

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

PRELIMINARY DECISION

ADL 234193 Trevor Sande
dba Hump Island Oyster Company LLC
Application for Lease
AS 38.05.083

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 Preliminary Decision. The deadline for commenting is **May 15, 2024**. Please see the Comments Section 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.

Proposed Action:

The Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), Southcentral Regional Land Office (SCRO) has received a request from Trevor Sande dba Hump Island Oyster Company LLC (HIOC) to lease 51.8 acres, more or less, of state-owned tide and submerged lands for 10 years for the purpose of the commercial growth and harvest of Pacific oyster (*Magallana gigas*) located within a narrow channel in Clover Passage (part of Behm Canal), between Betton Island and Hump Island, near Ketchikan, Alaska. The location of the project area is further described as being within the E1/2 of Section 20, Township 73 South, Range 90 East, Copper River Meridian, Alaska.

SCRO is considering the issuance of a 10-year aquatic farmsite lease to HIOC for the purpose of an aquatic farm lease consisting of one parcel used for the installation of Highflo™ OysterGro® surface level cage systems for the commercial growth and harvest of Pacific oyster.

Scope of Review:

The scope of this decision is to determine if it is in the State's best interest to issue this aquatic farmsite lease.

Authority:

This lease application is being adjudicated pursuant to Alaska Statute (AS) 38.05.035 Delegation of the Powers and Duties of the Director; AS 38.05.070(b) Generally; AS 38.05.083 Aquatic Farming and Hatchery Site Leases; and AS 38.05.945 Public Notice. The authority to execute the

Preliminary Decision, Final Finding and Decision, and the lease has been delegated to the Regional Manager of SCRO.

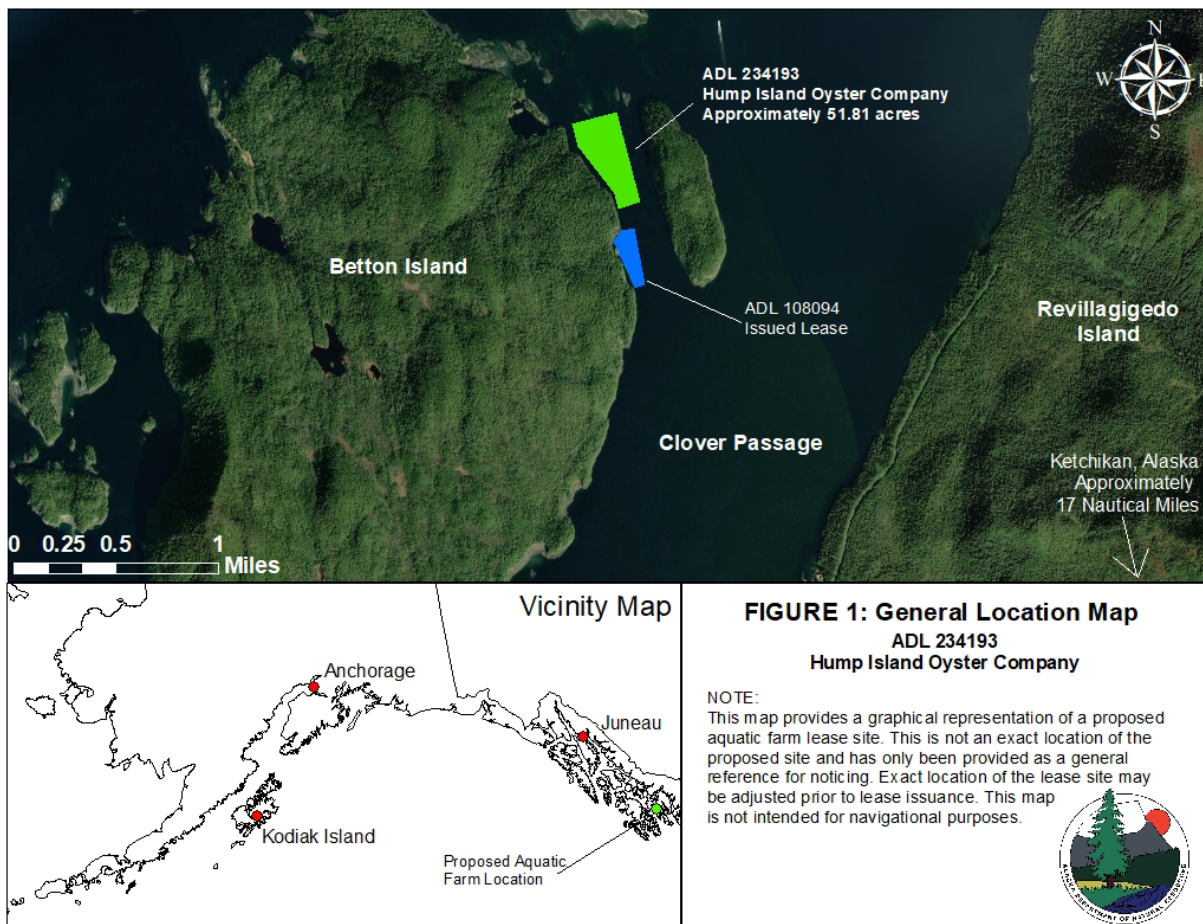
Administrative Record:

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 herein, the 2000 Central/Southern Southeast Area Plan and other classification references described herein, and the casefile for the application serialized by DNR as ADL 234193.

Legal Description, Location, and Geographical Features:

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

- **Site reference name:** Hump Island
- **Legal description:** E1/2 of Section 20, Township 73 South, Range 90 East, Copper River Meridian, Alaska
- **Geographical locations:** Channel between Betton Island and Hump Island, approximately 17 miles northeast of Ketchikan, Alaska



- **Approximate Lat/Longs (NAD 83):**

Parcel #1: Grow out Area, 51.8 acres, more or less

NE Corner 55°31.7552' N, 131°45.7818'W

SE Corner 55°31.3627' N, 131°45.8330'W

SW Corner 55°31.3695' N, 131°46.0063'W

W1 Corner 55°31.4348' N, 131°45.9978'W

W2 Corner 55°31.6715' N, 131°46.1412'W

NW Corner 55°31.7698' N, 131°46.1283'W

- **Existing surveys:** None
- **Municipality/Borough:** City of Ketchikan/Ketchikan Gateway Borough
- **Native Corporations/Federally Recognized Tribes:** Sealaska Corporation, Ketchikan Indian Community, Central Council of the Tlingit and Haida Indian Tribes of Alaska, Cape Fox Corporation, Organized Village of Saxman, Metlakatla Indian Community
- **Size:** 51.8 acres, more or less

Title:

A DNR Title Report (RPT-23257) was requested on July 6, 2023, from DMLW’s Realty Services Section. A Title Report issued from DMLW’s Realty Services Section will state whether the State of Alaska holds title to the subject tidelands under the Equal Footing Doctrine and the Submerged Lands Act of 1953. SCRO reserves the right to modify the Final Finding and Decision based upon information contained within the Title Report.

Third Party Interests:

No third-party interests are known at this time.

Classification and Planning:

The project area is subject to the Central/Southern Southeast Area Plan (CSSAP), Region 5, Ketchikan – North, Map 3-24. An Area Plan Amendment and Land Classification Order No. SE-00-001A07 for Management Unit KT-17, Hump Island/Clover Passage of the Central/Southern Southeast Area Plan was issued on June 9, 2017. As a result of the Area Plan Amendment, Unit KT-17 was divided into Unit KT-17a and Unit KT-17. The proposed leasehold site is within Unit KT-17a. The tideland designation for Unit KT-17a is General Use (GU).

The General Use designation converts to the tideland classification of Resource Management Land (4-6). Resource Management Land is classified as land that might have a number of important resources but for which a specific resource allocation decision is not possible, or land that contains one or more resource values, none of which is of sufficiently high value to merit designation as a primary use (4-3). The closest uplands to the proposed aquatic farmsite parcel are owned by the U.S. Forest Service as part of the Tongass National Forest (3-247).

Aquatic farming is specifically mentioned in Chapter 2 within the CSSAP with stated goals to “provide opportunities to increase income and diversify the state’s economy through the use of state tidelands and submerged lands for aquatic farming” (2-5). Per Chapter 2 of the Area Plan, Management Guidelines for Aquatic Farming: “Aquatic farming will be allowed on state tidelands or submerged lands where there is no significant conflict and the objectives of statute and this management plan are met. The siting of aquatic farming facilities may be more difficult on tidelands designated for log transfer or storage, mineral transfer or access, fish and wildlife habitat, intensive storage areas adjacent to proposed land sales or existing residential areas, anchorages or developed recreation. These areas will be available for aquatic farming if the Department determines in the ‘best interest’ finding that: 1) it is practicable to operate an aquatic farming operation so that it is compatible with the other uses of the immediate area; and 2) the proposed activity is consistent with the management intent of the statute and this management plan. Specific stipulations related to siting, operations, and maintenance may be imposed by the Department in addition to those otherwise required in order to achieve site and use compatibility. In no case will aquatic farming be allowed to foreclose access to mineral, timber, important fish and wildlife resources, or recreation use areas” (2-6).

Pursuant to Chapter 2 within the CSSAP, “State tidelands and submerged lands adjacent to federal conservation units, specifically the Tongass National Forest, DNR will take into consideration the management intent for the uplands identified within the Tongass Land and Resource Management Plan” (2-6) (TLRMP). Within the TLRMP, the TNF uplands on Betton and Hump Island are in the Semi-Remote Recreation Land Use Designation (LUD). The Semi-Remote Recreation LUD provides for recreation and tourism in natural-appearing settings where opportunities for solitude and self-reliance are moderate to high (TLRMP, Record of Decision Land Use Designations, December 2016). The proposed leasehold in the channel between Betton Island and Hump Island does not pose potential land use conflicts.

In accordance with the CSSAP, aquatic farming is an allowable use and is therefore consistent with the plan. The proposed operation must be in the best interest of the state before an authorization may be issued. Factors that are to be considered in this decision are identified in 11 AAC 63.050(b).

Traditional Use Findings

Traditional use findings will not be discussed in this Preliminary Decision because the proposed lease site is located within the Ketchikan Gateway Borough, an organized borough. Pursuant to AS 38.05.830 a traditional use finding is not required.

Access:

Access to the aquatic farm will occur at least twice a day from a private dock 1.5 miles away, located in Ketchikan, Alaska.

Access To and Along Navigable and Public Waters:

AS 38.05.127 and 11 AAC 51.045 require that before leasing land, SCRO determines if a body of water is navigable and if it is, that SCRO provides for easements or reservations as necessary to ensure free access to and along the waterbody. The waters of Clover Passage are tidally influenced and thus navigable. However, the lease is entirely within these waters and located further than 50 feet from Mean High Water, thus a .127 easement is not necessary.

Public Trust Doctrine:

Pursuant to AS 38.05.126 all authorizations for this site will be subject to the principles of the Public Trust Doctrine; specifically, the right of the public to use navigable waterways and the land beneath them for: navigation, commerce, fishing, hunting, and other purposes. These rights must be protected to the maximum extent practicable while allowing for the development of this project. As such, SCRO is reserving the right to grant other authorizations to the subject area consistent with the Public Trust Doctrine.

Lease Discussion:

HIOC submitted an application for an aquatic farmsite lease on April 17, 2023, to cultivate Pacific oyster in the narrow channel in Clover Passage, between Betton Island and Hump Island. On May 31, 2023, HIOC submitted a complete application in response to a request for additional information from SCRO and the Alaska Department of Fish and Game (ADF&G). The proposed lease farmsite will be comprised of one parcel of approximately 51.8 acres, more or less. The proposed site is a 6-sided polygon consisting of 2,256,900 square feet that makes up 51.8 acres. This site has a depth profile at a mean lower low water of approximately -30 feet to -150 feet.

Parcel 1 will be used for the installation of OysterGro® surface level cage systems to culture Pacific oyster year-round. The surface units allow the entire cage to be flipped over to hold the oysters in the air and allow for defouling of unwanted organisms. Each OysterGro® unit will use a bag mesh system. All of the oysters in each cage will be sorted out to have uniform sizing per cage. The cages will then be held on longlines that will be marked by their maturity. A color-coded system will be used to mark what growth stage the oysters on each line of surface units are currently in.

This parcel will hold 5 separate longline arrays of OysterGro® cages. Each array will measure 600 feet by 260 feet. The proposed system is composed of sinking longlines suspended beneath the surface by 7 feet. The longline will be run longways in the designated area, and each line will be placed every 20 feet allowing for up to 13 separate 500-foot longlines. Each array will include 8 permanent concrete anchors (6,000 pounds each). These anchors will then connect to a 48-inch diameter steel buoy in each corner of the array (4 buoys per array). A catenary rope system will connect to the 4 steel buoys creating a rectangular perimeter allowing for the connection of the 13 longlines per array. Each array can hold up to 650 OysterGro® cages, and they are spaced out on each longline by 10 feet end-to-end on the 500-foot longlines.

The dimensions of the proposed OysterGro® cage are 60 inches wide by 36 inches long by 23 inches in height. Each cage can hold up to 6 oyster bags which range in mesh size of 2 millimeters to 18 millimeters. The mesh is from a company called Intermas which uses recyclable plastic to compose the mesh. The cage itself is composed of 4-inch 8-gauge aquamesh wire. Each cage has a door that opens to allow access to the bags and is kept closed when cages are in the growing or defouling position. This is done so with three "OG" clips (manufactured by OysterGro®), built to maintain severe weather. Once the cage systems are installed, they will be utilized year-round.

Harvesting of the oysters on this parcel will be done year-round by vessel and manual labor. Each cage will be brought up onto the vessel with a mechanical hauler and then sorted through by hand. Any marketable oysters will then be brought to nearby Marble Seafoods' ADL 108094 lease farmsite Parcel 2 for processing. Support facilities will be shared with nearby Marble Seafoods' parcel for the harvesting, sorting, and handling of the oysters. Access to and from the site will happen at least twice a day from a private dock located 1.5 miles away in Ketchikan.

At this time the Commercial Use Requirement (CUR) states a farm must make annual sales of aquatic farm products of at least \$3,000.00 per acre or \$15,000.00 per farm by the fifth year of operation and continue for the rest of the lease term. Failure to meet CUR constitutes a default and may be cause for termination. Annual reports of sales are due January 31 of each year.

Should the proposed lease be approved, the lease will be issued for a 10-year term beginning no later than one year following the effective date of the Final Finding and Decision. The proposed lease will be subject to the terms of DMLW's standard lease document and any Additional Stipulations based, in part, upon the following considerations.

Development Plan:

The Development Plan dated May 31, 2023, is accepted by SCRO as complete but may be subject to change based on agency and public review. Should the proposed lease be granted, it is anticipated that the Development Plan 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:

No hazardous materials or fuel will be stored on the proposed lease. 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 sites and managed and disposed of in accordance with state and federal law.

Lease Performance Guaranty (bonding):

In accordance with AS 38.05.083(e) and 11 AAC 63.080, HIOC will be required to submit a performance guaranty for the lease site.

- **\$5,200.00 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, re-appraisals, changes in the development plan, changes in the activities conducted, changes in the performance of operations conducted on the authorized premises, or 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 non-compliance issues during the term of the lease or near the end of the life of the project.

Insurance:

HIOC will be required to submit proof of liability insurance to SCRO, with the State of Alaska listed as a “NAMED” insured party. HIOC 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. HIOC has submitted GPS coordinate point(s) for the four corners of the proposed leasehold.

Compensation and Appraisal:

DMLW has approved an administrative lease fee schedule for aquatic farmsites that meet the conditions listed within the schedule. The most current lease fee schedule will be used to establish the fair market rental each lessee must pay. Fees are subject to adjustment per AS 38.05.083(c). The current annual rate for a 51.8-acre aquatic farm lease is a fee of \$6,282.00. In accordance with the Aquatic Farmsite Fee Schedule, Report No. 2522-16, a breakdown of the lease fee will be as follows:

$$51.8 \text{ acres } (50.01 \text{ acres at } \$6,106) + (2 \text{ acres } \times \$88) = \mathbf{\$6,282.00 \text{ per year}}$$

If the applicant does not agree with the fee schedule amount of \$6,282.00, a fair market value determination can be obtained by the applicant. Fair market value is determined by obtaining a

DNR approved appraisal of the lease site. If an appraisal is conducted to determine fair market value of the lease site, the applicant will be required to pay the appraised amount and the \$6,282.00 annual fee will no longer be an option. The appraisal cost will be borne by the applicant. The parcel may need to have an approved Alaska Tidelands Survey to accomplish the appraisal. If a survey is required, the cost will be incurred by the applicant.

Assignment of Lease:

The proposed lease, if issued, may be transferred or assigned to another individual or corporation **only** with prior written approval from the DMLW. A lease will not be assigned to an entity if that entity does not meet the statutory requirements of the lease or the lease is not in good standing. DMLW reserves the right to amend the terms of the lease prior to assignment.

Reclamation:

In accordance with AS 38.05.090(b), all lessees must restore their lease sites to a “good and marketable condition” within 120 days after termination of the lease. What level of reclamation constitutes as being “good and marketable” is at the discretion of SCRO. SCRO is reserving the right to require a reclamation bond due to non-compliance issues during the term of the lease or near the end of the life of the project.

Agency Notice:

An Agency Review was conducted starting on June 2, 2023, and ending on June 21, 2021. The following agencies were included in the review:

- DNR DMLW – Mining Section
- DNR DMLW – Water Resources
- DNR DMLW – Resource Assessment and Development
- DNR DMLW – Realty Services
- DNR DMLW – Survey Section
- DNR Southeast Regional Land Office
- DNR Division of Parks and Outdoor Recreation (DPOR)
- DNR DPOR Office of History and Archaeology, State Historic Preservation Office
- DNR Natural Resource Conservation and Development Board
- DNR Division of Oil and Gas
- Alaska Department of Fish and Game
- Alaska Department of Environmental Conservation
- Alaska Department of Transportation and Public Facilities
- Alaska Department of Commerce, Community, and Economic Development
- Alaska Mental Health Trust Land Office
- Alaska Association of Conservation Districts
- U.S. Forest Service
- U.S. Army Corps of Engineers

- U.S. Fish and Wildlife Service
- U.S. National Park Service
- National Oceanic and Atmospheric Administration
- U.S. Environmental Protection Agency
- U.S. Coast Guard
- City of Saxman
- City of Ketchikan
- Ketchikan Gateway Borough

Agency Review Comment(s):

During the Agency Review, SCRO received comments from two agencies and “no comment” from one agency.

ADF&G Comment:

ADF&G’s Permit Coordinator submitted a letter on behalf of ADF&G Division of Commercial Fisheries (Management, Gene Conservation Lab, and Fish Pathology), Division of Sport Fish, Division of Wildlife Conservation, Subsistence Section and Habitat Section dated June 20, 2023. Within the June 20, 2023, letter from ADF&G is a Department Advisory, advising the applicant of general conditions pertaining to ADF&G’s statutory and regulatory provisions for issuance of an Aquatic Farm Operation Permit (AFOP) if the applicant’s project is approved. ADF&G also requests that the June 20, 2023, letter be included in the PD as an advisory to the applicant and for public reference.

The following comments are noted in the ADF&G letter and may be addressed in the AFOP.

- Division of Commercial Fisheries has reviewed this request and have no concerns. Standard conditions for protection of herring spawn and maintaining access for existing uses will be included in the operation permit, if issued.
- Gene Conservation Lab has reviewed this request and have no concerns.
- Fish Pathology Section has reviewed this request and have no concerns.
- Division of Sport Fish has reviewed this request and have no concerns.
- Invasive Species Program Coordinator has reviewed this request and has no concerns.
- Division of Wildlife Conservation has reviewed this request and have no concerns.
- Marine Mammal Research Program: This application complies with the guidelines set forth with the ADF&G marine mammal mariculture policy. Advisories or mitigation steps recommunicated by NOAA Fisheries National Marine Fisheries Service (NMFS) or the

US Fish and Wildlife Service (FWS) to reduce marine mammal disturbances should be followed. Removing all gear from the water during the non-growing season may minimize gear loss, user conflicts, and marine mammal entanglement and habitat exclusion potential. Any marine mammal entanglements should be immediately reported to the NMFS 24 hr. Stranding Hotline.

- Habitat Section has reviewed this request and have no concerns.
- Subsistence Section has reviewed this request and have no concerns. Proposal is within the Ketchikan non-subsistence area.

SCRO Response:

SCRO acknowledges ADF&G's comment. As one of the resource managers in the area, ADF&G's input is an important source of information. SCRO relies on input from ADF&G and other stakeholders to advise of any expected impacts and solutions that may fall outside of SCRO's authority. SCRO has provided a copy of ADF&G's June 20, 2023, letter, to HIOC. As requested in ADF&G's letter, the PD herein contains ADF&G's letter, which will be advertised for a 30-day public comment period. The ADF&G Permit Coordinator's June 20, 2023, letter is attached to this PD.

NOAA Comment:

NOAA submitted a comment on June 8, 2023, stating that "The intertidal zone adjacent to this farm is described with eelgrass, soft brown kelps, green and red algae, and rockweed (source: Alaska ShoreZone mapper). We recommend careful disposal of oyster shells during sorting and harvesting. Avoid dumping any shells in productive areas under or adjacent to the proposed farmsite as they create a barren zone on the bottom that will not grow submerged aquatic vegetation. Dispose of oyster shells on land or in water at least 200 feet deep and 1/4 mile offshore".

SCRO Response:

SCRO acknowledges NOAA's comment. As one of the resource managers in the area, NOAA's input is an important source of information. SCRO relies on input from NOAA and other stakeholders to advise of any expected impacts and solutions that may fall outside of SCRO's authority. SCRO has provided a copy of NOAA's June 8, 2023, comment to HIOC.

Public Notice of the Preliminary Decision:

Pursuant to AS 38.05.945, this PD will be advertised for a 30-day public comment period. Notice will be posted on the Alaska Online Public Notice System and at the post offices located in Ketchikan, Ward Cove, and Metlakatla. Courtesy notices will also be mailed or emailed to neighboring property owners, permit/lease holders, and other interested parties on April 15, 2024 for a 30-day public comment period.

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 Final Finding and Decision. Only those who comment and the applicant have the right to appeal the Final Finding and Decision.

**Written comments about this project must be received in this office no later than
May 15, 2024 to be considered.**

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

Postal: Department of Natural Resources
Southcentral Regional Land Office
ATTN: Karen Cougan
550 West 7th Avenue Suite 900C
Anchorage, AK 99501-3577
E-mail: karen.cougan@alaska.gov
Fax: (907) 269-8913

If public comments result in significant changes to the Preliminary Decision, additional public notice may 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).

Signature Page Follows

Recommendation:

DMLW has completed a review of the information provided by the applicant, examined the relevant land management documents, and has found that this project is consistent with all applicable statutes and regulations. SCRO considered three criteria to determine if this project serves the best interest 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. This authorization provides a direct economic benefit to the State with the collection of one-time filing fees and any yearly rent/fees. The authorization of this lease is in the State’s best interest as it furthers economic development of the State’s aquatic farm industry. It is recommended that SCRO issue a 10-year lease to HIOC.

Karen Cougan 3/26/24
Karen Cougan Date
Natural Resource Specialist 3

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 an aquatic farmsite lease to HIOC, as described above. Prior to issuance of this lease, the applicant will be required to pay the annual lease fee of \$6,282.00, submit a \$5,200.00 performance bond, and provide proof of liability insurance. This Preliminary Decision shall now proceed to public notice.

Joni Sweetman 3/26/24
Joni Sweetman, Natural Resource Manager 2 Date
Southcentral Regional Land Office
Division of Mining, Land & Water

Attachments

- Attachment A – Development Plan
- Attachment B – ADF&G Letter

Attachment A Development Plan

PROJECT DESCRIPTION

DATE SUBMITTED: 4/17/23; 5/31/23

Company Name

Hump Island Oyster Company LLC is a wholly owned subsidiary of Marble Seafoods LLC.

Site Location *[Include water body, distance from nearest community, any landmarks, general region of Alaska, and whether on state tidal and/or submerged lands or private. Provide enough information to understand where it is located.]*

This site is located on State Tidal lands in Southeast Alaska, It is located within Clover Passage which is part of Behm Canal. It is 1.5 miles outside of Ketchikan, Alaska between Betton and Hump Island. Within a 3 mile radius of the proposed site are recreational beaches, fishing areas, and 2 lodges; Salmon Falls and Silver King Lodge. This area is also close to SEAFAC Boat crew routes, and existing aquatic farm lease sites owned by Marble Seafoods.

Site Dimensions, Acres for Each Parcel

The proposed site is a 6-sided polygon consisting 2,256,900 square feet that makes up 51.8 Acres. This site has a depth profile at a mean lower low water of approximately -20' to -150'.

Total Acres of All Parcels

Only one parcel is being applied for in this application.
Total acreage is 51.8 Acres.

Species You Intend to Farm *[Include scientific and common species name]*

Pacific Oyster (*Magallana gigas*)

Attachment A Development Plan

Culture Method [Describe operation activities to be done onsite such as outplanting of seedstock, husbandry techniques to be used (culling, sorting, washing, etc.), maintenance and monitoring activities, management of fouling organisms and incidental species, predator control measures, and schedule of activities such as timing of outplanting seeded lines or adding seedstock into trays, etc. Describe what methods you plan to use based on the definition in [5 AAC 41.400\(6\)](#). "Culture" means to use or the use of methods to manipulate the biology and the physical habitat of a desired species to optimize survival, density, growth rates, uniformity of size, and use of the available habitat, and to efficiently produce a product suitable for a commercial market.]

This proposed parcel will use OysterGro surface level cages year round to culture pacific oysters. The surface level units have several benefits for growing oysters. One of the biggest benefits is having the oysters right at the surface where there is more nutrient rich water and where wave action will move around. This will allow the strengthening of their abductor/adductor muscles which leads to a more quality product especially when it comes to shipping marketable oyster product. The surface units also allow the entire cage to be flipped over to hold the oysters in the air, and allow for defouling of unwanted organisms. Each Oyster Gro unit will use a bag mesh system which varies from 2mm-18mm. All of the oysters in each cage will be sorted out to have uniform sizing per cage. The cages will then be held on long lines that will be marked by their maturity. A Color coded system will be used to mark what growth stage the oysters on each line of surface units are currently in.

Culture Gear and Equipment (Type, Size, Number, Configuration, Material, and Anchoring System) [If more than one parcel, indicate what parcel specific gear will be located on. If more than one species, indicate gear to be used for each. Gear includes any structure that holds or protects the organism like trays, tiers of lantern nets, Vexar bags, OysterGro system, grow-out submerged longlines, predator netting, longlines, buoys, depth control systems, etc. Include approximate installation schedule, or if and what gear will remain installed year-round etc.]

This parcel will hold 5 separate longline arrays of OysterGro cages. Each array measures 600' by 260' this proposed system is composed of sinking polylines suspended beneath the surface by 7'. The polyline will be run longways in the designated area, and each line will be placed every 20 ft allowing for up to 13 separate longlines. Each Array will include 8 permanent concrete anchors (6000 LB each). These anchors will then connect to a 48 Dia. Steel bouys in each corner of the array (4 bouys per array). The Catenary rope system will connect to these 4 steel bouys creating a rectangular perimeter allowing for the connection of the 13 longlines per array. Each array can hold up to 650 OysterGro cages, they are spaced out on each polyline by 10' end-to-end on the 500' longlines.

The dimensions of the proposed HighFlo OysterGro cage are 60"(w)X36"(d)X23"(h). Each cage can hold up to 6 oyster bags which range in mesh size of 2mm-18mm. The mesh is from a company called Intermas which uses recyclable plastic to compose the mesh. The cage itself is composed of 4" 8Ga aquamesh wire. Each cage has a door that opens to allow access to the bags and is kept closed when cages are in the growing or defouling position. This is done so with three "OG" clips (manufactured by OysterGro), built to maintain severe weather.

Once the cage systems are installed they will be utilized year round.

Attachment A

Development Plan

Seed Acquisition Plan (Commercially produced and/or wildstock) *[Commercially produced juveniles or seed stock must be obtained from an approved seed source. Do you intend to collect wildstock juveniles or natural set organisms for direct culture on your proposed site? Yes/No. If yes, describe collection methods (applicable for indigenous species: i.e. mussels, scallops, abalone, natural set aquatic plants, etc. This does not refer to broodstock collection on behalf of hatcheries for propagation. If increasing number of acquisitions per year, indicate projected amounts per year. Aquatic plant species can be combined into total feet of line per year.]*

Oyster seed will be bought from Hawaiian Shellfish Company and then raised in Ketchikan waters by Marble Seafoods. The amount of seed Marble seafoods purchases will increase due to the increased demand for juvenile oysters will increase. At max capacity Hump Island Oysters could hold just under 5 million oysters. During Hump Island Oysters' first growing season Marble seafoods would have to increase its oyster seed order by 1,500,000.

Harvest Equipment and Method *[Describe harvest equipment and methods to be used, activities to be done onsite, and schedule of harvest of aquatic farm product. If more than one species, include harvest information for each species or group of species like macroalgae if the harvest information is the same.]*

Harvesting of the oysters on this parcel will be done by vessel and manual labor. Each cage will be brought up onto the vessel with a mechanical hauler and then sorted through with manual labor. Any marketable oysters will then be brought to nearby Marble Seafoods parcel for processing.

Support Facilities (Type, Size, Number, Configuration, Material, and Anchoring) *[Support facilities include caretaker facility, storage rafts, work rafts, processing rafts, etc.]*

Support facilities will be shared with nearby Marble Seafoods parcel for the harvesting, sorting, and handling of the oysters.

Attachment A Development Plan

Access to and from Site *[Include nearest community, transportation type used and how many times traversing back and forth]*

Access to and from the site will happen at least twice a day from private dock 1.5 miles away located in Ketchikan.

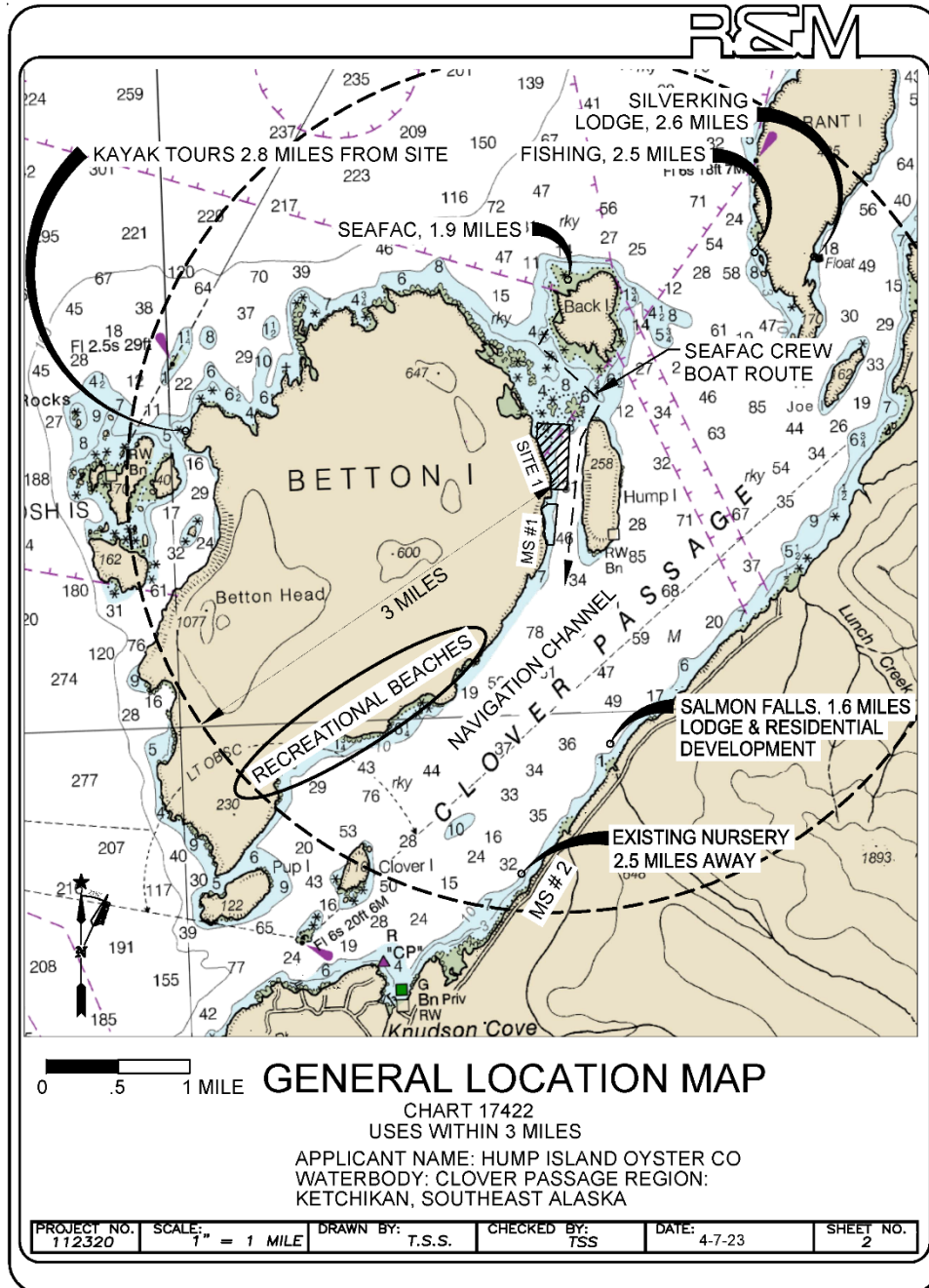
Storage Location of Equipment and Gear When Not in Use *[Include whether on private lands and nearest community]*

Storage of gear will be on private lands in Ketchikan, Alaska when not in use.

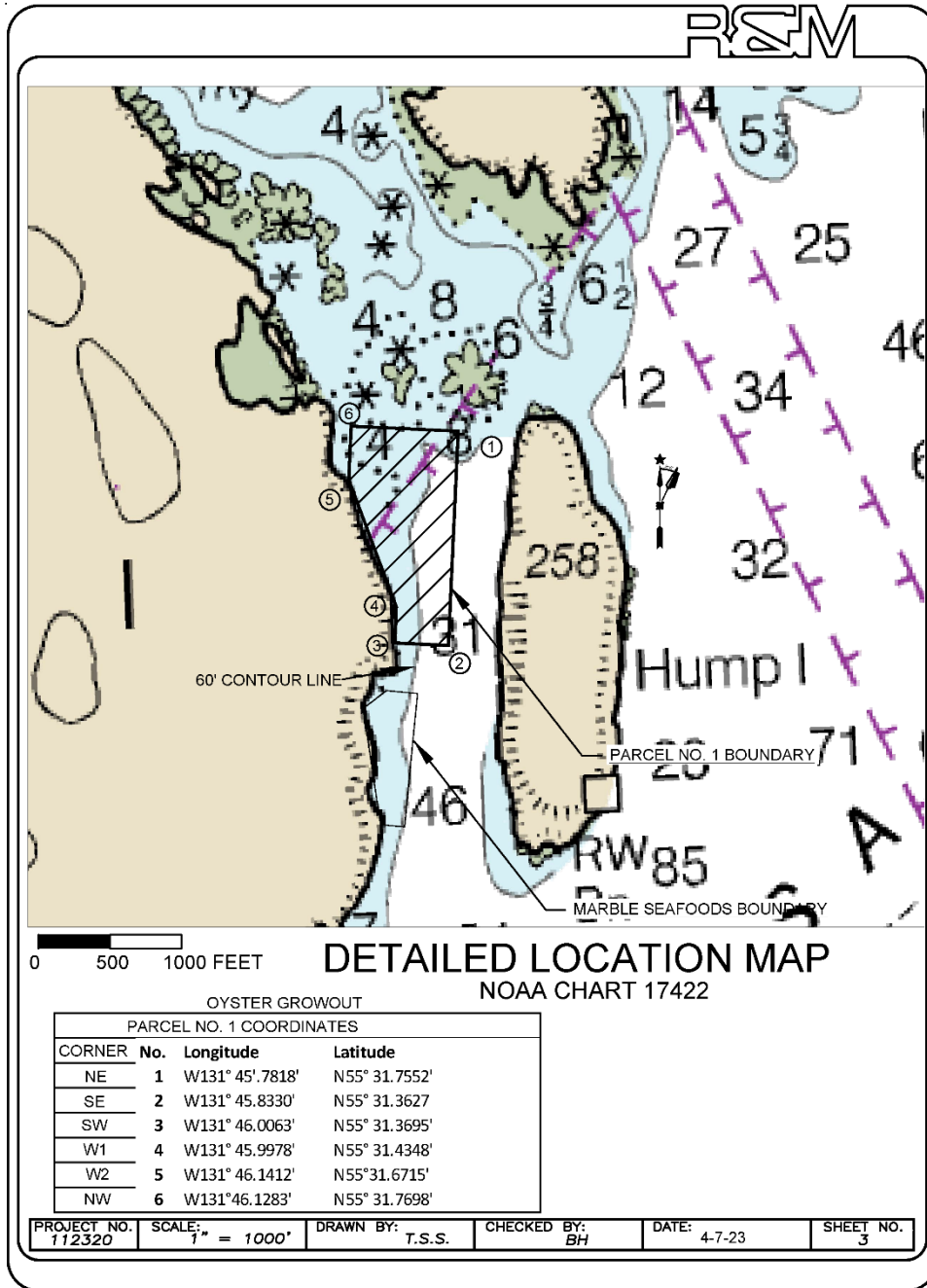
Attachment A Development Plan



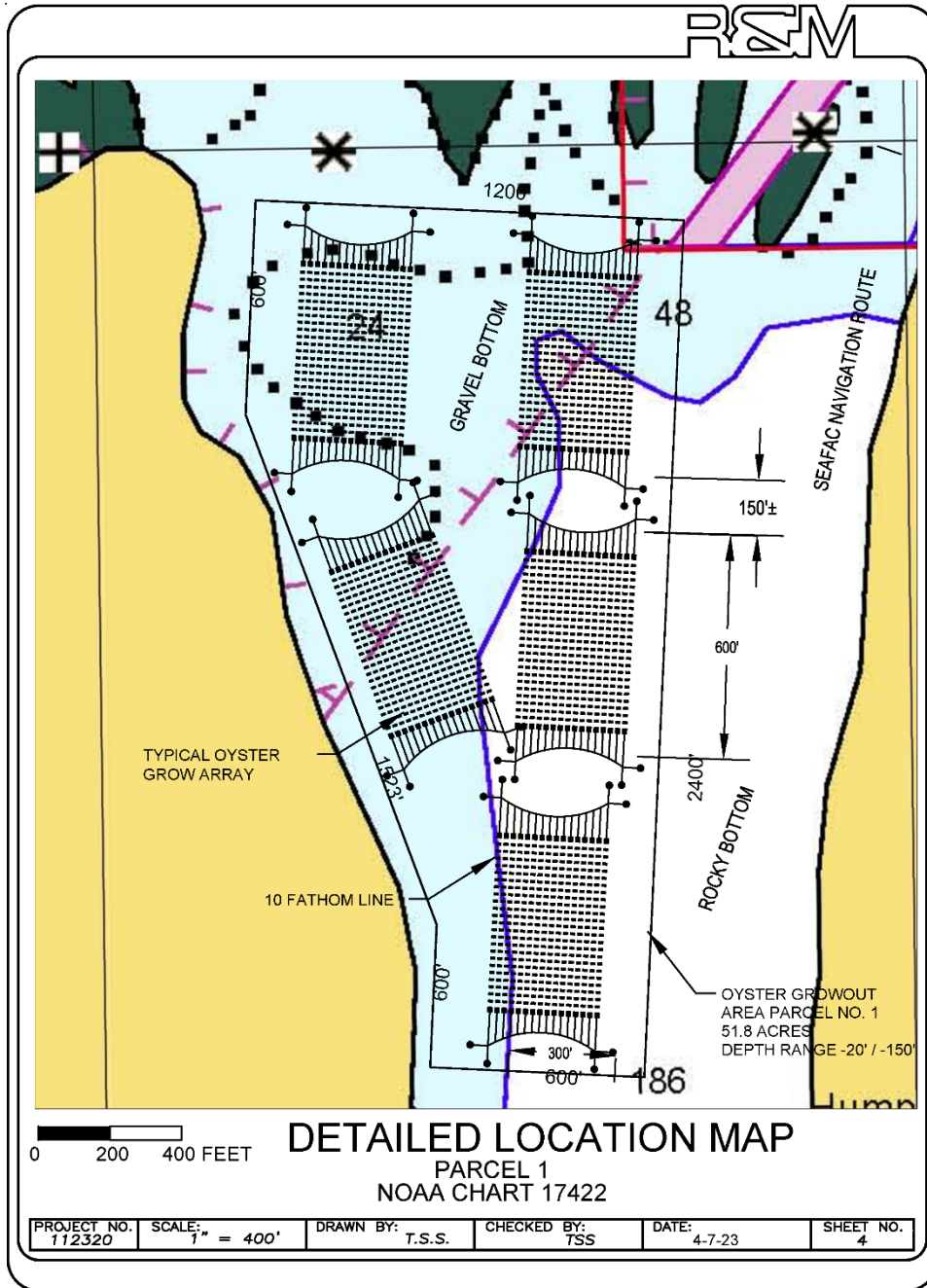
Attachment A Development Plan



Attachment A Development Plan

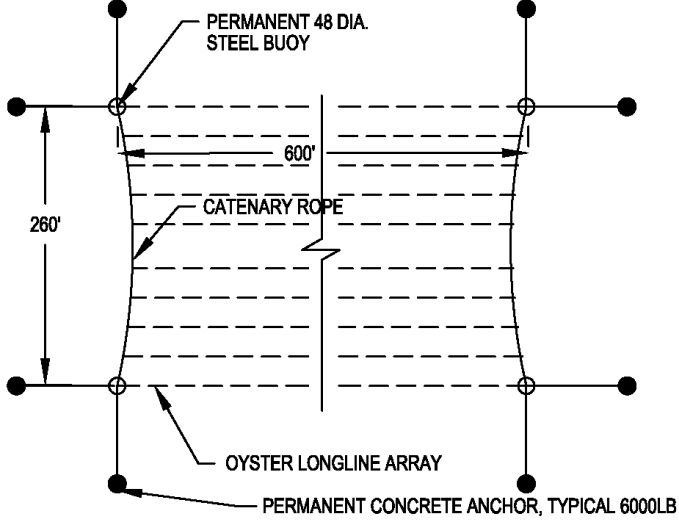


Attachment A Development Plan



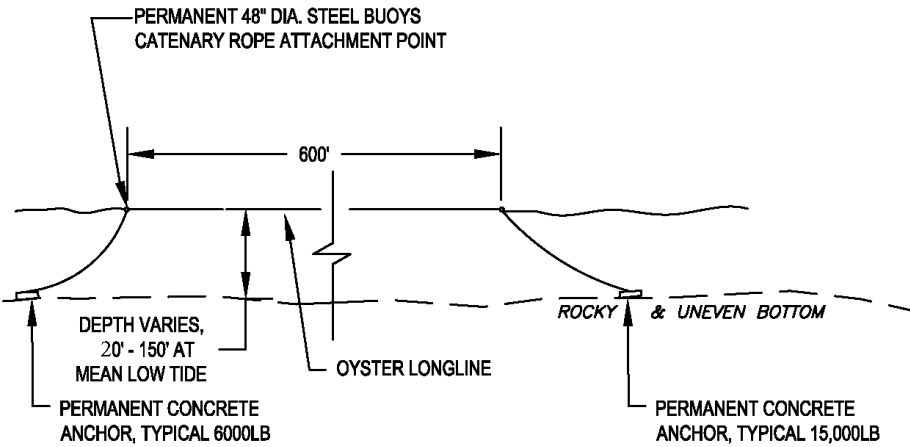
Attachment A Development Plan

R&M



1 OYSTER LONGLINE PLAN VIEW

NTS



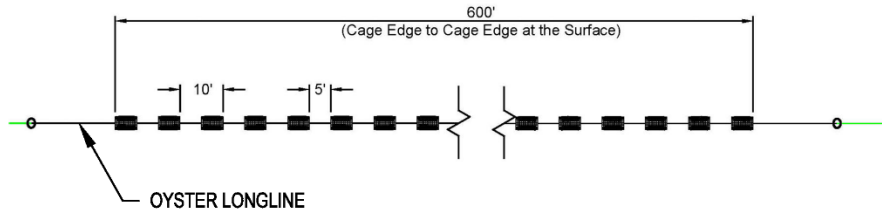
2 OYSTER LONGLINE SECTION VIEW

NTS

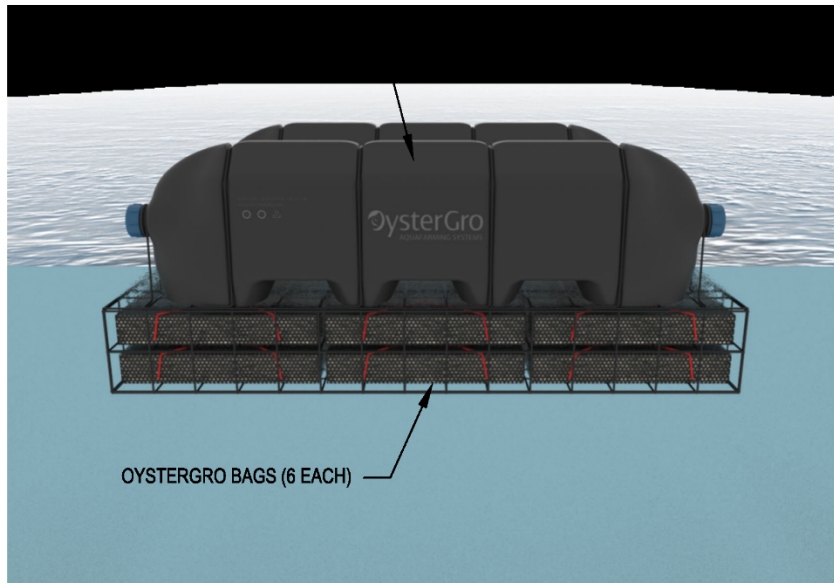
PROJECT NO. 112320	SCALE: AS NOTED	DRAWN BY: T.S.S.	CHECKED BY: TSS	DATE: 4-7-23	SHEET NO. 5
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Attachment A Development Plan

R&M



TYPICAL OYSTERGRO LONGLINE



TYPICAL OYSTER CAGE SYSTEM

PROJECT NO. 112320	SCALE: AS NOTED	DRAWN BY: T.S.S.	CHECKED BY: TSS	DATE: 5-22-23	SHEET NO. 6
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Attachment B ADF&G Letter



THE STATE
of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Fish and Game

Division of Commercial Fisheries
Headquarters Office

1255 West 8th Street
P.O. Box 115526
Juneau, Alaska 99811-5526
Main: 907.465.4210
Fax: 907.465.4168
Permit Coordinator: 907.465.4724

June 20, 2023

Karen Cougan
Department of Natural Resources
Southcentral Regional Land Office
Aquatic Farm Leasing Program
550 West 7th Avenue, Suite 900C
Anchorage AK 99501

Re: Alaska Department of Fish and Game Agency Review Comments
Sande / Hump Island Oyster Company Aquatic Farm Site Proposal – Clover Passage
DNR File No.: ADL 234193

Dear Ms. Cougan:

The Alaska Department of Fish and Game (ADF&G) has completed a preliminary review of the project proposal, **ADL 234193** relevant to criteria specified in authorizations for Aquatic Farming AS16.40.105 and 5 AAC 41 200-400. ADF&G Division of Commercial Fisheries (Management, Gene Conservation Lab and Fish Pathology Section), Division of Sport Fish, Division of Wildlife Conservation, Subsistence Section and Habitat Section, were part of the initial review. *There are no concerns pertaining to an aquatic farm operation permit at the proposed location.* Any comments from other government agencies or from the public that may impact applicable department provisions will be considered as part of the final department review for an aquatic farm operation permit which will be issued within 30 days of the lease being issued. Recommendations from this preliminary review are summarized below.

Department Advisory

Please advise the applicant that if the project is approved, general conditions pertaining to Alaska Department of Fish and Game statutory and regulatory provisions for issuance of an Aquatic Farm Operation Permit (AFOP) will be included in the operation permit. In addition, site-specific conditions that have been recommended by staff may be included in the AFOP.

Division of Commercial Fisheries has reviewed this request and have no concerns. Standard conditions for protection of herring spawn and maintaining access for existing uses will be included in the operation permit, if issued.

Gene Conservation Lab has reviewed this request and have no concerns.

Fish Pathology Section has reviewed this request and have no concerns.

Attachment B ADF&G Letter

Karen Cougan
Department of Natural Resources
Aquatic Farm Proposal ADL 234193 ADF&G Review Comments

- 2 -

June 20, 2023

Division of Sport Fish has reviewed this request and have no concerns.

Invasive Species Program Coordinator has reviewed this request and has no concerns.

Division of Wildlife Conservation has reviewed this request and have no concerns.

Marine Mammal Research Program: This application complies with the guidelines set forth with the ADF&G marine mammal mariculture policy established on April 12, 2019. Any advisories or mitigation steps recommunicated by NOAA Fisheries National Marine Fisheries Service (NMFS) or the US Fish and Wildlife Service (FWS) to reduce marine mammal disturbances should be followed. Large whales, especially humpbacks, are highly susceptible to entanglement in lines in the water; Removing all gear from the water during the non-growing season may minimize gear loss, user conflicts, and marine mammal entanglement and habitat exclusion potential. Any marine mammal entanglements should be immediately reported to the NMFS 24 hr. Stranding Hotline, phone – (877) 925-7773 and the ADF&G Permit Coordinator (907-465-4724).

Access Defense Program: Has no comment at this time.

Seabird Program: Has reviewed this request and have no concerns.

Habitat Section has reviewed this request and have no concerns.

Subsistence Section has reviewed this request and have no concerns. Proposal is within the Ketchikan nonsubsistence area.

Our department requests that the Department of Natural Resources consider providing this in their Preliminary Decision as an advisory to the applicant and for public reference.

Thank you for the opportunity to provide comments on this aquatic farm proposal. If you have any questions, please contact me at (907) 465-4724.

Sincerely,



Michelle Morris
Permit Coordinator

ecc: Garold V. Pryor, Aquaculture Section Chief, ADF&G
Trevor Sande, Hump Island Oyster Company