

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

## LEASE EXTENSION DECISION

ADL 226281

North Pacific Rim Housing Authority

Tideland Lease

AS 38.05.070(f)

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

North Pacific Rim Housing Authority (NPRHA) has applied to the Department of Natural Resources (DNR), Division of Mining, Land & Water (DMLW), Southcentral Regional Land Office (SCRO) to renew a current long-term lease located in Prince William Sound, Alaska. DMLW has made the decision to extend the lease for a maximum of two years pursuant to AS 38.05.070(f)(2). This will allow DMLW time to consider the application to renew the lease.

### **Scope of Decision:**

The scope of this decision is to determine if it is in the State's best interest to extend the lease for ADL 226281 to NPRHA for a period of two years to allow time to consider the application for renewal.

### **Authority:**

In accordance with AS 38.05.070(f), a lease may be extended once for a period up to two years. This lease extension is being adjudicated pursuant to AS 38.05.070, Generally.

### **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 1988 Prince William Sound Area Plan and other classification references described herein, and the casefile for the application serialized by DNR as ADL 226281.

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

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

- **Legal description:** Section 5, Township 12 South, Range 8 West, Copper River Meridian

- **Geographical location:** Located at the Native Village of Tatitlek, Alaska
- **Approximate Lat/Long:** 60.8592 N, 146.6760 W
- **Area geographical features:** Tidelands
- **Existing surveys:** ATS 1483
- **Municipality/Borough:** None
- **Native Corporations/Federally Recognized Tribes:** Chugach Corporation, Tatitlek Corporation
- **Size:** 9.64 acres, more or less

**Title:**

SCRO requested a title report (RPT-23699) from DMLW's Realty Services Section on August 20, 2024, which was not received at the time of this decision. DNR Title Report SC-96-072 issued on July 5, 1996, 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.

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

The leasehold lies within an unorganized borough; therefore, no borough lands are impacted. The leasehold is within the Chugach Alaska Corporation regional boundaries, though no corporation lands are impacted.

**Third Party Interests:**

There are three aquatic farming authorizations located within a 1 mile radius of the oil spill response dock. The Nature Conservancy holds LAS 33308, a seasonal kelp research array southwest of the dock. LAS 33810, a five year aquatic farm permit held by Chugach Regional Resources Commission for kelp growth research. ADL 234199 is a 20 acre aquatic farm lease held by Tatitlek Mariculture Project, however at the time of decision it is not an active authorization.

In the event of an oil spill the adjacent may be negatively impacted by the increased activities of the dock facility and degradation of the water quality due to contamination from petroleum and increase turbidity from heavier vessel traffic.

**Planning and Classification:**

The project area is subject to the 1988 Prince William Sound Area Plan, Management Unit 23:Fidalgo, Subunit 23B: Tatitlek and Ellamar. The classification for all state-owned tidelands in the management unit is shoreline development. The primary management intent for the tidelands adjacent to the communities of Tatitlek and Ellamar is to aid community development. Any

shoreline development should be located and designated to conserve herring spawning habitat. At the time of the Prince William Sound Area Plan's publication, a ferry dock was planned between the two communities. The primary use of the dock is for oil spill response, though the Alaska State Ferry system can dock there when services are available. This secondary use of allowing larger vessels to dock enables greater access to transportation, goods, services and overall community development, which is consistent with the intent of the subunit's management guidelines.

**Access:**

The lease site is located approximately 25 miles southwest of Valdez. Access to the lease site can be accomplished via air, boat, or the limited local road system. No public access issues exist other than the remote location not being accessible from the major road system.

**Hazardous Materials and Potential Contaminants:**

A site inspection was conducted by DMLW personnel on August 14, 2012. SCRO personnel noted that the site was clean and in good repair. No compliance issues were reported.

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 lease site 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. 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 the terms of the original lease, the Lessee will not be required to provide commercial insurance for this lease.

**Appraisal (if applicable):**

Per terms of the current lease agreement and with the requirements of AS 38.05.105, an updated appraisal of the lease site was conducted in 2013 to adjust the compensation rate to the state. The annual compensation for the lease tract after the 2013 appraisal was set to the current amount of \$240.00 per year. Appraisals are required at five-year intervals. The market check indicated that a new appraisal would not be necessary in 2018.

In preparation for the lease renewal process and now the lease extension, a market check was requested of the DMLW Appraisal Section on August 8, 2024. At the time of decision, a new

appraisal has not been received. Lessee will be required to continue to pay \$240.00 annually during the 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 proposed action will be posted on the State of Alaska Online Public Notice System for 30 days.

**Background:**

In February of 1994 DNR received an application from DOT&PF to lease tidelands in support of an oil spill response dock. The project area is located near the communities of Tatitlek and Ellamar, in eastern Prince William Sound. The lease was originally issued in October of 1994, authorizing the site for a term of 30 years. Four years later, in October of 1998, DOT&PF amended the lease to assign interest of the lease to NRPHA. This amendment was effective for the unexpired term of the lease. On October 11, 2024, SCRO received an application for renewal from NRPHA.

**Lease Discussion:**

NRPHA is the current lessee for ADL 226281, issued for a term of 30-years On October 11, 2024, NRPHA applied to renew the lease for 55 additional years. The lessee intends to utilize the site for the purpose of providing access to larger vessels responding to the area in the event of an oil spill. Additionally, it's secondary purpose of providing moorage for the Alaska Marine Highway System Ferry when services are available. NRPHA hopes to continue to provide access to goods and services to its communities for future generations. In order to support timely response to oil spills and to provided continued access to goods and services, DMLW has made the decision to extend the lease for a maximum of two years pursuant to AS 38.05.070(f)(2). This will allow DMLW time to consider the application to renew the lease.

***Signature page follows***

**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 while DNR adjudicates the lease renewal. It will allow the lessee and the lessor to continue a lease agreement without a lapse in authorizations that will result in unauthorized use.

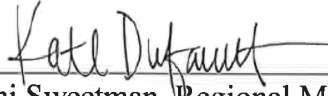
In consideration of all the information and facts listed above, it is my recommendation that a lease extension with a limited term is consistent with the overall classification and management intent for this land and would be a benefit to the State of Alaska. It is recommended that DNR extend this lease for a term of 2 years as shown in the following attachment:

- Attachment A – Sample Lease Extension Agreement

  
Chris Hansmeyer, Natural Resource Specialist 10/14/24  
Division of Mining, Land and Water, Southcentral Regional Land Office 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.

pp   
Joni Sweetman, Regional Manager 11/4/2024  
Division of Mining, Land and Water, Southcentral Regional Land Office Date

**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](mailto: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**  
**Sample Lease Extension Agreement**

**STATE OF ALASKA**

**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION OF MINING, LAND AND WATER**

550 W. 7<sup>th</sup> Avenue, Suite 900C  
Anchorage, Alaska 99501-3579

**North Pacific Rim Housing Authority**

**ADL No. 226281**

**EXTENSION TO LEASE AGREEMENT**

**AS 38.05.070(f)**

In accordance with AS 38.05.070(f), the term of Lease Agreement ADL 226281, entered into by **North Pacific Rim Housing Authority**, effective the **17th** day of **October, 1994**, recorded as Document No. 94-1455 in the Valdez Recording District and subsequently amended by Amendment 1 (Document No. 1143) is hereby extended to 11:59PM on the **16th** day of **October, 2026**.

This extension effects the following described leasehold:

APPLICATION LEGAL DESCRIPTION    FEBRUARY 17, 1994

LOCATED WITHIN SECTION 5, TOWNSHIP 12 SOUTH, RANGE 8 WEST COPPER  
RIVER MERIDIAN, ALASKA, CONTAINING APPROXIMATELY 9.64 ACRES,  
TATITLEK NARROWS, WITH PRINCE WILLIAM SOUND

ISSUED LEGAL DESCRIPTION

ALASKA TIDELANDS SURVEY NO. 1483, CONTAINING 9.64 ACRES, MORE OR LESS  
ACCORDING TO THE SURVEY PLAT RECORDED IN THE VALDEZ RECORDING  
DISTRICT ON SEPTEMBER 21, 1994 AS PLAT 94-5

All other terms and conditions of the lease agreement remain unchanged.

**Attachment A**  
**Sample Lease Extension Agreement**

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

LESSEE:

\_\_\_\_\_  
**North Pacific Rim Housing Authority**

LESSOR:

\_\_\_\_\_  
**Joni Sweetman , Regional Manager**  
**Southcentral Regional Land Office**

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

THIS IS TO CERTIFY THAT ON THIS \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, 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.  
**Third Judicial District**        )

THIS IS TO CERTIFY THAT ON THIS \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, 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: Chris Hansmeyer  
550 W 7<sup>th</sup> Ave., Suite 900C  
Anchorage AK, 99501-3577