



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 418-2023

Meeting Date: May 23, 2023

From: Assembly Members Sulte and Cross

Subject: A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE APPROPRIATING NOT TO EXCEED SEVEN MILLION DOLLARS (\$7,000,000) OF AREAWIDE GENERAL FUND (101000) FUND BALANCE TO THE AREAWIDE GENERAL CAPITAL IMPROVEMENT PROJECTS (CIP) FUND (401800), MAINTENANCE & OPERATIONS DEPARTMENT, TO BE USED FOR CONSTRUCTION OF A NAVIGATION CENTER AND EMERGENCY SHELTER AT TUDOR AND ELMORE (SITE 27).

This Resolution is submitted to complete construction of the Navigation Center and Emergency Shelter at Tudor and Elmore (Site 27), located directly adjacent and east of the old Anchorage Police Department (APD) Headquarters building on the south side of Tudor Road, currently with foundation for said Sprung Structure. The total appropriation for design, procurement, and construction of a Navigation Center and Emergency Shelter is \$7,000,000 and will allow for a development of the project envisioned by the Assembly and administration in a reduced size and scale.

We strongly agree that Navigation Centers are a key resource to guide those experiencing homelessness to resources to enable them to obtain housing. In conversation with Catholic Social Services, it was stated that multiple Navigation Centers are needed dispersed throughout the Municipality. This also matches the direction that the Municipalities homelessness response would meet with better success by enacting smaller disbursed shelters.

Based on prior work by the Assembly, Anchorage Coalition to End Homelessness, Assembly Homeless Task Force and other working groups we believe that the Tudor and Elmore site has been identified as one of the best available sites for a purpose-built Navigation Center and future Emergency Cold Weather Shelter. Our hope is that if the Assembly takes immediate action on this AR we will be able to avoid the use of the Sullivan Arena and associated impacts on the Fairview Community in the fall of 2023.

While the Emergency Cold Weather Shelter will be limited in capacity it allows the full needs of the Municipality to be better met in combination with other low-capacity shelters dispersed throughout the municipality in accordance with the direction of shelter size and dispersion.

If action is not taken immediately the Municipality will face the 2023/2024 winter season unprepared and with no plan again impacting communities unfairly and

subjecting the homeless to further trauma.

PROJECT TOTAL COST, ESTIMATE TO COMPLETE AND FUNDING:

Project Total Cost Estimate: \$15,000,000

Ship structure from L48 to AK = \$200k

MOA funding needed to complete = \$15.2m

Funding:

Outside funding received for shelter structure = \$2m

Prior appropriations per AR 2022-111(S), As Amended

CIP funds = \$4.9m

ATAX funds = \$1.3m

Total current appropriation and funding = \$8.2m

Balance needed to complete = \$15.2m - \$8.2m = \$7m

TOTAL ADDITIONAL FUNDING REQUIRED = \$7m

Assumptions:

- Assumes resume construction at Tudor/Elmore location.
- Assumes the foundation and other work completed last summer remains usable. We believe that is the case but has not been verified.
- Assumes that the \$4.9m reappropriated by AR 2023-101 is available.
- Assumes that the \$1.3m ATAX funding appropriated by AR 2022-111(S) is available.

Note: The prior appropriations of \$4.9m and \$1.3m may not be fully available, because some funds were spent on design contract and on initial RHC scope of work. However, that work and cost is included in the total project cost. Therefore, if some of the prior appropriation has been spent on project work, the available prior appropriation amount would be reduced, but that would be offset by the reduced cost of remaining work to complete.

Again, to summarize:

- Balance to finish project, less cost of previous work = \$13.2m
- Presumed available funding from prior appropriations is available = \$6.2m.
- Additional appropriation needed = \$7.0m.

The potentially identified fund source is the excess balance from the 2022 General Operating (101000) Fund Balance. It is estimated that with the closing of the 2022 accounts and no pending audit findings that approximately \$10.2m in funds would become available. Earliest expectation for these funds to become available is approximately June.

The budget detail is recommended as follows:

REVENUE

Account Number	Account Name	Amount
101000-305070	Fund Balance	\$7,000,000

EXPENDITURES

Account Number	Account Name	Amount
401800-221000-PF22001-570155	Building > \$99,999	\$7,000,000

We request your support for the resolution.

Reviewed by: Assembly Counsel's Office

Respectfully submitted: Kevin Cross, Assembly Member
District 2 - Eagle River, Chugiak and Eklutna

Randy Sulte, Assembly Member
District 6 – South Anchorage, Girdwood & Turnagain
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