

FY 2024



UNIVERSITY  
*of* ALASKA

LAND  
MANAGEMENT

# Annual Report

Prepared By :

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Land Management Team**

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Bragaw Office Commercial Leasing Property



# Our Mission

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.

## 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**

It is my privilege to present the University of Alaska Land Management Office's Annual Report for fiscal year 2024 (FY24). This year, under the strategic oversight of the Chief Strategy, Planning, and Budget Officer, our office continued to manage and enhance the university's extensive real estate portfolio, which spans roughly 150,000 acres across the state. Our work is central to maximizing the value of these assets in support of the university's mission, and this report reflects the financial outcomes of our efforts.

In FY24, the Land Management Office generated \$7.6 million in gross revenue, an increase over the past two fiscal years, and \$1.9 million in net revenue after expenses. The distribution of these proceeds is critical to the university's broader goals, with \$3 million in revenue to the universities and the UA Foundation. Despite facing inflationary pressures and increased operational costs, our office maintained a positive financial performance.

Revenue sources in FY24 were diverse, including \$2.89 million in land sales, \$3.97 million from leasing, and \$291,019 from permits and fees. Notable highlights include a >60% increase in oil and gas royalties, continued success in material sales, and increased royalties from Usibelli. These activities are a testament to our commitment to maximizing the potential of Alaska's natural resources while maintaining sustainable management practices.



We made significant progress on the University's Land Grant Initiative, a crucial step toward securing up to 360,000 acres of land from the federal government. This initiative, made possible by the University of Alaska Fiscal Foundation Act, will strengthen the university's long-term financial foundation.

As we move forward, our office remains focused on fulfilling the university's land grant mission, supporting campus objectives, and exploring new revenue-generating opportunities. Our work not only supports the UA Scholars Program but also contributes to many other key university initiatives that benefit students, staff, and the greater Alaskan community.

I want to thank our dedicated team, university leadership, and all stakeholders who continue to support the Land Management Office in achieving its mission. Together, we will continue to steward and enhance the University of Alaska's land assets for the benefit of future generations.



Adrienne K. Stolpe, Director

# Executive Summary

Under the oversight of the Chief Strategy, Planning, and Budget Officer, the University of Alaska Land Management Office (UALM) manages the University of Alaska's real property assets. This report covers the financial performance of the Land Management Office for fiscal year 2024 (July 1, 2023 – June 30, 2024) as required by Board Policy P05.11.041 D.

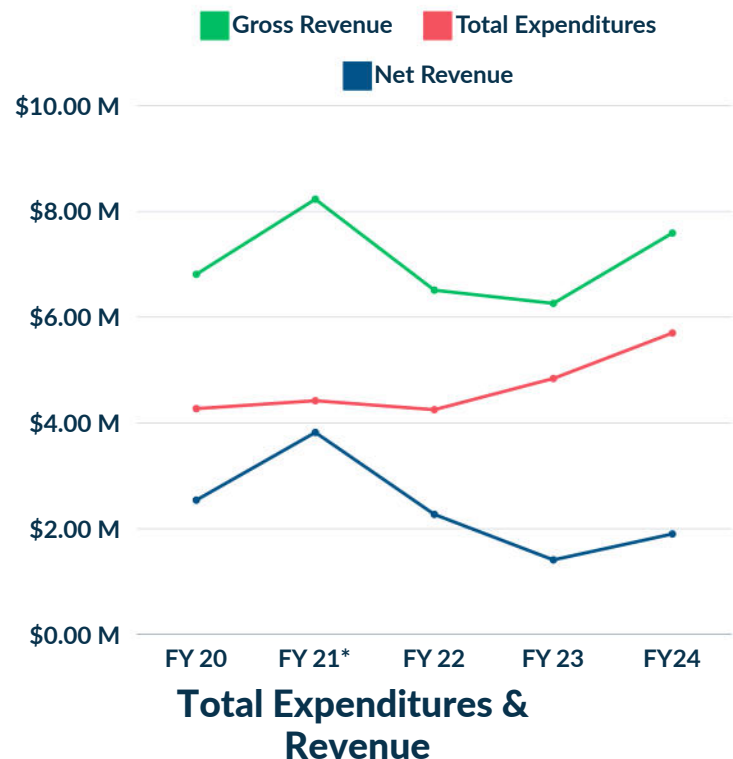
E22K, Arctic Circle, outside of Anaktuvik



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 \$263 million in gross revenue from its real property assets since FY87, with an average of \$7 million annually over the past 5 years. In FY24, the university received \$7.6 million in gross receipts.

Just over \$3 million was distributed to the universities and the UA Foundation in FY24. UALM's expenditures include operational expenses for property management, internal debt service, and salaries and benefits. Expenses increased by ~\$850,000 from \$4.84 to \$5.7 million in FY24 from inflationary effects on operational costs and an increase in transfers to the renewal and replacement fund due to increased property valuation, compensation increases, and bringing our office back to full staffing. 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 \$1.9 million.



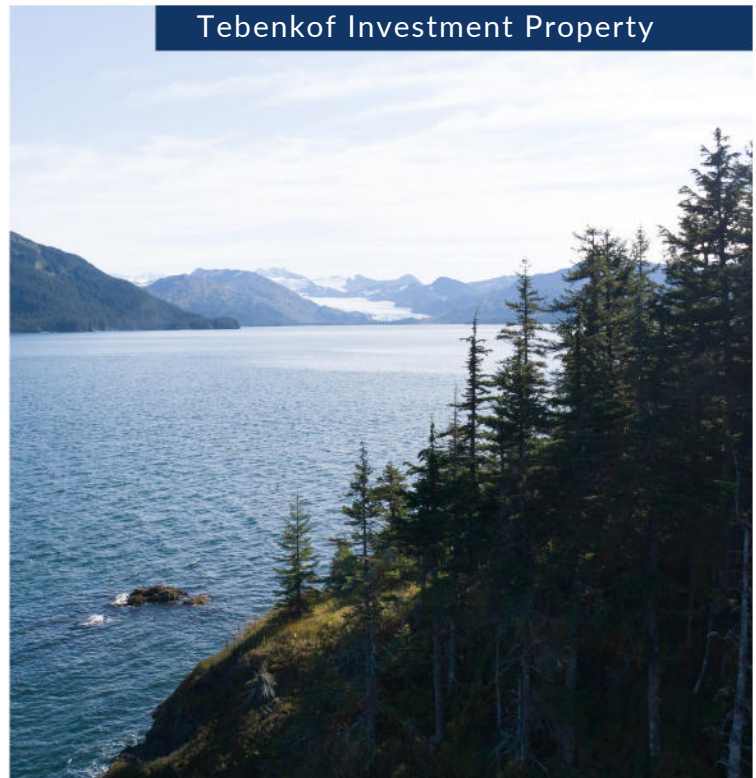
\*The increase in revenue in FY21 is from a COVID-related lease to UAA.



# Executive Summary (cont.)



**Total Expenditures**



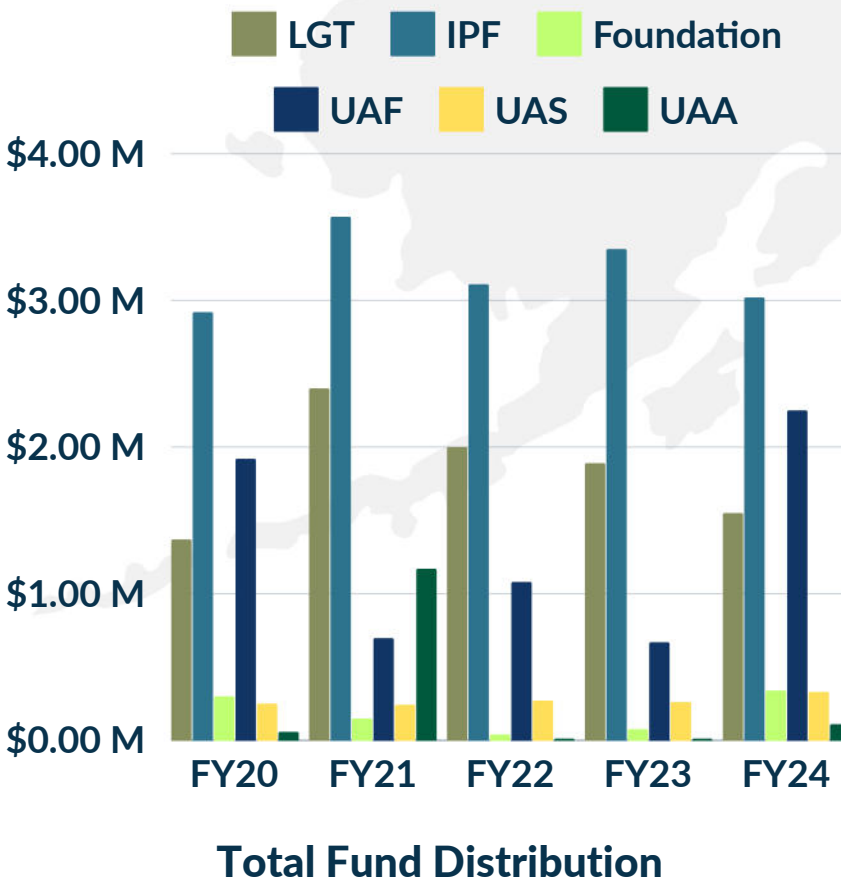
**Tebenkof Investment Property**

## 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 FY24 was \$7.6 million and expenditures totaled \$5.7 million. Revenue came from \$2.89 million in land sales, \$3.97 million in leases, \$291,019 in permits and fees, \$100 from timber, \$58,930 from coal leasing, \$170,511 from oil and gas royalties and leasing, \$198,286 from material sales, and \$15,978 from land sale contract interest. Expenditures include \$1.75 million in salaries and benefits and \$3.95 million in operating costs.



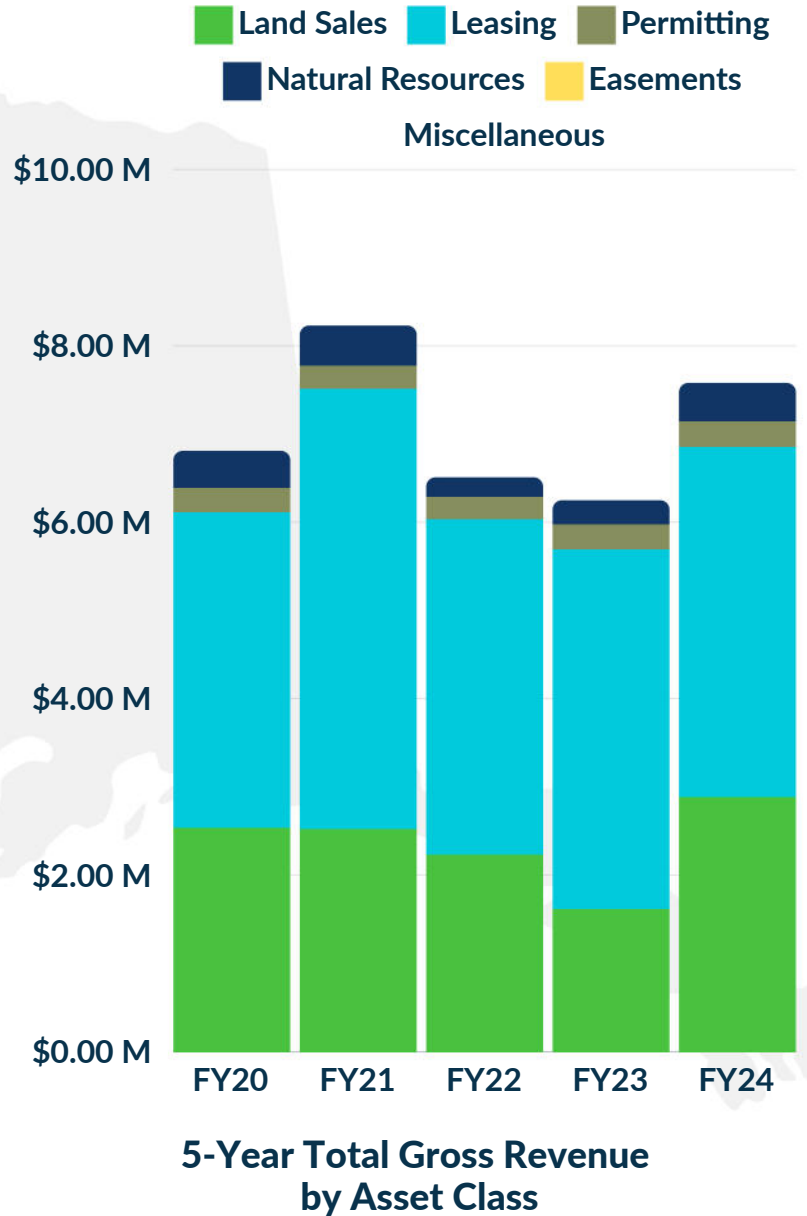
Tebenkof Investment Property

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 FY24, \$2.7 million went to the universities, primarily to UAF through the sale of the Fort Yukon building, various permits, and commercial leases.



# Revenue Overview (cont.)

Proceeds that go to the Land Grant Trust Fund (LGTF) and Inflation Proofing Fund (IPF) support UA Scholars, a portion of the Land Management budget, and many other important university initiatives. In FY24, the LGTF and IPF balances at fiscal year-end were \$183.85 million and \$50.41 million respectively.



## Funding Supports UA Scholars

Each year the UA Scholars programs offers a \$15,000 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.

### Matteo Yoon (UAF)

Graduated from Service High School, Anchorage.

He is currently working towards an AAS in Fire Science and BSEM in Homeland Security and Emergency Management. In this story, we join Matteo, a full-time student and paid firefighter as he navigated finals and flames on the path to his dream career. It's one that will help him repay those in the medical industry who gave so much to him - and keep others in Alaska safe. That is, when he's not being called into action.



# Asset Class Overview

## Commercial & Residential Leasing

During FY24, UALM's real estate leasing activities included approximately 73 commercial, residential, and land leases with the university as landlord and/or tenant. Out of these, 50 leases were dedicated to educational purposes and were directly managed by UALM.

**\$3.97M** *FY 24 Total Lease Revenue*

UALM oversaw the leasing of 313,232 square feet (sf) of commercial space across ten buildings, accruing \$3.97 million in gross receipts, a decrease of 2.8 percent from FY23. The Bragaw Office Complex and the University Lake buildings stand as the most lucrative commercial properties in the university's portfolio; however, these have the highest operational costs. The revenues from these properties are allocated for the university's internal debt service, amounting to \$1.4 million annually. The University Lake property's debt service will be cleared within this fiscal year, while the Bragaw Office Complex (BOC) is projected to be paid off in the next decade.

For residential leasing, UALM managed 3,966 sf of apartment leases in Dillingham for UAF, along with a waterfront cabin in Valdez, generating \$48,365 in FY24. Additionally, UALM's administration of 21 land leases covering approximately 194 acres resulted in \$176,592 in revenue for the same period. These other leases include marine services, a cell tower and a broadcast tower in Goose Bay, Alaska.

## Little Chena River Investment Property



**\$2.9M** *FY 24 Total Land Sale Revenue*

## Sales

UALM closed 34 sales in FY24, with 589 total acres sold. Total sales were \$2.9 million. Significant sales included the Yukon Flats Rural Education Center (Fort Yukon Building) to the Council of Athabascan Tribal Governments for \$1.5 million and two parcels at Ugashik Lake to the Conservation Fund at \$297,000. The Etolin View Subdivision on Prince of Wales Island in Southeast Alaska continued its strong performance generating \$165,612 in revenue in FY24. Subdivisions also performing well were Peregrine Heights in Fairbanks at \$101,485 and North River Bend Estates near North Pole at \$81,000.

## Permitting

UALM currently manages 98 active permits and agreements, of which the university is the permittee or permitter. Fifty-nine (59) of the permits and agreements are for educational purposes and managed by UALM. This includes five cell towers or antenna sites, three coffee stands, 62 general land use permits, six parking permits and agreements, 20 water right appropriations, and two storage space agreements. Overall, in FY24, permits and agreements generated \$291,020 in rental income for UALM, a 4.6% increase 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.

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 university. UALM coordinated 100 research permits in FY24, a decrease from 120 in FY23. These permits support diverse research areas spanning environmental, geological, and space science and contribute to UAF's effort to achieve R1 research status.

**\$291,020**  
**FY 24 Total Permit Revenue**



Tanana River Test Site- Permits include Fish Habitat, USACE, DNR, and two Land Use Permits with the Nenana Native Council

UALM is working to standardize and streamline the permitting process, reducing processing times from application to execution. In addition, UALM is preparing a hunting permit program that will authorize hunting on most non-residential UA lands excluding, educational properties, active land sale listings, subdivisions, and areas with existing agreements that would conflict with hunting. UALM is also working to create a commercial big game hunting permitting program.

## Research Permits

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BAE (Barry Arm East), Barry Arm Fjord



**100**

**FY 24 Total  
Research  
Permits  
Issued**

## 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 56% to \$427,827.

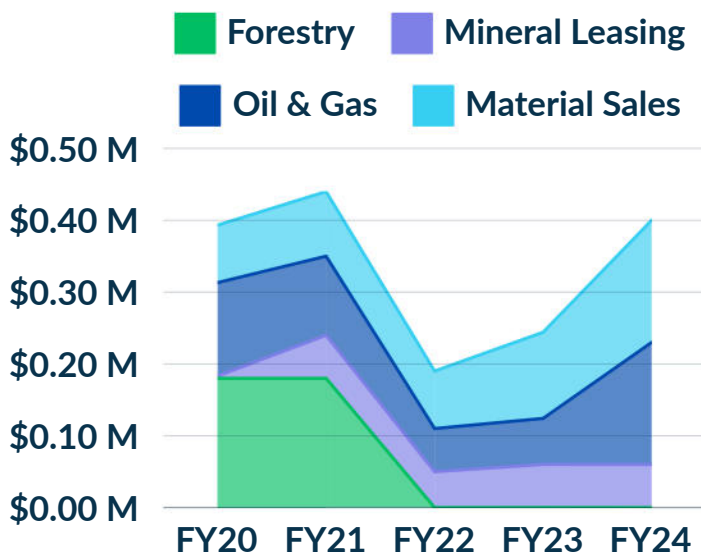
### Forestry

In FY24, one active timber sale was underway in Vallenar Bay on Gravina Island. The timber harvest in Vallenar will be completed in FY25. Harvest at Edna Bay on Kosciusko Island near Prince of Wales was completed in FY24, and that sale was closed out, although one road remains open and is being utilized by the State of Alaska for an adjacent timber sale. Firewood permits generated a total of \$100 in revenue, distributed across different locations, including Copper Center, Mat-Su, and other areas. We are increasing our firewood permit costs in FY25 and are increasing the areas available for harvest to support different communities throughout the state. 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 FY24. Gross revenue from material sales was \$198,286, an increase of 33% from FY23. Coal leasing at Usibelli began generating royalties in FY24 with \$58,930 collected.

**\$427,827** FY24 Total  
Natural  
Resource  
Revenue



**5-Year Gross Revenue in  
Natural Resources**



Usibelli Coal Mine

### Oil & Gas

In oil and gas exploration, there were three active leases for a total of \$170,511.



# Acquisitions



Prince of Wales

## 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 selections totaling ~380,535 acres to the State of Alaska, Department of Natural Resources (DNR) to begin the State relinquishment process. The State of Alaska (DNR) has public noticed ~125,289 acres. A total of ~96,406 acres have been submitted to the Department of the Interior, U.S. Bureau of Land Management. As of June 30, 2024, no land has been conveyed by the U. S. 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, generate revenue, support campus objectives by considering and acquiring strategic properties, and bring in real property for the UA Foundation.

## Donations

UALM processed two gifts of real property in FY24. There was a donation from Annette Bork to benefit the University of Alaska Fairbanks General Support Fund through the University of Alaska Foundation valued at \$5,000. There was also a donation from John and Tina DeLapp to benefit the Alaska Endowment for Excellence at the University of Alaska Anchorage through the University of Alaska Foundation valued at \$35,000.

DeLapp Donation Property



# Forward Looking into FY 2025



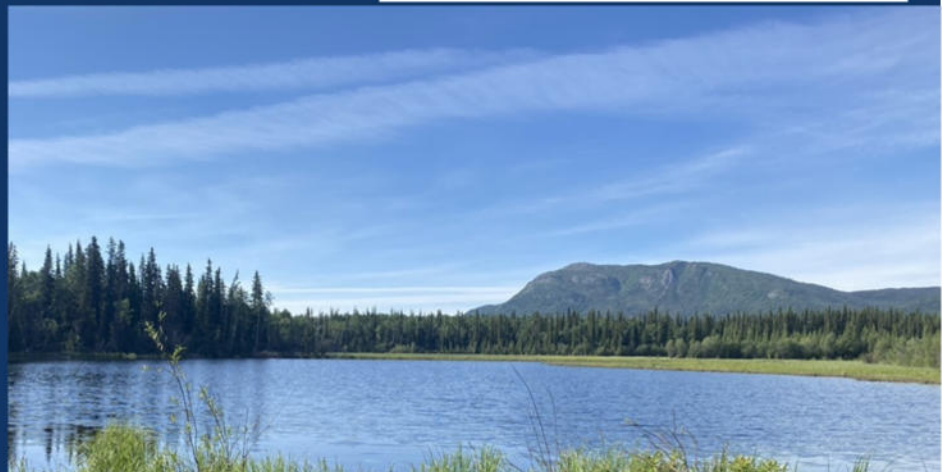
Research Field Work

Land Management faces challenges and opportunities in FY25 and continues to look for new development programs.

## Copper Center Region

### What is Next?

We are excited to continue offering new land in competitive sales in FY25! We will be advertising more details on what land will be available and how to bid. Stay tuned!



# Contact Us



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## Fairbanks



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## Attachments

1. FY24 Summary of Educational Property
2. Regional Summary of Investment Property Fee Simple & Surface Rights
3. Regional Summary of Investment Property
4. Annual Expenditures - Past 5 Yrs
5. Gross Receipts & Trust Fund Summary - Past 5 Yrs
6. LGTF Historical Balances Summary FY89 - FY24



L20K near Farewell airstrip on the Northwest flank of the Alaska Range