The Alaska Mental Health Trust Authority
Trust Land Office
BEST INTEREST DECISION
Volunteers of America Alaska
Lease – Anchorage, AK

MHT: 9201131
MH Parcel: SM-7021

In accordance with AS 38.05.801 et seq. and the implementing regulations governing Alaska Mental Health Trust ("Trust") land management (11 AAC 99), Trust land shall be managed consistently with the responsibilities accepted by the State under the Alaska Mental Health Enabling Act (P.L. 84-830, 70 Stat. 709 (1956)). This means that management shall be conducted solely in the best interest of the Trust and its beneficiaries.

In determining the best interest of the Trust and its beneficiaries, and in determining consistency between state law and the Alaska Mental Health Enabling Act, the Executive Director of the Alaska Mental Health Trust Land Office ("TLO") shall, at a minimum, consider the following interactive Trust management principles in accordance with 11 AAC 99.020:

- Maximization of long-term revenue from Trust land;
- Protection of the corpus;
- Protection and enhancement of the long-term productivity of Trust land;
- Encouragement of a diversity of revenue-producing uses of Trust land; and
- Management of Trust land prudently, efficiently, and with accountability to the Trust and its beneficiaries.

I. **Proposed Use of Trust Land.** 10-year lease to Volunteers of America Alaska (VOAA) to continue use of the property at 2600 Cordova St. Suites 101, 210, 211, and 212 to address the substance use disorder and mental health disorder needs of the Alaska Mental Health Trust Authority youth and young adult beneficiaries in the Anchorage community. This less than fair market value lease was recommended for approval by the Alaska Mental Health Trust Authority and brought to the Resource Management Committee where it was then recommended to the Alaska Mental Health Trust Authority Full Board of Trustees and subsequently approved.

II. **Applicant/File #.** Volunteers of America Alaska / MHT 9201131.

III. **Subject Property.**

A. **Legal Description.** Lot 1A, Block 6, First Addition to Smith Subdivision, according to the official plat thereof recorded as Plat No. 84-292, records of the Anchorage Recording District, Third Judicial District, State of Alaska. Suites 101, 210, 211, and 212 within the commercial building located at 2600 Cordova Street, Anchorage, AK totaling approximately 11,532 rentable square feet.

B. **Settlement Parcel Number.** SM-7021

C. **Site Characteristics/Primary Resource Values.** The parcel contains an existing two-story, multi-tenant, professional office building consisting of approximately 28,217 rentable square feet and associated parking. VOAA is requesting the below-market lease for an area comprising of 11,532 rentable square feet or 40.9% of the total building area. The primary value of the area requested is in the continued use of the existing building and parking improvements for Trust beneficiary program purposes provided by VOAA.

D. **Historical and Existing Uses of the Property.** Per Municipality of Anchorage records the Cordova building was reportedly built in 1985. In 2011, the Trust acquired the 2600 Cordova Street building for the purpose of serving as the main office for staff of the TLO with additional tenants subsidizing the occupancy costs of the TLO. In April of 2024 the Alaska Mental Health Trust Authority Board of Trustees removed the Cordova building from the commercial real estate investment portfolio and reclassified the Cordova building into the Program Related Real Estate portfolio. Presently, the building is 100% occupied with a mix of the TLO office, VOAA offices, and other professional office tenants. See Exhibit A – Map.

E. **Adjacent Land Use Trends.** The Cordova building is in the Midtown business district which is bounded on the north by Chester Creek, on the east by the New Seward Highway, on the south by Tudor Road and on the west by the Minnesota By-Pass. The area is roughly 95% developed with a variety of general commercial uses.

F. **Previous State Plans/Classifications.** N/A.

G. **Existing Plans Affecting the Subject Parcel.** Zoning: B-3 – General Business District.

H. **Apparent Highest and Best Use.** Maintain current use of Suites 101, 210, 211, and 212 of 2600 Cordova St. by VOAA. The proposed use is consistent with the highest and best use and has been approved by the Alaska Mental Health Trust Authority full board of Trustees through the use of Trust land at less than fair market value process outlined in 20 AAC 40.710.

IV. **Proposal Background.** VOAA sent a letter to the Trust Authority staff requesting a long-term 10-year lease at less than fair market value under 11 AAC 99.110 and 20 AAC 40.710 to continue providing substance use disorder and mental health disorder services to Trust beneficiaries at the property located at 2600 Cordova Street Suites 101, 210, 211, and 212. At this location, VOAA currently uses the property to provide needed services to youth, adults, and families who qualify as Trust beneficiaries. VOAA provides a continuum of services including residential and outpatient behavioral health treatment, youth and family services, psychiatric residential treatment, and programs designed to support individuals experiencing mental illness, substance use disorders, trauma, and co-occurring challenges. Through programs and partnerships across Alaska, VOAA serves Trust beneficiaries in communities throughout the state and works closely with state agencies, health care providers, tribal organizations, school districts, and community partners to advance an integrated and comprehensive behavioral health system of care. VOAA is requesting a long-term lease for the property below market value under 11 AAC 99.110 and 20 AAC 40.710. VOAA will continue to use the property to address the substance use disorder and mental health disorder needs of the Alaska Mental Health Trust Authority, youth and young

adult beneficiaries in the Anchorage community. 100% of the people served by VOAA are Trust beneficiaries. Trust Authority Office staff determined that sufficient information was provided by the organization, per 20 AAC 40.710, to warrant a less than fair market value lease, and that the project aligns with the Treatment and Recovery Priority Area to serve Trust beneficiaries. Staff recommend the approval of a lease of Trust land at less than fair market value under 20 AAC 40.710. This project aligns with the Comprehensive Integrated Mental Health Program Plan, Goal 4 Substance Use Disorder Prevention, Objective 4.3 Treatment & Recovery Access. The Trust Authority Office made a formal request to the TLO to determine whether the Trust land on the proposed parcel (SM-7021) is suitable for the use proposed by Assets, Inc. and the estimated fair market value of that use. The TLO determined that the parcel is suitable for the proposed use and provided estimated fair market lease rental of the rentable square footage to be $326,586 annually.

V. **Terms and Conditions.** As approved by the Alaska Mental Health Trust full Board of Trustees, through the process outlined in 20 AAC 40.710 for use of Trust land at less than fair market value, at their regularly scheduled full board of trustees meeting on November 18, 2026, this will be a lease for a 10-year term with a starting annual rent of $3,266.00, with a 10% rent increase every 5 years. Standard commercial lease terms and conditions used by the TLO to protect the Trust's interests will apply.

VI. **Resource Management Considerations.** The proposal is consistent with the "Resource Management Strategy for Trust Land" which was adopted October 2021 in consultation with the Trust and provides for the TLO to manage Trust land for Program-Related Real Estate by assuring the real estate needs of mental health programs sponsored by the Alaska Mental Health Trust Authority are met as appropriate and support and enhance the Trust's mission to promote a comprehensive integrated mental health program.

VII. **Alternatives.**

A. **Do nothing or offer sometime in the future**. This alternative would delay receipt of revenues from the lease and fail to promote a comprehensive integrated mental health program.

B. **Alternate development**. Any type of further subdivision for residential or commercial use would likely be uneconomic, even with the high cost of housing in Anchorage, due to the significant financial investment necessary to demolish an aged structure, further subdivide, construct roads, install utilities, and market.

VIII. **Risk Management Considerations.**

A. **Performance Risks.** Performance risks will be mitigated through the TLO's standard Letter of Intent agreement and Lease Agreement.

B. **Environmental Risks.** There are no known environmental risks associated with the proposed lease.

C. **Public Concerns.** Subject to comments resulting from the public notice period, there are no known public concerns. This project has already been publicly noticed through the Trust Authority's use of Trust land at less than fair market value process and no public comments were received.

IX. Due Diligence.

A. Site Inspection. The TLO is a current tenant at 2600 Cordova and is very familiar with the building.

B. Valuation. In June of 2026, the TLO had the value of the property appraised by Black-Smith, Bethard & Carlson, LLC. The appraisal used a sales comparison approach and income approach of comparable properties within the region and determined the fee simple fair market value of the land and improvements to be $4,689,000.00.

C. Terms and Conditions Review. A standard TLO commercial lease agreement will be used for this authorization and will be reviewed by the Department of Law and/or outside Counsel prior to the execution of the Lease Agreement.

X. Authorities.

A. Applicable Authority. AS 37.14.009(a), AS 38.05.801, 20 AAC 40.710, and 11 AAC 99 (key statutes and regulations applicable to Trust land management and use of Trust land at less than fair market value).

B. Inconsistency Determination. As the proposed ten-year lease was approved under the process for use of Trust land at less than fair market value in 20 AAC 40.710 and is specifically authorized under 11 AAC 99, any relevant provision of law applicable to other state lands is inapplicable to this action if it is inconsistent with Trust responsibilities accepted by the State under the Alaska Mental Health Enabling Act (P.L. 84-830, 70 Stat. 709 (1956)) as clarified by AS 38.05.801 and Alaska Mental Health Trust land regulations (11 AAC 99). 11 AAC 99 includes determinations that certain State statutes applicable to other State land do not apply to Trust land unless determined by the Executive Director, on a case-by-case basis, to be consistent with 11 AAC 99.020. The State Statutes deemed inconsistent with Trust management principles and inapplicable to Trust land by these regulations have not been applied to this decision or this action, including, but not limited to, AS 38.04 (Policy for Use and Classification of State Land Surface), AS 38.05.035 (Powers and Duties of the Director), AS 38.05.300 (Classification of Land), AS 38.05.945 (Notice), AS 38.05.946 (Hearings), and 11 AAC 02 (Appeals).

XI. Trust Authority Consultation. TLO consultation is defined in statute and regulation under AS 37.14.009(a)(2)(C) and 11 AAC 99.050 and clarified under 11 AAC 99.030(d) which requires the executive director to consult before issuing a public notice of a written decision of best interest. The Alaska Mental Health Trust Board of Trustees approved this less than fair market value lease disposal at their November 18, 2026, regularly scheduled meeting, passing the following motion: *"The Full Board of Trustees approve the annual lease rent of $3,266.0, with a 10% rent increase every 5 years, for a 10-year lease for approximately 11,532 rentable square feet. The property involved in the proposed lease rent use is MHT 9200503, legally described as Lot 1A, Block 6, First Addition to Smith Subdivision, according to the official plat thereof recorded as Plat No. 84292, records of the Anchorage Recording District, Third Judicial District, State of Alaska."*

XII. Best Interest Decision. Given the information above and the information contained in the complete record, the Executive Director finds that the proposed transaction is in the best

interest of the Trust, subject to the terms and conditions addressed in this decision. The decision is based upon the approval of the Alaska Mental Health Trust Authority Board of Trustees, through the approval process outlined in 20 AAC 40.710 for a less than fair market value use, consideration of the five Trust management principles set out in 11 AAC 99.020 and is in full compliance with 11 AAC 99. This decision does not preclude the TLO from determining that an alternative proposal will serve the best interest of the Trust. A future determination of that nature will require a best interest decision specific to the proposal.

XIII. Opportunity for Comment. Notice of this Best Interest Decision will take place as provided under 11 AAC 99.050. Persons who believe that the decision should be altered because it is not in the best interest of the Trust or its beneficiaries, or because the decision is inconsistent with Trust management principles set out in 11 AAC 99.020 or any other provision of 11 AAC 99, must provide written comments to the TLO during the notice period. Following the comment deadline, the Executive Director will consider timely written comments that question the decision on the basis of the best interest of the Trust and its beneficiaries or inconsistency with 11 AAC 99. The Executive Director may then, in his or her discretion, modify the decision in whole or in part in response to such comments or other pertinent information, or affirm the Best Interest Decision without changes. The Best Interest Decision as modified or affirmed will become the final agency action, subject to reconsideration procedures under 11 AAC 99.060. Additional notice will be provided for a substantially modified decision. If no comments are received by the end of the notice period, this Best Interest Decision will be affirmed, and the proposed action taken. (See notice for specific dates.)

XIV. Reconsideration. To be eligible to file for reconsideration of this Best Interest Decision, or to file a subsequent appeal to the Superior Court, a person must submit written comments during the notice period.

Persons who submit timely written comments will be provided with a copy of the final written decision and will be eligible to request reconsideration within 20 calendar days after publication of the notice or receipt of the decision, whichever is earlier under 11 AAC 99.060(b). 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. The Executive Director shall order or deny reconsideration within 20 calendar days after receiving the request for reconsideration. If the Executive Director takes no action during the 20-day period following the request for reconsideration, 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.

XV. Available Documents. Background documents and information cited herein are on file and available for review at the TLO, located at 2600 Cordova Street, Suite 201, Anchorage, Alaska 99503. Phone: (907) 269-8658. Email: mhtlo@alaska.gov.

The disposal action proposed by this decision will occur no less than 30 days after the first publication date of this decision, and after the conclusion of the TLO administrative

process. For specific dates or further information about the disposal, interested parties should contact the TLO at the above address, or visit the website at: https://alaskamentalhealthtrust.org/trust-land-office/.

XVI. APPROVED:

Signed by:
Jusdi Warner
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11/25/2026

Jusdi Warner
Executive Director
Alaska Mental Health Trust Land Office

Date

Attachment A – Map

Trust Land Office

Exhibit A



Cordova Street

Located in Anchorage, Alaska

MHT 9201131

0 100 200 300 400 500 Feet



Alaska Mental Health Trust Authority
Trust Land Office
Notice under 11 AAC 99.050 of
Lease – Anchorage, AK
MHT 9201131

Notice is hereby given that, pursuant to the provisions of AS 38.05.801 and 11 AAC 99, the Executive Director of the Alaska Mental Health Trust Land Office (TLO) has determined that it is in the best interest of the Alaska Mental Health Trust and its beneficiaries to complete a 10-year lease of certain Trust land to Volunteers of America Alaska. The basis for this determination is explained in a written best interest decision prepared by the Executive Director pursuant to 11 AAC 99.040.

The Trust land affected by the decision is located in Anchorage, AK and is more particularly described as: Lot 1A, Block 6, First Addition to Smith Subdivision, according to the official plat thereof recorded as Plat No. 84-292, records of the Anchorage Recording District, Third Judicial District, State of Alaska. (MH Parcel: SM-7021).

Persons who believe that the written decision should be altered because it is not in the best interest of the Trust or its beneficiaries, or because the decision is inconsistent with Trust management principles set out in 11 AAC 99.020, or any other provision of 11 AAC 99, must provide written comments on or before **4:30 PM, December 29, 2026. Comments should be submitted to the TLO at 2600 Cordova Street, Suite 201, Anchorage, AK 99503, or by fax (907) 269-8905 or email** mhtlo@alaska.gov. Following the comment deadline, the Executive Director will consider timely comments that question the decision on the basis of the best interest of the Alaska Mental Health Trust and its beneficiaries or inconsistency with 11 AAC 99, and the best interest decision may be changed in response to such written comments or other information. Commenting parties will be provided a copy of the final best interest decision after the end of the notice period.

To be eligible to file for reconsideration of the best interest decision, or to file a subsequent appeal to the Superior Court, a person must have submitted written comments during the notice period. Eligible persons will have twenty (20) calendar days after published notice of or receipt of the final written decision to request that the Executive Director reconsider the decision under 11 AAC 99.060(b).

Copies of the written decision are available at the Trust Land Office, or at https://alaskamentalhealthtrust.org/trust-land-office/. If you have any questions concerning this action, please contact the Trust Land Office at (907) 269-8658.

In compliance with the Americans with Disabilities Act, the Alaska Mental Health Trust is prepared to accommodate individuals with disabilities. Please contact the Trust Land Office at (907) 269-8658 for assistance. Requests for assistance must be received at least 96 hours prior to the comment deadline in order to ensure that any necessary accommodations can be provided.

The Executive Director of the TLO reserves the right to waive technical defects in this notice or to amend, postpone, or vacate the best interest decision.

Signed by:
Jusdi Warner
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Jusdi Warner
Executive Director

11/25/2026
Date
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