

STATE OF ALASKA

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Dear Interested Alaskan:

The Governor is announcing new legislation that would transfer 260,000 acres of state land managed by the Department of Natural Resources to the University of Alaska. I am pleased to provide this list of lands for this transfer. The transfer will fulfill the intent of Senate Bill 7 passed by the 2000 Alaska Legislature as Chapter 136 SLA 2000. It will do so in a manner that is quicker, less expensive, and provides more valuable lands to the university than the process envisioned by SB 7.

Background — Senate Bill 7. In 2000, the Alaska Legislature passed SB 7, which provided a 10-year process during which the University of Alaska would select up to 260,000 acres of state-owned land to be conveyed to the university for the primary purpose of generating revenue for the university. Specifically, the bill provided that:

- “most land grant colleges in the western United States have obtained a larger land grant from the federal government than the University of Alaska has received;
- an academically strong and financially secure state university system is a cornerstone to the long-term development of a stable population and to a healthy, diverse economy in the state;
- it is in the best interests of the state and the University of Alaska that the university take ownership of a significant substantial portfolio of income producing land in order to provide income for the support of public higher education in the state;”

SB 7 had a 10-year fiscal note and forecast the need for approximately \$1.7 million each year to complete the selection, decision, and transfer process.

Unfortunately, implementing the bill proved difficult, expensive, time-consuming, and subject to litigation. To date, no lands have been conveyed to the University of Alaska to implement the law. In addition, uncertainty over what state land the university may or may not select creates a disincentive for investment and development, and the 10-year conveyance process had the potential to discourage the development and use of state land.

Land List and Accompanying Legislation. Over the course of the past several years, the University of Alaska and the Department of Natural Resources (DNR) have worked to reach agreement on lands proposed for transfer to the university to fulfill the intent of SB 7. These lands include some that were not selectable under SB 7. However, the proposal includes a portfolio of lands that should produce income for the university both in the near-term and long-term, and will provide more income than was available to the university under the provisions of SB 7. The new

“Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans”

legislation requested by the Governor eliminates the lengthy selection process required under SB 7 and directs DNR to convey these specific lands to fulfill the 260,000-acre intent of SB 7.

This new legislation provides a single decision for determining what lands will be transferred to the University of Alaska, rather than a protracted 10-year decision process. This is a quicker and significantly less expensive process. It also eliminates the potential disincentive to development because once the legislation passes, the eventual land manager is immediately clear.

Summary of the Lands to be Transferred to the University of Alaska. The lands proposed to be conveyed to the university are summarized below:

Type of Property	No. of Parcels	Approximate Acreage
Investment Properties, Southeast Alaska	44	40,102
Investment Property, Other than Southeast	14	39,222
Nenana Basin Oil and Gas	1	90,000
Educational Properties	12	90,676
Total:	71	260,000

In developing a list of investment properties to be transferred, DNR and the University of Alaska focused primarily on lands that had been designated settlement, general use, or general public recreation in DNR Area Plans. The list does not include any lands designated for timber harvest in Southeast Alaska because conveying these to the university would decrease DNR's allowable cut there. Nor does it include lands tentatively scheduled for sale by DNR within the next five years, as conveying these would leave DNR unable to meet near-term land sale goals. The list does not include lands on which municipal selection applications have been filed. The list does not include any producing oil and gas or mineral properties, nor legislatively designated State Game Refuges, Critical Habitat Areas, Parks, or Public Use Areas.

The 44 parcels in southeast are expected to have the greatest near-term income potential. Because of the limited state land in southeast, these tracts are comparatively small and are distributed throughout southeast Alaska.

The remaining investment properties, distributed throughout the state, include some lands suited for commercial or industrial development, but the majority is suited for residential or recreational development.

The Nenana Basin Oil and Gas property is a single 90,000-acre tract within the Nenana Basin. It is located west of the Nenana River generally across the river from the City of Nenana. DNR and the University believe the tract has significant potential for gas development, and the area is part of the Oil and Gas License owned by Andex Corporation. The tract would be transferred to the University of Alaska subject to the Andex license.

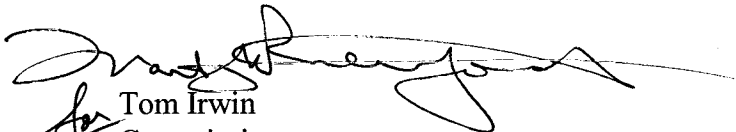
The 12 educational properties are intended to strengthen the University of Alaska's education and research programs. Most are located in the Fairbanks area. The largest is a 51,820-acre tract southwest of Fairbanks within the Tanana Valley State Forest. This area, which includes the Bonanza Creek Experimental Forest, would become the University Research Forest. It will be one of the largest university-related forests in the country and will be an important asset to the university for forestry and related research. For at least the next 50 years, DNR would continue to manage the

public uses in this area, such as recreation, and would continue to use the area for commercial timber sales, consistent with the needs of the University Research Forest.

Land Transfer Process. Under the proposed legislation, DNR will convey the lands to the University of Alaska within three years of the bill's passage. During those three years, DNR will complete the required title search, and will reserve appropriate public access easements, navigable waters, etc. Actual authority for management will change on the date the deeds are recorded.

Conveying these lands will accomplish the goals of SB 7 in a manner that is faster and less expensive than the 10-year process previously envisioned. I am pleased to recommend this portfolio of lands for transfer to the University of Alaska. I believe that these lands will provide the university with significant value and future revenue to help fund public education. The transfer helps fulfill the promise of a land grant University.

Sincerely,



Tom Irwin
Commissioner

University of Alaska Land Grant List 2005

Parcel #	Name	Approx. Area in Acres
Non-producing Oil and Gas Resources		
	Nenana Gas Basin Tracts - Mineral *	90,000
	Nenana Gas Basin Tracts - Land ** *	90,000
	Oil and Gas Resources, Subtotal	90,000
Investment Properties		
Northern/ Interior Region		
DH.IS.1001	Dalton Highway MP 48 to 54	1,360
DH.SR.1001	Dalton Highway MP 345 to 347	880
MA.HR.1001	Haul Road Nodes-Coldfoot	1,700
M1.JC.1001	Jarvis Creek (Mineral)	16,000
FA.JC.1001	Jennie M. Creek C	5
N1.LS.1001	Lake Snohomish	740
NZ.FA.1003	Noyes Slough (See Fairbanks Area Parcels map)	7
N5.RS.1001	Summit Lake (Parks Highway)	960
N1.WT.1001	West Twin Lake	1,560
N5.WL.1001	Wien Lake	1,780
	Northern Interior Region Subtotal	24,992
Southcentral Region		
SU.DC.1001	Deception Creek	280
SU.FP.1001	Frying Pan Lake	450
MA.MC.1001	McCarthy-Nizina	12,500
SU.WC.1001	Willow Creek Road	1,000
	Southcentral Region Subtotal	14,230
	Investment Properties Total	39,222

* The mapped extent of the parcel exceeds this amount, but will be reconfigured when the Remote Staking for Teklanika II has been completed to equal approximately 90,000 acres.

** The University will provide, at no charge to the state, reasonable access to the state land and resources west and north of the Nenana parcel.

University of Alaska Land Grant List 2005

Parcel #	Name	Approx. Area in Acres
Southeast Alaska		
SD.1001	Beecher Pass	1,193
PA.1002	Biorka Island	438
KT.1002	Cleveland Peninsula	4,055
PW.CC.1001	Coffman Cove	1,984
CS.DI.1001	Duke Island	1,440
CS.EW.1001	Earl West Cove	3,564
PW.ED.1001	Edna Bay	250
PW.EC.1001	El Capitan North	1,847
PW.ES.1005	El Capitan South	865
NS.EX.1002	Excursion Inlet	477
SD.1001	Favor Peak	1,290
HA.CH.1001	Haines - Chilkoot	60
CR.1001	Harris Road Junction	320
PW.HO.1001	Hollis	622
PW.HK.1001	Hook Arm	1,280
MF.1002	Idaho Inlet	539
JU.NL.1001	Ivanhoe	120
CS.KI.1001	Kelp Island	535
CS.LE.1001	Leask Cove	460
JU.LM.1001	Lena Creek	610
NS.NS.1001	Lisianski Peninsula	1,443
JU.1002	Lynn Canal	1,358
NS.MI.1001	Middle Island	665
PA.1002	Mite Cove	320
PW.MS.1001	Moira Sound/Nowiskay Cove	160
CS.MB.1001	Moser Bay	906
PW.NA.1001	Naukati Sound	937
KT.1004	Neets Creek	1,500
CS.OV.1001	Olive Cove	450
ST.1002	Pelican	851
PA.1001	Port Alexander	267
PA.1001	Port Conclusion (See Port Alexander map)	10
PW.PD.1001	Port Delores	1,100
SD.1001	Read Island	706
CS.RB.1001	Rowan Bay	665
SD.1001	Sumdum	5
ST.1003	Tenakee Springs	346
SD.1001	Thoms Place	2,360
PW.TH.1001	Thorne Bay	2,557
CS.TL.1001	Three Lake Road	640
CS.WA.1001	Ward Cove	3

University of Alaska Land Grant List 2005

Parcel #	Name	Approx. Area in Acres
ST.1002	Warm Springs Bay	267
SD.1001	Whitney Island	316
JU.1001	William Henry Bay	321
	Southeast Region Subtotal	40,102
Educational Properties		
JU.AU.1002	Auke Weir	6
LG.PC.01	Caribou-Poker Creeks Drainage	24,250
MA.XS.1001	Delta Ag & Forestry Exp. Station	363
N2.FA.1004	Fairbanks Parking Garage (includes Court House conveyance)	2
NZ.FA.1004	Key Bank Site (See Fairbanks Area Parcels map)	1
MA.KR.1001	Kodiak Rocket Range	2,880
MA.PF.1002	Poker Flat (Special Use Area)	6,680
MA.PF.1001	Poker Flat Lease	533
MA.SF.1001	Silver Fox Mine	120
ST.1001	Sitka Campus	6
TV.RF.1001	Tok Research Forest	4,015
TV.TV.1001	University Research Forest	51,820
	Educational Properties Subtotal	90,676
TOTAL		260,000