

Mt. McKinley Meat and Sausage Transition Plan 2006

I. Current Status and Goal

The BAC approved disposal of the MMM&S facility without any requirement for continued slaughter, processing and/or meat sales. In response to comments given directly to the Commissioner and Legislators, the Division has been asked to draft a transition plan for review and consideration by the BAC that will give the industry time and support to transition MMM&S into a private meat plant.

II. Business Plan and Creation of an Industry Cooperative

The Division will work with the Department of Commerce to make resources available to assist entities or persons interested in pursuing the project. The Department of Commerce will work with interested entities or persons to facilitate the creation of a viable business plan to take over operations of MMM&S and if requested assist with CO-OP creation.

III. Proposed Disposal Process

- a. The Division proposes a competitive proposal pursuant to 11 AAC 39.720(b). Under the criteria set forth in 11 AAC 39.710 the Division recommends the minimum price of ten dollars (\$10) for the real and personal property in exchange for requiring the RFP terms and conditions stated below.
- b. The proposal would use an competitive RFP process that will ensure that at a minimum:
 1. there is financial return to the ARLF for the facility;
 2. the successful offeror has the necessary experience, financial ability and viable business plan to purchase, slaughter, process and market livestock; the successful offeror maintain or increase the current level of service provided to the industry; and
 3. in the event that the successful offeror discontinues operations as required by the RFP; the property and fixtures will revert to the ARLF for disposal. Assets gained in any such sale will remain in the ARLF and would be available for agricultural loans.

IV. Transition Benchmarks

February 2006

- BAC consideration and approval of transition plan

March thru May 2006

Ongoing implementation of the transition plan to include:

- Public Hearing Required by 11 AAC 39.700 and comment period

- Development of RFP
- Public Notice of RFP
- Commerce to develop a business plan template for use in RFP
- Commerce to work with potential offerors to formulate business plan(s) for MMM&S operation if requested
- Commerce to assist in creation of CO-OP if requested
- Proposals Submitted

June 2006

- RFP Proposal Evaluation and Award

July thru December 2006

- Enter into Contract with Successful Offeror
- Develop Memorandum of Agreements with Division/Corrections/Successful Offeror for:
 - Inmate labor and meat purchases
 - Division assistance (management, administration, etc.)

December 31, 2006

Ongoing implementation of the transition plan to include:

- Transfer of Asset

June 30, 2007

Ongoing implementation of the transition plan to include:

- Successful Offeror fully operating MMM&S

June 30, 2008

- ARLF incentive award to Successful Offeror of up to \$150,000
 - Actual amount of award determined by Division based on compliance with RFP requirements

June 30, 2009

- ARLF incentive award to Successful Offeror of up to \$75,000
 - Actual amount of award determined by Division based on compliance with RFP requirements

June 30, 2010

- ARLF incentive award to Successful Offeror of up to \$37,000
 - Actual amount of award determined by Division based on compliance with RFP requirements