

**The Alaska Mental Health Trust Authority**  
**Trust Land Office**  
**BEST INTEREST DECISION**  
**Perpetual Non-Exclusive Easement – Coon Cove Road**

MHT: 9101418  
MH Parcel: CRM-7059, a portion

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.** Disposal of a portion of Trust parcel CRM-7059 in the form of granting one comprehensive perpetual non-exclusive easement along Coon Cove Rd. to Cape Fox Corporation (CFC) comprised and herein described as Easement 1 and Easement 2, combining three noncontiguous sections for a one-time payment of \$54,000.00. Please refer to Exhibit A – Map for reference.

**II. Applicant/File #.** Cape Fox Corporation / MHT 9101418.

**III. Subject Property.**

**A. Legal Description.**

- i. EASEMENT #1 – The total length of this section is 1.45 miles and the area encumbered by the easement is 11.60 acres (1.45 miles x 5,280’ = 7,656’ x 66’ = 505,296 SF, or 11.60 acres). Legally described in three subsections:

1. An easement sixty-six (66) feet in width for an existing road, FDR 8334, beginning at the southern boundary of Sec. 33, T. 73 S., R. 92 E., Copper River Meridian, thence northerly to its junction with an existing road, FDR 8330, in Sec. 33, T. 73 S., R. 92 E., Copper River Meridian. Traversing approximately 0.15 miles.

2. An easement sixty-six (66) feet in width for an existing road, FDR 8330, beginning at its terminus with easement 1 in Sec. 33, T. 73 S., R. 92 E., Copper River Meridian, thence northeasterly to the western boundary of the NW1/4NW1/4 of Sec. 34, T. 73 S., R. 92 E., Copper River Meridian. Traversing approximately 0.9 miles.
  3. An easement sixty-six (66) feet in width for an existing road, FDR 8330, beginning at the southern boundary of the NW1/4NW1/4 of Sec. 34, T. 73 S., R. 92 E., Copper River Meridian, thence southeasterly to the western boundary of the E1/2W1/2 of Sec. 34, T. 73 S., R. 92 E., Copper River Meridian. Traversing approximately 0.4 miles.
- ii. EASEMENT #2 – The total length of this section is 1.60 miles and the area encumbered by the easement is 12.80 acres ( $1.60 \text{ miles} \times 5,280' = 8,448' \times 66' = 557,568 \text{ SF}$ , or 12.80 acres). Legally described in one subsection:
1. An easement sixty-six (66) feet in width for an existing road, FDR 8330, beginning at the eastern boundary of the E1/2W1/2 of Sec. 34, T. 73 S., R. 92 E., Copper River Meridian, thence northerly to the northern boundary of Sec. 27, T. 73 S., R. 92 E., Copper River Meridian. Traversing approximately 1.60 miles.

The combined requested acreage for all sections comprising Easement Section 1 and Easement Section 2 is 24.4 acres.

- B. Settlement Parcel Number(s).** CRM-7059, a portion.
- C. Site Characteristics/Primary Resource Values.** The proposed easement traverses rolling to steep, heavily treed terrain with small unnamed lakes near both ends of the alignment and Dancing Duck Lake approximately 0.25 miles East. The area is remote and was previously managed by the U.S. Forest Service. Primary resource value of the area is timber harvest, which is facilitated by use of the existing access roads and Coon Cove Log Transfer Facility further south on the road system which this proposed easement is located along.
- D. Historical and Existing Uses of the Property.** As mentioned above, the parent parcel was previously managed by the U.S. Forest Service and the Trust received the land as part of the Alaska Mental Health Trust Land Exchange Act of 2017. Historically, the greater Shelter Cove / Coon Cove area has been used for timber harvest and logging activities since at least the early 1960's when the Ketchikan Pulp Company had a long-term contract with the U.S. Forest Service. Presently, the Trust has a contract with Alcan Timber, Inc. for timber harvest on Trust owned lands in the greater area, which utilizes and depends on the subject roads for access to timber and the Coon Cove Log Transfer Facility.
- E. Adjacent Land Use Trends.** Land occupied by the proposed easement is remote, raw, land and owned by the Trust. Cape Fox Corporation is the nearby adjacent landowner, and this easement will provide access to their lands. The Trust will also receive reciprocal access through Cape Fox Corporation land. Presently, aside from timber harvest operations, all adjacent and nearby land is undeveloped.
- F. Previous State Plans/Classifications.** None.

**G. Existing Plans Affecting the Subject Parcel.** None.

**H. Apparent Highest and Best Use.** Disposal through perpetual non-exclusive easement to facilitate access for timber harvest and future development.

**IV. Proposal Background.** After the execution of a land exchange between the Alaska Mental Health Trust Authority (AMHTA) and the United States Forest Service, the Trust and Cape Fox Corporation were faced with access issues through each other's land. This easement will grant CFC access through AMHTA lands along Coon Cove Rd. to reach CFC lands. There are two small sections on CFC land to which, in turn, the MHTA will receive an easement ensuring each landowner, CFC and AMHTA, access to their respective lands.

**V. Terms and Conditions.** The standard TLO non-exclusive Perpetual Easement Agreement will be used for the disposal.

**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 maximize return at prudent levels of risk, prevent liabilities, and convert nonperforming assets into performing assets. Protection of the corpus and long-term productivity will be enhanced by terms and conditions in the Easement and resulting reciprocal easements the Trust will receive providing the Trust legal access to its land. The Easement will not negatively impact the Trust's opportunity to maximize revenues from this site or adjacent Trust lands over time and is only expected to enhance opportunities for revenue generation and future development.

**VII. Alternatives.**

**A. Do nothing or offer sometime in the future.** This alternative would delay receipt of revenues from the easement sale and restrict the Trust from gaining legal access to its adjacent lands through a reciprocal easement from Cape Fox Corporation.

**B. Alternate development.** Experience has demonstrated that it is unlikely that this existing previous U.S. Forest Service Road would be able to be repurposed for another revenue generating use. Also, as this is a non-exclusive authorization, the Trust retains the ability to issue other compatible uses that may generate revenue in the future.

**VIII. Risk Management Considerations.**

**A. Performance Risks.** Performance risks will be mitigated through the TLO's standard Easement Agreement document.

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

**C. Public Concerns.** Subject to comments resulting from the public notice, there are no other known public concerns.

**IX. Due Diligence.**

- A. **Site Inspection.** TLO staff have inspected this proposed easement many times in the past 12 months as part of inspections of the harvest activities of the active timber sale on Trust land in the adjacent area that utilizes the greater road system in the area.
- B. **Valuation.** An appraisal of the proposed easement was completed May 15, 2025, by Black-Smith, Bethard, & Carlson, LLC. The appraisal determined the estimated market value of the easement to be \$54,800.00.
- C. **Terms and Conditions Review.** The standard TLO Easement Agreement documents have been reviewed by the Department of Law.

**X. Authorities.**

- A. **Applicable Authority.** AS 37.14.009(a), AS 38.05.801, and 11 AAC 99 (key statutes and regulations applicable to Trust land management and disposal).
- B. **Inconsistency Determination.** As the proposed non-exclusive perpetual easement 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.** The Alaska Mental Health Trust Resource Management Committee was consulted on August 1, 2025. The Committee recommended that the proposed transaction be forwarded to the Alaska Mental Health Trust board of trustees. On August 27, 2025, the board of trustees adopted the motion stating: *"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 non-exclusive easement."*

**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 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.

- A. **Non-competitive Disposal Determination.** 11 AAC 99.020 (d) allows for the disposal of Trust land through a competitive basis, unless the Executive Director

in consultation with the Trust Authority, determines in a written decision required by 11 AAC 99.040 that a non-competitive disposal is in the best interest of the Trust and its beneficiaries. If another party submits a qualified offer as explained in Section XIII, the Executive Director may consider a competitive sale under the authority of this decision.

**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. Other persons that may be interested in submitting an alternative offer must submit a complete application, including non-refundable fee describing their proposal during the 30-day public notice period. Instructions to apply can be found at <https://alaskamentalhealthtrust.org/trust-land-office/land-sales/land-use-application/>. In the event that there is competing interest, all qualified interested parties will be notified by phone, fax, or e-mail how they may participate. 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 is 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](mailto: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/>.

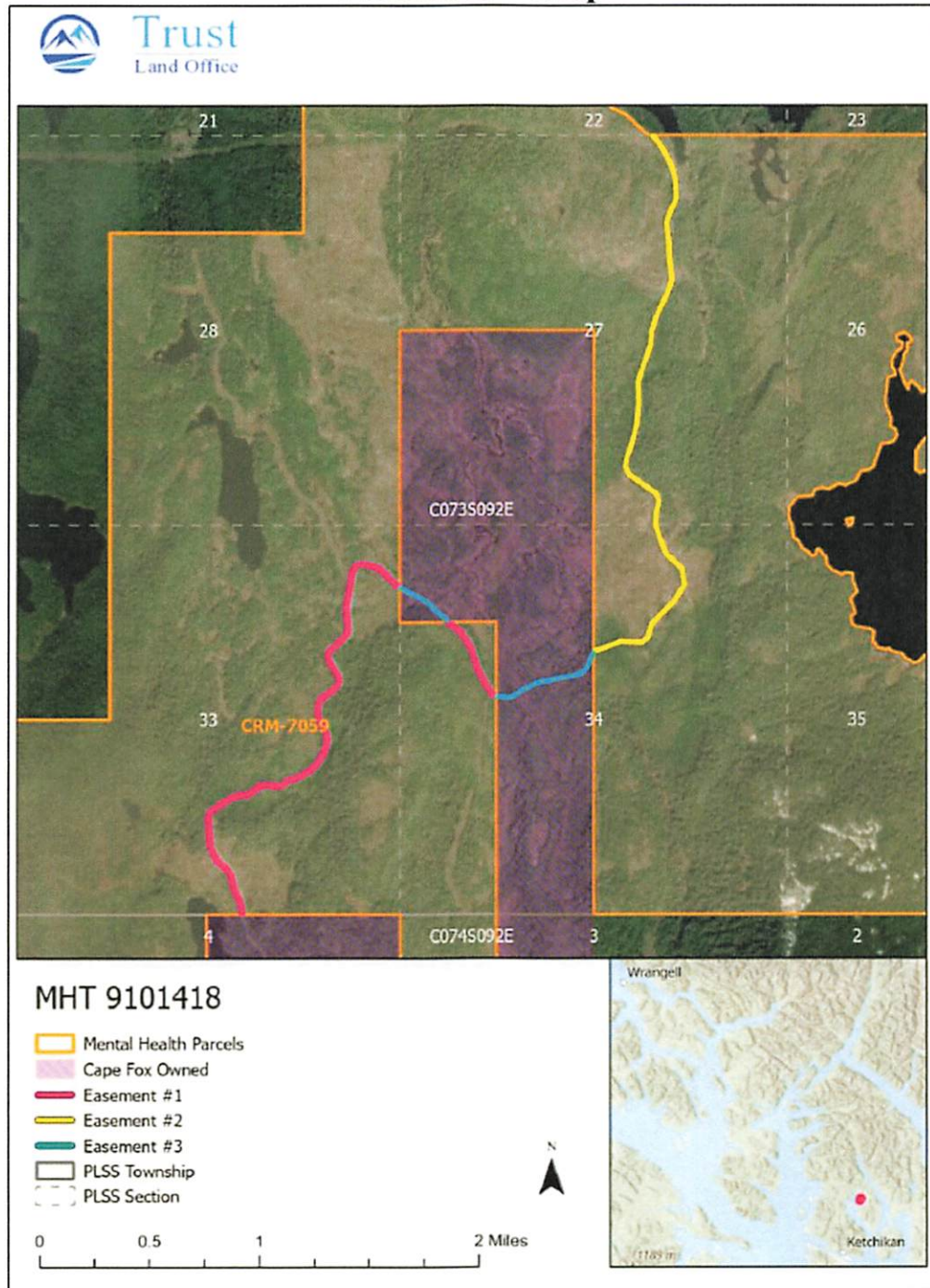
**XVI. APPROVED:**

Signed by:  
**Jusdi Warner**  
\_\_\_\_\_  
Jusdi Warner  
Executive Director  
Alaska Mental Health Trust Land Office

9/12/2025  
\_\_\_\_\_  
Date



## Exhibit A – Map



**Alaska Mental Health Trust Authority**  
**Trust Land Office**  
**Notice under 11 AAC 99.050 of**  
**Perpetual Non-Exclusive Easement – Coon Cove Road**  
**MHT 9101418**

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 issue a perpetual non-exclusive easement of certain Trust land to Cape Fox Corporation. 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 outside Ketchikan, AK near Upper George Inlet and Coon Cove. The total acreage of the proposed easement is approximately 24.4 acres (MH Parcel: CRM-7059, a portion). A detailed legal description is provided in the Best Interest Decision.

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, October 20, 2025. 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](mailto: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**  
Jusdi Warner  
Executive Director

9/12/2025  
Date  
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