



## MEMORANDUM

**TO:** Board Members  
Alaska Industrial Development and Export Authority

**FROM:** John Springsteen  
CEO/Executive Director

**DATE:** January 9, 2019

**SUBJECT:** Earthquake Repair Capital Request  
Resolution No. G19-03

Staff recommends approval of funding for high-priority earthquake-related repairs including, but not limited to, the west exterior wall of AIDEA's administrative building (Office Building) in an amount not to exceed \$100,000. Staff recommends the Executive Director be given the authority to expend any remaining authorized funds after repair of the west exterior wall on other earthquake repairs deemed to be high priority.

The November 30, 2018 earthquake caused damage to the Office Building, including the west exterior wall of the Office Building and subsequent aftershocks have caused further damage. The Authority has received an engineer's recommendation to place a "yellow tag" on the west exterior wall. The "yellow tag" signifies a structure that has been moderately damaged to the degree that its habitability is limited.

A structural engineer evaluated the Office Building directly after the November 30 earthquake in two separate visits and identified multiple areas of damage including the west exterior wall. The initial damage to the Office Building was determined to be cosmetic in nature and not a life safety issue. The Office Building was approved for occupancy.

There were a number of aftershocks over the next month, some of which were over magnitude 5.0. Staff observed additional damage to the Office Building from the aftershocks and a structural engineer performed another site evaluation on January 2, 2019.

Observations from the January 2 site visit revealed that the west exterior wall has continued to move. Staff with offices in the impacted area have been re-located and the impacted area on the exterior of the building has been blocked. The "yellow tag" of the west exterior wall was a result of the January 2 assessment.

According to the engineer's assessment, the main building structure should not be affected by the west wall damage and by their observation, is still intact. Additionally, the engineer does not believe the west wall is supporting any of the structure.

The Office Building and associated parking lots suffered additional damage from the November 30 earthquake and aftershocks including, but not limited to, cracks in the interior and exterior brick façade, broken ceiling tiles, and damage to pavement in the parking lots. Staff is assessing the remaining damage, including the cost and timeframe for repairs. Staff's ongoing assessment may identify other high-priority projects. Approval of this resolution would allow the Executive Director to direct any unexpended funds from this resolution to these projects at his discretion. It is anticipated that future repairs will be needed in excess of this resolution, but the timing, amount, and scope are not yet known.

The Office Building is self-insured by the State of Alaska and staff has been working with the State of Alaska Department of Risk Management regarding earthquake damage. The Authority will initially pay for the repairs to the Office Building and intends to file a claim with the Department of Risk Management for reimbursement. Expenditures made under this authorization will be offset by any reimbursement received.

**RECOMMENDATION:**

Staff recommends approval of Resolution No. G19-03.

**ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY**

**RESOLUTION NO. G19-03**

**RESOLUTION OF THE ALASKA INDUSTRIAL DEVELOPMENT  
AND EXPORT AUTHORITY RELATING TO OFFICE BUILDING  
EARTHQUAKE-RELATED REPAIRS AND CAPITAL WORK**

**WHEREAS**, the Alaska Industrial Development and Export Authority (the “Authority”) acquired as an investment the land and building at 813 W. Northern Lights Boulevard, Anchorage, Alaska (the “Office Building”), which serves as the main office of the Authority and the Alaska Energy Authority;

**WHEREAS**, the Office Building was damaged by a November 30, 2018 earthquake and associated aftershocks which require repair (the “Work”);

**WHEREAS**, the Work is as an immediate need to provide for the safe occupancy of the impacted areas of the Office Building and includes repairs to the west exterior wall of the Office Building;

**WHEREAS**, the performance of the Work is needed to protect the value of the Authority’s investment in the Office Building and to allow the Office Building to continue to safely and effectively meet the needs of the Authority and the Alaska Energy Authority and thereby advance the public interest;

**WHEREAS**, the Work will constitute capital costs that are outside of the Authority’s annual facility operating budget;

**WHEREAS**, the performance of the Work is in the best interest of the Authority and in the best interests of the public it serves;

**WHEREAS**, the Staff of the Authority expects to initially pay for the Work from the Revolving Fund and intends to subsequently file a claim with the State of Alaska Department of Administration, Risk Management Division, for reimbursement of the cost of the Work and will offset any expenditure made under this authorization with any reimbursement received; and

**WHEREAS**, the Staff of the Authority requests that the Board authorize an amount not to exceed \$100,000 for the Work.

**NOW, THEREFORE, BE IT RESOLVED BY THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY AS FOLLOWS:**


Section 1. The Authority may expend up to \$100,000 from the Revolving Fund in completing and carrying out the Work as directed by the Executive Director. The Executive Director is authorized and directed to pursue a claim with the State of Alaska Department of Administration, Risk Management Division, for reimbursement of the cost of the Work.

Section 2. This authorization is retroactive to November 30, 2018.

Dated at Anchorage, Alaska, this 9<sup>th</sup> day of January 2019.



Secretary

  
Chair