

CLERK'S OFFICE

APPROVED

Date: _____

5-22-12

Submitted by: Chair of the Assembly at the
Request of the Mayor

Prepared by: Community Development
Department

For Reading: May 22, 2012

ANCHORAGE, ALASKA

AR No. 2012-139

1 **A RESOLUTION APPROVING THE PROPOSAL TO CONSTRUCT A NEW**
2 **U.S. COAST GUARD FACILITY CO-LOCATED WITH THE STATE OF**
3 **ALASKA EMERGENCY OPERATIONS CENTER AND THE ALASKA**
4 **NATIONAL GUARD OPERATIONS CENTER LOCATED ON JOINT BASE**
5 **ELMENDORF-RICHARDSON.**
6

7
8 **WHEREAS**, the Alaska Industrial Development and Export Authority (AIDEA)
9 passed AIDEA Resolution Number G12-02 approving the proposed project to co-
10 locate on Joint Base Elmendorf-Richardson the construction of a new U.S. Coast
11 Guard facility with the State of Alaska Emergency Operations Center and the
12 Alaska National Guard Operations Center; and
13

14 **WHEREAS**, the project is expected to create new construction jobs, retain Coast
15 Guard jobs associated with deployment to the Anchorage area, and allow the
16 U.S. Coast Guard to expand its mission and staff; and
17

18 **WHEREAS**, state regulation, 3 AAC 99.520, requires the AIDEA to obtain
19 approval of a municipality where a development project is to be located before
20 AIDEA may enter an agreement to finance or develop the project; and
21

22 **WHEREAS**, the U.S. Coast Guard office is presently located in the Peterson
23 Tower and the lease expires at the end of 2012; now, therefore,
24

25
26 **THE ANCHORAGE ASSEMBLY RESOLVES:**
27

28 **Section 1.** The proposal to locate the construction of a new U.S. Coast Guard
29 facility co-located with the State of Alaska Emergency Operations Center and the
30 Alaska National Guard Operations Center on Joint Base Elmendorf-Richardson
31 is hereby approved.
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33 **Section 2.** This resolution shall be effective immediately upon passage and
34 approval by the Assembly.

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PASSED AND APPROVED by the Anchorage Assembly this 22nd day
of May, 2012.

Eileen Hall
Chair of the Assembly

ATTEST:

Balra S. Eneke
Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 294-2012

Meeting Date: May 22, 2012

1 **FROM: MAYOR**

2
3 **SUBJECT: A RESOLUTION APPROVING THE PROPOSAL TO CONSTRUCT A**
4 **NEW U.S. COAST GUARD FACILITY CO-LOCATED WITH THE**
5 **STATE OF ALASKA EMERGENCY OPERATIONS CENTER AND**
6 **THE ALASKA NATIONAL GUARD OPERATIONS CENTER**
7 **LOCATED ON JOINT BASE ELMENDORF-RICHARDSON.**
8

9 The Alaska Industrial Development and Export Authority (AIDEA) has approved the
10 U.S. Coast Guard facility construction project with AIDEA Resolution Number
11 G12-02. This expansion project is known as the "Camp Denali Readiness Center
12 Addition Project." Before AIDEA can proceed with the funding of the project, local
13 approval is required by state regulation, 3 AAC 99.520.
14

15 The U.S. Coast Guard office is presently located in the Peterson Tower and the
16 lease expires at the end of 2012. Typically, the U.S. General Services
17 Administration (GSA) will advise the Municipality about the location of a government
18 facility being located outside the central business district, as required in the
19 Comprehensive Plan. Executive Order 12072 outlines the parameters for locating a
20 facility in a location other than what is prescribed by the local jurisdiction. This
21 project will be an expansion of the existing National Guard Armory. GSA has
22 consulted with the Community Development Department, and the department has
23 no objection to the proposed location of this new facility.
24

25 The Administration concurs with the proposal to construct a new U.S. Coast Guard
26 facility co-located with the State of Alaska Emergency Operations Center and the
27 Alaska National Guard Operations Center located on Joint Base Elmendorf-
28 Richardson.
29

30 **THE ADMINISTRATION RECOMMENDS APPROVAL OF A RESOLUTION**
31 **APPROVING THE PROPOSAL TO CONSTRUCT A NEW U.S. COAST GUARD**
32 **FACILITY CO-LOCATED WITH THE STATE OF ALASKA EMERGENCY**
33 **OPERATIONS CENTER AND THE ALASKA NATIONAL GUARD OPERATIONS**
34 **CENTER LOCATED ON JOINT BASE ELMENDORF-RICHARDSON.**
35

36 Prepared by: Jerry T. Weaver, Jr., Director
37 Community Development Department
38 Concurred by: Dennis A. Wheeler, Municipal Attorney
39 Concurred by: George J. Vakalis, Municipal Manager
40 Respectfully submitted: Daniel A. Sullivan, Mayor
41

42 Attachment: Exhibit A



Office of the Mayor

APR 12 2012

RECEIVED

April 12, 2012

The Honorable Dan Sullivan
Mayor, Municipality of Anchorage
632 W. 6th Avenue, Suite 840
Anchorage, AK 99501

Subject: Municipality Approval of AIDEA Project to Construct USCG facility at JBER

Dear Mayor Sullivan:

AIDEA is requesting your assistance in obtaining Municipality of Anchorage approval of the AIDEA Camp Denali Readiness Center Addition Project to be located on Joint Base Elmendorf-Richardson (JBER).

The US Coast Guard, Sector Anchorage (USCG) lease in the Peterson Tower is expiring at the end of 2012. The USCG not only requires replacement space, but additional space for its expanded mission. The USCG has performed a thorough analysis of options available to them and has determined, based on their expanded mission requirements, the optimum location for their Sector Command Center is at the National Guard facility on JBER.

Specifically:

"As security needs rise and joint field efforts ramp up for Arctic activities, the USCG sees high benefits to be collocated with the State of Alaska Emergency Operations Center and the Alaska National Guard Joint Operations Center. The physical security provided by locating on Joint Base Elmendorf-Richardson is unmatched by any location in Anchorage. Additionally, secure military communication systems are easier to install and maintain by locating on the military base. The primary response partner for search and rescue efforts and for oil spill response is the State of Alaska. By collocating with the Department of Military and Veterans Affairs on JBER, the USCG will maximize its effectiveness in responding to these types of events."

AIDEA has received a request from the Department of Military and Veterans Affairs (DMVA) as well as the USCG for AIDEA to construct, own and operate (through an agreement with DMVA) an expansion of the National Guard Armory for use by the USCG. However, before AIDEA can be involved in a project, AIDEA must first obtain approval from the community in which the project will be located. This is an essential part of the process, as required by AIDEA's statutes and regulations. 3 AAC 99 520 reads:

"Before entering into an agreement to finance or develop a development project, the authority will obtain the approval of the municipality in which the proposed project is to be located. If the project is located within the unorganized borough, the authority will comply with AS 44.88 174. The authority will not enter into the agreement unless the municipality responsible for granting approval of a project conducts a public hearing on the proposed project."

aidea.org

AIDEA's Board on March 30, 2012, with passage of Resolution G12-02 (attached), approved moving forward with the project pending Municipality of Anchorage approval prior to full project funding

AIDEA believes that this project fulfills AIDEA's mission of economic development and job growth, and will promote growth in the Anchorage economy by 1) creating new construction jobs for the facility; 2) retaining Coast Guard jobs associated with their Anchorage deployment; and 3) allowing the USCG to expand their current mission and staff.

Please advise on any support that you may need from us to assist you in gaining this approval, including any testimony or other documentation that may be necessary. The USCG and the DMVA are also available for testimony or any other backup that you may require.

I would like to thank you in advance for your assistance and support. AIDEA believes that this project will provide and maintain jobs in the Anchorage area, and help support the larger Coast Guard mission in the state. AIDEA also believes that this project will lead to future expansion of the Coast Guard mission, which will in turn promote growth not only for the Anchorage economy, but for the statewide economy as well.

I look forward to hearing from you.

Sincerely,



James R. Hemsath PE, PMP
Deputy Director, AIDEA

Attachments: Resolution G12-02
DMVA Letter of Intent

cc: George Vakalis - Municipal Manager
Ted Leonard - Executive Director, AIDEA
MG Thomas Katkus - Commissioner, DMVA
McHugh Pierre - Deputy Commissioner, DMVA
Jerry Walton - DMVA
Captain Jason Fosdick - Commander of Sector Anchorage, USCG
Jerry Juday - AK Department of Law
Mark Schimscheimer - AIDEA
Karsten Rodvik - AIDEA

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

RESOLUTION NO. G12-02

**RESOLUTION OF THE ALASKA INDUSTRIAL DEVELOPMENT
AND EXPORT AUTHORITY RELATING TO APPROVAL OF
THE CAMP DENALI READINESS CENTER ADDITION TO THE
NATIONAL GUARD ARMORY OF THE DEPARTMENT OF
MILITARY AND VETERANS AFFAIRS AT JOINT BASE
ELEMENDORF-RICHARDSON**

WHEREAS, the Department of Military and Veterans Affairs of the State of Alaska (“DMVA”) requested that the Alaska Industrial Development and Export Authority (the “Authority”) construct an expansion of the existing National Guard Armory located on Joint Base Elmendorf-Richardson to provide facilities for the U.S. Coast Guard and the National Guard;

WHEREAS, the expansion project, known as the “Camp Denali Readiness Center Addition Project,” would consist of approximately 29,000 square feet and be constructed at a total estimated cost of \$15 million;

WHEREAS, under AS 44.88.900(3) & (9)(H), a plant or facility used or intended for use as a federal facility, including a United States military, national guard or coast guard facility, satisfies the definition of a “project” and “development project” the Authority may develop through the Economic Development Account established pursuant to AS 44.88.172;

WHEREAS, under AS 44.88.900(8) a “plant” or “facility” is defined as real property, or an interest in it, and the buildings, improvements, and structures constructed or to be constructed on or in it, and the DMVA is obtaining a License Agreement with the U.S. Department of the Air Force under which DMVA will be able to grant the Authority a Sublicense Agreement that would afford the Authority an interest in the proposed site for the Camp Denali Readiness Center addition to the armory and the building to be constructed there;

WHEREAS, the Staff of the Authority has negotiated with DMVA a proposed Project Development and Operation Agreement that has been presented to the Board under which the

Authority would own and construct the Camp Denali Readiness Center Addition Project, and DMVA, as the Authority's agent, would operate the facility for the Authority;

WHEREAS, pursuant to AS 44.88.173, the Authority must prepare a finance plan for a project to be developed under AS 44.88.172, and the Staff of the Authority has written a finance plan for the Camp Denali Readiness Center Addition Project and provided it to the Board;

WHEREAS, under AS 44.88.177, the Authority must solicit the review and advice of the governing body where a project to be developed under AS 44.88.172 is to be located, and the Staff of the Authority is consulting with the Municipality of Anchorage regarding the Camp Denali Readiness Center Addition Project and the Anchorage Assembly is expected to hold a public hearing on the project in the near future;

WHEREAS, before the Authority can enter into the proposed Project Development and Operation Agreement and award a design/build contract for the project, three conditions must be satisfied (the "Conditions"):

- (1) The License Agreement between DMVA and the Air Force must be finalized and the Authority must be satisfied with the final terms of the License Agreement;
- (2) The Sublicense Agreement between the Authority and DMVA must be finalized and approved by the Commander of Joint Base Elmendorf-Richardson; and
- (3) The Municipality of Anchorage must approve the Project after conducting a public hearing on it.

WHEREAS, the Staff of the Authority has conducted due diligence regarding the Camp Denali Readiness Center addition project and expects that all of the Conditions Precedent will be satisfied in due course;

WHEREAS, to accelerate the project schedule, the Staff has arranged to issue a request for proposals seeking a design/build contractor for the Camp Denali Readiness Center Addition Project in advance of the satisfaction of the Conditions, with the understanding that no design/build contract can be awarded and no work can be commenced under the design/build contract until the Conditions are satisfied; and

WHEREAS, the Camp Denali Readiness Center Addition Project is in furtherance of the Authority's statutory purpose of promoting, developing and advancing the general prosperity and economic welfare of the people of Alaska, to relieve problems of unemployment, and to create additional employment.

NOW, THEREFORE, BE IT RESOLVED BY THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY AS FOLLOWS:

Section 1. The Authority shall proceed with the Camp Denali Readiness Center Addition Project, subject to the satisfaction of the Conditions. The finance plan for the Camp Denali Readiness Center Addition Project presented to the Board is approved.

Section 2. The Staff of the Authority is authorized to immediately issue a request for proposals seeking a design/build contractor for the Camp Denali Readiness Center Addition Project.

Section 3. The Executive Director of the Authority is authorized to execute the Sublicense Agreement with DMVA substantially in the form presented to the Board, with such non-material modifications as the Executive Director, in his discretion, may deem appropriate.

Section 4. Upon the satisfaction of the Conditions, the Executive Director of the Authority is authorized to execute the Project Development and Operation Agreement substantially in the form presented to the Board, with such non-material modifications as the Executive Director, in his discretion, may deem appropriate.

Section 5. After executing the Project Development and Operation Agreement, the Executive Director of the Authority is authorized to execute a design/build contract for the design and construction of the Camp Denali Readiness Center Addition Project for a total maximum contract price not to exceed \$15 million, with the design/build contract containing such other terms as the Executive Director, in his discretion, may deem appropriate.

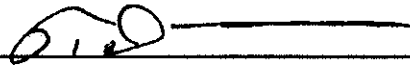
Section 6. After executing the Project Development and Operation Agreement, the Executive Director and the Staff of the Authority are authorized to take all other steps necessary or desirable to develop and construct the Camp Denali Readiness Center Addition Project and expend funds from the Economic Development Account (AS 44.88.172) for the project in an amount not to exceed \$15 million (inclusive of design/build contract amount), all as determined appropriate by the Executive Director in his discretion.

DATED at Anchorage, Alaska on this 30th day of March, 2012.



ALASKA INDUSTRIAL DEVELOPMENT
AND EXPORT AUTHORITY


Chair


Secretary

STATE OF ALASKA

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

OFFICE OF THE COMMISSIONER

SEAN PARNELL, GOVERNOR

P. O. BOX 5800

JBER, ALASKA 99505-0800

PHONE: (907) 428-6003

FAX: (907) 428-6019

March 21, 2012

Mr. Ted Leonard
Executive Director
Alaska Industrial Development and Export Authority
813 W. Northern Lights Boulevard
Anchorage, Alaska 99503

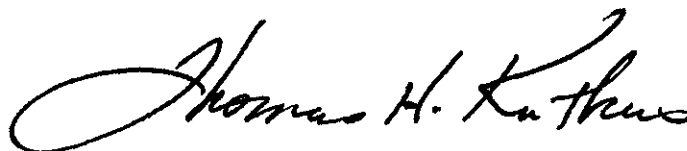
Re: Camp Denali Readiness Center Addition Project
Alaska National Guard Armory
Camp Denali, Joint Base Elmendorf-Richardson

Dear Ted:

This letter confirms that the Department of Military and Veterans Affairs of the State of Alaska desires to proceed with the Camp Denali Readiness Center Addition Project with AIDEA's assistance in financing, constructing, and developing the project. The Department, as AIDEA's agent, would act as the operator of the facility after its completion.

The Department has reviewed the March 19, 2012 draft of the Project Development and Operation Agreement (the "Project Agreement") between the Department and AIDEA. The Department accepts all of the terms and conditions of the Project Agreement. The Department has also reviewed the March 19, 2012 draft of the Sublicense Agreement ("Sublicense"). Upon the approval of the AIDEA Board, and with the satisfaction of AIDEA's conditions for the Project, the Department will execute the Project Agreement and the Sublicense to formally bind itself to AIDEA with respect to the Project. I look forward to working with AIDEA to successfully bring this Project to completion.

Sincerely,



Major General Thomas H. Katkus
Commissioner, DMVA