




**MUNICIPALITY OF ANCHORAGE**  
**MAYOR DAVE BRONSON**

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**OFFICE OF THE MUNICIPAL MANAGER**

**M E M O R A N D U M**

Date: February 24, 2023  
To: Assembly Members  
From: Kent Kohlhase, P.E., Acting Municipal Manager 

Subject: Claim of Roger Hickel Contracting, Inc. re: Navigation Center Construction

As we all anticipated, Roger Hickel Contracting, Inc. has made a claim against the Municipality asserting an entitlement to payment for work it performed in construction of the Navigation Center prior to the time the project was terminated. The cost basis of that claim was carefully reviewed by The Boutet Company on behalf of the Administration, and largely found to consist of valid charges. Through discussions with the claimant, a compromise has been reached in which the claimant will forego those charges that were not substantiated by Boutet, and we believe that it is in the best interest of the Municipality to settle the claim at this time and avoid the expense of litigation. Accordingly, I am writing to provide you advance notice that the Administration intends to settle that claim with finality, and that we intend to do so on March 24, 2023 by paying \$2,455,351.93 to Roger Hickel Contracting, Inc.

On May 10, 2022, the Assembly passed AR 2022-111 (S) as amended. That resolution appropriated \$4,900,000 "to be used for construction of an adult shelter and/or navigation center". This existing appropriation is more than sufficient to satisfy the claim at hand. Since the claim is for construction work falling squarely within the appropriation's designation that it be used to pay for "construction of an adult shelter and/or navigation center", it is the Administration's intent to fund the settlement with this appropriation.

We are aware that the appropriation was conditional upon the Administration making "a firm written commitment to make a good faith effort" to operate the former Golden Lion Hotel "as a substance misuse treatment center". The Mayor satisfied that condition on June 1, 2022, when he issued a statement acknowledging that direction was given to "the facilitation group guiding the mass care exit to recommend the best option to providing substance misuse treatment centers" and promising to consider the former Golden Lion Hotel for this purpose.

At your request, I will provide you with a copy of both Roger Hickel Contracting's documentation in support of its claim and the documentation provided by The Boutet Company.