

# Meeting Agenda



**Meeting:** Resource Management Committee  
**Date:** April 19, 2023  
**Time:** 8:30 am  
**Location:** Online via webinar and teleconference  
**Teleconference:** (844) 740-1264 / Meeting Number: 2465 625 7945 # / Attendee Number: #  
<https://alaskamentalhealthtrust.org/>  
**Trustees:** John Sturgeon (Chair), Rhonda Boyles, Verné Boerner, Kevin Fimon, Brent Fisher, Anita Halterman, Agnes Moran

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## Wednesday, April 19, 2023

	<u>Page No</u>
<b>8:30</b>	
<b>Call to Order (John Sturgeon, Chair)</b>	
Roll Call / Announcements / Approval of Agenda / Ethics Disclosure	
Approval of Minutes	
• December 6, 2022	4
• January 6, 2023	8
<b>8:35</b>	
<b>Executive Director Report</b>	hand-out
<b>8:50</b>	
<b>Consultations</b>	
• Item A – Solar Energy Negotiated Lease – MHT 9200844	14
• Item B – Wind Energy Negotiated Lease & Easements – MHT 9400761	19
• Item C – Wind Energy Negotiated Lease & Easements – MHT 9200838	24
• Item D – Disposal of Trust Parcel CRM-0923, MHT 9101134	30
<b>10:10</b>	
<b>Commercial Real Estate Update</b>	35
<b>10:25</b>	
<b>Break</b>	
<b>10:40</b>	
<b>Icy Cape Update</b>	44
<b>Executive session – (if necessary)</b>	
<i>In accordance with the Open Meetings Act, AS 44.62.310(c).</i>	
<b>12:00</b>	
<b>Adjourn</b>	

## Future Meeting Dates

### Full Board of Trustees / Program & Planning / Resource Management / Audit & Risk / Finance

(Updated – April 2023)

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- |                                |                             |                        |
|--------------------------------|-----------------------------|------------------------|
| • Audit & Risk Committee       | April 19, 2023              | (Wed)                  |
| • Finance Committee            | April 19, 2023              | (Wed)                  |
| • Resource Mgt Committee       | April 19, 2023              | (Wed)                  |
| • Program & Planning Committee | April 20, 2023              | (Thu)                  |
| • Full Board of Trustees       | May 24-25, 2023             | (Wed, Thu) – MatSu     |
|                                |                             |                        |
| • Audit & Risk Committee       | July 25, 2023               | (Tue)                  |
| • Finance Committee            | July 25, 2023               | (Tue)                  |
| • Resource Mgt Committee       | July 25, 2023               | (Tue)                  |
| • Program & Planning Committee | July 26-27, 2023            | (Wed, Thu)             |
| • Full Board of Trustees       | August 29-30, 2023          | (Tue, Wed) – Anchorage |
|                                |                             |                        |
| • Audit & Risk Committee       | October 19, 2023            | (Thu)                  |
| • Finance Committee            | October 19, 2023            | (Thu)                  |
| • Resource Mgt Committee       | October 19, 2023            | (Thu)                  |
| • Program & Planning Committee | October 20, 2023            | (Fri)                  |
| • Full Board of Trustees       | November 15-16, 2023        | (Wed, Thu) – Anchorage |
|                                |                             |                        |
| • Audit & Risk Committee       | January 4, <b>2024</b>      | (Thu)                  |
| • Finance Committee            | January 4, <b>2024</b>      | (Thu)                  |
| • Resource Mgt Committee       | January 4, <b>2024</b>      | (Thu)                  |
| • Program & Planning Committee | January 5, <b>2024</b>      | (Fri)                  |
| • Full Board of Trustees       | Jan 31 – Feb 1, <b>2024</b> | (Wed, Thu) – Juneau    |

## Future Meeting Dates Statutory Advisory Boards (Updated – April 2023)

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### **Alaska Commission on Aging**

ACOA: <http://dhss.alaska.gov/acoa/Pages/default.aspx>

Executive Director: Jon Haghayeghi, (907) 465-4879, [jon.haghayeghi@alaska.gov](mailto:jon.haghayeghi@alaska.gov)

- Quarterly Meeting: May 25-26, 2023 / TBD

### **Alaska Mental Health Board / Advisory Board on Alcoholism and Drug Abuse**

AMHB: <http://dhss.alaska.gov/amhb/Pages/default.aspx>

ABADA: <http://dhss.alaska.gov/abada/Pages/default.aspx>

Acting Executive Director: Leah Van Kirk, (907)465-5114, [leah.vankirk@alaska.gov](mailto:leah.vankirk@alaska.gov)

- Executive Committee – monthly via teleconference 10am (2<sup>nd</sup> Wednesday of the Month)
- Quarterly Meeting: TBD

### **Governor’s Council on Disabilities and Special Education**

GCDSE: <http://dhss.alaska.gov/gcdse/Pages/default.aspx>

Acting Executive Director: Patrick Reinhart, (907)269-8990, [patrick.reinhart@alaska.gov](mailto:patrick.reinhart@alaska.gov)

- Quarterly Meeting: June 1-2, 2023 / Anchorage

**ALASKA MENTAL HEALTH TRUST AUTHORITY**  
**RESOURCE MANAGEMENT COMMITTEE MEETING**  
**December 6, 2022**  
**9:00 a.m.**  
**WebEx Videoconference/Teleconference**

**Originating at:**  
**Alaska Mental Health Trust Authority**  
**3745 Community Park Loop, Suite 120**  
**Anchorage, Alaska**

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**Trustees Present:**

Anita Halterman, Chair  
Verne' Boerner  
Kevin Fimon  
Agnes Moran  
Brent Fisher

**Trust Staff Present:**

Steve Williams  
Katie Baldwin-Johnson  
Carol Howarth  
Michael Baldwin  
Eric Boyer  
Valette Keller  
Autumn Vea  
Allison Biastock  
Debbie DeLong  
Kat Roch

**Trust Land Office staff present:**

Jeff Green  
Jusdi Warner

**Also participating:**

Brenda Moore; Lenise Henderson; Andrew Hinton; Jim Mendenhall.

## PROCEEDINGS

### CALL TO ORDER

CHAIR HALTERMAN called the meeting to order and began with a roll call. She stated that Trustees Sturgeon and Boyles were excused from the meeting. She added that there was a quorum for business. She asked for any announcements. Hearing none, she asked for a motion on the agenda.

### APPROVAL OF AGENDA

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

*After the roll-call vote, the MOTION was APPROVED. (Trustee Boerner, yes; Trustee Fisher, yes; Trustee Fimon, yes; Trustee Moran, yes; Chair Halterman, yes.)*

CHAIR HALTERMAN asked for any ethics disclosures. Hearing none, she recognized CEO Williams to introduce the Sitka Homeless Coalition Project.

### SITKA HOMELESS COALITION PROJECT

CHAIR HALTERMAN recognized CEO Williams to introduce the presenters.

CEO WILLIAMS thanked the trustees for making the time for this special RMC meeting. He stated that the trustees have been kept in the loop and on the pulse of this project over the past few years. The Sitka Homeless Coalition pulled together and identified a project to address some homelessness issues in Sitka. The Trust Land Office tries to look at Trust lands to maximize the revenue from those lands for current and future beneficiaries. And, periodically, they weigh the value of the land and what might be generated off of it with the impact on beneficiaries, programs and services, which is allowed in regulation. This is one of those rare projects. Mr. Green will walk through and explain the regs, and Mr. Boyer will talk about leasing and ground leases and how the TLO executes those. He gave a brief summary of how the project came about in addressing the single adult homeless population in Sitka. In 2021, the community had a public health summit and came up with the goal to end single adult homelessness in Sitka. The solution, driven by the community, was evidenced in the packet and there are multiple letters of support. He added that bringing this forward demonstrated the intentional, collaborative effort in Sitka, and also the international collaborative effort between the Trust Authority Office and the Trust Land Office. This partnership for consideration is very exciting. He asked Mr. Green to continue.

MR. GREEN stated that he would talk about the program-related real estate proposal from the Sitka Homeless Coalition. It is a joint presentation and consultation being led by the Trust Authority, with support from the TLO. He began by providing a review on the program-related real estate, the process and a short history. He went through the regulations, which essentially say that a beneficiary-serving organization may be granted the use of Trust land at less than fair-market value through a very specific process. First, the Trust Authority, by the trustees, must approve the use before the TLO could act. It is touched on in the Resource Management Strategy, with an entire section related to program-related real estate. This request is about giving the Sitka Homeless Coalition a ground lease at less than fair-market value. The Trust

Authority and the TLO will present jointly on the Sitka Homeless Coalition proposal; and then the RMC will make a recommendation of the project to the Full Board. He continued that if the RMC recommendation is approved, the Trust Authority would then public-notice the project for 30 days; and then it will be presented to the trustees. If the request is approved by the Board, it is the final decision by the Trust Authority, which can only be appealed to Superior Court. After approval by the Full Board of Trustees, this approval is then forwarded to the TLO to enact or award.

CHAIR HALTERMAN stated that both she and Trustee Sturgeon were briefed about this, and Trustee Sturgeon is fully supportive of this particular project. She thanked Mr. Green for the update and history.

MR. GREEN then gave a brief overview of the parcel.

A question-and-answer discussion ensued.

MR. BOYER complimented Mr. Green on his presentation, and added that he would talk more about the project. He introduced Andrew Hinton, the executive director of the Sitka Homeless Coalition, and Lenise Henderson, who provided contractual support to the Coalition and the process.

CHAIR HALTERMAN asked for a motion.

**MOTION: A motion that the Resource Management Committee recommend the Full Board approval of the annual rent of 1 percent of the appraised fair-market value for a 30-year ground lease of USS 3695, Lot 3, in Sitka, Alaska, with the Sitka Homeless Coalition for the Hitx'i Saani, Little Houses Project, was made by TRUSTEE BOERNER; seconded by TRUSTEE FISHER.**

MR. BOYER explained that the Tlingit term for little houses, Hitx'i Saani, is the cultural name for this project. It really speaks to the connection to the land, the people, the culture, the Alaska Native culture there, and providing a project where a large number of the beneficiaries have been part of this project over the years. They are the ones that are at the front of this because they are homeless, in need, are Alaska Native. It is another step that the Homeless Coalition and the partners in the region have worked together to provide this project that meets a lot of the ongoing needs. He continued that supportive housing is something that the Trust has invested in over the years from Homer to Fairbanks, Juneau and Anchorage. Recently the board approved funding for supportive housing for the first ever supportive housing in Bethel and Nome. Those projects aimed at supporting some of the most vulnerable, at-risk Trust beneficiaries in the state, and this project in Sitka fits right in. He moved to the engaging aspects of the model in thinking about supporting someone in their direct needs, recovery, ongoing treatment. He noted that some of these men in Sitka have received treatment and resources. He continued that the plan is to have a case manager there 16 hours a week, plus a live-in manager there all the time. The executive director will also have an office on-site. There will be a lot of opportunities for relationship-building on a day-to-day basis; helping these beneficiaries in the process of stability to reconnect or continue their resources or to make that connection. He added that the resources were seen in the letters of support from Community Behavioral Health, Sitka Counseling, tribal behavioral

health through SEARHC, and the Sitka Tribe. The exciting part of this is not just stabilizing people at risk, but helping to engage in their mental health, wellness, substance-use treatment, and other things that may result from a traumatic brain injury or other ongoing issues.

MR. GREEN touched more on the lease and the details of the lease. He pointed out that the trustees were not approving the details or all of the terms of the lease. This request for the use at less-than-fair-market value. He stated that the TLO would be negotiating and crafting the terms, and the lease would be up to a 30-year ground lease. The Trust will not own or manage or operate the buildings, but will just administer the ground lease for the use.

MR. BOYER gave a bit more of the architectural design of the units using wood framing a concrete base.

A brief question-and-answer discussion continued.

MS. HENDERSON stated that she had been working with the Coalition for almost a year, and was involved in the conceptual plans. The foundations are certainly flexible at this point. Slab foundations are on the initial plans, but they could put on footers if that was more amenable to what the Alaska Mental Health Trust would prefer in case the structures need to be removed. She continued that the soil there is amazing, and it looks really good.

CHAIR HALTERMAN had an observation with the hope of mirroring this in other communities throughout the state where communities have an honest investment in serving some of their own beneficiary populations. It is a creative project, and she would like the folks to have as much flexibility as needed to get this project going. She called the question.

*After the roll-call vote, the MOTION was APPROVED. (Trustee Moran, yes; Trustee Fimon, yes; Trustee Fisher, yes; Trustee Boerner, yes; Chair Halterman, yes.)*

CHAIR HALTERMAN stated that the motion will go to the Full Board for a final approval. She entertained a motion to adjourn the meeting.

**MOTION:** A motion to adjourn the meeting was made by TRUSTEE BOERNER; seconded by TRUSTEE MORAN.

*After the roll-call vote, the MOTION was APPROVED. (Trustee Boerner, yes; Trustee Fisher, yes; Trustee Fimon, yes; Trustee Moran, yes; Chair Halterman, yes.)*

CHAIR HALTERMAN adjourned the meeting and thanked all. She looked forward to hearing about this project in the future and hoped that it would be wildly successful and replicated throughout the state.

(Resource Management Committee meeting adjourned at 9:56 a.m.)

**ALASKA MENTAL HEALTH TRUST AUTHORITY**  
**RESOURCE MANAGEMENT COMMITTEE MEETING**  
**January 6, 2023**  
**12:30 p.m.**  
**WebEx Videoconference/Teleconference**

**Originating at:**  
**Alaska Mental Health Trust Authority**  
**3745 Community Park Loop, Suite 200**  
**Anchorage, Alaska**

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**Trustees Present:**

John Sturgeon, Chair  
Anita Halterman  
Agnes Moran  
Kevin Fimon  
Rhonda Boyles

**Trust Staff Present:**

Steve Williams  
Katie Baldwin-Johnson  
Carol Howarth  
Kelda Barstad  
Michael Baldwin  
Allison Biastock  
Eric Boyer  
Kat Roch

**Trust Land Office staff present:**

Jusdi Warner  
Jeff Green  
Katie Vachris  
Marisol Miller  
David MacDonald  
Sarah Morrison

**Also participating:**

Diane Fielden; Erin O'Boyle; Bev Schoonover; Maranda Hamme; Mary David; Patrick Reinhardt; John Springsteen.



## PROCEEDINGS

### CALL TO ORDER

CHAIR STURGEON called the meeting to order and began with a roll call. He stated the Trustee Boerner was excused. He asked for any announcements. There being none, he moved to the approval of the agenda.

CEO WILLIAMS acknowledged that John Springsteen, from the Governor's office, joined the meeting. He stated that he is one of the Governor's special assistants and has been assigned to the State Corporations, as well as some other duties.

CHAIR STURGEON asked for a motion to approve the agenda.

### APPROVAL OF AGENDA

**MOTION:** A motion to approve the agenda was made by TRUSTEE HALTERMAN; seconded by TRUSTEE MORAN.

*After the roll-call vote, the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Fimon, yes; Trustee Halterman, yes; Trustee Moran, yes; Chair Sturgeon, yes.)*

CHAIR STURGEON asked for any ethics disclosures. Hearing none, he moved on to the minutes from October 19, 2022.

### APPROVAL OF MINUTES

**MOTION:** A motion to approve the Resource Management Committee meeting minutes from October 19, 2022, was made by TRUSTEE HALTERMAN; seconded by TRUSTEE MORAN.

*After the roll-call vote, the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Fimon, yes; Trustee Halterman, yes; Trustee Moran, yes; Chair Sturgeon, yes.)*

### TRUST LAND OFFICE EXECUTIVE DIRECTOR REPORT

CHAIR STURGEON recognized Jusdi Warner, executive director of the Trust Land Office.

MS. WARNER began with the timber harvest from Naukati and Shelter Cove timber sales which currently comprises the largest part of the industry's timber supply in the state. She continued that active negotiations on the Amendment to the Shelter Cove Timber Sale contract should be completed by the end of this month. Active management and oversight of these two sales insure these operations were conducted within the parameters of the contracts. She talked about Viking Lumber which reduced the unit from 85 acres down to 67 acres. The road system within the unit was adjusted, with the total amount of road to be constructed reduced by 866 feet, and the crossing of one stream has been eliminated. She added that changes to this unit were made to protect areas that may or may not contain cultural resources. This was left over from the land exchange. The changes were a success in that the creative redesign effort will not cost the Trust revenues, and will protect potential cultural resources. She continued that the work was proceeding to develop and we will prepare the Hollis timber sale in the spring of 2023, supplying the industry with two years of valuable timber. She stated that the TLO recently requested

funding from the DNR, Division of Forestry, for hazardous forest fuels reduction projects on two Trust parcels near Tok. DNR denied this request on the basis of other projects taking priority on State land with those Federal dollars. She continued, that would have been a biofuel harvest in Tok to support fire suppression and economic heating for the Tok school. She added that the benefit for the TLO was clearing lots with anticipated aspen regeneration and future subdivision land sales. The benefit to the community would be fire protection of one of the largest pieces of infrastructure in Tok, supportive economic heating to the school, and land lots for sale. She continued that the Trust Land Office will still proceed with this project absent the DNR funding. She moved to the Alaska Forest Association which inquired about the TLO's interest on a potential land exchange with the State of Alaska for the land at Shelter Cove. This could be of potential benefit that could move to the harvest of this timber into the current TLO timber harvest contract. She explained fully, and moved to the TLO receiving interest in sequestering carbon through timber resources on Trust land. She talked about entering the voluntary carbon markets by providing carbon credits for oil and gas majors, hedge funds, and banks. She explained how the credit, which corresponded to one metric ton of reduced, avoided or removed CO<sub>2</sub>, worked in more detail. She added that the task force on scaling voluntary carbon markets estimates that the market for carbon credits could be worth upward of \$50 billion as soon as 2030. This had been evaluated by the TLO for a number of years and we hope to bring more information to the committee in April of this year. She moved to the pros and cons of the carbon credit program and stated that there was a significant amount of risk with it because all credits were not created equal. She also discussed risks for the Trust.

TRUSTEE HALTERMAN asked about the kind of political impact there would be by getting into selling carbon emission properties. She asked if it could cause a potential conflict for the Trust.

MS. WARNER replied that she thought it would have the potential because the timber industry is being held together in Southeast Alaska right now and some revenue could be generated off nonperforming assets. She also talked about the 100-year term. She stated that a shorter term, a 40-year credit, can be done, which lessens the value of that carbon.

MS. WARNER continued to the fall competitive land sale and talked about the 54 sold parcels. She also talked about the Big Game Guide Permit Program, the BGGPP, and how the online competitive lease program was invigorated, with plans to add additional new inventory in the near term. She continued that the Army Corps of Engineers issued a nationwide permit on November 14<sup>th</sup> and suspended the permit three days later. The Corps stated that the Chilkat Indian Village raised significant objections to the authorization dated November 16<sup>th</sup>. The Army permit will be suspended until such time as these issues are fully considered and a permit is either reinstated, revoked or modified. She talked about the need for a clear understanding of the mineral potential on Trust Land. A strategic plan is under development that would outline strategic areas of interest for reconnaissance sampling, mean rock chip, soil and stream sediment sampling, and geological bedrock mapping. The Usibelli Coal Mine unitized royalty payments exceeded \$68,000, which is an increase of 28 percent; and they have not yet moved on to Trust land. She stated that TLO staff attended the Alaska Miners Association Conference, and Karsten Eden, chief geologist, presented updates on TLO's Icy Cape gold and industrial heavy minerals project, the 2022 drilling season at the exploration project highlight session, which went very well. She moved to Program-Related Investments and stated that the public notice is out for the Sitka Homeless Coalition, and it closes on January 14<sup>th</sup> at 4:30 p.m. To date, no comments have

been received. She continued that the TLO requested a draw from the Central Facilities Fund to perform necessary engineering work prior to performing the replacement of the building's existing rooftop unit, boiler and pneumatic control systems. Engineering will be required prior to the unit replacement as newer units will have differing heights and weights which directly affect the structure of the roof and the building. She noted that trustees approved this funding in 2018.

CHAIR STURGEON asked about the controversy on Livengood Road out of Fairbanks. If that road is built, what are the potential resources, and what would that mean to the Trust.

MS. WARNER replied that the potential Trust value under deposit is \$436 million. The deposit was proven at Livengood; there is a lot of gold there, which is worth a lot of money. The road is a big player in that, and the Trust would like to see this project go through because it would generate a lot of revenue for the Trust and its beneficiaries. Getting the lease longer term will secure more investors, which is really important. Getting infrastructure out there and supporting that development is very important. This has the potential to be an excellent program, and the prefeasibility study has been completed.

CHAIR STURGEON asked if the Trust had taken a position on that road.

MS. WARNER replied that the Trust had not, as of yet, taken a formal stance. She stated that the project is next door to Fort Knox, and it would be very beneficial to meet the need of employing Alaskans with jobs.

TRUSTEE HALTERMAN asked for some pros and cons on the project to see both sides of the argument. She added that she was not as familiar with this project.

CHAIR STURGEON asked for staff to come up with some pros and cons, and stated that it would also be beneficial for the Trust to take a position on that road.

MS. WARNER replied that she would bring back some information and a recommendation for trustees to consider. She moved to the commercial real estate and stated that the portfolio remains just over 91 percent leased overall. The TLO is housed in the Cordova Building, and she highlighted some exceptional work and diligence by the commercial real estate folks. The building is currently undergoing a bathroom remodel and an elevator modernization, which represents a culmination of a significant multi-year effort to maintain the building as a Class B office space. She noted that the TLO does not contribute to rents paid at the property, and the TLO asset manager made an exceptional effort to keep costs within the property's budget. She stated that the commercial real estate working group continued working on finding consensus on the Commercial Real Estate Investment Policy and Procedures, cross-referencing the policies and procedures that were already in place through the Resource Management Strategy, the LLC agreements, the charters, et cetera. In each executive director report she tries to cover things that are happening in the GIS land title unit. This unit is the glue that holds the TLO together and is the foundation for much of the success we have. The title reports are critical documentation that are required to defend that the Trust owns the land and the resources before any disposal can take place. The State of Alaska Department of Natural Resources is charged with defending all State title. There is a reimbursable services agreement with the realty services section in DNR that produces most of the title reports. Because of staffing challenges continuing, it has become

increasingly challenging to get the title reports timely. She continued that Chandler Long completed the year-long Future Leaders Summit. This group plans and organizes next year's DNR Future Leaders Summit. Ms. Long reported that she is pleased with the program, learned a tremendous amount; and her most valuable session was the legislative tour in Juneau. She continued that their staffing levels were stabilizing. Cole Hendrickson started in the land and resource adjudicator position in December; Katie Vachris will be joining the TLO team in mid-January as a project manager, initially working on subdivision development. She added that there is only one vacant administrative position, and that recruitment will start this month. She stated that Chairman Sturgeon and she will be teaming up to speak at a Resource Development Council breakfast on February 2<sup>nd</sup>. It is a statewide trade association comprised of individuals and companies from Alaska's fishing, forestry, mining, oil and gas, and tourism industries. RDC's membership includes Alaska Native corporations, local communities, organized labor and industry support firms. Their purpose is to encourage a strong, diversified private sector in Alaska, and to expand the State's economic base through the responsible development of the natural resources. They will be highlighting and covering the Trust, its mission, and the work projects of the TLO. She talked about her service on the BLM Resource Advisory Council after her appointment in 2020, and stated that her term would be ending in February. She stated that she always strives to provide informed, objective advice on a broad array of public land issues, and she is committed to collaboration and creating solutions on those issues.

TRUSTEE MORAN asked if there would be any Trust representation on the Resource Advisory Council since she would no longer be a member.

MS. WARNER replied that unless there was a nomination and appointment, there would not be. She continued that she had hoped for a more influential voice on that board, but it was difficult to get traction.

### **ICY CAPE UPDATE**

CHAIR STURGEON moved to the Icy Cape update and recognized Jusdi Warner.

MS. WARNER stated that the project planning for this calendar year is currently at 120 percent. The planning for this year's work was completed, and the planning for next year's field season is in full swing. It is on track, and all the permitting for the field season 2023 has been completed. She moved to procurement and stated that it was all right on track at right at 100 percent. Current procurement needs for next year are currently being identified. All the field work, including drilling, was completed during the third quarter of the calendar year. More than 10,000 feet in total were drilled. The samples were processed on site and concentrates were shipped out to the contract laboratory in Virginia. Camp was winterized, and a watchman continues being on-site over the winter. She continued through the presentation and then did a brief update on the budget and how inflation has affected the budget. She added that information from the analysis should start coming in April, but we are not sure when it will be presented.

CHAIR STURGEON thanked Ms. Warner for the great job she did.

### **TRUSTEE COMMENTS**

TRUSTEE HALTERMAN thanked all for all the work they did and stated that she is impressed with the land sales and the revenue generated. She also stated appreciation for the great dialogue about funding programs that were critical to the Crisis Now implementation, and for the time and

attention that it took to pull together the materials for the meetings. She added that there will be future presentations for insight about some changes that may be forthcoming for policy. She thanked all for all the time and effort in pulling these meetings together.

TRUSTEE BOYLES stated that Ms. Warner is amazing, and agreed on the diplomacy of her involvement in BLM. She continued that she looked forward to more information on Icy Cape, which is a favorite project of hers. It is what the Trust exists for: developing the land and turning it into money to fund future beneficiaries. She added that this two-day meeting was one of the best Planning Committee meetings because of the reminder of our fiduciary responsibilities. She stated that it was a good meeting, and she complimented CEO Williams for all the support staff gives the committee chairs and the Trust.

TRUSTEE FIMON thanked Ms. Warner for her report, and noted his interest in the battle that continues in doing roads or improvements and all the things that happen for progress. He also congratulated the TLO staff for the strong sales. He was thankful for Gene Hickey and Carol Howarth for their help to the committee chairs, and for touching on some of the hard issues; and just for the reminder of the responsibility as fiduciaries to all the beneficiaries. He talked about the phenomenal presentations yesterday. He was impressed with April Kyle, whose knowledge and presentation were so informative. He also thanked all the staff that have the trustees so prepared and set up for the meetings.

TRUSTEE MORAN thanked all for two great days of meetings, and noted that she found the Native Health presentation extremely useful.

CHAIR STURGEON reiterated the thanks to staff for all the hard work put into these meetings. He marveled at how good they make the trustees look.

CEO WILLIAMS recognized Carol Collier, the long-term care ombudsman. She has retired, resigned from her position, and will be leaving the state. She was a long-term care specialist, and has worked in the LTCO office for over nine years. She was charged with taking complaints and investigating any issues that may have arisen from seniors living in long-term-care facilities. She has been a great advocate for seniors and for beneficiary seniors. He added that she did a lot of good work on behalf of the beneficiaries and seniors, in general, in Alaska.

CHAIR STURGEON stated appreciation for that recognition. There being no other comments or concerns from the trustees, he entertained a motion to adjourn the meeting.

**MOTION:** A motion to adjourn the meeting was made by TRUSTEE HALTERMAN; seconded by TRUSTEE MORAN.

*After the roll-call vote, the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Fimon, yes; Trustee Halterman, yes; Trustee Moran, yes; Chair Sturgeon, yes.)*

(Resource Management Committee meeting adjourned at 1:31 p.m.)



**To:** John Sturgeon, Chair  
Resource Management Committee  
**From:** Chandler Long, Senior Project Manager  
**Date:** 4/19/2023  
**Re:** MHT 9200844  
Kenai Peninsula Solar Farm Negotiated Lease  
**Fiscal Year:** 2023-2055

## Consultation

### Proposed RMC Motion:

*“The Resource Management Committee recommends that the Alaska Mental Health Trust Authority board of trustees concur with the Executive Director of the Trust Land Office’s (TLO) decision to lease Trust parcels SM-1162-01 and SM-1162-04 through two negotiated term leases.”*

### Background:

**Revenue Projections:**            **Income**            **\$3,369,589**

**Transaction/Resource:** The proposed action is to dispose of two parcels through negotiated leases, to the applicant, Renewable IPP, LLC, for the purpose of developing cost-competitive, wholesale solar electricity.

**Property Description/Acreage/MH Parcel(s):** Trust parcel SM-1162-04 is an 80-acre rectangle with approximately 153 feet of frontage along Escape Route Road and legally described as:

T. 007 N., R. 011 W., SEWARD MERIDIAN, ALASKA  
SECTION 33: W1/2NE1/4;

CONTAINING 80.00 ACRES, MORE OR LESS.

ACCORDING TO THE SURVEY PLAT ACCEPTED BY THE UNITED STATES DEPARTMENT  
OF THE INTERIOR, BUREAU OF LAND MANAGEMENT IN DENVER, COLORADO ON  
DECEMBER 10, 1979.

Trust parcel SM-1162-01 is a 600 acre parcel adjacent to the east side of SM-1162-04. It is legally described as:

T. 007 N., R. 011 W., SEWARD MERIDIAN, ALASKA  
SECTION 27: SE1/4NE1/4, SE1/4SW1/4, SW1/4SE1/4, E1/2SE1/4

SECTION 33: E1/2NE1/4  
SECTION 34: N1/2;

CONTAINING 600.00 ACRES, MORE OR LESS.

ACCORDING TO THE SURVEY PLAT ACCEPTED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF LAND MANAGEMENT IN DENVER, COLORADO ON DECEMBER 10, 1979.

**General Background:** On December 19, 2022, Renewables Independent Power Producers (IPP) LLC applied to purchase the subject 680 acres for their Kenai Peninsula Solar Farm. As their third and largest privately funded project in Alaska, they propose to generate 28.5 megawatts of cost-competitive energy, interconnecting into the Homer Electric Association (HEA) utility grid on Escape Route Road (HEA transmission line authorized under MHT 9200777B). This project involves 48,000 solar panels (see solar array (set of panels) location in Exhibit A), encompassing 250-300 acres of land, has a 30–40-year operating life, and meets 6.5% of HEA energy demand.

Consistent with trust management principles outlined in 11 AAC 99.020, the maximization of revenue for this parcel is a lease for the proposed project, as opposed to the requested land sale. During the course of negotiations, it was determined the subject property would be split into two project phases as depicted on Exhibit A. Splitting the property into two phases enables Renewables IPP LLC to commence their power generation project *while* evaluating the opportunity to expand because they have land authorization. If expanded, the Trust would capitalize on increased power production in a second lease for phase two.

Phase one includes a 3-year Option to Lease for Solar during which time feasibility studies, agreements with the utility company, and approval from the Regulatory Commission of Alaska would occur. Upon agreements being reached, the applicant would enter into a 32-year lease with the TLO. The lease includes a 2-year construction term and 30 years of operations. Currently, the life of a solar panel is 30-40 years, therefore, the lease includes the option of three, 5-year renewal periods. Over the course of the initial 30-year operations term, the TLO anticipates a return of \$3.33 million dollars. This projection is based on an increasing royalty percentage of gross revenue over 30 years with escalating royalty rate payments at 10 and 20 years with no allowable deductions and a minimum annual payment based on installed megawatts.

Phase two includes a 10-year Option to Lease for Solar, returning \$1,000 per year for holding land that is currently a non-performing asset. The opportunity for a second lease is an incentive for Renewables IPP to reduce their per megawatt costs because the second lease would utilize the transformer installed for phase one. By the TLO providing an opportunity for a second lease, it incentivizes generating more power on Trust land, thereby maximizing the return on the properties because landowner consent is the initial step in a power project. With landowner consent, Renewables IPP LLC can efficiently negotiate agreements and obtain funding for phase two. Upon agreements being reached, phase two

would enter its 32-year lease under the same terms, further expanding the return to the Trust and its beneficiaries from this energy project.

**Anticipated Revenues/Benefits:** This proposal provides the Executive Director with an opportunity to lease the property for approximately \$3.3 million. Another anticipated benefit includes the diversity of the Trust's energy resources.

**Anticipated Risks/Concerns:** Concerns include the applicant defaulting on the terms of the agreement. Risks will be mitigated through contemporary language to limit Trust risk, ensure performance, and termination language, in the case of default, with retention of the property in Trust ownership.

**Project Costs:** \$0. The project is not expected to incur any expense on the Trust's behalf outside the TLO's normal operating budget to support administrative oversight.

**Other Considerations:** This project expands the portfolio of the TLO by incorporating solar into the energy program.

**Due Diligence:** In the lower 48, where solar power generation is not a novel project like in Alaska, where there's ample locations with plentiful sunlight and open space, landowners are returning \$250 to \$1,000 per acre per year. This range is dependent on scale, location, and access to transmission lines. Larger projects can spread high costs, such as the \$7 million dollar transformer required for this project, over more megawatt hours generated, thereby being able to pay a higher landowner fee.

In comparing lower 48 rates to the proposal at hand, phase one of the Kenai Peninsula Solar Farm is a small project, encompassing 250 usable acres, with high-voltage transmission line access and comparable solar distribution to other areas in Alaska. It's a good site for Alaskan solar, but it's not exceptional, and operation costs remain high due to the size of the project.

The TLO anticipates phase one of the Kenai Peninsula Solar Farm returning \$443 per year per acre. This is a cost competitive project, maximizing the return on these rural properties, and opens the door for increased returns in a second phase.

In June of 2021, TLO staff inspected the subject properties. They are primarily wooded areas with portions of the properties displaying wetland characteristics. Several user-developed off-road vehicle trails were observed, in addition to trespass dumping of appliances and garbage. There is a high-voltage transmission line which the TLO and HEA are working towards bringing into compliance.

**Alternatives:** The alternatives include holding the parcels for development and/or sale in the future or disposing of them through a competitive or alternative negotiated lease. Future development into subdivision lots would not meet or exceed the current anticipated revenue. This is not a high value residential subdivision location.

**Consistency with the Resource Management Strategy:** The proposal is consistent with the "Resource Management Strategy for Trust Land" (RMS), which was adopted October 2021 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.

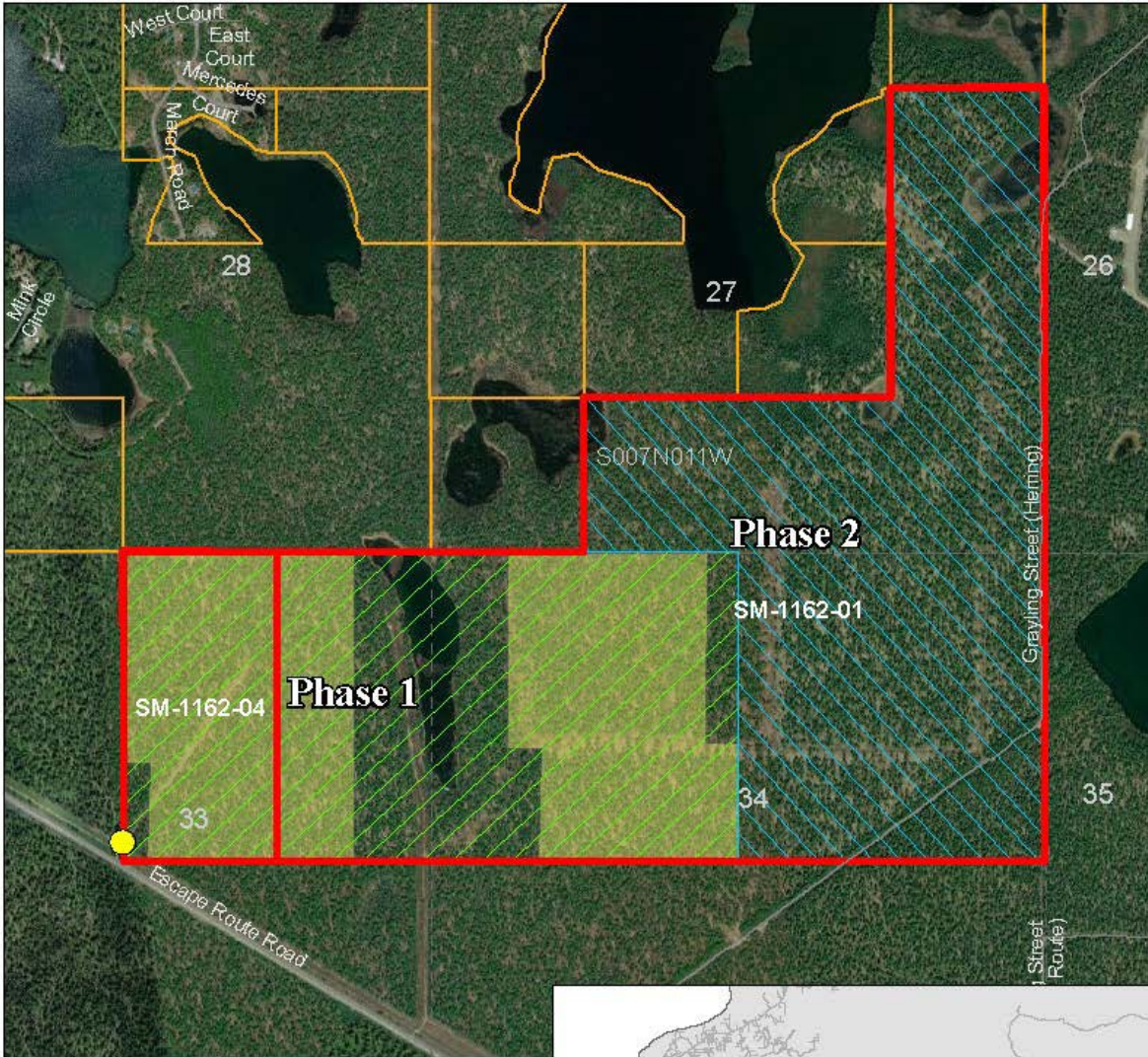


**Trust Land Office Recommendation:** The Trust Land Office recommends that it is in the Trust's best interest to offer this parcel by negotiated lease.

**Applicable Authority:** Alaska Statutes AS 37.14.009(a), AS 38.05.801, 11 AAC 99; Resource Management Strategy.

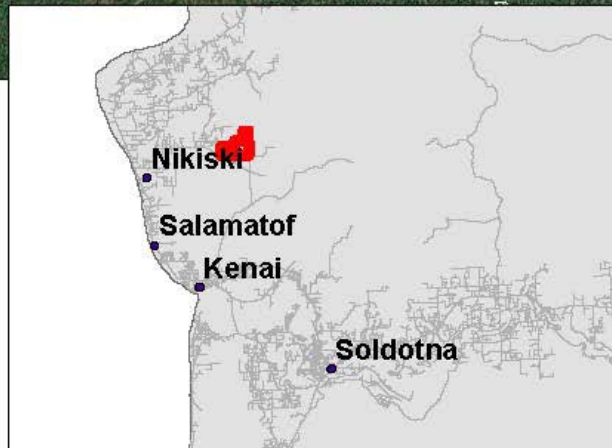
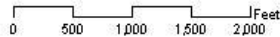
**Trust Authority Consultation:** This briefing document fulfills the consultation requirements that are applicable to the transaction. In the event that significant changes to the transaction are made necessary by the public notice process, the Trust Authority will be consulted regarding the changes.

Exhibit A: Kenai Peninsula Project Area Map



MHT 9200844

-  Grid Interconnection
-  Phase 1
-  Phase 2
-  Phase 1 Solar Array
-  MHT 9200844
-  Mental Health Parcels





**To:** John Sturgeon, Chair  
Resource Management Committee  
**From:** Jeff Green, Deputy Director  
**Date:** 4/19/2023  
**Re:** MHT 9400761  
Walker Dome Project Wind Energy Lease and supporting  
Easements  
**Fiscal Year:** 2023 – up to 2058

## Consultation

### Proposed RMC Motions:

*Motion 1: “The Resource Management Committee recommends that the Alaska Mental Health Trust Authority board of trustees concur with the Executive Director of the Trust Land Office’s (TLO) decision to dispose of all or a portion of Trust parcels FM-1551-01, FM-1514, FM-1515, FM-1516, FM-1517, FM-1520, FM-1521, and FM-1522 through a negotiated term lease.”*

*Motion 2: “The Resource Management Committee concurs with the Executive Director’s recommendation to dispose of a portion of Trust parcels FM-1551-01, FM-1514, FM-1515, FM-1516, FM-1517, FM-1520, FM-1521, and FM-1522 through negotiated term easements in support of MHT 9400761.”*

### Background:

**Revenue Projections:** Income: Approximately \$32MM. From wind turbine lease area and term access, transmission, and utility easements.  
Principal: Minor amount from construction related material sales if needed.

**Transaction/Resource:** The proposed action is to enter into a negotiated lease with the applicant, Alaska Renewables LLC, and access and utility easement agreements in support of the lease. The phases of the project are outlined by TLO authorization below:

1. Five Year Term Negotiated Lease (MHT 9400761): The Trust will be paid a nominal fee during the study and feasibility stage which should be completed within 5 years. Additionally, the Trust will acquire all the data for future use and marketing should this project not move past this stage. If in good standing and the project proves feasible, AK Renewables will have the option to enter a 30-year term negotiated lease for operational phase.
2. Thirty Year Term Negotiated Lease (MHT 9400761): will be secured for construction of the pads and turbines, as well as, life of the project including for 30 years with escalating annual royalty rate payments at 10 and 20 years with no allowable deductions and a minimum annual payment based on installed megawatts. Insurance, bonding, and performance guarantee will be secured.

3. Easements: Term access, transmission, and utility easements will support the lease and therefore will also be executed for 30-year terms for access, transmission, and utility to facilitate the project logistics and energy transmission. Fees based on current TLO fees for proposed uses.
4. Material Sales: Material sales on Trust land in support of project construction. All material will be sold at FMV. Material will not be sold to a third party or removed from Trust land unless purchased at FMV.

**Property Description/Acreage/MH Parcel(s):** The Walker Dome Area Project is being proposed approximately 8 miles northeast of Healy, Alaska on Walker Dome. The projects study/feasibility phase would initially include all or portions of eight Trust parcels: FM-1551-01, FM-1514, FM-1515, FM-1516, FM-1517, FM-1520, FM-1521, and FM-1522 for a total of approximately 1,700 acres. The ground lease acreage for the operational term of the project would be reduced significantly to a maximum of approximately 150 acres.

Much of the project is at higher elevations on gently sloped to flat terrain running along the main ridge of Walker Dome.

**General Background:** Using meteorological data from Walker Dome provided by the TLO in conjunction with wind modeling and analysis, Walker Dome has been identified as an excellent candidate for wind energy development due to its consistently high wind speeds and proximity to existing transmission, road, and rail. To gather necessary data, meteorological towers and ground-based LIDAR systems will be required to monitor wind and other meteorological conditions. This portion will be completed during the up to 5-year study phase.

Should the study prove marketable and profitable energy resources are available, the TLO would facilitate the necessary ground lease, access/transmission easements, and material sales for the project's development and operation. The project would be required to receive all mandatory permits and authorizations from local, state, and federal agencies.

The overall project scope is dependent on the wind resource available and the energy offtake agreement(s) that are in progress with Golden Valley Electric Association (GVEA) and other potential off-takers. The study area scope includes locating 15 - 17 wind turbine generators, corresponding to a total electrical output ranging between 50 and 60 megawatts (MW) in wind power capacity.

Should the project be developed, it is anticipated that each turbine pad would occupy approximately 3.5 acres and would include a foundation constructed according to the turbine manufacturer's specifications. The turbines would be spaced approximately 1,300 feet apart along the main ridge and adjacent side ridges of Walker Dome. The turbines themselves are anticipated to be of the three-megawatt class with a hub height of 100 meters and a rotor diameter of 140 meters. Turbines would be specifically outfitted with cold weather modifications to ensure reliable performance in Alaska's variable weather conditions.

Approximately 50 acres of laydown area for tool, material, and equipment storage would be required for the life of the project. This site would include an enclosed main building to house electrical

equipment that collects power from the project and interconnects it with the existing transmission system.

Access to the project is anticipated to be via the existing Eva Creek Road with 5 miles of new road required on Trust land. Turbine access roads would be constructed approximately 36 feet wide for the transport of turbine components and the crane which will erect the towers. The access routing across the project will be designed with efficiency and a high safety rating but is largely contingent on the final siting design of the turbines.

Ultimately, the ground lease portion of the agreement would be issued based on the surveyed as-built areas associated with the installed infrastructure.

Connectivity of the potential project site to existing transmission lines is yet to be determined; however, nearest GVEA transmission lines are located directly adjacent to the project site on Trust land (MHT 9400059) and GVEA's Eva Creek Substation is located approximately 5 miles to the north of the project area. The proposed area was selected to accommodate a flexible project layout that considers variation in terrain, wind resource, wetlands, wildlife, and potential cultural resources.

**Anticipated Revenues/Benefits:** The project has the potential to generate significant income for the Trust and its beneficiaries. The initial study phase will result in nominal income of up to \$5000; the primary benefit being the Trust acquiring all the data collected. The operational phase will result in income of approximately \$32MM in royalty payments and term easements, depending on the final size of the project (Approximately 57.8MW) located on Trust lands. Additionally, income will be generated from road, access, and transmission easements. Finally, depending on the needs of the project construction material sales may generate minor principal revenue for the Trust. Another anticipated benefit includes the diversity of the Trust's energy resources.

**Anticipated Risks/Concerns:** There is a lack of existing data at the project site. A project of this potential scale will require engineering, permitting and construction design suited for Alaska's unpredictable weather patterns, variable logistics and general lack of grid connectivity in this area. Further, the project's success is largely dependent on the developer successfully acquiring agreements from utility off-takers and acquiring the necessary local, state, and federal authorizations required to operate. Finally, the entirety of the project is contingent on the developer acquiring sufficient funding to complete, operate and decommission the project at its end-of-life.

**Project Costs:** \$0. The project is not expected to incur any expense on the Trust's behalf outside the TLO's normal operating budget to support administrative oversight.

**Other Considerations:** Adjacent non-Trust land agreements will also be required. Negotiations by the applicant with adjacent landowners are in progress but have not yet been finalized.

**Due Diligence:** Trust Land Office staff are familiar with the project area due primarily to its proximity to active TLO land use authorizations, which includes a high-voltage transmission line to GVEA (MHT 9400059) and Coal Lease to Usibelli Coal Mine Inc. (MHT 9400281). Due diligence from a land management perspective will be on-going as study-phase information becomes available. TLO staff will

make site visits as the study phase is conducted, prior and during construction of the project, and periodically during operation. TLO staff have also evaluated existing wind project leasing structures and rates, with the most analogous being the Eva Creek Wind Farm on State of Alaska land. Out-of-state leasing rates have also been evaluated and the Trust's negotiated leasing rates are competitive with leasing structures in the lower 48 states, with exception to the disparity of infrastructure available in Alaska by comparison. If the Trust were to offer a lease for wind resources above lease rates of the lower 48, it would render most projects uneconomic due to the cost of constructing the project and associated logistical challenges present in Alaska.

**Alternatives:**

- 1. Do Nothing:** This is not a preferred outcome because it does not advance the Trust's understanding of its potential wind resources and provides no revenue stream.
- 2. Offer Lease Competitively:** Normally, the Trust would offer a project area similar to this proposal via a competitive leasing program. The applicant, Alaska Renewables LLC, however, is working towards gaining the exclusive and sole right to wind development with GVEA. Therefore, a competitive lease sale may actually reduce potential revenue or render the project moot depending on the highest bidding award.
- 3. Proceed with land use license and negotiated lease agreement:** This is the preferred outcome. It will allow the Trust to increase its knowledge base on available wind resources in the short term. In the long term, it may provide a significant, consistent, and long-term revenue stream in the renewable energy sector.

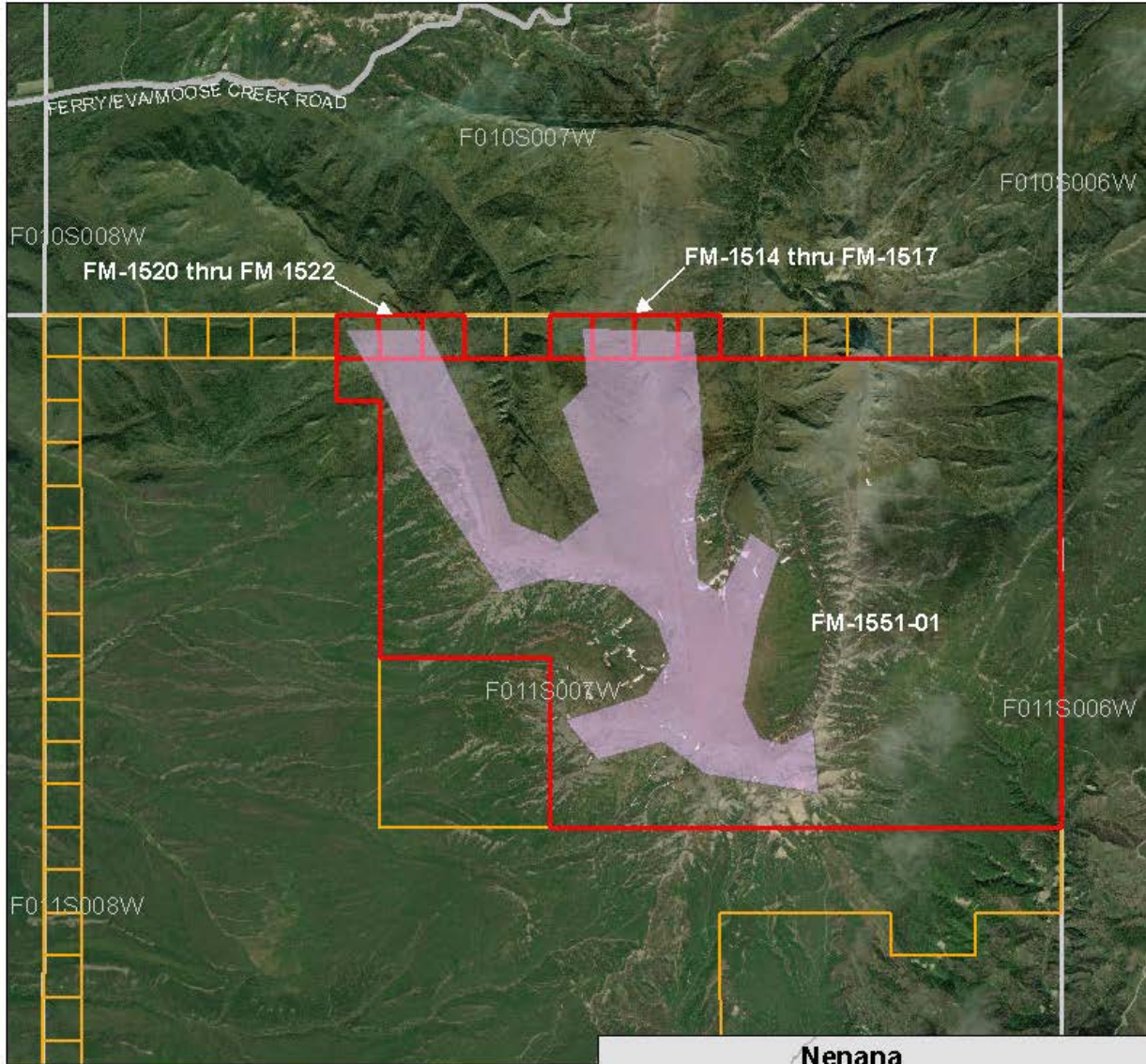
**Consistency with the Resource Management Strategy:** The proposal is consistent with the "Resource Management Strategy for Trust Land" (RMS), which was adopted October 2021 in consultation with the Trust and provides for diversification of the portfolio of energy projects that can contribute revenue to the Trust (Goal 1). Additionally, it will promote the development of wind energy projects by evaluating opportunities for wind energy on Trust lands while offering them for evaluation, testing and development through leasing (Wind Energy Goal and Objective 1). Finally, the project will develop competitive business terms for wind energy leasing, satisfying Objective 2 of the Wind Resource Management Strategy.

**Trust Land Office Recommendation:** The Trust Land Office recommends that it is in the Trust's best interest to enter into a negotiated lease with supporting easements and other appurtenant authorizations for wind resources in the Walker Dome Area.

**Applicable Authority:** Alaska Statutes AS 37.14.009(a), AS 38.05.801, 11 AAC 99; Resource Management Strategy.

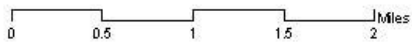
**Trust Authority Consultation:** This briefing document fulfills the consultation requirements that are applicable to the transaction. In the event that significant changes to the transaction are made necessary by the public notice process, the Trust Authority will be consulted regarding the changes.

Exhibit A: Walker Dome Area Project Map



Walker Dome - MHT 9400761

- Proposed Lease Area
- MHT 9400761
- Mental Health Parcels





**To:** John Sturgeon, Chair  
Resource Management Committee  
**From:** Jeff Green, Deputy Director  
**Date:** 4/19/2023  
**Re:** MHT 9200838  
Bald Hills Project Wind Energy Lease and supporting  
Easements  
**Fiscal Year:** 2023 – up to 2058

## Consultation

### Proposed RMC Motions:

*Motion 1: “The Resource Management Committee recommends that the Alaska Mental Health Trust Authority board of trustees concur with the Executive Director of the Trust Land Office’s (TLO) decision to dispose of all or a portion of Trust parcels SM-1507, SM-1508, SM-1509, SM-1510, SM-1506-01, SM-1506-A01, SM-1530-D01, and S70437 through a negotiated term lease.”*

*Motion 2: “The Resource Management Committee concurs with the Executive Director’s recommendation to dispose of a portion of Trust parcels SM-1507, SM-1508, SM-1509, SM-1510, SM-1506-01, SM-1506-A01, SM-1530-D01, and S70437 through negotiated term easements in support of MHT 9200838.”*

### Background:

**Revenue Projections:** Income: \$50MM - \$85MM. From wind turbine lease area and term access, transmission, and utility easements.  
Principal: Minor amount from construction related material sales if needed.

**Transaction/Resource:** The proposed action is to enter into a negotiated lease with the applicant, Alaska Renewables LLC, and access and utility easement agreements in support of the lease. The phases of the project are outlined by TLO authorization below:

1. Five Year Term Negotiated Lease (MHT 9200838): The Trust will be paid a nominal fee during the study and feasibility stage which should be completed within 5 years. Additionally, the Trust will acquire all the data for future use and marketing should this project not move past this stage. If in good standing and the project proves feasible, AK Renewables will have the option to enter a 30-year term negotiated lease for operational phase.
2. Thirty Year Term Negotiated Lease (MHT 9200838): will be secured for construction of the pads and turbines, as well as, life of the project including for 30 years with escalating annual royalty rate payments at 10 and 20 years with no allowable deductions and a minimum annual payment based on installed megawatts. Insurance, bonding, and performance guarantee will be secured.



3. Easements: Term access, transmission, and utility easements will support the lease and therefore will also be executed for 30-year terms for access, transmission, and utility to facilitate the project logistics and energy transmission. Fees based on current TLO fees for proposed uses.
4. Material Sales: Material sales on Trust land in support of project construction. All material will be sold at FMV. Material will not be sold to a third party or removed from Trust land unless purchased at FMV.

**Property Description/Acreage/MH Parcel(s):** The Bald Hills Area Project is being proposed approximately 50 miles west of Anchorage, Alaska along a broad plateau northwest of Granite Point and between Nikolai Creek and the Chuitna River. The projects study/feasibility phase would initially include all or portions of eight Trust parcels: SM-1507, SM-1508, SM-1509, SM-1510, SM-1506-01, SM-1506-A01, SM-1530-D01, and S70437 for a total of approximately 21,000 acres. The ground lease acreage for the operational term of the project would be reduced significantly to a maximum of approximately 800 acres.

Much of the project is at higher elevations on gently sloped terrain characterized by low vegetation, sparse forest and disseminated wetlands. The lower elevations nearer Cook Inlet host more robust forests.

**General Background:** The project site has been identified as having significant potential for wind energy development via wind modeling only. There is no known meteorological data available that is suitable for wind energy resource estimates near the project site. To gather necessary data, meteorological towers and ground-based LIDAR systems will be required to monitor wind and other meteorological conditions. This portion will be completed during the up to 5-year study phase.

Should the study prove marketable and profitable energy resources are available, the TLO would facilitate the necessary ground lease, access/transmission easements, and material sales for the project's development and operation. The project would be required to receive all mandatory permits and authorizations from local, state, and federal agencies.

The overall project scope is dependent on the wind resource available and the energy offtake agreement(s) that are in progress with Chugach Electric Association and other potential off-takers. The study area scope includes locating 20 to 90 wind turbine generators, corresponding to a total electrical output ranging between 100 and 234.6 megawatts in wind power capacity.

Should the project be developed, it is anticipated that each turbine pad would occupy approximately 3.5 acres and would include a foundation constructed according to the turbine manufacturer's specifications. The turbines would be spaced approximately 1,300 feet apart along the apex of the southeast to northwest oriented plateau. Turbines would be specifically outfitted with cold weather modifications to ensure reliable performance in Alaska's variable weather conditions.

Approximately 50 acres of laydown area for tool, material, and equipment storage would be required for the life of the project. This site would include an enclosed main building to house electrical

equipment that collects power from the project and interconnects it with the existing transmission system.

Access to the project is anticipated to be via barge at the North Forelands landing or another potential location along the west margin of Cook Inlet. From there, existing roads would be used to move equipment inlands to the project site. Turbine access roads would be constructed approximately 36 feet wide for the transport of turbine components and the crane which will erect the towers. The access routing across the project will be designed with efficiency and a high safety rating but is largely contingent on the final siting design of the turbines.

Ultimately, the ground lease portion of the agreement would be issued based on the surveyed as-built areas associated with the installed infrastructure.

Connectivity of the potential project site to existing transmission lines is yet to be determined, however, nearest transmission lines are located 16 miles to the northeast of the project at the existing Beluga Power Plant. The proposed area was selected to accommodate a flexible project layout that considers variation in terrain, wind resource, wetlands, wildlife, and potential cultural resources.

**Anticipated Revenues/Benefits:** The project has the potential to generate significant income for the Trust and its beneficiaries. The initial study phase will result in nominal income of up to \$5000; the primary benefit being the Trust acquiring all the data collected. The operational phase will result in income between \$50MM and \$85MM in royalty payments and term easements, depending on the final size of the project (100MW – 172MW) located on Trust lands. Additionally, income will be generated from road, access, and transmission easements. Finally, depending on the needs of the project construction material sales may generate minor principal revenue for the Trust. Another anticipated benefit includes the diversity of the Trust’s energy resources.

**Anticipated Risks/Concerns:** There is a lack of existing data at the project site. A project of this potential scale will require engineering, permitting and construction design suited for Alaska’s unpredictable weather patterns, variable logistics and general lack of grid connectivity in this area. Further, the project’s success is largely dependent on the developer successfully acquiring agreements from utility off-takers and acquiring the necessary local, state, and federal authorizations required to operate. Finally, the entirety of the project is contingent on the developer acquiring sufficient funding to complete, operate and decommission the project at its end-of-life.

**Project Costs:** \$0. The project is not expected to incur any expense on the Trust’s behalf outside the TLO’s normal operating budget to support administrative oversight.

**Other Considerations:** Portions of the Project area, especially nearest Cook Inlet, are currently being utilized by oil and gas entities. Diligent co-resource management will be required to ensure the rights of each user are acknowledged. Certain special considerations must be evaluated such as the separation distances required between existing gas transmission lines and operational wind turbines. Symbiotic relationships between the oil and gas and renewable energy industries will reduce use conflict where there may be overlap.

Adjacent non-Trust land agreements will also be required. Negotiations by the applicant with adjacent landowners are in progress but have not yet been finalized.

**Due Diligence:** Trust Land Office staff are familiar with the project area due primarily to its proximity to on-going oil and gas development south of the project area near the Granite Point Tank Farm which is supported by existing easements (MHT 9200682 and MHT 9200690) to Hilcorp. Additional active land use authorizations in the area include: O&G Lease to Amaroq Resources, LLC (ADL 391472) and a land use license to Alaska West Air for the commercial transportation of hunters (MHT 9200752). This area was also formerly leased to PacRim Coal L.P.; all coal leases and associated interests were released by PacRim Coal L.P. in 2017. Due diligence from a land management perspective will be on-going as study-phase information becomes available. TLO staff will make site visits as the study phase is conducted, prior and during construction of the project, and periodically during operation. TLO staff have also evaluated existing wind project leasing structures and rates, with the most analogous being the Eva Creek Wind Farm on State of Alaska land. Out-of-state leasing rates have also been evaluated and the Trust's negotiated leasing rates are competitive with leasing structures in the lower 48 states, with exception to the disparity of infrastructure available in Alaska by comparison. If the Trust were to offer a lease for wind resources above lease rates of the lower 48, it would render most projects uneconomic due to the cost of constructing the project and associated logistical challenges present in Alaska.

**Alternatives:**

- 1. Do Nothing:** This is not a preferred outcome because it does not advance the Trust's understanding of its potential wind resources and provides no renewable revenue stream.
- 2. Offer Lease Competitively:** Normally, the Trust would offer a project area similar to this proposal via a competitive leasing program. The applicant, Alaska Renewables LLC, however, has been awarded the exclusive and sole right to wind development with Chugach Electric Association. Therefore, a competitive lease sale may actually reduce potential revenue or render the project moot depending on the highest bidding award.
- 3. Proceed with land use license and negotiated lease agreement:** This is the preferred outcome. It will allow the Trust to increase its knowledge base on available wind resources in the short term. In the long term, it may provide a significant, consistent, and long-term revenue stream in the renewable energy sector.

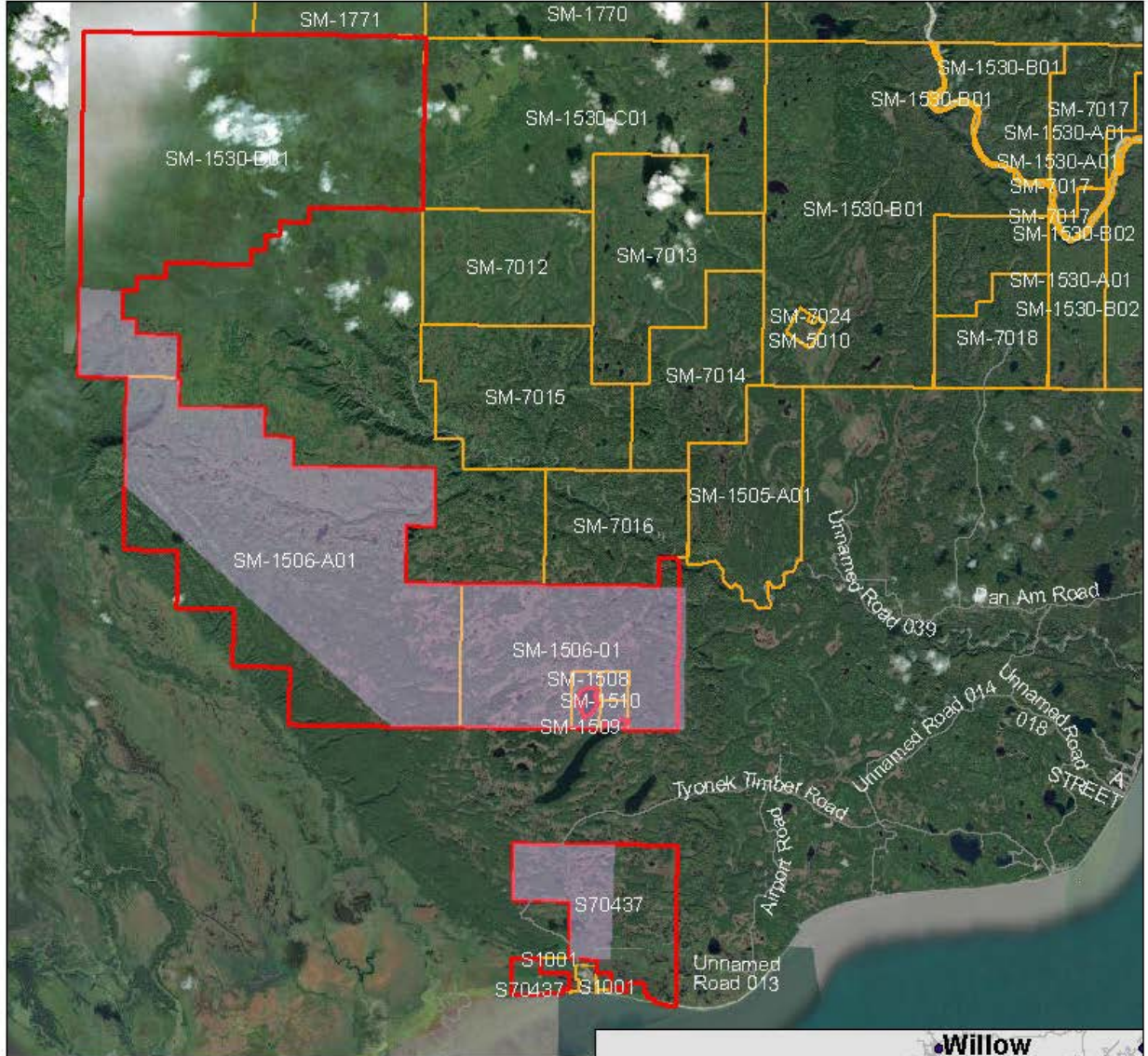
**Consistency with the Resource Management Strategy:** The proposal is consistent with the "Resource Management Strategy for Trust Land" (RMS), which was adopted October 2021 in consultation with the Trust and provides for diversification of the portfolio of energy projects that can contribute revenue to the Trust (Goal 1). Additionally, it will promote the development of wind energy projects by evaluating opportunities for wind energy on Trust lands while offering them for evaluation, testing and development through leasing (Wind Energy Goal and Objective 1). Finally, the project will develop competitive business terms for wind energy leasing, satisfying Objective 2 of the Wind Resource Management Strategy.

**Trust Land Office Recommendation:** The Trust Land Office recommends that it is in the Trust's best interest to enter into a negotiated lease with supporting easements and other appurtenant authorizations for wind resources in the Bald Hills Project area.

**Applicable Authority:** Alaska Statutes AS 37.14.009(a), AS 38.05.801, 11 AAC 99; Resource Management Strategy.

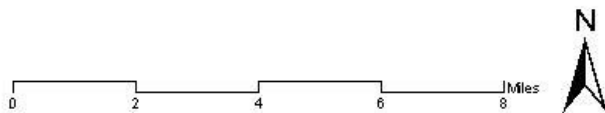
**Trust Authority Consultation:** This briefing document fulfills the consultation requirements that are applicable to the transaction. In the event that significant changes to the transaction are made necessary by the public notice process, the Trust Authority will be consulted regarding the changes.

# Exhibit A: Bald Hills Area Project Map



Bald Hills - MHT 9200838

- Proposed Lease Area
- MHT 9200838
- Mental Health Parcels





**To:** John Sturgeon, Chair  
Resource Management Committee  
**From:** Chandler Long, Senior Project Manager  
**Date:** 4/19/2023  
**Re:** MHT 9101134  
Disposal of Juneau Trust Parcel CRM-0923  
**Fiscal Year:** 2023

## Consultation

### Proposed RMC Motion:

*“The Resource Management Committee recommends that the Alaska Mental Health Trust Authority board of trustees concur with the Executive Director of the Trust Land Office’s (TLO) decision to dispose of Trust parcel CRM-0923 through a negotiated sale or subsequent disposal.”*

### Background:

**Revenue Projections:** \$3,900,000.

**Transaction/Resource:** The proposed action is to dispose of a parcel through a negotiated sale to the applicant, Glacier Property Development 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, a subdivision development, or through a negotiated or competitive lease at or above fair market value.

**Property Description/Acreage/MH Parcel(s):** Trust parcel CRM-0923 consists of 386 acres legally described as:

T. 039 S., R. 064 E., COPPER RIVER MERIDIAN, ALASKA  
SECTIONS 25 AND 36: AND

T. 039 S., R. 065 E., COPPER RIVER MERIDIAN, ALASKA  
SECTION 31: AND

T. 040 S., R. 064 E., COPPER RIVER MERIDIAN, ALASKA  
SECTION 1: AND

T. 040 S., R. 065 E., COPPER RIVER MERIDIAN, ALASKA  
SECTION 6:

THAT PORTION OF LOT 2, U.S. SURVEY NO. 3764 LYING SOUTH OF THE N1/2 OF

SECTION 25, T. 039 S., R. 064 E., COPPER RIVER MERIDIAN, AND EAST OF  
THE WESTERN BOUNDARY OF THE GLACIER HIGHWAY R/W;

CONTAINING 386.20 ACRES, MORE OR LESS.

ACCORDING TO THE SURVEY PLAT ACCEPTED BY THE UNITED STATES DEPARTMENT  
OF THE INTERIOR, BUREAU OF LAND MANAGEMENT IN WASHINGTON, D.C. ON  
APRIL 17, 1962.

**General Background:** On August 30<sup>th</sup>, 2022, Jamey Cagle, who subsequently formed Glacier Property Development LLC, applied to purchase the 386-acre property for the purpose of developing a destination for visitors to Juneau to explore and experience Southeast Alaska.

The subject parcel is on the upland side of the Glacier Highway with over two miles of road frontage. The elevation builds as you move away from the highway corridor which sits 200 feet above sea level. The property quickly rises from 500 to 1,100 feet with steep undevelopable ravines as you travel further from the road corridor and westerly into the parcel. There are some small muskeg areas. It is primarily composed of western hemlock with evidence of historical selective harvest.

The parcel is zoned by the City and Borough of Juneau (CBJ) as D-1 Single Family and Duplex. This allows a maximum of one unit, for residential purposes, per acre. The nearby neighborhood consists of predominately single-family homes and currently doesn't have Visitor Industry activity. The proposed commercial use of the property would require a zoning change with CBJ.

Due to these characteristics, it appears suitable for disposal, either through the proposed negotiated sale or by other means of disposal determined to be in the best interest of the Trust and its beneficiaries.

**Anticipated Revenues/Benefits:** This proposal provides the Executive Director with an opportunity to dispose of the property for 3,900,000. This is 44% above the appraised fair market value of \$2,700,000.

**Anticipated Risks/Concerns:** Concerns include the applicant not following through with the terms and conditions of the Purchase & Sale Agreement. Risks are mitigated in the purchase and sale agreement which contains 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:** Other considerations include portions of the parcel having potential for residential subdivision development, consistent with the existing CBJ zoning. The subdivision and construction process for this parcel would be a multi-year, multi-phase process involving many risk factors to the Trust. Risks include an unknown absorption rate in a community that isn't growing and has several subdivision developments currently occurring, recent escalation in construction costs, and

high subdivision standards. The CBJ required construction of roads and utilities, as well as, the analysis on water, septic, drainage, traffic, erosion, and hazards all require significant capital years prior to seeing the return on investment. Further the Trust would retain undevelopable property behind the subdivision with the potential for future management and stewardship liabilities and costs. This is inconsistent with the Resource Management Strategy adopted in October of 2021. For these reasons and at this time, a negotiated sale at 44% above the appraised value is determined to be the highest and best use of the property.

**Due Diligence:** The appraised fair market value of the parcel was determined by an appraisal completed November 1, 2022 by Southeast Appraisal Services LLC. The appraisal provided comparable properties in the local area and used qualitative analysis to determine the purchase price. In considering the market, the subjects’ physical aspects, and development options, the market value was determined to be \$2,700,000.

**Alternatives:** The alternatives include holding the parcel for development and/or sale in the future or disposing of it through a competitive or negotiated lease. These alternatives could potentially miss selling at the higher end of the market and delay receipt of revenues. A delay in sales may result in additional costs and risks to the Trust without significant increases in value.

**Consistency with the Resource Management Strategy:** The proposal is consistent with the “Resource Management Strategy for Trust Land” (RMS), which was adopted October 2021 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.

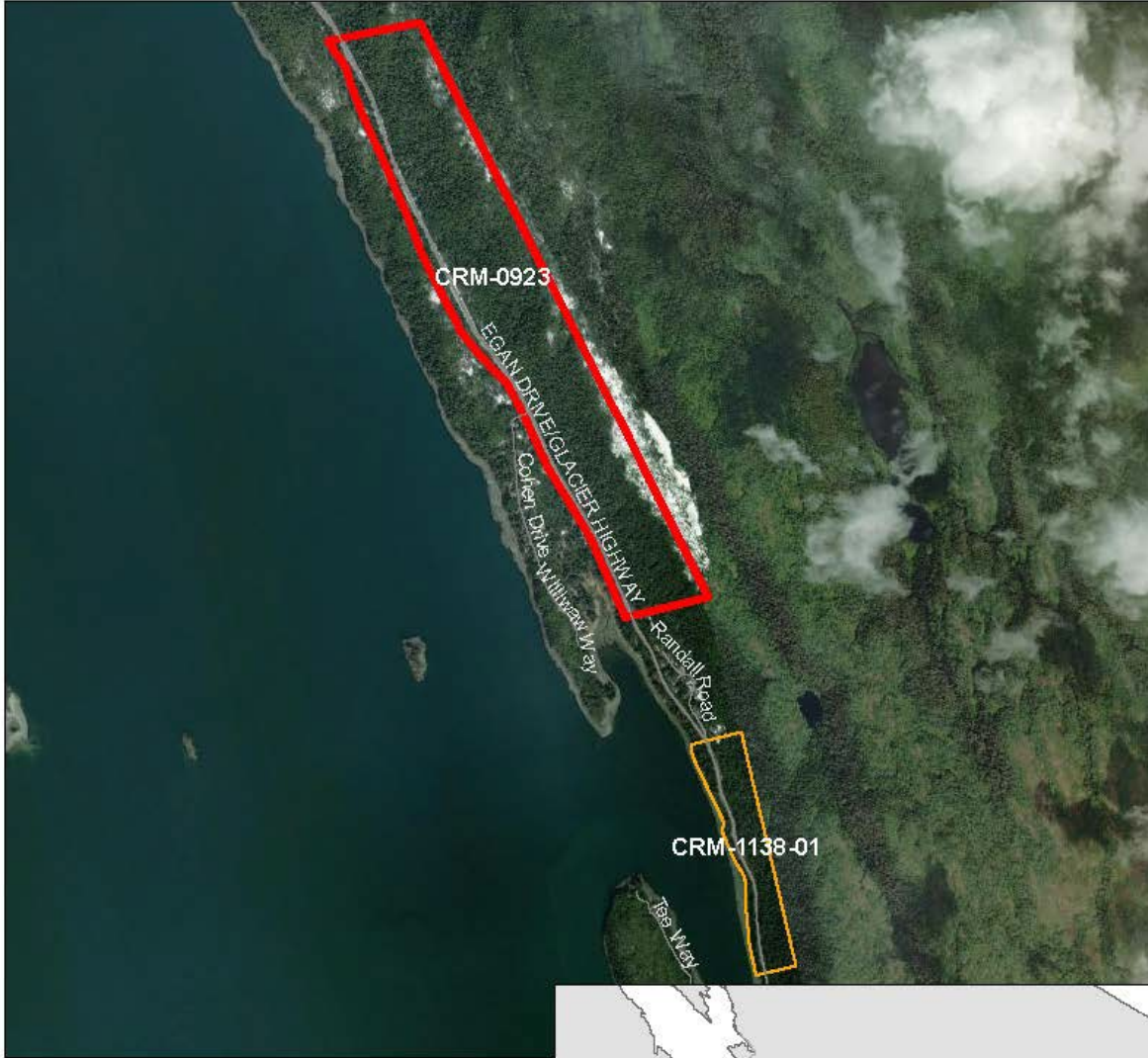
**Trust Land Office Recommendation:** The Trust Land Office recommends that it is in the Trust’s best interest to offer this parcel by negotiated sale. If not sold or determined to not be in the best interest of the Trust and its beneficiaries, the parcel may be disposed of in the future through the TLO’s land sale programs, development program, negotiated sale, or through a negotiated or competitive lease.

**Applicable Authority:** Alaska Statutes AS 37.14.009(a), AS 38.05.801, 11 AAC 99; Resource Management Strategy.

**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.

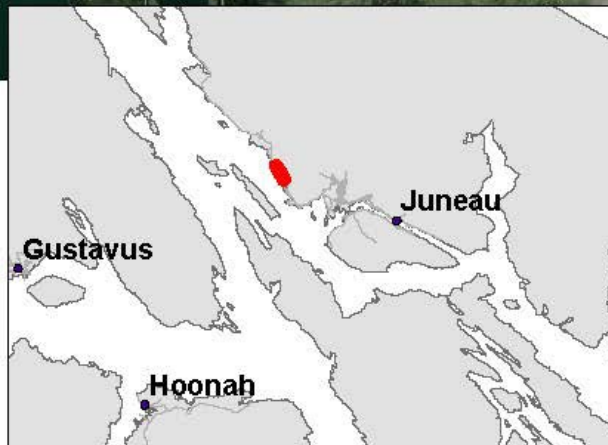
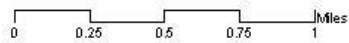


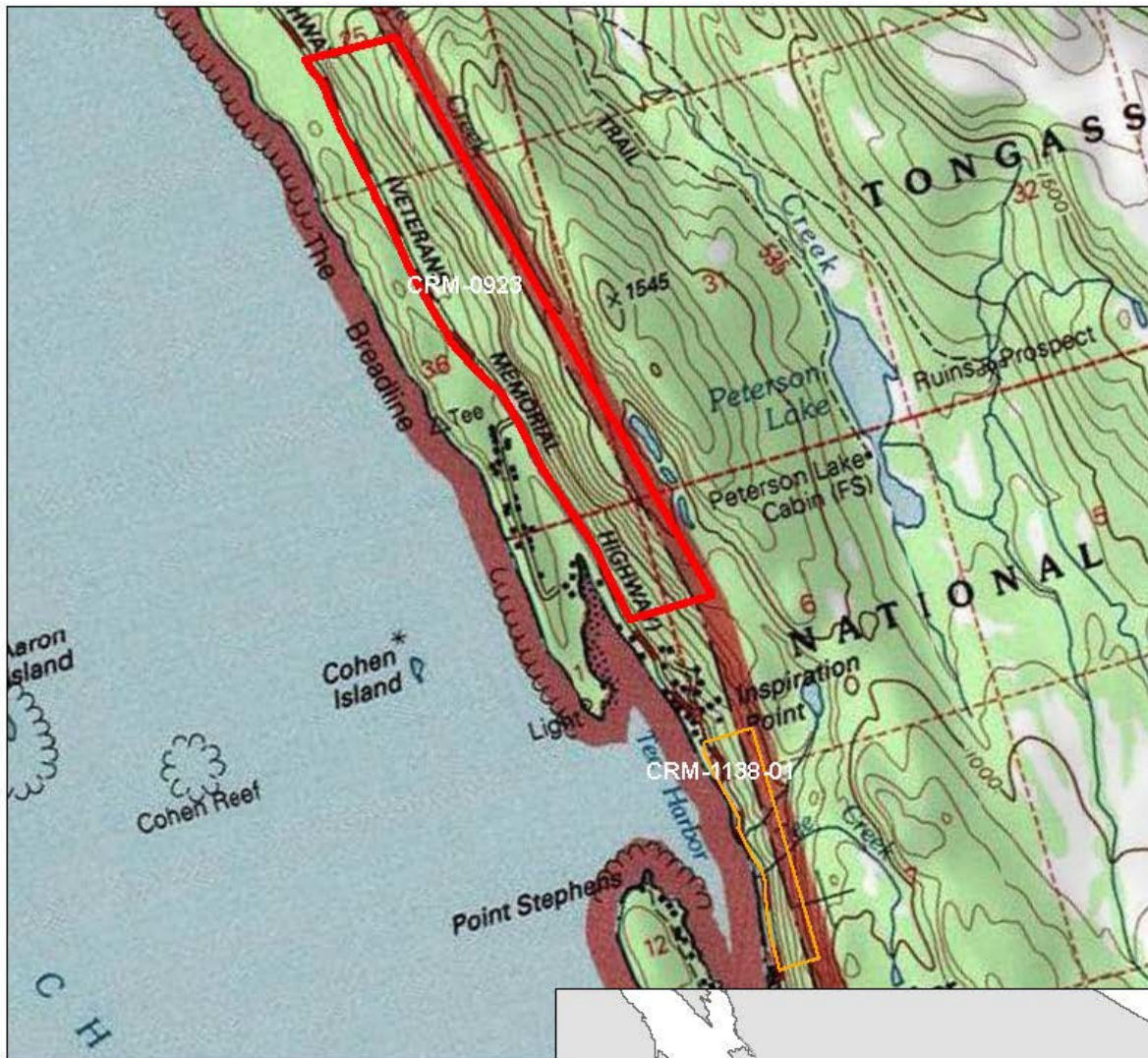
Exhibit A: Tee Harbor Area Project Map



MHT 9101134  
Parcel No. CRM-0923

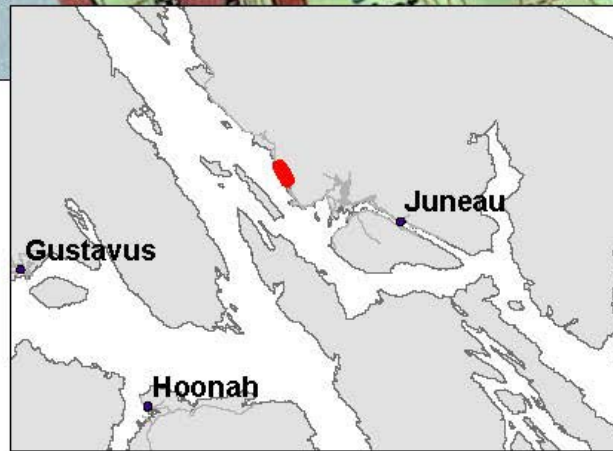
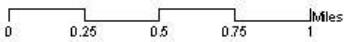
- MHT 9101134
- Mental Health Parcels





MHT 9101134  
Parcel No. CRM-0923

- MHT 9101134
- Mental Health Parcels





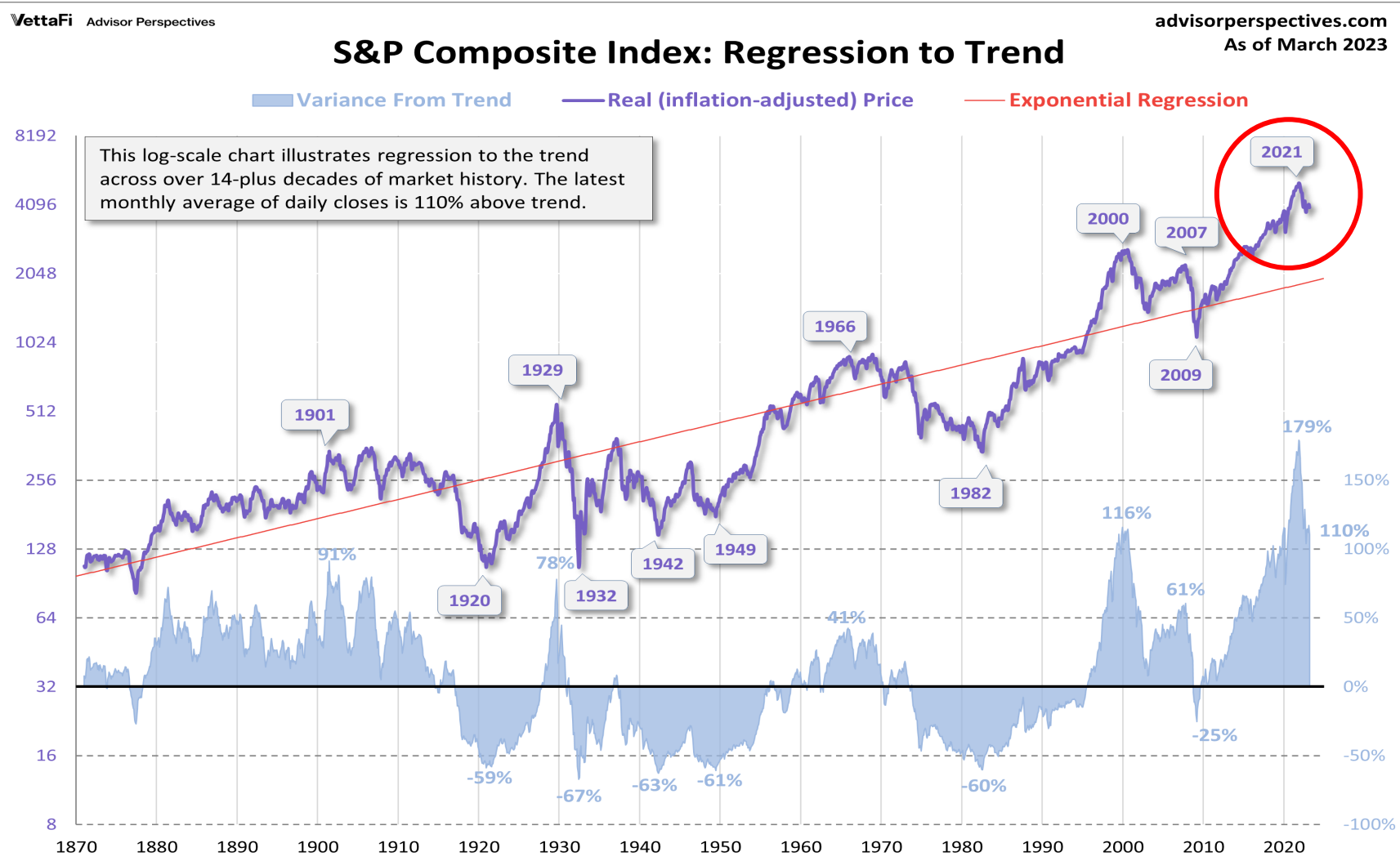
Trust  
Land Office

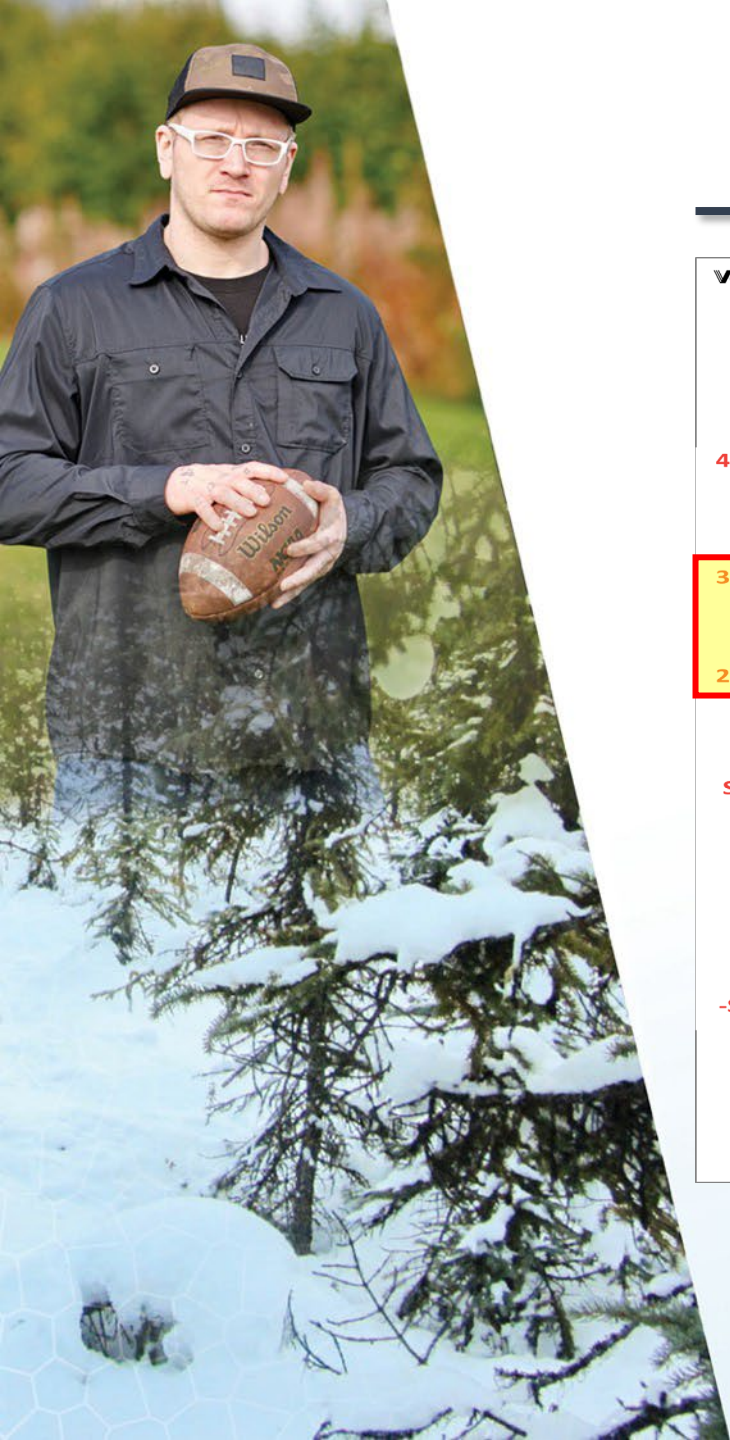
# Commercial Real Estate Market Update

Resource Management Committee

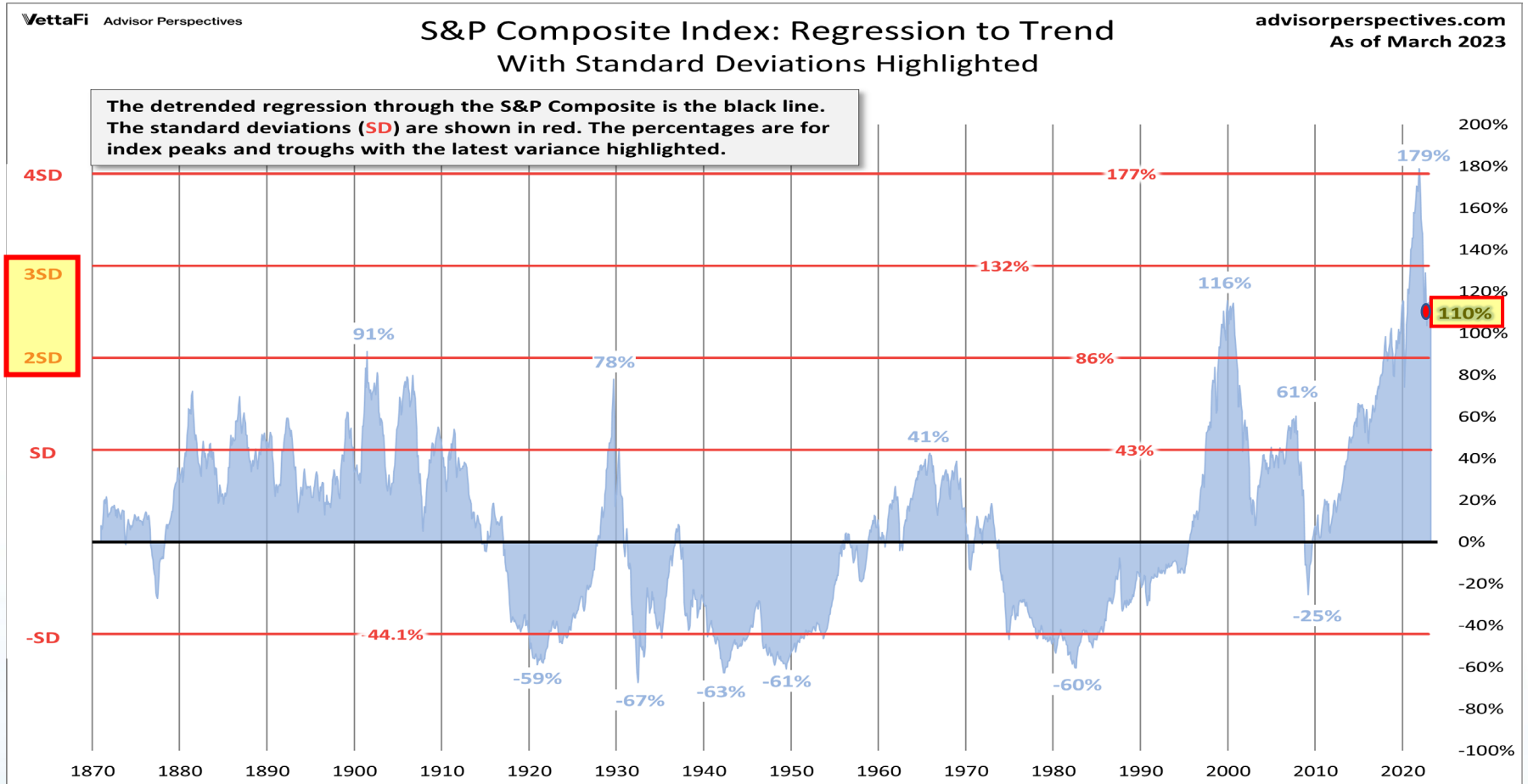
April 19, 2023

# Starting Point: Financial Markets Remain Richly Valued

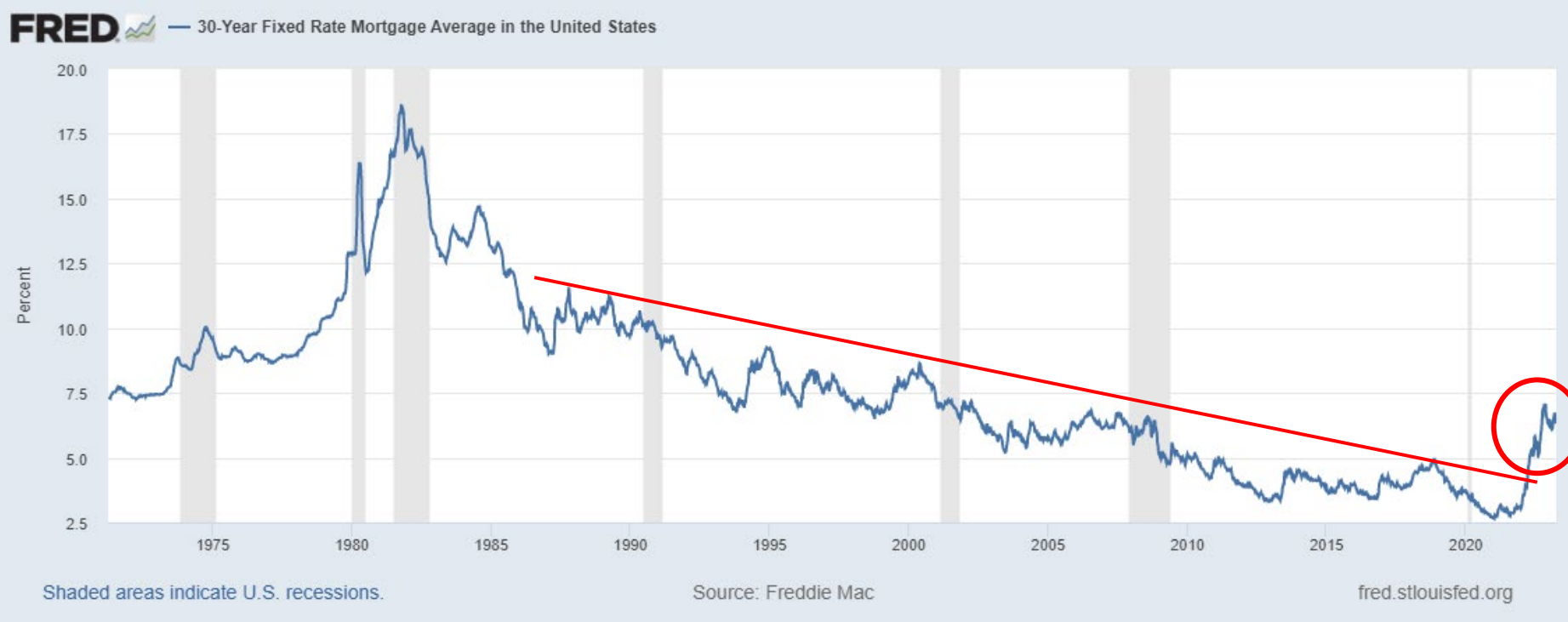




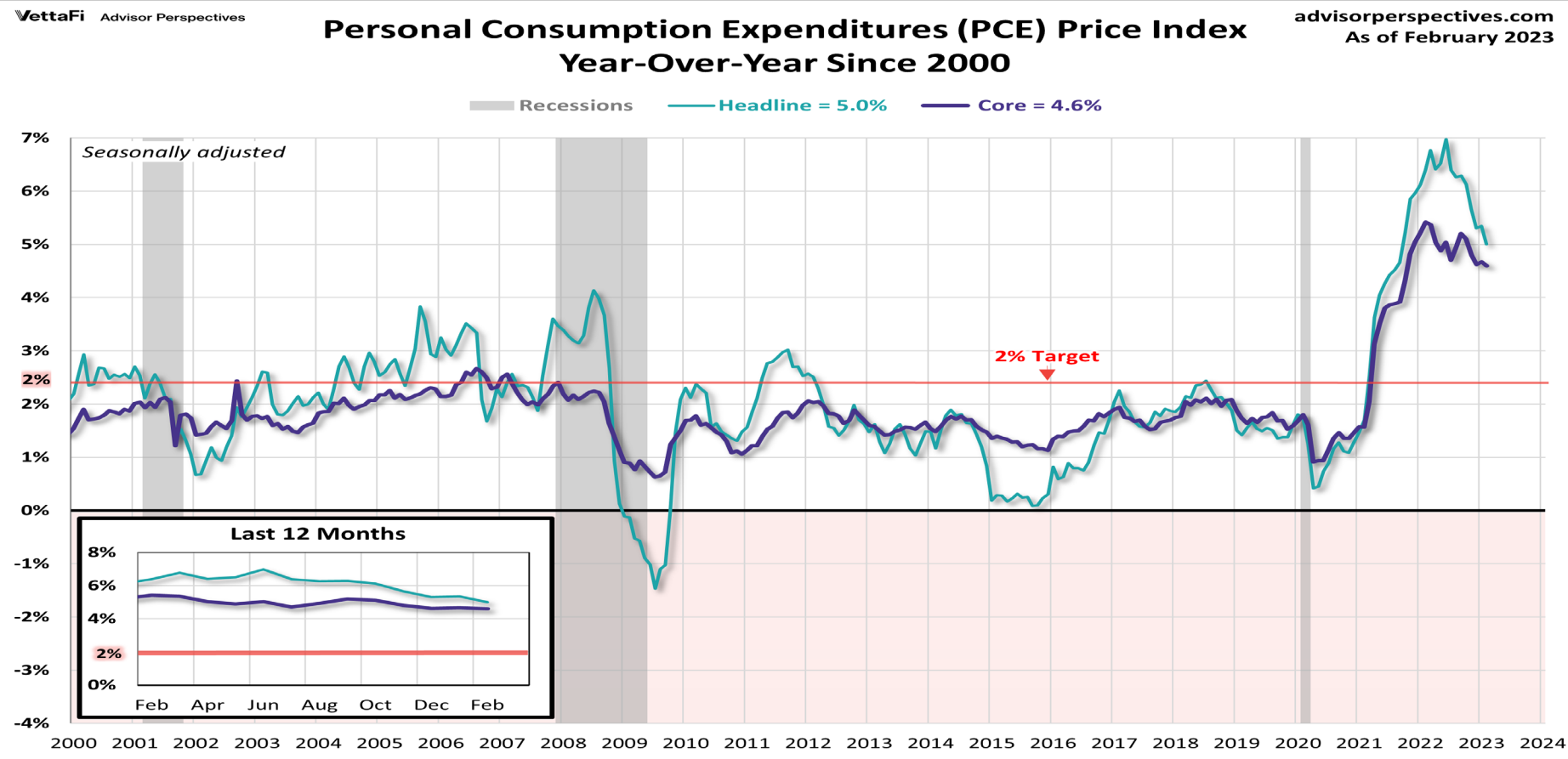
# Off All-Time High But Still Historically High



# Secular Sea Change? Yes, But Where to Next?



# Depends on Inflation: The Fed's Preferred Measure



## Current Portfolio Status - Occupancy

Project	Street Address	City & State	Year Built	Rentable Sq. Feet	Vacant Sq. Feet	Occupied Sq. Feet	Existing Occupancy	Pending*
Cordova	2600 Cordova Street	Anchorage, AK	1985	28,217	-	28,217	100%	100%
Commercial Drive	2618 Commercial Drive	Anchorage, AK	1972	15,120	-	15,120	100%	100%
Washington Parks	1111 Israel Road	Tumwater, WA	2008	53,484	-	53,484	100%	100%
Rulon White	1973 N. Rulon White Blvd.	Ogden, UT	1996	100,000	-	100,000	100%	100%
Promontory Point	2420 & 2500 Ridgepoint Dr.	Austin, TX	1983	97,102	-	97,102	100%	100%
Amber Oaks	9601 Amberglen Blvd.	Austin, TX	2001	102,939	7,329	95,610	93%	93%
North Park	17319 San Pedro Avenue	San Antonio, TX	2006	86,402	27,000	59,402	69%	91%
<b>Portfolio Total</b>				<b>483,264</b>	<b>34,329</b>	<b>448,935</b>	<b>93%</b>	<b>97%</b>

\* Includes a deal in lease negotiation; this lease has not been signed and is only provided for informational purposes at this time.

Overall Portfolio Occupancy As of April 2022: 90%

Overall Portfolio Occupancy As of April 2021: 83%



# Gross Leasing and Internal Valuation (Argus)



Amber Oaks (102,939 RSF)	Signed	RSF	Share
Harmony	7/2021	7,211	7%
Continuum	11/2021	13,562	13%
GVA (Relo #140)	11/2021	5,437	5%
Inspired Title	3/2022	7,226	7%
Taylor Morrison	3/2022	27,694	27%
GVA (Expansion #120)	6/2022	3,907	4%
GBA	8/2022	5,394	5%
Avnet	1/2023	3,095	3%
Tenant Renewal	Pending	3,728	4%
Tenant Expansion	Pending	3,626	4%
<b>Gross Leasing Activity</b>		<b>80,880</b>	<b>79%</b>

Amber Oaks	Internal Valuation
Year-End FY 2021	\$24,450,000
Year-End FY 2022	\$31,900,000
Mid-Year FY 2023	\$34,750,000

North Park (86,402 RSF)	Signed	RSF	Share
Lacuna Autism	6/2022	7,165	8%
Operation Homefront	1/2023	7,090	8%
New Tenant	Pending	18,964	22%
<b>Gross Leasing Activity</b>		<b>33,219</b>	<b>38%</b>

North Park	Internal Valuation
Year-End FY 2021	\$14,450,000
Year-End FY 2022	\$13,550,000
Mid-Year FY 2023	\$13,100,000

# Current Portfolio Status – Cash Flow & Valuation

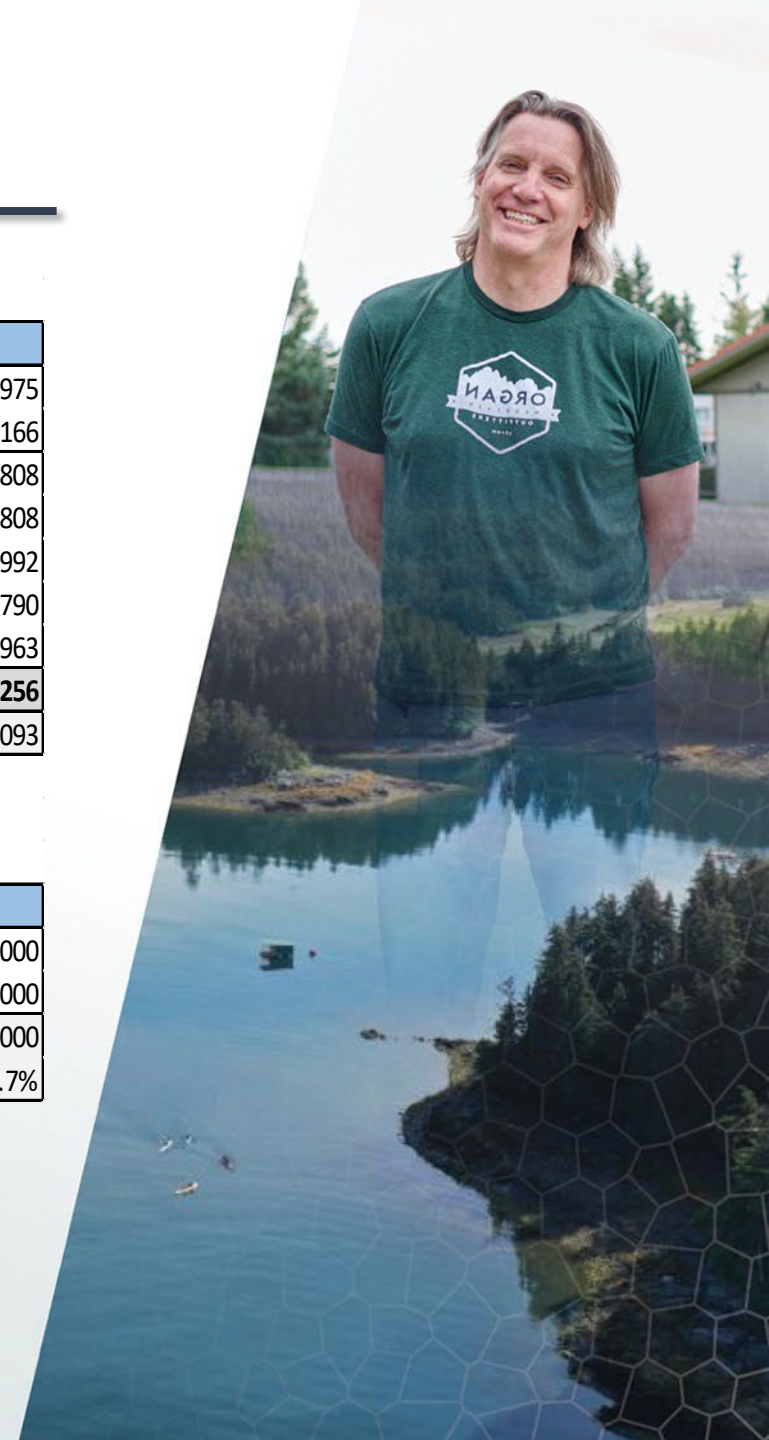
## Year-to-Date Portfolio Cash Flow Summary (7/1/22-2/28/23)

	Cordova	Commercial	WA Parks	Rulon White	Prom. Point	Amber Oaks	North Park	Total
Income	\$373,047	\$162,498	\$1,077,901	\$1,392,124	\$1,400,060	\$1,714,018	\$793,327	\$6,912,975
Operating Expenses	\$167,576	<i>Paid Directly</i>	\$351,638	\$518,014	\$570,421	\$875,204	\$331,314	\$2,814,166
Net Operating Income	\$205,471	\$162,498	\$726,264	\$874,110	\$829,639	\$838,814	\$462,013	\$4,098,808
Owner Expenses	\$4,624	\$3,808	\$11,529	\$135	\$6,570	\$9,706	\$13,437	\$49,808
Lease-Up Costs	\$0	\$0	\$0	\$0	\$0	\$985,807	\$272,185	\$1,257,992
Capital Expenditures	\$168,464	\$0	\$0	\$0	\$0	\$0	\$25,326	\$193,790
Debt Service	\$0	\$42,603	\$605,880	\$298,382	\$423,961	\$627,447	\$269,689	\$2,267,963
<b>Net Cash Flow</b>	<b>\$32,383</b>	<b>\$116,086</b>	<b>\$108,855</b>	<b>\$575,592</b>	<b>\$399,108</b>	<b>-\$784,146</b>	<b>-\$118,624</b>	<b>\$329,256</b>
Variance to Budget	\$38,518	\$8,410	\$3,846	\$44,722	-\$1,779	-\$106,244*	\$98,620	\$86,093

\* Variance net of budgeted lease-up costs (tenant improvements, commissions and abated rent).

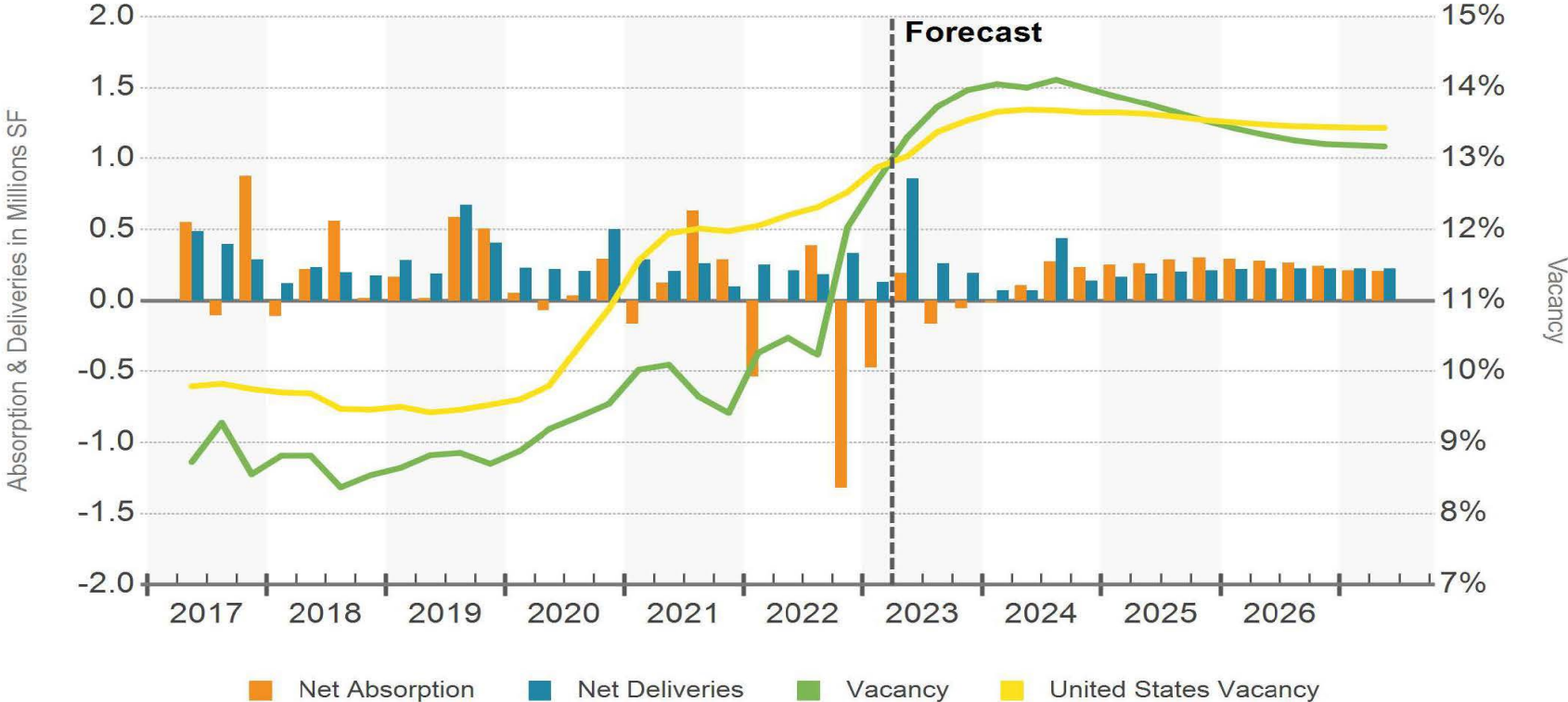
## Mid-Year Portfolio Asset Valuation Summary (12/31/22)

	Cordova	Commercial	WA Parks	Rulon White	Prom. Point	Amber Oaks	North Park	Total
Internal Value Estimate Q2 FY23	\$4,400,000	\$3,000,000	\$10,250,000	\$19,250,000	\$17,000,000	\$34,750,000	\$13,100,000	\$101,750,000
Internal Value Estimate Q4 FY22	\$4,400,000	\$3,150,000	\$11,100,000	\$20,650,000	\$17,750,000	\$31,900,000	\$13,550,000	\$102,500,000
Delta (Amount)	\$0	-\$150,000	-\$850,000	-\$1,400,000	-\$750,000	\$2,850,000	-\$450,000	-\$750,000
Delta (%)	0.0%	-4.8%	-7.7%	-6.8%	-4.2%	8.9%	-3.3%	-0.7%



# Looking Forward: San Antonio Office Market

## Net Absorption, Net Deliveries and Vacancy





Trust  
Land Office

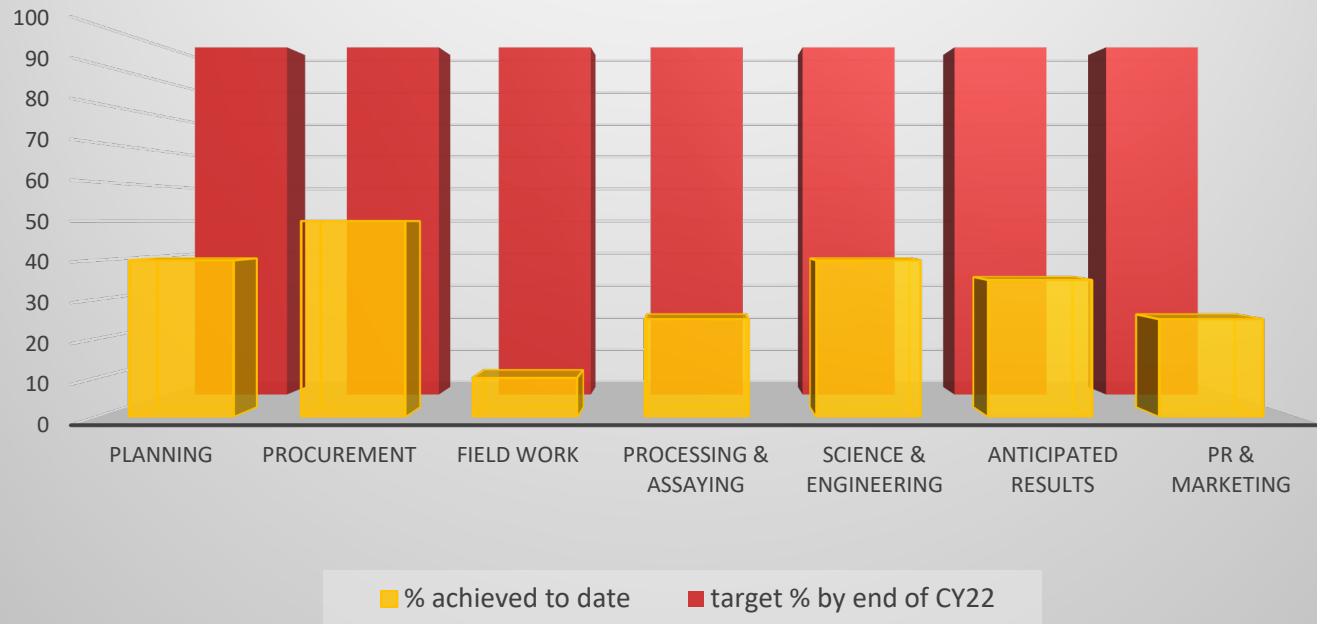
# Icy Cape Update

Resource Management Committee

April 19, 2023

# Icy Cape Gold and Industrial Heavy Minerals Project

## Icy Cape Gold and Industrial Heavy Minerals Project Progress 1st Quarter CY 2023

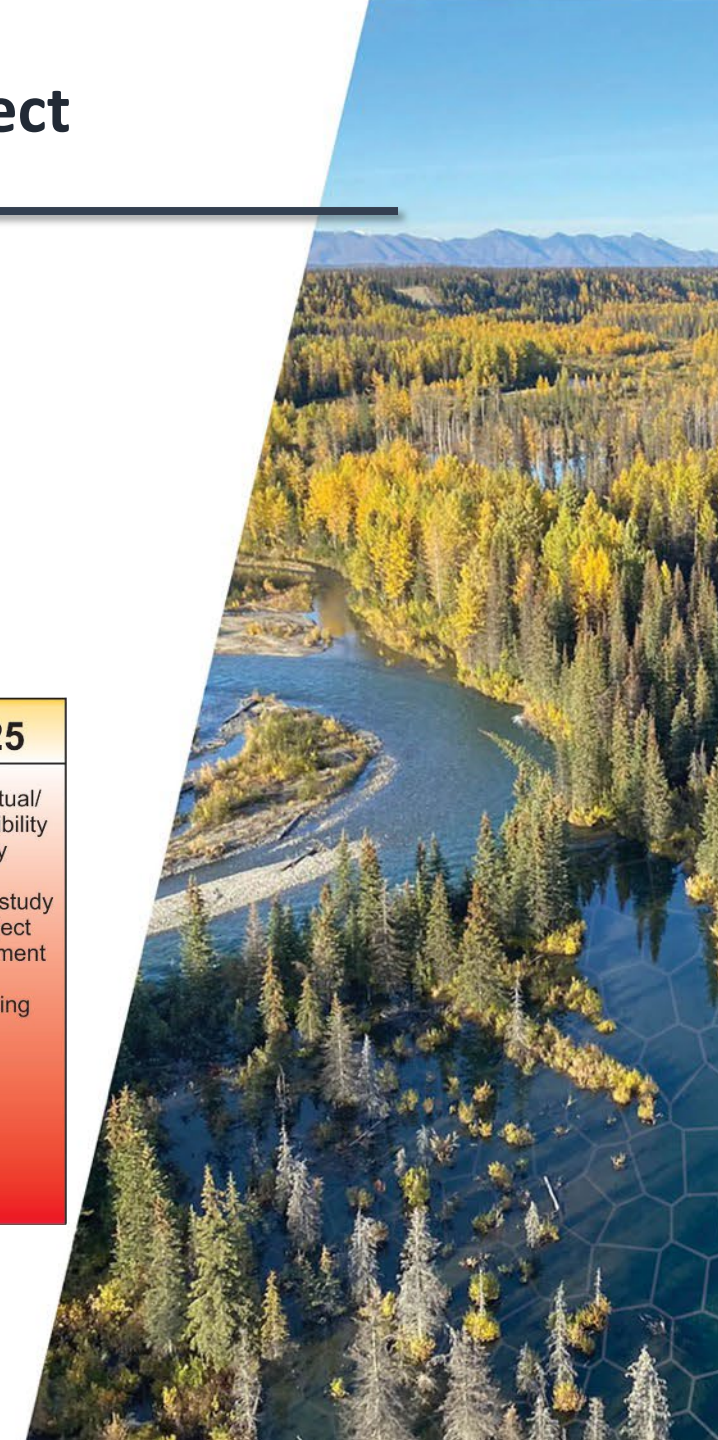


# Icy Cape Gold and Industrial Heavy Minerals Project

## Project Timeline

Current state

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
First phase HM sampling and assaying	Aeromagnetic survey	Stratigraphic framework drilling	Stratigraphic framework drilling	Drill sample processing and assaying	Drill sample processing and assaying	Aeromagnetic gradient survey	3D inversion of aeromag data	Resource definition drilling	Drill sample processing and assaying	Conceptual/pre-feasibility study
Geologic mapping	HM concentrate testing	Drill sample processing and assaying	Drill sample processing and assaying	Geologic mapping	Interpretation of drill results	Grinder drill target generation	Resource definition drilling	Drill sample processing and assaying	Metallurgical studies	Strategy study for project development
	Sampling	Mineral product testing	Mineral product testing	Sampling	Independent project review and strategy study	Drill access trails	Drill sample processing and assaying	Bulk sampling	Grinder Au + HM resource estimate	Marketing
	Drill target generation				5-year plan for project advancement	Camp infrastructure		Metallurgical studies	NI43-101 technical report	



# Icy Cape Gold and Industrial Heavy Minerals Project

## Project Budget Summary

	Y1 - 2021	Y2- 2022	Y3 - 2023*	Y4 - 2024	Y5 - 2025
<b>Project Highlights</b>	Aeromag. gradient survey	3D inversion of aeromag. data	Resource definition drilling	Drilling sample processing & assaying	Conceptual/ Pre-feasibility study
	Grinder drill target generation	Resource definition drilling	Drill sample Processing & assaying	Metallurgical studies	Strategy study for project development
	Drill access trails	Drill sample processing & assaying	Bulk sampling	Grinder Au + HM resource estimate	Marketing
	Camp infrastructure		Metallurgical studies	NI 43-101 technical report	

	Y1- 2021	Y2 - 2022	Y3 - 2023*	Y4 - 2024	Y5 - 2025	Total Est.*
Estimate	\$1,500,000	\$2,500,000	\$3,500,000	\$1,500,000	\$1,000,000	\$10,000,000
Actual	\$1,273,060	\$2,692,013	\$3,500,000	\$1,500,000	\$1,000,000	\$9,965,073

\* Assume 2023 expenditures will meet estimates



# Icy Cape Gold and Industrial Heavy Minerals Project

## Budget to Actuals

	Y1 - 2021	Y2- 2022	Y3 - 2023*	Y4 - 2024	Y5 - 2025	Total*
Estimate	\$1,500,000	\$2,500,000	\$3,500,000	\$1,500,000	\$1,000,000	\$10,000,000
Actual	\$1,273,060	\$2,692,013	\$3,500,000	\$1,500,000	\$1,000,000	\$9,965,073

## Budget to Actuals – As of March 31, 2023

	Year 1	Year 2	Year 3*	Year 4	Year 5	Total*
Estimate	\$1,500,000	\$2,500,000	\$3,500,000	\$1,500,000	\$1,000,000	\$10,000,000
Actual	\$1,273,060	\$2,692,013	\$235,528	\$1,500,000	\$1,000,000	\$9,965,073

\* Assume 2023 expenditures will meet estimates

