

Meeting Agenda



Meeting: Resource Management Committee
Date: October 20, 2023
Time: 1:40 pm
Location: Trust Authority Building, 3745 Community Park Loop, Anchorage
Teleconference: (844) 740-1264 / Meeting Number: 2630 544 4892 # / Attendee Number: #
<https://alaskamentalthrust.org/>
Trustees: John Sturgeon (Chair), Rhonda Boyles, Kevin Fimon, Brent Fisher, Anita Halterman, Agnes Moran, John Morris

Friday, October 20, 2023

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1:40	
Call to Order (John Sturgeon, Chair)	
Roll Call	
Announcements	
Approval of Agenda	
Ethics Disclosure	
Approval of Minutes	
• July 25, 2023	4
1:45	
Executive Director Report	hand-out
2:10	
Commercial Real Estate Update	16
2:25	
Icy Cape Update	19
2:35	
TLO Timber Program	hand-out
• Jeff Hermanns, Senior Resource Manager - Forestry	
2:55	
Break	
3:05	
Trust Lands Presentation	21
• Sean O'Guinn, GIS Land / Title Chief	
3:25	
Approval	
TCC Less than Fair Market Value Lease	40
3:50	
Trustee Comments	
4:05	
Adjourn	

Future Meeting Dates Statutory Advisory Boards (Updated – September 2023)

Alaska Commission on Aging

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

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

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

- Quarterly Meeting: TBD
- Statewide Suicide Prevention Council: October 26-27, 2023 / Anchorage

Governor's Council on Disabilities and Special Education

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

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

- Quarterly Meeting: February 13-15, 2024 / Juneau

ALASKA MENTAL HEALTH TRUST AUTHORITY
RESOURCE MANAGEMENT COMMITTEE MEETING
HYBRID/WEBEX

July 25, 2023
10:15 a.m.

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

Trustees Present:

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

Trust Staff Present:

Steve Williams
Katie Baldwin-Johnson
Miri Smith-Coolidge
Michael Baldwin
Allison Biastock
Eric Boyer
Kat Roch
Kelda Barstad
Debbie DeLong
Valette Keller
Travis Welch
Janie Ferguson

Trust Land Office staff present:

Jusdi Warner
Jeff Green
Katie Vachris
Marisol Miller
David MacDonald
Sarah Morrison
Blain Alfonso
Karsten Eden
Ashley Oien

Also participating:

John Springsteen; Stephanie Hopkins.

Alaska Mental Health Trust Authority 1

Resource Management Committee
Meeting Minutes – July 25, 2023

PROCEEDINGS

CALL TO ORDER

CHAIR STURGEON called the Resource Management Committee to order and began with a roll call. He asked for any announcements. Not hearing any, he moved to the approval of the agenda.

APPROVAL OF AGENDA

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

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

CHAIR STURGEON asked for any ethics disclosures, and recognized Trustee Morris.

TRUSTEE MORRIS asked to recuse himself from the discussion and vote on the Salvation Army lease that may be coming up today. He stated that he is on the advisory board for the Salvation Army.

CHAIR STURGEON replied that Trustee Morris was excused from that vote. He asked for any other ethics disclosures. Hearing none, he moved to the approval of the minutes of April 19, 2023.

APPROVAL OF MINUTES

MOTION: A motion to approve the Resource Management Committee meeting minutes from April 19, 2023, was made by TRUSTEE HALTERMAN; seconded by TRUSTEE FISHER.

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

TRUST LAND OFFICE EXECUTIVE DIRECTOR REPORT

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

MS. WARNER stated that her report would be a little different by covering more project-specific items instead of covering each asset class individually. She highlighted the TLO performance on what they work for all year long, and were highly motivated to do: The FY23 annual goal was about 11.8 million. A monthly report is produced, and it goes by each asset class. She added that they have a trust that covers income; a trust that covers principal; and a trust that covers the total. She noted that today they would be looking at the total, which was subject to change because the July numbers had not yet been completed. She continued that almost every asset class had exceeded the goal, which was exciting.

TRUSTEE MORAN stated that she was curious about when the goals were exceeded if that impacted the ability to develop these in the future, and if there would be reduced revenues going forward at some point or not.

MS. WARNER replied that that is considered when any interest for the Trust land is disposed, and it is attributable to the right now and keeping future generations in mind. She moved to the Palmer or Constantine project. She stated that there was additional interest in the Trust purchasing the relinquished Palmer claims. She gave a high-level overview of the project and pointed out that it is a copper, zinc, silver, gold, barite prospect in the advanced exploration stage. The project is operated by Constantine North, Incorporated, and located within the Porcupine Mining District in the Haines Borough. She continued that the project area consists of 340 unpatented load-mining claims that cover an area of approximately 6,700 acres, and also 63 State mineral claims that cover an area of approximately 9,200 acres. Constantine also holds an open-mining lease with the Trust, which is about 40,000 acres of land that surrounds those Federal and State claims. She explained in more detail, and noted that they are in negotiations with Constantine. This past month she met with the Lieutenant Governor, alongside the DNR commissioner, on the subject matter. She explained the need for a mineral property appraisal on the Palmer claims by an independent, certified, licensed mineral appraiser that complies with the Uniform Standards of Professional Appraisal Practice and the standard set for them by the American Institute of Professional Geologists and the International Institute of Mineral Appraisers.

CHAIR STURGEON noted that what Ms. Warner did not say is that this is pretty political with a lot of political pressure. The Governor's Office and the chiefs of staffs were contacted. They put political pressure on the Trust Land Office and the Board to expend this \$15 million to buy this project. He added that all the Trust is asking for is a good appraisal of what is there.

TRUSTEE BOYLES asked if this appraisal affected the offer to extend the lease.

MS. WARNER replied no.

TRUSTEE MORAN asked if the lease was covering all of it, or just the Palmer deposits.

MS. WARNER explained the map and the boundaries, as well as the property that would be released if the lease was not extended. She talked about the public comment brought forward with concern for Trust land and the future of Trust land out in Fort Knox at the May board meeting. Trustee Boyles had requested additional information. She stated that the Fort Knox mine is an open-pit, truck-and-shovel operation using carbon-in-pulp, heap leach, and gravity processes to recover gold. The mine is located about 25 miles northeast of Fairbanks, and the project is operated by Fairbanks Gold Mining Company, FGMI. It is a wholly-owned subsidiary of Kinross Gold Corporation. The major Fort Knox Mine facilities consist of an open-pit mine, the mill, administrative facilities, tailings storage facility, water storage reservoir, and the Walter Creek and the Barnes Creek Heap Leach facilities. This mine was originally permitted in 1994, and operates 24 hours a day, 365 days a year. The most recent data she found for who was employed there was from 2020, and that was 655 people. It has generated over \$28 million for the Trust since 1994. She talked about the four authorizations in the area, and then continued explaining the complexity and potential impacts of the project on multiple divisions and

agencies. She moved to the plan that was produced by FGMI that describes the procedures and processes that would be used to return the land disturbed by mining operations to a stabilized condition, which provides for a long-term protection of the land and the water resources. The plan describes the schedule for reclamation activities, general reclamation procedures, and the methods for achieving the final closure requirements and objectives. In addition, the plan serves as a basis for calculating reclamation costs and the amount of the financial assurance. The reclamation would begin upon cessation of the mining and milling operations, and final reclamation would be completed as expeditiously as feasible. Notification in writing on final closure would be provided to all of the regulators within 90 days after cessation of the mining, which is expected to be in 2030. She added that the SRCE bond is redone and updated every five years, and is based on the project and how it has changed in pricing. The TLO has the opportunity every five years to review and sign off on the bond in those five-year intervals. Currently, that bond sits at \$102 million. She continued to the Hollis timber sale and the Historic Wolf Creek Boatworks. She moved to her last slide and gave the wind project updates. She stated that the best-interest decisions went out to public notices, and they close on August 4th and August 18th. She stated that Congress established a Department of Defense Formerly Used Defense Sites, which is FUDS, a program as part of the Defense Environmental Restoration Program to address properties formerly owned by, leased to, or otherwise possessed by the Department of Defense that may contain environmental contamination or military munitions resulting from past Department of Defense related activities. There are 17 sites that have been identified on Trust land. A few land sales were lost because we did not know they were FUDS sites. Potential owners were notified immediately, and some of them turned the parcels back in. There was only one that kept their parcel. She added that it was up to the Army Corps of Engineers to determine if a further investigation on these lands is warranted, and it is another standard to meet to get funding for remediation. She stated that the Trust is on a list with the Department of Natural Resources for FUDS sites. It does not look like there would be any funding to remediate these sites in any near future, but we do have a seat at the table and will stay engaged.

TRUSTEE HALTERMAN asked if there is an opportunity to exchange these lands out for other pieces of land that could be leased or sold.

MS. WARNER replied that she approaches this once a year with DNR with a new creative solution of why the land should be taken back. According to the settlement and Trust lands, their argument is that they did not know either. It is an ongoing dialogue between the TLO and DNR on taking the lands back because they are contaminated with a zero value. This was part of that agreement. The TLO is currently in the process of conducting inventory and feasibility work on all the suitable Trust parcels for evaluation of potential carbon projects in the voluntary carbon market. The hope is to have the possible projects identified and move toward initiating a project or multiple projects later in the fall. A third of the project has been completed, and we are scheduled to complete the remaining data collection and evaluation by the end of August, early September. She then talked about attending the National Association of State Trust Lands conference in Santa Fe, New Mexico, which was the best conference she ever attended, especially working alongside commissioners, directors, and other staff from Western states that are doing the same work for school trusts or things of that nature. She highlighted the as-built survey in Skagway when a house was built on Trust Land that was discovered by Dave Griffin. The project was turned over to Chandler Long who did a great job negotiating with the person

who owned the house. She negotiated \$58,500 in back fees, and a 30 percent premium of the appraised fair market value. She also negotiated with the buyer to buy the whole parcel on the side of the mountain which was highly likely not to get monetized due to it being the side of the mountain and steep terrain. She added that the person who built their house there owns their own excavation company, with a material site just down the road. She continued with staff updates and introduced Ashley Oien, the administrative assistant that started in May, and we are very excited to have. That position became open because of growth in the Trust Land Office. Next is Tracy Salinas in the executive assistant role, doing a great job. She added that those two hold the Trust Land Office glued together. She also recognized Marisol Miller, who would be receiving her pin and certificate for five years of service with the State of Alaska. She thanked Marisol for her service to the State of Alaska and to the Trust.

ICY CAPE UPDATE

CHAIR STURGEON recognized Karsten Eden for the update.

DR. EDEN stated that the update was for the second quarter of the calendar year '23 for the Icy Cape Gold and Industrial Heavy Minerals project. He explained the colors with his charts; red is where they would be at the end of the year, and the gold is where they were presently. He began with the field work that was a big success. It was completed during the second quarter of the calendar. The resource definition, rolling and grinder, was completed. All the grinder drill core samples on site were completed. Also finished was collecting a 10-ton sediment sample from the grinder for metallurgical and engineering studies, gold recovery testing, as well as the engineering drill holes for extended penetrometer testing that determines the hardness of the sediments that implicates the kind of equipment to use for future mining. Also completed was drilling duplicate holes for independent analysis and testing by future developers of the prospect. All field work was finished ahead of schedule. Instead of three seasons, all drilling and sampled processing was successfully completed in two field seasons, which resulted in significant cost and time savings to the project. He continued to processing/assaying which was also ahead of schedule. Science and engineering are on track; and planning is at 75 percent. Procurement is also at 75 percent, and we are currently identifying the procurement needs for the remainder of the calendar year and next year. He noted that it was a very successful field season, and the field crews gave it their best. He could not have asked for better performance. He added that it was not easy, but all challenges have been overcome. He stated that safety is the No. 1 priority on all of his projects, and he reported that there were no injuries and no accidents. He moved to a brief update on the budget and how inflation impacted it. Even with inflation, they were right within the budget and spent a little less than anticipated during the second quarter, which was because of implementing streamlining procedures and better efficiency. He stated that resource definition drilling and grinder was done. The idea is to be done with this grinder project by the end of '25, and we are right on track and within the budget.

CHAIR STURGEON thanked Dr. Eden for his great work and great job. He moved to the commercial real estate performance review for FY23. He introduced the real estate team, David MacDonald and Marisol Miller.

PRESENTATIONS

FY23 COMMERCIAL REAL ESTATE PERFORMANCE REVIEW

MR. MacDONALD noted that, because of the nature of real estate, it is always important to start

off with the reminder that their mission is to maximize revenues for the benefit of the beneficiaries. The motivation is trying to do exceptional work on behalf of the beneficiaries. He gave a brief, in-depth background of himself and his experiences.

MS. MILLER spoke about her direct leasing and property management experience, as well as her asset management experience. She also added her professional accounting and finance experience, as well as the unique opportunity living in various different states, being a military spouse.

MR. MacDONALD began with Amber Oaks, which is now up to 96 percent occupied; and the portfolio is now 94 percent occupied. They were still working on the pending deal. He moved to the seven assets which were unique to the ownership. He stated that there was turnover on occasion, and those need to be maintained. In renting them out, they need to be kept at a certain standard to keep them competitively positioned to attract tenants and to keep rents at the maximum levels. He continued that they had a loss overall of \$1.24 million. There was \$3 million in lease-up costs, primarily at Amber Oaks, with a lesser amount at North Park; both brought the occupancy back up in those projects. He added that it is important to remember that leases typically run five to seven years and capital expenses were not done every year, but just occasionally. He talked about the impact the pandemic had; when costs went beyond, there was a draw on the CFF, which is a last resort.

MS. MILLER went through the distributions for fiscal year '23; a total of \$1.8 million this year. She explained that it was based on what was happening at each asset based on projects, lease-up, capital improvements, and the unanticipated needs that every building has.

TRUSTEE MORAN asked about what costs were generally kept at the property level bases on taxes; those types of costs that would not be distributed that would be held at the LLC level.

MS. MILLER replied that at every asset the monthly mortgage needs would be anticipated and that would be held back for anything that might come up. They keep a minimum of one month's mortgage in capital operating expenses at each asset in anticipation of any needs, as well as property tax dispute costs. There is the base expense, which averages to about \$500, and then the legal costs. If there was a refund, those funds would come back via distribution. She stated that the asset maintains its own tax escrow and pay based on the requirements of each individual state.

MR. MacDONALD stated that they try to maximize the cash flow and judge performance in terms of the money that the properties spin off and how much could be distributed. The properties are compared and broken down on three levels: the income, the appreciation, and the combined total. Those are compared to the NCREIF portfolio and how that performed. There is a pretty good track record of exceeding those benchmarks, and that continued. He stated that the office market from a buying-and-selling office building perspective is trouble. Amber Oaks was struggling to find buyers that were able to close on the deal. That project being on the market was just crushing the value of the asset and, despite the operations doing extremely well with 96 percent occupancy, the valuation was done.

CHAIR STURGEON asked, if there were no objections from the Board, to have that monthly

report out to the Board so the trustees do not have to absorb all this in one meeting and could be better educated. He called the lunch break.

(Lunch break.)

APPROVALS

COST RECOVERY PROGRAMS

CHAIR STURGEON called the meeting back to order and recognized Ms. Warner.

MS. WARNER stated that she and Ms. Roch had a presentation to provide before getting into the two proposals in the packets. She asked Ms. Roch to begin.

MS. ROCH began with a brief background on the cost recovery process. She continued that there was a regulation change in 2020 to change the way that money coming back to the Trust was distributed between principal and income. She went through the graphic of how the revenue generated by the Trust Land Office flowed between principal and spendable income. She showed the breakdown of the split between principal and spendable income and shared a simple visual that showed the difference with cost recovery versus without.

MS. WARNER gave a brief history for the cost-recovery regulations and stated that the Asset-Management Policy Statement is referred to as AMPS. It specifically delineates the philosophy and practices of the Board. It had been developed to serve as the management plan for those assets entrusted to the Board. The AMPS states that the Board believes it is essential to adopt a long-term plan by which these assets will be maintained and enhanced through prudent management. The projects that will be seen today are classified in AMPS as medium term. The general operating expectation in the AMPS was as follows: TLO will focus first on land or resources at the high end of their market values, best market, and then the land or resources with best market potential within the next two to ten years. Land or resources not included above would be considered long-term market lands with TLO management emphasis placed on reasonable value preservation and enhancement actions in the interim. She continued that the TLO would focus on transactions that, No. 1, maximize return at prudent levels or risk; contribute to diverse assortment of resource activity; provide ancillary values to the Trust; and remove or prevent liability risks. The TLO will maintain a level of management capacity that is necessary to prudently manage and develop the Trust's nonliquid assets over time. It is understood that this component of the Trust nonliquid asset management represents a significant expense to the Trust. AMPS also provides guidance on the TLODA, which is the investment reserves. The TLODA is the Trust Land Office Development Account. The value and productivity of Trust liquid and nonliquid assets must be maximized to the reinvestment of Trust income where appropriate. To achieve this objective, the Board maintains a Trust Land Office Development Account to use Trust income to maintain or enhance the value of the Trust's existing nonliquid asset portfolio. The creation of the TLODA lays the groundwork for the foresight of the cost-recovery regulations. They were promulgated in 2021, and were approved through the Board approvals here. She added that it is very clear that they could not apply these regulations retroactively, and could only go forward. She stated that Icy Cape is the only project that is currently utilizing the cost-recovery method. When that project starts generating revenue, the first dollars will go to the Trust as cost recovery. This is spendable income that gives an additional spendable income on an annual basis to provide more opportunity either for the Trust

Land Office or for Trust beneficiaries or programs. According to the regulations, trustees are to consider the following: The value of the land before and after the project; will the project investment provide value to the land or resource; will it be more valuable after the investment. No. 2, risk value is not realized; and how long would it take post investment for those returns to begin.

CHAIR STURGEON asked for the motion.

MOTION: The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees approve the proposed action to fund the statewide subdivision development program from the Trust Land Office Development Account, TLODA, with \$3 million. These funds do not lapse. The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE MORAN.

MS. WARNER stated that Dr. Katie Vachris would be discussing the program request. She is a project manager in the Land Section of the Trust Land Office.

DR. VACHRIS stated that she was happy to be joining here to discuss the future of the subdivision development project and how they may partner in this program. She explained that she has been with the TLO for several years and holds a doctorate degree in business administration, with an emphasis in project management, and is a local real estate agent, as well. The TLO had offered lands for sale through annual land sales since the mid-1990s, offering smaller parcels to individuals either on a cash basis or through the in-house financing. Many of these parcels were already subdivided into smaller attainable lots with settlements. The TLO had completed subdivision projects to create additional inventory throughout the years. This is not a new program. The land sales are the TLO's bread and butter and represent about 47 percent of all revenues generated currently through the TLO. This past year, the land sales produced a record of about \$5.4 million in sales; our best year yet. She continued that the list of future land sales parcels remains strong. We do keep a running list throughout the year and continually evaluate which parcels and which lots might be best for the land sales. Part of the stewardship that we are charged with at the TLO is to look at the lands and how the value could be maintained in future years. With that, there is a shortage of smaller parcels, which means that it will materially impact the ability to conduct these land sales. There are large parcels, large tracts of land remaining that are over 100 acres; sometimes 600 acres or more. The average individual Alaskan may not be able to afford to purchase something like that. That is why we are looking at trying to break these large tracts of lands down into smaller, more manageable tracts. She added that the concept of scaling the sustained subdivision development program is being pursued. She added that this is not a new thing that the TLO does. Many of these tracts of land are within commuting distances of major communities in the state and they are struggling with a housing crisis. She pointed out a list of projects anticipated being completed in the next five years; about 25 or 26 of them. The majority of the subdivisions are in the Mat-Su Valley, which is one of the fastest-growing areas in the state and is where the positive net migration is currently happening in the state. She added that the Trust is one of the current major landholders out there. She also talked about the housing shortage, which is not new, despite the increased publicity through the pandemic. It has been an ongoing issue for decades. She moved on to the Boyd Road projects that many had toured a few months ago, and stated that they were looking to potentially put some higher-price-point homes there based upon the neighborhood. She added that they are aware of

the average and greatest need in each community, and she talked about doing some affordable housing options. She noted how each project had a life of its own with its own characters and unique surprises that come up, but they generally follow a subdivision process, which she explained.

MS. WARNER stated that this is being looked at as an opportunity for the Trust and is the regular course of business, which is what the Trust Land Office does every day. This will be utilizing the cost recovery regs to provide an opportunity for spendable income.

CHAIR STURGEON stated that they were ready for the question, and did a roll-call vote.

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

CHAIR STURGEON thanked Ms. Warner and moved to the proposed motion for the mineral potential evaluation program. He asked for a motion.

MOTION: The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees approve the proposed action to fund the Mineral Potential Evaluation Program from the Trust Land Office Development Account, TLODA, with \$1.5 million. These funds do not lapse. The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE FIMON.

CHAIR STURGEON asked Ms. Warner to begin the discussion.

MS. WARNER stated that the TLO's mandate is to generate revenue through mineral development. Therefore, there was a need for a clear understanding of the mineral potential of Trust land to make the best possible business decisions. A proper understanding of the land's mineral potential mineral occurrences was key for marketing and selecting suitable partners for mineral resource development, as well as negotiating any lease terms that would maximize returns to the Trust. She continued that their strategy was the development of the state-of-the-art marketing products such as descriptive, clever, concise memoranda that catch the eye of key target players which were backed up by NI43 010-style technical reports and GIS data packages that demonstrate the mineral's potential. It is very important in the revenue generation strategy overall. She added that she mentioned before that Fort Knox would likely go offline for production by 2030, and we anticipate Icy Cape coming online. However, due diligence in this arena must continue for future generations to ensure that revenue generation. And, as we are experiencing in Icy Cape, these things take time. She stated that they were asking for a mineral potential evaluation program funding request to be set up via the cost recovery regulations. Reconnaissance work that was being requested is the preliminary examination of the general geologic features and characteristics of an area. Systematic investigation and the reconnaissance stage comprises of geological mapping, outcrop sampling, geochemical sampling and preliminary geophysical surveys. The location of this ask was stateside, and we are asking for the priority to be on brownfields Trust parcels. That means sampling that is on Trust land that is close in vicinity to known prospects of producing mines. We are also including greenfields areas, which are lesser of a priority, but may have some potential. She continued that the value

of the subsurface minerals on Trust lands that there is no data on is zero dollars. The risk of not monetizing the asset is not having any data to move forward with the marketing strategy, and getting key players interested in Trust land. She asked that their plan be approved to start utilizing this cost recovery. She then went through the five-year plan in the packet. She gave a formal introduction to Dr. Karsten Eden who designed the program and had chosen a strategic location. He is a Certified Professional Geologist with 18 years' diverse international experience in the management of exploration and mine development in Alaska, West Africa, Western Australia, Scandinavia, and Europe. His background also includes exploration targeting and extensive experience in complex exploration data analysis, mineral potential modeling, 3D geological modeling, resource modeling, and mineral economics. He is recognized as a qualified and competent person in the USA, Canada, Europe, Australia, and South Africa, with experience in the reporting standards of Canadian National Instrument 43.101. He is very qualified to do this work, and we have the most confidence in this program. This is part of that strategic plan to keep that \$15-plus million going.

TRUSTEE FIMON asked if brownfields and greenfields are a generic classification.

DR. EDEN replied that they are correct geological terms. Brownfield exploration is exploring close to an existing mine prospect; greenfield is far away from anything that was known.

MS. WARNER added that exact locations were not being provided due to the confidential nature of where they think the mineral resources are.

CHAIR STURGEON asked for any other questions. There being none, he did a roll-call vote.

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

CHAIR STURGEON called a break.

(Break.)

CHAIR STURGEON called the meeting back to order. He asked that the motion be read into the record.

MOTION: The Resource Management Committee recommends the Full Board approve the annual lease rent of \$15,701.48 with a 10 percent rent increase every five years for a 25-year ground lease of Tract 1-A, according to the plat of Tracts 1-A and 4-A, Community Park Alaska Subdivision/Trust Parcel FM 1520 in Anchorage, Alaska, to the Salvation Army. The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE MORAN.

CHAIR STURGEON asked Ms. Warner to continue.

MS. WARNER stated that the presentation was about the Salvation Army on Community Park Loop and a request for that lease to continue at below fair market value. Jeff Green from the

TLO and Eric Boyer of the Trust Authority will give this presentation and introduce the guests.

MR. BOYER presented the master plan and then went into detail about the services that Salvation Army has and is currently providing in very close proximity to the TAO, right across the street. He introduced Lieutenant Colonel Doug Tollerud; Captain Polk; and Division Director of Development Ruth Hayes.

MR. GREEN began with a brief overview of the use of Trust land at less than fair market value, program-related real estate. He continued into the history of the Community Park Loop area, the master plan and assessment that was done in 2021, and then talked about the program-related real estate onsite. He walked through the formal process for a request to use Trust land at less than fair market value. He added that, for today, that process is simple and straightforward because of use that is already taking place there. If the recommendation is to approve the project, then the Trust Authority will public-notice the project for 30 days; and then, at the next regularly scheduled Full Board of Trustees' meeting, the recommendation will be evaluated based on the criteria in the regulation. That includes any public comments received during the public-notice period.

MR. BOYER went through the Salvation Army programs and the request. He stated that the Salvation Army is one of the longest-standing, beneficiary-serving organizations in the state. They have been providing services at this location for close to 60 years. The Booth Home was the very first facility built on that campus, and has provided services to beneficiaries since then. He talked about some of the services provided there, and added they had other campuses around the State. He noted that over the years and decades, Salvation Army has been a good tenant and has worked well with the Land Office and Authority Office. He stated that the Salvation Army will consistently be a good partner for the community members and the services provided to beneficiaries.

MR. GREEN went through the relevant details of the lease and gave an overview of the parcel itself. The parcel involved for this proposed use is SM 1520; Tract 1-A Community Park Alaska Subdivision, contains just over 4.5 acres. It is located at the corner of East 20th Avenue and Nichols Street and currently zoned PLI, Public Lands and Institutions, by the Municipality of Anchorage and "intended to include major public and quasi-public civic, administrative, and institutional uses and activities." There is no conflict with the zoning. He stated that in June, 2023, the land value of the parcel was appraised. It is currently a developed parcel with three main separate wood frame single-story buildings constructed and owned by the Salvation Army. The appraisal used a sales comparison approach of similar properties within the region, and recently sold and determined the fair market value of the parcel to be \$1,188,000. A fair market lease rental would be \$95,040 annually.

TRUSTEE FIMON asked if the Salvation Army was a national organization or is this branch in the lease a state entity.

LT. COL. TOLLERUD stated he was Lieutenant Colonel Doug Tollerud, Divisional Commander for the Salvation Army Alaska. He continued that was a two-part question. Yes, they are an international organization with a base in London, England. National headquarters is located in Washington D.C. Everything is locally driven. They have to raise the funds, manage

their own resources and have a team together. They make the decision, raise the money, pay the bills, hire staff and so on. He added that they do not commingle funds.

MR. GREEN stated that the TLO would be negotiating and crafting the terms with assistance from legal counsel. The lease would be structured as a 25-year ground lease. The Trust would not own, manage, or operate any of the buildings. We would just administer the ground lease for use. Also required is commercial general liability insurance, and standard indemnification language will be used.

CHAIR STURGEON stated that the Salvation Army is an incredible organization and there is nothing like it in the world. He called the vote.

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

CHAIR STURGEON stated that the motion passed unanimously and asked for anything else for the good of the order. He asked for a motion to adjourn.

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

CHAIR STURGEON thanked everyone and adjourned the meeting.

(Resource Management Committee meeting adjourned at 2:00 p.m.)



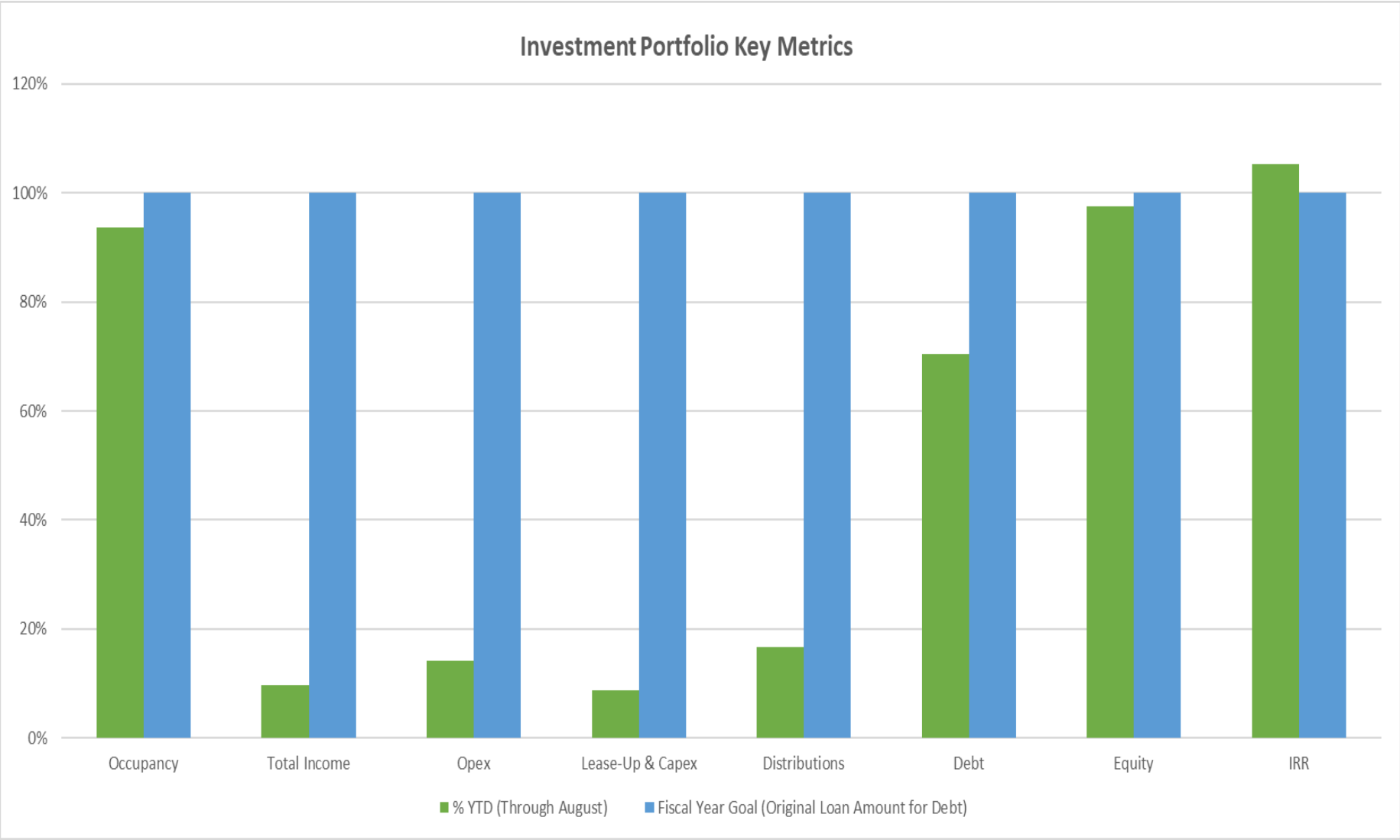
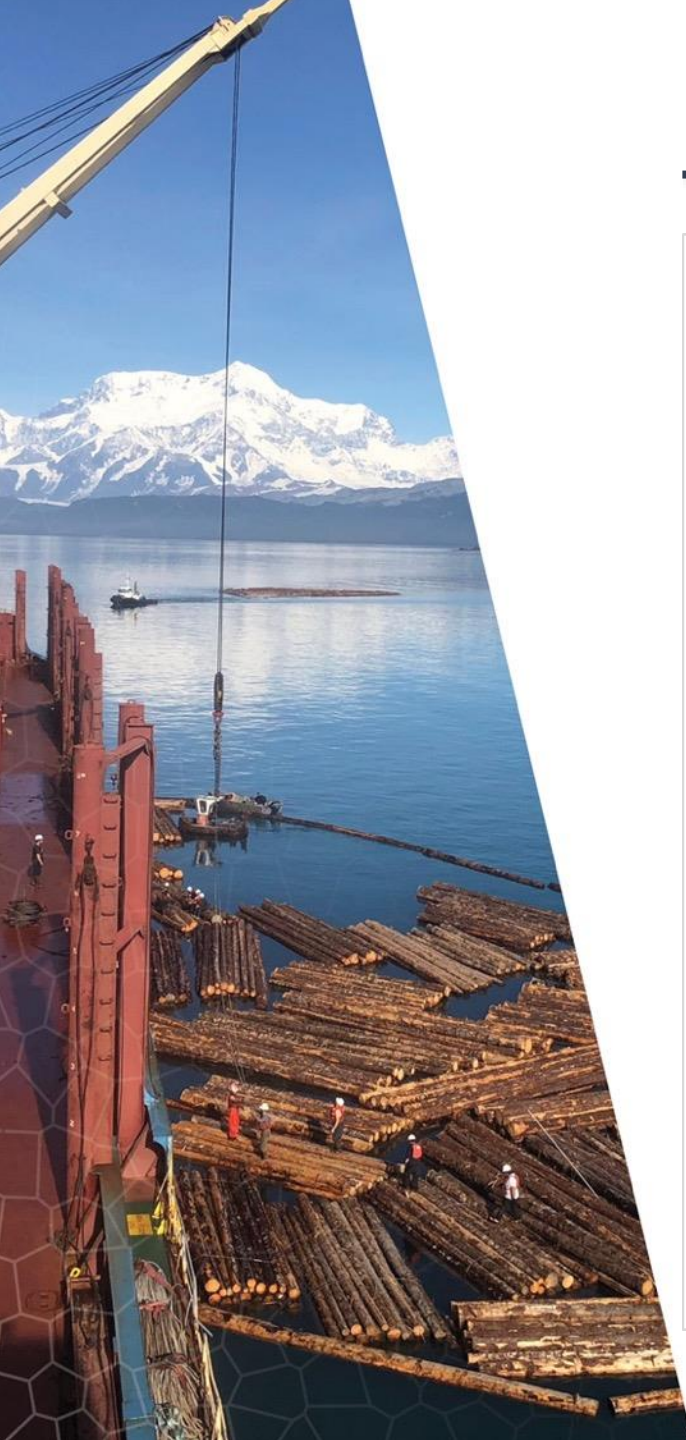
Trust
Land Office

Commercial Real Estate Market Update

Resource Management Committee

October 20, 2023

Snapshot of Trust Portfolio Results



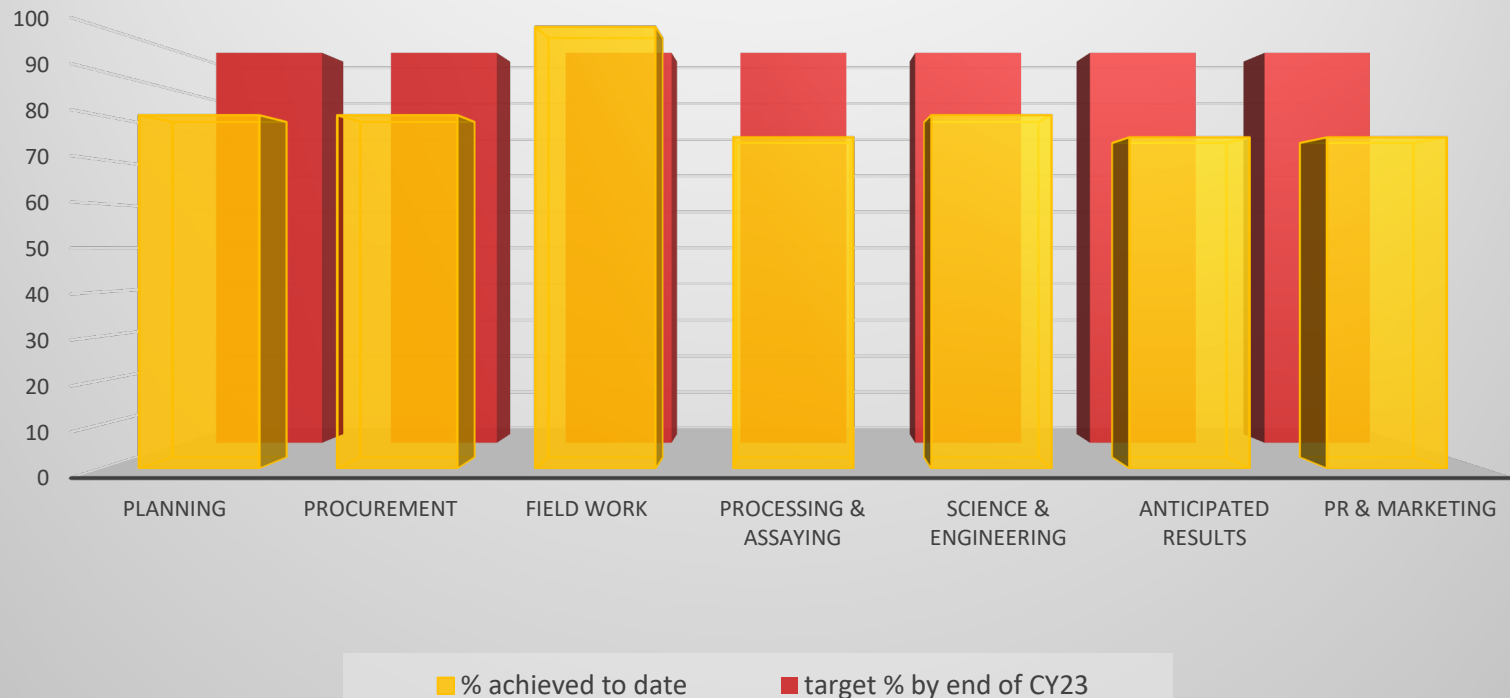
Trust Portfolio Results – Key Comments

- *The prior twelve months saw the portfolio climb from 91.4% leased to 93.6% leased. With the execution of the pending deal at North Park, the portfolio's leased percentage will climb to 97.6%.*
- *Income is essentially on track year-to-date and will skew higher as the year goes on due to scheduled rent escalations and new tenancies.*
- *Operating expenses, lease-up costs and capital expenditures are in line with budget. The lion's share of the lease-up costs will be related to the pending deal at North Park.*
- *After averaging \$148,170 the preceding twelve months, distributions have averaged \$114,557 to date this fiscal year. While capital expenditures and other items such as atypically high insurance premiums increases will affect distributions in the next couple of months, distributions through the balance of the fiscal year are expected to come in at solidly higher levels.*
- *With the portfolio's current outstanding principal balance at \$36.5mm, the loans are amortizing at a rate in excess of \$160,000 per month.*
- *At present, the portfolio has \$64.4mm in equity. Excluding gains from appreciation, which we do not forecast, the portfolio's equity will grow in sync with the monthly loan amortization.*
- *Marked to market, the projected internal rate of return for the portfolio in aggregate presently equals 9.15%. This exceeds the CPI plus 5% benchmark, which presently equals 8.7%.*



Icy Cape Gold and Industrial Heavy Minerals Project

Icy Cape Gold and Industrial Heavy Minerals Project Progress 3rd 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	



State Land & Mental Health Trust Land: Key Differences

Agenda

01

State & Trust Lands

A quick overview of State and Mental Health Trust lands and the key difference.

02

Mental Health Enabling Act

A review of the Mental Health Enabling Act and its impact on the management of Trust lands.

03

Consistency Determination

A review of how consistency determinations are made and how they affect decisions on management of Trust land.

04

Key Differences

An overview of how the prior items affect how Trust land is managed compared to State land.

05

Summary

A final summary of how these items affect decision making processes for Trust lands.

State Lands

Definition

State Land refers to land owned by the state government for general public use or other state purposes. It includes parks, administrative buildings, forests, and other natural resources.

Ownership

Owned and managed by the state government, typically through various state agencies, and subject to state laws and regulations.

Purpose

The purpose can be varied, including but not limited to:

- Public Parks and recreation
 - Wildlife Reserves
- Public Schools and Institutions
 - Highways
- General Public Use
 - Etc.

State Lands

State lands in Alaska can include:

- General State Lands
- Designated State Parks
- Public Use Areas
- Mental Health Trust Lands
- Educational Lands (School & University)



Mental Health Trust Land



Definition

State Mental Health Trust Land is a specific subset of state-owned lands that are managed in a trust to benefit mental health programs and beneficiaries. These lands were originally granted by the federal government with the stipulation that they generate revenue for mental health services and resources.

Ownership

The state government with the Mental Health Trust Authority acting as the trustee, holding and managing the land in trust for the benefit of mental health services and beneficiaries.

Purpose

The primary goal is to generate revenue for the trust beneficiaries through activities like:

- **Timber Harvesting**
- **Mineral Extraction**
- **Land Sales**
- **Commercial Leases**
- **Etc.**

Key Takeaway

Though state and Mental Health Trust lands seem alike and are governed by the same laws, there's a core distinction:

- **State land is considered public land.**
- **Mental Health land is not public land.**

Why the difference?

**Mental Health
Land granted
through
Enabling Act**

**Created a
public trust
with
stipulations**



**State land
granted
through
Statehood Act**

**Created public
lands to serve
public
purposes**

Alaska Mental Health Enabling Act

P.L. 84-830, 70 Stat. 709 (1956)

- A United States federal law enacted in 1956
- Designed to provide mental health care in Alaska.
- Establishment of land trust of 1,000,000 acres.
- State of Alaska is obliged under the Act to manage the lands as a public trust.
- Land trust came with the stipulation that the revenue generated would be used for mental health services and programs.



Alaska Mental Health Enabling Act

P.L. 84-830, 70 Stat. 709 (1956)

Land Grant

Section 202 (e)

All lands granted to the Territory of Alaska under this section, together with the income therefrom and the proceeds from any dispositions thereof, shall be administered by the Territory of Alaska as a public trust and such proceeds and income shall first be applied to meet the necessary expenses of the mental health program of Alaska. Such lands, income, and proceeds shall be managed and utilized in such manner as the Legislature of Alaska may provide. Such lands, together with and property acquired in exchange therefor or acquired out of the income or proceeds therefrom, may be sold, leased, mortgaged, exchanged, or otherwise disposed of in such manner as the Legislature of Alaska may provide, in order to obtain funds or other property to be invested, expended, or used by the Territory of Alaska. The authority of the Legislature of Alaska under this subsection shall be exercised in a manner compatible with the conditions and requirements imposed by other provisions of this Act.



Alaska Mental Health Enabling Act

P.L. 84-830, 70 Stat. 709 (1956)

In summary:

1. The state of Alaska is obligated under the Alaska Mental Health Enabling Act to manage the designated lands as a public trust.
2. The revenue generated from these lands must be primarily used to fund the state's mental health services and programs.
3. The state Legislature has the authority to enact laws regarding the management and use of these lands, but these must be in alignment with the requirements of the Act.





Consistency

Sec. 38.05.801. Management of mental health trust land.

- (a) Mental health trust land shall be managed consistent with the trust principles imposed on the state by the Alaska Mental Health Enabling Act, P.L. 84-830, 70 Stat. 709 (1956).
- (b) Subject to (a) of this section, the department
 - (1) shall manage mental health trust land under those provisions of law applicable to other state land;



Consistency Determination

11 AAC 99.020 Management of Alaska Mental Health Trust Land

(b) Trust land shall be managed consistently with trust responsibilities accepted by the state under the Alaska Mental Health Enabling Act (P.L. 84-830, 70 Stat. 709 (1956)), which means that management shall be conducted solely in the best interest of the Alaska Mental Health Trust and its beneficiaries.



Consistency Determination

11 AAC 99.020 Management of Alaska Mental Health Trust Land

(c) In determining the best interest of the trust and its beneficiaries, and in determining consistency between state law and the Alaska Mental Health Enabling Act (P.L. 84-830, 70 Stat. 709 (1956)), the executive director shall, at a minimum, consider the following trust management principles:

- (1) maximization of long-term revenue from trust land;
- (2) protection of the corpus;
- (3) protection and enhancement of the long-term productivity of trust land;
- (4) encouragement of a diversity of revenue-producing uses of trust land; and
- (5) management of trust land prudently, efficiently, and with accountability to the trust and its beneficiaries.

Key Differences

Designated Purpose

- State Land: Public use and varied state purposes.
- Mental Health Trust Land: Specifically, to benefit mental health programs and beneficiaries.

Regulations

- State Land: Governed by state laws intended for public good.
- Mental Health Trust Land: Managed under fiduciary responsibility to maximize revenue for mental health programs and trust beneficiaries.



Key Differences

Public Access

- State Land: Generally open for public use.
- Mental Health Trust Land: Public access might be restricted or require permits, especially if it conflicts with revenue-generating activities or mental health services.

Use Restrictions

- State Land: Fewer restrictions, depending on the intended public use.
- Mental Health Trust Land: Specific restrictions to meet Trust obligations.



Key Differences

Resource Development

- State Land: Utilized to maximize economic benefits for the state and its residents.
- Mental Health Trust Land: Resource development is more restricted and is channeled directly or indirectly to support mental health services.

Land Management

- State Land: Managed for the benefit of state administration and the public.
- Mental Health Land: Managed with a focus on supporting mental health programs and beneficiaries and also to ensure the longevity and sustainability of its revenue stream.



Key Differences

Revenue Allocation

- State Land: Revenue generally goes to the state's general fund.
- Mental Health Trust Land: Revenue is directed to the specific mental health programs and beneficiaries of the trust.

Oversight

- State Land: Managed by various state agencies.
- Mental Health Trust Land: Managed by the Trust Land Office with governance from the Board of Trustees.





Summary

1. General State Land and Mental Health Trust land are both considered state lands.
2. They differ by how they were initially granted to the state.
 - State lands were established for state administration and public purposes (Statehood Act).
 - Mental Health lands were established to support mental health programs and beneficiaries (Mental Health Enabling Act).
3. Both lands follow state law for management, but Trust lands prioritize the Enabling Act's principles if there's a conflict with state law.



Questions?

Thank You!

Sean O'Guinn
GIS & Land Title Section Chief

Alaska Mental Health Trust Land Office
2600 Cordova Street, Suite 201
Anchorage, Alaska 99503

MEMO

To: John Sturgeon – Resource Management Committee Chair
Date: October 20, 2023
Re: Request to Lease Trust Land at Less than Fair Market Value
Amount: \$30,000.00
Grantee: Tanana Chiefs Conference
Project Title: Tanana Chiefs Conference Less than Fair Market Value Lease

REQUESTED MOTION:

The Resource Management Committee recommends the Full Board approve the annual lease rent of \$30,000 for a 30-year lease with a 10% rent increase every 5 years, of Lot 1, South Fairbanks Subdivision, according to Plat No. 2007-198 in the Fairbanks Recording District, Trust Parcel F1002, in Fairbanks, Alaska, to Tanana Chiefs Conference.

Assigned Program Staff: Eric Boyer

STAFF ANALYSIS

Tanana Chiefs Conference (TCC) requests a below fair market value lease amount for the property on Lot One (1), South Fairbanks Subdivision, Plat No. 2007-198 on Trust lands, which is the location of the Fairbanks Gateway to Recovery Detoxification Program. Staff recommends an annual lease rent of \$30,000 for a 30-year lease with a 10% rent increase every 5 years. TCC currently provides medically managed withdrawal management residential treatment services to Trust beneficiaries at this property. TCC is also looking to expand its services at the site to add sobering center bed availability, which is part of their strategic planning at this location.

TCC sent a letter to the Trust Authority staff requesting a long-term lease at below market value under 11 AAC 99.110 and 20 AAC 40.710 to continue providing outpatient treatment services to Trust beneficiaries. Expanding sobering center beds is part of their plan for this site. They currently offer the sobering center at a different location, but moving it to this location will allow for a more strategic business plan. The buildings for these services already exist on the property and are used to provide services to Trust beneficiaries. It is expected that all served in the residential setting, as well as those receiving outpatient treatment, are Trust beneficiaries, with the largest percentage experiencing mental illness and addiction. Trust staff has determined that the organization provided sufficient information per 20 AAC 40.710 to warrant a below-market

value lease and that the project aligns with the Mental Health and Addiction Intervention focus area.

Staff recommend the approval of a lease of Trust land at less than the fair market value under 20 AAC 40.710.

COMP PLAN IDENTIFICATION

Goal	Objective	Comments
Goal 4 Substance Use Disorder Prevention	4.3 Treatment & recovery access	

PROJECT DESCRIPTION

The following is excerpted from the prospective grantee’s application.

PROJECT DESCRIPTION

TCC seeks a below fair market lease agreement for the property described as Lot 1, South Fairbanks Subdivision, Plat No. 2007-198, Parcel F1002. TCC operates a medically managed withdrawal management treatment center at this location, supporting the behavioral health community-based services on this parcel. The target service population will be adult beneficiaries, ages 18 and over, experiencing drug/alcohol addiction, mental health issues, and older adults with cognitive disabilities. The following services are currently being delivered at this location.

Following our guiding principle: Ch’eghwtsen’ – “accessible and trusted world-class services provided with unconditional love, compassion, dignity, and respect. Hear Me,” - Tanana Chiefs Conference will continue to use the space to provide Medically Monitored Withdrawal Management Inpatient services for adults (ASAM Level 3.7) under the program name “Gateway to Recovery.” It provides a safe and comforting environment for those needing withdrawal management and is the only program at this level in the Interior.

- Operations are 24 hours a day, seven days a week. The facility has 16 beds, and the length of stay is one to ten days.
- Medical and nursing professionals will deliver services under TCC’s clinical protocols guided by the TCC Medical Director.
- A physical exam will occur within 24 hours of admission, and appropriate laboratory and toxicology testing will be throughout the stay.
- Daily assessments of the patient’s progress through withdrawal management will be conducted in accordance with the clinical protocols, and any treatment adjustments will be documented.
- TCC will accept self-referrals or referrals from another agency if the patients meet the admission requirements.
- The Tanana Chiefs Conference health services department will also provide behavioral health services on-site, including comprehensive assessments and bed-to-bed transfers for patients going to inpatient treatment.

Gateway to Recovery allows people to detox from alcohol and opiates safely and reduces the number of patients going to Fairbanks Memorial Hospital Emergency Department and /or Fairbanks Correctional Center.

The primary outcome of the program will be to provide ongoing support to those who have successfully completed the initial drug and alcohol treatment program and assist them with moving forward as productive citizens.

PARCEL DESCRIPTION

A description of the property the Salvation Army seeks to continue to use is as follows:

Lessee: Tanana Chiefs Conference

Property: Lot 1, South Fairbanks Subdivision, Plat No. 2007-198

Area: 1.84 acres

Address: 650 Younker Court, Fairbanks, AK

Location: Northwest Corner of Younker Court and Cushman Street

Mh parcel: F1002

EVALUATION CRITERIA

TCC uses multiple mechanisms to assess performance. Service delivery data is primarily captured within their electronic health record and the State of Alaska GEMS portals. Data is recorded monthly and typically submitted during the quarterly reporting standards. A diverse and unique set of qualifiers within these portals will generate appropriate service units. Additionally,

Specifically, TCC will seek to identify performance outcomes that reflect nationally recognized best practice standards, accurately capture program challenges and solutions, adhere to the State of Alaska substance use disorder performance standards and practices, reflect the full scope of services provided, and ensure exceptional stewardship of funding. Those will include but not be limited to program attendance, treatment completion, family system participation, conditions that adversely impact recovery, recidivism, waitlist challenges, and/or health concerns that cannot be supported within the Level 3.7 model of care. Program reports are reviewed monthly, quarterly, and annually.

SUSTAINABILITY

The TCC bills Medicaid 1115 waiver services as well as private insurance. TCC is also a Community Behavioral Health Grantee of the Alaska Division of Behavioral Health, all for the purpose of supporting Alaskans in community-based treatment and recovery services.

WHO WE SERVE

The property is currently being used to address the needs of Alaska Mental Health Trust beneficiaries from across the state, not only those in the Fairbanks area. It provides a safe and comforting environment for those needing withdrawal management and is the only program at this level in the Interior.

The TCC treats Trust beneficiaries who are experiencing drug and alcohol addiction and mental illness and who seek intervention. For people with substance use disorders (SUD) who seek treatment, gainful employment is strongly linked to better recovery outcomes.

ESTIMATED NUMBERS OF BENEFICIARIES SERVED EXPERIENCING:

Mental Illness:	200
Substance Abuse	200
Secondary Beneficiaries (family members or caregivers providing support to primary beneficiaries):	500



Trust
Land Office

2600 Cordova Street, Suite 201

Anchorage, AK 99503

Tel 907.269.8658

alaskamentalhealthtrust.org/trust-land-office/

Eric D. Boyer, MPH
Senior Program Officer
Alaska Mental Health Trust Authority
eric.boyer@alaska.gov

October 3, 2023

The Trust Land Office (TLO) has reviewed the request from the Alaska Mental Health Trust Authority Staff, received on October 3, 2023, to determine the suitability of the proposed use of Trust property, estimated fair market value of the property, and use requested by the Tanana Chiefs Conference (TCC).

The parcel involved in the proposed use is F1002 and is legally described as:

Lot 1, South Fairbanks Subdivision, according to the official plat thereof, filed as Plat No. 2007-198, records of the Fairbanks Recording District, Fourth Judicial District, State of Alaska.

The parcel is located at the northwest corner of Younker Court and South Cushman Street, and the primary recorded street address by the Municipality of Anchorage (MOA) is 650 Younker Court in Fairbanks, AK. The site comprises 1.84 acres of land area; it is improved with an approximately 8,678-square foot medical facility that was built in 2008. The property, known as the Fairbanks Detox Center, was most recently used as a resident care and detox facility operated by the Fairbanks Native Association. Serving adults in need of medical detoxification from alcohol and other chemicals, the center provided care from licensed medical staff around the clock, with patients each provided an individual assessment to determine possible treatment needs. The Fairbanks Native Association has vacated the property, with TCC taking over the facility and its operations. TCC also intends on relocating the Fairbanks Sobering Center, presently located at 1300 Moore Street in Fairbanks, into the 650 Younker Court facilities.

Given the specific characteristics of the property as well as its historical use, it is the TLO's conclusion that the parcel is suitable for the proposed use by the TCC.

At the TLO's request, Chris Guinn Appraisers performed a market value appraisal of the property. With a date of value of September 5, 2023, the appraisal concluded that the market value of the property was \$2,900,000 and the annual market rent was \$313,088, triple net (wherein the tenant is responsible for all operating expenses).

Please contact the TLO with any additional questions.

Sincerely,

DocuSigned by:

Jusdi Warner

Jusdi Warner

Executive Director
Trust Land Office

Jusdi Warner
Executive Director, Trust Land Office
Department of Natural Resources
Jusdi.warner@alaska.gov

October 10, 2023

Trust Authority Office (TAO) staff requests the Trust Land Office (TLO) determine whether the Trust land MH Parcel: Lot One (1), South Fairbanks Subdivision, Plat No. 2007-198, Fairbanks, AK, is suitable for the use proposed by the Tanana Chiefs Conference (TCC). This lot contains an approximately 8,678-square-foot building, which is located on the 'Real Property' at 650 Younker Court in Fairbanks, Alaska.

TCC has provided a letter requesting a long-term lease for the property below market value under 11 AAC 99.110 and 20 AAC 40.710. TCC operates a medically managed withdrawal management inpatient treatment program existing at this property under the current lease agreement. TCC proposes to expand the services at this location to include a Sobering Center. This service is currently located at another location and would move to this site at 650 Younker Court, Fairbanks, AK, if a lease deal is approved.

The request is attached and summarized below:

1. A letter from the TCC requesting the use of Trust land at less than fair market value, an organization that serves the behavioral health needs of adults experiencing issues with mental health and substance misuse.
2. The request includes the TCC contact information.
3. The request included a sufficient property description to identify the location and area to be used.
4. TCC has requested to pay less than fair market value for the long-term lease of the land to continue providing residential substance use disorder clinical services and sobering center services.
5. The request asks for a 30-year lease.
6. The request asks for a nominal annual lease fee of \$30,000.00.

TAO staff have been working with the TCC over the last several months on a plan for the property that includes the existing medically managed withdrawal management program and a sobering center at the same location. All clients who are admitted to these programs are Trust beneficiaries, and this level of care is the only treatment

service of its kind in the Fairbanks region. This plan would support stabilizing people at these levels and working with them to step down to less restrictive settings in the community. 100% of the people served by the TCC at this location are Trust beneficiaries.

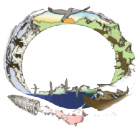
With the information above, the TAO staff have determined that the organization has provided sufficient information as guided by 20 AAC 40.710. Please advise whether the land is suitable for the use proposed by TCC and what the TLO has determined to be the estimated fair market rental value of the use as required by 20 AAC 40.710.

Sincerely,

DocuSigned by:
Eric Boyer
5C82703FAC9B4E0...

Eric D. Boyer, MPH
Senior Program Officer, TAO

Cc: Steve Williams, CEO TAO
Katie Baldwin-Johnson, COO TAO
Jeff Green, Deputy Director TLO



September 29, 2023

Eric Boyer, MPH
Senior Program Officer
Alaska Mental Health Trust Authority
3745 Community Park Loop, #200
Anchorage, AK 99508

Subject: Request for use of trust land at less than fair market value at 650 Yonker Court Fairbanks, AK

Organization acting on behalf of a beneficiary:

Brian Ridley
Chief/Chairman
Tanana Chiefs Conference
122 First Avenue
Fairbanks, AK 99701
907-452-8251
brian.ridley@tananachiefs.org

Description of the property that we seek to continue to use:

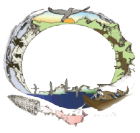
Lot One (1), SOUTH FAIRBANKS SUBDIVISION, Plat No. 2007-198.

The 8,678 square foot building located on the 'Real Property' at 650 Yonker Court in Fairbanks Alaska and the land the building is located on.

The property is currently being used to address the needs of Alaska Mental Health Trust beneficiaries from across the state, not only those in the Fairbanks area. It provides a safe and comforting environment for those in need of withdrawal management and is the only program at this level in the Interior.

Following our guiding principal: Ch'eghwtsen' – "accessible and trusted world-class services provided with unconditional love, compassion, dignity and respect. Hear Me," - Tanana Chiefs Conference will continue to use the space to provide Medically Monitored Withdrawal Management Inpatient services for adults (ASAM Level 3.7), under the program name "Gateway to Recovery"

- Operations are 24 hours a day, seven days a week. The facility has 16 beds and the length of stay is one to ten days.
- Services will be delivered by medical and nursing professionals under TCC's clinical protocols guided by the TCC Medical Director.
- A physical exam will occur within 24 hours of admissions, along with appropriate laboratory and toxicology testing throughout the stay.
- Daily assessments of the patient's progress through withdrawal management will be conducted in accordance with the clinical protocols and any treatment adjustments will be documented.



-
- TCC will accept self-referrals or referrals from another agency as long as the patients meet the admission requirements.
 - Tanana Chiefs Conference health services department will also provide behavioral health services on site, to include comprehensive assessments and bed to bed transfers for patients going to inpatient treatment.

Gateway to Recovery allows people to safely detox from alcohol and opiates and reduces the number of patients going to Fairbanks Memorial Hospital Emergency Department and /or Fairbanks Correctional Center.

Tanana Chiefs Conference would appreciate the Alaska Mental Health Land Trust Authority's consideration for a thirty-year lease at an annual rate of \$30,000 for the Gateway to Recovery Building.

Thank you,

Marilyn Andon

Marilyn Andon
Deputy Director Health Services

cc:

Brian Ridley, Chief/Chairman
Jacoline Bergstrom, Executive Director Health Services

Trust

Alaska Mental Health
Trust Authority



Tanana Chiefs Conference (TCC) Less than Fair Market Value Lease

October 20, 2023

Tanana Chiefs Conference (TCC) Less than Fair Market Value Lease Discussion

- Use of Trust Land at less than Fair Market Value / Program Related Real Estate
- History of Substance Use Disorder Treatment in Fairbanks and the region
- TCC and less than Fair Market Value Lease Request
- Lease Overview





Use of Trust Land at less than Fair Market Value / Program Related Real Estate

Project/Program Viability

- The project must have a beneficiary serving purpose that forwards the Trust mission and Comp Plan goals
- The requestor must have the capacity to build and/or operate the project
- Funding and plans must be sufficient to indicate a successful build and/or start-up
- The Trust Authority determines the project is ready for a recommendation
- The TLO determines the land is suitable for the proposed use

Process (cont.)

- Trust Authority (with support from the TLO) will inform the Resource Management Committee of their determination
- The Resource Management Committee makes a recommendation on the project
- 20 AAC 40.710(f)(1-6)

In deciding whether to approve a request for the use of trust land under this section, the board will consider

- (1) whether and to what extent that use is consistent with the authority's plan for a comprehensive program;*
- (2) the applicant's ability to implement and carry out the purposes for which the land is to be used;*
- (3) the extent of any economic or other benefit to beneficiaries as a result of the proposed use of the land;*
- (4) the extent of any likely economic impact to the trust as a result of approving use of the land at less than fair market value;*
- (5) comments received from the public regarding the proposed use; and*
- (6) the nature and extent of any administrative burden on the authority or the trust land office to oversee the land or activities on the land.*





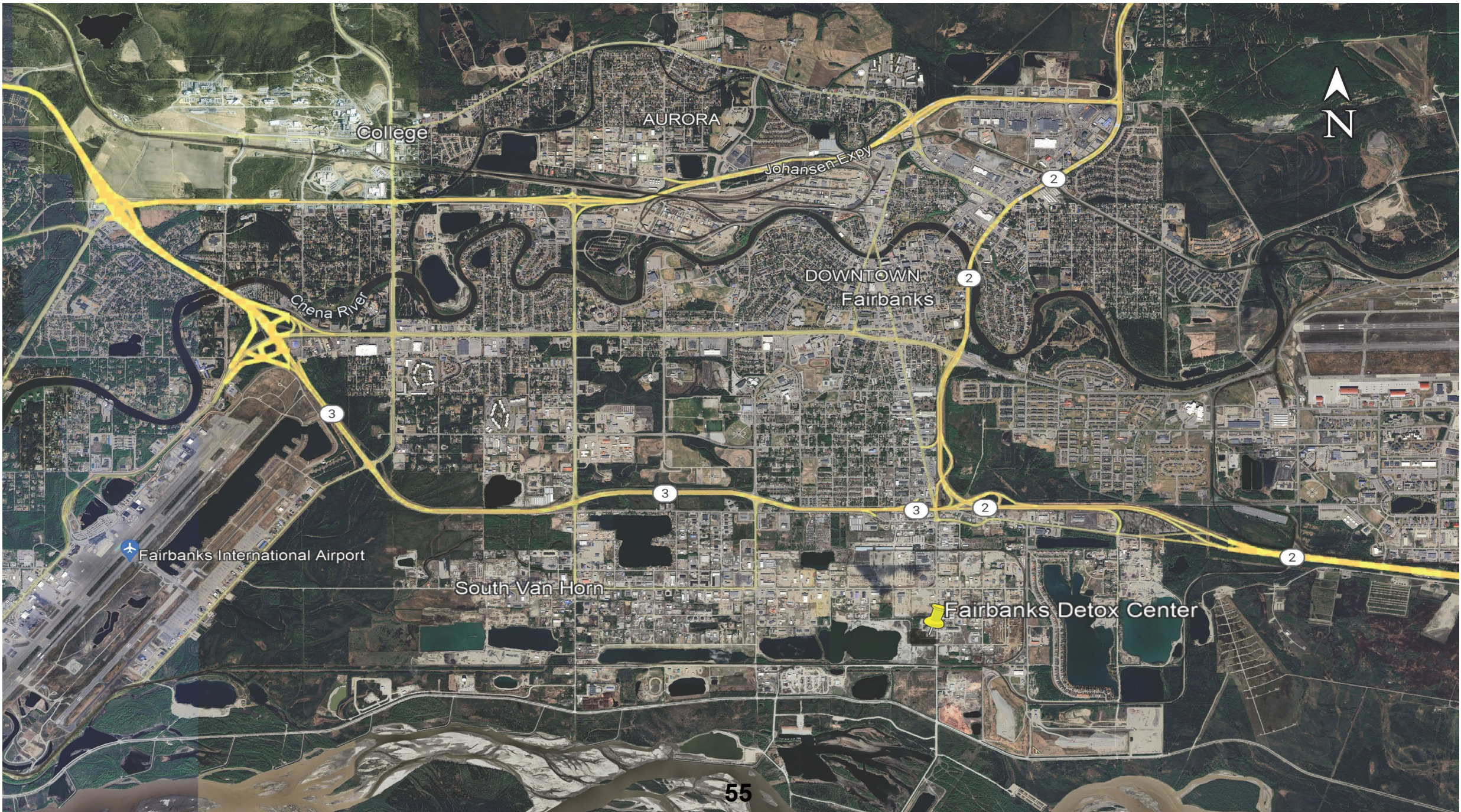
Less than Fair Market Value Lease Request

- TCC currently operates medically managed withdrawal management services at the proposed location, South Fairbanks Subdivision, 650 Younker Court, Fairbanks (MH Parcel F1002)
- TCC is planning to add the Sobering Center to this location
- TCC is providing services to Trust beneficiaries at this location, with the intent and strategic plan to continue these services into the future
- It serves 100% Trust beneficiaries

Request (cont'd)

- TCC treatment services meet the intent of the Trust's Focus Area Mental Health Intervention and Addiction Services
- These services also meet the intent of the Integrated Comprehensive Mental Health Program Plan Goal 4, and Objective 4.3
- TCC has a long History of Serving Trust Beneficiaries in Fairbanks and the surrounding region





College

AURORA

Johansen-Expy

DOWNTOWN
Fairbanks

Chena River

Fairbanks International Airport

South Van Horn

Fairbanks Detox Center



Banner Ave

Banner Ave

Banner Ave

Younker Ct

Younker Ct

Younker Ct

Fairbanks Detox Center

56

S Cushman St

man St



Alta Way



Thank you!

Questions?