

APPROVED

*Jim Sullivan 3/20/03*

RETAINED LANDS PROGRAM POLICY

I. GENERAL

Retained Lands are those Municipal Entitlement Lands (MEL) that have not been approved for development or sale through the nomination process. Retained Lands also include acquired land such as the Chena River Flood control properties. For a variety of reasons, the Borough will likely never sell or develop all of its land. Land ownership creates legal and economic liabilities that continue on as long as the Borough owns the land. Hence the need for policies to guide the stewardship of the MEL.

II. PURPOSE

The purpose of the retained lands program is to:

- A. Promote the use of Borough-owned lands by holding natural resource sales, granting easements, and issuing use licenses and leases.
- B. Generate income to the Land Enterprise Fund (LEF) to offset the cost of managing these lands
- C. Provide sites for Borough Public Facilities.
- D. Protect and enhance the value of the Borough-owned land and natural resources.

III. RESPONSIBILITY

- A. The Land Management Director shall ensure that his department staff follows the procedure set forth in this policy.
- B. Land Management shall maintain this policy.

IV. POLICY

The Retained Lands Program is accomplished through the implementation of the following policies.

- A. Forestry: Portions of Borough-owned lands have timber and vegetative potential. They provide an opportunity to generate revenue for the LEF, and at the same time contribute to the Fairbanks economy by providing raw materials for local manufacturing interests while boosting local employment opportunities. The Borough will continue to offer timber sales for competitive bid when the need is identified through the nominations process or other public expression of interest.
- B. Other Natural Resources: The Borough also owns lands that have other material resources. Development of these resources generates revenue for the LEF and creates an economic opportunity for the individual or business developing the resource. Some of these resources will be made available to the public at fair market value. Where the Borough has resources that might be of interest to more than one business, the right to develop the resource will be offered through the

Borough's competitive bid process. Examples of other resource materials are sand, gravel, stone, peat, firewood, etc.

- C. **Easements:** Easements for power lines, roads, trails, transportation facilities, and utilities should be granted in order to accommodate the continued growth and development of our community and facilitate the development of Borough-owned land. Easements for commercial activities, such as communications, transmission or distribution power lines, or pipelines for petroleum products will be granted at fair market value. Easements, which enhance the development opportunities of Borough-owned lands or public facilities, may be granted at less than fair market value.
- D. **Temporary Uses:** Providing Borough-owned land for temporary use by the public and private sector, while controlling and protecting the land base, is an important management function. Application fees and license fees will be set to recapture administrative costs and provide a reasonable return to the LEF for the use of the land. Examples of temporary uses of Borough-owned lands are recreation, private or commercial access, snow storage, outdoor education, resource exploration, etc.
- E. **Leases:** Providing Borough-owned lands for long-term use by the public or private sector through a negotiated lease is an important management function. Negotiated leases generate revenue for the LEF by establishing rentals at fair market value. Leases that may provide for a public benefit may be less than fair market value.
- F. **Mining Activity:**
1. The State of Alaska through the Department of Natural Resources (DNR) has retained ownership to the mineral resources in the mineral estate on all land conveyed to the Borough through the MEL program. These resources are anything other than what has been described in paragraph "B" above.
  2. Mining claims have been filed by the private sector on this retained mineral estate on several thousand acres of the Borough's MEL. Certain areas of Borough-owned lands are significantly impacted by these claims.
  3. State of Alaska law requires a miner to contact the surface owner to arrange to pay for damages before mining activity begins.
  4. Portions of Borough-owned lands have high mineral potential and some have been identified on the Borough Comprehensive Plan. While their development does not directly benefit the LEF, their development does contribute to the Fairbanks economy through employment, infrastructure and taxes. The Mineral Lands Zone (Title 18 ZONING, Chapter 18.42 ML MINERAL LANDS DISTRICT) is a way to reserve these lands for mineral development and to protect the long-term interests of the Borough.
  5. Mineral Closing Orders (MCO's) are an appropriate tool to use to avoid conflicts between the mineral estate and the land estate owner. Where lands have low mineral potential or where there is a higher and better use for the land estate, a zoning classification appropriate for the higher and better use should be considered. In these circumstances the Borough should request

the State of Alaska DNR to initiate a Mineral Closing Order for the affected lands.

6. Temporary Access License allows miners to obtain legal access across Borough land without the expense of a survey and platting that would normally be required for an access easement. It also allows the Borough to control the access when necessary to protect Borough interests.
  - a) Mining Use Licenses allow miners to conduct exploration programs that have been reviewed and approved by DNR on Borough-owned lands. In issuing the license the Borough may have additional requirements attached as a condition of the license in addition to what DNR has approved. Application and license fees will be set to recapture administrative costs and provide a reasonable return to the LEF for the use of the land.
  - b) Proper erosion control and reclamation in most instances, constitutes payment for damages as well as ensuring that the value of surface resources is not lost and that the land is left in a condition that is not hazardous to the public.
  - c) The Department will continue to issue Mining Use Licenses in a manner that benefits both the mining community and protects Borough land interests.

#### V. PROCEDURE

A. None

#### VI. SUPPLEMENTAL INFORMATION

A. References –

1. FNSB C.O 18.42 ML Mineral Lands District
2. FNSB C.O 25.10.050 Sale of Borough sand, gravel or timber resources.
3. FNSB C.O 25.10.040 Easement on Borough land.
4. FNSB C.O 25.10.060 Temporary use of Borough land.
5. FNSB C.O 25.10.030 Leases of Borough land.
6. FNSB C.O. 25.25.030 Definitions
7. FNSB C.O. 25.10.100 Use of Borough land for mining.
8. FNSB C.O. 25.20.040 Retained Borough land.

B. Definitions – None.

C. Attachments – None.

E. Revision History  
Supersedes Policy No.    Effective Dates  
None.                            None.