

**ALASKA MENTAL HEALTH TRUST AUTHORITY
RESOURCE MANAGEMENT COMMITTEE MEETING
HYBRID/ZOOM
AUGUST 1, 2025
1:30 P.M.**

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

Trustees Present:

Corri Feige, Chair
Anita Halterman
Josie Hickel
Brent Fisher, Ex-officio (Virtual)

Additional trustees present:

Kevin Fimon
Agnes Moran

Trust Staff Present:

Mary Wilson
Allison Biastock
Katie Baldwin-Johnson
Shannon Cochran
Valette Keller
Julee Farley
Carrie Prediger
Lucas Lind
Michael Baldwin
Eric Boyer
Kat Roch
Kelda Barstad
Tina Voelker-Ross
Eliza Muse
Debbie DeLong
Heather Phelps

Trust Land Office staff present:

Jusdi Warner
Jeff Green
Sarah Morrison
Mariana Sanchez
Pam Cawley
Brittany Williams
Tracy Salinas
Jeff Hermanns

Also participating:

Colleen File; Curtis Fincher; Shanna Zuspan; Nate Seymour.

PROCEEDINGS

CALL TO ORDER

CHAIR FEIGE called the Resource Management Committee meeting to order and began with A roll call. She recognized that Trustee Fisher was online, and Trustees Fimon and Moran were present. She asked for any announcements. There being none, she 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 HICKEL.

There being no objection, the MOTION was APPROVED. (Trustee Halterman, yes; Trustee Hickel, yes; Chair Feige, yes.)

CHAIR FEIGE asked for any ethics disclosures. Hearing none, she stated that there were two sets of minutes to approve. She moved to the approval of the minutes from the Special Meeting on April 9, 2025, and the minutes from April 23, 2025.

APPROVAL OF MINUTES

MOTION: A motion to approve the minutes from the Special Meeting of April 9, 2025, was made by TRUSTEE HALTERMAN; seconded by TRUSTEE HICKEL.

There being no objection, the MOTION was APPROVED.

MOTION: A motion to approve the minutes from April 23, 2025, was made by TRUSTEE HALTERMAN; seconded by TRUSTEE HICKEL.

There being no objection, the MOTION was APPROVED.

EXECUTIVE DIRECTOR REPORT

E.D. WARNER began with the Board action updates. She continued to the wind project from years ago, stating that the lease has still not been executed, and they are uncertain about their next steps. Not so much because of funding and subsidy, but due to a commitment from the utility company, which also impacts the financing. Next is the solar lease found in Nikiski, which has been executed. It is in good standing, and they are looking to sell the project, which would be the largest solar project in the state. The CFF approval will now come off the list, which was the fire panel for the TAB, and has been sold. The carbon program update is that the market is really soft, and we continue to engage with the contractor, Terra Verde, in looking for alternative ways to capture carbon revenue. The State DNR is also continuing to monitor carbon credits. She moved to the revenue picture and stated that all of their work is generating revenue. She noted that CFO Farley mentioned that deferrals were not taken out in the RMC information, but they are taken out, and the bottom-line number is around \$33 million.

MS. MORRISON explained the process of recording and why some of the tracking lags in the paperwork.

E.D. WARNER moved to the land sale and stated that the fall competitive land sales go online August 13th. Forty-six parcels will be in that post, and it will be a sealed-bid auction held until November 3rd. Any parcels that do not sell in that fall land sale will likely roll over to the over-the-counter land sales. There are 51 parcels online for sale, and that is the buy-it-now option. She then talked about the seven negotiated sales. She continued that Tower Hill Mines is currently being worked on with a lease amendment. The TLO is also in lease negotiations with Constantine. She moved to the Legislative/Media update, stating that Alcan came out on Alaska Public Media with a pretty accurate reflection about the China ban on round logs for the timber industry. Eric Nicols put in the article that it has a significant impact on his business, which is with the TLO, for the Shelter Cove timber sale. The Transpac CEO quoted in Afognak that they are effectively shut down. It is a complete ban with no logs going to China.

CONSULTATIONS

DISPOSAL OF TRUST PARCELS – MHT 9400897

MOTION: The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with the disposal of Trust parcels FM-0596 and FM-0597 through a negotiated sale or subsequent disposal. The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE HICKEL.

MS. WILLIAMS stated that this consultation is for the disposal of two trust parcels, FM-0596 and FM-0597, which aggregate to about 355 acres located within the Fairbanks North Star Borough on Farm Loop Road, which is across the Richardson Highway from Eielson Air Force Base. The applicant, Compatible Lands Management, is a limited-liability company based in Oklahoma. They partner with military establishments to support military readiness and civilians through land conservation. They are seeking to purchase these two parcels to protect critical runways and to buy operation facilities, as well as limit radar, safety, and noise concerns. These parcels do fall within the flight path for the flight line on Eielson Air Force Base, which is why they are seeking to purchase them. Their intention is to place a conservation easement on these sites to support their mission in protecting the military establishment and their process, as well. The two parcels were appraised by Axelsson & Associates, Inc., and the fair market value was determined to be a cumulative of \$331,000. The applicant has agreed to a purchase price of \$474,521. For the purpose of the conservation easement, we are seeking to do a mineral closing with a 13.36 percent premium compensation. The mineral closing will be held in perpetuity, and is considered a disposal.

CHAIR FEIGE asked for any other questions or comments. There being none, she called the question.

There being no objection, the MOTION was APPROVED.

DISPOSAL OF TRUST PARCEL – MHT 9101417

MOTION: The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with the decision to dispose of a portion of Trust parcel CRM-2764, lots 3 and 4, through a negotiated sale or subsequent disposal.

The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE HICKEL.

MS. WILLIAMS stated that this consultation is for the disposal of a portion of Trust parcel CRM-2764, lots 3 and 4, for a negotiated sale with the Ketchikan Gateway Borough. They aggregate to .089 acres and were determined to have a cumulative fair market value of \$172,761.91. The applicant has agreed to a 155 percent premium on top of the appraised fair market value, bringing the total to \$269,330.96. The parcel is located in Ketchikan Gateway Borough within a moderately developed neighborhood. The portion on the waterfront is owned and managed in South Point Higgins Park by the Ketchikan Gateway Borough. Their interest is to absorb or purchase these lots, and they are using them for a potential parking lot on the site to address the concerns that occur on the road with public activities. In addition, they are seeking to purchase it for additional access to South Point Higgins. She gave a brief history of this parcel and found that it would be ideal to sell these two lots. She added that there is a tagged and identified tree that holds an eagle's nest between lots 3 and 4. The United States Fish and Wildlife Service is fully aware of this tree and the nesting activity for the eagles that reside there. The Borough is more than happy to work with USFWS to facilitate the development of the parking lot with minimal destruction to the tree on site. With the tree on site, offering these lots to the general public would make it more cumbersome and limits the amount and type of development that could be present on site. This is seen as a good route forward as far as safety for the public and for protection of the tree.

CHAIR FEIGE asked for any questions or further discussion. There being none, she called the question.

There being no objection, the MOTION was APPROVED.

CONSULTATIONS

PERPETUAL NON-EXCLUSIVE EASEMENT – MHT 9101418

MOTION: The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with the decision to dispose of a portion of Trust parcel CRM-7059 through a perpetual nonexclusive easement. The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE HICKEL.

MR. MUELLER stated that the entirety of this parcel is comprised of 6,325 acres, and it came to the Trust Authority through the land swap a few years ago. The complications here are multiple landowners: the Trust Authority and Cape Fox Corporation. It is the mutual benefit of both Cape Fox Corporation and the Trust Authority to have access through each other's land to get to the rock transfer facility over on Coon Cove. The proposition is to issue the two different segments of an easement and combine them into one easement. He wrote this as one easement to Cape Fox Corporation to pass through Trust land, and pointed it out on a map. The combined easement would be a total acreage of 24.4 acres. An independent third-party appraisal was done, and the total value is 454,000 for the 24.4 acres. There are no projected costs to the Mental Health Trust Authority, and he asked the Resource Management Committee to concur with the Executive Director's determination to issue an easement.

E.D. WARNER explained that this was precipitated by the U.S. Forest Service putting load restrictions on a bridge on 17B on Cape Fox land and our timber contractor's need to access it.

CHAIR FEIGE called the question.

There being no objection, the MOTION was APPROVED.

ICY CAPE UPDATE/SOIL SAMPLE RECONNAISSANCE

CHAIR FEIGE moved to the Icy Cape Project. Because of the sensitive nature of what will be discussed, she asked for a motion to go into an Executive Session.

MOTION: Under AS 44.62.310(c), a motion that the Resource Management Committee move into Executive Session to discuss confidential matters pertaining to the analysis results for Icy Cape Mineral exploration, the immediate public knowledge of which would clearly have an adverse effect upon the finances of the public entity. No decisions will be made in the Executive Session. The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE HICKEL.

There being no objection, the MOTION was APPROVED.

(Executive Session from 2:17 p.m. until 2:55 p.m.)

TRUSTEE HALTERMAN stated, for the record, that she and her fellow trustees and members of the Trust Authority and Trust Land Office are returning to the Resource Management Committee from Executive Session. No decisions were made during the Executive Session.

CHAIR FEIGE recognized Karsten Eden for an Icy Cape update.

ICY CAPE UPDATE

DR. EDEN did a quick update on the last quarter of the calendar year '25 and stated that everything is looking good, with a little bit ahead of schedule with everything. He went through the timeline which is halfway though and talked about the achieved milestones. The resource estimate for the grant deposit is in hand, and we are now entering the marketing phase. He then shared a quick update on the reconnaissance sampling field work, which was successfully completed in June. All samples have been sent to the laboratories and we are awaiting the assay results. There should be a final report by the end of the year.

TRUST LANDS PRESENTATION

CHAIR FEIGE moved to the Trust lands presentation, and introduced Sean O'Guinn from the TLO.

MR. O'GUINN went through the three factors that created the Trust land with receiving a million acres in 1956 through the Mental Health Enabling Act. Then, it was the settlement, Weiss versus State of Alaska, that reconstituted the Trust and gave the value of the million acres that DNR had back to the Trust. The other factor was the closeout agreement of 2009 for remainder of the entitlement from the original million acres, which is still being conveyed. He then went through a current breakdown of the lands as of the end of the fiscal year, with 543,469 acres that are surface and subsurface combined.

MS. MORRISON took the opportunity to pull things together with what they were doing on the

finance side and talked about the BDO audit for the year.

MR. O'GUINN continued through the remaining entitlement and then talked about the acquisitions and land exchanges that refreshed the land base. He continued through his presentation, explaining the lands and answering questions as he went along.

CHAIR FEIGE thanked Mr. O'Guinn for his presentation and moved to the subdivision update.

SUBDIVISION UPDATE

E.D. WARNER stated that trustees have set aside money for subdivision work. She shared an approved parcel list that came before trustees. She also moved through the project status update, and then talked about the cost recovery projects were being actively worked on. She highlighted that timing is everything. For example, getting a local planning authority to approve the plat to get it to the TLO for signature, getting it recorded, which all has to be done before the contract for the appraisal. She added that the message is that they are on track for revenue generation for FY26, and noted the projects that were removed from the program.

CHAIR FEIGE thanked Ms. Warner and moved to Jeff Hermanns for the Roads Update.

ROADS UPDATE

MR. HERMANNNS stated that he usually comes in once a year to give an update on what is going on in timber. It is a tough time to be in the timber business, not just in Alaska, but nationwide. He continued that the China ban has been pretty devastating, but the industry is very resilient. What is not heard about is about the cost of barging and transportation, which he explained. The number of barges has dwindled, and they are now competing with sending gravel to Hawaii for the same barges. He added that workforce is a huge problem. Young people do not want to work in the woods, and a lot of the guys out in the woods are gray and old. He stated that the Shelter Cove timber contract is in year 3, an export contract. The spruce goes to Japan, and the cedar is sent to Washington state and British Columbia, a very strong market. He continued that the Shelter Cove timber agreement with Cape Fox is the main line for that timber sale. The importance of the Trust's timber program continues to be paramount with the industry in Southeast. They also built 40 miles of road as a result of the Naukati timber sale. He noted that they have roads all the way from Fairbanks to Ketchikan. In Southeast Alaska, the roads cost about \$225,000 per mile of road, and we are trying to understand how to go forward in managing the roads, which is not simple. If all the roads were to close out, they would basically return to wilderness.

E.D. WARNER stated that the Commissioner's office is very supportive of keeping roads in place. It is very important to bring business that is needed to Alaska. Leadership is promoting keeping roads open.

CHAIR FEIGE thanked Mr. Hermanns, and called a short break.

(Break.)

TRUST AUTHORITY BUILDING UPDATE

CHAIR FEIGE called the meeting back on the record and asked the guests to introduce themselves.

MR. FINCHER stated that he is Curtis Fincher, a senior associate with Agnew::Beck and has been the project manager for this project. He continued that one of his main focuses has been figuring out how to convey what the model is outputting to communicable decisions and messages for trustees.

MS. ZUSPAN stated that she is Shanna Zuspan, a principal and co-owner of Agnew::Beck, who has been helping on this project.

MR. SEYMOUR stated he is Nate Seymour, owner of Pacwest Consulting Group, a firm specializing in construction and real estate risk management. Their role for this project was more in the light of assessing the existing facilities, as well as conceptualizing the various scenarios in regard to the construction costs.

MS. FILE stated that she was Colleen File, a project consultant with Northern Economics and working with Mike Fisher, who could not be there today. They work together on the economic modeling and the cost effectiveness aspect of this project.

E.D. WARNER stated that trustees received the full amended presentation and would present a condensed version today which will be either e-mailed or posted online. It was condensed to four scenarios that were ranked in the top four. She asked Curtis Fincher to begin.

MR. FINCHER noted that there are two sections to this version: one is the market analysis, and the other is the key assumptions driving the model. He asked Shanna Zuspan to begin.

MS. ZUSPAN began with some project approach and initial slide introduction about the Trust Authority's building, which is at risk of a mechanical equipment failure, and it is time for a decision to be made about what to do next. She continued that they had responded to an RFP with ten very specific scenarios in terms of what would be the most cost effective. She went over some of the key terminology used, and the analysis and methodology of the options for the solution.

MR. SEYMOUR moved to the slides that run through the property condition assessment at a high level. It is all supported via a very detailed report that trustees received. He stated that, from a structural standpoint, the Trust building is very solid, and they did not notice any concerns as far as that goes. The report detailed the roofing, windows and things like that; not big-ticket items. He then moved to a quick summary of how the building operates and stated that they worked very closely with Superior Mechanical to best understand the building and its systems.

CEO WILSON stated that one of the scenarios is to do the repairs and get back in here, which was one of the least expensive.

MR. SEYMOUR moved into an overview of the ten scenarios. He stated that the first three all involve fixing the mechanical equipment in this building, along with various other renovations on top of that. Scenarios 4 through 10 involve demolishing this building and relocating the TAO elsewhere. The first option was the partial renovation that addresses the full mechanical system, kind of all inclusive. Option 2 just addresses the items of the system that are currently failing

and is specific to the boilers, the piping and the pumps within the boiler system, the air handler unit and then upgrading the controls for that. Option 3 is to just fully renovate this building. He then moved to the highlights of the benefits and the risks of each of the first three options.

MR. FINCHER noted that Scenario 2 of the three is the only one that is deemed cost effective and remains in the top four, based upon the model.

MR. SEYMOUR stated that Option 4 includes just rebuilding a building for the TAO only. Option 5 is rebuilding a building for the TAO and TLO jointly. Scenario 6 was not one of the original scenarios this committee has already seen, but was developed throughout the course of this project with TLO staff as the possibility, and would include moving the TAO into the Cordova Street location.

E.D. WARNER added that every scenario includes some cost for an interim lease, even if it is not necessarily needed.

MR. SEYMOUR stated that Scenario 7 is a long-term market rate lease that was set up to start the market analysis. The difference between 7 and 8 is whether it is for the TAO or TAO and TLO. Scenarios 7 through 10 cost estimations are more abstract and based on a broader market analysis. He moved to Scenarios 9 and 10, which is buying rather than leasing. All scenarios where the TLO is relocated, such as Scenario 10, Cordova Street is assumed to be sold.

MS. ZUSPAN stated that the most basic is to add up the capital expenditures for each scenario which will help when thinking about budgeting and kind of drilling into the basics of the differences. There is a detailed slide that adds up the different categories of CapEx, whether it is to purchase or rehab; a reserve fund. The interim lease expenses are the gray area between operating expenses and CapEx because it is an operating expense, but more one time.

MR. FINCHER moved into some spoilers and some of the high-level findings from the cost effectiveness analysis and then talked about how they got there.

MS. ZUSPAN stated that the analysis is meant to be wide-ranging, so they have all the options spelled out. They were not making a recommendation, but providing the information to move forward.

CHAIR FEIGE asked about the demolition of this building and if she could speak to that and the constraints they may provide for potential sale of the parcel, if that was what we wanted to do.

MS. ZUSPAN replied that the zoning is PLI, public lands institutional, which gives sort of many different public goods associated with it. The idea that if a scenario where this building was demolished was chosen, then there would be a blank slate to consider a master plan to take advantage of what that PL1 offers.

E.D. WARNER stated that there is a master plan that was adopted by trustees in 2020 or 2021, and it does call for the site to be beneficiary-serving. That can be changed. It is a guiding document.

MR. FINCHER stated that there is always the opportunity to go in and press the Municipality for

a zone change if there is any conflict towards what is desired.

CHAIR FEIGE asked the committee which of these were wanted to guide their thinking. The NPV plus residual versus just NPV. She asked Trustee Fimon for his thoughts.

TRUSTEE FIMON stated that he thought the combination is probably the best, but he was not sure that it drove him on his initial ranking.

TRUSTEE HICKEL stated that, at this stage, she would prefer to keep all four and did not feel prepared to eliminate one and decide on three. She stated the need for more time to look at the scenarios. She added that this was complicated with a lot of information to absorb.

TRUSTEE HALTERMAN agreed and stated that keeping all four with a good explanation of the impact of each of those categories that would have on that decision for the Full Board conversation.

CHAIR FEIGE stated that there was a lot to think about and review. She thanked them for the presentation. She asked for any other discussion or comments.

E.D. WARNER added that it will be critical for the Board to make a decision, especially for the Trust Authority staff and having a stable workspace. There are a lot of moving parts, and she encouraged questions by trustees in the interim.

MR. FINCHER requested, in going through this whole analysis, the need for more insight into trustees' direction or feelings on the desirability of moving the two groups together that would definitely be helpful as this is prepared.

E.D. WARNER noted that it is over \$20,000 for the monthly.

CHAIR FEIGE thanked them and asked for a motion to adjourn the meeting.

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

CHAIR FEIGE adjourned the meeting.

(Alaska Mental Health Trust Authority Resource Management Committee meeting adjourned at 4:41 p.m.)