

**STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY**



**SOUTHERN SOUTHEAST AREA FORESTRY
PRELIMINARY BEST INTEREST FINDING AND
DECISION FOR
VALLENAR BAY TIMBER SALE
SALE NUMBER, SSE-1345 K**

February, 2015

I. PROPOSED ACTION

The Division of Forestry (DOF) is proposing to offer for sale approximately 600 acres of young growth and old growth timber in the Vallenar Bay area as part of long term forest management of the State Forest. Vallenar Bay is located on Gravina Island near Ketchikan, Alaska. The volume to be offered totals approximately 12 million board feet (MMBF). The project proposes to establish access to the Vallenar Bay area from the existing road system on Gravina Island by constructing a forest road from the Lewis Reef area to the existing logging road on the southeast side of Vallenar Bay. Depending on market conditions, the DOF would sell the timber as one or several sales. The sale(s) will be sold under the authority of AS 38.05.120 (competitive sale) or under AS38.05.115, AS 38.05.118 or AS 38.05.123 (negotiated sales). The sales will be noticed as required by sale type authority and AS 38.05.945 prior to being sold.

The management objectives for the project are:

1. To follow the Alaska Department of Natural Resources' (DNR) constitutional mandate to encourage the development of the State's renewable resources, making them available for maximum use consistent with the public interest,
2. To help the State's economy by providing royalties to the State in the form of Stumpage receipts, an infusion to the State's economy through wages, purchases, jobs, and business,
3. To help the local economy of the communities within southern Southeast Alaska by creating additional jobs in Southeast Alaska due to the combination of road building, logging, trucking, and milling.

II. STATUTORY AND REGULATORY AUTHORITY

The Division is taking this action under the authority of

- AS 38.05.035(e) Best Interest Finding;
- AS 38.05.110-120 and 11 AAC 71, Timber Sale Statutes and Regulations; and
- AS 41.17.010-950 and 11 AAC 95 Forest Resources and Practices Statutes and Regulations.

III. ADMINISTRATIVE RECORD

The Division will maintain an administrative record regarding the decision of whether or not to proceed with the action as proposed. This record will be maintained at the DOF's Southern Southeast Area (SSE) Office filed as Sale # SSE-1345 K.

IV. SCOPE OF DECISION

This preliminary best interest finding (PBIF) is part two of a six-part process to design, sell, and administer timber sales. This PBIF covers the proposed access and potential sale of approximately 300 acres of mature young growth timber and 300 acres of mixed aged timber with old growth characteristics on State land within the 2,400 acre Vallenar Bay planning unit of the Southeast State Forest. The following list summarizes the overall process:

Part 1: Regional planning. The DNR develops area plans and state forest management plans to designate appropriate uses for State land, classify the land accordingly, and establish management guidelines for multiple use. These plans determine where timber sales are an allowed use, and what other uses must be considered when designing and implementing sales. Subsequent land use decisions must be consistent with the area plans. The area in this PBIF is covered by the Central/Southern Southeast Area Plan (CSSAP) as two separate units called the North Gravina and Vallenar Units and in the Draft Southeast State Forest Management Plan delineated as one unit called the Vallenar Unit. The proposed access route is within the Ketchikan Gateway Borough (KGB) and this finding considers the KGB Comprehensive Plan 2020 and area specific plans for Gravina Island (North Gravina Area Plan and the Central Gravina and the Airport Reserve Area Plan).

Part 2: Best Interest Finding. A best interest finding is the decision document that:

- Ensures that the best interest of the State will be served by this proposed action.
- Establishes the overall area within which the timber sale may occur,
- Determines the amount of timber that will be offered for sale and the duration of the sale,
- Sets the overall harvest and reforestation strategy for the sale area,
- Determines whether the sale proposal complies with the Constitutional requirement to manage for sustained yield by evaluating the amount of timber in the sale and the annual allowable cut for the affected area,
- Selects the appropriate method of sale (i.e., competitive or negotiated sale), and
- Determines the appraisal method that will be used to determine the sale price.

The Preliminary Best Interest Finding (PBIF) is intended to provide sufficient information for the public and agencies to make informed comments regarding this proposed action. The comment period is a minimum of 30 days.

After public and agency review of the PBIF, DOF will review comments, make changes as appropriate, and issue a final best interest finding (BIF). The DOF must adopt a final BIF before selling timber. A person affected by the final decision who provided timely written comment or public hearing testimony on the preliminary decision may appeal it, in accordance with 11 AAC 02.

Part 3: Five-year Schedule of Timber Sales (AS 38.05.113). The SSE Area prepares a Five-year Schedule of Timber Sales every other year. The Schedule identifies proposed sales, including their location, volume, and main access routes. The Five-year Schedule is a scoping document that provides an opportunity for public, agency, and industry to identify potential issues and areas of interest for further consideration in the Forest Land Use Plan. Proposed timber sales within the area covered by this PBIF must appear in at least one of the two Five-year Schedules preceding the sale. The activity associated with this timber sale was noticed in the Five-year Schedule of Timber Sales published in July of 2013. The CSSAP (Chapter 3) required noticing harvests in two FYSTS based on the applicable statute at the time. In 2003, the statute was changed to the current standard.

Part 4: Forest Land Use Plans (AS 38.05.112). Prior to authorizing harvest of timber on any area greater than 10 acres, the DOF must adopt a site-specific Forest Land Use Plan (FLUP) for the harvest area. DOF will prepare FLUPs for harvest areas within the overall sale area covered by this best interest finding. FLUPs specify the site, size, timing, and harvest methods for harvest units within the sale area. FLUPs also address site-specific requirements for access construction and maintenance, reforestation, and multiple use management. Draft FLUPs will be based on additional field work, agency and community consultation, and site-specific analyses by the DOF, and will be subject to public and agency review. The DOF estimates that it will notice the first of several FLUPs for the planning unit in the spring of 2015 covering the construction of the access roads to the area.

Part 5: Timber sales and contracts. Following adoption of the final best interest finding DOF will offer the timber for sale by auctioning competitive sales and/or negotiating some sales with purchasers. The Division will sign a contract with the winning bidder for each sale. The contract will include stipulations to ensure compliance with the best interest finding, FLUP, and statutory requirements.

Part 6: Sale administration. DOF administers timber sales and conducts field inspections to ensure compliance with the final best interest finding, FLUP, timber sale contract, and applicable laws, including the Alaska Forest Resources and Practices Act and regulations (AS 41.17 and 11 AAC 95), and forest management statutes and regulations in AS 38.05 and 11 AAC 71.

V. PROJECT LOCATION, LAND STATUS, AND DESCRIPTION

A. Location

The project area is on the north end of Gravina Island. Vallenar Bay is approximately five miles west of the Ketchikan International Airport and is viewable on USGS quadrangle Ketchikan B-6. The project area occupies State and Ketchikan Gateway Borough land in Sections 5, 6 and 8 of T75S, R90E; Sections 35 and 36 of T74S, R89 E; Sections 1, 2, 11, 12, 13, 14, 23 and 24 of T75S, R89E all within Copper River Meridian (CRM).

B. Title status

The State Forest Land in this project area was patented on January 9, 1992 (Patent 50-92-0143, AA-18033, NFCG) to the State as part of Section 6(A) of the Alaska Statehood Act of 1958. Within this parcel is a reserved Right of Way for the existing Forest Development Road (FDR) No. 8110 within Sections 11, 12, 13 and 24, T75S, R89E all in CRM having a width of 66 feet.

The KGB land associated with this project is in Lot 2-B-2 of Alaska State Land Survey 95-12, according to the survey plat recorded in the Ketchikan Recording District on April 22, 1998, as Plat 98-15, Township 74 and 75 South, Range 89 and 90 East, CRM. Lot 2-B-2 was conveyed to the Ketchikan Gateway Borough as a State Municipal entitlement in State Conveyance Number 19194. On December 2, 2014 the State of Alaska recorded a public access easement from the KGB on Lot 2-B-2 for a proposed forest road as part of this project.

C. Land use planning, classification, and management intent

The proposed area on State land is within the Draft Southeast State Forest Management Plan (SSFMP) and is specifically referred to as the Vallenar Unit. The Central/Southern Southeast Area Plan (2000), the Prince of Wales Island Area Plan (1985), and the Prince of Wales Island Area Plan Amendment (2008) are providing interim management guidance for the Southeast State Forest pending adoption of this forest management plan. The primary purpose for the legislatively designated Southeast State Forest is timber management (AS 41.17.200); provisions of area plans do not apply within legislatively designated areas such as state forests upon adoption of a forest management plan.

In the Central/Southern Southeast Area Plan (CSSAP) the areas have been described in two separate units called the North Gravina and Vallenar. Until the SSFMP is adopted by the DOF the land will

be managed under the management intent of the CSSAP. The management intent for each planning unit is as follows:

K-25 (the northern half of the project area). Classification: General Use

Parcel is to be managed for multiple uses, including habitat, dispersed recreation, and current and future forest values. Timber projects undertaken may include timber sales, pre-commercial forest thinning and pruning. "A coastal maintenance area shall be maintained along part of the coast that is not within the State subdivision. Timber harvest within the first 500 feet is considered inappropriate, although selective harvest may occur within the 500-1000 foot area. Proposed BIF/FLUP shall give consideration to the potential impacts on dispersed recreation, habitat, and wildlife movement corridors and use appropriate protection and/or mitigation techniques. A proposed timber sale shall also follow the area wide guidelines described in the area plan Chapter 2" (CSSAP).

K-33 (the southern half of the project area). Classification: General Use

"The parcel is to be managed for multiple uses, including habitat, dispersed recreation and current and future forest values. During the planning period, timber projects undertaken may include timber sales, pre-commercial and commercial forest thinning to improve forest productivity and habitat, and pruning to improve wood quality. A buffer of up to 500 feet adjacent to and on either side of Vallenar Creek shall be provided if the FLUP planning process determines that this width is important for wildlife movement, continued community harvest, or riparian habitat protection. A minimum width of 300' along each side of the creek shall be provided. A minimum no-harvest buffer of 100 feet shall be maintained on all anadromous streams; if determined necessary in the FLUP, this width may be increased to 300 feet. A proposed timber sale Forest Land Use Plan/Preliminary Decision/Final Finding shall give consideration to the potential impacts on dispersed recreation, habitat and wildlife movement corridors, anadromous streams and associated riverine wetlands, and use appropriate protection and/or mitigation techniques. The FLUP should also given consideration to the use of management practices that will minimize visual impacts (from subdivision areas and Vallenar Bay) and potential siltation into the estuarine wetlands at the mouth of Vallenar Creek. A proposed timber sale must follow the guidelines of Chapter 2 as well as other pertinent state laws and regulations. Land disposals are not recommended in this parcel. Vallenar Bay is very shallow, making water access difficult, and the tidelands fronting the potential settlement area contain valuable estuarine wetlands."(CSSAP)

The specific intent language in Alaska Forest Resource and Practices Act and Regulations (FRPA) for the State Forest System:

"AS 41.17.200. State forest purposes and management. (a) The purpose of AS 41.17.200 - 41.17.230 is to permit the establishment of designated state-owned or acquired land and water areas as state forests. The primary purpose in the establishment of state forests is timber management that provides for the production, utilization, and replenishment of timber resources while allowing other beneficial uses of public land and resources.

(b) In managing a state forest, the commissioner shall, consistent with the primary purpose of a state forest under (a) of this section, restrict the public use of the land and its resources, including timber, fish and wildlife, and minerals, only when necessary to carry out the purposes of this chapter."

"AS 41.17.500. Southeast State Forest. (c) The commissioner may establish transportation corridors within the Southeast State Forest."

The State project area is open subject to leasehold location with respect to mining.

A small portion of the proposed logging road and LTF is located on the Airport Reserve and subject to the DOTPF Airport Master Plan and the Airport Layout Plan. The Airport reserve is managed by the KGB under lease (ADA-05175) from the ADOT. The project area covered by the airport plan is also referred to specifically by KGB as the Gravina Island Industrial Complex (GIIC). The Borough is also the land owner/manager on record for the existing ADEC APDES Permit AKG701062 for the LTF located at the GIIC. Under an agreement signed between DOF and the KGB (2/09/2013), the KGB authorized DOF to access and use the GIIC to transfer timber off of State land on Gravina Island.

The KGB and State lands located in this project are classified as Future Development on KGB zoning maps. The KGB code (KGBC) 18.25.010 categorically defines natural resource extraction (timber harvesting) as a permitted use allowed with a zoning permit in Future Development. In KGBC 18.55.050 (6) specific information is listed as required to be submitted to the zoning official for issuance of a zoning permit. KGBC 18.25.020 (g) (footnote 17) further states "For all logging, mining and similar industrial extractive activities, a strip of uncleared land at least 100 feet wide shall be provided between such uses and all public rights-of-way and all adjoining boundaries of residential zones or recreational areas."

The location and construction of the road on KGB land was authorized in KGB Assembly Resolution # 2544 and requires no zoning authorization by the KGB.

D. Current access and land use:

Existing access to the project area is predominately by boat or air combined with walking. The State Forest land and the access easement on KGB land are undeveloped. The area is presently used for remote recreation such as hunting, fishing and berry picking. No active land management activities are presently taking place.

The start of the project is at the northwest corner of the GIIC which is a decommissioned sawmill that was active for several years in the later part of the previous decade. Incidental storage and staging is intermittently occurring at the site with KGB authorization.

The Ketchikan Gateway Borough entered into an agreement with Niblack Project LLC in August of 2012, giving Niblack Project LLC priority use rights to the GIIC. The use has been described publicly as a possible staging area for mine support activities and primary processing site of ore associated with a proposed mine on Prince of Wales Island.

Under an agreement signed between DOF and the KGB (2/09/2013), the KGB authorized DOF to use the GIIC to transfer timber off of State land on Gravina Island in a manner that would avoid and minimize potential conflict with the Niblack Agreement.

A GCI cellular communication tower is in the planning stage of development 400 feet southeast of the start of this project on the GIIC near the old shop building.

Private land (Gravina Island Subdivision Block 2, Plat Volume 1, No. 113) occupies the adjacent waterfront land to the northeast for the first mile of the access road located on KGB land. These lots are accessed by water from Tongass Narrows. Remote residential and commercial development has

occurred on several of the lots. Only a few are actively being developed or have current residents at this time.

Private land (ASLS 85-86, USS 1768 and USS 1350) also occurs adjacent to the east side of this project on the south and east side of Vallenar Bay. This remote area has a few residents and several seasonal cabins that are accessed by saltwater.

An existing old logging road is located on the east side of the Vallenar valley and is referred to as the FDR 8110 because it is a federal right of way reserved in the federal land patent to the State for the uplands. The road is overgrown with mature alder that functionally only allows foot access. The drainage structures (log culverts) on the road were not removed at the end of its use in the early 1950's and have deteriorated along with the ditches to the point of being non functional. The FDR 8110 easement is defined across USS 1768 as well as State land and was retraced as part of the engineering scope of work for this project. The extent of the ROW is limited to the upland areas of both the State and USS1768 land. The historic logging road extends into the tidelands and was used originally to move logs to tidewater from the adjacent uplands. The road in this area was constructed through the use of log cribbing and piles and shows significant signs of decay from tidal and riverine erosion from Vallenar Creek. The estuarine area was conveyed to the State in the Tide and Submerged Land Act and was not reserved for federal access to the upland section of the FDR 8110. The CSSEAP notes the tideland area as important for its estuarine wetlands and the adjacent low elevation uplands; the DMLW views the historic tideland section of the road as part of the greater tidelands complex at the head of Vallenar Bay.

The University of Alaska (UA) land that lays to the west of the Vallenar Bay project area is undeveloped remote land. The UA voiced an interest in potential access to the forest road proposed in this project in order to more actively manage forest resources on the UA land. Management decisions and activity associated with UA land management are not part of this proposed project decision.

E. Background and description of proposal

1. Background: The State seeks to access State Forest land in the Vallenar Bay area to encourage sustainable development of the State's forest resources, making timber available for sale and harvest. The demand for State timber is significant at this time due to the uncertainty of the federal timber supply and the diminished activity on Native corporation lands. The majority of the State Forest land base in southeast Alaska is remote. The Vallenar tract is relatively close to the community of Ketchikan and offers long term forest resource values close to a regional hub. The State Legislature with this perspective in mind made \$5,000,000 through the ADOT (Roads to Resources Program) available to DOF for connecting the existing Gravina Island road system to public land in the Vallenar Bay area.
2. Timber volume and sustained yield: The identified merchantable timber base that meets economic and environmental constraints on State Forest land in the Vallenar Bay planning unit is composed of approximately 600 acres (see Exhibit B). Refinement of the harvest units will be documented in the FLUPs. The estimated volume practical to harvest in the project area is estimated at 12,000 MBF. The Division of Forestry is required to manage its' timber harvest on a sustained yield basis. "Sustained Yield" means the "achievement and maintenance in perpetuity of an annual or regular periodic output of the various renewable resources of the State land consistent with multiple use" (AS

38.04.910). The Division's policy is to define "regular periodic output" as output over a ten-year period. This is done to allow for market fluctuations and operational restrictions. Based on DOF experience with the land and the timber base it uses an annual allowable cut of 12,135 MBF (12.135 MMBF) per year for the Southern Southeast Area. The location of the project and the mix of timber types, will allow the DOF to meter the volume offered for sale without exceeding the AAC. This action alone and in combination with other timber sales that are sold will be within the allowable cut and comply with sustained yield requirements at the time they are sold. The duration of the timber sale contract(s) will be five years or less.

3. Harvest unit design: The timber is composed of several different timber types in two distinct age classes; a maturing young growth and old growth timber. The timber proposed for harvest is located in two distinct areas; along the southwest face of California Ridge and on the west side of the Vallenar valley at the base of Dall Ridge.

The DOF will publicly notice and adopt one or more FLUPs prior to the harvest of timber greater than 10 acres. Borough code also requires obtaining a KGB zoning permit for the harvest of timber.

California Ridge Area

A small amount of old growth timber exists on the north end of the project area on State forest land composed predominately of hemlock and spruce with occasional western red cedar and Alaska yellow-cedar. This timber occupies the toe and side slope of the north end of California Ridge. It is typically decadent and relatively tall timber; harvest in this area will be a combination of patch cuts to retain forest values near the subdivision while allowing for safe and operational management of the forest road. The patch cut system involves removal of an entire stand of trees *less than 3 acres in size* from an area. Each patch cut is managed as a distinct even-aged opening. Regeneration is obtained either by artificial or natural regeneration, or a combination of the two. The unit design will target recovering value from right of way clearing and proactively managing wind throw and debris that could reach the proposed main access road. A significant amount of natural blowdown has already occurred in this area. Some harvesting of trees along the road is required for operational safety.

The Vallenar Bay Road adjacent to the ASLS 84-85 subdivision and the northeast corner of USS1768 is sited approximately 66 feet from the lot lines due to steep topography located on the east side of the proposed road and a desire to maintain clearance for construction of the road from private property to the west. For operational safety during construction and operations (AS 41.17.200), cost effective maintenance and a desire to visually transition to the subdivision, individual trees will be evaluated on a case by case basis and designated for harvest by DOF in the area west of the proposed road. Wind firm trees will be retained where safe and practical between the road and the lots. For USS 1768 the retention area of 100 feet established by KGBC 18.25.020 (g) (footnote 17) can be maintained except for the northeast corner.

Further to the south the timber is 60-70 year old maturing "young growth" composed of Sitka spruce, western hemlock and red alder. The area was previously logged just after WWII. The hill side is benched and will govern the unit layout and allow for mechanical harvesting techniques to be employed on the majority of the terrain. Mechanical harvest-

ing typically involves the use of large machinery to fell and process (limb and buck) trees into logs and subsequently move the logs to the road. Due to the exposure of the area to prevailing southeasterly winds, unit design will take the form of clear cuts to minimize waste caused by wind throw. Size and shape of the units will follow terrain due to its influence on the timber's size. The steeper sections of the hillside will limit harvest due to the timber size and the economics of operating harvesters on steep ground. Cable systems may be used as well. The design of the units will take into account the soil stability of the area and associated risk of affecting other resources.

Dall Ridge Area

The timber on the west side of the project area is composed of a mottled timber type of decadent western red cedar and western hemlock with occasional Alaska yellow cedar. The timber is generally located on the sides and tops of several small knobs on the north end of a sub ridge of Dall Ridge. This harvest area will have an irregular shape and likely have several distinct units due to the scrubby and broken ground of the area. The harvest method will predominately be by shovel logging techniques. Shovel logging uses a log loader to swing logs to the forest road. Rather than driving out to the log and dragging it back to the landing, the loader moves slowly across the harvest area, grabbing logs/trees within reach, and swinging them around to drop them closer to the road. Logs further from the road can be shoveled to the landing in a few passes back and forth.

- a. Reforestation and site preparation: The sale area will be reforested in compliance with the Forest Resources and Practices regulations (11 AAC 95.375-.390). Reforestation in Region I (southeast) is typically done through natural seeding that is aided by the scarification of the site during logging. Seedling counts in Southeast at five to seven years post harvest are typically an order of magnitude greater than required by FRPA. The DOF may require the timber sale purchaser to replant areas under 30% slope with seedlings to reduce the rotation time until next harvest. Seedlings may not reflect the existing stands species composition but will be species that are native to the region. The DOF will conduct post harvest reforestation inspection of the area to ensure the stocking meets FRPA requirements for regeneration.
- b. Access design and construction: Road design, construction, and maintenance will comply with the Forest Resources and Practices regulations (11 AAC 95.285-.355).

Access to the Vallendar area is proposed in the form of a single lane secondary forest road (14FT wide shot rock running surface with intervisable turnouts) with a design speed of 20 MPH. The road construction parameters required by FRPA best management practices will be detailed in a FLUP along with the timber incidental to the construction of the road.

The DOF through the DMLW Realty Services Section acquired a perpetual road easement from the KGB in December of 2014 for access to State Forest Land as part of this project. Material sources along the easement are part of the allowed use of that easement.

The proposed route starts at the Gravina Island Industrial Complex and proceeds north across Ketchikan Gateway Borough land for approximately 3 miles, then turns southwest and enters State Forest land (in the vicinity of the common corner of Sec-

tion 35 and 36, T74S, R89E and Sections 1 and 2, T75S, R89E all in CRM) at which point it continues southwest through a pass until it approaches Alaska State Land Survey (ASLS) 84-85, at which point it turns southeast continuing on State Forest land to a point that it intersects with the FDR 8110 easement near the north side of Section 13, T75S, R89E, CRM. Approximately 0.25 miles south of this intersection the 3000 Road is proposed to intersect FDR 8110 to access State Forest land and potentially the University of Alaska land to the west and across Vallenar Creek.

The location of the start of the Vallenar Road was mutually agreed to by the State and Airport Manager as fitting within the Ketchikan Airport Development Plan. Material developed for the project on Airport Reserve land will benefit the airport in fee (fair market value) and configuration. Rock will not be taken off of the airport reserve beyond what is required to access an economically developable rock source on KGB land.

The DOF consulted with KGB staff and reviewed Borough planning documents to focus on the routes that might see KGB future use based on their planning goals, thereby potentially limiting indirect cumulative impact to habitat. Future use of the KGB land is not permitted, funded, or scheduled at this time. The topography also led the design team to generally locate the road higher on the hillside and consequently avoid anadromous habitat altogether.

The DOF examined a variety of locations along the chosen corridor of the preferred alternative. The proposed corridor crosses several cataloged and uncataloged anadromous streams. During the scoping process for this project the ADFG-Habitat Division was consulted and visited the project to aid in the identification and classification of the habitat. Where ever possible anadromous habitat was avoided and the design developed to minimize the potential for affecting water quality during construction and use of the road. Wildlife habitat was also strategically avoided when practical in the siting of the roads on State Forest land by consulting and visiting the site with ADFG-Wildlife Division.

The DOF spent significant time looking at the practicality of locating the Vallenar Road farther from the Vallenar Bay Subdivision (AS84-85) on the east side of Vallenar Bay to retain the 100 foot retention zone noted in KGBC 18.25.020 (g) (foot-note17). The steep hillside and the elevation of the road as it departs from the pass to Tongass Narrows preclude moving the road away from the subdivision significantly. Road construction on the steeper sections of the hill would expose the subdivision to unnecessary risk by disturbing soils, drainage and timber. As located, the road is at the toe or just down slope of the hillside and on stable ground.

Where the project approaches residential lots in Vallenar Bay, the KGB Planning Department has indicated that a variance per KGBC 18.55.040 may be required for resource extraction operations including timber harvest occurring within the 100-foot zone adjacent to residential use lots. Where practical and safe, DNR will design the route to retain the 100-zone in an undisturbed manner. However, a portion of the safest access route encroaches on the 100-foot zone established by the KGB. This incursion does not require a Borough variance because the statute establishing the SESF authorizes DNR to establish transportation corridors on state land in the State Forest

(AS 41.17.500(c)); further, AS 41.17.200 limits the management of the State Forest in relation to other public resources to only that which is necessary for the purpose of the State forest.

Numerous water quality streams were identified draining into Vallenar Creek and Vallenar Bay on State land. Due to the road's relatively high elevation until it intersects with FDR 8110, fish habitat was avoided until the crossing of the Vallenar valley bottom. Inherently unstable soils were avoided with the road location to provide a firm foundation for the road that would not be subject to erosion or raveling.

The Vallenar Road from the GIIC to the FDR 8110 will remain open for incidental public use following timber harvest as long as funds are available to maintain the inactive road to FRPA standards. The practicality of leaving these roads open to vehicle traffic is directly related to stakeholder use agreements defining funding sources for maintenance

The other roads in the project (FDR 8110 south of the 3000 Road junction and the 3000 Road) are proposed to be closed to motorized vehicles post-harvest unless needed for specific land management action.

The DOF plans to close a short section of the FDR 8110 north of the Vallenar Road intersection to the southern lot line of USS1768 to current FRPA standards at the time the rest of the road is initially reconstructed because it is not required for this project. This is being done to mitigate its potential to contribute to nonpoint-source water pollution and conform to FRPA regulations.

Pedestrian access will not be restricted and likely will be considered by most users to be better than present conditions.

- c. Appraisal method: DOF will appraise the timber value in compliance with 11 AAC 71.092. The sale area will be appraised by using a residual value appraisal method. Selling values and extraction cost numbers are obtained from industry sources, the United States Forest Service and previous operations.

F. Resources and management

1. Timber

a. Timber stand composition and structure:

The project area old growth timber is composed predominately of hemlock with occasional spruce and western red and Alaska yellow cedar. It is decadent and relatively tall timber (two to three logs per tree) on the east side of Vallenar Bay and relatively short (one to two logs) and of poor form on the west side of the bay. The timber has a dense canopy in the taller stands with occasional wind throw openings. The shorter stands exhibit poor soil (wet) that influence and produce openings and scrubby timber.

The "young growth in the project area is relatively dense and maturing timber with little defect. Areas that are not growing Sitka spruce and western hemlock generally

are growing red alder of size that may be commercially marketable as well. The bole lengths of the spruce and hemlock trees are generally tall enough to recover two merchantable logs. The alder patches appear to be associated with areas that were heavily scarred of organic soil during the previous harvest. Sub merchantable spruce and hemlock is evident in these areas as well.

- b. Stand silvics: The DOF desires to optimize the regeneration time and volume for commercial timber species given the objectives of the land management designation on the parcel. The silvicultural prescription that best achieves this based on past experience is clear-cut harvest. Unit size will primarily be a product of topography respecting other constraints such as soil stability and high-value fish and wildlife habitat and visual concerns. Natural reforestation will occur and DOF will verify that it meets FRPA standards. It is anticipated that some precommercial thinning will be done on the regenerating stand to shape the future production of merchantable products (typically sawlogs).
- c. Topography and Soils: The proposed timber sale units and roads are designed and will be managed to prevent significant impairment of the land and water with respect to renewable resources (AS 41.17.060(c)(5)).

The elevation of the project area ranges from 200 to 800 feet and is a mix of moderate slopes with steeper sections.

The soils on the KGB and State land on the east and north side of the project generally are shallow, saturated and of poor quality overlaying bedrock. The topography is composed of moderate to flat benches with short steep sections with rock out crops.

At the north end of California Ridge the road traverses a steep section of bedrock controlled ground with large boulder deposits as it goes through the pass into the Vallenar drainage. Full bench road construction will be used in this area where necessary to achieve stability. The exposure of the road to uphill hazards is relatively short in pitch length and the road is located in proximity to the toe of the slope.

As the road enters the Vallenar Bay drainage, the road occupies a natural bedrock bench at the base of California Ridge; soils generally deepen on this side of the ridge and are colluvial in nature. This side of the ridge above the road is relatively steep with some evidence of debris slides where the soil is prone to being saturated. The location of the road on the bench was done to facilitate stable construction without loading of the hillside with debris or changing the drainage patterns. Timber harvest in this area will likewise be focused on retaining or improving the stability of the hillside. Movement of debris associated with harvest and road construction is not predicted but may be subject to some risk from slides originating outside of the project activities.

The bottom of the Vallenar valley is an uplifted beach area with evidence of glacial deposits. Side drainages to Vallenar Creek are incised and show gravels and a layer of blue clay; these areas were avoided due to their riparian nature. The road location identified in the valley area (3000 Road) avoided topography that would require significant disturbance of obvious and inferred blue clay deposits. Blue clay can be

prone to liquefaction if disturbed on steep and saturated topography; the designed location of the road is on relatively shallow sloped ground and the subgrade earthwork will be minimized to manage the potential risk.

The soil on the west side of the valley is much like the east side of the project area, with bedrock benches and outcrops with shallow saturated soil. The timber is confined to areas of better drainage on the side of the outcrops.

2. Agriculture. No agricultural use or grazing is known to occur within the area.
3. Wildlife habitat and harvest. Hunting and trapping activity on the island is governed by access which currently is predominately by boat or the road system connected to the airport. The western side of the island is relatively isolated due to exposure to Clarence Strait and receives little hunting pressure. The east side of the island while more accessible has thick scrubby timber that makes hunting difficult and tends to make for dispersed and low value habitat. Most of the habitat on the island is in the coastal fringes and drainages where the topography enables better growth of feed.

The ADFG-Wildlife Division was consulted during the scoping of this project and participated in field assessment of the area. The project was designed to avoid and minimize impacts on wildlife habitat. This sale will be designed using guidelines and management intent from the Central/Southern Southeast Area Plan and, once adopted, the SESFMP along with the FRPA. The project area was not identified as critical habitat in the area plan.

The area plan does document Vallenar Creek and the estuary as important to wildlife and gives note to protecting its tributaries as needed to support wildlife movement. The area plan specifically calls out maintaining a 300-foot no harvest area on each side of Vallenar Creek and a 100-foot no harvest on all anadromous tributaries in the drainage. Additional timber retention beyond the 300-foot Vallenar retention zone was determined to not be necessary due to the topography and distribution of the timber. Scrubby timber and muskegs generally occur from the retention zone limit out for at least another quarter mile from the stream. This precludes significant active forest management activity because there is generally no commercial value. This combination creates a relatively wide undisturbed north/south corridor that is entered once by the 3000 Road that passes from one side of the valley to the other.

Several routes were looked at to cross the valley. The direct route was chosen though it crosses two small anadromous streams because it is the least disruptive for fish and wildlife habitat. Other potential routes paralleled streams longer, had more exposure to observed wildlife travel patterns or required excavation of potentially unstable soils in proximity to fish habitat.

The smaller anadromous streams scattered across the Vallenar valley are incised with the preponderance of merchantable timber located within the statutorily required anadromous timber retention zone (100 feet either side of the stream). The combination of the retention zones and the intermixed non-merchantable timber effectively is a labyrinth of corridors centered on the streams that will not be affected by the project.

The “young growth” timber located on the west face of California Ridge is mature and offers travel cover and some habitat value. ADFG considered that the harvest of this area might accommodate wildlife travel corridors from the ridge top to the Vallenar valley; the emphasis being on wind firm cover and ready access to areas of high documented use. The dissected drainages and variable timber size caused by the topography and soils on the hillside offer several locations for this type of prescription that may meet other purposes as well. Analysis of the habitat has subsequently yielded the perspective by ADFG-Wildlife that this would be a secondary goal of the unit layout and not critical to the deer population using the area. The value of the adjacent habitat is limited above this timber stand and not considered of high value.

ADFG-Wildlife is currently studying the deer carrying capacity of the island relative to other sites in the game management unit and has observed that the island has poor to moderate carrying capacity for wintering deer. It is also estimating the wolf population and characteristics on Gravina with the intent to determine the affect it has on the deer population. ADFG is seeking to better understand the reason for the apparent low numbers of deer on the island during the last several decades in order to determine if it might be managed actively to increase the deer population.

The access of the lower end of the Vallenar drainage by this project is not anticipated to change the overall wildlife dynamics on the island due to the reserve capacity of the remainder of the island that is not accessible. The down turn in deer population is atypical and historically viewed in light of factors not related to access.

The DOF, through the use of available federal information on bald eagle nest locations and by field observation during design, attempted to locate all active nest sites. Per 11 AAC95.340 the DOF has and “will maintain where feasible a retained buffer of not less than 330 feet in radius around each bald eagle nesting tree”. Several documented nests were located by the DOF in the course of planning this project well outside of the recommended retention area. The location of the road and proposed timber sale units are generally removed from the coastal area and the timber types that are typically used by bald eagles.

4. Fish Habitat, water resources, and water quality. The proposed project will be designed and managed to protect fish habitat and water quality in compliance with the Forest Resources and Practices Act and regulations (AS 41.17 and 11 AAC 95) . The ADFG-Habitat has been involved in the documentation and design of the project. All of the project area that has potential for fish habitat was visited by ADFG-Habitat in the summer of 2014.

The majority of the streams on the Vallenar Road alignment are small bedrock-controlled streams and have relatively steep gradients. The proposed Vallenar Access Road crosses cataloged anadromous Stream 101-47-10550, Stream 101-47-10600 and Stream 101-47-10650 above documented habitat. Of these drainages only Stream 101-47-10550 contained evidence of any fish (cut throat trout) at the crossing location. All of these cataloged streams will be spanned by bridges and do not require any in stream work for construction.

The Vallenar Creek (101-29-10060) drainage is relatively extensive and has many tributaries that were mapped by the DOF in the project area. The Vallenar Creek crossing was identified early in the project as a controlling feature due to its value to the fisheries and wildlife resources. Timber sale activity will not occur within 300 feet of the main Vallenar Creek. The site of the proposed crossing is bedrock controlled and approached on both sides with a minimal amount of earth work. This type of crossing provides inherent stability and low risk to the resource; a full-span bridge is proposed at the sight with no in stream work, the bank will be armored with rip-rap to protect the structure at high flows.

Cataloged tributary Stream 101-29-10060-2001 and a small uncatalogued anadromous tributary to that stream will be the only other fish streams on the project that will be crossed by road. Both of these streams will be completely bridged to avoid habitat.

The DOF has mapped numerous other streams showing evidence of fish that are tributary to Vallenar Creek that flow from the toe of the hillside in Section 13 in a northwesterly manner. All of these steepen and become non-fish bearing waters with intermittent flow below the existing FDR 8110; these streams generally have similar characteristics below their emergence (1-3 feet in width for most of their length, several inches deep and incised). The development of the timber sale units accessed by the FDR 8110 will avoid these during unit design (100-foot retention area on both sides) per FRPA requirements.

The Vallenar drainage is presently used in a limited manner for freshwater fishing due to the difficulty of access. The estuary of the drainage is significant in size and scope and has a notable quantity of habitat in proximity to the remote subdivision cabins making it convenient and accessible. The area offers Dungeness crab and salmon fishing.

The operations proposed in this project are limited in direct contact with fish-bearing waters by avoidance in the design. Through the use of FRPA Best Management Practices and ADFG fish habitat permits significant affects on fisheries and water quality will be minimized. The DOF in consultation with ADFG-Habitat projects no significant impact on the fishery resources of the area.

5. Recreation, tourism, and scenic resources. The project area is in proximity to the community of Ketchikan and thus exposed to the view of tourists and residents. Indirect observation from boat and aircraft likely does occur as part of other tourism activity. On the Tongass Narrows side of the project the road will be visible form the water and town. Given the existing infrastructure and sparse cover of the hillside this affect will be nominal. No timber harvest is proposed facing town on State Forest or KGB land as part of this project. Where the road approaches Vallenar Bay it will be shadowed by the vegetative cover of the existing State subdivision and have limited if any scenic impact from the water.

The reestablishment of FDR 8110 will likewise have a limited visual change from saltwater given that it is an exiting road and is removed by topography from the bay. The associated timber sale harvest units on the hillside though will change the view shed in the short term. As the forest reestablishes it will look similar to the existing landscape as seen from the water which is predominately “young growth” timber mixed in with the natural landscape disturbance. The harvest areas on the west side of the project area are inter-mixed with muskegs and scrubby timber; the units in this area will initially be visible

from saltwater and more so from the air. The majority of the harvest area is shielded from saltwater by the topography and coastal timber. As the harvest units reforest the area will take on less and less differentiation from the remaining timber. The mottled nature of this side of the valley will continue to be reflected in the reforestation pattern.

Recreational fishing, hunting, and berry-picking occurs and will have better access to the area due to the project which may influence the experience in both a positive and negative manner depending on the remoteness of the experience the participant desires.

6. Cultural Resources. DOF works with the State Historic Preservation Office (SHPO) to identify and avoid known cultural, historic or prehistoric sites in planning the proposed access routes and salvage areas. The Alaska Archaeological Survey Unit visited the site in the fall of 2013 and determined that the area of the project specific activity gave no indication that it contained cultural or historic resources. If additional archaeological sites are identified, proposed timber sale areas and road locations will be appropriately adjusted to avoid conflicts. If any historic or archaeological sites are encountered during road construction or harvest activities, DOF will immediately inform SHPO and take action to protect the findings.
7. Subsurface Resources. There is no known current mining activity in the immediate area. Other than sharing some of the same access roads, this sale should have no impact on the potential mining resources of the area.

G. Costs and benefits

The Vallenar management area is physically removed from the existing Gravina road system and the log transfer facility at Lewis Reef due to other ownerships and significant topography. The majority of the State Forest land base in southeast Alaska is likewise remote. The Vallenar tract is relatively close to the community of Ketchikan and offers long term forest resource values closer to a regional hub. The State Legislature with this perspective in mind made \$5,000,000 through the ADOT (Roads to Resources Program) available to DOF for connecting the existing Gravina Island road system to public land in the Vallenar Bay area. The significant upfront cost and complexity of acquiring access contributed to the project plan of constructing the road as a public works project using the ADOT Roads to Resources funding prior to the sale of the timber. By taking this approach, added flexibility will be gained configuring the timber sales. The timber once accessed will be available in a shorter period of time to match the market need; significant risks will have been minimized or eliminated from a timber purchaser's perspective. This will in turn theoretically yield a higher residual appraisal value of the timber. The DOF estimates the cost of access to be close to the overall value of the timber described as operable in the area. Due to market fluctuation, market need and the FLUP prescription, this is not a guarantee until the time of sale. The long-term benefits to the State include subsequent timber harvest rotations and other forest resources.

Based on KGB Planning Department documents, the Vallenar Road in general is expected to see other incidental use by the community in addition to accessing the State Forest because of its proximity to adjacent ownerships and the community of Ketchikan. Future use of the KGB land adjacent to the project is not permitted, funded, or scheduled at this time. The use of the adjacent private land is outside the scope of this project.

Timber sales have typically created economic benefits to the communities of Southeast Alaska. The business communities will receive direct economic benefits by providing support services for the operators such as fuel, food, housing, medical and miscellaneous supplies. The residents of the communities in Southeast Alaska will receive a direct benefit through employment opportunities and wages paid by the operator during the course of the timber harvest and milling operations.

The timber identified for harvest in the project area has been marketable in the economic conditions observed in the region for the past decade. The DOF has been able to sell all of the timber it has marketed in the past twenty years in Southeast Alaska. The ready access to the infrastructure of Ketchikan aids in this project since the community is the hub for timber operations that occur much farther afield and more costly to operate. The timber from this project will likely fit a variety of markets both export and domestic. The lack of diversification of the remaining mills in the region combined with lumber prices have lead timber purchased lately to be processed locally as well as sold in the round on both federal and State sales. The prices obtained for timber has reflected this mix of markets. Currently local mills are processing the larger old growth timber while the smaller diameter timber regardless of age class is being exported in the round.

Some efforts have been made to establish wood waste as an energy source in several areas of the state including Ketchikan. Given the project's proximity to Ketchikan this may be a benefit and allow greater utilization (tops, cutoffs, etc.) of the resource in the community. This would likely take the form of cordwood with the possibility of a processed feedstock such as chips or pellets given the existing demand of several public buildings in the community for pellets.

The Vallenar Road will remain open to vehicle traffic to facilitate overall management of the Vallenar area. Most of the road in the Vallenar drainage (FDR 8110 and the 3000 Road) will be closed upon completion of harvest to highway vehicle traffic and to limit the long term maintenance costs. The cost to maintain the proposed Vallenar Road will be covered by timber sale revenue, fees and other mechanisms commensurate with its documented use. Post timber sale activity, the maintenance of the road projected to be left open is estimated at \$2,000/mile/year.

VI. PUBLIC REVIEW

The public and agencies are invited to comment on this Proposed Best Interest Finding. Objections or comments pertaining to the proposed action must be received in writing by the DOF Southern Southeast Area Office **by March 5, 2015** in order to ensure consideration for review. Comments should be mailed to the State of Alaska, Division of Forestry, 2417 Tongass Avenue Suite 213, Ketchikan AK 99901 or by email to dnr.vallenar.bay@alaska.gov. For more information you may contact Greg Staunton/Project Manager at phone # 907-225-3070 or at dnr.vallenar.bay@alaska.gov. To be eligible to appeal the final decision, a person must have provided written comment by **5:00 PM, March 5, 2015**.

VII. PUBLIC NOTICE

This PBIF was publicly noticed in compliance with AS 38.05.945. Notice was posted on the Alaska Online Public Notice System, the Ketchikan and Craig Public Libraries, the Post Offices located in Ketchikan, Ward Cove, Metlakatla and Craig. A legal notice was also provided in the Ketchikan

Daily News. Notice of this PBIF was also mailed to those individuals and organizations that have voiced an interest in this and similar projects in the vicinity.

VIII. ALTERNATIVES AND DISCUSSION

Three possible alternatives were considered for this project area. A discussion of each of the alternatives follows. All alternatives are consistent with the area plan and applicable statutes and regulations. Two alternatives are action oriented with the third alternative being a no action option.

A. Connect the Vallenar management block via FDR 8110 and new construction to the south to the Bostwick Road. This alternative crosses federal land and entails building approximately two miles of new road and reconditioning one mile of FDR 8110 on federal land. In addition, the Bostwick Road would be upgraded, two miles of the FDR8110 located on State Forest would be reconditioned along with constructing two miles of new road construction on State Forest land. The same log transfer facility would be used for this alternative. Compared to Alternative B, this alternative would conceptually require the maintenance of more roads in support of longterm access to the Vallenar block. The amount of timber capable of being offered for sale would be essentially the same with minor amounts not as easily accessed near the ASLS 84-85 on the north end of the project area. Historical and cultural impacts are indicated to be the same. Fisheries issues would yield another four additional anadromous stream crossings. The impact to wildlife appears to be greatest of the three alternatives due to the location of the road in the center of the island and thus facilitating higher access by the public to habitat. The site-specific infrastructure to maintain over time in the form of bridges is roughly the same in both action alternatives. The overall length of the road to be constructed and reconstructed is two miles less than Alternative B.

Based on scoping discussions with the USFS (3/13/2014) it would require a NEPA process to authorize access to State land through USFS land. The NEPA process and the federal government's desired shift towards Roadless management make this a lower ranked alternative for the State given the amount of time and funds available. The management of the NEPA process would be a federally-driven decision with reduced State control of the project timing and requirements. Given the projected near- and long-term need for local timber, the schedule does not fit the objectives of the State.

B. Connect to the GIIC as described in this PBIF document. The willingness of the KGB to grant an easement made this a functional alternative. The proposed project as outlined in this document is consistent with the Five-Year Schedule of Timber Sales, contributes to DNR's constitutional mandate, provides long term access to the State Forest, is projected to provide royalties to the State, meets the silviculture objective of improving forest vigor, and creates additional jobs in Southeast Alaska due to the combination of road building, logging, trucking, and milling.

C. No action. The "no action alternative" does not meet one of the prime objectives of DNR to encourage the development of the state's renewable resources, making them available for maximum use consistent with the public interest, sustain and promote a healthy, long term use of forest resources in the state, proving a secure source of timber for local use while protecting other resources such as fish and wildlife.

IX. RECOMMENDATION AND PRELIMINARY DECISION

After due consideration of all pertinent information and alternatives, the DNR has reached the following Preliminary Decision: To offer for sale approximately 600 acres of mixed age timber to provide sawtimber and fuelwood as proposed in Alternative B and described in this PBIF. The DOF finds that this preliminary decision satisfies the objectives stated in this document and it is in the best interest of the State to proceed with this action under its authority of AS 38.05.035(e) (Powers and Duties of the Director) , AS 38.05.110-120, AS 41.17 (Alaska Forest Resources and Practices) ; 11 AAC 71 (Timber Sale Statutes and Regulations).

A person is eligible to participate in any appeal or request for reconsideration to the final finding if s/he has submitted comment to the preliminary finding and decision during the comment period.

If you have any questions, please contact Greg Staunton at (907) 225-3070 or by email at dnr.vallenar.bay@alaska.gov .

X. SIGNATURE

Signature on File

Michael Curran
Regional Forester
Alaska Division of Forestry

Date

XI. ATTACHMENTS

- References
- Attachment A Vicinity Map
- Attachment B Project Maps Pages 1-4

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