

State of Alaska
FY2010 Governor's Operating Budget

Department of Natural Resources
Land Sales & Municipal Entitlements
Component Budget Summary

Component: Land Sales & Municipal Entitlements

Contribution to Department's Mission

To make land available for private and public use by present and future Alaskans by conveying title to individuals through direct land sale programs and to municipalities under the entitlement and other programs.

Core Services

- Tidelands and land transfers for public purposes. Involves the transfer of state tidelands to municipalities and state uplands for public purposes.
- Land sales to the public.
- Land transfers to municipalities. Involves the conveyance of state land to municipalities. The current program focuses on the conveyance of large blocks of state land to boroughs.
- Land planning for disposal and development. Involves identifying land for settlement and development purposes, to support conveyances to municipalities and land disposals to the public. Two land plans have been initiated that should identify land for disposal purposes in the Susitna Valley and the Tanana Valley.
- Land exchanges to the public and public entities. There are no scheduled land exchanges during this fiscal year.

End Result	Strategies to Achieve End Result
<p>A: An adequate amount of state land is transferred into private ownership by individual Alaskans and to Municipalities for settlement, recreation, development and other uses.</p> <p><u>Target #1:</u> Sell 300 parcels of land (approximately 3,000 acres) per year. <u>Status #1:</u> The division continues to exceed the target of selling 300 parcels of land.</p> <p><u>Target #2:</u> Provide Alaskans local governance and use of state land by transferring of 25,000 acres of state land to municipalities under the Municipal Entitlement Act. <u>Status #2:</u> The Division fell short of its target of transferring 80,000 acres to municipalities.</p> <p><u>Target #3:</u> \$2.5 million is the target - our goal is to ensure that state land sales pay for program costs and generate a return to the state treasury. <u>Status #3:</u> Although the division met the target of earning \$2.5 million in revenue from land sales, there was a reduction of revenue from the previous year.</p>	<p>A1: Offer land for sale to the public through a variety of programs.</p> <p><u>Target #1:</u> Offer 1,700 parcels of land for sale over-the-counter (OTC). <u>Status #1:</u> The division did not meet its target.</p> <p><u>Target #2:</u> Offer 200 Remote Recreation Cabin Stakings (RRCS). <u>Status #2:</u> Did not meet the FY2008 target of 250 stakings offered.</p> <p><u>Target #3:</u> Offer 200 parcels of land at auction. <u>Status #3:</u> The division did not meet its FY08 target.</p> <p><u>Target #4:</u> Process 10 Preference Rights Applications. <u>Status #4:</u> The division met its reduced target in FY08.</p> <p>A2: Identify and classify land for future land sales, transfers to municipalities, and other resource development.</p> <p><u>Target #1:</u> Revise one land use plan to classify the appropriate use of state land, including settlement, other forms of development, and transfer to municipalities. <u>Status #1:</u> The Division exceeded its target.</p> <p><u>Target #2:</u> Classify 50,000 acres of land for settlement (for future municipal entitlements or land sales) or to support other forms of development (agriculture, forestry, mineral development) in FY09.</p>

	<p><u>Status #2:</u> The division fell short of its target.</p> <p>A3: Sell state land at fair market value to generate revenue to pay for future land sale costs and generate return to the General Fund, including long-term return through land sale contracts.</p> <p><u>Target #1:</u> Collect an estimated \$5.8 million in annual revenue from various land sale programs in FY07.</p> <p><u>Status #1:</u> The Division met the target but earned less revenue than the last fiscal year.</p> <p><u>Target #2:</u> Maintain 2,200 land sale contracts from past land sales.</p> <p><u>Status #2:</u> It is about the same as last year.</p> <p>A4: Transfer state land to municipalities to encourage their growth and development, to generate revenue for municipalities, and for municipal land sale programs.</p> <p><u>Target #1:</u> Approve transfer of 25,000 acres to municipalities in FY09, and 20,000 acres in FY10.</p> <p><u>Status #1:</u> The Division exceeded its target.</p>
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Major Activities to Advance Strategies	
<ul style="list-style-type: none"> • Offer 200 parcels at auction. Parcels which do not sell at auction are offered over the counter. • Sell 300 parcels of land per year, through auctions, Over-the-Counter, Preference Right applications, or finalized sales from RRCS staking program. • Grant 200 remote recreation cabin staking authorizations. • Process 10 preference rights applications. • Issue 300 deeds to transfer title once full purchase price is paid. • Identify and classify at least 10,000 acres of land for settlement through land use plans. • Identify and classify at least 40,000 acres for potential transfer to municipalities and other resource development. • Revise or prepare 3 land use plans. 	<ul style="list-style-type: none"> • Appraise 200 new parcels being offered for sale. • Actively market the OTC parcels and auction parcels through public information campaigns. • Accept down payments and enter into purchase agreements or long-term sale contracts with new purchasers. • Maintain and collect payments for land sale contracts from past land sales. • Issue final administrative decisions to approve municipal selections for 60,000 acres. • Issue patents or other deeds to municipalities for 6,000 acres. • Issue final administrative decisions and issue patents to municipalities for 4 tidelands tracts.

FY2010 Resources Allocated to Achieve Results							
FY2010 Component Budget: \$4,085,200	<p>Personnel:</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td>Full time</td> <td style="text-align: right;">47</td> </tr> <tr> <td>Part time</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Total</td> <td style="text-align: right; border-top: 1px solid black;">47</td> </tr> </table>	Full time	47	Part time	0	Total	47
Full time	47						
Part time	0						
Total	47						

Performance

A: Result - An adequate amount of state land is transferred into private ownership by individual Alaskans and to Municipalities for settlement, recreation, development and other uses.

Target #1: Sell 300 parcels of land (approximately 3,000 acres) per year.

Status #1: The division continues to exceed the target of selling 300 parcels of land.

Number of Parcels sold

Year	Acres	YTD Total	Target
2008	3,816	517	300
2007	5,088	450	300
2006	4,426	477	300
2005	3,251	374	450
2004	1,694	575	410
2003	4,647	605	150
2002	2,879	470	150

Analysis of results and challenges: The results are a combination of the auctions and over-the-counter sales. The Division exceeded its target, but it is becoming increasingly difficult to meet the targets due to several reasons. There are less and less desirable areas available that are classified settlement in the area plans. When sale areas or parcels are identified in organized boroughs, the boroughs are placing increasingly more difficult requirements on the state before their platting authorities will approve the sales.

This places the division in the position of having to drop some desirable areas. The timeline to produce land disposals with the given land ownership patterns, borough restrictions, and access development requirements, is becoming difficult. In the two previous fiscal years, there was a substantial amount of old disposals that could be reoffered to help meet this goal but now there is a greater workload to prepare new areas that were not previously offered.

Compounding the difficulty are the problems with keeping full staffing levels. Salaries that do not compete with the private market, federal agencies, and boroughs make it very difficult to maintain the staffing levels that are crucial to push forward these sales under very tight deadlines.

In some areas there are land stewardship issues that must be resolved before land can be offered. The land sales unit along with the Division of Mining Land and Water (MLW) Regional Office staff must resolve trespass structures, access issues, and remove trash and hazardous materials before some land can be offered.

Target #2: Provide Alaskans local governance and use of state land by transferring of 25,000 acres of state land to municipalities under the Municipal Entitlement Act.

Status #2: The Division fell short of its target of transferring 80,000 acres to municipalities.

Acres transferred to municipalities

Year	YTD Total
2008	44,784
2007	24
2006	243,350
2005	27,306
2004	24,811

Analysis of results and challenges: In FY03, the legislature agreed to fund a comprehensive, public process to ensure that several boroughs with large remaining entitlements could get the land owed them by the state. The six boroughs targeted through this project were: Yakutat, Aleutians East, Lake and Peninsula, Northwest Arctic, Denali and North Slope. As a result, decisions to convey land to Yakutat, Aleutians East, Lake and Peninsula, Matanuska-

Susitna, and North Slope Boroughs have occurred. In FY07 decision acreage dropped due to negotiations with municipalities in making selections, plan amendments necessary for conveyances and policy issues. In FY08 conveyance decisions increased substantially, with conveyances made to the Lake and Peninsula Borough and North Slope Boroughs.

The amount of land conveyed in any one year to municipalities under this program can vary greatly since the conveyance decisions are dependent upon revisions to area plans and since the length of time to complete conveyance decisions can vary greatly, depending on complexity and the results of the public review process. The boroughs remaining to be completed are complex and require additional processing time to complete.

Target #3: \$2.5 million is the target - our goal is to ensure that state land sales pay for program costs and generate a return to the state treasury.

Status #3: Although the division met the target of earning \$2.5 million in revenue from land sales, there was a reduction of revenue from the previous year.

Annual net revenue from state land sales

Year	YTD Total
2008	3.0 Million
2007	3.6 Million
2006	2.5 Million
2005	2.1 Million
2004	3.4 Million

Analysis of results and challenges: Total Receipts in FY08: \$6.3 million

Total Costs in FY08: \$3.2 million

In addition to increasing the numbers of parcels sold, the new parcels developed are of greater quality and net greater revenue. The net revenue will continue about the same in FY09 because we will sell fewer parcels, but with higher values, and it will take more effort to meet some of the other requirements to get the parcels to market. It is becoming more difficult to meet our original goal of offering 300 (new) parcels each year to sustain the revenue stream. This has become difficult due to the scarcity of good land along roadways, difficulty in meeting borough, federal, and the Department of Transportation and Public Facilities (DOT/PF) requirements, and staff shortages. To keep the revenue stream, the division is focusing on providing higher value parcels because of the expected reduction of parcels offered

The impact of heavy staff shortages in FY07 negatively impacted the number of parcels sold in FY08. In addition, the weakening economy appears to be negatively affecting the number of purchases.

A1: Strategy - Offer land for sale to the public through a variety of programs.

Target #1: Offer 1,700 parcels of land for sale over-the-counter (OTC).

Status #1: The division did not meet its target.

Year	YTD Total
2008	1,508
2007	1,772
2006	1,560
2005	2,783
2004	3,427
2003	3,200
2002	2,418

Analysis of results and challenges: The number of OTC parcels available for the year is the amount that is available on July 1, of each year. The number will gradually decrease until OTC parcels are a minimal portion of land sales. It is hoped that this loss of revenue will be made up with the higher quality auction parcels.

The division sold more OTC parcels this year than in the two previous years.

Target #2: Offer 200 Remote Recreation Cabin Stakings (RRCS).
Status #2: Did not meet the FY2008 target of 250 stakings offered.

Year	YTD Total
2008	215
2007	233
2006	285
2005	270
2004	266
2003	231
2002	295

Analysis of results and challenges: The entire number of Remote Recreational Staking Authorizations offered each year is the amount offered in the July lottery.

The increased complexity of requirements from the boroughs, DOT/PF, and the Corps of Engineers, makes it unrealistic to meet the original goal of 250 parcels in FY09.

Target #3: Offer 200 parcels of land at auction.
Status #3: The division did not meet its FY08 target.

Year	YTD Total
2008	211
2007	177
2006	209
2005	158
2004	139
2003	0
2002	40

Analysis of results and challenges: As is often the case, many more parcels were originally intended for this auction, but were dropped because of access issues, borough and DOT/PF requirements causing delays, trespass, hazardous materials and other obstacles that need to be addressed before sale. Not all auction parcels will be new subdivisions, but may include reoffers of previous sales on which better access, roads or utilities, hazmat cleanup or trespass removal has occurred.

Although the numbers of parcels have dropped, we have maintained the revenue earned from land sales because we are offering better parcels or parcels that have better access.

Target #4: Process 10 Preference Rights Applications.
Status #4: The division met its reduced target in FY08.

Year	YTD Total
2008	10
2007	27
2006	29
2005	26
2004	25
2003	12
2002	10

Analysis of results and challenges: As expected, the division processed more complex cases during FY08, slowing down the volume of applications that were processed.

A2: Strategy - Identify and classify land for future land sales, transfers to municipalities, and other resource development.

Target #1: Revise one land use plan to classify the appropriate use of state land, including settlement, other forms of development, and transfer to municipalities.

Status #1: The Division exceeded its target.

Number of Land Use Plans

Year	YTD Total
2008	2
2007	0
2006	2
2005	2
2004	1

Analysis of results and challenges: Land use plans often take more than one year to complete and the Division is often working on several at any one time. Therefore, as reflected in the statistics, the number of plans issued in any given year may fluctuate.

Land use plans are the commissioner's decision on the appropriate use of the state land. They direct the appropriate development, settlement, and protection of state lands. Plans are developed through a transparent public process. The classification of lands through a planning process is essential before land can be conveyed to boroughs, municipalities, and Alaskans.

Target #2: Classify 50,000 acres of land for settlement (for future municipal entitlements or land sales) or to support other forms of development (agriculture, forestry, mineral development) in FY09.

Status #2: The division fell short of its target.

of acres classified for settlement and other disposals

Year	YTD Total	Target
2008	35,477	30,000
2007	0	30,000
2006	147,700	200,000
2005	742,500	500,000
2004	47,000	50,000

Analysis of results and challenges: In 2008, 35,477 acres were classified for settlement in two area plans – Southeast Susitna and Southwest Prince of Wales. An additional 73,000 acres was classified Forestry in the Susitna Valley. In 2009, it is anticipated that 138,000 acres will be classified Settlement in the revision of the Northwest Area Plan and an amendment to the Tanana Basin Area Plan. The reclassifications to Settlement in the Tanana Basin Plan directly support the Denali Borough's entitlement. An additional three million acres is to be classified for mineral or coal development in the Northwest Area Plan. Often, there may be substantial differences between area plans in the acres classified for settlement, agriculture, and other land disposals. This results from the timing of area plan adoption, which varies from year to year. The classification or reclassification of state lands, which results from the adoption of these plans, therefore also varies annually significantly.

A3: Strategy - Sell state land at fair market value to generate revenue to pay for future land sale costs and generate return to the General Fund, including long-term return through land sale contracts.

Target #1: Collect an estimated \$5.8 million in annual revenue from various land sale programs in FY07.

Status #1: The Division met the target but earned less revenue than the last fiscal year.

Year	YTD Total
2008	\$6.3 M
2007	\$7.0 M
2006	\$6.3 M
2005	\$5.2 M
2004	\$5.3 M
2003	\$4.6 M
2002	\$3.0 M

Analysis of results and challenges: The over-the-counter (OTC) inventory is reducing in size as more parcels are sold, which should lead to a gradual reduction in number of sales for FY09. The high staff turnover in FY07 had a noticeable effect on our ability to offer as many parcels in FY08. On the other hand, we are creating higher priced and more desirable parcels. With the weakened economy in early FY09, we are seeing less land purchased, which will show in FY09 results.

Target #2: Maintain 2,200 land sale contracts from past land sales.

Status #2: It is about the same as last year.

Year	YTD Total
2008	2,560
2007	2,567
2006	2,096
2005	2,071
2004	1,878
2003	1,496
2002	1,398

Analysis of results and challenges: About 80% of all purchasers request a land sale contract. This means that revenue from prior sales is received over a period of years and multiple payments. When someone pays off the contract and receives a patent, the contract is closed and archived. Therefore there is some fluctuation in numbers of contracts administered.

A4: Strategy - Transfer state land to municipalities to encourage their growth and development, to generate revenue for municipalities, and for municipal land sale programs.

Target #1: Approve transfer of 25,000 acres to municipalities in FY09, and 20,000 acres in FY10.

Status #1: The Division exceeded its target.

Year	YTD Total
2008	44,784
2007	24
2006	243,350
2005	27,306
2004	24,810

Analysis of results and challenges: In FY03, the legislature agreed to fund a comprehensive, public process to ensure that several boroughs with large remaining entitlements could get the land owed them by the state. The six boroughs targeted through this project were: Yakutat, Aleutians East, Lake and Peninsula, Northwest Arctic, Denali

and North Slope. As a result decisions to convey land to Yakutat, Aleutians East, Lake and Peninsula, Matanuska-Susitna Borough and North Slope Boroughs have occurred. In FY08 conveyance decisions were issued totaling 44,784 acres to the Lake and Peninsula Borough and North Slope Boroughs. FY 09 conveyances are estimated to be 25,000 acres for the Denali and North Slope Boroughs. Meeting these performance measures will require revisions to area plans and preparation of site specific plans which are underway.

The amount of land conveyed in any one year to municipalities under this program can vary greatly since the conveyance decisions are dependent upon revisions to area plans and since the length of time to complete conveyance decisions can vary greatly, depending on complexity and the results of the public review process.

Key Component Challenges

LAND SALES TO ALASKANS

The key issue for land sales for FY10 is to identify and offer new areas for sale under the Subdivision and Remote Recreational Cabin programs. The 2000 legislature provided specific performance measures for the Division to meet in its land sale program. These were: 1) to offer the entire inventory of the state's unsold parcels up for sale in FY02 and FY03 in a manner that they remain permanently for sale until sold; 2) beginning in FY02 to annually offer at least 250 parcels for the remote recreation cabin program (the "stake-it-yourself" program); and 3) beginning in FY 04 to offer at least 100 new pre-surveyed (subdivision) lots each year. A 2004 budget increase enabled DNR to expand the subdivision program to 200 new pre-surveyed lots in FY06. That number was increased to 300 in FY07. DNR has met or exceeded all of these targets, with the exception of 300 new pre-surveyed (subdivision) lots each year. Therefore, DNR is returning to the 200 new pre-surveyed (subdivision) lots each year. A difficulty in meeting the 250 parcels for the remote recreation cabin program requires DNR to reduce the target to 200.

The increasing challenge to maintain land sales is due to several reasons. The large acreages conveyed to municipalities and the University of Alaska have removed some of the most accessible and desirable state land from DNR's long-term land disposal portfolio. As a result, there are increasingly less desirable areas available that are classified settlement in the area plans. While area plans are being updated and creating new settlement areas, it is a multi-year process. In addition, when sale areas or parcels are identified in organized boroughs, the boroughs are placing increasingly more difficult and expensive requirements on the state before their platting authorities will approve the sales. Outside of Boroughs the Alaska Department of Transportation has requirements to build road aprons and the Army Corps of Engineers has requirements for wetlands delineations and permits and potential mitigation for the placing of road aprons and roads. This places the division in the position of having to drop some desirable areas due to the time, cost, and complexity. The timeline to produce land disposals with the given land ownership patterns, borough and agency restrictions, access development requirements, and land problem resolution is becoming difficult and requires a longer development period before being ready for sale. Also, staff shortages and/or turnover create added delays. In addition, as DNR offers land in more remote areas, the value of the land decreases, thereby resulting in a reduction of revenue.

LAND TRANSFERS TO MUNICIPALITIES UNDER MUNICIPAL ENTITLEMENTS

Over the last few years, the state has made a significant effort to finalize land ownership patterns: final state selections from the federal government were made and prioritized in 1994, and have been recently updated for submittal to BLM. The Mental Health land trust land dispute was settled in 1994, and recent legislation resulted in state land being transferred to the University of Alaska, to expand the land endowment. In addition, in 2001 the state has resumed its land disposal program to transfer land to private individuals. DNR has committed to resolving the one remaining piece, the resolution of municipal entitlements which significant progress has been made.

In FY03, the legislature agreed to fund a comprehensive, public process to ensure that several boroughs with large remaining entitlements could get the land owed them by the state. The six boroughs targeted through this project were: Yakutat, Aleutians East, Lake and Peninsula, Matanuska-Susitna, Northwest Arctic, and North Slope Boroughs. Between FY03 and FY08 approximately 340,274 acres have been transferred to these boroughs and it is anticipated that an additional 30,000 acres are to be transferred in both FY09 and FY10 to the North Slope, Denali and Lake and Peninsula Boroughs. The challenge for this program is to find suitable acreage for conveyance to these boroughs so decisions can be issue. Some of these decisions, such as the selections by the North Slope Borough in the vicinity of Prudhoe Bay, will be controversial.

Significant Changes in Results to be Delivered in FY2010

Staffing issues continue to impact the land sales program. Since it takes several years to prepare an area for a land sale, a serious staffing shortage in FY07 will impact land sales for several years. Any future vacancies and turnover will compound the problem. The division may not meet its land sale targets for FY09 or FY10.

Another possible serious impact to the land sales program would come from the health of our economy, and future land value and development cost trends.

Major Component Accomplishments in 2008

The following table is a summary of the Department of Natural Resource's (DNR) land sale costs and revenue since the Land Disposal Income Fund was set up by the legislature starting in FY01. Revenues have steadily increased and significantly exceed what was projected in 2000. Initially revenue increase resulted from DNR marketing of previously unsold, but already surveyed, parcels of state land. More recent revenues also included sale of new subdivisions and preference right sales as well as ongoing payments from prior land sales under contract. Costs have also increased because DNR is now preparing and offering new areas for sale to the public under both the subdivision and remote recreation cabin programs. These figures include the costs for surveys and platting, and road construction in some subdivisions.

Revenue	Land Disposal Fund (in \$thousands)							
	FY01	FY02	FY03	FY04	FY05	FY06	FY 07	FY 08
Mining Land & Water	\$1,977.0	\$3,012.0	\$4,613.0	\$5,165.0	\$5,633.0	\$6,625.1	\$6,372.6	\$6,915.0
Agriculture	\$801.0	\$670.0	\$1,472.0	\$689.0	\$424.0	\$989.6	\$587.7	\$320.6
Total Revenue	\$2,778.0	\$3,682.0	\$6,085.0	\$5,854.0	\$6,057.0	\$7,614.7	\$6,960.3	\$7,235.6
Costs								
Mining Land & Water (1)	\$1,774.0	\$1,961.0	\$2,590.0	\$3,400.0	\$4,290.0	\$3,697.8	\$3,454.7	\$3,743.2
Agriculture	\$317.0	\$263.0	\$500.0	\$415.0	\$339.0	\$348.6	\$305.0	\$296.8
Total Costs	\$2,091.0	\$2,224.0	\$3,090.0	\$3,815.0	\$4,639.0	\$4,046.4	\$3,759.7	\$4040.0
Annual Net Revenue-Costs	\$687.0	\$1,458.0	\$2,995.0	\$2,039.0	\$1,428.0	\$3,568.3	\$3,200.6	\$3,195.6

(1) FY 04 costs Includes over \$1 million in CIP for Future projects; FY 05 costs include \$1.8 million in CIP for Future projects. FY 06 costs include almost \$2 million in CIP for Future Projects; FY 07 costs include \$2.4 million in CIP for Future Projects.

LAND SALES TO INDIVIDUAL ALASKANS

In FY08, the department sold 517 parcels or 3,816 acres for a total value of \$4,918,436.00 in over-the-counter and auction sales (gross sales price during that year only, does not reflect actual revenue received by the State, which is higher). DNR offered 211 parcels in the FY 08 auction, 188 of which were entirely new parcels, including new subdivisions where DNR constructed internal subdivision roads to increase the value of the land and to meet borough platting requirements. Additionally, DNR offered 205 parcels in July and 215 parcels in April for individuals to stake for remote recreational cabin sites in FY08 and prepared an additional 14 surveyed remote parcels for sale. It is expected that the over-the-counter sales will level off in future years but that the auction parcels will be more popular and therefore bring a higher price thereby continuing to fund an ongoing land sale programs.

LAND TRANSFERS TO MUNICIPALITIES UNDER MUNICIPAL ENTITLEMENTS

Significant progress has been made since FY04 to reduce the pending entitlements owed to Municipalities totaling approximately 340,274 acres. Entitlements for the Aleutians East and Matanuska-Susitna Boroughs have been completed and a large portion of the Lake and Peninsula and Northwest Arctic Boroughs have been completed. DNR expects to make progress on the Denali and North Slope Boroughs entitlement within the next two fiscal years work continues on the revisions to the area plans that will enable conveyances to these boroughs.

LAND PLANNING FOR DISPOSAL AND DEVELOPMENT

In FY05, both the Kodiak Area Plan and the revised Bristol Bay Area Plan were completed. The Kodiak plan classified over 378,000 acres for grazing, settlement and potential development on uplands; an additional 3.8 million acres of tidelands were classified to enable potential development to occur on these areas. The Bristol Bay plan classified over 10 million acres for minerals development, settlement, or other potential forms of upland development. An additional 7.9 million acres of state tide and submerged lands were also classified. The revision of the Bristol Bay plan enabled the conveyance of 5,500 acres to the Aleutians East Borough and 19,245 acres to the Lake and Peninsula Borough in FY06. An additional 41,750 acres is expected to be conveyed to the Lake and Peninsula Borough in FY08. In FY06, revision of the Northwest Area Plan resulted in 214,822 acres being classified for settlement or disposal and in the eventual conveyance of 147,000 acres to the Northwest Arctic Borough. Although major planning efforts were underway in various parts of the state in FY07, none were formally adopted except for a single plan amendment and a site specific plan. These totaled 6,420 acres, although the area classified for settlement in the site specific plan resulted in the conveyance of 450 acres of some of the most valuable state land in the Prudhoe Bay area.

In FY08 many of the planning efforts underway in previous years were scheduled to be completed. Revision of the Northwest Area Plan will eventually result in the conveyance of an additional 26,000 acres to the North Slope Borough. Revision of the Prince of Wales Area Plan will result in 6,500 acres being classified for settlement or timber disposal. An additional 1.2 million acres of tide and submerged lands were also classified; some of these were classified to support timber management operations, waterfront development, and general development. Scheduled revision of the Willow Subbasin Area Plan in FY09 should result in considerable additional areas being classified for agricultural, forest, settlement, and other development purposes. Other work, also now underway but to be completed in FY09, should result in 30,000 acres reclassified to settlement for conveyance to the Denali Borough and approximately, 25,000 acres for conveyance to the North Slope Borough.

LAND EXCHANGE

In FY06, the division completed the land exchange with the National Park Service so that the state could acquire land near Gustavus for a hydroelectric project (Falls Creek). The division also issued a decision to exchange land with the Matanuska Susitna Borough that will allow the state to acquire Borough land within Legislatively Designated Areas (LDAs) and the Borough to acquire state land better suited for community purpose. The Borough received management right to 13,000 acres of land but final title transfer will occur in FY07. No land exchanges occurred in FY07 or FY08. In FY06 and FY07 the division also worked on a proposed land exchange with the U.S. Fish and Wildlife Service and King Cove Native Corporation that would facilitate construction of a road from King Cove to Cold Bay. This exchange requires approval by the U.S. Congress.

Statutory and Regulatory Authority

The Land Sales and Municipal Entitlements Component operate under the following authorities:

Statutory

AS 29.65
AS 38.04
AS 38.05.035
AS 38.05.055 - 068
AS 38.05.102
AS 38.05.125
AS 38.05.300
AS 38.05.600
AS 38.05.810 - 825
AS 38.05.840
AS 38.05.860
AS 38.05.940
AS 38.08
AS 38.09
AS 38.50

Regulatory

11AAC (numerous sections)

Contact Information
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**Land Sales & Municipal Entitlements
Component Financial Summary**

All dollars shown in thousands

	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	3,496.6	3,559.8	3,618.5
72000 Travel	39.6	51.0	51.0
73000 Services	291.0	362.3	375.4
74000 Commodities	123.8	40.3	40.3
75000 Capital Outlay	10.2	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	3,961.2	4,013.4	4,085.2
Funding Sources:			
1002 Federal Receipts	0.0	66.7	67.5
1007 Inter-Agency Receipts	0.0	17.3	17.5
1061 Capital Improvement Project Receipts	218.2	0.0	0.0
1108 Statutory Designated Program Receipts	0.0	59.4	60.4
1153 State Land Disposal Income Fund	3,743.0	3,870.0	3,939.8
Funding Totals	3,961.2	4,013.4	4,085.2

Estimated Revenue Collections				
Description	Master Revenue Account	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Unrestricted Revenues				
State Land Disposal Income Fund	51434	2,534.8	2,400.0	2,350.0
Unrestricted Total		2,534.8	2,400.0	2,350.0
Restricted Revenues				
Federal Receipts	51010	0.0	66.7	67.5
Interagency Receipts	51015	0.0	17.3	17.5
Statutory Designated Program Receipts	51063	0.0	59.4	60.4
Capital Improvement Project Receipts	51200	218.2	0.0	0.0
State Land Disposal Income Fund	51434	3,743.0	3,870.0	3,939.8
Restricted Total		3,961.2	4,013.4	4,085.2
Total Estimated Revenues		6,496.0	6,413.4	6,435.2

**Summary of Component Budget Changes
From FY2009 Management Plan to FY2010 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2009 Management Plan	0.0	66.7	3,946.7	4,013.4
Adjustments which will continue current level of service:				
-FY2010 Wage and Health Insurance Increases for Bargaining Units with Existing Agreements	0.0	0.8	71.0	71.8
FY2010 Governor	0.0	67.5	4,017.7	4,085.2

**Land Sales & Municipal Entitlements
Personal Services Information**

Authorized Positions			Personal Services Costs	
	<u>FY2009</u> <u>Management</u> <u>Plan</u>	<u>FY2010</u> <u>Governor</u>		
Full-time	47	47	Annual Salaries	2,466,629
Part-time	0	0	COLA	99,566
Nonpermanent	0	0	Premium Pay	4,349
			Annual Benefits	1,358,571
			<i>Less 7.91% Vacancy Factor</i>	(310,615)
			Lump Sum Premium Pay	0
Totals	47	47	Total Personal Services	3,618,500

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Tech I	1	0	0	0	1
Appraiser II	1	0	0	0	1
Land Survey Manager II	1	0	0	0	1
Land Survey Specialist I	1	0	0	0	1
Land Surveyor I	3	0	0	0	3
Land Surveyor II	2	0	0	0	2
Natural Resource Mgr I	6	1	0	0	7
Natural Resource Mgr II	1	0	0	0	1
Natural Resource Mgr III	2	0	0	0	2
Natural Resource Spec I	5	0	0	0	5
Natural Resource Spec II	13	2	0	0	15
Natural Resource Spec III	6	0	0	0	6
Natural Resource Tech II	2	0	0	0	2
Totals	44	3	0	0	47