

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

Northern Regional Land Office

Lease Renewal Decision

ADL 39877

Gabriele and William Larry

Competitive Odd Lot Lease Renewal

Decision to Renew Lease

Gabriele and William Larry have submitted an application to exercise their right to a renewal pursuant to then current AS 38.05.100 and their application. They have requested a lease renewal for a term of 25 years, excluding the area encumbered by the College Road Right-Of-Way Parcel 52. Their current lease expires at midnight on Nov 16, 2026; their lease will be renewed for a term of 25 years to expire at midnight on November 16, 2051.

Scope of Decision

The scope of this decision is to determine if Gabriele and William Larry qualify for renewal of their lease, ADL 39877.

Authority

ADL 39877 was originally issued in 1971 under prior leasing statutes. Both the contract as well as the then current AS 38.05.100 granted the applicant the right to renew the lease: provided they were in compliance with the terms and conditions of the lease and submitted a timely application.

Administrative Record

The administrative record for the proposed action consists of the Constitution of the State of Alaska, the Alaska Land Act as amended, applicable statutes and regulations reference herein, the 2015 Eastern Tanana Area Plan, and the casefile serialized by the Department of Natural Resources (DNR) as ADL 39877.

Location and Legal Description

Location: This parcel is located at 1817 College Road, across from the Tanana Valley Fairgrounds in Fairbanks, AK.

Legal Description: Tract B of Boundary and Lease Lot Survey in Section 33 according to the plat filed in the Fairbanks Recording Office on December 4, 1963, Serial No. 63-8457, excluding Parcel 52, Department of Highways Project S-0644(4), located in Township 1 North, Range 1 West, Fairbanks Meridian, containing approximately 0.688 acres more or less, and subject to Parcel E-52, an access easement, Department of Highways Project No. S-0644(4), and ADL 408901, public access easement Department of Transportation Project No STP-0640(007)/62164. Subject to valid existing easements.

Borough/Municipality: Located within the Fairbanks North Star Borough. No Borough lands are impacted.

Regional/Village Corporation: The Regional Corporation is Doyon Limited. No Regional Corporation lands are impacted.

Title

The State of Alaska holds fee title to the land and mineral estates for the Title Report Project Area, as described above, under Statutory Quitclaim Deed, dated 12/2/1983, accepted 1/21/1983 which was acquired through State Selection OSL 790. The land is subject to rights-of-way excepted and reserved to the United States for ditches and canals constructed under the authority of the United States, and for the construction of railroads, and telegraph and telephone lines.

Third Party Interests

This parcel is encumbered by two easements to the Department of Transportation (DOT):

- Parcel E-52, an access easement, Department of Highways Project No. S-0644(4); and
- ADL 408901, public access easement Department of Transportation Project No STP-0640(007)/62164

Background

In August of 2025, a Preference Right application was submitted to purchase the parcel. Adjudication of this request remains ongoing.

Planning and Classification

The subject parcel is within the Eastern Tanana Area Plan (ETAP). Pursuant to the Determination of Plan Designation and Land Classification for State Lands not Addressed in the Eastern Tanana Area Plan signed on Oct 22, 2026, Determination NC-10-004D38, this land is both designated and classified as Settlement, and is part of Unit F-42.

Management intent for Unit F-42 states that this unit is appropriate for disposal and consists primarily of irregularly shaped remnant parcels. Issuance of a lease is consistent with the ETAP management intent for this parcel.

Traditional Use Finding

The proposed site is located within the Fairbanks North Star Borough. Pursuant to AS 38.05.830 a traditional use finding is not required.

Access

Legal access to the site is via the DOT Right of Way for College Road.

Access Along Navigable and Public Waters

The site is located adjacent to Noyes Slough. The Public Access Assertion and Defense section has determined the Noyes Slough to be navigable and public under AS 38.05.127. While access along navigable and/or public waterbodies is typically reserved when issuing a lease, in this case reservation of an easement would serve no meaningful public purpose and would significantly impact use of the upland parcel. The public has access to Noyes Slough at other nearby locations, including from within the College Road ROW directly adjacent to this parcel. The imposition of a 50' to and along easement would require the applicant to remove significant infrastructure installed

under their prior lease; the prior lease did not impose an easement along the waterbody. Additionally, it would encumber a significant portion of this 0.688 acre lease parcel.

Public Trust Doctrine

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

Reservation of Mineral Estate

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

Mineral Orders

The land under this lease is not closed to mineral entry. However, this lease is not located in a mineralized area and there is little potential for conflict between surface and subsurface uses.

Hazardous Materials and Potential Contaminants

Hazardous materials, specifically batteries and diesel fuel, will be stored within the proposed leasehold. Stipulations are included in the lease to ensure proper handling and storage. The use and storage of all hazardous substances must be done in accordance with existing federal, state, and local laws. Debris (such as soil) contaminated with used motor oil, solvents, or other chemicals may be classified as a hazardous substance, and must be removed from the leasehold and disposed of in accordance with state and federal law.

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

Performance Guaranty

Performance guaranties provide a means to pay for corrective action if the lessee fails to comply with the lease requirements. In accordance with AS 38.05.035(a)(4), the applicant will be required to submit a performance guaranty. However, the applicant has submitted a land sale application and intends to purchase the property. The performance guarantee required will be waived until one of the following conditions is met:

- A land sale is authorized, but 5 years have elapsed after the effective date of the land sale decision and no substantive progress has been made towards purchase of the property; or
- A land sale is denied; or
- The land sale application is withdrawn.

Once required, the amount of the performance guaranty is based on the scope and the nature of the activity and the potential cost of restoring the site. Performance guaranties are subject to periodic adjustments being made during the term of the authorization to address increases or decreases in the costs of rectifying problems and rehabilitating state land due to inflation, changes in the level or nature of development, or other appropriate factors.

The Lessee must post a performance guaranty in the amount of \$30,000 to secure faithful performance with all terms and condition of the lease and to ensure site restoration of the leasehold. The performance guarantee must remain in effect for the duration of the lease term or until released in writing by the AO. Alternatively, the applicant can obtain a third party quote for removal of all infrastructure, remediation of any contamination, and stabilizing the site. This quote may be used to establish the required performance guaranty amount.

Failure by the Lessee to provide replacement security, upon notice of non-renewal of an existing form of security, shall be grounds for the AO to make a claim upon the existing security to protect the Lessor's interests.

The guaranty amount will be subject to periodic adjustments and may be adjusted upon approval of any amendments to the lease, assignments, re-appraisals, changes in the development plan, approval of a reclamation plan, any change in the activities conducted or performance of operations conducted on the leased premises and as a result of any violations to the lease agreement.

The guaranty may be utilized by the AO to cover actual costs incurred by the State of Alaska to pay for any necessary corrective actions in the event the Lessee does not comply with the site utilization, restoration requirements and/or other stipulations contained in the lease agreement. If the Lessee fails to perform the obligations under the lease agreement within a reasonable timeframe, the AO may perform the Lessee's obligations at the Lessee's expense. The Lessee agrees to pay within 20 days following demand, all costs and expenses reasonable incurred by the State of Alaska as a result of the failure of the Lessee to comply with the terms and conditions of the lease agreement. The provisions of these authorizations shall not prejudice the State's right to obtain a remedy under any law or regulation.

The performance guaranty will be released upon expiration of the lease provided that all terms and conditions of the lease have been met, including complete removal and restoration of the leased area leaving the site in a safe and clean condition.

Insurance

To protect the State from liability associated with the use of the site, the applicant shall provide and maintain a comprehensive general liability insurance policy with the State of Alaska named as an additional insured party per the stipulations of the authorization. The applicant shall secure or purchase at its own expense and maintain in force at all times during the term of this lease, liability coverage and limits consistent with what is professionally recommended as adequate to protect the applicant and the State, its officers, agents and employees from the liability exposures of ALL the insured's operations on state land. The insurance requirement may be adjusted periodically.

Survey

Coordination with the Survey Section indicates that additional survey is not required for renewal of this lease.

Appraisal

Rental increases for the 1971-2026 lease term were limited to every 10 years and capped at 50% of the previous rental rate. The most recent adjustment in 2023 was made without requiring an appraisal.

In accordance with AS 38.05.840, State-owned land may only be leased if it has been appraised within two years before lease issuance. The applicant will be required to provide an appraisal of the proposed leasehold before the lease will be issued. Once the appraisal has been approved by DMLW, the annual lease fee will be set at the fair market value of the leasehold. Furthermore, in accordance with AS 38.05.105, the annual rental will be subject to reappraisal at five-year intervals after the issuance of the proposed authorization.

Entry Authorization (EA)

Pursuant to AS 38.05.840, an appraisal is required prior to the issuance of a final lease. DMLW will authorize issuance of an Entry Authorization (EA) to allow the continued use and occupation of the parcel while they obtain the required appraisal. The term of the EA will be for three years and may be issued after this decision goes into effect. The term of the Entry Authorization is included in the term of the lease.

Based on the current fee, the estimated fee is \$3958.74. Should the appraisal indicate that the EA annual fee is less than estimated, those overages will be credited to the applicant's account. Should the report indicate that the value of the land is greater than anticipated, the shortfall must be remedied before the lease is issued.

Agency Review

Because the scope of this decision is limited to whether the applicant meets the statutory requirements for renewal under AS 38.05.100 in 1971, Agency Review was not conducted.

Public Notice

The department will provide public notice of this decision on the Alaska Online Public Notice System for 30 days.

Lease Discussion

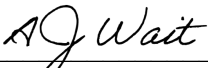
In 1971, a lease for this parcel was issued; this lease interest is currently held by Gabriele and William Larry, the applicants for this renewal. This lease contained a renewal clause which granted a right of renewal if certain conditions were met (Stipulation 22). This stipulation somewhat conflicts with the applicable version of AS 38.05.100 (Renewal of Lease) which granted a right to renew if certain conditions were met. The Larry's were informed they should comply with the Statutory requirements rather than the contractual requirements. The statutory conditions are as follows:

1. The lease has been maintained in accordance with applicable requirements and regulations.
 - a. A 2017 site inspection did not document any significant violations of the terms and conditions of the lease. It did flag a portion of the fence along Noyes Slough as being in disrepair; this portion of the fence was rebuilt in 2023. The lease is currently in financial good standing.
2. A written application was submitted at least 30 days prior to expiration
 - a. The original lease expires on November 16, 2026. The renewal application was submitted on October 12, 2026, more than 30 days prior to expiration.
3. The application is accompanied by a deposit of ½ of the annual fee, not to exceed \$50.
 - a. The current annual rental is 3958.74; thus the required deposit is \$50. This deposit was paid on October 12, 2026.

Decision

The casefile has been found to be complete and the requirements of all applicable statutes have been satisfied. The Larry's meet the statutory requirements and are thus entitled to renew their lease for the requested term of 25 years.

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



AJ Wait
Natural Resource Manager 2

10/30/2026

Date

Appeal

An eligible person affected by this decision may appeal the decision to the DNR Commissioner per AS 44.37.011 and 11 AAC 02. Any appeal must be received within twenty (20) calendar days after issuance of this decision under 11 AAC 02. An eligible person must first appeal a decision to the Commissioner before seeking relief in superior court. The Alaska Court System establishes its own rules for timely appealing final administrative orders and decision of the department.

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

Attachments

Attachment A – Location Map
Attachment B – Lease Agreement
Attachment C – Lease Additional Stipulations
Attachment D – Entry Authorization
Attachment E – Development Plan