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Land Management prudently manages and monetizes the University’s real property to support the University’s educational, research, and public service mission including funding for the UA Scholars Program.

Our Mission

Maximize revenue for real estate sales

GIS and software for improved planning, development & asset management

Invest in the people and tools to enhance operating functions

Strategic Priorities

1. UA Land Grant Initiative

2. Identify and explore new opportunities for natural resource and commercial development

3. Increase lease portfolio and consider leasing before selling real property

4. Maximize revenue for real estate sales

5. GIS and software for improved planning, development & asset management

6. Invest in the people and tools to enhance operating functions
A letter from the DIRECTOR

I am pleased to present the University of Alaska Land Management Office’s Annual Financial Report for fiscal year 2023. This report includes an overview of financial performance, accomplishments, and strategic initiatives.

Throughout the past fiscal year, our dedicated team has prudently managed the university’s real estate assets in alignment with board policy to support the University of Alaska’s mission and long-term real estate and land management objectives. Reflecting on the year’s accomplishments, I am proud to report that we maintained a gross revenue of $6.26 million while making significant progress on major projects that will increase the real estate portfolio and financial stability of the university.

In FY23, we achieved significant milestones and progress on our strategic priorities:

- UA Land Grant Initiative: Federal, state, and university efforts resulted in successful legislation authorizing land grant selections in late 2022 under the Consolidated Appropriations Act 2023.
- Identify and explore new opportunities for natural resource and commercial development: Integrated spatial data to guide land management and land grant decisions, an effort that will continue into FY24 with the implementation of a new land record system.
- Increase lease portfolio: Partnered with the City and Borough of Juneau to execute a win-win lease at the UAS Tech Center in Juneau instead of selling the property outright.
- Investing in the people and tools to enhance operating functions: Expanded the team to hire an additional staff person to lead the work under the land grant initiative and development efforts and brought on student employees.

We would like to express our gratitude to the University of Alaska community and our partners for their ongoing support. It is your unwavering support of our office and commitment to the university’s success that allows us to fulfill our mission in responsible management of our real estate assets.

Adrienne K. Stolpe, Director
Meet Our Team

Laura Carmack
Senior Property Manager, Leasing

Michelle Schmidt
Property Manager, Leasing

Tina Thomas
Senior Property Manager, Acquisitions & Sales

Chelsey Okonek
Property Manager, Sales

Rachell Peterson
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Laurie Swartz
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Dian Siegfried
Property Manager, Permitting

Ki Jung Lee
Senior Property Manager, Development

Patrick Foster
GIS Property Manager, Development

Hannah Postlewaite
Student Employee

Stanley Wu
Student Employee

Adam Pombert
Student Employee

Riley Petty
GIS Student Employee
Executive Summary

Under the oversight of the Chief Strategy, Planning, and Budget Officer, the University of Alaska Land Management Office (UALM) is responsible for the prudent management of the University of Alaska’s real property assets. This report covers the financial performance of the Land Management Office for fiscal year 2023 (July 1, 2022 – June 30, 2023) as required by Board Policy P05.11.041 D.

The ~150,000 acres of real property assets managed by the Land Management Office cover a vast geographic area from Kotzebue to Ketchikan. Management and monetization of these assets includes leasing, easements, land sales, building sales, permitting, forest management and timber sales, material sales, trespass management, and title defense. Additionally, our office oversees the acquisition of land through the university land grants, purchase, and donation.

The university has generated over $255 million in gross revenue from its real property assets since FY87, with an average of $6.9 million annually over the past 5 years. In FY23, the university received $6.26 million in gross receipts. Of the total gross receipts, $1.89 million was deposited into the Land Grant Trust Fund (LGTF) and $3.35 million to the Inflation Proofing Fund (IPF).

The remaining $1 million was distributed to the universities and the UA Foundation (see chart). UALM’s expenditures include operational expenses for property management, internal debt service, and salaries and benefits. Expenses increased by ~$600,000 from $4.25 to $4.84 million in FY23 from inflationary effects on operational costs and an increase in transfers to the renewal and replacement fund due to increased property valuation. Internal debt service includes principal and interest paid out of lease rents that go back to the university. All operational costs are covered by revenue, including real estate support to campuses. The net revenue after operational and capital expenses was $1.42 million.

Howard Pass Weather Research Station

Total Expenditures & Revenue Distribution

*The increase in revenue in FY21 is from a COVID-related lease to UAA.
UALM is tackling several strategic initiatives that will have long-term benefits for the university. The university and its partners helped advance legislation that will bring in 360,000 acres to the university. To prepare for this additional acreage, the UALM is overhauling the land records system and GIS database to streamline and improve tracking and management of real property assets. We selected a new land records platform, Landfolio, in FY23 and expect to have the new system online by the end of FY24.

UALM continues to look for opportunities to create ongoing revenue streams where possible while maintaining a strong sales portfolio. Leasing currently makes up 65 percent of our revenue and sales 25 percent. We began to feel the effects of the changing office space market in Anchorage with increasing vacancy rates in our Bragaw Office Center towards the end of FY23. We are also increasing the university’s portfolio by adding space within UAA’s 1901 Bragaw building.

2022 University of Alaska Land Grant

Starting in the late 1880’s the land grant system was created throughout the country so that working class people could obtain an education. In 1915, federal legislation granted land to the Territory of Alaska. However, through the process of statehood, only a small percentage of the federal grant lands were conveyed to the University of Alaska. Thanks to legislation at the end of 2022, we now have a path forward to receiving our outstanding 360,000 acres.
Revenue Overview

Gross revenue for FY23 was $6.26 million and expenditures totaled $4.84 million. This is a decrease in gross revenue from FY22 of ~$300,000, which is largely attributable to a 16 percent decline in land sales revenue due to economic factors. Revenue came from $1.60 million in land sales, $4.08 million in leases, $278,193 in permits and fees, $190 from timber, ~$60,000 from coal leasing, ~$65,000 from oil and gas royalties and leasing, ~$150,000 from material sales, and ~$24,000 from land sale contract interest. Expenditures include $1.37 million in salaries and benefits and $3.47 million in operating costs, which includes $1.81 million in internal debt service and transfers to renewal and replacement reserves for use on future capital projects.

Revenue is distributed based on how a property was acquired or managed. Universities can request proceeds from the sale or lease of most real property assets with the exception of certain original trust lands. In FY23, ~$943,000 went to the campuses, primarily to UAF through various permits and commercial leases.
Revenue Overview (cont.)

Proceeds that go to the Land Grant Trust Fund (LGF) and Inflation Proofing Fund (IPF) support UA Scholars, a portion of the Land Management budget, and many other important university initiatives. In FY23, the LGTF and IPF balances at fiscal year-end were $176,097,020 and $47,891,808 respectively. The Natural Resources Fund budget for FY23 was $7.04 million, with $3.1 million going to the UA Scholars Program.

Funding Supports UA Scholars

Each year the UA Scholars programs offers a $12,000 scholarship to the top 10% of graduates from qualified Alaska schools.

The UA Scholars Program is one of our proudest funding achievements. This program is a cornerstone of the University’s efforts to keep our youth in state and to educate Alaska’s brightest graduating high school seniors. Students are designated by their own community high school based on academic standing at the end of their junior year.

Luke Rogers (UAF)
Graduated from West Valley HS, Fairbanks.

Luke’s story begins in the wild open spaces of the tundra. Here, as Assistant Biologist on the Wood Bison Restoration Project with the Alaska Department of Fish and Game, he is helping reintroduce these magnificent creatures back into the wild. It’s a project that’s taken place over generations and will benefit many to come.
Asset Class Overview

Commercial & Residential Leasing

UALM’s real estate leasing activity during FY23 encompassed approximately 73 commercial building, residential, and land leases involving the university as landlord and/or tenant, of which 50 leases are for educational purposes and managed by UALM.

UALM oversees leasing for 199,607 square feet (sf) of commercial space within eight buildings with $3.98 million in gross receipts, seven percent over FY22. UALM increased the number and square footage of lease space in FY23 resulting in greater revenue. The Bragaw Office Complex and the University Lake buildings are the highest-grossing commercial properties in the university’s portfolio and also have the highest expenses. The lease revenue from the Bragaw Office Complex (BOC) and University Lake Buildings covers internal debt service to the university of $1.4 million annually. The University Lake property will be paid off this fiscal year and the BOC in 10 years.

UALM manages 3,966 sf of residential apartment leases in Dillingham on behalf of UAF and a waterfront cabin in Valdez. For FY23, UALM generated $25,704 from residential leasing. UALM generated $80,145 in revenue in FY23 from 21 land leases on ~236 acres. These other leases include marine services, cell towers and a broadcast tower in Goose Bay, Alaska.

Sales

UALM closed 32 sales in FY23, with 456 total acres sold. Total sales were $1.5 million. Notable sales included 118 acres adjacent to Creamer’s Field in Fairbanks to the Conservation Fund in the amount of $118,300 and 80 acres near Spinach Creek for $136,000. The Etolin View Subdivision on Prince of Wales Island in Southeast Alaska yielded $0.63 million in sales in FY23 or just over 40% of the annual land sale total.

Overall, sales decreased 16% from the previous fiscal year. This can be attributed to a shift in focus toward leasing versus sale of properties as more emphasis is based on long-term versus short-term gains. We are looking for new ways to generate revenue through our sales program including a Competitive Sale slated for Spring 2024 and more creative marketing efforts to increase sales for parcels that are not likely candidates for leasing.
Permitting

UALM currently manages 39 active permits and agreements. This includes five cell tower or antenna sites, three coffee stands, 24 general land use permits, five parking permits and agreements, and two storage space agreements. Overall, in FY23, permits and agreements generated $278,193 in rental income for UALM, an increase of 10 percent over last year. Year-to-year, improved tracking and management practices provide UALM with a better understanding of the positive impact permits and agreements can have on annual revenue.

UALM is working to standardize and streamline the permitting process, reducing processing times from application to execution. In addition, UALM is setting up a hunting permit program that will authorize hunting on most non-residential UA lands, excluding the campuses or areas with existing leases or permits that would conflict with hunting. We aim to have this completed by summer 2024.

Research Permits

In addition to our permit issuance program from UA lands, UALM secures permits on lands held by external agencies and private parties for university researchers at no additional cost to the universities. UALM coordinated 120 research permits in FY23, up from 87 permits in FY22. These permits support diverse research areas spanning environmental, geological, and space science and contribute to UAF’s effort to achieve R1 research status.
Natural Resources

Natural resource development on university land includes timber sales, firewood permits, material sales, coal leasing, and oil and gas leasing. Overall gross revenue from natural resource development was up by 25 percent to $273,717 largely due to continued royalties from a unitization agreement with Usibelli Coal Mine and material sale revenue.

**Forestry**

In forestry, two active timber sales were underway in FY23, one in Vallenar Bay on Gravina Island and another in Edna Bay on Kosciusko Island near Prince of Wales. The timber harvest in Vallenar has been completed, with an anticipated close-out of the sale set for FY24. Harvest at Edna Bay continued in FY23 and is expected to conclude in FY24, followed by the close-out of that sale. Six firewood permits were issued, generating a total of $190 in revenue, distributed across different locations, including Copper Center, Mat-Su, and other areas. We are looking into alternative revenue sources for our timber assets including small-scale local timber sales, pre-commercial thinning, and carbon credits.

**Mining & Materials**

Material sales in various locations yielded differing royalties and lease rents for FY23. Gross revenue from material sales was $149,132. Coal leasing at Usibelli began generating royalties in FY23 with $59,429 collected.

![Usibelli Coal Mine](image)

**Oil & Gas**

In oil and gas exploration, there are three active leases that generated a total of $64,966 in revenue in FY23.
Acquisitions

2022 Land Grant Initiative

Thanks to the incredible work of Alaska’s Congressional Delegation, and in particular Senator Lisa Murkowski, a federal bill was drafted that provides a mechanism for the U.S. to convey lands from Alaska’s remaining statehood entitlement to the university.

The spending package passed by Congress at the end of 2022 included the University of Alaska Fiscal Foundation Act, which finally created a process for the University of Alaska to receive 360,000 acres of land from the federal government. The UALM has proposed Batch 1 and 2 totaling 198,362.95 acres to the State of Alaska, Department of Natural Resources to begin the State relinquishment process. As of June 30, 2023, no land has been conveyed by the Bureau of Land Management.

Priorities

The UALM acquisition priorities are guided by Board Policy. Our priority is to fulfill the university’s land grant initiative, support campus objectives by considering and acquiring strategic properties, and to bring in real property for the UA Foundation.

Donations

UALM processed two gifts of real property in FY23. There was a donation from Professor Mary A. Seville to benefit the Excellence in Accounting Fund at the University of Alaska Anchorage valued at $5,600. There was also a donation from the Drowley Family to benefit the Sylvia Berg Drowley Nursing Endowment at the University of Alaska Anchorage valued at $95,000.
Forward Looking into FY 2024

Land Management faces challenges and opportunities in FY24 including progressing the Land Grant Initiative and maintaining a strong leasing portfolio while also completing the transition to a new land record database. UALM continues to look for new development programs and opportunities.

What is Next?

We are excited to bring back an annual spring land sale auction in 2024! We will be advertising more details on what land will be available and how to bid. Stay tuned!