

Juneau Subport Asbestos Abatement - Mental Health Trust Settlement **FY2007 Request: \$625,300**
Reference No: AMD 42079

AP/AL: Appropriation **Project Type:** Renewal and Replacement
Category: Natural Resources
Location: Juneau Areawide **Contact:** Nico Bus
House District: Juneau Areawide (HD 3-4) **Contact Phone:** (907)465-2406
Estimated Project Dates: 07/01/2006 - 06/30/2007

Brief Summary and Statement of Need:

As part of the 1994 Mental Health Trust Settlement certain lands in Juneau were to be transferred from DNR to the MHT, including the lands on which the Subport Building, the Subport Surface Parking Area, and the Armory Building exists. The State continued to lease the buildings from 1994 to June 30, 2006, with provisions for environmental considerations. In November 2005 an Environmental Survey was completed for these facilities identifying \$523,221 of Asbestos Abatements to be completed at the Subport Building and the Armory Building.

Funding:	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	Total
Gen Fund	\$625,300						\$625,300
Total:	\$625,300	\$0	\$0	\$0	\$0	\$0	\$625,300

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

This is a new project request.

Project Description/Justification:

Background:

As part of the state lease conditions the Department of Administration completed an Environmental Hazards Analysis in November 2005. This analysis identified asbestos and lead paint as the key environmental issues needing to be abated. No underground storage tank (UST) problems were identified. The State of Alaska is responsible for the abatement and this request is submitted to expedite the work. As part of the 1994 Mental Health Trust (MHT) Settlement, the Department of Natural Resources is identified as the lead for settling any issues regarding the MHT Settlement. This request is submitted late in April 2006 due to the communication delays between the State and the MHT and the confusion surrounding who would take the lead on the project.

Section IV, 4(b) of the MHT Settlement in parts state.. " ***If the hazardous substance came to be located on or discharged from a parcel of original mental health trust land after being conveyed to the state under the Enabling Act but prior to the conveyance to the Trust Authority, or on a parcel of replacement land at any time prior to conveyance to the Trust Authority, the issue shall be resolved in such a manner as the Trust Authority and DNR mutually agree....***". The parcel was conveyed to the Trust Authority as replacement land under the Settlement and is therefore subject to this term of the Settlement.

asbestos and lead abatement project.

We are requesting this project be considered in the 2006 legislative session in order not to lose another construction season.

Timing:

The State leases expire June 30, 2006, after which time it is optimum to immediately start the asbestos abatement contract. The two acre building cannot sit vacant too long before becoming a derelict building, a very undesirable situation on the Juneau waterfront. Keeping the building heated is very costly and requires on-site management. Having the appropriation in 2006 will allow the MHT to maximize its revenue potential from this property a year sooner than waiting for the next legislative session. The MHT has been very accommodating to the State by allowing the existing leases from 1994 to this summer.

Once the asbestos abatement is complete, the MHT plans to start redevelopment of the waterfront parcel in coordination with the City and Borough of Juneau's long range plan.

Estimate of cost:

- Carson-Dorn Inc. November estimate of contractor cost	=	\$523,221
- Project Management contract on-site engineer	15%	= \$ 76,000
- MHT management charges	5%	= \$ 26,000
	Total cost estimate	=\$ 625,221

Alternatives considered:

In some cases, the MHT does consider returning contaminated properties to the State and asking for substitute land or compensation. In this case that option is not considered as the property is too valuable and the remediation is a relatively small cost compared to the total value of the property.