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

Extension Decision Snomads, Inc. ADL 226535 AS 38.05.070(f)

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

Snowmads, Inc. (Snomads) has applied to the Department of Natural Resources (DNR), Division of Mining, Land & Water (DMLW) to renew a current long-term lease for 1 acre, more or less, located in Caribou Hills near Fritz Creek, Alaska. The location of the lease site is further described as being within the NE1/4 of Section 23, Township 4 South, Range 12 West, Seward Meridian (Figure 1). The lease is set to expire on January 4, 2020. 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 226535 to Snomads for a period of two years to allow time for a determination to be made regarding Snomads' application for a 20-year renewal lease pursuant to AS 38.05.070(e). The lease extension will provide DMLW time to consider the lease renewal.

#### **Authority:**

This lease extension is being adjudicated pursuant to AS 38.05.070(f) and (g) Generally, which allows for a lease to be extended once for a period up to two years while DMLW considers a renewal application under AS 38.05.070(e).

#### **Administrative Record:**

The administrative record for the proposed action consists of the Constitution of the State of Alaska, the Alaska Land Act as amended, applicable statutes and regulations referenced here-in, the 2000 Kenai Area Plan and other classification references described herein, and the casefile for the application serialized by DNR as ADL 226535.

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

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

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- Legal description: NE1/4 of Section 23, Township 4 South, Range 12 West, Seward Meridian
- **Geographical location:** The parcel is located within Caribou Hills, approximately 7 miles northeast of Fritz Creek, Alaska
- Approximate Lat/Long: 59°49'8.76" N, 151°17'0.6" W
- Area geographical features: Hills with spruce and alder trees, grass and moss ground cover
- Existing surveys: ASLS 97-24, Plat 99-49
- Municipality/Borough: Kenai Peninsula Borough
- Native Corporations/Federally Recognized Tribes: Cook Inlet Region, Inc.
- Size: 1 acre, more or less



Figure 1: Location of ADL 226535

### Title:

A Title Report has been requested but is not available at the time of this Extension Decision. SCRO reserves the right to amend the lease based upon information contained within the requested Title Report.

### Adjacent Landowners, Native Corporations or Borough:

This lease is within the boundaries of the Kenai Peninsula Borough and Cook Inlet Region, Inc. lands. No borough or native corporation lands are impacted.

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### **Third Party Interests:**

There are no known third-party interests.

#### **Planning and Classification:**

The project area is subject to the Kenai Area Plan, Region 7, Management Unit 266B: Upper Anchor River (map number 7B). The designation for this site is Habitat and Public Recreation and Tourism – Dispersed Use. Management goals for land designated as Habitat include the maintenance and protection of publicly owned habitat bases, ensuring access to public lands and waters, mitigation of habitat loss, and providing economic opportunities and employment. As the leasehold will be used for the continued use and maintenance of club buildings during the winter months, impact on local wildlife will be minimal as the building occupy an acre of land in a remote location. The management goal for land designated as Public Recreation and Tourism is to provide public use opportunities. The club buildings will encourage recreational activities within the leasehold. These designations convert to Wildlife Habitat Land and Public Recreation Land classifications.

The project area falls within Caribou Hills Special Use Lands. In Appendix C: Caribou Hills Management Plan and Special Use Land Designation of the Kenai Area Plan, Management Emphasis for the area is described as, "managed for recreation and the accommodate increasing recreating use." Appendix C also says, "primary uses in Caribou Hills are snowmachining and fall hunting." As the leasehold consists of buildings in support of Snomads snow machining club, the project area is consistent with the management intent of the Caribou Hills Special Use Lands.

DMLW has determined that the proposed lease is consistent with the classification, designation, and management intent of the Kenai Area Plan.

#### Access:

There is no road access to the leasehold. Depending on snow coverage, access to the leasehold is via snow machine.

### **Lease Extension Discussion:**

ADL 226535 was issued to Snomads Snow Machine Club, Inc. on January 5, 2000 for a term of 20-years.

ADL 226535 is set to expire January 4, 2020. On June 24, 2019, Snomads applied to renew the lease for an additional 20-year term and provided an acceptable Development Plan on the same date. A two-year extension will allow the necessary time for DMLW to complete a Title Report, a Minimum Rent Determination, and to adjudicate the lease renewal. The extended lease will be

Extension Decision ADL 226535 Page 3 of 9 subject to the existing original lease provisions, with the only change being an extension of the expiration date for a further two years, ending on January 4, 2022.

#### **Hazardous Materials:**

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, the performance guaranty submitted April 10, 2000 in the amount of \$2,500.00 will remain in place for the duration of the lease extension. DMLW is reserving the right to require a reclamation bond due to noncompliance issues during the term of the lease extension.

#### Insurance:

In accordance with the terms of the original lease, the lessee will be required to provide commercial insurance for this lease extension.

#### Annual Fee:

The annual fee will remain at \$100.00 for the duration of this lease extension.

#### **Public Notice:**

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

Signature page follows:

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### **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 Snomads' continued use of state land while a determination whether to renew the lease is adjudicated. Further, it will allow the lessee and the lessor to continue a lease agreement without a lapse in authorization.

Stefania Kristjansson, Natural Resource Specialist I

### **Extension Decision:**

The casefile has been found to be complete and requirements of all applicable statutes have been satisfied. It is recommended that DMLW extend this lease for a term of two years as shown in Attachment A. 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 and provide public notice pursuant to AS 38.05.070(g).

Date

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

Attachment A – Extension to Lease Agreement

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### 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. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-(907) 269-8918, or sent by electronic mail to <u>dnr.appeals@alaska.gov</u>. 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 no appeal is filed by the appeal deadline, this decision becomes a final administrative order and decision of the department on the 31st calendar day after issuance. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to the Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.



# Attachment A Extension to Lease Agreement

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 226535 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 Snomads, Inc., whose address is P.O. Box 3646, Homer, Alaska 99603, who agree as follows:

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

Lessor entered into a Lease Agreement dated January 5, 2000 under ADL 226535. The Lease Agreement was recorded in the Homer Recording District as document number 2000-001708-0.

Page 1 of the original lease identifies the expiration date of the lease as "ending at 12 o'clock midnight on the 4<sup>th</sup> day of January 2020, unless sooner terminated."

The term of this Lease Agreement is hereby extended for two years. The new expiration date for the Lease Agreement is January 4, 2022.

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

The objective of this extension is to provide DMLW time to consider Snomads' lease renewal application under AS 38.05.070(e).

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

# Attachment A Extension to Lease Agreement

# LESSEE: SNOMADS SNOW MACHINE CLUB, INC.

Name:						Date	
Title:							
Snomads, Inc.							
STATE OF ALASKA	)						
STATE OF ALASKA	)						
	) ss.						
JUDICIAL DISTRICT	)						
The foregoing instrument wa	is ackn	owledged	before me	this	day of	,	2019, by
		of Si	nomads Sno	w Machi	ne Club, Inc.		
		100					

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, on the day and year shown.

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

# Attachment A Extension to Lease Agreement

# LESSOR: STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES

Clark Cox, Regional Manager Southcentral Regional Land Office Date

STATE OF ALASKA ) ) ss. THIRD JUDICIAL DISTRICT )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_\_, 2019, by Clark Cox, Regional Manager, Southcentral Regional Land Office of the Division of Mining, Land and Water, Department of Natural Resources of the State of Alaska.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, on the day and year shown.

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

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