



MUNICIPALITY OF ANCHORAGE

Assembly Information Memorandum

AIM No. 246 - 2025

Meeting Date: December 16, 2025

1 **FROM: MAYOR**

2
3 **SUBJECT: FINAL REPORT OF THE ASSET PURCHASE AND SALE**
4 **AGREEMENT RELATED TO THE MOA'S SALE OF THE**
5 **MAJORITY OF ML&P's ASSETS TO CHUGACH.**

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7 On October 25, 2019, the stipulation resolving all issues related to dockets U-18-
8 102/U-19-020/U-19-021 was filed with the RCA. The stipulating parties agreed to
9 post-closing MOA Community Donation for the Alaska Center for Treatment,
10 specifically described as follows:

11
12 [W]ithin five years after Closing, subject to Anchorage Municipal Assembly
13 appropriation, MOA shall spend \$15 million toward the planning, permitting,
14 design, construction, and related demolition costs of the Alaska Center for
15 Treatment, a planned substance use disorder center that will serve the
16 communities of Southcentral Alaska by offering some combination of
17 outpatient and inpatient treatment options, transitional housing services,
18 and crisis stabilization. The Alaska Center for Treatment is anticipated to be
19 constructed on Municipality of Anchorage land, owned by the Municipality,
20 and operated by a third-party operator to be selected through an open
21 procurement process in accordance with Title 7 of Anchorage Municipal
22 Code. This community benefit project is expected to fill a critical void in
23 services in Anchorage that impacts all residents of the Municipality of
24 Anchorage.

25
26 If any of the following conditions is not met as of, or at any time after, the
27 Expenditure Deadline . . . any funds not expended for this community
28 benefit project will instead be used for the benefit of ratepayers through
29 reduced electricity rates: (1) the funds shall be and remain appropriated for
30 the Required Use; (2) unexpended funds appropriated shall be and remain
31 in a dedicated fund for the Required Use; (3) one or more contracts
32 requiring the expenditure of the entire \$15 million have been awarded by
33 the Municipality of Anchorage pursuant to Title 7 of Anchorage Municipal
34 Code; and (4) the Municipality of Anchorage is and remains a party to such
35 contract or contracts.

36
37 On December 15, 2020, the MOA closed on the purchase of the former Golden
38 Lion Hotel located at 1000 E. 36th Avenue, Anchorage for the cost of \$10,000,000.
39 The Anchorage Assembly approved the acquisition through AO 2020-66(S), As
40 Amended on August 11, 2020.

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2 On August 24, 2023, the Municipality of Anchorage entered into a lease agreement
3 with Henning, Inc. to provide a rooming house for individuals who, at the time of
4 rental application, meet one or more of the definitions of homelessness under 42
5 U.S.C.A § 11302. The Anchorage Assembly approved the lease between the
6 Municipality of Anchorage and Henning, Inc. through AO 2023-79 on July 25, 2023.
7

8 On June 24, 2025, the Anchorage Assembly approved funding in the amount of
9 \$500,000.00 through AM 476-2025 to use in the procurement for contractual
10 services with a Community Behavioral Health Provider, to operate recovery
11 residences in microunits and provide new access to substance use disorder
12 treatment services via some combination of outpatient, inpatient, and transitional
13 housing opportunities in multiple locations, such as the Golden Lion and similar
14 properties.

15 Also in June 2025, the Anchorage Assembly approved funding in the amount of
16 \$1,200,000.00 through AR 2025-189 for recovery residence microunit capital
17 development through ACDA. The microunit program was originally proposed for
18 24 transitional housing units. Additional funding of \$400,000 to expand the
19 recovery residences was received by the Municipality in October 2025 and
20 appropriated to ACDA as approved in AR 2025-343 on November 18, 2025.
21

22 On July 15, 2024, the Anchorage Health Department put out a Request for
23 Information for the Alaska Center for Treatment (2024RFI001) gathering feedback
24 from organizations or individuals with expertise in substance use disorder
25 treatment, transitional housing, and crisis stabilization for use on planning the
26 Request for Proposals for a Community Behavioral Health Provider.
27

28 On September 24, 2025, the Anchorage Health Department put out a Request for
29 Proposal (2025P049) soliciting proposals from qualified Community Behavioral
30 Health providers to develop and sustainably operate a continuum of substance use
31 disorder (SUD) treatment and recovery supports to be delivered at Municipally
32 operated facilities and in partnership with Municipal outreach and mobile teams.
33

34 On October 7, 2025, the Anchorage Assembly approved the recommendation of
35 award to Orion Construction, Inc. for the Alaska Center for Treatment project
36 through Invitation to Bid 2025-C038 for \$2,404,369.00 through AM 737-2025. This
37 project includes renovations to the second floor to create new treatment rooms,
38 offices, and support spaces, including restrooms and break areas. Public
39 restrooms on the first and second floors will be updated to meet ADA requirements.
40 Staff break rooms and restrooms on the third floor will also be renovated for ADA
41 accessibility. The project will incorporate new HVAC units and improved interior
42 roof access. Interior finishes will be replaced in all renovated areas. A new
43 addressable fire alarm system will be installed throughout the facility, replacing the
44 current wireless system.
45

46 Now, therefore, the Municipality of Anchorage has met the requirements by:
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- 1 • The ML&P sale went through the Regulatory Commission of Alaska (RCA) for approval. The RCA Stipulation (adopted in relevant part by RCA Order
2 U-18-102(44)/U-19-020(39)/U-19-021(39)) set an “Expenditure Deadline” of
3 5 years after the October 30, 2020 ML&P Closing (i.e., October 30, 2025), by which MOA was required to “spend \$15 million toward the planning,
4 permitting, design, construction, and related demolition costs of the Alaska
5 Center for Treatment (the “Required Use”), a planned substance use
6 disorder center[.]”.
- 7
8 • Section 8.2 of the Eklutna Power Purchase Agreement (“Eklutna PPA”) (as
9 revised by Amendment No. 3). It provides that MOA must complete 4
10 separate actions by the Expenditure Deadline. The relevant section of the
11 Eklutna PPA identifies these 4 actions, roughly summarized as: (i) it must
12 receive an appropriation of the funds from the Assembly for the Required
13 Use, (ii) the funds must be deposited into a dedicated fund; (iii) contracts
14 for the full amount must have been awarded under Title 7; and (iv) MOA
15 must be and remain a party to those contracts.
- 16
17 • The Anchorage Health Department intends to contract with a single
18 operator to provide Alaska Center for Treatment services at multiple
19 locations, including the former Golden Lion Hotel and the recovery
20 residences microunit program. The Golden Lion is set to operate as both an
21 outpatient treatment center through a third-party contractor (once selected)
22 and continue to provide transitional housing services for up to 84
23 individuals. The microunit pilot program has grown from the initial proposal
24 of 24 transitional housing units to 32 units, with potential to grow with
25 increased funding.
- 26
27 • Additional funds remain restricted for expenses related to Alaska Center for
28 Treatment’s capital construction contingencies and on-going facility
29 maintenance costs.
- 30
31 • Expenditures totaling \$756,352 that accrued between 2023 and 2024 as
32 maintenance costs for the Golden Lion may not have been allowable toward
33 the Required Use and are not included in the represented totals.
- 34
35 • The total expenditure required have been met as shown below:

AIM regarding FINAL REPORT OF THE ASSET PURCHASE AND SALE AGREEMENT RELATED TO THE MOA'S SALE OF THE MAJORITY OF ML&P's ASSETS TO CHUGACH.

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Document Reference Number	Description/Title	Amount
AO 2020-66 (S)	Capital purchase of Golden Lion Hotel property, related transaction costs and MOA labor associated with building maintenance and project management	\$ 10,692,832.20
AR 2025-189, AM 476-2025	Appropriation for capital planning, development and procurement of services to provide substance use disorder treatment services	\$ 500,000.00
AR 2025-189, AM 476-2025	Capital appropriation for recovery residences microunit pilot with access to treatment services	\$ 1,200,000.00
AR 2025-343	Capital appropriation for recovery residence microunit expansion	\$ 400,000.00
AM 737-2025	Construction contract for building renovations related to Alaska Center for Treatment operations	\$ 2,404,369.00
	Total authorized MOA appropriation, spend and contract encumbrance related to "a planned substance use disorder center that will serve the communities of Southcentral Alaska by offering some combination of outpatient and inpatient treatment options, transitional housing services, and crisis stabilization within Anchorage."	\$ 15,197,201.20

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3 Prepared by:
4 Concur:
5 Concur:
6 Concur:
7 Concur:
8 Respectfully submitted:

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