

# Exxon Valdez Oil Spill Trustee Council

645 G Street, Suite 401, Anchorage, AK 99501-3451 907/278-8012 fax: 907/276-7178



## FAX COVER SHEET

**FAXED**

To: Agency Liaisons

From: Molly McCammon Date: 2/27/97

Comments: Total Pages: 9

Please add this memo to your briefing materials for the 3/3/97 Trustee Council meeting

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1/10/97

# Exxon Valdez Oil Spill Trustee Council

645 G Street, Suite 401, Anchorage, AK 99501-3451 907/278-8012 fax: 907/276-7178



## MEMORANDUM

TO: Trustee Council members  
FROM: Molly McCammon, Executive Director  
DATE: February 24, 1997  
SUBJ: Overview of Small Parcel Program

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As directed by the Council, I have been reviewing the Small Parcel Program in order:

- to provide the Council an update on the overall progress of the program;
- to assess the program within the context of the overall habitat protection effort; and
- to identify future program options for the Council's consideration, including possible further small parcel protection opportunities:
  - on the Kenai Peninsula (in particular, along the Kenai River);
  - in the Kodiak region; and
  - in other parts of the spill-area (e.g., in PWS).

To assist in this review, I have established a working group of Trustee agency representatives involved with the small parcel program. Additionally, I have consulted with a variety of agency staff to help identify possible small parcel program options that warrant discussion and consideration by the Council.

The purpose of this memorandum is to identify a number of issues that require the Council's guidance.

### Overview of Habitat Protection Effort

**Large Parcel Program** — With approval of the English Bay Corporation land purchase (and assuming successful completion of the Tatitlek agreement), the

Council will have made substantial progress toward its overall habitat protection goal.

- Large parcel acquisitions that are completed or pending total:

<u>Acres</u>	<u>Trust Fund</u>	<u>Other Sources</u>
521,998	\$224.6 million	\$56.0 million

- There are on-going negotiations with three major landowners (AJV, Eyak, and Port Graham) that could result in the protection of an additional 230,997 acres, as well as discussion with Koniag regarding the fee title acquisition of 57,082 acres currently protected under a limited term conservation easement.

*As will be discussed below, the future success of these remaining Large Parcel protection efforts will have a direct bearing on what opportunities may lie ahead for the Small Parcel program. That is, simply as a function of limited settlement dollars, the ability to continue with a sizable Small Parcel Program will be constrained if all the Large Parcel efforts are successful, unless other funding priorities are adjusted.*

Another major factor will be what decisions are eventually made about use of the Restoration Reserve.

**Small Parcel Program** — Since inception of the Small Parcel Program in 1994, more than 300 small parcels have been nominated with approximately 17% of these have been identified as priority parcels to date (i.e., ranked as high, moderate, or PMSC). To date, the Council has expressed interest in acquiring 52 of the nominated parcels, along with a package of lands owned by the Kenai Natives Association (KNA) and the so-called "tax parcels" on Kodiak Island.

Of these 52 parcels, the Council:

- *has authorized offers to purchase 38 parcels at appraised FMV, along with \$4 million for the KNA package, and \$1 million for the Kodiak tax parcels;*
- *is considering possible acquisition of the other 14 parcels, but has not yet authorized offers to be made.*

In total, small parcel acquisitions that are complete, or for which there are accepted offers, total about 3,356 acres with a FMV cost of approximately \$12.4 million. Also, some 3,665 acres (including the KNA and Kodiak tax parcel lands) are in a status of "under review" with a potential incremental cost of \$6.3 million. Two of the Council offers have been "rejected" at this time.

<u>Small Parcel Status</u>	<u>Acres</u>	<u>Parcel Value</u>
<u>Council authorized offers:</u>		
Acquisition Complete	2,716.9	\$ 8.6 million
Offers Accepted	<u>636.0</u>	<u>\$ 3.2 million</u>
Sub-Total:	<b>3,352.9</b>	<b>\$ 11.8 million</b>
Offers Under Review	<b>3,668.1</b>	<b>\$ 7.0 million *</b>
Offers Rejected	181.0	\$ 1.1 million
<u>Other nominated parcels under consideration:</u>		
Various	> 3,800.0	(undetermined)

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 \* Note: includes \$4 million KNA package and \$1. million for Kodiak tax parcels.

In addition to the parcels for which the Council has specifically authorized offers, there are various nominations that are ranked moderate, high or PMSC which collectively total more than 3,800 acres. Work to determine the value of these parcels is on-going and these parcels include some large-acre and/or potentially high cost parcels. For example:

- the 1,028-acre KAP 145/Termination Point nomination;
- the 942-acre PWS 1010/Jack Bay parcel in PWS;
- three Kenai River "Oberts" nominations (KEN 1039, 1040, and 1041);
- the KEN 1051 and KEN 1052 Salamatof parcels;
- the Valdez Duck Flats parcels (PWS 05 and PWS 06);
- the 1,462-acre KAP 1058/Long Island parcel (ranked moderate).

An additional 16 parcels have been nominated in recent months but were ranked low or did not meet threshold criteria. One of these, the PWS 1056/Blondeau Parcel near Valdez, has been nominated by the Alaska Department of Natural Resources, as a Parcel Meriting Special Consideration (PMSC).

Three additional nominations just received (but not yet ranked) are part of a larger "package" being put together as part of a joint effort on the part of the City of Homer, the Kachemak Bay Heritage Trust, and the Trust for Public Lands (TPL). In total, TPL is working to negotiate purchase options with willing sellers for approximately 110 acres (i.e., ~73 acres on the Homer Spit and another 40 acres in the Beluga Slough). These various Spit and Beluga Slough parcels are adjacent to existing public lands owned by the City of Homer, state or federal governments. A very rough estimate of the cost of these parcels is \$2 - \$3 million.

The Restoration Office continues to respond to inquiries about the Small Parcel program and without any outreach effort, typically receives several nominations each month.

*To summarize:*

- *In the case of small parcels where offers have been authorized by the Council, completed acquisitions together with accepted offers will cost \$11.8 million.*
- *Another \$7.0 million in priority parcels (moderate, high, PMSC) are pending further review, suggesting a total small parcel program commitment to date of nearly \$19 million if all transactions are successfully completed.*
- *A number of other parcel nominations are under consideration and with appraisal work in progress. Until the appraisal work is completed on these various parcels establishing a value is not possible. However, the total acreage of more than 3,800 acres implies a significant incremental cost if all, or a substantial portion, of these parcels is acquired.*
- *Exclusive of future nominations, accordingly, the current program to date will likely cost in excess of \$22 million.*

### III. Additional Small Parcel Acquisition Opportunities

In geographic terms, two focus areas have clearly emerged under the small parcel program: the Kodiak National Wildlife Refuge and the Kenai River. These two areas continue to provide opportunities for strategic small parcel acquisitions. In addition, there is a continuing but more diffuse interest in the Small Parcel program throughout the spill area.

**The Kenai River** - To date, approximately a dozen parcels, together with the KNA lands package, have been identified by the Council as priorities for acquisition at a total cost of approximately \$12 million.

In order to obtain a better understanding of what potential *incremental* small parcel acquisition opportunities exist along the Kenai, a working group was established with representation from USFWS, USFS, ADFG and ADNR. The work group met in mid-December and again in January. For planning purposes, the working group focused its attention on the identification of parcels with at least 1/8 mile (660 ft) of streambank.

Initial observations that emerged from the working group discussions included the following:

1. the Small Parcel Program to date has made significant progress in safeguarding important riparian values along the mainstem of the Kenai River;
2. substantial incremental habitat protection opportunities remain in the form of parcels potentially available for acquisition;
3. CIRI and the City of Kenai are very significant land owners along the River; and
4. habitat protection of parcels along tributaries to the Kenai have a potentially significant role to play in assuring long-term restoration benefits and warrants further consideration.

As part of this effort, ADFG prepared a map that displays the incremental acquisition opportunities (parcels with > 1/8 mile shoreline) as a starting point for additional evaluation (see map):

- The *blue parcels* show lands that have already been nominated and are either already acquired or otherwise targeted as a priority for acquisition;
- The parcels in *brown* or *yellow* with individual 8-digit parcel tax ID numbers reflect upwards of 70 privately-owned parcels with at least 1/8 mile of shoreline (totaling ~1,244 acres with parcels ranging in size from 1 acre - 133 acres);
- The *dark green* parcels show CIRI holdings (totaling ~ 1,748 acres with parcels ranging in size from 2.5 acres to 570 acres); and
- The *light green* lands are owned by the City of Kenai (totaling ~ 2,278 acres);
- Note that these maps do not reflect possible parcels along the tributaries to the Kenai and further work is needed to identify those parcels as well.

In summary, roughly 5,500 acres have been identified as "potentially available." In terms of the cost, no formal valuation of these lands has been attempted due to the complex nature of appraising individual parcels. However, one additional piece of information regarding value comes from the assessed values of these lands. While recognizing that assessed values often do not correspond to appraised values, assessments can provide an "order of magnitude" sense of value. Accordingly, a *very general* indication of land values *exclusive of any physical improvements* is roughly \$16.5 million. Again, this number *should only be considered only as very gross "order of magnitude" figure* and is known to be below what the total appraised value would be once physical improvements were also considered.

Moreover, it must be recognized that many of the parcels identified through this preliminary planning exercise will never be for sale.

**The Kodiak National Wildlife Refuge** — The Kodiak National Wildlife Refuge has also been a key focus area for small parcel program activities. To put these efforts in perspective, prior to 1995, the Kodiak NWR had approximately 200 small parcel inholdings, generally under 160 acres including many Native allotments. These parcels are typically located at strategic access points and frequently in riparian areas with high fish, wildlife, habitat subsistence, recreation and archeological values.

Using a combination of funding including the Land and Water Conservation Fund; private non-profit organization donations; federal EVOS criminal settlement funds and EVOS civil settlement funds, the USFWS has made significant progress acquiring small parcels from willing sellers within the Refuge. To date, the FWS has acquired 37 parcels and expects to complete acquisition of an additional 5 parcels that have important restoration values.

As reflected in the Small Parcel Status Report, the Council has authorized use of civil funds to acquire or make offers on a total of 14 of these small parcels and also authorized up to \$1 million for purchase of the so-called "tax parcels". Collectively, this represents a commitment of approximately \$2.9 million. In addition, two additional small parcels within the Refuge (KAP 91 and KAP 118 for a total of 297 acres) have been identified as priorities and appraisal work is on-going.

Information regarding incremental habitat protection opportunities within the Kodiak National Wildlife Refuge has also been obtained. Approximately 106 small parcels totaling approximately 7,000 acres are potentially available for acquisition, excluding numerous ten-acre parcels deeded to Koniag shareholders. Based on recent purchases, the FWS estimates a very rough total cost for these parcels at \$10.75 million while also recognizing that it would not be possible to successfully acquire all of these parcels.

Recognizing that not all acquisition efforts succeed for various reasons (e.g., title problems, declined offers, etc.) and that an overall estimate of a success rate is about 60% together with the fact that not all of the inholding parcels would be suitable for acquisition, a very gross estimate of total FMV purchase costs to acquire parcels that would support the restoration mission and also be available for purchase is \$5.7 million. The FWS estimates that associated acquisition support costs are approximately 15% of the purchase price.

**Other Areas** — In addition to the Kenai River and the Kodiak NWR, there remains strong interest in the Small Parcel program to protect other parts of the spill area.



- A concerted effort to secure purchase options is underway in the Homer area as a joint effort on the part City of Homer, the Kachemak Heritage Land Trust, and the Trust for Public Lands.
- Also, there is sponsor agency interest support for certain nominations along Kenai Peninsula rivers other than the Kenai such as the Kasilof and Ninilchik Rivers, as well as a recent nomination from the Valdez area (PWS 1056/Blondeau parcel).

*To summarize:*

- *The Small Parcel program has proven effective at achieving the objectives of the program with significant accomplishments to date, particularly along the Kenai River and within the Kodiak NWR.*
- *Efforts have been undertaken to assess the scope of important and potentially available incremental small parcel opportunities that may exist along the Kenai River and within the Kodiak NWR and this work is on-going.*
- *And finally, even without any effort to advertise the existence of the program, substantial interest in the program is evident resulting in a steady low level number of nominations.*

#### IV. Future Small Parcel Program Direction

The Small Parcel program has grown to be a substantial and popular element of the overall habitat program effort and the Restoration Office continues to receive nominations. In considering the future direction of the Small Parcel effort, it is evident that funding for the program must be reconciled with other restoration program elements. Some of the largest factors are:

- what happens with the remaining Large Parcel negotiations (i.e., AJV, Eyak, Port Graham, Koniag); and
- the outcome of the Restoration Reserve planning process.

As the Council knows, it has adopted a guideline for staff regarding the Small Parcel Program that has been described as a "soft moratorium" — that is, the Council has recognized the need to focus on completion of the existing Small Parcel nominations already in the process, but also not disallowing the possibility that further nominations may result in opportunities that should be pursued.

Accordingly, the Restoration Office staff responds to inquiries about the program but does not initiated any outreach efforts. Notwithstanding this



passive approach, a low-level stream of nominations are being received and, as the Council has anticipated, some appear to offer significant restoration value.

In light of existing financial commitments resulting from the successful efforts with Chenega, Tatitlek, and English Bay, together with what we hope will be additional successes with AJV, Eyak, Port Graham and Koniag it is an appropriate time to assess long-term options for the Small Parcel Program and implications for other restoration funding priorities.

*To summarize:*

- Given the Trustee Council's payment schedule, other anticipated or possible budget commitments (e.g., the annual work plan, prospective large parcel acquisitions, and archeological restoration efforts), there is very limited funding, with the next two years being especially "tight."*
- Until there is clarity regarding the remaining Large Parcel efforts, the "soft moratorium" approach may be a necessity in order to proceed conservatively in the face of uncertain obligations.*
- Conversely, if one or more of the Large Parcel negotiations were to reach impasse then funding for an expanded small parcel program would potentially be available. Also, if CRIS fees are refunded and future fees waived, another \$2.5 million would be available for restoration purposes.*
- Use of the Restoration Reserve has not yet been addressed.*

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\*\*\* MULTI TRANSACTION REPORT \*\*\*  
\*\*\*\*\*

TX/RX NO.

2605

INCOMPLETE TX/RX

TRANSACTION OK

[ 09] 19075867589

JUNEAU OFFICE

[ 10] 19075867555

WOLFE-GIBBONS

[ 13] 19077896608

MORRIS-WRIGHT

[ 15] 2698918

CAROL FRIES

[ 18] 2672464

SULLIVAN-SLATER

[ 20] 7863350

C. BERG

[ 21] 2572517

B. RICE

[ 31] 19074655070

BROWN-FAY

[ 35] 15103737834

B. SPIES

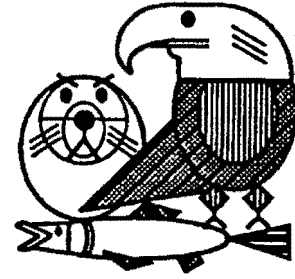
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# Exxon Valdez Oil Spill Trustee Council

Restoration Office

645 "G" Street, Anchorage, AK 99501

Phone: (907) 278-8012 Fax: (907) 276-7178



## MEMORANDUM

TO: Trustee Council

THROUGH: Molly McDammon  
Executive Director

FROM: *Traci Cramer*  
Traci Cramer  
Administrative Officer

DATE: February 12, 1997

RE: Financial Report as of January 31, 1997

Attached is the Statement of Revenue, Disbursements and Fees, and accompanying notes for the *Exxon Valdez* Joint Trust Fund for the period ending January 31, 1997.

The following is a summary of the information incorporated in the notes and contained on the statement.

Liquidity Account Balance	\$71,017,117	
Less: Current Year Commitments (Note 5)	\$17,570,600	
Plus: Adjustments (Note 6)	<u>\$535,823</u>	
Uncommitted Fund Balance		\$53,982,340
Plus: Future Exxon Payments (Note 1)	\$350,000,000	
Less: Remaining Reimbursements (Note 3)	20,000,000	
Less: Remaining Commitments (Note 7)	<u>\$48,805,734</u>	
Total Estimated Funds Available		\$335,176,606
Restoration Reserve		\$35,996,170

If you have any questions regarding the information provided please give me a call at 586-7238.

attachments

cc: Agency Liaisons  
Bob Baldauf

NOTES TO THE STATEMENT OF REVENUE, DISBURSEMENTS AND FEES  
FOR THE *EXXON VALDEZ* JOINT TRUST FUND

As of January 31, 1997

1. Contributions - Pursuant to the agreement Exxon is to pay a total of \$900,000,000.

Received to Date	\$550,000,000
Future Payments	\$350,000,000

2. Interest Income - In accordance with the MOA, the funds are deposited in the United States District Court, Court Registry Investment System (CRIS). All deposits with CRIS are maintained in United States government treasury securities with maturities of 100 days or less. Total earned since the last report is \$380,779.
3. Reimbursement of Past Costs - Under the terms of the agreement, the United States and the State are reimbursed for expenses associated with the spill. The remaining reimbursements represents that amount due the State of Alaska.
4. Fees - CRIS charges a fee of 10% for cash management services. Total paid since the last report is \$38,078.
5. Current Year Commitments - Includes \$1,570,600 for the Chenega-Area Shoreline Residual Oiling Project and the following land payments.

<u>Seller</u>	<u>Amount</u>	<u>Due</u>
Akhiok-Kaguyak	\$7,500,000	September 1997
Koniag, Incorporated	\$4,500,000	September 1997
Shuyak	\$4,000,000	October 1997

6. Adjustments - Under terms of the Agreement, both interest earned on previous disbursements and prior years unobligated funding or lapse are deducted from future court requests. Unreported interest and lapse is summarized below.

	<u>Interest</u>	<u>Lapse</u>
United States	\$71,092	\$0
State of Alaska	\$464,731	\$0

7. Remaining Commitments - Includes the following land payments.

<u>Seller</u>	<u>Amount</u>	<u>Due</u>
Shuyak	\$16,000,000	October 1998 through 2001
Shuyak	\$11,805,734	October 2002
Koniag, Incorporated	\$4,500,000	September 1998
Koniag, Incorporated	\$16,500,000	September 2002

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**Trustee Agencies**

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation  
United States: National Oceanic & Atmospheric Administration, Departments of Agriculture and Interior

**STATEMENT OF REVENUE, DISBURSEMENT, AND FEES**  
**EXXON VALDEZ OIL SPILL JOINT TRUST FUND**  
As of January 31, 1997

	1994	1995	1996	To Date 1997	Cumulative Total
<b>REVENUE:</b>					
Contributions: (Note 1)					
Contributions from Exxon Corporation	70,000,000	70,000,000	70,000,000	0	550,000,000
Less: Credit to Exxon Corporation for clean-up costs incurred					(39,913,688)
Total Contributions	70,000,000	70,000,000	70,000,000	0	510,086,312
Interest Income: (Note 2)					
Exxon Corporation escrow account					831,233
Joint Trust Fund Account	3,736,000	5,706,667	3,963,073	1,281,773	16,661,512
Total Interest	3,736,000	5,706,667	3,963,073	1,281,773	17,492,745
Total Revenue	73,736,000	75,706,667	73,963,073	1,281,773	527,579,057
<b>DISBURSEMENTS:</b>					
Reimbursement of Past Costs: (Note 3)					
State of Alaska	25,000,000		3,291,446		86,559,288
United States	6,271,600	2,697,000	0		69,812,045
Total Reimbursements	31,271,600	2,697,000	3,291,446	0	156,371,333
Disbursements from Liquidity Account:					
State of Alaska	44,546,266	41,969,669	43,340,950	3,518,458	158,463,656
United States	6,008,387	48,019,928	31,047,824	3,575,859	104,078,379
Transfer to the Restoration Reserve			35,996,231		35,996,231
Total Disbursements	50,554,653	89,989,597	110,385,005	7,094,317	298,538,266
<b>FEES:</b>					
U.S. Court Fees (Note 4)	364,000	586,857	396,307	128,177	1,652,342
Total Disbursements and Fees	82,190,253	93,273,454	114,072,758	7,222,494	456,561,941
Increase (decrease) in Liquidity Account	(8,454,253)	(17,566,788)	(40,109,685)	(5,940,722)	71,017,117
Liquidity Account Balance, beginning balance	143,088,564	134,634,311	117,067,523	76,957,838	
Liquidity Account Balance, end of period	134,634,311	117,067,523	76,957,838	71,017,117	
Current Year Commitments: (Note 5)					(17,570,600)
Adjustments: (Note 6)					535,824
Uncommitted Liquidity Account Balance					53,982,340
Remaining Reimbursements (Note 3)					(20,000,000)
Remaining Commitments: (Note 7)					(48,805,734)
Total Estimated Funds Available					335,176,606
Restoration Reserve					35,996,170

Statement 1

Statement of *Exxon Valdez* Settlement Funds  
As of January 31, 1997

Beginning Balance of Settlement	900,000,000
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Receipts:

Interest Earned on Exxon Escrow Account	337,111
Net Interest Earned on Joint Trust Fund (Note 1)	15,009,170
Interest Earned on United States and State of Alaska Accounts	4,333,545

Total Interest	<u>19,679,827</u>
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Disbursements:

Reimbursements to United States and State of Alaska	156,371,333
Exxon clean up cost deduction	39,913,688
Joint Trust Fund deposits	354,546,212

Total Disbursements	<u>550,831,233</u>
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Funds Available:

Exxon future payments	350,000,000
Balance in Liquidity Account	71,017,117
Future acquisition payments (Note 2)	(64,805,734)
Alaska Sealife Center	0
Remaining Reimbursements	(20,000,000)
Other (Note 3)	535,824

Total Estimated Funds Available	<u>336,747,206</u>
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Restoration Reserve	35,996,170
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Note 1: Gross interest earned less District Court registry fees.

Note 2: Includes both current year and future year payments

Note 3: Adjustment for unreported interest earned and lapse

Footnote:

Included in the Total Estimated Funds Available is the sum of \$1,570,600 for the FY1997  
Chenega-Area Shoreline Residual Oiling Project.

Statement 2

Cash Flow Statement  
Exxon Valdez Liquidity Account  
As of January 31, 1997

Receipts:

Exxon payments

December 1991	36,837,111	
December 1992	56,586,312	
September 1993	68,382,835	
September 1994	58,728,400	
September 1995	67,303,000	
September 1996	66,708,554	
Total Deposits	354,546,212	354,546,212

Interest Earned 16,661,512

Total Interest	16,661,512	16,661,512
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Total Receipts		371,207,724
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Disbursements:

Court Requests

Fiscal Year 1992	12,879,700	
Fiscal Year 1993	27,634,994	
Fiscal Year 1994	50,554,653	
Fiscal Year 1995	89,989,597	
Fiscal Year 1996	74,388,774	
Fiscal Year 1997	7,094,317	
Total Requests	262,542,035	262,542,035

District Court Fees	1,652,342	1,652,342
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Transfer to the Restoration Reserve		35,996,231
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Total Disbursements		300,190,607
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Balance in Joint Trust Fund		71,017,117
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Footnote:

The Restoration Reserve was established on February 15, 1996. A total of \$35,996,230.78 was disbursed from the Liquidity Account. Of the total, \$35,996,170.78 was used to purchase laddered securities. The remaining \$60 represented FRB expenses.



**Schedule of Payments from Exxon**  
**As of January 31, 1997**

Disbursements:	December 91	December 92	September 93	September 94	September 95	September 96	Total
Reimbursements:							
United States							
FFY92	24,726,280	0	0				24,726,280
FFY93	0	24,500,000	11,617,165				36,117,165
FFY94	0	0	0	6,271,600			6,271,600
FFY95	0	0	0		2,697,000		2,697,000
<b>Total United States</b>	<b>24,726,280</b>	<b>24,500,000</b>	<b>11,617,165</b>	<b>6,271,600</b>	<b>2,697,000</b>	<b>0</b>	<b>69,812,045</b>
State of Alaska							
General Fund:							
FFY92	25,313,756	0	0				25,313,756
FFY93	0	16,685,133	0				16,685,133
FFY94	0	0	14,762,703				14,762,703
FFY95	0	0	0	0			0
Mitigation Account:							
FFY92	3,954,086	0	0				3,954,086
FFY93	0	12,314,867	0				12,314,867
FFY94	0	0	5,237,297	5,000,000			10,237,297
FFY95 (Prevention Account)	0	0	0		0		0
FFY96 (Prevention Account)						3,291,446	3,291,446
<b>Total State of Alaska</b>	<b>29,267,842</b>	<b>29,000,000</b>	<b>20,000,000</b>	<b>5,000,000</b>	<b>0</b>	<b>3,291,446</b>	<b>86,559,288</b>
<b>Total Reimbursements</b>	<b>53,994,122</b>	<b>53,500,000</b>	<b>31,617,165</b>	<b>11,271,600</b>	<b>2,697,000</b>	<b>3,291,446</b>	<b>156,371,333</b>
Deposits to Joint Trust Fund							
FFY92	36,837,111	0	0				36,837,111
FFY93	0	56,586,312	68,382,835				124,969,147
FFY94	0	0	0				0
FFY95	0	0	0	58,728,400	67,303,000		126,031,400
FFY96						66,708,554	66,708,554
<b>Total Deposits to Joint Trust Fund</b>	<b>36,837,111</b>	<b>56,586,312</b>	<b>68,382,835</b>	<b>58,728,400</b>	<b>67,303,000</b>	<b>66,708,554</b>	<b>354,546,212</b>
<b>Exxon clean up cost deduction</b>	<b>0</b>	<b>39,913,688</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>39,913,688</b>
<b>Total Payments</b>	<b>90,831,233</b>	<b>150,000,000</b>	<b>100,000,000</b>	<b>70,000,000</b>	<b>70,000,000</b>	<b>70,000,000</b>	<b>550,831,233</b>
Remaining Exxon payments to be made:							
September 1994	0						
September 1995	0						
September 1996	0						
September 1997	70,000,000						
September 1998	70,000,000						
September 1999	70,000,000						
September 2000	70,000,000						
September 2001	70,000,000						
	<u>350,000,000</u>						

The December 1991 payment includes interest accrued on the escrow account. The actual disbursements without interest was \$24.5 million to the United States, \$29 million to the State of Alaska and \$36.5 million to the Joint Trust Fund. The total interest earned on the escrow account was \$831,233 which was disbursed proportionately. This included \$226,280 to the United States, \$267,842 to the State of Alaska and \$337,111 to the Joint Trust Fund.

The September 1994 reimbursement to the United States included an over-payment of \$80,700 to NOAA. This over-payment is a direct result of final costs for damage assessment activities being lower than what was previously estimated. The funds were returned to the Joint Account by reducing the amount transferred to the United States in Court Request number 15.

**Schedule of Disbursements**  
**Exxon Valdez Liquidity Account**  
**As of January 31, 1997**

	United States	State of Alaska	Court Request Total	Court Fees	Disbursements Total
Court Request 1	6,320,500	6,559,200	12,879,700		
<b>Total Fiscal Year 1992</b>	<b>6,320,500</b>	<b>6,559,200</b>	<b>12,879,700</b>	<b>23,000</b>	<b>12,902,700</b>
Court Request 2	3,074,029	3,493,225	6,567,254		
Court Request 3	6,031,852	15,035,888	21,067,740		
<b>Total Fiscal Year 1993</b>	<b>9,105,881</b>	<b>18,529,113</b>	<b>27,634,994</b>	<b>154,000</b>	<b>27,788,994</b>
Court Request 4		29,950,000	29,950,000		
Court Request 5	2,516,069	2,227,856	4,743,925		
Court Request 6	1,407,818	12,211,164	13,618,982		
Court Request 7	2,084,500	157,246	2,241,746		
<b>Total Fiscal Year 1994</b>	<b>6,008,387</b>	<b>44,546,266</b>	<b>50,554,653</b>	<b>364,000</b>	<b>50,918,653</b>
Court Request 8	3,576,179	7,088,077	10,664,256		
Court Request 9	3,226,182	3,111,204	6,337,386		
Court Request 10		9,234,909	9,234,909		
Court Request 11	1,450,000		1,450,000		
Court Request 12	17,200,000		17,200,000		
Court Request 13	1,480,251	171,763	1,652,014		
Court Request 14	15,250,000		15,250,000		
Court Request 15	5,837,316	9,863,716	15,701,032		
Court Request 16		12,500,000	12,500,000		
<b>Total Fiscal Year 1995</b>	<b>48,019,928</b>	<b>41,969,669</b>	<b>89,989,597</b>	<b>586,857</b>	<b>90,576,454</b>
Court Request 17		3,294,667	3,294,667		
Court Request 18	8,000,000		8,000,000		
Court Request 19	3,222,224	1,968,898	5,191,122		
Restoration Reserve Transfer			35,996,231		
Court Request 20		8,000,000	8,000,000		
Court Request 21	1,007,000	5,520,500	6,527,500		
Court Request 22	18,818,600	24,556,885	43,375,485		
<b>Total Fiscal Year 1996</b>	<b>31,047,824</b>	<b>43,340,950</b>	<b>110,385,005</b>	<b>396,307</b>	<b>110,781,312</b>
Court Request 23	2,613,500	0	2,613,500		
Court Request 24	176,500	3,075,625	3,252,125		
Court Request 25	785,859	442,833	1,228,692		
Court Request 26			0		
Court Request 27			0		
<b>Total Fiscal Year 1997</b>	<b>3,575,859</b>	<b>3,518,458</b>	<b>7,094,317</b>	<b>128,177</b>	<b>7,222,494</b>
<b>Total</b>	<b>104,078,379</b>	<b>158,463,656</b>	<b>298,538,266</b>	<b>1,652,342</b>	<b>300,190,608</b>

**Exxon Valdez Liquidity Account**  
**Interest Earned/District Court Registry Fees**  
**As of January 31, 1997**

	FFY 1992	FFY 1993	FFY 1994	FFY 1995	FFY 1996	FFY 1997	Total
Earnings Deposits	17,683	31,124	33,476	55,809			138,092
Earnings Allocated:							
1991	28,704						28,704
1992	526,613	553,697					1,080,309
1993		639,180	1,461,736				2,100,915
1994			1,876,788	1,402,938			3,279,726
1995				3,661,063	1,202,209		4,863,272
1996					2,364,556	810,894	3,175,451
1997						342,701	342,701
Total	555,317	1,192,876	3,338,524	5,064,001	3,566,766	1,153,595	14,871,078
Total Earnings	573,000	1,224,000	3,372,000	5,119,809	3,566,766	1,153,595	15,009,170
Registry Fees:							
1991	3,189						3,189
1992	19,811	100,223					120,034
1993		53,777	179,658				233,435
1994			184,342	180,072			364,414
1995				406,785	133,579		540,364
1996					262,729	90,099	352,828
1997						38,078	38,078
Total	23,000	154,000	364,000	586,857	396,307	128,177	1,652,342
Gross Earnings	596,000	1,378,000	3,736,000	5,706,667	3,963,073	1,281,773	16,661,512

Schedule of Interest Earned on United States and State of Alaska Accounts				
As of January 31, 1997				
	State of Alaska	United States		
	EVOSS Account	NRDA & R		Total
June 1992	22,675			22,675
June 1993	7,713			7,713
July 1993	38,502			38,502
August 1993	31,719			31,719
September 1993	21,069			21,069
October 1993	19,030			19,030
November 1993	28,561			28,561
December 1993	16,817			16,817
January 1994	22,398			22,398
February 1994	19,086	117,178		136,264
March 1994	20,754			20,754
April 1994	18,714			18,714
May 1994	15,878			15,878
June 1994	17,707	24,823		42,530
July 1994	52,823			52,823
August 1994	43,845			43,845
September 1994	40,408	43,567		83,975
October 1994	44,291			44,291
November 1994	63,286			63,286
December 1994	67,496	3,849		71,346
January 1995	89,341			89,341
February 1995	100,714			100,714
March 1995	104,570	17,033		121,603
April 1995	95,432			95,432
May 1995	92,595			92,595
June 1995	80,613	50,042		130,655
July 1995	76,424			76,424
August 1995	68,771			68,771
September 1995	59,945	44,826		104,771
October 1995	133,486			133,486
November 1995	154,119			154,119
December 1995	143,917	39,567		183,484
January 1996	134,300			134,300
February 1996	122,348			122,348
March 1996	132,469	64,381		196,850
April 1996	126,550			126,550
May 1996	136,732			136,732
June 1996	145,501	73,267		218,768
July 1996	128,195			128,195
August 1996	106,079			106,079
September 1996	110,890	29,042		139,933
October 1996	181,598			181,598
November 1996	162,806			162,806
December 1996	153,991	71,093		225,084
January 1997	147,934			147,934
Total	3,754,877	578,668		4,333,545
NOTE: The \$117,178 NRDA&R interest figure is cumulative.				
Interest was earned for the period July 1992 through May 1993, but the specific amounts have been hidden to allow the spreadsheet to print on one page.				

Schedule of Interest Adjustments to the Court Requests  
As of January 31, 1997

	June 1992	December 1992	June 1993	December 1993	June 1994	October 1994	November 1994	December 1994	March 1995	August 1995	January 1996	May 1996	July 1996	August 1996	December 1996	Total	Unallocated Interest
<b>Disbursements:</b>																	
<b>Court Requests</b>																	
United States																	2 Baldauf 12/6/96
FFY92	0																43,519
FFY93		39,871	3,648														73,658
FFY94				51,231	22,427												139,314
FFY95						34,621		37,618	3,849	63,226							251,083
FFY96											48,676	37,100	26,600	109,666	29,041		
<b>Total United States</b>	<b>0</b>	<b>39,871</b>	<b>3,648</b>	<b>51,231</b>	<b>22,427</b>	<b>34,621</b>	<b>0</b>	<b>37,618</b>	<b>3,849</b>	<b>63,226</b>	<b>48,676</b>	<b>37,100</b>	<b>26,600</b>	<b>109,666</b>	<b>29,041</b>	<b>507,576</b>	<b>71,092</b>
State of Alaska																	0
FFY92	0																115,787
FFY93		80,775	35,012														304,034
FFY94				64,944	239,090												985,423
FFY95						52,823	117,838	44,291	320,837	449,634							1,884,902
FFY96											262,202	300	289,400	934,433	398,567		
<b>Total State of Alaska</b>	<b>0</b>	<b>80,775</b>	<b>35,012</b>	<b>64,944</b>	<b>239,090</b>	<b>52,823</b>	<b>117,838</b>	<b>44,291</b>	<b>320,837</b>	<b>449,634</b>	<b>262,202</b>	<b>300</b>	<b>289,400</b>	<b>934,433</b>	<b>398,567</b>	<b>3,290,146</b>	<b>464,731</b>
<b>Total Adjustment</b>	<b>0</b>	<b>120,646</b>	<b>38,660</b>	<b>116,175</b>	<b>261,517</b>	<b>87,444</b>	<b>117,838</b>	<b>81,909</b>	<b>324,686</b>	<b>512,860</b>	<b>310,878</b>	<b>37,400</b>	<b>316,000</b>	<b>1,044,099</b>	<b>427,608</b>	<b>3,797,722</b>	<b>535,824</b>

Footnotes:

The unallocated interest is tied to the INT Acct. sheet.

**Schedule of Lapse Adjustments to the Court Requests  
As of January 31, 1997**

	December 1993	June 1994	August 1995	August 1996	Total
Disbursements:					
Court Requests					
United States					
FFY92					0
FFY93					0
FFY94		3,106,555			3,106,555
FFY95					0
FFY96			220,858		220,858
FFY97				1,165,334	1,165,334
Total United States	0	3,106,555	220,858	1,165,334	3,327,413
State of Alaska					
FFY92					0
FFY93					0
FFY94	3,661,600				3,661,600
FFY95					0
FFY96			2,376,950		2,376,950
FFY97				2,500,448	2,500,448
Total State of Alaska	3,661,600	0	2,376,950	2,500,448	6,038,550
Total Adjustment	3,661,600	3,106,555	2,597,808	3,665,782	9,365,963

# Schedule of Work Plan Authorizations and Other Authorizations

	FFY 92	FFY 93	FFY 94	FFY 95	FFY 96	FFY 97	Total
United States:							
June 15, 1992	6,320,500	0	0				
January 25, 1993	0	3,113,900	0				
January 25, 1993	0	6,035,500	0				
November 10, 1993	0	0	0				
November 30, 1993	0	0	2,567,300				
June 1994			4,536,800				
June 1994			84,500				
July 1994			1,500,000				
August 1994				2,110,800			
November 1994				2,514,200			
December 1994				749,600			
March 1995				1,484,100			
August 1995				(36,700)	6,238,800		
December 1995					3,270,900		
January 1996					150,000		
April 1996					478,000		
May 1996					37,100		
June 1996					26,600		
August 1996						7,938,400	
December 1996						310,900	
Total	6,320,500	9,149,400	8,688,600	6,822,000	10,201,400	8,249,300	49,431,200



**Schedule of Work Plan Authorizations and Other Authorizations**

	FFY 92	FFY 93	FFY 94	FFY 95	FFY 96	FFY 97	Total
State of Alaska							
June 15, 1992	6,559,200	0	0				
January 25, 1993	0	3,574,000	0				
January 25, 1993	0	7,570,900	0				
November 30, 1993	0	1,500,000	4,454,300				
June 1994			12,391,700				
June 1994			215,800				
July 1994			0				
August 1994				7,140,900			
November 1994				9,098,700			
December 1994				180,500			
March 1995				492,600			
August 1995				36,700	12,653,600		
December 1995					2,231,100		
April 1996					500,000		
May 1996					300		
June 1996					289,400	1,570,600	
August 1996						13,341,500	
December 1996						310,400	
Total	6,559,200	12,644,900	17,061,800	16,949,400	15,674,400	15,222,500	84,112,200

# Schedule of Work Plan Authorizations and Other Authorizations

	FFY 92	FFY 93	FFY 94	FFY 95	FFY 96	FFY 97	Total
Other Authorizations							
United States:							
Orca Narrows (6/94, Eyak)		2,000,000	1,650,000				3,650,000
Kodiak National Wildlife Refuge (3/95, 9/95 AKI)			21,000,000	7,500,000			28,500,000
Kodiak National Wildlife Refuge (3/95, 9/95 Old Harbor)			11,250,000				11,250,000
Koniag				12,500,000			12,500,000
Small Parcels				534,200	3,294,000		3,828,200
Total		2,000,000	33,900,000	20,534,200	3,294,000		59,728,200
State of Alaska:							
Kachemak Bay State Park (1/95)		7,500,000					7,500,000
Seal Bay (11/93,11/94,11/95,11/96)		29,950,000	3,229,042	3,294,667	3,075,625		39,549,334
Shuyak (3/96, 10/96 - 10/02)				8,000,000	2,194,266		10,194,266
Small Parcels				5,020,500	531,000		5,551,500
Alaska SeaLife Center			12,500,000	12,456,000			24,956,000
Total		7,500,000	29,950,000	15,729,042	28,771,167	5,800,891	87,751,100
Total Other Authorizations	0	7,500,000	31,950,000	49,629,042	49,305,367	9,094,891	147,479,300
Total Work Plan Authorizations	12,879,700	21,794,300	25,750,400	23,771,400	25,875,800	23,471,800	133,543,400
Restoration Reserve			12,000,000	12,000,000	12,000,000		36,000,000
Total Authorized	12,879,700	29,294,300	69,700,400	85,400,442	87,181,167	32,566,691	317,022,700

## Footnotes:

Work Plan Authorization and Land/Capital Acquisitions only. Will not balance to the Schedule of Disbursements from the Joint Trust Fund or the court requests due to the reauthorization of projects (carry-forward) and deductions for interest and lapse.

This schedule does tie to the quarterly reports with the exception of 93' and 92'. In FY93 the Work Plan represented the transition to the Federal Fiscal Year from the Oil Year or a seven month period. This schedule presents authorization on the Federal Fiscal Year and as such FFY92 and FFY93 does not balance.

The Trustee Council conditionally approved \$181,900 for Fleming Spit on 6/1/95. However, the project has not approved by the Department of Justice and as such has not been included on this statement.

The Trustee Council approved \$1,900,000 for the Chenega-Area Shoreline Residual Oiling Project June 28, 1996. Of the total, \$293,000 was allocated to FFY 96 and \$36,400 was allocated to FFY97. The remainder of \$1,570,600 will be allocated to FFY 97 based on the final remediation plan.

# Exxon Valdez Oil Spill Trustee Council

645 G Street, Suite 401, Anchorage, AK 99501-3451 907/278-8012 fax: 907/276-7178



## MEMORANDUM

TO: Trustee Council members  
FROM: Molly McCammon, Executive Director  
DATE: February 24, 1997  
SUBJ: Overview of Small Parcel Program

As directed by the Council, I have been reviewing the Small Parcel Program in order:

- to provide the Council an update on the overall progress of the program;
- to assess the program within the context of the overall habitat protection effort; and
- to identify future program options for the Council's consideration, including possible further small parcel protection opportunities:
  - on the Kenai Peninsula (in particular, along the Kenai River);
  - in the Kodiak region; and
  - in other parts of the spill-area (e.g., in PWS).

To assist in this review, I have established a working group of Trustee agency representatives involved with the small parcel program. Additionally, I have consulted with a variety of agency staff to help identify possible small parcel program options that warrant discussion and consideration by the Council.

The purpose of this memorandum is to identify a number of issues that require the Council's guidance.

### Overview of Habitat Protection Effort

**Large Parcel Program** — With approval of the English Bay Corporation land purchase (and assuming successful completion of the Tatitlek agreement), the

Council will have made substantial progress toward its overall habitat protection goal.

- Large parcel acquisitions that are completed or pending total:

<u>Acres</u>	<u>Trust Fund</u>	<u>Other Sources</u>
521,998	\$224.6 million	\$56.0 million

- There are on-going negotiations with three major landowners (AJV, Eyak, and Port Graham) that could result in the protection of an additional 230,997 acres, as well as discussion with Koniag regarding the fee title acquisition of 57,082 acres currently protected under a limited term conservation easement.

*As will be discussed below, the future success of these remaining Large Parcel protection efforts will have a direct bearing on what opportunities may lie ahead for the Small Parcel program. That is, simply as a function of limited settlement dollars, the ability to continue with a sizable Small Parcel Program will be constrained if all the Large Parcel efforts are successful, unless other funding priorities are adjusted.*

Another major factor will be what decisions are eventually made about use of the Restoration Reserve.

**Small Parcel Program** — Since inception of the Small Parcel Program in 1994, more than 300 small parcels have been nominated with approximately 17% of these have been identified as priority parcels to date (i.e., ranked as high, moderate, or PMSC). To date, the Council has expressed interest in acquiring 52 of the nominated parcels, along with a package of lands owned by the Kenai Natives Association (KNA) and the so-called "tax parcels" on Kodiak Island.

Of these 52 parcels, the Council:

- *has authorized offers to purchase* 38 parcels at appraised FMV, along with \$4 million for the KNA package, and \$1 million for the Kodiak tax parcels;
- *is considering possible acquisition* of the other 14 parcels, but has not yet authorized offers to be made.

In total, small parcel acquisitions that are complete, or for which there are accepted offers, total about 3,356 acres with a FMV cost of approximately \$12.4 million. Also, some 3,665 acres (including the KNA and Kodiak tax parcel lands) are in a status of "under review" with a potential incremental cost of \$6.3 million. Two of the Council offers have been "rejected" at this time.

<u>Small Parcel Status</u>	<u>Acres</u>	<u>Parcel Value</u>
<u>Council authorized offers:</u>		
Acquisition Complete	2,716.9	\$ 8.6 million
Offers Accepted	<u>636.0</u>	<u>\$ 3.2 million</u>
Sub-Total:	<b>3,352.9</b>	<b>\$ 11.8 million</b>
Offers Under Review	3,668.1	\$ 7.0 million *
Offers Rejected	181.0	\$ 1.1 million
<u>Other nominated parcels under consideration:</u>		
Various	> 3,800.0	(undetermined)

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 \* Note: includes \$4 million KNA package and \$1 million for Kodiak tax parcels.

In addition to the parcels for which the Council has specifically authorized offers, there are various nominations that are ranked moderate, high or PMSC which collectively total more than 3,800 acres. Work to determine the value of these parcels is on-going and these parcels include some large-acre and/or potentially high cost parcels. For example:

- the 1,028-acre KAP 145/Termination Point nomination;
- the 942-acre PWS 1010/Jack Bay parcel in PWS;
- three Kenai River "Oberts" nominations (KEN 1039, 1040, and 1041);
- the KEN 1051 and KEN 1052 Salamatof parcels;
- the Valdez Duck Flats parcels (PWS 05 and PWS 06);
- the 1,462-acre KAP 1058/Long Island parcel (ranked moderate).

An additional 16 parcels have been nominated in recent months but were ranked low or did not meet threshold criteria. One of these, the PWS 1056/Blondeau Parcel near Valdez, has been nominated by the Alaska Department of Natural Resources, as a Parcel Meriting Special Consideration (PMSC).

Three additional nominations just received (but not yet ranked) are part of a larger "package" being put together as part of a joint effort on the part of the City of Homer, the Kachemak Bay Heritage Trust, and the Trust for Public Lands (TPL). In total, TPL is working to negotiate purchase options with willing sellers for approximately 110 acres (i.e., ~73 acres on the Homer Spit and another 40 acres in the Beluga Slough). These various Spit and Beluga Slough parcels are adjacent to existing public lands owned by the City of Homer, state or federal governments. A very rough estimate of the cost of these parcels is \$2 - \$3 million.

The Restoration Office continues to respond to inquiries about the Small Parcel program and without any outreach effort, typically receives several nominations each month.

*To summarize:*

- *In the case of small parcels where offers have been authorized by the Council, completed acquisitions together with accepted offers will cost \$11.8 million.*
- *Another \$7.0 million in priority parcels (moderate, high, PMSC) are pending further review, suggesting a total small parcel program commitment to date of nearly \$19 million if all transactions are successfully completed.*
- *A number of other parcel nominations are under consideration and with appraisal work in progress. Until the appraisal work is completed on these various parcels establishing a value is not possible. However, the total acreage of more than 3,800 acres implies a significant incremental cost if all, or a substantial portion, of these parcels is acquired.*
- *Exclusive of future nominations, accordingly, the current program to date will likely cost in excess of \$22 million.*

### III. Additional Small Parcel Acquisition Opportunities

In geographic terms, two focus areas have clearly emerged under the small parcel program: the Kodiak National Wildlife Refuge and the Kenai River. These two areas continue to provide opportunities for strategic small parcel acquisitions. In addition, there is a continuing but more diffuse interest in the Small Parcel program throughout the spill area.

**The Kenai River** - To date, approximately a dozen parcels, together with the KNA lands package, have been identified by the Council as priorities for acquisition at a total cost of approximately \$12 million.

In order to obtain a better understanding of what potential *incremental* small parcel acquisition opportunities exist along the Kenai, a working group was established with representation from USFWS, USFS, ADFG and ADNRR. The work group met in mid-December and again in January. For planning purposes, the working group focused its attention on the identification of parcels with at least 1/8 mile (660 ft) of streambank.

Initial observations that emerged from the working group discussions included the following:

1. the Small Parcel Program to date has made significant progress in safeguarding important riparian values along the mainstem of the Kenai River;
2. substantial incremental habitat protection opportunities remain in the form of parcels potentially available for acquisition;
3. CIRI and the City of Kenai are very significant land owners along the River; and
4. habitat protection of parcels along tributaries to the Kenai have a potentially significant role to play in assuring long-term restoration benefits and warrants further consideration.

As part of this effort, ADFG prepared a map that displays the incremental acquisition opportunities (parcels with > 1/8 mile shoreline) as a starting point for additional evaluation (see map):

- The *blue parcels* show lands that have already been nominated and are either already acquired or otherwise targeted as a priority for acquisition;
- The parcels in *brown* or *yellow* with individual 8-digit parcel tax ID numbers reflect upwards of 70 privately-owned parcels with at least 1/8 mile of shoreline (totaling ~1,244 acres with parcels ranging in size from 1 acre - 133 acres);
- The *dark green* parcels show CIRI holdings (totaling ~ 1,748 acres with parcels ranging in size from 2.5 acres to 570 acres); and
- The *light green* lands are owned by the City of Kenai (totaling ~ 2,278 acres);
- Note that these maps do not reflect possible parcels along the tributaries to the Kenai and further work is needed to identify those parcels as well.

In summary, roughly 5,500 acres have been identified as "potentially available." In terms of the cost, no formal valuation of these lands has been attempted due to the complex nature of appraising individual parcels. However, one additional piece of information regarding value comes from the assessed values of these lands. While recognizing that assessed values often do not correspond to appraised values, assessments can provide an "order of magnitude" sense of value. Accordingly, a *very general* indication of land values *exclusive of any physical improvements* is roughly \$16.5 million. Again, this number *should only be considered only as very gross "order of magnitude" figure* and is known to be below what the total appraised value would be once physical improvements were also considered.



Moreover, it must be recognized that many of the parcels identified through this preliminary planning exercise will never be for sale.

**The Kodiak National Wildlife Refuge** — The Kodiak National Wildlife Refuge has also been a key focus area for small parcel program activities. To put these efforts in perspective, prior to 1995, the Kodiak NWR had approximately 200 small parcel inholdings, generally under 160 acres including many Native allotments. These parcels are typically located at strategic access points and frequently in riparian areas with high fish, wildlife, habitat subsistence, recreation and archeological values.

Using a combination of funding including the Land and Water Conservation Fund; private non-profit organization donations; federal EVOS criminal settlement funds and EVOS civil settlement funds, the USFWS has made significant progress acquiring small parcels from willing sellers within the Refuge. To date, the FWS has acquired 37 parcels and expects to complete acquisition of an additional 5 parcels that have important restoration values.

As reflected in the Small Parcel Status Report, the Council has authorized use of civil funds to acquire or make offers on a total of 14 of these small parcels and also authorized up to \$1 million for purchase of the so-called "tax parcels". Collectively, this represents a commitment of approximately \$2.9 million. In addition, two additional small parcels within the Refuge (KAP 91 and KAP 118 for a total of 297 acres) have been identified as priorities and appraisal work is on-going.

Information regarding incremental habitat protection opportunities within the Kodiak National Wildlife Refuge has also been obtained. Approximately 106 small parcels totaling approximately 7,000 acres are potentially available for acquisition, excluding numerous ten-acre parcels deeded to Koniag shareholders. Based on recent purchases, the FWS estimates a very rough total cost for these parcels at \$10.75 million while also recognizing that it would not be possible to successfully acquire all of these parcels.

Recognizing that not all acquisition efforts succeed for various reasons (e.g., title problems, declined offers, etc.) and that an overall estimate of a success rate is about 60% together with the fact that not all of the inholding parcels would be suitable for acquisition, a very gross estimate of total FMV purchase costs to acquire parcels that would support the restoration mission and also be available for purchase is \$5.7 million. The FWS estimates that associated acquisition support costs are approximately 15% of the purchase price.

**Other Areas** — In addition to the Kenai River and the Kodiak NWR, there remains strong interest in the Small Parcel program to protect other parts of the spill area.

- A concerted effort to secure purchase options is underway in the Homer area as a joint effort on the part City of Homer, the Kachemak Heritage Land Trust, and the Trust for Public Lands.
- Also, there is sponsor agency interest support for certain nominations along Kenai Peninsula rivers other than the Kenai such as the Kasilof and Ninilchik Rivers, as well as a recent nomination from the Valdez area (PWS 1056/Blondeau parcel).

**To summarize:**

- *The Small Parcel program has proven effective at achieving the objectives of the program with significant accomplishments to date, particularly along the Kenai River and within the Kodiak NWR.*
- *Efforts have been undertaken to assess the scope of important and potentially available incremental small parcel opportunities that may exist along the Kenai River and within the Kodiak NWR and this work is on-going.*
- *And finally, even without any effort to advertise the existence of the program, substantial interest in the program is evident resulting in a steady low level number of nominations.*

**IV. Future Small Parcel Program Direction**

The Small Parcel program has grown to be a substantial and popular element of the overall habitat program effort and the Restoration Office continues to receive nominations. In considering the future direction of the Small Parcel effort, it is evident that funding for the program must be reconciled with other restoration program elements. Some of the largest factors are:

- what happens with the remaining Large Parcel negotiations (i.e., AJV, Eyak, Port Graham, Koniag); and
- the outcome of the Restoration Reserve planning process.

As the Council knows, it has adopted a guideline for staff regarding the Small Parcel Program that has been described as a "soft moratorium" — that is, the Council has recognized the need to focus on completion of the existing Small Parcel nominations already in the process, but also not disallowing the possibility that further nominations may result in opportunities that should be pursued.

Accordingly, the Restoration Office staff responds to inquiries about the program but does not initiated any outreach efforts. Notwithstanding this

passive approach, a low-level stream of nominations are being received and, as the Council has anticipated, some appear to offer significant restoration value.

In light of existing financial commitments resulting from the successful efforts with Chenega, Tatitlek, and English Bay, together with what we hope will be additional successes with AJV, Eyak, Port Graham and Koniag it is an appropriate time to assess long-term options for the Small Parcel Program and implications for other restoration funding priorities.

**To summarize:**

- *Given the Trustee Council's payment schedule, other anticipated or possible budget commitments (e.g., the annual work plan, prospective large parcel acquisitions, and archeological restoration efforts), there is very limited funding, with the next two years being especially "tight."*
- *Until there is clarity regarding the remaining Large Parcel efforts, the "soft moratorium" approach may be a necessity in order to proceed conservatively in the face of uncertain obligations.*
- *Conversely, if one or more of the Large Parcel negotiations were to reach impasse then funding for an expanded small parcel program would potentially be available. Also, if CRIS fees are refunded and future fees waived, another \$2.5 million would be available for restoration purposes.*
- *Use of the Restoration Reserve has not yet been addressed.*

## STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

## OFFICE OF THE COMMISSIONER

TONY KNOWLES, GOVERNOR

400 WILLOUGHBY AVENUE  
JUNEAU, ALASKA 99801-1796  
PHONE: (907) 465-2400  
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3601 C STREET, SUITE 1210  
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PHONE: (907) 269-8431  
FAX: (907) 269-8918

February 11, 1997

Molly McCammon  
Executive Director  
Exxon Valdez Oil Spill Restoration Office  
645 G Street, Suite 401  
Anchorage, AK 99501

Dear Ms. McCammon,

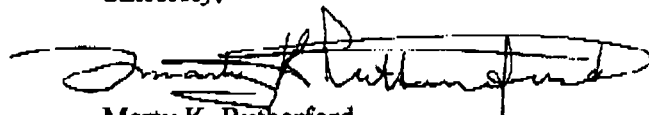
The Department of Natural Resources would like to request that Parcel PWS 1056, nominated for consideration by Robert Wayne Blondeau, be considered by the Trustee Council as a Parcel Meriting Special Consideration. This parcel was recently evaluated by the Habitat Protection Work Group and ranked just below the Moderate category.

This property is located at the mouth of Mineral Creek fronting on the Port of Valdez, adjacent to wetlands belonging to the City of Valdez. This parcel provides key habitat for Sockeye Salmon, Pink Salmon, Bald Eagles, and Recreation and Tourism. The parcel would provide important recreational, interpretive and educational opportunities for the City of Valdez. This acquisition is supported by the Mayor of the City of Valdez and the Chairperson of the Valdez Area State Parks Citizen Advisory Board (attached). The City of Valdez will be considering a resolution affirming its interest and commitment to cooperatively managing this parcel with the Department of Natural Resources at its February 18th meeting (draft resolution attached).

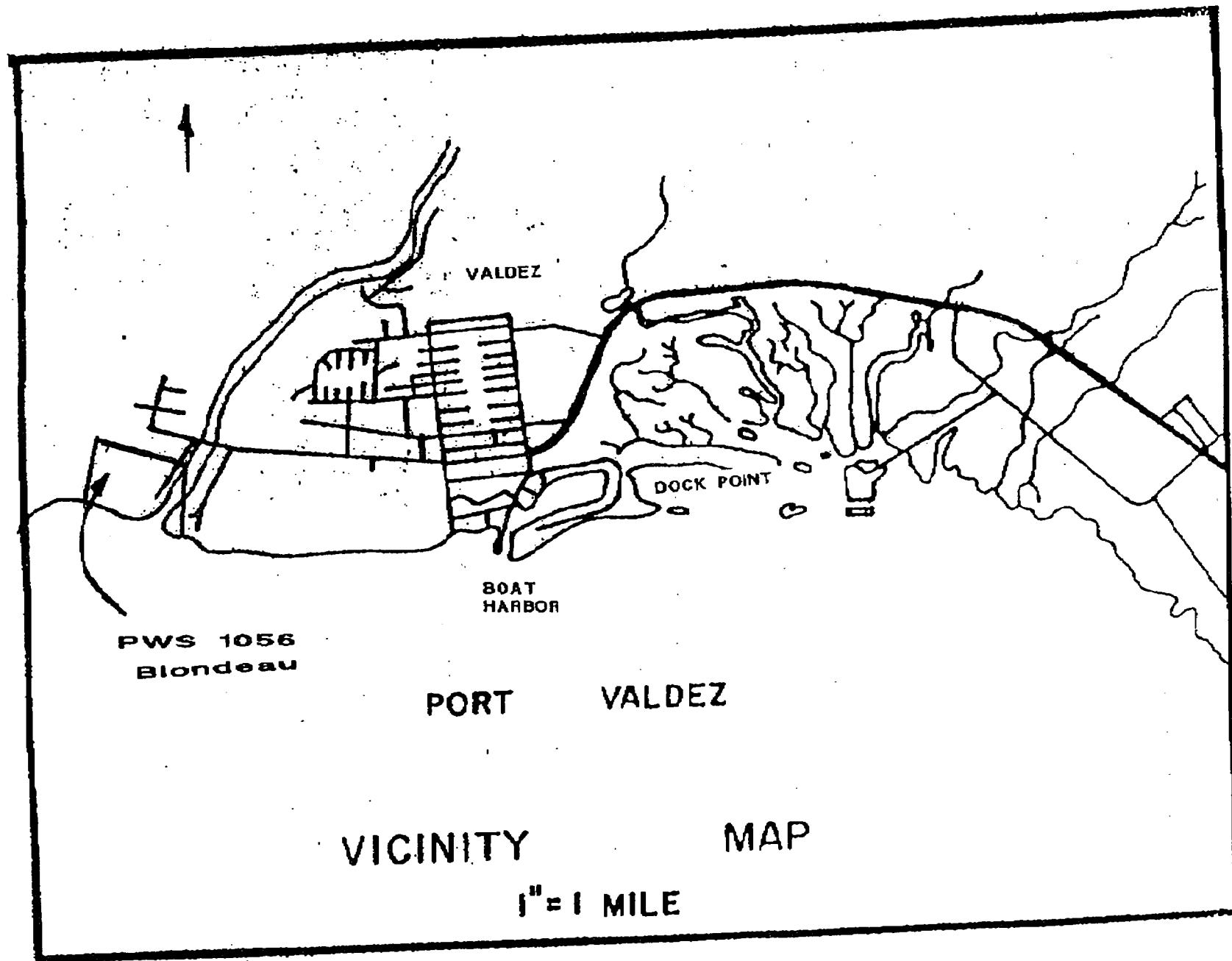
The Department of Natural Resources is sponsoring this parcel with the understanding that community support satisfactory to the Department of Natural Resources will facilitate the long term management of this parcel. Acquisition of this parcel will benefit the residents of Valdez and protect habitat necessary for the restoration of resources and services injured by the Exxon Valdez oil spill.

Thank you for your consideration of this parcel.

Sincerely,



Marty K. Rutherford  
Deputy Commissioner



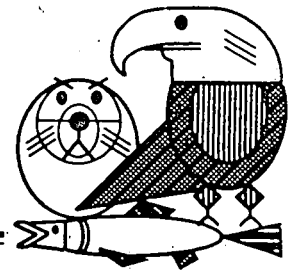
11.8.3 F

# Exxon Valdez Oil Spill Trustee Council

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451

Phone: (907) 278-8012 Fax: (907) 276-7178



## AGENDA

EXXON VALDEZ OIL SPILL SETTLEMENT TRUSTEE COUNCIL MEETING 2/26/97

MARCH 3, 1997 @ 10 A.M.

11:28 am

709 WEST 9TH STREET, JUNEAU

DRAFT

Trustee Council Members:

BRUCE BOTELHO/CRAIG TILLERY

Attorney General/Trustee  
State of Alaska/Representative

MICHELE BROWN

Commissioner  
Alaska Department of Environmental  
Conservation

DEBORAH WILLIAMS

Trustee Representative for Fish &  
Wildlife & Parks  
U.S. Department of the Interior

PHIL JANIK

Regional Forester - Alaska Region  
U.S. Department of Agriculture  
Forest Service

STEVE PENNOYER

Director, Alaska Region  
National Marine Fisheries Service

FRANK RUE

Commissioner  
Alaska Department of Fish & Game

Teleconferenced in Juneau, Forest Service Conference Room 541A

Craig Tillery, Chair  
Continuation Meeting

1. Call to Order 10 a.m.
  - Approval of Agenda
  - Approval of February 14, 1997 meeting notes
2. Report on 1996 Audit - Max Mertz
3. Public Comment - 10:15 a.m.
4. Overlook Park Small Parcel\*
5. Executive Session on Habitat Protection and Acquisition Strategy

\* indicates tentative action items

Adjourn - 3 p.m.

RECEIVED  
FEB 2 1997

EXXON VALDEZ OIL SPILL  
TRUSTEE COUNCIL  
ADMINISTRATIVE RECORD

rav

## Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation  
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

# Exxon Valdez Oil Spill Trustee Council

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451

Phone: (907) 278-8012 Fax: (907) 276-7178



## TRUSTEE COUNCIL MEETING ACTIONS

February 14, 1997 @ 8:30 a.m.

By Molly McCammon  
Executive Director

**DRAFT**

### Trustee Council Members Present:

• Jim Wolfe, USFS  
• Deborah Williams, USDOJ  
Steve Pennoyer, NMFS

Frank Rue, ADF&G  
Michele Brown, ADEC  
\*• Craig Tillery, ADOL

\* Chair

• Alternates:

Deborah Williams served as an alternate for George T. Frampton, Jr. for the entire meeting.

Jim Wolfe served as an alternate for Phil Janik for the entire meeting.

Craig Tillery served as an alternate for Bruce Botelho for the entire meeting.

### 1. Approval of the Agenda

**APPROVED MOTION:** Approved the Agenda. Motion by Williams, second by Wolfe.

### 2. Approval of the Meeting Minutes

**APPROVED MOTION:** Approved December 6, 1996 Trustee Council meeting notes. Motion by Pennoyer, second by Rue.

### 3. Data Policy

**APPROVED MOTION:** Adopted the Data Policy detailed as an attachment to the February 6, 1997 memo from the Executive Director to state and federal attorneys. Motion by Williams, second by Rue. (Attachment A)

### 4. Deferred Work Plan Projects (Attachment B)

**APPROVED MOTION:** Adopted the Executive Director's recommended amendment to Project 97100, that adds \$71,400 in FY97 funds and \$29,300 in FY98 funds to obtain documentary-style film and still photos. Motion by Williams, second by Rue.

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#### Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation  
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior



**APPROVED MOTION:** Adopted the Executive Director's recommendation on Project 97162 for an additional \$34,300 to study the disease levels associated with the herring pound fishery in Prince William Sound. Motion by Rue, second by Brown.

**APPROVED MOTION:** Adopted the Executive Director's recommendation on Project 97248 to provide \$46,900 in funds and to integrate it into SEA Project 97320T, contingent upon an approved detailed project description and budget. Motion by Williams, second by Rue.

**APPROVED MOTION:** Adopted the Executive Director's recommendation on Project 97254 to approve the project for \$123,100 for limnological work only and that the Alaska Department of Fish and Game work cooperatively with the Department of the Interior to carry out this project. Motion by Rue, second by Wolfe.

5. Executive Session

**APPROVED MOTION:** Adjourn into executive Session for the purpose of discussing habitat acquisition and the Executive Director's evaluation. Motion by Williams, second by Rue.

Off Record at 11:24 a.m.  
On Record at 1:05 p.m.

6. English Bay

**APPROVED MOTION:** Approved resolution to offer English Bay Corporation \$14.1 million for approximately 32,400 acres. Motion by Williams, second by Rue. (Attachment C)

7. Roberts Parcel (KEN - 1038)

**APPROVED MOTION:** Approved resolution to offer \$698,000 for 3.34 acres on the Kenai River, in Soldotna, for the Roberts/Schilling parcel. Motion by Rue, second by Brown. (Attachment D)

8. Chenega Amendment

**APPROVED MOTION:** Approved the amended Chenega resolution clarifying that of the \$34,000,000 purchase price, \$24,000,000 comes from the Trustee Council and \$10,000,000 from the federal restitution funds. Second, it allows the Trustee Council to go forward with the court

request for the required funds and deposits the money into the federal NRDA R account to be immediately available for closing. Motion by Williams, second by Wolfe. (Attachment E)

Meeting recessed at 1:37 p.m.

raw

**For Consideration at the  
Trustee Council Meeting  
February 14, 1997**

## **EXISTING POLICY**

According to policy number 20 in the *Exxon Valdez Oil Spill Restoration Plan* (November 1994):

**Restoration must reflect public ownership of the process by timely release and reasonable access to information and data.**

Information from restoration projects must be available to other scientists and to the general public in a form that can be easily used and understood. An effective restoration program requires the timely release of such information. This policy underscores the fact that since the restoration program is funded by public money, the public owns the results.

In addition, item number 5 under Professional Services Contracts in the Trustee Council *Procedures* adopted August 29, 1996 states:

*Special Considerations.* All notes and other data developed by the contractor shall remain the sole property of the contracting agency.

## **PROPOSED CLARIFICATION**

We now propose to clarify this statement of Trustee Council policy by adoption of the following:

Therefore, consistent with state and federal laws, any data or other products resulting from any project to which the Trustee Council has contributed financially are in the public domain and as such must be available to the public. ~~Fees will only be charged for copies of data in accordance with the Federal Freedom of Information Act, the State Public Records Act, or other applicable law.~~ Data means recorded information, regardless of form or the media on which it is recorded, including computer programs, data bases, and software. Each final report on a restoration project shall include a brief description of data gathered in the project, including definition of the types of data gathered, the form or forms in which the data are recorded, the location of the data, and a permanent contact at a ~~public institution the appropriate federal or state agency~~ such that the data are accessible to the public, including scientific users, after completion of the project.

# FY 97 WORK PLAN -- ADDENDUM (Projects Approved February 14, 1997)

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY97 Approved	FY98 Estimate	FY99 Estimate	FY00-02 Estimate	Total FY97-02 Estimate
97100(supp1)	Supplement: Administration, Science Management, and Public Information (Archaeology Planning)	All Trustee Council Agencies	ALL	Supp	\$12.1	\$0.0	\$0.0	\$0.0	\$12.1

## Project Abstract

These additional funds will supplement the public outreach portion of the administration/public information budget. The funds will be used to print additional copies of the *Comprehensive Community Plan for the Restoration of Archaeological Resources in Prince William Sound and Lower Cook Inlet* (prepared under Project 96154), and to conduct meetings on the plan in communities in Prince William Sound and Lower Cook Inlet.

## Chief Scientist's Recommendation

Proposal not reviewed.

## Trustee Council Action

Fund. These supplemental funds will support the necessary next step in the Trustee Council's deliberations over facilities to store and display archaeological artifacts recovered as a result of the spill cleanup, damage assessment, and restoration. [NOTE: These funds were approved by the Trustee Council on December 6, 1996 and are part of the Public Information/Science Management/Administration part of the FY 97 Work Plan.]

## FY 97 WORK PLAN -- ADDENDUM (Projects Approved February 14, 1997)

Proj. No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY97 Approved	FY98 Estimate	FY99 Estimate	FY00-02 Estimate	Total FY97-02 Estimate
97100(supp2)	Supplement: Administration, Science Management, and Public Information (Video Production)	All Trustee Council Agencies	ALL	Supp	\$71.4	\$29.3	\$0.0	\$0.0	\$100.7

### Project Abstract

These additional funds will supplement the public outreach portion of the administration/public information budget. The funds will be used to contract, through competitive bid, with an independent film crew and a still photographer to produce a 10-minute video (for use at public meetings and press briefings), a 30-minute documentary (to be aired on public and private stations), and photographs (for use in newspapers, magazines, and other publications) covering Trustee Council restoration projects and accomplishments. Additional raw footage will be produced for video press releases and release to independent documentary filmmakers.

### Chief Scientist's Recommendation

Proposal not reviewed.

### Trustee Council Action

Fund. This proposal stems from Trustee Council consideration of a proposal (97301) to produce a TV pilot. The Council's action in December 1996 on Project 97301 was to "consider further the possibility of funding some elements of this proposal together with media footage to be used for various educational/outreach efforts." Currently, the Council is unable to respond to requests for such footage, significantly limiting our ability to inform the public of the progress of restoration. Members of the Public Advisory Group have expressed a strong interest in this project as an important step in getting restoration information to the public on a broader scale. Filming is scheduled for Summer 1997 and production is scheduled for Winter 1997-98 so that the products will be available in advance of the 10th anniversary of the spill. [NOTE: These funds were approved by the Trustee Council on February 14, 1997 and are part of the Public Information/Science Management/Administration part of the FY 97 Work Plan.]

## FY 97 WORK PLAN -- ADDENDUM (Projects Approved February 14, 1997)

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY97 Approved	FY98 Estimate	FY99 Estimate	FY00-02 Estimate	Total FY97-02 Estimate
97162(supp)	Supplement: Investigations of Disease Factors Affecting Declines of Pacific Herring Populations in PWS	G. Marty/UC Davis R. Kocan/Univ. Washington	ADFG	Supp	\$34.3	\$0.0	\$0.0	\$0.0	\$34.3

### Project Abstract

When the Pacific herring population in Prince William Sound crashed in 1993, commercial fisheries were closed. Viral hemorrhagic septicemia virus was a major cause of population decline. In 1994, the virus was isolated from 5% of fish in Prince William Sound, but in 1996 the virus was not isolated from any fish sampled from Prince William Sound or Sitka Sound. By comparison, the virus was isolated from 21% of fish sampled from the 1996 spawn-on-kelp pound fishery in Craig, Alaska. Because the pound fishery will be reopened in Prince William Sound in 1997, this project will study the prevalence of virus in fish and water associated with the pounds. Results will be compared with approved field and laboratory studies to determine if virus in pound fisheries threatens population recovery.

### Chief Scientist's Recommendation

The investigators are highly qualified, and their work to date has been excellent. Disease was implicated in the herring population crash in 1993, and the reopening of the pound fishery in Spring 1997 provides an excellent opportunity to investigate the possible association between this disease and the Prince William Sound pound fishery. The proposed supplement to project 97162 has direct bearing on future management and recovery of this ecologically and commercially important species. I recommend that the supplement be funded in FY 97.

### Trustee Council Action

Fund. This supplement to the ongoing Pacific herring disease project will enable researchers to monitor disease levels associated with the pound fishery in Prince William Sound. This fishery is opening in 1997 for the first time since 1993. The project is supported by the affected fishing interests, and the results are very important to the management and conservation of a key injured species. Any follow-up to this supplementary work, however, should be considered as part of the ongoing Project 162 in the context of the FY 98 work plan. [NOTE: These funds were approved by the Trustee Council on February 14, 1997.]

## FY 97 WORK PLAN -- ADDENDUM (Projects Approved February 14, 1997)

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY97 Approved	FY98 Estimate	FY99 Estimate	FY00-02 Estimate	Total FY97-02 Estimate
97254	Delight and Desire Lakes Restoration	N. Dudiak/ADFG	ADFG	New 1st yr. 2 yr. project	\$123.1		\$0.0	\$0.0	\$123.1

### Project Abstract

The project is intended to accelerate the recovery of the currently depressed wildstock sockeye salmon of Delight and Desire lakes through lake fertilization. Application of liquid fertilizer would increase the forage base for rearing sockeye salmon fry through nutrient enrichment. The expected result would be larger, more numerous sockeye smolt with a corresponding increase in marine survival rates.

### Chief Scientist's Recommendation

I have several concerns about the ultimate cost and underlying rationale and need for a Delight and Desire lakes fertilization project, if it were to be undertaken. However, the initial limnological work, which is proposed in FY 97, appears reasonable and will be of value in itself in terms of better understanding the ecology, carrying capacity, and management of these recently glaciated lake systems. On this basis, I recommended funding only the FY 97 limnological work.

### Trustee Council Action

Fund. The purpose of this project is to conduct a limnological study at Delight and Desire lakes on the outer Kenai coast to improve understanding and management of these sockeye rearing lakes. The project will be undertaken by the Alaska Department of Fish and Game, working cooperatively with the U.S. Department the Interior. Depending upon the results of the limnological work, there may be a request for Trustee Council support of lake fertilization, but the Council's support of this limnological work is not a commitment at this time to also support fertilization. [NOTE: These funds were approved by the Trustee Council on February 14, 1997.]

## FY 97 WORK PLAN -- ADDENDUM (Projects Approved February 14, 1997)

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY97 Approved	FY98 Estimate	FY99 Estimate	FY00-02 Estimate	Total FY97-02 Estimate
97320T(supp)	SEA-Juvenile Herring: Documentation of Herring and Other Forage Fish Natural History through Local and Traditional Ecological Knowledge	J. Seitz and B. Norcross/UAF	ADFG	Supp 1st yr. 2 yr. project	\$46.9		\$0.0	\$0.0	\$46.9

### Project Abstract

These additional funds will supplement the juvenile herring component of the Sound Ecosystem Assessment. The funds will be used to collect historical and contemporary knowledge about the ecology of herring and other forage fish. A comprehensive literature review and primary archival records search will complement in-person interviews of individuals and groups regarding the distribution of herring and other forage fish. The project will reconstruct a historical overview of the natural history of herring in Prince William Sound, lower Cook Inlet, and Kodiak. Researchers will map information on their distribution, create an ascii file of mapped data, and create a subject index of textual information on the ecology and life cycle of the fish by species. Data and reports will be provided to affiliated research projects, particularly APEX (1163).

### Chief Scientist's Recommendation

This project could contribute to the redevelopment of confidence in fish resources by subsistence users, and provide useful information to supplement and complement information currently being developed through the SEA (1320) and APEX (1163) projects in regard to the distribution and life history of herring and other forage fish. I believe strongly, however, that the goal should be to integrate knowledge from traditional and local sources and from scientific research for the benefit of these fisheries resources. I have questions about the cost of the project, which seems high, but believe that it should be funded in FY 97.

### Trustee Council Action

Fund contingent on final approval of the Detailed Project Description and budget. This proposal was deferred in August and again in December pending hiring of a TEK Specialist under Project 97052B. The revised proposal was developed with the assistance of Henry Huntington, TEK Specialist, and supplements and complements the effort currently underway in Project 97320T/SEA-Herring to review archival data on the historical distribution and population size of herring. This project will represent the Trustee Council's first effort to actively integrate local/traditional knowledge with an ongoing research project, using the TEK Protocols adopted by the Council in December 1996 and the expertise of our TEK Specialists (1052B) and network of community facilitators (1052A). This project will address restoration objectives for herring by contributing traditional and local knowledge on herring distribution and population size. Information on other forage fish will be documented as the opportunity arises. The PIs will work with residents of four spill-area communities in FY 97. Depending on the outcome of the FY 97 effort, funds may be provided in FY 98 to work with additional communities. [NOTE: These funds were approved by the Trustee Council on February 14, 1997.]

FY 97 Work Plan:	\$15,999.5
Addendum to FY 97 Work Plan:	\$204.3
New FY 97 Total:	\$16,203.8

Public Info/Sci Mgt/Admin - Approved to Date:	\$2,869.2
Addendum to Public Info/Sci Mgt/Admin:	\$83.5
New FY 97 Total:	\$2,952.7



## FY 97 WORK PLAN -- ADDENDUM (Projects Approved February 14, 1997)

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY97 Approved	FY98 Estimate	FY99 Estimate	FY00-02 Estimate	Total FY97-02 Estimate
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### Project Abstract

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### Chief Scientist's Recommendation

This project could contribute to the redevelopment of confidence in fish resources by subsistence users, and provide useful information to supplement and complement information currently being developed through the SEA (1320) and APEX (163) projects in regard to the distribution and life history of herring and other forage fish. I believe strongly, however, that the goal should be to integrate knowledge from traditional and local sources and from scientific research for the benefit of these fisheries resources. I have questions about the cost of the project, which seems high, but believe that it should be funded in FY 97.

### Trustee Council Action

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<b>FY 97 Work Plan:</b>	<b>\$15,999.5</b>
<b>Addendum to FY 97 Work Plan:</b>	<b>\$204.3</b>
<b>New FY 97 Total:</b>	<b>\$16,203.8</b>

<b>Public Info/Sci Mgt/Admin - Approved to Date:</b>	<b>\$2,869.2</b>
<b>Addendum to Public Info/Sci Mgt/Admin:</b>	<b>\$83.5</b>
<b>New FY 97 Total:</b>	<b>\$2,952.7</b>

RESOLUTION OF THE  
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

We, the undersigned, duly authorized members of the Exxon Valdez Oil Spill Trustee Council (Council), after extensive review and after consideration of the views of the public, find as follows:

1. English Bay Corporation (EBC), an Alaska Native Village Corporation, owns the surface estate of, or has valid prioritized selections on, lands located within Kenai Fjords National Park (Park) and the Alaska Maritime National Wildlife Refuge (Refuge) totaling approximately 32,470 acres, and generally depicted on the map at Attachment A (referred to collectively herein as the Lands). The Lands encompass all of EBC's holdings within the Park and on islands within the Refuge that are in proximity to the Park.

2. The Lands were conveyed, or are to be conveyed, to EBC pursuant to the Alaska Native Claims Settlement Act (ANCSA). The subsurface estate associated with the Lands was conveyed, or is to be conveyed, to Chugach Alaska Corporation (Chugach), an Alaska Native Regional Corporation.

3. The Lands are within the oil spill area as defined by the Council in the Final Restoration Plan approved November 2, 1994.

4. EBC is desirous of selling the Lands to the United States as part of the Council's program for restoration of the natural resources and services that were injured by the Exxon Valdez Oil Spill (EVOS).

5. The Lands include important habitat for various species of fish and wildlife for which significant injury resulting from EVOS has been documented through the Council's habitat protection analysis and large parcel evaluation and ranking. This analysis has indicated that the Lands have high value for the restoration of such injured natural resources as pink salmon, black oystercatchers, harbor seals, harlequin ducks, bald eagles, the intertidal/subtidal zone, marbled murrelets, pigeon guillemots, sea otters, river otters, and cultural and archeological resources. This analysis has also indicated that the Lands have high value for the restoration of injured services that rely on these natural resources, including wilderness, recreation and tourism. Restoration of the injured species will benefit from acquisition and protection of this important habitat through the elimination of activities and disturbances which may adversely affect their recovery.

6. The Lands are located wholly within the boundaries of the Park or Refuge and their protection will ensure the preservation of a significant portion of one of the nation's most unique ecosystems. The benefits resulting from such acquisition and protection are further described in the Habitat Benefits Report at Attachment B.

7. Existing laws and regulations, including but not limited to ANCSA, the Alaska National Interest Lands Conservation Act, the National Park Service Organic Act, the Refuge Administration Act, the Alaska Anadromous Fish Protection Act, the Clean Water Act, the

Alaska Coastal Management Act, the Bald Eagle Protection Act and the Marine Mammal Protection Act, are intended, under normal circumstances, to protect resources from serious adverse effects from activities on the Lands. However, restoration, replacement and enhancement of resources injured by EVOS present a unique situation. Without passing judgment on the adequacy or inadequacy of existing law and regulations to protect resources, scientists and other resource specialists agree that, in their best professional judgment, protection of habitat in the spill area to levels above and beyond that provided by existing laws and regulations will have a beneficial effect on recovery of injured resources and lost or diminished services provided by these resources.

8. There has been widespread public support for the acquisition of the Lands within Alaska and nationally.

9. The purchase of the Lands is an appropriate means to restore a portion of the injured resources and services in the oil spill area. Acquisition of the Lands is consistent with the Final Restoration Plan.

10. The Lands are located along the shoreline of the south coast of the Kenai Peninsula. Development occurring on the Lands may have a significant effect, particularly on a cumulative basis, on both water quality and injured or reduced natural resources and services located on the Lands or on areas nearby. In the event the Lands are not acquired or protected at this time, development by the landowners may occur in a manner that may adversely impact

water quality and subsequently natural resources and services injured or reduced by EVOS.

11. In 1993, the National Park Service (NPS) and EBC entered into a cooperative arrangement for conducting an appraisal of the Lands. This appraisal, which estimated the fair market value of the Lands to be \$18,646,680, was rejected by the review appraiser for NPS. NPS subsequently conducted its own appraisal for the Lands which estimated the fair market value of the property to be \$4,118,100. This appraisal was approved by the federal and state review appraisers.

12. The Department of the Interior (Department) prepared and submitted an offer to EBC to purchase the Lands at the approved appraised value. EBC rejected this offer and protracted negotiations ensued between EBC and the Department over a two-year period.

13. Subject to the approval of joint settlement funding by the Council and EVOS federal criminal restitution funding by the federal trustees, EBC and the Department reached an agreement in principle regarding the sale and purchase in fee simple of the Lands, subject to the reservation of certain rights by the landowner. The Department has requested \$14,100,000 from the joint settlement funds to contribute to the fee purchase of the Lands from EBC. This amount is based on the acquisition of fee interests comparable to those fee interests previously acquired by the United States on Kodiak Island, and currently being acquired from Chenega Corporation, in which access rights pertaining to certain hunting,

fishing and gathering activities were reserved and retained by the landowners. Minor adjustments in the total joint funding may be necessary to reflect a further determination of EBC's ANCSA entitlement within the Park and Refuge by the Bureau of Land Management (BLM). Up to \$1,250,000 is to be provided from EVOS federal criminal restitution funds for the purchase of the reserved access rights from EBC on a majority of the Lands, and for costs related to the acquisition. The purchase is intended to be made in a single closing, but EBC may elect several closings to track possible phased conveyances by BLM of EBC's remaining ANCSA entitlement within the Park or Refuge.

14. As additional consideration for the approval of this sale, EBC has offered to commit \$500,000 of its proceeds at closing to establish a special cultural conservation fund. This fund would be used to survey, protect, curate and interpret archeological sites and cultural artifacts which are associated with the Lands and are of historic and cultural importance to the residents of the Village of Nanwalek (formerly known as English Bay). Access to the sites for such purposes would be coordinated with NPS. Although this fund would not fall under the aegis of the Council, such work by the fund would clearly have a complementary effect on the restoration of archeological sites and cultural artifacts in the oil spill area. Consequently, the EBC acquisition provides additional restoration benefits for the injured cultural resources and services. Consistent with its statutory authorities, the Department has agreed to work with the trustees of the fund as

complementary to the restoration objectives of the Council and the mission of NPS.

15. It is ordinarily the federal government's practice to pay fair market value for lands it acquires. However, due to the unique circumstances of this proposed acquisition, including the Lands' exceptional habitat for purposes of promoting recovery of natural resources and related services injured by EVOS and the need to acquire it to prevent possible degradation of the habitat, the Council believes it is appropriate in this case to pay more than the estimated fair market value of the Lands.

16. This negotiated price represents the lowest price at which the Lands can be acquired and protected under the Council's habitat protection program.

17. This is a reasonable price given the significant natural resource and service values protected; the scope and pervasiveness of the EVOS environmental disaster and the need for protection of ecosystems; the relationship of the price to other large-scale acquisitions in Alaska by the United States and the State of Alaska, including purchases under the Council's habitat protection program as well as other federal acquisitions; and the priority of this acquisition to other expenditures of the joint settlement funds for restoration purposes.

18. Acquisition of the Lands will provide significant public access and use that is not currently available.

**THEREFORE,** we resolve to provide \$14,100,000 in funding towards the purchase in fee by the United States, acting through the Department, for the Lands. This amount is based on the above-described acquisition of 32,470 acres of land, depicted on the map at Attachment A, and is subject to minor adjustment, either upward or downward, based on a final determination by BLM of EBC's ANCSA entitlement within the Park or Refuge. In the event that BLM determines that such ANCSA entitlement is either increased or decreased from 32,470 acres, EBC and the Department have agreed that the amount of joint funding should be increased or decreased accordingly by a factor of \$418.6433 per acre; provided that any such adjustment does not increase the total joint funds required by more than 5% without further approval of the Council.

This authorization for funding is subject to the inclusion of the following terms and conditions in any implementing purchase agreement with EBC:

(a) funding is subject to the receipt by the United States District Court for the District of Alaska (District Court) of any necessary settlement payments due from Exxon Corporation, et al. and the subsequent disbursement of these funds by the District Court for this purpose;

(b) EBC shall grant to the State of Alaska (State) at no additional cost a conservation easement similar to that used in other federal acquisitions funded by the Council which will enable the State to enforce on a non-exclusive basis the restoration objectives of this acquisition. The form and substance of this



easeement and the related warranty deed for the United States must also be satisfactory to the Alaska Department of Law and the United States Department of Justice;

(c) completion of a title search and review satisfactory to the United States and the State for the respective interests in the Lands acquired by each government;

(d) no development is to take place on the Lands prior to closing; and

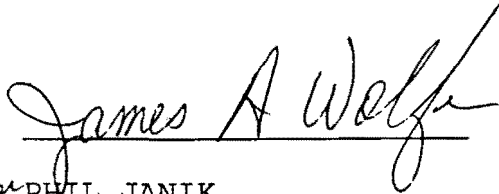
(e) compliance with the National Environmental Policy Act and other provisions of applicable federal law.

By unanimous consent, following (i) execution of the purchase agreement between EBC and the United States, (ii) written notice from the Department to the Executive Director of the Council stating the maximum amount due from the joint settlement funds based on the BLM entitlement calculation and the adjustment described above, and (iii) certification by the Executive Director of such amount due EBC and that the executed purchase agreement is in accordance with the foregoing terms and conditions, we request the Alaska Department of Law and the Assistant Attorney General of the Environment and Natural Resources Division of the United States Department of Justice to petition the District Court for disbursement of the joint settlement funds in the above certified amount.

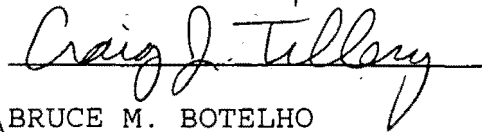
Such amounts represent the only amounts due under this resolution to EBC by the United States to be funded from the joint

settlement funds in the District Court Registry, and no additional amounts or interest are herein authorized to be paid to EBC from such joint funds.

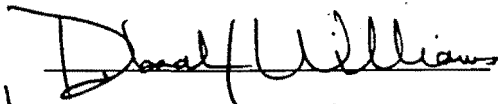
APPROVED by the Council at its meeting of February 14, 1997, held in Anchorage and Juneau, Alaska, as affirmed by our signatures affixed below:



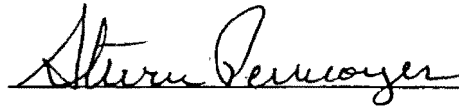
for PHIL JANIK  
Regional Forester  
Alaska Region  
USDA Forest Service



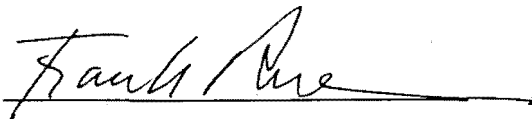
for BRUCE M. BOTELHO  
Attorney General  
State of Alaska



for GEORGE T. FRAMPTON, JR.  
Assistant Secretary for  
Fish and Wildlife and Parks  
Department of the Interior



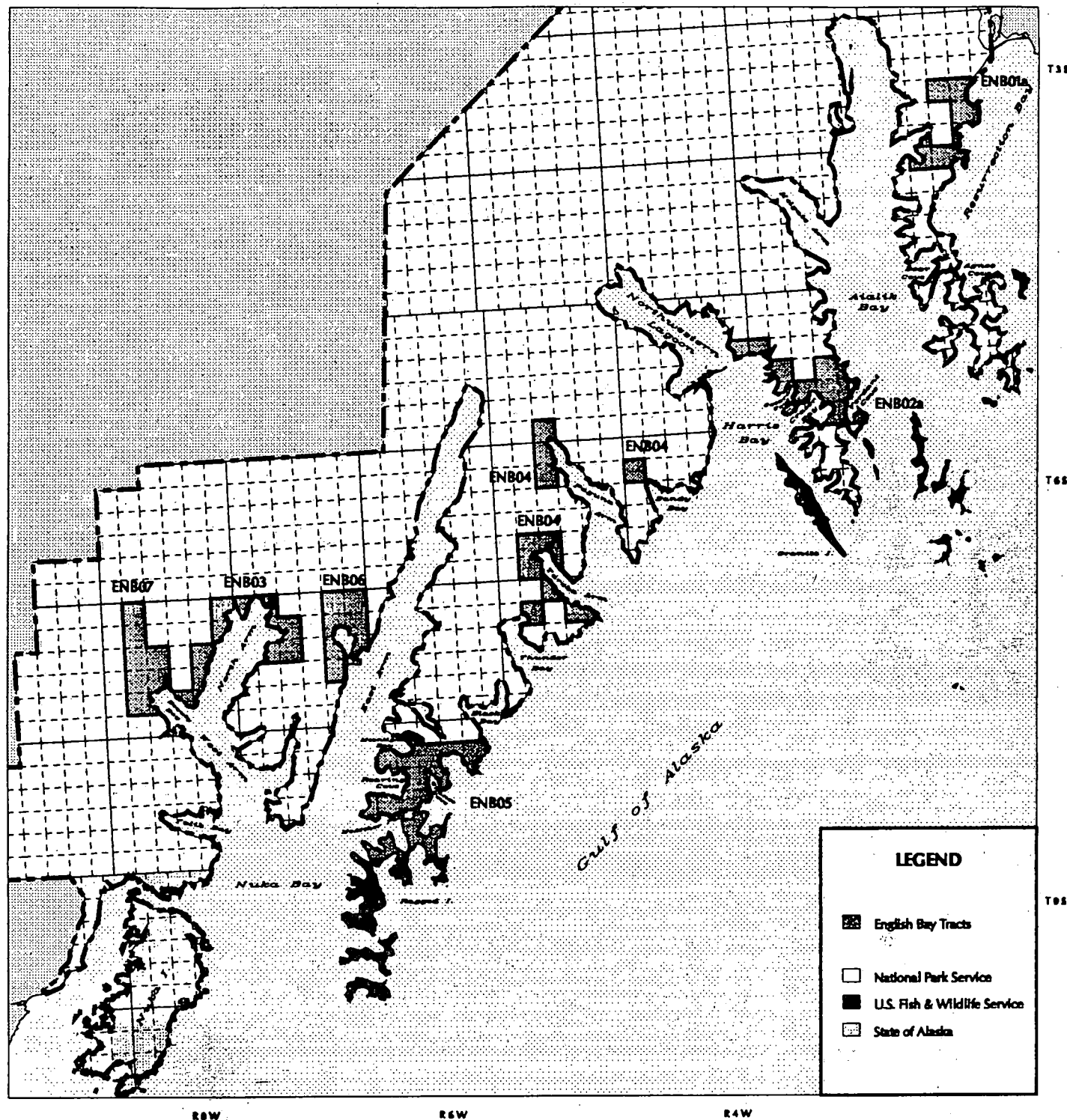
STEVEN PENNOYER  
Director, Alaska Region  
National Marine  
Fisheries Service



FRANK RUE  
Commissioner  
Alaska Department of  
Fish and Game



MICHELE BROWN  
Commissioner  
Alaska Department of  
Environmental Conservation



## Habitat Protection Acquisition Parcels Kenai Fjords National Park

### English Bay Corporation Parcels

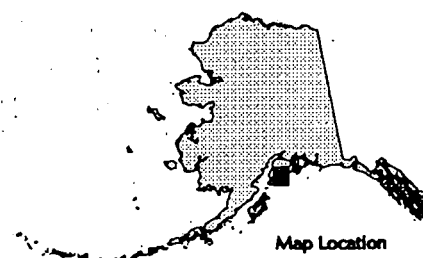


National Park Service  
Alaska System Support Office  
Anchorage, Alaska

February 7, 1997



Scale 1:400,000  
Alber's Equal Area Projection



Attachment B  
**Restoration Benefits Report**  
**English Bay Corporation Lands**

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Region - Kenai Peninsula

The lands to be acquired from the English Bay Corporation lie along the southeast coastline of the Kenai peninsula, primarily within Kenai Fjords National Park, with some lands located within the Alaska Maritime National Wildlife Refuge.

Description of the English Bay Lands

The English Bay parcels (designated as ENB 01A through ENB 07) are located along the deep water fjords of the Kenai Fjords National Park, the only fjord system in the United States. Combined, the parcels total 32,471 acres. The interest to be acquired is fee simple title to the surface estate.

The park is characterized by a complicated highly indented coastline, interspersed protected waters, and extremely scenic uplands. The fjords have tide-water glaciers, many of which have receded dramatically this century. Upland slopes are predominately steep, although there are also some relatively flat areas; soils are generally shallow. Coastal parts of the parcels are covered by a temperate rainforest dominated by Sitka spruce and western hemlock. Under story vegetation is typical of that found with this forest type. More inland parts of the parcels are covered with shrub and tundra vegetation types.

These coastal uplands and the adjacent marine waters provide habitat for a great diversity and abundance of marine life including various species of marine mammals, sea birds and fish. These waters are often occupied by harbor seals, sea otters, Northern sea lions, porpoises and Minke, Humpback, Orca and Gray whales. Harbor seals, sea otters and sea lions are known to haul out at various areas on the subject lands.

Numerous species of marine and other birds, including harlequin ducks, Kittlitz's and marbled murrelets, pigeon guillemots, black oystercatchers, pelagic cormorants and bald eagles injured by the *Exxon Valdez* oil spill, are found throughout the area and use park uplands. Several species of fish that were injured by the oil spill use these waters, including pink salmon, red salmon, Dolly Varden, Pacific herring, and Cutthroat trout. Upland areas also support black bear, moose, mountain goat, river otter, wolverine, mink, marten, coyote, snowshoe hare, and porcupine.

The English Bay lands package as a whole provides valuable habitat for nearly all of the injured resources and services harmed by the oil spill with some of the tracts having especially high values. Six of the seven parcels were ranked as having high value for wilderness. Five of the seven parcels were ranked as having high value for marbled murrelets. Six of the parcels were directly oiled by the oil spill, including heavy oiling of an archeological site. Some of the most important restoration values identified on these lands are further described below.

The ENB 06/James Bay parcel, located on the west side of McCarty Fiord in Nuka Bay contains a protected tidally-influenced lagoon that is bordered by sandy beaches and both forested and marshy lowlands. This biologically rich parcel has six short clear water streams that feed into the lagoon and is especially valuable for harlequin ducks (feeding, loafing and documented use by young and probable breeding); intertidal-subtidal resources (large mussel and clam beds, kelp, eelgrass and sheltered rocky shore); marbled murrelets (feeding concentrations, probable nesting); pigeon guillemots (feeding concentrations, probable nesting); black oystercatchers (nesting, feeding and loafing); river otters (feeding and probable denning, known latrine sites and high use area); sea otters (feeding and pupping area); and bald eagles (six documented nest sites and feeding area for adult and immature eagles). This lagoon system also has regionally significant value for pink salmon, helping to support the commercial fishing service. The protected lagoon on this parcel also affords important sea plane access and is frequently used as a put-in and take-out location for sea kayakers and other recreationists.

The ENB 02a/Harris Peninsula parcel, extending along the eastern side of Harris Bay and a portion of the western coast of Aialik Bay, is especially valuable for marbled murrelets (high detection rates, feeding and probable nesting); river otters (feeding, latrine sites and probable denning); and archeological resources (a historic Russian/Native trade location with four documented cultural sites). This parcel also supports feeding concentrations of pigeon guillemots and provides probable nesting habitat as well. The parcel has high value for wilderness and recreation.

The ENB 05/McArthur Pass parcel, including the outermost portion of the peninsula that defines the eastern side of McCarty Fiord and the northern half of Ragged Island, was heavily oiled and has high value for archeological resources (village location, six documented cultural sites); marbled murrelets (feeding, probable nesting) and also contains a haulout for the threatened Northern sea lion. This parcel is known to be used by river otters.

Additionally, the English Bay lands and the adjacent coastal waters provide habitat for common loons, cormorants and Kittlitz's murrelets, species that have been recognized as injured since the *Restoration Plan* was adopted in 1994, but not expressly used in the published large parcel habitat evaluation process.

The English Bay lands and associated marine waters also support high value tourism

and recreation services that sustain the City of Seward's growing recreation and tourism economy. Both large commercially-operated and small privately-owned boats ply the fjords in increasing numbers. The area is well known by sport fishermen who seek out salmon and halibut. Kayakers, campers, photographers and birders from around the world have discovered the park. The four public use cabins built by the National Park Service on the coast are heavily booked throughout each summer. Numerous businesses based in Seward have grown steadily since the park was created due to the enormous public interest in the wildlife values of this area. These recreation and tourism service companies continue to add to their capacity in response to growing public interest in the Park, its magnificent landscape, and its wildlife. There were 110 large cruise ship dockings in Seward during 1996. Half the park's 1995 commercial use licenses were for flight-seeing businesses providing tours of the park lands.

Purchase of the English Bay lands will result in habitat protection for not only the lands acquired, but for a much larger area. The lands to be acquired are within the designated boundaries of Kenai Fjords National Park, an area comprised of 669,000 acres. As such, adding these lands back into park status will ensure that the thousands of acres of protected habitat in the park are not fragmented by various developments or other activities. Both the lands acquired and the lands in the park will provide protection for injured natural and cultural resources and services injured by the oil spill.

Should the English Bay lands not be acquired, private development would fracture habitat into smaller blocks and protection for injured resources and services would be compromised. In future years some forested areas of the park could be logged. Even small logging operations could severely impair the biological, scenic, wilderness and recreational qualities of the otherwise undisturbed area.

The lands acquired will be managed by the National Park Service pursuant to the authorities under the National Park Service's Organic Act, 16 USC 1, and the Alaska National Interest Lands Conservation Act (ANILCA), 16 USC 3101 or the United States Fish and Wildlife Service in the case of lands included within the Alaska Maritime National Wildlife Refuge. All lands acquired will be managed consistent with the Trustee Council's mission to restore injured resources and services. Cultural sites of particular importance to the Native community will be protected in a manner consistent with state and federal laws.

**RESOLUTION OF THE  
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL**

We, the undersigned, duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council ("Council"), after extensive review and after consideration of the views of the public, find as follows:

1. The owner of small parcel KEN 1038 has indicated an interest in selling said parcel;
2. An appraisal of the parcel commissioned by the Seller has been approved by the State and federal review appraisers;
3. As set forth in Attachment A, if acquired, this small parcel has attributes which will restore, replace, enhance and rehabilitate injured natural resources and the services provided by those natural resources, including important habitat for several species of fish and wildlife for which significant injury resulting from the spill has been documented. The owner has indicated his willingness to sell it to the State of Alaska for the \$698,000 which is less than the appraised fair market value would be for the parcel. As originally proposed the parcel contained 5.9 acres 644 feet of river frontage and was valued at \$1,304,000 by an approved fair market value appraisal. Although the parcel has been reduced in size the river frontage is unchanged. Parcel KEN 1038, because of its location where the Sterling Highway crosses the river and adjacent to the Visitors' Center and in downtown Soldotna, provides highly visible and convenient access to large numbers of recreational anglers. Acquisition of this parcel will ease fishing pressures on more remote sections of the river where it is difficult to justify costly bank stabilization measures and boardwalks and provide a good fishing location when resource managers must close other sections of the river so as to protect sensitive habitat. The boardwalk and other shoreline stabilization measures on the property were built pursuant to an easement that may be terminated by the landowner. Acquisition

of the parcel will assure that these shoreline protections remain.

4. Existing laws and regulations, including but not limited to the Alaska Forest Practices Act, the Alaska Anadromous Fish Protection Act, the Clean Water Act, the Alaska Coastal Management Act, the Bald Eagle Protection Act and the Marine Mammal Protection Act, are intended, under normal circumstances, to protect resources from serious adverse effects from activities on the lands. However, restoration, replacement and enhancement of resources injured by *Exxon Valdez* oil spill ("EVOS") present a unique situation. Without passing judgment on the adequacy or inadequacy of existing law and regulations to protect resources, scientists and other resource specialists agree that, in their best professional judgment, protection of habitat in the spill area to levels above and beyond that provided by existing laws and regulations will have a beneficial effect on recovery of injured resources and lost or diminished services provided by these resources;

5. There has been widespread public support for the acquisition of these lands within Alaska as well as on a national basis;

6. The purchase of the lands is an appropriate means to restore a portion of the injured resources and services in the oil spill area. Acquisition of these lands is consistent with the Final Restoration Plan;

7. The purchase of small parcels is an appropriate means to restore a portion of the injured resources and services in the oil spill area.

THEREFORE, we resolve to provide funds for the State of Alaska to offer to purchase and, if the offer is accepted, to purchase all the seller's rights and interests in small parcel KEN 1038 and to provide funds necessary for closing costs recommended by the Executive Director of the Trustee Council ("Executive Director"), which may include the cost of surveying the reduced parcel, and approved by the Trustee Council and pursuant to the following conditions:



(a) the amount of funds (hereinafter referred to as the "Purchase Price") to be provided by the Trustee Council to the State of Alaska shall be \$698,000;

(b) authorization for funding for any acquisition described in the foregoing paragraph shall terminate if a purchase agreement is not executed by December 15, 1997;

(c) disbursement of these funds by the District Court;

(d) a satisfactory title search is completed by the acquiring government and the Seller is willing and able to convey fee simple title by warranty deed;

(e) no timber harvesting, road development or any alteration of the land will be initiated on the land without the express agreement of the acquiring government prior to purchase;

(f) a satisfactory hazardous materials survey is completed;

(g) compliance with the National Environmental Policy Act;

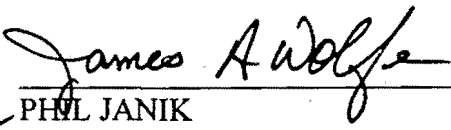
(h) a conservation easement shall be conveyed to the United States and a warranty deed to the State of Alaska, both of which must be satisfactory in form and substance to the Department of the Interior and the Department of Law; and


It is the intent of the Trustee Council that any facilities or other development on the foregoing small parcel after acquisition shall be of limited impact and in keeping with the goals of restoration and that there shall be no commercial use except as may be consistent with applicable state or federal law and the goals of restoration to prespill conditions of any natural resource injured, lost, or destroyed as a result of the EVOS and the services provided by that resource or replacement or substitution for the injured, lost or destroyed resources and affected services as described in the Memorandum of Agreement and Consent Decree between the United States and the State of Alaska entered August 28, 1991 and the Restoration Plan as approved by the Trustee Council.

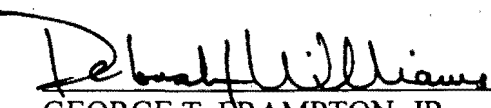
By unanimous consent, following execution of the purchase agreement between the seller and the State of Alaska and certification by the Executive Director that the executed purchase agreement is in accordance with the foregoing terms and conditions, we request the Alaska Department of Law and the Assistant Attorney General of the Environment and Natural Resources Division of the United States Department of Justice to petition the District Court for disbursement of the joint settlement funds in the above certified amount.

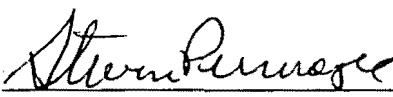
Such amounts represent the only amount due under this resolution to the seller by the State of Alaska to be funded from the joint funds in the District Court Registry, and no additional amounts or interest are herein authorized to be paid to the seller from such joint funds.


Approved by the Council at its meeting of February 14, 1997, held in Anchorage and Juneau, Alaska, as affirmed by our signatures affixed below:

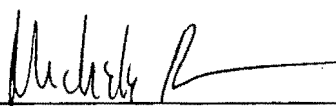
  
for PHIL JANIK  
Regional Forester  
Alaska Region  
USDA Forest Service

  
for BRUCE M. BOTELHO  
Attorney General  
State of Alaska

  
for GEORGE T. FRAMPTON, JR.  
Assistant Secretary for  
Fish and Wildlife and Parks  
Department of the Interior

  
STEVEN PENNOYER  
Director, Alaska Region  
National Marine  
Fisheries Service

  
FRANK RUE  
Commissioner  
Alaska Department of  
Fish and Game

  
MICHELE BROWN  
Commissioner  
Alaska Department of  
Environmental Conservation

**RESOLUTION OF THE  
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL**

We, the undersigned, duly authorized members of the Exxon VALDEZ Oil Spill Trustee Council, after review find as follows:

1. By resolution dated May 31, 1996 ("Resolution") the Trustee Council approved acquisition of land and interests in land in Prince William Sound owned by the Chenega Corporation ("Chenega");
2. The Resolution required that certain conditions be satisfied before the Alaska Department of Law and the United States Department of Justice request funds from the United States District Court for payment to Chenega. One condition, that a purchase agreement be executed, has now been fulfilled in that the United States, the State of Alaska and Chenega on February 5, 1997 executed an Agreement for the Sale and Purchase of Lands and Interests in Lands among the Chenega Corporation and the United States and the State of Alaska ("Purchase Agreement") providing for the conveyance of fee title and conservation easements on the aforesaid lands. A second condition was that a satisfactory title search be completed. The title search has been commenced is not yet completed. Other conditions required by the Resolution have either been fulfilled or are expected to be fulfilled in the near future;
3. Chenega has requested that the Trustee Council expedite this transaction so that it will be able to receive the initial payment at the earliest possible date.
4. The Purchase Agreement provides for the payment of thirty-four million dollars (\$34,000,000) by the United States to Chenega at the time of closing. Twenty-four million dollars (\$24,000,000) is to be provided from the *Exxon Valdez* oil spill joint settlement funds, and

the Forest Service has agreed to provide ten million dollars (\$10,000,000) of the sale proceeds from federal criminal restitution funds.

THEREFORE, we resolve to provide twenty-four million dollars (\$24,000,000) for the United States, acting through the Forest Service, and the State of Alaska to purchase the combination of fee simple and conservation easement interests described in the Purchase Agreement in accordance with the conditions therein and the following conditions:

- (a) receipt by the United States District Court for the District of Alaska ("District Court") of the annual settlement payments due from Exxon Corporation, et al;
- (b) disbursement of these funds by the District Court to the United States;
- (c) completion of a satisfactory title search ensuring that Chenega is able to convey fee simple title or other interests in a manner that complies with the United States Department of Justice title standards and is satisfactory to the Alaska Department of Law;
- (d) no timber harvesting on the lands described in the Agreement prior to closing ;
- (e) the absence of development on the Lands prior to closing;

The Alaska Department of Law and the Assistant Attorney General of the Environment and Natural Resources Division of the U.S. Department of Justice are requested to petition the District Court for withdrawal of the sum of twenty-four million dollars (\$24,000,000) from the *Exxon Valdez* oil spill settlement account established as a result of the Governments' settlement. No funds may be expended by the United States until the after the terms and conditions set forth herein and the conditions precedent set forth in Section 7 of the Purchase Agreement have been met and written notice is received from the Alaska Department of Law, the United States Department of Agriculture, Office of the General Counsel and the Executive Director of the Trustee

Council that the aforesaid conditions of this resolution and the Purchase Agreement have been satisfied.

Dated this 14<sup>th</sup> day of February, 1997 at Anchorage, Alaska.

*for* James Aubrey  
PHIL JANIK  
Regional Forester  
Alaska Region  
USDA Forest Service

Craig J. Tillery  
BRUCE M. BOTELHO  
Attorney General  
State of Alaska

*for* George T. Frampton, Jr.  
GEORGE T. FRAMPTON, JR.  
Assistant Secretary for  
Fish and Wildlife and Parks  
Department of the Interior

Steven Penoyer  
STEVEN PENNOYER  
Director, Alaska Region  
National Marine  
Fisheries Service

Frank Rue  
FRANK RUE  
Commissioner  
Alaska Department of  
Fish and Game

Michele Brown  
MICHELE BROWN  
Commissioner  
Alaska Department of  
Environmental Conservation

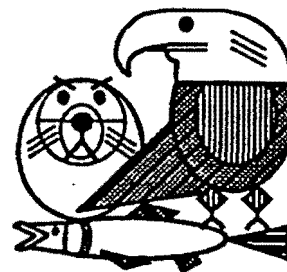
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# Exxon Valdez Oil Spill Trustee Council

Restoration Office

645 "G" Street, Anchorage, AK 99501

Phone: (907) 278-8012 Fax: (907) 276-7178



## MEMORANDUM

**TO:** Trustee Council

**THROUGH:** Molly McCammon  
Executive Director

**FROM:** Traci Cramer  
Administrative Officer

**DATE:** February 12, 1997

**RE:** Financial Report as of January 31, 1997

Attached is the Statement of Revenue, Disbursements and Fees, and accompanying notes for the *Exxon Valdez* Joint Trust Fund for the period ending January 31, 1997.

The following is a summary of the information incorporated in the notes and contained on the statement.

Liquidity Account Balance	\$71,017,117	
Less: Current Year Commitments (Note 5)	\$17,570,600	
Plus: Adjustments (Note 6)	<u>\$535,823</u>	
Uncommitted Fund Balance		\$53,982,340
Plus: Future Exxon Payments (Note 1)	\$350,000,000	
Less: Remaining Reimbursements (Note 3)	20,000,000	
Less: Remaining Commitments (Note 7)	<u>\$48,805,734</u>	
Total Estimated Funds Available		\$335,176,606
Restoration Reserve		\$35,996,170

If you have any questions regarding the information provided please give me a call at 586-7238.

attachments

cc: Agency Liaisons  
Bob Baldauf

NOTES TO THE STATEMENT OF REVENUE, DISBURSEMENTS AND FEES  
FOR THE EXXON VALDEZ JOINT TRUST FUND  
As of January 31, 1997

1. Contributions - Pursuant to the agreement Exxon is to pay a total of \$900,000,000.

Received to Date	\$550,000,000
Future Payments	\$350,000,000

2. Interest Income - In accordance with the MOA, the funds are deposited in the United States District Court, Court Registry Investment System (CRIS). All deposits with CRIS are maintained in United States government treasury securities with maturities of 100 days or less. Total earned since the last report is \$380,779.
3. Reimbursement of Past Costs - Under the terms of the agreement, the United States and the State are reimbursed for expenses associated with the spill. The remaining reimbursements represents that amount due the State of Alaska.
4. Fees - CRIS charges a fee of 10% for cash management services. Total paid since the last report is \$38,078.
5. Current Year Commitments - Includes \$1,570,600 for the Chenega-Area Shoreline Residual Oiling Project and the following land payments.

<u>Seller</u>	<u>Amount</u>	<u>Due</u>
Akhiok-Kaguyak	\$7,500,000	September 1997
Koniag, Incorporated	\$4,500,000	September 1997
Shuyak	\$4,000,000	October 1997

6. Adjustments - Under terms of the Agreement, both interest earned on previous disbursements and prior years unobligated funding or lapse are deducted from future court requests. Unreported interest and lapse is summarized below.

	<u>Interest</u>	<u>Lapse</u>
United States	\$71,092	\$0
State of Alaska	\$464,731	\$0

7. Remaining Commitments - Includes the following land payments.

<u>Seller</u>	<u>Amount</u>	<u>Due</u>
Shuyak	\$16,000,000	October 1998 through 2001
Shuyak	\$11,805,734	October 2002
Koniag, Incorporated	\$4,500,000	September 1998
Koniag, Incorporated	\$16,500,000	September 2002

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Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation  
United States: National Oceanic & Atmospheric Administration, Departments of Agriculture and Interior

**STATEMENT OF REVENUE, DISBURSEMENTS AND FEES**  
**EXXON VALDEZ OIL SPILL JOINT TRUST FUND**  
As of January 31, 1997

	1994	1995	1996	To Date 1997	Cumulative Total
<b>REVENUE:</b>					
Contributions: (Note 1)					
Contributions from Exxon Corporation	70,000,000	70,000,000	70,000,000	0	550,000,000
Less: Credit to Exxon Corporation for clean-up costs incurred					(39,913,688)
<b>Total Contributions</b>	<b>70,000,000</b>	<b>70,000,000</b>	<b>70,000,000</b>	<b>0</b>	<b>510,086,312</b>
Interest Income: (Note 2)					
Exxon Corporation escrow account					831,233
Joint Trust Fund Account	3,736,000	5,706,667	3,963,073	1,281,773	16,661,512
<b>Total Interest</b>	<b>3,736,000</b>	<b>5,706,667</b>	<b>3,963,073</b>	<b>1,281,773</b>	<b>17,492,745</b>
<b>Total Revenue</b>	<b>73,736,000</b>	<b>75,706,667</b>	<b>73,963,073</b>	<b>1,281,773</b>	<b>527,579,057</b>
<b>DISBURSEMENTS:</b>					
Reimbursement of Past Costs: (Note 3)					
State of Alaska	25,000,000		3,291,446		86,559,288
United States	6,271,600	2,697,000	0		69,812,045
<b>Total Reimbursements</b>	<b>31,271,600</b>	<b>2,697,000</b>	<b>3,291,446</b>	<b>0</b>	<b>156,371,333</b>
Disbursements from Liquidity Account:					
State of Alaska	44,546,266	41,969,669	43,340,950	3,518,458	158,463,656
United States	6,008,387	48,019,928	31,047,824	3,575,859	104,078,379
Transfer to the Restoration Reserve			35,996,231		35,996,231
<b>Total Disbursements</b>	<b>50,554,653</b>	<b>89,989,597</b>	<b>110,385,005</b>	<b>7,094,317</b>	<b>298,538,266</b>
<b>FEES:</b>					
U.S. Court Fees (Note 4)	364,000	586,857	396,307	128,177	1,652,342
<b>Total Disbursements and Fees</b>	<b>82,190,253</b>	<b>93,273,454</b>	<b>114,072,758</b>	<b>7,222,494</b>	<b>456,561,941</b>
<b>Increase (decrease) in Liquidity Account</b>	<b>(8,454,253)</b>	<b>(17,566,788)</b>	<b>(40,109,685)</b>	<b>(5,940,722)</b>	<b>71,017,117</b>
Liquidity Account Balance, beginning balance	143,088,564	134,634,311	117,067,523	76,957,838	
Liquidity Account Balance, end of period	134,634,311	117,067,523	76,957,838	71,017,117	
Current Year Commitments: (Note 5)					(17,570,600)
Adjustments: (Note 6)					535,824
<b>Uncommitted Liquidity Account Balance</b>					<b>53,982,340</b>
Remaining Reimbursements (Note 3)					(20,000,000)
Remaining Commitments: (Note 7)					(48,805,734)
<b>Total Estimated Funds Available</b>					<b>335,176,606</b>
<b>Restoration Reserve</b>					<b>35,996,170</b>



## KEN 55: Overlook Park

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<b>Acreage:</b> 97	<b>Rank:</b> Moderate	<b>Sponsor:</b> ADNR	<b>Appraised Value:</b> \$279,000
<b>Owner:</b> Sandra Cronland, Joyanna Geisler, David Lloyd, Michael McNiven, Sharon Whytal			
<b>Location:</b> Three-quarters of a mile north of Bluff Point from Sterling Highway, Homer			

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**Parcel Description.** This parcel is locally known as Overlook Park because it is situated below and is visible from the Sterling Highway scenic overlook. The parcel is located between state lands on the north and Baycrest (KEN 12) on the east. The parcel is accessible only by foot down the steep bluff from the highway or by walking along the shoreline 3.5 miles west from Bishop Beach. There are no structures, roads or any other human development on this site. The Overlook parcel is visible from and close to the Alaska State Parks Homer Ranger Station. The uplands contain a mixed association of spruce, birch, cottonwood, small, open meadows, bogs, and freshwater ponds. The uplands are used by a variety of birds and mammals including moose and bear.

**Restoration Benefits.** Public ownership of this parcel would protect intertidal/subtidal habitat and ensure public access by foreclosing the possibility that it would be subdivided and developed in the future.

Key habitats and other attributes of this parcel include the following:

- *Intertidal/subtidal organisms.* The parcel lies upland of three-quarters of a mile of Kachemak Bay shoreline and an extensive tidal pool area that is unique to the area and accessible from the road system. These tidal pools and rocky intertidal habitat contain an especially diverse flora and fauna.
- *Recreation/tourism.* The area is popular with local community groups, including public schools and natural history study groups, for field trips and specimen collecting.

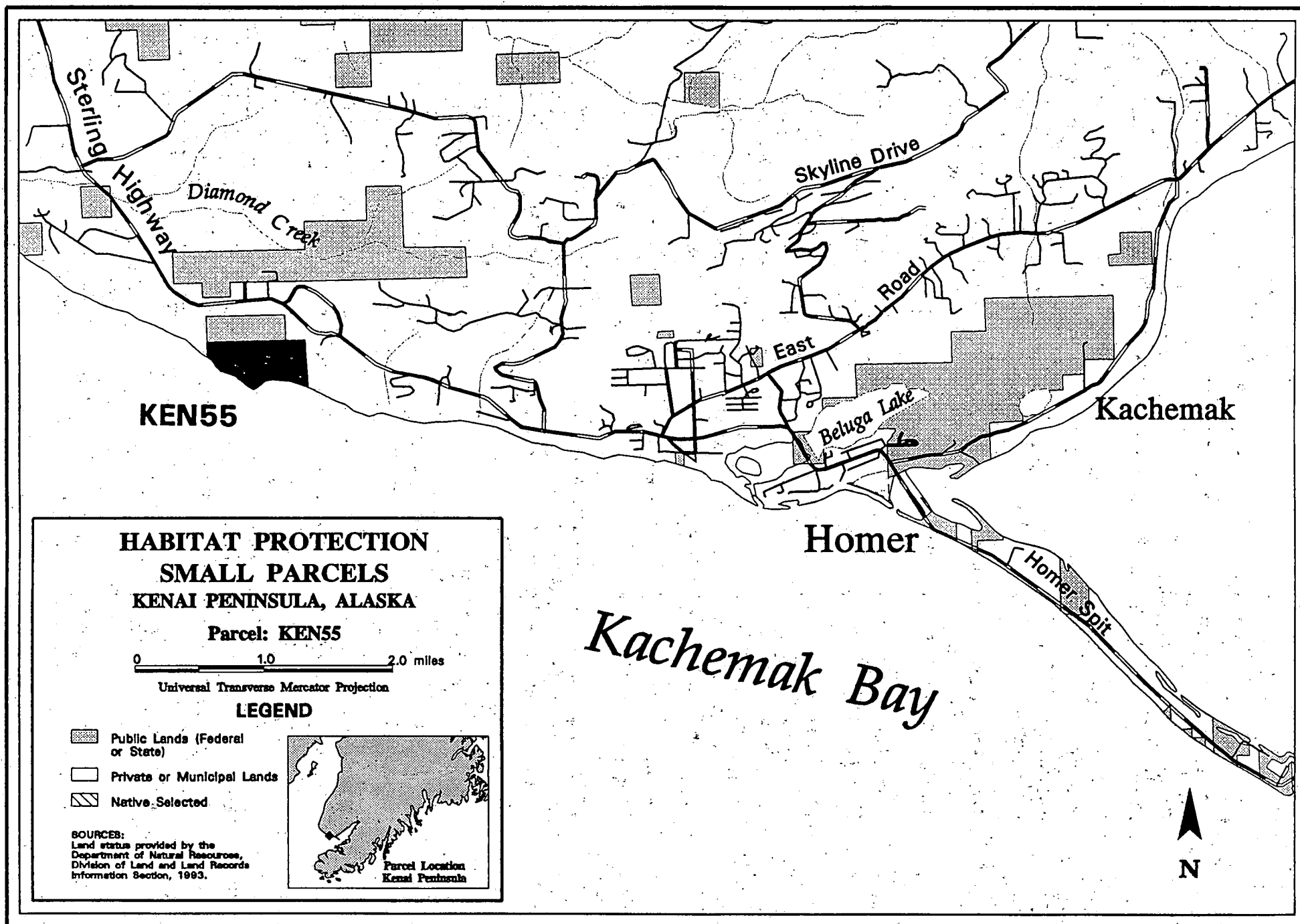
**Potential Threats.** There appears to be some residential development potential for this property in the area between the tidelands and the bluff.

**Appraised Value.** The current appraised value of this parcel is \$279,000. This parcel is vacant and unimproved. The highest and best use is to keep the parcel intact for residential or recreational use oriented to natural physical characteristics. The property could be marketed to a single user or sold in undivided interests to a group of residential or recreational users.

**Proposed Management.** The purpose of acquisition is to preserve and protect in perpetuity the ecological, natural, physical and scenic values of the subject property for the benefit of fish and wildlife resources and services that were injured in the *Exxon Valdez* oil spill. ADNR proposes to manage this parcel. The parcel will probably be classified "Habitat/Public Recreation Land."

This parcel is immediately adjacent to Baycrest (KEN 12), for which negotiations are ongoing. The natural systems of Overlook Park are contiguous with those of Baycrest and could be managed in a similar way.

**Public Comment.** Support for acquisition of this parcel has been expressed by the City Council of Homer, Alaska (Resolution 95-24), Kachemak Bay State Park Citizens Advisory Board (Resolution 95-2), Kachemak Bay Conservation Society, Kachemak Heritage Land Trust, and 26 individuals, mostly residents of Homer. In November 1995, the Kachemak Heritage Land Trust also submitted a petition signed by 367 people who support acquisition of Overlook Park.



## STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

## OFFICE OF THE COMMISSIONER

TONY KNOWLES, GOVERNOR

400 WILLOUGHBY AVENUE  
JUNEAU, ALASKA 99801-1796  
PHONE: (907) 465-2400  
FAX: (907) 465-3886

3601 G STREET, SUITE 1210  
ANCHORAGE, ALASKA 99503-5921  
PHONE: (907) 269-8431  
FAX: (907) 269-8918

February 11, 1997

Molly McCammon  
Executive Director  
Exxon Valdez Oil Spill Restoration Office  
645 G Street, Suite 401  
Anchorage, AK 99501

Dear Ms. McCammon,

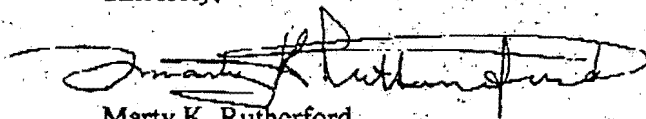
The Department of Natural Resources would like to request that Parcel PWS 1056, nominated for consideration by Robert Wayne Blondeau, be considered by the Trustee Council as a Parcel Meriting Special Consideration. This parcel was recently evaluated by the Habitat Protection Work Group and ranked just below the Moderate category.

This property is located at the mouth of Mineral Creek fronting on the Port of Valdez, adjacent to wetlands belonging to the City of Valdez. This parcel provides key habitat for Sockeye Salmon, Pink Salmon, Bald Eagles, and Recreation and Tourism. The parcel would provide important recreational, interpretive and educational opportunities for the City of Valdez. This acquisition is supported by the Mayor of the City of Valdez and the Chairperson of the Valdez Area State Parks Citizen Advisory Board (attached). The City of Valdez will be considering a resolution affirming its interest and commitment to cooperatively managing this parcel with the Department of Natural Resources at its February 18th meeting (draft resolution attached).

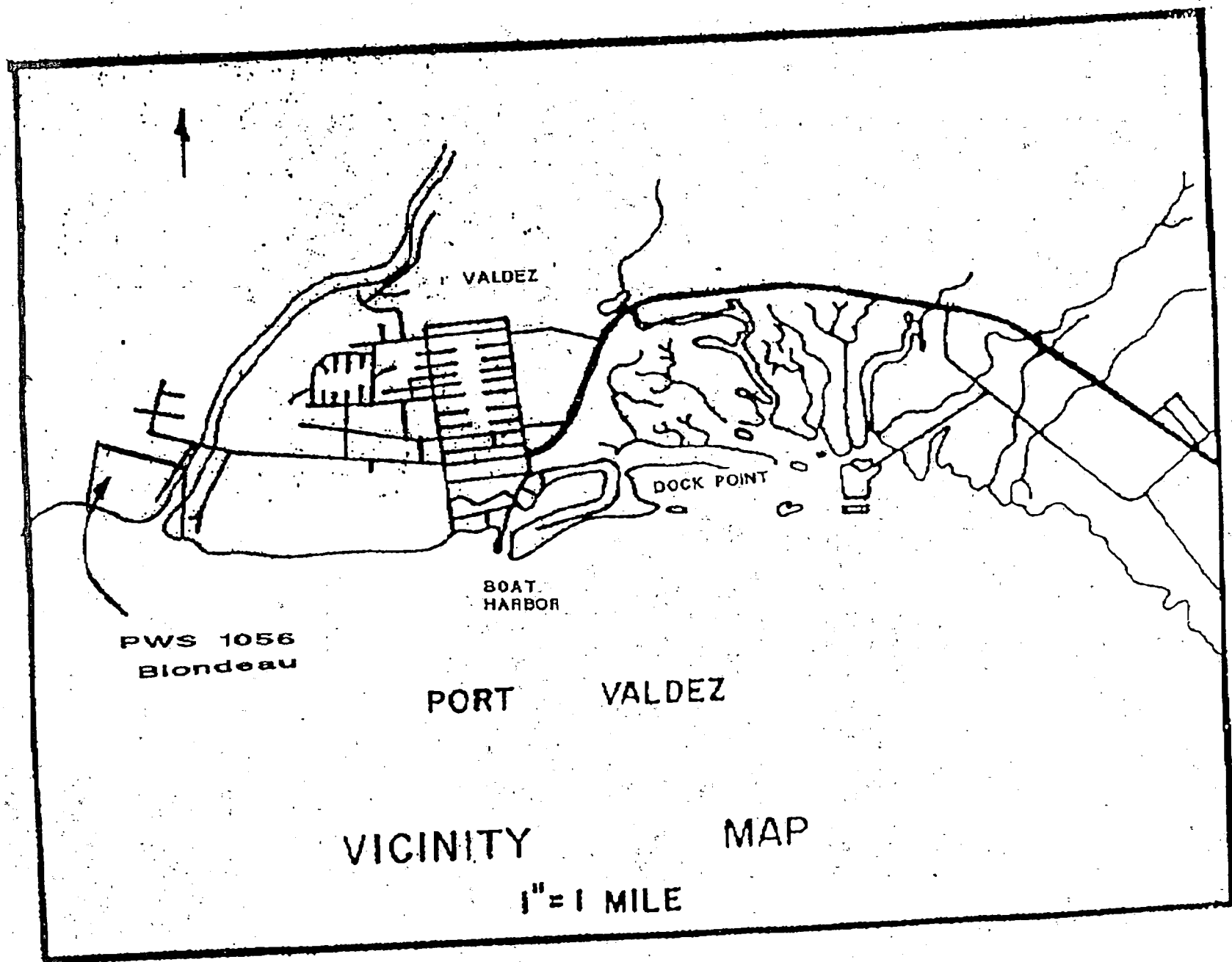
The Department of Natural Resources is sponsoring this parcel with the understanding that community support satisfactory to the Department of Natural Resources will facilitate the long term management of this parcel. Acquisition of this parcel will benefit the residents of Valdez and protect habitat necessary for the restoration of resources and services injured by the Exxon Valdez oil spill.

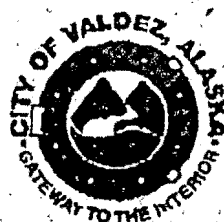
Thank you for your consideration of this parcel.

Sincerely,



Marty K. Rutherford  
Deputy Commissioner



**RECEIVED**  
DEC 18 1996**EXXON VALDEZ OIL SPILL  
TRUSTEE COUNCIL**

December 6, 1996  
Office of the Mayor

Mrs. Molly McCammon  
Executive Director, EVOS Trustee Council  
645 G. Street, Suite 401  
Anchorage, Alaska 99501-3451

Dear Molly:

Since the Exxon Trustee Council funds the acquisition of land to protect the habitat of injured resources and services, to prevent additional injury to resources and services while recovery is taking place, and to provide a long-term safety net for these resources. Keeping this purpose in mind, I am surprised that no agency has stepped forward to be the sponsor for the small parcel of land described as PWS 1056 (Blondeau Parcel). Furthermore, I am quite concerned that no one from the EVOS Trustee Council staff has ever bothered contacting Mr. Blondeau to discuss the merits of his property.

The Blondeau Parcel is an extremely important piece of Alaska wetlands. This section of land is still in a pristine condition and is home to many species injured during the Exxon Valdez Oil spill. This parcel has several spring creeks that currently provide an excellent spawning habitat for Pink and Chum Salmon. Tall shoreline grasses are common to this area, providing nesting areas for many species of birds. As many as 10 to 15 eagles can be seen at once, hunting the wetlands and nesting in the nearby tree lines. The land is located on the shore of Port Valdez, from the mouth of Mineral Creek stretching along the coastline toward Shoup Bay, which I believe may be included in the State Marine Park category.

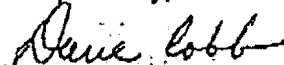
Unfortunately, residential development on this land will occur in the near future if this land is not preserved.

M. McCammon  
December 6, 1996  
Page 2

I am sure if this land were evaluated, it would score as a high priority and rival the Valdez Duck Flats in value. The Department of Natural Resources has laid out a trail from Mineral Creek to Shoup Bay and will begin construction of this trail in 1997 or 1998. The Blondeau Parcel can be included in this trail system and become the trail head site. A City road provides access to the Blondeau property, which could allow this area to become part of a controlled tourism destination with the potential for a living interpretive area that would naturally display many species injured during the Exxon Valdez oil spill.

I request that your office make inquiries about why there is no sponsorship interest by any of the agencies and ask if someone would at least come to Valdez and review the potential of this property. If I can be of any help in this process, please contact me at 835-4874.

Respectfully,



Dave Cobb, Mayor  
City of Valdez, Alaska

December 18, 1996

RECEIVED  
DEC 23 1996

EXXON VALDEZ OIL SPILL  
TRUSTEE COUNCIL

Exxon/Valdez Trustees Council  
645 G Street  
Anchorage AK 99501

Dear Sirs & Madames:

I am the Chairperson of the Valdez Area State Parks Citizen Advisory Board. This Citizen's Advisory group was recently formed by the State of Alaska, Department of Natural Resources, Division of Parks and Outdoor Recreation Director Jim Stratton by his appointment of members of the Valdez community to this board. The advisory board was appointed to develop legislative recommendations concerning boundaries and proposed management of State Parks, including Marine Parks, the Valdez area. The advisory board is a source of public input to the Department of Natural Resources, Division of Parks and Outdoor Recreation. While we are a fledgling organization at this time (our second meeting being held on December 17, 1996) a matter came to the board's attention which we felt needed a quick response from us. In response to this issue, the board unanimously passed the following resolution:

The Valdez Area State Parks Citizen's Advisory Board wholeheartedly supports the Exxon/Valdez Trustees Council's efforts to purchase the Wayne Blondeau property at the mouth of Mineral Creek in Valdez, Alaska. The Advisory Board hopes that the State and City governments can work out a joint management plan for this property following the acquisition of the property.

As you are aware Mr. Blondeau's property has access to one of the few beaches in the Valdez area. The only beach now truly accessible to the public is Rocky Beach and it is currently endangered by the City of Valdez Small Boat Harbor plans. If those current plans are enacted, there will be no readily accessible beach to the Valdez area residents and the people that come to visit Valdez. The purchase of Mr. Blondeau's property by the Exxon/Valdez Trustees Council would alleviate this problem.

Hopefully, Rocky Beach will not change. Even then the addition of Mr. Blondeau's property will greatly enhance the recreational, educational and economic value of the Valdez area.

Best regards,

*Bill Dixby*

William Dixby, Chairperson  
Valdez Area State Parks  
Citizen's Advisory Board

WB/mew



## CITY OF VALDEZ, ALASKA

## RESOLUTION NO. 97-16

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, SUPPORTING THE PURCHASE OF PWS 1056 BLONDEAU PARCEL BY THE EXXON VALDEZ TRUSTEE COUNCIL.**

WHEREAS, the Exxon Valdez Trustee Council funds the acquisition of land to protect the habitat of injured resources and services, to prevent additional injury to resources and services while recovery is taking place, and to provide a long-term safety net for these resources; and

WHEREAS, the PWS 1056 Blondeau Parcel is an extremely important piece of Alaska Wetlands and home to many species injured during the Exxon Valdez Oil spill; and

WHEREAS, the Valdez State Parks Citizen's Advisory board wholeheartedly supports the Exxon Valdez Trustees Council's efforts to purchase the Blondeau property which will serve to greatly enhance the recreational, educational and ecological value of the Valdez area; and

WHEREAS, the Department of Natural Resources has laid out a trail from Mineral Creek to Shoup Bay that could include this property and become the trail head site for this project; and

WHEREAS, the City of Valdez has committed to work cooperatively with Alaska State Parks and the Department of Natural Resources in the development of trails and encourages the funding of such important recreation enhancements; and

WHEREAS, this property has the potential for a living interpretive area that would preserve this habitat and naturally display many species injured during the Exxon Valdez Oil spill.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Valdez, Alaska, that the Valdez City Council supports the purchase of PWS 1056 Blondeau Parcel by the Exxon Valdez Oil Spill Trustee Council and request it be ranked high in priority for the preservation of wildlife in Valdez.

PASSED AND APPROVED by the Valdez City Council, this 18th day of February, 1997.

CITY OF VALDEZ, ALASKA

ATTEST:

\_\_\_\_\_  
Dave C. Cobb, Mayor

\_\_\_\_\_  
Sheri L. Caples, CMC, City Clerk

## PARCEL REPORT

**Parcel ID #** KAP 1058

**Rank:** Moderate

**Acreage:** 1,462 acres

**Agency Sponsor:**

ADNR

**Location:** Long Island; Section 31, Township 27 South, Range 18 West, Sections 4,5,6 & 7. Township 28 South, Range 18 West, Sections 11,12, 13 & 14.

**Landowner/Agent:** Lesnoi Inc., 4300 B Street, Anchorage, AK 99503

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### Parcel Description


Long Island is located in the northern portion of Chiniak Bay approximately 3.5 miles east of the town of Kodiak. The entire island is being offered for sale to the Trustee Council. Cook Bay, on the northwest side of the island, provides several protected anchorages. The uplands are dominated by a Sitka spruce forest association that provides habitat for deer, small mammals and birds. The shoreline is irregular with three large embayments, Cook Bay, Helen Bay on the northeast and Vera Bay on the north. There are several sandy beaches on the west side of the island and numerous offshore rocks to the east and north. Offshore rocks are habitat for numerous seabirds and marine mammals.

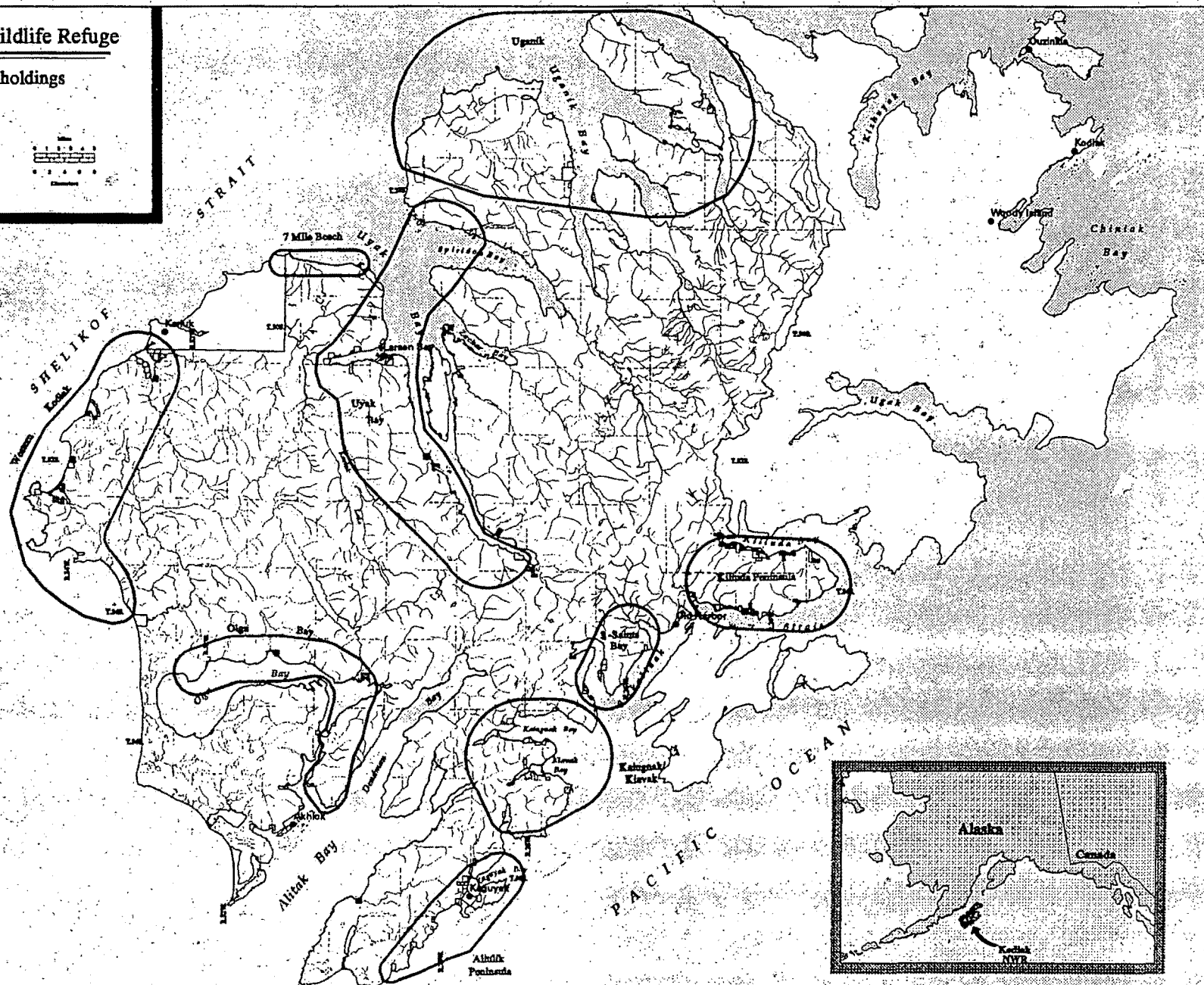
There are several small freshwater lakes on the island. World War II era military installations, including bunkers, barracks and headquarters facilities, are scattered throughout the island. There are two toxic waste storage areas located south of Cook Bay. The remnants of a road system connect the military facilities to the bay.

Injured resources that utilize the island for habitat include Pacific herring, bald eagle, harbor seal and pigeon guillemot. There is a Steller sea lion (threatened species) haulout off the northeastern tip of the island and harbor seals with pups have been observed inshore. The island is used by Kodiak residents for recreation and for the subsistence harvest of ducks, rabbit, deer, octopus and shellfish. Charter boat operations based in Kodiak are currently taking ecotourists to the island to observe marine life and hike the uplands. DNR archeologists consider the island especially important because there are sites containing remnants of early Native and Russian settlements. Several of the WWII facilities are also considered to be of historic significance.

The U.S. Army Corps of Engineers has agreed to clean up the toxic waste sites and military installations. The scope of the cleanup is yet to be determined. A hazardous materials survey should precede negotiations with the owner.

### Small Parcel Inholdings

- ☒ Acquired or in Progress  
☐ Remaining  
☐ Kodiak NWR Lands  
 Acquisition Areas



8-14

# Exxon Valdez Oil Spill Trustee Council

645 G Street, Suite 401, Anchorage, AK 99501-3451 907/278-8012 fax: 907/276-7178



## Habitat Protection Program: Large Parcels Status Report February 25, 1997

The *Exxon Valdez* Trustee Council funds the acquisition of land to protect the habitat of injured resources and services. The goals of habitat protection are to prevent additional injury to resources and services while recovery is taking place and to provide a long-term safety net for these resources.

In 1992, the Restoration Office evaluated 16 large parcels (over 1,000 acres) that were imminently threatened by development. In March 1993, the Restoration Office contacted 90 owners of large parcels in the spill area. Thirty-two landowners expressed interest in having their land considered for acquisition and 850,000 acres of land were subsequently evaluated.

As of February 1997, the Council has spent \$161.4 million to protect 361,000 acres of land, with parcels ranging in size from 2,000 to 119,000 acres. Seven large parcels have been purchased, including inholdings in Kachemak Bay State Park, land adjacent to Seal Bay/Tonki Cape on Afognak Island, commercial timber rights on land along Orca Narrows, a 27,000-acre parcel on Shuyak Island, and lands formerly owned by Akhiok-Kaguyak, Inc., Old Harbor Native Corporation, and Koniag, Inc.

On February 5, 1997, the federal government and Chenega Corporation signed a purchase agreement for 59,520 acres of land in Prince William Sound. The transaction is expected to close in Spring 1997.

In August 1996, the Council authorized funds for an offer to acquire interests in 68,888 acres owned by Tatitlek Corporation. The corporation's board of directors has indicated a willingness to accept the offer, but acquisition of this parcel depends on a vote of the shareholders of the corporation. On February 14, 1997, the Council authorized funds for an offer to purchase 32,470 acres of land owned by English Bay Corporation.

Negotiations continue with four landowners to protect additional habitat. The landowners are Afognak Joint Venture, Eyak Corporation, Koniag, Inc., and Port Graham Corporation.

**Table 1** summarizes the status of land acquisitions as of February 1997 — whether acquisitions are complete, offers are pending or negotiations continue.

**Table 1. Status of Large Parcel Acquisitions**  
February 25, 1997

<b>Parcel Description</b>	<b>Acreage</b>	<b>Total Price (Incl. Interest)</b>	<b>Trust Fund</b>	<b>Other Sources<sup>1</sup></b>
<b>Acquisitions Complete</b>				
Kachemak Bay State Park Inholdings	23,800	\$22,000,000	\$7,500,000	\$14,500,000
Seal Bay / Tonki Cape	41,549	\$39,549,333	\$39,549,333	\$0
Orca Narrows (timber rights)	2,052	\$3,650,000	\$3,650,000	\$0
Akhiok - Kaguyak, Inc.	118,674	\$46,000,000	\$36,000,000	\$10,000,000
Old Harbor <sup>2</sup>	31,609	\$14,500,000	\$11,250,000	\$3,250,000
Koniag (fee title)	59,689	\$26,500,000	\$19,500,000	\$7,000,000
Koniag (limited term easement)	57,082	\$2,000,000	\$2,000,000	\$0
Shuyak Island	26,665	\$42,000,000	\$42,000,000	\$0
<b>Subtotal:</b>	<b>361,120</b>	<b>\$196,199,333</b>	<b>\$161,449,333</b>	<b>\$34,750,000</b>
<b>Purchase Agreement Signed</b>				
Chenega	59,520	\$34,000,000	\$24,000,000	\$10,000,000
<b>Subtotal:</b>	<b>59,520</b>	<b>\$34,000,000</b>	<b>\$24,000,000</b>	<b>\$10,000,000</b>
<b>Offer Accepted</b>				
Tatitlek <sup>3</sup>	68,888	\$35,010,800	\$25,010,800	\$10,000,000
<b>Subtotal:</b>	<b>68,888</b>	<b>\$35,010,800</b>	<b>\$25,010,800</b>	<b>\$10,000,000</b>
<b>Offer Under Review</b>				
English Bay	32,470	\$15,350,000	\$14,100,000	\$1,250,000
<b>Subtotal:</b>	<b>32,470</b>	<b>\$15,350,000</b>	<b>\$14,100,000</b>	<b>\$1,250,000</b>
<b>TOTAL:</b>	<b>521,998</b>	<b>\$280,560,133</b>	<b>\$224,560,133</b>	<b>\$56,000,000</b>
<b>Negotiations Continuing<sup>4</sup></b>				
Afognak Joint Venture	112,827			
Eyak	72,000			
Koniag (fee title) <sup>5</sup>				
Port Graham	46,170			
<b>Subtotal:</b>	<b>230,997</b>			
<b>Total Acreage to be Protected:</b>	<b>752,995</b>			

<sup>1</sup> For the acquisition of Kachemak Bay State Park inholdings, funding from other sources consists of a State of Alaska contribution of \$7 million from the Exxon plea agreement and \$7.5 million from the civil settlement with the Alyeska Pipeline Service Company. For all other parcels, funding from other sources consists of a Federal contribution from the Exxon plea agreement.

<sup>2</sup> As part of the protection package, the Old Harbor Native Corporation agreed to protect an additional 65,000 acres of land on Sitkalidak Island as a private wildlife refuge.

<sup>3</sup> The price offered includes \$2,010,800 in lieu of interest over a two-year pay period.

<sup>4</sup> Acreage is estimated and may change as negotiations continue.

<sup>5</sup> Negotiations with Koniag concern fee title to the 57,082 acres that are currently protected under a limited conservation easement.

### Acquisitions Complete

*Kachemak Bay.* In August 1993, the state acquired surface title to 23,800 acres of private inholdings within Kachemak Bay State Park on the Kenai Peninsula. This acquisition protects a highly productive estuary, several miles of anadromous fish streams and intertidal shoreline and upland habitat for bald eagles, marbled murrelets, river otters, and harlequin ducks. The Council contributed \$7.5 million to this purchase and the State of Alaska contributed \$7 million from the Exxon plea agreement and \$7.5 million from the civil settlement with Alyeska Pipeline Service Company.

*Seal Bay and Tonki Cape (Afognak Island).* In November 1993, the state purchased surface title to 41,549 acres on northern Afognak Island. This mature spruce forest is adjacent to highly productive marine waters, includes anadromous fish streams, and provides excellent habitat for bald eagles and marbled murrelet nesting. The Council authorized \$39.5 million (including interest) for this purchase. In 1994, the Alaska State Legislature designated these lands as the Afognak Island State Park.

*Orca Narrows Subparcel.* In January 1995, the federal government purchased from the Eyak Corporation commercial timber rights on 2,052 acres of land in Orca Narrows. This parcel is near Cordova in Prince William Sound and contains anadromous fish streams, active bald eagle nests and favorable habitat for marbled murrelet nesting. The Council authorized \$3.65 million for this acquisition.

*Akhiok-Kaguyak.* In May 1995, the federal government agreed to purchase from Akhiok-Kaguyak, Inc., surface title to 76,211 acres of land and conservation easements on 42,463 acres, for a total of 118,674 acres. These lands are within the Kodiak National Wildlife Refuge. The Council contributed \$36 million to this acquisition and the federal government contributed \$10 million from the federal restitution fund, for a total purchase price of \$46 million.

*Old Harbor.* Also in 1995, the federal government purchased from the Old Harbor Native Corporation surface title to 28,609 acres of land and the corporation donated a conservation easement on 3,000 acres. These lands are within the Kodiak National Wildlife Refuge. In addition, the Old Harbor Native Corporation agreed to preserve 65,000 acres of land on nearby Sitkalidak Island as a private wildlife refuge. The Council contributed \$11.25 million to this acquisition and the federal government contributed \$3.25 million from the federal restitution fund, for a total purchase price of \$14.5 million.

*Koniag.* In November 1995, the federal government purchased from Koniag, Inc., surface title to 59,689 acres of prime habitat for bear, salmon, bald eagles, and other

species in the Kodiak National Wildlife Refuge. This agreement protected an additional 57,082 acres under a nondevelopment easement through the year 2001. The nondevelopment easement includes land along the Karluk and Sturgeon Rivers. The Council contributed \$21.5 million to this acquisition and the federal government contributed \$7 million from the federal restitution fund, for a total purchase price of \$28.5 million.

*Shuyak Island.* In December 1995, the Council approved \$42 million (including interest) to purchase from the Kodiak Island Borough surface title to 26,665 acres of prime habitat on Shuyak Island, at the northern tip of the Kodiak archipelago. The Kodiak Island Borough agreed to commit \$6 million from the land sale to expansion of Kodiak's Fishery Industrial Technology Center.

As part of the purchase agreement for lands on Shuyak Island, the Council authorized up to an additional \$1 million to purchase small parcels within the Kodiak National Wildlife Refuge that have been acquired by the Kodiak Island Borough as a result of the property owners' failure to pay borough taxes. These parcels are about 10 acres in size and occupy key waterfront locations along Uyak Bay on Kodiak Island. They are embedded in two highly ranked large parcels approved as part of the Koniag purchase agreement.

### **Purchase Agreement Signed**

*Chenega.* On February 5, 1997, the federal government and the Chenega Corporation executed an agreement to purchase surface title to 37,236 acres of land and conservation easements on an additional 22,284 acres. Public access will be allowed on all the land in the conservation easement except 3,330 acres on the southern portion of Chenega Island in the vicinity of the original Chenega village site. Two parcels to be acquired in fee simple, the Eshamy Bay and Jackpot Bay parcels, are among the highest ranked parcels in the oil spill area. The Council contributed \$24 million to this acquisition and the federal government contributed an additional \$10 million from the federal restitution fund, for a total purchase price of \$34 million. The acquisition of this parcel is expected to close in Spring 1997.

### **Offer Accepted**

*Tatitlek.* In late 1996, the Council authorized \$23 million (plus \$2,010,800 in lieu of interest over a two-year pay period) for an agreement to purchase 68,888 acres from Tatitlek Corporation. An additional \$10 million would come from the federal restitution fund, for a total of \$33 million. The agreement includes acquisition of surface title to 31,490 acres of land and conservation easements on 37,398 acres. Two of the parcels in which interests will be acquired, Bligh Island and Two Moon Bay, were respectively the third and fourth highest ranked parcels in Prince William Sound. The offer includes

timber-only conservation easements on the north shore of Port Fidalgo and on land at Sunny Bay.

### **Offer Under Review**

*English Bay.* In February 1997, the Council authorized \$14.1 million toward the purchase from the English Bay Corporation of surface title to 32,470 acres of land within the Kenai Fjords National Park and the Alaska Maritime National Wildlife Refuge. Certain access rights for hunting, fishing and gathering activities will be reserved and retained by the English Bay Corporation. The federal trustees agreed to provide up to \$1.25 million from the federal criminal restitution funds for the purchase of the reserved access rights on a majority of the lands to be acquired and for costs related to the acquisition. The English Bay Corporation has offered to commit \$500,000 from its proceeds at closing to establish a special cultural conservation fund to survey, protect, curate and interpret archaeological sites and cultural artifacts which are associated with the lands to be acquired.

### **Negotiations Continuing**

*Afognak Joint Venture.* In December 1994, the Council authorized up to \$70 million for an offer to purchase from Afognak Joint Venture surface title to 48,728 acres on northern Afognak Island. The Council also authorized further negotiations about the acquisition of an additional 64,099 acres, for a total acquisition of 112,827 acres. The property consists of seven dispersed parcels, five of which are adjacent to or near the previously acquired Seal Bay parcel, one is adjacent to Shuyak Strait, and one is in the western part of Afognak Island. The timber appraisal is under review.

*Port Graham.* The U.S. Department of the Interior, on behalf of the Council, is holding discussions with Port Graham Corporation about the purchase of 46,170 acres, much of which is within Kenai Fjords National Park.

*Eyak.* Discussions continue with Eyak Corporation on how to protect about 72,000 acres of corporation lands, particularly Port Gravina, Sheep Bay, and Windy Bay. These lands include the "Core Parcels" and Orca Narrows.

*Koniag.* The Council is interested in acquiring fee interest in the 57,082 acres covered by the limited term nondevelopment easement acquired in November 1995, and has agreed to maintain unobligated funds totaling \$16.5 million for this purpose. The nondevelopment easement includes land along the Karluk and Sturgeon Rivers and expires on December 2, 2001.



# Exxon Valdez Oil Spill Trustee Council

645 G Street, Suite 401, Anchorage, AK 99501-3451 907/278-8012 fax: 907/276-7178



## Habitat Protection Program: Small Parcels Status Report February 25, 1997

One of the ways the Trustee Council protects habitat for resources and services injured by the *Exxon Valdez* oil spill is by buying land that has habitat value. The Council has already purchased 361,000 acres of land in large tracts. In recognition of the unique habitat qualities and strategic value of smaller tracts of land (less than 1,000 acres), the Council initiated the Small Parcel Program in 1994.

In response to a public solicitation, 303 small parcels have been nominated. Council staff evaluate, score, and rank the parcels, taking into account the resource value of the parcel, adverse impacts from human activity, and potential benefits to management of public lands. The nomination period is open-ended. The Restoration Office continues to receive and evaluate nominations.

The Council has expressed interest in acquiring 52 of the parcels that have been nominated, along with a package of lands owned by the Kenai Natives Association and key waterfront parcels that were forfeited to Kodiak Island Borough for tax delinquency. The Council has authorized offers to purchase 38 of these parcels at appraised fair market value, and contributions of \$4 million to the Kenai Natives Association Package and up to \$1 million for the Kodiak Island Borough Tax Parcels.

**Table 1** summarizes the status of each of the offers. Twenty-two small parcels (about 2,700 acres) have been acquired for \$8.6 million. Owners of eight additional parcels (about 600 acres) have accepted offers for a total of \$3.2 million. Landowners are considering offers on six parcels, negotiations continue on the Kenai Natives Association Package, and the Kodiak Island Borough Tax Parcels are being appraised. The owners of two parcels have rejected offers to purchase their parcels at appraised fair market value.

The Council is also considering acquisition of the 14 parcels listed in **Table 2**, but has not yet authorized offers to purchase these parcels. A recently nominated parcel, KAP 1058 (Long Island), received a moderate score in the habitat evaluation and is therefore being considered for acquisition. **Table 3** is a list of 16 additional parcels that have been nominated in recent months.

**Table 1. Status of Small Parcel Acquisitions and Offers**  
February 25, 1997

Parcel ID	Description	Acres	Value	Status
<b>Acquisitions Complete</b>				
PWS 17, 17A-D	Ellamar Subdivision	33.4	\$655,500	
PWS 52	Hayward Parcel	9.5	\$150,000	
KEN 10	Kobylarz Subdivision	20.0	\$320,000	
KEN 29	Tulin Parcel	220.0	\$1,200,000	
KEN 34	Cone Parcel	100.0	\$600,000	
KEN 54	Salamatof Parcel	1,377.0	\$2,540,000	
KEN 1006	Girves Parcel	110.0	\$1,835,000	
KEN 1014	Grouse Lake	64.0	\$211,000	
KAP 98	Pestrikoff Parcel (Sitkalidak Strait)	80.0	\$128,000	
KAP 99	Shugak Parcel (Kiliuda Bay)	160.0	\$155,200	
KAP 101	Haakanson Parcel (Sitkalidak Strait)	80.0	\$52,000	
KAP 103	Kahutak Parcel (Sitkalidak Strait)	40.0	\$66,000	
KAP 105/142	Three Saints Bay	88.0	\$168,000	
KAP 115	Johnson Parcel (Uyak Bay)	65.0	\$110,500	
KAP 131	Matfay Parcel (Kiliuda Bay)	40.0	\$68,000	
KAP 132	Peterson Parcel (Sitkalidak Strait)	160.0	\$256,000	
KAP 135	Capjohn Parcel (Kiliuda Bay)	70.0	\$73,500	
<b>Subtotal:</b>		<b>2,716.9</b>	<b>\$8,588,700</b>	
<b>Offers Accepted</b>				
PWS 11	Horseshoe Bay	315.0	\$475,000	
KEN 19	Coal Creek Moorage	53.0	\$260,000	
KEN 148	River Ranch	146.0	\$1,650,000	
KEN 1005	Ninilchik	16.0	\$50,000	
KEN 1009	Cooper Parcel	30.0	\$48,000	
KEN 1015	Lowell Point	19.4	\$531,000	
KEN 1049	Mansholt Parcel (Kenai River)	1.6	\$55,000	
KAP 114	Johnson Parcel (Uyak Bay)	55.0	\$154,000	
<b>Subtotal:</b>		<b>636.0</b>	<b>\$3,223,000</b>	
<b>Offers Under Review</b>				
KEN 55	Overlook Park	97.0	\$244,000	New appraised value is \$279,000.
KEN 1034	Patson Parcel	76.3	\$375,000	Discussions continue.
KEN 1038	Roberts Parcel	3.3	\$698,000	Council authorized funds on 2/14/97.
KAP 220	Mouth of Ayakulik River	56.0	\$213,000	Willing to sell a larger package.
KAP 226	Karluk River Lagoon	21.5	\$146,000	Willing to sell a larger package.
KAP 1055	Abston Parcel (Uyak Bay)	160.0	\$281,300	Discussions continue.
<i>Kenai Natives Association Package (Stephanka/Moose R.)</i>		3,254.0	\$4,000,000	Legislation approved and signed.
<i>Kodiak Island Borough Tax Parcels</i>			\$1,000,000	Appraisals underway.
<b>Subtotal:</b>		<b>3,668.1</b>	<b>\$6,957,300</b>	
<b>Offers Rejected</b>				
KEN 12	Baycrest	90.0	\$450,000	Counteroffer of \$720,000.
KEN 1001	Deep Creek	91.0	\$672,000	Not ready to sell at this time.
<b>Subtotal:</b>		<b>181.0</b>	<b>\$1,122,000</b>	

**Table 2. Parcels Under Consideration\***  
February 25, 1997

Parcel ID	Description	Acres	Value	Comments
Appraisal Under Review				
PWS 05	Valdez Duck Flats (USS 349 & 448)	42.0		USS 448 to be reappraised; USS 349 appraisal to be updated. Appraisal will be updated. Third appraisal under review.
PWS 06	Valdez Duck Flats (USS 447)	24.7		
PWS 1010	Jack Bay	942.0		
KEN 1039	Oberts Parcel (Big Eddy)	31.7		Awaiting probate.
KEN 1040	Oberts Parcel (Honeymoon Cove)	4.2		
KEN 1041	Oberts Parcel (Peterkin Hmstd.)	30.0		
KAP 91	Adonga Parcel (Sitkalidak Strait)	137.0		
KAP 118	Cusack Parcel (Sturgeon Lagoon)	160.0		
KEN 1051	Salamatof Native Assn. (Kenai NWR)	16.0		
KEN 1052	Salamatof Native Assn. (Kenai NWR)	10.0		
Subtotal:		1,397.6		
Appraisal Authorized				
KAP 145	Termination Point	1,028.0		Appraisal authorized, but not yet underway.
Subtotal:		1,028.0		
Recently Scored Parcels				
KAP 1058	Leisnoi Parcel (Long Island)	1,462.0		Recently ranked moderate.
Subtotal:		1,462.0		
Owner Unwilling to Sell				
KAP 22	The Triplets	65.0	\$6,500	Owner unwilling to sell at appraised fair market value.
KAP 150	Karluk	5.0	\$105,000	Owner unwilling to sell at appraised fair market value.
Subtotal:		70.0	\$111,500	

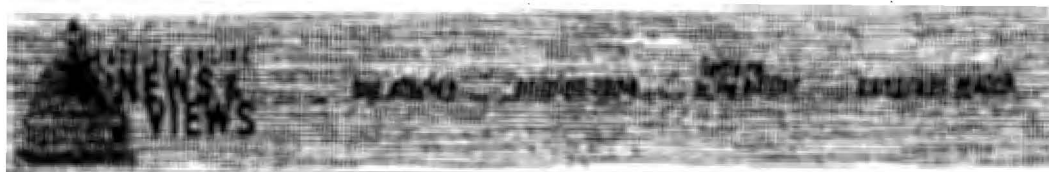
\* Perl Island (KEN 149), a 156-acre parcel south of the Kenai Peninsula, is no longer under consideration because sponsorship has been withdrawn.

\* Fleming Spit (PWS 1027), a 5.4-acre parcel in Cordova, is no longer under consideration because the Alaska Division of Parks has executed an agreement to purchase this parcel with State criminal settlement funds.

**Table 3. Small Parcel Nominations**  
July 1995 to February 1997\*

Parcel ID	Description	Acres	Sponsor	Rank
PWS 1045	Dennis Parcel (Valdez Duck Flats)	4.3	Sponsorship withdrawn	Does not meet threshold criteria.
PWS 1056	Blondeau Parcel (Valdez)	100.0	ADNR	Low
KEN 1030	Anchor River	127.8	No sponsor	Does not meet threshold criteria.
KEN 1032	Matson Parcel (Ninilchik River)	7.4	ADFG	Low
KEN 1035	Mullen Parcel (Kenai River)	8.5	ADNR/ADFG	Low
KEN 1036	Weilbacher Parcel (Kenai River)	28.7	ADNR/ADFG	Low
KEN 1037	Coyle Parcel (Kenai City Boat Dock)	26.0	No sponsor	Does not meet threshold criteria.
KEN 1042	College Estates (Kenai River)	56.0	ADNR/ADFG	Low
KEN 1043	College Estates (Kenai River)	77.9	ADNR/ADFG	Low
KEN 1044	Breeden Parcel (Kenai River Flats)	25.0	ADNR/ADFG	Low
KEN 1046	Pollard Parcel (Kasilof River)	155.0	ADFG	Low
KEN 1047	Calvin Parcel (Kasilof River)	76.8	ADFG	Does not meet threshold criteria.
KEN 1057	Lowe Parcel (Kenai River)	22.0	ADNR	Low
KEN 1059	Grubba Parcel (Kenai River)	26.7	ADNR/ADFG	Low
KAP 1050	Christiansen Parcel (Sitkalidak Strait)	159.0	USFWS	Low
KAP 1054	Christiansen Parcel (Kiliuda Bay)	160.0	USFWS	Low
<b>Total:</b>		<b>1,061.1</b>		

\* These parcels have been nominated since publication of *Comprehensive Habitat Protection Process: Small Parcel Evaluation & Ranking, Volume III*, Supplement July 15, 1995.



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Thursday, February 20, 1997

## **Alaskan villagers get oil-spill money to protect coast**

Alaskan park officials offered local villagers a large cash grant this week to protect 32,500 acres of coastal land from development.

The Exxon Valdez Oil Spill Trustee Council, which manages Exxon's settlement money from the *Valdez* oil spill, said it would give \$15.2 million to local Alutiiq villagers to keep Kenai Fjords National Park free from human habitation. The offer is the latest and most promising attempt between the Alutiiq and the trustee council to strike a deal for the land.

The Alutiiq own key areas of Kenai Fjords National Park and the Alaska Maritime National Wildlife Refuge. Kenai Fjords, a 580,000-acre preserve, is one of Alaska's most popular parks. The coastline received a large part of the Exxon *Valdez's* oil spillage, but is slowly returning to its former pristine state.

## **Vultures descend on deer-hunting town**

Residents of Leesburg, Virginia, are calling for federal reinforcements to help combat an unruly and unwelcome flock of turkey vultures.

Deer-hunting season seems to attract the 10,000 creatures that have chosen Leesburg as their home.

Residents have failed to scare away the roosting birds with air horns, firecrackers, and light cannons. The vultures are federally protected, but the Department of Agriculture will attempt to relocate as many birds as possible by capturing them in a trap baited with dead deer.

Residents fear that the vultures, with their 6-foot wingspans, are a threat to domestic pets and small children.

# Trustees offer \$14.1 million for Native land

By Eric Fry

LOG Staff

Trustees of an oil-spill settlement fund have offered a Native corporation \$14.1 million for 32,470 acres of fjords and wild uplands near Seward. Supporters say the offer could help protect the only fjord system in the United States.

The Exxon Valdez Oil Spill Trustee Council approved the offer last Friday for land owned by English Bay Corp., the for-profit corporation for Nanwalek, a Native village of about 164 people near the southwest tip of the Kenai Peninsula.

The corporation's board of directors hasn't met yet to consider the offer, which is substantially similar to what it had negotiated with the U.S. Interior Department, said Bill Timme, English Bay Corp.'s attorney. "We're very optimistic the board will act favorably on it."

Most of the land was conveyed to English Bay Corp. last year as part of the Alaska Native Claims Settlement Act.

Since their selection by English Bay in the 1970s but prior to conveyance of ownership last year, about 30,200 acres were managed as part of Kenai Fjords National Park. If English Bay accepts the offer, ownership would return to the park. Another 2,270 acres would be restored to the Alaska Maritime National Wildlife Refuge.

Besides the \$14.1 million from the civil settlement with Exxon over the 1989 Prince William Sound oil spill, the agreement calls for the Interior Department to pay \$1.1 million for English Bay Corp.'s access rights to all but 9,000 acres.

English Bay Corp. would retain access rights to parcels near Beauty Bay and North Arm of Nuka Bay. Nanwalek residents would be able to hunt or fish there under state or federal regulations, Timme said.

The corporation also will set aside \$500,000 as seed money for a cultural conservation fund. Little archaeological work has been done in the area, Timme said.

"That area is so rugged and it really hasn't been explored. As it gains attention, unfortunately, you get pot hunters coming in," he said.

The Trustee Council has spent \$196 million so far on 361,000 acres of habitat for species damaged in the oil spill. It passes ownership on to state or federal agencies. Another \$81 million in offers are pending for about 160,000 acres, now including English Bay's land.

Adding their land to Kenai Fjords National Park will ensure that habitat in the park isn't fragmented by development like logging, the Trustee

Council said in a report.

Many species there were damaged by the oil spill, including harlequin ducks, marbled murrelets, pigeon guillemots, black oystercatchers, pelagic cormorants and bald eagles. Pink salmon, red salmon, Dolly Varden, Pacific herring and cutthroat trout in adjacent waters also were harmed, the report said.

Seward-area residents flooded the Trustee Council with letters, faxes, phone calls and e-mail supporting the buyback, said Mark Luttrell, director of the Eastern Kenai Peninsula Environmental Action Association.

"We supported the buyback because it would ensure the protection of wildlife habitat, wilderness opportunities, and public access, and because of the archaeological and cultural endowment," Luttrell said.

English Bay Corp. and the Park Service have been negotiating for several years over the buyback, the parties said. A big obstacle was the selling price.

English Bay Corp. hired an independent appraiser from Anchorage with the Park Service's agreement, but the agency wouldn't accept his appraisal, Timme said.

The Park Service then appraised the land itself and came up with a figure of about \$4 million, Timme said. "There are just some real concerns about the government appraisal

process," he said. "Usually they low-ball the numbers."

English Bay Corp. probably will put the sale proceeds into a type of permanent fund and disburse its earnings to shareholders, Timme said.

The idea is that the corporation was granted the land for future generations to use. If it's sold, the proceeds also should continue for generations to come.

The proposed buyback includes a parcel near Bear Glacier; Harbor, Granite, Natoa and the Chiswell islands; a chunk of the Harris Peninsula; land at the heads of Sandy Bay, Paguna Arm and Taroka Arm; the area south of Black Bay including Ragged Island; and land around James Lagoon, North Arm and Beauty Bay.

## Oil spill trustees buy Kenai land

ANCHORAGE (AP) — Trustees overseeing Alaska's oil spill settlement approved \$14 million Friday to purchase Native lands within Kenai Fjords National Park.

The acquisition requires English Bay Corp. to relinquish some hunting and fishing rights in exchange for \$1 million.

The Kenai Peninsula-based Native group will retain rights to hunt and fish on 9,000 acres near the village of Nanwalek, in the park's southwest corner.

The agreement, approved unanimously by oil spill trustees, adds 30,200 acres of inholdings to the national park and nearly 2,300 acres to the adjacent Alaska Maritime National Wildlife Refuge.

A government appraisal set the land value at \$4.1 million. The tracts support a number of species harmed by the Exxon Valdez oil spill, including birds, seals, sea otters and herring and spawning salmon.

Joe Hunt, a council spokesman, said the proposal had

prompted 135 public messages over the past week, all in favor of the land acquisition.

Seven parcels spread through the park were approved for purchase, including six tracts oiled following the tanker wreck in 1989. "The land is good habitat for many species injured by the spill," Hunt said.

Parcels extend along the coast from Aialik Bay to Nuka Arm.

The Prince William Sound spill dumped nearly 11 million gallons of oil; pollution spread west as far as Homer and south to Kodiak Island.

Lands include beaches, headlands and forested slopes covering about a quarter of the outer peninsula coast. The land, owned by English Bay Natives, has been managed as if it were part of the national park.

Parties have not agreed before now on a purchase price despite negotiations that have gone on the past three years.

Deborah Williams, a federal Interior Department special as-

sistant and a council member, said the lands were "essential" to wilderness experience in the park.

Council members oversee a \$900 million civil penalty paid by Exxon to compensate the state for oil spill damage.

The most recent trustees' purchase, \$34 million for about 60,000 acres owned by Chenega Corp. in Prince William Sound, was signed on Feb. 5. That offer was made last June.

Port Graham and English Bay selected the outer-coast lands under the 1971 Alaska Native Claims Settlement Act because not enough land was available around their home villages. When Congress created the 670,000 acre park in 1980, the Native land claims had precedence.

The park has become one of the most popular in Alaska, drawing more than 230,000 visitors a year, the bulk of them on tour boats. The English Bay parcels comprise about 25 percent of the park coast.

# Street Talk

## ECONOMIC DEVELOPMENT

• **Anchorage Chamber of Commerce** has a new small business assistance "hot line" for small firms that have questions about government permits, licenses of regulations. **Mary Vallendorf**, former legislative staff to **State Sen. Loren Leman**, manages the hot line and will help get questions answered or steer inquiries to the right agency. Call 272-2401 for information.

## GOVERNMENT

• If you have gotten up the federal Minimum Wage Labor Law notice on the walls in your workplace, you'd better get busy. Federal law mandates that the notice be displayed even if you have only one worker and even if you pay that worker a lot more than the new \$4.75-per-hour minimum wage. Failure to display a current labor law notice carries a maximum federal fine of \$7,500.

## ENVIRONMENT

• The Exxon Valdez Oil Spill Trustees have awarded the Alaska Natural Heritage Program of the University of Alaska Anchorage a four-year grant of \$565,000 as part of the Alaska Predator Ecosystem Experi-

ment. This five-year project will involve 60 researchers who will examine why some bird and mammal species have failed to recover from the 1989 Exxon Valdez oil spill.

## MEDIA

• Atlanta-based **Grapevine Communications Inc.**'s \$8.5 million purchase of **KTBY**, Channel 4, in Anchorage was finalized this month, says **Sean Bradley**, the new station general manager. Bradley is also the son of former owners **Ron and Peggy Bradley**. The Bradleys acquired **KTBY** in 1986, saving it from bankruptcy and over the past 10 years, have built it into one of the nation's top Fox Network affiliates with a ranking as high as ninth among the 160 TV stations. Since 1990, the station has, on average, ranked 22nd among Fox affiliates, Bradley said.

• With the debut of the **Anchorage Daily News'** Peninsula edition, which rolls off the presses earlier than the in-town version, the paper's editors decided it was necessary to differentiate it on the front page as the "**Peninsula Edition**," and the Anchorage version as the "**Final Edition**." When the designations first appeared in print, observant subscribers became agitated. Word on the street

is that dozens of **ADN** readers called the paper, wondering whether, and why, the newspaper was going out of business.

## OIL & GAS

• Call it the Mercedes Benz economic indicator! Yep, a dealership for the German luxury car has opened in Anchorage, down the street from the new Land Rover dealership. While Land Rover is a newcomer to Alaska, this is a repeat performance for Mercedes, which first had a dealership in the state's largest city during the oil boom days of the early 1980s.

## TRANSPORTATION

• **Bob Hatfield**, former Alaska Railroad chief executive, is now in Brazil heading a newly "privatized" Brazilian railroad company that controls about 5,000 miles of track. Ironically, Hatfield opposed privatization of Alaska's state-owned railroad during his six-

year tenure as president of the company, noting the reliance of many resource industries in the state on the railroad for economic development and growth.

## TELECOMMUNICATIONS

• The word is out that **PTI Communications** is rolling out a new Internet service in Anchorage and other parts of the state not considered its regular stomping grounds. Interestingly, **Juneauites** attending **Comtech 97 Feb. 6-8** groused about **PTI Net** being the only Internet provider in the capital city and how they needed alternatives. Viva la competencia!

*Street Talk is a regular column of news, speculation and plain ole gossip reported by the Journal of Commerce staff and compiled by Rose Ragsdale.*



## Your Ticket to Hot Nights

## 97 Fur Rondy

### Fur Rondy Masque Ball

Don your looniest masque and your finest apparel for a fun filled evening with an unmasking at midnight  
February 22, Sheraton Hotel  
\$35 per person, Tables Available

### PIZZA HUT PRESENTS Rondy on Ice

Alaska's finest skaters "Dance thru the Decades" in this traditional Rondy event  
February 21 at 8pm  
February 22 at 3pm and 8pm  
February 23 at 1pm and 5pm  
UAA Ice Arena

### Fur Rondy Melodrama

Anything but mellow, this is one of the best times to be had during Rondy. Featuring the Anchorage Sourdough Chorus.  
February 14 at 8pm  
February 15 & 16 at 2pm and 7pm  
February 20 & 21 at 8pm  
February 22 at 2pm and 7pm  
Snow Goose Lounge  
Adults \$15  
Children/Seniors \$12.50

### The Fur Ball

This year this event will feature a live band as well as DJ Disco DJ

### WILDER CONSTRUCTION PRESENTS

### Grand Old Rondy

Bring your sweetheart and enjoy the opening night of Rondy with a live band, karaoke contest and line dancing.  
February 14, Egan Center  
\$14 General Admission  
Tables Available

### Grand Finale Concert ~ Blackhawk ~

The hottest new country group come to Anchorage for the first

## Bond sale to benefit school improvements

three bids received.



## Council to buy land along Kenai River

By STEVE RINEHART  
Daily News reporter

The state would obtain about 600 feet of Kenai River frontage in Soldotna, to protect as habitat and a place to fish, under a deal endorsed by the Exxon Valdez Oil Spill Trustee Council on Friday.

The council voted to buy the 3.3 acres, on the downstream side of the Sterling Highway bridge, from private owners for \$698,000. The land is next to the Kenai Peninsula Visitor's Center, on the south bank.

Purchasing the parcel will be good for fish and fishermen, according to Ben Ellis of the Kenai River Sportfishing

Association. The organization has already built a platform-style walkway along about 200 feet of the shoreline there to provide angler access and bank protection, he said, and hopes to extend it further down the river.

The purchase will help protect more remote areas of the river from angler traffic by providing easier access close in, according to the council.

In private hands, the council said, the parcel could be developed as a recreational vehicle park or some other commercial enterprise that could diminish its value to the Kenai River ecosystem.

# Council offers \$15.2 million for Kenai land

By STEVE RINEHART  
Daily News reporter

The Exxon Valdez Oil Spill Trustee Council on Friday offered to pay English Bay Corp. about \$15.2 million for land and access rights on the outer Kenai Peninsula coast. An English Bay representative said the village corporation will probably accept the deal.

The purchase would add about 30,200 acres to Kenai Fjords National Park and 2,270 acres to the Alaska Maritime National Wildlife Refuge.

"This is fair to the government and fair to English Bay," Interior Department negotiator Buff Bohlin told the council, just before it voted unanimously to support the offer.

The points, beaches and forested mountainsides comprise about a quarter of the outer peninsula coast. The land has been managed as if it were part of the national park, and has been used as a park by tourists. But it is owned, or has been selected for ownership, by the English Bay village Native corporation.

The corporation has been negotiating with the trustees council for about four years to sell the property. English Bay rejected an earlier government appraisal that valued the land at about \$4.1 million.

Its attorney, William Timme of Anchorage, said after the vote that the new offer closely reflects the most recent round of bargaining. "This is basically the offer that English Bay made to

Buff Bohlin," he said.

The corporation's board of directors will need to officially approve the deal, he said. That could happen within about two weeks, he said.

If several hundred cards and letters, e-mail messages and phone calls are any measure, the Kenai Fjords buyout is immensely popular with the public, council director Molly McCammon said.

It was certainly popular among the trustees and interested parties at Friday's meeting.

After the vote the room erupted in smiles; hands were shaken; roses and engraved wooden plaques were handed out. Copies were quickly made of a resolution honoring one participant who was absent: English Bay village leader Bobby Kvasnikoff, who died a month before the deal was done.

Kvasnikoff, the well-known leader of the English Bay Band, pushed tirelessly for the land deal to create a village endowment, provide for job training and preservation of Native heritage in English Bay, now known as Nanwalek.

The council offered \$14.1 million for the land itself, plus about \$1.1 million for English Bay's hunting and gathering rights in much of the area.

It would retain those rights on about 9,000 acres near Beauty Bay and North Arm. As part of the deal, English Bay pledged to use \$500,000 from the proceeds to protect archaeological sites and cultural artifacts in the area.

Thursday, February 13, 1997

# Baycrest dirt still heading toward Bay

A group representing Homer-area landowners and land users has urged state transportation officials to halt any further dumping of dirt over the bluff on Baycrest Hill, saying fill already dumped is eroding onto private property.

Shirley Schollenberg, chairwoman of the Homer Soil and Water Conservation District, warned in a letter to John Horn of the Alaska Department of Transportation that even in winter chill, the earth pushed over the bluff by the Sterling Highway project contractor, Quality Asphalt Paving, is in danger of migrating downslope beyond Quality's property.

"The material dumped there is entirely unstable and will erode quickly this coming spring down the steep embankment to spill over onto the private property of one of the landowner cooperators we represent," Schollenberg said.

She said nothing has been done to hold the dirt in place.

Quality began pushing dirt over the bluff last fall as it widened the right-of-way for a four-lane highway expansion. That move brought protest from individuals and organizations who were concerned over damage to private property, including land some local residents hope to turn into a park with the help of funding from the Exxon Valdez Oil Spill Trustee Council.

Schollenberg said on-scene observers have noted grass seed tossed in handfuls across the unstable dirt slope, but she said that won't be enough to prevent erosion when the spring thaw comes.

She said it was the transportation department's responsibility to enforce erosion and sedimentation requirements.

"It appears the state is allowing the contractor to move ahead without serious consideration of the soil- and water-related problems being created as a result of its reckless earthmoving and dumping activities," she told Horn.

She charged that the state is failing to meet its oversight duties and that that is creating serious and long-term conservation problems that will prove expensive and difficult for adjacent landowners to correct.

The highway project is on hold for the winter and little work will be done until spring, Quality officials have said.

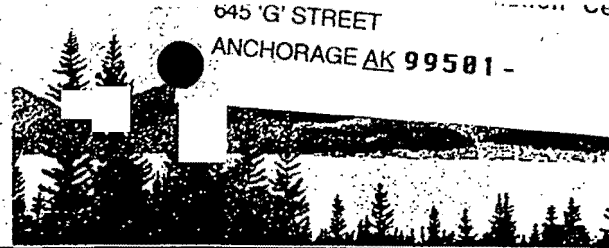
State road officials at first halted Quality's dumping operations, but later gave the go-ahead, allowing more fill to be pushed over the bluff.

# THE SEWARD PHOENIX LOG

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## Trustees may buy Native land for park

By Eric Fry

LOG Staff

Trustees of the Exxon oil-spill settlement are expected to vote Friday on whether to buy a large Native allotment in Kenai Fjords National Park and restore it to the park.

The Exxon Valdez Oil Spill Trustee Council is scheduled to meet Friday to vote on the proposed buyback from English Bay Corp. of 30,200 acres, most of which were conveyed last year as part of the Alaska Native Claims Settlement Act. The purchase also would include 2,270 acres in the nearby Alaska Maritime National Wildlife Refuge.

Federal officials wouldn't disclose the negotiated price before the Trustee Council meeting. But Kenai Fjords Superintendent Anne Castellina said agreement has been reached with English Bay Corp., the Native corporation for Nanwalek, a village of about 164 people near the southwestern tip of the Kenai Peninsula.

Kenai Fjords was the first park to be affected by the 1989 oil spill, Castellina said, yet the Trustee Council hasn't bought large parcels of habitat in the area before this.

"So we're feeling very good," she said. "We're feeling this is bringing some closure to the oil spill for us — in a big way, really."

The proposed agreement includes allowing Nanwalek residents to hunt and fish on 9,000 acres near Beauty Bay and North Arm of Nuka Bay.

"We don't have a real problem

with that," Castellina said. "We don't think that's going to be an issue that causes problems."

There aren't many Nanwalek residents, and they don't live close to the park, she said. No one else would be allowed to hunt or fish in the park.

Federal law prohibits subsistence in Kenai Fjords National Park. But when land is held privately, people can do subsistence under state regulations, said Charles Gilbert of the Park Service. "That's the situation now. When they do a sale, they can reserve those rights to do hunting and fishing under state regulations."

Funds from the federal government's criminal settlement with Exxon would pay for the subsis-

tence rights, Castellina said.

Under the agreement, English Bay Corp. also will place \$500,000 from its sale proceeds in a cultural and archeological fund.

The Park Service would work with the Native corporation to protect and study cultural artifacts, and to train Nanwalek youth in such activities.

"We have to work out all the details on that," Castellina said. Two people from Nanwalek and one from the Park Service would be on the foundation's board.

The cultural fund would be an opportunity to spread knowledge about Native culture to a wider world, Castellina said.

If the Park Service builds a new visitor center with the city and Forest Service, it could hold

demonstrations of cultural activities like kayak building with people from Nanwalek, she said.

The buyback would add 30,000 acres to the current 580,000-acre park. The federal government also has conveyed about 42,000 acres from the park to Port Graham Corp., which does not intend to sell it, park officials have said.

The proposed buyback includes a parcel near Bear Glacier Harbor, Granite, Natao and the Chiswell islands; a chunk of the Harris Peninsula; land at the heads of Sandy Bay, Paguna Arm and Taroka Arm; the area south of Black Bay including Ragged Island; and land around James Lagoon, North Arm and Beauty Bay.

The Trustee Council oversees

spending of a \$900 million civil settlement that the state and federal governments made with Exxon over the 1989 oil spill in Prince William Sound.

The Trustee Council has reserved 386.3 million to buy habitat and turn it over to state or federal agencies. The idea is that pristine habitat is essential to restoring species damaged in the oil spill.

The trustees have spent \$196 million so far on land, or timber rights, or limited easements, including in Kachemak Bay and on Kodiak Island. It has two \$34 million offers pending for Chenega and Tatitlek in Prince William Sound.

English Bay Corp. officials didn't return telephone calls asking for comment.

# Planners want public help marking areas to protect

By SUE JEFFREY  
Mirror Writer

Nearly eight years after the Exxon Valdez dumped 11 million gallons of Alaskan crude in Prince William Sound, plans are under way to identify and document Kodiak Island's sensitive areas in the event of another oil spill.

"The Borough, together with contractors Dames & Moore, will hold a series of meetings Feb. 17-20 in Kodiak so the public can point out areas they think need extra protection," says Linda Freed, director of the Kodiak Island Borough planning department.

"Local knowledge is often gained from years of living and working in the natural environment," Freed says. "Accurately identifying these locations will give spill prevention and clean up priority to these areas in the Kodiak region Subarea Contingency Plan,

a document which contains information on oil spill prevention and emergency response procedures for oil spills."

At a general community meeting Monday, Feb. 17, at 7 p.m. at the Fish Tech Center, individuals will get an opportunity to document places they consider especially sensitive to oil contamination. Throughout the week the borough will also hold separate focus group meetings—sessions for people with mutual concerns, such as lodge owners, charter boat operators, recreational users, environmental groups, oil industry watchers, local agencies, Native corporations and fishing groups.

"The focus group meetings are closed to the general public so people who belong to each group can speak freely among themselves," Freed says.

"We do not want to exclude

anyone, however. If anyone wants to have a meeting held to address his or her particular group's concerns, we have time to schedule additional meetings. We want people to speak out, be involved."

At the meetings, people will answer questionnaires and use maps to indicate locations around Kodiak Island which have natural resources, recreational value or other conditions—tides, prevailing currents and wind patterns—they believe make the areas especially vulnerable to another oil spill.

"Although the borough will refer to resource maps created by state and federal agencies, the borough recognizes that residents of the Kodiak region best know tidal currents, distribution of wildlife and marine resources, historical significance and uses of coastal and lands and waters," Freed says.

The Sensitive Areas Project will attempt to identify the locations most susceptible to injury on Kodiak Island by integrating "local knowledge" with current scientific data. The Sensitive Areas Work Group, which consists of 20 agency representatives from the U.S. Dept. of Interior and the Alaska Dept. of Fish and Game, will then rank areas in the Kodiak region based on biological values, human use and geomorphology, or types of land formations, a method similar to the process the Exxon Valdez Trustee Council used to assess land parcels for acquisition.

Duncan Fields, acting as borough representative for the Sensitive Areas Project, will hold meetings in each village this week and will coordinate the general community meeting and additional focus group sessions in town next week.

"If you have any questions

about this project or wish for your group to participate in one of the focus group sessions, call Duncan at 486-8835 or Alison Smith of Dames & Moore, 1-800-909-6787," Freed says.

## Chenega Lands Now In Public Hands

WASHINGTON (AP)--Nearly 60,000 acres of land claimed to be damaged by the Exxon Valdez oil spill was turned over to the U.S. and Alaska Wednesday to ensure its recovery and future protection.

The land was purchased for \$34 million from the Chenega Corp., an Alaska Native village corporation.

The funds came from the \$1 billion settlement paid by Exxon for the 1989 accident that fouled 1,500 miles of shoreline in Prince William Sound.

Most of the land will be incorporated into the Chugach National Forest. The rest will be managed as an Alaska state park.

"We can't take back this man-made tragedy," Agriculture Secretary Dan Glickman said before signing the agreement. "But we will do all we can to restore the land's pristine character."

"It's a good deal all around, for the environment, the economy, Alaska and the country as a whole," he added.

The acquisition opens the land to recreational uses, tourism, sport fishing and hunting.

"These uses are not only consistent

with habitat protection, but limited development opportunities also will result in economic benefits for the state of Alaska, the Native Alaskans who live on the land and the nation," Glickman said.

Chenega Corp. President Chuck Totemoff, who signed the agreement, said it would provide economic stimulus and stability to the region. "It will help preserve our culture and way of life."

If the agreement had not been reached, the region's timber likely would have been harvested, Totemoff said.

"It may be another generation before these resources come back," he said of the damage.

Officials said 12 species were affected by the spill, of which five--harbor seals, harlequin ducks, marbled murrelets, pigeon guillemots and sea otters--have not yet recovered.

Also signing the agreement was Gov. Tony Knowles, who said the acquisition was one more step toward recovery from the spill.

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**Signing On The Dotted Line: Chenega Lands Purchased**

Dan Glickman, Secretary of the U.S. Department of Agriculture, signed documents in Washington Wednesday that transfers 60,000 acres of Chenega Corporation land to the federal and state governments. Gov. Tony Knowles, left, signed for Alaska and Chuck Totemoff, President of the Chenega Corporation, signed for Chenega. (See story page 19)

## Shuyak in spotlight

This last week seems to have been Shuyak Island week. Representative Austerman and I both have introduced legislation that would complete the transfer of all borough lands and state lands on the island into Shuyak Island State Park. The two identical bills are SB 64 and HB 89. First, there was a hearing of SB 64 in the Senate Community and Regional Affairs Committee last Wednesday. Then the House Community and Regional Affairs committee heard HB 89 on Monday.

The Shuyak Island land proposal is a result of the Valdez oil spill and subsequent efforts by state and federal authorities to recover or replace lost fish and wildlife habitat. Last year the Oil Spill Trustee Council selected and purchased the borough's Shuyak Island lands for the purpose of protecting their habitat values. The consolidation of these lands under a single management with all other state lands on the island was a desired feature of the

## Senate report

By Sen.  
Jerry Mackie



transaction. The state park is especially suited for this purpose. The legislation expands the park boundaries to include the additional lands. There are no new restrictions or changes to the park's original purposes in the bills.

Both bills passed out of their respective committees on to the resource committees. The one change adopted was to further identify and strengthen the protection of commercial fishing activities in the park. Mayor Selby gave a good presentation of the Kodiak community's strong support for the park expansion. The only negative concern on the Senate side was the prohibited use of ATVs. I expect this concern to be further discussed in the Resources Committee.

The fishery business tax incentive bill has moved on to the Resources Committee also. I am currently surveying all Alaska

processors for information on how they used the incentive program in the past and an indication of what benefits may be expected for the future. I believe this information will be important to the success of the bill.

Representative Austerman and I continue to meet with the Science and Technology Institute, AIDEA, and the legislative leadership to move the Aerospace Center forward. I am also happy to report that the Ouzinkie harbor project is back on schedule for an early Spring construction start.

The Senate finance subcommittees have been selected. I look forward to serving on the Department of Fish and Game budget subcommittee and on the Department of Community and Regional Affairs budget subcommittee. The subcommittees will begin their work next week.

By SUE JEFFREY

Mirror Writer

Only a few more bridges need to be crossed before the majority of Shuyak Island becomes a state park.

Shuyak Island State Park currently encompasses 11,000 acres along the northwestern side of the island. Sen. Jerry Mackie and Rep. Alan Austerman introduced companion bills last month which would add approximately 37,000 acres of state land to the state park.

SB 64 is now in the Senate Resource Committee and, in the House, HB 89 is up before the Community and Regional Affairs Committee this morning. The two bills

will move through their respective finance committees and then to the rules committees before they are put on the calendar, said Cliff Stone, Austerman's aide in Juneau.

"The Senate and the House will then look at each other's bill and decide which version to use before it moves to a public hearing, a full vote and to the governor for his signature," Stone said.

The state obtained title to approximately 26,900 acres of land on Shuyak Island in 1995 when the Exxon Valdez Oil Spill Trustee Council purchased the parcel from the borough for \$42 million as part of its habitat protection efforts. The legislation also would add to the existing park an

other 10,000-acre parcel of state land along the eastern side of the island.

"Nothing will change if the 37,000 acres become part of Shuyak Island Park," Claire Holland, Kodiak District State Park Ranger. "It will still be open to hunting, fishing and trapping the way it was when it was borough land."

In fact, the new park designation will make visiting Shuyak Island easier, Holland says.

"Alaska State Parks will be the only agency for citizens to contact when inquiring about visiting and/or doing business on the island."

Holland says a simplified permitting

process will become increasingly important as Shuyak Island grows in popularity.

"Given the island's great fishing, hunting, recreational boating, hiking and wildlife viewing opportunities, park designation will provide the Kodiak and Homer adventure travel businesses with a new world-class park destination...one of the gems of the Alaska State Park System," she says.

Only about 200 hundred acres of private land along Shuyak Straits, and 300 acres of federal land, a former FAA site in the northeast corner, will not be included in the state park.

Kodiak  
Daily  
Mirror

2-10-97

Bills would more than triple size of Shuyak state park



# Deal could make Kachemak park accessible by road

By TOM KIZZIA

Daily News Peninsula Bureau

**HOMER** — The state Division of Parks announced a land deal Thursday that could clear the way for construction of road-accessible hiking trails through park lands on the Homer side of Kachemak Bay.

The agreement to buy 155 acres of private land will link two small units of Kachemak Bay State Park east of

Homer. The deal, which is scheduled to close in March, calls for the state to pay the appraised value of \$235,000, negotiators said.

Most of 171,000-acre Kachemak Bay State Park is accessible only by boat.

With a contiguous 2,300-acre piece on the Homer side, the state will be able to open up hiking opportunities that can be reached by road, said state parks director Jim Stratton.

"We always hoped to do something on the Homer side of the bay for people who said they didn't have a boat," Stratton said. "This was the missing piece of the puzzle."

The Cottonwood and Eastland Creek units of the park, about 15 miles out East Road from Homer, were added in 1989.

Much of the land is steep and forested, perched above the bay on a 500-foot bluff, but canyons make it possible

to develop trails to the beach.

The state didn't want to develop trails until the two pieces were linked, Stratton said. Only the 1,310-acre Eastland Creek portion was accessible from East Road.

Money for the purchase will come from marine recreation money set aside by the state Legislature as part of the Exxon Valdez oil spill criminal settlement, Stratton said. The Conservation Fund, a national nonprofit land

trust active in Alaska, served as intermediary in the deal.

The land is being sold by Washington state resident Don Waddell, said Brad Meiklejohn, Alaska representative for The Conservation Fund. A small part of the 155 acres has been logged, he said.

Stratton said a trails plan will be developed through a community planning process. Construction should take

place in 1998, he said. Park plans call for day-use parking but no overnight camping, he said.

The agreement calls for the state to grant a 30-foot-wide public easement along one edge of the park to allow Waddell access to 40 acres he is retaining.

That parcel would otherwise be surrounded by private land and the park, said Meiklejohn.

# Spill area gains protected forest

By DAVID WHITNEY

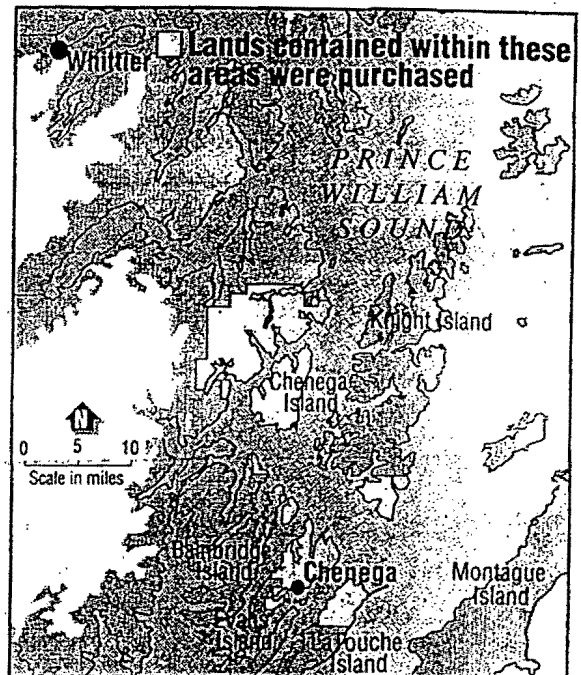
Daily News Washington Bureau

WASHINGTON — Nearly 60,000 acres of prime wildlife habitat on Alaska's Prince William Sound won permanent protection Wednesday in a deal giving Native-owned Chenega Corp. \$34 million for investment and tourism development.

The purchase, using money from the Exxon Valdez oil-spill settlement fund, is the largest chunk of land to be acquired so far from the area hardest hit by the 1989 spill. It includes nearly two dozen streams that are important for salmon spawning.

The deal boosts to more than 500,000 acres the amount of property that has been protected in the spill zone either through outright purchase or by development-restricting easements financed out of the \$1 billion settlement fund.

Please see Back Page, CHENEGA



## CHENEGA: Wildlife habitat set aside

Continued from Page A-1

The agreement was signed during an Agriculture Department ceremony by Alaska Gov. Tony Knowles, Chenega Corp. president Chuck Totemoff and Agriculture Secretary Dan Glickman.

Most of the property will go to the U.S. Forest Service for addition to the Chugach National Forest and to Alaska for management as state park lands. Glickman said the deal will open the lands to legal public access for the first time.

Knowles said the Chenega area was "the site of some of the saddest memories from the spill." Some coastal areas were covered with a foot-thick layer of crude oil from the grounded Exxon Valdez tanker, he said.

"Chenega became known

as ground zero of the spill," Knowles said.

Totemoff said the village corporation's decision to sell the property, obtained under the 1971 Alaska Native Claims Settlement Act, was difficult.

But he said shareholders concluded that government ownership would protect habitat for wildlife still struggling from the 11 million-gallon disaster.

Totemoff said that if the property remained in Native hands, the corporation may have been forced to log the areas to raise money.

"I've been to timber harvest areas before," he said. "I just couldn't see doing that to our lands."

Under the deal, the village corporation retains its traditional hunting and fishing rights. Property on Chenega Island remains in the corpo-

ration's hands but with conservation easements protecting it from development.

The largest chunk of land abuts Dangerous Passage on the Kenai Peninsula adjacent to the Chugach National Forest. About 16,000 acres will become state park lands and another 19,000 acres will be added to the national forest. Chenega Corp. retained three sites in those areas for development.

"The agreement holds great promise for our village and shareholders," he said.

A spokesman in Washington said the corporation has 85 shareholders.

Totemoff said proceeds from the sale will be used to build tourist facilities that will earn money for the corporation and to finance historical and archaeological research and preservation projects.

# Eagles are recovered from Exxon spill

■ *It's the only injured species whose numbers returned to normal*

THE ASSOCIATED PRESS

**ANCHORAGE** — Seven years after the Exxon Valdez oil spill, scientists say the bald eagle is the only injured species whose numbers have returned to normal.

Scientists studying birds and marine life harmed by the 1989 spill in Prince William Sound re-

leased their findings at a three-day symposium that wrapped up Saturday in Anchorage.

The 20 types of birds and sea animals hurt by the spill are classified in four categories — recovered, recovering, not recovering and unknown, said Stan Senner, science coordinator for the Exxon Valdez Oil Spill Trustee Council.

The recovering species include pink salmon, mussels and common murre.

The species whose numbers are still declining include harbor

seals, harlequin ducks, sea otters in the western parts of the sound, marbled murrelets and cormorants.

Scientists don't know whether numbers of black oystercatchers, common loons and clams are rebounding or declining, Senner said.

No one knows exactly how many birds and marine mammals were killed when the Exxon Valdez oil tanker went aground, spilling 11 million gallons of oil. Scientists reported finding the

carcasses of 250,000 sea birds, 1,000 sea otters and 300 harbor seals. They estimate the actual deaths may have been two to three times greater.

Time has helped heal much of the damage done to wildlife and habitat, Senner said.

Studies of the injured species are being funded by \$900 million paid by Exxon in an out-of-court settlement to the state and federal governments. The Exxon Valdez Oil Spill Trustee Council was created to oversee the spending.

## Exxon research program topic of lunch meeting

A representative of the Exxon Valdez Trustees Council will be in Kodiak tomorrow at noon to discuss the council's continuing research program.

"Either Stan Senner, our scientific coordinator, or I will be in Kodiak to talk about the research program and its future," said Molly McCammon, the Trustees Council's executive director.

The Exxon Valdez Trustees Council oversees spending of the \$1 billion Exxon fine as a result of the 1989 oil spill.

"The council has set aside \$48 million in the restoration reserve, McCammon said. "The plans are to commit from \$130 to \$140

million as a long term reserve.

"We're now in the planning process of how to administer those funds," she added. "For example, should we keep the funds in perpetuity and spend the earnings, or should we plan to spend down the fund over ten years?"

McCammon said she is coming here at the request of a local fisherman and attorney.

"This is the result of a request from Dan Ogg," McCammon said. "He knew the reserve was being formed and he asked for more information."

The meeting will be held at noon on Wednesday, Jan. 15 at the Second Floor Restaurant.