RESOLUTION 06-16 OF THE EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL REGARDING CORR SMALL PARCEL KEN 3001

We, the undersigned, duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council ("Council") do hereby certify that, in accordance with the Memorandum of Agreement and Consent Decree entered as settlement of <u>United States of America v. State of Alaska</u>, No. A91-081 Civil, U.S. District Court for the District of Alaska, and after public meetings, unanimous agreement has been reached to expend funds received in settlement of <u>State of Alaska v. Exxon Corporation, et al.</u>, No. A91-083 CIV, and <u>United States of America v. Exxon Corporation, et al.</u>, No. A91-082 CIV, U.S. District Court for the District of Alaska, for necessary natural resource damage assessment and restoration activities for fiscal year 2007, as described in Attachment A.

The Council further finds as follows:

- 1. At the May 23, 2006 Council meeting the Council authorized the State to proceed with due diligence requirements on several small parcels including property belonging to Ms. Tommye Jo Carr ("Seller") hereinafter referred to as KEN 3001. KEN 3001 presents an opportunity to leverage Council funds by combining such funds (\$1,000,000) with private donations and North American Wetlands Conservation Act funds (\$1,100,000) to protect a large contiguous block of Kenai River riparian habitat.
- 2. The Council resolves to provide \$1,000,000 to the State of Alaska ("State") toward the purchase price of fee simple title to all of Seller's rights and interests in the small parcel KEN 3001, consisting of 138 acres, subject to certain conditions set forth below.
- 3. The State owns the mineral estate in KEN 3001, which estate is currently subject to lease.
- 4. An appraisal approved by the State and federal review appraisers estimated the fee simple fair market value of KEN 3001 is \$2,200,000. The appraisal must be

updated to reflect the current fair market value of the property prior to closing. The updated market value, however, is not expected to exceed \$2,200,000.

- 5. The Council finds that the purchase of KEN 3001 is an appropriate means to restore a portion of the injured resources and services in the spill area.

 THEREFORE, we resolve to provide \$1,000,000 to the State toward the purchase price of fee simple title to all of Seller's rights and interests in the small parcel KEN 3001, pursuant to the following conditions:
- (A) the amount of funds to be provided by the Trustee Council to the State shall not exceed \$1,000,000 for small parcel KEN 3001;
- (B) authorization for funding for any acquisition described in the foregoing paragraph shall terminate if a purchase agreement is not executed by December 31, 2006;
- (C) completion of a title search satisfactory to the State of Alaska and the United States, and Seller is willing and able to convey fee simple title to its estate by general warranty deed acceptable to the State;
- (D) no development or alteration of the land will be initiated by Seller prior to the purchase without the express agreement of the State and the United States;
- (E) completion of a hazardous materials survey satisfactory to the State and the United States;
 - (F) compliance with the National Environmental Policy Act;
 - (G) the State shall manage the parcel as open to public access;
- (H) a conservation easement on parcel KEN 3001, satisfactory in form and substance to the United States and the State of Alaska Department of Law, shall be conveyed by Seller to the United States, through the Bureau of Land Management, Alaska State Office. It is the intent of the Council that any facilities or other development on the foregoing small parcel shall be of limited impact and in keeping with the goals of restoration. Subject to valid existing rights, including ADL#390544, there

shall be no commercial use of the small parcel except such limited commercial use as may be consistent with applicable state or federal law and the goals of restoration to pre-spill 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 resources 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 approved by the Council.

By unanimous consent, following execution of the purchase agreement between Seller and the State and written notice from the Executive Director that the terms and conditions set forth herein and in the purchase agreement have been satisfied, we request the Alaska Department of Law and the Assistant Attorney General of the Environment and Natural Resources Division of the United State Department of Justice to take such steps as may be necessary for withdrawal of \$1,000,000 toward the purchase of KEN 3001 from the appropriate account designated by the Executive Director. The full amount withdrawn shall be distributed to the Alaska Department of Natural Resources.

Such amount represents the only amount due under this resolution to Seller by the State to be funded from the joint trust funds, and no additional amounts or interest are herein authorized to be paid to Seller from such joint funds.

Approved by the Council at its meeting of September 7, 2006, held in Anchorage, Alaska, as affirmed by our signatures affixed below:

JOE L. MEADE Forest Supervisor

Forest Service Alaska Region

U.S. Department of Agriculture

DAVID W. MÁRQUEZ Attorney General State of Alaska shall be no commercial use of the small parcel except such limited commercial use as may be consistent with applicable state or federal law and the goals of restoration to pre-spill 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 resources 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 approved by the Council.

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Approved by the Council at its meeting of September 7, 2006, held in Anchorage, Alaska, as affirmed by our signatures affixed below:

JOE L. MEADE Forest Supervisor Forest Service Alaska Region U.S. Department of Agriculture

Attorney General
State of Alaska

DRUE PEARCE
Senior Advisor to the Secretary
for Alaska Affairs
U.S. Department of the Interior

CRAIG R. O'CONNOR
Special Counsel
National Oceanic & Atmospheric
Administration
U.S. Department of Commerce

McKIE CAMPBELL
Commissioner
Alaska Department of Fish and Game

KURT FREDRIKSSON
Commissioner
Alaska Department of
Environmental Conservation

Attachment A: Corr Parcel Status Update August 18, 2006.

DRUE PEARCE
Senior Advisor to the Secretary
for Alaska Affairs
U.S. Department of the Interior

CRAIG R. O'CONNOR
Special Counsel
National Oceanic & Atmospheric
Administration
U.S. Department of Commerce

McKIE CAMPBELL
Commissioner
Alaska Department of Fish and Game

KURT FREDRIKSSON Commissioner Alaska Department of Environmental Conservation

Attachment A: Corr Parcel Status Update August 18, 2006.

KEN 3001, Corr Parcel

Owner: Ms. Tommye Jo Corr

Location: Kenai River, Left Bank River Mile 18

Legal Description: Government Lots 1, 2, & N ½ SE ¼ of Section 25

Township 5 North Range 11 West & Government Lot

9, Section 30, Township 5 North Range 10 West

Acreage: 138 acres

Agency Sponsor: ADF&G and ADNR

Appraised Value:\$2,200,000Negotiated Purchase Price:\$2,100,000Matching Funds:\$1,100,000Requested EVOS Funds:\$1,000,000

Parcel Description. The Corr Homestead, located on the west bank of the Kenai River at River Mile 18, fronts on some of the finest and most popular fishing holes on the Kenai. This 138 acre parcel is one of the largest remaining private riverfront tracts on the lower Kenai River, representing approximately 1 mile of river frontage.

The property is located on the west bank of the river three miles downstream from the Soldotna Bridge, adjacent to the Grubba property acquired by the Alaska Department of Fish and Game in 1998 for habitat protection. The property is just downstream from the Slikok Creek State Recreation Area and across the river from the Girves property acquired by the EVOS Trustee Council. The riverfront includes sections of high bank and low bank, the latter used by sportfishermen with permission from the landowner.

The property is a mix of riparian wetlands and well-drained uplands. A slough that begins on the Grubba property extends upstream onto the Corr property, and provides excellent rearing and overwintering habitat for Dolly Varden, chinook and coho salmon. The uplands are forested in a mix of birch, aspen and white spruce. In summary, the property provides riparian habitats such as low, overhanging grassy banks for fish rearing; extensive wetlands for maintaining water quality, flood control and recharge; and forested uplands for large and small terrestrial mammals.

Approximately half of the riverbank is low and readily accessible by bank fishermen. The remainder of the riverbank is high bluff that exhibits some erosion. A dirt road provides access across the Corr property to an unimproved boat-launch site.

Linkage to Restoration:

Restoration Benefits. Public ownership of this parcel will allow for conservation and managed access to the Kenai River and thereby protect habitat for pink salmon and Dolly Varden and enhance the recovery of services such as sport fishing, commercial fishing, and tourism.

Key habitat and other attributes of the parcel include the following:

- Pink salmon, sockeye salmon, and Dolly Varden. Pink salmon and Dolly Varden spawn and rear in this stretch of the Kenai River. Sockeye salmon and chinook salmon rear here also. The streamside vegetation afforded by this and other parcels along the Kenai River stabilize riverbanks, protect water quality, moderate temperatures and provide cover for fish.
- Recreation/tourism. This parcel already supports some recreational fishing and has the potential to promote additional use if access ammenities such as protective boardwalks can be provided.

Commercial fishing. Protecting rearing habitat for sockeye and coho salmon will promote sustained quantities of these harvested fish populations.

This parcel connects to the larger Kenai River ecosystem and contributes to previous Council and State efforts focused on the health of the Kenai River, its riparian habitat and the various species of fish, such as pink, sockeye, coho and king salmon and Dolly Varden, which form the basis for commercial and sport fishing activities. Acquisition of this parcel will provide restoration benefits to Dolly Varden, pink salmon, commercial fishing, passive use, recreation and tourism.

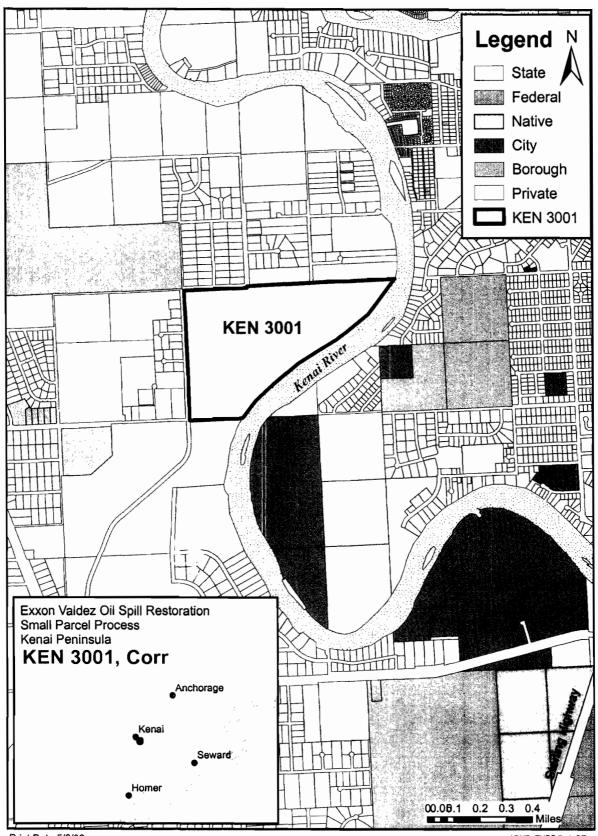
Potential Threats. Because it is prime real estate the Corr property is extremely valuable. Riverfront lots on the Kenai commonly sell in excess of \$100,000/acre. Possible developments include clearing for homesites and/or recreational vehicle/campground ammenities. Despite strong pressure from real estate developers and speculators, the Corrs have worked quietly with The Conservation Fund for the past two years to explore conservation alternatives for their property.

Proposed Management. Acquisition of this parcel would protect 4,300 linear feet of river bank and provide an urban development buffer that will increase in restoration value as more wild lands are subdivided or otherwise cleared. 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. If this parcel is acquired, ADNR in cooperation with ADF&G will manage it to protect environmentally sensitive river frontage and provide recreational opportunities for the public as appropriate on the remainder of the parcel. If purchased, it is likely this parcel will be added to the Kenai River Special Management Area, providing additional focused management.

Attachments:

Parcel Map, KEN 3001, Corr Corr Plat Map Letters of Support:

> Jack Williams, Mayor, Kenai Peninsula Borough Kenai River Sportfishing Association Kenai River Special Management Area Adivsory Board Resolution of the Kenai Peninsula Borough





KENAI PENINSULA BOROUGH

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> ROHN I WILLIAMS MOYAM

April 11 June

Brad Meiklejohn Maska Representativi 19. Conservation Lind 2727 Hiland Road Fagte River, Ak 99577

REC Acquismoned the Car Property

Dear Mr. Meikleichin

Economical voir efforts to purchase property owned by the Corr family, along the Kenni River, for habitat protection and potential public access. The Corr property encompasses over eightenths of a mile of frontage on the Kenai River and is one of the largest undeveloped tracts on the lower river.

Lappreciate your efforts to secure the tunds for this important project, and by this letter lend my support and encountgement. I understand that, once acquired, the Corr property will be conveyed to the State of Alaska for addition to the Kenai River Special Management Area Protection or habitat along the Kenai River will benefit residents, the fishing and tourism industries, and our Alaska way of life.

Smerch.

John Williams

Aceran Peninsula Berough Mayer



KENAI RIVER SPORTFISHING - ASSOCIATION —

2006 Board Members

May 5, 2006

Ron Rainev Board Chairman

Brad Meiklejohn Alaska Representative The Conservation Fund 2727 Hiland Road

Mark Hamilton 1st Vice Chair University of Alaska President

Eagle River, Alaska 99577

Rik Bucy 2nd Vice Chair

RE: Acquisition of the Corr Property

Tesoro Alaska - Retired

Dear Mr. Meiklejohn:

Kevin Branson Secretary/Treasurer Thomas, Head & Greisen **CPA**

Kenai River Sportfishing Association (KRSA) supports your efforts to purchase property owned by the Corr family along the Kenai River for habitat protection and potential public access. The Corr property encompasses over eight-tenths of a mile of frontage on the Kenai River and is one of the largest undeveloped tracts on the lower Kenai River.

Ben Ellis Institute of the North Managing Director

We appreciate your efforts to secure the funds for this important project and understand that, once acquired, the Corr property will be conveyed to the State of Alaska for addition to the Kenai River Special Management Area.

Dick Erkeneff Kenai River Raven Owner

> By this letter we lend our support and encouragement to the acquisition of the Corr property, with the following understanding and conditions of such support:

Shirley Gifford Soldotna Police Chief Retired

1. provisions are made for public sportfishing access; and

Jim Golden The Sports Den Owner

2. adequate infrastructure for such access is provided and maintained to ensure responsible stewardship.

Reuben Hanke Harry Gaines Fish Camp Owner

Thus, in the event of purchase and conveyance to the State of Alaska, KRSA would expect that provisions for public sportfishing access are made. Future trends indicate continued growth and demand for public sportfishing access on the Kenai River, and we feel it is vital that traditional areas of use by anglers are maintained and not closed.

Bill MacKay Alaska Airlines Senior Vice President

KRSA would have a specific interest in assisting future projects that enhance responsible public access on the Corr property.

Eldon Mulder The Mulder Company President

Sincerely.

Robert Penney **PENCO Properties**

Ricky Gease

Owner

Gary Turner

Executive Director

Kenai Peninsula College Director

Dedicated to preserving the greatest sportfishing river in the world, the Kenai.



ADVISORY BOARD

September 28, 2004

Brad Meiklejohn The Conservation Fund 2727 Hiland Road Eagle River, AK 99577 DEPARTMENT OF NATURAL RESOURCES

APR 0.3 2008

COMMISSIONER'S OFFICE ANCHORAGE

Dear Brad:

During the September 23rd meeting of the KRSMA Advisory Board, we discussed your efforts to explore purchase possibilities for a Kenai River parcel owned by the Corr family. The Board fully supports these efforts as this parcel would provide habitat protection and potential public access for a critical piece of property. Based upon recommendations within the *Kenai River Comprehensive Management Plan*, revised in 1997, the Corr property meets almost all of the criteria for prioritized acquisitions, including the following attributes:

- Possesses significant habitat or recreation values
- Encompasses large, vacant tracts
- Includes at least 600 feet of continuous river frontage
- Retains significant habitat and recreational values (i.e., not be significantly degraded)
- Complements land management of state owned tracts (particularly parcels adjacent to existing state properties)
- Acquisition values should be established by appraisal which establishes fair market value using standard appraisal
- Be in the overall State's best interest (Recommendation 4.5.4.3 Government Land Acquisition)

We understand that funding sources from the EVOS small parcel program or state funding are off the table, so we know that securing funding for this acquisition may be a challenge. We were impressed that you have already been able to secure half of the \$2,000,000 purchase price so far, however! What other possible funding sources might there be, and are there options for which our Board can provide support?

Various Board members spoke of the possibility to secure additional letters of support from the Borough Assembly and local city councils, as well as other groups interested in the Kenai River watershed. We are interested in learning more about how we can help you in your process.





Brad Meiklejohn September 28, 2004 Page 2 of 2

Thank you very much for all of your efforts on behalf of the Kenai River's habitat and recreation resources. We look forward to the day when the Corr property is successfully added to the Kenai River Special Management Area!

Sincerely,

Ken Lancaster

President, KRSMA Advisory Board

Introduced by: Sprague
Date: 04/19/05
Action: Adopted
Vote: 7 Yes, 2 No

KENAI PENINSULA BOROUGH

RESOLUTION 2005-033

A RESOLUTION SUPPORTING EFFORTS TO PURCHASE THE CORR PROPERTY NEAR SOLDOTNA, ALASKA, LOCATED ALONG THE KENAI RIVER, FOR INCLUSION INTO THE KENAI RIVER SPECIAL MANAGEMENT AREA

WHEREAS, the 170-acre Corr Homestead is the largest intact block of mostly undeveloped land remaining along the lower Kenai River; and

WHEREAS, the Corrs have worked for the past two years to explore conservation alternatives for their property; and

WHEREAS, the principal benefits in the acquisition of this property would be to safeguard public recreation and tourism, protect archaeological resources on the property, and to protect habitat; and

WHEREAS, the Kenai River Special Management Area (KRSMA) Advisory Board supports the inclusion of the Corr property in the KRSMA in part because it possesses significant habitat and recreation values, encompasses large, vacant tracts, and includes sizeable river frontage; and

WHEREAS, the Kenai Peninsula Borough believes that protection of habitat along the Kenai River will benefit residents, the fishing and tourism industries, and our Alaskan way of life; and

WHEREAS, no state funding is requested to purchase this property:

NOW. THEREFORE. BE IT RESOLVED BY THE ASSEMBLY OF THE KENA! PENINSULA BOROUGH:

SECTION 1. The Kenai Peninsula Borough Assembly supports efforts to purchase the Corr property for inclusion into the Kenai River Special Management Area.

SECTION 2. That copies of this resolution be sent to Senator Thomas Wagoner, Senator Gary Stevens, Senator Al Kookesh, Representative Kurt Olson, Representative Mike Chenault, Representative Paul Seaton, Representative Woodie Salmon, and Tom Irwin, Commissioner of the State of Alaska Department of Natural Resources

SECTION 3. That this resolution takes effect immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 19TH DAY OF APRIL 2005

Exxon Valdez Oil Spill Restoration Small Parcel Process Corr Parcel Status Update, August 18, 2006

At the May 23, 2006 Trustee Council meeting the Council authorized the State to proceed with due diligence requirements on several small parcels including the Corr parcel.

The Corr parcel presents an opportunity to leverage Trustee Council funds by combining EVOS resources (\$1 million) with private donations and North American Wetlands Conservation Act (NAWCA) funds (\$1.1 million) to protect a large contiguous block of Kenai River riparian habitat. Ms. Corr has agreed to sell the parcel below the previous appraised value at a negotiated price of \$2.0 million. However, Ms. Corr has stipulated that the transaction must close by December 31, 2006.

Due diligence work for this parcel is nearing completion. A HAZMAT survey has been completed, an appraisal was previously completed valuing the parcel at \$2,200,000 and an update to that appraisal is being conducted now in order to ensure that the appraisal is current at time of closing as required by EVOS and the NAWCA grant (a reduction in value is not anticipated), a review appraisal will be conducted to confirm methodology, and NEPA compliance will be confirmed.

In order to meet the December 31, 2006 closing deadline the State and the Conservation Fund request Trustee Council approval for funding of \$1,000,000 for the purchase of the Corr parcel and to proceed to closing. This funding authorization will enable the State to proceed with securing legislative authority to receive and expend EVOS funds. Funds will not be disbursed to the State until the Executive Director certifies that EVOS due diligence requirements have been met. Funds will not be released by the State until closing.

Attachment: Corr parcel package, 5/23/2006