

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

RENEWAL DECISION

ADL 51065

William D. Prittie

Land Lease

AS 38.05.070(e) and AS 38.05.070(c)

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 William D. Prittie to renew a current lease for 50 acres of land for 20 years located approximately 10 miles south of Talkeetna, Alaska. The location of the project area is further described as being within the NE 1/4 SE1/4, NE1/4 SE1/4 SE1/4 of Section 18, Township 24 North, Range 4 West, Seward Meridian. Mr. Prittie uses this site as his residence.

History:

The lease was first established in a Lease Agreement between DNR and Chelcie R. Eager on May 4, 1970. On May 23, 1973, the lease was assigned from Chelcie R. Eager to Chelcie R. Eager and Dixie L. Eager. On November 18, 2004, the lease was assigned from Chelcie and Dixie Eager to William D. Prittie and Eleanor Henke. Following Eleanor Henke's death, the lease was amended on September 27, 2022 to name William Prittie as the sole remaining lessee.

An application for a preference right purchase for the leasehold was initially received March 14, 2013. The Preliminary Decision (PD) and Final Finding and Decision (FFD) approving the sale were issued May 17, 2023 and September 22, 2023, respectively.

Existing Infrastructure:

- 20-foot by 24-foot house with attached carport
- 16-foot by 16-foot greenhouse and chicken coop
- 6-foot by 16-foot tool shed
- 18-foot by 26-foot wood shed
- Large barn

Lease Renewal Authority:

In 1970 the original lease had been adjudicated pursuant to AS 38.05; AS 38.05.035(e) Written Findings; 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:

As noted above, DNR issued a Final Finding and Decision authorizing the preference rights sale of the leasehold to Mr. Prittie in 2023. However, the survey and appraisal which are considered required deliverables as part of that sale have yet to be completed. As the lease will expire May 3, 2025, at which time the survey and appraisal will remain incomplete, SCRO has determined that accommodating and renewing a residential lease with specific requirements and terms is the most appropriate course of action. Specifically, SCRO asserts that ADL 51065 should be renewed for a term of 10 years in order to enable completion of the preference rights sale to Mr. Prittie, and further, that the lease will terminate upon completion of the sale, or at the conclusion of the 10-year lease term, whichever occurs first. This renewed lease would include tailored stipulations to meet our modern residential leasing standards while supporting the ongoing preference rights sale process, given its uncertain timeline for completion of survey and appraisal.

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 the land under lease will continue enable an approved but ongoing preference rights sale of the leasehold to a customer in good standing, and 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 2011 Susitna Matanuska Area Plan and other classification references described herein, and the casefile for the application serialized by DNR as ADL 51065

Legal Description:

NE 1/4 SE1/4, NE1/4 SE1/4 SE1/4 of Section 18, Township 24 North, Range 4 West, Seward Meridian.

Title and Third-Party Interest:

Acquisition Authority: General Grant Land - Statehood entitlement under the Act of July 7, 1958, 72 Stat. 339, as amended.

Status: The State received Patent 1213622 to the subject lands on October 17, 1960 recorded in Historic Book 26, Page 21, re-recorded on Document No. 2006-000254-0.

Title Report: A DNR Title Report (RPT-22052) issued on August 11, 2021, from DMLW's Realty Services Section, attests that the State of Alaska holds title to the subject lands under Statutory Quitclaim Deed, dated 12/2/1983, accepted 12/21/1983, which was acquired through State Selection UNIV 37 and OSL 792.

The following conditions contained in the conveyance document apply to the subject land:

There is excepted and reserved from the conveyance a right-of-way for ditches or canals constructed by the authority of the U.S. in accordance with the Act of August 30, 1890, 26 Stat. 391; 43 U.S.C. 945.

Also excepted and reserved is a right-of-way for the construction of railroads, telegraph and telephone lines in accordance with the Act of March 12, 1914, Stat. 305

Third-Party Interests:

- ADL 22590, Public Easement, Utility, Issued, Matanuska Electric Association, Inc.
- ADL 33023, Public Easement, Access, Issued, DNR DMLW SCRO Easements
- ADL 234174, Public Easement, Access, Pending, DNR DMLW SCRO Easements

Planning and Classification:

The project area is subject to the Susitna Matanuska Area Plan (SMAP), South Parks Highway Region, Unit S-25. The designation for this site is Settlement (SMAP, p. 3-34) which converts to a classification of Settlement Land (SMAP, p. 4-5).

At the time that the SMAP was prepared, this project area parcel was inadvertently identified in state land status records as being owned by the University of Alaska. Area plans do not affect the University of Alaska land and therefore no management unit or classification was assigned to this project area. Land status research subsequent to publication of the SMAP indicated that the project area land was reconveyed from the University of Alaska to the State of Alaska (OSL 792) and should have been classified in the SMAP. Included within the SMAP are provisions to allow the

DMLW to classify these lands that were inadvertently omitted from classification (SMAP, p. 4-6 and 4-7) without a formal plan amendment and land classification process. DMLW issued Determination SC-09-002-DET03 on April 3, 2015 specifying that the project area lands were included in Unit S-25 with a designation of settlement which converts to a classification of Settlement Land. It further added verbiage to the unit's management intent: "Lots returned to state ownership are appropriate for disposal."

As a goal for lands designated as settlement, the SMAP note the primary goal of private land ownership, to "Provide suitable public land for transfer to private ownership for settlement purposes (SMAP, p 2-34)."

Determination of plan designation and land classification SC-09-002-DET03 designated this parcel settlement, and therefore available for disposal into private ownership. A sale of the subject parcel supports the management goals of the SMAP by providing an opportunity for private ownership of land currently owned by the state for continued year-round use as a residence.

Access:

Legal access to ADL 51065 is by East Sunshine Road via the Talkeetna Spur Highway and public access easement ADL 33023.

Public Access:

Public access easement ADL 33023 provides public access to the leasehold.

Entry Authorization:

SCRO is proposing to authorize Mr. Prittie entry onto state land through the issuance of an EA, for a term of three years, to allow time for completing the required appraisal for the lease site. The proposed EA would be issued after the FFD goes into effect. The effective date of the EA will be the start of the lease term length.

The annual fee for the proposed EA will be set at the lease's current annual amount, \$1,352.70. Should the appraisal report indicate that the value of the land is greater than anticipated, the shortfall must be remedied before the lease will be issued.

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 10-year term. ADL 51065 will be renewed for a term of 10 years in order to enable completion of the preference rights sale to Mr. Prittie, and further, that the lease will terminate upon completion of the sale, or at the conclusion of the 10-year lease term, whichever occurs first. Unless an appeal is received, the Entry Authorization term will begin **May 4, 2025**.

Compensation and Appraisal:

A Minimum Rent Determination for this leasehold was completed on March 13, 2025. In accordance with AS 38.05.840, State-owned land may only be leased if it has been appraised within two years before lease issuance. Mr. Prittie will be required to provide an appraisal for this lease site before lease issuance. Once the appraisal has been approved by DMLW, the annual lease fee will be set at the fair market value of the proposed lease site. During the proposed Entry Authorization, while awaiting appraisal and approval, the annual lease fee will remain at its current amount, \$1,352.70. Furthermore, in accordance with AS 38.05.105, the proposed EA and 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:

There is no bonding requirement for the existing 55-year residential lease, nor will a bond be required for this lease renewal, due to the ongoing and nearly complete preference rights purchase.

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:

There is no insurance requirement for the existing 55-year residential lease, nor will a bond be required for this lease renewal, due to the ongoing and nearly complete preference rights purchase.

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. SCRO recommends the issuance of another 10-year lease to support Mr. Prittie's residential activities as they provide further community development in the Talkeetna area, as described in the following attachments:

Attachment A: Development Plan

Attachment B: Location Maps

Benjamin J. Powell

4/3/2025

Ben Powell, Natural Resource Specialist 3

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. SCRO finds 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).

Cinnamon Micelotta

4/3/2025

Cinnamon Micelotta, General Leasing Program Manager

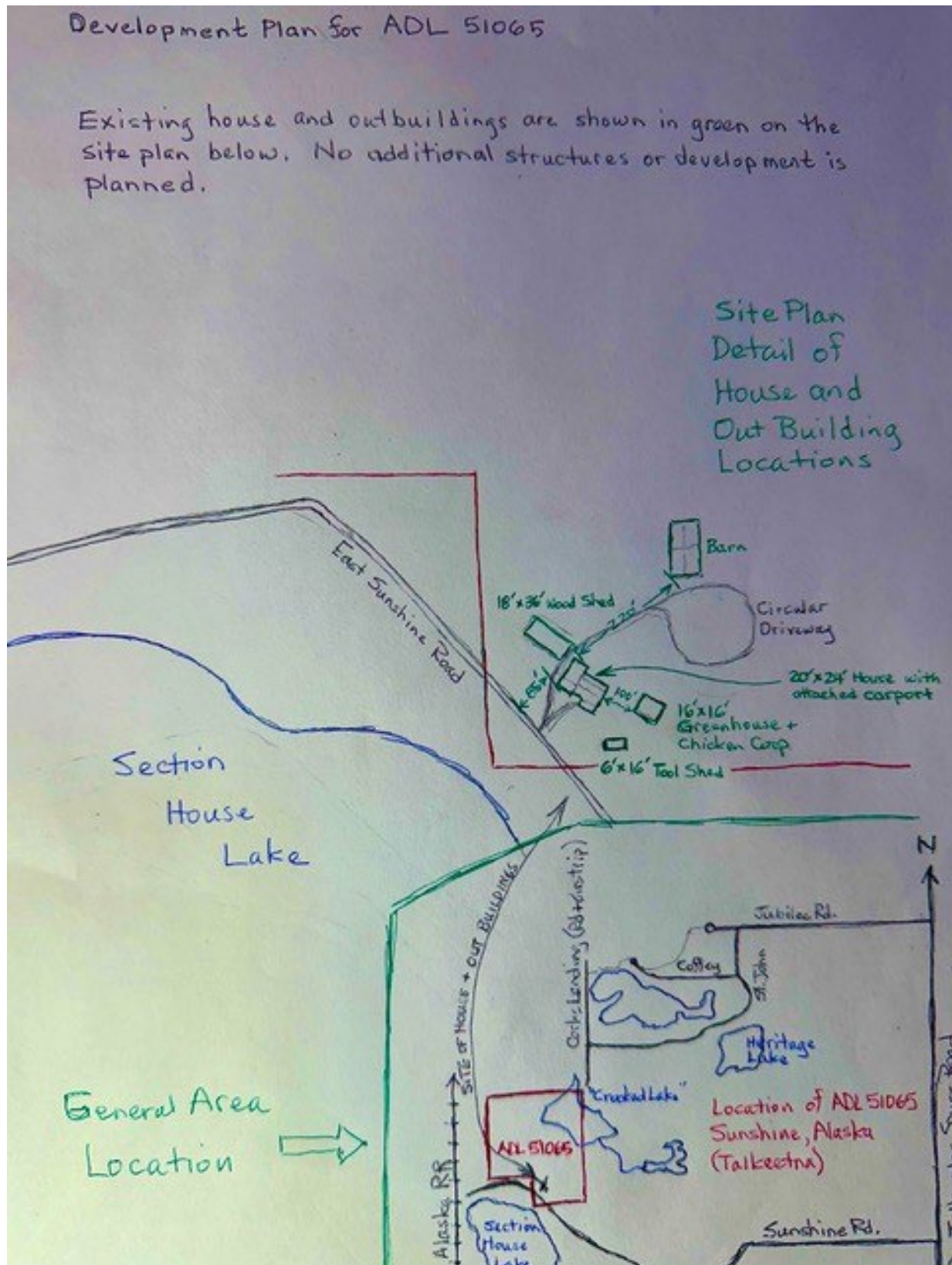
Date

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



Attachment A Development Plan



Barn



Cabin

Attachment A Development Plan



Greenhouse and Toolshed



Cabin

Attachment A Development Plan



Woodshed

Attachment B Location Maps

