

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

PRELIMINARY DECISION
ADL 234765

Proposed Noncompetitive Conveyance to Public and Charitable Applicant
AS 38.05.035(e), AS 38.05.810(a)(1)

RELATED ACTIONS

Proposed Mineral Order (Closing) - AS 38.05.185 and AS 38.05.300

PUBLIC COMMENT PERIOD ENDS 4:30 P.M., WEDNESDAY, JUNE 10, 2026

I. Proposed Actions

*Preliminary Decision: Approval of Noncompetitive Public and Charitable Use Conveyance
ADL 234765*

Attachment A: Vicinity Map

Attachment B: Public Notice

*Public is also invited to comment on the proposed related actions:
Draft Mineral Order (Closing) MO No. 1336*

Primary Proposed Action, Noncompetitive Conveyance: The State of Alaska (State), Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), Land Conveyance Section (LCS), has received an application from Matanuska-Susitna Borough (MSB) to acquire a parcel of state-owned land pursuant to Alaska Statute (AS) 38.05.810(a)(1) Public and Charitable Use. The proposed decision will allow the parcel to be sold to the MSB through a noncompetitive conveyance. The subject parcel is located within DNR's Southcentral Region, 3 miles east of Palmer, AK, within the Matanuska-Susitna Borough. The legal description for the parcel is Section 31, Township 18 North, Range 3 East, Seward Meridian, Alaska, according to the plat accepted by the United States Department of the Interior, Bureau of Land Management in Denver, Colorado, on October 17, 1979, containing approximately 631.72 acres, more or less. See *Attachment A: Vicinity Map* for a depiction of the subject parcel.

Proposed Related Actions: This related action will be developed separately; however, public notice is being conducted concurrently.

Mineral Order (Closing): DNR proposes to close the subject parcel to new mineral entry. There are no current mining claims located within the subject parcel. Refer to **Section VIII. Planning, Classification, and Mineral Orders** for more information on this proposed related action.

This related action will be developed separately but approval of each action is dependent on approval of all actions.

Public Notice of Proposal: In accordance with AS 38.05.945 Notice, during a period of at least 30 consecutive days, the public will have the opportunity to submit written comments on this proposal. Public notice for all actions is conducted concurrently.

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See **Section XVI. Submittal of Public Comments** and *Attachment B: Public Notice* for details on how to submit a comment for consideration. If, after consideration of timely, written comments, LCS moves forward with the proposal, a Final Finding and Decision (FFD) will be issued.

II. Authority

DNR has the authority under AS 38.05.810(a)(1) Public and Charitable Use, to sell or dispose of state land to a state or federal agency or political subdivision for less than the appraised value as determined by the director and approved by the commissioner to be fair and proper and in the best interests of the public, with due consideration given to the nature of the public service or function rendered by the applicant, and of the terms of the grant under which the land was acquired by the State. AS 38.05.810(a) Public and Charitable Use states, "The commissioner shall ensure, by regulation, deed restriction, covenant, or otherwise, that disposals of land under this subsection serve a public purpose and are in the public interest."

AS 38.05.810(g) Public and Charitable Use states, "The commissioner shall retain a reversionary interest on each sale or other disposal granted under (a) or (e) of this section. The commissioner may waive the reversionary interest on a written determination that the waiver is in the public interest."

AS 38.05.035(e) Powers and Duties of the Director, gives DNR the authority to sell state land if, on preparation and issuance of a written finding, it is determined to be in the best interest of the State. Article VIII, Section 1, of the Alaska Constitution states, "It is the policy of the state to encourage settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest." The authority to execute this decision has been redelegated to the Section Chief of the DMLW Land Conveyance Section.

For the related actions, AS 38.05.300 Classification of Land, and AS 38.05.185 Generally, allow for mineral orders.

III. Administrative Record

The case file for Alaska Division of Lands (ADL) 234765 constitutes the administrative record for this proposed action. Also incorporated by reference are:

- Susitna Matanuska Area Plan (SMAP, adopted August 2011) and associated land classification files;
- DNR case files: ADL 224027, ADL 225181, ADL 230213, ADL 234823, ADL 234829, and GS 825;
- Federal patent 50-86-0320;
- Matanuska-Susitna Borough Comprehensive Plan – 2005 Update; and
- Matanuska-Susitna Borough Recreational Trails Plan – 2016 Update.

Also incorporated by reference are additional files and documents listed throughout this decision.

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IV. Scope of the Proposal

The scope of this proposal, under the statutes described in the preceding **Section II. Authority**, is limited and specific to the following: (1) if the applicant and subject parcel themselves qualify for a Public and Charitable conveyance, (2) if it is in the State's best interest to sell the subject parcel, (3) if it is in the State's best interest to sell the subject parcel to the MSB, and (4) if it is in the state's best interest to waive the reversionary clause. The scope of this decision does not include the control of post-patent use and LCS does not intend to impose deed restrictions for this purpose. Restrictions regarding land use will be handled by the local zoning authority, if any.

The proposed related action will be issued concurrently with the FFD. This action is described in more detail in **Section VIII. Planning, Classification, and Mineral Orders**.

V. Description

- a. Location: The subject parcel is located within DNR's Southcentral Region, within the Matanuska-Susitna Borough, within Section 31, Township 18 North, Range 3 East, Seward Meridian, Alaska. See Attachment A: Vicinity Map for additional information.

USGS Map Coverage: Anchorage C-6

Platting Authority: Matanuska-Susitna Borough

Regional Corporation: Cook Inlet Region, Inc.

Village Corporation: Chickaloon Native Village Corporation and Eklutna, Inc.

Federally Recognized Tribes: Native Village of Eklutna and Knik Tribal Council

- b. Legal Description:

Section 31, Township 18 North, Range 3 East, Seward Meridian, Alaska, according to the plat accepted by the United States Department of the Interior, Bureau of Land Management in Denver, Colorado, on October 17, 1979, containing approximately 631.72 acres, more or less

The legal description of the proposed mineral order is the same as the subject parcel. The subject parcel will need to be surveyed prior to disposal. See **Section XIII. Survey** for more information.

VI. Title

Based on preliminary title research, the State of Alaska holds fee title to the land and mineral estate under federal patent number 50-86-0320, dated July 18, 1986. The applicable State case file is General Grant (GS) 825. The parcel is subject to the reservations, easements, and exceptions contained in the federal patent. A Title Report for the subject parcel has been requested from DNR's Realty Services Section. As of the date of issuance of this decision, the title report remains outstanding. A title report will verify the preliminary title research and confirm the State of Alaska holds title to the subject parcel. To avoid delaying the issuance of this decision a careful review of the area was carried out to identify title issues associated with the subject parcel. Any title issues identified upon issuance of the title report and omitted from this decision will be incorporated into the Final Finding and Decision and addressed accordingly.

State Reservation of Title:

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Retention of and Access to Mineral Estate: In accordance with Section 6(i) of the Alaska Statehood Act and AS 38.05.125 Reservation, the State retains ownership of all oil, gas, coal, ore, minerals, fissionable material, geothermal resources, and fossils that may be in or upon the land that it sells. This retention is for all minerals, including both locatable minerals (such as gold, copper, silver, etc.) and leasable minerals (such as oil, gas, coal, etc.)

The State and its successors reserve the right to enter onto the land for the purposes of exploring for, developing, and producing these reserved mineral resources. Access reserved to these retained interests is superior to any and all land uses. The State may also lease these retained interests to mineral developers or allow mining locations to be staked. However, AS 38.05.130 Damages and Posting of Bond also provides that the surface owner will be compensated for damages resulting from mineral exploration and development. For more information, see **Section VIII. Planning, Classification, and Mineral Orders.**

Navigable Waters: Per AS 38.05.126(b) Navigable and Public Waters, "...the state has full power and control of all of the navigable or public water of the state, both meandered and not meandered, and the state holds and controls all navigable or public water in trust for the use of the people of the state." This trust is in accordance with the principles of the Public Trust Doctrine, which are included in Article VIII, Section 14 of the Constitution of the State of Alaska and protected in the United States Constitution. It is vested in the title to this land, is not transferable, and the State's title to submerged lands under navigable waters cannot be relinquished by a transfer of the property. In holding with this concept, navigability determinations are made, and access will be reserved per AS 38.05.127 Access to and Along Public and Navigable Water. For more information, see **Section X. Access, Including Access to and Along Public and Navigable Water.**

McRoberts Creek crosses Section 31, Township 18 North, Range 3 East, Seward Meridian. The stream is anadromous within the Section to the south and there is no obstruction until reaching a hydroelectric facility within the subject parcel that was formerly authorized by ADL 225181. Within this section, McRoberts Creek is greater than 10 feet wide. Pursuant to 11 AAC 51.035, McRoberts Creek is public water and will require an access reservation along its banks within the proposed conveyance in accordance with AS 38.05.127 Access to Navigable or Public Water. Any additional public, navigable, or anadromous water bodies identified within the subject parcel will be subject to access reservations in accordance with AS 38.05.127.

Native Interest: The subject parcel is within the boundaries of Cook Inlet Region, Inc. regional corporation. There are no Native interests identified within this parcel.

Other Conflicts or Pending Third-Party Interest: There are no known conflicts or pending interests. If conflicts or third-party interests are discovered during the public notice period, they will be addressed in the FFD.

VII. Background and Discussion

Background

The State selected the subject parcel under selection file General Grant (GS) 825 and received title on July 18, 1986, through Patent 50-86-0320. In 1990, DMLW received an easement application requesting authorization to construct and maintain a hydroelectric power unit with water intake, buried power cable, and access trail within the subject parcel. A 15-year private

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easement, serialized as ADL 225181, was issued for the hydroelectric project on June 21, 1991. That easement was extended to June 20, 2021, but is now expired. The current infrastructure consists of an intake structure, penstock, powerhouse, buried electric transmission line, and access trail that remains on state land without an active authorization. DMLW received an easement application serialized as ADL 234823 on March 25, 2026, and a lease application serialized as ADL 234829 on April 28, 2026, from a new party requesting authorization for the existing infrastructure. Both applications are awaiting adjudication from the DMLW Southcentral Regional Office, which is also dependent on the outcome of the proposed conveyance to the MSB.

In 1987, DMLW received a trail easement application from MSB. On May 18, 1994, DMLW granted the MSB an indefinite term public easement, serialized as ADL 224027, within and beyond the subject parcel for the Matanuska Peak Trail. In 2007, DMLW received an additional trail easement application from MSB for the purpose of constructing and maintaining the Lazy Mountain and Lazy Moose trails. DMLW issued an entry authorization (ADL 230213) for the two hiking routes. That entry authorization expired in 2012, and a final easement was never issued. The trails were constructed by the MSB and are open to the public without an active authorization from DMLW. Both trails are included in the MSB's Recreational Trails Plan 2016 update. There are no other known current uses of the subject parcel outside of the hydroelectric infrastructure and the four recreational trails.

On December 15, 2025, LCS received a complete application from MSB, serialized as ADL 234765, requesting conveyance of the subject parcel under AS 38.05.810(a)(1). The MSB plans to use the subject parcel to develop a new, larger trailhead with expanded parking and potential amenities such as a restroom, as funding permits. The MSB would continue to maintain the existing trails within the subject parcel, and development of two additional trails may occur as part of a longer-term effort dependent on future planning and funding.

Access to the subject parcel has historically been via the Matanuska Peak trailhead located at the end of East Smith Road in Palmer. The trail starts along a Section Line Easement between S018N002E36 and S017N002E01 and enters the subject parcel. A Letter of Authorization has been issued to Eklutna, Inc. authorizing development of the Section Line Easement to provide passenger vehicle access to the southwest corner of the subject parcel. The subject parcel is surrounded by land owned by the State of Alaska, MSB, Eklutna, Inc., and private owners. Residential development abuts the SW1/4, SW1/4. The topography of the subject parcel consists of extensive mountainous terrain divided by steeply incised stream valleys. Vegetation within the stream valleys consist of fairly sparse stands of deciduous and mixed forest, while higher elevation areas are characterized by barren ground and alpine tundra.

Discussion

The Matanuska-Susitna Borough Comprehensive Plan (2005 update) includes a goal to acquire, develop, and redevelop a system of parks, recreation facilities, community centers, and open spaces that are safe, functional, and accessible to all segments of the population (pg. 12). Developing recreational area facilities, such as restrooms, are included in the goal. An aspect of the goal is accomplished with the conveyance of the subject parcel because the MSB would acquire land with the intention of developing a new, larger trailhead with expanded parking and potential amenities such as a restroom.

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The Matanuska-Susitna Borough Recreational Trails Plan – 2016 update (MSB Trails Plan) includes information on existing trails, trails that are regionally significant, and results from the 2008 Infrastructure Needs Study. The Matanuska Peak (ADL 224027), Lazy-Matanuska Peak Connector, and McRoberts Creek trails, which run through the subject parcel, are included in the “Existing Trails” section as legally established trails (pg. 3-16). Furthermore, the Matanuska Peak trail is described as a “Regionally Significant Trail” providing significant recreational opportunities to people living outside the area. Regionally Significant Trails deserve a higher priority when it comes to funding for maintenance and management. The maintenance and management recommendation for the Matanuska Peak Trail is to conduct a comprehensive trail assessment to determine trail condition and need for trail repairs, re-routing, trail marking and trailhead development. Lastly, the 2008 Infrastructure Needs Study included in the MSB Trails Plan recommends a single restroom be installed at the Matanuska Peak Trailhead. The proposed conveyance of the subject parcel allows the MSB to accomplish the proposed trailhead project that satisfies both the infrastructure needs and maintenance and management recommendations in the MSB Trails Plan.

The MSB Community Development Department has established and maintained public recreation trails within the subject parcel since the 1994 Matanuska Peak Trail easement was issued by DMLW. Since that time, the MSB has constructed and maintained other trails within the subject parcel that exist without active authorizations from DMLW. The popularity of the recreation area has caused parking and traffic conflicts with neighboring landowners, which prompted the MSB to pursue this trailhead expansion and other improvements as recommended by the MSB Comprehensive Plan and MSB Trails Plan. Therefore, conveyance of the subject parcel to the MSB would improve public access, recreational opportunities for residents and visitors, and is in the overall best interest of the state.

Under AS 29.65 General Grant Land, the MSB is entitled to receive 355,210 acres of state-owned land as a municipal entitlement grant. MSB has completed its land selections under the Municipal Entitlement Act and is therefore requesting conveyance of the subject parcel under AS 38.05.810(a)(1). Pursuant to AS 29.65.100(c) and AS 38.05.810(a)(1), the MSB is eligible for a land conveyance for less than the appraised value as determined by the director and approved by the commissioner to be fair and proper and in the best interests of the public, with due consideration given to the nature of the public services or function rendered by the applicant, and of the terms of the grant under which the land was acquired by the state. The commissioner shall ensure, by regulation, deed restriction, covenant, or otherwise, that disposals of land under AS 38.05.810(a) serve a public purpose and are in the public interest. LCS considered the MSB’s conveyance request according to the criteria set forth in statute and determined that it is appropriate for a public and charitable use conveyance at no cost.

AS 38.05.810(g) Public and Charitable states that the commissioner shall retain a reversionary interest on each sale or other disposal granted under AS 38.05.810(a) or (e) Public or Charitable Use unless the reversionary interest is waived.

VIII. Planning, Classification, and Mineral Orders

Planning

The subject parcel is located within the Susitna Matanuska Area Plan (SMAP, adopted August 2011), Chugach Mountains Region, Management Unit C-01. The plan designates the subject parcel as Habitat (Ha) and Public Recreation - Dispersed (Rd) which convert to classifications of Wildlife Habitat Land and Public Recreation Land (pg. 3-111). Pursuant to 11 AAC 55.230, land

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classified Wildlife Habitat Land 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. Pursuant to 11 AAC 55.160, land classified public recreation land 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.

One goal of the SMAP is to protect recreational resources including public access and visual resources, and manage recreational activities to minimize user conflict, while providing for a range of recreational experiences on state land managed for multiple uses (pg. 2-2). The management summary for the Chugach Mountains Region states that land will be managed for its habitat and public recreation values and is to be retained in state ownership. The management intent for Unit C-01 is to protect habitat, hydrologic values, trails, and easements (pg. 3-111). However, chapter 2 of the SMAP includes a goal to provide land for accessible and conveniently located outdoor recreational facilities and opportunities, and the SMAP states that this goal shall be realized by assisting communities through cooperative planning and conveyance of state lands for parks and trails within population centers (pg. 2-30). Furthermore, the SMAP recognizes local government's role in providing community recreation needs through transferring state land designated Public Recreation – Dispersed (Rd) or state recreation sites within or near existing communities, if the municipality has parks and recreation powers and if the action is within the overall best interest of the state. Per the SMAP, the selection of sites shall be contingent on the local government's commitment to develop and maintain the recreational uses, facilities, and values of these areas (pg. 2-31).

A Public and Charitable conveyance of the subject parcel to a "state or federal agency or political subdivision" under AS 38.05.810, is consistent with the guidance in the SMAP. The MSB has parks and recreation powers through its Community Development Department, and plans to continue managing the existing trails and new infrastructure on borough-owned land.

Mineral Order

DNR proposes to close the subject parcel to new mineral entry in accordance with AS 38.05.185 Generally and AS 38.05.300 Classification of Land. There are no current mining claims located within the subject parcel. Closing the parcel to new mineral entry is consistent with the management intent of the SMAP, and minimizes the potential for conflict between the land estate and mineral estate users. If approved by the Commissioner, Mineral Order No. 1336 will close the subject parcel to new mineral entry. If the Department approves the public and charitable sale, the mineral order will accompany the FFD. The approval of the mineral order is a separate action occurring concurrently with the FFD.

Mineral orders which close an area to mineral entry, close the area to new exploration and development of locatable minerals such as gold, copper, platinum, etc. Such mineral orders do not apply to leasable minerals (such as oil, gas, coal, etc.), or exploration licensing for such, nor do they preclude reasonable surface access to these resources. However, AS 38.05.130 Damages and Posting of Bond stipulates that the land estate owner will be compensated for damages resulting from mineral exploration and development.

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The subject parcel is within the Matanuska-Susitna Borough but is not within a zoned area or designated Special Land Use District. The Matanuska-Susitna Borough Comprehensive Plan (2005 update) includes a goal to acquire, develop, and redevelop a system of parks, recreation facilities, community centers, and open spaces that are safe, functional, and accessible to all segments of the population. Furthermore, the Matanuska-Susitna Borough Recreational Trails Plan – 2016 update includes information on existing trails, trails that are regionally significant, and results from the 2008 Infrastructure Needs Study. The Matanuska Peak (ADL 224027), Lazy-Matanuska Peak Connector, and McRoberts Creek trails, which run through the subject parcel, are included in the “Existing Trails” section as legally established trails.

Flood Risk

The subject parcel is mapped on FEMA Flood Insurance Rate Map panel 02170C8200E. The parcel is not located within a FEMA or MSB flood zone.

IX. Traditional Use Findings

The subject parcel is located within the Matanuska-Susitna Borough, and a traditional use finding is therefore not required per AS 38.05.830 Land Disposal in the Unorganized Borough. However, information on current or traditional use is welcomed and can be given during the public comment period. If this proposal is approved, LCS will address the information received in a subsequent FFD, if one is issued. See the **Section XVI. Submittal of Public Comments** and *Attachment B: Public Notice* for details on how to submit comment.

X. Access, Including Access To and Along Public and Navigable Water

Public Access

Legal access is via a Section Line Easement between S018N002E36 and S017N002E01. A Letter of Authorization has been issued to Eklutna, Inc. authorizing development of the Section Line Easement to provide physical access to the subject parcel. The south half of the subject parcel is within the Butte Road Service Area.

Access Along Navigable and Public Waters

In accordance with AS 38.05.127 Access to Navigable or Public Water, DNR will determine if a water body is navigable or public and establish easements or rights-of-way as necessary to ensure unobstructed access to and along the body of water. Regulations dictating the creation of easements or rights-of-way under this statute include 11 AAC 51.035 Determination of Navigable or Public Water, 11 AAC 51.045 Easements To and Along Navigable and Public Water, and 11 AAC 53.450 Buffer strips, reserved areas, and public easements.

McRoberts creek crosses Section 31, Township 18 North, Range 3 East, Seward Meridian. The stream is anadromous within the Section 6, Township 17 North, Range 3 East to the south, and there is no obstruction until reaching the Hydroelectric facility within the subject parcel.

McRoberts Creek is greater than 10 feet wide within the subject parcel. Pursuant to 11 AAC 51.035, McRoberts Creek is public water and will require an access reservation along its banks within the proposed conveyance in accordance with AS 38.05.127 Access to Navigable or Public Water. Any additional public, navigable, or anadromous water bodies identified within the subject parcel will be subject to access reservations in accordance with AS 38.05.127.

Easements and Setbacks

- ADL 224027, a Public Easement for the Matanuska Peak Trail issued in perpetuity in 1994; and

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- Additional reservations and/or restrictions required through the local platting authority.

Where appropriate, reservations and restrictions will be depicted on the plat and described in plat notes.

XI. Reservation of Mineral Estate

In accordance with section 6(i) of the Alaska Statehood Act and AS 38.05.125 Reservation, 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 Damages and Posting of Bond and other applicable statutes and regulations.

XII. Hazardous Materials and Potential Contaminants

There is no known contamination of, or hazardous materials on, the subject parcel. The MSB is expected to inspect the subject parcel to ascertain the quality and condition of the land. The State makes no representations and no warranties, expressed or implied, concerning the existence or absence of any hazardous substances, hazardous wastes, contaminants, or pollutants on the land proposed for conveyance to the MSB. The State does not assume any liability for the removal of hazardous waste, contaminants, or pollutants, nor for the remediation of the site should such substances ever be identified.

XIII. Survey

Preliminary Survey Determination #20265003 dated February 24, 2026, from the DMLW Survey Section determined that the subject parcel is unsurveyed. The subject parcel does not meet the state's survey criterion for conveyance as there is insufficient monummentation to meet the requirements of 11 AAC 53.190. The subject parcel requires a new Alaska State Land Survey, which will result in a new legal description of the subject parcel.

LCS will issue a notice to proceed to survey if no requests for reconsideration are received, or when requests for reconsideration are resolved, after issuance of an FFD. The MSB must hire an Alaska Land Surveyor, and the surveyor must apply to DMLW's Survey Section for Survey Instructions. After issuance of the Survey Instructions, the MSB must submit a completed survey to DMLW's Survey Section for review. The survey must be approved by DMLW and the MSB platting authority as set forth in the Survey Instructions. The cost of the survey will be borne by the MSB.

XIV. Compensation and Appraisal

Pursuant to AS 38.05.810(a)(1) Public and Charitable Use, DNR may convey land to a state or federal agency or political subdivision, for less than the appraised value as determined by the director and approved by the commissioner to be fair and proper and in the best interests of the public, with due consideration given to the nature of the public services or function rendered by the applicant, and of the terms of the grant under which the land was acquired by the State.

LCS has evaluated the MSB's proposed project and has determined that it is consistent with the intent of AS 38.05.810(a)(1) Public and Charitable Use. Selling the parcel for less than the appraised value is in the best interests of the public. If the conveyance is approved, the subject parcel will be sold at no cost pursuant to AS 38.05.810(a)(1) Public and Charitable

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Use. See section **VII. Background and Discussion** for more information on the public purpose. No appraisal is necessary for the conveyance.

XV. DMLW and Agency Review

Information and comments received from multiple sections within DMLW prior to and during agency review have been considered and included in the preparation of this PD. The conveyance application documents were distributed to State agencies for review from January 23, 2026, to February 24, 2026. The intent of an agency review is to request comments from agencies that may be affected by a conveyance decision. Agencies are given the opportunity to evaluate and comment on MSB's land request to determine if the State should retain all or a portion of the subject parcel, and if so, provide supporting reasons for the requested action. Additionally, agencies are requested to identify any stipulations that may be appropriate if the land is to be conveyed out of state ownership. Timely comments received during the Public Notice period will also be considered and addressed in a subsequent FFD, if one is issued.

DNR DMLW LCS received brief comments of non-objection from the following agencies: Department of Transportation and Public Facilities (DOT&PF), DNR Division of Parks and Outdoor Recreation, and DNR Division of Oil and Gas.

DNR DMLW LCS Response: LCS appreciates your review of the application materials for the subject parcel.

Alaska Department of Fish and Game (ADF&G): ADF&G has no objection to the disposal of the subject parcel to the MSB, but offered the following comments and recommendations:

- ADF&G recommends that the SMAP guidance for protecting habitat and hydrologic values, particularly for wildlife habitat, trails, and easements, be retained following the conveyance;
- ADF&G supports improved public access to state lands provided that existing habitat protections and recreational connectivity are preserved;
- Development of the area is unlikely to have a population-level impact on wildlife;
- Timing of vegetation clearing, and conserving habitat features like trees, shrubs, and ground cover can help support breeding bird populations while meeting project goals; and
- Project activities may affect species listed under the Endangered Species Act (ESA) and other sensitive resources, such as nesting and migratory birds, which are managed by the U.S. Fish and Wildlife Service (USFWS). ADF&G recommends using the Information for Planning and Consultation (IPaC) tool to identify USFWS trust resources that may be present within the project boundary, including determining the probability of presence during project activities.

DNR DMLW LCS Response: LCS appreciates your review of the proposed noncompetitive conveyance. The scope of this decision does not include the control of post-patent use and LCS does not intend to impose deed restrictions for this purpose. However, the commissioner will retain a reversionary interest on the subject parcel to ensure that the subject parcel remains utilized for public and charitable purposes. LCS will provide ADF&G's complete comments and recommendations to the MSB.

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DNR Division of Geological and Geophysical Surveys (DGGS): DGGS has no objections to the conveyance but noted that the statewide Alaska Landslide Inventory shows several landslides in the vicinity of the subject parcel. DGGS shared geological and geophysical information about the site that will be provided to the MSB.

DNR DMLW LCS Response: LCS appreciates your review of the proposed noncompetitive conveyance. The provided geological and geophysical information about the site will be provided to the MSB.

The following agencies or groups were included in the agency review, but no comment was received:

- Alaska Department of Environmental Conservation, DNR State Historic Preservation Office, DNR Division of Forestry and Fire Protection, DNR Division of Agriculture, Department of Commerce, Community & Economic Development Division of Community and Regional Affairs, Mental Health Trust Land Office, Alaska Soil and Water Conservation District, Wasilla Soil and Water Conservation District, and U.S. Fish and Wildlife Service.

XVI. Submittal of Public Comments

See *Attachment B: Public Notice for specific dates and conditions.*

Pursuant to AS 38.05.945 Notice, LCS is issuing public notice inviting comment on this preliminary decision and draft mineral order.

In accordance with AS 38.05.946(a) Hearings, a municipality or corporation entitled to receive notice under AS 38.05.945(c) Notice may hold a hearing within 30 days after receipt of the notice. If a hearing is held, the Commissioner (or representative) shall attend the hearing. The Commissioner has discretion whether or not to hold a public hearing.

LCS will consider all timely, written comments received. If analysis of such comments indicates the need for significant changes to the PD or draft mineral order, additional public notice for the affected lands will be given. Making minor changes to any of the proposals will not be considered significant changes requiring additional public notice.

If the proposals are approved and no significant change is required, the PD and draft mineral order, including any deletions, minor changes, and a summary of comments and LCS responses, will be issued as a subsequent FFD and Mineral Order No. 1336 without further notice. The related action will be developed separately. However, approval of any action is dependent upon one another. One action will not proceed without approval of all actions.

Only persons from whom LCS receives timely, written comment during the identified comment period will be eligible to file a request for reconsideration of the FFD and Mineral Order No. 1336. Upon approval and issuance of these actions, a copy of the decision and order will be made available online at <http://landsales.alaska.gov/> and sent with an explanation of the request for reconsideration process to any party who provides timely written comment.

DNR is prepared to accommodate individuals with disabilities by providing auxiliary aids, services, or special modifications in order to participate in this review. Individuals who may need

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such assistance should contact DNR's Public Information Center. For more information refer to *Attachment B: Public Notice*.

DEADLINE TO SUBMIT WRITTEN COMMENT IS 5:00 P.M., WEDNESDAY, JUNE 10, 2026

XVII. Stipulations

The MSB will be required to comply with the following stipulations to complete the proposed land conveyance:

A. Conditions

1. A notice to proceed to survey will be issued if no requests for reconsideration are received, or when requests for reconsideration are resolved, after issuance of a Final Finding. The MSB must hire a surveyor, and the surveyor must apply to the DMLW Survey Section for Survey Instructions. Within two years after issuance of the Survey Instructions, the MSB must submit a completed survey to DMLW's Survey Section for review. The MSB's survey must be approved by DMLW and the local platting jurisdiction, as set forth in the Survey Instructions. Survey costs shall be borne by the MSB.
2. Upon approval and recording of the survey, a notice to proceed to purchase will be issued to the MSB. Within the time period specified in this notice, the MSB must submit the following to LCS:
 - A completed and signed Declaration of Intent Form; and
 - Patent application and recordation fees. Fees are established under 11 AAC 05.100 Land Disposals and 11 AAC 05.200 Recorder's Office and are subject to change. Some fees have been reduced by Director's Order Number 3.
3. Prior to the completion of the conveyance and issuance of a state conveyance document, the MSB must remain in good standing with respect to all terms of the Contract for the Sale of Real Property throughout its term, if such a Contract is issued. The MSB must also remain in compliance with all applicable state and local ordinances and regulations, including all applicable taxes. Failure to do so may result in termination of the Contract for the Sale of Real Property, if such a contract is issued.

If extenuating circumstances delay any of the stipulations listed above, the MSB is responsible for notifying LCS and receiving approval from LCS for the delay with new timeframes for completion to be given. Failure to do this could result in the closure of the conveyance application. The conveyance cannot be completed until all the above stipulations have been satisfied.

B. Restrictions and Reservations

Conveyance document will be issued subject to the following restrictions and reservations:

1. Valid existing rights, including reservations, easements, and exceptions in the U.S. Patent, or other state or federal conveyance, and in acts authorizing the issue thereof; easements, rights-of-way, covenants, conditions, reservations, notes on the plat, and restrictions of record, if any.

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2. Reservation of the mineral estate pursuant to Section 6(i) of the Alaska Statehood Act and AS 38.05.125 Reservation; and reservation of reasonably necessary access to the mineral estate in accordance with AS 38.05.130 Damages and Posting of Bond.
3. AS 38.05.810(g) Public and Charitable Use, states that the commissioner shall retain a reversionary interest on each sale or other disposal granted under AS 38.05.810(a) or (e) Public and Charitable Use, unless the reversionary interest is waived. In this case, DNR will retain the reversionary interest for this land conveyance.
4. An easement fifty (50) feet in width for public access, upland, abutting, and running in common with the ordinary high-water mark along McRoberts Creek within Section 31, Township 18 North, Range 3 East, Seward Meridian, Alaska, pursuant to AS 38.05.127 Access to Navigable and Public Water, 11 AAC 51.045 Easements To and Along Navigable and Public Water.
5. ADL 224027, a Public Easement for the Matanuska Peak Trail issued in perpetuity in 1994.

XVIII. Discussion and Alternatives

The following alternatives were considered:

Alternative 1: Convey requested parcel

Approve the proposed conveyance of the requested 631.72-acre subject parcel to the MSB as proposed in this decision in accordance with AS 38.05.810(a) Public and Charitable Use. This alternative allows the MSB to obtain ownership of the land encompassing the current infrastructure, the land necessary for the proposed projects, and leaves space for future projects managed by the MSB.

Alternative 2: Convey modified parcel

Approve the conveyance of a 2-acre reduced-sized parcel that encompasses only the proposed trailhead parking area. This alternative meets the intent of AS 38.05.810(a) Public and Charitable Use for the current and proposed infrastructure available for public use, but retains a portion of the requested parcel where the MSB's interest in obtaining the land may not outweigh the public interest of retaining in state ownership.

Alternative 3: Retain

DNR will take no action and retain the subject parcel.

Alternative 1 will allow the MSB to acquire state land at no cost to serve a public purpose. This will allow development of the new, larger trailhead with expanded parking and potential amenities such as a restroom. The MSB would continue to maintain the four existing trails within the subject parcel, with development of two additional trails desired as part of a longer-term effort to spread across most of the section. This alternative is compatible with area plan management intent. Therefore, it is in the best interest of the State to convey the parcel as proposed in this decision.

Article VIII, Section 1 of the Alaska Constitution states, "it is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest." Alternative 1 provides a method for DNR to

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meet the obligations laid out in the Constitution and statute and maximizes public interest. This is the preferred alternative.

The related action is necessary to allow for the conveyance of the subject parcel. The primary action and related action are dependent upon one another, and if DNR does not approve the primary action, the related action will not be processed.

Under Alternative 2, a modified 2-acre parcel would be conveyed to encompass the land required for the proposed trailhead facility. The MSB would be able to construct a new trailhead facility, but would not obtain the land encompassing the easement and other trails. The MSB would be required to apply to DMLW for all new trail easements. This alternative would further the MSB's plans for trailhead facilities and parking but would not provide conveyance of the land encompassing the trails that they manage or propose to construct. This alternative is not preferred.

Under Alternative 3, the Department will take no action and retain the subject parcel. The MSB would be unable to construct a new trailhead facility. State retention would not further the Borough's ability to meet public recreation needs. DMLW would continue to review and adjudicate any easement applications and manage related authorizations in accordance with applicable statutes and regulations. Retaining the subject parcel in state ownership is not in the best interest of the State. This alternative is not preferred.

For the reasons outlined above, Alternative 1 is the preferred alternative.

Recommendation follows.

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XIX. Recommendation and Preliminary Decision

This Preliminary Decision for the proposed disposal of state lands and Mineral Order No. 1336 described throughout this document and its attachments are consistent with the overall management intent for state-owned land and consistent with the requirements of AS 38.05.810(a)(1) Public and Charitable Use. Alternative 1 is the preferred alternative because it is the maximum best use of state land and is in the best interest of the public. Alternative 1 will allow MSB to utilize this parcel to provide and maintain expanded public recreation opportunities.

This is a Preliminary Decision, and analysis of subsequent public review may result in changes to the preferred alternative of the proposed disposal of state lands and Mineral Order No. 1336. A Final Finding and Decision will address any significant issues or concerns raised during the public review process. If the MSB is unable to complete the stipulations, DMLW may decide to close this conveyance application.

The Preliminary Decision, described above, as represented by the preferred alternative, has been reviewed and considered. I find that the recommended action may be in the best interest of the State and that it is hereby approved to proceed to public notice.

signature on file _____

5/8/2026 _____

Prepared by: John King
Natural Resource Specialist 4
Division of Mining, Land and Water
Department of Natural Resources
State of Alaska

Date of Signature

signature on file _____

5/8/2026 _____

Approved by: Hannah Uher-Koch
Section Chief
Land Conveyance Section
Division of Mining, Land and Water
Department of Natural Resources
State of Alaska

Date of Signature