

A. ESTABLISHMENT OF QUORUM AND ROLL CALL

The regular teleconference meeting of the Board of Agriculture & Conservation (BAC) was held May 27, 2016 at the Division of Agriculture conference room, 1800 Glenn Highway, St.12, Palmer, Alaska. Chair Ben VanderWeele called the meeting to order at 8:00 a.m.

Board members present and establishing a quorum were:

Mr. Ben VanderWeele, Chair
Mr. John Schirack, Vice Chair (telephone)
Mr. Chris Flickinger, Board member (telephone)
Ms. Deidre Berberich, Board member
Mr. Troy Shelden, Board member
Ms. Roxy Marcy, Board member (telephone)
Mr. Jason Smith, Board member (telephone)

Staff in attendance was:

Mr. Arthur J. Keyes IV, Director
Ms. Lora Haralson, Administrative Officer I
Mr. Robert McFarlane, AAG, Dept. of Law (telephone)
Ms. Amanda Swanson, ARLF Loan Officer

Public in attendance were:

(There were no members of the public in attendance).

B. APPROVAL OF AGENDA

MOTION Board member Smith moved to approve the agenda.

SECOND: Board member Berberich seconded the motion.

No objections were received.

The agenda was approved

C. PUBLIC COMMENTS/SESSION

(There were no members of the public present).

E. CONFLICT OF INTEREST DISCLOSURES

Chair VanderWeele stated now is the time for conflict disclosures. You have the agenda outlining pending business and we will be going into executive session later to address loan requests. Does any member have a conflict to disclose relating to any business before the board?

F. REPORTS/CORRESPONDENCE

AAG McFarlane:

1. Public Session Report

The public session report was presented.

Disposal of Matanuska Maid Property: An offer for the purchase of the Matanuska Maid property in Palmer was made by Matanuska Brewing Company, LLC at the last meeting. The offer/purchase agreement could not be accepted due to the inclusion of certain terms that were beyond the legal authority of the board to accept. The board requested me to discuss the problem provisions with the buyer's attorney and to try and obtain an offer without the offending provisions. As a result of those discussions, changes have been made to the offer removing the offending provisions. The offer now on the table is for \$825,000 instead of \$800,000. Other changes to the offer have been made and those changes will require the board's review and approval. If the board accepts the revised offer it will need to make a best interest finding and give public notice of the proposed sale for comment. Once those formalities have been completed the board chair can sign the agreement. A copy of the offer/agreement and a draft best interest finding will be provided to board members prior to the meeting.

Board member Shelden moved to go into Executive Session.
Board member Berberich seconded the motion.

G. EXECUTIVE SESSION

The Executive Session for the AAG Report included Chair Ben VanderWeele, Vice Chair John Schirack (telephone), Board member Chris Flickinger (telephone), Board member Deidre Berberich, Board member Troy Shelden, Board member Roxy Marcy (telephone), Board member Jason Smith (telephone), AAG Robert McFarlane (telephone), Director Arthur J. Keyes IV, ARLF Loan Officer Amanda Swanson and Administrative Officer Lora Haralson.

PUBLIC SESSION

Matanuska Brewing Company, LLC

MOTION: Board member Berberich moved based on the best interest finding to accept the offer made on the Palmer property

SECOND: Board member Marcy seconded the motion.

ROLL CALL

VOTE: The motion passed with six yes votes. Board member Berberich voted yes, Vice Chair Schirack voted yes (telephone), Board member Marcy voted yes (telephone), Board member Smith voted yes (telephone). Board member Shelden voted yes and Board member Flickinger voted yes (telephone).

Best interest finding

[11 AAC 39.710 and 11 AAC 39.720]

The Board of Agriculture and Conservation (“BAC”) has considered the most recent offer of Matanuska Brewing Company, LLC to purchase the Matanuska Maid property in Palmer, Alaska for the sum of \$825,000. The board believes that the offer is reasonable and in the best interest of the state for the following reasons:

1. This property has been an asset of the ALRF since 1985;
2. The property has been advertised for sale since 2009 with only one offer and that offer fell through due to lack of funding;
3. Environmental concerns with the property have greatly hampered the ability of the board to find a buyer for the property. Until those environmental concerns have been remedied it is unlikely the BAC will receive any other serious bids for the property;
4. The sale amount is well within the range of values that the BAC places on the property and is significantly higher than the borough assessed value of \$405,700;
5. This particular buyer appears to be highly motivated and financially able to close this sale with or without ARLF financing. Failure to accept this offer could result in the ARLF holding the property for several more years until a qualified buyer could be found; and
6. The ALRF currently pays property taxes to the city of Palmer. It also incurs expenses in connection with maintenance of the property. A sale of the property will eliminate those expenses and free up additional capital for making agricultural loans;

For these reasons, the BAC finds that acceptance of the offer is in the best interest of the state.

G. NEW/OLD BUSINESS:

(There was no new/old business discussed).

H. BOARD MEMBER COMMENTS:

(The board members had no comments).

I. SET NEXT MEETING & AGENDA ITEMS:

The next meeting will be held on June 2, 2016 at 1:00 p.m.

J. ADJOURNMENT:

The meeting was adjourned at 8:10 a.m.

DRAFT