

**The Alaska Mental Health Trust Authority
Trust Land Office**

**ADMINISTRATIVE DECISION
Adoption of Resource Management Strategy (Updated)
January 28, 2015**

Project #2012-25

In accordance with AS 38.05.801 et seq. and the implementing regulations governing Alaska Mental Health Trust (“Trust”) land management (11 AAC 99), Trust land shall be managed consistently with the responsibilities accepted by the State under the Alaska Mental Health Enabling Act (P.L. 84-830, 70 Stat. 709 (1956)). This means that management shall be conducted solely in the interest of The Trust and its beneficiaries.

- I. Proposed Action.** Adopt as the updated long-term asset management strategy (Resource Management Strategy) per 11 AAC 99.090(c); this adoption pertains to the updated 2015 RMS and all underlying resource plans, including Mitigation Marketing, for the long term management of the Trust’s non-monetary assets.

- II.** This Resource Management Strategy (RMS) is filed under TLO Project #2012-25, as updated January 2015.

- III. Proposal Background.** The TLO is required by 11 AAC 99.090(c), to formulate a long term asset management strategy for Trust land. In November 2013, the TLO last adopted the Resource Management Strategy to fulfill this requirement. Annual reviews and occasional updates are anticipated as a part of the RMS. The only proposed change to the RMS for 2015 is the addition of a new asset classification, Mitigation Marketing. The new asset classification will take advantage of the dynamic mitigation economic opportunities in Alaska. The remainder of the RMS remains unchanged since November 2013.

The benefit of establishing the new asset classification takes advantage of potential revenues from the mitigation industry. In addition to mitigation credit sales, the new asset classification may promote new resource developments on Trust land through permitting efficiencies that would accelerate cash flows by earlier operations and production.

The addition of the new asset classification is a management guideline and does not authorize expenditures for mitigation marketing projects. Industry experts were consulted to advise the TLO on its methodology and assumptions for development of the mitigation plan.

- IV. Asset Management Considerations.** The proposal is appropriate as it fulfills the requirements of the Resource Management Strategy adopted as the long-term asset management strategy under 11 AAC 99.090(c).
- V. Authorities.**
- A. Applicable Authority.** 11 AAC 99.010 and 11 AAC 99.090(c).
- B. Inconsistency Determination.** As the proposed adoption of the plan is specifically authorized under 11 AAC 99, any relevant provision of law applicable to other state lands is inapplicable to this action if it is inconsistent with Trust responsibilities accepted by the State under the Alaska Mental Health Enabling Act (P.L. 84-830, 70 Stat. 709 (1956)) as clarified by AS 38.05.801 and Alaska Mental Health Trust land regulations (11 AAC 99). 11 AAC 99 includes determinations that certain State statutes applicable to other State land do not apply to Trust land unless determined by the Executive Director, on a case-by-case basis, to be consistent with 11 AAC 99.020. The State Statutes deemed inconsistent with Trust management principles and inapplicable to Trust land by these regulations have not been applied to this decision or this action, including, but not limited to, AS 38.04 (Policy for Use and Classification of State Land Surface), AS 38.05.035 (Powers and duties of the director), AS 38.05.300 (Classification of land), AS 38.05.945 (Notice), AS 38.05.946 (Hearings), and 11 AAC 02 (Appeals).
- VI. Trust Authority Consultation.** The Alaska Mental Health Trust Resource Management Committee was consulted on January 27, 2015 and concurred with the TLO recommendation to adopt the Resource Management Strategy 2015 Update as the long-term asset management strategy that will include all underlying resource plans including Mitigation Marketing. The Committee recommended that the proposed transaction be forwarded to the Alaska Mental Health Trust board of trustees. The board of trustees was consulted on January 28, 2015, who then concurred with the adoption of the updated Resource Management Strategy subject to the outcome of the notice process.
- VII. Administrative Decision.** Given the information above and the information contained in the complete record, the Executive Director finds that the proposed transaction fulfills the administrative requirement for a long term asset management strategy. This decision does not preclude the TLO from determining that an alternative proposal may serve the best interest of the Trust.
- VIII. Opportunity for Comment.** Notice of this Administrative Decision will take place as provided under 11 AAC 99.050. Persons who believe that the decision should be altered because it is not in the best interest of the Trust or its beneficiaries, or because the decision is inconsistent with Trust management principles set out in 11 AAC 99.020 or any other provision of 11 AAC 99, must provide written comments to the TLO during the notice period. Following the comment deadline, the Executive Director will consider timely written comments that question the decision on the basis of the best interest of the Trust and its beneficiaries or inconsistency with 11 AAC 99.

The Executive Director will then, in his or her discretion, modify the decision in whole or in part in response to such comments or other pertinent information, or affirm the administrative decision without changes. The administrative decision as modified or affirmed will become the final agency action, subject to reconsideration procedures under 11 AAC 99.060. Additional notice will be provided for a substantially modified decision. If no comments are received by the end of the notice period, this best interest decision will be affirmed and the proposed action taken. (See notice for specific dates.)

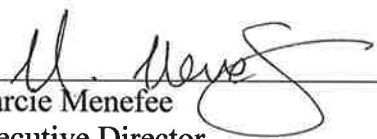
IX. Reconsideration. To be eligible to file for reconsideration of this Administrative Decision, or to file a subsequent appeal to the Superior Court, a person must submit written comments during the notice period.

Persons who submit timely written comments will be provided with a copy of the final written decision, and will be eligible to request reconsideration within 20 calendar days after publication of the notice or receipt of the decision, whichever is earlier under 11 AAC 99.060(b). The Executive Director shall order or deny reconsideration within 20 calendar days after receiving the request for reconsideration. If the Executive Director takes no action during the 20-day period following the request for reconsideration, the request is considered denied. Denial of a request for reconsideration is the final administrative decision for purposes of appeal to the superior court under AS 44.62.560.

X. Available Documents. Background documents and information cited herein is on file and available for review at the TLO, located at 2600 Cordova Street, Suite 100, Anchorage, Alaska 99503. Phone (907) 269-8658. Email: mhtlo@alaska.gov.

The adoption of the plan proposed by this decision will occur no less than 30 days after the first publication date of this decision, and after the conclusion of the TLO administrative process. For specific dates or further information about the disposal, interested parties should contact the TLO at the above address, or visit the website at: www.mhtrustland.org.

XI. APPROVED:



Marcie Menefee
Executive Director
Alaska Mental Health Trust Land Office

2.11.15

Date