

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

PRELIMINARY DECISION

ADL 232431

Mountaineering Club of Alaska

Application for Lease
AS 38.05.810(b)-(d)

This Preliminary Decision (PD) is the initial determination on a proposed disposal of interest in State land and is subject to comments received during the public notice period. The public is invited to comment on this PD. The deadline for commenting is **5:00 PM May 22, 2017**. Please see the Comments section on page 7 of this decision for details on how and where to send comments for consideration. Only the applicant and those who comment have the right to appeal the Final Finding and Decision (FFD).

Proposed Action:

The Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), Southcentral Regional Office (SCRO) has received a request from the Mountaineering Club of Alaska to lease 0.25 acres of land for 10 years for the construction of a hut (Seth Holden Hut) located north of Montana Peak. The location of the project area is further described as being within the Township 21 North, Range 2 East, SW ¼ of the SW ¼ of Section 14, Seward Meridian. The Mountaineering Club of Alaska is proposing to use this site to construct a hut for providing shelter and safety for non-motorized backcountry travelers.

SCRO is considering the issuance of a 10-year public and charitable land lease to the Mountaineering Club of Alaska for the construction, operation, and maintenance of a publicly available hut consistent with other huts in the area.

Scope of Review:

The scope of this decision is to determine if it is the State's best interest to issue a 10-year public and charitable land lease to the Mountaineering Club of Alaska on state-owned uplands.

Authority:

This lease application is being adjudicated pursuant to AS 38.05.035(b)(1) and AS 38.05.035(e) Powers and Duties of the Director; AS 38.05.070(b) Generally; AS 38.05.810 (b-d) Public and Charitable Use; and AS 38.05.945 Notice.

The authority to execute the FFD and the lease has been delegated to the Regional Managers of DMLW.

Administrative Record:

Case file ADL 232431 constitutes the administrative record for the Mountaineering Club of Alaska's lease application.

Legal Description, Location, and Geographical Features:

The State land where this proposed lease site is located is described as follows:

- **Legal description:** SW ¼ of the SW ¼ of Section 14, Township 21 N., Range 2 E., Seward Meridian.
- **Geographical location:** Due north of Montana Peak in a north facing glacier cirque overlooking the Kashwitna drainage.
- **Approximate Lat/Long:** 61° 54' 25.808" N, 149° 02' 39.216" W
- **Area geographical features:** Rocky ground-bedrock, boulders, and gravel with sparse patches of alpine vegetation. In winter months, the surrounding areas are almost completely covered with snow, often to significant depth.
- **Existing surveys:** None
- **Municipality/Borough:** Matanuska-Susitna Borough
- **Native Corporations/Federally Recognized Tribes:** Cook Inlet Region Inc., Chickaloon Village Traditional Council
- **Size:** 0.25 acres

Title:

The State of Alaska holds fee title to the subject land under U. S. Patent # 50-2005-0133 dated March 15, 2005. A DNR Title Report (RPT-9305) issued on January 11, 2017 from DMLW's Realty Services Section attests that aside from the usual reservations for ditches or canals, there are no other reservation within the proposed lease site.

Third Party Interests:

There are no known third-party interests.

Classification and Planning:

The Seth Holden Hut project area will be subject to the to the Hatcher Pass Management Plan (HPMP). The project area is located in the High Glacier Peaks Unit (map number 3-4). The designation for the site is Public Recreation-Dispersed with the classification being Public Recreation Land. The area is meant to be managed for non-motorized recreation in the summer. The proposed Seth Holden Hut is consistent with the stewardship intent of the HPMP.

Traditional Use Findings:

Traditional use findings will not be discussed in this Preliminary Decision because the proposed lease site is located within the Matanuska-Susitna Borough, an organized borough.

Access:

Access is by foot or skis on state land via the Reed Lakes Trailhead in summer or Hatcher Pass Road in winter.

Agency Review:

An agency review was conducted on February 17, 2017. The deadline for agency comments was March 8, 2017.

The following agencies were included in the review:

- DNR DMLW - Mining
- DNR DMLW – Water
- DNR DMLW - Land
- DNR Office of History and Archaeology/SHPO
- DNR Contract Administration
- DNR Division of Oil and Gas
- DNR Division of Parks and Outdoor Recreation
- Department of Fish and Game - Habitat
- Department of Fish and Game - Wildlife Conservation
- Department of Environmental Conservation
- Department of Transportation and Public Facilities
- NOAA
- US Army Corps of Engineers
- US Coast Guard
- US Fish and Wildlife Service
- US Environmental Protection Agency
- Anchorage Soil and Water Conservation District
- Palmer Soil and Water Conservation District
- Matanuska Susitna Borough Land
- Matanuska Susitna Borough Permitting

One comment was received from ADF&G during agency review.

ADF&G Comment:

“Wildlife may be present near the site. ADF&G has no objection to the issuance of the state land lease as proposed, however, we recommend that all helicopter flights maintain a reasonable distance from all wildlife. The Northern Wild Sheep and Goat Council recommends a minimum distance of 1,500 feet above ground level during transit.”

SCRO Response:

The applicant will be advised of ADF&G’s recommendation regarding wildlife.

Lease Discussion:

On February 10, 2016, with revisions on January 23, 2017, the Mountaineering Club of Alaska applied for a lease on 0.25 acres of state-owned land due north of Montana Peak to build a new hut. The hut will be part of the popular backcountry hut system known as the Bomber Traverse. Backcountry users will travel on foot or skis to or from the Mint Hut or the Bomber Hut. Usage of the hut will be highly variable. Some weeks will go by with no use at all. Other times, there may be up to 12 people in the hut at one time.

The hut, referred to as the Seth Holden Hut, will be a 10-foot by 24-foot backcountry hut of wood construction with a sheet metal skin. Wood floor joists will rest on local rock on bedrock. One pit outhouse approximately four feet by six feet in size will be constructed using wood with a sheet metal skin.

The lease for the Seth Holden Hut will be comparable in term and compensation to the proposed renewed leases for four existing huts in the area:

- ADL 224942 - Bomber Glacier Hut which is a 10’ x 16’ box frame hut.
- ADL 225113 - Scandinavian Hut which is a 12’ x 20’ A-frame hut.
- ADL 225566 - Mint Glacier Hut which is a 16’ x 20’ box frame hut.
- ADL 226681 - Dnigi Hut which is a 8’ x 16’ box frame hut.

The proposed lease will be subject to the terms of SCRO’s standard lease document (available for review upon request) and any stipulations based, in part, upon the following considerations.

Development Plan:

The Development Plan (DP) attached to this decision (Attachment A) and dated January 23, 2017 is under consideration by SCRO. Should the proposed lease be granted, it is anticipated that the DP will need to be updated throughout the life of the lease as activities and/or infrastructure are

added or subtracted. All updates must be approved, in writing, by SCRO before any construction, deconstruction, replacement of infrastructure, or change in activity will be permitted. SCRO reserves the right to require additional agency review and/or public notice for changes that are deemed by SCRO to be beyond the scope of this decision.

Hazardous Materials and Potential Contaminants:

White gas (Coleman fuel) is will be used for cooking and lanterns. White gas will be transported and stored in the hut in 1 gallon original containers. Kerosene will be used to fuel the heating stove. Kerosene will be transported in 1 gallon or 1 quart original containers then transferred to the approximately 10-gallon fuel tank to be mounted on the external wall of the hut. Standard practice is for backcountry travelers to arrive with approximately 1 quart of kerosene as a contribution to the heating stove for a winter weekend. The typical level in the kerosene fuel tank will be empty. Kerosene will be added only when visitors arrive.

Wastes generated on site will be typical camp waste along with human waste. Wastewater will be discharged to nearby ground surfaces where it will percolate into the rocks. Human waste will be disposed in the pit outhouse. The pit outhouse will be located a minimum of 300 feet from glacial lakes on ground that slope away from the lakes. All other solid waste (food trash, fuel gas cylinders, etc.) is carried out on foot.

The use and storage of all hazardous substances must be done in accordance with existing federal, state, and local laws. Debris (such as soil) contaminated with used motor oil, solvents, or other chemicals may be classified as a hazardous substance, and must be removed from the site and disposed of in accordance with State and Federal law.

Lease Performance Guaranty (bonding):

In accordance with AS 38.05.035, AS 38.05.860, and 11 AAC 96.060(a) Performance Guaranty, the Mountaineering Club of Alaska will be required to submit one performance guaranty for the lease site.

- **\$1,000 Performance Bond:** This bond will remain in place for the life of the proposed lease. The bond amount is based upon the level of development, amounts of hazardous material/substances on site, and the perceived liability to the State. This bond will be used to ensure the applicant's compliance with the terms and conditions of the lease issued for their project. This bond amount will be subject to periodic adjustments and may be adjusted upon approval of any amendments, assignments, reappraisals, changes in the DP, changes in the activities conducted, or changes in the performance of operations conducted on the authorized premises, and as a result of any violations to one or more of the authorizations associated with this project.

- **Reclamation Bond:** SCRO is reserving the right to require a reclamation bond due to noncompliance issues during the term of the lease or near the end of the life of the project.

Insurance:

In accordance with 11 AAC 96.065 Insurance, the Mountaineering Club of Alaska will be required to submit proof of liability and worker's compensation insurance to SCRO, with the State of Alaska listed as a "NAMED" insured party. The Mountaineering Club of Alaska will be responsible for maintaining such insurance throughout the term of the lease.

Survey:

In accordance with AS 38.04.045, this short-term lease does not require a survey. However, the State of Alaska reserves the right to require one in the future, should the need arise due to changes in statutes or increased use of the area. The Mountaineering Club of Alaska will be required to submit GPS coordinate points for the lease area.

Compensation/Appraisal:

DNR is setting the annual fee for the lease at \$535.00. This fee is 50% of the DNR fee schedule (Report No. 2325-16) for mountaineering huts, which is \$1,070. This annual fee is identical to that of the annual fee DNR is setting for the proposed renewed leases for existing huts discussed under "Lease Discussion" above. This fee is payable on or before the 11th day of June of each year covered under the term of the authorization. In accordance with AS 38.05.105, this lease may be subject to periodic rent adjustments every five years according to an adjusted fair market value.

If the Mountaineering Club of Alaska, Inc. does not agree with the fee schedule amount of \$1,070, a fair market value determination can be conducted by Mountaineering Club of Alaska, Inc. Fair market value is determined by completing surveys and appraisals of the four leases. If surveys and appraisals are conducted to determine fair market value of the leaseholds, the \$535 annual fee for each of the leases will no longer be an option.

This application is for a short-term public and charitable lease for a 0.25 acre public use hut that serves the public interest and is a direct benefit to the community. There will be no appraisal required.

Subleasing:

Subleasing is permissible through AS 38.05.095, though no commercial use of the leasehold is allowed under AS 38.05.810(b-d). Any potential nonprofit subleases must be approved in writing by SCRO before any agreement is entered into. Depending on the activity, SCRO is reserving the right to reevaluate the need for further agency review and/or public notice before making a determination on the appropriateness of the proposed sublease. Furthermore, SCRO is reserving the right to charge a sublease annual fee.

Assignment of Lease:

The proposed lease, if issued, may be transferred or assigned to another individual or corporation only with written approval from the State of Alaska. A lease will not be assigned to an entity if that entity does not meet the statutory requirements of the lease, or if the lessee is considered not to be in “good standing” with this or any other agency authorization.

Reclamation:

In accordance with AS 38.05.090(b), all lessees must restore their leased sites to a “good and marketable condition” within 120 days after the termination of their leases. SCRO has the discretion to determine what level of reclamation constitutes as being “good and marketable.”

Public Notice of the Preliminary Decision:

Pursuant to AS 38.05.945, this PD will be advertised for a 30-day public comment period, starting on **April 21, 2017**. Courtesy notices will also be mailed or emailed to neighboring property owners, permit/lease holders, and other interested parties on **April 21, 2017**.

In addition, the post offices located near the site (Palmer, Sutton and Wasilla) will be requested to post the notice pursuant to AS 38.05.945(b)(3)(B). The notice will also be posted on the State of Alaska Online Public Notice website located at <https://aws.state.ak.us/OnlinePublicNotices/Default.aspx>.

Comment(s):

This decision is subject to both public and agency comments, and all comments received by the comment deadline will be considered in the FFD. Only those who comment and the applicant have the right to appeal this decision.

**Written comments about this project must be received in this office no later than
5:00 PM on May 22, 2017 to be considered.**

To submit comments, please choose one of the following methods:

Postal: Department of Natural Resources
Division of Mining, Land and Water
Southcentral Region Office
ATTN: Ben Hagedorn
550 West 7th Avenue, Suite 900C
Anchorage, AK 99501-3577
Email: ben.hagedorn@alaska.gov
Fax: (907) 269-8111

Questions about the lease portion of this project can be directed to Ben Hagedorn at (907) 269-8111.

If public comments result in significant changes to the Preliminary Decision, additional public notice will be given. To be eligible to appeal the Final Finding and Decision, a person must provide written comments during the Preliminary Decision comment period per AS 38.05.035(i)-(m).

Recommendation:

DMLW has completed a review of the information provided by the applicant, examined the relevant land management documents, and has found the proposed lease to be consistent with all applicable statutes and regulations. SCRO considered three criteria to determine if this project provided the greatest benefit to the State and the development and enjoyment of its natural resources. The criteria include direct economic benefit to the State, indirect economic benefit to the State, and encouragement of the development of the State's resources. The authorization of this lease is consistent with the State's best interest as the lease provides for the utilization, development, and conservation of the natural resources belonging to the State for the maximum benefit of its people. It is recommended that SCRO issue a 10-year public and charitable land lease to the Mountaineering Club of Alaska for the construction, operation, and maintenance of a publicly available hut consistent with other huts in the area. The annual fee will be \$535.00 and a performance bond of \$1,000.



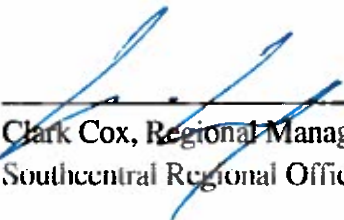
Ben Hagedorn, Natural Resource Specialist III

4/20/17

Date

Preliminary Decision:

It is the determination of the Division of Mining, Land and Water that it may be in the State's best interest to issue a public and charitable land lease for 10 years to the Mountaineering Club of Alaska, as described above. This application shall now proceed to public notice.



Clark Cox, Regional Manager
Southcentral Regional Office, Division of Mining, Land and Water

4-20-17

Date

Attachments

Attachment A – Development Plan

Attachment B – Location Map

Attachment A Development Plan

The intent of the hut, consistent with other huts in the area, is to provide shelter and safety for non-motorized backcountry travelers. This hut is part of the popular backcountry hut system known as the Bomber Traverse. Backcountry users travel on foot or skis to or from the Mint Hut or the Bomber Hut.

Legal Description: Within the SW1/4 of the SW1/4 of Section 14, T.21N, R. 2E, Seward Meridian, containing approximately 0.25 acres.

Terrain/Ground Cover: Rocky ground due north of Montana Peak in a north-facing glacier cirque overlooking the upper Kashwitna drainage. Ground cover is mostly bedrock, boulders, and gravel, with some sparse patches of alpine vegetation. In winter months, the surrounding areas are almost completely covered with snow, often to significant depth.

Buildings and Other Structures: The Montana Hut is a 10' by 24' permanent backcountry hut, wood construction with sheet metal skin. Wood floor joists rest on local rock on bedrock. One pit outhouse, wood construction with sheet metal skin, approximately 4' x 6'.

Power Source: None. Light is provided via windows, white gas (Coleman fuel) lanterns and battery flashlights/headlamps. Possible future addition of LED lights with solar panel and batteries. Small kerosene stove provides heat.

Waste Types, Waste Sources, and Disposal Methods: Wastes generated on site are: wastewater from washing dishes, urine and human fecal matter. Wastewater from dishwashing and urine is discharged to nearby ground surface where it percolates into the rocks. Human fecal matter is disposed in a pit outhouse. The pit outhouse will be located a minimum of 300' from glacial lakes on ground that slope away from the lakes. All other solid waste (food trash, fuel gas cylinders, etc.) is carried out on foot.

Hazardous Substances: White gas (Coleman fuel) is used for cooking and lanterns. White gas is transported and stored in the hut in 1 gallon original containers. Kerosene is used to fuel the heating stove. Kerosene is transported in 1 gallon or 1 quart original containers then transferred to the approximately 10-gallon fuel tank mounted on the external wall of the hut. The kerosene fuel tank is fabricated from sturdy 3/8" wall plastic. Kerosene fuel passes through a filter then enters the hut via reinforced flexible rubber-coated tubing to the heating stove. All parts of the kerosene fuel tank and feed tubing are leak-tested. Standard practice is for backcountry travelers to arrive with approximately 1 quart of kerosene as a contribution to the heating stove for a winter weekend. The typical level in the kerosene fuel tank is empty. Kerosene is added only when visitors arrive. Kerosene is burned in the oil drip stove during hut occupancy. The fuel valve on the tank is shut when visitors depart the hut. Gallon cans of paint and cylinders of caulk are kept in original containers on shelves in the hut for maintenance.

Water Supply: In summer, water is hauled from a clear lake approximately 600 feet away and upgradient from the hut. In winter, snow is melted if the ice is too thick to access water in the lake.

Attachment A Development Plan

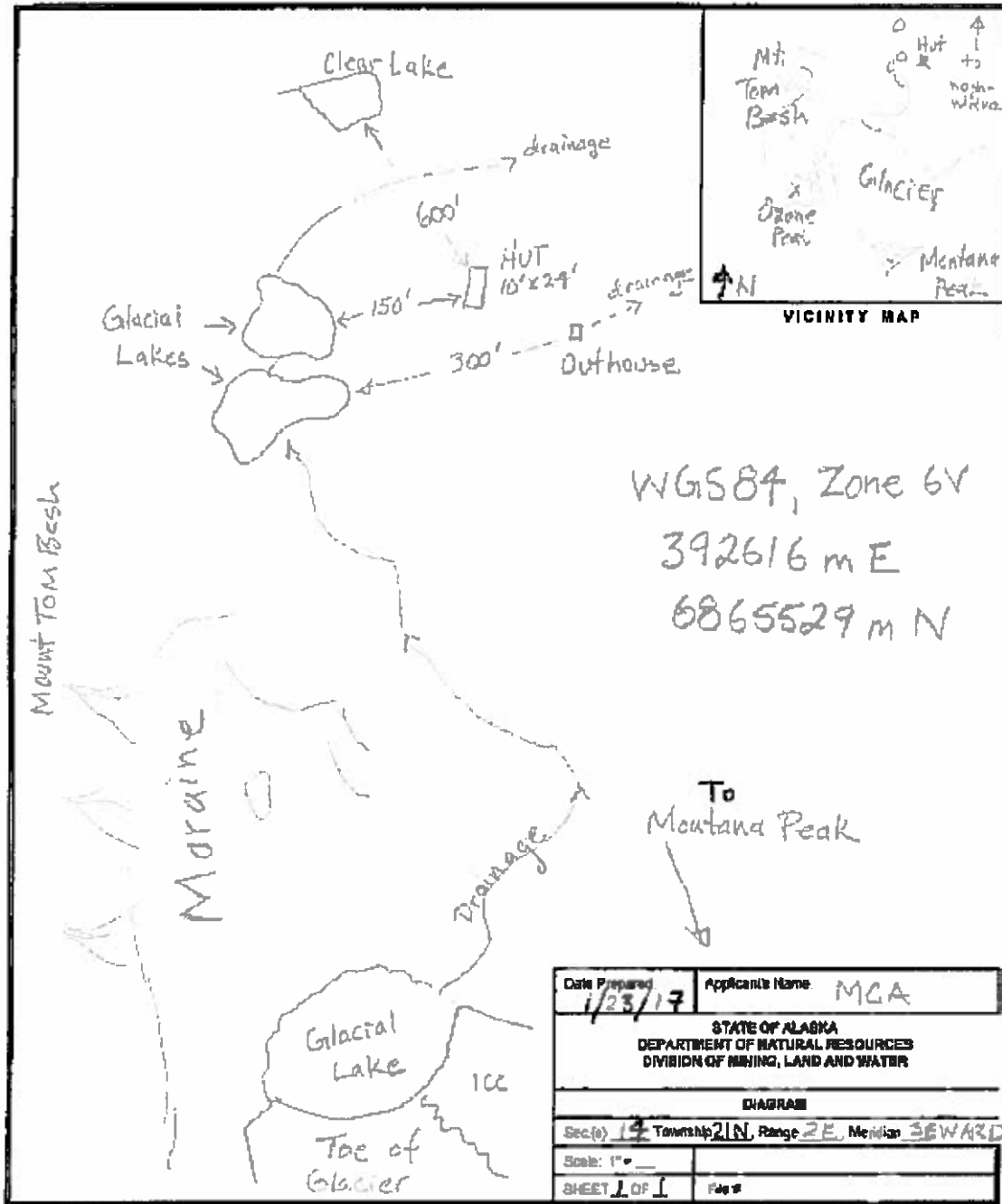
Parking Areas and Storage Areas: Skis and snowshoes are parked outside the hut. Personal gear is stored in “cubbies” inside the vestibule or hut. White gas, paint and caulk is stored in original containers in the hut. Tools are secured in a lock box.

Number of People Using the Site: Usage of the hut is highly variable. Some weeks go by with no use at all. Other times, there may be up to 12 people in the hut at one time. No people are employed at the site. Users generally sign the log book to document use of the hut.

Maintenance and Operations: Maintenance to the exterior and interior of the hut is periodically conducted. Cleaning and repairs are made to the heating stove, cooking stove, and lanterns as needed. The site is kept clean of any litter. Helicopter operators from Palmer or Wasilla are periodically employed to fly in construction and maintenance materials.

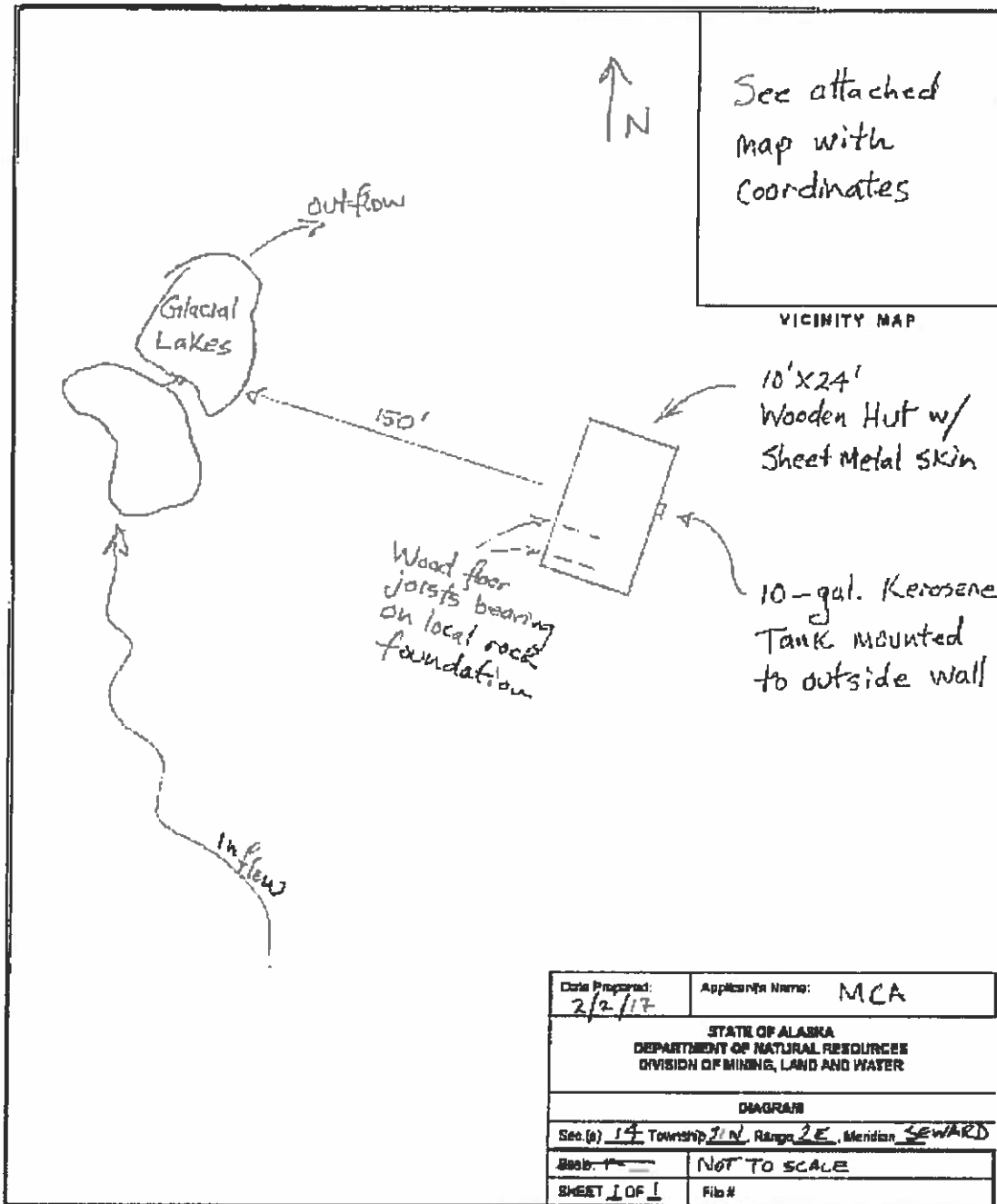
Closure/Reclamation Plan: We intend to keep this hut in service for many generations. When it is time to remove the hut for some reason, all structures will be dismantled and flown from the site via fixed wing aircraft or by helicopter. Burnables will be burned on site. The pit for the outhouse will be filled and covered with minimum 12” of local rock/soil. Ground will be cleaned of all manufactured material and rocks used in foundations will be scattered to resemble a natural state.

Attachment B **Location Maps and Image**



(Anchorage DB quad, SW corner of section 14)

Attachment B Location Maps and Image



Attachment B Location Maps and Image

