MUNICIPAL LANDS TRUSTEE PROGRAM ANNUAL REPORT

As communities grow and develop, so does their need for land.



JUNE 30, 2016



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(Cover photo: Survey monument in Twin Hills, 2015) (Back cover photo: Dot Lake Village, 2015)



Department of Commerce, Community, and Economic Development

OFFICE OF THE COMMISSIONER

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June 30, 2016

Dear Reader,

Thank you for your interest in the Municipal Lands Trustee (MLT) Program. I am pleased to share this report with you of our activity during the past year.

In addition to providing leases for current uses of MLT land, we are continuing to work with village corporations and village councils to complete ANCSA 14(c)(3) settlements. Lands held in trust by the State are available for community projects, so completion of a settlement may aid the process of securing site control for new construction. MLT holds lands in trust until a first or second class city is established. Once a city government is formed the lands and revenues from the lands are transferred to the new city.

It is important to note that the State of Alaska is presently struggling with its budget due to significantly declining revenues. With reduced state dollars there is potential for closures of schools. These are serious issues and MLT continues to support keeping schools open in communities.

The closure of schools is a genuine risk to small communities and a continued cut to the State budget increases that threat. MLT will address school closures on MLT lands to the best of its ability. However, in the event of a school closure, MLT invites the community to proactively seek alternative uses which can support the continued use of facilities. By finding viable alternative uses in the event of a school closure we hope to at least keep the buildings in working order while supporting local efforts to stabilize the community and increase the student population.

I invite you to contact me or my staff with your questions, concerns, and ideas for the future. We look forward to working with you to build strong communities.

Sincerely,

atherine Eldemar

Katherine Eldemar, Director Municipal Lands Trust Officer

INTRODUCTION

Section 14(c)(3) of the Alaska Native Claims Settlement Act (ANCSA) requires all Native village corporations that receive land under the provisions of Sections 14(a) and (b) of ANCSA to convey certain lands to the existing municipality in the village or, if no municipality exists, to the State in trust for any municipality that may be established in the future. The lands conveyed to the State in trust are called "municipal trust lands."

Municipal trust lands includes:

- improved land used for community purposes
- land necessary for community expansion
- public rights of way
- land for other foreseeable community needs

The responsibility for administering municipal trust land is assigned to the Commissioner of the Department of Commerce, Community, and Economic Development in A.S. 44.33.755. The Municipal Lands Trustee (MLT) Program is within the Department's Division of Community and Regional Affairs.

The MLT Program is guided by a Statement of Trust Philosophy, originally prepared in 1977 and revised several times, most recently in 2010. The Statement of Trust Philosophy provides:

- The State cannot acquire title to, nor administer municipal trust lands for its own sovereign use and benefit.
- Municipal trust lands are held for a future city and are for the ultimate general welfare of all residents, now and in the future.
- Great weight will be given by the Trustee to the views of the residents of the village.
- The Trustee has the duty to be responsive both to present needs of the village and to foreseeable needs of any future city.

The first land taken into trust was a five acre parcel in Kokhanok, deeded to the State in trust in 1982. Since then, the MLT Program has completed settlement agreements in 45 of the 93 communities currently in the program, with approximately 11,500 acres currently held in trust.



WHICH VILLAGES ARE PART OF THE MLT PROGRAM?

APPROPRIATE VILLAGE ENTITY (AVE)

In most villages there is a village organization that represents local residents in decisions about trust lands. This may be a village council, a community association, or some other group established in the community. The recognized group is called the "appropriate village entity" (AVE). The role of the AVE is to speak for village residents.

The AVE is a partner with the MLT Program in identifying land for conveyance under ANCSA 14(c)(3).

Once land is conveyed into trust, it is only available for use with the approval of the AVE.

The MLT Program invites each AVE to make long term plans for trust land. These plans help both the community and MLT consider what land uses are in the best interest of residents now and in the future. The goal of the MLT Program is to work closely with the AVE to ensure a good faith partnership.

In communities that do not have an AVE, land uses are voted on by local residents in a village meeting conducted by MLT staff.

ACCEPTING MUNICIPAL TRUST LAND

Reaching a 14(c)(3) agreement is best done by interaction between the AVE, the village corporation, and the MLT Program. Sharing of information, cooperation, and the involvement of local residents are vital to a successful 14(c)(3) settlement.

MLT asks five questions in deciding to accept a 14(c)(3) proposal:

- 1. Is acceptance of the 14(c)(3) land in the best interest of a future city?
- 2. Does the proposal include all improved land in the village?
- 3. Is there enough land included which is clearly essential to meet all present or foreseeable community needs?
- 4. Would future land use patterns created by the conveyance impair the economic viability of the village corporation?
- 5. Is the acceptance of the land consistent with the views of the village residents?

The end product is a 14(c)(3) agreement that works for all parties. The 14(c)(3) land will reflect the community's view of the future.

MANAGING MUNICIPAL TRUST LAND

MLT staff work closely with the appropriate village entities or local residents to help meet the village's present and future needs for land. Leases are generally used to provide site control for community projects. By using leases instead of deeds, MLT and the village can keep options open for different types of land uses in the future. In some cases, the MLT Program does issue deeds to land for residential purposes if that is the recommendation of the AVE or the local residents.

The following regulatory requirements give the village a great deal of control over the 14(c)(3) land:

- 1. The village residents must approve of the disposal of trust land.
- 2. Public notice of the disposal must be given.
- 3. Use of the land should be consistent with any plans or policies developed by the village, and any planning or zoning regulations that apply to the village.
- 4. The disposal must be for at least fair market value.
- 5. The fair market value requirement may be waived only for public or charitable purposes, village relocation, equitable interest, or for residential expansion.

INCORPORATION OF A MUNICIPALITY

A.S. 44.33.755(c) and (e) provide that, upon incorporation of a municipality in a village, land held in trust by the State is conveyed to the municipal government, along with any revenue from the land (see page 21). The following communities are former MLT villages that have incorporated as second class cities:

Village	Year of Incorporation
Akutan	1979
Atqasuk	1982
Chignik	1983
St. George	1983
Atka	1988
False Pass	1990
Pilot Point	1992
Egegik	1995

CURRENT STATUS

The pages that follow provide the following information for each of the communities in the MLT program:

- **AVE:** The local organization recognized by the Municipal Lands Trustee as the "appropriate village entity." See page 4 for more information about AVEs.
- **Status:** For a community without a municipality, ANCSA Section 14(c)(3) requires a village corporation to convey land to the State in trust (see page 20). The status of this obligation is designated as follows:
 - **C Complete**: The village corporation has fully discharged its obligation under Section 14(c)(3).
 - **P Partial:** Land has been deeded to the State in trust in partial satisfaction of 14(c)(3), under 3 AAC 190.035.
 - IP In Process: A settlement agreement for the 14(c)(3) obligation is in negotiation or has been executed but the lands have not yet been fully conveyed to the State in trust.
 - N Not complete: There is no activity on a 14(c)(3) settlement.
- Acres: The number of acres of land currently held by the State in trust for a future city government.
- Leases in Effect: The number of current leases for uses of MLT land, such as airports, schools and landfills.
- **Revenues to Date:** The total amount received to date for disposals of interest in MLT land, such as the sale of a residential lot or a lease for a post office site. The requirement to charge fair market value for MLT land may be waived when the land is used for a public purpose.



Pitkas Point in 1990

Community	Status	Acres	Leases in Effect	Revenues to Date
AVE				
Cantwell	IP	0	0	\$0.00
No AVE				
Chistochina	N	0	0	\$0.00
Cheesh'na Tribal Council				
Chitina	N	0	0	\$0.00
Chitina Traditional Village Council				
Copper Center	С	40.61	0	\$20.00
Native Village of Kluti-Kaah				
Gakona	Р	0.935	0	\$10.00
Gakona Village Council				
Gulkana	C	0	0	\$0.00
Gulkana Village Council				
Mentasta Lake	IP	0	0	\$10.00
Mentasta Traditional Council				
Tazlina	IP	0	0	\$0.00
No AVE				

AHTNA REGION

COPPER CENTER SITE VISIT

In 1984 the Municipal Lands Trust deeded 18 housing lots in Copper Center to the Copper River Basin Housing Authority for HUD homes that are still used by residents today. A settlement for Copper Center was completed in 1998 for lands including roads and sites for future development. MLT staff traveled to Copper Center in June 2016 to meet with the Native Village of Kluti-Kaah and perform a site visit. Staff met with Kluti-Kaah Council Member Wayne Bell and Tribal Administrator Katherine McConkey to discuss land needs the community may have.



Kluti-Kaah Tribal Administrator Katherine McConkey examines a community map, 2016

Community AVE	Status	Acres	Leases in Effect	Revenues to Date
Belkofski No AVE	N	0	0	\$0.00
Nelson Lagoon Nelson Lagoon Village Council	C	245.27	5	\$1,400.00
Nikolski No AVE	N	0	0	\$0.00
Pauloff Harbor No AVE	N	0	0	\$0.00
Unga No AVE	N	0	0	\$0.00

ALEUT REGION



Nelson Lagoon, 2015

Nelson Lagoon Site Visit

Nelson Lagoon, on the Alaska Peninsula, is home to about 40 residents. The site has been used historically as an Unangan summer fish camp, and a year-round community was established in 1965 when a school was built. A new school, now closed, was built in 1980. In September 2015, MLT staff met with the Nelson Lagoon Village Council, inspected the school and teacher's quarters sites, and performed a communitywide site visit of municipal trust lands. MLT staff is working with Aleutians East Borough and Nelson Lagoon Village Council on potential re-use of the school facilities.



Charles J. Franz School in Nelson Lagoon, 2016

ARCTIC SLOPE REGION

Community AVE	Status	Acres	Leases in Effect	Revenues to Date
Point Lay Native Village of Point Lay	N	0	0	\$0.00

BERING STRAIT REGION

Community AVE	Status	Acres	Leases in Effect	Revenues to Date
Council Native Village of Council	С	249.10	0	\$0.00
King Island No AVE	N	0.00	0	\$0.00
Mary's Igloo Native Village of Mary's Igloo	N	0.00	0	\$0.00
Solomon	С	23.22	0	\$0.00
Village of Solomon				



A view of Solomon, June 2015

Community AVE	Status	Acres	Leases in Effect	Revenues to Date
Chignik Lagoon Chignik Lagoon Village Council	С	115.28	1	\$0.00
Chignik Lake Chignik Lake Village Council	C	250.20	6	\$310.00
Ekuk Ekuk Village Council	C	31.54	2	\$0.00
lgiugig Igiugig Village Council	C	109.85	3	\$0.00
lliamna No AVE	IP	74.03	4	\$10,000
Ivanof Bay Ivanof Bay Tribal Council	C	161.16	3	\$560.00
Kokhanok Kokhanok Village Council	C	1,208.34	13	\$27,510.00
Koliganek New Koliganek Village Council	С	93.71	1	\$0.00

BRISTOL BAY REGION



View of Chignik Lake, 2016

Community AVE	Status	Acres	Leases in Effect	Revenues to Date
Levelock	С	27.77	0	\$0.00
Levelock Village Council				
Naknek	С	0.00	0	\$1,100.00
No AVE				
Pedro Bay	С	373.64	5	\$2,650.00
Pedro Bay Village Council				
Perryville	С	904.36	5	\$80,666.67
Perryville Village Council				
Portage Creek	С	248.80	2	\$300.00
Portage Creek Village Council				
South Naknek	С	974.68	2	\$4,200.00
South Naknek Village Council				
Twin Hills	С	89.99	0	\$0.00
Twin Hills Village Council				
Ugashik	С	1,149.93	1	\$300.00
Ugashik Traditional Village Council				

BRISTOL BAY REGION CONT'D.



Survey monument in Twin Hills, 2016

TWIN HILLS SITE VISIT

MLT staff visited Twin Hills, a Central Yup'ik village of 83 residents located on the Togiak River, in October 2015 to locate survey monuments and meet with local residents.

Community AVE	Status	Acres	Leases in Effect	Revenues to Date
Akiachak	N	0.00	0	\$0.00
Akiachak Native Community				
Atmautluak	N	0.00	0	\$0.00
No AVE				
Bill Moore's Slough	N	0.00	0	\$0.00
Bill Moore's Slough Elders Council				
Chuloonawick	N	0.00	0	\$0.00
No AVE				
Crooked Creek	Р	10.00	1	\$550.00
Crooked Creek Village Council				
Georgetown	IP	451.43	0	\$0.00
Georgetown Tribal Council				
Hamilton	N	0.00	0	\$0.00
No AVE				
Kasigluk	N	0.00	0	\$0.00
No AVE				
Kipnuk	Р	0.92	0	\$0.00
Native Village of Kipnuk				
Kongiganak	Р	0.23	1	\$0.00
Native Village of Kongiganak				
Kwigillingok	Р	6.00	1	\$0.00
Native Village of Kwigillingok				
Lime Village	Р	1.21	1	\$0.00
Lime Village Traditional Council				
Napaimute	С	106.74	0	\$0.00
Native Village of Napaimute				

CALISTA REGION



View of Old Kasigluk, 2016

VISIT TO KASIGLUK IN JUNE 2016

MLT staff was invited to visit Kasigluk and meet with the Land Planning Committee. The old village site has had significant erosion and subsidence, prompting new development to take place at the Akula Heights site a few miles downriver.

Community AVE	Status	Acres	Leases in Effect	Revenues to Date
Newtok No AVE	N	0.00	0	\$0.00
Ohogamiut Ohogamiut Traditional Council	N	0.00	0	\$0.00
Oscarville Oscarville Village Council	Р	0.07	0	\$0.00
Paimut No AVE	N	0.00	0	\$0.00
Pitka's Point Pitka's Point Village Council	С	42.40	7	\$550.00
Red Devil No AVE	N	0.00	0	\$0.00
Sleetmute No AVE	Р	64.37	1	\$300.00
Stony River No AVE	N	0.00	0	\$0.00
Tuluksak No AVE	N	0.00	0	\$0.00
Tuntutuliak Tuntutuliak Traditional Council	Р	10.40	2	\$0.00
Tununak No AVE	N	0.00	0	\$0.00
Umkumiute No AVE	N	0.00	0	\$0.00

CALISTA REGION CONT'D.

BROWNFIELD ASSESSMENT, PITKA'S POINT SCHOOL SITE

During a site visit of municipal trust lands in Pitka's Point in 2014, MLT staff heard from the Pitka's Point Traditional Council that the community would like to reuse the school site and teacher's quarters, but that an old fuel spill was preventing the community



Was The Pitka's Point school site was awarded a Brownfield assessment, 2014

from getting access to the site. MLT staff applied for, and was awarded, a Department of Environmental Conservation Brownfield Assessment and Cleanup (DBAC). The DBAC was performed in September 2015 and a final report was released in early 2016. The DBAC is the first step towards cleanup efforts needed before the site may be used for other purposes.

CHUGACH REGION

Community AVE	Status	Acres	Leases in Effect	Revenues to Date
Chenega Chenega IRA Council	С	386.93	5	\$810.00
Nanwalek Native Village of Nanwalek	N	0	0	\$0.00
Port Graham Port Graham Village Council	N	0	0	\$0.00
Tatitlek Native Village of Tatitlek	C	471.13	9	\$810.00

New SUBDIVISION IN TATITLEK

In the coming months the Municipal Lands Trust Officer will consider signing a subdivision plat in Tatitlek, creating the new Tatitlek Narrows Subdivision. The trust has already provided a lease to the North Pacific Rim Housing Authority for a potential public official's housing project within the subdivision. The new lots are intended to support that project as well as future projects.



New subdivision plat for Tatitlek, 2015

Community AVE	Status	Acres	Leases in Effect	Revenues to Date
Chickaloon No AVE	N	0	0	\$0.00
Knik No AVE	С	0	0	\$0.00
Ninilchik Ninilchik Traditional Council	С	206.37	0	\$0.00
Salamatof No AVE	С	0	0	\$0.00
Tyonek No AVE	IP	0	0	\$0.00

COOK INLET REGION



Land for future development in Ninilchik, 2016

NINILCHIK SITE VISIT

In June 2016 MLT staff travelled to Ninilchik to meet with the Ninilchik Village Council Resource and Environment Department Director Darrel Williams and to inspect municipal trust land. MLT staff and Mr. Williams discussed potential uses of trust lands that may benefit the community, as well as potential access issues affecting some undeveloped parcels of land. In all, the Trust holds about 206 acres in trust for a future city in Ninilchik, comprised of undeveloped land and access roads.

Community AVE	Status	Acres	Leases in Effect	Revenues to Date
Beaver	N	0.00	0	\$0.00
Beaver Village Council				
Birch Creek	N	0.00	0	\$0.00
Birch Creek Tribal Council				
Chalkyitsik	N	0.00	0	\$0.00
Chalkyitsik Village Council				
Circle	C	5.69	0	\$0.00
No AVE				
Dot Lake	С	162.64	1	\$0.00
Dot Lake Village Council				
Eagle	N	0.00	0	\$0.00
Eagle Village Council				
Evansville	C	43.42	4	\$0.00
Evansville Village Council				
Healy Lake	N	0.00	0	\$0.00
Healy Lake Village Council				
Manley Hot Springs	С	589.61	3	\$45,939.20
Manley Hot Springs Community Association				

DOYON REGION



Hot Springs Hall in Manley Hot Springs hosts local activities and community meetings, 2016

Community	Status	Acres	Leases in Effect	Revenues to Date
AVE				
Minto	IP	110.46	5	\$5,335.00
Minto Village Council				
Northway	N	0.00	0	\$0.00
Northway Village Council				
Rampart	N	0.00	0	\$0.00
Rampart Village Council				
Stevens Village	IP	0.00	0	\$0.00
Stevens Village Council				
Takotna	С	1059.72	6	\$13,150.00
Takotna Community Association				
Tanacross	IP	39.59	1	\$0.00
Tanacross Village Council				
Telida	С	166.37	1	\$0.00
Telida Village Council				

DOYON REGION CONT'D.

MANLEY HOT SPRINGS

A settlement agreement was finalized for Manley Hot Springs in 1994, providing land for community facilities, future expansion, and dog mushing trails. The community of 130 residents, on the Hot Springs Slough of the Tanana River, can be reached by the Elliott Highway. MLT staff visited Manley Hot Springs in May 2016. The community facilities located on MLT land include the community well house and the Hot Springs Hall.



The community well house in Manley Hot Springs provides drinking water for residents, 2016

Community AVE	Status	Acres	Leases in Effect	Revenues to Date
Afognak	N	0.00	0	\$0.00
No AVE				
Ayakulik	N	0.00	0	\$0.00
No AVE				
Kaguyak	С	0.00	0	\$0.00
Kaguyak Village Council				
Karluk	С	1274.35	4	\$300.00
Karluk IRA Council				
Uganik	N	0.00	0	\$0.00
No AVE				
Uyak	С	0.00	0	\$0.00
No AVE				
Woody Island	С	0.00	0	\$0.00
No AVE				

KONIAG REGION



WOODY ISLAND

Although Woody Island had a population of 41 in the 1970 Census, no population has been recorded since then. A settlement for zero acres was accepted in 1997.

Longwood Territorial School in Woody Island, ca. 1938 (photo credit: Alaska State Library)

NANA REGION

Community AVE	Status	Acres	Leases in Effect	Revenues to Date
Noatak Native Village of Noatak	N	0	0	\$0.00

SEALASKA REGION

Community AVE	Status	Acres	Leases in Effect	Revenues to Date
Klukwan No AVE	N	0	0	\$0.00

THE FUTURE

Villages and village corporations benefit from settling the 14(c)(3) obligation. A well thought-out 14(c)(3) settlement will guide future development in a way that supports both private and public investment in the community.

As land is conveyed, MLT staff work with local residents to provide site control for existing land uses and for upcoming projects.

The Municipal Lands Trustee Program works closely with the appropriate village entities in the unincorporated communities to help meet the community's present and future needs for land. If you would like more information, please contact MLT staff:

Ruth St. Amour 907-269-4527 <u>ruth.st.amour@alaska.gov</u>

or

Jane Boer 269-4548 jane.boer@alaska.gov

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From left to right: Ruth St. Amour, Jane Boer, Marty McGee; Municipal Lands Trust Officer and DCRA Director, Katherine Eldemar.

SECTION 14(C)(3) OF THE ALASKA NATIVE CLAIMS SETTLEMENT ACT, AS AMENDED:

(c) Each patent issued pursuant to subsections (a) and (b) of this section shall be subject to the requirements of this subsection. Upon receipt of a patent or patents:

the Village Corporation shall then convey to any Municipal Corporation (3) in the Native village or to the State in trust for any Municipal Corporation established in the Native village in the future, title to the remaining surface estate of the improved land on which the Native village is located and as much additional land as is necessary for community expansion, and appropriate rights-of-way for public use, and other foreseeable community needs: Provided, That the amount of lands to be transferred to the Municipal Corporation or in trust shall be no less than 1,280 acres unless the Village Corporation and the Municipal Corporation or the State in trust can agree in writing on an amount which is less than one thousand two hundred and eighty acres: Provided further, That any net revenues derived from the sale of surface resources harvested or extracted from lands reconveyed pursuant to this subsection shall be paid to the Village Corporation by the Municipal Corporation or the State in trust: Provided, however, That the word "sale", as used in the preceding sentence, shall not include the utilization of surface resources for governmental purposes by the Municipal Corporation or the State in trust, nor shall it include the issuance of free use permits or other authorization for such purposes;

ALASKA STATUTE 44.33.755, AS AMENDED:

Sec. 44.33.755. Village land conveyed in trust.

(a) The commissioner of Commerce, Community and Economic Development

- shall accept, administer, and dispose of land conveyed to the state in trust by village corporations under 43 U.S.C. 1613(c)(3) (Sec. 14(c)(3) of the Alaska Native Claims Settlement Act) for the purposes specified in that section;
- (2) may, with the concurrence of an appropriate village entity recognized by the commissioner under (b) of this section or, in the absence of an appropriate village entity, under procedures prescribed by regulations of the commissioner, accept, administer, and dispose of land conveyed in trust by a state or federal agency and by the dissolution of a municipality under AS 29.06.450 29.06.530.

(b) Transfer of land by sale, lease, right-of-way, easement, or permit, including transfer of surface resources, may be made by the commissioner only after approval of an appropriate village entity such as the traditional council, a village meeting, or a village referendum. Such approval shall be by resolution filed with the department.

(c) Within one complete state fiscal year after the incorporation of a municipality in the village or of a municipality that includes all or part of the village, land acquired under this section shall be conveyed without cost to the municipality, and the municipality shall succeed to all the entrusted interest in the land.

(d) Separate accounts shall be maintained in the name of each village for the land, including the revenue from the land, acquired under this section.

(e) Upon the conveyance of land to a municipality under this section, the commissioner shall account to the municipality for all profits including interest generated from the land. The municipality may then request the governor to submit a request to the legislature for an appropriation for the amount due the municipality.

(f) Title to or an interest in land acquired by the department under this section may not be acquired by adverse possession or prescription. Notwithstanding (a) - (e) of this section, on the dissolution of a municipality under AS 29.06.450 - 29.06.530, unimproved land that was owned by the municipality on the date of its dissolution and received by the municipality from the state under a municipal land grant entitlement program is transferred to the commissioner of natural resources.

(g) For the purposes of this section, "municipality" includes only first and second class cities incorporated under the laws of the state.

(§ 1 ch 119 SLA 1975; am § 47 ch 94 SLA 1980; am §§ 1-5 ch 84 SLA 1989; am § 12 ch 134 SLA 1990)

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