



Municipality of Anchorage
Mayor Dave Bronson

Office of the Municipal Manager

To: Felix Rivera, Chair, Housing and Homelessness Committee

From: Amy Demboski, Municipal Manager

Date: October 7, 2022

Subject: Navigation Center Update

Thank you for your letter dated September 29, 2022, regarding the Navigation Center. Below, please find the administration's response to your questions. If you have additional questions, we are happy to answer those at the work session, or in writing as necessary.

Construction Schedule and Costs •

1. Has the tension fabric structure, aka Sprung structure, arrived? **No, the structure is complete and ready for pickup in Utah/Canada. Storage for the structure is \$5,000 per month until it ships.**
2. If yes, where is it being stored? **Utah/Canada.**
3. Given the current schedule, have you evaluated shifting the construction to May and what the cost savings might be? **No, there will be added costs**
4. Put another way, what is the estimated cost of delay? **Delay until May will result in additional storage costs for the structure and materials. Delay until May will most likely also result in substantial additional construction costs.**
5. Please specifically detail any additional costs which will be incurred during winter construction? **Additional costs for winter construction will include temporary cover and heat for the concrete. We will also be in colder months for structure assembly. Winter construction would incur additional costs, but it is anticipated to be less costly than waiting till May.**
6. How much has been spent to date on construction of the navigation center? **\$0**

Project Element	Funding Source	Funding Amount	Amount Spent by RHC contractor	Amount Spent by MOA	Admin Request for Appropriation	Notes
Design	AR 2022-72	\$800,000		\$795,000		
Structure *	AR 2022-72	\$2,000,000	\$2,000,000	\$0	\$0	
Construction**	AR 2021-116(s)	\$6,200,000	\$4,900,000	\$0	\$4,900,000	AM496-2022 request for \$4.9M to amend RHC Contract
		\$9,000,000	\$6,900,000	\$795,000		
Total Est for total Construction	TBD	\$13,300,000	\$6,900,000	\$795,000	\$4,300,000	

* Structure funding of \$2M was provided by Anch Community Foundation to Contractor RHC

** Construction includes site prep, foundation, materials, plumbing, electrical, but not installed). Resulting product is a heated structure w/o bathrooms, kitchen type facilities, or separate rooms

7. What is the breakdown of these costs? **Please see #26 for work package details**



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8. Please be specific, to include subcontractors, amounts, and dates of award. **Subcontractors provided by Prime Contractor Roger Hickel Contracting with amounts for each subcontractor to be provided. Dates of Award are shown in question #26**
9. At a prior Housing and Homelessness Committee meeting, we learned that the latest cost estimate for construction was at \$13.3M. Is this number still accurate? **Yes, currently approved work packages with the 95% design estimate total \$12.9 million (\$13.3 including contingencies) with alternates totaling \$15.4 million**
10. What has currently been allocated for construction costs by the Assembly? **\$9 Million 4. 9M+\$1.3M = \$6.2M from & AR 2022-111 (S). \$2.8 Million was included in AO 2021-116 (S) as amended as a donation to the Anchorage Community Foundation. \$800K from AR 2022-72 came back from the ACF as part of the \$2.8M. ACF kept remaining \$2M**
11. What is the delta between what has been allocated and the total construction estimate? **Allocated \$4.9M+\$1.3M+\$2.8M = \$9M. The 95% design estimate = \$13.3M. The delta is \$4.3M.**
12. How will the delta of costs be paid? **Future appropriation to be determined.**
13. What is the current percent design? **95%**
14. Please produce the latest design plan for review. **[MOA Navigation Center](#) also, see below graphic.**



15. What is the estimated date of partial occupancy? **This is dependent on Assembly action to amend RHC contract. Note: Previous date reflected on the original schedule showed partial occupancy on November 21st, 2022. Assuming assembly support to Amend the RHC contract to continue GC work, partial occupancy could be accommodated mid to late January, 2023.**
16. What is the estimated date of completion? **If we resume work late October with Assembly approval our new completion date would be April 15th, 2023.**

Permitting and Building Safety •

17. Has the building design been completed? **Yes**



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18. Has building safety approved the design documents, which is a prerequisite for construction? **The design team estimates that all outstanding BLDG permitting issues will be resolved by October 14th, 2022.**
19. What is the state of manufacture and shipment of the tent? **The manufacturing of the Structure has been complete. Ready to ship from Utah/ Canada**
20. How will you adjust manufacture if Municipal plan review suggests changes? **No additional plan review changes are anticipated that will require adjustment to the planned structure.**
21. What is the state of the site at Tudor and Elmore? **MOA has taken possession of the site from Roger Hickel and is maintaining environmental permit requirements per our Notice of Intent permit until freeze up. The MOA is using a term contractor and internal resources to meet these requirements.**
22. What is the state of the deep utilities of the site at Tudor and Elmore? **Storm water is 100% complete, Water is at 75% complete and Sewer at 50% complete.**

Contract Technicalities •

23. Was the initial \$50,000 Roger Hickel contract for the navigation center design brought to the Assembly for approval? **No. This was put out for competitive bid, therefore per Title 7 7.15.040 – Assembly award of contracts Assembly approval was not required.**
24. Or was it under the threshold of funds that required Assembly approval? **It was in fact under the threshold of funds that require Assembly approval.**
25. How much was spent between the original \$50,000 contract and the request made at the September 13 regular Assembly meeting? **\$25K by the MOA + the \$4.7M by the contractor, totaling = \$4,725,000**
26. Please be specific, to include subcontractors, amounts, and dates of award. The below is a summary of the work packages. The details of each work package is attached for your review.

WP #	MOA CO	Descriptions	Price	Date	Accumulative Amount
NA	1	Scope Changed to Include Const. Services	\$50,000	31-May	\$50,000
1	2	Manufacture Design of the Structure (shop drawings)	\$17,796.71	13-Apr	\$67,797
2	2	Order Sprung Structure	\$2,390,975.09	5-Jul	\$2,458,772
3	2	Order of Mechanical, Electrical & Plumbing Systems	\$763,920	8-Jul	\$3,222,692
4	2	Order of Electrical Fixtures	\$245,466	14-Jul	\$3,468,158
5	2	Order of Plumbing Materials	\$169,232	25-Jul	\$3,637,390
6	2	Salvage Parking Canopy Shelter	\$33,935	12-Aug	\$3,671,325
7	2	Excavation, Install Utilities & Backfill with Aggregate	\$3,167,489	15-Aug	\$6,838,814
8	2	Building Foundation	\$1,343,811	22-Aug	\$8,182,625
9	2	Changes at 95% design leading to cost savings	(\$185,149)	27-Aug	\$7,997,475



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27. How has the contract complied with all Title 7 requirements? **The Purchasing Department solicited and awarded this contract in accordance with Tile 7 7.20.060 – Competitive Sealed proposals; negotiated procurement using the Request for Proposal process.**
28. How has the contract complied with all state requirements? **Presently the contract is not subject to state requirements. Once the contract is amended for construction it will be subject to all applicable state requirements. Title 36. Public Contracts AS 36.05 & AS 36.10 Wage & Hour Administration Pamphlet No. 600 (Pamphlet 600) is hereby incorporated in its entirety. Pamphlet 600 is available for free download at <http://labor.state.ak.us/lss/pamp600.htm>. The Municipality of Anchorage will include a paper copy of the wage rates in the signed Contract.**
29. Have there been any change orders for the contract since the original \$50,000 contract? **There have not been any change orders against this PO or contract. We have entered into one Amendment; it was a zero-dollar amendment and merely added terms and conditions.**

Operations

30. What are the estimated costs of operations for the low-barrier shelter? What are the assumptions being made in your estimate? What are the estimate costs of operations for the navigation center? What are the assumptions being made in your estimate?

Homeless/Transient Shelter Line Item Budget		FTE
Personnel	\$2,552,355	57.53
Food (2x Meals per day)	\$584,000	
Snack (Grab and Go)	\$146,000	
Equipment	\$30,000	
Supplies	\$60,000	
Utilities	\$120,000	
Insurance	\$120,000	
Maintenance	\$30,000	
Training (5% of personnel cost)	\$127,618	
Hiring Incentives and Bonus	\$230,100	\$1000 per quarter per FTE
Indirect Rate 15%	\$600,011	This indirect is at 15% and is high due to it covering all categories of budget
	\$4,600,084	



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Assumptions:

- 24/7 Operations for residents who are “checked in,” 2 hot meals, sack lunch available 24/7
- Each Shift has: Shift Lead, Intake Coordinator, Front Desk/Admin, 6 Monitors, 2 Safety Personnel. A fully manned shift will have 11 personnel; minimum manning is 7 during the day and 5 at night.
- There will be services for shelter residents: laundry/mail, food pantry/clothes closet, personal care attendant, transportation either by bus or dedicated drive and/or vehicle for the center, as well as a public health nurse or paramedic.
- There will be no maximum length of stay. Men, women, and special populations must have separate controlled areas. Residents will have access to all Navigation Center services while staying at the shelter. Each resident will have a cabinet, a bed, and two totes that can be stored under their bed.

31. What are the estimate costs of operations for the navigation center? What are the assumptions being made in your estimate?

Navigation Line Item Budget		FTE
Personnel	\$1,068,600	22.00
Hiring Incentives and Bonus	\$88,000	\$1000 per quarter per FTE
Indirect Rate 15%	\$173,490	This indirect is at 15% and is high due to it covering all categories of budget
	\$1,330,090	

Assumptions:

- Navigation Center is open 8 am to 8pm to anyone in the community needing services, support, or help.
- **Three Sections:**
 - **Case Management:**
Case Management Supervisor, 3 x Case Managers, 2 x Case Manager Admin Support, Peer Support Coordinator, Outreach Coordinator, Special Populations Coordinator, Homeless Prevention Coordinator
 - **Crisis Support Services**
Counselor x 3, Mental Health/Crisis Evaluator, Substance Abuse/Addiction Counselor x 2, Substance Abuse/Mental Health Coordinator
 - **Work/Life Support Services**



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- Life Skills Trainer and Coordinator, Workforce Skills Trainer and Job Navigator'

32. The Emergency Shelter Task Force (ESTF) also put forward an estimate of costs for an MOA owned congregate shelter. Do you believe the costs provided by the ESTF are accurate? If not, why not?

- The costs are calculated using different formulas. Personnel costs were calculated using the average number of hours someone works per year (2080) when it needed to account for FTE for the hours the service needs to be open.
- An estimate is used based on an assumed daily rate per person, without breaking down the exact services that are needed. ACEH sheet assumes \$100 per person per day. It also assumes a meal price based on the daily rate assumed for each individual.
- The sheet does not take into account the following expenses that will be included and need for an operator to successfully run this facility which includes:

Equipment	\$30,000	
Supplies	\$60,000	
Utilities	\$120,000	
Insurance	\$120,000	
Maintenance	\$30,000	

33. Have maintenance and operations costs, including utilities, been factored? Please provide those detailed costs. **Yes, see above.**
34. What is the estimated staffing level at the low-barrier shelter? **Each shift will be manned at 11 people with a minimum staffing requirement during the day of 7 and at night of 5.**
35. What is the estimated staffing level at the navigation center? **Please see above.**
36. Have you discussed any internal operations work done by the Municipality with experts or operators within the community? **Yes, extensively, though there is not an ability to fully put it in front of a provider at this time as to not give an unfair advantage to a bidder. Several outside sources and shelters from Nevada, Minnesota, Canada, California, and other states have been consulted as well.**
37. What is the total estimate of operating costs for the navigation center as a whole, to include all components, for 2022? For 2023? How will 2022 costs be paid? How will 2023 costs be paid? **There are items that may need to be purchased. See list below. Estimated cost for the shelter per month is \$494,181.14. This can be paid for the Housing and Homeless Services Program Operating Budget which has \$716,000 available for 2022 expenses.**



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Startup Costs - Equipment

	Quantity	Cost Per	Total
Beds/Mattresses	150	\$1,000	\$150,000
Cabinet/Storage	150	\$100	\$15,000
Bedding	300	\$100	\$30,000
Industrial Washer	2	\$30,000	\$60,000
Industrial Dryer	2	\$30,000	\$60,000
Office Furniture/Décor	1	\$200,000	\$200,000
Unknown Items	1	\$50,000	\$50,000
			\$565,000

38. Is the Municipality intending to go through the shelter licensing process for the low-barrier shelter? If not, how will this facility be turned on as a shelter? **Shelter Licensing Requirements begin Jan 2023. This shelter will go through the same process that all shelters go through for Shelter Licensing. The materials and qualifications for Shelter Licensing are being finalized and have been widely distributed. I believe this is a separate conversation about Shelter Licensing.**

Community Impacts

39. Has the Municipality engaged in conversations with AKDOT about pedestrian safety? **Yes**
40. Has the Municipality requested a change in status of right of way with AKDOT? **No**
41. Have we talked to them? **Yes**

Golden Lion

42. Will Mayor be participating in AMATS policy discussion on the Golden Lion? **Adam Trombley is the Mayor's designee for AMATS and he will be participating in any discussion with AMATS on any AMATS agenda items.**
43. What is the status of the Golden Lion? **It is vacant.**
44. How has the Mayor followed the requirement to make a firm written commitment regarding the Golden Lion? Please be specific. **The Mayor issued a written statement on June 1, 2022 stating his firm commitment as to the Golden Lion. The statement is attached.**
45. Will the Golden Lion be used as emergency cold weather shelter this winter and/or will it be used as an alcohol and drug treatment facility? **It depends on the direction we get from the Assembly, the appropriations made by the Assembly, and any analysis done by the Municipal Attorney's Office on these uses.**

Statement From Mayor Dave Bronson

Mayor's Office

6/1/2022

Anchorage, AK – Today, Mayor David Bronson issued the following statement:

"As previously communicated, the mass care shelter at the Sullivan Arena will be closing June 30. AHD and community partners are assisting all residents to find safe, alternative housing prior to the closure. I am committed to achieve the community's Anchored Home goals to reach functional zero using a housing first approach. Achieving this goal will require collaborative action across the community including service providers, non-profits, religious organizations, businesses, philanthropy, the public and the municipality. Solving homelessness requires effective substance misuse treatment. I have asked the facilitation group guiding the mass care exit to recommend the best option to providing substance misuse treatment centers in Anchorage to address current community needs. The Mayor's evaluation will consider all possible options including 1000 E. 36th Avenue (formerly the Golden Lion)."

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Municipality of Anchorage Official Web Site

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