

AP/AL: Appropriation

Project Type: Construction

Category: Public Protection

Location: Mat-Su Areawide

Contact: Les Campbell

House District: Matsu Areawide

Contact Phone: (907)330-8356

Estimated Project Dates: 07/01/2007 - 06/30/2012

Brief Summary and Statement of Need:

AHFC has entered into an agreement with the Department of Corrections and the Mat-Su Borough to build a prison in the Matanuska-Susitna Valley. As part of the agreement with the Mat-Su Borough, AHFC will be required to pay for certain items that the Mat-Su Borough will then reimburse to AHFC. This will cover consultant contracts, AHFC salaries, associated advertising and other administrative equipment and support for the prison project.

Funding:	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	Total
Stat Desig	\$30,000,000						\$30,000,000
Total:	\$30,000,000	\$0	\$0	\$0	\$0	\$0	\$30,000,000

<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
<u>One-Time Startup:</u>	0	
Totals:	0	0

Additional Information / Prior Funding History:

New Project

Project Description/Justification:

AHFC has entered into an agreement with the Department of Corrections and the Matanuska-Susitna Borough to construct a 2,251 bed medium security prison within the Matanuska-Susitna Borough. AHFC will act as the Construction Project Manager on behalf of the Borough. The Memorandum of Understanding for this project has provisions for AHFC to be reimbursed for expenditures by the Borough. This request provides authority for AHFC to expend up to \$30 million of Statutory Designated Program Receipts (SDPR) for payments to contractors, administrative expense, labor and all other associated costs. The total cost of the project is expected to be \$330 million, with majority of the cost directly paid by the Mat-Su Borough.

AHFC's role in this project began when AHFC was asked by the Governor to assist with the construction of a 2,251 bed correctional facility in the Mat-Su Borough authorized by HCS CSSB 65(FIN), effective on July 23, 2004.

This project is being administered by AHFC at the Governor's request and utilizes AHFC's expertise in providing project management for planning, procurement, design, and construction.

A percentage of four Anchorage full-time positions will be covered by this funding. All positions currently exist and include the Construction Director, Projects Coordinator, Management Specialist I and Administrative Assistant III.

All expenditures by AHFC are to be reimbursed by the Mat-Su borough under a Memorandum of Understanding between AHFC, the Mat-Su Borough and the Department of Corrections dated August 3, 2006. Funds to reimburse AHFC are available from a Mat-Su Borough prepaid expense account approved as a fiscal note by the Borough Assembly under

Resolution No. 06-087 to reimburse AHFC for all expenditures. The Mat-Su Borough will issue a revenue bond to cover construction stage expenses.

AHFC is working with a planning consultant to prepare a Request for Qualifications to solicit design/build contractors to provide proposals to design and construct the facility, and to prepare a final design/build RFP to select a design/build contractor. The design/build contract for construction of the facility will be prepared by professional consultants.

If this request is denied, AHFC may not be able to continue with the planning and design/build construction activities in a reasonable time. Escalation costs of construction that exceed the CPI index established by SB65 to determine the maximum escalation allowance for this project are eroding the limits placed on the maximum price per bed allowable for construction of the correctional facility under SB65. Delays may result in the loss of construction seasons and the ability to construct the project under the limitations of SB65. The time delay and escalation costs of construction will render this project to be no longer feasible due to constraints in SB65 that restrict the cost per bed.