

RESOLUTION 04-04 OF THE  
*EXXON VALDEZ* OIL SPILL TRUSTEE COUNCIL  
 AUTHORIZING THE NATURE CONSERVANCY AND THE CONSERVATION FUND  
 TO PROCEED WITH NEGOTIATIONS FOR THE MCGEE PARCEL

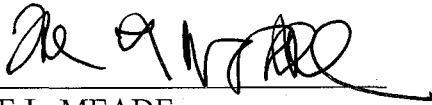
We, the undersigned duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council (Council) authorize The Nature Conservancy and The Conservation Fund to pursue the possible acquisition of the McGee small parcel as listed below and identified in Attachments A and B.

By resolution adopted at its meeting on January 16, 2001 the Council implemented a small parcel acquisition program through identical grants to The Conservation Fund and The Nature Conservancy to be administered by the United States Department of the Interior. At the direction of the Council The Conservation Fund and The Nature Conservancy has identified the McGee small parcel as available for potential acquisition. The estimated parcel costs are listed below:

Estimated Costs to EVOS

	Future Purchase Price	Past Direct	Future Direct	Future Indirect	Future EVOS cost	Total
McGee	\$40,000	\$3,250	\$5,070	\$10,000	\$55,070	\$58,320

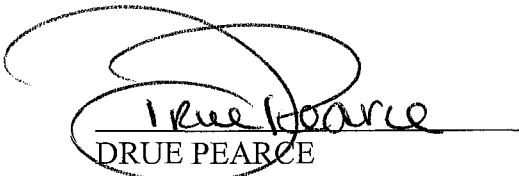
Approved by the Council at its meeting of March 1, 2004 held in Anchorage,  
Alaska, as affirmed by our signatures affixed below.



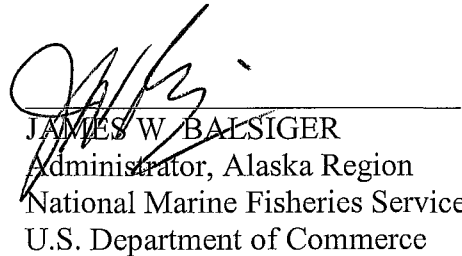
JOE L. MEADE  
Forest Supervisor  
Forest Service Alaska Region  
U.S. Department of Agriculture



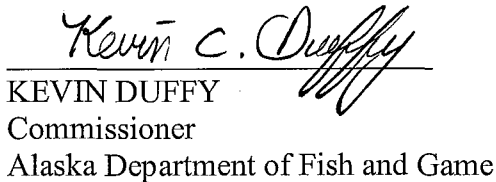
GREGG RENKES  
Attorney General  
State of Alaska



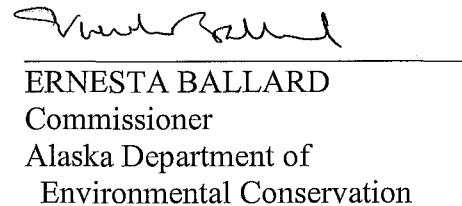
DRUE PEARCE  
Senior Advisor to the  
Secretary for Alaskan Affairs  
U.S. Department of the Interior



JAMES W. BALSIGER  
Administrator, Alaska Region  
National Marine Fisheries Service  
U.S. Department of Commerce



KEVIN DUFFY  
Commissioner  
Alaska Department of Fish and Game



ERNESTA BALLARD  
Commissioner  
Alaska Department of  
Environmental Conservation

Attachments:

- A. The Nature Conservancy and The Conservation Fund spreadsheet outlining completed transactions, parcels waiting funding and parcels awaiting acquisition.
- B. McGee Benefits Report

**Financial Status Report -- EVOS Small Parcel Grant to The Nature Conservancy and The Conservation Fund -- updated 2/25/04**

Location:	Tract:	Acres:	Value \$	Agency:	Lead:	Purchase Price to EVOS	Other Direct Costs to EVOS (1)	Total Incurred Cost to EVOS	Total Paid to Date by EVOS to grantee	Total Incurred Costs Unpaid to Date	Projected Future Costs (not incl. purchase price) to EVOS (2)	Total Projected Cost by Parcel
<b>Completed Transactions</b>												
<i>Kodiak Island</i>	Chokwak	160	160,000	DNR	TCF	160,000	-	160,000	160,000	-	-	160,000
<i>Anchor River</i>	Thorn/Crowther	46	200,000	ADFG	TCF	200,000	7,316	207,316	207,316	-	-	207,316
<i>Ninilchik River</i>	Swartzes Enterprises	0.2	6,000	DNR	TCF	6,000	5,018	11,018	11,018	-	-	11,018
<i>PWS</i>	UA-Jack Bay	942.03	1,130,000	USFS	TNC	(see Note 3)	11,514	11,514	-	11,514	-	11,514
<b>Acquired Parcels Awaiting EVOS Funding</b>												
<i>Anchor River</i>	Nakada	5	27,500	ADFG	TNC	(see Note 4)	462	462	-	462	7,493	7,955
	Knol	37	80,000	ADFG	TNC		1,042	81,042	-	81,042	5,420	86,462
	Thompson	64	90,000	ADFG	TNC		7,794	97,794	-	97,794	5,739	103,533
<b>Parcels for Potential Acquisition (see Notes 5 &amp; 6)</b>												
<i>Anchor River</i>	McGee	8	40,000	DNR	TNC	40,000	3,250	3,250	-	3,250	15,070	8,320
<i>Kasilof River</i>	Mental Health I & II	43.3	293,500	DNR	TCF	293,500	3,000	3,000	3,000	-	33,750	330,250
<i>PWS</i>	Best (see Note 7)	2.05	28,000	DNR	TCF	14,000	2,500	2,500	-	2,500	10,000	26,500
<i>Kenai River</i>	Corr (see Note 8)	170.4	1,000,000	ADFG	TCF	500,000	3,000	3,000	3,000	-	22,000	525,000
<i>Kodiak</i>	Chokwak II	160	160,000	DNR	TCF	160,000	-	-	-	-	25,000	185,000
<b>Parcels No Longer Being Pursued (see Note 9)</b>												
<i>PWS</i>	Duck Flats (see Note 10)	32.66	130,000	USFS	TNC	-	6,194	6,194	-	6,194	-	6,194
<i>Stariski Creek</i>	Moser (See Note 11)	260	90,000	ADFG	TCF	-	2,400	2,400	2,400	-	-	2,400
<b>Total</b>						<b>1,543,500</b>	<b>53,490</b>	<b>589,490</b>	<b>386,733</b>	<b>202,757</b>	<b>124,472</b>	<b>713,962</b>

(2) Projected Future Costs include estimated costs of transferring land to the appropriate agency. These costs include: escrow and closing fees, title reports, title insurance, and updates to appraisals and hazardous materials reports.

(3) UA-Jack Bay land was purchased with other EVOS funds; other direct expenses were charged to this grant.

(4) The Conservancy is not seeking reimbursement for the purchase price for the Nakada tract. The \$15,000 purchase price was privately funded and the property is being donated to the state.

(5) No money has been spent on land costs yet, but money has been spent on appraisals and preliminary title work. If we proceed on these deals then the land purchase price and other direct expenses would need to be added to the projected costs.

(6) There are additional parcels (not listed here) that have been identified for potential acquisition, but for which funds have not been expended.

(7) TCF will cover \$14,000 (50%) of the purchase price for the Best tract.

(8) The Corr tract will likely be a conservation easement with an estimated value of \$1,000,000. TCF will cover \$500,000 (50%) of the purchase price.

(9) Includes properties that were once active that had expenditures of reimbursable direct expenses, but are no longer viable projects.

(10) UA - Duck Flats has been purchased by the City of Valdez. No additional expenses will be incurred.

(11) A conservation easement on the Moser tract will likely be donated to settle a wetland fill violation. No additional expenses will be incurred.

**Financial Detail of "Other Direct Costs to EVOS" and "Projected Future Costs to EVOS"**

**Location:**                      **Tract:**                      **Other Direct Costs to EVOS**                      **Projected Future Costs to EVOS**  
**Completed Transactions**

<i>Prince William Sound</i>	UA-Jack Bay	11,514.46 Appraisal and update = \$6,193.83 travel = \$159.00 FedEx = \$60.63 Closing = \$5,101.00	none
<i>Anchor River</i>	Thorn/Crowther	7,315.77 Appraisal = \$3,800; appraisal review = \$600; haz mat= \$1,871.77; title insurance = \$450.00; travel = \$456.00; closing = \$138.00	none
<i>Ninilchik River</i>	Swartzes Enterprises	5,017.57 Appraisal = \$2,500; appraisal review = \$600; haz mat = \$1,871.40; travel = \$46.17	none

**Acquired Parcels Awaiting EVOS Funding**

<i>Anchor River</i>	Nakada	461.94 FedEx = \$15.38 Closing = \$168.08 Property tax = \$278.48	7,493 Property tax = \$278 Appraisal = \$5,000 Title Insurance = \$250 Haz Mat update = \$1,700 Escrow = \$265
<i>Anchor River</i>	Knol	1,042.08 FedEx = \$27.47 Closing = \$239.61 Property tax = \$775.00	5,420 Property tax = \$388 Appraisal update = \$2,500 Title insurance = \$502 Haz Mat update = \$1,700 Escrow = \$330
<i>Anchor River</i>	Thompson	7,794.28 Appraisal = \$7,000.00 Closing = \$136.60 Property tax = \$657.68	5,739 Appraisal update = \$2,500 Property tax = \$657 Title Insurance = \$542 Haz Mat update = \$1,700 Escrow = \$340

**Parcels for Potential Acquisition**

<i>Anchor River</i>	McGee	3,250.00 Appraisal = \$3,000 Title = \$250	15,070 Appraisal update = \$2,500 Property tax = \$355 Title Insurance = \$250 Haz Mat = \$1,700 Escrow = \$265 Indirect = \$10,000
<i>Prince William Sound</i>	Best	2,500 Appraisal = \$2,500	10,000 Direct \$7,500; indirect \$5,000 minus appraisal
<i>Kasilof</i>	Mental Health Trust I & II	3,000 Appraisal = \$3,000	33,750 Direct \$21,750; indirect \$15,000 minus appraisal
<i>Kenai River</i>	Corr	3,000 Appraisal = \$3,000	22,000 Direct \$13,000; indirect \$12,000 minus appraisal
<i>Kodiak</i>	Chokwak II	0	25,000 Direct \$15,000; indirect \$10,000

**Parcels No Longer Being Pursued**

<i>Prince William Sound</i>	UA-Duck Flats	6,193.83 Appraisal = \$6,193.83	none
<i>Stariski Creek</i>	Moser	2,400 Appraisal - \$2,400	none

**EVOS Small Parcel Acquisition Grant - Summary of incurred and projected expenses**

Summary of expenses incurred and projected:

<b>Original funding allocated:</b>	<b>\$ 1,000,000</b>
Administrative costs to USFWS	(32,500)
Staff and indirect costs to TNC:	(25,000)
Staff and indirect costs to TCF:	<u>(25,000)</u>
Amount available for acquisitions:	917,500
Land cost and other direct expenses reimbursed by EVOS:	<u>(386,733)</u>
Current balance remaining:	530,767
Land cost and other direct expenses not yet reimbursed by EVOS:	<u>(202,757)</u>
Balance remaining after full reimbursement:	328,010
Projected expenses to convey acquired lands to State of Alaska:	<u>18,652</u>
<b>Balance remaining for future acquisitions:</b>	<b>346,662</b>

**Note:** Additional agency expenses to be drawn from the original habitat protection grant should be added here.



The Nature Conservancy in Alaska  
715 L Street  
Anchorage, Alaska 99501

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fax [907] 276.2584  
nature.org

## Memorandum

**to:** Gail Phillips  
**from:** Randy Hagenstein  
**date:** February 27, 2004  
**re:** McGee property on the Anchor River

Dear Gail:

The Nature Conservancy has been working on potential acquisition of the 7 acre McGee property at the mouth of the Anchor River. The property had been included in consultations with the Trustee Council two years ago under the terms of the small parcel grant and remains a priority for the Alaska Department of Natural Resources. In April 2003, I presented a description of this property to the EVOS Restoration Office. The details provided in that write-up remain essentially the same today. Obviously, due diligence on the property including appraisal, title work, and environmental assessment will need to be updated.

The McGee parcel is held by an estate and currently is not being actively marketed. We are in contact with the estate's representatives and are prepared to negotiate for purchase of the property once we learn that funding from the EVOS habitat protection program is likely. A strong signal from the Trustee Council in the form of a resolution or clear intent in the meeting minutes that the Trustee Council supports acquisition of this property (including coving purchase price, direct expenses, and indirect expenses) would make me feel comfortable that investing more time in pursuing this acquisition would be warranted. I also assume that a final decision by the Trustee Council would happen in the future based on final details of the acquisition.

Please feel free to contact me at 276-3133 ext. 119 with any questions.

## Anchor River - McGee

**Location:** Anchor River, Kenai Peninsula

**Legal Description:** KEN 1104 (McGee) parcel: Tract A, McGee Tracts, Plat 80-104, Homer Recording District

**Agency Sponsor:** ADNR, Division of Parks and Outdoor Recreation.

**Landowner:** McGee Family Revocable Trust, dated February, 28, 2000, Albert D. McGee Trustee

**Appraised Fair Market Value:** \$40,000 (per 7/15/02 appraisal)

**Total Cost to EVOS:** \$58,320.00 (estimated)

**Cost Breakdown:** \$40,000 (fee simple); \$8320 (estimated direct costs); \$10,000 (estimated indirect costs including staff time and overhead)

**Estimated Closing Date:** December 2004

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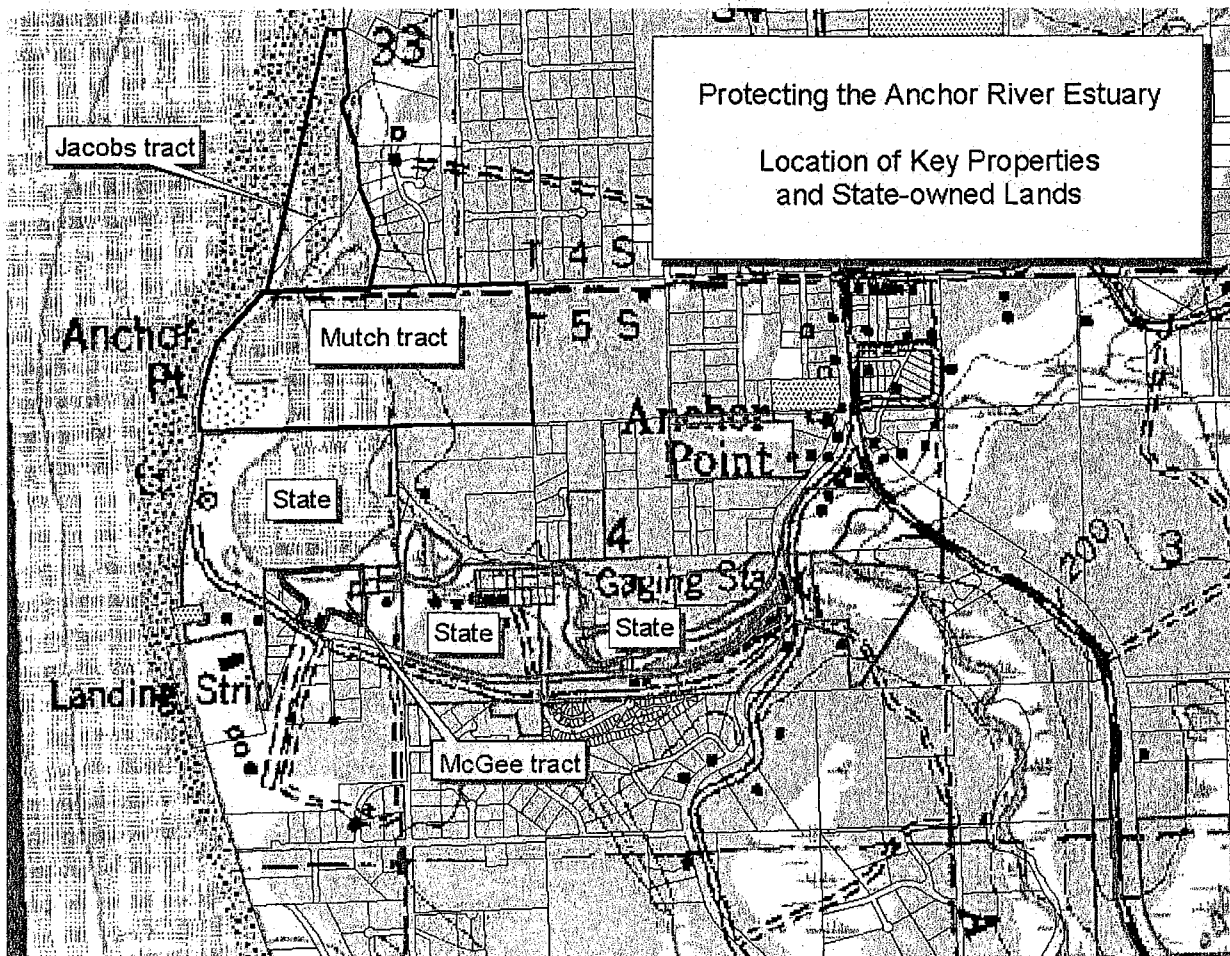
The McGee parcel is one of three remaining private parcels located along the Anchor River estuary on the southern Kenai Peninsula – an ecologically important salt marsh that supports a large and popular sport fishery. The McGee parcel is located on the north side of Anchor Point Beach Road, 1,200± feet east of Cook Inlet (boat launch) and 1± mile west of Anchor Point, Alaska. The 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. Acquisition of this small parcel will assure protection of approximately 7.56 acres.

The south 1± acre of the parcel is relatively level and elevated above the Anchor River Estuary. The remaining 6.5± acres are part of a larger salt marsh/estuary complex with high ecological significance. The parcel will contribute to the restoration of several species of salmonids (steelhead, coho salmon, king salmon, Dolly Varden) as well as bald eagles that concentrate at the mouth of the Anchor River to feed. The parcel is also important to the sport fishing and tourism industries, both of which were impacted by the *Exxon Valdez* Oil Spill (“EVOS”).

The property is bounded to the north by existing State Park lands. It is also a key link in a recreational trail planned by State Parks running on the uplands adjacent to the existing road from Anchor Point to the state lands at the mouth of the river. The proposed acquisition will be complemented by planned purchase of the two remaining private parcels (totaling 74 acres) within the Anchor River estuary. Acquisition of these other two parcels is being funded by an approved federal Coastal Wetlands Act grant and private donations.

Protection of these tracts supports restoration of species and services injured by the Exxon Valdez Oil Spill by protecting habitat for salmonids and other fish species; feeding habitat for bald eagles; and recreational and tourism uses.

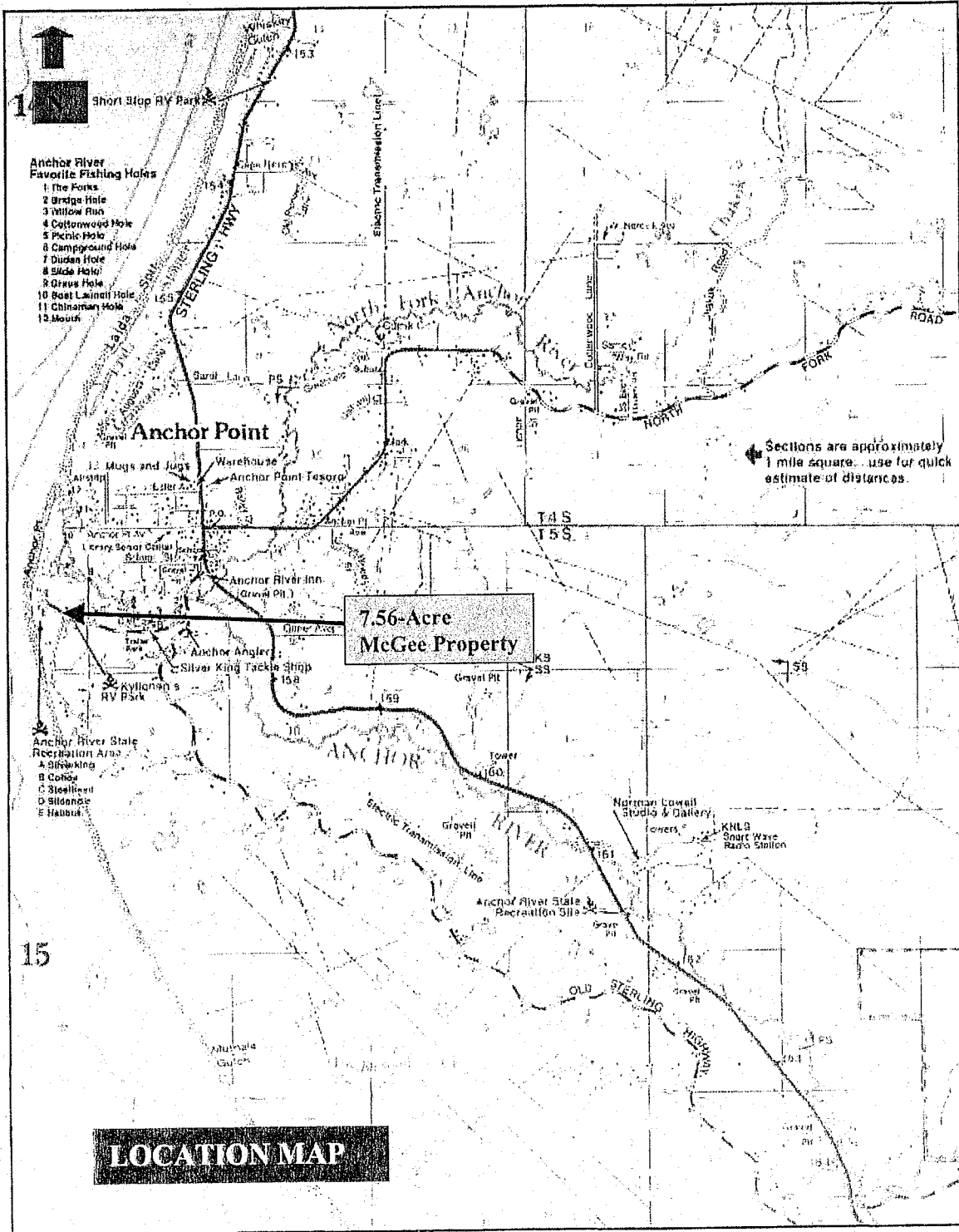
Attachment A: Parcel location





Attachement B: Parcel area

**MacSwain Associates**



Attachment C: Appraisal summary KEN 1104 / McGee Property

**MacSwain Associates**

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Anchorage, Alaska 99503  
Telephone: 907-561-1965  
Facsimile: 907-561-1955  
E-mail: macswain@alaska.net

October 10, 2002

Randall H. Hagenstein  
The Nature Conservancy – Alaska Chapter  
421 West First Avenue, Suite 200  
Anchorage, Alaska 99501

Re: McGee Property  
7.56 Acres  
Anchor Point, Alaska

Dear Mr. Hagenstein:

Attached is a *Summary Appraisal* report that analyzes the above-referenced vacant land that fronts the north side of Anchor Point Beach Road about one mile west of the Sterling Highway. The purpose of the appraisal is to estimate the fee simple market value of the property. We prepare a complete analysis that intends to comply with the reporting requirements of the *Uniform Appraisal Standards for Federal Land Acquisitions* (UASFLA) and the *Uniform Standards of Professional Appraisal Practice* (USPAP). Since UASFLA states that an estimate of market value linked to exposure and marketing time is inappropriate and requires exclusion from the appraisal report, we invoke the jurisdictional exception rule permitted in USPAP.<sup>1</sup>

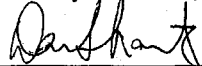
Based on the data, reasoning, and analysis that follow, we estimate the market value of appraised land, as of July 15, 2002, is \$40,000.

**Market Value of 7.56-Acre McGee Property**

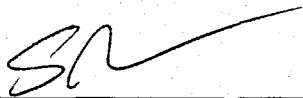
**\$40,000**

We direct your attention to the Assumptions and Limiting Conditions for an explanation of the restrictions and limitations of this report. If you have questions regarding our analysis or conclusion, please contact us at our office.

Respectively submitted,



Dan Shantz, Certificate No. 47



Steve MacSwain, MAI, Certificate No. 42

<sup>1</sup> Standard Rule 1-1(c) of USPAP requires the appraiser to estimate a reasonable exposure time in conjunction with their opinion of market value. Section D-1b of UASLA provides legal authority for invoking the Jurisdictional Rule.

**Summary of Salient Facts and Conclusions**

<b>Property Type:</b>	Vacant land, including estuary-type wetlands
<b>Property Location:</b>	North side of Anchor Point Beach Road, 1,200± feet east of Cook Inlet (boat launch) and 1± mile west of Anchor Point, Alaska
<b>Purpose of Appraisal:</b>	Estimate market value
<b>Property Rights Appraised:</b>	Fee simple estate
<b>Legal Description:</b>	Tract A, McGee Tracts, Plat 80-104, Homer Recording District
<b>Property Owner:</b>	McGee Family Revocable Trust
<b>Land Area:</b>	7.56 acres
<b>Access:</b>	Anchor Point Beach Road; two-lane with asphalt paving
<b>Public Utilities:</b>	Electricity and telephone
<b>Topography:</b>	South 1± acre relatively level and elevated above Anchor River estuary; remainder low-lying wetlands
<b>Wetland Type:</b>	6.5± acres of preservation-type wetlands with low probability of development due to high ecological significance
<b>Flood Hazard Conditions:</b>	Zone A, area of 100-year floodplain
<b>Zoning:</b>	Unrestricted per Kenai Peninsula Borough
<b>Highest and Best Use:</b>	Residential or recreation
<b>Date of Value:</b>	July 15, 2002
<b>Date of Report:</b>	October 10, 2002

**Market Value of Appraised Land** **\$40,000**