

To: Brent Fisher, Chair of the Board of Trustees
From: Mary Wilson, MD, Chief Executive Officer
Date: March 28, 2025
Re: 2618 Commercial Drive Investment Group, LLC

REQUESTED MOTION:

The Board of Trustees appoint Trust CEO Mary Wilson, MD as manager of 2618 Commercial Drive Investment Group, LLC and authorize the Board of Trustees chair, Brent Fisher to sign the amendment to the Operating Agreement reflecting the change in manager and to provide an effective date for the change. The TLO will continue to serve as manager until the effective date of the change.

STAFF ANALYSIS

The Trust formed 6 separate limited liability companies to purchase 6 separate commercial real estate investments. 2618 Commercial Drive Investment Group, LLC owns the property located at 2618 Commercial Drive, Anchorage, AK.

When the limited liability companies were formed, the Trust Land Office was named as the manager of each limited liability company, and the TLO has continued to serve as manager of each commercial real estate limited liability company.

Over a year ago the Board of Trustees decided that having met its investment objectives now was the time to dispose of each property so long as the sale price was beneficial to the Trust. The Trust Land Office has thus far closed on two sales leaving 4 properties remaining to be sold.

In January 2025, the board of trustees directed Trust staff to work with counsel to prepare procurement documents for a Commercial Real Estate Investment Manager for all remaining Commercial Real Estate held by the Trust.

Staff and trustees consider it prudent for the Trust to obtain a Commercial Real Estate Investment Manager to manage the remaining commercial real estate properties through the ultimate disposal, and to perform the necessary analysis of the properties. The Trust is in the process of hiring a commercial real estate investment advisor to manage these investments and the Trust deems it advisable to move the manager position of the limited liability company to the Trust's CEO.

Also related is that the TLO historically has devoted two positions to manage these commercial real estate investments. One position has been vacant for a period of time and this continued reduction in professional staff at the TLO is further reason to move management of these assets to the Alaska Mental Health Trust Authority under the CEO.

While the trustees have decided to liquidate the CRE portfolio in a manner that is in the best interest of the Trust, to-date, this property has not been sold. These properties are held in the investment portfolio at the Trust, therefore, it is in the best interest of the Trust to name the CEO as the manager of 2618 Commercial Drive Investment Group, LLC.