

11 July 2021

Anchorage Assembly

Via email

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Dear Assembly Members,

Thank you for the ongoing discussions around a topic that unites all residents of the Municipality of Anchorage (MOA) – the need for a more cohesive approach to providing shelter, care and opportunity to persons experiencing homelessness.

Mayor Bronson and his team have been working for months to address this issue by learning best practices from around the country; learning from the experiences of the Anchorage Fire Department and Police Department; and listening to the expertise of the current groups that provide services to this vulnerable population here in our own city. While there is no single solution to this problem, it is without question that there is an immediate need for this project, which is a necessary component of the continuum of care (CoC) for this population.

Appended to this letter are the supporting documents for costs and timelines for the proposed navigation center at Tudor and Elmore. I apologize for the relative lateness in delivering these details, we are ten days in and the administration is still managing the myriad sundry logistical challenges of taking office. That said, we recognize that it is incumbent on us to provide this information to you in a timely fashion that facilitates reflection and discussion so again I apologize.

The program is divided for convenience into 3 phases and an FFE section, and the documents are numbered accordingly. Please allow me to describe these documents in chronological order, rather than in the order they were numbered by the construction management firm.

Phase 3 represents the costs of moving the impound lot, which can happen in parallel with manufacture of the structure but must be completed before installation. On the Phase 3 ROM you will notice that the cost is \$639,367 for relocation of the lot, fence, lights, and cameras to the new location near the Tozier Track. Please note that this relocation will actually be of benefit to APD workflow in that the indoor impound lot will now be adjacent to the larger outdoor one so evidence vehicles will now all be in one place, rather than separated by Elmore Road. On the AIM we listed this cost as \$659,367. The additional \$20,000 is that of relocating approximately 500 vehicles which, according to line 35 of our existing contract with Vulcan Towing and confirmed with the vendor telephonically, costs \$20 per move. We doubled this figure in case some vehicles required moving more than once.

Phase 1 represents the costs of turnkey construction services covering site prep, utilities, road construction, concrete, electrical, plumbing, HVAC, fire sprinklers and erection of two 120' by 345' warm shell, insulated Sprung Structures. The dollar amounts are \$3,511,551 for structure manufacture and \$10,761,461 for construction. You may note that the figure for construction cost on the supporting documents is lower than on the AIM by \$63,312. This represents a clerical error but as it was in the favor our municipality, and the lower number is the more accurate one, it was most reasonable to leave the AIM as written.

The structures in Phase 1 would functionally replace the Sullivan as a mass care and homeless shelter site, and double as a disaster preparedness facility - a large open, bright, warm space that is much more fit for purpose than the current retrofit at the Sullivan. To improve the facility still further, to fulfill its promise as a navigation center that encourages trust between clients and staff, provides the sheltered with dignity and respect, and inspires hope, requires Phase 2 and FFE. We believe that we have identified additional funding sources for Phase 2 and FFE and expect to make an additional appropriations request at a later date. Given the time pressure of winter it seems most reasonable to begin the construction of the facility now with additional work to come as we progress.

Phase 2 represents the installation of interior equipment and partitions as well as exterior modular units and flooring. These costs include \$1,115,409 for modular bathroom, shower and laundry facilities; \$1,956,623 for interior Sprung partition walls; \$954,219 for non structural interior walls; and \$2,307,285 for construction services for a total of \$6,333,536. FFE includes beds with privacy partitions, mattresses, cabinets, lockers, and low voltage USB charging stations in each unit for a cost of \$923,719 for a total of \$7,257,255 for FFE and Phase 2.

While not included in the AIM it seems appropriate to address operating costs. Without an RFP, which seems premature to do prior to deciding to proceed, concrete numbers are not available. Instead, we have obtained operating costs from three shelters in the lower 48 as well as the Sullivan Arena. The supporting documents are appended where permitted by the providing agency. County 1, located in California, spends annually \$2,909,754 to run a 182 bed shelter, including meals, staffing, security,

utilities, and administration. A 120 person navigation center in a different CoC, providing wrap around services, costs \$3,092,532 a year to operate. A 300 person shelter, with case management and some supports, costs \$3,550,000 a year to operate. The Sullivan Arena, with a capacity of approximately 450 and medical, case management, and other services, current annualized contract cost is \$9,309,318. This does not include non congregate shelter operations.

If there seems to be a bit of building this while we're flying it, there is. We are operating in a very narrow time window between assuming office July 1 and winter coming. Would further time for study eliminate the clerical errors, refine the design still further, and possibly make a better product? Perhaps, but this is a subject area that has been studied and evaluated for many years and we have presented case studies from around the country that show the positive effects, and frank necessity, of such a project. But would these possible improvements from further planning outweigh the benefit of shelter for all this winter? I submit that if you happen to be one of the people left outside in the snow the answer would be a resounding "No." We know the base costs for construction and operation, we have taken the best practices from multiple cities and continuums of care, and we will be more than ready to safely and effectively help people by this winter. After all, we stood up the Sullivan facility in 3 days, here we have 3 months.

Respectfully,

A handwritten signature in black ink, appearing to read "John Morris, MD". The signature is stylized and written in a cursive-like font.

John Morris, MD  
Homeless Coordinator  
Municipality of Anchorage