

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

PRELIMINARY DECISION

**ADL 233813 Old Harbor Native Corporation
dba Sitkalidak Aquatic Farm, LLC**

Application for Lease Amendment
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 December 10, 2025. 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 Sitkalidak Aquatic Farm, LLC (SAF) to amend aquatic farmsite lease ADL 233813 by adding year-round gear to the existing seasonal infrastructure to accommodate the cultivation of Pacific oysters (*Magallana gigas*). The farmsite consists of two 4.98-acre parcels encompassing an area of 9.96 acres, more or less, of state-owned tide and submerged lands currently used for the commercial growth and harvest of ribbon kelp (*Alaria marginata*) and sugar kelp (*Saccharina latissima*) located within Sitkalidak Strait, near Old Harbor, Alaska. The location of the project area is further described as being within the NE1/4 of Section 32 and NW1/4 of Section 33, Township 34 South, Range 25 West, Seward Meridian, Alaska and the SE1/4 of Section 26, Township 34 South, Range 26 West, Seward Meridian, Alaska.

SCRO is considering the issuance of a lease amendment to ADL 233813 for the remaining term of the lease. The proposed amended farmsite will consist of two parcels, encompassing an area measuring 9.96 acres, more or less, for the purpose of year-round commercial growth and harvest of Pacific oysters, and seasonal commercial growth and harvest of ribbon kelp and sugar kelp. There are no changes to the two lease parcels' locations and size.

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 amendment to add year-round gear to the existing seasonal infrastructure to accommodate the cultivation of a new species.

Authority:

This lease application is being adjudicated pursuant to Article VIII of the Alaska Constitution generally, Alaska Statute (AS) 38.05.035 (Powers and duties of the director); AS 38.05.070(b) (Leases generally); AS 38.05.083 (Aquatic farming and hatchery site leases); and AS 38.05.945 (Notice). The authority to execute the Preliminary Decision, Final Finding and Decision, and the lease has been delegated to the Regional Manager of SCRO.

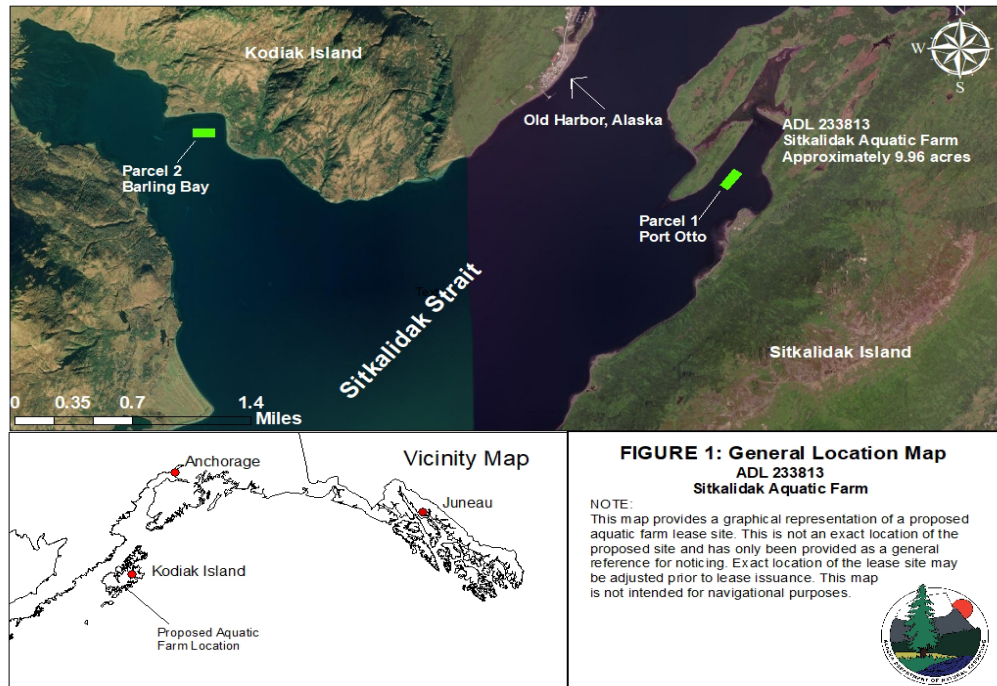
Administrative Record:

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 233813.

Legal Description, Location, and Geographical Features:

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

- **Site reference name:** Sitkalidak Strait
- **Legal description:** Located within the NE1/4 of Section 32 and NW1/4 of Section 33, Township 34 South, Range 25 West, Seward Meridian, Alaska and the SE1/4 of Section 26, Township 34 South, Range 26 West, Seward Meridian, Alaska
- **Geographical locations:** Parcel 1 is located within Port Otto, approximately 1.2 miles southeast of Old Harbor, Alaska. Parcel 2 is located within Barling Bay, approximately 2 miles southwest of Old Harbor, Alaska.



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

Parcel #1: Port Otto, suspended grow-out area, 310 feet by 700 feet

NE Corner: 57° 11.545'N, 153° 16.600'W
 SE Corner: 57° 11.451'N, 153° 16.734'W
 SW Corner: 57° 11.482'N, 153° 16.808'W
 NW Corner: 57° 11.572'N, 153° 16.680'W

Parcel #2: Barling Bay, suspended grow-out area, 310 feet by 700 feet

NE Corner: 57° 11.830'N, 153° 21.589'W
 SE Corner: 57° 11.779'N, 153° 21.588'W
 SW Corner: 57° 11.777'N, 153° 21.799'W
 NW Corner: 57° 11.828'N, 153° 21.801'W

- **Existing surveys:** None
- **Municipality/Borough:** Kodiak Island Borough
- **Native Corporations/Federally Recognized Tribes:** Koniag, Inc., Old Harbor Native Corporation; Alutiiq Tribe of Old Harbor; Sun'aq Tribe of Kodiak, Natives of Kodiak, Tangirnaq Native Village, Leisnoi

- **Size:** 9.96 acres, more or less (9.96 acres authorized prior to lease amendment)

Title:

DNR Title Reports (RPT-24002 and RPT-24003) were requested on June 4, 2025 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, Units: Kodiak National Wildlife Refuge Tideland Resource Management Zone and General Use Tidelands, Map: 3-10 (3-103). The tideland designation for Parcel 1 within Port Otto is General Use (Gu) and the tideland designations for Parcel 2 within Barling Bay are Public Recreation – dispersed (Rd) and Habitat (Ha), which convert to the Parcel 1 classification of Resource Management Land, and the Parcel 2 classifications of Wildlife Habitat Land and Public Recreation Land, as described in Chapter 4 of the KAP (4-5).

According to Chapter 4 of the KAP, Resource Management Land is either “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 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). Wildlife Habitat Land is “land which is primarily valuable for fish and wildlife resource production, whether existing or through habitat manipulation, to supply sufficient numbers or diversity of species to support commercial, recreational, or traditional uses on an optimum sustained yield basis; or a unique or rare assemblage of a single or multiple species of regional, state, or national significance” (4-3). Lastly, Chapter 4 of the KAP describes Public Recreation Land as “land that is suitable for recreation uses, waysides, parks, campsites, scenic overlooks, hunting, fishing or boating access sites, trail corridors, or greenbelts along bodies of water or roadways” (4-2).

Chapter 3 of the KAP states that the management objectives for tidelands within the Kodiak National Wildlife Refuge Tideland Resource Management Zone “are to protect the habitats and wildlife that characterize this area and allow certain consumptive uses, which would include foraging, and the taking of fish and wildlife for personal, recreational, commercial, and subsistence purposes” (3-22).

Aquatic Farming is specifically mentioned in Chapter 2 of the KAP 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). State regulations require DNR to make a best interest finding before issuing a lease. 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 conditions found within the KAP. General conditions considered within the KAP are: “1) 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 2) 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).

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 skiff from the harbor located in Old Harbor, Alaska. All gear and equipment will be stored in a gear shed on Old Harbor Native Corporation’s private uplands.

Access To and Along Navigable and Public Waters:

AS 38.05.127 and 11 AAC 51.045 require that before leasing land, we determine if a body of water is navigable and if it is, that we provide for easements or reservations as necessary to ensure free access to and along the waterbody. The waters of Sitkalidak 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, 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.

Lease Discussion:

On April 4, 2022, SAF was issued a 10-year aquatic farmsite lease for 9.96 acres, more or less, within Sitkalidak Straight, near Old Harbor, Alaska. The lease authorized two rectangular parcels, measuring 700 feet by 310 feet (4.98 acres), for the commercial cultivation and harvest of ribbon kelp and sugar kelp. Both parcels contain 20, 500-foot submerged longlines. 150-pound anchors are attached at each of the four corners of the rectangle parcel totaling eight anchors for the two parcels. The longlines rely on a combination of tension from the anchors and buoyancy from buoys and corks to maintain the depth of the lines at six feet below the surface of water. Corks on a 10-foot trailer line will be tied into the longlines at 100-foot intervals for buoyancy. Large vinyl buoys mark the corners of each suspended parcel. Seeded string will be obtained from the hatchery in the fall and deployed on longlines with an open small skiff and secured every 50 to 100 feet with electrical tape.

Harvest for kelp will occur in the spring, between late April to early June. Harvest will take place using an aluminum skiff, kelp will be cut from the longlines, placed in totes or bags, hauled to shore for processing or packed on tender to Kodiak for processing. Processing will consist of dehydrating and drying, or cutting, blanching, and freezing. The longlines will be removed from the water after harvest is complete, by July of each year. Equipment will be stored in a gear shed on Old Harbor Native Corporation private property when not in use. The lease has an expiration date of April 3, 2032.

On August 6, 2024, an amendment application for the lease, was received by SCRO and ADF&G to add new gear for the commercial cultivation and harvest of Pacific oysters. Additional information was provided from SAF to SCRO and ADF&G on November 12, 2024. The amendment application was deemed complete on April 25, 2025. In the proposed lease amendment, the total acreage will remain at 9.96 acres, more or less, and the two parcels remain as 700 feet by 310 feet (4.98 acres). However, there are three changes proposed in this amendment: cultivation of new species and related gear, a double catenary system for kelp and Pacific oysters, and a year-round operation schedule.

The kelp and oyster cultivation systems are comprised of two separate catenaries for each parcel. The systems are comprised of poly Dacron line and are 310 feet wide by 700 feet long encompassing 4.98 acres total including the anchor line scope. The catenary systems are held fast to the seafloor with four 300-pound Danforth anchors, eight anchors total. The connecting anchor lines are comprised of 1-inch-thick poly Dacron line. The corners of the catenary are supported by eight A4 Polyform fluorescent orange buoys for a total of eight buoys. This anchoring system ensures stability for both kelp and oyster systems, providing a sustainable environment with effective protection against adverse conditions.

The kelp cultivation catenary consists of fifteen 400-foot-long cultivation lines spaced four feet apart. The cultivation lines are comprised of 3/8-inch diameter poly Dacron line. Every 100 feet

there is an 80-foot transverse set line running perpendicular to the cultivation lines. There are 6-A1 Polyform support buoys on each transverse set line for a total of 18 buoys.

Kelp cultivation lines and kelp seed will be deployed from October to July annually. When not in use, the catenary set lines, anchors, and buoys will remain in place. All cultivation lines will be removed from the water and stored onshore in a community gear storage on an Old Harbor Native Corporation private land location in July to October annually.

The oyster cultivation portion of the catenary consists of eight 400-foot OysterGro® lines spaced 10 feet apart and configured specifically for oyster growth. Each of the eight lines will consist of 50 OysterGro® floating cages for a total of 400 cages. Each cage will contain six plastic mesh bags containing 150 adult oysters per bag for a total of 900 adult oysters per cage and 60,000 total adult oysters. Fowling organisms are removed from the cages by flipping the cages every other week. Monthly from March to December, the oysters will be removed from the bags and sorted by size to optimize growth and uniformity. During sorting, any predatory organisms such as sea stars will be carefully removed and returned to the ocean. The oyster cultivation system will remain in the water year-round after the cages are added to maintain consistent growth conditions.

To culture oysters, SAF will implement techniques that optimize survival, density, growth rate, uniformity of size, and habitat use for commercial viability. The operations will include outplanting seedstock in floating cages in a phased manner to maximize growth and reduce stress on the oysters. Husbandry practices will involve regular culling, sorting, and washing to maintain a healthy oyster population, enhance growth, and prevent overcrowding. Maintenance and monitoring activities will be routine, with inspections to assess oyster health, water quality, and general farm conditions. Fouling organisms and incidental species will be managed through selective cleaning, while predator control measures, will be managed through the use of OysterGro® cage systems to safeguard oysters from natural threats. Outplanting of seedstock is planned for early spring when water temperatures begin to rise, allowing a full grow season. regular assessments will guide the timing of harvesting and other critical actions. Through these methods, SAF aims to create efficient, productive, and sustainable oyster culture environment suitable for the commercial market.

The methods and frequency of transportation to and from the site remain unchanged. Additionally, equipment and gear storage locations remain unchanged.

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. CUR is not applicable for SAF currently, as they have not yet reached the fifth year of their lease.

The proposed lease amendment 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 November 12, 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, SAF will be required to maintain a performance guaranty for the lease site.

- **\$2,500.00 Performance Bond:** A bond in the amount of \$2,500.00 for the farmsite was previously submitted by SAF on September 15, 2022. 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:

SAF will be required to submit proof of liability insurance to SCRO, with the State of Alaska listed as a “NAMED” insured party. SAF 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. SAF has submitted GPS coordinate points(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 9.96-acre aquatic farmsite lease is a base fee of \$450.00 for the first acre and \$125.00 for each additional acre or partial acre. In accordance with the Aquatic Farmsite Fee Schedule, Report No. 2522-16, a breakdown of the lease fee will be as follows:

9.96 acres (1 acres at \$450.00) + (9 acres x \$125) = **\$1,575.00 per year**

If the applicant does not agree with the fee schedule amount of \$1,575.00, 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 \$1,570.00 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 State Tideland 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 May 12, 2025 and ending on June 2, 2025. The following agencies were included in the review:

- DNR DMLW – Land Conveyance Section
- DNR DMLW – Mining Section
- DNR DMLW – Public Access Assertion and Defense Section
- DNR DMLW – Water Resources Section
- DNR DMLW – Resource Assessment and Development Section
- 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 one “no comment” from one agency. Information and comments received from sections within DMLW prior to and during the agency review have been considered and included in the preparation of this preliminary decision.

ADF&G Comments:

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 May 28, 2025. Within the letter from ADF&G, there 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. The letter states, "*There are no concerns pertaining to an aquatic farm operation permit amendment 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.*"

ADF&G requests that the May 25, 2025, letter be included in the preliminary decision as an advisory to the applicant and for public reference.

ADF&G included a Department Advisory to "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) amendment will be included in the operation permit. In addition, site-specific conditions that have been recommended by staff may be included in the AFOP amendment".

The following reviews are noted in the ADF&G letter:

- Division of Commercial Fisheries: has reviewed this request and has 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 no comment at this time.

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

- 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 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 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.

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. A copy of ADF&G's May 25, 2025, letter was provided to the applicant. 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. Per the development plan submitted by the applicant on November 12, 2024, all gear associated with the site will be left onsite year-round or stored in the applicant's private uplands. 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.

NOAA Fisheries Comments:

With the potential addition of Pacific oysters to this established kelp farm, NOAA Fisheries offers these informal conservation recommendations:

1. We note that both parcels are adjacent to shorelines with eelgrass beds (based on observations from Alaska ShoreZone), and while the parcels are likely deep enough to not risk overshadowing of eelgrass, improper shell disposal could damage beds. The lease amendment request could be strengthened with articulating proper disposal when mentioning culling, sorting, and removal of biofouling materials. Here are some common recommendations for proper waste disposal:
 - Prohibit Shell and Biofouling Dumping: Do not dump oyster shells or biofouling material from gear near the proposed farmsite. Such dumping can create a barren zone on the seabed, preventing the growth of submerged aquatic vegetation (SAV).
 - Land-Based Disposal: Dispose of all oyster shells and biofouling material on land, following appropriate waste management practices. This helps prevent environmental degradation and maintains the health of surrounding marine habitats.
 - Recycling and Reuse: Whenever possible, recycle oyster shells for use in restoration projects, such as creating new oyster reefs, or as a component in construction materials. This reduces waste and supports ecosystem restoration efforts.
2. We provided informal recommendations to ADNR on November 30, 2021 (via email) when this operation was originally requesting a lease. We recommended monitoring the kelp for herring spawning then. We repeat that recommendation now for the oyster gear as well, noting that herring eggs on farm materials, including oysters and cages, must be allowed to hatch. Refer to ADF&G standard permit conditions on reporting eggs.

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.

Public Notice of the Preliminary Decision:

Pursuant to AS 38.05.945, this PD will be advertised for 30-day public comment period. Notice will be posted on the Alaska Online Public Notice System and at the post office located in Old Harbor. Courtesy notices will also be mailed or emailed to neighboring property owners, permit/lease holders, and other interested parties on November 7, 2025 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 10, 2025 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) 269-8543

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 an aquatic farmsite lease amendment to SAF.



8/28/25

Karen Cougan
Natural Resource Specialist

Date

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 amendment to SAF, as described above. Prior to issuance of this lease amendment, the applicant will be required to pay the annual lease fee of \$1,575.00, maintain a \$2,500.00 performance bond, and provide proof of liability insurance. This Preliminary Decision shall now proceed to public notice.



8/28/2025

Jarrod Yelton, Natural Resource Manager 1
Division of Mining, Land & Water
Southcentral Regional Land Office

Date

Attachments

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

Attachment A Amendment Development Plan

☐ Add or significantly¹ modify support facility

☐ Section E (If floating facility)

☐ Sections E & F (If upland facility)

☐ Section D-3 c (Site Plan Map with facility)

☐ Section D-3 d (Cross Sectional Diagram of facility)

☐ Section D-3 e (Detailed Drawing of facility)

☒ Other² Oysters

Dependent on amendment request

¹Significant modifications include changes that increase obstructions to navigation or to other public uses.

²Other includes production changes or species added if associated with changes to farm site boundary/location.

C. Amendment Description

In the space provided below, please provide a general description of your proposed changes to your aquatic farm site and operations. This should be a narrative of your amendment request that includes changes to your project location or size, new overall size including any hardening areas, all species you intend to culture, type of farm gear, equipment, support facilities, and associated housing to be used including size, number, and construction materials. Your narrative should match the rest of the application information you provide. If a section does not apply to your proposed amendment, please state so. If additional space is necessary, **please attach a separate document labeled "AMENDMENT DESCRIPTION"**. **Example information for project narrative can be found in Attachment I.**

Company Name (if being changed)

N/A

Site Location Modifications

Site Location: No changes are being made to the current site location. Site Dimensions and Acreage: There are no modifications to the existing dimensions or acreage of the site. Permitted Activities: An addition is being made to the current permit to include oyster farming. All Other Aspects: Aside from the inclusion of oysters in the permit, no other changes are being made to the development plan. This summary reflects the minimal adjustments to the current plan, focused solely on expanding permitted species to include oysters. THE ADDITION OF OYSTERS WILL REQUIRE THAT THIS SYSTEM STAYS IN THE WATER YEAR ROUND AFTER THE OYSTERGRO CAGES ARE ADDED.

New Site Dimensions, Acres for Each Parcel (New Dimensions and calculated area in acres for each parcel being amended and total area in acres of farm after amendment)

N/A

Attachment A Amendment Development Plan

New Support Facilities *(List any new support facilities, i.e. caretaker, storage, processing facilities, work rafts, etc.)*

Construction Materials of New Support Facilities and Equipment *(Note: All floating raft structures should use non-treated wood supported by closed cell expanded polystyrene or equivalent material)*

Species You Intend to Farm (for New Parcels or Changes to Species) *(Include scientific and common species name)*

Pacific Oysters (*crassostrea gigas*)

For New Parcels or Changes to Culture Methods *[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.]*

Attachment A

Amendment Development Plan

New Support Facilities *(List any new support facilities, i.e. caretaker, storage, processing facilities, work rafts, etc.)*

N/A

Construction Materials of New Support Facilities and Equipment *(Note: All floating raft structures should use non-treated wood supported by closed cell expanded polystyrene or equivalent material)*

N/A

Species You Intend to Farm (for New Parcels or Changes to Species) *(Include scientific and common species name)*

Pacific Oysters (*crassostrea gigas*)

For New Parcels or Changes to Culture Methods *(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.)*

To culture oysters on our existing kelp farm permit, we will implement techniques that optimize survival, density, growth rate, uniformity of size, and habitat use for commercial viability. The operations will include outplanting seedstock in floating cages in a phased manner to maximize growth and reduce stress on the oysters. Husbandry practices will involve regular culling, sorting, and washing to maintain a healthy oyster population, enhance growth, and prevent overcrowding. Maintenance and monitoring activities will be routine, with inspections to assess oyster health, water quality, and general farm conditions. Fouling organisms and incidental species will be managed through selective cleaning, while predator control measures, will be managed through the use of OysterGro cage systems to safeguard oysters from natural threats. Outplanting of seedstock is planned for early spring when water temperatures begin to rise, allowing a full grow season. Regular assessments will guide the timing of harvesting and other critical actions. Through these methods, I aim to create an efficient, productive, and sustainable oyster culture environment suitable for the commercial market.

Attachment A

Amendment Development Plan

For New Parcels or Changes to 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.]*

The kelp and oyster cultivation systems are comprised of two separate catenaries. The systems are comprised of poly Dacron line and are 310 ft wide x 700 ft long encompassing 4.98 acres total including the anchor line scope. The catenary systems are held fast to the seafloor with four 300 lb. Danforth anchors, eight anchors total. The connecting anchor lines are comprised of 1-inch-thick poly Dacron line. The corners of the catenary are supported by four A4 Polyform fluorescent orange buoys for a total of eight buoys.

The kelp cultivation catenary consists of 15-400 ft long cultivation lines spaced four feet apart. The cultivation lines are comprised of 3/8 inch diameter poly Dacron line. Every 100 ft there is a 80-foot transverse set line running perpendicular to the cultivation lines. There are 6-A1 Polyform support buoys on each transvers set line for a total of 18 buoys.

Kelp farm cultivation lines and kelp seed will be deployed from October-July annually. When not in use, the catenary set lines, anchors, and buoys will remain in place. All cultivation lines will be removed from the water and stored onshore in a community gear storage location July-October annually.

The oyster cultivation portion of the catenary consist of eight 400 ft lines spaced 10 feet apart. Each of the eight lines will consist of 50 OysterGrow floating cages for a total of 400 cages. Each cage will contain six plastic mesh bags containing 150 adult oysters per bag for a total of 900 adult oysters per cage and 60,000 total adult oysters. Fowling organisms are removed from the cages by flipping the cages every other week. Oysters will be removed from the bags and sorted by size at least once per month March-December. During sorting, any predatory organisms such as sea stars will be removed and returned to the ocean.

Other *(Anything else that may change from the original project due to the amendment request proposal)*

Attachment A

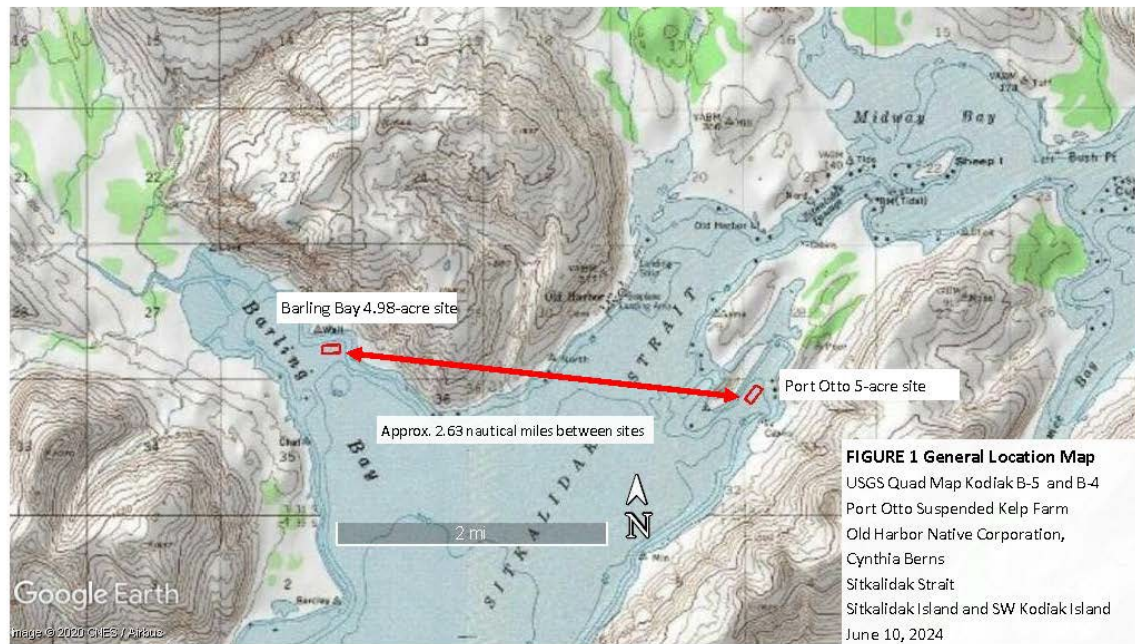
Amendment Development Plan

For New Parcels or Changes to 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.]*

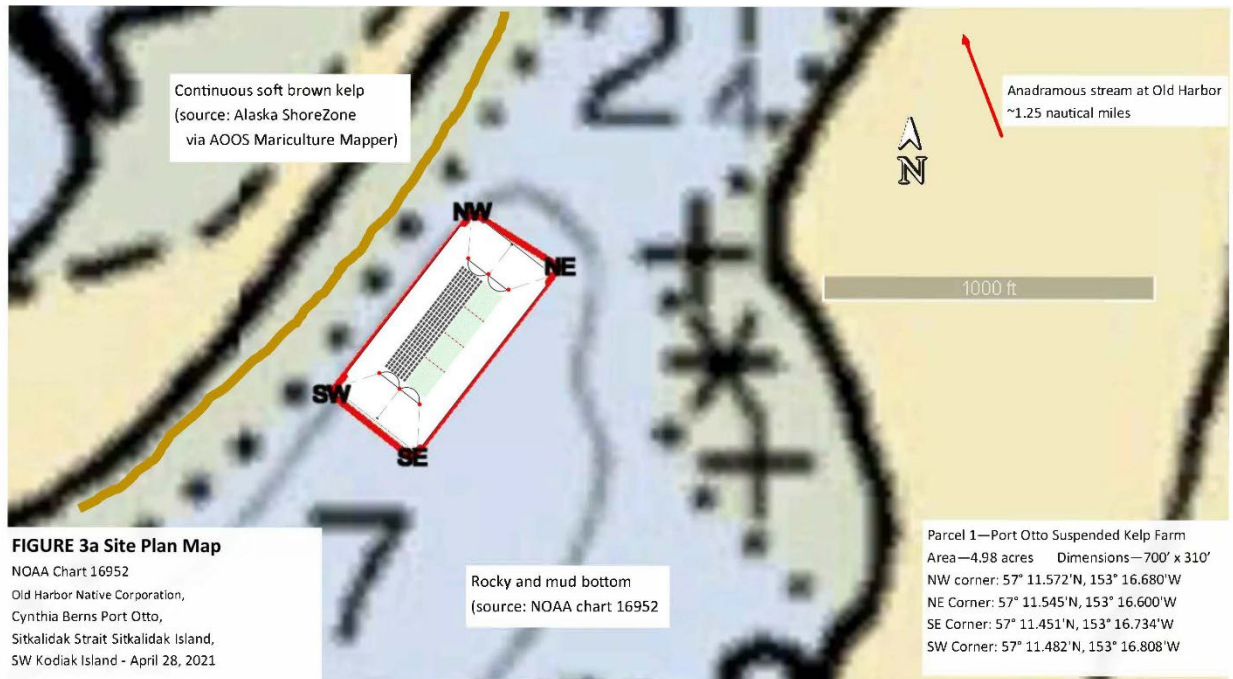
For the oyster cultivation within the 2 designated 4.98-acre parcels, gear and equipment include eight 400-foot OysterGrow lines configured specifically for oyster growth. These lines are spaced 10 feet apart and support a total of 400 floating cages. Each cage holds six plastic mesh bags, each bag contains approximately 150 adult oysters, resulting in 900 oysters per cage and a total capacity of 60,000 oysters. This gear will remain in the water year-round to maintain consistent growth conditions. To manage fouling, the cages are flipped every two weeks. Monthly from March to December, the oysters are removed from bags and sorted by size to optimize growth and uniformity. During these sessions, any predatory organisms, such as sea stars, are carefully removed and returned to the ocean. The catenary lines, composed of poly Dacron line, are anchored using a system of three 300-pound Danforth anchors per catenary, with anchoring lines made from 1-inch poly Dacron line. This anchoring system ensures stability for both kelp and oyster systems, providing a sustainable environment with effective protection against adverse conditions.

Other *(Anything else that may change from the original project due to the amendment request proposal)*

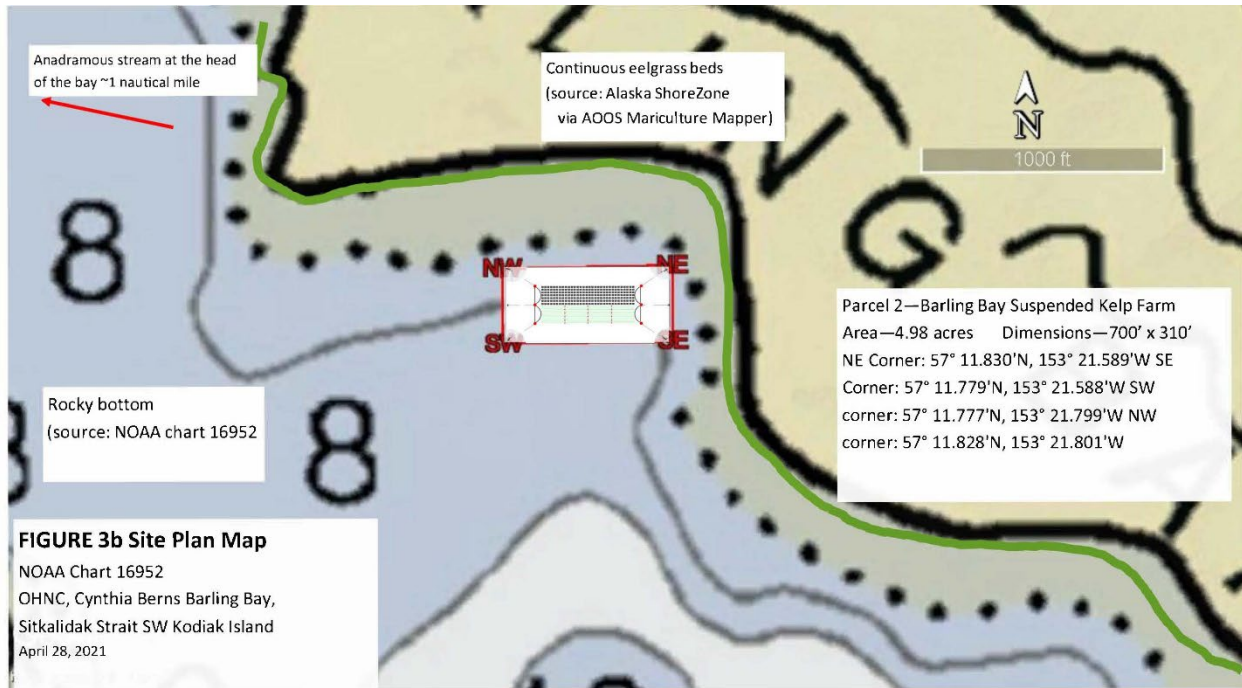
Attachment A Amendment Development Plan



Attachment A Amendment Development Plan



Attachment A Amendment Development Plan



Attachment A Amendment Development Plan

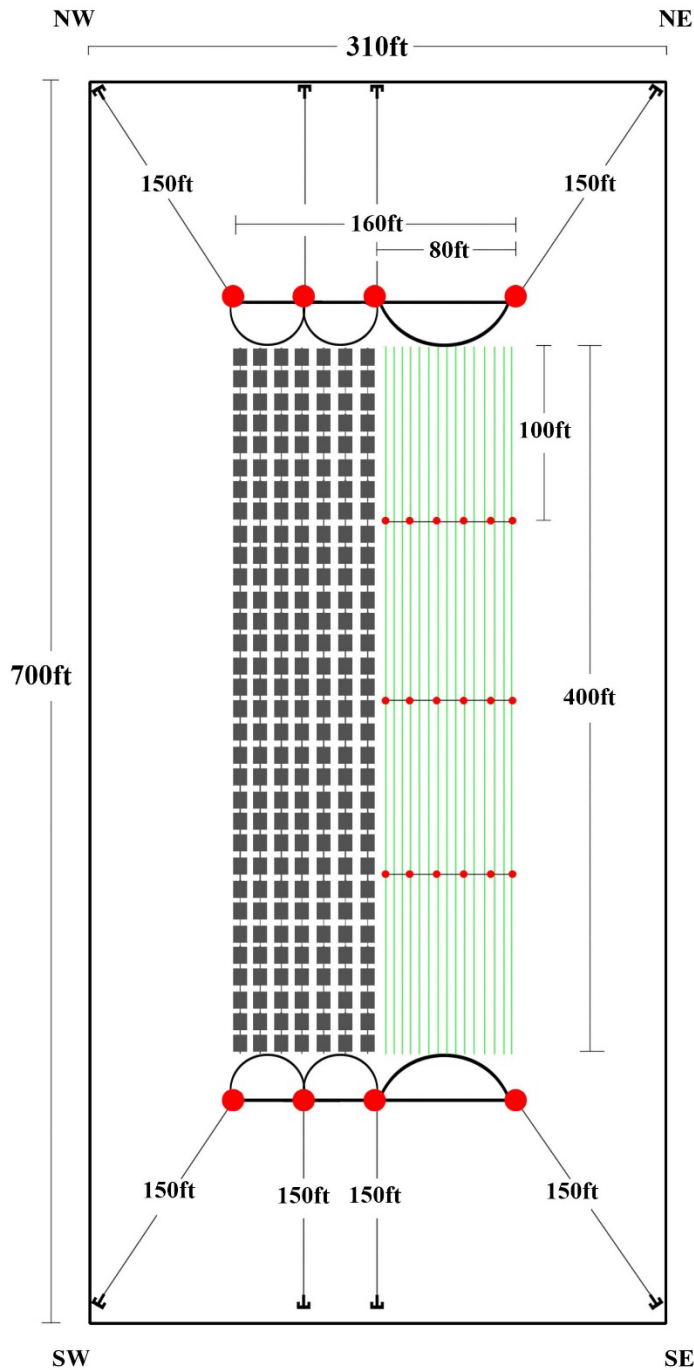


Figure 4a Kelp and Osyster Culture Detail
OHNC, Cynthia Burns
Sitkalidak Strait
SW Kodiak Island - May 28th 2024

 300lbs danforth anchor

 A4 polyform buoy

 A1 polyform buoy

KELP

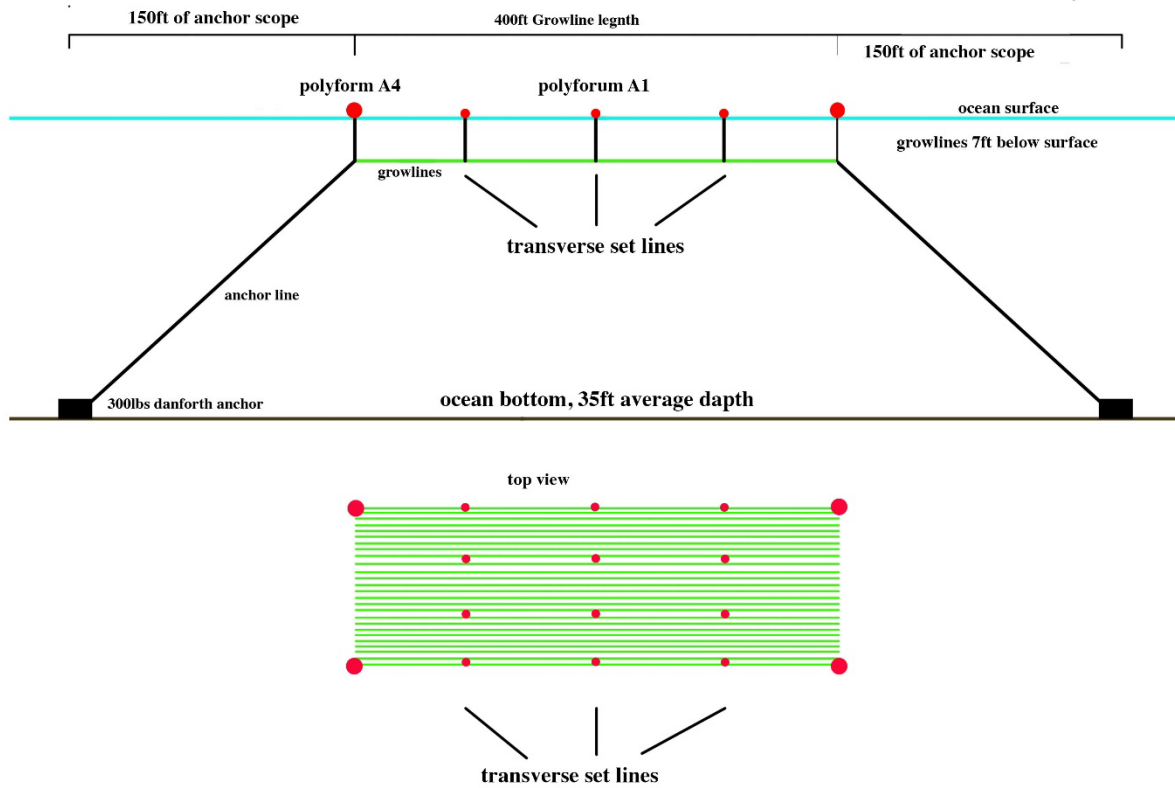
15 x 400ft kelp long lines
long lines spaced 4ft apart
6,000ft total

OYSTERS

50 cages per line
8 lines spaced 10ft apart
400 total cages, 60,000 oysters

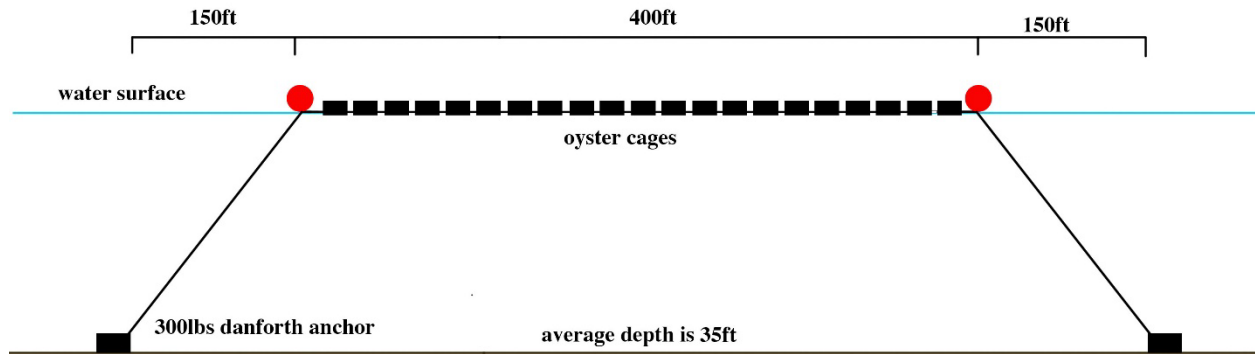
Attachment A Amendment Development Plan

Figure 5 Kelp Cross Sectional Detail
OHNC, Cynthia Burns
Barling Bay, Sitkalidak Straight
SW Kodiak Island - May 28th 2024

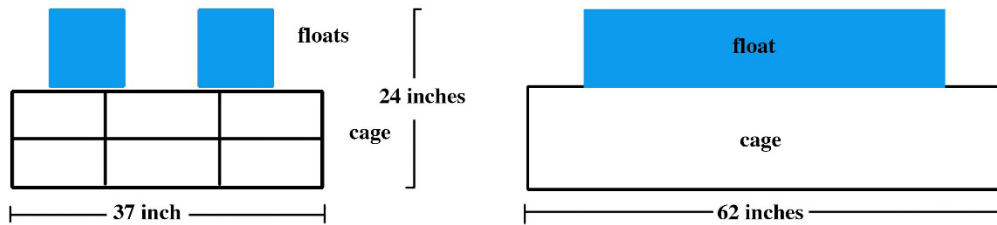


Attachment A Amendment Development Plan

Figure 6 Oyster Cross Sectional Detail
OHNC, Cynthia Burns
Barling Bay, Sitkalidak Straight
SW Kodiak Island - May 28th 2024



Oystergro Cages, 6 bag capacity



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

May 28, 2025

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
Berns / Old Harbor Native Corporation Aquatic Farm Site Amendment Proposal –
Sitkalidak Strait
DNR File No.: ADL 233813

Dear Ms. Cougan:

The Alaska Department of Fish and Game (ADF&G) has completed a preliminary review of the project proposal, **ADL 233813** 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 amendment 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 amendment 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) amendment will be included in the operation permit. In addition, site-specific conditions that have been recommended by staff may be included in the AFOP amendment.

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.

Attachment B ADF&G Letter

Karen Cougan
Department of Natural Resources
Aquatic Farm Proposal ADL 233813 ADF&G Review Comments

- 2 -

May 28, 2025

Division of Sport Fish has no comment at this time.

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

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 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 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.

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
 Cynthia Berns, Old Harbor Native Corporation