

**HB**

**76**

HFIN

FILE

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: March 29, 2001

FURTHER REFERRALS:

Date of Committee Action: 4/20/01

The FINANCE Committee considered:

SSHB 76

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 76

NEW FACILITIES FOR API

"An Act authorizing the commissioner of health and social services to provide for the design and construction of psychiatric treatment facilities to replace the facilities of the Alaska Psychiatric Institute."

Recommends it be replaced with CS (FIN) [ ] Same Title [ ] New Title  
 For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR \_\_\_\_\_

- [ ] attach amendments
- [ ] add new referral to \_\_\_\_\_ Committee
- [ ] Letter of Intent \_\_\_\_\_ Committee

List of Abbrev. For Depts.:  
 ADM  
 CED  
 COR  
 CRT  
 EED  
 DEC  
 DFG  
 COV  
 HSS  
 LAA  
 LAW  
 LWF  
 NVA  
 DNR  
 DPS  
 REV  
 DOT  
 UA

<u>NEW FISCAL NOTES</u>				
*For Chief Clerk's Office Use Only				
FN#	List by Dept(s):	Fiscal	Indet.	Zero
	<u>DOT</u>	✓		

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
<u>H HES</u>	<u>1</u>			✓

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
<u>[Signature]</u>	Bunde	✓			
<u>[Signature]</u>	Whitaker	✓			
<u>John Harris</u>	HARRIS	✓			
<u>[Signature]</u>	CROFT	-			
<u>[Signature]</u>	DAVIES	✓			
<u>[Signature]</u>	Langoster	✓			
<u>Bill Hudson</u>	Hudson			✓	
Chair: <u>[Signature]</u>	Mulder	✓			
Chair: <u>W.S. Williams</u>	Williams	✓			

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB 76(FIN)  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DOT&PF  
 Title: HB 76: An Act providing for and relating to the BRU: \_\_\_\_\_  
issuance of certificates of participation for construction of API Component: \_\_\_\_\_  
 Sponsor: House Finance  
 Requester: \_\_\_\_\_ Component Number: \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>20,315.0</b>		
-----------------------------	------------	------------	------------	-----------------	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts				20,315.0		
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>20,315.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

SEE ATTACHED

Prepared by: Kurt Parkan, Deputy Commissioner Phone 465-6977  
 Division: Commissioner's Office Date/Time 4/20/01 1:30 PM  
 Approved by: Joseph L. Perkins, Commissioner Date \_\_\_\_\_  
 Agency: DOT & PF

For distribution information, call the Governor's Legislative Office

---

The following assumptions were used:

Parties to the Memorandum of Understanding will secure a special federal appropriation specifically for the construction of the road and demolition of the existing hospital.

If project is funded through Federal Highways Administration, it will be subject to applicable AMATS processes, including consistency with the Long Range Transportation Plan.

**Wright Street extension to Providence Drive:**

Project Cost Estimate:

Demolition of existing API estimate: \$15,700,000  
Road construction: \$3,000,000

- ROW will be dedicated by the property owner and will not have to be purchased.
- This will be a two-lane urban collector street with curb and gutter, sidewalks behind the curb and a separated pathway on one side.
- Existing access from Providence Drive to API will be reconstructed.
- Provisions for turning movements at major facilities and side streets will be required.
- Above cost estimates could vary significantly depending on public concerns, wetlands, building removal site cleanup and existing utility location.

**Reconstruction of Wright between 40th and Tudor**

Project Cost Estimate: \$1,700,000

- Assumes same 2-lane road as Wright Street to Providence Drive
- Assumes existing ROW is sufficient
- Utility costs are preliminary and could increase significantly depending on impacts with gas line, fiber optic cable, electric and telephone utilities.
- Project may require air quality conformity determination and a noise analysis. If noise barriers are necessary, costs will be greater.

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: CSSSHB 76(HES)  
 (H) Publish Date: 3/29/01

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: \_\_\_\_\_  
 Title: New Facilities for API BRU: \_\_\_\_\_  
 Sponsor: Rep. Rokeberg Component: \_\_\_\_\_  
 Requester: House HESS Component Number: \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2001) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

Prepared by: Randy Loronz, Committee Aide

Phone 465-3759

Representative Representative Dyson  
 Committee Chair

Date: 3/28/01

# Building a University. Medical Community

## *A SHARED VISION*

Prepared By: Alaska Mental Health Trust Authority, Mental Health Trust Land Office, Department of Health and Social Services, University of Alaska Anchorage and Providence Alaska Medical Center, April 2001

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is entered into between the Alaska Mental Health Trust Land Office ("TLO") and Alaska Mental Health Trust Authority Office on behalf of the Alaska Mental Health Trust Authority ("the Trust"), the Alaska Department of Health and Social Services ("DHSS"), the University of Alaska ("University") and the Providence Alaska Medical Center ("Providence"), collectively referred to herein as "the Parties." The Parties are all stakeholders in the area identified in the Municipality of Anchorage planning area commonly referred to as the University-Medical District ("the District").

The Parties entered into a memorandum of understanding in 1998 for the general purpose of engaging in cooperative land use and development planning. The 1998 memorandum of understanding is attached as Exhibit A. As a result of joint efforts under the 1998 memorandum of understanding the Parties developed a collective vision ("the Vision") for lands owned and managed by the Parties in the District. The Vision document and its associated map are attached as Exhibits B-1 and B-2 respectively, and incorporated by reference into this MOU.

The purpose of this MOU is to define the collective and individual efforts of the Parties that would further the goals of the original 1998 memorandum of understanding and general objectives of the 2001 Vision document.

### IN KEEPING WITH THE PURPOSE OF THE 1998 MOU AND SUBSEQUENT VISION DOCUMENT, THE PARTIES AGREE AS FOLLOWS:

1. Replacing the aging Alaska Psychiatric Institute ("API") as quickly as possible is central to achieving the common goals of the Parties.
2. The Parties will actively support passage of legislation this session to replace the API facility at an estimated cost of \$47.8 million. The new hospital will be constructed on Parcel C, as generally depicted on Exhibit B-2.
3. Demolition of the existing API facility is a State of Alaska ("State") responsibility and is also essential to achieving the goals of the Vision document and this MOU. The Parties will actively support appropriation of additional funds necessary to demolish the existing API facility.
4. The TLO and DHSS will complete the administrative steps necessary to terminate the interagency land management transfer ("ILMT"), serialized as ADL 23699, on parcels A and E. The ILMT termination will not be fully effective for Parcel A until the new API facility is constructed and occupied. It is understood that the Crisis Treatment Center ("CTC") will be subject to the sale of Parcel A described below, with the new owner of Parcel A authorized to terminate the facility's use authorization with reasonable notice, but not less than twenty-four (24) months.


unless otherwise agreed.

5. The TLO will commence actions necessary to convey parcels C and D to the State for use by MYC, the new API, the new CTC and other appropriate mental health programmatic purposes.
6. The TLO will make a good faith effort to complete a negotiated sale of Parcel A as depicted on Exhibit B-2 to Providence. General terms of the sale are as follows:
  - a) The negotiated sale price will be established by an appraisal process agreed to by the TLO and Providence.
  - b) The sale is predicated on unique and significant ancillary benefits that will accrue to the Trust and its beneficiaries as a result of the sale. At a minimum it is contemplated that acquisition of Parcel A will provide Providence with a sufficient land base to incorporate designated evaluation and treatment (DET) capacity, or other programs with a significant value to Trust beneficiaries, into the ongoing operations of Providence through the development by Providence of additional or expanded facilities within the District.
  - c) The sale will be subject to the ILMT rights described in Item 4 above.
  - d) Unless otherwise agreed, the conveyance of the parcel will occur in two parts, with the unimproved portions of the parcel being conveyed first, followed by that portion of the parcel directly associated with the demolished API facility.
  - e) The sale will not be contingent on Providence exchanging Parcel A for other University property in the District, as contemplated in Item 7 below.
7. Providence and the University will make a good faith effort to exchange Parcel A for University land in the District. The commitment by Providence to deliver "unique and significant" ancillary benefits to the Trust and its beneficiaries will remain in effect and be equally applicable to any land Providence may acquire through successful exchange of Parcel A to the University.
8. The TLO will complete an asset management plan for Parcel E within the next twelve months. In addition to standard issues addressed by an asset management plan, the plan will address the University's concerns about long-term uses of the parcel and will consider opportunities for the University to acquire the parcel. The opportunities considered will include selling a right of first refusal to the University, to be applied to future lease or sale offerings, and an agreement to consider University lease or sale requests associated with planned university facilities that are best suited for Parcel E. It is specifically understood that the University will be provided an opportunity to participate in competitive offerings of interests in the parcel in the event that said offerings are determined to be in the best interest of the Trust and its beneficiaries.
9. The Parties agree to support efforts of the Municipality of Anchorage ("MOA") to site a new transit center in the District and to relocate the MOA health clinic

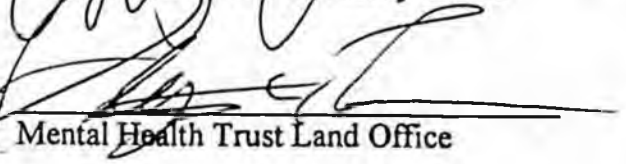
building into the District in concert with the plans of the Parties.

10. The Parties agree to support the draft University-Medical District plan recommendation for a "mixed use" zoning designation for Parcel E.
11. This MOU is subject to additional agreements, due diligence efforts, administrative processes (e.g. best interest decisions, public notice, municipal platting, etc.) and other authorizations that may be required of the Parties, individually or collectively.
12. It is specifically understood that the Vision and this MOU contemplate good faith efforts of the Parties to complete the series of actions described in the documents. If, after making said efforts, certain contemplated actions do not occur, completed actions will remain valid and the Parties will make good faith efforts to achieve the Vision through other cooperative means, to the extent that it is reasonable to do so.
13. In addition to supporting API replacement and demolition legislation addressed above, the Parties will cooperate on other actions necessary to achieve the Vision, including, but not limited to reasonably necessary municipal planning, zoning and platting approvals.
14. This MOU does not obligate any Party to act contrary to applicable laws and regulations.
15. The Parties will cooperate on public relation matters related to actions contemplated hereunder.
16. The Parties agree that time is of the essence.
17. Individuals signing below are properly authorized to commit themselves and their organizations to the actions provided for herein, as conditioned by the terms and conditions of this MOU.
18. This MOU may be executed in counterparts.

AGREED:

By:   
Mental Health Trust Authority Office

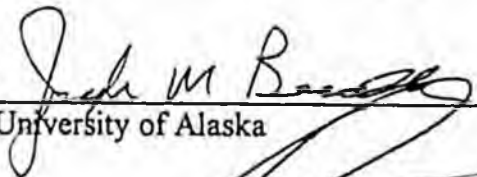
Date: 4/13/01

By:   
Mental Health Trust Land Office

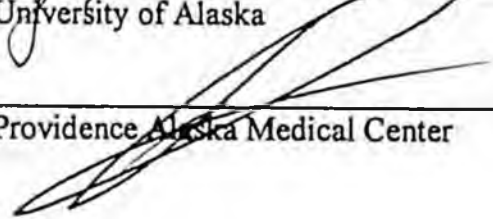
Date: 4/13/01

By: \_\_\_\_\_  
Department of Health and Social Services

Date: \_\_\_\_\_

By:   
University of Alaska

Date: 4/16/01

By:   
Providence Alaska Medical Center

Date: 4/13/01

AGREED:

By: \_\_\_\_\_  
Mental Health Trust Authority Office

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Mental Health Trust Land Office

Date: \_\_\_\_\_

By: *Ken Padue*  
Department of Health and Social Services

Date: 4-13-2001

By: \_\_\_\_\_  
University of Alaska

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Providence Alaska Medical Center

Date: \_\_\_\_\_

## MEMORANDUM OF UNDERSTANDING

1. **Parties.** This Memorandum of Understanding ("MOU") is entered into between the Alaska Mental Health Trust Land Office (TLO) of the Alaska Department of Natural Resources (DNR), the Alaska Mental Health Trust Authority (the Trust), the Alaska Department of Health and Social Services (DHSS), the Alaska Psychiatric Institute (API), the McLaughlin Youth Center (MYC), the University of Alaska Anchorage (UAA), and the Providence Health System (Providence), collectively referred to as the "Parties."
2. **Term.** The term of the MOU is ongoing from the effective date, unless agreed otherwise in writing by the Parties.
3. **Area of Interest.** The physical area affected by this MOU (i.e., "Area of Interest") is depicted on Exhibit 1.
4. **Purpose.** The UAA, Providence, MYC and other institutional neighbors near to the Area of Interest have a long history of cooperating on area-wide planning. By pooling the Parties' collective expertise and resources, it may be possible to achieve the individual goals and objectives of each party to this MOU. Therefore, the purpose of this MOU is to cooperatively achieve the planning, development and operation goals and objectives of the Parties so as to optimize the limited resources of the Parties in a manner that is consistent with the individual corporate or public responsibilities of each Party to the MOU. The general goals and objectives of the Parties are described as:
  - a) **TLO:** over time, either maximize the revenue from Trust Land within the Area of Interest or maximize the value of the Trust Land within the Area of Interest through uses that directly benefit Trust beneficiaries.
  - b) **The Trust:** ensure that any use of Trust Land within the Area of Interest is determined to be in the best interest of the Trust and its beneficiaries, and, further, if also determined to be in the best interest of the Trust, assist DHSS in its efforts to provide a facility for the provision of inpatient psychiatric hospital services on land within the Area of Interest.
  - c) **DHSS:** continue to operate MYC on land within the Area of Interest and, if in the best interest of the state, to replace the existing, aging API with a new, public, inpatient psychiatric hospital on land within Area of Interest.
  - d) **UAA:** Optimize long-term University of Alaska Anchorage facility operations within the Area of Interest.
  - e) **Providence:** Optimize long-term Providence facility operations within the Area of Interest.

5. Agreements.

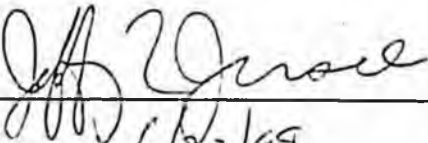
- a) To the extent consistent with their respective interests and statutory responsibilities and authorities, the Parties will work cooperatively to ensure that the revised Municipality of Anchorage (MOA) comprehensive plan, and other plans associated with it (e.g. the neighborhood transportation plan) are consistent with the collective land development and use plans of the Parties.
- b) Where reasonable to do so, the parties will cooperate on the completion of site-specific development plans and feasibility studies and subsequent site development and construction. The Parties will not be obligated to expend funds or resources on actions related to this MOU. Obligations arise only after entering into separate agreements that clearly describe the objective(s) and deliverables associated with the expenditures and defines the cost sharing procedures that will be used.
- c) When in the best interest of affected parties, attempts will be made to make land and facilities available in a manner that is consistent with the fiduciary responsibilities of the affected parties.
- d) This MOU does not obligate any Party to act contrary to applicable laws, regulations, policies, and procedures.
- e) To the extent legally permissible, information generated pursuant to this MOU may be kept confidential when requested in writing by a party to this MOU. Information released by a party to this MOU must credit the source of the information.
- f) Where reasonable, the Parties will issue joint press releases on matters related to this MOU and will coordinate responses to media questions.
- g) Notices regarding actions under this MOU will be sent to (for each party):

Executive Director Alaska Mental Health Trust Land Office 3601 "C" Street, Suite 880 Anchorage, AK 99503	Director Alaska Psychiatric Institute 2900 Providence Avenue Anchorage, AK 99508-4677
Superintendent McLaughlin Youth Center 2600 Providence Drive Anchorage, AK 99508	Vice Chancellor Administrative Services University of Alaska 3211 Providence Drive Anchorage, AK 99508-8140
Director of Planning Providence Health System 3200 Providence Drive Anchorage, AK 99508	

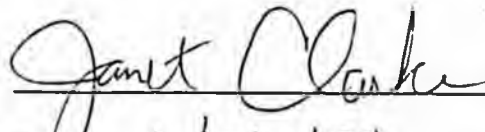
- h) The MOU may be terminated as to any individual party upon written notice to the remaining parties to the MOU.
- i) This MOU can be modified upon written consent of the Parties.
- j) Others may become party to the MOU upon written consent of the Parties.
- k) The MOU will not be effective until executed by each of the original parties to the MOU.

6. Signatory.

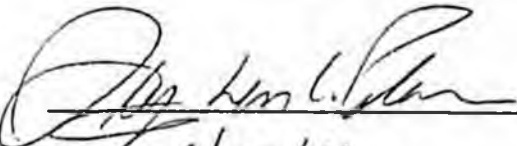
Alaska Mental Health Trust Authority

  
Date 6/23/98

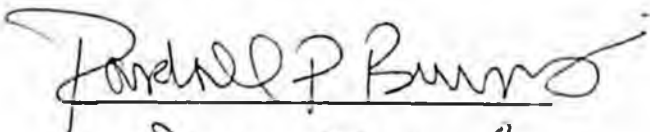
Department of Health and Social Services

  
Date 6/26/98

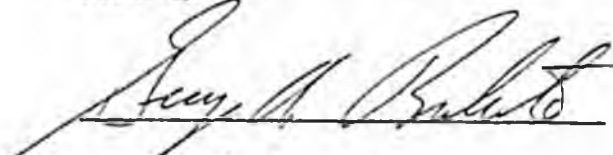
Alaska Mental Health Trust Land Office

  
Date 6/23/98

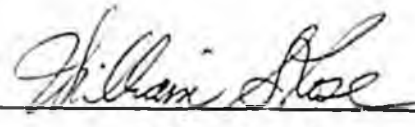
Alaska Psychiatric Institute

  
Date June 23, 1998


McLaughlin Youth Center

  
Date 7-1-98

University of Alaska

  
Date 6/23/98

Providence Health Systems

  
Date 6/23/98

**Building a University/ Medical Community**  
*A SHARED VISION*

As Anchorage matures, the random development patterns of the past are evolving into a planned community, with emphasis on the development of the Anchorage Bowl and specific key districts within the Anchorage Bowl. The design and operations of public and private institutional facilities are a critical component of a well-planned community. University and health facilities (physical and mental) are an essential part of the institutional framework of a community.

The University-Medical neighborhood (the Neighborhood), shown on the attached map, has a long history of university and health related facilities and programs. The Neighborhood is currently home to the University of Alaska Anchorage (UAA), Providence Alaska Medical Center (Providence) and two facilities owned and operated by the Department of Health and Social Services (DHSS) – the Alaska Psychiatric Institute (API) and McLaughlin Youth Center (MYC). The Neighborhood is part of a larger university-medical district (the District) that includes Alaska Pacific University and the Alaska Native Medical Center.

The District has grown into the State's prime center for higher education and healthcare service. Continued success of the District and its resident institutions is vital to the ongoing success of community and statewide education, health, and social service programs. Additionally, as the District evolves, it will make even more significant contributions to the economic well being of the community, region and state. Understanding the need for a more holistic and integrated approach to planning for the future of the institutions and their associated programs within the District, UAA, Providence, DHSS and the Alaska Mental Health Trust (the Trust) entered into a memorandum of understanding (MOU) in 1998. The MOU is attached.

The purpose of the MOU was to set the stage for cooperative efforts that would lead first to improved land ownership patterns within the Neighborhood and then achievement of individual and shared facility development goals of the parties to the MOU (the Parties). Shortly after the Parties entered into the MOU, the Municipality of Anchorage (Municipality) initiated a comprehensive planning process to address changing circumstances within the District.

Over the past 3 years, the Parties, in cooperation with the municipal planning effort, have focused on:

- The collective need for improved land ownership patterns in the District;
- DHSS's need to replace the aging API facility and improve the MYC facility;
- Providence's need to expand its facilities to meet corporate and community goals;
- UAA's need to construct additional campus buildings over time to address the higher education demands in Alaska; and
- The Trust's need to make productive use of its lands, both for revenue-generating and programmatic purposes, with the understanding that the institutional needs of the Neighborhood would be carefully considered before any land disposal actions are taken.

As a result of the past three years of effort, a vision has developed for the Neighborhood. It is a vision of institutional campuses that compliment one another and the District that surrounds them. The foundation of this vision contemplates a series of land transactions that will provide the land necessary for

construction of or improvement to new or existing facilities. Specifically:

- DHSS will reduce its land base in the area by about 50%, with the reduced area depicted as the "API/McLaughlin Campus" on the attached map.
- The Trust will sell the eastern portion of its parcel to Providence, depicted as the "Providence Purchase" on the attached map;
- UAA will commence land exchange negotiations with Providence; and
- The Trust will complete an asset management plan for the western portion of its parcel, with the plan specifically considering opportunities for UAA acquisition of the land.

With this agreed upon vision in place the Parties can now work with the Municipality and Alaska State Legislature, as appropriate, towards achievement of the Neighborhood vision and District plans. Key steps in achieving the vision are:

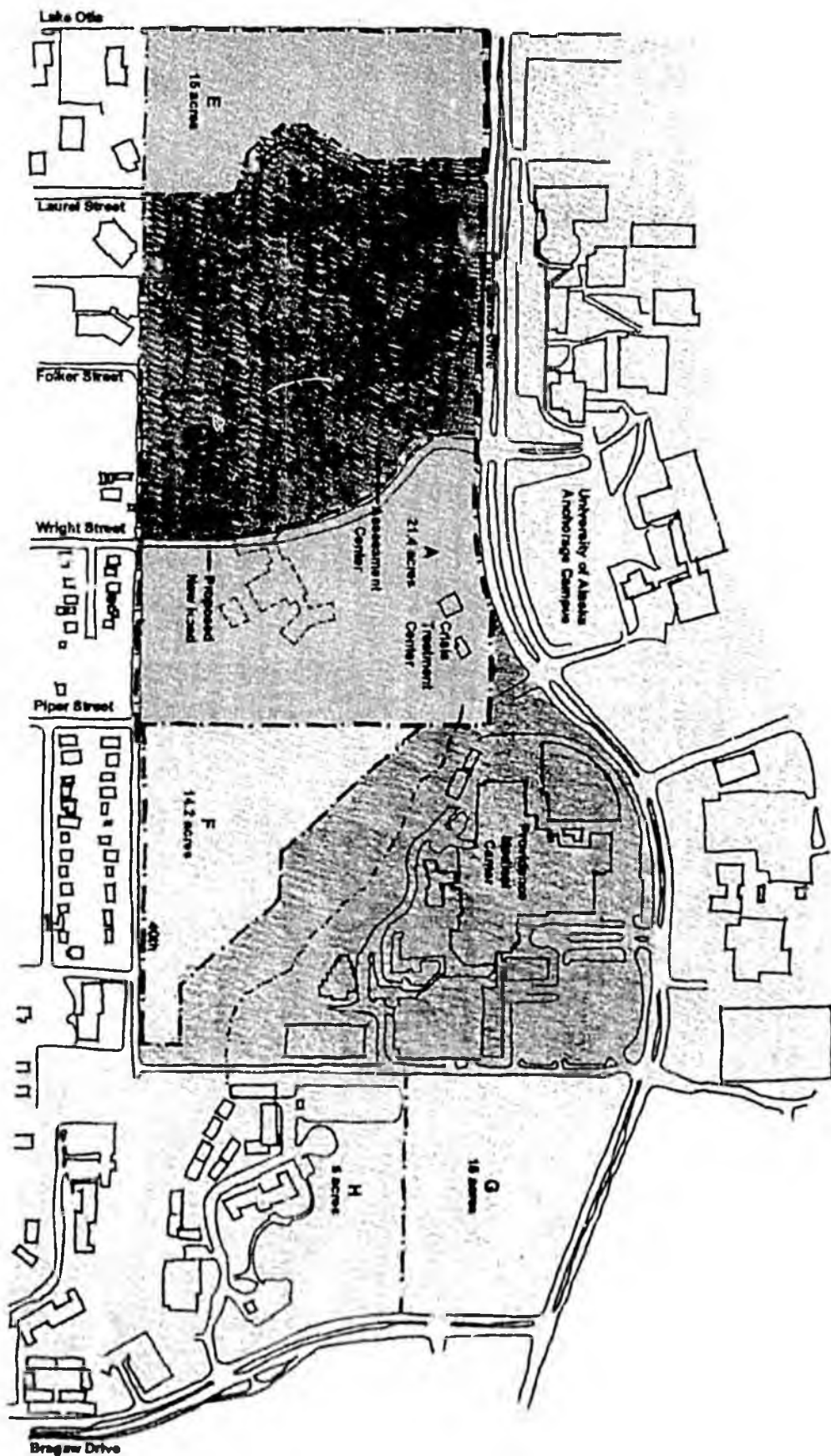
- Approval of the API replacement funding legislation this session;
- Completion of necessary agreements and actions between the Parties, including completion of necessary board approvals and public processes;
- Completion and approval of the District plan; and
- Initiation of planned capital improvement projects.

While the Neighborhood vision will take years to achieve, the land ownership foundation needs to be constructed now. Principle reasons for the Parties to move forward with the land transactions are:

- ✓ DHSS can proceed with relative certainty towards replacement of API and improvements to MYC;
- ✓ The Trust will: (1) generate revenue to address long-term beneficiary needs; (2) contribute to final resolution of the API replacement problem; and (3) promote development of additional programs in the District that significantly benefit the Trust and those it serves;
- ✓ Providence, through purchase of the Trust property, and a subsequent land exchange with the University, will acquire much needed lands for future expansion, with some of that expansion being complimentary to University and DHSS programs elsewhere in the District, including the possibility of enhanced designated evaluation and treatment services in the District;
- ✓ UAA, through the land exchange with Providence, will be able to increase its net acreage within the District and create an opportunity for a more centralized campus over time;
- ✓ The Municipality will be able to quickly move forward with completion of the District plan and planning for the possibility of a new health building and transit center in the district; and, as a result of all of the above;
- ✓ A framework will be established that optimizes the collective resources of the Parties and District, resulting in increased opportunities for synergistic projects and programs, similar to the single point of entry (SPE) facility being planned by DHSS and Providence; and
- ✓ Demolition of the existing API facility becomes the shared goal of a broader group, thereby making it more likely that it can be demolished in a cost-effective and timely manner.

The intended land transactions provide excellent opportunities for the Parties, the community, region and state. Your support of and involvement in making the transactions happen sooner rather than later is critical to achievement of the individual plans of the Parties and the collective vision of the District.

MAP



**Legend**  
 Existing Building  
 Future Building  
 Building to be Demolished

Parcels A, E Alaska Mental Health Trust  
 Parcels C, D DOA / Department of Health and Social Services  
 Parcels F, G, H University of Alaska Anchorage

State of Alaska, DOT, and DHSS  
 Mental Health Land Trust Site

Concept Site Masterplanning  
 Koonce Pfeiffer Bates, Inc. and HOK, Inc.  
 April 12, 2001



EXHIBIT B-2

# ALASKA STATE LEGISLATURE

## House of Representatives

### COMMITTEE ASSIGNMENTS

JUDICIARY COMMITTEE CHAIRMAN  
LABOR & COMMERCE COMMITTEE MEMBER  
LEGISLATIVE COUNCIL MEMBER  
SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT &  
TOURISM MEMBER

website: <http://www.akrepublicans.org/Rokeberg.htm>



INTERIM  
716 WEST 4TH AVENUE, SUITE 300  
ANCHORAGE, AK 99501  
PHONE (907) 263-0117  
FAX (907) 263-0119

SESSION  
ALASKA STATE CAPITOL  
JUNEAU, AK 99801-1182  
PHONE (907) 465-4968  
FAX (907) 465-2040

## Representative Norman Rokeberg

e-mail: [Representative\\_Norman\\_Rokeberg@legis.state.ak.us](mailto:Representative_Norman_Rokeberg@legis.state.ak.us)

### SPONSOR STATEMENT

#### CSSS HB 76 (HES) and CSSS HB 77(HES)

**An Act providing for and relating to the issuance of certificates of participation to finance demolition of all or part of the existing facility known as the Alaska Psychiatric Institute and construction of a new facility to be known as the Alaska Psychiatric Institute; giving notice of and approving the entry into and the issuance of certificates of participation in a lease-purchase agreement for demolition of all or part of the existing facility known as the Alaska Psychiatric Institute and construction of a new facility to be known as the Alaska Psychiatric Institute; relating to construction of a facility to be known as the Alaska Psychiatric Institute; and providing for an effective date.**

and

**An Act making an appropriation for a grant to study the feasibility of locating certain health programs at the site of the Alaska Psychiatric Institute; and providing for an effective date.**

CSSSHB 76 (HES) provides that the replacement of the Alaska Psychiatric Institute ("API") go forward with a mixture of funds already appropriated (\$22,200,000) and proceeds from certificates of participation (\$36,550,000) to be issued by the state bond committee. The legislation provides that the Commissioner of Health and Social Services shall work with the Department of Corrections, University of Alaska Anchorage, Providence Hospital in Anchorage, Alaska Regional Hospital in Anchorage, and the Municipality of Anchorage in the design and construction of the replacement facilities for API.

API was built in 1962 and contains 136,084 square feet. Originally constructed to house a maximum of 225 beds, API currently has a stated bed capacity of 74 beds. As a public facility, it cannot refuse civilly committed individuals or persons court-ordered for observations and evaluation. Therefore, API often exceeds that capacity on any given day. For January of 2001, the total admissions were 150 and the average daily capacity was at 66 persons.

Discussions about the need to replace the aging facility have been going on for many years.

**CSSSHB 76(HES) also requires that, as a part of any replacement of API, a forensic psychiatric unit be included. Currently there is a 10-bed forensic psychiatric unit and the legislation would require that such a unit be a part of the replacement facility. This unit would be a facility for the assessment, treatment, custody, and confinement of mentally abnormal criminal offenders as is the current facility.**

**The legislation encourages various state and local agencies to cooperate in the development of this replacement facility. With the cooperation of the local state government, local hospital facilities, and the local university campus, the development of the facility and the surrounding area will be geared not only to the facility but also to the opportunities for learning and overall medical services for many Alaskans.**

**CSSSHB 77 (HES), a companion bill to CSSSHB 76 (HES), would appropriate an \$200,000 from general funds for a grant to the Municipality of Anchorage for a feasibility study and needs assessment for co-locating the Municipality's Department of Health and Human Services and the University of Alaska Anchorage health sciences program at or near the site of replacement facilities for the Alaska Psychiatric Institute. The current facility for the Municipality Health and Human Services Department is another aging facility from which the Department needs to move. It has been suggested that co-locating in the area of API would be of benefit to the Department and this grant would permit the necessary study and assessment.**

**We need to encourage and begin the actual construction work on the replacement facility. Recently, the Alaska Mental Health Trust Authority transferred ownership of property near API for expansion of that facility. This generous transfer includes about eight acres given to the State without compensation as the Trust's contribution to the API replacement facility. Another 13 acres of land, including land under the current facility, will be exchanged with the state for land of equal value. Now that the question of land title has been settled, we need to get on with the actual construction. Additionally about 18 acres of land will be transferred to the state at no cost for continued operation of McLaughlin Youth Center.**

**Your support of these legislative proposals would be appreciated.**

**ED2:03/31/01**

Representative Norman Rokeberg  
State Capitol, Room 118  
Juneau, AK 99801-1182

Dear Representative Rokeberg;

I would first like to take this opportunity to thank you for your efforts on behalf of Alaskans in your efforts to get the Alaska Psychiatric Hospital (API) resolved. I would like to take a few minutes of your time to share some of my thoughts with you.

At the time the State DHSS was pursuing the Charter North Purchase option as a means of replacing the current API facility I was the president of the Airport Heights Community Council (APHCC). I was largely responsible for the drafting of the resolution of conditional acceptance of API as a neighbor. I felt that they could be a good neighbor. After almost a year and several public meetings a groups of neighbors who disagreed vehemently with the APHCC's previous positic n of acceptance and the issue became a very divisive one for the neighborhood.

I have since moved out of Airport Heights and into the University Community Council area where the current facility is located. My biggest regret in moving is that my current house was not located within Airport Heights a neighborhood we love.

In working toward the goal of finding API a new permanent home I have reached several conclusions and a possible compromise, which I would also like to present for your consideration.

I was quite happy when you introduced HB76 but find it to be somewhat problematic. The introduction of Department of Corrections (DOC) functions into the API facility would likely be a move objected to by neighbors of the current facility. The Forensic unit was a concern that contributed to the abandonment of the UAA/Providence option (option 3). I feel it likely that UAA would have strong objections to the proximity of such a facility.

HB77 provides for funding as needed but I am curious as to exactly what the intent of the feasibility study mentioned is.

Now onto a more conceptual discussion. . .

Randall Burns, CEO of API recently (March 13tb) spoke to the HSS committee on the states current plan. I find this plan to be a bit problematic and would propose an alternate plan that would not only fulfill the objective of API replacement but make more land available for future use by UAA and/or Providence hospital, preserve the integrity of the "DSS Campus" setting and not compromise the Municipality's U-MED district plan. Additionally there could potentially be a secondary benefit to the adjoining neighborhood in terms of land valuations, but you would be more familiar with such things than I.

DHSS has several items at stake in the API rebuild:

- Replacement of an aging facility. Preservation of the DHSS campus setting between API and McLaughlin Youth Center .
- The campus is somewhat under threat by recommendations of the U-MED plan which would run Folkker street right through the middle of the campus.

UAA has a stake:

- UAA is in a desperately land-locked situation with little or no growth potential as long as the current API facility occupies it's current location.

Providence Hospital has a stake:

- Like UAA, Providence is also land-locked. More available land expands the possibilities of a future trade/swap/sale of land between Providence and UAA for further expansion.

Municipality of Anchorage has a stake;

- The Municipality has put a great deal of time and resources into the development of the U-Med district plan. The area in question truly is the center of learning and healing for Anchorage.
- The Municipality has plans for a new transit center to be located somewhere within the U-Med district.

The Anchorage Police Department has a stake:

- Police officers are often called upon to make medical decisions based upon their training and experience. Should this person go to the Hospital? Should they go to API? Should they go to Clitheroe center? South-central Counseling? Brother Francis shelter? The list goes on. These are decisions our police officers are not necessarily qualified to make nor should they be asked to.

The Mental Health Care Provider Community has a stake:

- API serves as the primary "Psychiatric Triage" Facility for Anchorage. None of the other providers in Anchorage including the hospitals are equipped to handle the types of patients served by API.

The Mental Health Consumer Community has a stake:

- The consumer community has time and again expressed the desire for treatment near their home, near their families.
- The consumer community objects to the building of a hospital without the placement of community based services at the same time.

I shall attempt to address all of the above points

From this point I shall be referring to the map provided that designates the lots around the current API facility using the Designators A, B, C, D, and E.

The state is currently pursuing what has come to be known as the "camel plan" or "One west" it calls for a phased construction, utilizing part of the existing structure and demolition of the current facility moving toward the west (lot C)

I would propose the building of API take place more toward the southwestern corner of Lot C for several reasons.

- Building in the southwestern corner would move API closer to South Central Counseling Center, a major secondary care provider for API patients.
- Folkker Street could NOT go through to Providence drive, thus preserving the integrity of the DHSS campus.
- A new facility could be designed to take full advantage of the surrounding topography.
- More land would be made available within Lot B, for future use of UAA and/or Providence Hospital. More land would be made available for possible use by the proposed transit center and/or the proposed HHS building of the Municipality.
- No Immediate action would be required for the destruction of the current facility. Thus destruction could potentially take place as either part of a construction project by the new occupants of the land or possible federal monies could be made available as in the case of ANMC on Third A venue.

A new building could open further possibilities for use. For example, New building design could be more modular in design allowing for reduction of inpatient facilities areas as the need for such services is reduced. Subsequently, if the need increases as population projections suggest, more space could be made available. Another possibility would be the Co-Location of something like a "Northern Psychological Studies Center" and/or nursing school, School of Psychiatry, or the School of Social work (who has already expressed an interest in such an arrangement). Thus making the facility not only an asset of DHSS but of UAA as well.

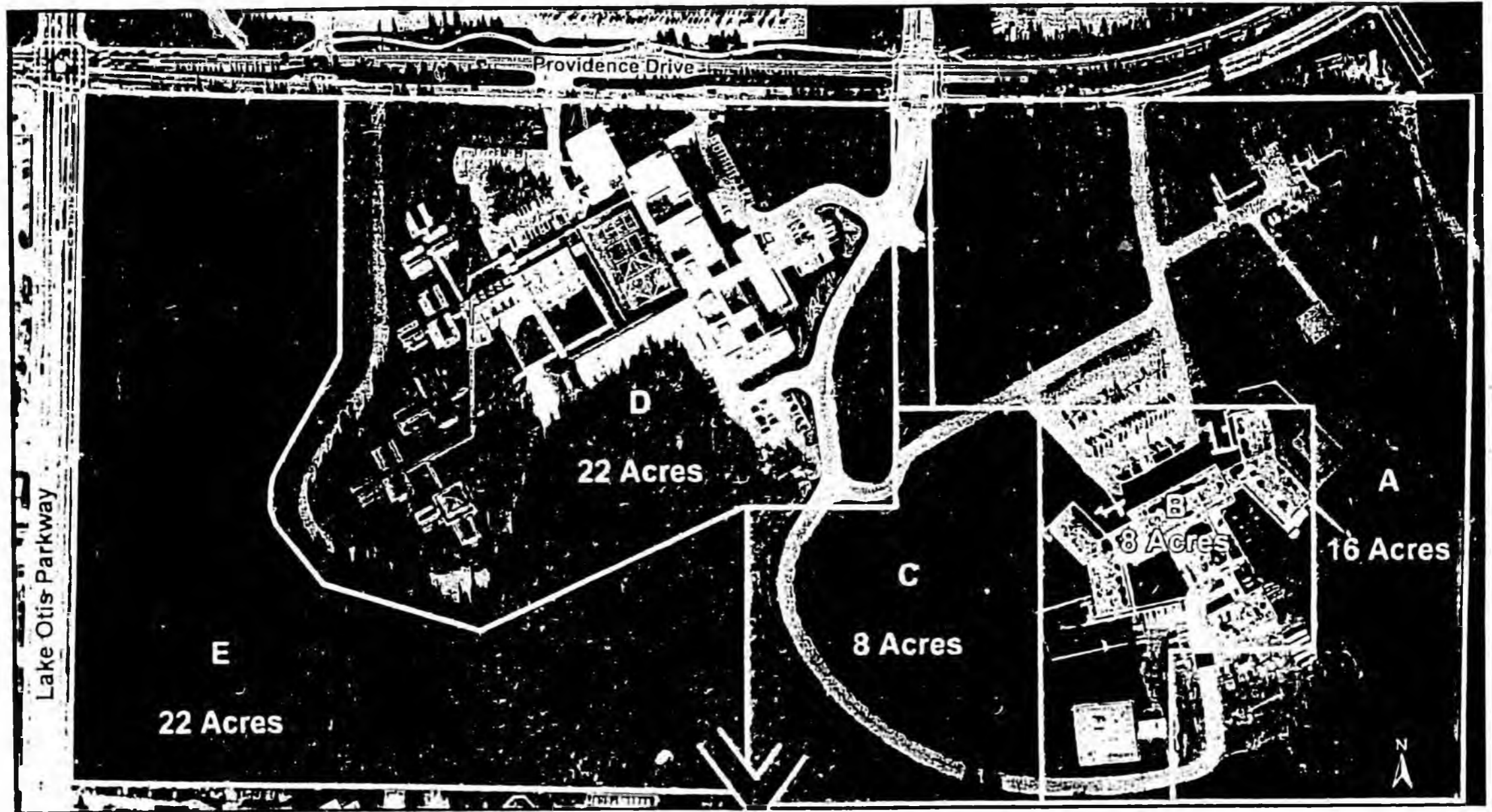
The state has had some difficulty in placing an SPE (Single Point of Entry) program as the lynch pin of community based services that are highly in demand by the consumer community. The City of Anchorage, and UAA are working on building a new health and human services building, as noted in HB77's section on the feasibility study. Were the state to enter into that partnership and pay for a portion of the building, it could occupy the first floor and launch the SPE itself as a state service, which could be easily privatized later. The SPE serves several purposes, among those are: A single point at which patients in Psychiatric emergency can go without checking into a hospital. A single place for police officers to take patients without trying to determine medical needs.

Under a plan such as I have presented here, API is replaced. DHSS keeps their campus intact. UAA gets access to more desperately needed land. The school of Social work gets a new home. Providence Hospital potentially gets access to land and, if they choose to take over the SPE program can do so without having to build, thus reducing their start up costs. The municipality's U-MED plan is not significantly altered. The Municipality gets additional funding for their new DHSS building (which they are asking the state for anyway). The Anchorage Police Department gets a single location to take those in crisis for care thus relieving them of trying to make medical type decisions. Mental health Provider community still has access to a facility to deal with critical "Psychiatric Triage" situations. Finally, Consumers get Community based program placement on track.

Once again I would like to thank you for your efforts on behalf of API and those Alaskans in need of the vital services that API provides, often as an institution of last resort for many.

I would welcome the opportunity to speak with you personally on these issues at your convenience. I have been working toward a resolution of this problem for a few years now and would like to see it come to a solution that fits all Alaskans and takes all their concerns into consideration. Please feel free to call me if you have any questions or if I can be of assistance somehow.

Sam Dickey  
Coalition for API  
sdickey@alaskalife.net  
907 -258- 7224 Home  
907 -271-4844 Office  
<http://www.apiak.com>



Trust Land Office  
January 2001

Note: Parcel Boundaries and Acreages are approximate

**2001**

**MUNICIPALITY OF ANCHORAGE**  
**LEGISLATIVE PROGRAM**



**George P. Wuerch**  
**Mayor**

**MUNICIPALITY OF ANCHORAGE  
2001 LEGISLATIVE PROGRAM  
PRIORITY FUNDING ISSUES**

**CAPITAL BUDGET**

**TITLE: Co-location of UAA Health Sciences & Department of Health & Human Services Feasibility Study**

A grant in the amount of \$200,000 is requested to fund a study on the feasibility and needs assessment of constructing a building to co-locate the Department of Health and Human Services (DHHS) and UAA Health Sciences on or near the UAA Campus.

Co-location would have many mutually beneficial opportunities for collaboration and assistance. Examples include research, internships, education, training, expanded client and health services, and community partnerships.

As envisioned, the facility would function as a health department and a University teaching facility. It would improve service and increase efficiency for both institutions as well as the public they serve. It would provide a valuable and unique service and learning environment for customers, students and employees.

Funding of the facility is expected to be through a state and local partnership with possible federal support.

**Contact:** Jewel Jones  
Director, Department of Health & Social Services  
**Phone:** 343-4667

Municipality of Anchorage

**Department of Health &  
Human Services and**

**The University of Alaska,  
Anchorage**



*A Proposal for Co-Location*

*November 2000*

.....

# Department of Health & Human Services and The University of Alaska, Anchorage

## *A Proposal for Co-Location*

### **Purpose of This Proposal**

This document describes a proposal to co-locate the Municipality of Anchorage Department of Health & Human Services (DHHS) and the University of Alaska, Anchorage.

The contents of this document provide a description of the general plan of the co-location; history and demonstration of need for a new DHHS building; the potential collaboration and synergistic opportunities between the two entities and students; and a proposal for the next steps to be undertaken.

This concept has been developed in concert with University of Alaska, Anchorage (UAA) Chancellor Lee Gorsuch, and UAA staff have worked with DHHS staff in exploring the possibilities of co-location.

### **Co-Location**

The Municipality of Anchorage DHHS and University of Alaska, Anchorage Health Studies propose to jointly occupy a building facility on or near the campus of the UAA in mid-town Anchorage.

DHHS programs and services to be accommodated would include:

- environmental health services
  - food safety and protection
  - air quality
  - vehicle inspection & maintenance emissions program
  - noise, nuisance and housing
  - smoking in public places
  - groundwater quality
- community health services
  - Medical Officer

- disease prevention and control (immunizations, tuberculosis control and disease investigation)
- maternal and child health services (nurse case management, home visits to high risk prenatal women and infants, consultation to child care providers)
- Women, Infants and Children (WIC) nutrition program
- reproductive health services (family planning and sexually transmitted diseases)
- social health services
  - child & adult care licensing and registration
  - senior citizens and housing programs
  - Day Care Assistance program
  - SAFE City (interpersonal violence and homelessness prevention and coalition participation; emergency and alcohol services)
  - weatherization of homes for income-eligible families
- community health promotion and planning
  - public health nutrition
  - community health indicators and data
  - chronic disease prevention and health promotion
  - emergency preparedness planning
- administration
  - public health administration
  - financial and personnel management
  - support and management services

The University of Alaska, Anchorage proposes to house several of their health programs in this facility as well.

### **Demonstration of Need for a New DHHS Facility**

#### **The Current DHHS Building**

The 5-story building at 825 L Street is 69,120 square feet, including a full basement. It contains more than 50 restrooms & innumerable sinks. The electrical system requires an upgrade costing approximately \$1 million. Heating and cooling costs for this facility are high. The Municipality spends an increasing amount of money every year on maintenance of the facility due to deterioration, and at some point, the amount will surpass the value of the building. The operating budgets of both DHHS and Property and Facility Management (PFM) have decreased over the past several years, and the maintenance of this building is a burden that neither can bear. For example, one of the two DHHS elevators has gone unrepaired for more than two years due to lack of funds, and there is no intent or funds to ever repair it. And there are no sprinkler systems on the 4<sup>th</sup> or 5<sup>th</sup> floors.

The building design is incompatible with its current intended use. Expensive minor modifications have been done to improve service and efficiency. The floorplan, once designed for a hospital, is not conducive to a health department. The building has been repeatedly renovated and remodeled over the past 24 years to attempt to better

accommodate programs, staff and the public. However, physical barriers to major remodeling which have become apparent include asbestos removal; load-bearing walls; walls which contain plumbing or electrical systems; yards of old electrical wiring and cabling in the ceilings and walls; an inadequate electrical system; more than 50 bathrooms in what once were hospital patient rooms. Where physical barriers could be minimized with technology, the costs were prohibitive.

### **Valuable Land**

The DHHS building sits on a plot of land adjacent to new and established businesses. The Municipality of Anchorage owns the lot where the building sits, in addition to the lot across 8<sup>th</sup> Avenue, currently a parking lot. The Anchorage economy is in such a state that this land could bring in a healthy amount of money, and the Municipality could rid itself of an expensive, antiquated building.

### **Location**

The Municipality of Anchorage took possession of the current DHHS facility at 825 L Street in 1976. For many years, the location of the DHHS building at the corner of 9<sup>th</sup> Avenue and L Street met the needs of the Anchorage community. This is no longer the case. Anchorage has grown and developed and the center of the community has shifted southward – in regard to both residential areas and businesses. Access to services is further hindered because the DHHS building is no longer on a public transportation route. Many of the low- to moderate-income population we serve who often depend on public transportation must walk several blocks from the Downtown Transit Center to the building to obtain services.

Currently, the building accommodates 160 DHHS employees and programs that serve hundreds of members of the public every month.

### **Potential Benefits to Co-Location**

In a facility on or near the University of Alaska, Anchorage campus, DHHS and UAA would have many mutually beneficial opportunities for collaboration and assistance. Examples include research, internships, education, training, expanded client and health services, and community partnerships.

### **Location**

The University campus is situated near the new center of this community – Midtown. Near the campus are the Providence Alaska Medical Center, Alaska Pacific University and the new Alaska Native Medical Center. Proposed is a central transit center adjacent to Providence and a new north-south corridor, continuing Bragaw southward from Tudor Road. This proposed centralized location would significantly enhance access to services.

## Building

A new facility built with the intent to function as a health department and a University teaching facility would improve service and increase efficiency for both institutions, as well as the public they serve. It would provide a valuable and unique service and learning environment for customers, students and employees.

## Research

Opportunities for students to design and participate in research studies abound. Following are examples of research in environmental health.

The Environmental Services Division at DHHS has ongoing research projects and needs. Anchorage is currently designated by the USEPA as a non-attainment area for carbon monoxide air pollution. The Municipality implemented a vehicle inspection and maintenance program in 1985. A number of other steps have been taken to reduce CO levels including adding ethanol to gasoline. Anchorage has exceeded the standard for carbon monoxide only once in each of the past 3 years and has not been exceeded federal standards since 1996. With funding from EPA studies are continuing to identify impact of cold starts and idling on Anchorage CO levels. Results of these studies have increased understanding about our air quality and will be instrumental in developing future options for clean air. A plan is in place to begin evaluation of the IM program effectiveness next year. Vehicle emissions account for approximately 85% of the CO in Anchorage.

Additionally, limited research has been conducted in Anchorage to assess exposure to benzene, a harmful chemical emitted from car exhaust, in Anchorage homes. Also studies of nitrate levels in some residential wells in Anchorage have been conducted. More study is needed in each of these areas.

Other research opportunities include:

- Studies on program development, implementation and evaluation
- Studies on effective counseling techniques to improve client compliance and motivation
- Studies on protective/resiliency factors, or factors that place people at increased risk for public health issues
- Studies in reproductive health on colposcopy done by nurse practitioners
- Domestic violence rates and theory-based interventions
- Health indicators and progress toward public health goals
- Early childhood and educational projects

## **Internships**

The Municipality of Anchorage Department of Health & Human Services currently accepts and precepts many UAA students and interns. We welcome students in: the Approved Preprofessional Practice Program (AP4) for dietetics interns; the undergraduate and graduate nursing programs; the master in social work program; and the Human Services program.

Further, DHHS often acts as a rotation site for students at the Career Academy. And the Department is often the site of professional development for health practitioners from Anchorage and around the state in reproductive health (most commonly in the area of sexually transmitted diseases).

These, and many other, opportunities exist for expansion, maintenance, and experimentation. And the experiences will be strengthened by the close physical proximity of the field experience and the University faculty.

## **Education**

Co-location of the two institutions would allow Public Health Professionals employed at DHHS and working in the field to provide classroom instruction to the University students. It would also provide an opportunity for UAA academic instructors an opportunity to maintain their clinical skills through providing direct services to clients in the DHHS programs. Many of the DHHS employees are experts in their professions, and many have advanced academic degrees. Some of the professionals at DHHS have acted as instructors or presenters at conferences, schools and universities. It is another resource and opportunity for sharing knowledge and experience. This exchange would enrich classroom learning, promote an understanding of public health, and may encourage UAA students to pursue careers in public health — a much-desired outcome in order to maintain a competent public health workforce.

## **Training**

Mutually beneficial training for students and professionals could be planned and executed. Universities are positioned and attuned to new research, technical and technique developments. With decreasing staff and funding resources, municipal governments are less and less capable of keeping up with advances in public health. The University (students & faculty alike) could assist DHHS employees with keeping abreast.

## **Expanded Health Services for Students**

UAA students would benefit from having DHHS services conveniently located on campus.

## Community Partnerships

A location on or near the University of Alaska, Anchorage campus would be strategic for continuing alliances with: health organizations (Providence Alaska Medical Center, Alaska Native Medical Center); Alaska Native organizations (SouthCentral Foundation, Cook Inlet Tribal); research organizations (ISER, Circumpolar Health). There will also be many opportunities for expanding multi-cultural and diversity programs through students and throughout the campus.

## Next Steps

The timing of this proposal is critical, as the Alaska economy is healthy, the DHHS land is valuable, the DHHS building is in disrepair, and the University of Alaska, Anchorage is embarking on a building expansion project. The Municipality of Anchorage has been working with the University to develop this concept and explore the possibilities and potential benefits of co-locating.

The preceding proposal is conceptual. We seek support and funding for this concept to be more fully developed. A functional analysis study should be completed, which would bring in an architect or consulting firm to assess the needs of the Department, the programs, and the University. It would result in an estimate of square footage needs and the cost of constructing such a facility.

When that is completed, we will explore local, state, and federal support to build that facility.

**Subject:** Open letter to members of the Alaska House of representatives Finance Committee

**Date:** Mon, 16 Apr 2001 18:01:30 -0400

**From:** sam.dickey@sba.gov

**To:** louanne\_christian@legis.sate.ak.us

Alaska House of Representatives Finance Committee  
State Capitol, Room 519  
Juneau, AK 99801-1182

Dear Representative;

I am writing this letter on behalf of the Coalition for API. The Coalition for API is a non profit community based groups of friends and neighbors with an interest in bringing the long standing issue of the replacement of an aging API facility to an end beneficial to all Alaskans. Our members consist of representatives from Community Councils, Neighborhoods, Mental Health Consumers, Mental Health Care providers, and just plain folks.

At the time the State DHSS was pursuing the Charter North purchase option as a means of replacing the current API facility I was the president of the Airport Heights Community Council (APHCC). I was largely responsible for the drafting of the resolution of conditional acceptance of API as a neighbor. I felt that API could be a good neighbor. After almost a year and several public meetings a group of neighbors who disagreed vehemently with the APHCC's previous position of acceptance and the issue became a very divisive one for the neighborhood.

Several neighbors involved on both sides of that issue came together after the state abandoned that plan to help reach a solution that was workable for everyone. Over months of meetings and talks with interested parties and stakeholders, the coalition devised a plan we felt was workable, affordable, and to the ultimate benefit of ALL involved stakeholders.

Recently the State Department of Health and Social Services placed the Single Point of Entry program. A key component for a growing and modernizing mental health care system. The Mental Health Trust also allocated land specifically for use by DHSS as a permanent home for API.

Within the last few weeks the major stakeholders in the physical area where API is currently located reached important agreements in their "Building a University/Medical Community - Key steps to a shared vision" document. This document outlines goals for the major U-Med occupants in terms of land and growth for the next several years. It seems the only remaining obstacle for the replacement of API and the further modernization of Alaska mental health care system is funding of the new facility.

According to the State of Alaska Department of Revenue each years delay would add an additional \$1,000,000 to the cost. Though General Obligation Bonds may be a preferred funding mechanism it provides us with many uncertainties. At least a minimum of 3 years delay as we await the next election cycle. Additional funding would be required to educate and promote such a bond on a statewide ballot. Of course, there is always the possibility of voter rejection of the bond, causing an even greater delay.

We as the Coalition for API would strongly encourage the full and immediate funding of an API replacement facility. Additionally we would like to endorse the "shared vision" document and its goals. Congratulations to all the parties involved in the formation of that document for working together for the benefit of all.

I would welcome the opportunity to speak with you personally on these issues at your convenience. I have been working toward a resolution of this problem for a few years now and would like to see it come to a solution that fits all Alaskans and takes all their concerns into consideration. Please feel free to call me if you have any questions or if I can be of assistance somehow.

Sam Dickey  
Coalition for API  
sdickey@alaskalife.net  
907 -258-7224 Home  
907 -271-4844 Office  
<http://www.apiak.com>

# ACMHSA

**Alaska Community Mental Health  
Services Association  
3050 Fifth Avenue  
Ketchikan, Alaska 99901**

MAR 29 2001

March 26, 2001

Representative Norman Rokeberg  
Capitol Room 118  
Juneau, Alaska 99811

Re: CSHB 76 & CSHB 77

Dear Representative Rokeberg,

The Alaska Community Mental Health Services Association (ACMHSA) supports your efforts in moving ahead with building a replacement facility for Alaska Psychiatric Institute and support the anticipated HESS committee substitute versions of your legislation HB 76 & HB 77.

ACMHSA is a statewide association representing all of the non-profit mental health providers in the state. We appreciate your attention and commend your leadership with this important mental health issue.

Sincerely,



Ron Adler  
President

---

Ron Adler, Chair  
Brenda Knapp, Treasurer

Pete Braveman, Vice Chair  
At-Large: Bill Hogan, Doug Veit

Diana Strzok, Secretary

---

Phone: (907) 225-4135

FAX: (907) 247-4135

e-mail: rona@city.ketchikan.ak.us.

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101


State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

March 31, 2001

**SUBJECT:** Sectional summary of CSSSHB 76(HES), relating to the demolition and replacement of the facilities of the Alaska Psychiatric Institute.

**TO:** Representative Norman Rokeberg  
Attn: Janet Seitz

**FROM:** George Utermohle   
Legislative Counsel

You have requested a sectional summary of CSSSHB 76(HES), relating to the demolition and replacement of the facilities of the Alaska Psychiatric Institute.

A sectional summary of a bill is not an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

Section 1 of the bill sets out the findings and intent of the legislature.

Section 2 of the bill requires the commissioner of health and social services to provide for the demolition of the current facility of the Alaska Psychiatric Institute and the construction of a new facility for the Alaska Psychiatric Institute. The new facility is to include a forensic psychiatric unit.

Section 3 of the bill delegates authority to the Department of Health and Social Services to enter into a lease-purchase agreement for a new facility for the Alaska Psychiatric Institute.

Section 4 of the bill provides that lease payments owed under the lease-purchase agreement are subject to appropriation by the legislature.

Section 5 of the bill authorizes the Department of Health and Social Services to enter into a lease-purchase agreement for a facility for the Alaska Psychiatric Institute. The state bond committee is authorized to issue certificates of participation in the amount of \$36,550,000. The amount received from the issuance of the certificates of participation is to be combined with \$22,200,000 that has already been set aside for the construction of a facility for the Alaska Psychiatric Institute. The estimated total cost of the project is \$58,750,000.

Representative Norman Rokeberg

March 31, 2001

Page 2

The estimated annual lease obligation under the lease-purchase agreement is \$3,700,000. The estimated total amount of lease payments under the agreement is \$55,000,000. Upon the payment of all principal and interest due under the agreement, the title to the facility will vest in the State of Alaska.

Section 6 of the bill gives notice that section 5 of the bill satisfies the notice and approval requirement under AS 36.30.085.

Section 7 of the bill defines the term "construction" for purposes of this bill.

Section 8 of the bill provides that the bill takes effect under AS 01.10.070(c).

GU:glc

01-288.glc

## Journal Text



02-16-2001

House Journal

0345

or part of the existing facility known as the Alaska Psychiatric Institute and construction of a new facility to be known as the Alaska Psychiatric Institute, and providing for an effective date."

was read the first time and referred to the Health, Education & Social Services and Finance Committees.

The following fiscal note(s) apply:

1. Fiscal, Dept. of Revenue

The Governor's transmittal letter dated February 15, 2001, appears below:

"Dear Speaker Porter:

The Alaska Psychiatric Institute (API) is Alaska's only public psychiatric hospital. API provides services for persons who cannot be safely served in either community-based mental health centers or community hospitals. The current API facility dates from the early 60's, is permeated with asbestos, and must be replaced. I am transmitting this bill to finance capital construction for a replacement facility for the API.

The majority of patients at API have been involuntarily committed to treatment and come from all regions of the state. API is the ultimate "safety net" for persons who are mentally ill or otherwise suffer from mental disorders. In addition, API treats patients arrested and subsequently court-ordered to the facility for a variety of needs, including evaluations for competency to stand trial, treatment following a finding of incompetency, and persons previously found not guilty by reason of insanity.

The bill identifies funding sources for the \$58,750,000 necessary for the construction of the replacement facility. There is presently \$19,200,000 available from prior appropriations for this purpose that can be used for the project. In addition, the Legislature appropriated \$3,000,000 in Mental Health Trust Authority Authorized Receipts for the project. A lease-purchase agreement would be security for the remaining \$36,550,000, which the state would raise through the state

02-16-2001

House Journal

0346

bond committee's issuance of certificates of participation. The significant contribution of state money up front in the project will have the practical effect of lowering the lease payments because there will be additional security provided to the purchasers of the certificates of participation.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Tony Knowles  
Governor"

Bill Root:

Display Bill Root

# ACMHSA

**Alaska Community Mental Health  
Services Association  
3050 Fifth Avenue  
Ketchikan, Alaska 99901**

**MAR 29 2001**

March 26, 2001

Representative Norman Rokeberg  
Capitol Room 118  
Juneau, Alaska 99811

Re: CSHB 76 & CSHB 77

Dear Representative Rokeberg,

The Alaska Community Mental Health Services Association (ACMHSA) supports your efforts in moving ahead with building a replacement facility for Alaska Psychiatric Institute and support the anticipated HESS committee substitute versions of your legislation HB 76 & HB 77.

ACMHSA is a statewide association representing all of the non-profit mental health providers in the state. We appreciate your attention and commend your leadership with this important mental health issue.

Sincerely,



Ron Adler  
President

---

Ron Adler, Chair  
Brenda Knapp, Treasurer

Pete Braveman, Vice Chair  
At-Large: Bill Hogan, Doug Veit

Diana Strzok, Secretary

---

Phone: (907) 225-4135

FAX: (907) 247-4135

e-mail: [rona@city.ketchikan.ak.us](mailto:rona@city.ketchikan.ak.us)

# Replacing Alaska Psychiatric Institute API

---



Alaska Department of  
Health & Social Services

# The Problem: API has Reached the End of its Useful Life!

- API is permeated with hazardous material - asbestos
- Its fire life safety and mechanical support systems are worn out
- The roof needs replacement
- The structure doesn't meet current seismic code



# Clearly *API must* be replaced:

- It was not designed as a psychiatric hospital - its physical layout is not conducive to patient care & treatment
- The normal life span of a facility is 40 years
- API has had 39 years of hard use: open 24 hours a day, 7 days a week, 365 days a year
- The need to replace Old API was recognized long ago; replacement efforts have been ongoing 13 years



# Why not renovate Old API instead of replacing it?

*Because studies have shown ....*

- It is cheaper to construct a new facility than to abate the asbestos and make the renovations needed to make API a modern, efficient psychiatric hospital

And: A **March 2001** report just issued by Koonce Pfeffer Bettis, Inc. of Anchorage estimates the **cost** of renovation to range between **\$74.5 Million and \$81.1 Million!!**

# What solutions have been tried in the past?

## ■ *Constructing a replacement facility*

- Implementation halted when construction bids substantially exceeded both engineering estimates and appropriated funding
- Only the lack of sufficient capital prevented success



# Solutions attempted (cont.)

- *Strategic partnerships with neighboring institutions*

- Proved unsuccessful when essential land swaps among partners could not be accomplished

- Partners withdrew





# Solutions attempted (cont.)

## ■ *Purchase a replacement*

- **Charter North Hospital was the only real purchase alternative**
- **After two years, local planning and zoning decisions and strong neighborhood opposition made it impossible to complete the purchase and use the facility**



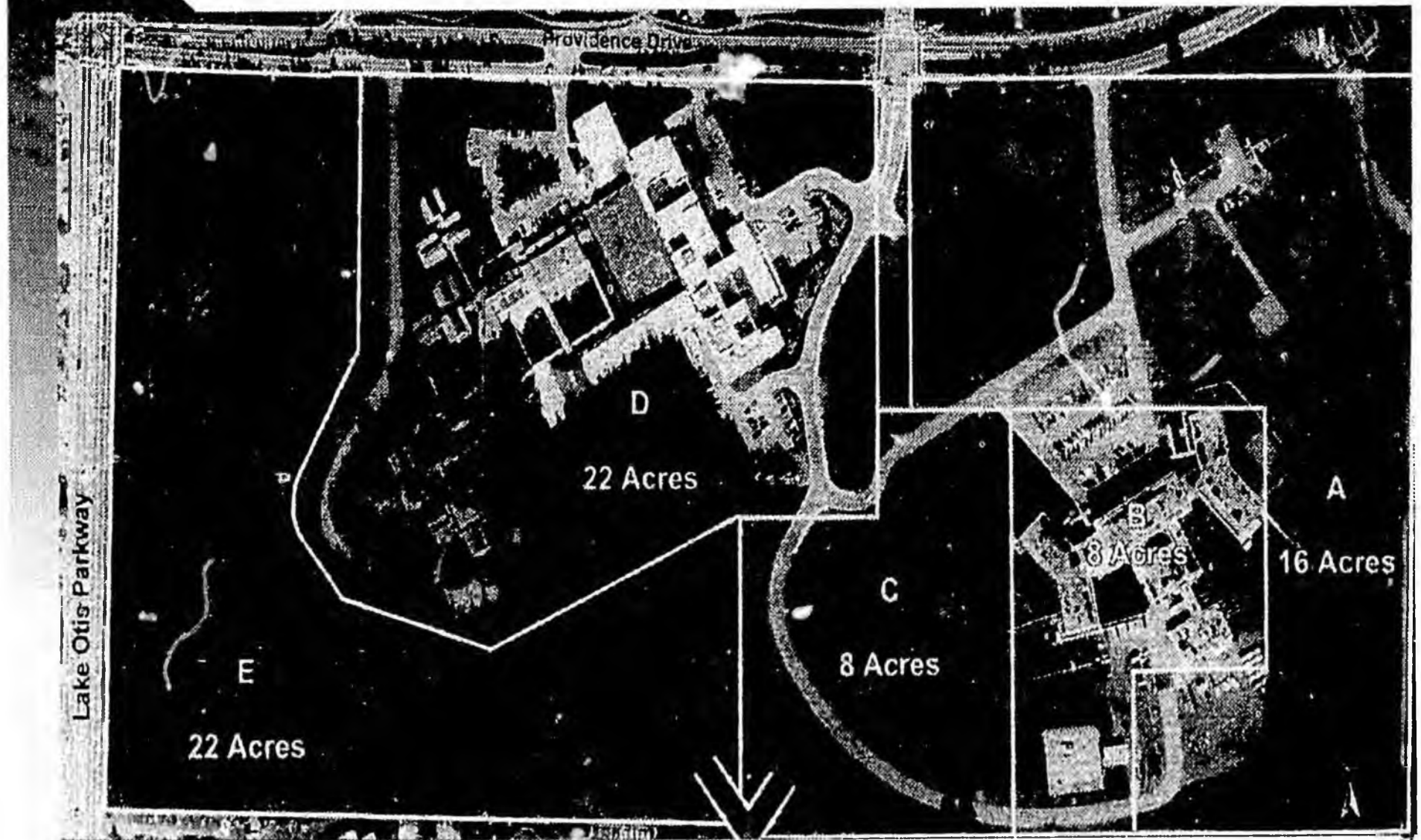
# What should be done now?

***Build a replacement facility!***

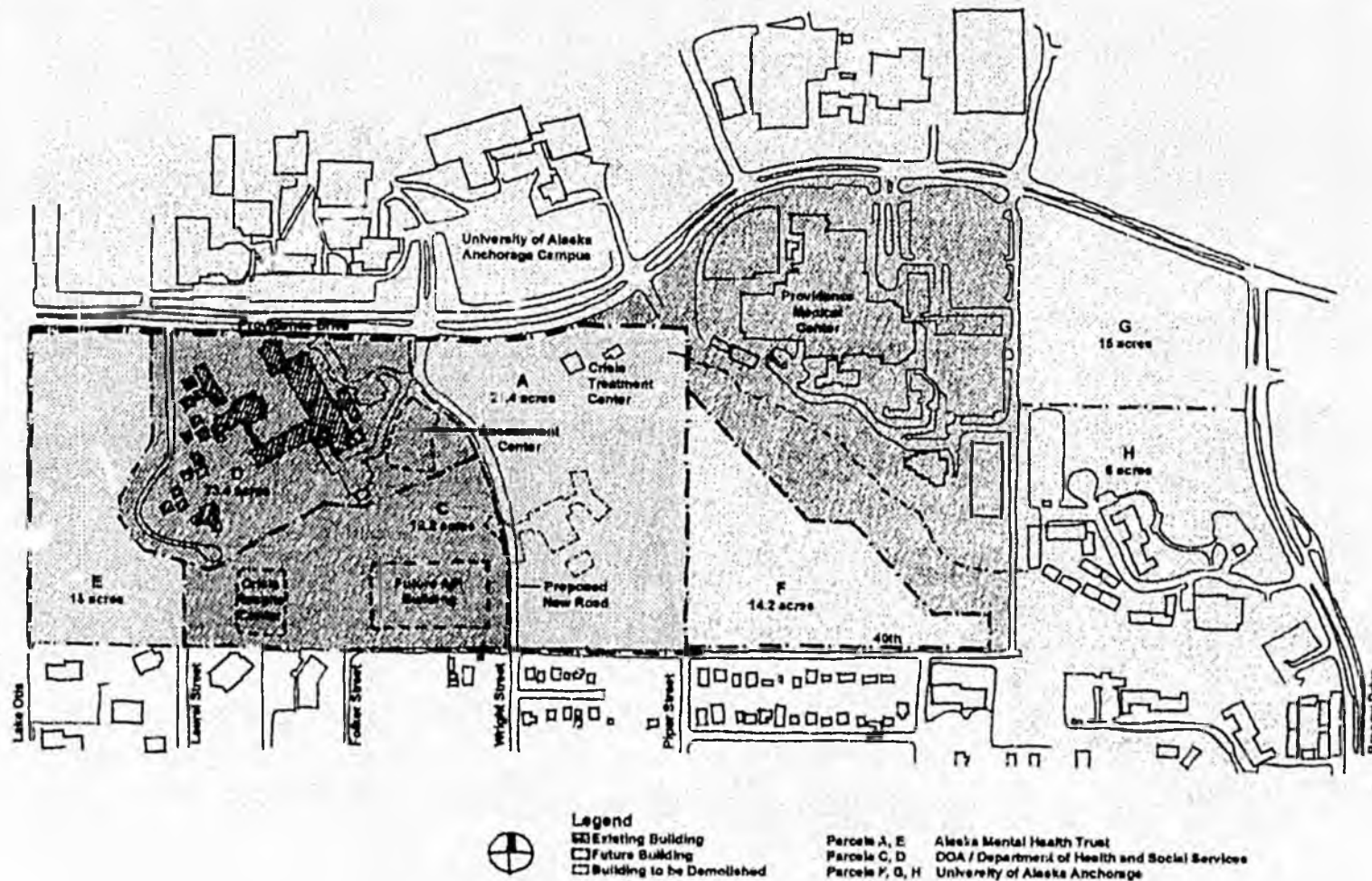
The only realistic option for replacing API is construction of a replacement hospital on land very near the existing facility

# The Trust's commitment:

The Trust agreed to convey land to DHSS



# What the U-Med land owners & institutions have agreed to:



Concept Site Masterplanning  
 Koonce Peltier Baska, Inc and HOK, Inc.  
 April 12, 2001

State of Alaska, DOT, and DHSS  
 Mental Health Land Trust Site

# The Trust, Providence, UAA, and DHSS have signed an Agreement

- The agreement sets forth the framework for land conveyances, potential land purchases and exchanges, and continued commitments to working agreements
- It sets the parameters for the future development of the important University-Medical District in Anchorage

# **The Parties believe building on the U-Med parcel makes sense . .**

- **The API parcels are zoned for this use**
- **API is a well-established, accepted and necessary institution on its present site**
- **UAA nursing students do their psych rotations at API each semester**
- **UAA social work and psychology students intern at API each semester**
- **WAMI medical students and U of W PA students rely on API as a teaching site**

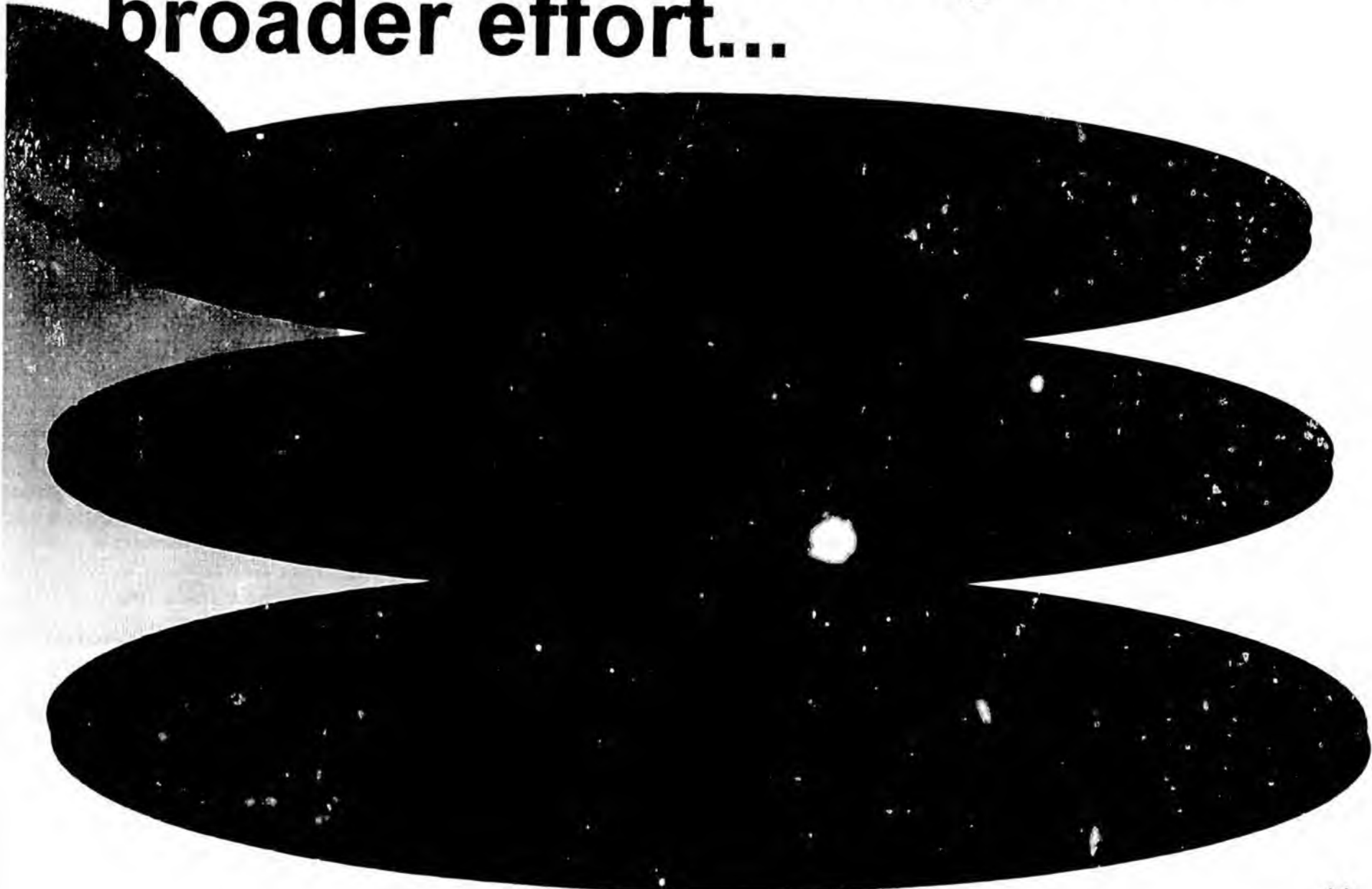
# And building on the present site makes sense because . . .

*AND:*

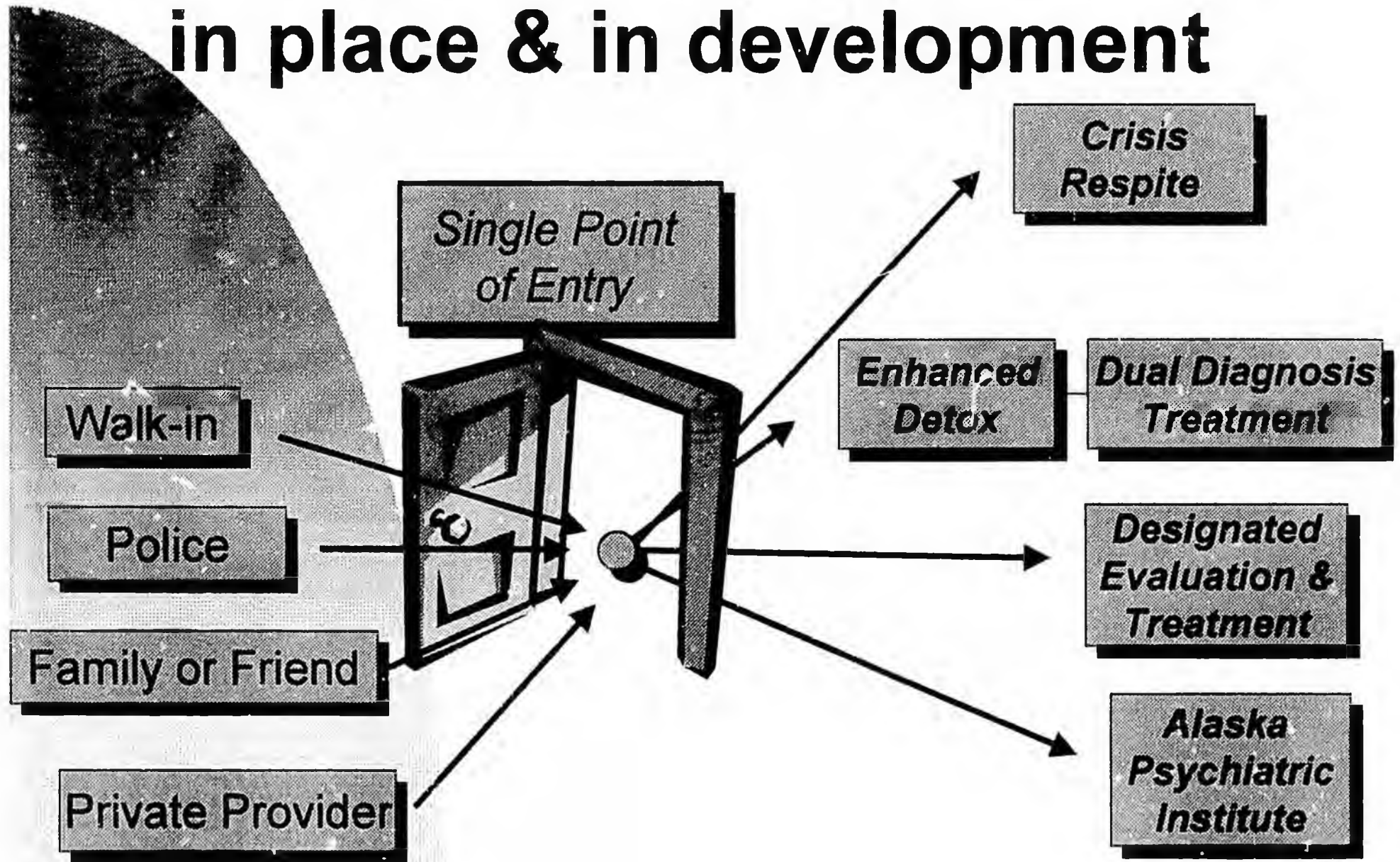
The Anchorage P&Z Commission recommended API remain at its present site in the U-Med District

- API must be located near an acute care hospital in case a person needs to be medically cleared before admission to API and when an API patient needs emergency medical care
- The University Community Council and area residents are supportive of API
- The Alaska Native Medical Center has stated that it has no plans within the next 10 years to provide inpatient psychiatric services and will continue to rely on API

**Replacing API is key to a broader effort...**



# Private community services in place & in development



# Why will API still be needed?

## *Because . . .*

- **The service is a core function of government - API provides the services that private providers cannot or will not do**
- **Patient needs can exceed local private treatment options**
- **Inpatient treatment is nonexistent or uncertain in some communities**
- **API treats forensic and NGRI patients and provides competency evaluation services to courts**

# Why build a hospital that can accommodate up to 72 beds?

- Successful operation of a smaller facility (54 beds) is contingent on a full array of private community services
- Community services are not all in place
- Future bed needs at API are not predictable with absolute precision
- Irresponsible to build for an ideal situation without capacity to cope with emergencies or population growth

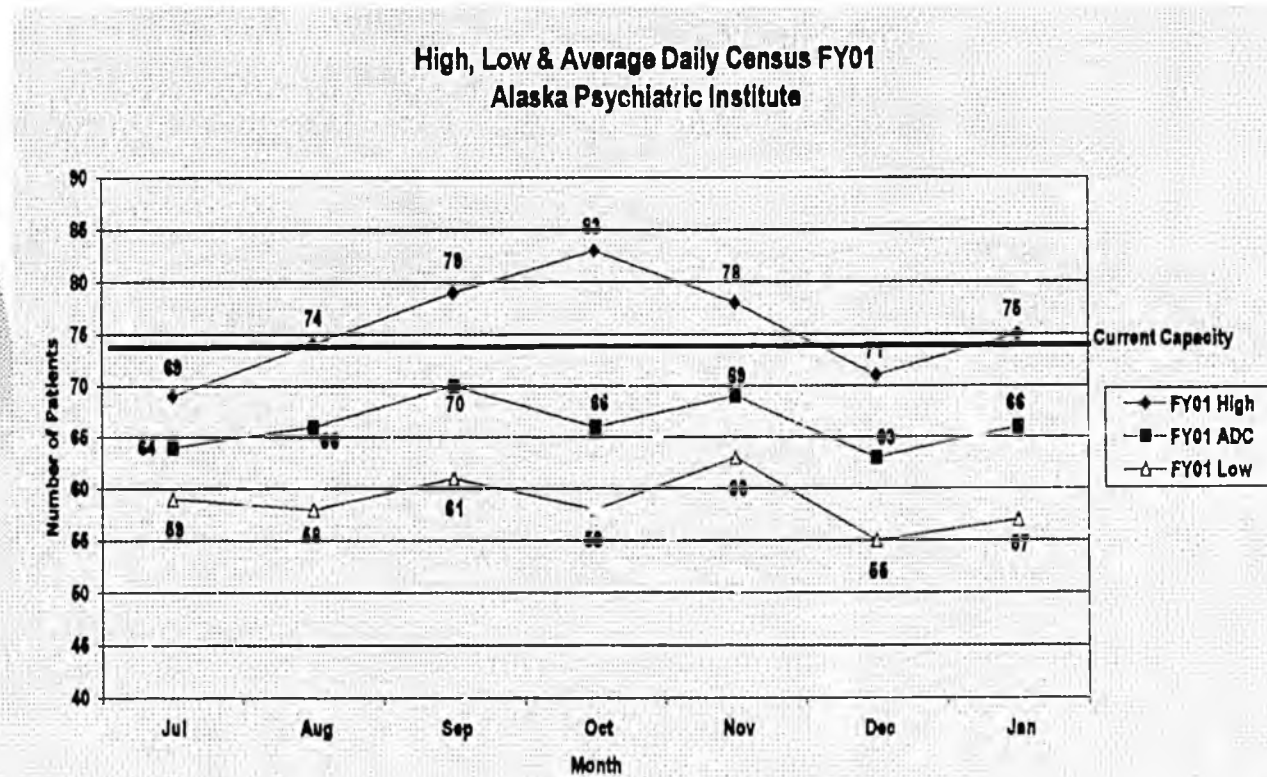
# Why build with flexible capacity in mind?

As the State's safety net - API must have a range of inpatient bed capacity

***AND HERE'S WHY:***

## The Bottom Line:

***API cannot close its doors - We must admit any person who is involuntarily committed or court-ordered to API for evaluation and/or treatment***



# Who can solve this problem?

## *The Alaska Legislature!*



- By passing HB 76, this Legislature can finally solve this problem, provide Alaska with a safe, modern, effective psychiatric hospital, and pave the way for the future development plans for Anchorage's U-Med District institutions and land owners.

