

Agency: Commerce, Community and Economic Development**Grants to Named Recipients (AS 37.05.316)****Grant Recipient: The Foraker Group****Federal Tax ID: 92-0177787****Project Title:****Project Type: Other**

The Foraker Group - Pre-Development Program

State Funding Requested: \$250,000**House District: Anchorage Areawide (16-32)**

Future Funding May Be Requested

Brief Project Description:

Support for the Pre-Development Program administered by the Foraker Group.

Funding Plan:

Total Project Cost:	\$250,000
Funding Already Secured:	(\$0)
FY2013 State Funding Request:	<u>(\$250,000)</u>
Project Deficit:	\$0

Detailed Project Description and Justification:

The Pre-Development (Pre-D) Program is a service provided by The Foraker Group in collaboration with the Alaska Mental Health Trust Authority, Denali Commission, Mat-Su Health Foundation and Rasmuson Foundation.

Pre-D offers guidance and technical resources for planning new facilities and renovating or expanding existing ones. We assist nonprofit, municipal and tribal organizations to determine the feasibility of their projects and develop the documentation needed for funding applications.

Pre-D's core purpose is planning Sustainable Capital Projects, which we define as projects that contribute to the long-term viability of the organization and the community it serves.

We believe that successful projects occur when planning begins early and considers community needs, potential collaboration, organizational capacity and sustainability.

"Pre-development" describes the phase of a capital project between the origination of the concept and the initiation of design. It is the period of gathering information, exploring options, and making decisions about the direction of a project. Inadequate planning during this phase can result in projects that are not sustainable.

The Pre-D Program was created to promote sustainable capital projects by making sure they:

- Meet a documented need
- Are consistent with strategic/community plans
- Consider opportunities for collaboration
- Have appropriate facility and site plans and realistic project budgets
- Are financially sustainable

The Pre-Development Program has been working with communities around Alaska on library projects since its inception. The first project was a joint effort by the City of Nome and the Northwest Campus of the University of Alaska to develop a shared facility. Since then we have worked on ten other library projects from Fairbanks to Ketchikan.

The typical services provided on each library project have included project management, space programming, concept design, and cost estimating. These services ensure that the project is appropriate in size for the community, fits on the selected site, is financially sustainable over the long term, and is a reasonable cost.

In addition to working on specific projects, the Pre-Development Program supported the overall cause of community libraries by sponsoring a statewide survey of recently completed library projects. This provided benchmarks for other communities in planning their projects. Pre-D also provided a day long training session for library directors from around the state on the planning process for new libraries.

Table 1: Library Project Summary

Community	Pre-D Investment	Services Provided					Timeframe
		Project Management	Space Programming	Concept Design	Cost Estimate	Other	
Fairbanks	\$ 32,888	X	X	X			10/10 - 8/11
Ketchikan	\$ 86,558	X	X	X	X		11/09 - 10/10
Kodiak	\$ 63,862	X	X	X	X		6/10 - 9/11
Nome	\$ 45,140	X	X	X	X		9/06 - 9/07
North Pole*	\$ 56,427	X	X	X	X		10/10 - 11/11
Petersburg	\$ 31,439	X	X	X	X	X	3/07 - 7/08
Seward	\$ 61,876	X	X	X	X	X	6/07 - 8/09
Sitka*	\$ 66,458	X	X	X	X		10/10 - 4/12
Skagway	\$ 24,862	X		X	X		10/10 - 3/11
Sutton	\$ 40,059	X	X	X	X		11/09 - 6/10
Talkeetna*	\$ 44,992	X	X	X	X		6/11 - 2/12
Study & Conference	\$ 10,206					X	
Total Expenditures:	\$ 564,767						

* Project is on this year's list of projects for State funding

Communities that the Pre-Development Program could assist in the future include Anchor Point, Craig, Juneau, Nome, Palmer, and Thorne Bay.

	<i>Standing Beside Alaska's Nonprofits</i>
theforakergroup	
	<h1>State Funding for Capital Projects: The New Reality</h1> <p>February 17, 2012</p>

	<i>Standing Beside Alaska's Nonprofits</i>
theforakergroup	
<h2>Agenda</h2> <ul style="list-style-type: none">• Introduction of the panelists, The Foraker Group, and the Pre-Development Program• How organizations raise money for capital projects – The Capital Campaign (Dennis McMillian)• The past and future of “lead” gifts (Panelists)• The State’s role in funding sustainable projects (Panelists in discussion with audience)	
2	



Our Core Purpose: Strengthen nonprofits

4 lines of business to serve Alaska nonprofits and tribes:

1. Educational Opportunities (online and in-person)
2. Organizational Development (consulting, facilitation)
3. Shared Services (back-room services)
4. State Association (advocacy, research, statewide initiatives)

3

Pre-Development Program

- Established and funded through a collaboration between the Alaska Mental Health Trust, Denali Commission, Mat-Su Health Foundation and Rasmuson Foundation to:
 - Assist nonprofits and local governments plan for capital projects
 - Provide technical assistance from feasibility studies to site evaluations – primarily concept design and cost estimates
 - Review feasibility, appropriateness and sustainability of projects
- Projects are referred to the Program by the Funding Partners.

Pre-Development Program

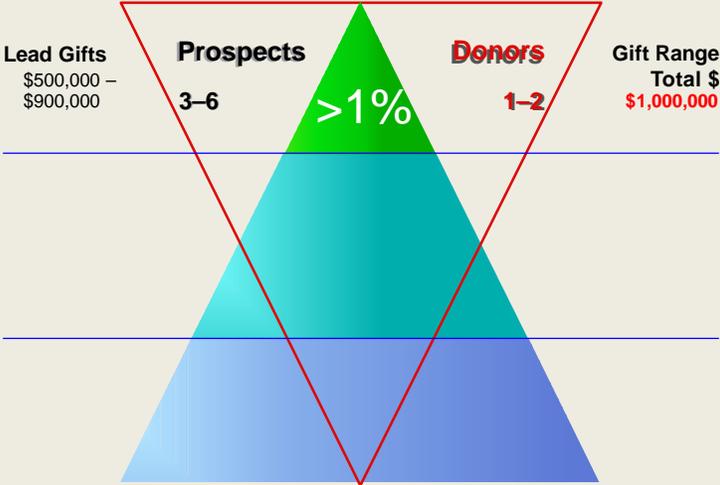
Projects should:

- Meet a documented need
- Be consistent with strategic/community plans
- Consider opportunities for collaboration
- Have realistic facility plans and budgets
- Not negatively impact the sustainability of the proposing organization.

Capital Campaign “Science”

- Economic research validates:
 - Successful campaigns raise 50% or more from 1-2 lead gifts
 - At least 1/3 more from major gifts (\$10k+)
 - Bracha, Menietti, Vesterlund, November 2010 (Journal of Public Economics)
- Fund Raising practice has been
 - 90% of funding from
 - 10% of donors

Capital Gift Chart – \$2 Million

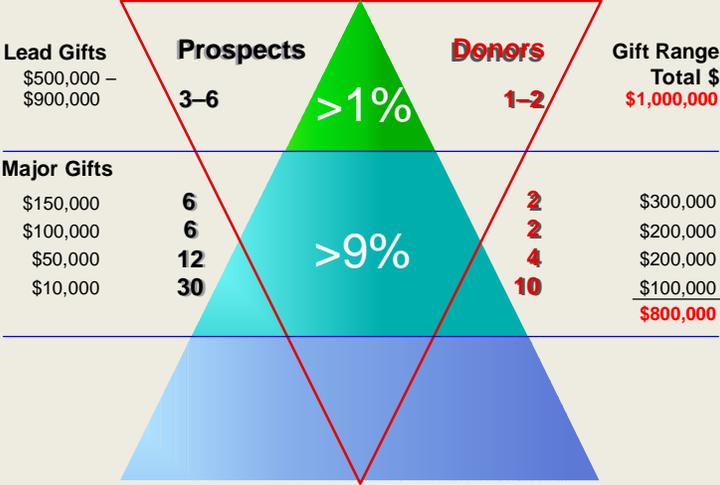


Number of Donors vs. Number of Prospects

The Foraker Group

7

Capital Gift Chart – \$2 Million

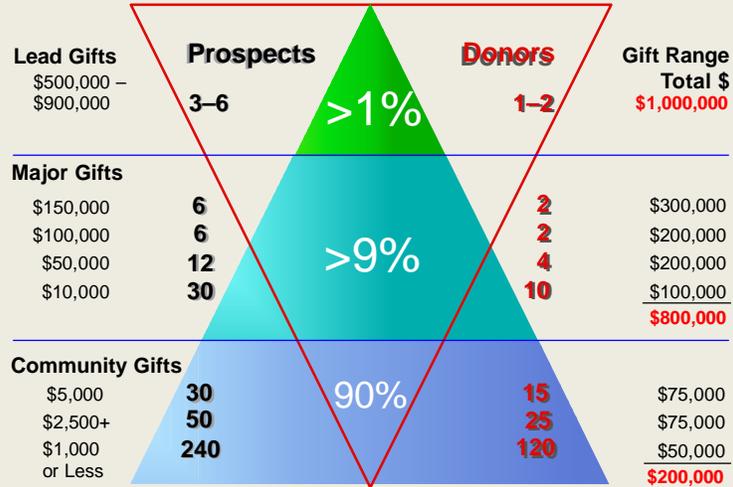


Number of Donors vs. Number of Prospects

The Foraker Group

8

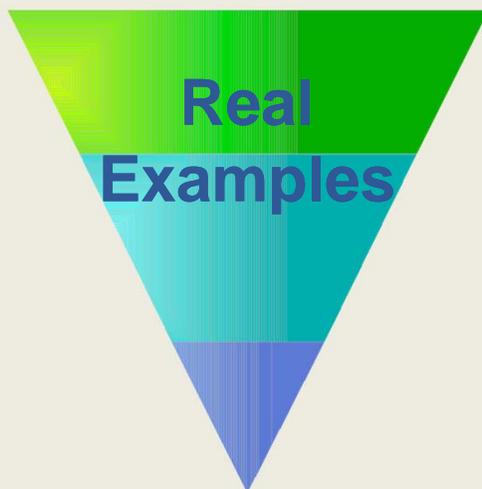
Capital Gift Chart – \$2 Million



Number of Donors vs. Number of Prospects

The Foraker Group

9



The Foraker Group

10



Tundra Women's Coalition Domestic Violence Shelter

Lead Gift 53%

Denali Commission:	\$4,477,700
Rasmuson Foundation:	1,000,000
Paul G. Allen Foundation:	200,000
CDBG:	830,000
State of Alaska:	1,500,000
Federal:	487,000
Total	\$8,497,700

The Foraker Group

11



Chilkoot Indian Association Alaska Native Brotherhood Hall Rehabilitation in Haines

Lead Gift 51%



U.S. Housing & Urban Development	
Rural Housing and Economic Development Grant	\$300,000
Bureau of Indian Affairs	214,565
State of Alaska	50,000
Rasmuson Foundation	25,000
Total	\$589,565

The Foraker Group

12



City of Wrangell Wrangell Museum

Lead gifts 66%



Nolan Trust	\$3,000,000
City of Wrangell	3,188,689
Rasmuson Foundation	1,250,000
Denali Commission	675,000
USDA Rural Development	628,932
M.J. Murdock Charitable Trust	250,000
Local donations	263,924
Friends of the Wrangell Museum	50,000
Total	\$9,306,545

The Foraker Group

13



Sand Point Clinic

Partnership between
Qagan Tayagungin Tribe of
Sand Point Village and the
Native Village of Unga

Lead gift 50%

Denali Commission	\$3,354,813
HUD Indian Community Development Block Grant	878,930
DCCED/HUD Community Development Block Grant	500,000
USDA Rural Development	500,000
Rasmuson Foundation	487,670
Indian Health Service	427,968
City of Sand Point	284,658
Aleutians East Borough	150,000
Shumagin Corporation - Land Donation	65,000
Alaska Mental Health Trust Authority	50,000
Total	\$6,699,039

The Foraker Group

14



Anchorage Museum

Lead gift 50%

Elmer Rasmuson	\$ 60,000,000
Government	\$ 40,000,000
Board	\$ 7,515,000
Corporations	\$ 2,945,000
Other Individuals	\$ 10,540,000
Total	\$121,000,000

The Foraker Group

15



Koliganek Clinic

Lead gift 76%

Denali Commission	\$1,934,060
Rasmuson Foundation	361,341
Indian Health Service	148,782
Alaska Mental Health Trust Authority	37,000
New Koliganek Village Council	5,000
Total	\$ 2,486,183

The Foraker Group

16



Togiak Family Resource Center

Lead gift 58%

Denali Commission	\$835,000
Local Match	314,000
Bristol Bay Economic Dev. Corp.	150,000
Rasmuson Foundation	150,000
Total	\$ 1,449,000

The Foraker Group

17



Code Blue

Rural Emergency Medical Services

Lead gifts 61%

USDA Rural Development	\$2,750,000
Rasmuson Foundation	1,125,000
Denali Commission	1,000,000
State of Alaska	533,000
Local communities	500,000
U.S. Health Resources	500,000
Total	\$6,408,000



The Foraker Group

18



Valdez Museum & Historical Archive 2004

Lead gift 50%

City of Valdez	\$713,000
Exxon Valdez Oil Spill Fund	200,000
City of Valdez Museum Contingency	150,000
Rasmuson Foundation	125,000
Murdock	75,000
Paul Allen	50,000
National Endowment for Humanities	45,000
State of Alaska Grant in Aid	10,000
Local Fundraising	60,000
Total	\$1,428,345

The Foraker Group

19



Qutekcak Cultural Center

Lead gift 74%

Qutekcak Loan	\$ 232,289
North Pacific Rim Housing Authority	100,000
Chugachmiut	98,510
Rasmuson Foundation	50,000
Local donations	7,416
Total	\$438,216

The Foraker Group

20



Chugachmiut Health Clinic

Lead gift 54%

ANTHC	\$231,053
Rasmuson Foundation	100,000
Murdock Charitable Trust	100,000
Total Budget	\$431,053

The Foraker Group

21



UAA - Alaska Native Science & Engineering Program (ANSEP)

Lead gifts 52%

Rasmuson Foundation	\$2,000,000
U.S. Economic Development Administration	1,400,000
U.S. Department of Education	1,000,000
BP & ConocoPhillips	750,000
Private Donations	382,844
Alyeska Pipeline	300,000
JL Properties (In-kind)	250,000
Denali Commission	250,000
University of Alaska	250,000
Total	\$6,582,844

The Foraker Group

22

Nome Eskimo Community Major Housing Rehabilitation Program

Lead gift 63%



NAHASDA	\$246,760
ARRA IHBG	193,923
AHFC Weatherization (Rural Cap)	50,000
Total Project Cost	\$490,683

The Foraker Group

23



Nugen's Ranch

Lead gift 69%

Self-funded:	\$3,704,620
Mat-Su Health Foundation:	1,870,335
HRSA (Federal):	627,115
The Rasmuson Foundation:	500,000
State of Alaska:	1,455,000
Total	\$8,057,060

The Foraker Group

24

Summary of Highlighted Campaigns

- 100% raised 50% or more from 1 or two donors
- 11 of 14 campaigns raised lead gift from one donor
- 11 of 14 had lead gift from federal government
- 2 had lead gift from self, (loan or reserves)
- 2 had lead gift from private funder
- 6 of 14 had small local donors-rest raised total from 9 or fewer donors



Standing Beside Alaska's Nonprofits

theforakergroup



Is This Project Ready For Funding?

2/4/11

Introductions

- Jeff Jessee – Alaska Mental Health Trust Authority
- Joel Neimeyer – Denali Commission
- Elizabeth Ripley – Mat-Su Health Foundation
- Diane Kaplan – Rasmuson Foundation
- Chris Kowalczewski – The Foraker Group

•The Foraker Group

- Private, non-profit organization
- Supported through memberships, fees for services, grants, and charitable contributions
- Mission is to strengthen non-profits
- Offers services statewide

The Pre-Development Program

- Funded by Denali Commission, AMHTA, MSHF, and Rasmuson Foundation
- Provides guidance and technical assistance at no cost to the organization
- Focuses on planning of sustainable capital projects.

What you can gain from this presentation:

- A better understanding of the critical components of a successful project (i.e. how to avoid embarrassing failures)
- How the private sector assesses projects for funding (i.e. will the project get the matching funds it needs)
- Assistance you can offer applicants when funding is not available.

Agenda

- Ten questions that help establish whether a project is ready for funding
- What to look for in a project budget

1. What is the capacity and sustainability of the organization?

- A sustainable organization is
 - Focused on its mission
 - Has a balanced staff and board
 - Maintains adequate unrestricted funds
 - Partners to operate more efficiently
- If in-house capacity to manage a capital project does not exist there is a plan to procure those services

2. Does the project meet a documented public need?

- The project should provide some public benefit and that benefit should be demonstrable through data or other evidence.

3. Is the project consistent with organizational/community plans?

- The organization's strategic plan should indicate how the project fits into its mission and overall facilities planning.
- The project should fit within community development plans and reflect community priorities.

4. Have opportunities for collaboration been explored?

- Opportunities for co-location, shared programming or shared administrative functions have been investigated to ensure the best facility is developed to meet the community's needs.

5. Is the project the right size?

- The project's space requirements have been professionally evaluated to meet the organization's needs and the total size is affordable.

6. Has site control been established on a suitable site?

- A site for the project has been selected that meets the space requirements, is in an appropriate land use zone, has no insurmountable environmental issues, and reasonable development costs.
- The organization has ownership of the site, a legal agreement to purchase, or at least a 25-year lease agreement.

7. Is there a valid project cost estimate?

- The cost estimate is prepared by a professional cost estimator, contractor or experienced project manager.
- The project cost estimate includes not only construction costs but all associated “soft” costs – usually 30% to 50% of construction costs.

8. Is there a realistic plan of capital funding?

- A plan exists that identifies realistic sources of funding for the project, including local contributions and other non-State sources. This plan should be appropriate to the human capacity and infrastructure of the organization and should ensure that it does not jeopardize current operational funding.

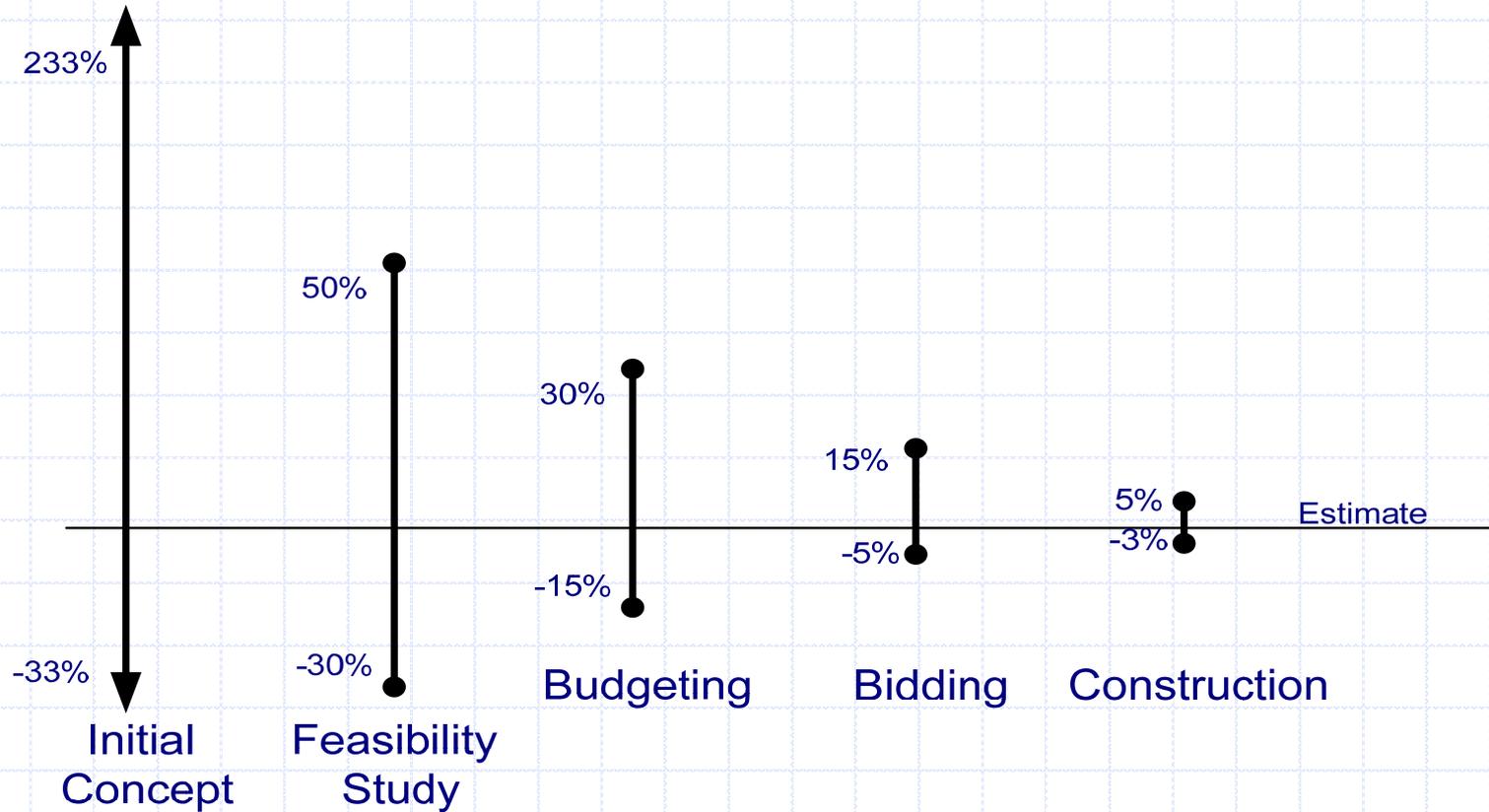
9. Is there a business plan for sustainable operation?

- The cost of operating the programs to be housed in the facility and operational costs of the facility itself are known and adequate unrestricted revenue identified to cover them on a sustainable basis.

10. Is there a realistic schedule and development plan?

- A plan has been established for procuring design and construction services in accordance with funding requirements.
- The project schedule realistically reflects the time required for design and construction.

Accuracy of Cost Estimates



Project Cost Estimates

HARD COSTS

Construction
Real Estate Acquisition
Contingency

SOFT COSTS

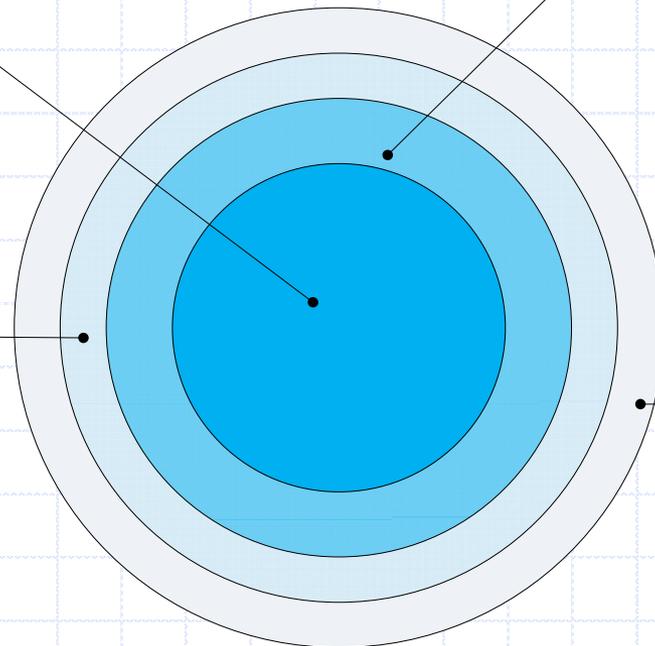
Permits
Design Fees
Consultants
Project Management
Insurance
Contingency

PROJECT RELATED COSTS

Duplicate Occupancy
Moving Costs
Furniture & Equipment
Debt Service during Construction
Capital Campaign Costs
Contingency

ORGANIZATIONAL COSTS

Lost Revenues
Staff Recruitment
Staff Training
Legal Fees
Contingency

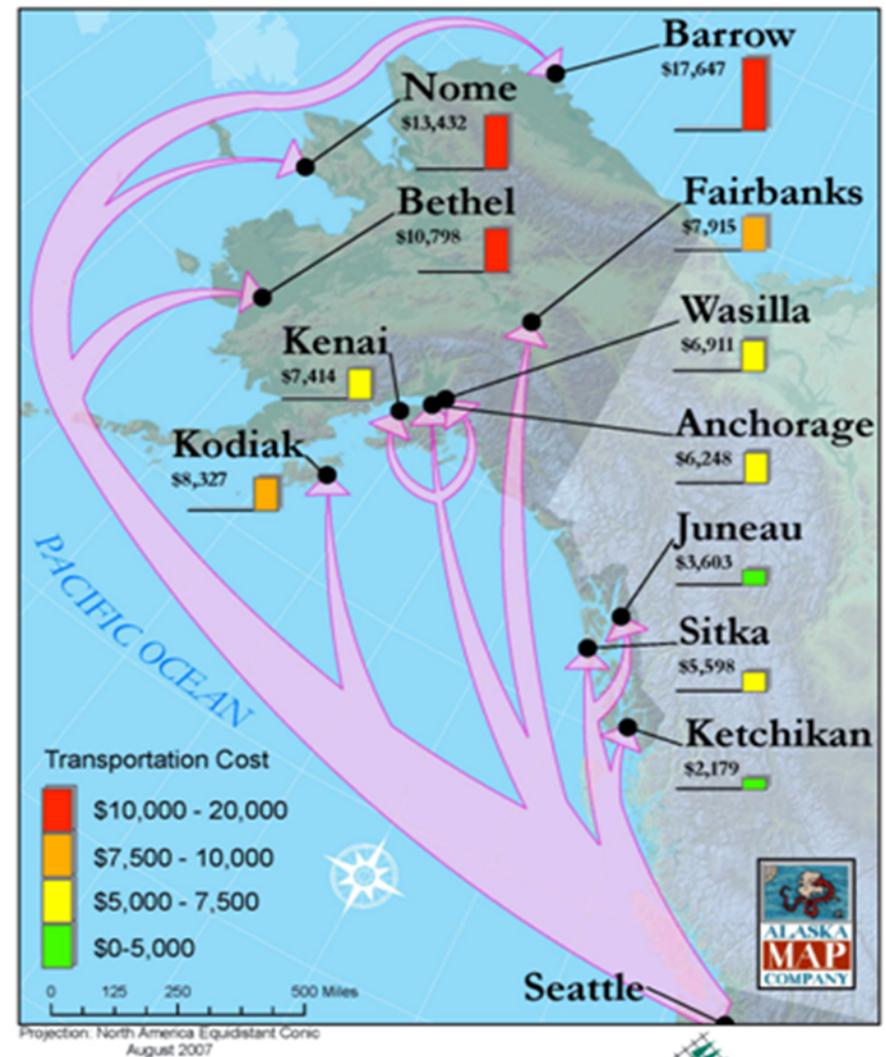


Variation in Project Costs

Region	Housing	Multi-Use	Clinic
Aleutians	\$487	\$394	\$841
Arctic Slope	\$597	\$478	\$1018
Bristol Bay	\$475	\$391	\$832
Kotzebue	\$597	\$475	\$1020
Nome	\$609	\$466	\$1035
Southeast	\$438	\$369	\$779
Interior	\$465	\$384	\$816
Bethel	\$561	\$466	\$967

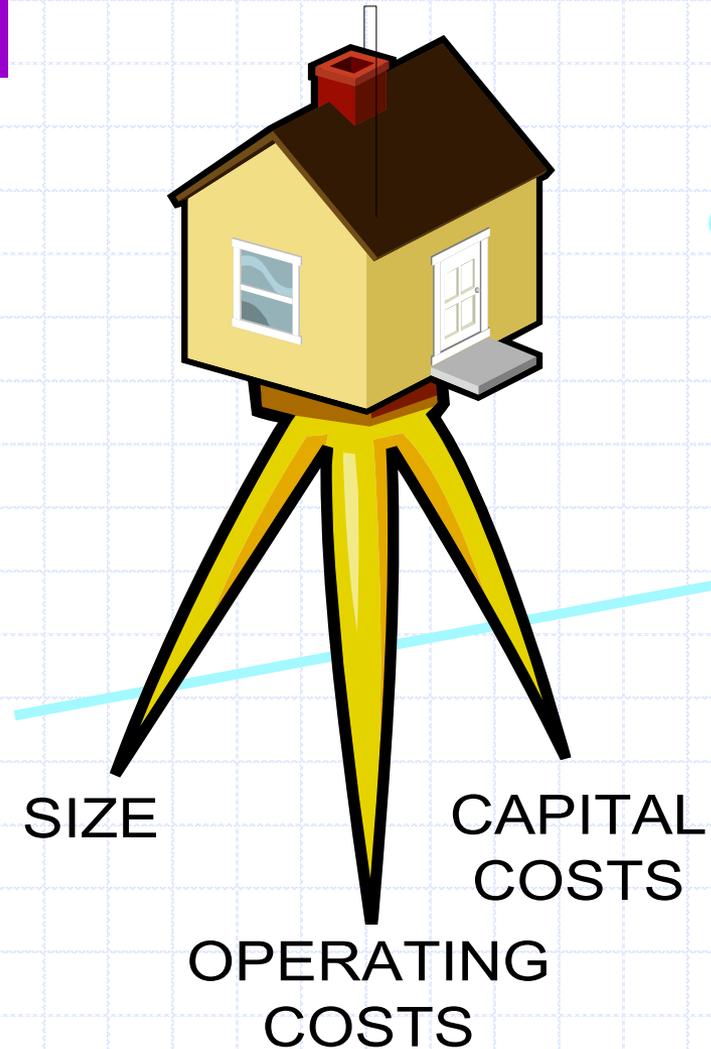
Factors affecting construction costs by location

- Transportation costs for shipping \$20,238 of construction materials in a 20 foot container from Seattle to various ports in Alaska. (2007)



Feasibility Model

The right facility size +
A reasonable project cost +
A sustainable operating budget =
A fundable project



Thank You!

For More Information Contact:

Chris Kowalczewski

The Foraker Group Pre-Development Program

907 743-1203

ckowalczewski@forakergroup.org

www.forakergroup.org