

**The Alaska Mental Health Trust Authority**  
**Trust Land Office**  
**BEST INTEREST DECISION AFFIRMED**  
**Negotiated Land Sale – Little Harding Lake**

MHT: 9400901  
MH Parcel: Portion of FM-7009

**Action:** Adopt the Best Interest Decision dated November 20, 2024, regarding the above referenced disposal as final, without modification. This decision document, combined with the Best Interest Decision dated November 20, 2024, constitutes the final decision on this matter, in accordance with 11 AAC 99.040.

**Notice under 11 AAC 99.050.** The Trust Land Office published the public notice of the decision to complete a negotiated land sale of 37.98 acres near Little Harding Lake in the Fairbanks Daily News-Miner, on the State of Alaska’s online public notice website, and distributed the notice to the Fairbanks North Star Borough, Doyon Limited, the Alaska Mental Health Trust Authority, and other interested public and private parties on November 22, 2024.

**Summary of Comments:** Two (2) agency responses were received. One from the Alaska Department of Transportation & Public Facilities and one from the Fairbanks North Star Borough. Both agency responses stated various requirements that the buyer will need to abide by such as acquiring driveways permits; requiring compliance with the Fairbanks North Star Borough zoning, planning, floodplain permitting, and platting process in the instance the buyer wishes to subdivide or vacate existing lot lines; and compliance with U.S. Army Corps of Engineer Waters of the United States wetland permits. The Trust Land Office agrees with both responding agencies that the buyer will need to comply with all federal, state, and local laws and regulations enforced by federal, state, and local regulatory agencies in any development of these parcels. These comments will be passed on to the buyer.

Two (2) timely written comments were received from the general public. The comments contained multiple parts, offered recommendations, or suggested alternatives to the proposal and are summarized below. When making a final decision, the Executive Director shall consider only the best interest of the Alaska Mental Health Trust and its beneficiaries. No comments addressed the best interest of the beneficiaries or consistency with Trust management principles. The comments below are representative of the comments received.

**Comment:** Both comments raised concerns about impacts on the environment from future use of the parcels by the buyer and propose that an environmental analysis should be carried out along with a formal area plan for all Trust land in the Harding Lake watershed.

**Response:** The Trust is effectively a private landowner and is in no way any type of regulatory agency, nor is it required to complete and maintain area plans that apply to general state land. All current and future uses of the subject parcels will be required to follow all federal, state, and local environmental laws and regulations regardless of who owns the land. Real estate transactions performed by the Trust or any other private seller/buyer are not required to first have an environmental assessment. Regulation 11 AAC 99.020(b) requires Trust land to be managed “solely in the best interest of the Alaska Mental Health Trust and its beneficiaries”, not for surrounding land use or general public interest. The Trust is managed under private trust principles for maximum revenue generation and performing unnecessary and nonmandatory studies, area plans, and reports would add significant cost, create a situation where the Trust is spending more to sell parcels than the parcels are worth, and not be a prudent use of limited Trust resources.

**Comment:** Both comments raised concerns about a lack of public hearing, notice to surrounding property owners, and sale through negotiated sale, asking why these parcels were not offered competitively, developed in another manner, and asserting that they would sell for more if offered in a competitive auction.

**Response:** The Trust Land Office followed the decision making and public processes under 11 AAC 99, under the authority of AS 37.14.009 and AS 38.05.801, including consultation with the Trust Authority at a public committee meeting and public full board meeting; a 30-day public notice published in the local newspaper, posted to the State of Alaska’s Public Notice website, posted to the Trust Land Offices Public Notices website; direct notification to the Fairbanks North Star Borough; Doyon Limited, and direct notification to the Alaska Mental Health Trust Authority. Under 11 AAC 99.020, the Trust Land Office is mandated to sell land on a competitive basis, unless the Executive Director determines it is in the best interest of the Trust and its beneficiaries to complete a noncompetitive disposal. This property is being sold at a premium of 40% above the appraised value to compensate for not selling the land through a competitive process, which exceeds the premium typically seen in a competitive sale of lots in this area of the state. In addition, as explicitly stated in section “**XIII. Opportunity for Comment.**” of the Best Interest Decision dated November 20, 2024, other persons who may have been interested in purchasing the parcels were invited to compete by submitting their proposals that would meet or exceed the existing offer during the 30-day notice period. No competing offers were received. The cost of any form of alternative development of the parcels, given the platting requirements of the platting authority, would have made the expenses of the project far greater than the anticipated revenue, creating a negative return on investment which would not be in the best interest of the Trust or its beneficiaries. Given the price offered, along with the challenging characteristics of the parcels, and development cost considerations, this method of disposal is in the best interest of the Trust and its beneficiaries.

**Comment:** Both comments raised concerns about the buyer’s future use and conforming to the Fairbanks North Star Borough zoning.

**Response:** The Trust land office agrees that the buyer’s future uses will have to follow all local laws and regulations and conform to existing zoning requirements. It will be the responsibility of the buyer to ensure that they are compliant with the zoning requirements, and it will be the responsibility of the Fairbanks North Star Borough to enforce their zoning requirements. If the buyer wishes to engage in activities outside of current zoning requirements, the buyer will need to work with the Fairbanks North Star Borough and explore options for changing the zoning or acquiring the necessary permits. The Trust is not a regulatory agency, and it has no legal authority to enforce local zoning requirements.

**Comment:** Both comments raised concerns about the appraiser used, the appraised value, and the inaccurate zoning referenced on the appraisal.

**Response:** The Trust Land Office used a licensed (through the State of Alaska) general real estate appraiser, who is on the list of acceptable appraisers for State of Alaska business maintained by the Appraisal Program within the Division of Mining, Land & Water, Department of Natural Resources and operates statewide performing work for multiple Departments within State of Alaska government. The appraiser conformed to the requirements of the Uniform Standards of Professional Practice Standard Rules and the Appraisal Institute Certification Standard Rules. The reported analyses, opinions, and conclusions were developed, and the report was prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. The appraiser certifies that the opinions, conclusions, and analysis are impartial and unbiased. The TLO asked the appraiser about the inaccurate zoning, to which they acknowledged incorrectly identifying, but when asked about the impact on valuations the appraiser stated, “if we call GU-1 slightly superior, it will not change the net directions of the qualitative adjustments at the bottom line – so the range (and our value opinion) would be unchanged.”

**Trust Authority Consultation:** The Alaska Mental Health Trust Authority was consulted on this matter on November 13, 2024 and adopted the motion stating: *“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.”*

**Modifications:** As no comments were received suggesting that the Best Interest Decision dated November 20, 2024, should be substantively modified in any way to better serve the interest of the Trust and its beneficiaries, the Executive Director has determined that no change shall be made to that document.

**Final Decision of the Executive Director:** Considering all of the above, the Executive Director of the Trust Land Office hereby adopts the Best Interest Decision dated November 20, 2024, as final.

**Reconsideration:** Persons who submitted timely written comments during the notice period that ended December 23, 2024, are eligible to request reconsideration of this final best interest decision under 11 AAC 99.060(b) within 20 calendar days after publication of the notice or receipt of the final decision, whichever is earlier. A request for reconsideration must be submitted in writing to the Executive Director. This request must be accompanied by the fee established by the Executive Director under 11 AAC 99.130, which has been set at \$500, to be eligible for reconsideration. Before filing an appeal to the Superior Court under AS 44.62.560, a person must be eligible to request and must actually request reconsideration within the time specified above.

The Executive Director shall order or deny reconsideration within 20 calendar days after receiving the written request for reconsideration. If the Executive Director takes no action during the 20-day period following the request, the request is considered denied. Denial of a request for reconsideration is the final administrative decision for purposes of appeal to the superior court under AS 44.62.560.

**APPROVED:**

Signed by:

Jusdi Warner

Jusdi Warner

Executive Director

2/19/2025

Date