

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

FINAL FINDING AND DECISION

of a
Land Offering in the Unorganized Borough
Lil' Coal Bay Subdivision – ADL 107447
AS 38.05.035(e), AS 38.05.045

and its
RELATED ACTIONS:
Amendment to the Prince of Wales Island Area Plan SE-98-001A10
AS 38.04.065
Land Classification Order CL SE-98-001A10
AS 38.04.065 and AS 38.05.300
Mineral Order 1242 (Closing)
AS 38.05.185 and AS 38.05.300

This Final Finding and Decision (FFD) complements and updates the Preliminary Decision (PD) dated December 16, 2020. The PD (attached) and related actions have had the required public review.

I. Recommended Action(s)

The State of Alaska, Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), Land Conveyance Section (LCS) recommends offering for sale State-owned land for private ownership within the Lil' Coal Bay subdivision project area (ADL 107447), as described in the PD. Surveyed parcels will be offered for future sale by a method under *AS 38.05.045 Generally*.

For the purposes of providing land for settlement in the Lil' Coal Bay subdivision project area, LCS may develop a subdivision of no more than 45 parcels varying in size from approximately 2.5 to 10 acres. This project area is located within the Unorganized Borough and therefore survey, platting, and access to and within the project area will be subject to the relevant subdivision standards. The project may be subdivided and offered in multiple stages.

There are three related actions with this proposal:

Area Plan Amendment: DNR proposes to amend the Prince of Wales Island Area Plan (POWIAP, updated 1998) to expand the settlement unit in management unit 12, subunit 12c, to include lands up to 1200-feet inland from Little Coal Bay and Kasaan Bay. The amendment will amend the designation of this unit from General Use to Settlement. The management intent will be changed to state that land disposal is appropriate.

Land Classification Order: In relation to the Area Plan Amendment, DNR proposes to reclassify the project area in a Land Classification Order from Resource Management Land to Settlement Land.

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Mineral Order: DNR proposes to close the project area to new mineral entry through Mineral Order (MO) 1242.

Public notice for these related actions was conducted concurrently with the notice for the primary action's PD.

II. 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 provides: "It is the policy of the State to encourage the settlement of its land and 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*, *AS 38.05.300 Classification of Land*, and *AS 38.05.185 Generally* allow for amendments and special exceptions to area plans, land classifications, and mineral orders.

III. Public Participation and Input

Pursuant to *AS 38.05.945 Notice*, public notice inviting comment on the PD for the proposed primary action and drafts of the related actions were published and distributed in the following manner:

- Posted under State of Alaska Online Public Notice from December 16, 2020 to January 28, 2021.
- Posted on DNR Land Sales website from December 17, 2020 to January 28, 2021.
- Mailed to postmasters in Klawock, Meyers Chuck, and Thorne Bay with a request to post for 30 days, per *AS 38.05.945(c)(4)*.
- Mailed to the City of Kasaan with a request to post for 30 days.
- Mailed to the Sealaska Regional corporation per *AS 38.05.945(c)(2)-(3)*.
- Mailed to landowners in the vicinity of the offering, community councils, and Native villages including: Organized Village of Kasaan, Kavilco Incorporated, Klawock Cooperative Association, Klawock Heenya Corporation, Haida Corporation, Hydaburg Cooperative Association, Central Council of the Tlingit and Haida Indian Tribes of Alaska, Kootznoowoo Village Corporation, Shaan-Seet Village Corporation, and U.S. Forest Service.
- Sent notification to area state legislators and to multiple state agencies.
- Notified parties via the DNR Land Sales subscribers lists by email.

The public notice stated that written comments were to be received by 5:00PM, January 28, 2021 in order to ensure consideration and eligibility to appeal. For more information, refer to the PD.

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Should this project move forward, final subdivision design and survey will be completed by an Alaska licensed surveyor. The Lil' Coal Bay Subdivision project is within the Unorganized Borough and outside of any local platting authority. Within an organized borough or local platting authority, platting ordinances typically provide for an additional opportunity for review and comment on proposed platting actions. The scope of such a review is limited and specific to review of the project's adherence to the local platting ordinance and is the sole prerogative of a political subdivision of the State which establishes platting authority and the applicable ordinances governing such actions.

IV. Summary of Comments

DNR DMLW LCS received timely written comments from the State of Alaska, Department of Fish and Game (ADF&G), the State of Alaska, Department of Transportation & Public Facilities (DOT&PF), and the Organized Village of Kasaan. All comments received during the public comment period are summarized below.

ADF&G Comment: The current proposal adequately addresses the agency review comments submitted by ADF&G regarding retaining land in state ownership in the western portion of the project area adjacent to anadromous stream #102-60-10650 as well as along stream #102-60-10640. ADF&G does not have any further comments.

DNR DMLW LCS Response: LCS appreciates your review of the decision.

DOT&PF Comment: DOT&PF reviewed the proposal and did not have any comments.

DNR DMLW LCS Response: LCS appreciates your review of the decision.

Organized Village of Kasaan Comment: The proposed project area is within the customary and traditional use area that has been utilized by the Kasaan Haida people since the 1600s. The location of the proposed subdivision is a traditional harvesting site. Natural resource extraction, commercial harvesting, and commercial traffic through customary and traditional use areas have negatively impacted to the ecosystem that the Kasaan Haida people rely on. The comment specifically mentioned the limited remaining stocks of salmon and herring remaining in Kasaan Bay. The Organized Village of Kasaan described that the sale of parcels will have adverse impacts on the Kasaan Haida people, and requests that LCS choose Alternative 2 and retain the land in state ownership. The Organized Village of Kasaan supplied a map depicting the Kasaan traditional territory and some traditional harvesting areas. The comment noted that the proposed development site is a traditional harvesting site, surrounded by traditional harvesting sites, sacred sites, and old village sites. The Organized Village of Kasaan also requested an extension of the public comment period.

DNR DMLW LCS Response: LCS appreciates your review of the decision. As described in the *Retained Lands* sub-section of the PD, LCS will retain lands in state ownership that front Kasaan Bay upland from the Little Coal Bay Log Transfer Facility (ADL 106000) launch ramp. National Forest System Road No. 2020000 will be retained from Kasaan Bay, through the project area, and beyond into the remaining state-owned land in Tract A. In addition, a minimum 100-foot buffer on each side of cataloged anadromous stream #102-60-10640 will be retained. Lastly, LCS will retain lands within approximately 500-feet of the mouth of

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anadromous stream #102-60-10650 in Little Coal Bay. All land retained in state ownership will continue to be available for public recreational and traditional uses.

In accordance with *AS 38.05.127 Access To Navigable or Public Water*, DNR will establish easements or rights-of-way as necessary to ensure unobstructed access to and along navigable or public bodies of water. Kasaan Bay and Little Coal Bay adjacent to the project area are navigable, and parcels will be subject to a 50-foot continuous public access easement upland from the mean high-water (MHW) line. Parcels fronting the shoreline of Kasaan Bay and Little Coal Bay will also be subject to a 25-foot building setback outside of the public access easement. These easements will keep the shoreline and beaches open for public use and access.

Pursuant to comments received, LCS will add a 100-foot buffer on each side of National Forest System Road No. 2020000 and one additional minimum 200-foot public access corridor connecting the shoreline of Kasaan Bay to the retained uplands within Tract A, as described in section **VI. Modifications to Decision and/or Additional Information**. In total, three minimum 200-foot public access corridors would be retained in state ownership. The retained lands, 50-foot public access easements, 25-foot building setback, and proposed public access corridors will provide opportunities for the public to continue to access and use retained state owned uplands and public and navigable waters outside of the 300 acres proposed for subdivision and sale.

The map provided by the Organized Village of Kasaan depicts the “hunting or trapping” area as a large area covering generally from Twelvemile Bay east around Baker Point and southerly along a portion of Kasaan Bay, aggregating nearly 20-square miles. At approximately 300-acres, the Lil' Coal Bay project area is a small portion of the area described. The nearest old village site depicted on the map is on the opposite side of the peninsula on Skowl Arm, several miles south of the project area. The map does not appear to depict “sacred sites,” perhaps other than cemetery sites, none of which appear present in this area.

LCS elected not to extend the public comment period. The comment period was 43 days long, exceeding the minimum 30-day comment period required under *AS 38.05.945 Notice*, and the request to extend was received on the afternoon of the last day of the comment period. However, LCS had additional coordination with the Organized Village of Kasaan after the comment period. LCS requested additional information regarding their comment and about the historical and traditional uses of the area. LCS was directed to review *Haa Aani / Our Land* (Goldschmidt & Haas, 1998) for more information. According to *Haa Aani / Our Land* (Goldschmidt & Haas, 1998), the uplands between Coal Bay and Kasaan Point have been used for trapping, and the Baker Point uplands to the east of the project area have been used for hunting. In further discussion with the Administrator of the Organized Village of Kasaan, it was noted that the hunting area has been called “The Old Man’s Hunting Ground” due to the limited slope and ease of walking. The Organized Village of Kasaan declined to provide any additional information. LCS later sought additional coordination regarding the location of additional proposed access corridors within the project area and mailed the Organized Village of Kasaan a map of the proposed corridor with a request for comments; however, no response was received.

The Organized Village of Kasaan comment discussed the management of the herring and salmon fisheries in Kasaan Bay. These resources are managed by ADF&G, and are beyond

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the scope of this decision. However, ADF&G was consulted in the development of the proposed subdivision project and no concerns regarding these resources were raised other than requesting protection of certain habitat areas. Impacts to these fisheries will be minimized by retaining the lands described and reserving access along the MHW line.

LCS recognizes that the area has been traditionally used by the Kasaan Haida people. By reserving an easement along the MHW of Kasaan Bay and Little Coal Bay and retaining lands and access corridors as described, the uplands beyond the project area will still be accessible and available for current and traditional uses. The subdivision will help fulfill 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. The subdivision will provide an excellent opportunity for the public to obtain waterfront land for settlement in a scenic area that is accessible by water from Kasaan Bay, and will generate revenue for the State of Alaska. For this reason, LCS is not in favor of Alternative 2 as described in the PD.

V. Traditional Use Findings

In accordance with AS 38.05.830 *Land Disposal in the Unorganized Borough*, a Traditional Use Finding is required for project areas within the Unorganized Borough. This project area is within the Unorganized Borough. As discussed in the PD, National Forest System Road No. 2020000 is reserved to the United States and crosses through the project area, the tidelands at the beginning of the road are used as a log transfer facility authorized under ADL 106000, and an anchorage exists on tidelands within Little Coal Bay. There are no anticipated significant changes to these traditional uses of the land and resources, other than a possible increase in the various traditional activities which may be practiced by new private-property owners.

Public Notice brought forth new information regarding traditional uses in the area. The proposed project area is within the customary and traditional use area that has been utilized by the Kasaan Haida people since the 1600s. According to *Haa Aani / Our Land* (Goldschmidt & Haas, 1998), the uplands between Coal Bay and Kasaan Point have been used for trapping, and the Baker Point uplands to the east of the project area have been used for hunting. Herring was fished in Kasaan Bay adjacent to the project area. Refer to section **IV. Summary of Comments** for further discussion on uses in the area. The discovery of new traditional uses and the potential impact has resulted in the addition of two minimum 200-foot public access corridors connecting from the shoreline of Kasaan Bay to the retained uplands within Tract A. Refer to the **VI. Modifications to Decision and/or Additional Information** section for more information. Impacts on existing resource users will be minimized by the reservations of additional access corridors as described, in addition to the reservation of a 50-foot continuous public access easement upland from the mean high water of Kasaan Bay and Little Coal Bay and a 25-foot building setback outside of the public access easement.

VI. Modifications to Decision and/or Additional Information

Pursuant to public comment, the recommended action has been modified from the original proposed actions described in the PD to add two additional minimum 200-foot corridors of retained uplands connecting from the shoreline of Kasaan Bay to the retained uplands within Tract A. One corridor will contain a 100-foot buffer on each side of National Forest System Road No. 2020000, and the other corridor will consist of a public access corridor connecting the

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Lil' Coal Bay Subdivision – ADL 107447

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shoreline of Kasaan Bay to the retained uplands within Tract A approximately mid-way between road no. 20200000 and the easterly project boundary. The location of this corridor will be determined by the surveyor in an appropriate location for shore access and access to the uplands beyond the project area. See Attachment A: Amended Vicinity Map.

The PD stated that if LCS receives an agreement from the U.S. Forest Service to authorize use of National Forest System Road No. 2020000, parcels without shoreline frontage will be accessed from Kasaan Bay via the launch ramp at the Little Coal Bay log transfer facility (ADL 106000), and then overland via the road. Since issuance of the PD, LCS has received a letter from the U.S. Forest Service authorizing settlers and other persons residing adjacent to National Forest System Road No. 2020000 use of existing forest development roads and trails in order to reach their homes and utilize their property.

Recommendation and Approval of the Final Finding and Decision follow.

Final Finding and Decision

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VII. Final Finding and Decision

The Land Conveyance Section recommends proceeding with the action as described in the Preliminary Decision and amended herein. This action is undertaken under relevant authorities. Offering these parcels for sale will help meet the State's goal to provide land for settlement for sale to the public and raise revenue for the State.

The findings presented above have been reviewed and considered. Public Notice has been accomplished in accordance with *AS 38.05.945 Notice* and comments received were considered. The project file has been found to be complete and the requirements of all applicable statutes have been satisfied. The actions are consistent with constitutional and statutory intent for State-owned land and this action is undertaken under relevant authorities.

/s/ Timothy Shilling

September 7, 2021

Recommended by: Timothy Shilling
Natural Resource Manager
Land Conveyance Section
Division of Mining, Land and Water
Department of Natural Resources
State of Alaska

Date

Under the authority of the applicable statutes, it is hereby found to be in the best interest of the State of Alaska to proceed with the recommended actions as described and referenced herein.

/s/ Martin W. Parsons

September 14, 2021

Approved by: Martin W. Parsons
Director
Division of Mining, Land and Water
Department of Natural Resources
State of Alaska

Date

/s/ Corri A. Feige

September 15, 2021

Approved by: Corri A. Feige
Commissioner
Department of Natural Resources
State of Alaska

Date

Reconsideration Provision

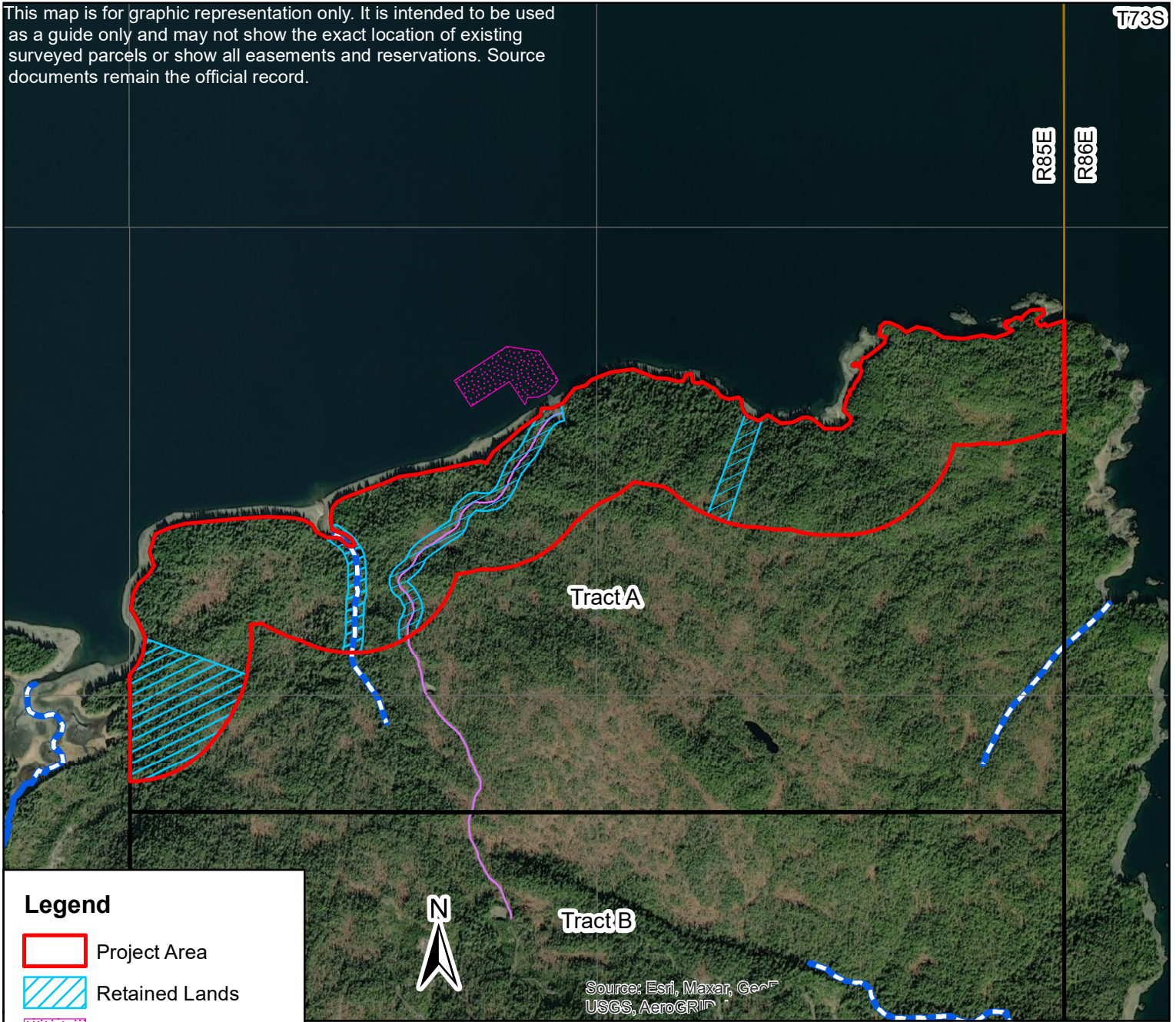
A person affected by this decision who provided timely written comment or public hearing testimony on the preliminary decision may request reconsideration, in accordance with *11 AAC 02*. Any reconsideration request must be received within 20 calendar days after the date of "issuance" of this decision, as defined in *11 AAC 02.040(c) and (d)* and may be mailed or delivered to the Commissioner, Department of Natural Resources, 550 W. 7th Ave., Ste. 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918; or sent by electronic mail to dnr.appeals@alaska.gov. Under *11 AAC 02.030*, appeals and requests for reconsideration filed under *11 AAC 02* must be accompanied by the fee established in *11 AAC 05.160(d)(1)(F)*, which has been set at \$200 under the provisions of *11 AAC 05.160 (a) and (b)*.

If reconsideration is not requested by that date or if the commissioner does not order reconsideration on their own motion, this decision goes into effect as a final order and decision on the 31st calendar day after the date of issuance. Failure of the commissioner to act on a request for reconsideration within 30 calendar days after issuance of this decision is a denial of reconsideration and is a final administrative order and decision for purposes of an appeal to Superior Court. The decision may then be appealed to Superior Court within a further 30 days in accordance with the rules of the court, and to the extent permitted by applicable law. An eligible person must first request reconsideration of this decision in accordance with *11 AAC 02* before appealing this decision to Superior Court. A copy of *11 AAC 02* may be obtained from any regional information office of the Department of Natural Resources.



Attachment A: Amended Vicinity Map Lil' Coal Bay Subdivision ADL 107447

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



Legend

- Project Area
- Retained Lands
- ADL 106000
- FDR 2154
- Anadromous Stream

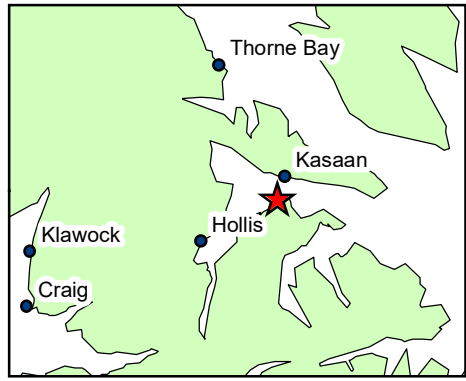


Source: Esri, Maxar, GeoEye, USGS, AeroGRID



JK 8/26/2021

Township 73 South, Range 85 East, Copper River Meridian



USGS QUAD 1:63.360
 Craig (C-2)
 For more information contact:
 John King
 Department of Natural Resources
 Division of Mining, Land, and Water
 Land Sales Section
 Phone: 907-465-3511
 Fax: 907-500-9011
 Email: land.development@alaska.gov

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

PRELIMINARY DECISION
Lil' Coal Bay Subdivision – ADL 107447

Proposed Land Offering in the Unorganized Borough
AS 38.05.035 (e), AS 38.05.045

RELATED ACTIONS:
Proposed Amendment to the Prince of Wales Island Area Plan
AS 38.04.065
Proposed Land Classification Order
AS 38.04.065 and AS 38.05.300
Proposed Mineral Order (Closing)
AS 38.05.185 and AS 38.05.300

PUBLIC COMMENT PERIOD ENDS 5:00PM, THURSDAY, JANUARY 28, 2021

I. Proposed Actions

Preliminary Decision: Lil' Coal Bay Subdivision - ADL 107447

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-98-001A10

Draft Mineral Order (Closing) MO 1242

Draft Land Classification Order CL SE-98-001A10

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 Conveyance Section (LCS) is to offer for sale State-owned land within the identified project area. If approved, surveyed parcels will be offered for sale.

Located within DNR's Southeast Region, approximately 2 miles south of Kasaan and 32 miles northwest of Ketchikan, the project area is within Sections 25, 26, and 35, Township 73 South, Range 85 East, Copper River Meridian, within the Unorganized Borough (UOB). The project area consists of approximately 385 acres, with 300 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 proposed related actions for the purposes of providing land for settlement, LCS proposes to sell land within the Lil' Coal Bay project area. In order to offer these lands for sale, if approved and deemed feasible, LCS may develop a subdivision of no more than 45 parcels varying in size from approximately 2.5 to 10 acres. This proposed project area is located within the Unorganized Borough (UOB) and

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therefore survey, platting, and access to and within the project area will be subject to the relevant subdivision standards. The project area may be subdivided and offered in multiple stages.

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 project area will be described in a subsequent Final Finding and Decision, if the project proceeds to that step. Additional adjustments may be made prior to survey and subdivision, as described in the applications to the platting authority, as needed to reserve areas for public use, minimize conflicts between uses, or ensure compliance with 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, adjacent to, or near the project area.

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

Area Plan Amendment: DNR proposes to amend the Prince of Wales Island Area Plan (POWIAP, updated 1998) to expand the settlement unit in management unit 12, subunit 12c, to include lands up to 1200-feet inland from Little Coal Bay and Kasaan Bay. The amendment will amend the designation of this unit from General Use to Settlement. The management intent will be changed to state that land disposal is appropriate. Refer to the Planning and Classification subsection of this document for more information on this proposed related action.

Land Classification Order: Refer to the Planning and Classification subsection of this document for more information on this proposed related action.

Mineral Order (Closing): DNR proposes to close the project area to new mineral entry. No mining claims have been identified within in the project area. Refer to the Mineral Activity and Orders 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 are 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.

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

II. Method of Sale

LCS proposes to offer for sale land within the project area as described herein, through a future offering under *AS 38.05.045 Generally*.

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Lil' Coal Bay Subdivision – ADL 107447

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Parcels offered through this action are offered fee-simple for the surface estate only. For more information about the land sales program, please visit <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*, *AS 38.05.300 Classification of Land*, and *AS 38.05.185 Generally* allow for amendments and special exceptions to area plans, land classifications, and mineral orders.

IV. Administrative Record

The project file, Lil' Coal Bay Subdivision - ADL 107447, constitutes the administrative record for this proposed action. Also incorporated by reference are:

- Prince of Wales Island Area Plan for State Lands (POWIAP, adopted 1985, updated 1998) and associated land classification files;
- *Alaska Interagency Wildland Fire Management Plan (2020 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 6, 2019*; and
- DNR case files: National Forest Community Grant land selection (NFCG) No. 362; ADL 106000, a public easement issued to the U.S. Forest Service for the Little Coal Bay log transfer facility; and MO 1242, a mineral order closing land within this project area to mineral entry.

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 LCS's proposal to offer State-owned land within the defined project area for disposal and to conduct the proposed plan amendment, land classification order, and mineral order as described herein. The scope of this proposal does not include the control of post-patent use and LCS does not intend to impose deed restrictions for this purpose. The subdivision may be conducted in multiple stages.

VI. Description

Location: Located within DNR's Southeast Region, approximately 2 miles south of Kasaan and 32 miles northwest of Ketchikan, the project area is within Sections 25, 26, and 35,

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Lil' Coal Bay Subdivision – ADL 107447

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Township 73 South, Range 85 East, Copper River Meridian, within the Unorganized Borough (UOB). The project area consists of approximately 385 acres, with 300 acres identified for disposal by this proposed action. See *Attachment A: Vicinity Map and Attachment B: Area Data Summary Table* for additional information.

Platting Authority: The project area is within the Unorganized Borough and is subject to the State of Alaska platting authority.

Native Regional and Village Corporations: The project area is within the boundaries of the Sealaska regional corporation. The villages of Kasaan and Klawock are within 25 miles of this proposed action and notice will be sent to Kavalco Incorporated, Klawock Heenya Village Corporation, Haida Village Corporation, Kootznoowoo Village Corporation, and Shaan-Seet Village Corporation. Courtesy notification will be sent to village corporations and councils in Hydaburg and Ketchikan.

Legal Description: That portion of Tract A of Township 73 South, Range 85 East, Copper River Meridian, Alaska according to the plat accepted by the United States Department of the Interior, Bureau of Land Management on March 20, 2002, located within approximately 1200 feet of mean-high-water of Kasaan Bay, containing 385-acres more or less, as depicted on the attached map.

Title: Information from Title Report No. 21037, current as of July 27, 2020 indicates the State of Alaska holds fee title to the land and mineral estate within the project area under Patent 50-2003-0302, dated June 10, 2003. The applicable State case file is NFCG 362. The parcel is subject to the reservations, easements and exceptions contained in the federal patent including Forest Development Road (FDR) No. 2154, a sixty-six-foot right-of-way reserved to the United States. FDR No. 2154, now designated as National Forest System Road No. 2020000, begins at MHW of Kasaan Bay and crosses through the project area.

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

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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.

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 both aerial and on-ground field inspections conducted on September 1, 2015. 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.

Soils: Soils within the project area generally consist of a thin mat of organic material overlying poorly drained peat and silt loam. The primary soil types are Wadleigh gravelly silt loam and Wadleigh-Maybeso complex. The project area also contains Salt Chuck extremely gravelly loam which is a well-drained decomposed plant material and gravelly soil. The vegetation within the project area is primarily Spruce hemlock and Western hemlock, with lesser amounts of Mountain hemlock, Lodgepole pine, cedar, and other conifers. Red alder occupies riparian sites. There are some intermixed muskeg areas.

Wetlands: Freshwater Forested and Shrub wetlands appear to exist within the majority of the project area. In addition, approximately nine acres of Freshwater Emergent Wetlands or wet meadows exist in two areas within the western half of the project area. Wetlands will be considered in subdivision design.

Geologic Hazards: Geologic hazards are common throughout Alaska. Information gathered during field inspection did not indicate any specific geologic hazards for this area. Should any geologic hazards be discovered in the development of this proposal, information will be included in offering materials.

Fire Information: Pursuant to observations from the September 2015 field inspection, fire risk in the area is likely low. There is no reported history of fires within the vicinity. The project area is within the Limited Fire Management Option Area.

Fire management options and policies for the area are identified in the Alaska Interagency Wildland Fire Management Plan available from DNR Division of Forestry. The current fire management option for the project area is "Modified." The guidelines on areas with the "Modified" management option reads, "The Modified Management Option fires receive priority for allocation of initial action forces after the protection of Critical and

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Full areas.” It also states that the designation of a fire management option does not ensure protection from wildfire, that a protection response will be based on various factors, and “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: There is no Flood Insurance Rate Map available for the project area. There is potential for seasonal flooding and erosion of parcels adjacent to water bodies, especially in low-lying areas.

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). No water rights have been identified within the vicinity of the project area. There is no well or water quality information within the area. Potential water sources in the area include rainwater collection or collection from the several small, unnamed streams. Water quality is unknown. An ADF&G Fish Habitat permit will be required should future use of water from cataloged stream 102-60-10640 be requested. These permits can be obtained from the Habitat section office in Craig. Additional information on wells, water quality, and drinking water may be obtained from the Alaska Department of Environmental Conservation.

Background:

The state acquired the land within Tract A under statehood entitlement, National Forest Community Grant (NFCG) for the purposes of furthering the development and expansion of communities. The state received tentative approval for the land in 2000, and patent for the surface and mineral estate in 2003.

The remainder of Tract A south of the project area is State-owned land. The land south of Tract A is owned by the U.S. Forest Service (USFS). National Forest System Road No. 2020000, a sixty-six (66) foot right-of-way reserved to the United States crosses through the project area from the ADL 106000 public easement launch marine access point at Kasaan Bay to USFS-owned uplands south of the project area. Land west of the project area is owned by Sealaska Regional Corporation, and west of the project area is owned by Kavalco Village Corporation. There are no known current uses of the project area or land in the immediate vicinity, other than the USFS road and log landing. The nearest prior state land offering is approximately five miles away.

LCS identified the area for this project because of waterfront access to Kasaan Bay, the settlement and general use area plan designations, and the presence of National Forest System Road No. 2020000. During the September 2015 field inspection, DNR staff observed that the road was overgrown but the roadbed, drainages, and culverts appeared to be in good condition. No unauthorized structures were observed during the field inspection.

The project area is accessed by water, either by boat or float plane. Images and video footage from the NOAA ShoreZone viewer show that the Kasaan Bay and Little Coal Bay shorelines contain mild slopes with small rocks. The uplands appear to be accessible without any bluffs. There are no known utilities or services within the project area.

LCS proposes to develop a subdivision of primarily waterfront parcels along the shoreline of Kasaan Bay and Little Coal Bay. The state-owned uplands within Tract A beyond the project

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area boundary will be retained in State ownership. Additionally, LCS intends to retain a portion of the shoreline, adjacent to the ADL 106000 public easement launch that will provide access to the National Forest System Road No. 2020000. LCS is pursuing an agreement from the U.S. Forest Service to authorize use of National Forest System Road No. 2020000 for legal access to any parcels without waterfront access. The subdivision proposal is limited to up 300-acres to be offered for sale.

Parcels in excess of five acres may be created during subdivision design due to the remote location of the project area. The inland subdivision boundary is set at 1200 feet from mean high water (MHW). LCS intends to develop parcels with inland boundaries ranging within 400-feet to 1200-feet from MHW to accommodate the terrain and potential future upland access. Parcels in excess of five acres allow additional space around topographical features, potential wetlands, soil conditions, on-site sewage disposal requirements, or water supply and drainage considerations that are unique to the subdivision. LCS also intends to offer one or more commercial parcels within the project area.

The proposed subdivision within the project area will help fulfill 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. The subdivision will provide an excellent opportunity for the public to obtain waterfront land for settlement in a scenic area that is accessible by water from Hollis and Kasaan.

Planning and Classification: The general management intent of the area plan, management unit, and subunit was reviewed for consistency with the proposed offering. The project area is within the Prince of Wales Island Area Plan (POWIAP, updated 1998), Unit 12, Subunit 12c – Kasaan Bay. Lands within this unit are currently designated Settlement and General Use, and classified Settlement and Resource Management Land under Land Classification Order No. SE-98-001. Uplands along the coast and extending 400 feet inland are designated Settlement, and uplands that are beyond 400 feet from the shoreline are designated General Use. The project area consists of a portion of the management subunit.

Unit 12, Subunit 12c Considerations: Unit management intent states that this selection on the south shore of Kasaan Bay will be managed for multiple uses including long-term community development and settlement, but no land disposals are planned during the 20-year planning period. Residential development, when it occurs, shall be sited adjacent to the coast in the area designated settlement. The uplands adjacent to Little Coal Bay should be retained for water access and community center uses. Commercial and industrial activities should be allowed consistent with the management intent and guidelines of the plan. Additional management intents for the state-owned uplands within this subunit include mineral entry, recreation, and forestry, although timber harvest activity is not appropriate in areas designated Settlement.

The current area plan is beyond the 20-year planning period, there is a demand from the public for Settlement land in southeast Alaska, and LCS believes a land offering in the area is now appropriate. The current settlement unit includes lands along the coast and extending 400-feet inland from Kasaan Bay and Little Coal Bay. LCS is proposing an area plan amendment to change the designation of the lands located between 400 feet and 1200 feet inland from the shoreline of Little Coal Bay and

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Kasaan Bay in Subunit 12c from General Use to Settlement. This proposal also includes the option to offer one or more commercial parcels.

Area-wide Considerations: LCS reviewed the area plan's guidelines in Chapter 2 Areawide Land Management Policies. LCS will incorporate these considerations into the design and development of the project. Lands to be retained in public ownership, conditions, and reservations will be included on the plat and in offering materials as appropriate. Specific area-wide management intent and management guidelines affecting this proposal are discussed below.

Coordination and Public Notice: Management guidelines provide that public notice in accordance with *AS 38.05.945* is required for decisions involving the sale of State land, and that notice will be given to parties known or likely to be affected by an action. Public notice is being conducted in accordance with *AS 38.05.945*. Refer to section XVI. Submittal of Public Comments for more information.

Cultural Resources: Management guidelines provide that cultural surveys or inventories should be conducted prior to the design of land offerings in areas that the Division of Parks and Outdoor Recreation Office of History and Archaeology (OHA) determines have high potential to contain important cultural sites. LCS has coordinated with OHA early in the development of this proposal and OHA did not identify any known cultural resources within the project. LCS will continue to coordinate with OHA through the design of the subdivision as necessary.

Fish and Wildlife Habitat and Harvest Areas: These management guidelines primarily apply to areas designated Habitat or Harvest. However, management guidelines regarding fish and wildlife habitat provide that all land use activities will be conducted with appropriate planning and implementation to avoid or minimize adverse effects on fish, wildlife, or their habitats. Impacts to fish and wildlife habitat will be mitigated by implementing a building setback from Kasaan Bay and retaining buffers on each side of the anadromous stream.

Forestry: Timber harvest is not appropriate within areas designated Settlement. However, beach salvage and salvage of damaged trees may occur. A license is required for beach log salvage.

Material Sites: Management guidelines provide that generally, if a settlement area contains high value material resources, a pit area should be identified and retained in State ownership. No high-value material resources have been identified within the project area, and no designated material sites exist.

Settlement: Management guidelines regarding settlement address: Planning and Coordination; Isolated Parcels of State Land; Protection, Management, and Enhancement of Other Resources; and Design. These guidelines have been considered in the development of this proposal. Guidelines provide that DNR should retain greenbelts, buffer areas, public use corridors, and other public facilities to create a desirable land use pattern in developing areas. Subdivision design will preserve and enhance the natural setting and will take into account site limitations such as slope, drainage, soils, and erosion to ensure that land is buildable and

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environmental impact can be mitigated. Within stream corridors, DNR will set a higher priority on protecting public use values than on providing opportunities for private ownership of land.

Shorelines and Stream Corridors: Area-wide management guidelines provide that DNR should reserve public access to waterbodies when transferring land out of state ownership. LCS will reserve a 50-foot easement along the Mean High Water (MHW) of Kasaan Bay, Little Coal Bay, and any other water bodies determined to be public water and will reserve a 25-foot building setback outside of this easement. LCS will retain a 100-foot buffer along each side of anadromous stream #102-60-10640 to protect public values and habitat. Refer to the *Easements, Setbacks, and Reservations* subsection for more information.

Subsurface Resources: Management guidelines note that mining operations are judged to be in conflict with proposed land disposals. The project area was not closed to mineral entry at the time the plan was adopted. Consistent with the general management intent of the plan, LCS proposes to close the project area to mineral entry via MO 1242.

Trail and Public Access Management: Area-wide management guidelines provide that public access to areas with significant public resource values should be retained or improved by retaining means of access in public ownership, reserving rights of access when selling or leasing state land, or asserting rights-of-way. Reasonable access will be accommodated across state lands to other public and private lands. The existing ADL 106000 launch and National Forest System Road provide access to USFS land and state land beyond the project area. There are no trails identified in the project area, however, the state will retain easements as appropriate to maintain access through and within the project area. See the Access To, Within, and Beyond Project Area section for more information.

The proposed offering will be consistent with area-wide land management policies, general management intent of the POWIAP, and the specific management unit if the proposed area plan amendment, land classification order, and mineral order are approved in accordance with *AS 38.04.065 Land Use Planning and Classification*, *AS 38.05.300 Classification of Land*, and *AS 38.05.185 Generally*. The portion of the project area that is in excess of 400 feet from the shoreline is currently designated General Use and classified Resource Management land. That portion requires an amendment to the POWIAP and a land classification order prior to disposal.

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

Area Plan Amendment: DNR proposes to expand the settlement unit in management unit 12, subunit 12c, to include lands up to 1200-feet inland from Little Coal Bay and Kasaan Bay. The amendment will amend the designation of those lands between 400 feet and 1200 feet inland from Little Coal Bay and Kasaan Bay (approximately 250-acres) from General Use to Settlement.

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The increased project area boundary will allow additional space around topographical features, potential wetlands, soil conditions, on-site sewage disposal requirements, or water supply and drainage considerations that are unique to the subdivision. The amendment will change the designation of the area within 400 to 1200 feet upland from the shoreline of Little Coal Bay and Kasaan Bay, from General Use to Settlement. The management intent will be changed to state that land disposal is appropriate.

Land Classification Order: In relation to the Area Plan Amendment, DNR proposes to reclassify the land between 400 feet and 1200 feet inland from the shoreline of Little Coal Bay and Kasaan Bay, in a Land Classification Order from Resource Management Land to Settlement Land.

Mineral Activity and Order: No mineral activity has been identified on these lands. The entirety of the project area (approximately 385 acres) will be closed to new mineral entry if the mineral order is approved in accordance with *AS 38.05.185 Generally* and *AS 38.05.300 Classification of Land* for a land disposal. The proposed mineral order, if approved, will close the area to new mineral entry only and will not affect current existing mining claims. Closing the project area to mineral entry is consistent with the management intent of the POWIAP.

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. Area plan management guidelines regarding subsurface resources state that mining operations are judged to be in conflict with proposed land disposals. Consistent with the general management intent of the plan, DNR proposes to close the project area to mineral entry prior to sale to minimize potential conflict between land estate and mineral estate users.

Local Planning: The project area is within the Unorganized Borough, and the State does not pursue zoning of private lands.

Traditional Use Finding: The project area is within the Unorganized Borough, and a traditional use finding is therefore required under *AS 38.05.830 Land Disposal in the Unorganized Borough*. Information obtained from the POWIAP, research, Agency Review, and site inspection indicates that the project area appears to have no known current uses. National Forest System Road No. 2020000 is reserved to the United States and crosses through the project area. The tidelands at the beginning of the road are used as a log transfer facility authorized under ADL 106000. In addition, an anchorage exists on tidelands within Little Coal Bay. There are no anticipated significant changes to traditional uses of the land and resources of this area as a result of the proposed action, other than a possible increase in the various traditional activities which may be practiced by new private-property

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owners. Impacts on existing resource users will be minimized by reserving 50-foot easements along the Mean High Water (MHW) of Kasaan Bay, Little Coal Bay, and any other water bodies determined to be public water, and 25-foot building setbacks outside of those easements. In addition, LCS will retain in a 100-foot buffer along each side of all anadromous stream #102-60-10640 to protect public values and habitat. Additional information on traditional use is welcome during the public comment period and if this proposal is approved, LCS will address the information received in a subsequent Final Finding and Decision, if one is issued. 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.

Access To, Within, and Beyond Project Area: Access to the project area is by boat or floatplane via the waters of Kasaan Bay and Little Coal Bay. If LCS receives an agreement from the U.S. Forest Service to authorize use of National Forest System Road No. 2020000, parcels without shoreline frontage will be accessed from Kasaan Bay via the launch ramp at the Little Coal Bay log transfer facility (ADL 106000), and then overland via the road. National Forest System Road 2020000 will provide access to uplands beyond the project area. LCS also intends to reserve additional access easements from the MHW of Little Coal Bay and Kasaan Bay for access to uplands beyond the project area.

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 water body is navigable or public and establish easements or rights-of-way as necessary to ensure unobstructed access to and along the body of water. Regulations dictating the creation of easements or rights-of-way under this statute include 11 AAC 51.035 *Determination of Navigable and Public Water*, 11 AAC 51.045 *Easements To and Along Navigable and Public Water*, and 11 AAC 53.450, *Buffer Strips, Reserved Areas, and Public Easements*..

For the purposes of AS 38.05.127:

- navigable waters 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 (21) *Definitions*.

Kasaan Bay and Little Coal Bay adjacent to the project area are navigable. Parcels will be subject to access reservations in accordance with AS 38.05.127 *Access to Public or Navigable Water* and a 25-foot building setback outside of the easements along the water bodies described, as well as any additional water bodies identified as public or navigable prior to completion of survey in accordance with the POWIAP.

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 Ordinary High Water OHW or MHW of public or 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

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order to function, structures and subsurface sewage disposal systems will not be permitted within the building setback.

Easements, Setbacks, and Retained Lands: Subdivision design may include a variety of easements, setbacks, and retained lands, which will be identified on the subdivision plat and included in related documents. Standards for easements are provided in *11 AAC 51.015*.

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

- public access easements;
- utility easements;
- a 50-foot-wide section line easement on each side of surveyed or protracted section lines on State-owned land in accordance with *AS 19.10.010 Dedication of Land for Public Highways* and *11 AAC 51.025 Section-line Easements*; section-line easements may be vacated under *AS 19.30.410 Vacation of Rights-of-Way* and *11 AAC 51.065 Vacation of Easements* as part of the subdivision development;
- a 50-foot continuous easement upland from the OHW or MHW of public or navigable water bodies in accordance with *AS 38.05.127 Access To Navigable or Public Water*;
- a minimum 25-foot building setback outside of buffers or easements along the MHW of public or navigable water bodies, in accordance with the area plan; and,
- a 5-foot 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 5-foot 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.

Retained Lands: LCS will retain lands fronting Kasaan Bay to reserve access from the uplands to the Little Coal Bay Log Transfer Facility (ADL 106000) launch ramp. In addition, a minimum 100-foot buffer on each side of cataloged anadromous stream #102-60-10640 will be retained in state ownership. Lastly, LCS will retain lands within approximately 500-feet of the mouth of anadromous stream #102-60-10650 in Little Coal Bay. This land will continue to be available for public recreational use.

Hazardous Materials and Potential Contaminants: During air and ground field inspections conducted on September 1, 2015, field staff did not observe any environmental hazards within the project area. There are no known environmental hazards present within the project area; however, 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

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familiarize themselves with the condition and quality of the land prior to bid or application submittal.

LCS 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 that a large portion of this land was specifically designated Settlement for transfer into private ownership, and given the high degree of interest from both the legislature and citizens in transferring State-owned land into private ownership, LCS 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 order to offer the property, a combination of survey, subdivision, and/or platting actions may be required.

The project area is located within the Unorganized Borough, and therefore survey and platting will be subject to State of Alaska subdivision standards.

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. Even though the sale of project area parcels in multiple offerings over time will mitigate "flooding" the market, the two-year appraisal requirement must still be followed.

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.

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 from December 27, 2019 through January 27, 2020. 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 LCS received brief comments of non-objection from the following agencies: Mental Health Trust Land Office; Alaska Department of Transportation & Public Facilities; and DNR Division of Oil and Gas.

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

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Department of Fish and Game (ADF&G) Comment: ADF&G provided the following comments pertaining to the project.

ADF&G Comment: ADF&G cataloged stream No. 102-60-10650, important for the spawning and migration of pink salmon, flows into an estuary within Little Coal Bay near the western boundary of the project area. ADF&G states that future development of docks could impact eelgrass habitats and recommends that the western subdivision boundary be located no closer than 500 feet from the estuary of stream 102-60-10650.

DNR DMLW LCS Response: Access to parcels within the project area is primarily via the waters of Kasaan Bay and Little Coal Bay. However, LCS will retain lands within approximately 500-feet of the mouth of anadromous stream #102-60-10650 in Little Coal Bay. Per the POWIAP, the uplands adjacent to Little Coal Bay should be retained for water access and community center uses. Parcels with water access beyond the retained area may require the construction of a dock for access.

ADF&G Comment: ADF&G supports the proposed 100' buffers on both sides of cataloged stream No. 102-60-10640 within the project area and requests that the setbacks be depicted on future project area maps. The buffers will benefit wildlife by allowing for protected movement corridors along the streams and shore.

DNR DMLW LCS Response: LCS will include the 100' buffers on future maps of the subdivision project area.

ADF&G Comment: An ADF&G Fish Habitat permit will be required should future use of water from cataloged stream No. 102-60-10640 be requested. These permits can be obtained from the Habitat section office in Craig.

DNR DMLW LCS Response: LCS included this information in the water resources section of this Preliminary Decision, and the water source section of the Area Data Summary Table.

ADF&G Comment: Connecting National Forest System Road No. 2020000 to the main road system will increase access for hunting and trapping to the area, resulting in increased wolf and deer mortality from such activities.

DNR DMLW LCS Response: LCS does not intend to connect National Forest System Road No. 2020000 to the main road system. This road will be used for access from the launch at Kasaan Bay.

DNR Division of Parks and Outdoor Recreation, Office of History and Archaeology

Comment: The Alaska Heritage Resources Survey (AHRs) database indicates that there are no known cultural resource sites within the project area. However, a very small portion of the state has been surveyed for cultural resources and the possibility remains that previously unidentified resources may be located within the project areas.

DNR DMLW LCS Response: LCS will notify OHA should any inadvertent discoveries of cultural resources occur during the duration of the project.

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

- Department of Environmental Conservation;
- Department of Natural Resources;
 - Division of Agriculture;
 - Division of Forestry;
 - Division of Parks and Recreation (Operations);
 - Division of Geologic and Geophysical Surveys;
 - Office of Project Management and Permitting; and
 - State Pipeline Coordinator's Section;
- Department of Commerce and Economic Development;
- University of Alaska Land Management;
- Alaska Railroad;
- Southeast Soil and Water Conservation District; and,
- Alaska Association of Conservation Districts;

VIII. Submittal of Public Comments

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

Pursuant to *AS 38.05.945 Notice*, LCS is issuing public notice inviting comment on this Preliminary Decision, draft area plan amendment, draft land classification order, and draft mineral 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.

LCS will consider all timely, written comments received. If analysis of such comments indicates the need for significant changes to the Preliminary Decision, draft area plan amendment, draft land classification order, or draft mineral 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 area plan amendment, draft land classification order, and draft mineral order including any deletions, minor changes, and summary of comments and LCS responses will be issued as a subsequent Final Finding and Decision, POWIAP Amendment No SE-98-001A10, Land Classification Order CL SE-98-001A10, and Mineral Order 1242 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 LCS receives timely, written comment during the identified comment period will be eligible to file a request for reconsideration of the Final Finding and Decision, POWIAP Amendment No SE-98-001A10, Land Classification Order CL SE-98-001A10, and Mineral Order 1242. Upon approval and issuance of a Final Finding and Decision and these

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actions, a copy of the decision, orders, and amendment 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.

LCS 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, THURSDAY, JANUARY 28, 2021

IX. Alternatives and Discussion

LCS is considering the following alternatives:

Alternative 1: (Preferred) Survey and plat a subdivision consisting of no more than 45 parcels varying in size from 2.5 and 10 acres and offer those parcels for sale. The development and offering of these parcels may be completed in multiple stages. This proposal includes the amendment to the POWIAP, land classification order, and mineral order.

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

Article VIII, Section 1 of the Alaska Constitution states, "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 offering provides an opportunity for the public to obtain land for settlement in a desirable area. This proposal, if approved in a subsequent Final Finding and Decision, will allow LCS to create and design a subdivision which will provide for the best use and development of the land and financial return to the State. Alternative 1 provides the greatest opportunity for more Alaskans to purchase land within this area. Due to the waterfront parcel views, access to State lands through National Forest System Road No. 2020000, location relative to the communities of Hollis and Kasaan, the project area is better suited to subdivision prior to offering. 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 does not approve the project, the related actions will not be processed.

Alternative 2 does not meet the legislative and public desire for DNR to offer State-owned land for private ownership. Retention of this land would inhibit DNR from meeting its constitutional, statutory, and legislative goals. Not offering the project area would deny many Alaskans the

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opportunity to obtain land in an area that is suited to settlement and was selected as a sufficient area to support a future remote community. Alternative 2 is not preferred.

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

Recommendation follows.

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X. Recommendation

This Preliminary Decision for the proposed disposal of State lands, POWIAP Amendment No. SE-98-001A10, Land Classification Order CL SE-98-001A10, and Mineral Order 1242 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, POWIAP Amendment No. SE-98-001A10, Land Classification Order CL SE-98-001A10, and Mineral Order 1242. If the decision is approved, POWIAP Amendment No. SE-98-001A10, Land Classification Order CL SE-98-001A10, and Mineral Order 1242 will accompany and precede any Final Finding and Decision issued.

\s\

Prepared by: John King
Natural Resource Specialist III
Land Conveyance Section
Division of Mining, Land, and Water
Department of Natural Resources
State of Alaska

December 16, 2020

Date

\s\

Approved by: Tim Shilling
Natural Resource Manager II
Land Conveyance Section
Division of Mining, Land, and Water
Department of Natural Resources
State of Alaska

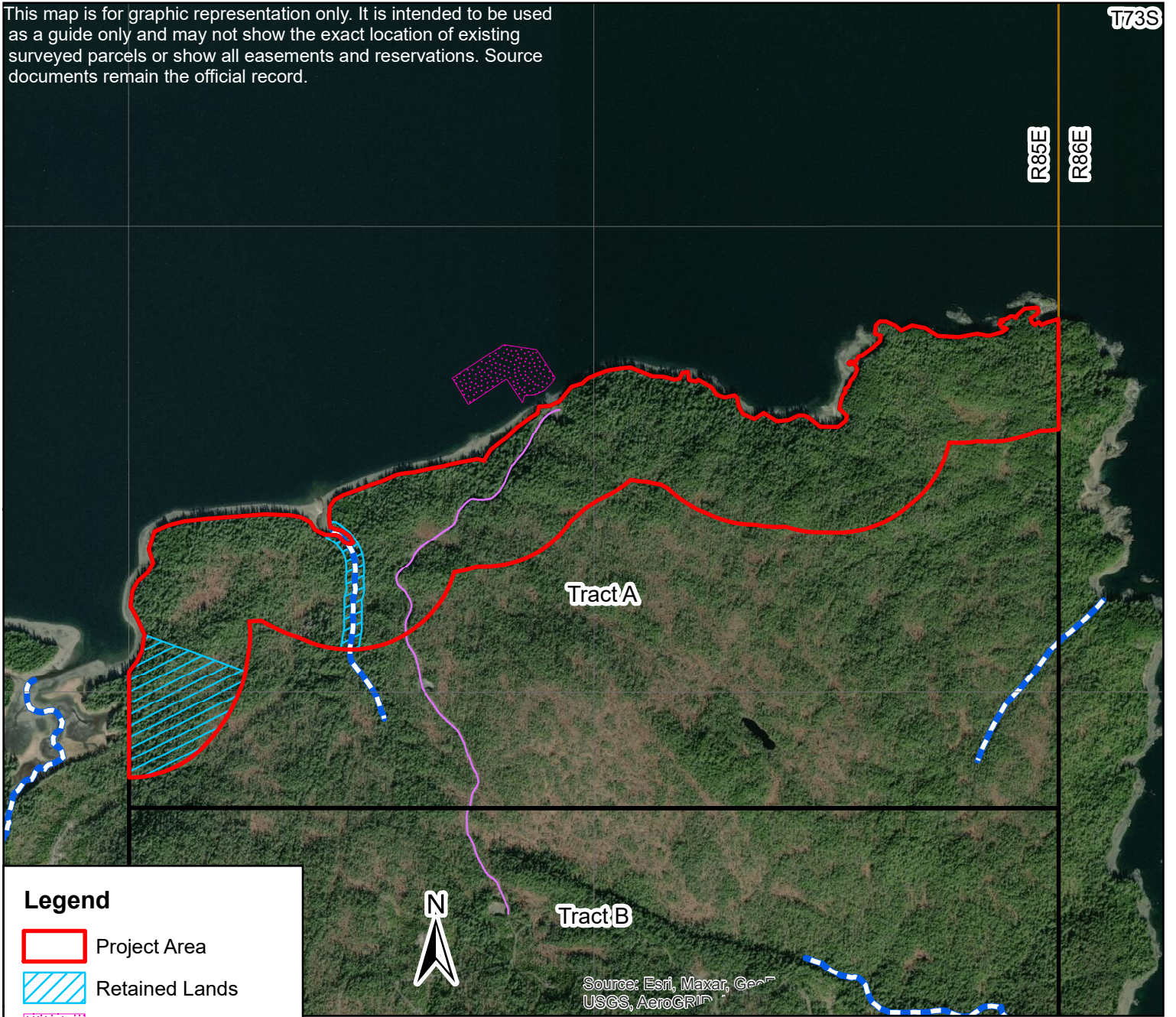
December 16, 2020

Date








Attachment A: Vicinity Map Lil' Coal Bay Subdivision ADL 107447

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

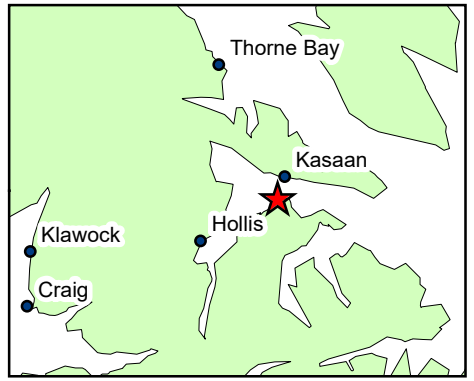
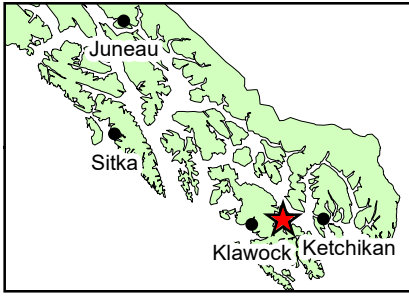


Legend

-  Project Area
-  Retained Lands
-  ADL 106000
-  Road No. 2020000
-  Anadromous Stream

USGS QUAD 1:63.360
 Craig (C-2)
 For more information contact:
 John King
 Department of Natural Resources
 Division of Mining, Land, and Water
 Land Sales Section
 Phone: 907-465-3511
 Fax: 907-269-8916
 Email: land.development@alaska.gov

Township 73 South, Range 85 East, Copper River Meridian



T73S

R85E
R86E

Tract A

Tract B

0 0.5 1 Miles

JK 11/18/2020

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 Unorganized Borough
Lil' Coal Bay Subdivision – ADL 107447**

Offering Information	
Proposed Number of Parcels	Up to 45 parcels
Proposed Parcel Size	Varying in size from 2.5 acres to 10 acres
Proposed Related Actions	Mineral Order (closing), Area Plan Amendment, Land Classification Order
Project Area	
Location	Located on Prince of Wales Island, approximately 2 miles south of Kasaan, Alaska.
Project Area Acreage	Approximately 385 acres with approximately 300 acres proposed for disposal
USGS Topography Map	USGS Quad Craig C-2
Legal Description	That portion of Tract A of Township 73 South, Range 85 East, Copper River Meridian, Alaska according to the plat accepted by the United States Department of the Interior, Bureau of Land Management on March 20, 2002, located within approximately 1200 feet of mean-high-water of Kasaan Bay, containing 385-acres more or less, as depicted on the attached map.
Title	Tract A is patented to the State (Patent #50-2003-0302) under National Forest Community Grant 362 (NFCG 362)
Area Plan and Classification	Prince of Wales Island Area Plan (POWIAP) (updated 1998), Management Unit 12, Subunit 12c. Lands along the coast and extending 400 feet inland are designated Settlement (S), all other lands in the project area are designated General Use (Gu).
Mineral Orders	None. Project area will be closed to mineral entry prior to offering through Mineral Order (MO) 1242.

Attachment B: Area Data Summary Table

for a Proposed Land Offering in the Unorganized Borough

Lil' Coal Bay Subdivision – ADL 107447

Page 2 of 4

Physical Characteristics	
Access	Access to the project area is by boat or floatplane via the waters of Kasaan Bay and Little Coal Bay. National Forest System Road No. 2020000 provides access from the Little Coal Bay Log Transfer Facility marine access point (easement ADL 106000 issued to the U.S. Forest Service) to lots not accessible from Kasaan Bay.
Terrain and Major Features	The terrain is moderate with a gently rolling upward slope to the center of the southern portion of the project area. Elevation ranges between 0 to 200 feet above sea level with an average slope of 8% and a maximum slope of 34%. The tidelands gradually slope away from a 0-5 ft. vertical shoreline. An existing launch ramp is located near the approximate center of the project area, and a logging road runs north to south from the launch.
View	Kasaan Bay
Soils	Soils within the project area generally consist of a thin mat of organic material overlying poorly drained peat and silt loam. The primary soil types are Wadleigh gravelly silt loam and Wadleigh-Maybeso complex. The project area also contains Salt Chuck extremely gravelly loam which is a well-drained decomposed plant material and gravelly soil. 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.
Wetlands	Freshwater Forested/Shrub Wetlands and Freshwater Emergent Wetlands appear to exist within the project area. Dredging or filling of wetlands may require a permit from the US Army Corps of Engineers.
Vegetation	A temperate rainforest consisting primarily of Spruce hemlock and Western hemlock, with lesser amounts of Mountain hemlock, Lodgepole pine, cedar, and other conifers. Red alder occupies riparian sites. There are some intermixed muskeg areas. Salt grasses are found along the coastal transition locations.
Water Source	An unnamed anadromous stream crosses through the western portion of the project area. An ADF&G Fish Habitat permit will be required should future use of water from cataloged stream 102-60-10640 be requested. No municipal water source is available. Water quality is unknown.
Anadromous Waters	An unnamed anadromous stream No. 102-60-10640 flows through the western portion of the project area and empties into Kasaan Bay. Seasonal populations of pink salmon are present in this stream. Should additional streams be identified throughout the design phase, DNR DMLW will evaluate the appropriateness of buffers for such water bodies.

Attachment B: Area Data Summary Table

for a Proposed Land Offering in the Unorganized Borough

Lil' Coal Bay Subdivision – ADL 107447

Page 3 of 4

Local Management Information	
Fire Protection	The Alaska Interagency Fire Management Plan indicates that the project area is within the “Modified” fire management area. Fire risk in the area is likely low. The Limited Management Option fires are assigned the lowest resource allocation priority. It is the personal responsibility of the [landowner] to mitigate and minimize risk to their property and structures and to be ‘Firewise’.
Game Management Unit	2
Local Authority	The project area is within the Unorganized Borough and subject to the State of Alaska platting authority.
Flood Zone	There is no Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map available for the project area. There is potential for seasonal flooding and erosion of parcels adjacent to water bodies, especially in low-lying areas.
Utilities	No known services exist within the project area. Alaska Power & Telephone serves surrounding communities such as Hollis and Kasaan.
Waste Disposal	All on-site wastewater disposal systems must meet the regulatory requirements of the Alaska Department of Environmental Conservation. The nearest solid waste disposal location is in Hollis or Thorne Bay.
Setbacks, Reserved Areas, Easements, and Conditions	
Building Setbacks	In accordance with the POWIAP, parcels will be subject to a 25-foot building setback outside of the 50-foot access easement along mean high water (MHW) and ordinary high water (OHW) of water bodies determined to be public or navigable. Water-dependent structures may be allowed within the building setback.
Public Access and Utility Easements	Parcels may be subject to the following: <ul style="list-style-type: none"> • public access easements; • utility easements; • a 50-foot-wide section line easement on each side of surveyed or protracted section lines on State-owned land in accordance with <i>AS 19.10.010 Dedication of Land for Public Highways</i> and <i>11 AAC 51.025 Section-line Easements</i>; section-line easements may be vacated under <i>AS 19.30.410 Vacation of Rights-of-Way</i> and <i>11 AAC 51.065 Vacation of Easements</i> as part of the subdivision development; • a minimum 25-foot building setback outside of buffers or easements along the MHW of public or navigable water bodies, in accordance with the area plan; • a 50-foot continuous easement upland from the OHW or MHW of public or navigable water bodies in accordance with <i>AS 38.05.127 Access To Navigable or Public Water</i>; and, • a 5-foot 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

Attachment B: Area Data Summary Table

for a Proposed Land Offering in the Unorganized Borough

Lil' Coal Bay Subdivision – ADL 107447

Page 4 of 4

	applicable, a 5-foot direct line-of-sight easement from the control station to an azimuth mark or other control monument.
Retained Lands	LCS will retain lands fronting Kasaan Bay to reserve access from the uplands to the Little Coal Bay Log Transfer Facility (ADL 106000) launch ramp. In addition, a minimum 100-foot buffer on each side of cataloged anadromous stream #102-60-10640 will be retained in state ownership. LCS will also retain lands within approximately 500-feet of the mouth of anadromous stream #102-60-10650 in Little Coal Bay.
Public or Navigable Water Bodies	Little Coal Bay and Kasaan Bay border the project area. There is an unnamed anadromous stream (#102-60-10640) in the western portion of the project area, which is public water. 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	Sealaska Regional Corporation
Villages and Tribal Councils	Federally recognized tribe: Organized Village of Kasaan, Central Council of Tlingit and Haida Indian Tribes of Alaska, Klawock Cooperative Association. Village corporations: Kivilco Incorporated, Klawock Heenya Corporation, Haida Village Corporation, Kootznoowoo Village Corporation, and Shaan-Seet Village Corporation.
Oil and Gas Activity	None known.
Mining Activity	None known.
Comments	<p>An amendment to the POWIAP is required because the area proposed for development extends more than 400 feet inland from the shoreline of Kasaan Bay. The project boundaries take into account the terrain and potential future upland access. The upland boundary is approximately 500 to 1200 feet from the coastline.</p> <p>LCS is pursuing an agreement from the U.S. Forest Service to authorize use of National Forest System Road No. 2020000 for legal access to any parcels without waterfront access.</p> <p>The proposed offering includes the option to offer one or more commercial parcels within the proposed subdivision.</p>

STATE OF ALASKA, DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND & WATER
LAND CONVEYANCE SECTION

ATTACHMENT C: PUBLIC NOTICE

Requesting Input for a Proposed Land Offering:
Lil' Coal Bay Subdivision – ADL 107447

COMMENT PERIOD ENDS 5:00PM, JANUARY 28TH, 2021

This proposed project includes offering for sale surveyed parcels in a future offering under the method described in the Preliminary Decision document, including the proposed related actions. The project may be subdivided and offered in multiple offerings over time.

Location: Located within DNR's Southeast Region, approximately 2 miles south of Kasaan and 32 miles northwest of Ketchikan, the project area is within Sections 25, 26, and 35, Township 73 South, Range 85 East, Copper River Meridian, within the Unorganized Borough (UOB).

Project size: Approximately 385 acres, with 300 acres identified for disposal.

To obtain a copy of the Preliminary Decision, Mineral Order, Land Classification Order, Area Plan Amendment, 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, Fairbanks at 907-451-2705, or the Southeast Land Office in Juneau at 907-465-3400 (TTY for the hearing impaired 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, January 21, 2021.

Pursuant to AS 38.05.945 Notice, the public is invited to submit comment on the Preliminary Decision, Mineral Order, Land Classification Order, and/or Area Plan Amendment 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, JANUARY 28, 2021.** Only persons from whom DNR DMLW LCS 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 email, fax, or postal mail. To submit comments or for direct inquiries, contact John King, Natural Resource Specialist III: land.development@alaska.gov, fax # 907-500-9011, or P.O. Box 111020 Juneau, AK 99811. If you have questions, call John King at 907-465-3511.

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 and Decision, Mineral Order 1242, Land Classification Order CL SE-98-001A10, and Area Plan Amendment SE-98-001A10, without further notice. A copy of the Final Finding and Decision and related actions will be sent to any persons who commented timely on the Preliminary Decision.

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

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

MINERAL ORDER No. 1242

 X Closing Lands to Mineral Entry _____ Opening Lands to Mineral Entry

I. Name of Mineral Order: Lil Coal Bay Subdivision – ADL 107447

II. Reason for Mineral Order: This Mineral Order is based upon the attached *Commissioner's Administrative Finding*, applicable statutes, and the written justification contained in the following:

Prince of Wales Island Area Plan (adopted 1985, updated 1998)
Preliminary Decision, Lil' Coal Bay Subdivision – ADL 107447, December 16, 2020 and the subsequent Final Finding and Decision for same

III. Authority: *AS 38.05.185 Generally* and *AS 38.05.300 Classification of Land*.

IV. Location and Legal Description: Located within DNR's Southeast Region, approximately 2 miles south of Kasaan and 32 miles northwest of Ketchikan, more specifically described as:

That portion of Tract A of Township 73 South, Range 85 East, Copper River Meridian, Alaska according to the plat accepted by the United States Department of the Interior, Bureau of Land Management on March 20, 2002, located within approximately 1200 feet of mean-high-water of Kasaan Bay, containing 385-acres more or less.

V. Mineral Order: This order is subject to valid existing rights and is issued under the authority granted by *AS 38.05.185 – AS 38.05.275* and *AS 38.05.300* to the Alaska Department of Natural Resources. In accordance with *AS 38.05.185(a)*, I find that the best interests of the State of Alaska and its residents are served by closure of the land described in this mineral order to entry under mineral location and mining laws of the State of Alaska. The above described lands are hereby **closed** to entry under the locatable mineral and mining laws of the State of Alaska.

Concur:	/s/ Martin W. Parsons	September 17, 2021
	Martin W. Parsons, Director Division of Mining, Land and Water Department of Natural Resources	_____ Date

Approved:	/s/ Corri A. Feige	September 15, 2021
	Corri A. Feige, Commissioner Department of Natural Resources	_____ Date

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

ADMINISTRATIVE FINDING
MINERAL ORDER NO. 1242
Closing Lands to Mineral Entry

LIL' COAL BAY SUBDIVISION

Pursuant to AS 38.05.035 *Powers and Duties of the Director*, the State of Alaska, Department of Natural Resources, Division of Mining, Land, and Water proposes to issue a Final Finding and Decision to convey State-owned land into private ownership within the Lil' Coal Bay project area (ADL 107447). As noted in the Preliminary Decision – Proposed Land Offering Lil' Coal Bay – ADL 107447, issued December 16, 2020, the project area is within Unit 12, Subunit 12c (Kasaan Bay) of the Prince of Wales Island Area Plan. In accordance with the area plan, DMLW proposes to close the area proposed for disposal within the entire project to mineral entry. The attached mineral order includes the legal description of area to be closed to mineral entry.

The Division of Mining, Land, and Water requests the mineral estate of approximately 385 acres, identified in the attached mineral order, be closed to mineral entry and location, in accordance with AS 38.05.300 *Classification of Land* for a land disposal. Mining activity on the project area would be incompatible with the current and proposed land estate uses. The land does not contain any known mineral deposits and was not selected for mineral values. There are no mining claims on the land.

Public notice of the comment period for the proposed mineral order was conducted in accordance with AS 38.05.945 *Notice*. The Department did not receive objections or comments regarding the proposed mineral order from the public or agencies during the comment period.

In accordance with AS 38.05.185 (a) and AS 38.05.300, I find that the best interests of the State of Alaska and its residents are served by closure of the land to entry under the mineral location and mining laws of the State of Alaska as described by Mineral Order (Closing) No. 1242.

Approved: /s/ Corri. A Feige
Corri A. Feige, Commissioner
Department of Natural Resources

September 15, 2021
Date

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

**PRINCE OF WALES ISLAND AREA PLAN AMENDMENT
SE-98-001A10**

Unit 12 - Kasaan Bay, Subunit 12c – Kasaan Bay

related to the
Lil' Coal Bay Subdivision – ADL 107447

The Commissioner of the State of Alaska, Department of Natural Resources (DNR) finds that the following amendment to the Prince of Wales Island Area Plan, described more fully in the Attachment, meets the requirements of *AS 38.04.065 Land Use Planning and Classification* and *11 AAC 55.010-030 Land Planning and Classification* for land use plans and hereby adopts the amendment. The Department of Natural Resources will manage state lands within the area of the revision consistent with this designation and management intent.

- **Designation**: Expand the settlement unit in management unit 12, subunit 12c, to include lands up to 1200-feet inland from Little Coal Bay and Kasaan Bay. The amendment will amend the designation of those lands between 400 feet and 1200 feet inland from Little Coal Bay and Kasaan Bay from General Use to Settlement.
- **Management Intent and Guidelines**: Amend the first paragraph of the management intent to include that the Kasaan Bay selection on the south shore of Kasaan Bay will be managed for multiple use including long-term community development, and that land disposals are appropriate.
- **Settlement Management Intent**: Long-term management intent for Unit 12c Kasaan Bay is for land disposal for a small community and the use of upland resources, including timber harvest, subject to Chapter 2 requirements. Land Disposal is appropriate. Land disposal, when it occurs, shall be sited adjacent to the coast in the area designated “S” (Settlement) up to 1200’ inland. The uplands adjacent to Little Coal Bay should be retained for water access and community center uses. Commercial and industrial activities should be allowed consistent with the management intent and guidelines of the plan.

/s/ Corri A. Feige

Approved by: Corri A. Feige, Commissioner
Department of Natural Resources

September 15, 2021

Date

ATTACHMENT

to the PRINCE OF WALES ISLAND AREA PLAN AMENDMENT

Unit 12 - Kasaan Bay, Subunit 12c – Kasaan Bay

related to the Lil' Coal Bay Subdivision – ADL 107447

Location and legal description: Located within DNR's Southeast Region, approximately 2 miles south of Kasaan and 32 miles northwest of Ketchikan, more specifically described as:

That portion of Tract A of Township 73 South, Range 85 East, Copper River Meridian, Alaska according to the plat accepted by the United States Department of the Interior, Bureau of Land Management on March 20, 2002, located within approximately 1200 feet of mean-high-water of Kasaan Bay, containing 385-acres more or less, as depicted on the attached map.

Authority: The authority to revise plans derives from *AS 38.04.065(b) Land Use Planning and Classification*. *11 AAC 55.030(f) Land Use Plan* defines when a revision constitutes a plan amendment.

Current Plan: Lands along the coast and extending 400-feet inland from Kasaan Bay and Little Coal Bay are designated Settlement (S), all other lands in the project area are designated General Use (Gu). Subunit 12c management intent and guidelines pertaining to this area state:

“The Kasaan Bay selection on the south shore of Kasaan Bay is to be managed for multiple uses including long-term community development. No land disposals are planned during the 20-year life of the plan.

Grindall Island and Grindall Passage area will be managed for community recreation. The land is recommended for inclusion in the state park system and will remain in public ownership.

State tidelands and submerged lands will be managed for multiple use with an emphasis on protecting the most important recreation and fish and wildlife habitat and harvest areas. Eleven areas are managed for support facilities for upland commercial timber harvest. Mineral potential has been identified on lands on the Kasaan Peninsula. State tidelands and submerged lands are designated for access to these mineralized areas.

Lyman Anchorage is a small cove important for many uses. Careful management is required to protect the anchorage use while providing support and access for upland resource developments.

With the exception of one anadromous fish stream mouth and uplands on Grindall Island, all state lands are open to mineral entry.”

Attachment to the Prince of Wales Island Area Plan Amendment
Unit 12 – Kasaan Bay, Subunit 12c – Kasaan Bay

Settlement management intent for Subunit 12c states: “Long-term management intent for the state selection at Kasaan Bay is for land disposal for a small community and the use of upland resources, including timber harvest, subject to Chapter 2 requirements. During the 20-year life of the plan, the selection will be managed for general use and to retain suitability for a prospective community. Residential land disposals are not planned during the next 20 years, although the need for such disposals should be reviewed when the plan is next revised. Residential development, when it occurs, shall be sited adjacent to the coast in the area designated “S” (Settlement). The uplands adjacent to Little Coal Bay should be retained for water access and community center uses. Commercial and industrial activities should be allowed consistent with the management intent and guidelines of the plan.”

Proposed Plan Amendment: DNR proposes to expand the settlement unit in management unit 12, subunit 12c, to include lands up to 1200-feet inland from Little Coal Bay and Kasaan Bay. The amendment will amend the designation of those lands between 400 feet and 1200 feet inland from Little Coal Bay and Kasaan Bay (approximately 250-acres) from General Use to Settlement.

The first paragraph of the general management and guidelines regarding this portion of Subunit 12c will be amended to read: “The Kasaan Bay selection on the south shore of Kasaan Bay will be managed for multiple use including long-term community development. Land disposals are appropriate.” Settlement management intent for unit 12c will be amended to read: “Long-term management intent for Unit 12c Kasaan Bay is for land disposal for a small community and the use of upland resources, including timber harvest, subject to Chapter 2 requirements. Land Disposal is appropriate. Land disposal, when it occurs, shall be sited adjacent to the coast in the area designated “S” (Settlement) up to 1200 feet inland. The uplands adjacent to Little Coal Bay should be retained for water access and community center uses. Commercial and industrial activities should be allowed consistent with the management intent and guidelines of the plan.”

Explanation: The POWIAP was updated in 1998 and is beyond the 20-year planning period. Over the past 22-years there has been an increase in demand for land sales southeast Alaska. The management intent for the subunit states that it should be managed for multiple uses including long-term community development and settlement, but no land disposals were planned within the 20-year planning period.

There is a demand from the public to obtain Settlement-classified land in southeast Alaska. The proposed subdivision within the project area will help fulfill 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. This plan amendment allows an expansion of the existing Settlement designation area. The increased settlement area will allow additional space around topographical features, potential wetlands, soil conditions, on-site sewage disposal requirements, or water supply and drainage considerations that are unique to the subdivision. The amendment will change the designation of the area within 400 to 1200 feet upland from the shoreline of Little Coal Bay and Kasaan Bay, from General Use to Settlement. The management intent will be changed to state that land disposal is appropriate. The settlement unit is proposed for offering as provided in the Preliminary Decision dated December 16, 2020

Assessment: The following alternatives are being considered:

1. (Preferred) Amend the POWIAP as described above to extend the Settlement designation to 1200 feet inland from the coast within the project area of the Lil’ Coal Bay subdivision. The designation will be changed to Settlement, and the management intent will be updated. Amending the plan is the preferred alternative as it will allow the sale of

Attachment to the Prince of Wales Island Area Plan Amendment
Unit 12 – Kasaan Bay, Subunit 12c – Kasaan Bay

Settlement land, providing the public an opportunity to obtain property in a desirable area, and generate revenue for the State.

2. (Status Quo) Do not amend the POWIAP. This alternative is not preferred as it would disallow the offering of Settlement parcels that are large enough to accommodate the terrain of the area. This action would deny many Alaskans the opportunity to obtain land in this area.

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

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

LAND CLASSIFICATION ORDER
NO. CL SE-98-001A10

Related to Lil' Coal Bay Subdivision - ADL 107447

- I. Name: Lil' Coal Bay Subdivision
- II. The classifications in Part III are based on written justification contained within the following:
- A Preliminary Decision for the Proposed Lil' Coal Bay Subdivision within an Unorganized Borough, dated December 16, 2020; and
 - an Amendment to the Prince of Wales Island Area Plan No. SE-98-001A10.

III.	<u>Legal Description</u>	<u>Acreage</u>	<u>Acquisition Authority</u>	<u>Existing Classification</u>	<u>Classification by this Action</u>
	That portion of Tract A of Township 73 South, Range 85 East, Copper River Meridian, located between 400 and 1200 feet of mean-high-water of Kasaan Bay.	250 acres	NFCG 362	Resource Management	Settlement

- IV. This order is issued under the authority granted to the Commissioner of the Department of Natural Resources by *AS 38.04.065 Land Use Planning and Classification* and *AS 38.05.300 Classification of Land*. The above described lands are hereby designated and classified as indicated. Nothing shall prevent the reclassification of these lands if warranted in the public interest.

Approved: /s/ Corri A. Feige
Corri A. Feige, Commissioner
Department of Natural Resources

 September 15, 2021
Date