

# DMTC Acquisition

## UA Mining and Petroleum Training Services

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The University of Alaska was founded on a rich history of responding to the mining industry in academics, research and workforce development. UA, through the Mining and Petroleum Training Services (MAPTS) supports that strong tradition of working closely with the major producers and small operators in the mining industry through technical, health and safety training throughout Alaska. UA/MAPTS is considering acquiring the Delta Mine Training Center's assets (DMTC) as an opportunity to continue that rich tradition.

The acquisition of the DMTC assets located south of Delta Junction, Alaska will position MAPTS to provide both underground and surface mine training at a single site, or in conjunction and in partnership with other education or training institutions, through the most comprehensive program available anywhere in the world. Recent upgrades to the federally required Mine Safety and Health Administration training programs, collaborative partnerships with colleges from the Yukon Territory and British Columbia referred to as WEST Mines, and strengthening relationships with the Alaska Miners Association, Council of Alaskan Producers, and Alaskan-based mining companies support the further development of UA's capabilities to provide mine training for Alaska.

MAPTS has developed a global reputation for providing high quality and industry-standards meeting curriculum to students preparing for employment in the United States, Canada, Russia and Central America.

#### ACQUISTION STRATEGIES

MAPTS is coordinating due diligence activities that will facilitate the final decision on adding DMTC to the University of Alaska as a permanent asset or continuing under contractual leasing of their facilities. UA Statewide units involved to provide expert analysis and recommendations from their respective areas include: general counsel, finance, risk management, facilities and land management, academic affairs and MAPTS. Each unit has identified critical and other important information, research and data that should be assessed and evaluated to provide for a comprehensive understanding of the opportunities and challenges that this acquisition will bring to UA. A written report drafted and distributed to executive leadership prior to an anticipated final decision in early December.

The estimated cost of the acquisition of the DMTC assets is \$1.4M. Funding for the completing the transaction would be from MAPTS current carry-forward resources, revenue generated by training programs, and an internal loan paid back in three years after the asset transaction. Financial projections currently do not anticipate the need for additional state general fund dollars to support programs due to the acquisition of DMTC.

Some other identified items to be evaluated include:

- Environmental - permits, risks and impact studies
- Financial - valuations of equipment, buildings and business plan
- Facilities and Land - transfer of titles and leases
- Legal -