



MUNICIPALITY OF ANCHORAGE

Assembly Information Memorandum

AIM No. 246 - 2025

Meeting Date: December 16, 2025

FROM: MAYOR

**SUBJECT: 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.**

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

[W]ithin five years after Closing, subject to Anchorage Municipal Assembly appropriation, MOA shall spend \$15 million toward the planning, permitting, design, construction, and related demolition costs of the Alaska Center for Treatment, 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. The Alaska Center for Treatment is anticipated to be constructed on Municipality of Anchorage land, owned by the Municipality, and operated by a third-party operator to be selected through an open procurement process in accordance with Title 7 of Anchorage Municipal Code. This community benefit project is expected to fill a critical void in services in Anchorage that impacts all residents of the Municipality of Anchorage.

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

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

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

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

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

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

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

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

Now, therefore, the Municipality of Anchorage has met the requirements by:

- 1 • The ML&P sale went through the Regulatory Commission of Alaska (RCA)
2 for approval. The RCA [Stipulation](#) (adopted in relevant part by [RCA Order](#)
3 [U-18-102\(44\)/U-19-020\(39\)/U-19-021\(39\)](#)) set an “Expenditure Deadline” of
4 5 years after the October 30, 2020 ML&P Closing (i.e., October 30, 2025),
5 by which MOA was required to “spend \$15 million toward the planning,
6 permitting, design, construction, and related demolition costs of the Alaska
7 Center for Treatment (the “Required Use”), a planned substance use
8 disorder center[.]”.
- 9
10 • Section 8.2 of the [Eklutna Power Purchase Agreement](#) (“Eklutna PPA”) (as
11 revised by Amendment No. 3). It provides that MOA must complete 4
12 separate actions by the Expenditure Deadline. The relevant section of the
13 Eklutna PPA identifies these 4 actions, roughly summarized as: (i) it must
14 receive an appropriation of the funds from the Assembly for the Required
15 Use, (ii) the funds must be deposited into a dedicated fund; (iii) contracts
16 for the full amount must have been awarded under Title 7; and (iv) MOA
17 must be and remain a party to those contracts.
- 18
19 • The Anchorage Health Department intends to contract with a single
20 operator to provide Alaska Center for Treatment services at multiple
21 locations, including the former Golden Lion Hotel and the recovery
22 residences microunit program. The Golden Lion is set to operate as both an
23 outpatient treatment center through a third-party contractor (once selected)
24 and continue to provide transitional housing services for up to 84
25 individuals. The microunit pilot program has grown from the initial proposal
26 of 24 transitional housing units to 32 units, with potential to grow with
27 increased funding.
- 28
29 • Additional funds remain restricted for expenses related to Alaska Center for
30 Treatment’s capital construction contingencies and on-going facility
31 maintenance costs.
- 32
33 • Expenditures totaling \$756,352 that accrued between 2023 and 2024 as
34 maintenance costs for the Golden Lion may not have been allowable toward
35 the Required Use and are not included in the represented totals.
- 36
37 • The total expenditure required have been met as shown below:

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: Kimberly Rash, AHD Director
4 Concur: Ona R. Brause, OMB Director
5 Concur: Eva Gardner, Municipal Attorney
6 Concur: William D. Falsey, Chief Administrative Officer
7 Concur: Rebecca A. Windt Pearson, Municipal Manager
8 Respectfully submitted: Suzanne LaFrance, Mayor