

**The Alaska Mental Health Trust Authority**  
**Trust Land Office**  
**BEST INTEREST DECISION AFFIRMED**  
**Negotiated Land Sale – Knik River**

**MHT: 9200732**  
**MH Parcel: S20521**

**Action:** Adopt the Best Interest Decision dated February 10, 2020 regarding the above referenced disposal as final, without modification. This decision document, combined with the Best Interest Decision dated February 10, 2020, constitutes the final decision on this matter, in accordance with 11 AAC 99.040.

**Notice under 11 AAC 99.050.** The Trust Land Office published the public notice of the decision to complete a negotiated land sale of Trust land near Palmer in the Mat-Su Valley Frontiersman on February 12, 2020, on the State of Alaska’s online public notice website, and distributed the notice to the Mat-Su Borough, the Alaska Mental Health Trust Authority, and other interested public and private parties on February 12, 2020 for 30 days.

**Summary of Comments:** Seven (7) timely written comments were received from the general public. Many of the comments contained multiple parts and are summarized below. One comment was received after the public comment deadline closed but raised similar concerns to those from other comments that were submitted timely. Late comments do not give the commenter any right to request reconsideration, as provided at the end of this decision. Several of the comments offered recommendations or suggested alternatives to the proposal. When making a final decision, the Executive Director shall consider only the best interest of the Alaska Mental Health Trust and its beneficiaries. Few comments addressed the best interest of the beneficiaries or consistency with Trust management principles. The comments below are representative of the comments received.

**Comment:** A number of comments raised issue with the details about the applicant’s business credentials and requested a copy of the original application.

**Response:** These commenters were promptly sent copies of the application packet for MHT 9200732, including a copy of the business license, Best Interest Decision, and public notice.

**Comment:** One comment requested additional information from the file and details about requirements to finance with the Trust Land Office.

**Response:** This commenter was informed that this file was a readily available record as defined by 2 AAC 96.100 (b) and was available for public inspection during the Trust Land Office’s regular business hours, as well as, directed to the Trust Land Office’s land sale policies and procedures webpage, which details the requirements to finance with the Trust Land Office.

**Comment:** A number of comments mentioned the applicant’s connections to another business that provides helicopter charters and tours of the nearby Knik glacier. One of these comments asserted that the aerial photography and appraisal were completed with a helicopter and asked if the helicopter business thought to have been used in the appraisal was connected to the applicant.

**Response:** The applicant’s other business ventures are irrelevant to the best interest of the Trust in the context of this negotiated sale. The aerial photography and appraisal work were conducted via a fixed wing aircraft that was chartered by the licensed general real estate appraiser, who was procured by the Trust Land Office. The licensed general real estate appraiser is on the list of acceptable appraisers for completing State of Alaska business

maintained by the Department of Natural Resources, Division of Mining, Land & Water, Appraisal Program.

**Comment:** A number of comments raised issue with the applicant's business name including "preservation" and the potential future commercial development of the parcel, its impact to the surrounding "wilderness", the public community, and the best interest of the residents of the end of Knik River Rd.

**Response:** The Trust Land Office does not discriminate against business's names, regardless of what they might imply the mission or future plans of the business to be or not be. Any Trust Land Office decision pertaining to the use of Trust land that is based upon surrounding land use or general public interests would violate Trust management principles as accepted by the Territory of Alaska under the 1956 Alaska Mental Health Enabling Act, as further clarified by the 1994 Alaska Mental Health Trust litigation settlement and the associated State of Alaska legislation. Regulation 11 AAC 99.020(b) requires Trust land to be managed "solely in the best interest of the Alaska Mental Health Trust and its beneficiaries."

**Comment:** A number of the comments raised issue with the negotiated sale, asking why this parcel was not offered competitively or subdivided, and asserting that it would sell for more if offered competitively.

**Response:** Under 11 AAC 99.020, the Trust Land Office is mandated to sell land on a competitive basis, unless the Executive Director determines it is in the best interest of the Trust and its beneficiaries to complete a noncompetitive disposal. This property is being sold at a premium of 30% above the appraised value to compensate for not selling the land through a competitive process, which exceeds the premium typically garnered in a competitive sale of lots in this area of the state. The cost of subdividing the parcel, given the constructible access issues and platting requirements, is very likely to be greater than the benefit to the value of the parcel if subdivided. Given the price offered, along with the challenging topography, and development cost considerations, a non-competitive disposal is in the best interest of the Trust and its beneficiaries. In addition, as explicitly stated in section "XIII. Opportunity for Comment." of the Best Interest Decision dated February 10, 2020, other persons who may have been interested in purchasing the parcel were invited to compete by submitting their proposals that would meet or exceed the existing offer during the 30-day notice period. In the event that a competing offer was received, the Trust Land Office would have completed the sale through an alternative sale method involving an outcry auction between all qualified competing interested parties. No competing proposals were received.

**Comment:** One comment expressed concern and felt the sale was not a public process.

**Response:** The Trust Land Office followed the decision making and public processes under 11 AAC 99, under the authority of AS 37.14.009 and AS 38.05.801, including consultation with the Trust Authority; a 30-day public notice published in the local newspaper, posted to the State of Alaska's Public Notice website, and posted to the Trust Land Offices Public Notices website; direct notification to the Mat-Su Borough; and direct notification to the Alaska Mental Health Trust Authority. The board meeting was consistent with the Trust Authority's by-laws and the open meetings act.

**Comment:** A number of the comments stated that the negotiated price was too low, and the appraised value set too low.

**Response:** The Trust Land Office used a licensed, through the State of Alaska, general real estate appraiser, who is on the list of acceptable appraisers for State of Alaska business maintained by the Appraisal Program within the Division of Mining, Land & Water, Department of Natural Resources. The appraiser conformed to the requirements of the Uniform Standards of Professional Practice Standard Rules and the Appraisal Institute Certification

Standard Rules. The reported analyses, opinions, and conclusions were developed, and the report was prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. The appraiser certifies that the opinions, conclusions, and analysis are impartial and unbiased.

**Comment:** One comment stated that the property was set aside in the Trust and shouldn't be sold through negotiated sale.

**Response:** The Trust Land Office is mandated by law to abide by trust principles and in accordance with the Alaska Mental Health Enabling Act of 1956 to maximize the long-term revenue from trust land; protect the corpus; protect and enhance the long-term productivity of trust land; encourage diversity of revenue-producing uses of trust land; and manage trust land prudently, efficiently, and with accountability to the trust and its beneficiaries. Selling this parcel at 30% above fair market value meets the fiduciary responsibility to generate revenue from trust land.

**Trust Authority Consultation:** The Alaska Mental Health Trust Authority was consulted on this matter on January 29, 2020.

**Modifications:** The Trust Land Office considers all timely comments, but none demonstrated why the Best Interest Decision dated February 10, 2020, should be substantively modified in any way to better serve the best interest of the Trust and its beneficiaries. Therefore, the Executive Director has determined that no change shall be made to that document.

**Final Decision of the Executive Director:** Considering all of the above, the Executive Director of the Trust Land Office hereby adopts the Best Interest Decision dated February 10, 2020 as final.

**Reconsideration:** Persons who submitted timely written comments during the notice period that ended March 13, 2020, are eligible to request reconsideration of this final best interest decision under 11 AAC 99.060(b) within 20 calendar days after publication of the notice or receipt of the final decision, whichever is earlier. A request for reconsideration must be submitted in writing to the Executive Director. This request must be accompanied by the fee established by the Executive Director under 11 AAC 99.130, which has been set at \$500, to be eligible for reconsideration. Before filing an appeal to the Superior Court under AS 44.62.560, a person must be eligible to request and must actually request reconsideration within the time specified above.

The Executive Director shall order or deny reconsideration within 20 calendar days after receiving the written request for reconsideration. If the Executive Director takes no action during the 20-day period following the request, 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.

**APPROVED:**

**Wyn Menefee**

Wyn Menefee  
Executive Director

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Date