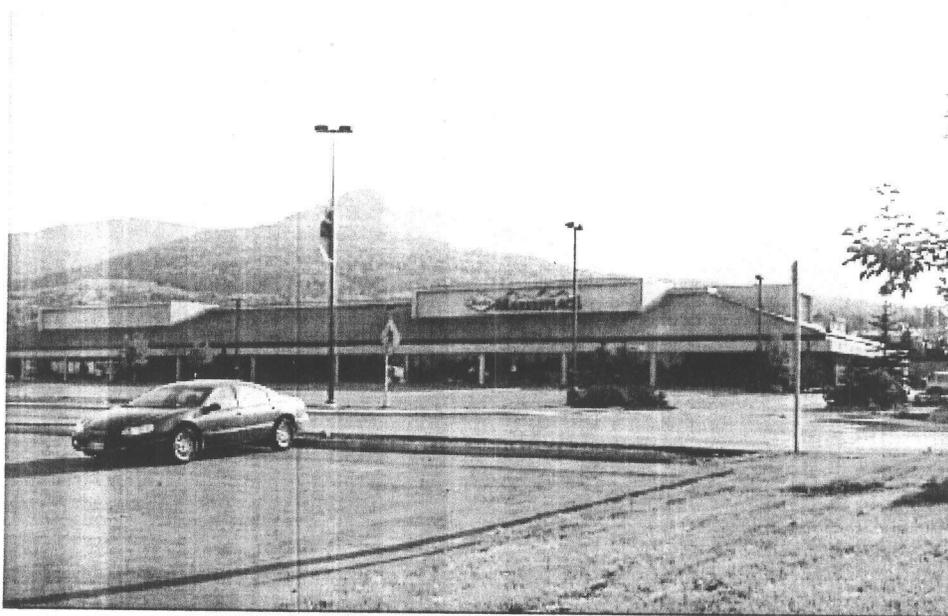


EAGLE RIVER TOWN CENTER



Municipality of Anchorage

Proposed Location for Chugiak-Eagle River Library
And Eagle River Municipal Offices and Services

April 2008



Project Description

Currently a rare opportunity exists that would allow the Municipality to purchase about 40% of the Valley River Center building in Eagle River (43,000 square feet), which it would own in a condominium arrangement. This space would be renovated to house an expanded Chugiak-Eagle River Library, Police substation, Emergency Operations Annex, Community Meeting Room, and all Eagle River Municipal Offices and Services including Chugiak-Eagle River Parks & Recreation, Development Services / Permitting, Road Maintenance, Health & Human Services / WIC Program, and Assessors' office.

Background

The Eagle River community has sought for many years to develop a Town Center that would incorporate both retail space and public facilities including Library, meeting rooms, and Municipal offices and services. The project described here would fulfill this vision, consistent with a central recommendation of the *2003 Eagle River Central Business District Revitalization Plan*⁽¹⁾. The CBDR Plan was developed with extensive public involvement and foresaw many economic and community benefits arising from the synergies of such a town core development.

In addition, this project emphasizes public safety and emergency preparedness, with restoration of a staffed police substation and creation of a long-needed Emergency Operations facility in Eagle River. **Informal discussions with FEMA and the State Department of Homeland Security and Emergency Management have already occurred regarding potential agency use of the EOC facility as a staging center for State and Federal responses in the event of emergency activation.**

In recent years the Valley River Center (VRC), an abandoned former grocery store and mall located in Eagle River between the Old Glenn Highway and Business Boulevard, has emerged as the preferred Town Center location. This site is supported by both the Eagle River Chamber of Commerce and the Anchorage Assembly. Resolutions of support from both bodies are attached. The Municipality of Anchorage has pursued numerous attempts over the years to acquire space in this building.

Project Status

A favorable purchase price for the building has been negotiated by the Municipality and accepted by the seller. Thorough due diligence has been completed; 35% design drawings completed and construction cost estimates obtained. The full engineering and inspection reports for the building are available on request; highlighted findings are shown on page 11. The closing date under the Purchase and Sale Agreement is April 30, 2008.

Funding Need

Existing funding for the project includes a \$1 million grant from the Rasmuson Foundation, a \$1M contribution from the Chugiak-Eagle River Parks and Recreation Service Area, a \$2M inter-fund loan with repayment by rent paid by the occupying departments, and an estimated \$650,000 from resale of an unneeded portion of the building. These sources total \$4.65M.

The originally anticipated cost of the project was covered by the funding listed above. However, the engineering reports have now revealed greater damage and repair needs to

the roof and other systems than previously suspected. It has been determined that roof replacement is required to deliver a sound building for the future. In addition, internal buildout cost estimates have come in significantly higher than anticipated, associated both with rising construction costs, needs for heating/ventilation system replacement, and the inherent challenges of converting a 25 year old grocery store shell into functioning library and office space.

The revised total project cost (purchase, core and shell repairs, and construction) is \$6.65M. The remaining amount required to allow this project to proceed is \$2M. With over \$4M in hand, and a decade of community effort behind this project, a \$2M State capital grant is requested to close the funding gap and bring this long-desired Town Center to reality.

Costs and Funding Summary

	Amount (\$M)
Costs	
Purchase (MOA share)	0.50
Core & shell repair including roof replacement (MOA share)	1.25
Internal construction	4.90
Total	6.65
Funding	
Rasmuson Foundation grant	1.00
CER Parks & Recreation Service Area Contribution	1.00
MOA Inter-fund Loan	2.00
Sale of Unit 3 (MOA net share), estimate	0.65
STATE LEGISLATIVE REQUEST	2.00
Total	6.65

Departments

The following Eagle River Municipal offices and services will be housed in the new Town Center. Co-location of these offices will improve access to services for Chugiak-Eagle River residents and improve operational efficiencies for departments. Details follow.

Department	Current space in ER (sq ft)	Planned New Space (sq ft)
Police	1,400	2,000
Emergency Operations Annex	0	500
Library	12,040	18,000
C-ER Parks & Recreation	2,135	2,700
Development Services	0	3,200
Health & Human Services	1,250	1,300
Road Maintenance	900	1,300
Assessors	0	500
Community Meeting Room	(included in P&R)	1,500
Total Net	17,725	31,000
Common Areas		5,000
Lease Space		7,000
Total Gross	17,725	43,000

Chugiak-Eagle River Library

The Eagle River Branch Library currently occupies leased space of just over 12,000 square feet in a strip mall located at 12,400 Old Glenn Highway. The location is significantly cramped and overcrowded. It houses a staff of eight and a collection totaling approximately 86,000 items, serving 14,400 registered borrowers from the community of 30,500 people.

The project space plan allocates approximately 18,000 square feet to the relocated library, based on both current needs and anticipated growth over the coming decade. Chugiak-Eagle River has seen an 18% growth in population over the past decade. Recent growth in library services has exceeded population growth rate, as evidenced by a 26% increase in circulation from 2003 to 2006. Library planning guidelines recommend that space for library facilities be calculated at approximately 0.6 square feet per capita⁽²⁾. Using that standard, the recommended size for the library is close to 18,000 sq ft now; and projecting a 2% growth over the next decade, the guidelines suggest a space need of over 21,000 sq ft 10 years from now. The current project, through ownership of the building and reservation of some extra leased space within it, provides options for potential future expansion needs.

Chugiak-Eagle River Parks & Recreation

The Eagle River Parks and Recreation office currently leases 2,135 square feet in VRC Building "B", comprised of 1,240 sq ft office space and storage plus an 895 sq ft public meeting room. This location presently houses a fulltime staff of 6, augmented by one permanent part time and 20 seasonal staff members, who together support and maintain a park inventory spanning 2,500 acres within 16 developed and 13 undeveloped park properties.

The planned new space allocates 2,700 sq ft to this department. The increase is required both due to inadequacy of current space and anticipated future growth. The growth trend in services provided by this office has significantly outpaced population growth over the last decade. Since 1997, office space square footage has not changed, while FT staff size has doubled, PT staff size has increased 6-fold, and services delivered to the community have increased by multiple measures. The planned facility will correct a significant shortage of space for operations of this department, which has a high visibility public service mission in the community.

Anchorage Police Department

There is presently no manned police substation in Eagle River. The Anchorage Police Department currently uses 1,400 square feet of converted space in the old Fire Station (Station 11) on Firehouse Lane, comprised of two small offices and a storage area, with heated garage space for vehicle storage. Two detectives are based out of this substation and an intoximeter is housed here for patrol use. The substation also stores two SUV's and snow machines in the winter months for inclement weather response. The station is used periodically for DUI testing, printing of reports, receiving faxes, etc. However there is currently no direct public service from the location.

The project space plan allocates 2,000 sq ft to APD as part of the Town Center complex. The purpose of the new space is to reestablish a manned APD substation for Chugiak-Eagle River. In prior years, a full-time police clerk served 5-10 persons per day. With community growth in recent years, a volume of 10 or more interactions per day with the public is anticipated now (APD estimate). The service of a manned substation is strongly desired by, and would be a clear benefit to the Eagle River community, particularly in times of disaster.

Emergency Operations Annex

There is currently no Emergency Operations Center in Eagle River. As part of comprehensive disaster preparedness planning for the Anchorage Municipality, such a center in Eagle River is a priority. The acquisition of shared Municipal office space in the Town Center presents an opportunity to set aside relatively low-cost space for this goal. The MOA Office of Emergency Management estimates that an allocation of 1000 sq ft would be sufficient to establish a functional center and create a potentially critical emergency response capability for the community.

The project space plan accomplishes this goal by creating an Emergency Operations Annex of about 500 sq ft adjacent to and opening into the Community Meeting Room. The Annex will be used to house pre-positioned critical equipment radios, cell phones, computers, needed for disaster response. In the event of activation, the Annex would be opened into the adjacent 1500 sq ft meeting room space for manned operations. Existing Anchorage Office of Emergency Management Staff will maintain and oversee operational readiness of the facility. Additional information is provided in the attached letter from the Director of OEM.

Health & Human Services / WIC Program

The Eagle River office of the Anchorage Department of Health and Human Services currently occupies 1,250 square feet in Valley River Center Building "B". This location presently houses a staff of two individuals who run the Eagle River WIC Clinic (Women, Infants and Children: a program safeguarding the health of low income women, infants and children up to age 5 who are at nutritional risk). The WIC Program provides anthropometric and hematological measurements, nutrition, counseling and supplemental food are provided to pregnant, post-partum and breast-feeding mothers, infants and children up to age 5. An average of 388 program participants are seen per year.

The project space plan allocates 1,300 sq ft to HHS in the new facility. No growth is anticipated that would require an expansion of service capability in the current program. The facility will include a clinical exam room, counseling office, reception and waiting area, and separate entrance.

Road Maintenance

The Eagle River office of the MOA Department of Maintenance & Operations currently occupies an office area of approximately 900 square feet at the old Fire Station (Station 11) on Firehouse Lane, with APD offices. This area is used by a FT staff of 3 individuals, responsible for overseeing road maintenance in the Chugiak-Birchwood-Eagle River Service Area. One staff member from the Public Works department, responsible for Right of Way issues and permitting, also shares this space. The project space plan allocates 1,300 sq ft to this department in the new facility. A separate exterior entrance is included due to heavy traffic from contractors and field operators..

Relocation into a shared Municipal complex at the hub of the Town Center will alleviate security concerns for this group. For example Due to the isolated location of the current facility, there is a daily late afternoon time period where one solo female employee remains on duty, during which lock-down of the facility is routinely required for safety reasons. Moving the office into the shared complex is a particular advantage

Development Services / Permitting

The Development Services department currently has no office in Eagle River. This department has a significant public service function related to land use enforcement, code and construction permitting and safety, and right of way issues. The project plan calls for opening an Eagle River office to provide direct local service to the community for all permitting and enforcement needs. The office will occupy 3,200 sq ft with prominent counter space and waiting area, cashier, interview office, staff offices and conference area. This department is a recent addition to the plan; public feedback on the anticipated increased convenience of local access to permitting functions has been uniformly and strongly positive.

Assessor

There is currently no Assessor's office presence in Eagle River. Three staff members of the Anchorage Municipal Property Appraisals office work daily in Eagle River. These individuals also live in Eagle River. Currently, they drive each morning from Eagle River to Anchorage, collect a Municipal vehicle, drive back to Eagle River to inspect properties, return to Anchorage at the end of the day to file paperwork, and return home to Eagle River at night. The addition of an office in the new Town Center for these individuals is justified on efficiency grounds. The project plan calls for a small area of interior space for this group, to include 3 work-station cubicles, with computer, printer, phone and fax amenities.



Chugiak-Eagle River Chamber of Commerce

"Place of Many Places"

April 3, 2008

The Honorable Nancy Dahlstrom
Alaska State Legislature
Juneau, Alaska

Dear Representative Dahlstrom,

Nancy

As you know, the Chamber is strongly behind the Eagle River Town Center Project. The Municipality has been able to come to an agreement with Hickel Investments to acquire Building A at Valley River Center for \$1 million (that is \$2 million below the asking price). The agreement was reached jointly with the Alaska Club and Hickel and the price was significantly reduced due to reports which came in during the due diligence process. These reports identified major roof repair and mechanical work that needs to be done in addition to tenant improvements.

We are asking for your help with a special appropriation of \$2 million to complete this project. As we have discussed in the past, this is a project whose origins are with the community and transcend several administrations. We are nearly there and you will be able to make the difference.

Additional funding sources identified to date total \$4.65 million available through the Rasmuson Foundation, Eagle River/Chugiak Parks & Recreation and other Municipal sources including an inter-fund loan. This project makes sense financially, it will rejuvenate a depressed area, and create the synergy needed for a strong downtown core.

Thank you for your consideration.

With regards,

Susie Gorski

Susie Gorski
Executive Director

907-4165-2793

(907) 694-4702 PHONE • (907) 694-1205 FAX

**Kumon Math and Reading Center of Eagle River
10928 Eagle River Road
Eagle River Alaska, 99577**

April 2, 2008

As a small business owner in Eagle River, I urge you to look favorably at the request by MOA to fund the remaining portion of our needed Town Center.

After many years of stops and starts, our community is finally in a position to make the Eagle River Town Center a reality. It is well known that the MOA in conjunction with a private sector partner, was able to acquire 104,000 square feet of the Valley River Center for \$1 million from Hickel Investments (\$2 million less than the final proposal.) We all are facing high inflation and during the lengthy time of the negotiations and due diligence, the cost of materials and labor has risen so much that we need your help.

For our business to grow and prosper, we need a strong core town center. If you do one thing for our local economy please do this.

As a community member dedicated to the success of this project, I am respectfully requesting a special \$2 million appropriation to complete the Town Center.

It is important to remember that the Eagle River Town Center is a project that developed within the community and has the community's support. This project makes sense financially; it will rejuvenate a depressed area, and create a strong downtown core.

Thank you for your consideration.

Sincerely,

**Bonnie Meliolo
Holly McClure**

*Bonnie G. Meliolo
Holly J. McClure*



April 3, 2008

Dear Representative Nancy Dahlstrom,

After seven years of work, the Chugiak-Eagle River Community is finally in a position to make the Eagle River Town Center a reality. As you may have heard, the MOA in conjunction with a private sector partner, was able to acquire 104,000 square feet of the Valley River Center for \$1 million from Hickel Investments (\$2 million less than the final proposal.) During this same time span, the cost of materials for build out have risen so substantially that we need your help.

Currently, the city has \$4.65 million available through the Rasmuson Foundation, Eagle River/Chugiak Parks & Recreation and other Municipal sources including an inter-fund loan. Due to rising costs of tenant improvements and building repairs, there is now a gap in funding necessary to complete this revitalization project.

As a community member dedicated to the success of this project, I am respectfully requesting a special \$2 million appropriation to complete the Town Center.

It is important to remember that the Eagle River Town Center is a project that developed within the community and has the community's support. This project makes sense financially; it will rejuvenate a depressed area, and create the synergy needed for a strong downtown core.

Thank you for your support.

Sincerely,

Alfred J. Romaszewski
Broker

RE/MAX of Eagle River Inc.
16600 Centerfield Drive, Suite 201
Eagle River, Alaska 99577
Office: (907) 694-4200
Fax: (907) 696-0214
www.Remax-EagleRiverAlaska.com

ALASKA TRAFFIC SIGNAL SUPPLY INC.
12243 CENTER STREET
EAGLE RIVER, ALASKA 99577
907-622-2877 PHONE 907-622-2876 FAX
Alaskan Women Owned Business

FAX

TO: Rep. Nancy Dahlstrom PAGES: 1
FAX 907-465-2293 DATE 4/9/08

Please support a special 2 million appropriation
to complete the Eagle River Town Center.

As a community member and member of
the Eagle River Chamber, I have worked
hard to make this project a reality along
with the Mayor and other community
members.

We need a need this appropriation to
get this Town Center moving.

Please support this project.

Linda Landers

**Prudential**

April 2, 2008

Prudential Vista Real Estate

16635 Centerfield Dr, #103

Eagle River, AK 99577

Bus 907 689-6464

Fax 907 689-6499

www.AlaskaHouseHunters.com

Dear Legislators,

After seven years of work, the community is finally in a position to make the Eagle River Town Center a reality. As you may have heard, the MOA in conjunction with a private sector partner was able to acquire 104,000 square feet of the Valley River Center for \$1 million from Hickel Investments (\$2 million less than the final proposal.) During this same time span, the cost of materials for build out has risen so substantially that we need your help.

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As a community member dedicated to the success of this project, I am respectfully requesting a special \$2 million appropriation to complete the Town Center on behalf of our entire community!

It is important to remember that the Eagle River Town Center is a project that developed within the community and has the community's support. This project makes sense financially; it will rejuvenate a depressed area, and create the synergy needed for a strong downtown core.

Thank you for your consideration.

Sincerely,

C. Lynn Swanson

Realtor, Prudential Vista Real Estate and

Board member of the Chugiak/Eagle River Chamber of Commerce

Cc:

Senator Con Bunde

Senator Fred Dyson

Senator Charlie Huggins

Representative Nancy Dahlstrom

Representative Anna Fairclough

Representative Mike Hawker

Representative Bill Stoltze

Fax: 907-465-3871

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