary from surrounding tracts. According to information provided by DNR, Division of Geological and Geophysical Surveys (DGGS), no specific potential geological hazards exist within the project area except the regionally typical coastal issues of erosion, storm waves and surges, as well as seismic shaking and associated potential hazards from earthquakes originating on the Queen Charlotte-Fairweather Fault system. See further discussion under Section VII. Agency Comments.

Fire Hazards: The *Alaska Interagency Fire Management Plan* indicates no fire management option. Potential for wildland fire is minimal in southeast Alaska in recent history. In 2011 (the latest year for which data is available) less than 4½ acres were burned by wildfire in the entire 17 million acre Tongass National Forest.

Landowners with structures are encouraged to follow the Alaska Wildland Fire Coordinating Group *Firewise Alaska* recommendations. DNR provides all applicants with information regarding wild land fire prevention and encourages them to locate parcels in defensible areas such as hardwood stands with access to water.

Fire management options and policies for most areas are identified in the Alaska Interagency Wildfire Management Plan available from DNR Division of Forestry. The current fire management option for most of this project area is unrated. It is important to note 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 “Full” fire management option.

Flood Hazard: Seasonal floods could possibly bring coastal surges or heavy rains that may increase runoff in upland gullies. No FEMA Flood Insurance Rate Map information was found for this proposed project.

Background: The land for this proposal was acquired under Statehood entitlement, National Forest Community Grant for the purpose of furthering the development and expansion of communities. The State received patent for the land and mineral estate under this entitlement.

The project is bound on the west by the buffer of land to be retained along Coffman Cove and the unnamed stream and on the northwest by the buffer of land to be retained along open waters of Coffman Cove. It is bound on the north by lands that are in private ownership as part of Alaska State Land Survey (ASLS) 86-163, a 391 acre subdivision and on the northeast by ASLS 91-213. On the east it is bound by University Settlement land and the entire southern boundary is defined by State lands designated for General Use. Tract A of ASLS 96-61 is a 19.35 acre parcel owned by the City and is not included in this project area.

Access to the project area is via ADL 108073, a public easement right-of-way issued to the Department of Transportation and Public Facilities (DOT/PF) in 2010 for the road commonly referred to as Coffman Cove Road or FDR 3030. The length of the road is approximately 3.5 miles and begins at about the Chum (Dog) Creek crossing and proceeds in a southwesterly direction to approximately 1/2 mile beyond the Trumpeter Creek crossing. The right-of-way for FDR 3030 is 100 feet in width and runs through the proposed subdivision.

There are no former State land sales within the project area. The nearest former State land offering to the project is approximately ½ mile northeast of the proposed project area.

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 the Prince of Wales Island Area Plan (POWIAP), Unit 6 – Coffman Cove, Subunit 6a. The current primary designations for this subunit are: Sc (Settlement Commercial) and Gu

(General Use). Lands within this project area are currently classified Settlement under Land Classification Order No. CL SE-98-001. LSCAS held a scoping meeting with city administrators and citizens on February 26, 2014. Those present at the meeting indicated that they would like to see commercial operations in the town center and would like to keep the project area as residential, due to the steep terrain adjacent to Coffman Cove Rd. being infeasible for commercial use and the preference for commercial activity in the centrally-located business area. An area plan amendment and a special exception will be necessary to change the management intent to reflect residential use instead of commercial in this area.

We reviewed the area plan's guidelines in Chapter 2 Areawide Land Management Policies regarding Settlement, stream corridors and buffers, access, cultural resources, recreation, and other land and resource uses and we will incorporate these considerations into the development of the project.

Area-wide Considerations: The management guidelines in POWIAP (pages 20-22) Chapter 2-Settlement provide that the following subjects must be taken into account as part of overall design and development actions: Planning and coordination with private markets and local government entities over time; handling of Isolated Parcels of State Land; Protection, Management, and Enhancement of Other Resources; Design factors such as retaining appropriate public land uses, cost, access, local design elements (terrain, vegetation, timber harvest, etc.); and attention to Other Guidelines Affecting Settlement to include fish and wildlife habitat, forestry, recreation, shoreline and stream corridors, trails, etc. These considerations will be incorporated into the design and development of the project.

Chapter 2, Areawide Land Management Policies, Introduction (page 1, Chapter 2) states that all state uplands [within this plan] are within the coastal zone, and all activities on tidelands, submerged lands, and uplands within the coastal zone must be consistent with the Alaska Coastal Management Program (ACMP). However, in the wake of the sunset of the ACMP program on July 1, 2011, the body of regulations regarding or referring to the ACMP has been repealed or revised. Such regulation changes that went into effect on December 27, 2012 are included in the January 2013 regulations supplement; see <http://www.legis.state.ak.us/basis/folio.asp> for more information.

Unit 6 - Coffman Cove, Subunit 6a - Coffman Cove: Chapter 3, Page 86, Management Intent and Guidelines states: "State lands will be managed to support the developing community of Coffman Cove. Portions of Section 1 and 2, depicted on map 6a, are designated Settlement Commercial. Future commercial-industrial development is intended to occur at this site. If the U.S. Forest Service Administrative Site, or portions of the site, are conveyed to the state, this area is designated Settlement-Commercial. The department will work with the community of Coffman Cove when planning land disposals and authorizing settlement activities. At page 3-86, applicable "Guidelines" state, "When authorizing settlement activities, a protective buffer should be retained in state ownership along Coffman Creek to protect fish habitat." The guidelines also reference consideration for Chapter 2 guidelines regarding Public and Private Access, Settlement, and Shorelines and

Stream Corridors. Project design and development will include consideration for these factors.

Area Plan Proposal: DNR proposes the following related actions:

Area Plan Amendment: DNR proposes to amend the Prince of Wales Island Area Plan (POWIAP adopted 1985, revised 1998, and amended 2008). The amendment will change language in the management intent for Subunit 6a to allow for non-commercial development in addition to commercial-industrial development. At this time, the management intent only allows for commercial-industrial development. LSCAS conducted a scoping meeting with the residents and City of Coffman Cove administrators of February 26, 2014, who expressed their desire to see residential land disposals within the project area and to keep commercial land uses closer to the town center.

Special Exception: DNR proposes a special exception to POWIAP to allow for non-commercial land sales within the project area. Page 1-13 of the POWIAP states that, "Portions of State land at Goose Creek, Control Lake, Naukati, Coffman Cove, and Exchange Cove will be managed for commercial or industrial activities." Coffman Cove will be removed from this sentence.

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 Order (Closing) No. 1118, which supersedes Mineral Closing Order (MCO) No. 1045 and is closed to new mineral entry.

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. However, *AS 38.05.130 Damages and Posting of Bond* stipulates that the land estate owner will be compensated for damages resulting from exploration and development.

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 city limits of the City of Coffman Cove, and platting actions are subject to the City's platting authority. Pre-application to the platting authority is required for any major subdivision of a parcel of land 2.5 acres in size or more or creating five lots or more. Approval of platting actions, and dedication of right-of-ways will require separate processes and public notices through the City of Coffman Cove. Although the City of Coffman Cove exercises zoning authority, there is currently no local zoning for the project area.

Coastal Issues: The City of Coffman Cove will receive public notice and an opportunity to comment. Additionally, comment received during the public comment period will be considered.

Traditional Use Finding: The project area is located within the Unorganized Borough and a traditional use finding is therefore required per *AS 38.05.830 Land Disposal in the Unorganized Borough*. Based on the involved process of developing the POWIAP, research, and field investigation to date, it is expected that the effect of offering the proposed project within the designated settlement unit for sale will present no conflict with traditional use in the vicinity.

POWIAP, Chapter 3—page 81, noted that Coffman Cove and the head of Coffman Creek, near the project area, are locations for herring spawning, seasonal waterfowl concentrations, salmon rearing and schooling. The area occupied by the estuary to Coffman Cove/Creek is designated Habitat (Ha) and is to be retained in state ownership and managed to protect the resources values of this site. This habitat area is outside the project area. The Coffman Cove area is known to support fishing, hunting, tourism, trade and transportation activities dating back to pre-statehood times, but no specific information on uses within the project area has been found. The City of Coffman Cove commented at the open house held on recreational shooting activities around the estuary and that bear and waterfowl hunters frequent the area by foot. There is a pending City easement application (ADL 108215) submitted to DNR, Lands Section for a walking trail at tideline connecting the boat harbor to the estuary. Due to the estuary habitat and the easement application, the boundary of the project area is 100 feet from the estuary.

LSCAS will retain the area west of the new alignment of Coffman Cove Road and southwest of the old alignment in the SW1/4SW1/4 of Section 2 (portions of Government Lot 13), in an effort to preserve and protect the local and commercial recreational value of Coffman Cove. This land has been serialized for State retention under ADL 108293.

Impacts on existing resource users will be minimized by protecting public access along the shore of Coffman Cove estuary and the unnamed anadromous stream and by protecting riparian and shoreline habitat by having the project boundary 100 feet from the estuary and 200 feet from the unnamed anadromous stream within Government Lot 13. These lands between the waters and the project will be retained in state ownership. There will be a 200

foot easement buffer and building setback along the unnamed anadromous stream in SE1/4SW1/4 of Section 2 within the project area.

Additional 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 at the end of this documents and Attachment C: Public Notice for details on how to submit comment.. If this proposal is approved, we will address the information received in a subsequent Final Finding and Decision, if one is issued.

Access To, Within, and Beyond Project Area: Access to the project area is via ADL 108073, a public easement right-of-way issued to Department of Transportation and Public Facilities (DOT/PF) in 2010 for the road commonly referred to as Coffman Cove Road or FDR 3030. The length is about 3.5 miles and begins at about the Chum (Dog) Creek crossing and proceeds in a southwesterly direction to about 1/2 mile beyond the Trumpeter Creek crossing. Portions of FDR 3030, outside of ADL 108073, also run through the proposed subdivision. Once brushed, this road will provide a drivable path into the subdivision connecting most lots west of Coffman Cove Rd. FDR 3030-400 (2nd Dog Rd.) is adjacent to the east side of the project area and will be utilized for access. Additional platted rights-of-ways are part of the project concept that will designate access through the subdivision to all lots on to state lands. LSCAS is not aware of any RS2477 or other trails within the proposed subdivision. The project is within the platting authority of the City of Coffman Cove, and approval of platting actions and dedication of right-of-ways will require separate processes and public notices under city requirements.

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 mean high water mark (MHWM) will be reserved within parcels located along said 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.

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 MHW 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.

Easements, Setbacks, and Retained Lands: Subdivision design and surveyed 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. With acknowledgement to the POWIAP, 2-24 listings, upland utility easements will be appropriately designed for all lots. 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:

- easements as requested and in accordance with platting authority requirements, including upland utility easements;
- a 50-foot-wide public access easement on each side of surveyed or protracted section lines on State-owned land; section-line easements may be vacated under AS 19.30.410 and 11 AAC 51.065 as part of the subdivision design process
- a 200-foot buffer and building setback on both sides of the unnamed stream in SE1/4SW1/4 of Section 2, for habitat and community recreation and use;
- a 50-foot building setback from wetland areas (POWIAP, 2-24); and
- a survey easement from the nearest practical point on the property boundary to control monuments within the parcel and an easement with a radius around the control monument, and as applicable, a direct line-of-sight easement from the control station to an azimuth mark or other control monument.

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

Hazardous Materials and Potential Contaminants: During a field inspection on September 10, 2010 staff observed an abandoned vehicle in trespass, timber, aluminum and other debris near a drainage creek within the proposed project area. It is not known whether there are any hazardous wastes, spills, or other potential contaminants within the area. 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: After evaluating agency and public commentary, 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 Unorganized Borough and within the city limits of the City of Coffman Cove. The City of Coffman Cove exercises platting authority, therefore survey and platting will be completed to the relevant subdivision standards.

The City of Coffman Cove provides for separate public notice periods and processes for platting actions within the city. 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 October 19, 2010 through November 26, 2010: 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.

Alaska Department of Fish & Game (ADF&G): provided the following comments specific to the Coffman Loop project area:

ADF&G: There is one anadromous stream within the project area, AWC # 106-30-10150. This stream has Chinook, Coho, and Pink Salmon. A 200-foot minimum buffer should be reserved on either side of the stream to protect the habitat and water quality and movement of wildlife. The Prince of Wales Island Area Plan (POWIAP) states that crucial habitat for salmon rearing and schooling occur at the mouths of anadromous fish streams. ADF&G would like the subdivision design to not allow the development at this location within the project area. We would also like to see fewer, larger lots on the

waterfront to reduce the number of structures that may impact the tidelands and habitat. The adjacent classification for Coffman Cove states that this water body is also important for intense community harvest use. Limiting the structures in the area and also meeting DNR's subdivision requirements. Existing roads should be upgraded and used instead of individual docks.

LSCAS Response: LSCAS will retain areas of uplands in the proposed action to preserve habitat, community recreation, and harvest area adjacent to Coffman Cove, Coffman Creek and mouth of the unnamed creek (AWC#106-30-10150) along with a 200 ft. buffer and building setback along each side of unnamed creek south of FDR 3030. The project area has been reduced from the original area proposed in Agency Review. The project area as modified has eliminated a large portion of the project area adjacent to Coffman Cove, including that portion surrounding ASLS 96-61, 100 feet upland of Coffman Cove along the current project boundary, and that portion now identified as ADL 108293, west of the current boundary within Government Lot 13. Access to and within the project area will be by platted rights-of-ways. We intend to brush rights-of-way within the project area. There is no water access.

Division of Forestry (DoF) provided the following comments specific to the Coffman Loop project area: We have no comment at this time but want to reserve the right to review final findings.

LSCAS Response: LSCAS will provide preliminary and final finding notification and copies of these decisions to DoF.

DNR Division of Parks and Outdoor Recreation, Office of History and Archaeology
Comment: AHRS indicates that there are three recorded sites within the proposed subdivision.

LSCAS Response: LSCAS appreciates your review of our proposal. As the project area has been modified since Agency Review, those areas of concern appear to now be outside of the proposed project area. LSCAS is continuing to consult with OHA, and if these areas are determined to be within the boundary of the project area, LSCAS will work with OHA on appropriate mitigation. Additionally, if any cultural or historical sites are discovered during subdivision development, OHA will be notified.

Division of Geological and Geophysical Surveys (DGGS) provided the following comments specific to the Coffman Loop project area:

No specific potential geological hazards exist within the project area except the regionally typical coastal issues of erosion, storm waves and surges, as well as seismic shaking and associated potential hazards from earthquakes originating on the Queen Charlotte-Fairweather Fault system. Siting and Design of structures should be carried out in accordance with local building codes that should already incorporate best practices for the potential seismic hazard.

LSCAS Response: LSCAS appreciates your review of our proposal.

State Pipeline Coordinator's Office (SPCO) reviewed the proposed project. Their review determined that there are no AS 38.35 pipeline rights-of-way impacted by any of the proposed subdivisions.

LSCAS Response: LSCAS appreciates your review of our proposal.

The following agencies or groups were included in the agency review but did not submit comments:

- Department of Environmental Conservation;
- Department of Natural Resources;
 - Division of Agriculture;
 - Division of Oil and Gas;
 - Mental Health Trust Land Office; and
 - Office of Project Management and Permitting.

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 may 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 will be developed separately.

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://landsales.alaska.gov/> 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, TUESDAY, APRIL 7, 2015**

VIII. Alternatives and Discussion

DNR DMLW is considering the following alternatives:

Alternative 1: (Preferred) Survey and plat a subdivision consisting of up to 100 parcels varying in size from one to five acres and offer those parcels for sale. The development and offering of these parcels may be over time.

Alternative 2: Do not subdivide the project area prior to offering. Offer the project area as a single, 249-acre parcel.

Alternative 3: (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. Due to the unique amenities of the area, location relative to the community of Coffman Cove, the project area is better suited to subdivision prior to offering. 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 1 is preferred.

Alternative 2 does not maximize public interest and is not preferred. Subdividing the project area prior to offering and maximize opportunity for conveyance to private ownership and better utilize this relatively small area of contiguous well-drained land that is suitable to higher settlement density. Alternative 2 is not preferred.

Alternative 3 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 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.

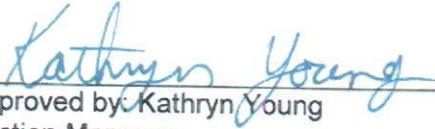
This is a Preliminary Decision and subsequent public review may result in changes to the preferred alternative or disapproval of the proposed primary action and the accompanying related actions. If the decision is approved, the related actions will accompany and precede any Final Finding and Decision issued.



Prepared by: Alexandria R. Lawrence
Natural Resource Specialist II
Southeast Region Land Section
Division of Mining, Land, and Water
Department of Natural Resources
State of Alaska



Date



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



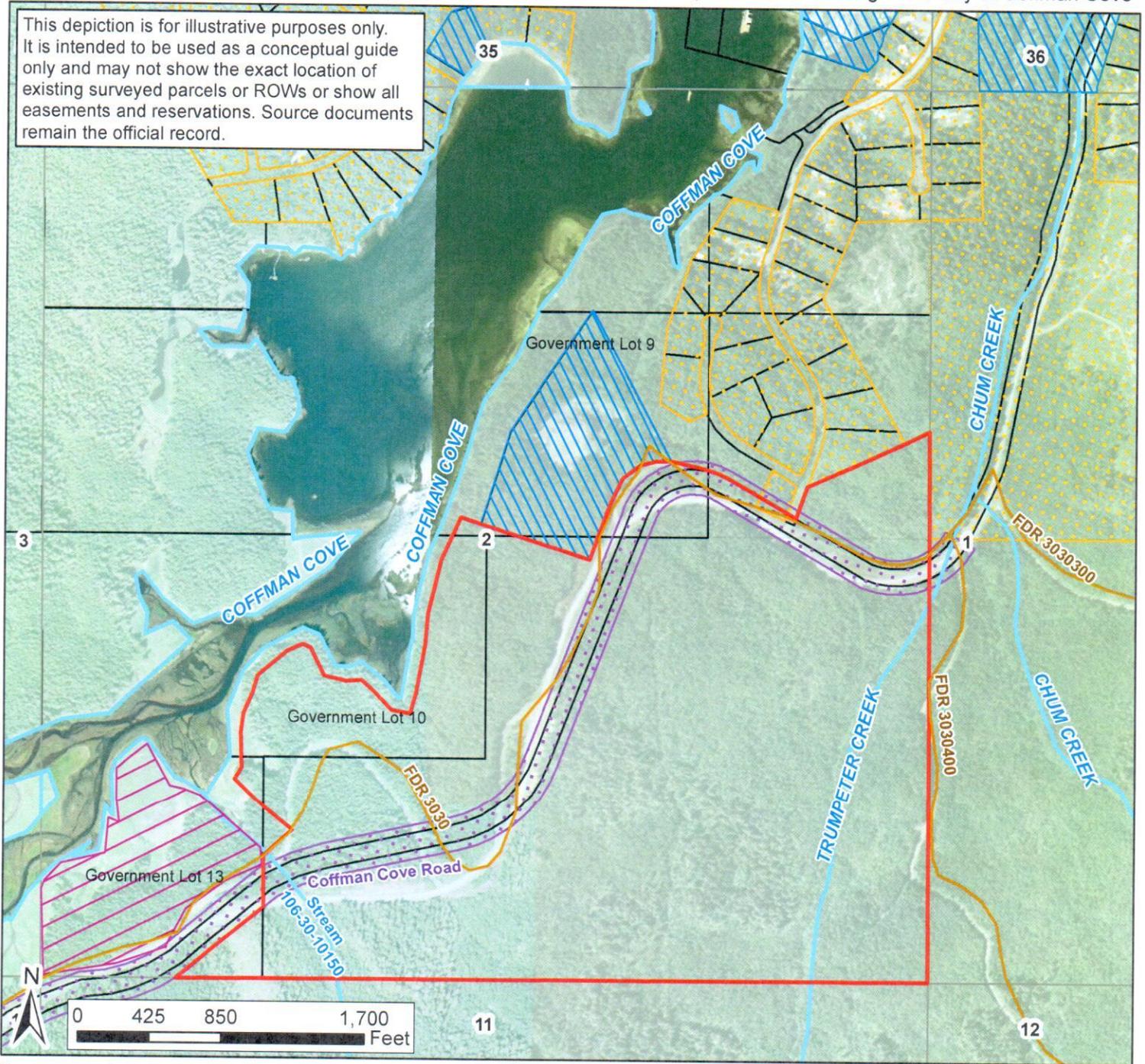
Date



Coffman Cove Loop Subdivision ADL 108055

Attachment A: Vicinity Map to the Preliminary Decision for a Proposed Land Offering in the City of Coffman Cove

This depiction is for illustrative purposes only. It is intended to be used as a conceptual guide only and may not show the exact location of existing surveyed parcels or ROWs or show all easements and reservations. Source documents remain the official record.



Government Lots 9, 10, and 13, S1/2SE1/4NE1/4, SE1/4SW1/4, and SE1/4 of Section 2, excluding ASLS 86-163 and ASLS 96-61, within Township 68 South, Range 81 East, Copper River Meridian.

USGS QUAD 1:63,360

Petersburg A-3

For more information contact:

Alex Lawrence

Department of Natural Resources

Division of Mining, Land and Water

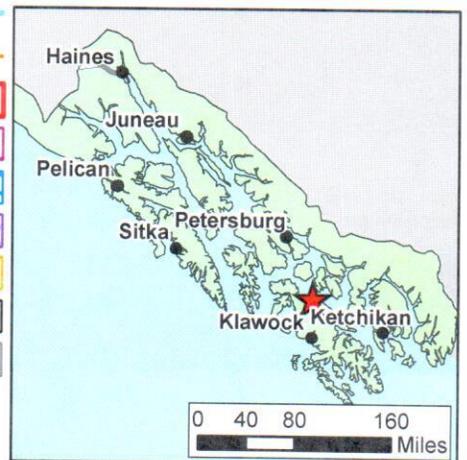
Land Sales & Contract Administration Section

Phone 907.465.3442

Fax 907.465.3886

Email subdivision.sales@alaska.gov

- Hydrology
- Roads
- Project area
- ADL 108293 - reserved tract
- Municipal Entitlement
- Easement
- Agreement, Settlement, Reconveyance
- Survey Boundary
- Section Lines
- State Lands: TA/Patent



LFR 3/2/2015

**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
Coffman Loop Subdivision – ADL 105855**

Offering Information	
Proposed Number of Parcels	Up to 100 parcels
Proposed Parcel Size	Varying in size from 1-5 acres
Proposed Related Actions	Area Plan Amendment, Special Exception
Project Area	
Location	Within DNR's Southeast Region, approximately one mile southwest of Coffman Cove on Prince of Wales Island, the project area is also within the city limits of Coffman Cove.
Project Area Acreage	~241 acres
USGS Topography Map	USGS Quad Petersburg A-3
Legal Description	Township 68 South, Range 81 East, Copper River Meridian: Portions of Government Lots 9, 10, and 13, SE1/4SW1/4, SE1/4, and S1/2SE1/4NE1/4 within Protracted Section 2, excluding ASLS 86-163 and ASLS 96-61.
Title	State-owned land. Tentatively Approved February 24, 1986 and Patent# 50-97-0280 dated July 17, 1997.
Area Plan and Classification	Prince of Wales Island Area Plan (POWIAP) (Adopted 1985, Revised October 1998, and Amended 2008), Management Unit 6 - Coffman Cove, and Subunit 6a. Lands are classified Settlement
Mineral Orders	Mineral Order 1118
Physical Characteristics	
Access	The project area is connected to the Prince of Wales Island road system via Coffman Cove Road. Access through the subdivision will be via platted rights-of-way.
Terrain and Major Features	Slightly sloped from delineated contours at 100' intervals. Per the quad map, the elevations within the project area range from 200' to 0' above sea level, a majority of the project area is lower than 100'.
View	Heavy second growth rain forest cover precludes much of a view even from the highest peak in the proposed area.

Attachment B: Area Data Summary Table

to the Preliminary Decision
for a Proposed Land Offering in the City of Coffman Cove
Coffman Loop Subdivision – ADL 108055
Page 2 of 3

Climate	Coffman Cove is on the northeast coast of Prince of Wales Island within North America's only temperate rain forest environment. The region is dominated by cool maritime climate. Summer temperatures range from 46-70°F. Winter temperatures range from 32-42°F.
Soils	Soils within the project area include Humic Lythic Cryorthods and Humic Cryorthods. 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	Prince of Wales Island is covered primarily by temperate rainforest consisting of Spruce Hemlock (<i>Picea sitchensis</i>) and western hemlock (<i>Tsuga heterophylla</i>), with lesser amounts of mountain hemlock (<i>Tsuga mertensiana</i>), and other conifers. Red alder (<i>Alnus rubra</i>) occupies riparian sites, intermixed muskeg areas are common. Salt grasses may be found along the coastal transition locations.
Water Source	Potential water sources include individual wells, springs, or rainwater catchment. Water quality is unknown. The City of Coffman Cove provides water and sewer service in certain areas. Potential owners should contact the City of Coffman cove to see if services will be extended to this area.
Anadromous Waters	Alaska Department of Fish & Game, Anadromous Waters Atlas, shows that the unnamed stream within the project area is an anadromous stream (AWC#106-30-10150). See ADF&G comments in Section VII Agency Review above.
Local Management Information	
Fire Management Option	The <i>Alaska Interagency Fire Management Plan</i> indicates no fire management option. Potential for wildland fire is minimal in southeast Alaska in recent history. Less than 4½ acres were burned by wildfire in the entire 17 million acre Tongass NF in 2011, the latest year for which data is available.
Game Management Unit	ADF&G Region 1 - Southeast Alaska, Game Management Unit 2
Local Authority	City of Coffman Cove currently exercises authority for planning and platting authority for the project area.
Flood Zone	FEMA Flood Information Rate Maps are not available for the project area.
Utilities	This area is currently served by Alaska Power & Telephone.
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.

Attachment B: Area Data Summary Table

to the Preliminary Decision
for a Proposed Land Offering in the City of Coffman Cove
Coffman Loop Subdivision – ADL 108055
Page 3 of 3

Building Setbacks	<ul style="list-style-type: none">• a 50-foot building setback from wetland areas (POWIAP, 2-24); and• a 200-foot buffer and building setback on both sides of the unnamed stream in SE1/4SW1/4 of Section 2, for habitat and community recreation and use;
Public Access and Utility Easements	Subdivision design and surveyed parcels may be subject to the following: <ul style="list-style-type: none">• easements as requested and in accordance with platting authority requirements, including upland utility easements;• a 50-foot-wide public access easement on each side of surveyed or protracted section lines on State-owned land; section-line easements may be vacated under <i>AS 19.30.410</i> and <i>11 AAC 51.065</i> as part of the subdivision design process• a 200-foot buffer and building setback on both sides of the unnamed stream in SE1/4SW1/4 of Section 2, for habitat and community recreation and use; and• a survey easement from the nearest practical point on the property boundary to control monuments within the parcel and an easement with a radius around the control monument, and as applicable, a direct line-of-sight easement from the control station to an azimuth mark or other control monument.
Public or Navigable Water Bodies	Ocean waters of Coffman Cove are considered public and navigable. 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 project area is within the boundaries of Sealaska Regional Corporation. Sealaska and village corporations and councils within a 25 mile radius of the project area will be sent notice of this proposed project.
Villages and Tribal Councils	Courtesy notification will be distributed to village corporations and councils including Klawock Heenya Corporation, Craig Community Council, Organized Village of Kassan, and Klawock Cooperative Association, as they may pursue traditional uses in the area.
Oil and Gas Activity	There are no known oil and gas leases within the project area.
Mining Activity	There are no known current mining activities within or nearby the project area.
Herrera Report	Generalized distribution of wetlands within Coffman Cove

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
a Proposed Land Offering:
Coffman Cove Loop Subdivision – ADL 108055
a Preliminary Decision and its Proposed Related Actions:
Amendment to the Prince of Wales Island Area Plan
Special Exception to the Prince of Wales Island Area Plan

COMMENT PERIOD ENDS 5:00PM, TUESDAY, APRIL 7, 2015

This proposed project includes offering for sale surveyed parcels in a future offering under the method described in the Preliminary Decision document with the proposed Amendment to the Prince of Wales Island Area Plan and Special Exception the Prince of Wales Island Area Plan. The project may be subdivided and offered in multiple offerings over time.

Location: within DNR's Southeast Region, approximately one mile southwest of Coffman Cove on Prince of Wales Island, the project area is within Protracted Section 2, Township 68 South, Range 81 East, Copper River Meridian, within the Unorganized Borough. The project area consists of approximately 249 acres identified for disposal by this proposed action. See Attachment B: Area Data Summary Table for additional information.

Project size: ~241 acres proposed development area, up to 100 parcels sized from 1 to 5 acres

To obtain the notice, Preliminary Decision, or instructions on submitting comment, go to <http://landsales.alaska.gov/> 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 31, 2015.

Pursuant to *AS 38.05.945 Notice*, the public is invited to submit comment on the proposed land offering, amendment to the area plan and special exception to the area plan 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, TUESDAY, APRIL 7, 2015.** 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 and/or the related actions. Written comment or inquiries must be

Attachment C: Public Notice

to the Preliminary Decision
for a Proposed Land Offering in the City of Coffman Cove
Coffman Cove Loop Subdivision – ADL 108055
Page 2 of 2

submitted and received by fax, email or postal mail: fax at 907-465-3886,
subdivision.sales@alaska.gov, or DNR Land Sales, 400 Willoughby Ave., 4th Floor, P.O. Box
111020, Juneau, AK 99811. If you have questions, call Alexandria Lawrence at (907) 465-3442.

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.