

**The Alaska Mental Health Trust Authority**  
**Trust Land Office**  
**BEST INTEREST DECISION**  
**City and Borough of Wrangell**  
**Land Exchange – Wrangell, AK**

MHT: 9101423  
MH Parcels: CRM-2454, CRM-2528  
CRM-2529, CRM-2400-10,  
CRM-2405-05, CRM-2530

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.** The proposed action is to complete a land exchange with the City and Borough of Wrangell (CBW) in a value for value exchange up to \$1,650,000. The CBW has offered a waterfront parcel in their ownership appraised at \$1,650,000 in exchange for several Trust owned parcels adjacent to CBW owned parcels, projects, or infrastructure. The parcel received by the Trust will be subdivided, with the subdivision process planned to begin in FY27 or early FY28, and disposed of through the Trust’s competitive or over-the-counter land sale programs as early as FY28.

**II. Applicant/File #.** City and Borough of Wrangell / MHT 9101423.

**III. Subject Property.**

**A. Legal Description.** CRM-2454: Lot 2 of Trust Land Survey No. 2018-10, W-2 and W-3 Subdivision, containing 73.05 acres, more or less, according to the survey plat recorded in the Wrangell Recording District on May 26, 2020, as Plat No. 2020-5.

CRM-2528 & CRM-2529: Lot 5 of Trust Land Survey No. 2018-11, W-4 Subdivision, containing 20.18 acres, more or less, according to the survey plat recorded in the Wrangell Recording District on May 4, 2020, as Plat No. 2020-4.

CRM-2400-10: Tract B of Alaska State Land Survey No. 84-83; containing 8.148 acres, more or less, according to the survey plat filed in the Wrangell Recording District on January 30, 1986 as plat 86-1.

CRM-2405-05: Tract C of Alaska State Land Survey No. 84-83; containing 133.166 acres, more or less, according to the survey plat filed in the Wrangell Recording District on January 30, 1986 as plat 86-1.

CRM-2530: Lot 6 of US Survey No. 3709; containing 4.730 acres, more or less, according to the survey plat accepted by the United States Department of the Interior, Bureau of Land Management in Washington, D.C. on May 26, 1961.

See Exhibit A (Map)

- B. Settlement Parcel Numbers.** CRM-2454, CRM-2528, CRM-2529, CRM-2400-10, CRM-2405-05, CRM-2530
- C. Site Characteristics/Primary Resource Values.** The parcels are located throughout Wrangell and would be challenging to develop due to topography, adjacent land use trends, unknown slope stability risk, constructable access challenges, and existing encumbrances and trespasses. The parcels consist of raw, vacant land with vegetation typical of the area, except for several parcels that contained economic timber and have already been harvested throughout the past 20 years. There are no other minerals, material, or timber that are known for economic extraction or harvest.
- D. Historical and Existing Uses of the Property.** The Trust received title to the parcels via quitclaim deed from the State of Alaska in 1996. Throughout the past 30 years timber harvest has taken place on several of the parcels that contained high-value economic timber. Presently, no active timber sales or other authorizations/uses exist on the parcels.
- E. Adjacent Land Use Trends.** The adjacent lands are predominately owned by the CBW and US Forest Service, with a few small, private lots bordering a short section of CRM-2454. Adjacent parcels are generally raw undeveloped land owned by CBW and managed as recreation areas or development projects and US Forest Service parcels in the Tongass National Forest.
- F. Previous State Plans/Classifications.** N/A.
- G. Existing Plans Affecting the Subject Parcels.** The parcels are currently zoned “Open Space”, “Timber Management”, or “Not Zoned” by the CBW. As the CBW is the zoning authority, they are able to make changes to the zoning for their intended use.
- H. Apparent Highest and Best Use.** Exchange trust parcels for 27.556 acre raw, waterfront parcel with constructed legal access and available electricity along the entire western border.

- IV. Proposal Background.** In January of 2025, the TLO and the CBW signed a Memorandum of Understanding to coordinate their efforts to achieve cost-effective use of shared and complementary resources to further mutual goals. As a result of this partnership the CBW approached the TLO and proposed a value for value land exchange that would be focused on collaboration and cooperation to advance the mission and objectives of both organizations through shared land development efforts by exchanging parcels that would be better suited to be owned and/or developed by the other organization. Throughout the summer and fall of 2025, TLO and CBW staff have worked to identify and select suitable parcels that will help both organizations advance their mandates. In the case of the Trust’s parcels, these are parcels that present development challenges and are adjacent to CBW owned land, projects, or infrastructure and would be better suited for ownership by CBW. In the CBW case, this is a high value waterfront parcel that is very suitable for development with constructed legal access and electricity that the TLO can subdivide and use to maximize revenue for Trust beneficiaries. The CBW assembly is highly supportive and has passed the attached resolution (Exhibit B) to show collaborative intent.
- V. Terms and Conditions.** The exchange will be consistent with AS 38.50.010, and thus fair market value for fair market value based on land appraisals, with a de minimis equalization payment of approximately \$29,000.00 from the Trust to the CBW.
- 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 establish or increase collaborative relationships with local governments...to advance the TLO’s mission and land management decisions.
- VII. Alternatives.**
- A. Do nothing or offer sometime in the future.** This alternative would delay receipt of revenues from the future subdivision and land sales and fail to exchange presently non-performing parcels for a high value waterfront parcel that is suitable for development and inclusion in the Trust’s land sale programs. Additionally, retaining the subject parcels may result in further land management and stewardship costs.
- B. Alternate development.** Attempting to develop the parcels through subdivision followed by offering them for sale in the future or disposing of them through a competitive land sale and/or attempting to market and harvest the minimal amount of timber presently located on the parcels are potential alternatives. However, the economic timber that can be safely harvested has already been harvested from the Trust parcels involved. As mentioned earlier, the Trust parcels have steep terrain and difficult topography (including unknown slope stability risk), access challenges, existing trespass and encumbrances, factors that indicate high construction costs. All of these challenges mean there is a strong likelihood that the expense to develop the parcels through a new subdivision or other commercial development would significantly exceed the expected returns.

**VIII. Risk Management Considerations.**

- A. Performance Risks.** Performance risks will be mitigated through a Land Exchange Agreement and standard conveyance documents reviewed by the Department of Law.
- B. Environmental Risks.** There are no known environmental risks associated with the proposed land exchange.
- C. Public Concerns.** Subject to comments resulting from the public notice period, there are no known public concerns. This project has already been publicly discussed at CBW Assembly meetings and no known public opposition or concerns have been raised.

**IX. Due Diligence.**

- A. Site Inspection.** The TLO and its contractors have inspected the parcels multiple times over the last year while in discussions with the CBW.
- B. Valuation.** Throughout the fall of 2025 and January of 2026, the TLO had the fair market value of the parcels appraised by Roger Ramsey, certified general real estate appraiser (AK-APRG570), of Ramsey Appraisal Resource. The appraisals used a sales comparison approach of similar properties within the region that recently sold and determined the fair market value of the parcels to be:

MH Parcel Number	Valuation
CRM-2454	\$ 430,000.00
CRM-2528/2529	\$ 400,000.00
CMR-2400-10	\$ 81,000.00
CRM-2405-05	\$ 535,000.00
CRM-2530	\$ 175,000.00

- C. Terms and Conditions Review.** The Department of Law was consulted. The Trust has the authority to complete a land exchange under AS 38.50.010 pursuant to AS 38.05.801 (which notes that the TLO will manage trust land “under the laws applicable to other state land.”). A land exchange under these statutes will be executed under the authority of the TLO’s Executive Director. Standard contract, agreement, and conveyance documents will be reviewed by the Department of Law.

**X. Authorities.**

- A. Applicable Authority.** AS 37.14.009(a), AS 38.05.801, AS 38.50.010, 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 proposal 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 concurred with this decision to exchange Trust parcels at their February 19, 2026, regularly scheduled meeting, passing the following motion: *“The Alaska Mental Health Trust Authority board of trustees concur with the decision to exchange Trust parcels located in and around Wrangell with the City and Borough of Wrangell in a value for value land exchange of up to \$1,650,000. Parcel(s) received by the Trust will be disposed of through the Trust’s competitive or over the counter land sale programs.”*
- 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.
- 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](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**  
0BDEF9CEFC86A485

Jusdi Warner  
Executive Director  
Alaska Mental Health Trust Land Office

2/23/2026

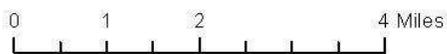
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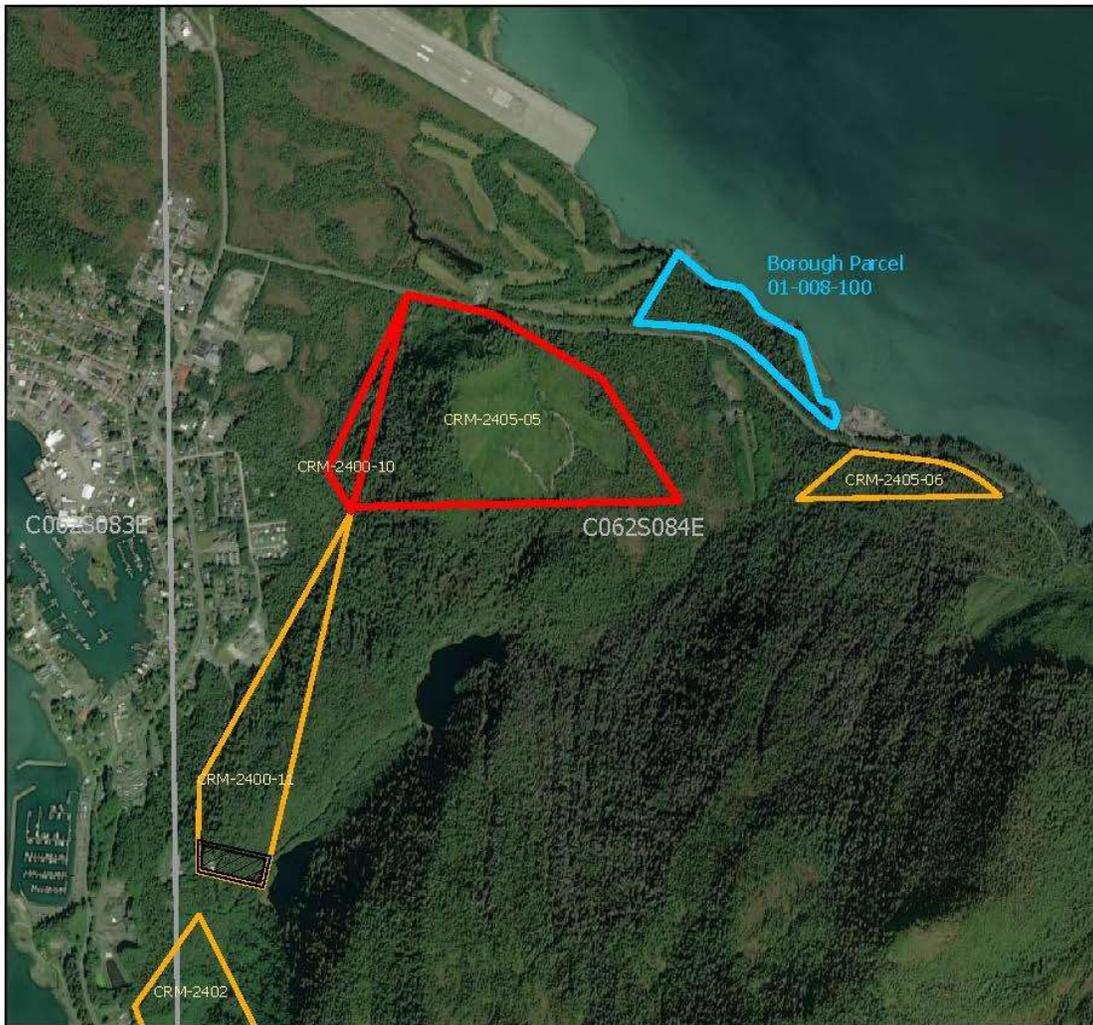
# Exhibit A – Map



## Wrangell Parcels Overview

- |                      |   |                      |
|----------------------|---|----------------------|
| Mental Health Parcel | <b>Potential Land Exchange Parcels:</b> | Borough Parcel       |
| TLO Land Exchange    |   | Mental Health Parcel |
| Land Sale, Conveyed  |   |                      |
| Land Sale, Contract  |   |                      |
| PLSS Township        |   |                      |





### Wrangell Parcels

- |  |  |
|--|--|
|  Mental Health Parcel | <b>Potential Land Exchange Parcels:</b>  |
|  TLO Land Exchange    |  |
|  Land Sale, Conveyed  |  |
|  Land Sale, Contract  |  |
|  PLSS Township        |  |
|  |  Borough Parcel       |
|  |  Mental Health Parcel |





### Wrangell Parcels

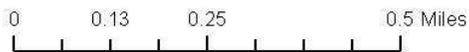
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|--|---|--|
|  Mental Health Parcel | <b>Potential Land Exchange Parcels:</b> |  Borough Parcel       |
|  TLO Land Exchange    |   |  Mental Health Parcel |
|  Land Sale, Conveyed  |   |  |
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### Wrangell Parcels

- |  |                                  |  |
|--|----------------------------------|--|
|  Mental Health Parcel | Potential Land Exchange Parcels: |  Borough Parcel       |
|  TLO Land Exchange    |                                  |  Mental Health Parcel |
|  Land Sale, Conveyed  |                                  |  |
|  Land Sale, Contract  |                                  |  |
|  PLSS Township        |                                  |  |



## Exhibit B – City and Borough of Wrangell Resolution

### CITY AND BOROUGH OF WRANGELL RESOLUTION No. 12-25-2008

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AFFIRMING THE BOROUGH'S COMMITMENT TO PARTNERSHIP WITH THE ALASKA MENTAL HEALTH TRUST LAND OFFICE AND SUPPORTING CONTINUED PROGRESS TOWARD A MUTUALLY BENEFICIAL LAND EXCHANGE

**WHEREAS**, the City and Borough of Wrangell ("the Borough") and the Alaska Mental Health Trust Land Office ("TLO") entered into a Memorandum of Understanding in December 2024 for the purpose of coordinating land management activities, timber resource planning, subdivision development, and economic development opportunities; and

**WHEREAS**, the Borough and TLO have engaged in collaborative evaluation of a prospective land exchange that would support community housing needs, strategic industrial and economic development, and the long-term land management goals of both parties; and

**WHEREAS**, the Borough's Planning & Zoning Commission and Economic Development Board reviewed the proposed exchange in August and September 2025 and unanimously recommended that the Borough continue advancing the exchange process, subject to appropriate conditions including appraisals, rezoning, buffering, on-site utilities, comparable land values and preparation of a formal exchange agreement consistent with WMC 16.12.080; and

**WHEREAS**, the Trust Land Office is completing required appraisal work and preparing its materials for review and approval by its authorizing body, and a formal statement of Borough commitment will serve as meaningful documentation of partnership during this process; and

**WHEREAS**, the Borough recognizes the value of continued collaboration with the TLO to support shared objectives related to land stewardship, housing development, economic diversification, and the long-term prosperity of the community and Trust beneficiaries;

**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA THAT:**

**Section 1.** The Borough affirms its commitment to continued partnership with the Alaska Mental Health Trust Land Office and supports ongoing progress toward a mutually beneficial land exchange.

**Section 2.** This resolution does not authorize or approve a final land exchange agreement. Any proposed exchange will return to the Borough Assembly for review and approval following completion of appraisals, rezoning, and preparation of a formal exchange instrument consistent with Borough code.

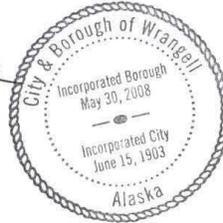
**Section 3.** This resolution shall serve as an official record of the Borough's collaborative intent as the Trust Land Office completes its internal review and approval process.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL,  
ALASKA THIS 16<sup>th</sup> DAY OF DECEMBER 2025.

CITY & BOROUGH OF WRANGELL

*Patricia Gilbert*  
Patricia Gilbert, Borough Mayor

ATTEST: *Kim Lane*  
Kim Lane, MMC, Borough Clerk



**Alaska Mental Health Trust Authority**  
**Trust Land Office**  
**Notice under 11 AAC 99.050 of**  
**Land Exchange – Wrangell, AK**  
**MHT 9101423**

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 land exchange of certain Trust lands to the City and Borough of Wrangell. 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 Wrangell, AK and is more particularly described as:

1. CRM-2454: Lot 2 of Trust Land Survey No. 2018-10, W-2 and W-3 Subdivision, containing 73.05 acres, more or less, according to the survey plat recorded in the Wrangell Recording District on May 26, 2020, as Plat No. 2020-5.
2. CRM-2528 & CRM-2529: Lot 5 of Trust Land Survey No. 2018-11, W-4 Subdivision, containing 20.18 acres, more or less, according to the survey plat recorded in the Wrangell Recording District on May 4, 2020, as Plat No. 2020-4.
3. CRM-2400-10: Tract B of Alaska State Land Survey No. 84-83; containing 8.148 acres, more or less, according to the survey plat filed in the Wrangell Recording District on January 30, 1986 as plat 86-1.
4. CRM-2405-05: Tract C of Alaska State Land Survey No. 84-83; containing 133.166 acres, more or less, according to the survey plat filed in the Wrangell Recording District on January 30, 1986 as plat 86-1.
5. CRM-2530: Lot 6 of US Survey No. 3709; containing 4.730 acres, more or less, according to the survey plat accepted by the United States Department of the Interior, Bureau of Land Management in Washington, D.C. on May 26, 1961.

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, March 27, 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](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**

2/20/2026

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Jusdi Warner

Date

Executive Director

Published Wrangell Sentinel: 2/25/2026