

**THE ALASKA MENTAL HEALTH TRUST AUTHORITY**  
**Trust Land Office**

**DECISION ON RECONSIDERATION**  
**Lease or Sale of Fahrenkamp and Denardo Centers at Fair Market Value**

**Action:** Deny the request for reconsideration and adopt the Best Interest Decision dated March 10, 2017 and affirmed on April 27, 2017 (the “BID”) pertaining to the above-referenced lease and/or sale of the Denardo & Fahrenkamp Centers at fair market value.

**Summary of Reconsideration:** This decision addresses a request for reconsideration of a decision submitted by Pat Ivey on behalf of the Northstar Council on Aging/Fairbanks Senior Center (the “Senior Center”) dated May 16, 2017 and received May 17, 2017. The Senior Center’s comment is not framed as a request for reconsideration, but an “opportunity to respond to the April 27, 2017 Best Interest Decision Affirmed that it is in the best interest of the Alaska Mental Health Trust to lease or sell the Denardo Center to Tanana Chiefs Conference (TCC) for use as a sobering center.” Nevertheless, the comment was received within the 20-day reconsideration period and the Trust Land Office (TLO) interprets it to be a request for reconsideration of the BID by the Executive Director of the TLO which determined that it is in the best interest of the Alaska Mental Health Trust Authority (the “Trust”), acting through the TLO, to offer the Denardo and/or Fahrenkamp Center for sale or lease at fair market value. The points raised in the Senior Center’s reconsideration request can be summarized and addressed as follows:

***Comment: the sobering center clients should be escorted to a safe location after leaving the Denardo Center.***

This issue is outside the scope of the TLO’s decision to lease or sell the Denardo and Fahrenkamp Centers at fair market value. The commenter should continue to work with the potential lessee to resolve questions regarding sobering center operations.

***Comment: a request for an indefinite extension of public comment period and related decisions until an impact assessment is conducted by one prospective tenant, TCC; written protocols of the intake and discharge from TCC’s operation are shared; and a memorandum of agreement is reached between adjacent land users and TCC.***

This issue has been previously raised and was addressed by the affirmation of the Best Interest Decision dated April 27, 2017. Additionally, this comment fails to state why proceeding with the fair market lease of Denardo Center to TCC or any other tenant is not in the best interest of the Trust. The issuance of a lease or the sale of Trust property does not require the completion of these steps and prolonging the lease or sale process until they are completed will delay the receipt of revenue and, in the case of the TCC application, deny Trust beneficiaries access to critical mental health services.

Moreover, the public notice period for the proposed action complies with 11 AAC 99.050. The purpose of the public notice period was to solicit comments as to whether the proposed action is consistent with trust principles accepted by the Territory and State of Alaska (the "State") under the Alaska Mental Health Enabling Act (P.L. 84830, 70 Stat. 709 (1956)), as outlined in 11 AAC 99.020. It was not to garner information about tenant operations or concerns about the potential effects tenant operations on adjacent landowner's property. These concerns are best addressed with local land use and zoning administrative bodies.

***Comment: a request for myriad security measures at the Denardo Center and adjacent landowner properties.***

This issue has been previously raised and was addressed by the affirmation of the Best Interest Decision dated April 27, 2017. There is no evidence that individuals housed at the facility will pose a specific danger to adjacent property owners. Further, expenditure of Trust funds for this purpose would remove valuable funding from the Trust's grant pool and prove detrimental to Trust beneficiaries. Finally, any lease with TCC or other potential lessees will contain provisions requiring insurance and compliance with applicable statutes and regulations of various agencies with regulatory responsibility. These provisions are adequate to protect and preserve Trust resources and fulfill the fiduciary duties imposed by the trust principles found in the Alaska Mental Health Enabling Act.

**Modifications to the Decision:** None.

**Final Decision of the Executive Director:** Considering all of the above, including the Best Interest Decision Affirmed dated April 27, 2017, the Executive Director of the Trust Land Office hereby denies reconsideration and adopts the March 10, 2017 Best Interest Decision as final with no modifications.

**Reconsideration:** This decision completes the Executive Director's reconsideration as provided for in 11 AAC 99.060 (Appeals). It is the final administrative decision for purposes of appeal to the superior court under AS 44.62.560. An appellant affected by this final order and decision may appeal to the superior court within thirty (30) days in accordance with the rules of the court, and to the extent permitted by applicable law.

**Approved:**

  
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John Morrison, Executive Director  
Alaska Mental Health Trust Land Office

5-24-17  
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Date