

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

## **Extension Decision**

**Ann and John Osborn**

**ADL 21368**

**AS 38.05.070(f)**

### **Decision to Extend Lease:**

Ann and John Osborn (Ann Osborn) have applied to the Department of Natural Resources (DNR), Division of Mining, Land & Water (DMLW) to renew a current long-term lease located in Houston, Alaska. The lease is set to expire on June 24, 2018. DMLW has made the decision to extend the lease for a maximum of two years pursuant to AS 38.05.070(f)(2).

### **Scope of Decision:**

The scope of this decision is to determine if it is in the State's best interest to extend the lease ADL 21368 to Ann Osborn for a period of two years to allow time to consider the application for renewal.

### **Authority:**

This lease extension is being adjudicated pursuant to AS 38.05.070, leasing of land other than for the extraction of natural resources; AS 38.05.070(g), the director shall provide public notice; and AS 38.05.070(f), a lease may be extended once for a period up to two years.

### **Administrative Record:**

The current case file, ADL 21368, comprises the administrative record for this case.

### **Legal Description, Location, and Geographical Features:**

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

- **Legal description:** SW1/4 of the NE1/4 of Section 36, Township 18 North, Range 3 West, Seward Meridian
- **Geographical location:** The parcel is located in the Meadow Lakes area, approximately eight miles west of Wasilla and two miles east of the Parks Highway
- **Approximate Lat/Long:** 61.6076 N, 149.7334 W
- **Area geographical features:** Predominately birch trees, generally flat with the land sloping upwards from the lake
- **Existing surveys:** EPF 23-15

- **Municipality/Borough:** Matanuska Susitna Borough
- **Native Corporations/Federally Recognized Tribes:** Cook Inlet Region, Incorporated (CIRI)
- **Size:** 1.541 acres, more or less

**Title:**

The State of Alaska holds fee title to the subject land under U. S. Patent No. 1220720 dated June 20, 1961. A DNR Title Report (RPT-10382) issued on January 11, 2018, from DMLW's Realty Services Section attests that aside from the usual reservations for ditches, canals, railroads, telegraph and telephone lines, and water rights, there no other reservation within the proposed lease site.

**Adjacent Landowners, Native Corporations or Borough:**

This lease is within the boundaries of the Matanuska Susitna Borough and CIRI lands. No borough or corporation lands are impacted.

**Third Party Interests:**

There are no known third party interests.

**Planning and Classification:**

The project area is subject to the Southeast Susitna Area Plan, Big Lake-Houston Region, Map No. 6. The classification for this site is Settlement. The area plan states, "An upland area classified settlement is land that is, by reason of its physical qualities and location, suitable for year-round or seasonal residential or private recreational use or for commercial or industrial development." As the site is currently utilized as a private recreational cabin, the site is consistent with the classification.

**Access:**

The parcel is accessed by North Anthony Road south of West King Arthur Drive in the City of Houston.

**Hazardous Materials and Potential Contaminants:**

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 leasehold and disposed of in accordance with state and federal law.

**Lease Performance Guaranty (bonding):**

In accordance with the terms of the original lease, this lease will not require bonding. DMLW 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 the terms of the original lease, the lessee will not be required to provide commercial insurance for this lease.

**Annual Fee:**

The annual fee is \$878.03 per the approved reappraisal completed on June 3, 2015.

**Public Notice:**

Pursuant to AS 38.05.070(g) the department shall provide public notice of the extension decision. Public notice describing this proposed action will be posted on the State of Alaska Online Public Notice System for 30 days.

**Background:**

Ann Osborn is the current lessee for ADL 21368, which is set to expire June 24, 2018. On March 17, 2017, Ann Osborn applied to renew the lease for an additional 55-year term. The lease was first issued to Paul and Ruth Crippen on June 25, 1963. The lease was amended on May 5, 1967, to assign the lease from Paul and Ruth Crippen to John and Ruth Osborn. On April 24, 1995, the lease was assigned from Melissa Dougherty, who was the Personal Representative of the Estate of Ruth E. Osborn, Barbara C. Lyon and John L. Osborn (Lessor) to Ann Hiatt Osborn, John L. Osborn and Barbara C. Lyon.

Pursuant to the Certificate of Death signed July 20, 2011, AS 34.15.110(a), and the right of survivorship, the lease was altered to remove Barbara C. Lyon's name from the lease, leaving the current lessees as John L. Osborn and Ann Hiatt Osborn.

**Lease Discussion:**

The lot was leased to Paul and Ruth Crippen in 1963 for a private recreation site. The parcel currently contains a small residential cabin that the lessees use for personal recreational activities. Improvements at the site include a cabin, small outhouse, and a walking path from the road to the cabin. Ms. Osborn plans to widen the foot path to a small driveway in the future making the cabin more accessible, as well as replace the roof. Ms. Osborn has maintained the property and the terms of the original lease since it was assigned to her. Ms. Osborn has expressed interest in purchasing the parcel under AS 38.05.102 Lessee Preference.

**Recommendation:**

It has been determined that the lease extension for a term of two years is in the best interest of the State. Issuance of the lease extension for a limited term will allow for continued use. Further, it will allow the lessee and the lessor to continue a lease agreement without a lapse in authorizations that will result in unauthorized use.

In consideration of all the information and facts listed above, it is my recommendation that a lease extension with a limited term is consistent with the overall classification and management intent for this land and would be a benefit to the State of Alaska. It is recommended that DNR extend this lease for a term of two years as shown in the following attachment:

- Attachment A – Lease Extension

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

5-14-18  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Brent Goodrum  
Director, Division of Mining, Land and Water

5/16/18  
\_\_\_\_\_  
Date

**Extension Decision**

The casefile has been found to be complete and the requirements of all applicable statutes have been satisfied. I find that it is in the best interest of the State to proceed with the lease extension pursuant to AS 38.05.070(f) as recommended above.

  
\_\_\_\_\_  
Andy T. Mack  
Commissioner, Department of Natural Resources

6/12/18  
\_\_\_\_\_  
Date

**Appeal:**

A person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal 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. 7<sup>th</sup> Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to (907) 269-8918; or sent by email to [dnr.appeals@alaska.gov](mailto:dnr.appeals@alaska.gov).

If no appeal is filed by the appeal deadline, this decision goes into effect as a final administrative order and decision of the Department on the 31st day after issuance. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court (11 AAC 02.020(a) and (b)). A copy of 11 AAC 02 may be obtained from any regional office of the Department of Natural Resources.



STATE OF ALASKA  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF MINING, LAND AND WATER  
550 W. 7<sup>th</sup> Ave., Suite 900C  
Anchorage, Alaska 99501-3577

## **Extension to Lease Agreement**

ADL 21368  
AS 38.05.070(f)

This Extension to Lease Agreement is between the State of Alaska, Department of Natural Resources, by and through the Division of Mining, Land & Water ("Lessor"), whose address is 550 West 7<sup>th</sup> Avenue, Anchorage Alaska 99501, and Ann Hiatt Osborn and John L. Osborn, whose address is 1213 R Street, Anchorage, Alaska 99503, who agree as follows:

This extension of lease is made with reference to the following facts and objective:

Lessor (Paul and Ruth Crippen.) entered into a Lease Agreement dated June 25, 1963 under ADL 21368. The Lease Agreement was recorded in the Palmer Recording District as document number 2013-005346-0. The lease was amended on May 5, 1967, to assign the lease from Paul and Ruth Crippen to John and Ruth Osborn. On April 24, 1995, the Lease was assigned from Melissa Dougherty, who was the Personal Representative of the Estate of Ruth E. Osborn, Barbara C. Lyon and John L. Osborn (Lessor) to Ann Hiatt Osborn, John L. Osborn and Barbara C. Lyon.

Pursuant to the Certificate of Death signed July 20, 2011 and AS 34.15.110 (a) and the right of survivorship, the lease was altered to remove Barbara C. Lyon's name from the lease. The lease was assigned to John L. Osborn and Ann Hiatt Osborn. Page 1 of the original lease identifies the expiration date of the lease as "ending at 12 o'clock midnight on the 24<sup>th</sup> day of June 2018, unless sooner terminated as hereinafter provided".

The term of this Lease Agreement is hereby extended for two years. The new expiration date for the Lease Agreement is June 24, 2020.

All other terms and conditions of the lease agreement, including subsequent amendments, remain as originally written.

By signing this lease, the lessor and the lessee agree to be bound by its provisions.

LESSEE:

\_\_\_\_\_  
Ann Hiatt Osborn

LESSEE:

\_\_\_\_\_  
John L. Osborn

STATE OF ALASKA       )  
                                  ) ss.  
\_\_\_\_ Judicial District    )

THIS IS TO CERTIFY THAT ON THIS \_\_\_\_\_ day of \_\_\_\_\_, 2018, before me personally appeared \_\_\_\_\_, known to me to be the person named and who signed the foregoing lease and acknowledged voluntarily signing the same.

\_\_\_\_\_  
Notary Public in and for the State of Alaska  
My commission expires: \_\_\_\_\_

STATE OF ALASKA       )  
                                  ) ss.  
\_\_\_\_ Judicial District    )

THIS IS TO CERTIFY THAT ON THIS \_\_\_\_\_ day of \_\_\_\_\_, 2018, before me personally appeared \_\_\_\_\_, known to me to be the person named and who signed the foregoing lease and acknowledged voluntarily signing the same.

\_\_\_\_\_  
Notary Public in and for the State of Alaska  
My commission expires: \_\_\_\_\_

LESSOR:

\_\_\_\_\_  
State of Alaska  
Department of Natural Resources

STATE OF ALASKA            )  
  ) ss.  
Third Judicial District        )

THIS IS TO CERTIFY THAT ON THIS \_\_\_\_\_ day of \_\_\_\_\_, 2018, before me personally appeared \_\_\_\_\_, of the Division of Mining, Land and Water of the Department of Natural Resources of the State of Alaska, who executed the foregoing lease on behalf of the State of Alaska, and who is fully authorized by the State to do so.

\_\_\_\_\_  
Notary Public in and for the State of Alaska  
My commission expires: \_\_\_\_\_

**Recorder's Office: Return the recorded document to:**  
DNR, DMLW, SCRO  
ATTN: John Cotenias  
550 W 7th Ave., Suite 900C  
Anchorage AK, 99501-3577