

**Agricultural Revolving Loan Fund Land and Assets  
Disposal**

**FY2002 Request: \$100,000  
Reference No: 34109**

**AP/AL:** Appropriation  
**Category:** Development  
**Location:** Statewide  
**Election District:** Statewide  
**Estimated Project Dates:** 07/01/2001 - 06/30/2003

**Project Type:** Renewal and Replacement  
**Contact:** Robert Wells  
**Contact Phone:** (907)745-7200

**Brief Summary and Statement of Need:**

This funding will provide for disposal of ARLF assets in Interior and Southcentral Alaska.

**Funding:**

|               | FY2002           | FY2003     | FY2004     | FY2005     | FY2006     | FY2007     | Total            |
|---------------|------------------|------------|------------|------------|------------|------------|------------------|
| Agric Loan    | \$100,000        |            |            |            |            |            | \$100,000        |
| <b>Total:</b> | <b>\$100,000</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$100,000</b> |

- |   |   |  |   |
|---|---|--|---|
| <input type="checkbox"/> State Match Required | <input type="checkbox"/> One-Time Project | <input checked="" type="checkbox"/> Phased Project | <input type="checkbox"/> On-Going Project   |
| 0% = Minimum State Match % Required           |   | <input type="checkbox"/> Amendment                 | <input type="checkbox"/> Mental Health Bill |

**Operating & Maintenance Costs:**

|                                  | <u>Amount</u> | <u>Staff</u> |
|----------------------------------|---------------|--------------|
| Total Operating Impact:          | 0             | 0            |
| One-Time Startup Costs:          | 0             |              |
| Additional Estimated Annual O&M: | 0             | 0            |

**Prior Funding History / Additional Information:**

In early November 2000, the ARLF sold five parcels in the Delta and Fairbanks area for \$461,124 in a sealed bid sale. On November 29, 2000, three of four parcels offered at Pt. MacKenzie were sold for \$1,465,000 in an outcry auction.

Prior Year appropriations:  
SLA00/CH135 - \$125,000  
SLA99/CH2 - \$125,000  
SLA98/CH139 - \$250,000

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The Division of Agriculture has had an ongoing land sale program. This needs to continue if Alaska's agricultural sector is to reach its full potential. Sales include the resale of lands that have been returned to the state. It is vitally important to resell previously sold lands quickly as regrowth quickly escalates the costs of reclearing. This sale activity should continue in FY02. Six parcels remain at Point MacKenzie and four will be disposed of by the first quarter of FY02. This project would complete the disposal of the current inventory of repossessed property.

**Specific Spending Detail:**

Contractual services costs associated with asset disposal. \$100,000.

**Project Benefits:**

Allows the agricultural sector to reach a critical mass. Each farm sold and developed generates two direct jobs. Additional indirect jobs are created in those businesses that service the agricultural sector.

**Projected Revenue to the State:**

Each sale generates on average \$500,000 to the state.

**Project Support:**

Directly supported by farmers, farm organizations and development groups. The general public is supportive of Alaskan farming.

**Project Opposition:**

We are not aware of any opposition.

**Does this project leverage other funding for the state?**

Allows buyers to access federal funds from the USDA for additional farm development.

**Alternative Approaches/Financing Considered:**

100% General Funding of asset disposal.

**Annual Operating and Maintenance Costs:**

Ongoing maintenance costs of ARLF assets will be reduced as long as sales continue.