

Trust

Alaska Mental Health
Trust Authority

Resource Management Committee
Quarterly Meeting
January 29, 2020

Meeting Agenda



Meeting: Resource Management Committee
Date: January 29th, 2020
Time: 08:00am – 11:00am
Location: Elizabeth Peratrovich Hall, 320 W. Willoughby Avenue, Juneau
JUNEAU
Teleconference: (844) 740-1264 / Meeting Number: 287 008 547 # / Attendee Number: #
[Alaska Mental Health Trust Authority WebEx Meeting Center](#)
Trustees: John Sturgeon (Chair), Verné Boener, Chris Cooke, Laraine Derr, Anita Halterman, Ken McCarty, Mary Jane Michael

Wednesday January 29th, 2020

1. Call to Order (John Sturgeon, Chair)
 - Announcements
 - Approval of Agenda
 - Ethics Disclosure
 - Approval of Minutes
 - 2019-08-01
2. Executive Director Report
3. Item A – Consultation – MHT 9200732 – Knik River
4. Community Park Loop Briefing
5. **BREAK**
6. Constantine Risk Analysis
 - a. **Relocation for Executive Session**
 - b. **Executive Session** – *In accordance with the Open Meetings Act, AS 44.62.310(c)*
 - c. **Return to regular RMC**
7. Adjourn

ALASKA MENTAL HEALTH TRUST AUTHORITY
RESOURCE MANAGEMENT COMMITTEE MEETING

August 1, 2019
9:15 a.m.

Taken at:
3745 Community Park Loop, Suite 120
Anchorage, Alaska

Trustees Present:

Paula Easley, Chair
Mary Jane Michael
Chris Cooke
Laraine Derr
John Sturgeon
Ken McCarty
Verne' Boerner

Trust Staff Present:

Mike Abbott
Kelda Barstad
Mike Baldwin
Eric Boyer
Jimael Johnson
Steve Williams
Miri Smith-Coolidge
Andy Stemp
Luke Lind
Valette Keller
Carrie Predeger
Autumn Vea

Trust Land Office:

Wyn Menefee
Jusdi Doucet
Sarah Morrison
Becky Carpenter
Katie Vachris
Paul Slenkamp (via Speakerphone)
Dave Griffin

Also participating:

Anita Halterman; Dan Gummo; Lisa Cauble; Anne Applegate.

PROCEEDINGS

CALL TO ORDER

CHAIR EASLEY called the Resource Management Committee to order and stated that all trustees were present for the committee as a whole. She asked for any announcements. There being none, she asked for a motion to approve the agenda.

APPROVAL OF AGENDA

MOTION: A motion was made to approve the agenda by TRUSTEE BOERNER; seconded by TRUSTEE DERR.

There being no objection, the MOTION was approved.

ETHICS DISCLOSURES

CHAIR EASLEY asked for any Ethics Disclosures. There being none, she moved to the approval of the minutes of April 17, 2019.

APPROVAL OF MINUTES

MOTION: A motion was made to approve the minutes of April 17, 2019, by TRUSTEE COOKE; seconded by TRUSTEE STURGEON.

There being no objection, the MOTION was approved.

CHAIR EASLEY stated that the first item on the agenda is the Yakutat timber sale consultation, and she recognized Wyn Menefee.

YAKUTAT TIMBER SALE CONSULTATION

MOTION: The Resource Management Committee concurs with the executive director's recommendation for the disposal of timber through negotiated sale on Trust land in Yakutat; seconded TRUSTEE DERR.

CHAIR EASLEY asked Mr. Menefee to explain the breakdown between principal and income in explaining the revenue projection.

MR. MENEFEE stated that Mr. Slenkamp would present the consultation. He continued that there would be a breakout in the revenue projections that show principal and income are different. In the regulations, there is a portion that talks about how revenues are split between principal and income. He explained that if any timber is sold, 85 percent goes to principal and 15 percent goes to the income. The primary thought behind that is that timber resources will be reused as they grow back sometime in the future.

MR. SLENKAMP thanked Chairman Easley for her long service as she will be leaving soon, and stated that she had been there his entire tenure with the Trust Land Office. He added that it had been an honor serving with her, and we did some very productive work. He referred to this as an opportunity sale and explained that currently there is a corporation company working in Yakutat called YAK Timber, which is working out of Yak-Tat Kwaan lands, part of the local Native corporation. He continued that they are harvesting timber on their own property, and we were

approached about potentially purchasing timber from Trust lands. He added that there is approximately 5 million board feet of timber in the three units, and we anticipate the harvest being about 2 million feet of that, just taking the primary spruce. The anticipated revenue is up to \$300,000 from this particular sale. He explained about the tariff situation in China, which is a 20 percent tariff on spruce, and has had a detrimental effect on the timber program. He continued that, with this particular sale, the idea is to have the timber available if the tariffs drop or the markets pick up to be able to negotiate with YAK Timber for harvest.

TRUSTEE STURGEON asked how the value, the \$300,000, was determined.

MR. SLENKAMP replied that he had not done a formal appraisal, but based it on other sales. He stated that it can be discussed and we can basically try to negotiate as high a price as possible. He explained that the owner of YAK Timber, Marvin Adams, is the CEO, and they are operating on Kwaan lands. They utilize local hire, but he did not believe that it was actually owned by Yak-Tat Kwaan.

TRUSTEE BOERNER asked if the tribal government there has a position on this.

MR. SLENKAMP replied that he had not approached the tribal government for a position on this.

CHAIR EASLEY asked for further questions. There being none, she asked for any objections to the motion.

There being no objection, the MOTION was approved.

CHAIR EASLEY asked Mr. Menefee for the executive director's report.

EXECUTIVE DIRECTOR'S REPORT

MR. MENEFEE began his report on the U.S. Forest Service exchange, which has been worked on for some time. There was a slowdown recently due to some situations of Forest Service procurement which has a potential of stalling the exchange for another year. He stated that it had to do with the timber cruise contract and some protests received. He continued that there are some trespass things on Forest Service land in Hollis that are also being worked on. He added that there is a stop-work order currently on the timber cruise procurement, and we are looking at alternative ways to get a timber cruise done. He then moved to a quick brief on the Constantine project; the mine exploration project in Haines. Direct negotiations have started with Constantine and Aleut Mining. This is about trying to eliminate the Federal claims that encumber the BLM land there that was never conveyed to us. It is still being worked on, and there is nothing to present right now. He moved on to an informative briefing by Dave Griffin. The Trust Land Office is excited to venture into the guide area permitting. This is not a consultation.

MR. GRIFFIN gave an overview of a program that is in its early stages and is a unique opportunity for the Trust. He explained that it is offering up permits for big-game guiding. This would be providing permits that give big-game guides access to Trust land. He stated that five areas have been identified that contain large amounts of acreage. Most of these areas are pretty

remote to fly in. He continued that starting a program like this is being looked into as well as the potential revenue. At present, there are no authorized big-game guides operating on Trust land. Another component of this program is to bring any potential guides that are operating on Trust land without an authorization into some sort of compliance. And added that a benefit of having guides operating on Trust land would be watching out for the stewardship obligations. He stated the hope of generating about \$100,000 a year in income revenue, which is based on a potential of having 20 guides operating on Trust land. He added that one of the requirements for State licensing is that guides must have at least 5,000 contiguous acres for hunting. These five areas have that and beyond. He went through the maps and showed the different areas in a general overview of the surface estate of the Trust. He pointed out that none of the potential authorizations would preclude the Trust from going in and developing the resource. This is just an opportunity to generate some additional income by allowing temporary use of the Trust land for the purpose of gaining access to these large areas which host some pretty significant game populations.

MR. MENEFEE moved on to the lawsuit going on. The Supreme Court brief is due August 12th, but, with a 30-day extension will be moved to 9/11. That is to carry on the Daniel Lakes lawsuit which is expected to do very well, and is progressing. Promontory Point, presented at the last meeting, has a 7/31 deadline to sign the lease. It is currently being reviewed. The ten-year termination is one of the pieces that needs to be finalized, and then has to get lender approval. It still looks to be on track. He moved to Sheridan Bay and stated that the Great Land Trust was talked to about the sale of Sheridan Bay through the EVOS project. Great Land Trust is putting into Exxon Valdez Oil Spill the preliminary approval to carry on negotiations; then there will be an appraisal just to make sure it makes sense to sell. He continued that Amber Oaks did a lease extension with continuum for 84 months, which will be worth about \$1.4 million over seven years. That is about keeping the buildings full. The Cordova Street Building is now filling up; and due diligence is being done on the GCI Digital acquisition for PRI work. The Northern Dancer well had to be plugged and abandoned; that should be completed by August 8th. The Community Park planning is moving forward, and bids will be received up to September 6th on the Juneau Subport. If the top bid has another bid that is within 5 percent, there will be an outcry auction September 19th. Icy Cape was completed, and there were 16 mining claims staked along the shoreline. The idea is to preserve the access along the edge of the shores there for a future mining operation. He added that the Icy Cape timber harvest is also progressing well. By the end of Fiscal year '19, there should be 16.4 million board feet harvested. The Naukati harvest has about 3 million board feet harvested. He explained that the Gayle Garcia foreclosure process is going, and we are attempting to recover about \$45,000 that was spent. Depending on how that foreclosure auction turns out, either Ionia or someone else will pick it up. He then moved to the general permit process, which has received a lot of comments, and we are reviewing that.

TRUSTEE DERR asked about the foreclosure and if it is land or a building.

MR. MENEFEE replies that it sits next to Ionia and was purchased by Gayle Garcia, but she did not pay a certain amount. She actually died. The process is to get a clerk deed issued, and if someone bids at the auction and pays the amount that was spent, they will get the property. If they do not, there is a deal on the books with Ionia and they can purchase it for a certain amount.

TRUSTEE MICHAEL thanked the staff for really pursuing creative revenue-generating ideas; it is very impressive. She also thanked them for their work on the PRI, which is not revenue-

generating.

CHAIR EASLEY also thanked staff on the great job.

TRUSTEE McCARTY asked about drones and then asked if the Trust is considering that everyone has to have permits to be on the land, like snowmobiles and such.

MR. MENEFEE replied that is the general permit. Right now there is a policy that prohibits motorized equipment, commercial or overnight use unless there is an authorization. He explained that day use of Trust land is permitted without a fee.

TRUSTEE BOERNER expressed her gratitude to the staff for their creativity and for looking for ways to increase the resources needed to be able to serve the beneficiaries. It is truly important work.

CHAIR EASLEY asked for a motion to adjourn.

MOTION: A motion to adjourn the meeting was made by TRUSTEE MICHAEL; seconded by TRUSTEE COOKE.

There being no objection, the MOTION was approved.

(Resource Management Committee adjourned at 10:28 a.m.)



To: John Sturgeon, Chair
Resource Management Committee
From: Jeff Green, Southcentral Lands Manager
Date: 1/29/2020
Re: MHT 9200732 – Disposal of Trust Parcel S20521 – Knik
River
Fiscal Year: 2020

Consultation

Proposed RMC Motion:

“The Resource Management Committee concurs with the Executive Director’s recommendation to dispose of Trust parcel S20521 through a negotiated sale or subsequent disposal.”

Background:

Revenue Projections: \$325,000

Transaction/Resource: The proposed action is to dispose of one parcel through a negotiated sale to the applicant, Alaska Environmental Preservation, LLC. In the event the parcel is not sold to the applicant, the parcel may be reoffered in a future land sale, through a competitive or over-the-counter sale, a negotiated sale or through a lease.

Property Description/Acreage/MH Parcel(s): The negotiated sale includes all of Trust parcel S20521, described as:

T. 016 N., R. 004 E., SEWARD MERIDIAN, ALASKA SECTION 34: ALL THAT PORTION WEST AND SOUTH OF THE UNSURVEYED PLO 3324 BOUNDARY; CONTAINING 365.000 ACRES, MORE OR LESS

The physical location of the parcel is Southwest of Palmer, Alaska approximately 1.5 miles East of the end of Knik River Road and .25-mile South of the bank of the Knik River.

General Background: In late August 2019, the TLO received an application for a negotiated sale. There are no other uses currently authorized on the parcel. There is no history of use or interest in the parcel, most likely due to its remote nature and access challenges.

Anticipated Revenues/Benefits: Under this proposal, the Executive Director will be able to negotiate and execute a sale of the parcel for \$325,000, which is 30% above the appraised fair market value. The applicant plans to purchase with TLO financing, generating interest income for the term of the contract. This sale would generate revenue from a parcel that otherwise is not producing revenue.

Anticipated Risks/Concerns: There are no significant risks or concerns associated with this negotiated sale. Minor risks include default on the parcel sale by the buyer. This risk will be mitigated through a land sale contract which includes contemporary language to limit risks to the Trust, ensure performance by the buyer, and allow for termination in case of default with retention of the parcel in Trust ownership.

Project Costs: \$0

Other Considerations: N/A.

Due Diligence: TLO staff inspected the parcels on November 30, 2019. The purchase price was determined by an appraisal completed by Black-Smith, Bethard, & Carlson, LLC on October 14, 2019. The appraisal determined the fair market value of the parcel to be \$250,000. The parcel will be sold at a premium of 30% above the appraised value to compensate for not selling the parcel through a competitive process. Contract documents were reviewed by the Department of Law, and no separate independent review is required.

Alternatives: The alternative is to hold the parcel for sale competitively sometime in the future. This alternative would delay receipt of revenues from sale of the parcel and could result in additional costs and risks to the Trust without significant increases in value. Additionally, there has been no expressed interest in the parcel likely due to the challenging access and topography.

Consistency with the Resource Management Strategy: The proposal is consistent with the “Resource Management Strategy for Trust Land” (RMS), which was adopted January 2016 in consultation with the Trust and provides for the TLO to maximize return at prudent levels of risk, prevent liabilities, and convert nonperforming assets into performing assets. Past experience has demonstrated that it is unlikely that this parcel will appreciate at a rate that would justify holding it for a later sale. It is not cost effective for the Trust to hold this parcel and incur the associated management costs and liabilities.

Trust Land Office Recommendation: The TLO recommends that it is in the Trust’s best interest to offer this parcel by negotiated sale. If not sold, the parcel may be disposed of in the future through the TLO’s land sale programs, negotiated sale, or leased.

Applicable Authority: Alaska Statutes 37.14.009(a), and 38.05.801, and 11 AAC 99.

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.

Exhibit(s): Overview Map, Detail Map, Contours Map

Exhibit – Overview Map



Overview Map

Legend

-  MH Parcel S20521
-  Township Grid



Trust
Land Office

Date Printed: 1/17/2020

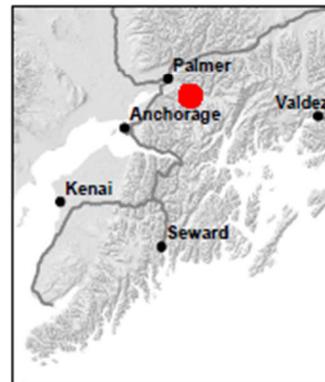
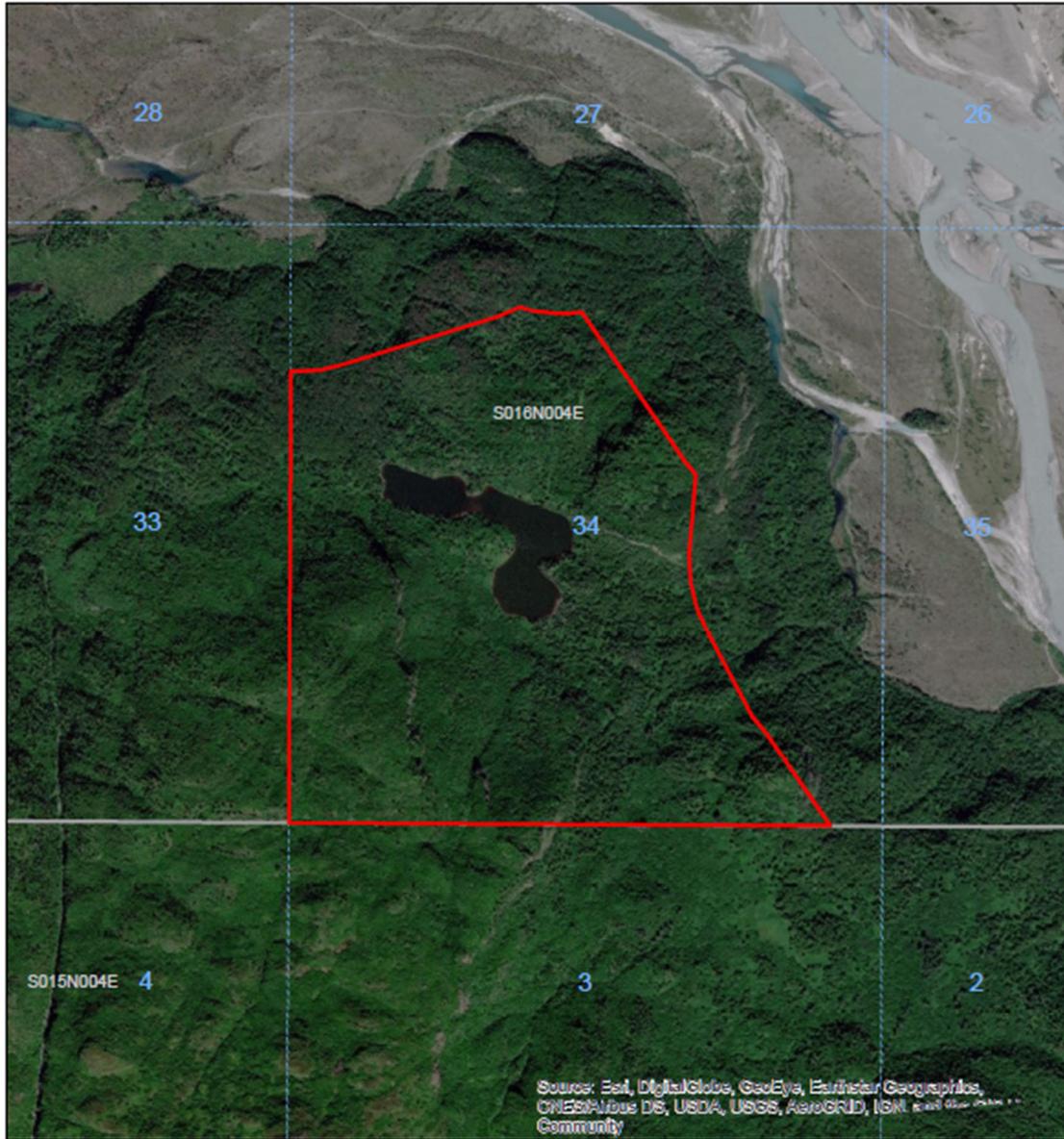


Exhibit – Detail Map



MH Parcel S20521

QCD 8000087 = 365.00 ac, more or less.
 Surveyed acres = 353.01 ac.
 Difference = 11.99 ac.



Legend

- MH Parcel S20521
- Township Grid
- Section Grid

Date Printed: 1/16/2020

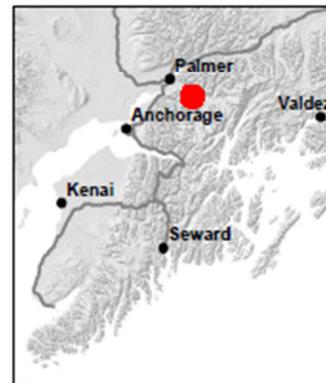
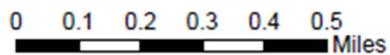
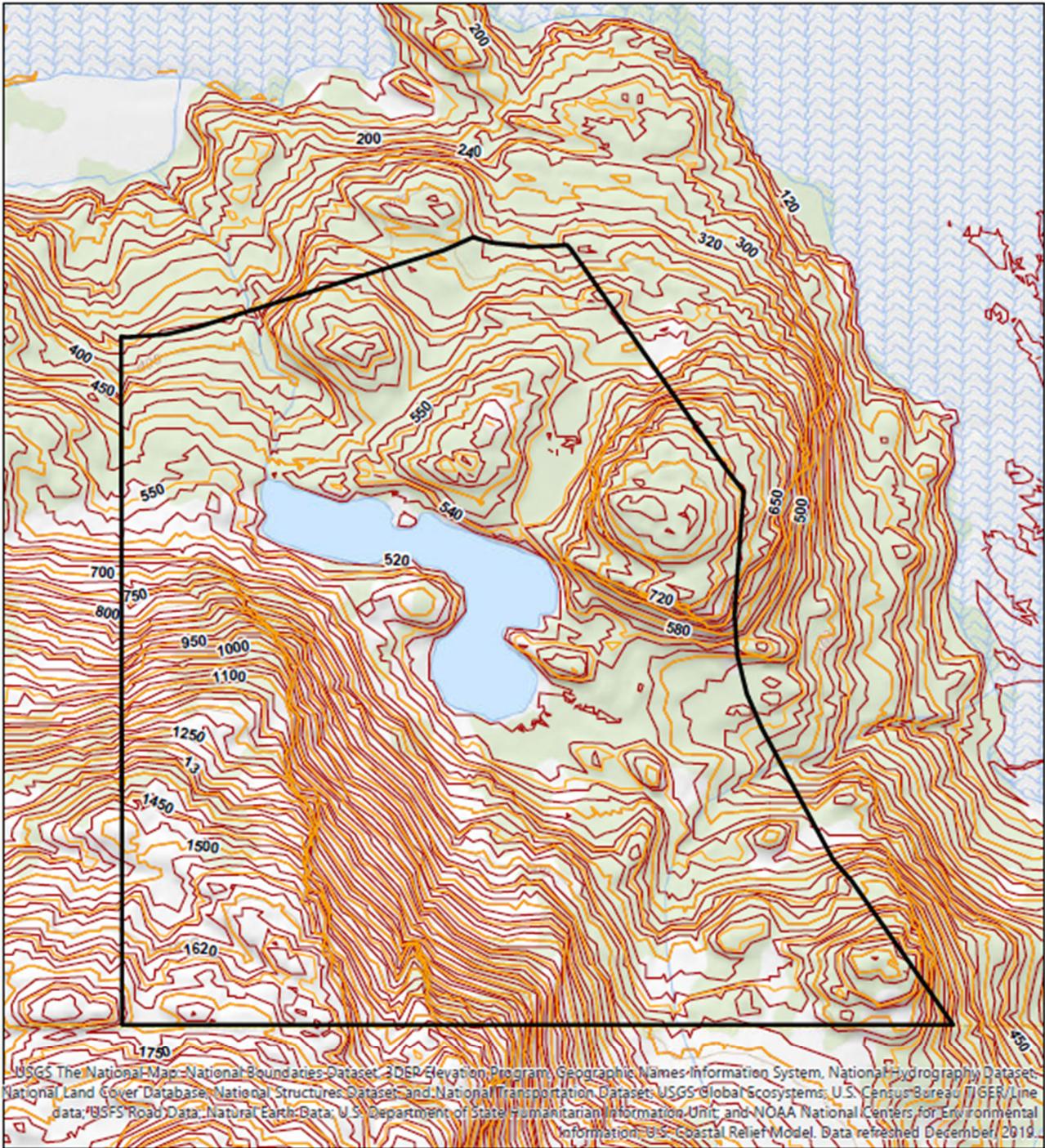


Exhibit – Contours Map



MH Parcel S20521

Contour lines from MatSu Borough 2011 Lidar Project.



Trust
Land Office

Resource Management Committee
January 29, 2020

Entering into Executive Session

Motion:

Per AS 44.62.310(b) and AS 44.62.310(c)(1), I propose that the Resource Management Committee move into executive session to discuss confidential matters pertaining to finances and potential negotiations for the Palmer Project regarding the potential acquisition of federal land that is currently encumbered by federal mineral claims. No decisions will be made in the executive session.

Returning from Executive Session

Notice of Return:

For the record, myself, my fellow Trustees, and members of the Trust Authority and Trust Land Office are returning to the Resource Management Committee from the executive session. We did not make any decisions during the executive session.