

Agency: Commerce, Community and Economic Development**Grants to Named Recipients (AS 37.05.316)****Grant Recipient: Southcentral Foundation****Federal Tax ID: 92-0086076****Project Title:****Project Type: New Construction and Land Acquisition**

Southcentral Foundation - Valley Primary Care Center

State Funding Requested: \$7,500,000**House District: Mat-Su Areawide (13-16)**

One-Time Need

Brief Project Description:

Construction of a full service primary health care facility in Wasilla. The facility will enable Indian Health Service beneficiaries and others in the area to have primary care needs met locally. In addition, the project will create a significant number of permanent jobs.

Funding Plan:

| | |
|-------------------------------|----------------------|
| Total Project Cost: | \$57,750,000 |
| Funding Already Secured: | (\$50,250,000) |
| FY2013 State Funding Request: | <u>(\$7,500,000)</u> |
| Project Deficit: | \$0 |

Funding Details:

USDA Loan\$ 40,000,000

Wells Fargo Loan\$ 10,000,000

Mat-Su Health Foundation\$ 250,000

Detailed Project Description and Justification:**Detailed Project Description and Justification:**

Southcentral Foundation (SCF) is constructing an 85,317 sq. ft. health facility in Wasilla, Alaska. The proposed facility will provide space to support a modern and adequately staffed comprehensive primary care medical center that will improve access to the primary medical, dental, optometry, and behavioral health services for Mat Su Valley residents. Funds will be used to complete the project including unbudgeted construction costs, furnishings, and equipment.

SCF's Existing Services:

Since 2004, SCF has leased space at a strip mall located on the Parks Highway in Wasilla for an outpatient clinic to serve the rapidly growing number of people in the area. This leased space is approximately 6,400 square feet and allows no room for expansion.

The continued, large growth in the borough's population has made the need for greatly expanded service capacity acute. Last year alone the number of active users of SCF services in the Palmer-Wasilla area increased by 520 people to 7,942. SCF's recent Master Plan projects a minimum user population of 10,168 in 2020. This projection was based on information the Alaska Department of Labor Workforce Development, Research and Analysis section, SCF's Resource and Patient Management System, and the IHS Health System Planning tool. The new facility was designed to meet the current and anticipated health care needs of the population to 2020. It also will provide a full range of health services not currently provided at the existing clinic including dental, optometry, and some specialty care. This service and capacity expansion

could not be done in a cost-effective manner without construction of a facility designed specifically for the intended purpose.

Financing:

The project cost includes purchase of property at \$6,600,000 and the construction of the facility at \$51,150,000. SCF has obtained federal financing for the facility from the USDA Rural Development Program and support for operational costs from the IHS Joint Venture Construction Program (JVCP). Under JVCP, the Indian Health Service provides a significant portion of the costs of operating the new health facility if the tribal organization builds it. Qualifying projects are selected in a national competition. SCF was one of five projects selected. SCF anticipates receiving over \$20 million annually from the JVCP to help cover costs of staffing and operating the new facility. SCF estimates that it will provide approximately \$6 million a year of its own funds.

SCF has leveraged long-term financing for the construction of the facility from the USDA. That agency has committed to providing \$40 million in low interest financing and provided a guarantee to a commercial bank that will provide additional \$10 million loan.

Community Support:

The Mat Su Health Foundation provided a grant award of \$250,000 towards the project and the City of Wasilla supported SCF's pursuit of USDA financing.

Employment:

SCF anticipates the facility will initially employ at least 175 staff and the number will increase as the population grows in the valley. These positions will be year round ranging from entry level clerks and maintenance personnel to professional level dentists, physicians, dietitians, and behavioral health clinicians.

Construction:

As of January 2012, construction is more than 50% complete.

SCF will utilize the proposed State financing towards construction, furniture, and fixtures.

Improved Services and Increased Employment:

This project will accomplish several desirable goals. It will assure access to better, more convenient health care for residents of the Mat Su Borough and will provide a substantial number of year round jobs with good benefits.

Project Timeline:

2003-Planning with Knik and Chickaloon Village Tribal Councils began; December 2009-SCF selected as JVCP; August 2010-IHS approves SCF's architectural plan; September 2010-USDA selects SCF 40-year loan application; January 2011-Design-build contractor selected; May 2011-Site work begins; August 2012-Expected completion of construction; September 2012-Expected start of services; November 2012-All expenditures incurred and payments remitted; December 2012-Project closed out

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

Southcentral Foundation

Grant Recipient Contact Information:

| | |
|---------------|-------------------------------------------------|
| Name: | Fred Kopacz |
| Title: | Southcentral Foundation |
| Address: | 4501 Diplomacy Drive Anchorage, Alaska 99508 |
| Phone Number: | (907)729-4992 |
| Email: | fkopacz@scf.cc |

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

| |
|----------------------------------------|
| <i>For use by Co-chair Staff Only:</i> |
| 3:20 PM 5/2/2012 |