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Overview

The University of Alaska Land Management Office (UALM) manages ~150,000 acres of University of Alaska (UA) land. UALM's mission is to monetize the ~137,000 acres of investment land assets and to prudently manage land dedicated for educational purposes consistent with campus goals and objectives. The land-grant endowment consists of the land-grant endowment trust fund (LGTF), the natural resources fund (NRF), and the land and other resources that were acquired through the original land grants to the university and related legislation or settlements. In addition, an inflation-proofing fund (IPF) was established to preserve the purchasing power of the land-grant endowment subject to actions taken by the board. The natural resources fund represents the earnings of the land-grant endowment that are either dedicated or available for dedication to programs and projects in accordance with this policy.

UALM continues to focus on the policy priorities set out in the 2017-2030 strategic plan, advancing the land grant initiative, modernizing workflows, and evaluating landholdings with a preference for long-term leasing rather than sale. UALM generated >$6.5 million in gross receipts in FY 22, with ~$4 million in expenses, which includes >$2 million in debt service on commercial building assets. This brings cumulative gross receipts to $249 million since 1987.

Real estate was UALM’s strongest asset class, with gross receipts of $2.2 million in land sales, $3.8 million from leases, and $253,445 collected from permits and fees. These values include revenue to the endowment and the IPF, and the major academic units (MAUs). With no active timber sales, natural resource revenue fell to $219,186 from $453,181 in FY 21.

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Revenue Disbursement

Revenue from UALM real property activities is disbursed based on how the land was received and to the MAUs upon request to the Board of Regents (BOR) or the UA President. Revenue from sales and natural resource development on grant lands is deposited into the LGTF. Revenue from investment lands not acquired under original land grants, as well as earnings from the LGTF are invested into the IPF. When land and buildings funded and managed as educational real property for MAUs are leased or sold, the revenue typically goes back to the university. Lastly, donated property is sold for revenue to the Foundation. On average, 68% of the revenue from UALM is invested into the endowment and the IPF each year and 29% goes to the universities. The remaining 3% is revenue earned on Foundation property.

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University Land Grant Initiative

Priorities

The first policy priority set out in UALM’s strategic plan is increasing land and natural resource assets through the land grant initiative. With additional land, the UA will prolong the duration of the land sale program and create new revenue streams to support the LGTF.

Legislation Update

In FY 21, new federal legislation was introduced in the Senate Energy and Natural Resources Committee (SENRC) as S. 1128, the University of Alaska Fiscal Foundation Act (UAFFA). In May 2022, the bill was marked up in the SENRC and passed out of committee by unanimous vote. At the end of FY 22, the next step was for the bill to go before the senate as a standalone bill or as part of a package bill for vote by the full senate. Once out of the senate, the bill will go to the House and then the President for approval before becoming law.

After UAFFA is signed into law, the UA will have two years to secure the Alaska Department of Natural Resources' (DNR) concurrence for ~500,000 acres of state-selected land for potential conveyance to the UA. These ~500,000 acres of lands will then be submitted to the Bureau of Land Management as UA selections from which ~360,000 acres will be conveyed to the UA. In preparation for UAFFA, UALM and DNR are working together to identify strategic state-selected lands that the UA could monetize to support higher education. At the end of FY 22, UALM was refining previously identified lands to forward to DNR in five batches of 100,000 for agency review and concurrence in FY 23.

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University Support

UALM manages the lease and sale of UA real property under the authority delegated by the strategy, planning and budget officer (P05.11.060). This includes leasing, permitting, and sales for the MAUs on lands designated for Educational purposes. Over half of the FY 22 revenue to the MAUs came from lease rents, in contrast to one-time revenue from academic building sales in prior fiscal years. UALM supports University monetization efforts where the MAUs receive money directly; these revenues are not tracked or reported by UALM.

5-year Gross Revenue by MAU

Ongoing Monetization Efforts

UALM initiated and carried forward several large monetization projects in FY 22. These projects include UAF's Matanuska Experimental Farm and Extension Center (MEFEC), the docks and waterfront at the UAS Tech Center in Juneau, the UAF Silver Fox Mine lease listing, the listing of UAF's Fort Yukon building, and UAA's Laurel Street property in Anchorage. The diverse array of projects UALM is supporting for the MAUs will result in new lease revenue streams and one-time high-value sales.
Leases

UALM manages 13 real property leases for UAF, UAS, and UAA. Two projects to highlight include UAF’s Orca building in Seward, AK and the Fairbanks North Star Borough (FNSB) recycling center lease. UALM increased rents received for Orca building leases by $50,000 in two years. In FY 22, UALM negotiated a new lease with the FNSB for $225,546 (gross) annually for three years while the FNSB builds a new facility.

Sales

Only one land sale was completed on behalf of UAF in FY 22, Halibut Cove ($425,000). Principal and interest is also collected for UAF on the OK Lumber Building Sale. The universities began transitioning from prioritizing sales towards long-term leasing preference in FY 22.

Permits

Short-term land use permits (LUPs) are a small source of revenue for the universities. Five permits were managed by UALM in FY 22 for ~$86,300 in receipts.

Research Permits

In FY 22, 87 real property authorizations on non-UA land were completed for research projects conducted by UAA, UAF, and UAS faculty (per BOR Policy 05.11). UALM provides this support at no cost to the faculty to ensure consistency and compliance with state and federal requirements. Projects in FY 22 included a wide array of research activities supporting the cutting edge arctic research conducted by UAF.
Real Estate

UALM’s real estate portfolio consists of remote and urban land sales, commercial and residential leasing, permits and fees, and easements and rights-of-way. The dynamic 10-person team works closely with private and public sectors to collaborate and achieve project goals. In FY 22, UALM generated ~$4.9 million in gross receipts from real estate activities in addition to the $1.4 million that went to the MAUs.

Property Sales

Land Sales generated ~$1.8 million in gross revenue in FY 22. UALM continued to work with The Conservation Fund (TCF) on high-value conservation sales including the sale of two remote parcels, totaling 678.47 acres, located west of Kodiak in Wide Bay, Alaska. These remote parcels are only accessible by water. The UA sold these parcels at the appraised fair-market value of $350,000.

UALM also generated $263,500 from the sale of 147.13 acres in the Caswell Lakes area near Willow, Alaska. The parcels included some Caswell Lakes frontage, various ponds, and some wetland areas. Sale proceeds from the Kodiak and Caswell Lakes parcels went to the LGTF.

FY22 Land Sale Revenue

$1.8M
Leasing

Commercial leasing continues to be the strongest asset class in UALM’s portfolio, generating **$2.97 million** in gross receipts in FY 22. UALM has full operational management of 4 investment buildings in Anchorage (revenue goes to IPF) and 1 building in Seward on behalf of UAF (Orca Building). UALM retained 100% occupancy of UA's principal commercial lease building, 1835 Bragaw through FY 22 and successfully reduced its operational costs for the building.

Towards the end of FY 22, UALM finalized a long-term lease for the full occupancy of 3890 University Lake (ULB) with Orthopedic Physicians of Alaska (OPA). Debt service for the building will be paid off in 2023, making ULB a valuable asset in the UA real estate portfolio.

Permitting

UALM collects permits and fees for temporary cell towers, construction use, and other short-term activities on investment lands. In FY 22, **$124,266** in gross revenue was collected. UALM also collected an additional **$1,500** in right-of-way fees.

Donations

UALM collected **$43,273** in permits and fees on Foundation lands in FY 22. No foundation properties were sold in FY 22. There are several donations in the queue for FY 23 and we are exploring actions to increase sales and leases from the Foundation's land portfolio.
Natural Resources

UALM generates revenue through timber sales, material sales, mining leases/royalties, and oil & gas leases/royalties on UA’s investment landholdings. Overall gross receipts for FY 22 are $219,186, reflecting a decline in revenue from timber sales due to the completion of all active timber sales.

Forestry

Historically, old-growth timber sales in southeast Alaska generated significant income for UALM. As of FY 22, most marketable timber was harvested and the remaining parcels with industry interest for a potential timber sale are in Haines, Alaska. The timber industry experienced a few disruptions that shifted the economic landscape of the southeast region (increased tariffs between US and China and the transition to young growth logging). As a result, UALM paused future timber sales for this fiscal year to re-evaluate all its land holdings for other monetization opportunities.

Mining and Materials

UALM collected revenue from three mining and material agreements in FY 22 totaling ~$160,000. These include the Great NW Peat Pit material site, Healy Coal lease royalties, and a 192-acre active material site in North Pole, AK. The Healy Coal lease is part of a larger unitization agreement with the Mental Health Trust Land Office.

Oil and Gas

The University has three active oil & gas leases in the Kenai area totaling 661 acres. The University was also involved in an appeal for a UA property in Ninilchik, within the Falls Creek Participating Area (“FCPA”). UALM worked with counsel on the FCPA appeal in FY 22 and hopes to reach a settlement agreement with DNR in FY 23.
Meet Team Leadership

**Adrienne Stolpe**
Director

**Laurie Swartz**
Northern Region
Senior Property Manager

**Laura Carmack**
Southcentral Region
Natural Resource Manager

**Tina Thomas**
Southeast Region
Senior Property Manager

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Attachments

1. Educational Designation Report
2. Investment Property by Region
3. Investment Property Summary
4. Historical Gross Receipts
5. Historical Expenditures
6. LGTF Historical Balances

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