

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

PRELIMINARY DECISION

ADL 234934

Proposed Noncompetitive Sale to Public and Charitable Use Applicant

AS 38.05.035(e), AS 38.05.810

RELATED ACTIONS

Amendment to the Southeast Susitna Area Plan (SSAP)

Land Classification Order

PUBLIC COMMENT PERIOD ENDS 5:00 PM, WEDNESDAY, OCTOBER 21, 2026

Executive Summary: The State of Alaska (State), Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW) proposes to convey approximately 885 acres (subject parcel) of State-owned land in the Matanuska-Susitna Borough (MSB) to the Alaska Industrial Development and Export Authority (AIDEA) through a noncompetitive public and charitable use conveyance. AIDEA is a political subdivision of the state with the statutory purpose of facilitating energy and resource development projects. AIDEA seeks conveyance of the subject parcels for the purpose of establishing rail-support and cargo logistics facilities necessary for the expansion of scalable import and export activity at Port MacKenzie. The proposed conveyance is subject to existing authorizations, third party interests, and borough zoning and platting authority. With due consideration given to the cumulative impacts and public purpose of the proposed conveyance, DNR proposes that disposal of the subject parcel to AIDEA for less than fair market value is in the public interest and is in the best interests of the state.

I. Proposed Action

Preliminary Decision: Approval of Proposed Noncompetitive Sale to Public and Charitable Use Applicant ADL 234934

Attachment A: Vicinity Map

Attachment B: Public Notice

Attachment C: Draft Southeast Susitna Area Plan Amendment (SSAP)

Attachment D: Draft Land Classification Order

Attachment E: Draft Affidavit Acknowledging Conditions of Land and Releasing the State from Related Liability

Proposed Primary Action - Noncompetitive Sale: The State, DNR, DMLW, proposes to convey the subject parcel through a noncompetitive conveyance to AIDEA under Alaska Statute (AS) 38.05.810(a) Public and Charitable Use. The subject parcel is located within DNR's Southcentral Region, approximately 27 miles southwest of Wasilla in the MSB. See *Attachment A: Vicinity Map* for a visual depiction of the subject parcel.

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234934

Page 2 of 29

Proposed Related Actions – These related actions will be developed separately; however, public notice is being conducted concurrently:

Area Plan Amendment: DNR proposes to amend the SSAP to create new management unit M-09, with an area of approximately 885 acres, more or less. The new unit will encompass only the subject parcels identified in the AIDEA Noncompetitive Public and Charitable Use Sale serialized as ADL 234934. Unit M-09 will be designated Settlement-Commercial and will be classified Settlement Land. Refer to **Section VIII. Planning, Classification, and Mineral Orders** of this document for more information on this proposed related action.

Land Classification Order: In relation to the Area Plan Amendment, DNR proposes to reclassify approximately 885 acres, more or less, as Settlement. Refer to **Section VIII. Planning, Classification, and Mineral Orders** of this document for more information on this proposed related action.

See **Section XVIII. Submittal of Public Comments** and *Attachment B: Public Notice* for details on how to submit a comment for consideration. After consideration of timely, written comments, DNR will issue a Final Finding and Decision (FFD) stating whether the State approves the proposed action and identifying any changes from the Preliminary Decision (PD).

II. Authority

The land management policies of DNR are governed by Article VIII, section 1 of the Alaska Constitution, which 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.”

Consistent with Article VIII, section 1, the legislature adopted AS 38.04.005(a) which states, “In order to provide for maximum use of state land consistent with the public interest, it is the policy of the State of Alaska to plan and manage state-owned land to establish a balanced combination of land available for both public and private purposes.” Additionally, AS 38.05.035(e) preconditions disposal of state land on a finding that the disposal serves the best interests of the State.

These constitutional and statutory provisions confirm that the policy of the State is to promote the development of natural resources on state lands by making the lands available for maximum use in a manner consistent with the public interest. Accordingly, the conveyance of state land to a political subdivision of the State tasked with development of natural resources and industry is consistent with these guiding authorities and, therefore, consistent with the public interest.

The legislature also authorized DNR under AS 38.05.810(a)(1) to dispose of state land to a state or federal agency or political subdivision for less than appraised value. DNR may convey state land for less than the appraised value under AS 38.05.810 if the commissioner “ensures . . . that disposals of land under this subsection serve a public purpose and are in the public interest.” In doing so, DNR must also consider “the terms of grant under which the land [being considered for disposal] was acquired by the state.”

In considering AS 38.05.810 and a disposal of state land, AS 38.04.010(a) provides DNR with further direction: “In making state land available for private use, the director shall seek to guide year-round settlement to areas where public services already exist, or can be extended with reasonable economy, or where development of a viable economic base is probable.” The phrase “where development of a

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234934

Page 3 of 29

viable economic base is probable” serves an important role in DNR’s review of AIDEA’s application and certainly in the context of disposing of this land under AS 38.05.810.

Collectively under these statutes, DNR may dispose of state land for less than appraised value to a state agency or political subdivision if the disposal is in the best interests of the public. Under AS 38.05.810(a), DNR’s best interest finding also must consider: (1) the terms of the grant under which the land was acquired by the State; (2) how the applicant will use the lands and if that use is in the public interest and for a public purpose. AS 38.05.810(g) requires that the State retain a reversionary interest in land conveyed under .810(a), unless DNR determines that the waiver is in the public interest.

III. Administrative Record

The case file for Alaska Division of Lands (ADL) 234934 constitutes the administrative record for this proposed action. Also incorporated by reference are:

- SSAP (adopted April 28, 2008) and associated land classification files
- DNR case files:
 - ADL 234934, Application for Public & Charitable Use Sale Non-Competitive
 - ADL 209362, Agricultural Sale Competitive
 - ADL 209364, Agricultural Sale Competitive
 - LAS 20021, DMLW Permit, Miscellaneous Land Use
 - LAS 20133, DMLW Permit, Miscellaneous Land Use
 - LAS 36185, DMLW Permit, Miscellaneous Land Use
 - LAS 36192, DMLW Permit, Miscellaneous Land Use
- Federal patent No. 50-66-0476
- Quitclaim Deed 2026-014281-0
- Mineral Closing Order (MCO) 173
- Matanuska-Susitna Borough Ordinance, Serial No. 26-066
- Matanuska-Susitna Borough Information Memorandum, IM No. 26-108
- United States Fish and Wildlife Service (USFWS) National Wetlands Inventory Mapper
- United States Web Soil Survey

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

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: (A) whether the applicant and the subject parcel qualify for a no-cost disposal under AS 38.05.810(a); (B) whether the disposal of this state land is in the public interest and for a public purpose; (C) whether the State has accounted for the reasonably foreseeable cumulative impacts resulting from the proposed conveyance; (D) whether DNR has properly considered “the terms of the grant under which the land was acquired by the State; (E) whether to include the AS 38.05.810(g) reverter and the terms of that reverter; and (F) whether the summation of facts presented in this decision support the determination that the proposed disposal is in the best interests of the State of Alaska .

AIDEA has submitted an application to acquire two parcels (“subject parcels”) in the MSB near Port MacKenzie. The Development Plan submitted with the application from AIDEA outlines plans for the

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234934

Page 4 of 29

establishment of a rail-support and cargo-logistics area that would support high-volume import and export activities at Port MacKenzie. The development concept prioritizes operational flexibility to accommodate a range of future commodity and project-cargo scenarios, and infrastructure development within the subject parcels may include:

- Rail staging and side tracks
- Cargo laydown and surge storage
- Rail maintenance and servicing
- Internal circulation and access
- Utility and communications infrastructure
- Operational support uses

In their application, AIDEA asserts that these facilities and infrastructure would support a public purpose by adding overall operational flexibility required for sustained port utilization under a range of potential future demand conditions¹, in a location that is uniquely positioned to accommodate scalable, multi-commodity throughput because of the acreage necessary for development of rail staging and laydown functions, deep-water access via Port MacKenzie, and proximity to a designated transportation corridor. The scope of this PD will be limited to whether the nature of the proposed conveyance supports a public purpose, and if so, whether it is in the State’s best interest to convey the subject parcels.

The scope of this PD does not include post-patent use. Upon conveyance to AIDEA, the land would no longer be considered state land managed by the Department of Natural Resources under the Alaska Land Act. AS 44.88.190. Control and post-patent development of the parcel would be addressed under AIDEA’s purpose and power statutes in AS 44.88.070 and AS 44.88.080, and in accordance with AIDEA’s subsequent development plans and disposals to third parties. Any development will be subject to MSB authority. Land uses in the conveyed parcel must comply with any applicable borough permitting requirements and zoning regulations.

The proposed related actions are being considered in this PD and if approved will be issued concurrently with the FFD. These actions are described in more detail in **Section VIII. Planning, Classification, and Mineral Orders.**

V. Description of Subject Parcel

a. Location

The subject parcel is located within DNR’s Southcentral Region, approximately 27 miles southwest of Wasilla in the Matanuska-Susitna Borough, within Sections 19, 30, and 31, Township 15 North, Range 4 West, Seward Meridian. See *Attachment A: Vicinity Map* for additional information.

USGS Map Coverage:

Platting Authority:

Regional Corporation:

Village Corporation:

Federally Recognized Tribes:

Tyonek B-1

Matanuska-Susitna Borough

Cook Inlet Region, Inc.

Caswell Native Association

None

¹ See AIDEA Development Plan, p. 1-2.

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234934

Page 5 of 29

b. Legal Description

Tract 10A, Point MacKenzie Terminal Reserve Subdivision, according to Plat No. 2025-179, filed in the Palmer Recording District, Third Judicial District, State of Alaska. Located within Township 15 North, Range 4 West, Seward Meridian, generally within Sections 19, 30, and 31, totaling approximately 442 acres.

Tract 13A, Point MacKenzie Terminal Reserve Subdivision, according to Plat No. 2025-179, filed in the Palmer Recording District, Third Judicial District, State of Alaska. Located within Township 15 North, Range 4 West, Seward Meridian, generally within Sections 19, 30, and 31, totaling approximately 442 acres.

c. Parcel Description

The subject parcels are located approximately 30 miles Southwest of Wasilla via Knik Goose Bay Road and Point MacKenzie Road. The parcels are bounded through the existing roadways South Guernsey Road, West Holstein Avenue, and West Reddane Avenue.

The subject parcels consist of land and supporting infrastructure that have historically been used for agricultural production of hay, but intensive cultivation on the parcels has dwindled in recent years and the hay production area has been steadily encroached upon by saplings and other vegetation. Existing improvements present on the subject parcels include residential, agricultural, and accessory structures. Tract 10A includes multiple residential buildings, garage structures, septic systems, and associated improvements. Tract 13A includes a residential structure, agricultural and commercial-use buildings, a water well, a septic system, and associated site improvements. Electrical service is provided through overhead infrastructure.

The topography of the parcel is generally flat. The area was forested prior to agricultural development, and pockets of forest remain in the areas that were not cleared for hay production. Though the hay fields have lain fallow and are experiencing encroachment from saplings and weeds, the fields are still clearly defined and are intersected by rows of trees acting as windbreaks and shelterbelts. According to the US Web Soil Survey the dominant soil class is defined as Kashwitna silt loam of 0-3% slopes. Kashwitna silt loams are common in the region with qualities that include good drainage and low runoff. There are no areas of natural surface water existing on the subject parcels.

VI. Title

Based on preliminary title research, the State holds fee title to the land and mineral estate, excluding the hydrocarbon – oil and gas², under Patent 50-66-0476 and Quitclaim Deed dated July 24, 2026 which was acquired through State Selection MH 86 and State Acquisition OSL 1681.

² Hydrocarbon – oil and gas rights were conveyed to the Alaska Mental Health Trust through Quitclaim Deed on Tracts 10 and 13 of Plat 82-80, encompassing the entirety of the subject parcel.

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234934

Page 6 of 29

Per MSB Ordinance Serial No. 26-066 (June 16, 2026), the deed reserves to MSB a right of title to revert to MSB if “economic development” of the conveyed property is not achieved within five years of the conveyance, contingent upon the removal of the agricultural covenants. In the event of reversion, ownership of the parcels would revert to the MSB. Consistent with MSB’s restrictions, the State will include an AS 38.05.810(g) reversionary interest – whereby if AIDEA fails to use these lands as intended within five years, the lands will return to the State and then they can be conveyed back to the MSB consistent with MSB Ordinance No. 26-066.

Agricultural covenants were previously imposed on these lands by the State under the authority of AS 38.05.321. These covenants constituted deed restrictions by the state on those who owned and used these lands. Upon reconveyance of this land to the State, the common law doctrine of merger of title applies; *i.e.*, when the State reacquires fee title to lands that were originally conveyed by the State, the agricultural covenants are extinguished by operation of law, and those covenants no longer exist and are no longer enforceable restrictions against the State. When MSB conveyed this land burdened by the agricultural covenants to the State, those covenants were immediately extinguished. Merger of title is self-executing and operated automatically during reconveyance of these lands back to the State. Under current State management the property is managed under DNR’s statutory land management authorities, including but not limited to Article VIII of the Alaska Constitution and Title 38.

Further, it is in the best interest of the state to not impose agricultural covenants on these lands. Lands do not stay static and their uses and productivity change over time. Including agricultural covenants would restrict future use of the land and undermine the public purpose development of these lands as proposed by AIDEA. This decision acknowledges that it is in the best of the state to: (1) no longer classify this land as agricultural land (see **Section VIII. Planning, Classification, and Mineral Orders**); and (2) no agricultural covenants will run with this land.

Any potential title clouds identified upon issuance of the title report and omitted from this PD will be incorporated into the Final Finding and Decision and resolved prior to conveyance.

State Reservation of Title:

Mineral Estate: Under Section 6(i) of the Alaska Statehood Act and AS 38.05.125, the State retains title to coal, ore, minerals, fissionable material, geothermal resources, and fossils. The State reserves access to explore and develop these resources, consistent with AS 38.05.130 (Damages and Posting of Bond). State reservation of the mineral estate does not include oil and gas hydrocarbon estate that was conveyed to the Alaska Mental Health Trust.

Navigable Waters: Under AS 38.05.126(b) and the Public Trust Doctrine, the State holds navigable or public waters in trust for public use and reserves access consistent with AS 38.05.127.

Alaska Native Interest: Within Cook Inlet Region, Inc. boundaries; no Alaska Native interests are identified within the parcel.

Other Interests:

Federal interests: interests reserved from the State’s title include rights-of-way thereon for ditches or canals constructed by the authority of the United States, and rights-of-way for the

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234934

Page 7 of 29

construction of railroads, telegraph and telephone lines in accordance with Act of March 12, 1914 (38 Stat. 305; 48 U.S.C. Sec. 305).

Third Party Interests:

- Electric Line Right of Way Easement, dated June 3, 1983, to Matanuska Electric Association, Inc.
- Electric Line Right of Way Easement, dated March 7, 1985, to Matanuska Electric Association, Inc.
- Electric Line Right of Way Easement, dated July 10, 1985, to Matanuska Electric Association, Inc.
- Electric Line Right of Way Easement, dated May 21, 1986, to Matanuska Electric Association, Inc.
- Right of Way Easement, dated June 7, 1999, to Matanuska Electric Association, Inc.
- Right of Way Easement, dated July 10, 2000, to Matanuska Electric Association, Inc.

VII. Background

The Alaska Legislature created AIDEA as a state-owned corporation and political subdivision of the state housed within the Department of Commerce, Community, and Economic Development, but with a separate and independent legal existence.³ The statutory purpose of AIDEA is to promote the general prosperity and economic welfare of the state by facilitating the advancement of energy, industry, and resource development projects. To fulfill their statutory purpose and advance energy and industrial projects, AIDEA has been granted financing powers to facilitate investment in large-scale projects; projects that have been legislatively determined to be in the public interest and to serve a public purpose.

The subject parcels were acquired by the MSB utilizing State grant funding associated with development of the Port MacKenzie Rail Extension (PMRE). The MSB passed an ordinance expressing the desire of the Borough to convey the subject parcels to the State of Alaska at no cost, and with a requirement that ownership of the parcels would automatically revert to the Borough if economic development is not achieved within five years of conveyance, contingent upon removal of the agricultural covenants.⁴ The Borough further clarified the purpose of this conveyance through an information memorandum⁵, in which the Borough clarifies that the intent of the conveyance is to support future economic development.

Until the conveyance of the subject parcels from the MSB to the State of Alaska, the parcels were used primarily for hay production and with a secondary purpose as rental properties. The most recent active lease on the subject parcels expired on January 18, 2026. The most recent permit for hay production began on 7 August 2026 and will expire on September 30, 2026. The agricultural covenants have been removed as a function of the merger of title (see **Section VI. Title**).

On June 24, 2026, AIDEA submitted to DMLW a completed application to purchase state land under AS 38.05.810, serialized as ADL 234934. In the application, AIDEA proposes to utilize the subject parcels for the development of a rail-support and cargo-logistics area. Development of rail-support and cargo-logistics at this site would be designed to expand operational flexibility at Port MacKenzie under a range of future commodity and project-cargo scenarios by providing the landside operating space necessary

³ AS 44.88.020.

⁴ Matanuska-Susitna Borough ordinance serial no. 26-066

⁵ Matanuska-Susitna Borough Information memorandum IM No. 26-108

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234934

Page 8 of 29

for staging of trains, management of cargo surges, support of auxiliary rail equipment, and physical separation of rail-support functions from constrained waterfront operations.

The written project description and development plan that was submitted as part of the public and charitable use conveyance application is an early conceptual planning effort that describes the complementary development types that are anticipated for the subject parcels. However, the development plan also recognizes the need for long-term flexibility and clarifies that the final design, layout, and functional configuration of the Port MacKenzie rail support site would not be determined until detailed engineering and design are completed. The development plan describes the following complementary uses intended for the subject parcels:

- **Rail staging and side tracks.** Side rail pull-outs, staging tracks, and future spur connections that allow trains or railcar blocks to wait, be assembled, be inspected, or be repositioned before entering Port MacKenzie rail loop or cargo-handling area.
- **Cargo laydown and surge storage.** Stabilized outdoor yards for temporary storage, marshaling, and transfer of bulk commodities, industrial materials, project cargo, containers, equipment, and other post-related freight.
- **Rail maintenance and servicing.** Buildings and work areas for inspection, light repair, parts storage, equipment storage, and general maintenance supporting rail-side and port-related operations.
- **Internal circulation and access.** Service roads, emergency access, truck maneuvering areas, controlled entrances, drainage features, parking, and snow-storage areas needed to safely operate the site.
- **Utility and communications infrastructure.** Electrical distribution, lighting, communications, water supply, wastewater systems, and other utilities required for the selected facilities and tenant operations.
- **Operational support uses.** Security facilities, small administrative or crew-support spaces, fenced storage, and related infrastructure directly supporting rail and cargo functions.

The development potential of the subject parcels is enhanced by the unique financing tools granted under AS 44.88.070 and AS 44.88.080; statutes that provide AIDEA with the authority to:

- issue direct loans to finance development projects and facilities to support economic growth in Alaska.⁶
- issue revenue bonds for shared infrastructure and site preparation.⁷
- manage the loan participation program which partners with Alaskan financial institutions to provide affordable commercial financing for anchor tenants.⁸
- manage other funding tools offered under the Sustainable Energy Transmission and Supply (SETS) Program.⁹
- manage the small business and economic development loan program which enables small businesses in qualifying communities to access direct loans for a range of purposes, including real property acquisition, equipment purchases, and working capital. Through this loan program

⁶ AS 44.88.080(7).

⁷ AS 44.88.090.

⁸ AS 44.88.155 – .159.

⁹ AS 44.88.650 – .690.

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234934

Page 9 of 29

AIDEA is authorized to provide financing to private individuals or business entities supporting the establishment or expansion of local enterprises.¹⁰

- manage the New Markets Tax Credit (NMTC) assistance program for supporting development projects such as logistics hubs, manufacturing centers, training facilities, and energy infrastructure upgrades.¹¹

Additionally, AIDEA has statutory exemptions and options for payments in lieu of taxes due to its public and governmental function.

Trails:

- No known public or recreational trails exist on the subject parcels.

Water Resources:

- Existing Water Rights: There are no existing water rights in the project area that would conflict with future operations. If AIDEA seeks to use the water wells that currently exist on the subject parcels, they would need to apply for either a temporary water use authorization or a water right.
- Groundwater Resources: AIDEA's application notes the existence of drilled water wells on Tract 10A and Tract 13A, but these well logs are not documented in the Alaska Well Log Tracking System (WELTS). There are numerous wells in the vicinity, some supporting high-volume outputs of up to 1,200 gallons per minute. Abundant groundwater resources in this area support extensive agricultural operations throughout the Point MacKenzie agricultural project region.
- Surface Water: No surface waters exist on the subject parcels.

VIII. Planning, Classification, and Mineral Orders

Planning:

The subject parcel is located within the SSAP Region, however the subject parcels lack a land management unit designation because the land was private property at the time that the SSAP was formally adopted in 2008. DNR has confirmed that the subject parcels are sited on land that is currently unclassified by the SSAP, therefore an area plan amendment and Land Classification Order will be necessary for the proposed action to proceed. See *Attachment C: Draft Southeast Susitna Area Plan Amendment* for additional information.

The area plan amendment and Land Classification Order would establish specific management intent of the subject parcels, which would be consistent with area-wide land management policies and general management intent of the SSAP, in accordance with AS 38.04.065 Land Use Planning and Classification, AS 38.05.300 Classification of Land, and AS 38.05.185 Generally. See *Attachment D: Draft Land Classification Order* for additional information.

¹⁰ AS 44.88.400 – .430.

¹¹ AS 44.88.700 – .799.

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234934

Page 10 of 29

Mineral Order:

No mineral activity has been identified on these lands. The subject parcels are closed to mineral entry under Mineral Closing Order (MCO) 173.

Mineral orders close the applicable area to mineral entry, new exploration, and development of locatable minerals. 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 exploration and development.

Mining activity for locatable minerals would be incompatible with the past, current, and proposed land estate uses for land disposals. Allowing new mineral location within the boundaries of the subject parcels encompassed by this PD could create serious conflicts between land estate and mineral estate users.

Local Planning:

The subject parcels are located within the Matanuska-Susitna Borough but are not zoned.

Flood Risk:

The subject parcels are not located near any major water bodies that pose a risk of flooding. The Matanuska-Susitna Hazards Flood Zone geospatial layer depicts the subject parcels to be entirely outside of any hazard flood zone.

IX. Traditional Use Findings

The subject parcel is located within the Matanuska-Susitna Borough, therefore requirements under AS 38.05.830 are not applicable. Additional information on traditional use is welcome during the public comment period and if this proposal is approved, DNR will address the information received in a subsequent FFD, if one is issued. See **Section XVIII. Submittal of Public Comments** and *Attachment B: Public Notice* for details on how to submit a comment.

X. Access, Including Access To and Along Public or Navigable Water**Public Access:**

Access to the parcels is provided by a combination of existing public rights-of-way, section line easements, and recorded utility and transportation corridors. Both parcels are subject to 50-foot-wide section line easements pursuant to Revised Statute 2477 (RS 2477) and AS 19.10.010.

Access via public rights-of-way is provided along existing roadways such as South Guernsey Road, West Holstein Avenue, and West Reddane Avenue. These roadways are accessed from Wasilla by the South Knik Goose Bay Road and Point Mackenzie Road.

Access to and Along Public or Navigable Waters:

The project area does not contain any public or navigable waters for title purposes per AS 39.04.062.

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 will 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

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234934

Page 11 of 29

rights-of-way under this statute include 11 AAC 51.035 Determination of Navigable and 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.

Easements and Setbacks:

The subject parcel is subject to section line easements. A 50-foot section line easement on each side of surveyed or protracted section lines on State-owned land in accordance with AS 19.10.010 Dedication of Land for Public Highways. For section lines running through the subject parcel, 50 feet measured on each side of the section line, for a total width of 100 feet, will be reserved. Development or use of section line easements may require authorization from the DMLW Southcentral Regional Office Easement Unit. Coordination with the Easement Unit is required prior to the development or use of any section line easement to determine whether authorization is required.

Additional easements and setbacks that the proposed conveyance will be subject to include but are not limited to 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 PD, reserves unto itself the mineral estate, excluding the hydrocarbon – oil and gas only, 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

The DMLW Environmental Assessment map (<https://dnr.alaska.gov/mlw/sail/env-map/>) identified two environmental considerations within the vicinity of the subject parcels have been identified:

1. Milepost 4.6 of Guernsey Road (S015N005W24) was the historical location of a solid waste site for biosolids (treated sewage solids) from wastewater lagoons. These biosolids were spread onto hayfields as fertilizer. The biosolid permit (SWYA070-20) expired in March of 2020 and the site is now closed and has met post-monitoring standards. Biosolid permit SWYA070-20 is therefore considered to be a retired permit. Though this site is not located within the subject parcels, the relative proximity of the site (within one mile) of the subject parcels has qualified the site as a potential contaminant.
2. The subject parcels exist within the Formerly Used Defense Site (FUDS) Munitions Response Site-Impact Area and Safety Zone of the Susitna Gunnery Range. Information and maps detailing the FUDS will be shared with the applicant directly.

In addition to the potential contaminants identified in the DMLW Environmental Assessment Map, the development plan submitted by AIDEA describes several fuel tanks associated with farm properties: one 1,000-gallon fuel-oil tank, one 500-gallon tank, one 300-gallon tank, and one 200-gallon tank. However, the applicant environmental risk questionnaire has stated that there is no evidence of contamination due to the existing fuel tanks.

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234934

Page 12 of 29

The applicant 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, including but not limited to those described in this PD, on the land proposed for conveyance to the applicant. The State does not assume any liability for the removal of hazardous wastes, contaminants, or pollutants, nor for the remediation of the site should such substances ever be identified.

The applicant will be required to submit an affidavit (Attachment E) acknowledging the condition and history of the site prior to purchase.

XIII. Stipulations

If approved for conveyance, the applicant will be required to comply with the following stipulations to complete the land sale:

A. Conditions

1. A notice to proceed to purchase will be issued if no requests for reconsideration are received, or when requests for reconsiderations are resolved, after issuance of the FFD. Within the time period specified in this notice, the applicant must submit the following to DNR:
 - A completed and signed Declaration of Intent form;
 - Patent application and recording 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.
2. Prior to the completion of the purchase and issuance of a State conveyance document, the applicant 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 applicant 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.
3. As a condition of sale, the applicant must sign an affidavit acknowledging the condition of the land and releasing the State from related liability due to the presence of potential hazards.

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

B. Restrictions and Reservations

Any conveyance document issued will be subject to all restrictions and reservations in the Quitclaim Deed dated July 24, 2026, and the following restrictions and reservations:

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234934

Page 13 of 29

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.
2. Reservation of the mineral estate, excluding oil and gas, 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 the event of reversion, ownership of the subject parcels would revert to the MSB (see **Section VI. Title**).
4. The Public Trust Doctrine provides that the State holds certain resources (such as wildlife, minerals, and waters rights) in trust for public use and the “government owes a fiduciary duty to manage such resources for the common good of the public as beneficiary.”¹² Patent will be subject to RS 2477 rights-of-way, easements to and along public water under AS 38.05.127, and any other easements reserved and managed by DNR, which will be held in public trust.

XIV. Survey

The subject parcels are defined as Tract 13A and Tract 10A on Plat No. 2025-179, recorded in the Palmer Recording District, Third Judicial District, State of Alaska. The DMLW Survey Section has determined that these lots meet the statutory survey and subdivision requirements for conveyance under AS 38.04.045. They will not require additional survey for conveyance to AIDEA.

The subject parcels are within the Matanuska-Susitna Borough (MSB) Platting Authority.

XV. Compensation/Appraisal

As a political subdivision of the state, AIDEA is eligible for a public and charitable sale under 38.05.810(a) at no cost. This is justified by the public purpose of the conveyance and discussed in detail in **Section VII. Background**, and in **Section XVI. Decision**.

XVI. Decision

DNR has evaluated the applicant’s eligibility and the proposed project and determined that the proposed project satisfies the requirements and is consistent with the intent of AA 38.05.810(a); therefore, conveying the parcel at no cost will support AIDEA’s mission and is justified by the public purpose of the conveyance as discussed in detail in **Section VII. Background**.

For DNR to convey land for less than appraised value to AIDEA under AS 38.05.810, DNR must find: (A) that AIDEA qualifies for a less than appraised value disposal under AS 38.05.810(a); (B) that the disposal of this state land is in the public interest and for a public purpose; (C) the State has accounted for the reasonably foreseeable cumulative impacts resulting from the conveyance; (D) that DNR considered “the terms of the grant under which the land was acquired by the State; (E) whether to include the AS

¹² *Kanuk ex rel. Kanuk v. State, Dept. of Natural Resources*, 335 P.3d 1088, 1100 (Alaska 2014).

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234934

Page 14 of 29

38.05.810(g) reverter and the terms of that reverter; and (F) that in summation the proposed disposal is in the best interests of the State of Alaska.

A. AIDEA is eligible for a less than appraised value disposal under AS 38.05.810(a).

Under AS 38.05.810(a), a less than appraised value of state land may be made to a “state or federal agency or political subdivision.” By statute 44.88.020, AIDEA is “a public corporation of the state and a body corporate and politic constituting a political subdivision within the Department of Commerce, Community, and Economic Development.” AS 44.88.020. By the expressed language in AS 44.88.020, AIDEA is a political subdivision of the state and thus eligible for a less than appraised value disposal under AS 38.05.810.

B. DNR finds that the proposed disposal of state land to AIDEA is in the public interest and serves a public purpose.

The legislature created AIDEA as a state public corporation to use specific financing tools to establish and expand “industrial, manufacturing, energy, export, small business, and business enterprises in the state.”¹³ The legislature determined that AIDEA’s investments and development projects would serve the public interest and be for a public purpose. AS 44.88.010(a)(10) (“The legislature finds, determines, and declares that it is in the public interest to promote the prosperity and general welfare of all citizens of the state.”); AS 44.88.010(c) (“It is further declared to be the policy of the state, in the interests of promoting the health, security, and general welfare of all the people of the state, and a public purpose of the state.”); and AS 44.88.070 (“The purpose of the authority is to promote, develop, and advance the general prosperity and economic welfare of the people of the state”) all clearly demonstrate the intent of the legislature to align AIDEA’s purpose with the public purpose. This makes AIDEA’s land conveyance application unique. AIDEA is not just a political subdivision of the State, but a political subdivision expressly tasked with undertaking development projects that serve the public interest and are for a public purpose.¹⁴ This means that AIDEA’s proposed development on this land is the type of development that the legislature has determined serves the public interest and is for a public purpose.

AS 44.88.010’s “public interest” and “public purpose” language dovetails with the language in AS 38.05.810 authorizing the DNR Commissioner to convey state land to a political subdivision like AIDEA for less than fair market value for projects that are in the “public interest” and serve a “public purpose.”

While AS 44.88.010’s language is instructive and supports this conveyance, DNR has reviewed AIDEA’s development plan and confirms the disposal of this specific state land to AIDEA is both in the public interest and for a public purpose.

In its development plan, AIDEA proposes a phased plan for project development in detail, and presents a public interest rationale by showing a logical bridge between this specific project and its broad intended

¹³ AS 44.88.010(a)(4).

¹⁴ 11 AAC 98.010 Public Purpose, as amended.

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234934

Page 15 of 29

economic effect in Alaska and in global markets.¹⁵ The development plan submitted by AIDEA describes complementary infrastructure types (see **Section VII. Background**) intended to support a range of activities that will provide broad economic benefits to the public through the improvement of rail-supported import and export capabilities at Port MacKenzie. The subject parcels would expand the area available for train staging, cargo buffering, maintenance, and related operations outside the immediate terminal, thereby preserving flexibility for future port and rail users. The conveyance and subsequent development therefore support a public purpose by providing land for rail and cargo-support facilities associated with Port MacKenzie.

The location of these lands make them a good match for AIDEA’s development plan and thus the broader policy of generating economic development within the State.¹⁶ These parcels are located directly adjacent to the projected route of the PMRE, which if completed, would provide a rail link between the existing railroad system and the Port Mackenzie Industrial District.

Further, the proposed rail system is anticipated to be the primary mode by which minerals and other exports are transported from mineral development sites (*e.g.*, mines, smelters) to Port MacKenzie for export to the global market.

Lastly, the PMRE and supporting infrastructure planned for the subject parcels will catalyze mineral exploration and resource development projects throughout the rail-belt of Alaska by facilitating the import and distribution of bulk commodities, critical supplies, materials, and other freight that would otherwise be limited by lack of rail access. In these ways, the proposed uses of the subject parcels would serve the public purpose locally at the Port MacKenzie Industrial District, and broadly through the general advancement of industry and commerce in the State of Alaska.¹⁷

DNR finds that a no-cost conveyance to AIDEA of the land described herein is appropriate because it is for a public purpose and is in the public interest, as the conveyance to AIDEA – a public corporation statutorily tasked with public interest and public purpose development projects -- supports the long-term industrial and economic viability within the State.

C. There will be cumulative impacts associated with conveying this parcel to AIDEA, but DNR finds those impacts can be mitigated.

In *Sullivan v. REDOIL*, the Alaska Supreme Court held “that consideration of cumulative impacts is constitutionally required [by DNR] throughout all phases of a project.”¹⁸ A *REDOIL* review of a project’s cumulative impacts must be completed for all DNR disposals.¹⁹ To comply with the Alaska Supreme Court’s direction in *REDOIL*, DNR must conduct a “whole-project analysis” that “takes into account all

¹⁵ AS 38.04.010(a) (“... the director shall seek to guide year-round settlement to areas where public services already exist, or can be extended with reasonable economy, or where development of a viable economic base is probable.”).

¹⁶ *Id.*

¹⁷ AS 38.04.005 - .010.

¹⁸ *REDOIL*, 311 P.3d 625, 634 (Alaska 2013).

¹⁹ *ONC v. Boyle*, 579 P.3d 434, 439-440 (Alaska 2025)(quoting Alaska Const. art. VIII, §§ 1–2).

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234934

Page 16 of 29

aspects of a project, considered as a whole *and its existing development context*.”²⁰ DNR’s REDOIL review does not need to include addressing future, speculative impacts.²¹

The conveyance of approximately 885 acres of land out of state ownership for the purpose of establishing a rail-support and cargo-logistics area is likely to result in impacts. The cumulative impacts that may result from conveyance of the subject parcel can reasonably be expected to include:

- **Loss of hay production and removal of the land from the agricultural land base.**
 - o Prior to the conveyance of the subject parcels from the MSB to the State, the MSB issued real property land use permits authorizing the production of hay and the restoration of previously cultivated areas. While under State ownership, DNR issued a Land Use Permit (LAS 36185) authorizing the harvest of hay on both parcels. Inconsistent periods of cultivation over multiple decades have led to significant encroachment from saplings, woody shrubs, and weeds. This encroachment has resulted in significant reductions in the total area available for hay harvest, currently estimated to be less than 500 acres. The conveyance of the subject parcels would likely result in the eventual loss of hay production on these lands, and in this way could also result in indirect impacts to Alaska’s agricultural land base.
- **Potential impacts to subsurface water resources from water systems.**
 - o The potential development of water wells, septic and wastewater systems could have impacts to subsurface water resources. Future water and wastewater systems will be selected based on occupancy, operational demand, site conditions, and regulatory requirements. Impacts to water resources will largely be dependent on the locations and capacities of water systems, which will be detailed on an engineered site plan.
- **Other impacts to water resources.**
 - o The intended use of the subject parcels as a rail support and cargo logistics area denotes the type industrial activity that requires careful management of hazardous materials and waste to prevent contamination of water resources. If fuel, lubricants, solvents, batteries, or other regulated materials are stored on the subject parcels, they will be placed in designated operating areas and managed in appropriate containers or tanks with secondary containment, access control inspection, and spill-response provisions. Post-conveyance management of hazardous materials and waste will be subject to the regulatory authority of the Alaska Department of Environmental Conservation and all applicable federal, state, and local laws.
- **Impacts to wildlife.**

²⁰ REDOIL, 311 P.3d at 636 (quoting *Greenpeace, Inc. v. State Office of Management and Budget*, 79 P.3d 591, 893–94 (Alaska 2003)) (emphasis added)).

²¹ *Id.*

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234934

Page 17 of 29

- The loss of agricultural lands and subsequent development on the subject parcels may also represent a loss of habitat for some wildlife species. Birds and small mammals are the wildlife species usually associated with the matrix of developed and natural habitats often found on agricultural land, and are therefore the species most likely to be impacted by the proposed conveyance. The relatively small scale of the proposed conveyance, in addition to the expected preservation of surrounding agricultural lands, reduces the expected impacts to wildlife resources.

Additional impacts resulting from the proposed conveyance are dependent on the specific nature of phased development that occurs in the future and are therefore impossible to assess with reasonable accuracy prior to development of a final concept design, engineering, and permitting. During the agency review period DNR will consult with subject matter experts at other state agencies for information and comments intended to inform DNR's decision-making process. Through careful planning and coordination with state agencies, potential impacts can be minimized or mitigated to offset any detrimental impacts that may occur. AIDEA will be subject to all applicable State and MSB permitting requirements.

The proposed conveyance will not close or vacate any legal easements or RS 2477 trails. Full or partial vacation of section-line easements, RS 2477s rights-of-way, easements "to and along public water" under AS 38.05.127, and any other easements reserved and managed by DNR will require a separate public process undertaken by both DNR's Easement Vacation Unit and the Matanuska-Susitna's Platting Division.

D. The State acquired the land by General Grant conveyance which does not affect DNR's decision to convey the land to AIDEA.

Upon statehood, Alaska was granted a land entitlement of 105,000,000 acres of federal land under three types of grants: Community (400,000 acres), National Forest Community (400,000 acres), and General (102,550,000 acres). The 102,550,000 acres of General Grant lands were to be selected from the vacant, unappropriated, and unreserved public lands in Alaska for the purpose of furthering the economic development of the State. This general purpose supports a broad latitude of uses, as provided in AS 38.04 and AS 38.05. This includes managing the lands for their "maximum use," which includes conveying lands for development purposes.

E. DNR will include an AS 38.05.810(g) reverter that mirrors the deed restriction MSB included when it conveyed these lands back to the State.

AS 38.05.810(g) requires the commissioner to "retain a reversionary interest on each sale or other disposal" granted under AS 38.05.810(a). That reversionary interest can be waived. However, DNR chooses to include a reverter in this AS 38.05.810(a) conveyance of AIDEA.

When MSB conveyed these lands to the State, it included several conditions that collectively establish that if the lands are not used by AIDEA for the proposed development purposes within five years, the lands will be reconveyed by the State back to MSB. DNR has included an AS 38.05.810(g) containing the same terms and conditions as MSB included in its quit claim deed to the State. In doing so, if AIDEA fails

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234934

Page 18 of 29

to use the lands within five years of conveyance as outlined herein, DNR will re-acquire the lands from AIDEA pursuant to the AS 38.05.810(g) reversionary interest. Once DNR has re-acquired the lands from AIDEA, DNR can then convey the lands back to MSB.

Including this reverter is in the best interest of the state because it reaffirms the conditions MSB included in the quit claim deed conveying this land to the State. A reverter mirroring MSB's conditions and reverter requires AIDEA to develop the lands consistent with its development plan. If AIDEA does not develop these lands as they intend within the next five years, then the lands return to DNR and ultimately to MSB; with MSB then managing the lands consistent with its land management authorities.

F. To conclude, DNR finds that disposal of the identified state lands to AIDEA for no cost is in the best interests of the state.

DNR has determined that conveying the parcel for no cost is in the best interest of the public.

The legislature created AIDEA as a state public corporation to invest and develop projects that serve a public purpose and are in the public interest. AIDEA would be satisfying its statutory goals – as well as the goals stated in AS 38.05.810 – with these lands. The conveyance will enable AIDEA to support the long-term growth of Alaska's economy by providing the land base necessary to complete the PMRE and establish a rail-support and cargo-logistics area that would support scalable import and export operations at Port MacKenzie.

AIDEA's proposed use of this land serves a public purpose and is in the public interest. As AIDEA explains, "the conveyance would support a public infrastructure purpose by providing land for rail and cargo-support facilities associated with Port MacKenzie. The plan is intentionally multi-use within the rail-support and logistics purpose so that AIDEA can respond to actual infrastructure demand without limiting the property to a single commodity or private user."²² Such development is consistent with AIDEA's statutory purposes and is in the public interest and serves a public purpose.

A no-cost conveyance to AIDEA reduces upfront land and capital costs to accelerate public-purpose development while still providing direct remuneration to the State for services rendered (*e.g.*, administrative costs) during the conveyance of the subject parcel. Conveyance at no cost also improves the rate of return on the project and de-risks private investment because the project thereby carries less cash risk for the same asset base and can be structured for repayment of the State's contribution through lease revenues, profit distributions to AIDEA's stake, and through the AIDEA dividend. This all supports AIDEA's statutory mission by providing the necessary property rights needed to secure investment funding, to construct site improvements, and to develop commercial, light industrial, and energy sector businesses.

Lastly, DNR will include an AS 38.05.810(g) reverter in this conveyance. If AIDEA fails to develop these lands within five years as intended, then ownership of the parcels will revert back to DNR and then back to the MSB to be managed under MSB authorities. This reverter is consistent with the reversionary interest that MSB included when it conveyed this land to the State. This revisionary interest also ensures that these parcels will be used for economic development, if not by AIDEA, then by MSB at its discretion.

²² Development Plan, p. 7.

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234934

Page 19 of 29

XVII. DMLW and Agency Review

Conveyance application documents were distributed within DMLW for review from August 17, 2026 to August 28, 2026. Information and comments during this internal review were received from multiple sections and were considered and included in the preparation of this PD. Agency review will be conducted concurrently with the public comment period. The intent of the agency review will be to request comments from agencies that may be affected by a conveyance decision. Agencies will be given the opportunity to evaluate and comment on AIDEA's land request to determine if the State should retain all or a portion of the subject lands, and if so, provide supporting reasons for the requested action. Additionally, agencies are requested to offer strategies for mitigation of cumulative impacts, and to identify any stipulations that may be appropriate if the land is to be conveyed out of state ownership.

XVIII. Submittal of Public Comments

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

Pursuant to AS 38.05.945 Notice, DNR is issuing public notice inviting comment on this PD, draft mineral order, draft land classification order, and draft area plan amendment.

DNR will consider all timely, written comments received. If analysis of such comments indicates the need for significant changes to the PD, draft mineral order, draft Land Classification Order, or area plan amendment, additional public notice for the affected lands will be given. Reducing the amount of land offered and 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, land classification order, and area plan amendment, including any deletions, minor changes, and summary of comments and DNR responses will be issued as a subsequent FFD without further notice. The related actions 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 DNR receives timely, written comment during the identified comment period will be eligible to file a request for reconsideration of the FFD, SSAP Amendment SC-08-001A05, and Land Classification Order CL SC-08-001A05. Upon approval and issuance of a FFD and these actions, a copy of the PD, orders, and amendment 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 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 PM, WEDNESDAY, OCTOBER 21, 2026.

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234934

Page 20 of 29

XIX. Recommendation and Preliminary Decision

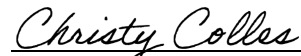
This PD for the proposed disposal of State lands described herein is consistent with the overall management intent for State-owned lands and the public interest.

Conveyance of this land to AIDEA provides the maximum and best use of the land and thus is in the best interest of the State. The AS 38.05.810(a) conveyance of land to AIDEA for less than fair market value will strengthen Alaska's economy, create jobs for local communities, and diversify the State's economic base while safeguarding public trust interests and environmental standards through applicable planning, classification, and access protections.

This is a Preliminary Decision; analysis of public comments may result in changes. An FFD will address significant issues or concerns raised during public review. If the applicant cannot complete required stipulations, DMLW may close the purchase application.

Finding: The recommended action may be in the best interest of the State. It is hereby approved to proceed to public notice.

APPROVED BY:



Christy Colles, Director
Division of Mining, Land and Water
Department of Natural Resources
State of Alaska

9/16/2026

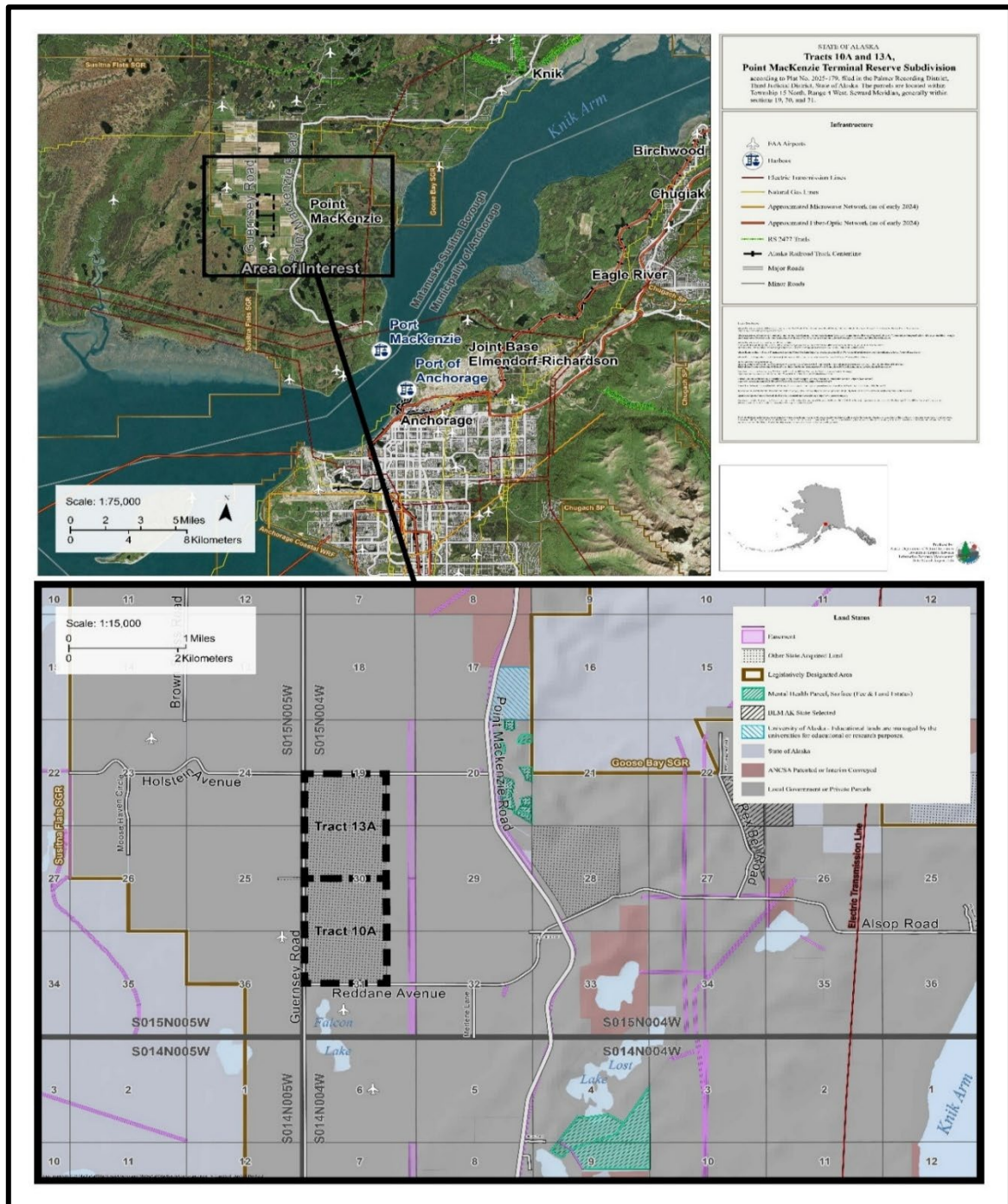
Date of Signature

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234934

Page 21 of 29

Attachment A Vicinity Map



**Attachment B
Public Notice**

PUBLIC NOTICE

Requesting Input for ADL 234934: Proposed Noncompetitive Sale to Public and Charitable Use Applicant.

Comment Period Ends 5:00PM, WEDNESDAY, OCTOBER 21, 2026

The State of Alaska (State), Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW) proposes to convey approximately 885 acres (subject parcel) of State-owned land in the Matanuska-Susitna Borough to the Alaska Industrial Development and Export Authority (AIDEA) through a noncompetitive public and charitable use conveyance.

Location: The subject parcel is located within DNR's Southcentral Region, approximately 27 miles southwest of Wasilla in the Matanuska-Susitna Borough, within Sections 19, 30, and 31, Township 15 North, Range 4 West, Seward Meridian. See the attached vicinity map for details.

A copy of the Preliminary Decision containing the Amendment to the Southeast Susitna Area Plan and Land Classification Order is included with this publication in the attachments section below. For assistance in obtaining the documents by an alternative method, to request auxiliary aids, services, or special accommodations, contact DNR's Public Information Centers on State work days, Monday through Friday, between 8:00AM and 4:30PM in Anchorage at 907-269-8400, Fairbanks at 907-451-2705, or the Southeast Land Office in Juneau at 907-465-3400 (TTY for the hearing impaired for all locations: 711 for Alaska relay or 800-770-8973), or go to <https://dnr.alaska.gov/commis/pic/> for additional contact information. Individuals who require special assistance must request assistance from the Public Information Center in Anchorage no later than 5:00 PM, WEDNESDAY, OCTOBER 21, 2026.

Pursuant to AS 38.05.945 Notice, the public is invited to submit comment on the Preliminary Decision, Draft Area Plan Amendment and Draft Land Classification Order for which notice is being conducted concurrently. If commenting on more than one proposed action, separate comments should be submitted for each. **The deadline for public comment is 5:00 PM, WEDNESDAY, OCTOBER 21, 2026.**

Only persons from whom DNR DMLW Program Support receives timely, written comment during the identified comment period will be eligible to file an appeal of the Final Finding and Decision or related actions. Written comment may be received by email, fax, or postal mail.

You may comment on the Preliminary Decision by submitting written comments to the online public comment portal at: <https://dnr.alaska.gov/mlw/comment/subscribe/?topic=pmre-conveyance> or by electronic mail at PMRE.conveyance@alaska.gov. Comments can also be submitted by facsimile at 907-269-8904, or by mail at 550 W. 7th Ave. Ste. 1050, Anchorage, AK, 99501. If you have questions, call Daniel Jenkins at 907-269-8609.

If no significant change is required, the Preliminary Decision and related actions including any minor changes and a summary of comments and responses, will be issued as the Final Finding and Decision, Area Plan Amendment SC-08-001A05 and Land Classification Order NO. CL SC-08-001A05 without

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234934

Page 23 of 29

further notice. A copy of the Final Finding and Decision and the related actions will be sent to any persons who commented timely on the Preliminary Decision.

DNR reserves the right to waive technical defects in this notice.

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234934

Page 24 of 29

Attachment C

Southeast Susitna Area Plan Amendment

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF MINING, LAND AND WATER

DRAFT SOUTHEAST SUSITNA AREA PLAN AMENDMENT

SC-08-001A05

Management Unit M-09: Knik - Pt. MacKenzie Region

related to the

Proposed AIDEA Noncompetitive Public and Charitable Use Sale – ADL 234934

The Commissioner of the State of Alaska, Department of Natural Resources (DNR) finds that the following amendment to the Southeast Susitna Area Plan, described more fully in the Attachment, meets the requirements of *AS 38.04.065 Land Use Planning and Classification* and *11 AAC 55.010-030 Land Planning and Classification* for land use plans and hereby adopts the amendment. The Department of Natural Resources will manage state lands within the area of the revision consistent with this designation and management intent.

- **Designation:** The amendment will create unit M-09, a new management unit encompassing only the subject parcels identified in the AIDEA Noncompetitive Public and Charitable Use Sale serialized as ADL 234934. The designation of unit M-09 will be Settlement – Commercial.
- **Designation Definition:** This amendment will also create the designation of Settlement – Commercial defined as “Areas that have generally been identified as suitable for sale for commercial or industrial purposes. Areas designated Settlement – Commercial should be closed to mineral entry prior to sale. This designation converts to a classification of Settlement Land,” applied to pg. 3 – 4 of the Southeast Susitna Area Plan.
- **Classification:** Unit M-09 will be classified Settlement Land.
- **Management Intent:** The management intent for unit M-09 will be “Public and Charitable land disposals under AS 38.05.810 are appropriate during the planning period. See Chapter 2 requirements for management guidelines related to Settlement.”

John Crowther, Commissioner
Department of Natural Resources

Date

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234934

Page 25 of 29

ATTACHMENT
to the
DRAFT SOUTHEAST SUSITNA AREA PLAN AMENDMENT
SC-08-001A05

Knik - Pt. MacKenzie Region, Unit M-09

related to the
Proposed AIDEA Noncompetitive Public and Charitable Use Sale – ADL 234934

Location and Legal Description of new unit M-09: Located within DNR's Southcentral Region, approximately 27 miles southwest of Wasilla in the Matanuska-Susitna Borough, within Sections 19, 30, and 31, Township 15 North, Range 4 West, Seward Meridian, more specifically described as:

Tract 10A and 13A, Point MacKenzie Terminal Reserve Subdivision, according to Plat No. 2025-179, recorded in the Palmer Recording District, Third Judicial District, State of Alaska, aggregating 885.16 acres, more or less.

Authority: The authority to revise plans derives from AS 38.04.065(a) and AS 38.04.065(b) *Land Use Planning and Classification*; and 11 AAC 55. 030(f) *Land Use Plan*, defines when a revision constitutes a plan amendment.

Current Plan: The subject parcels are located within the Southeast Susitna Area Plan (SSAP, adopted April 2008), Knik - Pt. MacKenzie Region. On Map 8 of SSAP, the subject parcels are displayed as Mental Health Trust Land, with the caveat they the land may have been sold into private ownership. At the time of plan creation, the subject parcels were not identified as state land on the plan maps, and therefore were not designated or classified.

- Proposed Plan Amendment: DNR proposes to amend the SSAP to create new unit M-09. The new unit will be created by encompassing only the subject parcels identified in the AIDEA Noncompetitive Public and Charitable Use Sale serialized as ADL 234934, described in detail above. Unit M-09 will be designated Settlement - Commercial and classified Settlement Land. The management intent for unit M-09 will be "Public and Charitable land disposals under AS 38.05.810 are appropriate during the planning period. See Chapter 2 requirements for management guidelines related to Settlement."

Explanation: The Southeast Susitna Area Plan (SSAP) was adopted in April 2008. Under the SSAP, land designated and classified as Settlement Land are determined by factors including, but not limited to, road access, topography, suitability for development, and minimal conflicts with recreation, scenic values, important fish and wildlife resources, or resource development. Compatibility with adjacent land uses and designations are also considered. This amendment proposes to designate the subject lands as Settlement – Commercial. This designation is used for lands that have been identified as suitable for sale for commercial or industrial purposes, which aligns with the purpose of the conveyance to AIDEA and the SSAP plan goal to sell, lease or protect suitable land for future use for commercial and industrial uses.

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234934

Page 26 of 29

A goal of the SSAP for Settlement when planning a land disposal is to site and plan the project area in a way that minimizes the infrastructure costs and other services. Land disposals should be focused on areas of existing settlement; areas along the road system or areas where service requirements may be provided by local government or community organizations. Due to the adjacent area of existing settlement and access to the road system, the subject parcels could be developed with minimal infrastructure cost.

The State of Alaska has received an application from AIDEA for the purchase of state-owned land through a noncompetitive public and charitable use sale under Alaska Statute (AS) 38.05.810(a). The area proposed for conveyance is to facilitate rail pull-outs, staging tracks, temporary storage, rail-side maintenance and servicing facilities, and associated facilities to support Port MacKenzie operations and will serve the public by allowing the diversification of Alaska's cargo transportation capability.

This area is considered suitable for disposal due to favorable upland geography, proximity to Port MacKenzie, and potential rail connectivity. This plan amendment will classify and create management intent for the subject unit to facilitate disposal of land within the project area in line with the overall management goals of the SSAP by providing suitable public land for sale, including industrial and commercial development. Amending the plan to allow land disposal of the subject parcels would allow suitable state land to be conveyed to AIDEA for the purposes of providing land for development projects.

Requirements of AS 38.04.065(b): The factors identified in this section of statute have been considered, and the proposed action is consistent with that portion of the statute.

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234934

Page 27 of 29

**Attachment D
Land Classification Order**

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

LAND CLASSIFICATION ORDER
NO. CL SC-08-001A05

Proposed AIDEA Noncompetitive Public and Charitable Use Sale – ADL 234934

- I. Name: AIDEA Public and Charitable Use Sale – ADL 234934.
- II. The classification in Part III is based on written justification contained within the following:
- Southeast Susitna Area Plan, adopted April 2008.
 - Amendment to the Southeast Susitna Area Plan No. SC-08-001A05.
 - Preliminary Decision for the Proposed AIDEA Public and Charitable Use Sale – ADL 234934, September 16, 2026; and subsequent Final Finding and Decision for same.

III.	ADL 234934		Acquisition	Existing	Classification
	Property Description	Acreage	Authority	Classification	by this Action
	Tract 10A and 13A, Point MacKenzie Terminal Reserve Subdivision, according to Plat No. 2025-179, recorded in the Palmer Recording District, Third Judicial District, State of Alaska	~885	Quitclaim Deed No. 2026-014281-0	None.	Settlement Land.

This order replaces and supersedes all existing land classification orders within the boundaries of this Area Plan Amendment.

- IV. This order is issued under the authority granted by AS 38.04.065 and AS 38.05.300 to the Commissioner of the Department of Natural Resources. The above-described lands are hereby designated and classified as indicated. Nothing shall prevent the reclassification of these lands if warranted in the public interest.

Classified:

John Crowther, Commissioner
Department of Natural Resources

Date

Attachment E

Draft Affidavit Acknowledging Condition of Lands and Releasing the State from Related Liability

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER

AFFIDAVIT ACKNOWLEDGING CONDITION OF LANDS AND RELEASING THE STATE FROM RELATED LIABILITY

ADL 234934

We, Alaska Industrial Development and Export Authority (AIDEA), whose address is 813 W. Northern Lights Boulevard, Anchorage, AK 99503 being first duly sworn under oath, state and declare as follows:

1) We are the fee simple purchaser of state-owned lands that we have heretofore had an agreement with the State of Alaska, Department of Natural Resources (DNR) to purchase for the development of a multi-use industrial and energy development district. The legal description of the land we are acquiring (hereinafter “the acquired property”) is as follows:

Tract 10A and 13A, Point MacKenzie Terminal Reserve Subdivision, according to Plat No. 2025-179, recorded in the Palmer Recording District, Third Judicial District, State of Alaska, aggregating 885.16 acres, more or less.

2) As the fee purchaser of the acquired property, we are aware of the history and condition of the site, including reports of unauthorized dumping and other trespass on the property.

3) We accept full responsibility for any claim, cause of action, liability, required remedial action, or required or response action arising in connection with any contamination. In the event of any such claim or action we agree to hold the State of Alaska and DNR harmless. Further, we release DNR from any liability arising in connection with any contamination.

4) We affirm that in the event of any future sale, assignment, or other transfer of our ownership interest in the acquired property to another person or entity, we will disclose any potential contamination.

//

//

//

//

Preliminary Decision

AS 38.05.810(a) Public and Charitable Use – ADL 234934

Page 29 of 29

Sworn and Affirmed this ____ day of _____, 2026, in _____, Alaska.

Printed name

Date

Signature of signing authority for Alaska Industrial Development and Export Authority

STATE OF ALASKA)
) ss.
____ Judicial District)

THIS IS TO CERTIFY that on the _____ day of _____, 2026, before me personally appeared _____ known to me to be the person executing this affidavit and acknowledged voluntarily signing the same.

Notary Public in and for the State of Alaska
My Commission Expires: _____

STATE BUSINESS - NO CHARGE

RETURN TO:
Program Support
DNR Division of Mining, Land and Water
550 W, 7th Ave. Suite 1050
Anchorage, AK 99501