



MEMORANDUM
Department of Natural Resources

STATE OF ALASKA
Division of Agriculture

TO: Board of Agriculture and Conservation

DATE: February 26, 2013

THROUGH: Franci Havemeister, Director

FROM: Amanda Swanson, Loan Officer

SUBJECT: ARLF Asset Report
February 2013

Kenai Spur Road Property ARLF Disposal 2010-01

The property is still currently available for purchase in an OTC offering. The 2012 Kenai Peninsula Borough assessed value was \$32,600.00. The property is currently listed for \$14,000.00.

Palmer Feed Mill Property ARLF Sale #09-01:

On January 8, 2013 I received an email update from John Carnahan, the attorney for the City of Palmer. EPA is still discussing the possibility of holding systematic planning sessions with Palmer and other stakeholders to evaluate the overall goals and objectives of the City of Palmer in purchasing, cleaning up, and revitalizing the Mat Maid block. As it stands, there are numerous questions regarding pre-existing conditions and cleanup requirements that limit the City's capacity to take on the project due to unforeseen liability and costs. They hope to hold a meeting with the stakeholders to discuss the known and unknown issues and identify possible solutions to keep the project moving forward. If the meeting is held then DNR will be invited to participate as a stakeholder.

Mat -Maid Memorabilia

At the October 17, 2012 BAC meeting, the board approved the disposal of the Seiko Men's Gold watch through a private sale (11 AAC 39.720 (k)). A private sale was not successful so the watch is now available again through an Over the Counter offering.

Valley Dairy Loan Recovery and Disposal

The contract for the auctioneer has been awarded to Denali Auction Company, LLC as of February 12, 2013. A lease agreement has been signed with Scott Johannes and Criterion Properties, the property owner of the building. Alcan Electric, who holds a contract with the state, has already disconnected the electrical to the equipment and tanks and removed what wire they are able to at this point. Steppers Construction, Inc. was awarded the bid for a general contractor and they have already begun disassembling equipment. Steppers Construction also subcontracted R & R Refrigeration to remove the Freon from the front cooler and raw milk tank. R & R Refrigeration will have to return after the auction to remove the Freon from the inside walk in cooler which is currently storing part of the cheese inventory. Cherie Lowry from Department of Environmental Conservation (DEC) completed an inspection of the cheese inventory on January 23, 2013 and made a determination. On February 22, 2013 she will complete a detailed inventory on part of the cheese that is currently being stored in an outside refrigerated trailer. Missing collateral has been found and recovered and impounded collateral is in the process of being delivered. The expected auction date is now March 16, 2013; advertising for the auction is expected to begin February 22, 2013.