

Seafood and Food Safety Lab Replacement**FY2004 Request: \$14,285,000****Reference No: AMD 37753****AP/AL:** Appropriation**Project Type:** Health and Safety**Category:** Health/Human Services**Location:** Statewide**Contact:** Kristin Ryan**House District:** Statewide (HD 1-40)**Contact Phone:** (907)269-7644**Estimated Project Dates:** 07/01/2003 - 06/30/2006**Brief Summary and Statement of Need:**

Due to safety issues relating to emerging bioterrorism threats and animal diseases, changes in design were necessary to meet original intent and provide a safe and secure laboratory facility. This amendment provides additional funding to cover those design changes and complete construction of the new Environmental Health Laboratory.

Funding:	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>Total</u>
COPs	\$14,145,000						\$14,145,000
Gen Fund		\$855,000					\$855,000
Misc Earn	\$140,000						\$140,000
Total:	\$14,285,000	\$855,000	\$0	\$0	\$0	\$0	\$15,140,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Additional Information / Prior Funding History:

With a FY1999 appropriation of \$145.7 the department contracted for a feasibility study which determined that a state-owned replacement facility was the most economical option. With a FY2001 appropriation of \$240.0, DEC contracted for a conceptual design and a 4.74-acre state-owned parcel adjacent to the Anchorage DHSS public health lab was selected as the most economical and accessible site for the new lab. With a FY2002 appropriation of \$1,300.0, DEC contracted, through DOT/PF, for a complete design.

Project Description/Justification:**ORIGINAL PROJECT**

A bond bill was introduced that provided the authority to fund this project through the issuance of Certificates of Participation (COP). A Capital Project was established (SLA2003, Ch 82, Sec 1, pg 18, ln 5). Proceeds and interest earned from the COPs was to be used to construct a 19,300 square foot Seafood and Food Safety Laboratory that would be capable of meeting the needs of Alaskan companies involved in selling seafood, milk and other food products in interstate and international commerce.

Construction costs, updated in October 2002, were \$14,085.0 and the cost of issuing the bonds was 200.0 for a total project cost of \$14,285.0. The Department of Revenue (DOR) estimated the COP issuance amount will be \$14,145.0 and interest earned will be \$140.0. Assuming an issuance in September 2003, DOR estimated annual payments of \$1,390.8 for a total payment of \$20,862.4.

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The engineering and design work will be completed in June 2003. If construction funding was not approved in FY2004, DEC would have had no other option but to stop the project and suspend lab operations once the current leased facility was no longer available in 2006. The Department of Administration advised DEC that they can not legally authorize any further extensions (AS 36.30.083, 2 AAC 12.485). A construction delay would have also render the completed design work unusable as changes occur in construction costs and material availability.

DEC has been coordinating the analysis and planning for this facility since 1997 after learning that the lease for the current facility could not be renewed for the long term. Using appropriations provided for this purpose, experts under contract and from DOT/PF were involved in an extensive market analysis that considered all options available for the location and acquisition of a replacement facility. Given the highly specialized electrical and ventilation needs of this scientific laboratory, the most cost effective option was a state built single purpose facility located adjacent to the Public Health Laboratory in Anchorage. In order to secure the selected site, DEC initiated a land exchange with the Municipality of Anchorage that allowed the land to be available to DEC for this project.

PROJECT AMENDMENT

The project is nearing completion, with opening scheduled for August 2005. Due to safety issues related to emerging animal diseases and the potential for performing tests during a bioterrorism event, changes in the lab design were initiated early in the construction project. This amendment provides funding to meet the increased construction costs of the following changes.

1. Animal necropsy was moved from a less secure lab location to the most secure and confined laboratory.
2. Shipping and receiving was moved from the Administrative wing to a location near the rear entrance of the building, equipped with protective hoods and automated accessioning equipment.

These changes were needed to protect staff and customers from zoonotic agents (mad cow, avian flu, chronic wasting, and scrapie) and pathogenic bioagents (Botox, smallpox, brucella and anthrax) in samples received and processed at the facility.

The funding for the project amendment is from two sources: \$355.0 General Fund, and \$500.0 from a reappropriation of the unexpended and unobligated balance on February 28, 2005 of unrestricted federal receipts available from an appropriation to the Department of Natural Resources, Division of Agriculture, for matching funds for livestock transportation and infrastructure costs (sec. 24(n), ch. 159, SLA 2004).