

Agency: Commerce, Community and Economic Development

Grants to Municipalities (AS 37.05.315)

Grant Recipient: Kenai Peninsula Borough

Project Title:

Project Type: New Construction and Land Acquisition

Kenai Peninsula Borough - Nikiski Senior Center Construction

State Funding Requested: \$7,500,000

House District: Kenai Areawide (33-35)

Future Funding May Be Requested

Brief Project Description:

Construction of a New Senior Center

Funding Plan:

Total Cost of Project: \$7,500,000

There is no other funding needed

Detailed Project Description and Justification:

Nikiski Senior Citizens have been operating out of a building that was too small from the beginning. The stick frame building has outlived its usefulness to the seniors in that it provides little space to provide service other than the in-house meal program. The kitchen is becoming too small and some of the equipment is beginning to show its age. There is no fire protection in the building, i.e. sprinkler system or other major safety equipment. The seniors are attempting to run no less than 5 programs from the facility but have had to rent additional off site space the last 3 years to facilitate these service programs. There is no room for expansion and in fact a large garage that was built for the center's vehicles, transportation and food delivery vans, is now used for storage and community fund raising programs, such as garage sales. The facility is showing its age and has recurrent problems with its sewer system and building maintenance. The new facility will be part of a planned senior housing complex, with Phase 1 being complete, and will provide additional services to local seniors and direct on site support for the seniors living in the adjacent housing complex. Members needs continue to grow and this project will meet current and future expectations for the years to come. All work will follow USDA Rural Development Standards as we anticipate applying for both grant and loan funds from USDA.

This process will ensure compliance with all Federal and State funding requirements.

Project Timeline:

FY11

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

Nikiski Senior Service Area

Grant Recipient Contact Information:

Name:	Nikiski Senior Service Area
Address:	PO Box 3973 Nikiski, AK 99635
Phone Number:	776-7654
Email:	leigh@nikiski seniorcenter.org

Has this project been through a public review process at the local level and is it a community priority? Yes No

NSC

Nikiski Senior Citizens, Inc.
P. O. Box 6973, Nikiski Alaska 99635
907-776-7654 phone
907-776-7632 fax

NSC

January 20, 2010

Honorable Senator Tom Wagoner
Honorable Representative Mike Chenault
Honorable Representative Kurt Olson

Re: Nikiski Senior Citizens, Inc.
Request for Capital Grant – New Senior Center - \$7,500,000

Gentlemen:

Nikiski Senior Citizens, Inc. is requesting your consideration for sponsorship of a legislative grant of \$7.5 million. These funds will be used to construct a new 12,763 square foot Senior Center on our property on Lake Marie Avenue, off Holt Lamplight Road. Our present facility, 3,900 square feet, is in reasonably good shape though since its construction in 1993 we have outgrown it and have now expanded our operations into the 1,200 square foot garage built to house the Center's vehicles, and we are renting another 700 square feet of office space in Nikiski, plus supporting two outbuildings and a mobile walk-in cooler totaling another 500-600 square feet.

We are attempting to run no less than 8 programs from our senior center and rented office space. Congregate and Home Delivery meals, Transportation, and Senior Housing, and the durable medical supplies and equipment loan closet are operated out of the senior center. The other office building houses the OWS/MASSST and the Senior In-Home Services Departments. The Older Worker Specialist, who runs the MASSST program for the Kenai Peninsula, has her office here. Our Senior In-Home department includes care coordination, the chore and homemaker program, local pick up location for the senior commodity food box program, participates in the farmer's market voucher program as well as assists seniors with filling out weatherization forms and providing information and referral. This building is about a 1 ½ miles from our senior center.



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A large garage built for the center's transportation and food delivery vans is also used to store archival files and for storage during our fund raising events, such as garage sales and bazaars. The Executive Director and the Bookkeeper share a 10' x 12' room. The 13'x 23' craft room had to be repurposed into office space and the Housing Manager and Activities Coordinator share this room. In addition to the now 2 offices, this same space serves as overflow storage and a holding area for whatever event is going to be taking place. Board meetings are held in the dining room, which gets noisy when the kitchen staff is busy trying to clean up after lunch. We do schedule committee meetings for earlier in the day, but we are also a gathering place for our seniors who stop in and solve the world's problems over coffee. Conversations of a private/confidential matter can only take place after asking an employee to stop what they are doing and leave their office, or by taking a walk outside to the gazebo or the parking lot. This works in the summertime, but not so well in the winter (though the cold does keep conversations to a minimum!).

We have two 40' unheated connexes for storage space. One is devoted to storage for our durable medical supplies and equipment lending closet while the other one holds larger equipment and tools and materials that have no other place to go.

The new facility is part of a planned senior complex, with Phase 1 (senior housing) completed. This new building will provide much needed meeting space and offices for staff and board members, and bring all the programs that are provided by our agency under one roof. We will not have to rent other locations for larger fundraisers and the new facility will be attractive for our community, other agencies and companies who need a space to hold public meetings and seminars.

Our Long Range Planning Committee recommended that we build a facility that will not need to be added onto in the next ten years but rather one that has a footprint that allows for program growth. This request covers the projected construction costs of a fully completed facility; however, we have asked the architect to design it with the understanding that certain interior portions, i.e. the basement and mezzanine, may go unfinished until sufficient funds become available to complete them.

We recognize this request may seem ambitious under the current economic climate; though we would emphasize that we have been working on the development of the Marie Lake Property for five years and it is now time for the Senior Center to be considered. We have watched construction costs rise dramatically with the oil fluctuations over this time though and we understand that even now some material costs are leveling out and



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may even be dropping in the face of the national recession. We don't know that for certain and have presented our budget herein to allow sufficient contingencies to protect our goals.

The Long Range Planning Committee has worked on this project since completion of Phase I of the Senior Housing Units in 2006 and with Board approval has contracted Lawrence Peek, a Homer architect, to design the facility to our specifications. As with the housing project, we are using James McConnell of F. James McConnell & Associates as our Project Coordinator. We understand you know Jim and his banking background. He is working closely with the Planning Committee and the architect to see that we develop the project to its maximum level while staying within allotted funds. Based on the preliminary estimates the cost of construction is as follows:

Hard Construction Costs (Per Peek)	\$4,617,398
Other Site Costs (Parking, walkways, ramps etc.)	1,112,380
Construction Contingency (10%)	572,778
Furnishings	165,000
Architectural Design and Management	314,931
Project Management/Development/Fund Raising	400,000
Construction Financing	100,000
Other Costs – Inflation Adjustment	211,513
Total Preliminary Cost Estimate	\$7,500,000

To date, we have raised and/or have available approximately \$300,000 as our initial cash match toward this venture. These funds were amassed from a combination of other legislative grants, our ganning program and the 4.5 acre parcel of land that was donated. The value of this property is \$60,000. We also have developed a gravel pit on senior owned lands near the proposed site and it appears we can save a good deal of money on the site costs once the pit run is tested for compaction. The property is ready for development; natural gas has been extended to its outer boundary, survey and geotechnical work is complete, roads have been developed to its extreme boundary and plans 35%. Once we have secured base funding we will advertise for a contractor under a Request for Qualifications with a not-to-exceed bid process overseen by the architect and Jim McConnell. The architect projects it will spin off at least \$5.0 million into the local economy over a 14 month period with an initial startup date of late August 2010. From a practical standpoint, if the full allocation could be made form a legislative grant we anticipate preliminary mobilization, basic site development and staging in late 2010 with full construction in early May 2011.



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In addition to the \$300,000 cash match, we have an interested buyer for the existing senior center once our project is complete. The 2009 Kenai Peninsula Borough tax assessment sets the valuation at \$317,100. While those funds would also be available for the development our goal is to sell the property and hold them as an operating reserve; while our programs are expanded and rental income developed.

This will be the only facility of its kind in the Nikiski area and aside from meeting the demands of our growing senior population, this center will be available for local events such as weddings, fund raisers, a community hall, as well as a designated Borough emergency shelter should the need arise. This project will also provide numerous construction jobs during this difficult recessionary period.

As for sustainability, we would note that the Nikiski Seniors has a property tax allocation that supports our existing center and gaming revenue to further back up those dollars. The new facility is designed to be energy efficient and on a per square foot basis we anticipate the new budget will be well within our operational revenues.

The seniors of the Nikiski area thank you for your time and consideration and should you have any questions on the project please direct them to James McConnell at (907) 229-3078. Please also feel free to contact Leigh Hagstrom-Sanger, our Executive Director, on any issues related to the Nikiski Senior Center.

Sincerely,

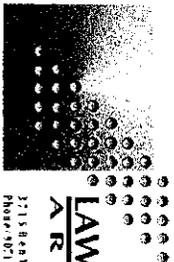


Leon Marcinkowski
Board Vice-President
Nikiski Senior Citizens, Inc.



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**LAWRENCE H. PEEK
ARCHITECTS**

3715 Broadwater Lane, Miami, Florida 33133
Phone: (305) 416-0733 Fax: (305) 416-0730

Project Name: Senior Center, Nikiski, AK

Project Number: 08016

Estimator: LHPeek

Status: Order of Magnitude w/ Local Multiplier

Cost per Square Foot: \$361.78

Building Square Feet: 12,763

Labor: Materials: O & P: Totals:

DIVISION 1	General Conditions			\$427,109
DIVISION 2	Sitework (Building Only)			\$346,305
DIVISION 3	Concrete			\$496,370
DIVISION 4	Masonry			\$0
DIVISION 5	Metals			\$184,696
DIVISION 6	Woods and Plastics			\$577,175
DIVISION 7	Thermal & Moisture Protection			\$380,935
DIVISION 8	Doors and Windows			\$311,674
DIVISION 9	Finishes			\$253,957
DIVISION 10	Specialties			\$69,261
DIVISION 11	Equipment			\$46,174
DIVISION 12	Furnishings (NIC)			\$0
DIVISION 13	Special Construction (none)			\$0
DIVISION 14	Conveying Systems (see below)			\$0
DIVISION 15	Mechanical			\$654,219
DIVISION 16	Electrical			\$669,523
Totals:		\$0	\$0	\$4,617,398

Total Building Costs:

\$4,617,398.14

- 4.5 acre Site Development
- Light Poles (8 each)
- Landscaping
- AC Paving @ \$3.50/ft.
- Concrete Walks/Curbs/Ramps
- Steel Railings, Ramps & Stairs
- Commercial Kitchen Equipment
- Elevator

\$600,000.00
 \$46,000.00
 \$56,000.00
 \$161,280.00
 \$28,000.00
 \$38,100.00
 \$98,000.00
 \$85,000.00

Total Construction Costs:

\$5,729,778.14

Construction Contingency:

10% \$572,977.81

Total Construction Costs w/ Contingency:

\$6,302,755.95

NSC

Nikiski Senior Citizens, Inc.
P. O. Box 6973, Nikiski Alaska 99635
907-776-7654 phone
907-776-7632 fax

NSC

February 23, 2010

To: Honorable Representative Mike Chenault

Re: Nikiski Senior Citizens, Inc.
Request for Re-appropriation of Grants 05-RR-017 & 05-RR-018

Dear Representative Chenault,

Nikiski Senior Citizens, Inc. is requesting your consideration for re-appropriating 05-RR-017, balance of \$16,667.60, and 05-RR-018, balance of \$24,859.40. We would like to combine the unexpended balance of these two grants into one project, Senior Center Improvements. We have gone as far as we can with the predevelopment work on a new facility. This new facility is estimated to cost 7.5 million, a rather ambitious amount given our current economic state.

We would use these funds to improve our current center to accommodate the growth in programs we have experienced over the past 10 years. This would give us some breathing room as we work towards our new center. If this request is granted, the main plan will be to create additional office space. Currently the Executive Director and the Bookkeeper share a 10' x 12' room. The 13' x 23' craft room had been repurposed into office space with the Housing Manager and Activities Coordinator sharing this room. Conversations of a private/confidential matter can only take place after asking an employee to stop what they are doing and leave their office, or by taking a walk outside to the gazebo or the parking lot.

Thank you for your consideration. If you have any additional questions, please do not hesitate to contact me.

Sincerely,



Leigh Hagstrom-Sanger
Executive Director, Nikiski Senior Citizens, Inc.



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