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## EXECUTIVE SUMMARY

The City of Anderson needs to replace the existing city building, which is almost 60 years old. The new facility planned for this Interior Alaska community will be constructed on city owned vacant land at the corner of First Street and D Street, which is within walking distance of the school, the city maintenance shop, and many of the City of Anderson homes. The organizations and businesses occupying the facility will serve city and regional residents and visitors.

Conceptual plans and layout drawings were developed and used to evaluate project requirements, costs, and sustainability. It should be noted that final designs and construction plans, which will evolve using additional input from the community, users, engineers, architects, regulators, and funding entities, may not look anything like the conceptual plan. As presented in the conceptual plans, the new two-story multi-use facility, which will be designed to meet ADA accessibility requirements, will provide space for the following:

- City of Anderson administrative services and council chambers;
- regional DMV services;
- a fire hall;
- a U.S. Post Office;
- a large multi-purpose community center room near a kitchen;
- rental spaces for retail and/or professional service enterprises;
- a landscaped entry area and a lobby;
- parking spaces for at least 100 cars; and
- a summer vehicle wash pad.

The estimated cost to construct the new facility on city owned land is \$5,711,000. The City of Anderson will use a combination of existing operating funds and enterprise revenues, and new revenues from the new facility rental spaces to cover the facility operating expenses, and to save for periodic repair and equipment replacement expenses

and a portion of the capital replacement expense. Cost estimates are summarized in Table ES-1.

**Table ES-1**  
**Anderson Multi-Use Facility Cost Estimates**

<b>Construction Costs</b>	<b>Amount</b>
Capital Cost Estimate	\$5,711,000
<b>City of Anderson 10% Local Match for Distressed Community</b>	<b>\$571,100</b>
<b>Revenues, Expenses, and Net Income (<i>Loss</i>)</b>	<b>Amount</b>
Annual Revenue Estimate	\$175,072
Annual O&M, R&R, and Replacement Expense Estimate	\$172,026
<b>Net Income (<i>Loss</i>)</b>	<b>\$3,046</b>

The new multi-use facility will have a positive effect on the City of Anderson, regional residents, and visitors.

- The facility design and operation will optimize efficiencies, flexibility of space, and energy conservation.
- It will be developed and operated for diverse year round use by the city, regional residents, and visitors.
- It will facilitate a broad spectrum of opportunities, events, and activities that will benefit all community members.
- The new facility will consolidate and expand city operations, which allows the city staff to provide more efficient services.
- It will provide residents with the opportunity to develop commercial enterprises in rental spaces that are centrally located in the City of Anderson.

## 1.0 INTRODUCTION

The City of Anderson retained Michael L. Foster & Associates, Inc. (MLFA) to assist with conceptual planning and a business plan for a new multi-use facility in Anderson, Alaska. The Anderson Multi-Use Facility Conceptual Planning and Business Plan project is funded through the Denali Commission and the Alaska Department of Commerce, Community, and Economic Development (ADCCED) Division of Community Advocacy Multi-Use Facility Program.

The goal of this multi-use facility conceptual planning project is to address early project development issues and questions and to prepare pre-design layouts, cost estimates, a site plan checklist, a financial plan, and a business plan. The work includes:

- community meetings and discussions to explore options that meet their needs as well as the needs of regional and local governing organizations and other service providers;
- the identification of services currently provided and the new (additional) services the organization can realistically provide in the facility;
- the site selection process, which includes the consideration of alternative sites;
- the identification of site control issues;
- a financial plan with capital and operation and maintenance (O&M) cost estimates and potential funding sources; and
- a separate, stand-alone business plan prepared using the *Multi-Use Facility Business Plan Guidebook* (ADCCED, 2005).

This document includes background information, the project description, conceptual layout drawings, site plan checklist, financial plan, summary and recommendations, references, and abbreviations.

## **2.0 BACKGROUND INFORMATION**

This chapter provides general information about the City of Anderson, a description of the existing facilities and needs, and alternatives.

### **2.1 GENERAL INFORMATION**

Anderson is a Second-Class City that was incorporated in 1962. It is located in Interior Alaska, on a spur road six miles west of the George Parks Highway, 76 miles southwest of Fairbanks and 285 miles north of Anchorage. The municipal boundaries include 263.9 square miles of water and 1,697.2 square miles of land near the northern boundary of the Denali Borough. The townsite is centered in Section 32, Township 6 South, Range 8 West, of the Fairbanks Meridian (Figures 1 and 2).

### **2.2 EXISTING FACILITIES AND NEEDS**

Anderson community facilities currently serve year round and seasonal residents, employees, and visitors in the Denali Borough, Nenana, and Fairbanks region. This includes the communities of Anderson, Clear, Clear Sky Highway, Browns Court, Nenana, Healy, McKinley Park, Ferry, Cantwell, and Fairbanks. The ADCCED determined the 2005 population of the City of Anderson was 546, the Denali Borough population was estimated to be 1,823, and the Nenana population estimate was 549.

The existing city building (Photos 1 through 6), which was originally used in the late 1950's as a dormitory for Clear Air Force Station construction workers, currently provides space for the City of Anderson council chambers, kitchen, clerk's office, and file storage; a regional Division of Motor Vehicles (DMV) office that is operated by the City of Anderson; Anderson's United States (U.S.) Post Office; and a room for the Railbelt Mental Health and Addictions Program (RMHA). The council chambers are also used for small community functions and serves as the mayor's office and conference room. The clerk's office provides a variety of customer services that include faxes, copies, notaries, fishing and hunting licenses, dog licenses, and payment of city services.

As a result of regional growth and Clear Air Force Station organizational changes, more people are using the existing City of Anderson facilities and there are demands for additional services. As described below, the city is struggling to provide the required level of services in the existing community facilities.

- The existing building is not readily accessible and useable by individuals with disabilities as required by the Americans with Disabilities Act (ADA). Some of the problem areas include doorways and ramps that need to be redesigned and/or replaced.
- Residents want U.S. Post Office facilities that are more accessible. The Post Office, which is located inside the existing city building, does not have of a separate public entrance and secure space for post office boxes. Therefore, it can only be accessed during city office hours with the exception of Saturday, when it is open for 1 1/2 hours. This is not practical for residents that work 12-hour shifts at Clear Air Force Station.
- The City of Anderson currently provides DMV services for Denali Borough, Nenana, and Fairbanks area residents; and seasonal workers associated with Denali National Park. The nearest alternative DMV offices are located in Fairbanks, approximately 80 miles to the north, and Wasilla, 200 miles to the south. The Fairbanks DMV office is extremely busy and their customers are waiting three to four hours to be served; therefore, many Fairbanks residents are traveling to Anderson for DMV services. The Anderson DMV enterprise has been growing dramatically; revenue has doubled in the last three years; and the trend is expected to continue. At times, more than 30 people are lined up for DMV services in the small office processing/testing/waiting area that seats eight. The DMV office needs more processing stations, an actual testing area, and a comfortable waiting area.
- The mayor does not have an office because the space was needed for city file storage.
- The clerk's office does not have a customer service counter or a private conference space.

- Denali Borough Assembly meetings, which are held on a rotational schedule in Anderson, have attracted more than 100 people, but the city council chambers seat less than 40. Special arrangements have been made with the school, but there have been scheduling conflicts with school events, and in summer the school closes and the school staff leaves the Anderson area.
- The Anderson Lions Club is used for local meetings, but the bar like atmosphere and limited space is not always suitable for community gatherings.
- In 2006 the Anderson Riverside Park was used as a staging area for fire fighters but the command center had to be located in Nenana because there wasn't a suitable office or meeting space in Anderson.
- The old fire hall needs upgrades to meet the latest state and federal requirements for emergency medical services that include: drive through bays for an ambulance and tanker truck, heated water storage tanks, backup generators, storage lockers for medical equipment, and decontamination showers for emergency medical service (EMS) personnel. Since the nearest available hospital is 80 miles away in Fairbanks it is very imperative that the EMS facilities are up to date and readily available.
- Business infrastructure is extremely limited in Anderson. Currently the town has no grocery store, deli, washeteria, gas station, or coffee shop. A restaurant/bar opens for a few months in the summer. Although there are a few small businesses located in the residential areas, rental spaces that are visible and easily accessible to residents and visitors are needed.
- Some of the area residents live on remote homesteads with limited water, sewer, and electrical services. The closest laundry facility is 25 miles to the north or 45 miles to the south. Shower facilities are available at Anderson's Riverside Park in the summer months, but the closest facility in the winter is 45 miles away. A year-round washeteria with shower facilities is needed.

## **3.2 ALTERNATIVES**

Alternatives considered for the multi-use facility include do nothing; renovate and expand the existing city building; build separate facilities for each function (fire hall, washeteria, post office, city administrative services, etc.); and build a new multi-use facility. Discussions of each alternative are provided below.

### **Do Nothing**

The do nothing alternative does not resolve additional space, accessibility, and economic development issues.

### **Renovate and Expand the Existing City Building**

Due to the age and deteriorating conditions of the existing building and limited space available on the existing lot, renovations or expansion of the existing facility are not feasible options. The existing building will be sold or demolished, and the land, which is between the school and the clinic building will be used as a parking lot.

### **Construct Separate Facilities for Each Function**

The construction of separate facilities for each function identified for the new multi-use facility increases construction and O&M costs. Also, separate facilities do not meet the goal of consolidating city operations and services.

### **Build a New Multi-Use Facility**

The new multi-use facility will consolidate and expand city operations, which allows the city staff to provide more efficient services. The rental spaces will provide the city with additional revenue sources, and they will provide residents with the opportunity to develop commercial enterprises, which is a goal of the City of Anderson Economic Development Plan (ASCG, 2003).

Building a new multi-use facility is the most feasible option.

### 3.0 PROJECT DESCRIPTION

Conceptual planning wish list/requirements surveys and public meetings were used to obtain input from the residents, council members, city employees, and facility users. The initial public meeting/workshop held on August 8, 2006, focused on the types of space needed and the relationships of the spaces to each other (adjacencies). At this meeting the community decided that a new two-story multi-use facility, which will be designed to meet ADA accessibility requirements, would provide space for the following:

- City of Anderson administrative services and council chambers;
- regional DMV services;
- a fire hall;
- a U.S. Post Office;
- a large multi-purpose community center room near a kitchen;
- a washeteria;
- rental spaces for retail and/or professional service enterprises;
- a landscaped entry area and a lobby;
- parking spaces for at least 100 cars; and
- a summer car wash.

On October 10, 2006 MLFA presented the draft conceptual plan at a city council workshop. As a result the city's evaluations of the draft conceptual plan and financial plan, the city decided to eliminate the washeteria and replace the summer car wash with a summer vehicle wash pad. The washeteria was eliminated because there did not seem to be a sufficient number of users to pay for the washeteria operating expenses. The summer car wash was changed to a wash pad for fundraising activities to 1) eliminate the costs associated with winterization of expensive equipment that would produce limited revenues over a short period each summer; and 2) eliminate the duplication of emergency vehicle washing equipment that will be installed inside the fire hall.

Descriptions of the space requirements are detailed below. Copies of the conceptual planning wish list/requirements surveys are provided in Appendix A.

## **Facility Location and General Requirements**

The new multi-use facility needs to be located on city owned land that is centrally located, accessible, and visible to visitors driving down First Street. The new fire hall, which requires drive through bays and an exterior wall, needs to be near the old fire hall and the city maintenance shop. City owned vacant land on the southwest corner of First Street and D Street meets these requirements (Figure 3 and Photos 7 and 8). Other location and general requirements are described below.

- The facility needs landscaping that welcomes visitors and has seating areas.
- Parking spaces are needed for at least 100 cars.
- Electrical outlets that are back-over proofed are needed for employee cars.
- Loading docks need to be situated away from the fire hall so as not to interfere with the emergency vehicle access.
- Alaska Department of Environmental Conservation (ADEC) regulations require that wells for a Class A public water system be located at least 200 feet from wastewater treatment and disposal systems, pit privies, holding tanks, sewer manholes, lift stations, cleanouts, and community sewer lines; and 100 feet from petroleum lines and storage tanks.
- Community sewer lines will be installed in First Street and D Street rights-of-ways (MLFA, 2004). It is anticipated that the new community sewer service, which is being designed and constructed with ADEC Village Safe Water Program (VSW) grants, will be available to the new facility in 2009 or 2010.
- The alternative to community sewer service is a large capacity mounded septic system.
- Heating systems will require the installation of fuel storage tanks.
- Electrical service is available from Golden Valley Electric Association. Existing power lines are located on First Street and D Street and there is an electrical easement on the property as shown on Figure 3.
- The facility needs to be designed and constructed to optimize efficiencies, flexibility of space, and energy conservation.

The multi-use facility will be located on city owned land that is zoned for residential and commercial use (Anderson, 1985). Some of the special permits, licenses, and regulations that must be obtained are listed below.

- Public water systems must be designed, constructed, and operated in accordance with ADEC regulations 18 Alaska Administrative Code (AAC) 80, which include engineering reviews and approvals for the construction and operation of the public drinking water system.
- Water rights and water use permits must be obtained from the Alaska Department of Natural Resources (ADNR).
- Wastewater treatment and disposal systems must be designed and constructed in accordance with ADEC regulations 18 AAC 72.
- The building must be designed and constructed in compliance with international building, plumbing, mechanical, and fire codes; and national electrical codes.
- Building construction plans and the installation of fuel tanks must be reviewed and approved by the State Fire Marshal.
- The project must comply with state and federal historic preservation acts.

### **Entry and Lobby Areas and General Interior Requirements**

The entry and lobby areas are very important spaces. These are social spaces in which the city wants to extend a warm welcome to residents, clients, and visitors. For some visitors this is the only area of the city that they see. It needs to encourage visitors to explore and experience the other aspects of Alaskan life that Anderson offers. Some of the entry, lobby, and general interior requirements are listed below.

- A two-story facility is desired to reduce capital costs and heating costs. This will require the installation of an ADA accessible elevator.
- Display spaces and waiting areas are needed in the lobby.
- Surveillance, security, and fire suppressant systems are required.

## **City of Anderson Administrative Services and Council Chamber Requirements**

The requirements for City of Anderson administrative services are listed below.

- A public processing area and counter for fishing and hunting licenses, dog licenses, faxes, copies, notaries, and payments for city services.
- The processing area needs to be near the lobby and public restrooms.
- Private offices for the mayor and city clerk.
- General workspaces for city employees.
- Secure file storage areas.

The council chambers will be a small meeting room for up to 50 people with white boards, display boards, and a variety of teleconference, recording, audio, and video equipment. The council chambers will be rented out for small conferences, educational programs, and private events. It needs to be near a kitchen, public restrooms, and secure storage areas.

## **Multi-Purpose Community Center Room and Kitchen Requirements**

The multi-purpose community center room will be used for emergency coordination, public meetings, workshops, conferences, training sessions, youth activities, continuing education, potlucks, teen activities, dances, movies, fund raising events, and other community functions. The multi-purpose room and kitchen will also generate revenue when rented out for private functions. This is a critical space that is missing in the community. The following are some of the requirements for the multi-purpose community center room.

- Space to effectively seat 200 people at Denali Borough Assembly meetings.
- It needs white boards, display boards, and a variety of teleconference, recording, audio, video, and computer equipment needed for training sessions, public meetings, conferences, and emergency coordination.
- Blackout window coverings will be required for movies and videos.
- Folding tables and chairs that can be cleared from the room will be needed.
- It needs to be near a kitchen, public restrooms, and secure storage space.

The kitchen needs to be accessible on a daily basis to city, DMV, and U.S. Postal Service (USPS) employees. It will also be used for community potlucks and be available as a rental for private catering of special events in the council chambers and multi-purpose community room.

### **DMV Requirements**

The new facility will have the space needed to expand the DMV enterprise to serve the growing regional population. DMV requirements are listed below.

- The DMV needs to be near the lobby and public restrooms.
- The lobby and/or DMV waiting area must have the capacity to serve lines of 30 people.
- The DMV needs a public processing counter and a separate testing area.
- DMV personnel need a private work/office space.
- Secure storage space is required.
- Computers and special communication lines are required.
- Vehicle access, street visibility, and storefront signs are required.

### **Fire Hall Requirements**

The fire hall needs to meet the latest state and federal requirements for emergency medical services. The following are some of the requirements for the new fire hall.

- An outside wall.
- Public access.
- Street visibility and signage.
- A private exterior entrance.
- Drive thru bays for an ambulance and tanker truck.
- A 20,000-gallon water storage tank.
- Water pumps for filling the tanker truck.
- A backup generator for operating the drive thru bay doors and the water tank pump.

- Pressure washing equipment and floor drains with oily water separators.
- Storage space to secure expensive equipment.
- Storage lockers for medical equipment.
- Decontamination showers for EMS personnel and fire fighters.
- An office area.
- Public service areas and counters.
- Pass-thru windows.
- Phones, faxes, computers, and audio/video equipment.

The nearby council chamber and multi-purpose community center rooms will be used for training sessions, and for emergency command posts. The water storage tank will provide water for the building sprinkler system and be used as an emergency supply of water in the event of a natural disaster or power outage. The ample and immediate supply of water available for use, summer and winter, may also reduce residential fire insurance costs.

### **U.S. Post Office Requirements**

The new ADA accessible facility will have a post office box area that can be secured so that mail can be picked up 24 hours a day. The following are some of the other post office requirements. The final design will require coordination with the USPS.

- A lobby, public service area, counters, and pass-thru windows.
- A separate secure post office box area with 24-hour public access.
- Display spaces.
- A workroom and storage areas.
- Space and electronic outlets for USPS audio-video equipment, phones, fax machines, and computers.
- Post office windows will have security bars.
- Postal service workers will have access to restrooms and a kitchen.
- An outdoor letterbox located in an area with a protective eave.
- A private exterior entrance with a loading dock.

- A loading dock located in an area separated from the fire hall to reduce any conflicts between large delivery trucks and the emergency response equipment.

### **Other Rental Space Requirements**

Commercial business space is sparse and is desperately needed in Anderson. The rental spaces proposed for the multi-use facility will be available to enterprises owned and operated by Anderson residents and/or public service entities such as the RMHA. The types of enterprises the city wants to attract include coffee shops, delis, general stores, video rentals, and enterprises that might attract and serve visitors and residents. The multi-use facility will meet the following requirements.

- The rental spaces will be visible and accessible to visitors using the Riverside Park, city offices, DMV, post office, and meeting rooms.
- The rental spaces will be constructed so that interior walls, partitions, and doors can be added and removed to accommodate the needs of the enterprises.

### **Summer Vehicle Wash Pad Requirements**

A vehicle wash pad will be constructed adjacent to the fire hall for summer fundraising activities.

## 4.0 CONCEPTUAL LAYOUT DRAWING

Conceptual layout drawings of the new multi-use facility were prepared based on the input obtained from public meetings and conceptual planning wish list/requirement surveys. Figures depicting the conceptual layouts are as follows:

- Figure 3, Multi-Use Facility Site Conceptual Plan;
- Figure 4, Multi-Use Facility First Floor Plan; and
- Figure 5, Multi-Use Facility Second Floor Plan.

Conceptual layout drawings are preliminary plans that are used to develop siting and acreage requirements, adjacency relationships, design and construction cost estimates, operation and maintenance cost estimates, financial plans, and business plans. They are a planning tool developed as a visual aid for discussions of project requirements and sustainability. Final designs and construction plans, which will evolve using additional input from the community, users, engineers, architects, regulators, and funding entities, may not look anything like the conceptual plan.

## 5.0 SITE PLAN CHECKLIST

As shown on the conceptual drawings, the project limits for the new facility require 3.14 acres of land. This includes approximately 12,000 square feet for the two-story building foundation and 100 parking spaces. The site chosen for the new facility is shown in Photos 7 and 8. The existing city building site is not large enough for the new facility; therefore, the city will sell or demolish the existing building and use the space as a parking lot for school activities.

Applications for design funds from the ADCCED and the Denali Commission have a list of questions associated with site selection and site control that are included in the *Multi-Use Facility Proposal Template for Design* (ADCCED, 2006). This chapter provides the questions and responses to the site selection and site control questions.

### 5.1 SITE SELECTION

#### **Question 1**

*Provide a site plan and community map showing site location for the existing facility and alternative new facility sites. Label as ATTACHMENT 7. The maps should illustrate the location of the facility site and utilities in relation to the site, a site plan layout, and the position of the site in relation to airport, schools, offices, etc. For some communities, the community profile maps prepared for the ADCCED can be used. In other instances, a hand drawn map may be used.*

**Response:** Figure 2 shows the City of Anderson in relation to the airport. Figure 3 shows the location of the existing facility, the new facility site, the proposed water well, existing power lines, the school, clinic building, old fire hall, city maintenance shop, and some of the houses and other structures located on the north side of First Street. Proposed community sewer mains will be located within the First Street and D Street rights-of-ways.

**Question 2**

*Is the project site subject to any imminent environmental threats? \_\_\_Yes \_\_\_No*

*If YES, please explain.*

**Response:** No

**Question 3**

*Is the project associated with the relocation of a community due to imminent environmental threats?*

**Response:** No

**Question 4**

*Why is the site you selected the best site? What factors were considered in site selection?*

**Response:** The new multi-use facility needs to be located on city owned land that is centrally located, accessible, and visible to visitors driving down First Street. The new fire hall, which requires drive through bays and an exterior wall, needs to be near the old fire hall and the city maintenance shop. City owned vacant land on the southwest corner of First Street and D Street meets these requirements (Figure 3).

The site of the existing city building is not large enough to meet the parking and facility size requirements. A facility located on the Parks Highway, which would be six or more miles from the town center, might attract more tourists but would be too far from the town center to benefit the Anderson townsite residents. The proposed site is within walking distance of the school, old fire hall, city maintenance shop, park, and most homes.

**Question 5**

*Does your selected site provide some special advantage in terms of long-term cost savings (e.g., making use of waste heat)?*

**Response:** No

**Question 6**

Will your facility be served with piped water, sewer and electricity? \_\_\_Yes \_\_\_No

*If the facility is not served by necessary utilities, please explain:*

**Response:** Yes and No, power is available to the site. The city does not have a community piped water system so a well must be installed. A new piped community sewer system, which is being designed and constructed with VSW grants, will serve the new facility site in 2009 or 2010.

**Question 7**

Will your designated site be within 150 feet of all existing utility hookups and access roads? \_\_\_Yes \_\_\_No

**Response:** Yes, roads are within 150 feet, the new well will be on-site, and power is within 150 feet of the site. New sewer lines, which are being installed with VSW grants, will be available in the road rights-of-ways in 2009 or 2010. The alternative sewer system is an on-site large capacity mounded septic system.

*If you answered YES to this question, move on to section D. Site Control.*

*If you answered NO to this question, answer the remaining question in this section.*

*a. Identify which utilities and/or road connections are 150 feet or more from your designated site.*

Utility or Road Name

*b. Explain why your community did not choose a site with existing, convenient access. Attach maps and drawings as necessary to explain your special situation.*

*Label as ATTACHMENT 8.*

c. How much will it cost to make the required connections? These costs must be included in the Multi-Use Facilities total project budget on page 12.

Utility or Road Name	Cost

**5.2 SITE CONTROL**

The Denali Commission requires proof that you have legal control of the site, by deed or a 30-year lease or that you have a plan to obtain control of the preferred site.

**Question 1**

Do you have legal control of the site selected for the facility? \_\_\_Yes \_\_\_No

If **YES**, please provide a copy of the deed or lease (and any other site control documents). Do not send original documents. Label as ATTACHMENT 11.

If **NO**, please answer the following questions:

- a. If you do not have site control, when will you have it?
- b. What has to be done before site control is secured? Explain any problems with completing the process.
- c. Provide copies of any documents (i.e. letters of commitment from landowners or other documents) which demonstrate that site control will transfer to the organization. Be sure to indicate the date you will assume site control. Label as ATTACHMENT 12.

**Response:** Yes, a copy of the deed and the Bureau of Land Management (BLM) Master Title Plat are provided in Appendix B.

## 6.0 CAPITAL COST ESTIMATE

The capital cost estimate for the design and construction of the two-story wood frame structure with a concrete foundation, landscaping, and parking areas is \$5,711,000 or \$313 per square foot as shown in Table 1 and detailed in Appendix C.

**Table 1**  
**Multi-Use Facility Capital Cost Estimate**

Description	Amount
Design	\$260,000
Site Construction (Civil)	\$519,000
Framing	\$1,116,000
Mechanical	\$702,000
Sprinklers (Fire Suppression)	\$137,000
Electrical	\$508,000
Thermal & Moisture Protection	\$74,000
Finish	\$677,000
Miscellaneous	\$765,600
<b>Total</b>	<b>\$4,759,000</b>
20% Contingency	\$952,000
<b>Grand Total</b>	<b>\$5,711,000</b>
Cost per square foot	\$313

For budgeting purposes the percentages of the total cost for design, materials, equipment, labor, freight, project management, and administration are shown in Table 2.

**Table 2**  
**Capital Cost Estimate Percentages**

Description	Percentage	Amount
Design	5.5%	\$260,000
Materials	29%	\$1,380,000
Equipment	5%	\$238,000
Labor	50%	\$2,380,000
Freight	5%	\$238,000
Project Management	4.5%	\$215,000
Administration	1%	\$48,000
<b>Total</b>	<b>100.00%</b>	<b>\$4,759,000</b>
20% Contingency		\$952,000
<b>Grand Total</b>		<b>\$5,711,000</b>

## 7.0 O&M COST ESTIMATE

The City of Anderson will incur a number of expenses relating to the O&M of the multi-use facility. They include three cost categories that are important to the upkeep of the multi-use facility: 1) O&M expenses, 2) repair and replacement (R&R) expenses, and 3) capital replacement expenses. Cost estimates were prepared for each of these categories using financial worksheet templates provided in the *Multi-Use Facility Business Plan Guidebook* (ADCCED, 2005) and City of Anderson financial records for 2004, 2005, and 2006. Copies of the financial records are included as Appendix D.

The following sections describe the O&M, R&R, and capital replacement expenses for the new facility. Also provided is a section that summarizes the multi-use facility expenses.

### 7.1 O&M EXPENSES

O&M items are defined as expenses that are incurred on a regular annual basis to sustain the operation of the facility. For the Anderson facility the annual O&M costs will include:

- full time administrative personnel, and part time maintenance and custodial personnel costs;
- electricity, heating fuel, telephone, water, and sewer utility costs;
- costs for supplies, elevator maintenance, and general repairs and maintenance; and
- property and general liability insurance costs.

The annual O&M cost estimate is summarized in Table 3 and details are provided in Appendix C.

**Table 3**  
**New Multi-Use Facility Annual O&M Expense Estimate**

O&M Category	Annual Expense Estimate
Personnel	\$66,382
Utilities	\$36,000
Materials and Equipment	\$7,300
Other	\$25,000
<b>Total O&amp;M Expenses</b>	<b>\$134,682</b>

### **7.2 REPAIR AND REPLACEMENT EXPENSES**

R&R costs are defined as expenses for items costing more than \$1,000, which are not replaced on an annual basis. For the new facility this includes R&R expenses for the repair and replacement of furnishings, boilers, water heaters, elevator, and an emergency backup generator. Budgeting for R&R expenses ensures that the city will have set aside in a separate account an appropriate amount of funds to repair or replace items that are going to wear out over a short period. The estimated annual R&R cost that the City of Anderson should put aside in a separate account is \$12,100. The R&R worksheet is in Appendix C.

### **7.3 CAPITAL REPLACEMENT EXPENSE**

The capital replacement expense is the amount of money that should be saved each year to replace the multi-use facility at the end of its estimated useful life or design life. Since the city has successfully maintained the existing city building, which is nearly 60 years old, the estimated useful life of the new facility is at least 60 years. Although grant funds may be available to rebuild the facility in 60 years, the city should save up in order to contribute to the replacement of the facility. Currently, funding agencies require that the City of Anderson contribute ten percent of the capital cost for the new facility.

As shown on the worksheet in Appendix C, the annual capital replacement budget amount prepared for the new facility is \$25,244. The budget amount assumes the following:

- the current facility cost estimate is \$5,711,000;
- the inflation rate is four percent;
- the expected life is 60 years;
- the percent local cash required for replacement is 10 percent; and
- the expected interest rate on the savings account is four percent.

#### **7.4 TOTAL ANNUAL EXPENSE ESTIMATE**

The total annual expense estimate for the new facility is summarized in Table 4. Copies of spreadsheets detailing the expense estimates for the multi-use facility are provided in Appendix C.

**Table 4**  
**Total Multi-Use Facility Annual Expense Estimate**

<b>Category</b>	<b>Annual Expense</b>
Operation and Maintenance	\$134,682
Repair and Replacement	\$12,100
Capital Replacement	\$25,244
<b>Total Annual Expenses</b>	<b>\$172,026</b>

## 8.0 FINANCIAL PLAN

The following sections describe the revenues and sustainability, and potential funding sources for constructing the new facility.

### 8.1 REVENUES AND SUSTAINABILITY

Revenue to support the new multi-use facility will come from the rental of the new facility spaces and other city revenues. New facility rental revenues include:

- the rental of the new facility spaces to the USPO, DMV, retail enterprises, and professional services; and
- the rental of the city council chambers, the community center room and the kitchen.

Other city revenues include existing City of Anderson funds that are used for city operations, services, and enterprises that will move to the new facility. Other revenue sources include:

- shared revenues from the State of Alaska telephone/electric fund;
- revenues from the Denali Borough for the volunteer fire department;
- City of Anderson operating revenues from the DMV enterprise, city utility taxes, city shop and clinic rentals, and
- miscellaneous income, which includes revenues from other city enterprises such as land sales.

Revenues are summarized in Table 5 and detailed in Appendix C.

**Table 5**  
**Revenue Estimates**

<b>Revenues</b>	<b>Annual Estimate</b>
Rental Revenue	\$62,292
Other Revenue	\$112,780
<b>Total Annual Revenue</b>	<b>\$175,072</b>

As shown in Table 6, the total annual revenues exceed the annual expenses by \$3,046. This shows that the City of Anderson has the ability to receive enough revenue to sustain the new facility.

**Table 6**  
**Multi-Use Facility Net Income**

Revenues	Annual Estimate
Rental Revenue	\$62,292
Other Revenue	\$112,780
<b>Total Annual Revenue</b>	<b>\$175,072</b>
Expenses	Annual Estimate
Operation and Maintenance	\$134,682
Repair and Replacement Account	\$12,100
Capital Replacement Account	\$25,244
<b>Total Annual Expense</b>	<b>\$172,026</b>
<b>Net Income (Loss)</b>	<b>\$3,046</b>

## 8.2 POTENTIAL FUNDING SOURCES

Some of the potential funding sources for constructing the multi-use facility are summarized in the following paragraphs and details are included in Appendix G. Additional information is available in the *Alaska Economic Development Guide* that is available at the ADCCED Division of Community Advocacy website at <http://www.commerce.state.ak.us/dca/edrg/EDRG.htm> or at the Denali Commission website at <http://www.denali.gov/>.

### Multi-Use Facility Program

**Agency:** ADCCED Division of Community Advocacy and the Denali Commission.

**Goal:** To encourage the consolidation of essential community services (current or planned), eliminate duplication of services, and increase the efficiency with which services are delivered. **Types of Alaska Projects:** conceptual planning, design, construction, or repair and renovation of multi-use facilities. **Funds:** requests for design funds may not exceed 10 percent of the total project estimate or \$100,000, whichever is less. Requests for construction funding may not exceed \$1,000,000 of Multi-Use Facility

funds of which up to \$25,000 may be used for design/permit completion. For construction funds a local cost share match of 10 to 20 percent must be secured and documented.

### **Grants for Public Works and Development Facilities**

**Agency:** U.S. Department of Commerce, Economic Development Administration (EDA).

**Goal:** To assist in the creation of public facilities needed to initiate and encourage the creation and retention of permanent jobs in the private sector in areas where economic growth is lagging behind the rest of the country and where there is significant economic distress. **Types of Alaska Projects:** dock or harbor improvements, shipyard improvements, specialty fisheries processing facility, vocational training centers, and industrial disposal facilities. **Funds:** grants ranged from \$450,000 to \$5,000,000.

### **Community Development Block Grant Program (CDBG)**

**Agency:** ADCCED Division of Community Advocacy. **Goal:** To provide financial resources to communities for public facilities and planning activities that address issues detrimental to the health and safety of local residents, and to reduce the costs of essential community services. The program may also fund special economic development activities that result in the creation of jobs for persons of low and moderate income. **Types of Alaska Projects:** grants may be used for community development, planning, or special economic development activities. Community development and planning activities that address health and safety needs are the priority for funding. **Funds:** Single purpose project competitive grants up to a maximum of \$850,000 per community.

### **Rasmuson Foundation Tier I Grants**

**Agency:** Nonprofit Rasmuson Foundation. **Goal:** To promote a better life for Alaskans the Rasmuson Foundation supports well-managed Alaskan nonprofit organizations that demonstrate strong leadership, clarity of purpose, and cautious use of resources. **Types of Alaska Projects:** Tier I grants are limited to capital purchases. **Funds:** Cash grants of up to \$25,000 are provided.

### **Rasmuson Foundation Tier II Grants**

**Agency:** Nonprofit Rasmuson Foundation. **Goal:** To promote a better life for Alaskans the Rasmuson Foundation supports well-managed Alaskan nonprofit organizations that demonstrate strong leadership, clarity of purpose, and cautious use of resources. **Types of Alaska Projects:** Most Tier II grants are issued for capital projects; however, Rasmuson will occasionally fund the expansion or start-up of innovative programs that address issues of broad community or statewide significance. **Funds:** Tier II grants are for requests in excess of \$25,000.

### **Rural Business Enterprise Grants**

**Agency:** U.S. Department of Agriculture, Rural Development. **Goal:** To provide grants to support the development of small and emerging private business enterprises in rural areas. **Types of Alaska Projects:** Small grants (usually less than \$100,000), which can be used to provide technical assistance to small businesses, develop infrastructure necessary to support small businesses, capitalize a revolving loan fund to support small businesses, or other activities that result in small business development or expansion. **Funds:** Usually less than \$100,000.

## 9.0 SUMMARY AND RECOMMENDATIONS

The City of Anderson needs to replace the existing city building, which has exceeded its useful design life, with a new multi-use facility located at the corner of First Street and D Street. A new two-story multi-use facility, which will be designed to meet ADA accessibility requirements, will provide space for the following:

- City of Anderson administrative services and council chambers;
- regional DMV services;
- a fire hall;
- a U.S. Post Office;
- a large multi-purpose community center room near a kitchen;
- rental spaces for retail and/or professional service enterprises;
- a landscaped entry area and a lobby;
- parking spaces for at least 100 cars; and
- a summer vehicle wash pad.

The new multi-use facility will have a positive effect on the City of Anderson, regional residents, and visitors.

- The facility design and operation will optimize efficiencies, flexibility of space, and energy conservation.
- It will be developed and operated for diverse year round use by the city, regional residents, and visitors.
- It will facilitate a broad spectrum of opportunities, events, and activities that will benefit all community members.
- The new facility will consolidate and expand city operations, which allows the city staff to provide more efficient services.
- It will provide residents with the opportunity to develop commercial enterprises in rental spaces that are centrally located in the City of Anderson.

Conceptual plans and layout drawings are planning tools used to evaluate project requirements, costs, and sustainability. Final designs and construction plans, which will evolve using additional input from the community, users, engineers, architects, regulators, and funding entities, may not look anything like the conceptual plan.

As shown in Table 7, the total annual revenues exceed the annual expenses by \$3,046. This shows that the City of Anderson has the ability to receive enough revenue to sustain the new facility.

**Table 7**

**Summary of Estimated Construction, Expense, Revenue, and Income Amounts**

<b>Construction Costs</b>	<b>Amount</b>
Capital Cost Estimate	\$5,711,000
<b>City of Anderson 10% Local Match for Distressed Community</b>	<b>\$571,100</b>
<b>Revenues, Expenses, and Net Income (<i>Loss</i>)</b>	<b>Amount</b>
Annual Revenue Estimate	\$175,072
Annual O&M, R&R, and Replacement Expense Estimate	\$172,026
<b>Net Income (<i>Loss</i>)</b>	<b>\$3,046</b>

It is recommended that the community:

- secure and document sources of local cost share match funds, which may include cash, grant funds, and/or a land donation (if the site is being used as part of the local cost share match, a qualified appraisal, objective evaluation, including a comparative cost justification of the land’s value or lease value may be required);
- identify potential retail and/or professional service enterprises for the facility rental spaces;
- set up a multi-use facility savings account to fund the local cost share match, R&R, and replacement expenses;
- apply for design and construction grants; and
- coordinate the design and construction schedule with the new community sewer project.

## 10.0 REFERENCES

- ADCCED. 2006. *Request for Proposals for the Conceptual Planning, Design, Construction, or Repair & Renovation of Multi-Use Facilities* (includes application templates). Issued by the Alaska Department of Commerce, Community, and Economic Development Division of Community Advocacy Multi-Use Facility Program, May 10, 2006. [Online]. Available [http://www.denali.gov/Program\\_Documents.cfm?Section=Multiuse%20Facilities](http://www.denali.gov/Program_Documents.cfm?Section=Multiuse%20Facilities) 9/29/06.
- ADCCED. 2005. *Multi-Use Facility Business Plan Guidebook*. Published by the Alaska Department of Commerce, Community, and Economic Development Division of Community Advocacy, July 2005. [http://www.denali.gov/Program\\_Documents.cfm?Section=Multiuse%20Facilities](http://www.denali.gov/Program_Documents.cfm?Section=Multiuse%20Facilities) 9/29/06.
- Anderson. 1985. *Anderson Land Use Plan*. Prepared by the City of Anderson,
- ASCG. 2003. *City of Anderson comprehensive Economic Development Plan*. Prepared by ASCG Incorporated in association with Bechtol Planning and Development, December 2003.
- MLFA. 2004. *Anderson Wastewater Feasibility Study*. Prepared for the City of Anderson and Village Safe Water by Michael L. Foster & Associates, Inc., Eagle River, Alaska, August 27, 2004.

## 11.0 ABBREVIATIONS

AAC	Alaska Administrative Code
ADA	Americans with Disabilities Act
ADCCED	Alaska Department of Commerce, Community, and Economic Development
ADEC	Alaska Department of Environmental Conservation
ADNR	Alaska Department of Natural Resources
ANTHC	Alaska Native Tribal Health Consortium
BLM	Bureau of Land Management
CDBG	Community Development Block Grant Program
DMV	Division of Motor Vehicles
EDA	U.S. Department of Commerce Economic Development Administration
EMS	emergency medical service
MLFA	Michael L. Foster & Associates, Inc.
O&M	operation and maintenance
R&R	repair and replacement
RMHA	Railbelt Mental Health and Addictions Program
U.S.	United States
USPS	U.S. Postal Service
VSW	Village Safe Water
%	percent