The Alaska Mental Health Trust Authority
Trust Land Office
BEST INTEREST DECISION AFFIRMED
Decision to Dispose of Trust Parcels through the Trust Statewide Land Sale Programs

TLO Statewide Land Sale Programs FY2026-2031
MH Parcel(s) Multiple Parcels

Action: Adopt the Best Interest Decision dated March 5, 2026, regarding the above referenced disposal as final, without modification. This decision document, combined with the Best Interest Decision dated March 5, 2026, 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 dispose of Trust parcels through the Trust Land Office Statewide Land Sale Programs in the Fairbanks Daily News Miner, Peninsula Clarion, The Seward Folly, Petersburg Pilot, Wrangell Sentinel, and the Daily Sitka Sentinel, on the State of Alaska's online public notice website, and distributed the notice to the Fairbanks North Star Borough, Kenai Peninsula Borough, Petersburg Borough, City and Borough of Wrangell, and City and Borough of Sitka, Doyon Limited, Cook Inlet Region, INC., and Sealaska Corporation, the Alaska Mental Health Trust Authority, and other interested public and private parties on March 13, 2026.

Summary of Comments: Ten (10) timely written comments were received from the general public concerning Mental Health Parcel S20006, located in Seward, Alaska. The comments contained multiple parts, offered alternatives to the proposal, or recommendations 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. Few comments addressed the best interest of the beneficiaries or consistency with Trust management principles. The comments below are representative of the comments received.

> ***Comment:*** Many of the comments received identified infrastructure limitations in the adjacent Questa Woods neighborhood, specifically noting the single access route, restricted railroad crossing, narrow Stoney Creek Bridge, flooding issues on Bruno Road, and the roads built for low-density residential traffic. Comments repeatedly cited that the current infrastructure is incompatible with additional traffic, construction equipment, or commercial use. Additionally, comments emphasize that Questa Woods is a quiet, semi-rural residential area shared by families, pedestrians, and recreational users. The introduction of high-volume or commercial traffic is viewed as incompatible with the neighborhood's character and would significantly diminish resident safety and livability.
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> ***Response*:** The Trust Land Office (TLO) is collaborating with the Kenai Peninsula Borough (KPB) and has a Memorandum of Agreement (MOA) to evaluate the potential development and subdivision of the subject parcel, S20006, in addition to adjacent lands owned by the KPB. At present, the potential development is being evaluated, including access options and designs. This decision only pertains to the disposal of the Trust parcel in the Trust's statewide land sale programs. Any subdivision or platting action will be done subject to the KPB platting requirements and their process, as the KPB is the platting authority.
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> ***Comment:*** Commenters largely oppose selling the land as a single, undivided parcel, arguing that doing so limits potential buyers to large commercial entities and removes

opportunities for phased, residential, or mixed-use development that could generate greater long-term value. Many assert that a one-block sale may conflict with fiduciary duties and statutory requirements under AS 38.05.801 and the Alaska Mental Health Enabling Act, which emphasizes multiple use, long-term sustained yield, and protection of the Trust land base. Comments question whether this sale structure can genuinely meet the standards required for a Best Interest Decision.

Response: The TLO does not intend to offer the subject parcel in its entirety (195 acres) for a land sale. As stated in the prior response, in partnership with the KPB, the TLO is evaluating the subject parcel's potential for development and subdivision. An initial feasibility study to determine potential access has been completed; however, the TLO and the KPB continue to review the available data and may procure additional studies as the project progresses. The Decision to Dispose of Trust Parcels through the Trust Statewide Land Sale Programs is a part of the TLO's administrative process that must be completed prior to any disposal action on Trust land. From the Best Interest Decision, **Section VI. Resource Management Considerations,** it is stated that "*…designing a pool of available parcels to select from and offer over the next three-year period and beyond, the TLO Lands Section will more effectively meet the Land Resource Management Strategy objectives to maintain a three-year inventory of lots through subdivision developments in support of the TLO Statewide Land Sale Programs during fiscal years 2027 – 2032."* Completing the administrative requirements before or during ongoing subdivision actions on Trust land, allows the TLO to be proactive and prevents a delay of anticipated revenues from a completed subdivision. Additionally, the TLO consulted on the land selections and under **Section XI. Trust Authority Consultation**, the Alaska Mental Health Board of Trustees adopted the motion on February 19, 2026, stating: *"The Alaska Mental Health Trust Authority Board of Trustees concur with creating a pool of approximately 20 subdivision lots and small to large tract parcels to be subdivided that may be disposed of through the TLO's Statewide Land Sale Programs."*

Comment: Several comments raise concerns about water availability for existing and future homeowners, as well as terrain constraints, drainage challenges, and recurring flooding. Multiple requests call for hydrogeological studies, site feasibility analysis, and independent access reviews before proceeding.

Response: These concerns are factors that may be considered throughout the design and development process. However, when the TLO disposes of lands, they are sold "as-is", "where-is", and without warranty. The availability of certain utilities, i.e., natural gas, electricity, or water, are factored when any Trust land is considered for disposal or subdivision; however, the purchaser is responsible for completing their own due diligence beforehand. In some cases, certain utilities are not available to or near Trust land and purchasers may have to utilize alternative options.

Comment: Commenters note that existing studies, particularly the road feasibility analysis completed in 2025, do not meet residential development standards and fail to evaluate emergency access, safety, and long-term maintenance needs. Comments expressed concern that the proposal appears premature, lacking transparency, and comprehensive evaluation.

Response: One feasibility study has been completed and additional studies of the subject parcel and adjacent lands may be acquired prior to the subdivision being completed. The KPB is the platting authority on any subdivision within the borough's boundaries,

inclusive of the subject Trust land, MHPAR S20006. The subdivision process will be overseen and reviewed by the KPB platting authority and will proceed through their formal platting procedures subject to all of the KPB planning and platting requirements.

Comment: Many residents advocate for postponing the sale and exploring alternatives such as a land trade for Nash Road access, subdivision into smaller parcels, or development of access routes that avoid the Questa Woods neighborhood entirely.

Response: The TLO has successfully completed land exchanges, but those actions can be time-consuming, lengthy in timeline, and must be mutually beneficial to the Trust and its beneficiaries, in addition to the other landowner. As previously stated, the TLO and KPB are working in partnership to evaluate the potential of the subject parcel and the adjacent land owned by KPB, while considering nearby neighborhoods.

Trust Authority Consultation: The Alaska Mental Health Trust Authority was consulted on this matter on February 19, 2026.

Modifications: As no comments were received suggesting that the Best Interest Decision dated March 5, 2026, 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 March 5, 2026, as final.

Reconsideration: Persons who submitted timely written comments during the notice period that ended April 20, 2026, 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
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Jusdi Warner
Executive Director

5/18/2026
Date