



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

Northern Regional Land Office

**Lease Renewal Decision**

**ADL 45004 Tok Community Clinic**

Tok Community Clinic, Inc.

Public & Charitable Lease Renewal

AS 38.05.810(b)-(d) and AS 38.05.070(e)

**Decision to Renew Lease**

The Alaska Department of Natural Resources (DNR), Division of Mining, Land, & Water (DMLW), Northern Regional Land Office (NRO) received a request from the DNR, DMLW, Land Conveyances Section (LCS) to renew a current long-term lease for a medical facility while LCS considers conveyance to the existing leaseholder, Tok Community Clinic, Inc. (Tok Community Clinic). The long-term lease was extended in 2024 and will expire on April 14, 2026. DMLW intends to renew the lease for an additional term of 25 years.

**Scope of Decision**

The scope of this decision is to determine if it is in the State's interest to renew lease ADL 45004 for an additional 25-year term.

**Authority**

The lease renewal is being adjudicated pursuant to AS 38.05.810, public and charitable use; AS 38.05.070(e), lease extension; and AS 38.05.070(g) public notice. ADL 45004 was originally authorized under AS 38.05.315; in 1984, AS 38.05.315 was renumbered as AS 38.05.810. Upon lease expiration, AS 38.05.070(e) allows the Director to renew the lease once for a term not longer than the original term of the lease.

**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 reference herein, the 2015 Eastern Tanana Area Plan (ETAP), and other classification reference described herein, and the casefile serialized by DNR as ADL 45004.

**Location and Legal Description**

Location:

This parcel is located at approximately milepost 124 on the Glenn Highway (Tok Cutoff) in Tok, Alaska, as shown in Attachment A.

Legal Description:

A tract of land located near Tok within the Fairbanks Recording District, Fourth Judicial District, State of Alaska, described as Lots 119 and 120, Section 19, Township 18 North, Range 13 East, Copper River Meridian, containing 7.05 acres, more or less.

Borough/Municipality:

The lease tract is located within the Unorganized Borough.

Regional/Village Corporation:

The lease tract is within the Doyon, Limited (Doyon) boundaries; however, no Doyon lands are impacted. No Regional Corporation lands are impacted.

**Title**

The State received title under state file Community Grant 9 (CG 9), via federal patent number 50-64-0236, dated June 16, 1964. The land is subject to rights-of-way excepted and reserved to the United States for construction of railroads, telegraph and telephone lines, and certain types of pipelines. This patent was also subject to rights for electric power, telephone, and telegraph line purposes.

**Adjacent Landowners**

The parcel directly to the east of the lease tract, serialized as ADL 416012, is a public and charitable land sale to the Upper Tanana Development Corporation. This parcel is used for senior programs, Head Start, and low-income housing.

The land north of ADL 416012 was part of over-the-counter land sales, MHT 9400388 and 9400390, and a homesite sale serialized as ADL 406519.

The land south of the lease tract includes ADL 403582, an Interagency Land Management Agreement, held by the Alaska Department of Transportation and Public Facilities (DOT&PF).

**Third Party Interests**

There are no third party interests within ADL 45004.

**Planning and Classification**

The lease site is within Unit U-28 of the Eastern Tanana Area Plan (ETAP) (3-129). The subject area is designated as Public Facilities-Retained (Pr). The ETAP describes this designation as sites that are reserved for specific infrastructure to serve state interests (ETAP, 3-10). Additionally, this designation converts to a land use classification of “Reserved Use Land” as defined by 11 AAC 55.170 (ETAP, 3-10). Lands classified as “Reserved Use Land” are reserved for: transfer to

another agency (governmental or non-governmental) that performs a public service; transfer through land exchanges; or have been designated for a public facility.

The management intent listed on the Resource Allocation Table for the Upper Tanana Region (3) for Unit U-28 includes the public facility (Tok Community Clinic) under ADL 45004 (ETAP, 3-129). Additionally, the ETAP states that a 100-foot buffer on either side of the Glenn Highway is to be maintained to preserve the natural character of the immediate landscape: the original lease was not subject to this restriction, and development had already been completed within the 100-foot corridor. Additional development within the 100-foot corridor is not expected.

The lease renewal is consistent with the classification and management intent of the area.

### **Traditional Use Finding**

The proposed lease parcel is not located within an organized borough. An additional consideration is required under AS 38.05.830 for the sale, lease or other disposal of land not located within an organized borough.

The site has been used for the Tok Community Clinic for over 50 years. The renewal of this lease is not expected to adversely affect subsistence resources in this area or have significant impacts on known traditional uses.

### **Access**

Functional legal access to the state land discussed herein exists via the Glenn Highway (Tok Cutoff). DOT&PF maintains the road.

### **Access Along Navigable and Public Waters**

The Public Access and Defense Section has determined there are no public or navigable waters within the project area.

### **Public Trust Doctrine**

The Public Trust doctrine does not apply to the proposed lease as there are no public or navigable waters associated with this lease site.

### **Reservation of Mineral Estate**

In accordance with section 6(i) of the Alaska Statehood Act and AS 38.05.125, the State, in this decision, reserves unto itself the mineral estate, including oil and gas, and the rights expressed in the reservation clause of the statute, that being the right to reasonable access to the surface for purposes of exploring for, developing and producing the reserved mineral resources. Exploration and development, if any, which could occur, would be consistent with AS 38.05.130 and other applicable statutes and regulations.

**Mineral Orders**

The proposed leasehold has not been closed to mineral entry.

**Hazardous Materials and Potential Contaminants**

Hazardous materials, specifically heating oil and propylene glycol antifreeze, will be stored within the proposed leasehold. Stipulations are included in the lease to ensure proper handling and storage. 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 leasehold and disposed of in accordance with state and federal law.

In 2022, Tok Community Clinic submitted an Environmental Risk Questionnaire to LCS indicating that an above ground double wall heating fuel tank is located inside the building. The fuel tank has a capacity of 1,000 gallons and is used for the storage and supply of heating oil. Tok Community Clinic stated that routine inspections and testing of the tank are conducted to detect leaks and identify any defects or compromise to the integrity of the outer containment jacket. There is also approximately 55 gallons of propylene glycol antifreeze onsite used for the boiler system.

The Lease and Additional Stipulations document includes numerous provisions related to hazardous substances. These provisions provide additional requirements and guidance related to the lessee's responsibilities related to hazardous substances.

**Performance Guaranty**

The lease renewal will remain consistent with the current authorization, which does not require a performance guaranty.

**Insurance**

The lease renewal will remain consistent with the current authorization, which does not require insurance.

**Survey**

ADL 45004 is comprised of Government Lots (GL) 119 and 120, Section 19, Township 18 North, Range 13 East, Copper River Meridian. Since the proposed lease renewal is necessary to allow the department to consider an application from the Tok Community Clinic for land conveyance that is slightly larger than the existing GLs, no further survey will be required at this time.

**Appraisal**

AS 38.05.810(a) allows for leases to be issued for less than fair market value, with "due consideration given to the nature of the public services or functions rendered by the applicant."

The Tok Community Clinic was the primary medical provider in Tok until 2020 when a new facility was opened by the Tanana Chiefs Conference. However, the Tok Community Clinic continues to perform a vital function as the local ambulance service for Tok and the surrounding area. Additionally, traveling medical providers, such as The Eye Guys, use Tok Community Clinic's facilities when in Tok. These vital services directly benefit public health and safety. The fee set in 1969 was \$1 annually; this amount was carried over in the 2024 extension.

The purpose of the proposed lease renewal is to allow for the Department to consider Tok Community Clinic's application for land conveyance (serialized as ADL 421973). Because this lease renewal is intended as a bridge authorization, a comprehensive analysis to determine appropriate compensation is not being undertaken. Adjusted for inflation, the original fee would be just under \$9; the new annual fee is set at \$9. However, if any of the following occurs, this comprehensive analysis will need to occur and the annual rental may be adjusted:

- The intended use of the leasehold changes, which includes but is not limited to conversion, dissolution, or restructuring of entity status, or the leasehold is no longer used for direct provision of medical services including ambulance service;
- After adjudication, the Department does not offer the lessee the sale of the parcel, serialized as ADL 421973; or
- The Tok Community Clinic withdraws or declines to purchase the parcel as outlined in ADL 421973.

### **Agency Review**

Separate, prior agency review was not deemed necessary for this lease renewal decision; notice of this decision will be sent to agencies.

### **Public Review**

Pursuant to AS 38.05.070(e), the department will provide public notice of the renewal decision. Public notice will be posted on the Alaska Online Public Notice System for 30 days.

### **Background**

On April 3, 1969, the State of Alaska offered Lots 119 and 120 on a negotiated 55-year lease at \$1.00 per year to Tok Community Clinic. The offer stipulated that the northern 80 feet of Lot 119 would be subject to a road easement. The lease contained a provision stating that the lease would be terminated when it was no longer used for clinic purposes by the non-profit organization. Additionally, the clinic would have the option of cancelling the lease and the State would, if requested, convey title via a quitclaim deed to the City of Tok upon corporation under the Public and Charitable Use Statutes.

Tok Community Clinic has leased this tract of state land since April 14, 1969 (serialized as ADL 45004). The lease contains medical facilities that service the community of Tok and the

surrounding area. Originally, Tok Community Clinic wanted to purchase Lot 119 and Lot 120, but the sale of the lots was unsuccessful since the lots had not been surveyed. The lease expired April 14, 2024.

On December 28, 2023, the State of Alaska offered a two-year lease extension to Tok Community Clinic. The extension allowed the clinic to continue operations while pursuing a land conveyance from LCS. The lease extension will expire on April 16, 2026.

Existing infrastructure and improvements developed within the leasehold are as follows:

- One 60-foot by 70-foot building, used for clinic operations and emergency medical service (EMS) offices
- One 25-foot by 32-foot building extension, used for clinic operations
- One 12-foot by 20-foot boiler and power generator shelter
- One 10-foot by 12-foot storage facility for EMS supplies
- One 10-foot by 20-foot storage facility for ambulance supplies
- One 27-foot by 50-foot ambulance garage
- One 32-foot by 32-foot facility used as an ambulance bay and emergency room facility

On April 14, 2025, LCS contacted NRO requesting a lease renewal to allow for adequate time to adjudicate a requested preference right sale (serialized as ADL 421973). Renewing ADL 45004 would allow LCS to continue processing ADL 421973 and allow Tok Community Clinic to continue providing medical services to the public within the Tok area.

### **Lease Discussion**

The leasehold is used for a medical facility that services Tok and the surrounding area. This lease renewal is subject to the DMLW-approved application and supplemental development plan dated November 1, 2022, included as Attachment D.

Tok Community Clinic is working with LCS on a Public & Charitable Use Non-Competitive Land Sale. The land sale process for ADL 421973 was initiated on November 11, 2022. The land area requested in the proposed sale includes the current lease area (Lots 119 and 120), as well as a portion of U.S. Survey No. 2722. The required interagency coordination for ADL 421973 has extended the anticipated land sale processing timeline. Renewing the lease would allow Tok Community Clinic to continue providing medical services to the public while DMLW processes ADL 421973.

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, there are no outstanding compliance issues, and the lessee maintains a healthy business relationship with the lessor. A review of the casefile has shown that the lessee is in good standing.

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. The lease renewal is in the best interest of the State as the land under the lease will continue to enhance public use of the area by providing medical services to Tok and the surrounding area; additionally, the renewal is consistent with the State's Constitution as the lease provides for the utilization and development of the natural resources belonging to the State for maximum benefit of its people.

### **Recommendation**

It has been determined that a one-time lease renewal for 25 years is in the best interest of the State. Issuance of the lease renewal will allow for continued use while DNR considers conveyance to the Tok Community Clinic. In consideration of all the information and facts listed above, a lease renewal is consistent with the overall classification and management intent for this land and would be a benefit to the State of Alaska. It is therefore recommended that DNR grant a one-time lease renewal with a 25-year term to Tok Community Clinic, Inc.

  
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Megan Byers  
Natural Resource Specialist 3

March 25, 2026  
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Date

### **Decision**

The casefile has been found to be complete and the requirements of all applicable statutes have been satisfied. I find that it is in the interest of the State to proceed with the lease renewal pursuant to AS 38.05.070(e).

If no appeal is filed by the appeal deadline, this decision goes into effect and becomes a final administrative order and decision of the department on the first business day after the twentieth calendar day after signature.

  
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AJ Wait  
Natural Resource Manager 2

March 25, 2026  
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Date

### **Appeal**

An eligible person affected by this decision may appeal the decision 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. 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 decision of the department.

Appeals may be mailed or hand-delivered to the Commissioner's Office, 550 W. 7<sup>th</sup> Avenue, Suite 1400, Anchorage, Alaska 99501; or faxed to (907) 269-8918; or sent by electronic mail to [dnr.appeals@alaska.gov](mailto:dnr.appeals@alaska.gov). Appeals must be accompanied by the fee established in 11 AAC 05.160(d)(1)(F), which has been set at \$200 under the provisions of 11 AAC 05.160(a)-(b). A copy of 11 AAC 02 is available on the department's website at <http://dnr.alaska.gov/mlw/pdf/DNR-11-AAC-02.pdf>.

### **Attachments**

Attachment A – Location Map

Attachment B – Lease Agreement

Attachment C – Lease Additional Stipulations

Attachment D – Application and Development Plan