

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

RENEWAL DECISION

ADL 226790

**CATC Alaska Tourism Corporation
dba Kenai Fjords Tours**

Tideland Lease

AS 38.05.075(c) and AS 38.05.070(e)

Proposed Action:

The Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), Southcentral Regional Land Office (SCRO) has received a request from CATC Alaska Tourism Corporation dba Kenai Fjords Tours (KFT) to renew a current tideland lease for 1.15 acres, more or less, for 20 years, located on Fox Island in Resurrection Bay. The location of the project area is further described as being within the SE1/4 of Section 7, Township 3 South, Range 1 East, Seward Meridian. KFT uses this site to provide passenger loading and offloading to access privately owned uplands in support of tourism activities.

History:

The State of Alaska received an application from Thomas Tougas dba Kenai Fjords Tours, for a tide and submerged lands lease on January 30, 1996. A final decision was made for Kenai Fjords Tours to pursue a lease for the proposed project in support of their commercial recreation business. Prior to lease issuance, Cook Inlet Region, Inc. purchased the company from Mr. Tougas. On April 1, 2004, DMLW issued a 20-year Lease Agreement to CIRI Alaska Tourism Corporation (CIRI), set to expire on March 31, 2024.

In February of 2016, KFT requested permission to replace the existing floating dock structure with a new floating dock structure with larger dimensions along with correspondence detailing their letter of permission (POA-1996-23) that was granted by US Army Corps of Engineers (USACE) for the removal of the two 12-inch diameter pipe piles, two batter piles, and an overhead crossbeam, an 80-foot by 20-foot floating dock and a 100-foot by 6.5 foot pedestrian gangway and the installation of two 30-inch diameter pipe piles with an overhead cross beam, a 116-foot by 29-foot floating dock, and a 110-foot by 5.5 foot pedestrian gangway ramp. On February 16, 2016, DMLW approved the request for improvements as they were within the lease footprint, the replacement was within the scope of maintenance allowed by the lease and maintained the original

intent of the lease. These documents provided for the new dock were treated as an amended development plan with no other amendments to the lease.

On September 23, 2016, the customer changed their name from CIRI Alaska Tourism Corporation dba Kenai Fjords Tours to CATC Alaska Tourism Corporation dba Kenai Fjords Tours and KFT assumed all rights, obligations, and interests in ADL 226790. On October 1, 2023, KFT applied to renew the lease for an additional 20-year term. Per AS 38.05.070(f)(2), ADL 226790 was extended for two years to allow time for consideration of lease renewal. KFT is the current lessee for ADL 226790, which is set to expire on March 31, 2026.

The significant number of entity names within the history of ADL 226790 resulted in the original lease and the subsequent extension thereafter including technical errors. The lease authorization from 2004 should have been authorized under CIRI Alaska Tourism Corporation dba Kenai Fjords Tours. Additionally, a name-change amendment should have been completed in 2016 to reflect the name-change that took place and the extension should have been authorized under CATC Alaska Tourism Corporation dba Kenai Fjords Tours. Such being the case, a name-change amendment has been adjudicated to correct this, and this decision document should provide clarity for future reference.

Existing Infrastructure:

- 116-foot by 29-foot steel pontoon float
- 110-foot by 5-foot 6-inch Aluminum foot pedestrian gangway ramp
- Two 30-inch diameter steel piles with an overhead crossbeam
- 30-foot walkway/trestle attached to land by a 10-inch steel pipe pile
- Associated support batter piles and anchors

Lease Renewal Authority:

In 2004 the original lease had been adjudicated pursuant to AS 38.05.035(b)(1) Delegation of the Powers and Duties of the Director; AS 38.05.035(e) Written Findings; AS 38.05.075(c); 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 38.05.075 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.

Agency Review

Information and comments received from sections within DMLW prior to and during agency review have been considered and included in the preparation of this preliminary decision. An agency review was conducted on November 25, 2025. The deadline for agency comments was December 15, 2025.

The following agencies were included in the review:

- DNR Division of Agriculture
- DNR Division of Forestry & Fire Protection
- DNR Division of Geological & Geophysical Surveys
- DNR Division of Oil and Gas / State Pipeline Coordinator Service
- DNR Division of Parks and Outdoor Recreation / Office of History and Archaeology – State Historic Preservation Office
- Department of Commerce, Community and Economic Development
- Department of Environmental Conservation
- Department of Fish & Game
- Department of Transportation & Public Facilities
- U.S. Army Corps of Engineers
- U.S. Bureau of Land Management
- U.S. Coast Guard
- U.S. Environmental Protection Agency
- U.S. Fish and Wildlife Service
- U.S. Forest Service
- U.S. National Park Service
- U.S. National Oceanic and Atmospheric Administration - National Marine Fisheries Service
- Kenai Soil and Water Conservation District
- Alaska Association of Conservation Districts

Comment: On December 15, 2025, The Alaska Department of Fish and Game (ADF&G) responded with the following comments and Recommendations:

ADF&G has no objection to the renewal of this lease; however, we offer the following comments and recommendations:

1. **Ensure that public access to state waters is preserved** and that project activities do not impede or restrict public use.
2. **Marine Mammal Considerations:**
 - a. There is no designated marine mammal critical habitat within the project area. However, there are several marine mammals with ranges overlapping with the

project area, including fin whale, humpback whale, North Pacific right whale, sperm whale, Steller sea lion, Dall's porpoise, gray whale, harbor porpoise, harbor seal, killer whale, Minke whale, northern fur seal, Pacific white sided dolphin, and northern sea otter. These animals are managed under the Marine Mammal Protection Act and may require authorization from the National Marine Fisheries Service (NMFS) and/or the U.S. Fish and Wildlife Service (USFWS). For NMFS consultation inquiries: nmfs.pr1.apps@noaa.gov . For sea otter information: r7mmmregulatory@fws.gov or call 907-201-2034.

b. Report marine mammal strandings as soon as possible:

i. For any injured, entangled, or dead marine mammal, contact the NOAA Fisheries Alaska Statewide 24-hour Stranding Hotline: (877) 925-7773

ii. For sea otters specifically, contact the USFWS at 1-800-362-5148 (business hours) or the Alaska SeaLife Center Hotline at 1-888-774-7325 (24 hours)

iii. If the lessee documents any negative marine mammal interactions, we request to be kept informed of them. Please direct any relevant information to Alaska Department of Fish and Game Marine Mammal Program at dfg.dwc.mmcomments@alaska.gov.

c. To reduce risks:

i. Keep lines used to tether vessels taut and out of the water whenever possible to reduce the risk of entanglement. In addition, the project proponent should secure all ropes, nets, and potential entanglement hazards to prevent them from entering marine waters.

ii. Consistent with AS 46.06.080, trash should be disposed of in accordance with state law. Food waste should also be properly disposed of to avoid attracting marine mammals. The project proponent should ensure that all closed loops (e.g., packing straps, rings, bands, etc.) are cut prior to disposal to reduce the risk of entanglement.

iii. Store fuel securely to prevent entry into the marine environment. A spill kit should be kept on-site for any potential spills.

Response: DMLW acknowledges the comments and through issuance of this decision document, informs KFT of the ADF&G-provided recommendations.

Comment: On December 15, 2025, The Department of Natural Resources Division of Geological and Geophysical Surveys (DGGS) responded with the following comments:

Hydrology and Surficial Geology; Geologic Hazards

Geologic Units: Bedrock deposits; Coastal deposits (near the floating dock)

Suitability For Construction: Areas of clean sand and gravel may be suitable, depending on the thickness of any fine-grained cover. Materials on slopes may be unsuitable due to potential instability issues. Areas of poor drainage may not be suitable. Materials in water may not be suitable, depending on the extraction cost. Use best construction practices.

Permafrost: Generally absent, some potential for Isolated (Jorgenson and others, 2008)

Susceptibility To Frost Action: Potentially intense frost action where sediments are fine-grained and/or wet. Generally, less intense where coarse-grained and/or well-drained. Bedrock may be susceptible to frost action along bedding planes or joints.

Thaw Stability: Thaw unstable where ice content is high, especially in areas of poor drainage. Generally, well-drained, coarse sediments are more thaw-stable than poorly drained, fine-grained sediments.

Surface Drainage and Flooding Potential: 1) Flooding is possible along streams and coastal areas in the spring and during intense storm events. 2) Surface drainage is often poor near swamps and areas of permafrost, especially where sediment is fine-grained. 3) Surface drainage is good along slopes and where sediment is coarse-grained.

Seismic Hazards: The region's general seismic hazard potential is very high (e.g., 1964 Alaska earthquake, Powers and others, 2024). This region sits directly above the shallow subduction interface between the Pacific and North American tectonic plates. Peak ground acceleration for the Seward area has an exceedance probability of 2% in 50 years, which is an increase of 130% over the 2007 estimate.

Standard best building practices should be used to accommodate the regional seismic hazard.

Tsunami Hazards: Tsunami flood inundation has been modeled for the nearby community of Seward (Suleimani and others, 2022). Seward's tsunami hazard is as high as 10 to 25 m for worst-case scenario earthquakes. Tsunami inundation on Fox Island is unknown but likely similar to Seward.

Ashfall Hazards: This area has been subject to ash fall from erupting Cook Inlet and Alaska Peninsula volcanoes. Past ash events include Augustine 1976, Redoubt 1989 and 2009, Novarupta (Katmai) 1912, and multiple older tephras (Mulliken and others, 2018; Worden and others, 2018).

Radon Hazards: Radon, a naturally occurring cancer-causing radioactive gas, is modeled as moderate in this area, with limited testing (<https://maps.dggs.alaska.gov/radon/>).

The Environmental Protection Agency's (EPA) Action Level for radon is 4 pCi/L; the EPA suggests homeowners consider radon mitigation for test results of 2–4 pCi/L. Any home, school, or building can have high levels of radon and should be tested.

Response: DMLW acknowledges the comments and through issuance of this decision document, informs KFT of the DGGS-provided recommendations.

Lease Renewal Discussion:

The tidelands in Resurrection Bay with which the lease ADL 226790 resides, has a significant amount of public recreation, tourism, wildlife values, and supports various activities such as fishing, wildlife viewing, sightseeing, kayaking, sailing, overnight mooring, beachcombing, and more, making it an extremely important area for both tourists and locals. It is crucial to ensure the safety of wildlife and marine life present in the area so that activities such as the ones described previously can continue to provide for both the residents of Alaska and tourists alike.

Renewing the lease under AS 38.05.075(c) 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 to provide passenger loading and offloading to access privately owned uplands in support of tourism activities, 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 2000 Kenai Area Plan and other classification references described herein, the Resurrection Bay Special Use Area Decision serialized as ADL 227837, and the casefile for the application serialized by DNR as ADL 226790.

Legal Description:

Alaska Tideland Survey No. 1552, according to the plat recorded in the Seward Recording District on July 16, 1998, as Plat No. 98-16, containing 1.150 acres, more or less.

Title:

A DNR Title Report (RPT-23647) issued on August 22, 2025, from DMLW's Realty Services Section, attests that the State of Alaska holds title to the subject tide and submerged lands under the Equal Footing Doctrine and the Submerged Lands Act of 1953.

Third-Party Interests:

The lease has multiple private parcels on either side of the lease boundary. Though there are no known third-party interests.

Planning and Classification:

The project area is subject to the Kenai Area Plan (KAP), Region 3, Management Unit 3: Fox (Renard) island (map number 3B). The designation for this unit with which this site is located is Public Recreation and Tourism Dispersed Use which converts to the classification Public Recreation Land. The management intent for this unit is further described as an area of increasing public and commercial use and has intense activities during the summer, which is consistent with the use of the project, and therefore in accordance with 11 AAC 55.040(c). Furthermore, the activities of the lease are limited to day-use and therefore do not interfere with the KAP where it states that floating facilities used overnight on state-owned tidelands will not be authorized.

The KAP notes area of high concentrations of humpback whales in the summer months include waters off of Fourth of July Creek, Lowell Point, Humpy Cove and the north end of Fox Island where they feed on krill. Additionally, humpback whale feeding and resting area on the north end of the island takes place in summer months. Review of applications for shoreline developments

should consider the potential presence of humpback whales within 100 meters of shore and disturbance of feeding or other behavior patterns. Such being the case, ADF&G was given the opportunity to comment on the project and their comments have been incorporated into this document, including recommendations concerning humpback whales among other marine mammals, notifying the lessee of their recommendations.

Tidelands and submerged land in Resurrection Bay, among other lands, have been designated as Special Use Lands under 11 AAC 96.010(b), known as the Resurrection Bay Special Use Area (ADL 227837). Special Use Lands are designations placed on land identified as having special resource values needing protection. The result of the designation is to require a permit for certain activities that would otherwise be considered “generally allowed” under 11 AAC 96 in order to protect those special resource values as some generally allowed uses of State lands have potential to damage resources for which the Special Use Lands were designated. The Special Use Lands Designation does not establish new regulations or restrictions but rather provides DNR with a management tool to respond to initiated uses that are incompatible with the values of the land as well as minimize conflicts within the area as they pertain to the use of the tidelands and submerged lands. The Resurrection Bay Special Use Area was designated for habitat, public recreation, and tourism purposes which fits with the scope of the project applied for.

Access:

The site is accessible by watercraft over public and navigable waters in Resurrection Bay, from Seward. The dock is operated only in the summer months, however, it remains accessible year-round.

Public Access:

Pursuant to AS 38.05.126(a), the public has a constitutional right to free access to and use of, navigable or public waters of the State. The Lessee shall allow public access over the tidelands and free access to and along the platted 50’ public access easement. The Lessee is required to provide public access under, around and across the dock within the platted easement to allow for continuous access along the tidelands. Placement of water lines within existing pedestrian easements must be done in such a way as to not restrict public use of those easements. This lease is also 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 study, and other purposes.

Authorization and Term Length:

Pursuant to AS 38.05.070(e) leases may only be renewed once and for a duration no longer than the original lease term. As such, this renewal lease will be issued for an additional 20-year term. Unless an appeal is received, the lease term will begin on April 1, 2026.

Compensation and Appraisal:

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. SCRO has coordinated with DMLW’s Appraisal Unit, and KFT will be required to provide an appraisal of the lease site before the proposed lease will be issued. 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. Furthermore, in accordance with AS 38.05.105, the proposed Entry Authorization (EA) and lease will be subject to reappraisal at five-year intervals after the issuance of the proposed authorization.

Visitor Day Use Fee:

All commercial recreation authorizations are subject to a **\$4.00/day** “Visitor Day” fee under 11 AAC 96.250(18), for each client using state land. *A Visitor Day is defined as meaning all or any part of a calendar day which a commercial recreation client is present, with each client representing a separate visitor day if multiple clients are present at any time during a calendar day.* This fee is collected once a year and will be due on the same day as the annual fee.

Entry Authorization:

SCRO is proposing to authorize KFT entry onto state land through the issuance of an EA while they are completing the required appraisal for the lease site. The proposed EA would be issued after this Renewal Decision goes into effect. The effective date of the EA will also be the start of the lease term, April 1, 2026.

The current annual fee for the proposed EA is \$1,800.00. Should the appraisal report indicate that the value of the land is greater than the current annual fee, any shortfall must be remedied before the lease will be issued.

Periodic Rate Adjustment:

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

Bonding:

In accordance with the terms of the original lease, the existing performance bond of \$10,000 will be sufficient to satisfy 11 AAC 96.060 for this land lease. This bond will remain in place for the life of the proposed lease. The bond amount is based upon the level of development, amounts of hazardous material/substances on site, and the perceived liability to the State. This bond will be used to ensure the applicant’s compliance with the terms and conditions of the lease issued for their project. This bond amount will be subject to periodic adjustments and may be adjusted upon approval of any amendments, assignments, reappraisals, changes in the development plan, changes in the activities conducted, or changes in the performance of operations conducted on the

authorized premises, and as a result of any violations to one or more of the authorizations associated with this project.

Reclamation Bond:

SCRO reserves the right to require a reclamation bond in the event of noncompliance issues during the term of the lease or near the end of the life of the project.

Insurance:

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

Public Trust Doctrine:

Pursuant to AS 38.05.126 all authorizations for this site will be subject to the principles of the Public Trust Doctrine; specifically, the right of the public to use navigable waterways and the land beneath them for navigation, commerce, fishing, hunting, protection of areas for ecological studies, and other purposes. These rights must be protected to the maximum extent practicable while allowing for the development of this project. As such, SCRO is reserving the right to grant other authorizations to the subject area consistent with the Public Trust Doctrine.

Signature page follows

Recommendation:

SCRO has completed a review of the information provided by the applicant, examined the relevant land management documents, and has found the proposed lease is consistent with all applicable statutes and regulations. SCRO recommends the issuance of another 20-year lease to support KFT’s commercial recreation activities as the site provides passenger loading and offloading to access privately owned uplands in support of tourism activities, as described in the following attachments:

Attachment A: Development Plan

Attachment B: Location Maps

Leiana Cox 02/12/2026

Leiana Cox, Natural Resource Specialist 2 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 2/17/2026

Cinnamon Micelotta, Natural Resource Manager 1 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
Site Development Plan
ADL 226790
Page 1 of 5

Fox Island Dock Development Plan

The Fox Island floating dock is 116-foot long and 29-foot wide docking barge. It is attached to a 110-foot by 5.5 foot pedestrian gangway ramp. The dock has 2 steel pilings on the east side which are 30-inch diameter pipe piles with an overhead cross beam. These pilings hold the dock in place on the east side while it floats in conjunction with the tide. The dock is constructed of steel with some wood decking on the topside. The topside of the dock is approximately 4' above the waterline.

The purpose of the dock is to provide passenger loading and offloading in order to access the owned property on the island. Passengers and boats using the dock vary daily. The dock operated only in the summer months.

Terrain/ground cover: This dock is located in Resurrection Bay/Halibut Cove – see map. The dock is floating with the tide. There is a 30-foot walkway attached to land by 10" steel pipe pile.

Access: In accordance to AS 38.05.126 (a) The people of the state have a constitutional right to free access to and use of the navigable or public water of the state. The Lessee shall allow public access over the tidelands and free access to and along the platted 50' public access easement. The Lessee is required to provide free public access under, around and across the dock within the platted easement to allow for continuous access along the tidelands from one side of the dock to the other seaward of the mean high tide mark. Placement of the waterlines within existing pedestrian easements must be done in such a way as to not restrict public use of those easements. This lease is also 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 study, and other purposes.

Buildings and other structures: The dock described above and pictures on the following pages.

Power Source: There is no power on the dock.

Waste types, waste sources, and disposal methods: All waste disposal is done in Seward from the boats.

Hazardous substances: No use or storage of hazardous substances is authorized on this site.

Water Supply: There is no water supplied to the boat or the dock, only water is the water under the boat.

Parking areas and storage areas: Parking on the dock will be on the north and south sides of the dock. All refuse from the island is disposed of in Seward and taken off the island by boat.

Attachment A

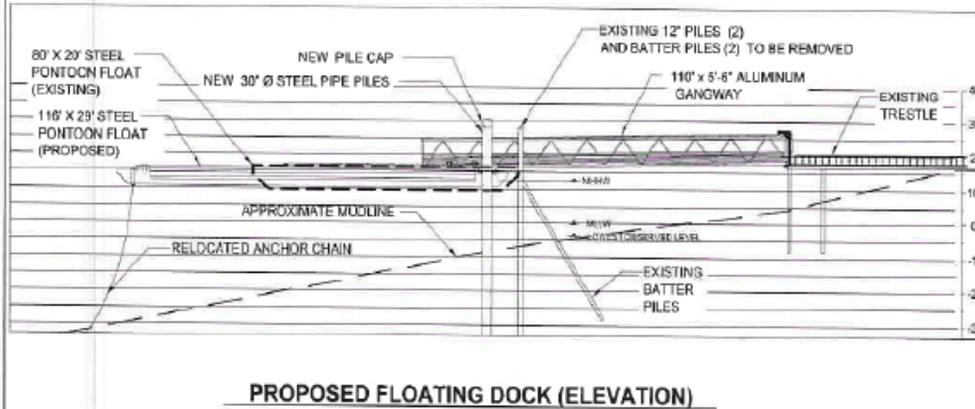
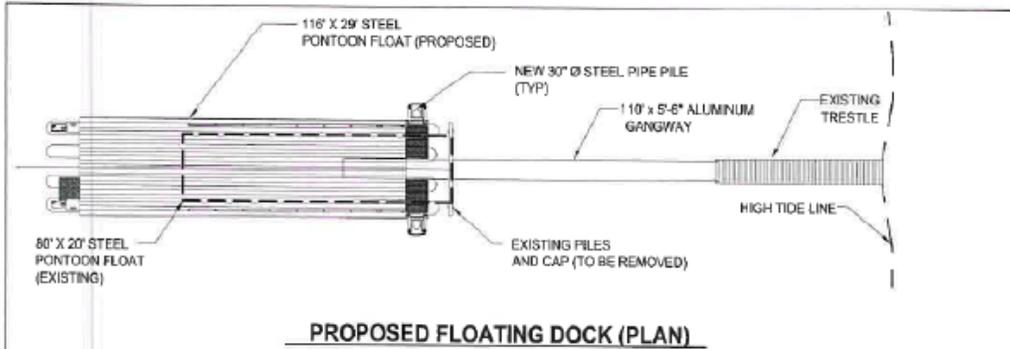
Development Plan

Number of people using the site: The number of passengers varies daily, not more than one boat (150) of passengers are on the dock at any one time. The employee count is about 25 people with four manager/supervisors rotating on the island, but none live on the dock.

Maintenance and operations: This dock is maintained annually by maintenance staff of Kenai Fjords Tours and replaced as necessary, as we did in 2016.

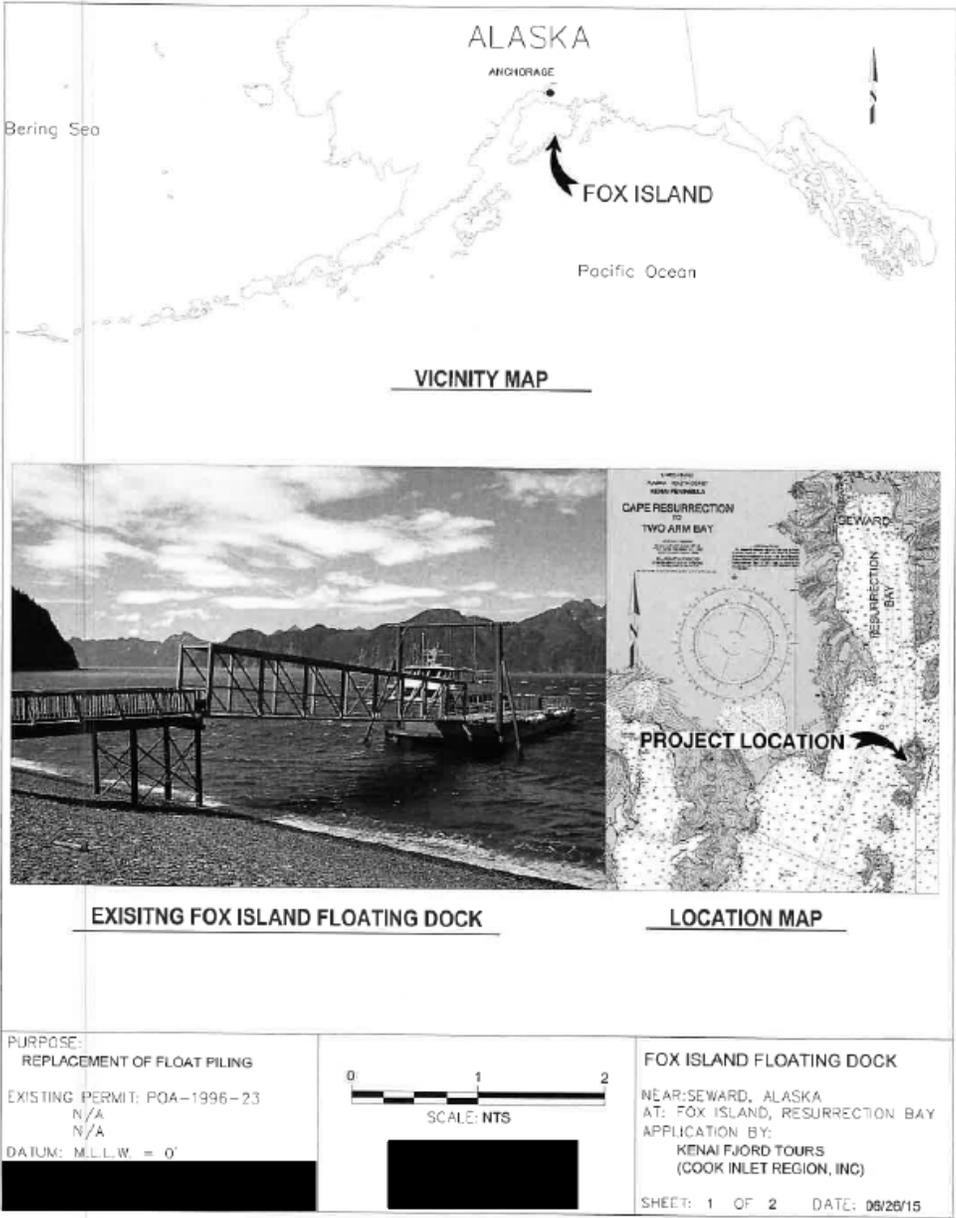
Closure/reclamation plan: This is a floating dock, if we need to remove it, we can un-hook it and return it to Seward. If we need to remove the full walkway, this will be done with the proper machinery, that will either be leased or subcontracted.

Attachment A Development Plan



<p>PURPOSE: REPLACEMENT OF FLOAT PILING</p> <p>EXISTING PERMIT: POA-1996-23 N/A N/A</p> <p>DATUM: M.L.L.W. = 0'</p>	<p>SCALE: 1" = 40'</p>	<p>FOX ISLAND FLOATING DOCK</p> <p>NEAR: SEWARD, ALASKA AT: FOX ISLAND, RESURRECTION BAY APPLICATION BY: KENAI FJORD TOURS (COOK INLET REGION, INC)</p> <p>SHEET: 2 OF 2 DATE: 06/26/15</p>
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Attachment B Location Maps



Attachment B Location Maps

