

State, Seldovia sign pact for Kachemak exchange

The state of Alaska took the first major step toward acquiring the largest private inholding within Kachemak Bay State Park near Homer when it signed a preliminary agreement to complete a land exchange.

The agreement was signed June 30 by the Alaska Department of Natural Resources; Seldovia Native Association, the owner of the land within the park; and Timber Trading Co., the holder of timber rights on Seldovia's land.

"Signing this agreement represents a significant step in the exchange process," said Gov. Steve Cowper. "It commits the parties to start the work required to return this land to public ownership. The park is a very special place and the administration is committed to work harder towards the successful conclusion of this exchange."

The remaining Seldovia land within the park boundary being sought by the state is near China Poot Bay and Sadie Cove. The Seldovia Native Association acquired about 29,000 acres within the park in the mid-1970s as part of the Alaska Native Claims Settlement Act; and, in 1987, sold the timber rights to about 12,000 acres of that land to Timber Trading Co., a subsidiary of Koncor Forest Products Co.

A series of trade attempts began shortly after Seldovia acquired the land, resulting in the return of about 5,000 acres of land to park status.

However, until recently further trade efforts had stalled. Public concern over the timber sale sparked new interest in completing the trade and negotiations began again last October.

The agreement requires the parties to perform the various tasks necessary to do the exchange, including appraisal and public review of the proposal. Because of the value and certain unique provisions of the exchange, the final exchange requires the approval of the Legislature.

Approval would occur during the 1990 legislative session.

The Seldovia Native Association desires state land with development and revenue generation potential in return for their land in the park.

The state land nominated for exchange includes tracts throughout Southcentral and Southeast Alaska; the majority of the larger parcels of state land are within the Kenai Peninsula Borough.

Nearly 100 unsold lots from existing state subdivisions are also included in the state's proposed land exchange pool. The agreement specifies that Timber Trading Co. will be compensated with timber from state land, or other state resources.

Gary Gustafson, director of the Division of Land and Water Management, said that he expects that Seldovia will offer the subdivision parcels to individuals for sale or lease.

He added that if the state does not have enough suitable land to trade to Seldovia, the final exchange agreement may include a proposal for bid credits that would allow Seldovia to participate in future state land and oil and gas lease sales.

He also noted that such a proposal requires legislative approval. The Legislature has already appropriated \$100,000 in cash to pay for part of Seldovia's land if the exchange occurs.