

HB

76

**CS for SS for HB 76 (FIN) NEW FACILITIES FOR API
By Representative Norman Rokeberg**

Sectional Analysis

Sec.	Section Title	Description
1	FINDINGS AND INTENT	Funding sources for the construction of a new API facility are: (1) \$19.2 million from previous appropriations that weren't sufficient to complete construction; (2) \$16 million from certificates of participation as described in this bill; (3) \$2 million from monies previously set aside by the Alaska Mental Health Trust Authority; (4) \$1 million from monies to be available July 1, 2002 from the Alaska Mental Health Trust Authority; and (5) \$3,544,000 from investment income from previously set aside funds. Shared vision from April 2001 provides the framework for land exchanges and other commitments to facilitate the replacement of the facility. A road extension is contemplated, but will be addressed separately, possibly through federal funding.
2	REPLACEMENT OF THE ALASKA PSYCHIATRIC INSTITUTE	The commissioner of DH&SS will provide for the construction of a new API facility, which must include a forensic psychiatric unit.
3	DELEGATION OF AUTHORITY FOR LEASE-PURCHASE AGREEMENT	DH&SS is delegated DoA's authority under AS 36.30.085 (Public Contracts; State Procurement Code; Organization of State Procurement; Lease-purchase agreements) to enter into a lease-purchase agreement.
4	LEASE-PURCHASE PAYMENTS	Lease payments are subject to annual appropriation by the legislature.
5	NOTICE OF ENTRY INTO AND FINANCING OF LEASE-PURCHASE AGREEMENT	DH&SS is authorized to enter into a lease-purchase agreement for a API facility. The state bond committee is authorized to provide for the issuance of certificates of participation in the total amount of \$16 million. The estimated total cost of construction, acquisition, and equipping the project is \$41,744,000. The estimated amount of rental under the lease-purchase agreement is \$1,640,000. The estimated total lease payment is \$24.6 million. Upon completion of payment under the certificates of participation, title to API will vest in the state. The bond committee may contract for services it considers necessary to finance the project.
6	APPROVAL OF AGREEMENT	Section 5 constitutes the approval required is AS 36.30.085 (Public Contracts; State Procurement Code; Organization of State Procurement; Lease-purchase agreements).
7	effective date	Immediately.

FISCAL NOTE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 Bill Version: CS HB 76 (Finance)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title: New Facilities for API BRU: Revenue Operations
 Component: Treasury Division
 Sponsor: Representative Rokeberg
 Requester: Finance Committee Component Number: 121

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	10.0					
Contractual	10.0	10.0	10.0	10.0	10.0	10.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Debt Service		1,635.9	1,639.9	1,636.4	1,635.7	1,636.0
TOTAL OPERATING	20.0	1,645.9	1,649.9	1,646.4	1,645.7	1,646.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	20.0	1,645.9	1,649.9	1,646.4	1,645.7	1,646.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	20.0	1,645.9	1,649.9	1,646.4	1,645.7	1,646.0

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)

This legislation identifies \$41,744,000 in funding for a new Alaska Psychiatric Institute facility comprised of the following:
 1) \$19.2 million in prior appropriations; 2) \$3 million from the Alaska Mental Health Trust Authority; 3) \$16 million in proceeds from the sale of Certificates of Participation (COPs); and 4) \$3,544,000 in investment earnings on existing appropriations and COP proceeds.

Annual debt service on the \$16 million in COPs is estimated at \$1.64 million using the assumptions of 15-year term and a true interest cost of 5.67% (about 0.5% above April 2001 market rates for a competitive bond sale). Debt service will begin in fiscal year 2003, with total repayment estimated at just under \$24.6 million. The interest cost estimate is necessary due to the volatility in interest rates and the difficulty in accurately forecasting what market rates will be in the future.

Prepared by: Deven Mitchell, Debt Manager Phone 465-3750
 Division: Treasury Division Date/Time 4/23/01 10:00 AM
 Approved by: Larry Persily, Deputy Commissioner Date 04/23/2001
 Agency: Department of Revenue

For distribution information, call the Governor's Legislative Office

ALASKA STATE LEGISLATURE

House of Representatives

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SECTIONAL ANALYSIS CSSSHB 76 ((FIN)) New facilities for API

Prepared by Office of Rep. Norman Rokeberg

- Section 1:** Findings and intent language.
- Section 2:** Requires the Commissioner of Health and Social Service to provide for the replacement of a new facility to be known as Alaska Psychiatric Institute ("API"). The new facility is to include a forensic psychiatric unit.
- Section 3:** Delegates authority to the Department of Health and Social Services to enter into a lease-purchase agreement for a new API facility.
- Section 4:** Provides that lease payments owed under the lease-purchase agreement are subject to appropriation by the Legislature.
- Section 5:** Authorizes the Department of Health and Social Services to enter into a lease-purchase agreement for a facility for API. The state bond committee is authorized to issue certificates of participation in the amount of \$16,000,000. The amount received from the issuance of the certificates of participation is to be combined with \$22,000,000 that has already been set aside for the construction of a replacement API along with \$3,544,000 of investment income earned on other money sources for a total cost of construction, acquisition and equipping the project in the total amount of \$41,744,000. Estimated annual amount of rental obligation under the lease-purchase agreement is \$1,640,000 for the estimated total lease payment for the full term of the lease purchase agreement of \$24,600,000. "Cost of construction" includes the various items

**Sectional Analysis
CSHB 76 (FIN)
Page 2**

set forth in the bill. Upon the payment of all principal and interest due under the agreement, the title to the facility shall vest in the State of Alaska. Authorizes the state bond committee to contract for certain activities in financing the project.

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

Section 7: Immediate effective date.

ED1:04/25/01

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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

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

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 Lorenz, Committee Aide Phone 465-3759

Representative Representative Dyson Date 3/28/01
Committee Chair

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CSSSHB 76(FIN)
 (H) Publish Date: 4/21/01

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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	20,315.0		
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CHANGE IN REVENUES ()						
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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)						
TOTAL	0.0	0.0	0.0	20,315.0	0.0	0.0

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.

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,

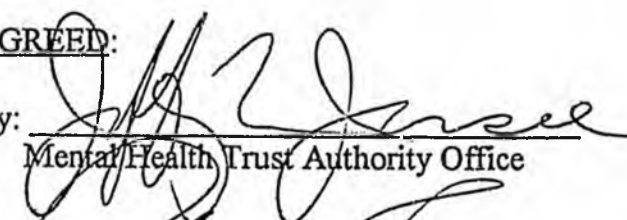
unless otherwise agreed.

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

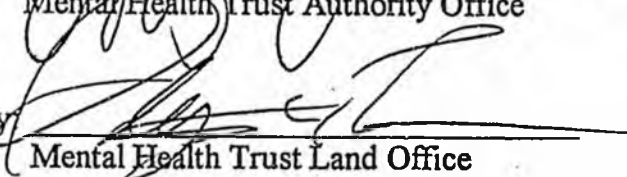
building into the District in concert with the plans of the Parties.

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

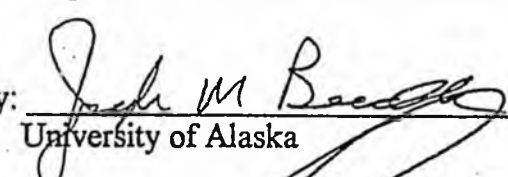
Date: 4/13/01

By: 
Mental Health Trust Land Office

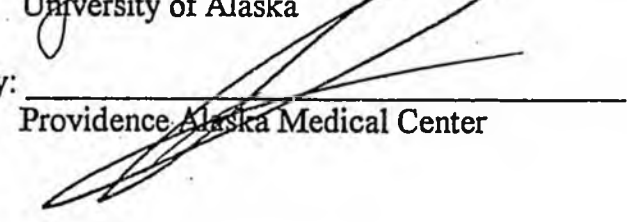
Date: 4/13/01

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: *Sam Padua*
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.

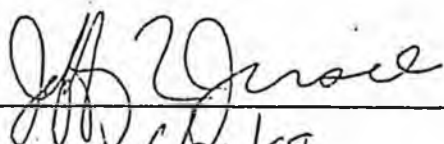
- a) To the extent consistent with their respective interests and statutory responsibilities and authorities, the Parties will work cooperatively to ensure that the revised Municipality of Anchorage (MOA) comprehensive plan, and other plans associated with it (e.g. the neighborhood transportation plan) 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	

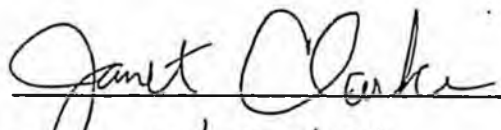
- h) The MOU may be terminated as to any individual party upon written notice to the remaining parties to the MOU.
- i) This MOU can be modified upon written consent of the Parties.
- j) Others may become party to the MOU upon written consent of the Parties.
- k) The MOU will not be effective until executed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

6. Signatory.

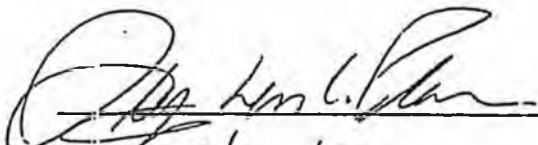
Alaska Mental Health Trust Authority


 Date 6/23/98

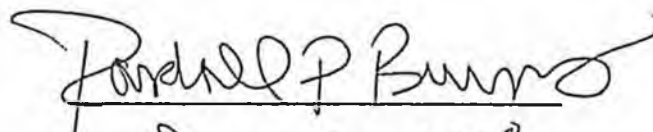
Department of Health and Social Services


 Date 10/26/98

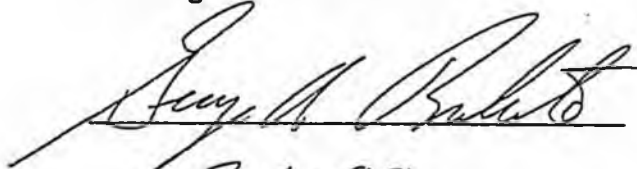
Alaska Mental Health Trust Land Office


 Date 6/23/98

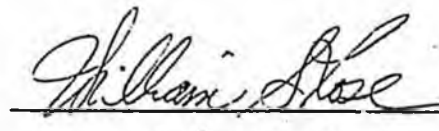
Alaska Psychiatric Institute


 Date June 23, 1998

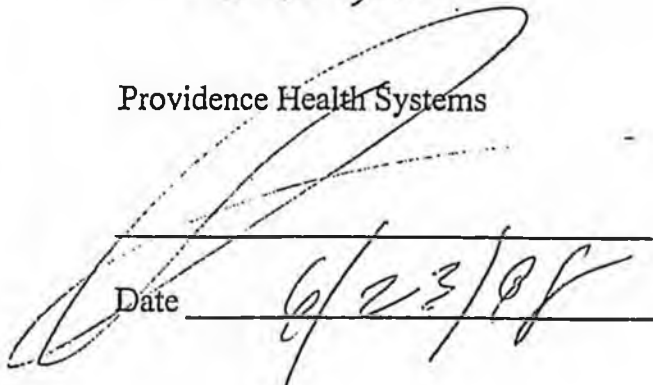
McLaughlin Youth Center


 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.

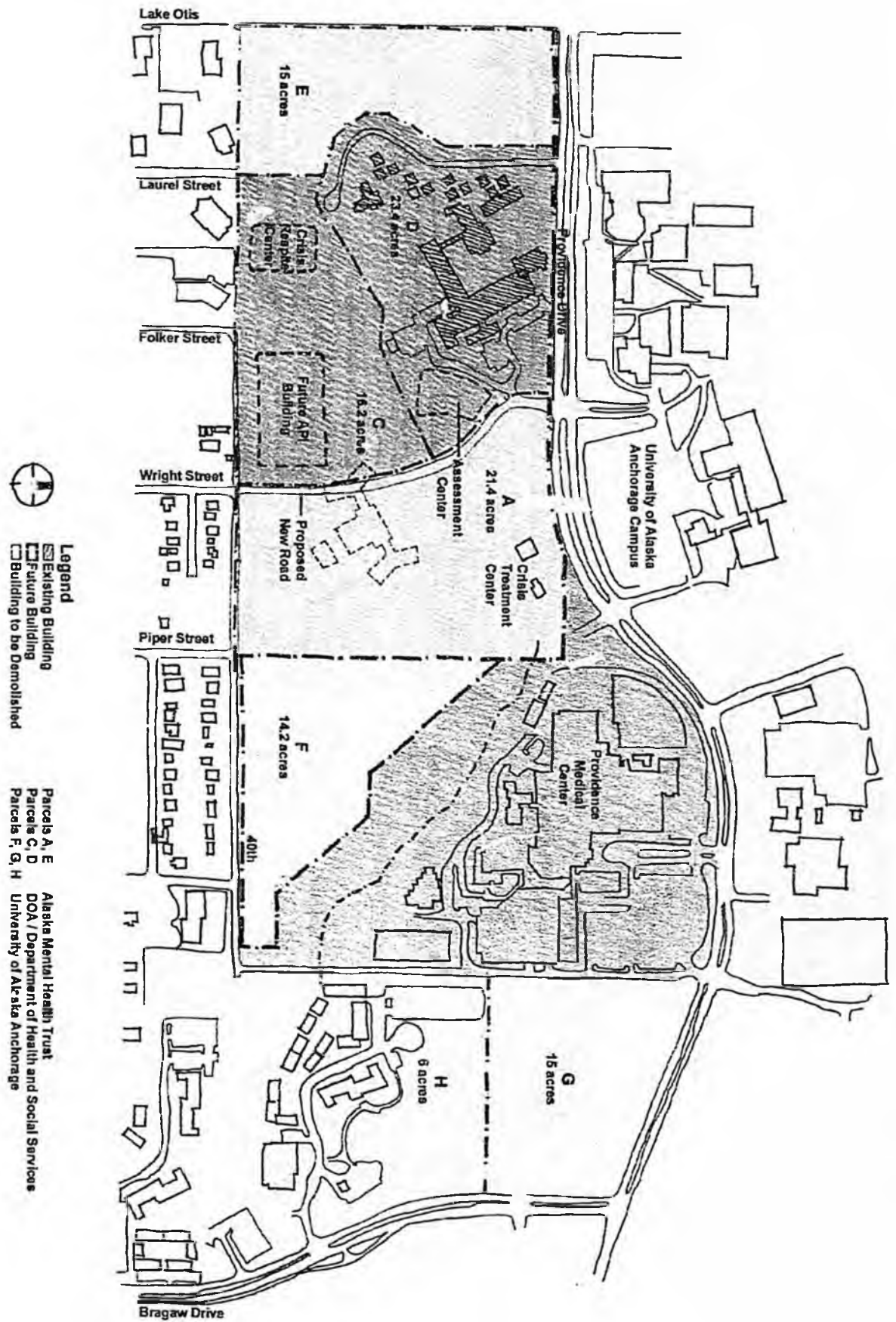
With this agreed upon vision in place the Parties can now work with the Municipality and Alaska State Legislature, as appropriate, towards achievement of the Neighborhood vision and District plans. Key steps in achieving the vision are:

- 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.



SENATE COMMITTEE REPORT

DATE: 4/25/01

FURTHER: Finance

DATE TURNED IN TO OFFICE: 04/27/01

Health, Education and Social Services Committee considered CS FOR SS FOR HOUSE BILL NO. 76(FIN)
NEW FACILITIES FOR API

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

- Senate Bill:**
 same title
 new title
House Bill:
 same title
 technical title
 new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
Revenue	4/23/01	x		3

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
DOT & PF	4/21/01	x		2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	
<i>[Signature]</i>				
<i>[Signature]</i>				
CHAIR: <i>[Signature]</i>			✓	

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>



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Representative Norman Rokeberg

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SPONSOR STATEMENT CSSSIB 76 (FIN)

An Act providing for and relating to the issuance of certificates of participation to finance 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 construction of a new facility to be known as the Alaska Psychiatric Institute; giving notice of the intent and approval to retain investment income from pertinent appropriations to be applied to the cost of 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.

CSSSHB 76 (FIN) provides that the replacement of the Alaska Psychiatric Institute ("API") go forward with a mixture of funds already appropriated (\$22,200,000 of which \$19,200,000 remains), proceeds from certificates of participation (\$16,000,000) to be issued by the state bond committee, money from the Alaska Mental Health Trust Authority (\$3,000,000), and estimated interest income (\$3,544,000) for a total of \$41,744,000. In addition, the Alaska Mental Health Trust Authority has granted land for the project and funds for the demolition of the old API would come, potentially, from federal road funds to build a road through the old API location.

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. API is the mental hospital of last resort for the entire state and is too big and inefficient to operate in its present configuration. It also does not meet current building or safety codes and has, like many old buildings of that era, asbestos problems. There is universal support for the replacement of this aging facility that often exceeds its 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.

SPONSOR STATEMENT

The bill requires that, as a part of any replacement of API, the current 10-bed forensic psychiatric unit would be maintained.

The legislation sets forth the various cooperative efforts that have occurred and will continue to occur as a result of a Shared Vision, set forth in the Memorandum of Understanding ("MOU") signed in April of 2001 by the Alaska Mental Health Trust Authority, the Department of Health and Social Services, the University of Alaska, and Providence Alaska Medical Center. This MOU sets forth the framework for land exchanges and other commitments that will facilitate the replacement of API.

With the cooperation of the local state government, local hospital facilities, and the local university campus, the development of the facility envisioned is set forth in the MOU. The scarce land of Anchorage's U-MED district can be allocated to its highest and best use -- to enhance educational opportunities and the delivery of health services to the people of Anchorage and the entire state -- under this Shared Vision plan.

Your support of this legislative proposal would be appreciated.

ED3:04/23/01

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

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

LETTERS OF SUPPORT

Subject: HB 77

Date: Mon, 16 Apr 2001 17:49:42 -0400

From: sam.dickey@sba.gov

To: Representative_Norman_Rokeberg@legis.state.ak.us



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

Dear Representative Rokeberg;

I would like to once again thank you for the time you allowed me during my recent visit to Juneau to share my concerns with you and discuss the status of Mental Health care in Alaska, specifically with regard to the Alaska Psychiatric Institute (API)

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
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<http://www.apiak.com>