

CLERK'S OFFICE

APPROVED

Date: 6-10-03

Submitted by: *Assemblymember Tesche*

Prepared by: *Department of Assembly*

For reading: *June 10, 2003*

ANCHORAGE, ALASKA

AR NO. 2003-179

1 A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY URGING THE
2 ADMINISTRATION TO SUSPEND IMPLEMENTATION OF AO 2003-32, RELOCATION
3 OF DEPARTMENT OF HEALTH AND HUMAN SERVICES AND CONSTRUCTION OF
4 NEW FACILITY, PENDING APPROVAL OF BUSINESS PLAN FOR THE NEW FACILITY
5 BY THE ASSEMBLY AND TO ALLOW A POLICY REVIEW OF THE PROPOSED
6 PROJECT BY THE NEW ADMINISTRATION.
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9 WHEREAS, the Municipality is currently considering the development of a new office
10 building for the Department of Health and Social Services, which project will likely cost its
11 developer in the vicinity of 30 MILLION DOLLARS [\$30,000,000] and require the sale or
12 demolition of an existing municipal facility located at 805 L Street currently used for that
13 department; and
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15 WHEREAS, by enactment of AO 2003-32, on February 11, 2003, the Assembly authorized
16 a new location for the Health Department facility in the University-Medical District, stating that it
17 would review and approve a final site selection and site plan in conjunction with the acceptance of
18 a successful proposal under a Request for Proposals (RFP); and
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20 WHEREAS, the Assembly requested the Administration to provide it with the detailed
21 five-year business plan for the new DHHS facility, including a cash flow analysis, income and
22 expense projection, and clearly identified funding requirements and funding sources for at least five
23 years; and
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25 WHEREAS, the Assembly finds that the five-year business plan and fund source
26 documentation offered to the Assembly on June 9, 2003, lacks critical information necessary to
27 justify further action on this procurement, including market appraisals, realistic cost estimates, and
28 income projections; and
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30 WHEREAS, new fiscal projections made public by the Mayor's staff earlier this week,
31 coupled with an announcement by the Governor of Alaska of substantial reductions in state grants
32 to municipalities, suggest the need for additional fiscal review of the viability of this procurement
33 before additional steps are taken;
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35 NOW THEREFORE BE IT RESOLVED by the Anchorage Assembly:
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1 The Administration is urged and requested to suspend further implementation of AO 2003-32
2 and RFP 23-P011 pending approval by the Assembly of a complete and reliable business plan for
3 the facility, as well as to allow the incoming municipal Administration to review this procurement
4 in light of new budget projections for the Municipality and an accurate assessment of the
5 Municipality's capacity to pay for this facility under the procurement as initially proposed.

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7 PASSED AND APPROVED by the Anchorage Assembly this 10th day of June,
8 2003.

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12 _____
13 Chair

14 ATTEST:

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19 _____
20 Municipal Clerk