

Meeting Agenda



Meeting: Resource Management Committee
Date: January 9, 2025
Time: 1:00 pm
Location: Trust Authority Building, 3745 Community Park Loop, Anchorage
Teleconference: (844) 740-1264 / Meeting: 2864 389 1064 # / Attendee: #
alaskamentalthrust.org
Trustees: Corri Feige (Chair), Rhonda Boyles, Anita Halterman

Thursday, January 9, 2025

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1:00	Call to Order (Corri Feige, Chair)	
	Roll Call	
	Announcements	
	Approval of Agenda	
	Ethics Disclosure	
	Approval of Minutes—October 16, 2024	4
1:05	Executive Director Report	handout
1:20	Carbon Program Update	12
1:30	Icy Cape Update	14
1:40	Palmer Project Update/Appraisal	16
	Executive Session – (if necessary)	
	<i>In accordance with the Open Meetings Act, AS 44.62.310(c).</i>	
1:55	Commercial Real Estate Update	handout
	Executive Session – (if necessary)	
	<i>In accordance with the Open Meetings Act, AS 44.62.310(c).</i>	
2:15	Consultations	
	• Disposal of Trust Parcel FM-0835 – MHT 9400904	30
	• Gas Lease – MHT 9300101	34
2:45	TLO History	38
3:00	Adjourn	

Future Meeting Dates

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

(Updated – November 2024)

- Full Board of Trustees February 5-6, 2025 (Wed, Thu) – Juneau

- Audit & Risk Committee April 23, 2025 (Wed)
- Finance Committee April 23, 2025 (Wed)
- Resource Mgt Committee April 23, 2025 (Wed)
- Program & Planning Committee April 24, 2025 (Thu)
- Full Board of Trustees May 21-22, 2025 (Wed, Thu) – TBD

- Audit & Risk Committee July 31, 2025 (Thu)
- Finance Committee July 31, 2025 (Thu)
- Resource Mgt Committee July 31, 2025 (Thu)
- Program & Planning Committee Aug 1, 2025 (Fri)
- Full Board of Trustees August 27-28, 2025 (Wed, Thu) – Anchorage

- Audit & Risk Committee October 15, 2025 (Wed)
- Finance Committee October 15, 2025 (Wed)
- Resource Mgt Committee October 15, 2025 (Wed)
- Program & Planning Committee October 16, 2025 (Thu)
- Full Board of Trustees November 19-20, 2025 (Wed, Thu) – Anchorage

- Audit & Risk Committee January 7, **2026** (Wed)
- Finance Committee January 7, **2026** (Wed)
- Resource Mgt Committee January 7, **2026** (Wed)
- Program & Planning Committee January 8, **2026** (Thu)
- Full Board of Trustees February 4-5, **2026** (Wed, Thu) – Juneau

Future Meeting Dates Statutory Advisory Boards (Updated – December 2024)

Alaska Commission on Aging

ACOA: <https://aging.alaska.gov>

Executive Director: Martin Lange, (907) 465-4879, martin.lange@alaska.gov

- Quarterly Meeting: Spring / TBD

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

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

ABADA: <https://health.alaska.gov/abada/Pages/default.aspx>

Executive Director: Stephanie Hopkins, (907) 465-4667, stephanie.hopkins@alaska.gov

- Quarterly Meeting (winter): January 2025 / Zoom
- Quarterly Meeting (spring): April 15-18, 2025 / Anchorage

Governor’s Council on Disabilities and Special Education

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

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

- Triannual Meeting (winter): February 11-13, 2025 / Juneau
- Triannual Meeting (spring): May 2025 / Anchorage

**ALASKA MENTAL HEALTH TRUST AUTHORITY
RESOURCE MANAGEMENT COMMITTEE MEETING
HYBRID/WEBEX
October 16, 2024
2:20 p.m. - 3:36 p.m.
October 17, 2024
8:30 a.m. – 9:08 a.m.**

**Originating at:
Alaska Mental Health Trust Authority
3745 Community Park Loop, Suite 200
Anchorage, Alaska 99508**

Trustees Present:

Corri Feige, Chair
Anita Halterman
John Morris
Agnes Moran
Kevin Fimon
Rhonda Boyles
Brent Fisher

Trust Staff Present:

Allison Biastock
Katie Baldwin-Johnson
Miri Smith-Coolidge
Julee Farley
Michael Baldwin
Eric Boyer
Kat Roch
Carrie Predeger
Luke Lind
Kelda Barstad
Debbie DeLong
Valette Keller
Tina Voelker-Ross
Eliza Muse
Janie Caq'ar Ferguson

Trust Land Office staff present:

Jusdi Warner
Jeff Green
Sarah Morrison
Brittany Williams
David MacDonald
Katie Vachris
Karsten Eden
Mariana Sanchez

Also participating:

Gene Hickey; Patrick Reinhart; Maria Smilde; Stephanie Hopkins; Christopher Orman; Lee Cruise; Charlene Tautfest.

PROCEEDINGS

CALL TO ORDER

CHAIR FEIGE called the Resource Management Committee meeting to order and began with a roll call. She asked for any announcements. Hearing none, she 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 MORRIS.

There being no objection, the MOTION was APPROVED.

CHAIR FEIGE moved to the approval of the minutes from July 30, 2024.

APPROVAL OF MINUTES

MOTION: A motion to approve the minutes from July 30, 2024, was made by TRUSTEE HALTERMAN; seconded by TRUSTEE MORRIS.

There being no objection, the MOTION was APPROVED.

CHAIR FEIGE recognized Jusdi Warner.

EXECUTIVE DIRECTOR REPORT

E.D. WARNER stated that many of the slides in her presentation were board action updates. She highlighted the disposal of about 338 acres of the land to the U.S. Army Corps of Engineers for the permafrost tunnel and talked about the check paid to the Trust, which was 231 percent above the fair market value. She thanked Jeff Green for the hard work.

(Applause.)

E.D. WARNER continued that the Army Corps was very thankful for the work of the TLO and moved a process that usually takes years in a matter of months. She moved to the Alaska renewables, the wind leases. She stated that the lease was not yet signed and provided context for it. She continued to the reconnaissance sampling and geological mapping project which was \$1.5 million approved by the trustees. About \$300,000 was spent for the project doing work in Interior Alaska. All of the assay data from the field work was received, and we were awaiting the final report. She continued to the \$4 million allocated to the Alaska Housing Finance Corporation by the Legislature to look at different entities for the TLO, DNR, University of Alaska, and the Alaska Railroad to try subsidizing those subdivisions in the smaller communities. She moved to the land sales which continue performing well, and noted that they were conducting the 2024 competitive fall land sale. She added that the public bid opens on November 6th at 10:00 a.m. in the TLO conference room. The over-the-counter land sales

continue year-round. The closed projects have resulted in about \$2.2 million so far this year. She then highlighted the drone work, which has created so much efficiency for the work that the field-going staff perform. She added that they have five drone pilots presently, which are very critical and important.

CHAIR FEIGE asked if there was any placed media done for promotion of land sales and things of that nature.

E.D. WARNER replied that the DNR Future Leader Summit sponsored by the DNR commissioner is fairly new and has had some really good success. It supports DNR employees that are up and coming bright and shining stars with potential, which gives them an outlet, mentorship and the training opportunity to become a leader and, hopefully, stay in DNR. She added that the process is through application, and Ashley Oien and Pam Cawley were chosen. She moved to the land title update and then the timber update. She stated that the timber industry is fragile; the equipment is falling apart; loggers are hard to get; and the Trust is out of timber to sell right now. She talked about the importance of supporting this industry. She continued to the staff update and congratulated the TLO on the accomplishment of making \$17 million last year. She recognized Sarah Morrison for 20 years of State service, and presented her with a certificate and a pin.

(Applause.)

CHAIR FEIGE thanked Ms. Morrison for her service, and asked the Board for any comments.

TRUSTEE BOYLES asked if the board foot being sold was so low that it could not be produced, or if it is environmental subjectivity that would not allow trees to be cut.

E.D. WARNER replied that there are currently a lot of environmental restrictions in place, and the markets are tough. She stated that China's market was the worst it has ever been, and the outlook is not good. It is also the cost of doing business in Alaska.

COMMERCIAL REAL ESTATE UPDATE

MR. MacDONALD stated that Amber Oaks net result was 94 percent occupied; North Park was at 83 percent. He continued that there would be some changes seen next month, with 96 percent anticipated. He talked about the cash flow, year-to-date, the first quarter. The portfolio brought in just shy of \$600,000, and all assets were positive. He continued through his presentation, explaining as he went through the slides.

TRUSTEE MORRIS asked about the soils issue on Promontory Point.

MR. MacDONALD replied that it is pervasive throughout the area. The soils conditions are very dense with clay, and there seems to be water flowing into the property from somewhere.

CHAIR FEIGE thanked Mr. MacDonald for the update, and asked for a motion to go into a brief Executive Session.

MOTION: A motion that the Resource Management Committee for the Alaska Mental Health Trust Authority Board of Trustees enter Executive Session to discuss issues

related to the Trust commercial real estate holdings. The discussion will include legal advice from counsel, may include matters concerning subjects that may tend to prejudice the reputation and character of various individuals and entities, and will also delve into matters that will have an immediate material effect on the finances of the Trust. The Executive Session is permitted under the Open Meetings Act, AS 44.62.310(c)1, 2 and 3. The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE MORRIS.

There being no objection, the MOTION was APPROVED.

(Executive Session from 2:59 p.m. until 3:33 p.m.)

TRUSTEE FISHER stated, for the record, that he, his fellow trustees, and members of the Trust Authority returned to the Resource Management Committee from the Executive Session. No decisions were made during the Executive Session.

CHAIR FEIGE stated that there was another matter waiting for the Board. She asked for a motion to recess the Resource Management Committee meeting, and to reconvene at 8:30 a.m., beginning with the Icy Cape update.

MOTION: A motion to recess the meeting was made by TRUSTEE HALTERMAN; seconded by TRUSTEE MORRIS.

There being no objection, the MOTION was APPROVED.

(Resource Management Committee meeting recessed on October 16, 2024, at 3:36 p.m. and reconvened on October 17, 2024, at 8:30 a.m.)

OCTOBER 17, 2024

ICY CAPE UPDATE

CHAIR FEIGE stated that they would come out of recess and back on the record to complete the Resource Management Committee agenda from October 16, 2024. She began with a roll call. They were pending Trustee Fisher, but had a quorum to undertake business. She recognized Jusdi Warner for an update on the Icy Cape project.

E.D. WARNER stated that Karsten Eden was online, and asked him to begin.

DR. EDEN began with planning, procurement, field work, and stated that they were right on track with everything. Everything was looking good, and the camp had been winterized. He continued that all of the gold assay data had been received, which has been pushed over to the independent geologist working on the technical report and the resource estimate. Not all of the results had been received back for that, but they are expected by the end of the year. He added that science and engineering was at 65 percent. He reported that the ore sample had finally been processed by SGS in Canada, and the concentrates are with American Assay Labs in Reno, Nevada for a leach to get the gold content. As part of the verification process, more processing and assaying was being done to check the box. Everything is right on track with science, engineering, processing and assaying, which is good. The independent data verification process, which is very time-consuming, is at 65 percent, and is also on track. He continued that the

resource estimate would probably happen more toward the end of March. Marketing was at 75 percent, and marketing will start as soon as there is a resource estimate in hand. He talked about the budget and stated that so far \$7.5 million had been spent, which means that the project is under budget. He commented that all resource development work done adds significant value to prospects and the landowner, which increases its marketability.

A brief discussion ensued.

CHAIR FEIGE shared the dates of the AMA conference and a big explorer's conference in Reno. She noted that there are a number of others that take place in the winter season, which become the target market for the people that we will ultimately be marketing Icy Cape to for the purpose of purchase. She noted that it is an incredibly exciting project.

TRUSTEE BOYLES thanked Dr. Eden, and noted that he was an amazing penny pincher.

CHAIR FEIGE moved to Consultations and asked for a motion for the initial consultation.

CONSULTATIONS

DISPOSAL OF PORTION OF TRUST PARCEL CRM-2060-02 – MHT 9101396

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 a portion of Trust parcel CRM-2060-02, approximately 17 acres, through a negotiated sale or subsequent disposal. The motion was made by TRUSTEE MORRIS; seconded by TRUSTEE HALTERMAN.

E.D. WARNER noted that the past two committees saw Jeff Green giving some negotiated sale consultations, which is not normally his job as a deputy director, and she thanked him for stepping up and doing some extra things.

MR. GREEN thanked Ms. Warner and also recognized all the other staff which creates a great team. He was proud to be able to work with all of them. He stated that this parcel is about 17 acres at the end of Quarry Road. A portion of the quarry is on the Trust parcel, and the other portion is on land owned by the Borough, the local government. Just to the south, some of those parcels are owned by the State of Alaska. He continued that Reid Brothers Logging and Construction applied for the sale, and they already have a material sale on the exact same parcel that is almost completed. That contract ends at the end of December, and we have already sold them the valuable material on this parcel. He added that this sale would take place after that contract closes. The parcel was appraised at \$215,000 by an independent third-party general real estate appraiser, and they agreed to pay 40 percent above the appraised value and reimburse the cost of the appraisal, which brings the total purchase price at \$307,000. He added that the parcel did not have much value for any sort of other development, and this would be a great disposal of this parcel for the Trust.

CHAIR FEIGE recognized that Trustee Fisher joined the meeting. She called the vote.

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

DISPOSAL OF PORTION OF TRUST PARCEL FM-7009 – MHT 9400901

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 a portion of Trust parcel FM-7009, approximately 37.98 acres, through a negotiated sale or subsequent disposal. The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE MORRIS.

E.D. WARNER recognized that Mariana Sanchez stepped in to help the team on this negotiated sale outside of Fairbanks.

MS. SANCHEZ stated that this consultation is for the negotiated sale of 37.98 acres within Trust parcel FM-7009 to the applicant, Terry Harriman. The location of this parcel is 40 miles Southeast of Fairbanks off the Richardson Highway. She continued that the property is lakefront to Little Harding Lake and is composed of 17 government lots within the Fairbanks North Star Borough. An appraisal was done by Steve Carlson with an appraised value of \$55,200. A 40 percent premium on that fair market value plus compensated appraisal costs bring the total purchase price to \$82,280. Mr. Harriman hopes to open a recreational visitor stop along the highway, and he put down 10 percent of the sale price as agreed upon in the purchase and sale agreement. He will have access to the parcel from his property, which he currently owns across the section line due west of the parcel. She added that the appraisal determined the best use is for rural residential and rural recreational. This disposal meets the standards of the 2021 Resource Management Strategy for the TLO to maximize return at prudent levels of risks, prevent liabilities, and convert nonperforming assets into performing assets.

CHAIR FEIGE asked for any questions or comments from the committee. Hearing none, she called the question.

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

MINERAL LEASE– MHT 9400763

MOTION: The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with the negotiated lease of Trust mineral estate on FM-0909 and FM-0910 on Esther and Willow Creek for the exploration and development of placer gold, as proposed. The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE FIMON.

E.D. WARNER stated that Cole Hendrickson would present this. She added that Mr. Doug Baker is a placer miner here, and she has had regular conversations with him through her career at the Land Office. She wanted to let trustees know that he does a great job out there and has won awards from the State for his reclamation.

MR. HENDRICKSON pointed out a typo in the actual consultation document and the creek that the actual mining activity was proposed to be on. The creek is Flume Creek, and the parcel was a portion of F-70015.

E.D. WARNER asked for a one-minute break.

CHAIR FEIGE paused the meeting.

(Pause.)

CHAIR FEIGE stated that, in correcting the record, the motion will be read again.

TRUSTEE HALTERMAN read the corrected motion.

MOTION: The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with the negotiated lease of Trust mineral estate or a portion of the Trust mineral estate F-70015 Flume Creek for the exploration and development of placer gold, as proposed. The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE MORRIS.

MR. HENDRICKSON stated that this is approximately 30 acres of Trust land. However, the mining activity was proposed to be closer to half of that with all of the space still needed for any sort of processing activities and stockpiling. This is an exploration-based authorization, as the mineral potential is unknown. He continued that this is a great opportunity to have someone experienced in the industry exploring Trust lands. Mr. Doug Baker applied and is incredible when it comes to his resume. Next year he will have 40 years in mining and construction experience; 30 years of that was through Landview Excavating, which is the applicant. He added that the income projected and seen on the consultation document was up to 425,000, which is a representation of the annual fee associated with the mining lease; however, that is an up-to amount. The main benefit is the data and understanding of the mineral potential of the parcel. If the potential is there, a 10 percent royalty is associated with placer gold leases. This has low risk of authorization compliance issues, which tend to be very minimal. The high reward is the sale of gold, the understanding of that and raw potential, especially in an area where there have been compliance issues with unauthorized trespass. It is a massive tool to have someone on Trust land protecting that asset that can be checked on.

TRUSTEE BOYLES commented on knowing Mr. Baker, and that she would not hesitate to do a deal with him. He was one of those advocating the geotechnical air mapping that produced the information used today that allows to placer mine in small pieces, and also allowed building the huge Fort Knoxes. That is what the State is supposed to do.

CHAIR FEIGE asked for any other comments. Hearing none, she called the question.

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

CHAIR FEIGE asked for a motion to adjourn.

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

There being no objection, the MOTION was APPROVED.

CHAIR FEIGE thanked all, and adjourned the meeting.

(The Alaska Mental Health Trust Authority Resource Management Committee meeting adjourned at 9:08 a.m.)



Trust
Land Office

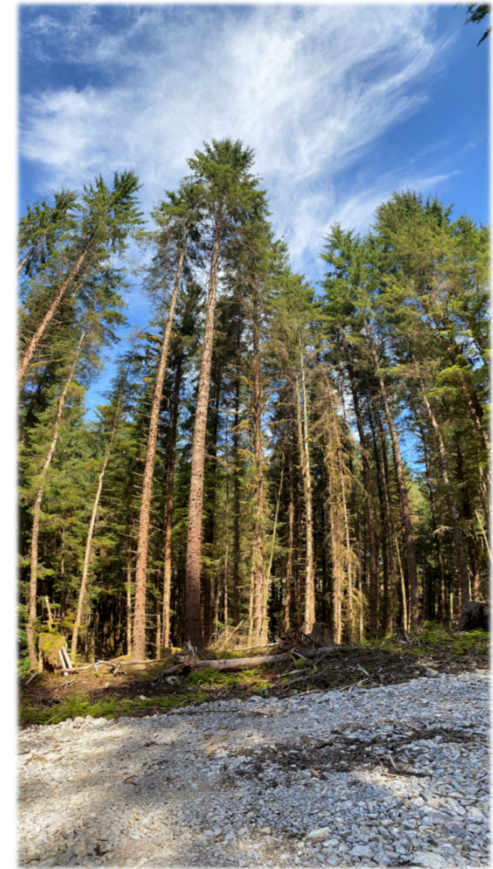
Trust Carbon Offset Program Update

Resource Management Committee
January 9, 2025



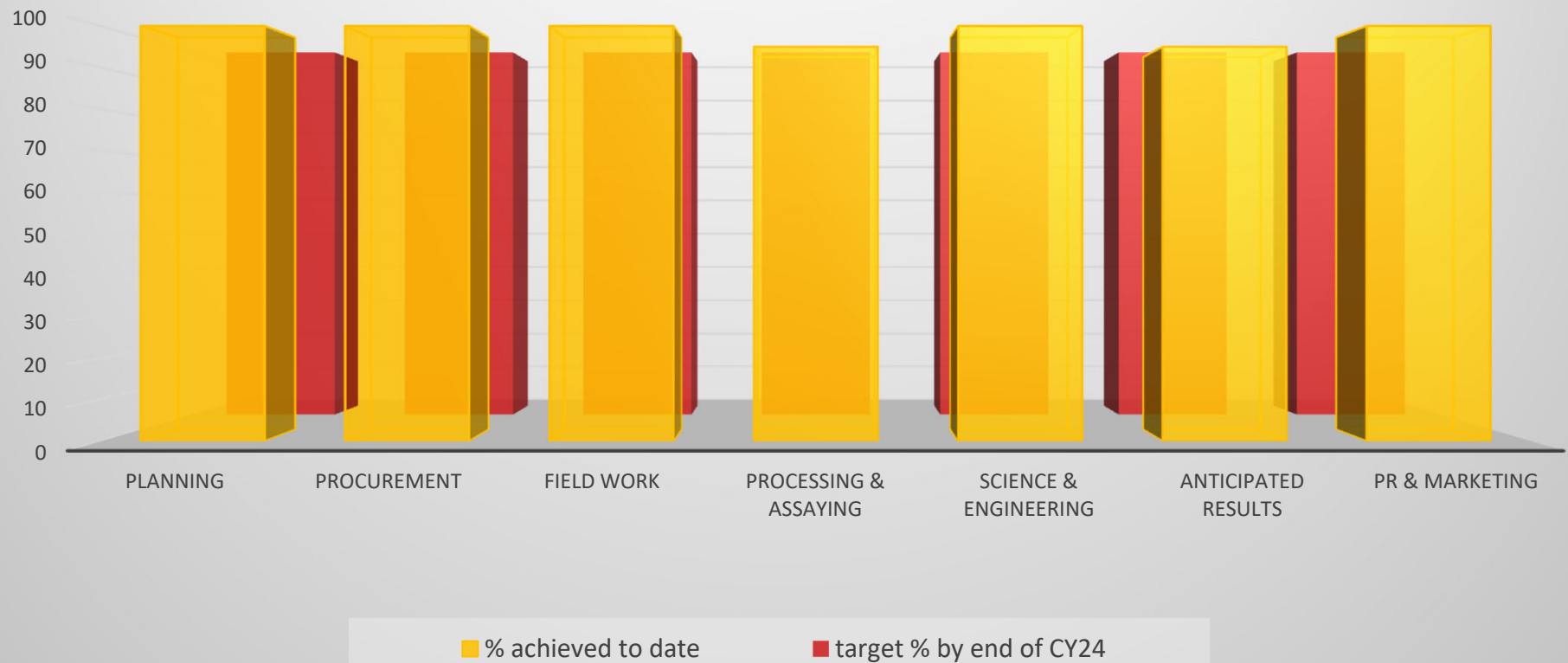
Trust Carbon Offset Program

- Timeline / Development Process Update
- Carbon Market Board Meeting Update
- Management and Sale of Credits Process
- Questions?



Icy Cape Gold and Industrial Heavy Minerals Project

Icy Cape Gold and Industrial Heavy Minerals Project Progress 4th Quarter CY 2024



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	Grinder Au + HM resource estimate
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	NI43-101 technical report
	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	Conceptual study
	Drill target generation				5-year plan for project advancement	Camp infrastructure		Metallurgical studies	NI43-101 technical report	Strategy study for project development
										Marketing



Trust
Land Office

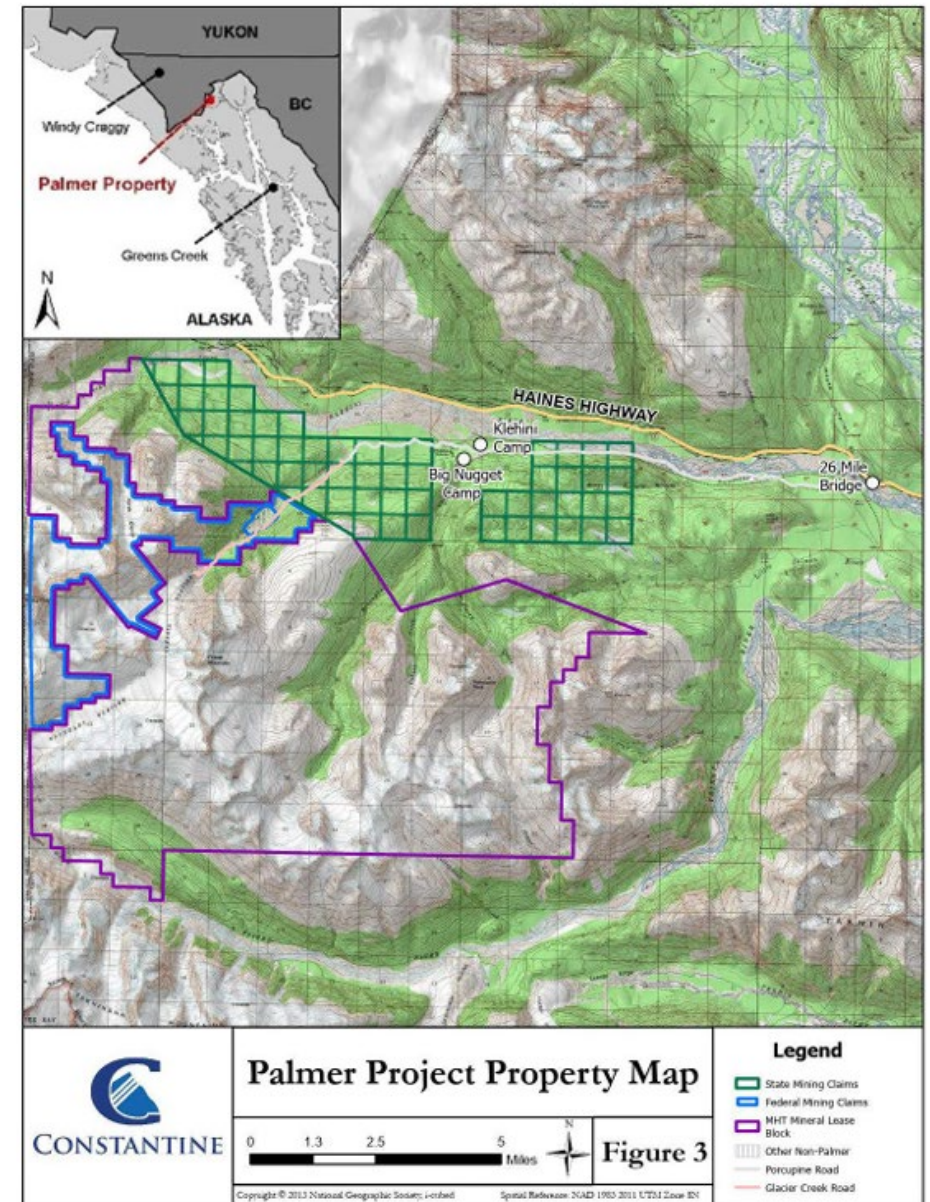
Palmer Project Update/Appraisal



Palmer Project

- Merrill Palmer - 1969
- Volcanogenic Massive Sulfide deposits
- Copper, Zinc, Barite
- Advanced Exploration
- PEA (2019), PEA (updated 2022)
- 2 NI 43-101 mineral deposits
- \$116 million total project expenditures
- America Pacific Mining Corp.
- 2024 Mineral Appraisal 340 federal mining claims

Land Owner	Land Right Instrument	Acreage
State of Alaska	63 State Mining Claims	9,185
Mental Health Trust	Surface and Subsurface Lease	1,465
Mental Health Trust	Subsurface Lease	40,772
BLM	340 Federal Mining Claims	6,567





Mineral Appraisal/Valuation of Non-Producing Mineral Properties

- What is the current fair market value of a non-producing mineral property?



CIMVAL Code (Canada)

- In 2003 CIMVAL issued the Standards & Guidelines for the Valuation of Mineral Properties (CIMVAL Code). Latest update was in November 2019.

Standards: General rules that are mandatory in the Valuation of Mineral Properties.

Guidelines: Guidance on best practices to be followed in the Valuation of Mineral Properties.



IMVAL (International)

- Standards and guidelines template for the International Mineral Valuation Codes and Standards by an international committee. Latest update in April 2021.

CIMVAL (Canada)

IIMA (USA)

SME Valuation Standards Committee (USA)

VALMIN (Australasia)

SAMVAL (South Africa)



IMVAL (International)

- Standards and guidelines template for the International Mineral Valuation Codes and Standards by an international committee. Latest update in April 2021.

CIMVAL (Canada)

IIMA (USA)

SME Valuation Standards Committee (USA)

VALMIN (Australasia)

SAMVAL (South Africa)



Three main approaches to mineral appraisals are used to determine fair market value:

- **Income-based Approach**
- **Market-Based Approach**
- **Cost Approach**



Income-based Approach

- Income-based approaches are based on the notion of cashflow generation. In this approach, the anticipated benefits of the potential income or cash flow of a mineral Asset are analyzed, primarily through the discounted cashflow (DCF) method.



Market-based Approach

- Market-based approaches are based primarily on the notion of substitution. In this approach, the Mineral Asset being valued is compared with the transaction value of similar Mineral Assets under similar time and circumstance in an open market. Methods include mostly comparable transactions.



Cost-based Approach

- The Cost Approach is based on the principle of contribution to value. In this approach, the costs incurred on the Mineral Asset are the basis of analysis. Methods include the appraised value method and multiples of exploration expenditure.
- Exploration work that downgrades potential cannot be regarded as productive, and, therefore, its cost should not contribute to the assessed value.



Valuation approaches for different types of mineral properties

Valuation approach	Exploration properties	Mineral resource properties	Development properties	Production properties
Income	No	In some cases	Yes	Yes
Market	Yes	Yes	Yes	Yes
Cost	Yes	In some cases	No	No



Valuation Report (Appraisal)

- *Competence* requires that the report be based on work that is the responsibility of an independent, suitably qualified and experienced person, who is subject to an enforceable professional Code of Ethics.
- *Materiality* requires that the report contains all the relevant information that buyers and their professional advisors would reasonably require, and reasonably find to expect in the report, for the purpose of making a reasoned and balanced judgement regarding the mineral assets.



Valuation Report (Appraisal)

- *Transparency* requires that the report provides sufficient information, the presentation of which is clear and unambiguous, to understand the report and not to be misled by this information or by omission of Material information.
- **Appraiser's opinion** should be based on reasonable grounds and must be well documented.



Conclusion

- Acquisition of mineral property rests on a determination of fair market value by an independent licensed mineral appraiser.
- The appraiser needs to ensure that the appraisal (valuation) uses methods that are appropriate to the mineral asset and the available information, that all relevant aspects have been considered, and that the report is sufficiently detailed as to allow the reader to clearly understand what has been done.



To: Corri Feige, Chair
Resource Management Committee
Through: Jusdi Warner, Executive Director
From: Mariana Sanchez
Date: 1/9/2025
Re: MHT 9400904 – Negotiated Sale
Fiscal Year: 2025

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 FM-0835, approximately 75 acres, through a negotiated sale or subsequent disposal.”

Background:

Revenue Projections: Principal \$159,600.00.

Transaction/Resource: Negotiated Land Sale

Property Description/Acreage/MH Parcel(s): Trust parcel FM-0835 located in Fairbanks, AK with a legal description of:

T. 1 S., R. 1 W., FAIRBANKS MERIDIAN, ALASKA
SECTION 24: S1/2NE1/4NW1/4SW1/4, SE1/4NW1/4SW1/4, E1/2SW1/4SW1/4
SECTION 25: NW1/4NW1/4;
CONTAINING 75.00 ACRES, MORE OR LESS.

ACCORDING TO THE SURVEY MAP EXAMINED AND APPROVED BY THE
U.S. SURVEYOR GENERAL’S OFFICE IN JUNEAU, ALASKA ON JUNE 7, 1913.

General Background: In August of 2024, FS&G Inc., a sand and gravel supply company, applied for a negotiated sale of approximately 75 acres of land in Fairbanks. From the years 1998-2011, the applicant has held several material sales on the subject parcel issued by the Trust. From a historical file standpoint, their contracts were completed successfully, closed out to our satisfaction, and are in good standing with the TLO. The TLO has explored the feasibility of additional material extraction and there is likely no economic material left to be extracted. The applicant has no intention to extract additional material, and rather plans to donate the southern portion to the Fairbanks Snowmobile Fun Lions Club which also borders the parcel.

Anticipated Revenues/Benefits: Being that the parcel is ~96% submerged lands (water-filled material pits), and all material has been exhausted from the lakes, there are little alternative options for this parcel other than to sell. The appraisal determined the highest and best use for the remaining ~4% of useable land was for yard storage. Having already explored other revenue options, selling 75 acres 50% above the appraised fair market value will generate revenue from a non-performing asset.

Anticipated Risks/Concerns: None.

Project Costs: Project costs are \$0. The parcel is being sold “as is, where is”.

Other Considerations: Purchaser plans to subdivide parcel with the Fairbanks North Star Borough and donate the southern portion to the Fairbanks Snowmobile Fun Lions Club, whose property borders the southwestern portion.

Due Diligence: The purchase price was determined by an appraisal completed by Steven E. Carlson, MAI, of Black-Smith, Bethard & Carlson, LLC on December 10, 2024. The appraisal determined the fair market value to be \$100,000. An additional 59.6% premium brings the purchase price to \$159,600. A title report was done in 2024 and had no encumbrances. A trust resource manager performed a site visit in August of 2024 and inspected the property.

Alternatives: The alternatives include holding the property for sale in the future or disposing of it through a competitive land sale. These alternatives could potentially miss selling at the higher end of the market, delay receipt of revenues, fail to capitalize on the net present value of money returned to the corpus, and have the potential need to be actively managed due to trespass risk. Additionally, this parcel is not suitable for residential use and would not be a good candidate for a land sale due to its historical use, adjacent land use, and present land characteristics.

Consistency with the Resource Management Strategy: The proposal is consistent with the “Resource Management Strategy for Trust Land” (RMS), which was adopted 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 the parcel in a negotiated sale to capture a 50% premium on the appraised valued and avoid future liability from recreation on the lakes. 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, 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.

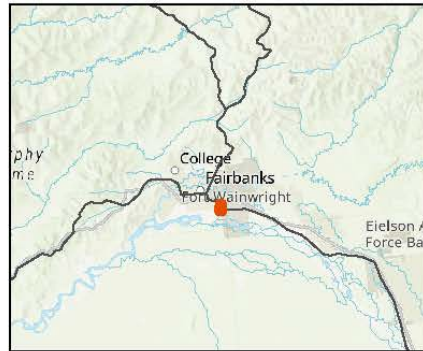
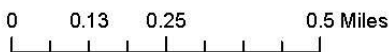
Exhibit(s): Exhibit A: Parcel Map

Exhibit A: Parcel Map



MHT 9400904

-  Mental Health Parcels (Land & Fee)
-  PLSS Township
-  PLSS Section
-  Roads





To: Corri Feige, Chair
Resource Management Committee
Through: Jusdi Warner, Executive Director
From: Cole Hendrickson
Date: 1/9/2025
Re: Hilcorp Alaska, LLC – Negotiated Oil & Gas Lease – MHT
9300101
Fiscal Year: 2025

Consultation

Proposed RMC Motion:

“The Resource Management Committee recommends that the Alaska Mental Health Trust Authority board of trustees concur with the negotiated lease of Trust land, parcels S50100, S50101, S50102, S50103, & S50135, near Soldotna to Hilcorp Alaska, LLC for the exploration and development of oil and gas resources.”

Background:

Revenue Projections: **Principal** **Unknown**
 Income **\$2,800 - \$4,000 annually**

Transaction/Resource: A negotiated lease of Trust owned hydrocarbon estate for the exploration and development of oil and gas by Hilcorp Alaska, LLC (Hilcorp) near Soldotna on the Kenai Peninsula. The primary term will be five years and continued indefinitely by production.

Property Description/Acreage/MH Parcel(s): Soldotna, AK / 286.82 acres / MH Parcels S50100, S50101, S50102, S50103, S50135

General Background: The subject parcels are subsurface estate only parcels and adjacent to State owned hydrocarbon tracts that were recently a part of a lease sale held by the Department of Natural Resources, Division of Oil and Gas. Hilcorp Alaska, LLC (Hilcorp) has been named the apparent high bidder, securing the opportunity to lease approximately 1,880 acres adjacent to the Trust parcels in this consultation.

Hilcorp is looking to include the adjacent Trust parcels to their land package while they already have time and infrastructure invested in the region.

Anticipated Revenues/Benefits: Revenue to the Trust includes an annual rental fee starting at \$10/acre/year and escalating to \$14/acre/year for lease year 5, and increasing annually should production continue the agreement past the 5-year term. Rental fees are a credit against the royalty

due on production for that lease year. Any production that occurs will be subject to a 12.5 percent royalty.

Anticipated Risks/Concerns: No unusual risks or concerns associated with the proposal are anticipated. Risks typically associated with this type of activity are regulated by various state agencies and will also be governed by terms in the TLO oil and gas lease.

Project Costs: There are no additional costs anticipated with the issuance and administration of the proposed lease.

Other Considerations: The applicant of this disposal is a well-known developer of oil and gas projects in the state and adding this acreage to their land package while they have committed time and infrastructure to surrounding lands is an opportune time to allow the potential development of Trust resources.

Due Diligence: The leasing process and the lease terms have been determined as a result of industry standards. The TLO staff are generally familiar with the proposed leased area.

Alternatives: (1) Offer the parcel competitively, which is not warranted given the applicant's experience and land position in the area as apparent high bidder of adjacent state land; (2) do not offer the land for oil and gas development.

Consistency with the Resource Management Strategy: The proposal is consistent with the "Resource Management Strategy for Trust Land" (RMS), which was adopted in October 2021 in consultation with the Trust and provides for the disposal of Trust hydrocarbon resources on a negotiated bases in certain circumstances. Given that Hilcorp was the only bidder to lease State of Alaska land adjacent to the Trust property in question for the exploration and development of oil & gas, the likelihood of finding another party in the region who will have the capacity to develop the Trust resources as Hilcorp is significant lower as shown by the recent results of the State's process.

Trust Land Office Recommendation: Lease the described acreage on a negotiated basis to Hilcorp as proposed.

Applicable Authority: AS 37.14.009(a), AS 38.05.801, 11 AAC 99.

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

Exhibit(s): A: Location Map
B: Legal Description

Exhibit A: Location Map



MHT 9300101

- MHT 9300101
- Mental Health Parcel
- PLSS Township
- PLSS Section

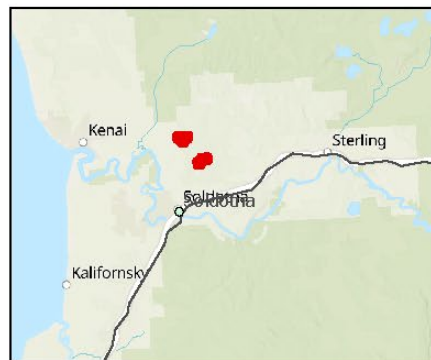
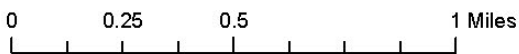


Exhibit B: Legal Description

MH Parcel S50100

T. 005 N., R. 010 W., Seward Meridian, Alaska. Section 4: Lot 2; containing 40.00 acres, more or less. According to the survey plat accepted by the United States Department of the Interior, General Land Office in Washington, D.C. on June 24, 1943.

MH Parcel S50101

T. 005 N., R. 010 W., Seward Meridian, Alaska Section 4: Lot 3; containing 38.92 acres, more or less. According to the survey plat accepted by the United States Department of the Interior, General Land Office in Washington, D.C. on June 24, 1943.

MH Parcel S50102

T. 005 N., R. 010 W., Seward Meridian, Alaska Section 4: Lot 4; containing 35.03 acres, more or less. According to the survey plat accepted by the United States Department of the Interior, General Land Office in Washington, D.C. on June 24, 1943.

MH Parcel S50103

T. 005 N., R. 010 W., Seward Meridian, Alaska Section 4: SE1/4NW1/4; containing 40.00 acres, more or less. According to the survey plat accepted by the United States Department of the Interior, General Land Office in Washington, D.C. on June 24, 1943.

MH Parcel S50135

T. 005 N., R. 010 W., Seward Meridian, Alaska Section 10: Lot 1; containing 38.65 acres, more or less. According to the survey plat accepted by the United States Department of the Interior, General Land Office in Washington, D.C. on June 24, 1943.

MH Parcel S50136

T. 005 N., R. 010 W., Seward Meridian, Alaska Section 10: Lot 2; containing 39.60 acres, more or less. According to the survey plat accepted by the United States Department of the Interior, General Land Office in Washington, D.C. on June 24, 1943.

MH Parcel S50137

T. 005 N., R. 010 W., Seward Meridian, Alaska Section 10: Lot 3; containing 39.60 acres, more or less. According to the survey plat accepted by the United States Department of the Interior, General Land Office in Washington, D.C. on June 24, 1943.

MH Parcel S50138

T. 005 N., R. 010 W., Seward Meridian, Alaska Section 10: Lot 4; containing 15.02 acres, more or less. According to the survey plat accepted by the United States Department of the Interior, General Land Office in Washington, D.C. on June 24, 1943.

Aggregating to 286.82 total acres, more or less, of Trust land.



Trust
Land Office

- TLO Creation
- TLO Purpose
- TLO Reporting/Oversight
- TLO/DNR/AMHTA MOU
- Overall Intent

1/9/25

Jusdi Warner