

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

**PRELIMINARY DECISION**

**ADL 234010 City of Ouzinkie  
dba Spruce Island Farm  
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 **11:59 pm on December 5, 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.

**Requested Action:**

The Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), Southcentral Regional Land Office (SCRO) has received a request from City of Ouzinkie dba Spruce Island Farm (SIF) to lease 24.9 acres more or less, of state-owned tide and submerged lands for 10 years for the commercial growth and harvest of four species of kelp: sugar kelp (*Saccharina latissima*), ribbon kelp (*Alaria marginata*), bull kelp (*Nereocystis luetkeana*), and giant kelp (*Macrocystis pyrifera*) located near the community of Ouzinkie, Alaska. The location of the project area is further described as being within the NW1/4 of Section 29 and NE1/4 of Section 30, Township 26 South, Range 19 West, Seward Meridian.

**Proposed Action:**

SCRO is considering the issuance of a 10-year aquatic farmsite lease to SIF for the purpose of an aquatic farm lease consisting of one parcel, totaling 24.9 acres more or less, used for the installation of a suspended growline culture system for the commercial growth and harvest of sugar kelp, ribbon kelp, bull kelp, and giant kelp.

**Scope of Decision:**

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.

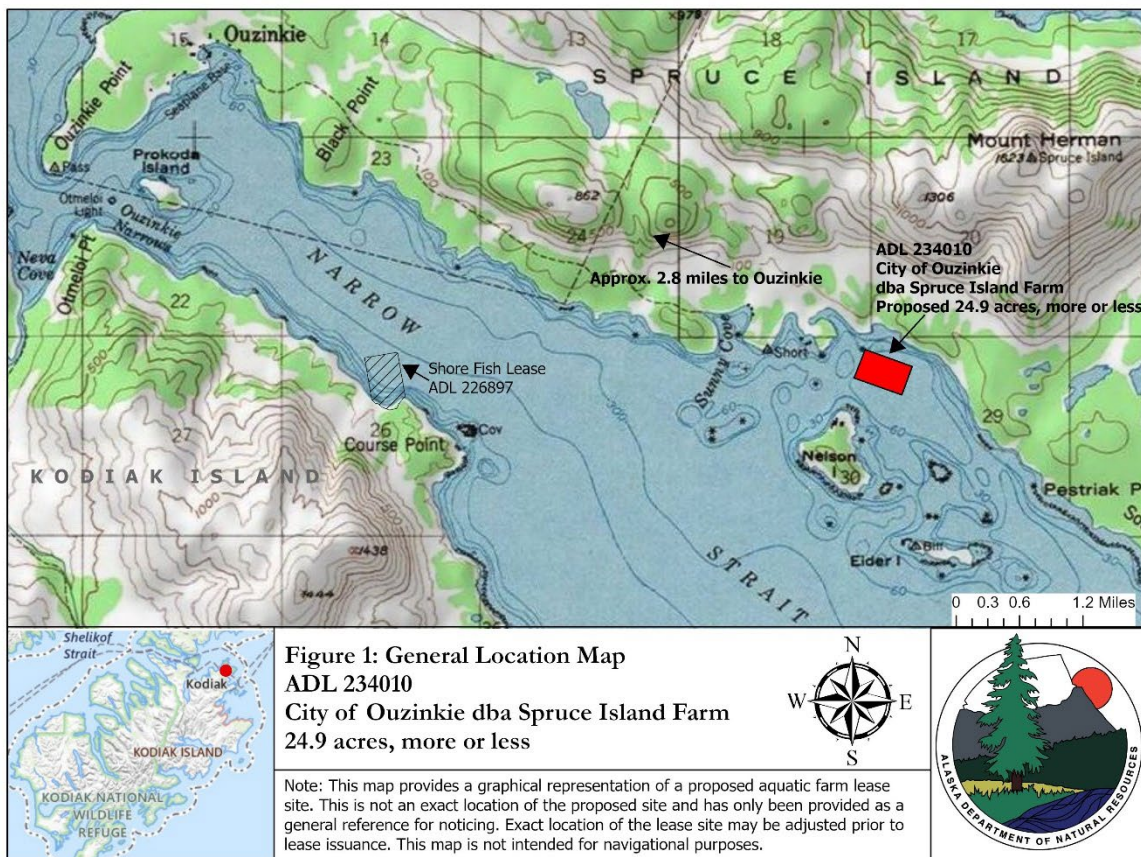
**Administrative Record:**

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 2004 Kodiak Area Plan and other classification references described herein, and the casefile for the application serialized by DNR as ADL 234010.

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

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

- **Site reference name:** Spruce Island Farm
- **Geographical locations:** Located in an unnamed cove in the northeastern portion of Narrow Strait at the southeastern side of Spruce Island, on the northeast side of Kodiak Island, Alaska



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

Parcel #1:     Growout area, 800 feet by 1,360 feet

NE Corner:    57° 53.9594’N, 152° 24.2334’W

SE Corner:    57° 53.8366’N, 152° 24.3251’W

SW Corner:    57° 53.9116’N, 152° 24.7192’W

NW Corner:    57° 54.0306’N, 152° 24.6266’W

- **Legal description:** NW1/4 of Section 29 and NE1/4 of Section 30, Township 26 South, Range 19 West, Seward Meridian, Alaska
- **Recording district:** Kodiak
- **Existing surveys:** None
- **Municipality/Borough:** City of Kodiak/Kodiak Island Borough
- **Native Corporations/Federally Recognized Tribes:** Koniag, Inc., Leisnoi, Inc., Ouzinkie Native Corporation, Native Village of Ouzinkie, Sun’aq Tribe of Kodiak, Natives of Kodiak, Inc.
- **Size:** 24.9 acres, more or less

**Title:**

A DNR Title Report (RPT-23746) was requested on September 30, 2024 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 Kodiak Area Plan (KAP), Kodiak Region, Map 3-4. This area is designated as General Use (Gu). As stated in Chapter 3, the designation Gu “When applied to tidelands, this would include tidelands, shorelands and submerged lands not designated in specific tideland units or tideland resource management zones for specific habitat, harvest, economic, or recreation functions. These areas are generally considered appropriate for a wide variety of uses such as set net sites, mariculture facilities, or other typical uses of tidelands” (3-3).

The project area designated as Gu converts to the classification of Resource Management Land as depicted in Chapter 4 of the KAP (4-5). According to Chapter 4 of the KAP “Land classified as Resource Management Land is either: A. Land that might have a number of important resources, but for which a specific resource allocation decision is not possible because of a lack of adequate resource, economic, or other relevant information; or for which a decision is not

necessary because the land is presently inaccessible and remote and development is not likely to occur within the next 10 years; or B. 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).

Aquatic farming is specifically mentioned within Chapter 2 of the KAP with a stated goal 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). General conditions considered within the KAP are: “Consider limiting the number of sites to be leased within an area in order to reduce cumulative impacts on the environment and natural resources; and Protect the public’s right of access and use of navigable waters and the land beneath them for navigation, commerce, fishing, and other purposes, as required under the Public Trust Doctrine” (2-5).

Management guidelines set forth within Chapter 2 of the KAP state that “aquatic farming will be allowed on state tidelands or submerged lands unless there is significant conflict with other uses of the immediate area or is inconsistent with the requirements of 11 AAC 63.050 or this management plan”. Siting of aquatic farms, according to Chapter 2 of the KAP, “may be more difficult on tidelands designated for: log transfer or storage; mineral transfer or access; critical or crucial fish and wildlife habitat or harvest; anchorages; and developed recreation” and “may be more difficult on tidelands adjacent to proposed land sales or existing residential areas, legislatively designated areas, such as state critical habitat areas or parks, and federal conservation units, such as National Parks and National Wildlife Refuges where the upland management objective is to retain the natural environment. 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” (2:6-7).

In accordance with the KAP, 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 Kodiak Island Borough, an organized borough. Pursuant to AS 38.05.830 a traditional use finding is not required.

### **Access:**

Access to the aquatic farm is by small vessels during the outplanting and growing seasons, and off season maintenance. Small vessels and larger tender vessels will be used during harvest.

### **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 Narrow Strait 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:**

SIF submitted an application for an aquatic farmsite lease on April 22, 2022, to cultivate sugar kelp, ribbon kelp, bull kelp, and giant kelp in the northeastern portion of Narrow Strait at the southeastern side of Spruce Island, on the northeast side of Kodiak Island. On August 5, 2024, SIF 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 24.9 acres, more or less. The proposed parcel measures 800 feet wide by 1,360 feet long. A submerged longline system will be used to cultivate each of the species. The farm will consist of four modules. Each module will be 100 feet wide by 800 feet long, with twenty 800-foot longlines spaced five feet apart. Twelve A4 and twelve A3 polyform buoys with reflective tape will be used to mark the perimeter of the farm. A total of 16, 500-pound Danforth anchors will be used around the perimeter of the farm. Anchor lines consisting of 3/4-inch poly dacron line with at least 3 to 1 scope for a total of 280 feet will be used. The anchor and framing lines will be installed in late summer. The longlines will be installed in early fall prior to seeding the farm.

Outplanting for all species at the parcel will occur in the fall. Seed stock will be sourced from a permitted hatchery. Longlines consisting of 3/8-inch poly dacron line will be seeded via the spool and string method. Seven flotation lines made from 1/2-inch poly dacron will be spaced every 150 feet down the module. The floatation lines will have A2 polyform buoys spaced 50 feet apart to maintain the proper depth of the growlines at 7 feet below the surface. A total of 70 A2 buoys will be used for floatation. The system will keep the longlines 7 feet below the surface of the water to avoid predators and reduce biofouling. After seeding is complete, weekly monitoring will be conducted for farm integrity and fouling as well as biweekly monitoring of salinity, water temperature, and nutrients.

In spring, during harvest, the longlines will be removed from the framing lines. Anchors, anchor lines, framing lines, and four A4 polyform buoys at each corner will be left in during

the summer to mark the location. Harvest will begin in May and last until June or July. An open skiff with simple hydraulics will be used to conduct the harvesting. A tender will pick up the product and deliver it to the processor located in the city of Kodiak.

The City of Ouzinkie is located approximately 2.8 miles northwest from the proposed farm's location at the southeastern side of Spruce Island. During outplanting from September through December, multiple small vessels will transit to the farm location multiple times a day weather permitting. During the growing season, January through April, site visitation will be scaled back to once a week, monitoring by a small support vessel. During harvest, multiple small vessels and larger tender vessels will transit back and forth from the processor weather permitting. During off season, July through September, general maintenance will be done by small support vessels as needed. Longlines and buoys will be stored on City of Ouzinkie land.

A tidelands permit (LAS 34930) was issued by DNR to the City of Ouzinkie, effective on June 5, 2024, for placement of an aquatic array to research kelp growth. The tidelands permit's location is within the proposed ADL 234010 lease footprint to be used for commercial growth and culture of kelp. The gear and equipment associated with the tidelands permit shall be removed and the removal will be documented with photographs prior to the ADL 234010 lease issuance.

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 August 5, 2024, 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, SIF will be required to submit a performance guaranty for the lease site.

- **\$2,500.00 Performance Bond:** This bond will remain in place for the life 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:**

SIF will be required to submit proof of liability insurance to SCRO, with the State of Alaska listed as a “NAMED” insured party. SIF 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. SIF 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 24.9-acre aquatic farm lease is a fee of \$450.00 for the first acre and \$125.00 for each additional acre of partial acre. In accordance with the Aquatic Farmsite Fee Schedule, Report No. 2522-16, a breakdown of the lease fee will be as follows:

24.9 acres (0.9 acre at \$450) + (24 acres x \$125) = **\$3,450.00 per year**

If the applicant does not agree with the fee schedule amount of \$3,450.00, 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 \$3,450.00 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 September 9, 2024 and ending on September 30, 2024. The following agencies were included in the review:

- DNR DMLW – Land Conveyance Section
- DNR DMLW – Mining Section
- DNR DMLW – Public Access Assertion and Defense (PAAD) Section
- DNR DMLW – Water Resources Section
- DNR DMLW – Resource Assessment and Development (RAD)
- DNR DMLW – Realty Services
- DNR DMLW – Survey Section
- 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

**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 September 25, 2024. Within the September 25, 2024 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 September 25, 2024 letter be included in the preliminary decision as an advisory to the applicant and for public reference.

The following concerns and recommendations are noted in the ADF&G letter and may be addressed in the AFOP:

- Division of Commercial Fisheries: has reviewed this request and has no concerns.
- Division of Sport Fish: has reviewed this request and has no concerns. Invasive Species Program Coordinator did not comment at this time.
- Division of Wildlife Conservation, Marine Mammal Research Program: This application complies with the guidelines set forth with the ADF&G marine mammal mariculture policy updated in April 2024. Any advisory 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.

- Habitat Section did not comment at this time.
- Subsistence Section has reviewed this request and have no concerns. A comprehensive household harvest survey was conducted in Ouzinkie for the 2022 study year. This study showed that households mapped search and harvest areas for salmon and nonsalmon fish used in proximity to the proposed area. However, the proponent notes that the size of the proposed site should not affect the ability to travel through the area for harvesting wild foods.

**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 September 25, 2024, letter to SIF. 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. DNR’s statute and regulations for aquatic farmsite leases do not specify management of aquatic farms relating to fish and game, but authorize DNR to issue a lease for state-owned tideland, shoreland or submerged land to develop an aquatic farm. Management of fish and game is within the authority of ADF&G, and as such, SCRO must defer to them and encourages the applicant to work directly with them. ADF&G may add to its operation permit authorization the conditions it deems appropriate. SIF has been notified that ADF&G may add site-specific conditions to the operations permit.

**DNR DMLW – PAAD Section Comment:**

The state believes they hold the tide and submerged lands in this location by the Submerged lands act of 1953 and the Alaska Statehood Act and the equal footing doctrine.

**SCRO Response:**

SCRO acknowledges the PAAD Section’s comments. A DNR Title Report (RPT-23746) was requested on September 30, 2024, 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.

**DNR DMLW – RAD Section Comment:**

The aquatic farmsite lease serialized as ADL 234010, for 24.9 acres, more or less, of state tide and submerged lands for the commercial growth and harvest of sugar kelp (*Saccharina latissima*), ribbon kelp (*Alaria marginata*), bull kelp (*Nereocystis luetkeana*), and giant kelp

(*Macrocystis pyrifera*), is located in an unnamed cove in the northeastern portion of Narrow Strait, on the northeast side of Kodiak Island, Alaska. The legal description is the northwest ¼ of section 29 and northeast ¼ of section 30 in township 26 south, range 19 west, Seward meridian. The site is included in the Kodiak Island Area Plan, Map 3-4, Kodiak Region with the tideland designation General Use (Gu), which converts to the classification Resource Management Land.

Tide and submerged lands not included within a tideland unit or a Tideland Management Zone are designated General Use (Gu); the state coastal zone permitting system is to determine which uses are appropriate within these areas and is to establish any particular site or operational requirements. State tidelands are to be managed to protect sensitive tideland resources; maintain opportunities for commercial, recreational, and subsistence harvest; and ensure the continuation of important recreational activities. They will also be managed to allow for shoreline development in areas adjacent to communities where residential or commercial/industrial uses are considered appropriate by the local unit of government or appropriate land manager, or at specific sites where some form of development occurs or is planned.

Areawide land management policies on aquatic farming state that aquatic farming will be allowed on state tidelands or submerged lands unless there is significant conflict with other uses of the immediate area or it is inconsistent with the requirements of 11 AAC 63.050 or this management plan. Before DNR issues a land use authorization on tidelands, submerged lands, or shorelands, DNR will require applicants to use areas that will reduce the likelihood of possible land use disagreements with upland owners.

The plan states that the Alaska Department of Environmental Conservation requires that the water quality in the growing area meet both the state water quality standards. Finally, the comprehensive plan and zoning map/ordinance of the Kodiak Island Borough should be reviewed by DNR prior to issuing permits, leases, or other forms of use authorizations.

Taking all above area plan recommendations into account, the proposed aquatic farm application is viable and should move forward.

### **SCRO Response:**

SCRO acknowledges the RAD Section's comments. SCRO relies on input from the RAD Section and other stakeholders to advise of any expected impacts and solutions that may fall outside of SCRO's authority. Regarding the Alaska Department of Environmental Conservation water quality requirements, these are pertinent to the State's shellfish farms. SIF doesn't propose to culture shellfish at this time. Regarding the review of the comprehensive plan and zoning map/ordinance of the Kodiak Island Borough, DNR coordinates and provides two opportunities for the Kodiak Island Borough to review and comment on the proposed lease. The aquatic farm leasing program has two notice periods prior to writing the lease decision documents: the 20-day agency review notice and the 30-day agency and public notice. The notices are sent to the

Borough clerk's office, the Borough manager, and the Borough community development department director.

**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 Kodiak, Ouzinkie, and Chiniak, Alaska. Courtesy notices will also be mailed or emailed to neighboring property owners, permit/lease holders, and other interested parties on November 6, 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  
December 5, 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 7<sup>th</sup> 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***



# Attachment A Development Plan

## PROJECT DESCRIPTION

DATE SUBMITTED: 8/30/23

### Company Name

City of Quzinkie / Spruce Island Farm

**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.]*

The farm location is 2.8 miles from the City of Quzinkie on the southeast corner of Spruce Island.

### Site Dimensions, Acres for Each Parcel

800ft x 1,360ft  
24.9 acres

### Total Acres of All Parcels

24.9 acres

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

Saccarina Latissima - Sugar Kelp  
Alaria marginata - Ribbon kelp  
Macrocystis pyrifera - Giant Kelp  
Nereocystis luetkeana - Bull Kelp

## 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.]*

We will use a submerged longline system. Outplanting for all species at the parcel will occur in the fall. Seed stock will be sourced from a permitted hatchery. Longlines consisting of 3/8th poly dacron line will be seeded via the spool and string method. The system will keep the longlines 7ft below the surface of the water to avoid any predators and reduce biofouling. After seeding is complete, weekly monitoring will be conducted for farm integrity and fouling as well as biweekly monitoring of salinity, water temperature and nutrients.

**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.]*

We will use the submerged long line system to cultivate each of the species. The farm is 800ft wide by 1,360ft long for a total of 24.9 acres. The farm will be made of four modules. Each module will be 100ft wide by 800ft long with 20 x 800ft longlines spaced 5 ft apart for a total of 16,000ft of longlines per module and a farm total of 64,000ft. Twelve-A4 and twelve-A3 polyform buoys with reflective tape will be used to mark the perimeter of the farm. A total of 16-500lb Danforth anchors will be used around the perimeter of the farm. Anchor lines consisting of 3/4-inch poly dacron line with at least 3 to 1 scope for a total of 280ft will be used. Seven flotation lines made from 1/2 inch poly dacron line will be spaced every 150ft down the module. The flotation lines will have A2 polyform buoys spaced 50 ft apart to maintain the proper depth of the grow lines at 7ft below the surface. A total of 70-A2 buoys will be used for flotation. The anchor and framing lines will be installed in late summer. The longlines will be installed in early fall prior to seeding the farm. In the spring during harvest the longlines will be removed from the framing lines. Anchors, anchor lines, framing lines and four A4 polyform at each corner will be left in during the summer to mark the location.

**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*

## Attachment A Development Plan

***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.]***

Seed will be acquired from a permitted hatchery.

**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.]*

Harvest will begin May last till June or July. An open skiff with simple hydraulics will be used to conduct the harvesting. A tender will pick up the product and deliver it to the processor located in the city of Kodiak. All grow lines will be removed during harvest.

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

The city of Ouzinkie is located 2.8 miles away from the farm location in Marmot Bay. During out planting from September through December multiple small vessels will transit to the farm location multiple times a day weather permitting. During the growing season, January through April, site visitation will be scaled back to once a week monitoring by a small support vessel. During harvest multiple small vessels and larger tender vessels will transit back and forth from the processor weather permitting. During the off season, July through September general maintenance will be done by small support vessels as needed.

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

Longlines and buoys will be stored on City of Ouzinkie land.



# Attachment A Development Plan



**Figure 1 - General Location Map**  
Name: Spruce Island Farm  
Waterbody: Marmot Bay  
Region: Kodiak Island  
12/07/2022

Attachment A  
Development Plan





# Attachment A Development Plan

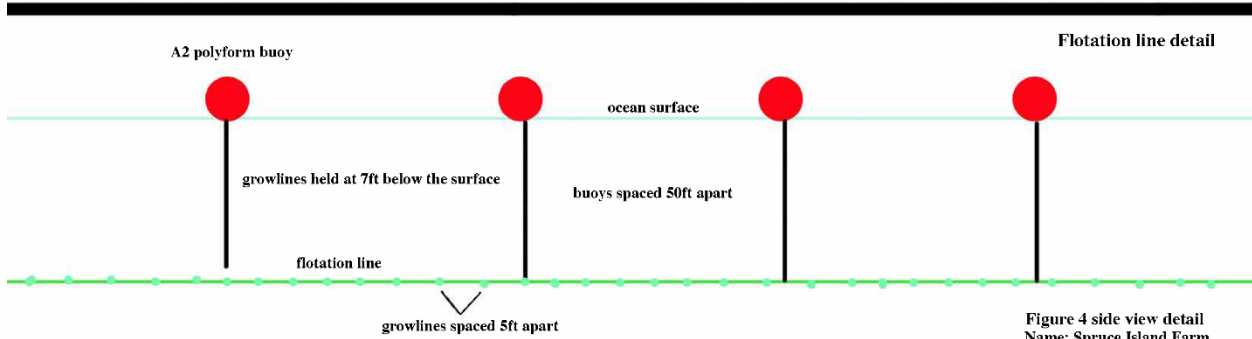
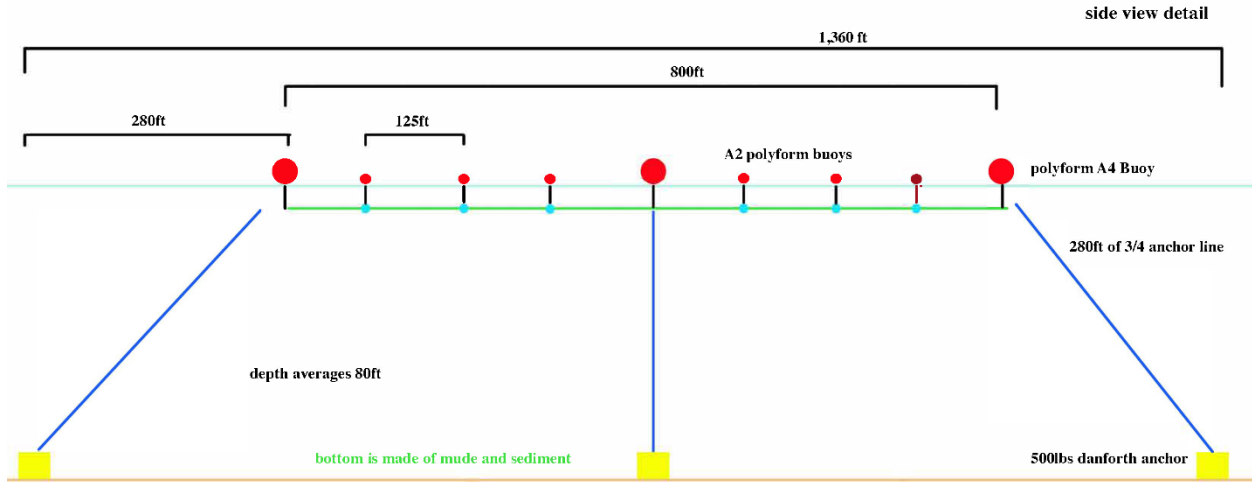


Figure 4 side view detail  
Name: Spruce Island Farm  
Waterbody: Marmot Bay  
Region: Kodiak Island  
3/31/2022

**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 8<sup>th</sup> Street  
P.O. Box 115526  
Juneau, Alaska 99811-5526  
Main: 907.465.4210  
Fax: 907.465.4168  
Permit Coordinator: 907.465.4724

September 25, 2024

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  
Jackson / City of Ouzinkie Aquatic Farm Site Proposal – Spruce Island  
**DNR File No.: ADL 234010**

Dear Ms. Cougan:

The Alaska Department of Fish and Game (ADF&G) has completed a preliminary review of the project proposal, **ADL 234010** 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.

*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* did not comment at this time.

## Attachment B ADF&G Letter

Karen Cougan  
Department of Natural Resources  
Aquatic Farm Proposal ADL 234010 ADF&G Review Comments

- 2 -

September 25, 2024

### Division of Wildlife Conservation

*Marine Mammal Research Program:* This application complies with the guidelines set forth with the ADF&G marine mammal mariculture policy updated in April 2024. Any advisories or mitigation steps recommended 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 reviewed this request and have no concerns.

*Seabird Program:* Did not comment at this time.

Habitat Section did not comment at this time.

Subsistence Section has reviewed this request and have no concerns. A comprehensive household harvest survey was conducted in Ouzinkie for the 2022 study year. This study showed that households mapped search and harvest areas for salmon and nonsalmon fish used in proximity to the proposed area. However, the proponent notes that the size of the proposed site should not affect the ability to travel through the area for harvesting wild foods.

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  
Elijah Jackson, City of Ouzinkie