

Agency: Commerce, Community and Economic Development

Grants to Named Recipients (AS 37.05.316)

Grant Recipient: Blood Bank of Alaska

Federal Tax ID: 926002175

Project Title:

Project Type: New Construction and Land Acquisition

Blood Bank of Alaska - New Building Land Purchase, Planning and Construction

State Funding Requested: \$13,400,000

House District: Anchorage Areawide (17-32)

Future Funding May Be Requested

Brief Project Description:

Funding for a new building to accommodate new laboratories, technology, and expanded services. This request covers site acquisition, site preparation, final design & engineering for construction, and permitting.

Funding Plan:

Total Cost of Project: \$49,000,000

	<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					\$2,000,000	FFY11 and FFY12
Rasmuson Foundation			\$15,000	FY11		
Local Funds	\$77,000	FY10				
Other Funds	\$2,800,000	FY09 to present			\$500,000	FY11 and FY12
Total	\$2,877,000		\$15,000		\$2,500,000	

Explanation of Other Funds:

Other SECURED funds are Blood Bank funds of \$2.8 million (\$300,000 cash, plus the residual value of the current building, \$2.5 million, which would be sold after the new building is complete)

Other SECURED funds of \$77,000 are cash contributions received in 2009 from Blood Bank fundraising.

Other REQUESTED funding of \$500,000 is the goal for Blood Bank fundraising for FY11 and FY12.

Detailed Project Description and Justification:

JUSTIFICATION: The Blood Bank of Alaska (BBA) serves the entire state's medical community with blood and blood products necessary to sustain and save lives. This includes all Indian Health Service hospitals and military hospitals. The BBA has simply outgrown its facilities, impacting routine blood and blood products delivery, but also impeding the addition of new services and products which depend on the acquisition and construction of new certified laboratories.

Beyond well-known blood needs for cancer, heart, and accident patients, the BBA also has responsibilities for emergency support in times of natural disasters and homeland security events.

The BBA maintains a responsive and dedicated blood donor group. Often, the BBA must purchase laboratory services from

For use by Co-chair Staff Only:

**\$13,400,000
Approved**

out-of-state medical establishments, on blood collected in-state, to meet client hospital demands. Such laboratory services could be performed in-state in a new building.

Opportunities for adding new licensed laboratory services would generate income, but more importantly, it would allow client hospitals in Alaska to expand their range of medical offerings to keep more Alaskans closer to home during advanced treatment. More money would be circulated within Alaska, and new employment opportunities would be created.

DESCRIPTION: The BBA is in need of a larger building in order to centralize and expand its operations. The chief driver of this need is ever-increasing demands for blood, blood products, and laboratory services within Alaska, but also for the eventual need to provide additional licensed technical and laboratory services for which the BBA now pays for out-of-state service.

Professional estimates have determined that the BBA needs a facility of approximately 57,000 square feet, which would accommodate existing services (blood drawing area, laboratories, etc.), allow for the expansion of blood products and service offerings, consolidation of all operations, including bays for the blood mobiles, records storage, and other logistical and support offices. Current square footage is just under 20,000.

Upon gaining a successful appropriation of \$13.4 million, the BBA would embark on site acquisition, permitting, design & engineering plans, and site preparation.

Project Timeline:

TIMELINE: Upon receiving this request of \$13.4 million, the BBA would immediately move forward with the activities described above, and use the funds in FY11.

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

Blood Bank of Alaska

Grant Recipient Contact Information:

Name: Jack Williams, CEO
 Address: 4000 Laurel Street
 Anchorage, AK 99508
 Phone Number: (907)222-5603
 Email: jwilliams@bbak.org

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



February 11, 2010

The Honorable Bert Stedman, Co-Chairman
Senate Finance Committee

The Honorable Bill Stoltze, Co-Chairman
House Finance Committee

RE: \$13.4 Million - Blood Bank of Alaska FY11 Capital Request

Dear Senator Stedman and Representative Stoltze:

The Blood Bank of Alaska (BBA) applies again this year for an appropriation in the capital budget. We do so regretting, but understanding, the inaction on our request last year. In short, our increased request, up from \$5.6 million in FY10, is due to our considerable apprehension at the prospect of losing a year from our facility expansion timeline. With the addition of \$7.8 million to last year's request, we would be able to remain on target, and actually arrive at the point of initial construction activity on the building.

As you know, this is a multi-year project, needed to meet demands from hospitals statewide, including demands for new blood products and services. We are a non-profit life-health-safety institution, playing our part in sustaining and saving lives in Alaska.

Our operations also include service to Indian Health Service hospitals and military hospitals. Beyond well-known blood needs for cancer, heart, and accident patients, the BBA also has responsibilities for emergency support in times of natural disasters and Homeland Security events.

The BBA has a responsive and dedicated group of donors. In trying to keep up with demands from the medical community, we have been impeded by limitations in our existing facility space. Opportunities for adding new licensed laboratory services would generate income, but more importantly, provide greater service to our client hospitals, allowing them to expand their range of treatment offerings to keep more Alaskans closer to home during advanced treatment. Everyone wins. Hospitals expand their array of services, patients remain in-state for treatment, more jobs are created, and we circulate more money within the state.

We need to align our physical capacity with the needs and demands we foresee. To this end, we developed a professional feasibility study and concept design in 2008. Last year, we developed plans for site acquisition, site preparation, permitting, final design & engineering services, project





management, and pre-construction work. The Blood Bank of Alaska is able to commit cash of \$300,000 immediately, and approximately \$2.5 million eventually, when we move out of our current facility and sell it. The total project cost from inception to completion is expected to be \$49 million.

The BBA has developed a capital fundraising plan. This appeal will be manifested in several directions. We are approaching decades-long supporters from within Alaska, including individuals, corporations, civic organizations, and foundations. We will also apply for federal grants from the U.S. Departments of Health, Agriculture, and Homeland Security. In addition, the BBA will apply to foundations elsewhere in the country. We feel that the State of Alaska should also participate in this project because of our integral role in Alaska's public health infrastructure.

We deeply appreciate your consideration of our FY11 request. One out of every three people will need a blood transfusion during their lifetime. You can rest assured that every time an Alaskan life is saved, your support of the Blood Bank of Alaska is a contributing factor.

Sincerely,

Jack L. Williams
CEO
Blood Bank of Alaska, Inc.



Phased Funding Need in 2010

Land	\$4,606
Design	\$2,788
Project & Construction Management	\$476
Site & Building Permits	\$345
Owner Administration	\$65
Early Construction	\$3,902
Contingency @10%	\$1,218
<hr/>	
Total	\$13.400 Mil

MUNICIPALITY OF ANCHORAGE



Office of the Mayor

Phone: 907-343-7100

FAX: 907-343-7180

Mayor Dan Sullivan

February 16, 2010

The Honorable Bert Stedman
Senate Finance Committee Co-Chairman
State Capital, Rm. 516
Juneau, AK 99801

The Honorable Bill Stoltze
House Finance Committee Co-Chairman
State Capital, Rm. 515
Juneau, AK 99801

Re: Letter of Support for Blood Bank of Alaska's FY11 Capital Request

Dear Senator Stedman and Representative Stoltze:

The Municipality of Anchorage actively supports the Blood Bank of Alaska (BBA) in its efforts to secure property on which to construct a new blood bank facility in Anchorage. The BBA is a critical component of the entire state's medical infrastructure and serves all Alaskan citizens equally, and is especially important to our city's emergency preparedness.

The BBA needs more space as it has completely outgrown its current location on Laurel Street, which it has occupied since 1982. As the state's population increased so did the statewide need for their services. According to BBA-provided statistics, blood collections have increased by 292%. To meet that demand, the number of employees has increased along with the need for additional storage capacity. Placing even further demand on the Blood Bank is the trend of more and increasingly complex medical procedures being performed in-state versus out-of-state. There is great benefit to Alaskans to "stay home" for long-duration procedures instead of traveling.

We have been working with the BBA to identify and secure a building site. Two sites on Tudor Road are being considered; both meet the BBA's programmatic needs of being near or within the University-Medical District and on a major transportation route. One site is located at 3400 Tudor directly in front of the Municipal Public Works complex. The other site is a raw piece of land adjacent to the State's new crime lab between Tudor and Martin Luther King Boulevard.

I urge your support for the BBA's FY11 Capital Request as few investments will more equally serve all Alaskans. We look forward to working with the BBA, the State of Alaska and the Anchorage community to secure the best site for a new facility.

Sincerely,

Dan Sullivan
Mayor



ALASKA REGIONAL
H O S P I T A L

February 4, 2010

The Honorable Bert Stedman, Co-Chairman
Senate Finance Committee

The Honorable Bill Stolze, Co-Chairman
House Finance Committee

RE: Blood Bank of Alaska FY11 Capital Request - \$13.4 Million

Dear Senator Stedman and Representative Stolze:

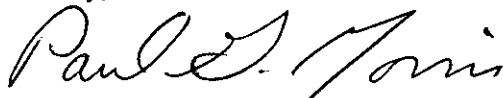
Alaska Regional Hospital would like to express its support for the facilities and services expansion project for the Blood Bank of Alaska. The services that the Blood Bank provides to the community and state are a vital part of a growing need for healthcare services. With an ageing population, there will be continued growth and pressure on the healthcare industry to provide new and existing services. The proposed facilities will enable the Blood Bank of Alaska to meet the demands of the future as well as providing state of the art services that Alaskans deserve.

Other benefits and points that should be considered are:

- It is the only blood bank in Alaska
- As more services become available in state, the usage will continue to grow at a rapid pace
- Expanded services including more reference lab services will minimize the account of services being sent to Washington State
- The center could provide centralized transfusion or cross match services
- With the increase of cancer treatment in Alaska, there are increased demands for HLA matched product
- Collection and eventually storing cord blood
- A plan to start testing samples in state would have several advantages
 - The blood supply would be more secure in the event of a disaster with limited air travel to the lower 48
 - Provide test results on a more timely basis
 - Allow more testing to increase data base of antigen negative units which would help to identify and eventually freeze rare units

In short, we support this expansion project.

Sincerely,



Paul G. Morris
Chief Financial Officer
Alaska Regional Hospital



Banner Health

Denali Center
Fairbanks Memorial Hospital

1650 Cowles Street
Fairbanks, AK 99701
Phone 907-452-8181
Fax 907-458-5324
www.fmhdc.com

February 18, 2010

The Honorable Bert Stedman, Co-Chairman
Senate Finance Committee

Dear Sen. Stedman,

I am writing in support of the Blood Bank of Alaska, which is seeking inclusion in the state capital budget in order to improve and expand its critical blood supply services to the people of Alaska. The Blood Bank of Alaska is the only supplier of blood and blood products in Alaska and has provided blood, blood platelets, and plasma to Alaska hospitals since 1962. The Blood Bank of Alaska is critical to Fairbanks Memorial Hospital's operation.

For nearly 30 years, the Blood Bank of Alaska has kept pace with changes in technology and increasing demand for blood and products. However, the non-profit organization needs to expand their facilities in order to meet an annual 7 percent growth in blood and blood product demand and is seeking support from the Senate Finance Committee to do so. The Alaska legislature authorized funding in 2008, but these funds did not appear in the state's final enacted budget.

Thank you for recognizing the key role that the Blood Bank of Alaska serves in our state and for your support in ensuring that their facilities can continue to benefit the people of Alaska for many years to come, even as our state's demand for blood services continues to grow.

Sincerely,

Mike Powers
CEO, Fairbanks Memorial Hospital



Banner Health

Denali Center
Fairbanks Memorial Hospital

1650 Cowles Street
Fairbanks, AK 99701
Phone 907-452-8181
Fax 907-458-5324
www.fmhdc.com

February 18, 2010

The Honorable Bill Stoltze, Co-Chairman
House Finance Committee

Dear Rep. Stoltze,

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Thank you for recognizing the key role that the Blood Bank of Alaska serves in our state and for your support in ensuring that their facilities can continue to benefit the people of Alaska for many years to come, even as our state's demand for blood services continues to grow.

Sincerely,

Mike Powers
CEO, Fairbanks Memorial Hospital

Help at Home
ALASKANS TO ALASKA



February 17, 2010

The Honorable Bert Stedman, Co-Chairman
Senate Finance Committee

The Honorable Bill Stolze, Co-Chairman
House Finance Committee

Re: Blood Bank of Alaska FY11 Capital Request-\$13.4 Million

Dear Senator Stedman and Representative Stolze:

The American Red Cross would like to express its support for the facilities and services expansion project of the Blood Bank of Alaska. The services provided by the Blood Bank to our state are part of a growing need not only for health care services but for emergency preparedness for our state. The proposed facilities will help meet the demands in the future especially if a large scale disaster was to occur within our state. As one of the agencies here in Alaska specifically focused on disaster preparedness and response we see this expansion as a critical component in Alaska's ability to be self-sustaining after a large scale disaster. Red Cross will partner with the Blood Bank as a key partner in providing disaster relief services when the time arises.

The likely hood of Alaskan air traffic being interrupted is imminent if a natural or man made disaster was to impact our state. The Blood Bank's role will be critical in making sure that the immediate blood product needs are met throughout the state. These proposed expansions will allow the Blood Bank to be in a stronger position and better prepared to ensure every Alaska impacted has access to vital life saving blood.

In short we support this project and it will allow Alaska to be better prepared during a time of crisis, when one arises, and to meet the demands of our ever growing medical community on an annual basis.

Sincerely,

A handwritten signature in black ink, appearing to read "Michelle Houlihan".

Michelle Houlihan
Chief Executive Officer



February 26, 2010

Mr. Jack Williams, CEO
Blood Bank of Alaska
4000 Laurel Street
Anchorage, AK 99508

Dear Jack:

I write today to express the support of Providence Health & Services Alaska in your endeavor to seek funding from the Alaska Legislature so the Blood Bank of Alaska (BBA) may secure property and construct a new facility.

As you know, BBA is the only blood banking facility in Alaska and has been serving Alaskan hospitals, including the four Providence hospitals, for over 40 years. Providence is appreciative of the efforts of BBA to maintain a center in Fairbanks and conduct blood drives all over the state through the use of your mobile equipment.

I know that BBA has been in their current facility since 1982 and that during those years, health care in Alaska has seen growth in volume and change in medical technologies. I am also aware that in order to continue serving the medical community, you need a larger facility and one that is compliant with the regulations now governing the processing of blood and blood components.

Providence looks forward to working with BBA representatives and other community advocacy groups in support of your legislative request once the capital budget discussions begin.

Please feel free to use this letter of support as you deem appropriate.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Al Parrish".

E. Al Parrish
CEO and Vice President Alaska Region

EAP:lb