

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

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

AP/AL: Appropriation **Project Type:** Renewal and Replacement
Category: Development
Location: Statewide **Contact:** Robert Wells
House District: Statewide (HD 1-40) **Contact Phone:** (907)745-7200
Estimated Project Dates: 07/01/2001 - 06/30/2003

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
Total:	\$100,000	\$0	\$0	\$0	\$0	\$0	\$100,000

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

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Additional Information / Prior Funding History:

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

Project Description/Justification:

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.

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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:

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