

**ALASKA MENTAL HEALTH TRUST AUTHORITY**  
**RESOURCE MANAGEMENT COMMITTEE MEETING**  
**April 22, 2020**  
**1:45 p.m.**  
**WebEx Videoconference/Teleconference**

**Originating at:**  
**3745 Community Park Loop, Suite 120**  
**Anchorage, Alaska**

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**Trustees Present:**

John Sturgeon, Chair  
Rhonda Boyles  
Ken McCarty  
Chris Cooke  
Verne' Boerner  
Anita Halterman  
Laraine Derr

**Trust Staff Present:**

Mike Abbott  
Steve Williams  
Carol Howarth  
Miri Smith-Coolidge  
Kelda Barstad  
Luke Lind  
Michael Baldwin  
Carrie Predeger  
Katie Baldwin-Johnson  
Jimael Johnson  
Valette Keller  
Eric Boyer  
Autumn Vea  
Allison Biastock  
Katie Vachris  
Kat Roch

**Trust Land Office:**

Wyn Menefee  
Jusdi Doucet  
Marisol Miller  
John Green  
Chandler Long  
Hollie Chalup

**Also participating:**

Charlene Tautfest; Rebeka Carpenter; Sheila Harris; Stephanie Hopkins.

## PROCEEDINGS

### CALL TO ORDER

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

### APPROVAL OF AGENDA

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

*There being no objection, the MOTION was approved.*

### ETHICS DISCLOSURES

CHAIR STURGEON asked for any ethics disclosures. There being none, he moved to approval of the minutes.

### APPROVAL OF MINUTES

**MOTION:** A motion to approve the minutes of January 29, 2020, was made by TRUSTEE COOKE; seconded by TRUSTEE DERR.

*There being no objection, the MOTION was approved.*

CHAIR STURGEON moved to Mr. Menefee's executive director report.

### EXECUTIVE DIRECTOR'S REPORT

MR. MENEFEE began his report with Icy Cape where both mineral and timber are being done. He stated that the timber market is dismal. There is not a young-growth or small-diameter trees market, making that resource not sellable at this time. He continued that more timber revenues came in than was expected. He continued to the Naukati exchange timber sale and then the Nanny Bay timber sale. He stated that Mr. Slenkamp was working on the Kosciusko GNA sale, a Good Neighbor Authority. He is working with State Forestry. He noted that we were fortunate in the timing, because Mr. Slenkamp got this under contract before COVID happened. There was a good bid price, and the contractor was Sealaska. They will be ending the operation and will be vacating sometime in July. Sealaska has been an excellent partner. He talked about the log transfer facility and explained why this was a critical infrastructure for both the mineral exploration and the timber operation; a renewal for another 20 years was done for the easement. He move to Hollis on Prince of Wales Island, which is one of the areas selected for the Forest Service land to be exchanged. There is a historical boatworks facility there. He talked about the Nanny Bay timber sale, and then moved to the U.S. Forest Service land exchange. He highlighted that the appraisal values are complete, adding that for the purposes of the appraisal the timing of this is benefiting the Trust. In moving into Phase 2B there is the No Name Bay Supreme Court decision which has been argued, and we are awaiting a decision. No Name Bay is included in Trust lands to be exchanged, and the Forest Service will not accept that land with the cloud of a lawsuit pending on that title. Regarding the trespass in Hollis, the boatworks, the actual properties, the buildings, are owned by an individual. They trespassed the invalid authorization, and the Forest Service is going through a process to remove those. He added that

it is mostly on track to get done toward the end of this year or the beginning of next year. He talked about the Naukati exchange timber sale and then moved to commercial real estate. It is a busy time in the real estate realm, and we are in the process of recruiting for the senior real estate manager, which is underway. He continued that staff is also working actively to renew the property manager contracts and update them. He moved to minerals and introduced Hollie Chalup who came from Mining, Land & Water.

MS. CHALUP thanked all for the opportunity and honor to be part of the Trust Land Office. She gave a background on her education and experience to date, and added that she has an interesting and diversified State service background that she brings with her.

MR. MENEFEE added that she has a lot of good contacts with miners that trust her. Miners are a special breed, at least the placer miners, and it is good to have those relations. He stated that they are working with FGMI on some efforts toward expansion. A correct proposal to move forward would potentially mean increased revenues. The Commissioner of DNR stated that mining is an essential business, and it can work. Miners coming up from the Lower 48 will quarantine for 14 days and then start exploring and mining. Two placer leases are being finalized near Fairbanks, and we are working with other larger companies. He continued his presentation on mining, and then moved to lands. He introduced Chandler Long who came from the State Pipeline Coordinator's office. She just started, and also had some experience with Mining, Land & Water.

MS. LONG stated that she started in December, and before that was at the Department of Natural Resources for six years. She added that she is originally from Ketchikan, Alaska.

MR. MENEFEE moved on to the conditions of the land authorizations and spoke about COVID first. There have been some limited requests for canceling authorizations or delaying payments, but they have been small. Similar to the real estate, they will find out if it really is COVID-affected. This is being seen most with land authorizations for the tourism-related businesses. He added, that it is a small number of people that have done that. He stated that Bruce Buzby, the northern region manager, has been out on military leave and will be through June. He continued that the transfer and the sale of the old Gail Garcia property to Ionia took 19 years to get done. He reported that the best-interest decision process on the Knik River parcel was done and needed a few more steps to finalize that deal. He talked about Fish & Game, that they are in the process of purchasing an easement, and we expect to be paid \$75,000 for that. He moved to the water tank in Wrangell, which is on Trust land and in disrepair. It was removed at no cost to the Trust and will free up that land for other uses. He talked about the stewardship and added that the general permit online system went live with three sales in February. He touched on the Icy Bay log transfer facility and reiterated that it is a combination of lands, minerals, and forestry working together to get this; but it was an easement that already existed for the log transfer facility, absolutely critical infrastructure that is not on Trust land, but is needed in order to move forward. The application was in, went through the decision process with Mining, Land & Water, we collaborated, and found a different fee structure. A 20-year easement was given for free which was very important and will help the Icy Cape projects to move forward. He continued through his presentation, explaining as he went along, and then talked about the office move. The majority of it is done, but COVID hit in the middle of the move. He moved on to the IT and Title. The general permit system is online, and the land use application was migrated off of PerfectForms, which saves a lot of money. He explained Document Locator and how it works,

discussed administration, and concluded his executive director report.

TRUSTEE COOKE thanked Mr. Menefee for the very comprehensive report and asked about the status of the proposed regulations changes that the TLO is supporting.

MR. MENEFEE replied that the regulations have been written out and Mr. Abbott had talked with the advisory boards. He is still at the point of discussing one point of the regulations at the Department of Law, and we will be working on that to try to get a conclusion.

MR. ABBOTT explained that the tentative plan is to get them out for public comment in May, and then bring them back to the Trust for final approval later in the summer.

TRUSTEE HALTERMAN asked about the Good Neighbor Authority.

MR. MENEFEE replied that the Good Neighbor Authority is a program created by the U.S. Forest Service. The Forest Service has trouble with getting timber sales, and the idea was that they would use states' authorities to do Federal timber sales, but then the state partakes in some of the revenues from doing those timber sales. The end product is in Alaska. The Kosciusko sale is under the Good Neighbor Authority. State Forestry used Paul Slenkamp, the Trust's forester, because he has the most experience of getting the timber sales out.

CHAIR STURGEON stated that there has been a lot of discussion on the road to the Ambler Mining District. AIDEA approved some money to start building that road. He asked if that road would help to open up an Mental Health Trust lands.

MR. MENEFEE replied that no current Trust lands would benefit from that. He suggested the motion to discuss L Street.

#### **CONSULTATION - L STREET DISPOSAL**

CHAIR STURGEON asked for a motion.

**MOTION: A motion that the Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with the Trust Land Office recommendation for the executive director to negotiate a disposal through lease or sale of all or part of Trust Parcels S1005 and S82631 and the subsequent execution by the TLO of the documents necessary to facilitate the transaction and development was made by TRUSTEE HALTERMAN; seconded by TRUSTEE COOKE.**

TRUSTEE McCARTY stated that the motion is to do something to move towards the lease or sale of the property on L Street. He asked how this is different from other TLO actions that a decision from the Board is needed to do things.

MR. MENEFEE replied that L Street is in Downtown Anchorage, and is considered part of the commercial real estate portfolio. The highest and best use of this land would likely be some sort of commercial real estate development versus just a coffee cart. The idea is to be prepared in a commercial setting to move on this. He asked Mr. Green to walk through the consultation.

MR. GREEN stated that this was a consultation to grant the executive director the authority to

dispose of the subject property at fair market value either through a sale or a lease. This could be done competitively if it shows to be in the best interest of the Trust. It is imperative to put the Trust in the best position to entertain a variety of potential interests in the parcels and give the Trust the ability to be responsive and flexible in the negotiations with interested parties. He went through where the parcels were located and added that they are actually five separate lots that total about 44,000 square feet. Currently, they are marketing with the U-Med parcel in the form of a competitive sale/bid lease offering. Both of the parcels have been marketed in the past for commercial development with a preferred transaction being a long-term ground lease. Under the proposal, the executive director would have the discretion to configure a disposal of the parcels at fair market value or above; and the total revenue would be dependent on the terms and size of the disposal, including things like tenant improvement allowances or enhancements necessary to market the parcels. He continued that the Municipality of Anchorage currently has the parcels assessed for a cumulative total of just over \$2.6 million. He added, that was an approximate figure, and the fair market value would be substantiated by a real estate appraiser. This motion would allow the executive director to negotiate and execute a transaction in a more expedient manner than waiting for a specific transaction.

TRUSTEE COOKE asked if this matter would come back to the Board for any final approval.

MR. GREEN replied that this would be for a lease or a sale disposal.

MR. MENEFEE stated that this is being brought to the committee to recommend to the Full Board because of the potential value, and it would require a consultation; not an approval.

CHAIR STURGEON stated that there is a motion on the floor and asked for any further discussion. There being none, he called a roll-call vote.

*After the roll-call vote, the MOTION was approved. (Trustee Boerner, yes; Trustee Boyles, yes; Trustee Derr, yes; Trustee Halterman, yes; Trustee McCarty, yes; Trustee Sturgeon, yes.)*

CHAIR STURGEON called a break.

(Break.)

MR. ABBOTT stated that Mr. Menefee had another presentation.

#### **BIG GAME GUIDE PERMIT PROGRAM UPDATE**

MR. MENEFEE stated that the last presentation is an update to the Big Game Guide Permit Program and asked Chandler Jones to continue.

MS. JONES introduced herself and stated that one of her first projects has been getting the Big Game Permit Program up and running. This program is just a permit and is the smallest tier of authorization that the Trust gives. The intent is to use this authorization to support the other side of the duties for land stewardship. This program will give a Trust presence on some of the remote properties and will be a useful tool in mitigating unauthorized activity that is or has been occurring. This will also ensure getting paid for any type of commercial activity on Trust land. She talked about some of the different unauthorized activities. She noted that the application

period opened on April 1<sup>st</sup> and will continue for 90 days, through July 1<sup>st</sup>. During this term it is anticipated that complete applications with the \$500 application fee will be received, plus, in a sealed-bid format, the amount they are willing to pay to operate in these exclusive areas. She explained that there are two different fee structures: an annual-use fee for \$5,000 per year; and a per-client per-hunt fee, which is \$1500 per client per hunt. The highest combined total bid accompanying a complete application from a qualified individual will be offered the permit. There is also a 5.5-year permit term. She continued that it would end in 2026, and then there will be a potential for a noncompetitive renewal for another five years. If someone stays for the full 10 years, then another competitive offering will be done. That original permitholder could still apply in that offering. She talked about the qualifications of a master guide and then talked about the properties. She went over the management principles, stating that the land is managed prudently, efficiently and with accountability in seeking low-risk operators and simultaneously trying to minimize the TLO administration of the program.

MR. MENEFEE thanked all for the attention, and he looked forward to meeting all in person.

CHAIR STURGEON thanked Mr. Menefee and his staff for an outstanding job in giving a good understanding of the issues. He asked for any questions. There being none, he asked for a motion to adjourn.

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

*There being no objection, the meeting was ADJOURNED.*

(Resource Management Committee meeting adjourned at 3:50 p.m.)