

ALASKA MENTAL HEALTH TRUST AUTHORITY  
RESOURCE MANAGEMENT COMMITTEE MEETING  
DRAFT AGENDA  
FEBRUARY 26, 2016  
3:00 P.M. – 3:15 P.M.

Call to Order (Chair Larry Norene)

Committee Members (Voting):

Laraine Derr

Paula Easley

Russ Webb

Mary Jane Michael

Carlton Smith

Jerome Selby

John Morrison, Staff

Announcements

Approval of Agenda

1. Consultation

a) [Cat Island Timber sale – MHT 9100814 \(Item A\)](#)

2. Approval

3. Updates

4. Other

5. Adjourn



**To:** Larry Norene, Chair  
Resource Management Committee  
**From:** Paul Slenkamp  
**Date:** 2/26/2016  
**Re:** Cat Island Timber sale – MHT 9100814  
**Fiscal Year:** 2016

## Consultation

### Proposed RMC Motion:

*“The Resource Management Committee recommends that the Trust Authority board of trustees concur with the disposal of timber through competitive sale on Trust land on Cat Island located near Hollis on Prince of Wales Island.”*

### Background:

<b>Revenue Projections:</b>	<b>Principal \$425,000</b>	<b>(up to)</b>
	<b>Income \$ 75,000</b>	<b>(up to)</b>

**Transaction/Resource:** The Trust Land office (TLO) will offer approximately one and one-half million board feet (1 1/2 MMBF) of timber on approximately 359 acres of Trust land through a competitive sale.

**Property Description/Acreage/MH Parcel:** Copper River Meridian, Township 74 S, Range 84E, portions of sections 4, 8, 9, 16 & 17, 358.5 acres more or less; MH Parcel C30006

**General Background:** The TLO has engaged in the sale of timber as a major contributor to its traditional revenue portfolio. The proposed timber sale will dispose of commercially viable timber on Trust lands located in Hollis on Prince of Wales Island. The proposed sale is composed primarily of the eastern portion of Cat Island. The area is near previously harvested areas but is isolated from all road systems. The island does not have sufficient timber volume to amortize conventional timber sale development. The proposed sale will utilize alternative harvest systems which do not require road construction. The harvest will be selective and harvest only high value timber, primarily red cedar. A strong market demand has caused red cedar to be at historically high prices, making this sale feasible.

### Anticipated Revenues/Benefits:

1. The timber sale will generate approximately \$500,000 in revenue in FY 16 & 17.
2. Harvest of timber will maximize revenue while providing for timber regeneration and future timber harvests.

**Anticipated Risks/Concerns:** There is some anticipated public concern associated with the proximity of the sale area to the community of Hollis. It is believed that this concern can be mitigated by increasing public awareness that the parcel is being selectively harvested. The area has a long history of timber harvest.

**Project Costs:** TLO staff time and travel costs.

**Other Considerations:** Sale of this timber may assist the Southeast Alaska forest products industry to remain in operation while alternate timber supplies such as the Trust Land Exchange and other timber sales are implemented.

**Due Diligence:** TLO staff members have visited the project area and conducted sale layout and timber cruises. On-going field inspections and financial tracking will be conducted by TLO staff during the timber sale.

**Alternatives:**

**Do Nothing:** This alternative assumes that timber values will not be maximized by harvesting at this time. Timber is a commodity and the current markets allow for solid financial returns that have not been available in the past and may or may not be available in the future.

**Alternate Development:** Due to the character and location, the parcel does not lend itself to other development opportunities that would produce a return to The Trust comparable to a commercial timber harvest. Commercial harvest of the timber will, in some cases, facilitate other commercial opportunities on the lands.

**Proposed Alternative:** This alternative will provide The Trust with revenue. The harvest should not adversely impact other future development.

**Consistency with the Resource Management Strategy:** The proposal is consistent with the "Resource Management Strategy for Trust Land", which was adopted January, 2016 in consultation with The Trust which allows the TLO to focus first on land or resources at the high end of the market values ("best markets"). Given the current market values of timber, the prospective lands affected by this decision are in a "best market" situation and should be offered now rather than later.

**Trust Land Office Recommendation:** Proceed with the competitive Cat Island Timber Sale on Parcel C30006.

**Applicable Authority:** This briefing document fulfills the consultation requirements that are applicable to the transaction under AS 37.14.009(a), AS 38.05.801, and 11 AAC 99. In the event that significant changes to the transaction are made necessary by the public notice process, the Trust Authority will be consulted regarding the changes.

**Trust Authority Consultation:** This briefing document fulfills the consultation requirements that are applicable to the transaction. In the event that significant changes to the transaction are made necessary by the public notice process, the Trust Authority will be consulted regarding the changes.

**Schedule of Actions:**

Resource Management Committee Consultation:	2/26/2016
Trust Authority Consultation:	2/26/2016
Complete Best Interest Decision:	3/2/2016
Public Notice:	3/4/2016

**Exhibit(s):**

Timber Sale Map



