

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

RENEWAL DECISION

ADL 223655

Snug Harbor Seafoods

Tideland Lease

AS 38.05.070(e)

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 Snug Harbor Seafoods (SHS) to renew a current lease for 0.257 acres of land for 20 years located near the mouth of the Kasilof River, Alaska. The location of the lease is represented as Alaska Tideland Survey No. 1507, recorded in the Kenai Recording District as Plat 98-30 on July 14, 1998. SHS uses this site for the operation and maintenance of an existing dock located on the Kasilof River. This dock is utilized to harvest and deliver salmon seasonally from June to late August.

History:

On September 15, 2000, the lease serialized as ADL 223655 was issued to Dorius and Helen Carlson for the purpose of maintaining and operating a dock on the Kasilof River. This 20-year lease was set to expire September 14, 2020. In August 2017, this lease was assigned to Snug Harbor Seafoods owned by Brenda and Paul Dale after they purchased the holdings from the Carlson's. The decision to assign to SHS included amendments to the lease that updated the stipulations of the original lease. The amendment to Lease stipulation No. 2 allowed for SHS to postpone the requirement for reappraisal of a lease rental every five years. The most recent appraisal was in 2010, DMLW staff approved delaying the reappraisal until 2020 with annual rent set at the minimum value of \$1,000.00 as of 2017. A minimum rent determination was made in 2020 stating that this site did not need an appraisal. In August 2024, an updated Minimum Rent Determination was completed verifying that this site does not need a formal appraisal.

In May of 2019, SHS applied for renewal of the leasehold and requested that the lease be assigned to Copper River Seafoods Can Operate (CRSCO). During adjudication of the renewal and assignment in 2019, SCRO staff were unable to complete the process for SHS and CRSCO in a timely manner, and the lease expired in 2020. The lease renewal will be for SHS, who intend to assign to CRSCO once the agreement is in place.

Existing Infrastructure:

- 1 dock filled with sand, gravel and finished with reinforced concrete pad
- 112-feet wide by 80-feet long
- 18-inch diameter steel pilings
- 3 hydraulic cranes
- Floating Dock and Boarding Ladder
- Small office building on filled tidelands

Alaska Tideland Survey No. 1507 recorded in the Kenai Recording District as Plat 98-30 is the survey for this tideland lease area.

Lease Renewal Authority:

In 2000, the original lease had been adjudicated pursuant to AS 38.05.035(b)(1) Delegation of the Powers and Duties of the Director; AS 38.05.035(e) Written Findings; AS 38.05.075(c) Upland Owner or Lessee; and AS 38.05.945 Public Notice. Upon lease expiration, subsection AS 38.05.070(e) allows the Director to renew a lease previously issued under section AS 38.05.070 if the lease is in good standing and the lease renewal is determined to be in the best interest of the State.

Lease Renewal Qualifications:

In order to qualify for a renewal, a lessee must be in “good standing”. Good standing refers to the fact that the lessee’s accounts are current, that there are no outstanding compliance issues, and that the lessee maintains a healthy business relationship with the lessor. A review of the case file has shown that the lessee is in good standing.

Lease Renewal Discussion:

Renewing the lease under AS 38.05.070(e) will allow the lessee and the lessor to reenter into a lease contract with minimal delays or disruptions. This lease renewal is in the best interest of the State as it ensures the land will continue to support commercial fishing operations, which are vital to the industry and the development of waterfront businesses. Authorizing the continued use of this dock on the Kasilof River benefits both the public and the State by promoting economic growth and maintaining a crucial infrastructure for the community. The renewal is consistent with the State’s Constitution 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.

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 Kenai Area Plan and other classification references described herein, and the casefile for the application serialized by DNR as ADL 223655.

Legal Description:

Alaska Tideland Survey No. 1507, containing 0.257 acres, more or less, according to the survey plat recorded in the Kenai Recording District on July 14, 1998, as Plat 98-30.

Title and Third-Party Interest:

Title Report: A DNR Title Report (RPT-22193) issued on February 1, 2022, from DMLW's Realty Services Section, attests that the State of Alaska holds title to the subject tidelands under the Equal Footing Doctrine and the Tide and Submerged Lands Act of 1953.

Third-Party Interest: There are no known third-party interests.

Planning and Classification:

The project area is subject to the 2000 Kenai Area Plan, Region 6, Management Unit 604A: Lower Kasilof River shorelands, tidelands, and islands (map number 6A – Kasilof River). The site is classified for Habitat, Public Recreation and Tourism – Dispersed Use, and Waterfront Development. These designations correspond to wildlife habitat land, public recreation land, and waterfront development land.

Management goals for Habitat land include maintaining and protecting publicly owned habitats, ensuring access to public lands and waters, mitigating habitat loss, and providing economic opportunities and employment. For Public Recreation and Tourism -- Dispersed Use, the goal is to provide public access and recreational opportunities. Waterfront Development land aims to support the development of infrastructure and waterfront industries.

The Lower Kasilof River tidelands are intended to accommodate developments that support the fishing industry, fisheries management, and other water-dependent uses.

Given its small size, the leasehold will have minimal impact on habitat and public recreation opportunities. As the leasehold supports a commercial dock, the site is well aligned with the management goals for waterfront development land.

Renewing this leasehold for another 20-year term is consistent with the area's classification and management goals.

Access:

The site is accessed from the road system off of Carlson Street via the Cohoe Loop Road in Kasilof, Alaska. Access to the leasehold is also via the Kasilof River via watercraft.

Public Access:

Public access is available along the Kasilof River. The dock facility will not inhibit public access to navigable waters.

Authorization and Term Length:

Pursuant to AS 38.05.070(e) leases may only be renewed once and for a duration no longer than the original lease term. As such, this renewal lease will be issued for an additional 20-year term. Unless an appeal is received, the lease term will begin the day after the expiration date of the original lease agreement September 15, 2020.

Annual Fee:

A Minimum Rent Determination for this leasehold was completed on August 1, 2024. In accordance with AS 38.05.840(b), SHS will not be required to provide an appraisal for this lease site before lease issuance, and the proposed lease annual fee will be \$1,000.00. Furthermore, in accordance with AS 38.05.105, the proposed lease will be subject to reappraisal at five-year intervals after the issuance of the proposed authorization.

Periodic Rate Adjustment:

In accordance with AS 38.05.105, the proposed lease will be subject to reappraisal at five-year intervals after the issuance of the proposed authorization.

Bonding:

In accordance with the terms of the original lease, the existing performance bond of **\$25,000.00** will be sufficient to satisfy 11 AAC 96.060 for this tideland lease. 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 development plan, 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 reserves the right to require a reclamation bond in the event of noncompliance issues during the term of the lease or near the end of the life of the project.

Insurance:

SHS will be required to submit proof of liability insurance to SCRO, with the State of Alaska listed as a “NAMED” insured party. SHS will be responsible for maintaining such insurance throughout the term of the renewed lease.

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, protection of areas for ecological studies, 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.

Signature page follows

Recommendation:

SCRO has completed a review of the information provided by the applicant, examined the relevant land management documents, and has found the proposed lease is consistent with all applicable statutes and regulations. I recommend that ADL 223655 be renewed for a 20-year so that it may be immediately assigned to from SHS to CRSCO. This lease renewal is in the best interests of the State it supports commercial dock activities for the benefit of the fishing industry, the State, and Alaskans as further described in the following attachments:

Attachment A: Development Plan

Attachment B: Location Maps



9/3/2024

Emily Gettis, Natural Resource Specialist

Date

Division of Mining, Land and Water, Southcentral Regional Land Office

Decision:

The findings presented above have been reviewed and considered. The case file has been found to be complete and the requirements of all applicable statutes and regulations have been satisfied. I find that it is in the best interests of the State to renew this lease as described under the authority of AS 38.05.070(e).



9/3/2024

Joni Sweetman, Leasing Unit Manager

Date

Division of Mining, Land and Water, Southcentral Regional Land Office

Appeal:

An eligible person affected by this decision may appeal to the DNR Commissioner per AS 44.37.011 and 11 AAC 02. Any appeal must be received within twenty (20) calendar days after issuance of this decision under 11 AAC 02.040. An eligible person must first appeal a decision to the Commissioner before seeking relief in superior court. The Alaska Court System establishes its own rules for timely appealing final administrative orders and decisions of the department. Appeals may be mailed or hand-delivered to the DNR Commissioner's Office, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska, 99501; or faxed to (907)-269-8918; or sent by electronic mail to dnr.appeals@alaska.gov. Appeals 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)-(b). A copy of 11 AAC 02 is available on the department's website at <https://dnr.alaska.gov/mlw/pdf/DNR-11-AAC-02.pdf>.

Attachment A

Development Plan

Snug Harbor Seafoods, Inc.

Development Plan

Tide Land Lease ADL 223655

Snug Harbor Seafoods, Inc. has been leasing and operating the Carlson dock since 2006. In the spring of 2011 Snug Harbor purchased the Kasilof dock from the Carlson Family. The dock is used solely by Snug Harbor Seafoods, Inc.

The dock is constructed with 18” diameter steel pilings, sheet pile and has been back filled with sand, gravel and then finished with reinforced concrete pad. There are 3 hydraulic cranes on the dock. Seasonally there is various fish sorting, weighing and fish storing equipment located on the dock as well.

Snug Harbor uses the dock for the Cook Inlet salmon season, this time frame can vary, but operation will typically be from early June to late August. During the salmon season there will be anywhere from 15 – 25 employees, 40 – 45 drift boats and various set-net fishermen making deliveries to the dock. All fish being delivered to the dock is purchased by Snug Harbor Seafoods and trucked back to our processing plant in Kenai.

Legal Description: 27110 Taylor St., Kasilof, Alaska 99610

T 3N R 12W SEC 2 SEWARD MERIDIAN KN

0760021 LOVDAHL-RAINS TRACT A

Parcel ID: 13302205

Terrain/Ground Cover: The tidelands primarily consist of silt, sand and rock.

Access: Our dock can be accessed off of Taylor St.

Power Source: All power is provided by H.E.A.

Water Type, waste source, and disposal: No waste or waste disposal occurs at this location.

Hazardous Substances: Fuel tanks are located well above MHW. Any waste oil is temporarily stored above MHW. The waste oil is collected and brought to the plant where it is properly disposed of.

Water Supply: Seasonally we make available potable water that is used on boats and to clean the dock and equipment.

Parking Area and Storage: All personnel and fishermen vehicles are parked up hill away from the dock. Forklifts are used on the dock to load and unload trucks.

Number of people using the site: Our dock crew ranges in size depending on the year, but there can be anywhere from 15 – 20 people. There are 40 – 45 drift boats that offload at the dock.

Maintenance and Operation: During the salmon season our maintenance crew runs 24 hr shifts 7 days a week. Staff is always available for any maintenance or operational issues.

Attachment B Location Maps

