

Alaska State Legislature Senate Rules Committee

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TAPS Throughput Decline
World Trade and Tourism

Senator Lesil McGuire, Chairman

TO: Senate Finance Committee Members
FROM: Senator Lesil McGuire, Senate Rules Chair
DATE: 2 April 2014
SUBJECT: Loussac Library Re-appropriation

As you know, our Senate Majority and the Governor have adopted the same priorities for use of Capital Funds; take care of what we have and finish what we have started. To that end, I would like to propose utilizing a re-appropriation of a portion of the funds from last year's capital budget (SB 19) awarded to the Municipality of Anchorage through the DCCED that was labelled broadly as project 80 deferred critical maintenance in the amount of \$37,000,000 but then morphed into a \$7 million appropriation for construction of a new tennis facility. I propose redirecting \$7,000,000 of the available and unencumbered remaining funds to meet the critical needs at the Loussac Library.

This issue has since drawn a great deal criticism, divided the Anchorage Assembly and served to drive a wedge into our community. I believe this change in direction would serve to satisfy an important need, help our community to heal, and serve to restore public confidence in the legislative appropriations process.

I am currently researching the exact status of the funds in question. As of this time I can tell you that the Municipality has signed the grant agreement for the funds in their entire \$37,000,000 this quarter. However, the first report will not be due until April 30. I have attached a copy of the grant agreement from DCCED. Also, I have attached re-appropriation language to accomplish this transfer.

The Municipality sought bond approval of matching funds in yesterday's election through a ballot measure. As of now, the vote for that measure was split by less than 1 percent, with 16,998 voting to approve it, and 17,146 voting against. This close division was attributed by



Office of Senator Lesil McGuire
Chair, Senate Rules Committee

the press to the public discontent surrounding the proposed tennis facility; all other funding measures seeking voter approval passed by a significant margin.

Thank you in advance for your consideration of this request. Following is some general background on the Loussac Library.

The entrance renovation project has broad community support and is guided by a comprehensive facility master plan, completed in 2012. Funding for design of the project is already in-hand. The entrance renovation was selected as the first project of the Loussac renewal because the deterioration of the current deck is creating a safety hazard. While still structurally sound, the underside of the deck must be scraped out regularly to prevent pieces of cement falling on the driveway below. Options for repairing the current structure have been exhausted.

The Z.J. Loussac Library is one of Anchorage's premier cultural institutions, completed in 1986 as part of the "Project 80s" investment in public facilities. In commemoration of the 25th Anniversary of the Loussac in 2011, the Municipality launched a once-in-a-generation renewal of this vital and beloved Anchorage institution. The Loussac Renewal will be completed in 2-3 stand-alone projects over the next 5-10 years. Completed projects include repairs to the roof in summer 2009 (2008 MOA bond) and a facility master plan/entrance design (FY11 state capital grant). The Renewal is necessary to protect the State's original investment in this facility.

Demand for Library resources: 1.7M books, DVDs and e-books are circulated, and program attendance exceeds 65,000 each year. At Loussac, 90K items are checked out each month (which means that 90K items are returned each month, creating a workload for staff of 180K materials/mth). Libraries are one of our most popular city facilities with 60% higher attendance than Sullivan Arena.

The Anchorage Library Foundation will lead a coinciding capital campaign. Since the Anchorage Library Renewal initiative was launched in 2006 to upgrade Anchorage Public Library facilities, over \$14M in private, federal, state and voter-approved bonds has been raised to date to successfully complete four branch library renovations and open Teen Underground and the early literacy center at Loussac. The Loussac Library renovation is the final phase of the Initiative. Past major funders include the State of Alaska, Denali Commission, Rasmuson Foundation, BP, U.S. Department of Housing and Urban Development, and many Alaskan foundations, businesses and families. It is anticipated that past funders will make a serious investment in a Loussac Renovation.



DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF COMMUNITY AND REGIONAL AFFAIRS

Designated Legislative Grant Program
Grant Agreement

Grant Agreement Number 14-DC-029	Vendor Number MUA84635	Amount of State Funds \$37,000,000.00	
Encumbrance Number/AR/Lapse Date / 9435 / 06/30/2018		Project Title Project 80's Deferred and Critical Maintenance	
Grantee		Department Contact Person	
Name Municipality of Anchorage		Name Jill Furbish	
Street/PO Box PO Box 196650		Title Grants Administrator II	
City/State/Zip Anchorage, AK 99519-6650		Street/PO Box 550 W 7th Ave, Suite 1640	
Contact Person Courtney Petersen, Budget Analyst II		City/State/Zip Anchorage, AK 99501-3569	
Phone (907) 343-4479	Fax (907) 249-7812	Phone (907) 269-4537	Fax (907) 269-4066

AGREEMENT

The Alaska Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs (hereinafter 'Department') and Municipality of Anchorage (hereinafter 'Grantee') agree as set forth herein.

Section I. The Department shall pay the Grantee for the performance of the project work under the terms outlined in this agreement. The amount of the payment is based upon project expenses incurred, which are authorized under this Agreement. In no event shall the payment exceed \$37,000,000.00.

Section II. The Grantee shall perform all of the work required by this Agreement.

Section III. The work to be performed under this agreement begins 07/01/2013 and shall be completed no later than 06/30/2018.

Section IV. The agreement consists of this page and the following:

ATTACHMENTS

- Attachment A: Scope of Work
1. Project Description
 2. Project Budget
 3. Project Narrative
 4. Project Management/Reporting
 5. Forms Packet
- Attachment B: Payment Method
Attachment C: Standard Provisions

APPENDICES

- Appendix A: Audit Regulations
Appendix B: Audit Compliance Supplement
Appendix B2: Insurance
Appendix C: State Laws and Regulations
Appendix D: Special Requirements and Assurances for Federally Funded Projects (if applicable)
Appendix E: Site Control
Appendix F: State Fire Marshal Review

AMENDMENTS

Any fully executed amendments to this Agreement

RECEIVED
JAN 30 2014

Grantee	Department
Signature 	Signature
Printed Name and Title George J. Vakalis, Municipal Manager	Printed Name and Title Debi Kruse, Grants Administrator III
Date 1/28/14	Date 1.30.14

Reviewed by: _____

Attachment A Scope of Work

1. Project Description

The purpose of this FY 2014 Designated Legislative Grant in the amount of \$37,000,000.00 [pursuant to the provisions of AS 37.05.315 Grants to Municipalities, SLA 2013, Bill SB 18, Chapter 16, Section 1, Page 11, and Line 17] is to provide funding to the Municipality of Anchorage for use towards the Project 80's Deferred and Critical Maintenance. The objective of this project is to support the deferred and critical maintenance of municipal facilities.

This project may include, but is not limited to costs associated with:

- Dempsey Anderson Complex
 - Addition of indoor multi-use court facilities for tennis, basketball, volleyball etc. (Northern Lights Recreation Center)
 - Replace refrigeration system
 - Replace dasher boards and glass
- Sullivan Arena
 - Upgrade existing refrigeration system
 - Replace dasher boards and glass
 - Replace arena seating
- Ben Boeke Ice Arena and Harry McDonald Ice Arena
 - Replace refrigeration systems
 - Replace dasher boards and glass
- Anchorage Museum at Rasmuson Center
 - Expand and upgrade the Alaska Gallery Exhibit
 - Renovate atrium and auditorium
 - Replace HVAC system
- Egan Center
 - Upgrade HVAC system
- The Anchorage Center for the Performing Arts
 - Upgrade HVAC system
 - Upgrade fire detection system

No more than five percent (5%) of the total grant award may be reimbursed for Administrative expenses for projects involving equipment purchase or repairs and no more than ten percent (10%) of the total grant award may be reimbursed for Administrative expenses for all other projects. To be reimbursed for eligible administrative costs, expenses must be reported on the Designated Legislative Grant Financial/Progress Report form.

2. Project Budget

Cost Category	Total Project Costs
Project Funds	\$ 33,300,000.00
Administration	\$ 3,700,000.00
Total Grant Funds	\$ 37,000,000.00

3. Budget Narrative

The Grant Funds identified above will be used to complete the project described in the above Project Description.

4. Project Management/Reporting

This project will be managed by the Grantee.

Signatory authority for execution of the Grant Agreement and subsequent amendments is granted to the chief administrator. For grants appropriated to a municipality, the mayor is the chief administrator unless the municipality operates a managerial form of government; then the city manager/administrator acts as the chief administrator. For named recipients and unincorporated communities, the executive director or highest ranking official will act as chief administrator.

The chief administrator may delegate authority for executing the Grant Agreement and amendments to others within the Grantee's organization via the Signatory Authority Form. The chief administrator also designates financial and performance progress reporting authority via the Signatory Authority Form. Such delegation is limited to others within the Grantee's organization unless otherwise approved by the Department.

The Grantee must establish and maintain separate accounting for the use of this Grant. The use of Grant funds in any manner contrary to the terms and conditions of this Grant Agreement may result in the subsequent revocation of the grant and any balance of funds under the grant. It may also result in the Grantee being required to return such amounts to the State.

The Grantee shall submit a Designated Legislative Grant Financial/Progress Report Form (see attached) each month, or quarterly, with the concurrence of the Department, during the life of the Grant Agreement. Grant Financial/Progress Report Forms are due thirty (30) days after the end of the month or quarter being reported. The report period is the first of the month through the last day of the month. If quarterly reporting is approved, the report period is the first day of the first month through the last day of the third month of the quarter. The final Financial/Progress Reports must be submitted within thirty (30) days following completion of the project. Under no circumstances will the Department release funds to the Grantee unless all required reporting is current.

5. Grant Forms Packet

The following page includes a sample Designated Legislative Grant Financial/Progress Report Form to be used by the Grantee for monthly/quarterly reporting. Copies of this form are available from the Department, electronically or in hard copy.

AMENDMENT

OFFERED IN THE SENATE

HOUSE DISTRICTS 21 - 22

TO: Reappropriation Bill

- 1 * **Sec. A.** HOUSE DISTRICTS 21 - 22. The unexpended and unobligated balance, not to
2 exceed \$7,000,000, of the appropriation made in sec. 1, ch. 16, SLA 2013, page 11, lines 17 -
3 19 (Anchorage, Project 80's deferred and critical maintenance - \$37,000,000) is
4 reappropriated to the Department of Commerce, Community, and Economic Development for
5 payment as a grant under AS 37.05.315 to the Municipality of Anchorage for deferred and
6 critical maintenance at the Z. J. Loussac Public Library.
- 7 * **Sec. B.** Section A of this Act takes effect June 30, 2014.