

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

PRELIMINARY DECISION

Former Geologic Materials Center – ADL 233002

Proposed Land Offering in the Municipality of Anchorage

AS 38.05.035 (e), AS 38.05.045

RELATED ACTIONS:

Proposed Site Specific Plan

AS 38.04.065

Proposed Land Classification Order

AS 38.04.065 and AS 38.05.300

PUBLIC COMMENT PERIOD ENDS 5:00PM, TUESDAY, MARCH 3, 2020

I. Proposed Action(s)

Preliminary Decision: Former Geologic Materials Center - ADL 233002

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 Land Classification Order CL193A01

Draft Site Specific Plan

Primary Proposed Action: 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 Section (LSS) is to offer for sale State-owned land and improvements.

Located at 18205 Fish Hatchery Road in Eagle River, the project area is in DNR's Southcentral Region, within Township 15 North, Range 2 West, Seward Meridian, within the Municipality of Anchorage (MOA). The project area consists of 9.37 acres, more or less, identified for disposal by this proposed action. See *Attachment A: Vicinity Map* for a depiction of the project area.

In accordance with the proposed related actions for the purposes of providing land for settlement, DNR proposes to sell the land and improvements within the former Geologic Materials Center (GMC). This proposed project area is located within the MOA and therefore survey, platting, and access to and within the project area will be subject to the relevant subdivision standards.

Proposed Related Action(s): These related actions will be developed separately, however; public notice is being conducted concurrently.

Preliminary Decision

Former Geologic Materials Center – ADL 233002

Page 2 of 15

Site Specific Plan: DNR proposes a land use plan specific to the 9.37-acre parcel to replace Land Planning Report 125 as the governing land use plan for the project area. Refer to the Planning and Classification subsection of this document for more information on this proposed related action.

Land Classification Order: In relation to the Site Specific Plan, DNR proposes to reclassify the project area in a Land Classification Order from Reserved Use Land to Settlement Land. Refer to the Planning and Classification subsection of this document for more information on this proposed related action.

These related actions will be developed separately. However, approval of the proposed actions is dependent upon one another in that one action will not proceed without approval of all actions.

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. Public notice for all actions is being conducted concurrently.

Public Open House: DNR DMLW will be holding a Public Open House to discuss the proposal and share information about the project area. The Public Open House will be held on February 21, 2020 from 6:00 to 8:00 PM at the community room of the Harry J. McDonald Memorial Center located at 13701 Harry McDonald Road in Eagle River.

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, DNR moves forward with the proposal, a Final Finding and Decision will be issued.

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*.

Parcels offered through this action are offered fee-simple for the surface estate only. For more information about the land sales program, please visit the website at <http://landsales.alaska.gov>.

III. Authority

DNR has the authority under *AS 38.05.045 Generally* 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*. Article VIII, Section 1, of the Constitution of the State of Alaska states "It is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest." Pursuant to *AS 38.05.055 Auction Sale or Sealed Bid Procedures*, bidders for commercial land are not required to have been an Alaska resident for one year preceding the date of the sale. 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 site specific plans and land classifications.

Preliminary Decision

Former Geologic Materials Center – ADL 233002

Page 3 of 15

IV. Administrative Record

The project file, Former Geologic Materials Center - ADL 233002, constitutes the administrative record for this proposed action. Also incorporated by reference are:

- *Alaska Interagency Wildland Fire Management Plan 2016* (March 2019 Review);
- *Alaska Department of Fish and Game Catalog of Waters Important for the Spawning, Rearing, or Migration of Anadromous Fishes*;
- *USDA, Natural Resource Conservation Service Custom Soil Report for this project, dated December 27, 2017*;
- *Phase I Environmental Site Assessment, 18205 Fish Hatchery Road, Eagle River, Alaska*, August 2016, prepared by BGES, Inc. Environmental Consultants, submitted to DNR Division of Geological and Geophysical Surveys (DGGS);
- *Geophysical Survey – Former Geological Materials Center, Eagle River, Alaska*, August 21, 2017, prepared by GeoTek Alaska, Inc., submitted to DNR DGGS;
- *Chugiak-Eagle River Comprehensive Plan Update*, dated December 2006;
- *Update of the Chugiak-Eagle River Site-Specific Land Use Plan*, dated March 2018; and
- DNR case files: management agreement with DNR DGGS ADL 209842, management agreement with Alaska Department of Fish & Game ADL 18526.

V. Scope of the Proposal

The scope of this proposal, under the statutes described in the preceding **Section III. Authority** is limited and specific to DNR's proposal to offer State-owned land within the defined project area for disposal, to conduct the proposed site-specific plan, and land classification order. The scope of this proposal does not include the control of post-patent use and DNR does not intend to impose deed restrictions for this purpose.

VI. Description

Location: 18205 Fish Hatchery Road in Eagle River, within DNR's Southcentral Region between Upper and Lower Fire Lakes, north of Fire Creek, and east of the Old Glenn Highway. See *Attachment A: Vicinity Map* and *Attachment B: Area Data Summary Table* for additional information.

The project area is within the MOA and subject to the borough's platting authority.

Native Regional and Village Corporations: The project area is within the boundaries of the Cook Inlet Regional, Inc. regional corporation. The village sites of Eklutna and Knik are within 25 miles of this proposed action, so notice will be sent to the Native Village of Eklutna, Eklutna Incorporated, Knik Tribal Council, and Knikatu Incorporated.

Legal Description: Tract A, Alaska State Land Survey 2006-3 according to the plat recorded August 26, 2009 as Plat 2009-66 Anchorage Recording District, Alaska.

Title: Information from Title Report No. 10383, current as of February 15, 2018, indicates the State of Alaska holds fee title to the land and mineral estate within the project area under

Preliminary Decision

Former Geologic Materials Center – ADL 233002

Page 4 of 15

Patent 1226962, dated May 18, 1962. The applicable State case file is SCH 33. The parcel is subject to the reservations, easements and exceptions contained in the federal patent and any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes. A memorandum of agreement dated July 18, 1983 between the Alaska Department of Fish & Game (ADF&G) and DNR transferred ownership of the improvements to DNR.

State Reservations of Title:

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, etc.), and leasable minerals (such as oil, gas, coal, etc.).

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 Constitution of the State of Alaska 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 has not made a navigability determination for waters within the affected townships for title purposes.

Where they exist within the project area, State third-party interests will be described in land sales brochures.

Preliminary Decision

Former Geologic Materials Center – ADL 233002

Page 5 of 15

Physical Characteristics and Hazards: Attachment B: Area Data Summary Table describes the project area's physical characteristics. Information about the project area is based on internal research, information received during agency review, and field inspections conducted by LSS staff on November 8, 2017, January 19, 2018, and October 3, 2018. 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 the property prior to purchase to familiarize themselves with the physical characteristics of the property.

Soils: Soils within the project area generally consist of well drained silt loam overlying gravelly sandy loam or gravelly sand. Well logs from within the property document silt, sand, and gravel approximately 20 feet deep. Erosion potential for these soils are moderate to severe. The surficial sediments are underlain by metamorphic bedrock bearing water from fractures. A well log from an immediately adjacent property reports a 17-foot thick seam of coal within the bedrock, however, DNR Division of Geological and Geophysical Surveys (DGGS) states that this would be anomalous to the area and may be a misinterpretation.

Wetlands: No wetlands have been identified within the project area.

Geologic Hazards: According to information provided by DNR DGGS, there is minor risk for erosion and flooding due to Fire Creek. The property is not within a known avalanche track.

The property is within the zone of sporadic permafrost, meaning there is potential for permafrost if the local site conditions are conducive to permafrost formation and preservation. However, given the relatively coarse soils present on the property, any potential permafrost is likely to be thaw stable and ice-poor, and therefore does not pose a substantial risk for development of the property.

The property is within a region of high seismic hazard potential, however, according to the MOA's historic seismic zone information, the property is within the zone of lowest ground failure susceptibility. The MOA, Department of Economic and Community Development, Building Safety has building code requirements that include seismic design standards.

Fire Information: Fire protection for the property is provided by the Chugiak Volunteer Fire and Rescue Company, Inc. Based on the field inspections, wildland fire risk in the area is low to moderate.

Landowners are encouraged to follow the Alaska Wildland Fire Coordinating Group *Firewise Alaska* recommendations. Offering materials include information regarding wild land fire prevention.

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 project area is "critical." The policy on areas with the "critical" management option reads, "wildfires occurring in the Critical Management Option or that threaten critical sites are assigned the highest priority for suppression

Preliminary Decision

Former Geologic Materials Center – ADL 233002

Page 6 of 15

actions and assignment of available firefighting resources”. It also states that the designation of a fire management option does not ensure protection from wildfire, and that a protection response will be based on various factors. “Ultimately it is the personal responsibility of the [landowner] to mitigate and minimize risk to their property and structures and to be ‘Firewise’.”

Flood Hazard: The project area is within FEMA Flood Insurance Rate Map 0200050385D. The project area is mostly within Zone X, which is defined as outside the 0.2% annual chance floodplain. A portion of the property adjacent to Fire Creek is in the special flood hazard area subject to inundation by the 1% annual chance flood, Zone A, where no base flood elevation has been determined.

Water Resources: All surface and subsurface waters on all lands in Alaska are a public resource, subject to appropriation in accordance with the Alaska Water Use Act (AS 46.15). There are several surface and subsurface water rights within neighboring parcels. Four water wells were drilled on or adjacent to the property in the 1980s. Well 1 was determined to provide no meaningful yield, and well 2 (located in the adjacent parcel, Tract B) failed due to collapse of the borehole below the casing. Wells 3 and 4 were productive and used for the GMC facilities. Well 3 was drilled to a depth of 365 feet and is located east of the southernmost building on the property. Well 3 has a subsurface water right (ADL 213077) and served the residential-style buildings immediately to the north and the white storage building close to the creek. Well 4 was drilled to a depth of 200 feet and is located near the northeast corner of the main warehouse building on the property. This well served the main warehouse. The well locations are depicted on the vicinity map (Attachment A). The well casings were all visible and capped during a site inspection conducted on January 19, 2018. Water quality is unknown.

Background: The property formerly hosted the Fire Lake Fish Hatchery, which was operated by ADF&G under a management agreement (ADL 18526). The hatchery was in operation from approximately 1962 to 1986. In 1981 DGGS applied for a management agreement for use of the property as the Geologic Materials Center. While ADF&G’s management agreement terminated in 1986 and DGGS’s management agreement initiated in 2006 (ADL 209842), it appears that DGGS used the property continuously since 1981. In 2006, the parent parcel (Government Lot 6) was subdivided into Tracts A, B, and C via Alaska State Land Survey (ASLS) 2006-3. Tract A was retained by the state for operation of the Geologic Materials Center, while Tracts B and C were transferred to the MOA under municipal entitlement. Circa 2016, DGGS declared their intent to end the management agreement for the property. DGGS removed all the stored geologic materials, temporary storage structures, and temporary office buildings. The Geologic Materials Center has since been relocated into a larger facility within Anchorage and DGGS does not wish to retain any interest in the property. Because no other State entities have requested use of the property, DMLW identified it for disposal.

Preliminary Decision

Former Geologic Materials Center – ADL 233002

Page 7 of 15

A public scoping meeting to discuss the proposed property disposal was held on January 19, 2018 at the Atwood Building in Anchorage. LSS provided a short history of the property use and the buildings currently on the property. Attendees had several questions and shared information.

- The MOA has a pending ordinance changing building setbacks from water bodies to vary in width depending on the specific water body from 25 to 100 feet. The existing building setback on the property recorded in ASLS 2006-3 is 25 feet.
- A few meeting attendees asked whether via Fire Lake Drive provided access to the northeast corner of the property.
- Several attendees questioned the sufficiency of the existing access through the easement across Tract B in terms of its construction.
- An attendee that lives next to Upper Fire Lake was concerned about trespassing and asked if the easement next to Fire Creek provides public access to the lake. The public currently uses a trail that starts on the property then crosses through private property to access Upper Fire Lake.
- A significant concern expressed by meeting attendees was the possibility of high-density residential development. It seemed the attendees preferred low-density development or a park for the property.
- An attendee advised LSS to consider the applicable MOA land use plans relevant to the property.
- Several attendees expressed interest in seeing the property appraisal.
- One commenter was pleased with DNR's process of notifying neighbors in a wide vicinity and providing transparency of process for the proposed property disposal.

The information received at the public scoping meeting has been considered and used in the development of this proposal.

On January 29, 2018 the MOA applied to purchase the property via a public and charitable sale to provide the Eagle River / Chugiak Parks and Recreation Department space for maintenance and operations (e.g. storage of equipment and materials, light fabrication work). However, the MOA subsequently selected another property and the public and charitable sale process ended in September 2019. The environmental uncertainties, summarized below in the section Hazardous Materials and Potential Contaminants, were a key consideration guiding the MOA's decision.

In the immediate vicinity of the property, the parcels to the east and north are privately owned, Tract B to the south is owned by the MOA's Heritage Land Bank, and the parcel to the west is owned by the Department of Transportation and Public Facilities. These surrounding parcels range from 1.13 to 2.64 acres. The property is substantially larger at approximately 9.37 acres. Because the parcel is already surveyed and has substantial development, LSS proposes to sell the parcel without further subdivision. A subsequent owner of the property will be better situated to pursue platting and planning actions based on a specific development or reuse plan.

Developed access to the property is from the Old Glenn Highway, to Fish Hatchery Road, and along a 50-foot access easement across Tract B. The access easement is depicted and

Preliminary Decision

Former Geologic Materials Center – ADL 233002

Page 8 of 15

dedicated on the plat from ASLS 2006-3. Legal, but not constructed, access also exists to the eastern property edge from Fish Hatchery Road along the section line easement, and to the northeast corner of the property from Fire Lake Drive. No changes are proposed to the current access prior to sale, which may need to be addressed by a subsequent owner, depending on the plans for property development or reuse.

Most of permanent infrastructure from the former hatchery and Geologic Materials Center remain. This includes five buildings and an exposed concrete foundation, as shown in ASLS 2006-3 and Attachment A. Details on the construction and condition of these buildings is provided in the 2016 Phase I Environmental Site Assessment report commissioned by DGGs. Some of the buildings are dilapidated and contain hazards such as mold and asbestos. Several relicts from the hatchery operation remain along the edge of Fire Creek, including a degrading concrete dam near the southernmost building on the property, another concrete structure downstream of the access easement across Tract B, and an apparent pen structure near the northwest corner of the property. ADF&G does not desire to retain a management interest in these structures prior to disposal of the property.

The property is in an area served by the Matanuska Electric Association, Enstar Natural Gas, and Anchorage Water & Wastewater Utility (AWWU). Electric and natural gas service connections exist for several of the buildings on the property. No AWWU service connections currently exist on the property, and water and sewer mains do not currently exist along the immediately adjacent roads.

The cleared portion of the property is currently used by visitors for walking dogs and accessing a trail to Upper Fire Lake according to DGGs staff. This was corroborated by foot traffic in the snow observed during the January 19, 2018 site visit. While such use of the property by the public is legal while under State ownership, this access pattern is partially outside of the platted public access easements. It appears that there is no legal access to Upper Fire Lake through the adjoining private property. There is no apparent use of the public access easement along Fire Creek downstream of the access easement through Tract B. There was no apparent wintertime use of the section line easement through the property observed during the January 19, 2018 site visit. A recent aerial image during summer shows an apparent trail within the section line easement; it is unclear if this trail reflects public use or utility maintenance for the power lines within this easement. There has been some vandalism on the property recently, such as breaking a window on a building that is not currently heated.

DNR Land Sales proposes to sell the property as commercial land, which allows qualifying businesses licensed in Alaska to bid on the property when offered for sale at auction. Selling the property as commercial land does not create commercial use requirements for the property under State sale contract or in the patent, and DNR Land Sales is not proposing a rezone of the property.

Planning and Classification: The project area is classified Reserved Use by Land Classification Order 193 based on the information within Land Planning Report 125, both completed in 1964. These documents are outdated, therefore the property requires an updated plan and land classification order prior to disposal.

Preliminary Decision

Former Geologic Materials Center – ADL 233002

Page 9 of 15

AS 38.04.065 (b) Requirements: The factors identified in this section of statute have been considered in this site-specific plan and the proposed action is consistent with that portion of statute.

Site Specific Plan: DNR DMLW proposes a land use plan specific to the 9.37-acre parcel that, if approved, will replace Land Planning Report 125 as the governing land use plan for the property. The plan recommends classifying the property as Settlement Land.

Land Classification Order: DNR DMLW proposes to reclassify the property from Reserved Use to Settlement Land.

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. 1207.

Mineral orders which close an area to mineral entry, close the applicable area to new exploration and development of locatable minerals. Such mineral orders do not apply to leasable minerals (such as: oil, gas, coal, etc.), 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 for locatable minerals 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.

Local Planning: The property is within the MOA and is subject to the applicable zoning, ordinances, and restrictions of the Municipality. The project area is within the boundaries of the *Chugiak-Eagle River Comprehensive Plan Update*, dated December 2006, and adjacent to land covered within the *Update of the Chugiak-Eagle River Site-Specific Land Use Plan*, dated March 2018. Review of those plans did not indicate any conflicts with proposed land disposal. The property is currently zoned Public Lands & Institutions by the MOA. LSS is not proposing a zoning action prior to sale.

Traditional Use Finding: The project area is located within the MOA 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** at the end of this document and *Attachment C: Public Notice* for details on how to submit comment.

Preliminary Decision

Former Geologic Materials Center – ADL 233002

Page 10 of 15

Access To, Within, and Beyond Project Area: Access to the project area is from the Old Glenn Highway to Fish Hatchery Road. A platted easement across MOA land (Tract B, ASLS 2006-3) connects the property to Fish Hatchery Road. Fire Lake Drive also provides legal access to the northeast corner of the property but is not constructed to the property boundary. The property is within the Chugiak, Birchwood, Eagle River Rural Road Service Area. The project area is subject to the platting authority of the MOA.

Access To and Along Public or Navigable Waters: Fire Creek has been determined to be public within the property. A public access easement exists from Fish Hatchery Road to the property and a public access easement exists along Fire Creek, in accordance with *AS 38.05.127 Access to Public or Navigable Water*. Both of these easements are depicted in ASLS 2006-3.

Building Setbacks From Public or Navigable Water: The southernmost building on the property encroaches within the stream protection setback for Fire Creek, as illustrated in ASLS 2006-3. During the subdivision and rezoning actions that created Tracts A, B, and C, the MOA Planning Department determined that this building is a legal nonconforming structure because its construction predated the setback requirement. Subsequent to this platting action, the stream protection setback in MOA code has increased to 50 feet on either side of Fire Creek.

Easements, Setbacks, and Retained Lands: The property is subject to platted easements and reservations. The building setback along Fire Creek is shown on ASLS 2006-3 has subsequently increased to 50-feet in width from the OHW mark of Fire Creek in accordance with *AMC 21.07.020*.

Hazardous Materials and Potential Contaminants: The buildings on the property formerly used heating oil, which was stored in underground storage tanks next to each building. There is no documentation of the tank removals. Indirect evidence and testimony indicate that the tanks were removed by DNR contractors in the late 1990s. This includes testimony from a former Geologic Materials Center curator and interpretation from a 2017 geophysical survey designed to detect large underground metal objects. The former Geologic Materials Center curator stated that the tanks were intact upon extraction, and that some petroleum contaminated soil around the tank perimeters (due to poor tank filling practices) was removed and disposed of offsite. While the geophysical survey provides some level of confirmation that the tanks were removed, there is no documentation to establish that the petroleum contaminated soil was adequately cleaned up, per *18 AAC 75*.

In 2012 DGGS contracted for sampling of indoor air and building materials within the main warehouse building (the northernmost building). Flooring, wallboard, drywall finishes, and other miscellaneous materials were found to contain various levels of asbestos. While some of the buildings on the property are residential structures, it is unlikely that they would qualify for the US Environmental Protection Agency's residential building exemption for the handling of asbestos during building renovation or demolition. Indoor air samples were collected as part of a mold inspection. Air samples from the warehouse basement were interpreted as significantly elevated with respect to molds, however, there are no federal regulatory limits nor commonly accepted exposure thresholds for mold in indoor air. Air sampling was not conducted in the other buildings on the property.

Preliminary Decision

Former Geologic Materials Center – ADL 233002

Page 11 of 15

DGGS contracted a Phase I Environmental Site Assessment for the property, which was conducted in 2016. Some significant findings from the Phase I report include:

- the lack of documentation about the removal of former underground heating oil tanks constitutes a recognized environmental condition of the property, and
- the age of the buildings on the property make them likely to contain lead-based paint, asbestos-containing building materials, and other hazardous materials.

Other environmental uncertainties within the property include:

- the presence of an undocumented on-site wastewater system,
- and a storm drain system that appears to collect surface drainage and unknown waste inputs to outfalls within the property or towards Fire Creek.

During field inspections on January 19, 2018, LSS staff observed one additional environmental hazard within the project area. A rusty, overturned drum was observed stuck in a wire fence above Fire Creek, west of the northernmost building (northwest quadrant of the property). The drum was on its side, partially covered by leaf litter and snow, and frozen to the ground. The drum appeared to be intact and sounded empty when tapped, but it was not practical to move the drum to better determine its disposition.

The State makes no representations and no warranties, express or 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 future 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. This risk is no greater than when vacant private land undergoes development. Given the high degree of interest from both the legislature and citizens in transferring State-owned land into private ownership, DNR is of the opinion that the benefits of offering the land outweigh the potential risks.

Survey, Platting, and Appraisal: After evaluation of public comment and conditions of the land, DNR will determine if it is in the State's best interest to offer the proposed project area.

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 the property.

Project research and development includes consideration of economic factors utilizing market data and project development costs compiled by DNR DMLW staff, to evaluate the economic feasibility of a project. Since it commonly takes several years for the project development process, *AS 38.05.840* ensures the current market conditions are addressed in order to obtain a realistic minimum bid or purchase price for the sale of State land.

Preliminary Decision

Former Geologic Materials Center – ADL 233002

Page 12 of 15

VII. DMLW and Agency Review

Information and comments received from multiple sections within DMLW prior to and during agency review have been considered and included in the preparation of this preliminary decision. Agency review was conducted January 4 through January 18, 2018. Comments pertinent to this proposed action received during agency review have been considered and addressed below. 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 DMLW LSS received brief comments of non-objection from the following agencies: Mental Health Trust Land Office, DNR Division of Forestry, and DNR Division of Agriculture.

DNR DMLW LSS Response: LSS appreciates your review of the proposal.

Department of Fish and Game (ADF&G) Comment: The proposal appears to present no adverse effects to fish, wildlife, or public access. ADF&G has no objection to the proposed land sale. ADF&G does not want to retain any management interests for the in-water structures remaining from the former hatchery operation.

DNR DMLW LSS Response: Your feedback on the proposal is appreciated.

DNR Division of Oil & Gas (DOG) Comment: DOG has no objections to the proposed land sale and recommends informing potential applicants that the property is in an oil and gas lease sale tract in the Cook Inlet Areawide. The land is currently not leased, but the lease sale tract is subject to annual offerings of oil and gas leases.

DNR DMLW LSS Response: Land Sales will provide information about the oil and gas lease sale tract in offering materials.

DNR Division of Parks and Outdoor Recreation, Office of History and Archaeology (OHA) Comment: The office has determined that no historic properties are affected by the proposed land sale.

DNR DMLW LSS Response: LSS appreciates your review of the proposal.

The following agencies or groups were included in the agency review, but no comment was received:

- Alaska Railroad
- Department of Environmental Conservation;
- Department of Natural Resources;
 - Division of Parks and Recreation, Field Operations;
 - Office of Project Management and Permitting; and
 - State Pipeline Coordinator's Section; and
- Department of Transportation and Public Facilities.

Preliminary Decision

Former Geologic Materials Center – ADL 233002

Page 13 of 15

VIII. Submittal of Public Comments

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

Pursuant to *AS 38.05.945 Notice*, DNR is issuing public notice inviting comment on this Preliminary Decision, draft site-specific plan, and draft land classification order.

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.

LSS will consider all timely, written comments received. If analysis of such comments indicates the need for significant changes to the Preliminary Decision, draft site-specific plan, or draft land classification order, additional public notice for the affected lands will be given. Reducing the amount of land offered and making minor changes to any of the proposals will not be considered significant changes requiring additional public notice.

If the proposals are approved and no significant change is required, the Preliminary Decision, draft site specific plan, and draft land classification order, including any deletions, minor changes, and summary of comments and LSS responses will be issued as a subsequent Final Finding and Decision, Site Specific Plan, and Land Classification Order CL193A01 without further notice. All related actions will be developed separately. However, approval of any action is dependent upon one another. One action will not proceed without approval of all actions.

Only persons from whom DNR DMLW LSS receives timely, written comment during the identified comment period will be eligible to file a request for reconsideration of the Final Finding and Decision, Site Specific Plan, and Land Classification Order CL193A01. Upon approval and issuance of these actions, a copy of the decision, plan, and order will be made available online at <http://landsales.alaska.gov/> and sent with an explanation of the request for reconsideration process to any party who provides timely written comment.

DNR is prepared to accommodate individuals with disabilities by providing auxiliary aids, services, or special modifications in order to participate in this review. Individuals who may need such assistance should contact the Department's Public Information Center. For more information refer to *Attachment C: Public Notice*.

**DEADLINE TO SUBMIT WRITTEN COMMENT IS
5:00 PM, TUESDAY, MARCH 3, 2020**

IX. Alternatives and Discussion

DNR DMLW is considering the following alternatives:

Alternative 1: (Preferred) Offer the property for sale. This proposal includes the site-specific plan and land classification order.

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

Preliminary Decision

Former Geologic Materials Center – ADL 233002

Page 14 of 15

Article VIII, Section 1 of the Alaska Constitution states, “it is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest.” Furthermore, *AS 38.05.045 Generally* has placed this charge with DNR, and the legislature has provided funding to administer the land sale program.

Alternative 1 provides a method for DNR to meet the obligations laid out in the Constitution and statute and maximizes public interest. This proposal, if approved in a subsequent Final Finding and Decision, will allow DNR DMLW to sell the property, which will provide for the best use of the land and financial return to the State. This offering provides an opportunity for the public to obtain land for settlement in a desirable area and will alleviate the State’s burden in owning and maintaining the property. All of the buildings are at relatively high risk for trespass or vandalism given that the State has no active use of the property. Alternative 1 is preferred.

The related actions are necessary to allow for the offering of the project area. The primary action and related actions are dependent upon one another, and if DNR DMLW does not approve the project, the related actions will not be processed.

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, statutory, and legislative goals. Not offering the project area would deny Alaskans the opportunity to obtain land in an area that is suited to settlement. Under this alternative, DNR would continue to expend resources managing the land and improvements while forgoing the income from a land sale. The property no longer serves a State function and there is no established mechanism for appropriately maintaining the property. Retaining the property would serve as an unnecessary liability and burden to the State

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

X. Recommendation

This Preliminary Decision for the proposed disposal of State lands, Site Specific Plan, and Land Classification Order CL193A01 described throughout this document and its attachments are consistent with the overall management intent for State-owned land. Alternative 1 is the preferred alternative because it provides the maximum opportunity for offering State land to the public and helps meet the mission of the land sales program. The Preliminary Decision described above, as represented by the preferred alternative, has been reviewed and considered. I find that the recommended action may be in the best interest of the State and that it is hereby approved to proceed to public notice.

This is a Preliminary Decision, and analysis of subsequent public review may result in changes to the preferred alternative of the proposed disposal of State lands, Site Specific Plan, and Land Classification Order CL193A01. If the decision is approved, the Site Specific Plan and Land Classification Order CL193A01 will accompany and precede any Final Finding and Decision issued.



Prepared by: Colin Craven
Natural Resource Specialist
Land Sales Section
Division of Mining, Land, and Water
Department of Natural Resources
State of Alaska

Jan. 15, 2020

Date



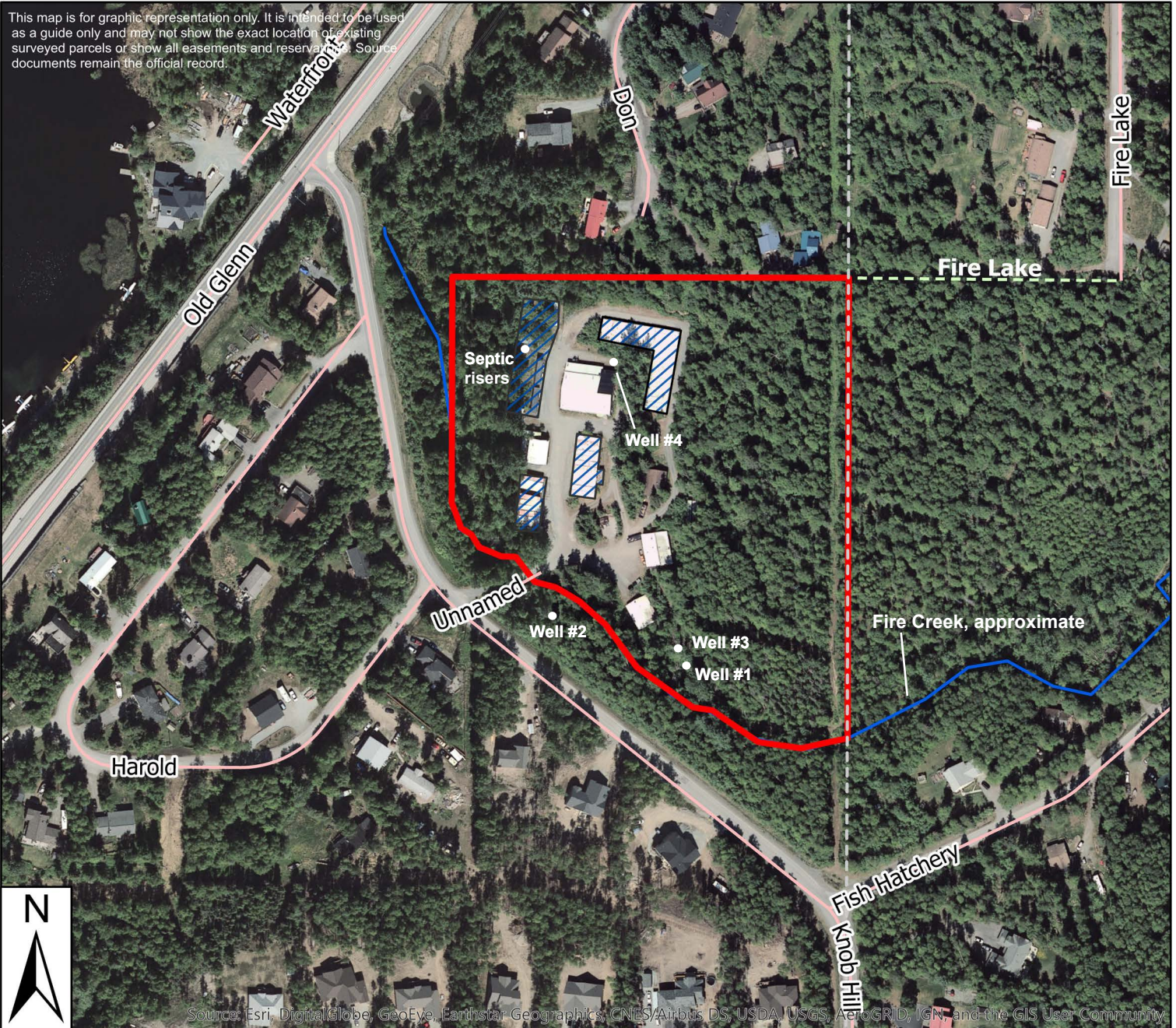
Approved by: Tim Shilling
Competitive Land Sales Manager
Land Sales Section
Division of Mining, Land, and Water
Department of Natural Resources
State of Alaska


1/15/2020


Date



Attachment A: Vicinity Map Former Geologic Materials Center 18205 Fish Hatchery Road, Eagle River, ADL 233002



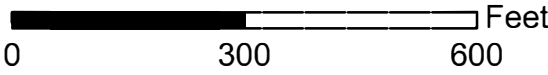
 Removed Containers

 Project Area

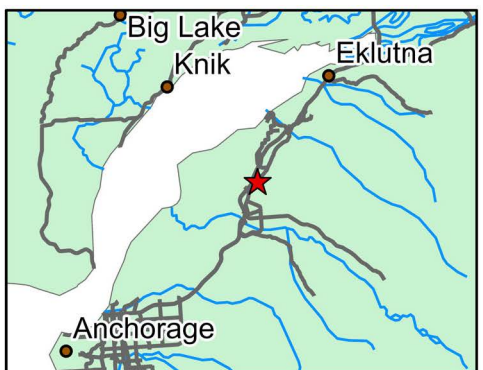
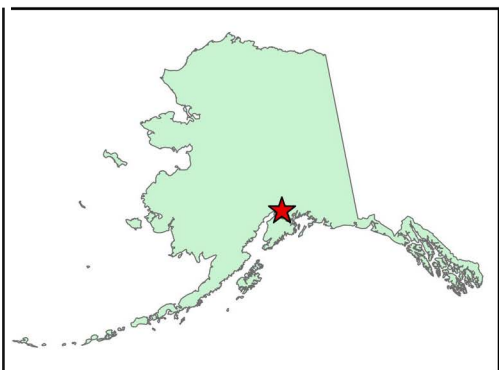
Section Line 36

**T15N, R2W, Section 36, SM
USGS QUAD 1:63,360 Anchorage B-7**

For more information contact:
Colin Craven
Department of Natural Resources
Division of Mining, Land, and Water
Land Sales Section
907.451.2730
land.development@alaska.gov



CMC
Dec 30, 2019



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 the Municipality of Anchorage
Former Geologic Materials Center – ADL 233002

Offering Information	
Proposed Number of Parcels	One.
Proposed Parcel Size	9.37 acres, more or less.
Proposed Related Actions	Site-specific plan. Land classification order.
Project Area	
Location	In Eagle River between Upper and Lower Fire Lakes, north of Fire Creek, and east of the Old Glenn Highway.
Project Area Acreage	9.37 acres, more or less.
USGS Topography Map	USGS Quad Anchorage B-7.
Legal Description	Tract A, Alaska State Land Survey 2006-3 according to the plat recorded August 26, 2009 as Plat 2009-66 Anchorage Recording District, Alaska.
Title	Patented State-owned land. Patent #1226962.
Area Plan and Classification	Classified Reserved Use under classification order 193. A new site-specific plan and land classification order are related actions accompanying this decision to change the classification to Settlement Land.
Mineral Orders	The project area is closed to mineral entry by mineral order 1207.
Physical Characteristics	
Access	Developed access is from the Old Glenn Highway to Fish Hatchery Road. An easement across municipal land connects the property to Fish Hatchery Road. Fire Lake Drive also provides legal access to the northeast corner of the property but is not constructed to the property.
Terrain and Major Features	The property generally slopes westward, with approximately 100 feet of elevation change between the eastern and western property boundaries. The buildings are situated in the western half of the property where it has been graded relatively flat. The centerline of Fire Creek is the southern property boundary.
View	There might be views of the Chugach Mountains if additional vegetation is cleared.

Attachment B: Area Data Summary Table

Former Geologic Materials Center – ADL 233002

Page 2 of 3

Soils	<p>Soils within the project area generally consist of well drained silt loam overlying gravelly sandy loam or gravelly sand. Well logs from within the property document silt, sand, and gravel approximately 20 feet deep. Erosion potential for these soils are moderate to severe. The surficial sediments are underlain by metamorphic bedrock bearing water from fractures.</p> <p>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.</p>
Wetlands	No wetlands have been identified within the project area. Dredging or filling of wetlands may require a permit from the US Army Corps of Engineers.
Vegetation	The property is vegetated with a mix of deciduous and spruce trees.
Water Source	Four wells were drilled on or near the property in the 1980s. Two failed and were abandoned. The other two wells were productive and used for the GMC facilities. One was drilled to a depth of 365 feet and is located east of the southernmost building on the property, the other was drilled to a depth of 200 feet and is located near the northeast corner of the northernmost building on the property. Water quality is unknown.
Anadromous Waters	None within the property.
Local Management Information	
Fire Protection	Fire protection for the property is provided by the Chugiak Volunteer Fire and Rescue Company, Inc. The property is within the "critical" wildland fire management option detailed in the <i>Alaska Interagency Wildland Fire Management Plan</i> .
Game Management Unit	14C.
Local Authority	The MOA exercises authority for planning, platting, taxes, and zoning for the project area.
Flood Zone	The Federal Emergency Management Agency Flood Insurance Rate Map is number 0200050385D. The project area is mostly within Zone X, which is defined as outside the 0.2% annual chance floodplain. A portion of the property adjacent to Fire Creek is in the special flood hazard area subject to inundation by the 1% annual chance flood, Zone A, where no base flood elevation has been determined.
Utilities	The property is in an area currently served by the Matanuska Electric Association, Enstar Natural Gas, and Anchorage Water & Wastewater Utility (AWWU). Electric and natural gas connections exist for several of the buildings on the property. No AWWU service connections currently exist, and water and sewer mains do not currently exist along the immediately adjacent roads.
Waste Disposal	At least one on-site septic system is present on the property. The location and condition of the system(s) are unknown. All on-site wastewater disposal systems must meet the regulatory requirements of the Alaska Department of Environmental Conservation. Solid waste disposal is available at the Anchorage Regional Landfill near Eagle River, and solid waste collection service is available from Alaska Waste.

Setbacks, Reserved Areas, Easements, and Conditions	
Building Setbacks	The building setback along Fire Creek is shown on ASLS 2006-3 has subsequently increased to 50-feet in width from the OHW mark of Fire Creek in accordance with <i>AMC 21.07.020</i> . The southernmost building constructed within the setback and public access easement has been recognized by the MOA as having “grandfather rights” in its encroachment.
Public Access and Utility Easements	The property is subject to platted easements and reservations.
Retained Lands	None identified.
Public or Navigable Water Bodies	Fire Creek is a public water body within the property.
Additional Information	
Native Regional Corporations	Cook Inlet Regional Corporation.
Villages and Tribal Councils	The village sites of Eklutna and Knik are within 25 miles of this proposed action. Notice will be sent to the Native Village of Eklutna, Eklutna Incorporated, Knik Tribal Council, and Knikatu Incorporated.
Oil and Gas Activity	The property is in an oil and gas lease sale tract in the Cook Inlet Areawide. The land is currently not leased, but the lease sale tract is subject to annual offerings of oil and gas leases
Mining Activity	None known.
Comments	The property formerly hosted the Fire Lake Fish Hatchery from the 1950s through the early 1980s, followed by the DNR Geologic Materials Center from the early 1980s through 2018. Two residential buildings and three warehouse buildings remain on the property. The conex storage containers visible in the attached project area map have been removed from the property.

ATTACHMENT C: PUBLIC NOTICE
STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND, & WATER
LAND SALES SECTION

PUBLIC NOTICE

Requesting Input for a Proposed Land Offering:
Former Geologic Materials Center, ADL 233002

COMMENT PERIOD ENDS 5:00PM, TUESDAY, MARCH 3, 2020

This proposed project includes offering for sale 9.37 acres located at 18205 Fish Hatchery Road in Eagle River in a future offering under the method and the related actions as described in the Preliminary Decision document.

To obtain the notice, Preliminary Decision, Site Specific Plan, Land Classification Order, or instructions on submitting comment, go to <http://landsales.alaska.gov/> or <http://aws.state.ak.us/OnlinePublicNotices/>.

DNR will be holding a Public Open House to discuss the proposal and share information about the project area. The Public Open House will be held on February 21, 2020 from 6:00 to 8:00 PM at the community room of the Harry J. McDonald Memorial Center located at 13701 Harry McDonald Road in Eagle River.

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, Fairbanks at 907.451.2705, the Southeast Land Office in Juneau at 907.465.3400 (TTY for all locations: 711 for Alaska relay or 800-770-8973), 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, February 25, 2020.

Pursuant to *AS 38.05.945 Notice*, the public is invited to submit comment on the Preliminary Decision, Site Specific Plan, and/or Land Classification Order 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, March 3, 2020.** Only persons from whom DNR DMLW LSS 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 Colin Craven, DNR Land Sales, 3700 Airport Way, Fairbanks, AK 99709, fax # 907.451.2751, colin.craven@alaska.gov. If you have questions, call Colin Craven at 907.451.2730.

If no significant change is required, the Preliminary Decision and related actions, including any minor changes and a summary of comments and responses, will be issued as the Final Finding

Attachment C: Public Notice

Former Geologic Materials Center – ADL 233002

Page 2 of 2

and Decision, Site Specific Plan, and Land Classification Order No. 193A01 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.