

Seafood and Food Safety Lab Replacement**FY2004 Request: \$14,285,000****Reference No: 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:**

The current seafood and food safety laboratory lacks basic infrastructure to provide a safe and secure laboratory facility. This project contracts for services to complete construction of a replacement Food Safety Laboratory on state land.

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
Misc Earn	\$140,000						\$140,000
Total:	\$14,285,000	\$0	\$0	\$0	\$0	\$0	\$14,285,000

<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 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	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:

A bond bill will be introduced that will provide the authority to fund this project through the issuance of Certificates of Participation (COP). Proceeds and interest earned from the COPs will be used to construct a 19,300 square foot Seafood and Food Safety Laboratory that will 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, are \$14,085.0 and the cost of issuing the bonds is 200.0 for a total project cost of \$14,285.0. The Department of Revenue (DOR) estimates 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.

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

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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 is 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.