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

Lease Amendment No. 2 & Renewal Preliminary Decision
ADL 108091
Kaawu Shellfish Company, LLC dba Kaawu Oyster Company
Aquatic Farm Lease Amendment No. 2 & Renewal
AS 38.05.083, AS 38.05.070(e), AS 38.05.083(g)

This Preliminary Decision (PD) is the State's preliminary best interest finding regarding a proposed disposal of interest in state-owned tide and submerged lands. The public is invited to comment on this PD. The deadline for commenting is **11:59PM September 28, 2026**. Please see the Public Notice section of this decision for requirements related to submitting comments for consideration.

Requested Action:
The Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), Aquatic Farm Leasing Program has received a request from Kaawu Shellfish Company, LLC dba Kaawu Oyster Company (KSC) to amend and renew aquatic farm lease ADL 108091. The amendment request is to add two parcels to the currently authorized 4.94-acre suspended grow-out parcel. The proposed additions would include a 4.98-acre parcel, containing a work barge and two grow-out rafts, and a 0.06-acre hardening beach parcel, to create a lease site with 3 parcels containing a total of 9.98 acres, more or less, of state-owned tide and submerged lands. KSC also requests renewal of the aquatic farm lease to continue aquatic farm operations for another lease term. The lease site, located near Hoonah, Alaska, is used for the commercial growth and harvest of Pacific oysters (*Crassostrea (Magallana) gigas*). The project area is further described as being within the SE1/4 of Section 14 and N1/2 of Section 23, Township 44 South, Range 60 East, Copper River Meridian, Alaska.

Requested Improvements:
Increase total acreage to 9.98 acres by adding 2 parcels (Parcel 1 and 3)
Parcel 1: 350 feet by 620 feet, 4.98 acres, more or less, (1) 25-foot by 50-foot work barge with yurt, (2) 24-foot by 24-foot grow-out rafts, (4) 300-pound concrete anchors, (2) buoys
Parcel 3: 100 feet by 30 feet, 0.06 acres, more or less, Vexar bags for beach hardening

Currently Authorized Improvements:
(1) parcel (Parcel 2), containing 4.94 acres total

Parcel 2: 269 feet by 800 feet, (1) 600-foot longline, (400) Vexar bags, (2) 300-pound concrete anchors, (2) buoys

Proposed Action:
DMLW is considering the issuance of a lease amendment and renewal for aquatic farm lease ADL 108091. The proposed amendment will add two parcels to the currently authorized 4.94-acre suspended grow-out parcel. The proposed additions would include a 4.98-acre parcel, containing a work barge and two grow-out rafts, and a 0.06-acre hardening beach parcel, to create a lease site with 3 parcels containing a total of 9.98 acres, more or less, of state-owned tide and submerged lands. DMLW is also considering the renewal of the aquatic farm lease to continue aquatic farm operations for a 20-year term.

History:
The lease was originally authorized with an effective date of December 1, 2011, to Anthony Lindoff dba Coho Properties, LLC, for 14.86 acres, more or less, including 3 parcels, all containing suspended oyster culture rafts. The lease was amended in 2017 to change the company name to Kaawu Shellfish Company, LLC dba Kaawu Oyster Company, to add sugar kelp as a species for culture along with associated gear, and to relinquish parcels 1 and 3, reducing the site from 14.86 acres to 4.94 acres.

Although the 2017 lease amendment authorized use of a single parcel referred to as "Parcel 2" (4.94 acres, more or less) to cultivate kelp and oysters, DMLW conducted a field inspection at the site on June 5, 2018, and discovered that the site was out of compliance due to a yurt/raft facility being placed outside of the lease footprint without prior authorization. The authorized area of "Parcel 2" did not have any of the authorized gear in place, but rather the yurt/raft facility, placed over 1,000 feet north of Parcel 2 was being used. DMLW required Mr. Lindoff to submit a lease amendment application to include the new yurt/raft facility and move the location of the authorized parcel. DMLW received an amendment application on April 30, 2019, however the application was incomplete. Due to the upcoming lease expiration date of November 30, 2021, notification of expiration letters were sent on September 15, 2020, and February 10, 2021. Mr. Lindoff requested to close the 2019 amendment application and instead incorporate the amendment development plan in the renewal application, however, the lease expired on November 30, 2021, without DMLW receiving a renewal application.

DMLW received a dual amendment and renewal application on April 2, 2024. The dual amendment and renewal application was deemed incomplete after review by Alaska Department of Fish & Game (ADF&G) and DMLW on May 20, 2024, and edits were requested for the application to move forward to adjudication. The application was deemed complete and ready for adjudication by ADF&G and DMLW on June 8, 2026.

Annual reports have been submitted by KSC for the duration of the authorized lease. As of July 15, 2026, all annual fees have been paid, and the lease is considered to be in good standing with the department. Although KSC has not consistently met the Commercial Use Requirement (CUR) per 11 AAC 63.030(b) since the lease was authorized on December 1, 2011, it has come close to the required amount in the years that CUR was not met and has exceeded $15,000 in sales in other years. The record shows that the annual reports have always been submitted by KSC and provide evidence that a concerted effort has been made for productivity and commercial use of the lease site.

Authority:

In 2011, the original lease term was adjudicated pursuant to AS 38.05.035(b)(1) Delegation of the Powers and Duties of the Director; AS 38.05.035(e) Written Findings; AS 38.05.070(a) Generally; and AS 38.05.083 Aquatic Farm and Hatchery Site Leases. Upon lease expiration, subsection AS 38.05.070(e) allows the Director to renew a lease under AS 38.05.083 on the conditions that the lessee is in good standing and the lease renewal is determined to be in the best interest of the State. AS 38.05.083(n) provides that a lease issued under this section may be renewed for a period of up to 20 years.

The authority to execute the Preliminary Decision, Final Finding and Decision, and lease amendment has been delegated to the Regional Manager for the Southcentral Regional Land Office under AS 38.05.035(b)(1).

Lease Renewal Qualifications:

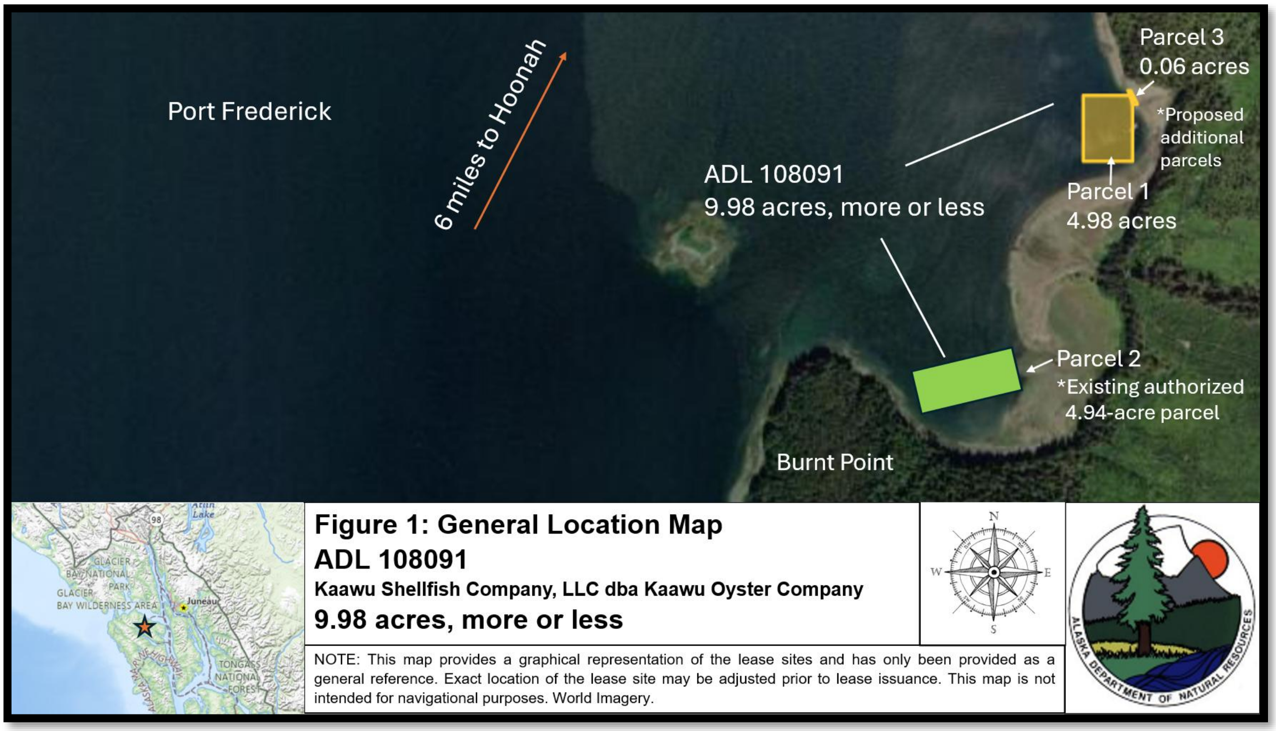
In order to qualify for a renewal, a lessee must be in "good standing." Good standing is defined in 11 AAC 63.900(a)(8) as being in compliance with all provisions of all required authorizations. Good standing refers to the fact that the lessee's accounts are current, that there are no outstanding compliance issues, and that the lessee maintains a healthy business relationship with the lessor. A review of the casefile has shown that the lessee has been working toward compliance this year regarding financial default on past annual fees. The lessee's history of noncompliance does not preclude consideration of issuing a renewal for a 20-year term, but the lessee may be subject to additional requirements and conditions for renewing this lease.

Renewing the lease under AS 38.05.070(e) will allow the lessee and the lessor to reenter into a lease contract with minimal delays or disruptions. This lease renewal is in the best interest of the State as lease will continue to create economic benefits to the State and encourage the continued development of the State's resources. The renewal is consistent with the State's constitution as the lease provides for the utilization, development, or conservation of the natural resources belonging to the State for the maximum benefit of its people.

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 2002 Northern Southeast Area Plan and the case file for the application serialized by DNR as ADL 108091.

Figure 1: Overview Map of Amendment and Renewal Project Area



Legal Description, Location, and Geographical Features

The state-owned tide and submerged lands where this aquatic farmsite leasehold is located is described as follows:

- **Site reference name**: Burnt Point
- **Geographic location**: Located within an unnamed cove north of Burnt Point, within Port Frederick, approximately 6 miles southwest of Hoonah, Alaska
- **Approximate Lat/Longs (NAD 83)**:

Parcel 1: 350 feet by 620 feet, Work Barge and Grow Out Rafts, 4.98 acres, more or less

NE Corner:	58° 3.053' N;	135° 32.760' W
SE Corner:	58° 2.965' N;	135° 32.760' W
SW Corner:	58° 2.965' N;	135° 32.885' W
NW Corner:	58° 3.053' N;	135° 32.885' W

Parcel 2: 269 feet by 800 feet, Suspended Grow Out Area, 4.94 acres, more or less

NE Corner: 58° 2.704' N; 135° 33.071' W
SE Corner: 58° 2.661' N; 135° 33.053' W
SW Corner: 58° 2.632' N; 135° 33.296' W
NW Corner: 58° 2.675' N; 135° 33.314' W

Parcel 3: 30 feet by 100 feet, Oyster Hardening Beach, 0.06 acres, more or less
NE Corner: 58° 3.060' N; 135° 32.766' W
SE Corner: 58° 3.042' N; 135° 32.748' W
SW Corner: 58° 3.042' N; 135° 32.760' W
NW Corner: 58° 3.060' N; 135° 32.772' W

- **Legal description**: SE1/4 of Section 14 and N1/2 of Section 23, Township 44 South, Range 60 East, Copper River Meridian, Alaska
- **Recording district**: Sitka
- **Existing parcel survey, if applicable**: None
- **Municipality/Borough**: None
- **Native Corporations/Federally Recognized Tribes**: Sealaska Corporation, Central Council of the Tlingit and Haida Indian Tribes of Alaska, Huna Totem Corporation, Hoonah Indian Association, Native Village of Hoonah
- **Size:** 9.98 acres, more or less

Title:

A DNR Title Report (RPT-24406) was requested on June 6, 2026, from DMLW's Realty Services Section. A Title Report issued from DMLW's Realty Services Section will state whether the State of Alaska holds title to the subject tidelands under the Equal Footing Doctrine and the Submerged Lands Act of 1953. DMLW reserves the right to modify the Renewal Decision based upon information contained within the updated Title Report.

Third Party Interest:

No encumbrances or third-party interests exist that would prevent the issuance of the lease amendment and renewal.

Planning and Classification:

The project area is subject to the 2002 Northern Southeast Area Plan (NSEAP), Southern Region: Chichagof Island Area, Map: 3-9 Port Frederick. The tide and submerged lands not specifically included within a tideland tract are designated General Use (Gu) which converts to a classification of Resource Management Land, as described in Chapter 4 of the NSEAP (3-123, 4-5).

Within Chapter 2 of the NSEAP, Areawide Land Management Policies, Aquatic Farming section, goals are to "provide opportunities to increase income and diversify the state's economy through the use of state tide and submerged lands for aquatic farming" (2-4). Guidelines state that "aquatic farming will be allowed on state tidelands or submerged lands where there is no significant conflict, and the objectives of statue and this management plan are met" (2-5).

Chapter 2 of the NSEAP further states that DNR must make a best interest finding before issuing a lease. The proposed operation must be in the overall best interest of the state before an authorization may be issued (2-4). The NSEAP states that areas will be available for aquatic farming if DNR determines in the "best interest" finding that: 1) it is practicable to operate an aquatic farming operation so that it is compatible with the other uses of the immediate area; and 2) the proposed activity is consistent with the management intent of the statute and this management plan. Specific stipulations related to siting, operations, and maintenance may be imposed by the Department in addition to those otherwise required in order to achieve site and use compatibility. In no case will aquatic farming be allowed to foreclose access to mineral, timber, important fish and wildlife resources, or recreation use areas (2-6). Where practical, aquatic farm operations will be consolidated at specific sites with sufficient area, rather than allowing their proliferation in many bays (2-6).

In accordance with the NSEAP, aquatic farming is an allowable use and is therefore consistent with the plan. The amendment and renewal must be in the best interest of the state before an authorization may be issued. Factors that are to be considered in this decision are identified in 11 AAC 63.050(b).

Traditional Use Finding:

The lease parcel and amendment proposal is not located within an organized borough. AS 38.05.830 and 11 AAC 63.050(b)(5)(B) require consideration of whether the lease site impacts traditional and existing uses of the site.

Known traditional uses in the area consist of subsistence and recreational hunting and fishing, and include the following areas and species, as regulated by the Alaska Department of Fish & Game (ADF&G) and the U.S. Fish and Wildlife Service (USFWS):

Hunting, Trapping, and Subsistence Hunting: The proposed project falls within the ADF&G Game Management Unit (GMU) 4: Admiralty-Baranof-Chichagof Islands; Northeast Chichagof Controlled Use Area. Chichagof Island north of Tenakee Inlet and east of the drainage divide from the northwest point of Gull Cove to Port Frederick Portage, including all drainages into Port Frederick and Mud Bay; area closed to the use of any motorized land vehicle for brown bear hunting, including transportation of brown bear hunters, their hunting gear, and/or parts of brown bears unless provided for under terms of a permit; see permit hunt conditions. The hunting regulations for GMU 4 list brown/grizzly bear, deer, goat, wolf, and wolverine as species that can be hunted. ADF&G trapping regulations for GMU 4 list beaver, coyote, fisher, red fox, lynx, marten, mink, weasel, mountain lion, muskrat, river otter, squirrel, marmot, wolf, and wolverine as furbearers that can be taken. USFWS Federal Subsistence Wildlife Hunting Regulations for Unit 4: Admiralty-Baranof-Chichagof list brown bear, deer, elk, goat, coyote, fox, hare, lynx, wolf, wolverine, grouse, and ptarmigan as species that can be taken.

<u>Subsistence Fisheries</u>: The proposed project falls within the ADF&G Southeast Alaska/Yakutat Area subsistence finfish fishery, which includes salmon, herring spawn, halibut, shellfish, and groundfish. Depending on the area, salmon can be harvested with set gillnets, drift gillnets, gaffs, spears, beach seines, dip nets, cast nets, and hand purse seines. The Southeast Alaska subsistence shellfish fishery species include Dungeness crab, king and Tanner crab, shrimp, abalone, geoducks, and scallops.

<u>Commercial Fisheries</u>: The ADF&G Southeast Alaska/Yakutat Region (Region 1) for commercial fishing consists of Alaska waters between Cape Suckling on the north and Dixon Entrance on the south. Salmon are commercially harvested in Southeast Alaska with purse seines and drift gillnets; in Yakutat with set gillnets; and in both areas with hand and power troll gear. Herring are harvested in winter bait, sac roe, spawn-on-kelp, and bait pound fisheries. Miscellaneous shellfish (sea cucumber, sea urchins, and geoduck clams) are harvested in dive fisheries in the region. ADF&G has management jurisdiction over all groundfish resources within state waters in Region I. In addition, the State has management authority for Demersal Shelf Rockfish, ling cod, and black and blue rock fish in both state and federal waters. There are several commercially important shellfish species in Southeast Alaska. They include golden and red king crab, Dungeness crab, Tanner crab, and pandalid shrimp.

<u>Sport Fisheries</u>: The proposed project falls within the ADF&G Southeastern Area for sport fisheries, which targets five species of Pacific salmon, several species of groundfish, shrimp, clams, and cutthroat, rainbow, and steelhead trout.

The lease amendment and renewal should not interfere with traditional and/or existing uses of the area, including commercial or sport fishing, subsistence activities, boat travel, and recreation. Public and Agency Notice may reveal more unknown uses. If such information becomes available, any potential or existing conflicts will be addressed in the Final Finding and Decision.

<u>Access:</u>

Primary access to the aquatic farm is by skiff from Hoonah but will occasionally be visited by truck, driving 45 minutes via the local road system.

Access To and Along Navigable and Public Waters:
The site is located in an unnamed cove of Port Frederick. AS 38.05.127 and 11 AAC 51.045 require that before leasing land, DMLW determines if a body of water is navigable and if it is, that DMLW provides for easements or reservations as necessary to ensure free access to and along the waterbody. The waters of Port Frederick are tidally influenced and thus navigable. However, the lease is entirely within these waters and located further than 50 feet from Mean High Water, thus a .127 easement is not necessary.

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, DMLW is reserving the right to grant other authorizations to the subject area consistent with the Public Trust Doctrine.

Hazardous Materials and Potential Contaminants
Hazardous materials will not be stored within the leasehold. Requests to store hazardous materials in the future may require additional stipulations.

Agency Review:
An Agency Review was conducted June 25, 2026, and ended on July 16, 2026. Information and comments received from sections within DMLW prior to and during agency review have been considered and included in the preparation of this PD.

The following agencies were included in the review:

- DNR Division of Parks and Outdoor Recreation
- DNR Division of Agriculture
- DNR DPOR Office of History and Archaeology, State Historic Preservation Office
- DNR Natural Resource Conservation and Development Board
- DNR Division of Oil and Gas
- Alaska Department of Fish and Game
- Alaska Department of Environmental Conservation
- Alaska Department of Transportation and Public Facilities
- Alaska Department of Commerce, Community, and Economic Development
- Alaska Department of Public Safety, Alaska State Troopers Wildlife Division
- Alaska Mental Health Trust Land Office
- Alaska Association of Conservation Districts

- U.S. Forest Service
- U.S. Army Corps of Engineers
- U.S. Fish and Wildlife Service
- U.S. National Park Service
- National Oceanic and Atmospheric Administration
- U.S. Environmental Protection Agency
- U.S. Coast Guard

Agency Review Comment(s):

During the Agency Review, DMLW received comments from two agencies.

Alaska Department of Fish and Game (ADF&G) comment:

On June 29, 2026, ADF&G's Permit Coordinator emailed to request an extension on the deadline for comments until July 23, 2026, which was granted by DMLW.

As stated in the ADF&G Permit Coordinator's July 21, 2026, letter,

> The Alaska Department of Fish and Game (ADF&G) has completed a preliminary review of the project proposal, ADL 108091 relevant to criteria specified in authorizations for Aquatic Farming AS16.40.105 and 5 AAC 41 200-400. ADF&G Division of Commercial Fisheries (Management, Gene Conservation Lab and Fish Pathology Section), Division of Sport Fish, Division of Wildlife Conservation, Subsistence Section and Habitat Section, were part of the initial review. *There are no concerns pertaining to an aquatic farm operation permit at the proposed location.* Any comments from other government agencies or from the public that may impact applicable department provisions will be considered as part of the final department review for an aquatic farm operation permit which will be issued within 30 days of the lease being issued. Recommendations from this preliminary review are summarized below.
>
> Please advise the applicant that if the project is approved, general conditions pertaining to Alaska Department of Fish and Game statutory and regulatory provisions for issuance of an Aquatic Farm Operation Permit (AFOP) will be included in the operation permit renewal. In addition, site-specific conditions that have been recommended by staff may be included in the AFOP.
>
> Division of Commercial Fisheries has reviewed this request and have no concerns. The permit holder is actively acquiring seed and selling product. Annual reports have been submitted consistently late but are submitted.

> Division of Wildlife Conservation, Marine Mammal Research Program: This application complies with the guidelines set forth with the ADF&G marine mammal mariculture policy updated in April 2024. Any advisories or mitigation steps recommunicated by NOAA Fisheries National Marine Fisheries Service (NMFS) or the US Fish and Wildlife Service (FWS) to reduce marine mammal disturbances should be followed. Large whales, especially humpbacks, are highly susceptible to entanglement in lines in the water; Removing all gear from the water during the non-growing season may minimize gear loss, user conflicts, and marine mammal entanglement and habitat exclusion potential. Any marine mammal entanglements should be immediately reported to the NMFS 24 hr. Stranding Hotline.

DMLW Response:
DMLW acknowledges ADF&G's comment. As one of the resource managers in the area, ADF&G's input is an important source of information. DMLW relies on input from ADF&G and other stakeholders to advise of any expected impacts and solutions that may fall outside of DMLW's authority. A copy of ADF&G's letter dated July 21, 2026, was provided to the lessee. As requested by ADF&G, Attachment B of the PD herein contains ADF&G's letter and the full Department Advisory, which will be advertised for a 30-day public comment period.

DNR's statutes and regulations for aquatic farmsite leases do not specify management of aquatic farms relating to fish and game but authorize DMLW to consider issuing a lease on state owned tideland, shoreland, and submerged land to develop aquatic farms. Management of fish and game is within the authority of ADF&G, and as such, DMLW must defer to them and encourages the applicant to work directly with them. ADF&G may include the conditions it deems appropriate regarding fish and game to its operation permit authorization.

Alaska Department of Environmental Conservation (DEC) Comment:
The Contaminated Sites Program of DEC provided an email on June 29, 2026, stating the following,

> Based on the information provided, the Alaska Department of Environmental Conservation (DEC), Contaminated Sites Program (CSP) has found no sites within 1,500 feet of the proposed project and does not have any comments related to this information request. If the scope of the project changes, update your research and contact CSP as needed. Please note that residual contamination may remain at cleanup completed sites, and those sites should also be evaluated. DEC must be notified if contamination is encountered.

DMLW Response:
DMLW acknowledges DEC's comment. As one of the resource managers in the area, DEC's input is an important source of information. DMLW relies on input from DEC and other stakeholders to

advise on any expected impacts and solutions that may fall outside of DMLW's authority. Management of contaminated sites is within the authority of DEC, and as such, DMLW must defer to them and encourages the applicant to work directly with them.

Lease Amendment Discussion:

KSC's amendment portion of the application dated June 8, 2026, requests to add two parcels to the existing 4.94-acre suspended grow-out parcel. The proposed additions would include a 4.98-acre parcel, containing a work barge and two grow-out rafts, and a 0.06-acre hardening beach parcel, to create a lease site with 3 parcels containing a total of 9.98 acres, more or less, of state-owned tide and submerged lands. The amendment application also notes that the lessee only wants to culture Pacific oysters and does not wish to continue the culture of sugar kelp or host the associated gear in Parcel 2 any longer, as was granted in the 2017 lease amendment.

The proposed 4.98-acre Parcel 1, measuring 350 feet by 620 feet, will formalize the existing use of one 25-foot by 50-foot work barge with yurt, and two 24-foot by 24-foot oyster grow-out rafts. Parcel 1 is where the unauthorized work barge was sited during the 2018 field inspection, and has remained since, and will be brought into compliance if the amendment is granted. The work barge contains a canvas yurt, a QuickTube tumbler-sorter, and 25-foot mast and 20-foot aluminum boom for picking up stacks of cages. Each oyster grow-out raft will use 200 to 800 Aquamesh cages, stacked 10 cages high. Each cage measures 24-inches by 24-inches by 5-inches deep, made of 1-inch by 1-inch PVC-coated wire mesh. The stacks of cages hang 4 to 6 feet deep under the water's surface. The anchor system consists of anchor lines from each corner secured with four 300-pound concrete anchors in water ranging from 30 to 60 feet deep. A large buoy is attached to each end of the work barge anchors. All rafts are constructed of non-treated local wood with floatation made of closed cell (extruded) rotomolded dock floats.

The currently authorized, but unutilized, 4.94-acre Parcel 2, measuring 269 feet by 800 feet, will be used as a floating longline grow-out system for Pacific oysters. The 2017 lease amendment authorized the lessee to use some of the longline area to cultivate sugar kelp along with the associated kelp gear, but now the lessee is requesting to remove sugar kelp species/gear and exclusively use the parcel for culture and harvest of Pacific oysters. The site will contain one 600-foot longline with up to 400 Vexar mesh oyster bags, two 300-pound concrete anchors, and two buoys.

The proposed new 0.06-acre Parcel 3 will be a 30-foot by 100-foot hardening beach, located less than 600 feet behind Parcel 1. The hardening beach will have Vexar bags placed in the intertidal zone to harden the oyster shells.

Should the proposed lease amendment be approved, the lease will be subject to the terms of DMLW's standard lease document, and any Additional Stipulations based, in part, upon the following considerations. The proposed aquatic farm lease amendment will be subject to the terms of DMLW's standard lease document effective at the time the lease is signed. The lease will also be subject to additional stipulations based, in part, upon the following considerations.

Renewal Term:
Pursuant to AS 38.05.083(g), an aquatic farmsite lease issued under this section may be renewed under AS 38.05.070(e). Pursuant to AS 38.05.083(n), an aquatic farmsite lease may be renewed for a term of up to 20 years. As such, this renewal lease will be issued for a 20-year term. Unless an appeal is received by the appeal due date, the lease renewal will have a backdated effective date of November 30, 2021, due to the lease expiration date preceding the renewal.

Development Plan:
The Amendment and Renewal Development Plan (DP) attached to this decision (Attachment A) and dated June 8, 2026, is under consideration by DMLW. Should the proposed lease amendment and renewal be granted, it is anticipated that the DP will need to be updated throughout the life of the lease as activities and/or infrastructure are added or subtracted. All updates must be approved, in writing, by DMLW before any construction, deconstruction, replacement of infrastructure, or change in activity will be authorized. DMLW reserves the right to require additional agency review and/or public notice for changes that are deemed by DMLW to be beyond the scope of this decision.

Survey:
In accordance with AS 38.04.045, this lease does not require a survey. However, the State of Alaska reserves the right to require one in the future, should the need arise due to changes in statutes or increased use of the area. The lessee has submitted GPS coordinate points for the corners of the proposed amendment and renewal area.

Compensation and Appraisal:
DMLW has approved an administrative Aquatic Farmsite Fee Schedule, Report No. 2522-17. The proposed amendment and renewal meet the conditions outlined within the Aquatic Farmsite Fee Schedule. The most current lease Fee Schedule will be used to determine the fair market rental each lessee is required to pay. This Fee Schedule serves as the basis for establishing annual rent for the use of tide, submerged, and shore lands suitable for aquatic farmsites. As the Fee Schedule satisfies the requirements of AS 38.05.840, no appraisal will be required from the applicant. All fees are subject to adjustment per AS 38.05.105.

For an aquatic farm lease of 9.98 acres, the annual rent consists of a base fee of $450 for the first acre, plus $125 per additional acre or portion thereof, resulting in a total annual amount of $1,575.

A breakdown of the aquatic farm annual lease fee will be as follows:
9.98 acres: (1 acre at $450) + (9 acres at $125) = **$1,575.00/year**

If the applicant does not agree with the Fee Schedule amount of $1,575.00, the applicant may obtain fair market value appraisal of the proposed leasehold at their expense. The appraisal must be approved by DMLW Appraisals Section. If an appraisal is approved, the applicant will be required to pay the appraised amount. The appraisal cost will be borne by the applicant. The parcel may need to have an approved Alaska Tideland Survey to accomplish the appraisal. If a survey is required, the cost will be incurred by the applicant.

Subleases:
Subleasing is permissible through AS 38.05.095, if the proposed lease amendment and renewal is approved. A sublease is defined to include any lease, rental, storage, or accommodation agreement between the Lessee and another individual, business or corporation utilizing or benefiting from the lease parcel. Sublessee shall be defined to mean any individual or business entity executing an agreement, as above, with the Lessee. A sublease pertaining to the proposed lease includes but is not limited to, user agreements, license agreements, communication site agreements, or any contracts between the lessee and other commercial entities. All potential subleases must first be approved in writing by DMLW. DMLW may conduct further agency review and/or public notice before making a determination on the appropriateness of the proposed sublease. The sublease fee will be 25% of the annual fee paid to the lessee by the sublessee. All sublessees and activities must meet the statutory qualifications under which this original lease was issued.

Assignment:
The proposed aquatic farm lease amendment and renewal, if issued, may be assigned to another individual or corporation only with written approval from the State of Alaska. A lease will not be assigned to an entity if that entity does not meet the statutory qualifications or requirements of the lease, or if the lessee is considered not to be in “good standing” with this or any other agency authorization.

Bonding:
In accordance with the terms of the original lease, the existing performance bond of $2,500 will be sufficient to satisfy AS 38.05.083(e) and 11 AAC 63.080. The performance guaranty must remain in effect for the duration of the lease term or until released in writing by the Authorized Officer (AO). The bond amount is based upon the level of development, amounts of hazardous material/substances on site, and the perceived liability to the State. This bond will be used to ensure

the lessees compliance with the terms and conditions of the lease issued for their project. This bond amount will be subject to periodic adjustments and may be adjusted upon approval of any amendments, assignments, reappraisals, changes in the development plan, changes in the activities conducted, or changes in the performance of operations conducted on the authorized premises, and as a result of any violations to one or more of the authorizations associated with this project.

The bond 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 reasonably 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.

Reclamation:

In accordance with AS 38.05.090(b), all lessees must restore their lease sites to a "good and marketable condition" within 120 days after termination of the lease. What level of reclamation constitutes as being "good and marketable" is at the discretion of DMLW. DMLW reserves the right to require a reclamation bond due to non-compliance issues during the term of the lease or near the end of the life of the project.

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 lessee 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.

Public Notice:

Pursuant to AS 38.05.945, this PD will be noticed for a 30-day public comment period**,** starting on August 26, 2026. The Hoonah and Tenakee Springs post office(s) located near the leasehold's amendment and renewal proposal will be requested to post the notice pursuant to AS

38.05.945(b)(3)(C). The notice will also be posted on the State of Alaska Online Public Notice website pursuant to AS 38.05.945(b)(3)(B) located at: https://aws.state.ak.us/OnlinePublicNotices/Default.aspx. Additionally, Public Notice will be sent to regional corporations, village corporations, neighboring property owners, nearby DMLW authorization holders, and other interested parties.

The public is invited to comment on this PD. All comments received during the public comment period will be considered in the Final Finding and Decision (FFD). A copy of the FFD, along with instructions on filing an appeal, will be sent to all persons who comment on the PD. If public comments result in significant changes to the PD, additional public notice may be given.

To be eligible to appeal, a person affected by the FFD must provide written comments during the public comment period.

Written comments about this project must be received in this office no later than 11:59 PM on September 28, 2026, to be considered.

To submit comments please choose one of the following methods:

Mail: Department of Natural Resources
Division of Mining, Land and Water
Southcentral Regional Land Office
ATTN: *Jen Kopnicky*
550 West 7th Avenue, STE 900C
Anchorage, Alaska 99501
Email: jen.kopnicky@alaska.gov
Fax: (907) 269-8913

DNR-DMLW complies with Title II of the Americans with Disabilities Act of 1990. Individuals with disabilities who may need auxiliary aids, services or special modifications to comment should contact Alaska Relay at 711 or 1-800-770-8973 for TTY services.

Signature page follows

Recommendation:

DMLW has completed a review of the information provided by the lessee, examined the relevant land management documents, agency comments, and land ownership data, and found that a lease amendment and renewal are consistent with all applicable statutes and regulations. This decision considers the applicant's history and experience with aquatic farming, the submitted Development Plan, the existing uses in the area, and the overall benefit to the State's aquatic farm industry. DMLW finds granting of the proposed lease amendment and renewal provides the greatest benefit to the State. I recommend the issuance of a 20-year aquatic farm lease renewal to KSC.

I recommend proceeding with the agency and public notice for the purpose of providing agencies, members of the public, and those entities identified in AS 38.05.945, an opportunity to review and submit comments.

08/25/2026

Jen Kopnicky Date

Natural Resource Specialist

Preliminary Amendment and Renewal Decision:

The findings presented above have been reviewed and considered. The case file has been found to be complete and the requirements of all applicable statutes and regulations have been satisfied. It is the determination of the DMLW that it may be in the State's best interest to issue an aquatic farmsite lease amendment and renewal to KSC, as described above. This Preliminary Decision shall now proceed to agency and public notice.

Cinnamon Micelotta 8/25/2026

Cinnamon Micelotta, Natural Resource Manager 2 Date

Division of Mining, Land & Water

Southcentral Regional Land Office

Attachments

Attachment A – Amendment and Renewal Development Plan

Attachment B – ADF&G Letter

Attachment A
Amendment and Renewal Development Plan

PROJECT DESCRIPTION

DATE SUBMITTED: 4/1/2024

Company Name

Kaawu Oyster Co. LLC (Anthony Lindoff, sole proprietor) is applying for an aquatic farm lease consisting of two separate 5 acre submerged tidleands parcels and one 0.06 acre hardening beach area located at Burnt Point in Port Frederick, 6.5 miles SW of the community of Hoonah in SE Alaska. The uplands owner is Sealaska Corporation. The farm is located on state of Alaska inter-tidal and submerged lands. Parcel 2 (original aquatic farm lease site) is closest to Grassy Rock at Burnt Point and will be using the surface culture lingline system to farm Pacific oysters. Parcel 1 and Parcel 3 are located less than 1/2 mile NE from Parcel 2, and being better protected from wind, will be utilizing the raft and tray growout method. A floating 25 ft x 50 ft work barge will farm's primary work station where all of the tumbling, sorting, cleaning, and culling and other farm duties will take place.
(See more detailed in Attachment 1- Project Description)

Site Location [*Include water body, distance from nearest community, any landmarks, general region of Alaska, and whether on state tidal and/or submerged lands or private. Provide enough information to understand where it is located.*]
Waterbody: Burnt Point, Port Frederick, six nautical miles from Hoonah, Southeast Alaska
Parcel 1: Work barge and raft & tray growout system
NE Corner 1: 58* 3.0538' N and 135* 32.7607; SE Corner 2: 58* 2.9652' N and 135* 32.7607
SW Corner 3: 58* 2.9652' N and 135* 32.8856; NW Corner 4: 58* 3.0538' N and 135* 32.8856
Parcel 2: Floating bag array
NE1: 58* 2.704' N and 135* 33.071' W; SE2: 58* 2.661' N and 135* 33.053' W; SW3: 58*2.632' N and 135* 33.296' W; NW4: 58* 2.675' N and 135* 33.314' W
Parcel 3: Hardening area, NE Corner 1: 58* 3.060' N and 135* 32.766' W, SE2: 58* 3.042' N and 135* 32.748' W; SW3: 58* 3.042' N and 135* 32.760' W; NW4: 58* 3.060' N and 135* 32.772' W

Site I , Acres for Each Parcel

Parcel 1 rectangular: 350'x620'= 4.98 acres

Parcel 2
Dimensions (rectangular): 269 ft. x 800 ft.= 4.94 acres

Parcel 3 (hardening beach): 100'x30' = .06 acres

Total (P1+P2+P3) = 9.98 acres

Total Acres of All Parcels

P1, P2, and P3 Total acres = 9.98 acres

Species You Intend to Farm [*Include scientific and common species name*]

1. Pacific Oyster (crassostrea gigas)

No other species, only wish to farm oysters at present.

Culture Method [*Describe operation activities to be done onsite such as outplanting of seedstock, husbandry techniques to be used (culling, sorting, washing, etc.), maintenance and monitoring activities, management of fouling organisms and incidental species, predator control measures, and schedule of activities such as timing of outplanting seeded lines or adding seedstock into trays, etc. Describe what methods you plan to use based on the definition in* ***5 AAC 41.400(6)***. *"Culture" means to use or the use of methods to manipulate the biology and the physical habitat of a desired species to optimize survival, density, growth rates, uniformity of size, and use of the available habitat, and to efficiently produce a product suitable for a commercial market.*]

Kaawu will continue to utilize the deep-water suspension method, deploying both the raft and tray and floating basket culture methods. The farm will have a wooden barge that'll serve as its main work platform, in which all of the tumbling, sorting, washing, culling, and outplanting of new oyster seed will take place. Outplanting occurs 1 to 2 times per year, ideally at the beginning of summer and beginning of fall. Starfish and other fouling organisms will be promptly returned to the water surrounding the barge.
Kaawu will use the floating vexar mesh bags for outplanting oyster seed and shaping for the first year before transferring the oysters to the wire mesh trays for final grow-out on the rafts. Upon reaching commercial size, the oysters will be transferred to the intertidal zone (+0' to +3' tide line) for beach hardening for a minimum of two weeks before being harvested. No gear needed for hardening, simply utilizing vexar mesh bags and placed on beach.

Culture Gear and Equipment (Type, Size, Number, Configuration, Material, and Anchoring System) [*If more than one parcel, indicate what parcel specific gear will be located on. If more than one species, indicate gear to be used for each. Gear includes any structure that holds or protects the organism like trays, tiers of lantern nets, Vexar bags, OysterGro system, grow-out submerged longlines, predator netting, longlines, buoys, depth control systems, etc. Include approximate installation schedule, or if and what gear will remain installed year-round etc.*]

The grow-out rafts will be made of non-treated lumber and rotomolded dock floats, connected via longline, while the trays are vexar mesh oyster bags are manufactured by Aqua-Pacific Wire & Mesh. Kaawu will use Vexar mesh bags for both oyster surface culture longline and beach hardening stage. Beach hardening doesn't require gear other than vexar mesh bags; upon saleable size the oysters will be counted and placed into mesh bags (10 dozen per bag) and into intertidal area directly behind the work barge.
The work barge and grow-out rafts will be made of the same material and components: non-treated lumber, rotomolded plastic dock floats and galvanized hardware.
Parcel 1 is where most of the husbandry (tumbling, sorting, cleaning, culling,etc.) will take place, as it's the most protected from the weather and best suitable for grow-out rafts and the work barge. one Work barge with yurt and two!grow rafts will utilize 4 anchors and two buoys for its anchoring system.
Parcel 2 is where the floating tray array system will be deployed, requiring 2 anchors and 2 bouys on either end of the array.
Parcel 3 is vexar bags placed on the beach for hardening process.

Attachment A
Amendment and Renewal Development Plan

Seed Acquisition Plan (Commercially produced and/or wildstock) [*Commercially produced juveniles or seed stock must be obtained from an approved seed source. Do you intend to collect wildstock juveniles or natural set organisms for direct culture on your proposed site? Yes/No. If yes, describe collection methods (applicable for indigenous species: i.e. mussels, scallops, abalone, natural set aquatic plants, etc. This does not refer to broodstock collection on behalf of hatcheries for propagation. If increasing number of acquisitions per year, indicate projected amounts per year. Aquatic plant species can be combined into total feet of line per year.]*

Kaawu will continue to purchase oyster seed on an annual basis from Blue Starr Nursery in Tokeen Cove. Upon receiving approved Shellstock Transport Permit (STP), we will outplant oyster seed at 1-2 times throughout the growing season (May-October).

Harvest Equipment and Method [*Describe harvest equipment and methods to be used, activities to be done onsite, and schedule of harvest of aquatic farm product. If more than one species, include harvest information for each species or group of species like macroalgae if the harvest information is the same.*]

Kaawu will utilize its work barge as its primary work platform, where it will perform husbandry and harvesting methods, as well as a work center to build and repair grow-out gear and common farm maintenance activities. The work barge has a 25' tall mast and 20' aluminum boom that helps lift stacks of trays from the growout rafts onto to barge for husbandry activities, primarily tumbling and sorting of oysters. Oysters will be run through QuickTube tumbler sorter and back into designated growout system (raft or floating bag). Once oysters are deemed saleable, they'll be placed into vexar mesh bags, 10 dozen oysters per bag, and onto the beach for minimum two weeks. No gear or floats required for hardening stage—simply mesh bags for safe holding. When time to harvest, oysters will be washed down with water pump and hose, placed in plastic commercial fish tote/cooler, and then immediately taken to Icy Strait Point Commissary for boxing and storing until ready for shipment to customers.

Support Facilities (Type, Size, Number, Configuration, Material, and Anchoring) [*Support facilities include caretaker facility, storage rafts, work rafts, processing rafts, etc.*]

25'x50' non-treated wooden work barge (with rotomolded billets for flotation), complete with yurt, QuickTube tumbler-sorter, and mast and boom for picking stacks of oysters. Work barge shares anchoring system as grow out rafts: two anchors in rear and two anchors in front, with two buoys.

Attachment A
Amendment and Renewal Development Plan

ATTACHMENT 1
PROJECT DESCRIPTION
Kaawu Oyster Co-Anthony Lindoff
6.4.2025
The proposed oyster farm will consist of three separate parcels located on state-owned submerged lands, totaling about 9.98 acres. Parcels include:

- Growing area measuring 350 ft x 620 ft (4.98 acres) for subtidal suspended culture of Pacific oysters using grow-out raft and cage system (Parcel 1).
- Secondary growing area measuring 269 ft x 800 ft (4.94 acres) for surface culture of Pacific oysters using floating bag systerm (Parcel 2)
- Hardening beach 30ftx 100 ft (0.06 acres) for vexar bags placed in intertidal zone (Parcel 3)

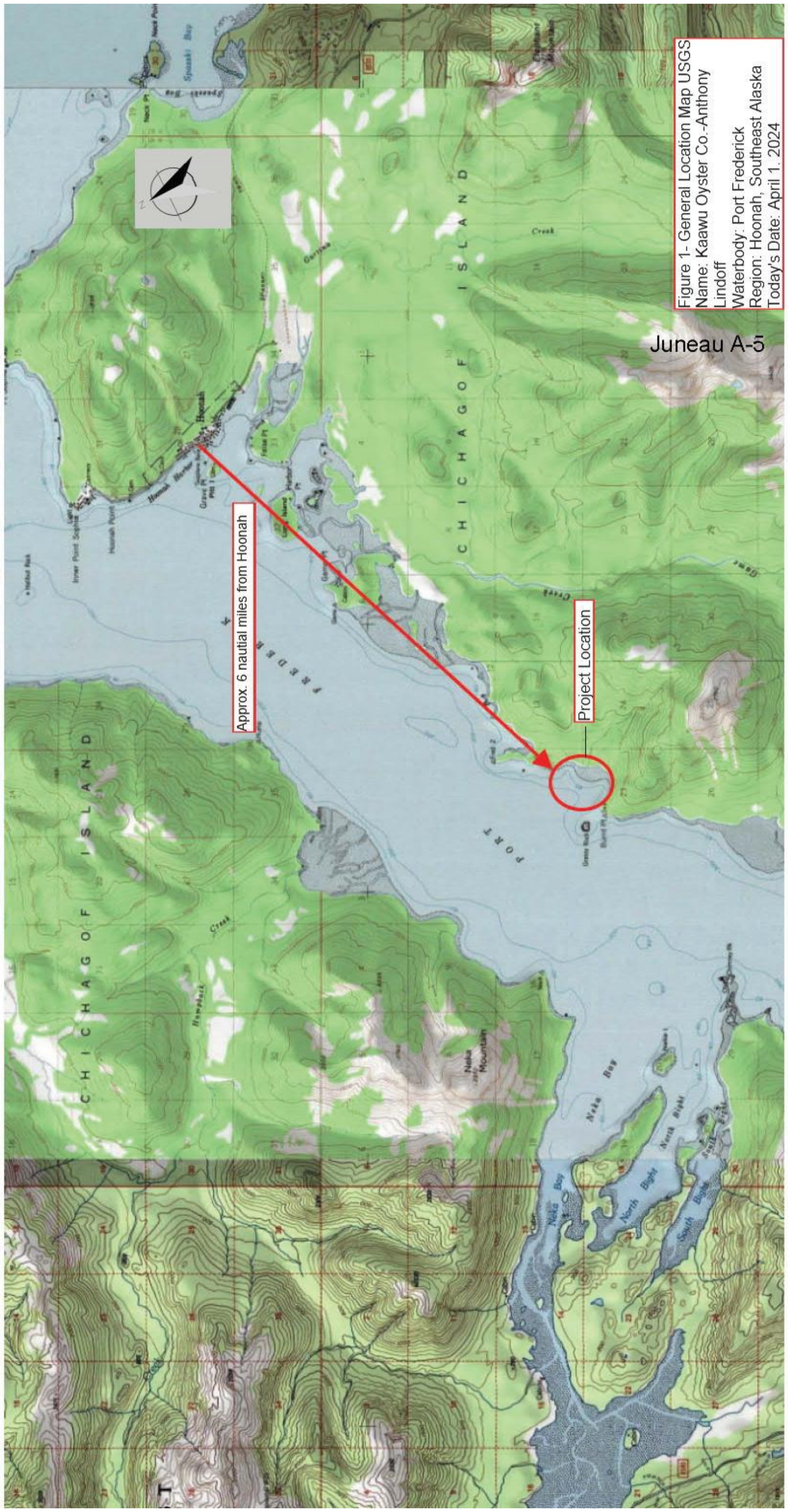
The proposed aquatic farm is located about 6.5 miles south of the community of Hoonah near Burnt Point, a small, protected cove in Port Frederick near Grassy Rock. (Attachment 2 and 3)

Parcel 1 will hold the work barge (25 ft x 50 ft) and two (2) 24 ft x 24 ft oyster grow-out rafts. Each grow-out raft will use 200 to a maximum of 800 Aquamesh cages stacked 10 high. Each cage measures 24 inches x 24 inches x 5 inches deep, manufactured of 1 inch by 1 inch PVC coated wire mesh. The 5ft-6ft stacks of cages will hang 4ft to 6ft under the water's surface. The anchor system for Parcel 1 would consist of floating anchor lines from each corner secured using four (4) 300 lb concrete anchors in water ranging from 30 ft deep to 60 ft deep, attached to large buoy on either end. All rafts are constructed of non-treated local wood with flotation made of closed cell (extruded) rotomolded dock floats. (Attachment 4)

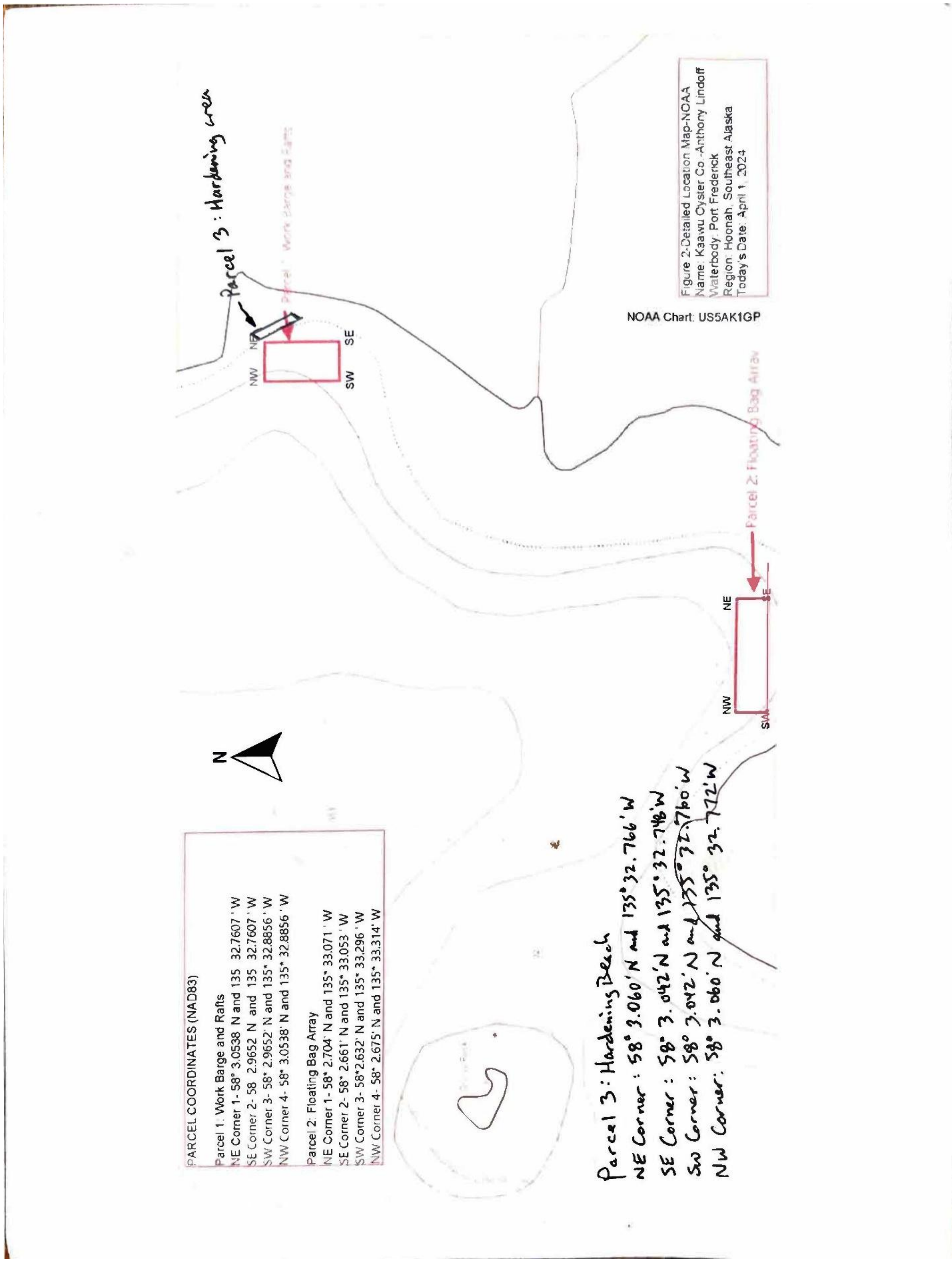
Parcel 2 is closest to Grassy Rock and will be used exclusively for pacific oyster surface culture longline grow-out system, using vexar mesh bags and floats. The floating bag system will consist of 100 to a maximum 400 floating bags, with one buoy on either end. Each end of the longline system will be secured using two (2) 300 lb concrete anchors, attached to buoys on either end (Attachment 5-7).

Parcel 3 is located less located less than 600 ft directly behind Parcel 1 and work barge. It will he used as a hardening beach where vexar bags are placed in the intertidal zone. Its dimensions are 30 ft x 100 ft (0.06 acres).

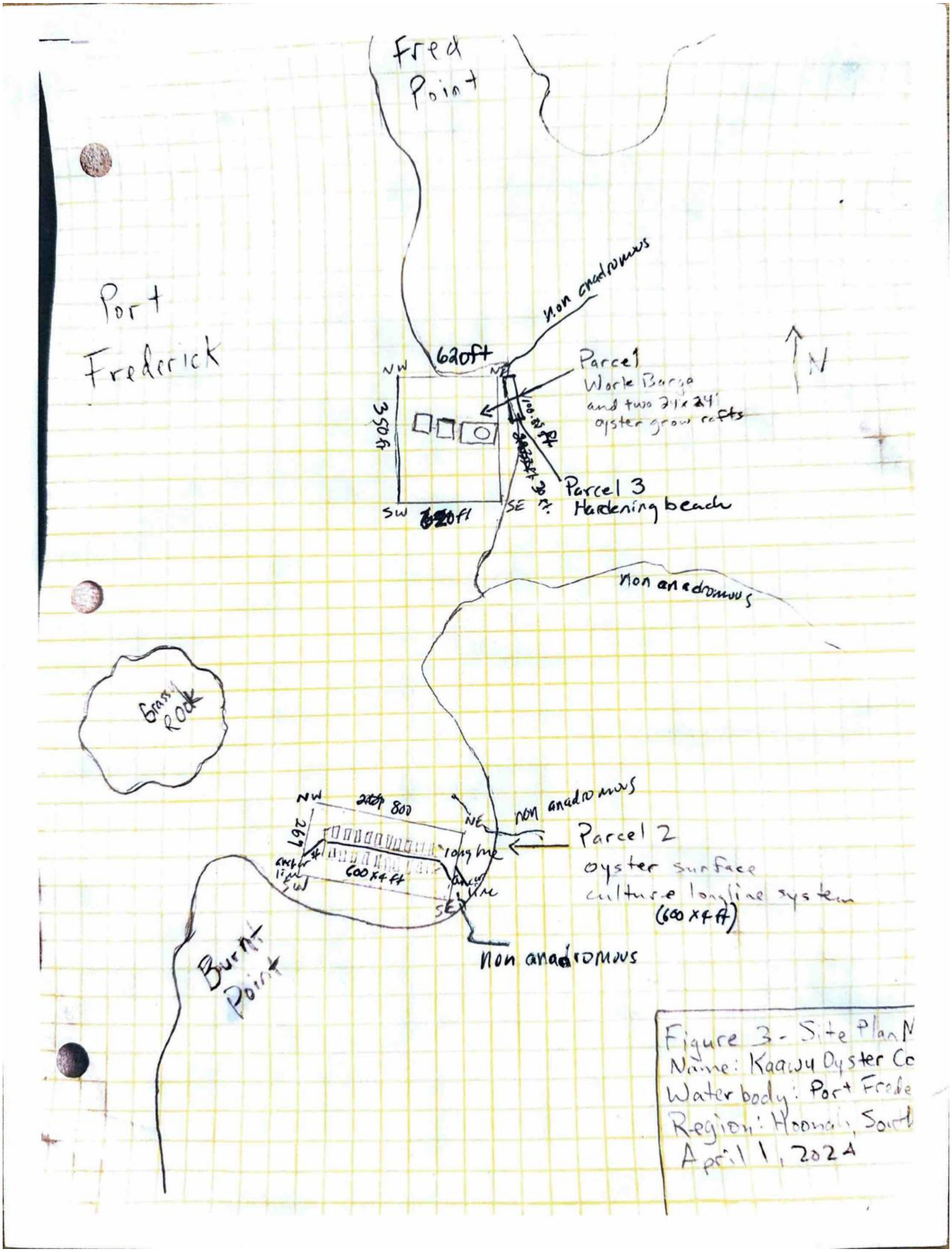
Attachment A
Amendment and Renewal Development Plan



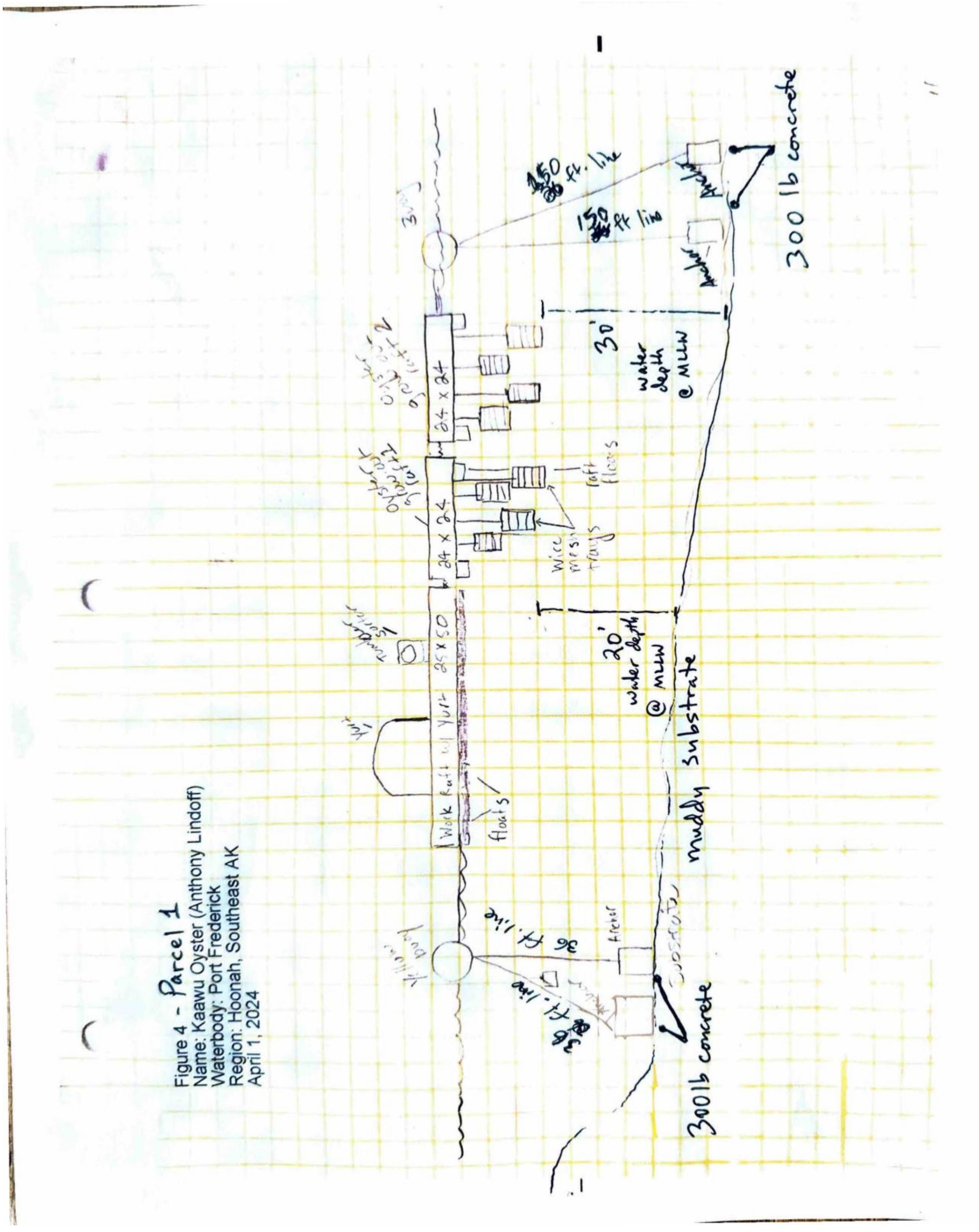
Attachment A
Amendment and Renewal Development Plan

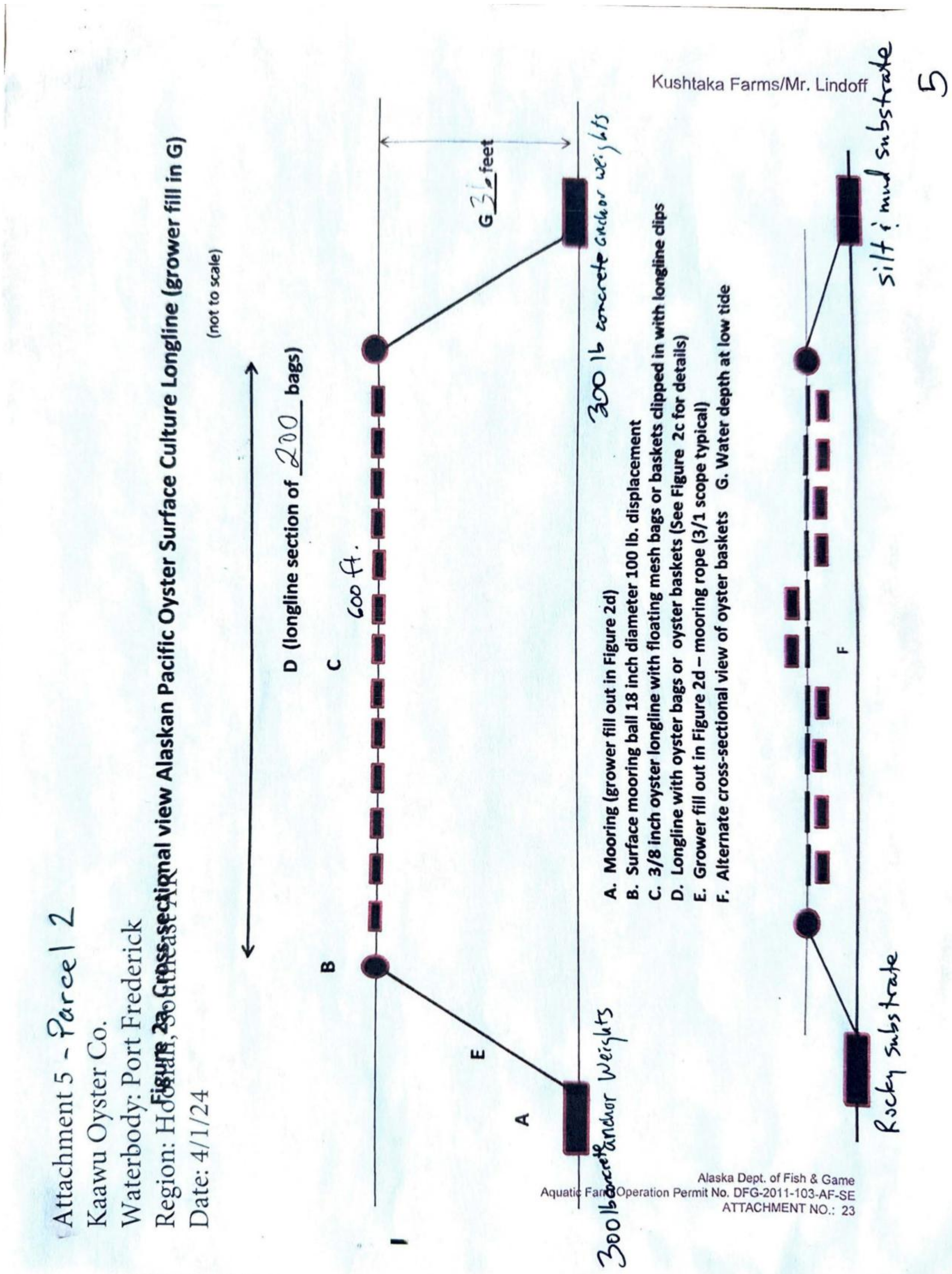


Attachment A
Amendment and Renewal Development Plan

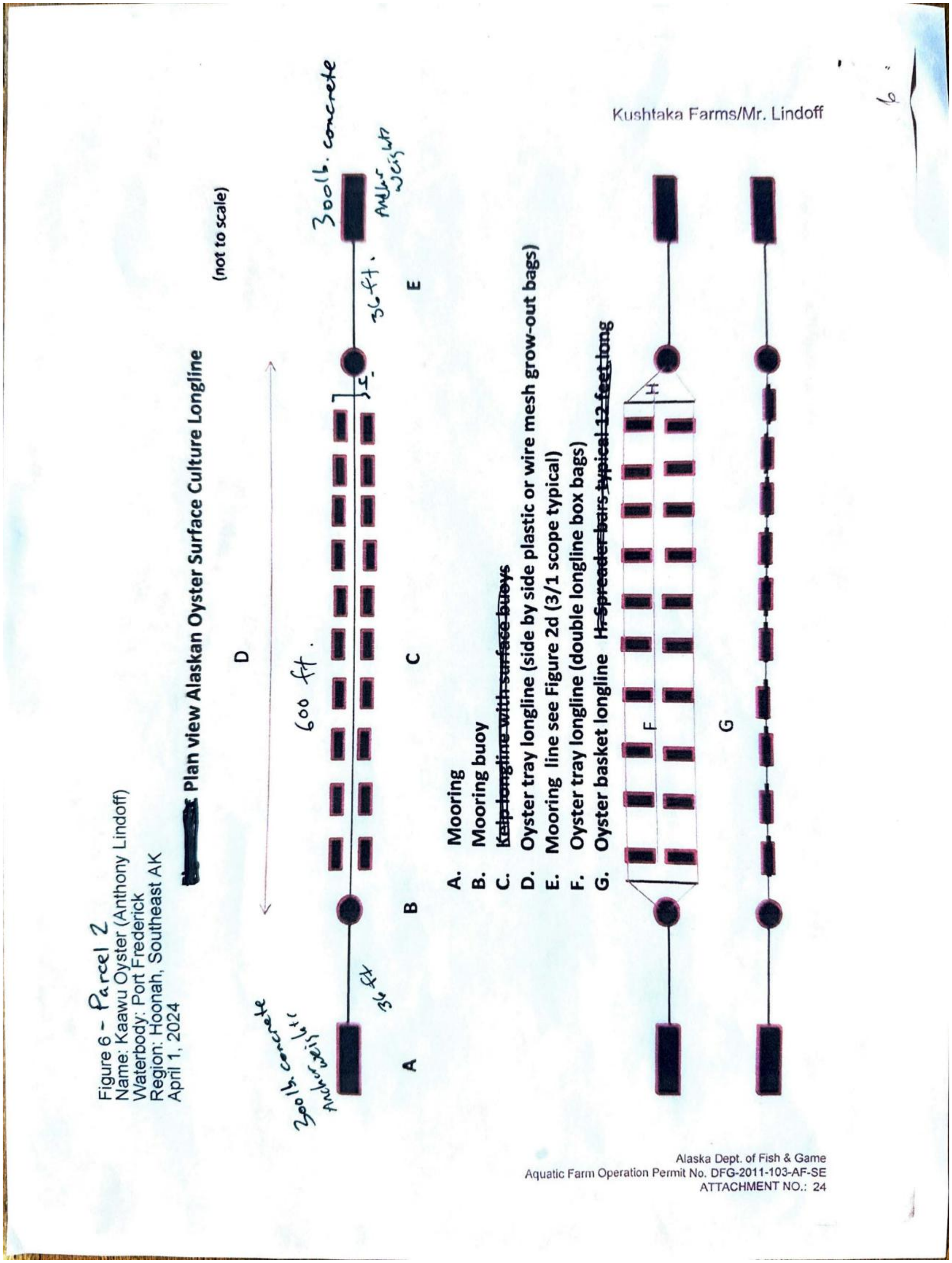


Attachment A
Amendment and Renewal Development Plan




Attachment 5 - Parcel 2
Kaawu Oyster Co.
Waterbody: Port Frederick
Region: Hoonah, Southeast AK
Date: 4/1/24
Figure 2a. Cross-sectional view Alaskan Pacific Oyster Surface Culture Longline (grower fill in G)
(not to scale)
D (longline section of 200 bags)
600 ft.
A
B
C
E
G 36 feet
300 lb concrete anchor weights
300 lb concrete anchor weights
A. Mooring (grower fill out in Figure 2d)
B. Surface mooring ball 18 inch diameter 100 lb. displacement
C. 3/8 inch oyster longline with floating mesh bags or baskets clipped in with longline clips
D. Longline with oyster bags or oyster baskets (See Figure 2c for details)
E. Grower fill out in Figure 2d – mooring rope (3/1 scope typical)
F. Alternate cross-sectional view of oyster baskets G. Water depth at low tide
F
Rocky substrate
silt & mud substrate
Kushtaka Farms/Mr. Lindoff
5
Alaska Dept. of Fish & Game
Aquatic Farm Operation Permit No. DFG-2011-103-AF-SE
ATTACHMENT NO.: 23

Attachment A
Amendment and Renewal Development Plan

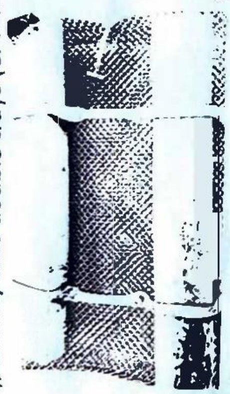


Kushtaka Farms/Mr. Lindoff

7

Figure 7: Detailed Drawing
Name: Kaawu Oyster (Anthony Lindoff)
Waterbody: Port Frederick
Region: Hoonah, Southeast AK
April 1, 2024
[redacted]. Detail on individual oyster trays (A. vexar pouch with foam floats on top), double trays (B. vexar box with foam floats on side 3 lines), side by side double trays (C. vexar pouch with foam floats on top, one line).

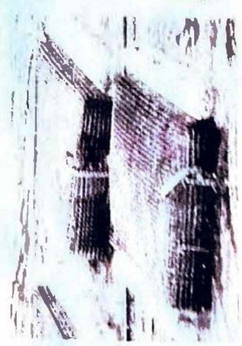
1



18 inches wide

34 inches long 4 inches deep

2



80 inches long (two bags)

24 inches wide

3

4 feet wide for two bags

8 feet long for two double bags

Alaska Dept. of Fish & Game
Aquatic Farm Operation Permit No. DFG-2011-103-AF-SE
ATTACHMENT NO.: 25

Attachment B
ADF&G Letter

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Fish and Game

Division of Commercial Fisheries
Headquarters Office

1255 West 8th Street
P.O. Box 115526
Juneau, Alaska 99811-5526
Main: 907.465.4210
Fax: 907.465.4168
Permit Coordinator: 907.465.4724

July 21, 2026

Jen Kopnicky
Department of Natural Resources
Southcentral Regional Land Office
Aquatic Farm Leasing Program
550 West 7th Avenue, Suite 900C
Anchorage AK 99501

Re: Alaska Department of Fish and Game Agency Review Comments
Lindoff / Kaawu Oyster Company Aquatic Farm Site Amendment & Renewal – Burnt Point
DNR File No. ADL 108091

Dear Ms. Kopnicky:

The Alaska Department of Fish and Game (ADF&G) has completed a preliminary review of the project proposal, **ADL 108091** relevant to criteria specified in authorizations for Aquatic Farming AS16.40.105 and 5 AAC 200-400. ADF&G Division of Commercial Fisheries (Management, Gene Conservation Lab and Fish Pathology Section), Division of Sport Fish, Division of Wildlife Conservation, Subsistence Section and Habitat Section, were part of the initial review. *There are no concerns pertaining to the aquatic farm operation permit amendment and renewal at the existing location.* Any comments from other government agencies or from the public that may impact applicable department provisions will be considered as part of the final department review for an aquatic farm operation permit renewal which will be issued within 30 days of the lease being issued. Recommendations from this preliminary review are summarized below.

Department Advisory

Please advise the applicant that if the project is approved, general conditions pertaining to Alaska Department of Fish and Game statutory and regulatory provisions for issuance of an Aquatic Farm Operation Permit (AFOP) will be included in the operation permit renewal. In addition, site-specific conditions that have been recommended by staff may be included in the AFOP.

Division of Commercial Fisheries has reviewed this request and have no concerns. The permit holder is actively acquiring seed and selling product. Annual reports have been submitted consistently late but are submitted.

Attachment B
ADF&G Letter

Gene Conservation Lab has reviewed this request and have no concerns.
Fish Pathology Section has reviewed this request and have no concerns.

Division of Sport Fish has reviewed this request and have no concerns.

Invasive Species Program Coordinator did not comment at this time.

Division of Wildlife Conservation

Marine Mammal Research Program: This application complies with the guidelines set forth with the ADF&G marine mammal mariculture policy updated in April 2024. Any advisories or mitigation steps recommunicated by NOAA Fisheries National Marine Fisheries Service (NMFS) or the US Fish and Wildlife Service (FWS) to reduce marine mammal disturbances should be followed. Large whales, especially humpbacks, are highly susceptible to entanglement in lines in the water; Removing all gear from the water during the non-growing season may minimize gear loss, user conflicts, and marine mammal entanglement and habitat exclusion potential. Any marine mammal entanglements should be immediately reported to the NMFS 24 hr. Stranding Hotline, phone – (877) 925-7773 and the ADF&G Permit Coordinator (907-465-4724).

Access Defense Program: Has reviewed this request and have no concerns.

Habitat Section did not comment at this time.

Subsistence Section did not comment at this time.

Our department requests that the Department of Natural Resources consider providing this in their Preliminary Decision as an advisory to the applicant and for public reference.

Thank you for the opportunity to provide comments on this aquatic farm proposal. If you have any questions, please contact me at (907) 465-4724.

Sincerely,

Michelle Morris

Michelle Morris
Permit Coordinator

ecc: Garold V. Pryor, Aquaculture Section Chief, ADF&G
Anthony Lindoff, Kaawu Oyster Company