

Agency: Commerce, Community and Economic Development

Grants to Named Recipients (AS 37.05.316)

Grant Recipient: United Human Services of Southeast Alaska

Federal Tax ID: 27-1819146

Project Title:

Project Type: Remodel, Reconstruction and Upgrades

United Human Services of Southeast Alaska, Inc. - Non-profit Center

State Funding Requested: \$120,000
One-Time Need

House District: Juneau Areawide (3-4)

Brief Project Description:

Purchase and remodel the Salmon Creek Professional Building to create a Multi-Tenant Nonprofit Center.

Funding Plan:

Total Cost of Project: \$3,200,000

	<u>Funding Secured</u>		<u>Other Pending Requests</u>		<u>Anticipated Future Need</u>	
	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>
Federal Funds			\$600,000	2011		
State Funds	\$99,000	2010				
Rasmuson Foundation	\$39,000	2009, 2010	\$1,025,000	2010		
Local Funds			\$50,000	2010-2011		
Other Funds	\$252,000	2010	\$1,015,000	2010		
Total	\$390,000		\$2,690,000			

Explanation of Other Funds:

Other secured funds:

SAIL cash reserves \$200,000

Juneau Youth Services and JIST \$2,000

Alaska Mental Health Trust Authority (AMHTA) \$50,000

Other applied for funds

Building Owners \$150,000

Other Foundations \$50,000

A bank note of \$750,000

two grants from AMHTA \$65,000

Detailed Project Description and Justification:

Mission:

The mission of United Human Services of SE Alaska, Inc. (UHSSEA), is to promote collaboration and the efficient delivery of social services in Southeast Alaska.

For use by Co-chair Staff Only:

**\$120,000
Approved**

UHSSEA proposes to purchase and remodel the Salmon Creek Professional Building at 3225 Hospital Drive in Juneau for use as a Multi-Tenant Non-Profit Center (MTNC). The founders of UHSSEA originally envisioned new construction of a significantly larger, state-of-the-art facility, built to universal design standards and housing several additional regional non-profits who expressed a desire to co-locate. In response to the current cost of new construction and the general state of the economy, it became evident that a more prudent approach was needed at this time. The facility we propose to purchase will allow us to realize many of our original goals.

The Salmon Creek Professional Building is a 12,620 SF facility conveniently located on the bus line mid-way between downtown Juneau and the Mendenhall Valley. SAIL currently leases space in the building. Two long-term leases to for-profit entities of 4,860 and 2,200 SF will allow for significantly below-market rents to non-profit tenants. SAIL, UWSEAK, the American Red Cross, and a program of AWARE will co-locate and share reception/lobby and boardroom, classroom and break rooms. Less-than-optimal on-site parking is supplemented by the availability of adjacent leased parking.

Brief History:

UHSSEA is a new nonprofit created under the guidance of the Pre-Development (Pre-D) Program. The Pre-D Program is a joint project of the Rasmuson Foundation, the Denali Commission, and the Alaska Mental Health Trust Authority. Pre-D is administered through the Foraker Group for the purpose of providing technical assistance for capital projects. Articles of Incorporation, Bylaws, and the application for 501(c) (3) status were completed in June 2009. UHSSEA consists of Southeast Alaska Independent Living (SAIL) and United Way of Southeast Alaska (UWSEAK). While UHSSEA is young; the partners that make up the organization have been improving quality of life for SE Alaskans for quite some time. UWSEAK incorporated in 1986. SAIL formed in 1990 and 'spun off' as a standalone in 1992.

Services, Area, Beneficiaries:

UHSSEA is a regional nonprofit serving all of SE Alaska. SAIL currently serves 900+ seniors and people with disabilities. UWSEAK currently assists 39 member organizations providing a wide variety of social services for thousands of beneficiaries throughout SE Alaska. The American Red Cross of SE Alaska, committed to long-term tenancy in the facility, is a regional provider for emergency response. The Aiding Women in Abuse and Rape Emergencies (AWARE) Batterer Accountability Program will also lease space in the facility. UHSSEA will provide a venue for collaboration for Alaska nonprofits - both tenants and non-tenants alike - at below-market rent.

Need:

For more than a decade members of the non-profit community have explored the idea of co-locating in a Non-Profit Center. More recently, Pre-D commissioned the McDowell Group to conduct a needs assessment for the project. The findings, published in July 2008, were clear: "Local nonprofit organizations showed significant interest in an MTNC." Furthermore, "The idea of developing an MTNC appears timely for Juneau. Faced with ever-increasing rents and operating expenses, redundant infrastructure, duplication of services, competition for space and funding, and isolation from other agencies and centers of power and influence, local nonprofits indicate they are ready for the kind of strategic change that could result from development of a Juneau MTNC."

Housing several non-profit agencies in a single facility can deliver significant fiscal benefit through economies of scale. Keeping rents low will allow non-profits housed in the MTNC to focus their precious dollars on mission—ultimately better addressing community needs.

Sharing a building is just the beginning. Physical co-location will create an environment that encourages innovation and strengthens inter-agency relationships and organizational networks. We envision a "non-profit incubator" that will help

collaborative enterprises grow, expanding opportunities for both volunteers and the community at large.

Contribution to the quality of life of Alaskans:

Operational savings to non-profits will support sustainability of direct services. "One-stop shopping" will make life easier for people in need of services—whether they seek services from entities located in the MTNC or "in the neighborhood" (Planned Parenthood, Juneau Public Health, Bartlett Hospital, the Bone and Joint Center, JAMHI, etc.)

Sustainability:

Both SAIL and UWSEAK have been working with Pre-D to "do this right" since 2005. UHSSEA will own the facility. Long-term for-profit renters will pay market rate (currently averaging \$2.40 SF). Non-profit tenants will pay below-market monthly rent (currently \$1.50 SF). Pro forma indicates non-profit rents can be lowered even further after deducting costs to pay an outside management firm; collecting capital reserves; and paying for maintenance, snow plowing, heat, insurance, taxes on for-profit space, and other standard costs. UHSSEA is exploring income generating services and other 'best practices' with the assistance of the NonProfit Center Network, a national nonprofit center support alliance.

Project Director and Qualifications:

Paul Douglas, SAIL and UHSSEA Board Member will be the Project Director. Mr. Douglas has overseen other successful facility projects, most recently the construction of Harmony House, a Juneau assisted living facility.

Project Timeline:

February 2010 Request State and federal appropriations
 Rasmuson Tier Two Letter of Interest
 March 2010 Capital Campaign Committee Formed with Foraker guidance
 May 2010 Rasmuson Tier Two Application

 Ongoing Applications to other Funders, e.g., Murdock Foundation
 July-Oct. 2010 State and Federal Budget Action
 March 2011 End Capital Campaign

 Finance balance with lending institution
 March 2011 Close purchase and transfer ownership
 Remodel commences

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

United Human Services of Southeast Alaska

Grant Recipient Contact Information:

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Has this project been through a public review process at the local level and is it a community priority? Yes No