



MEMORANDUM

TO: Board Members
Alaska Industrial Development and Export Authority

FROM: Tom Boutin
CEO/Executive Director

DATE: March 6, 2019

SUBJECT: Earthquake Repair Capital Request
Resolution No. G19-07

Staff recommends approval of funding for earthquake related repairs including, but not limited to repairs to mechanical components of AIDEA's administrative building (Office Building), crack and structural repairs to the Office Building, and pavement repairs to the associated parking lots. The total repair expenses authorized in this Resolution would not exceed \$400,000, which amount will be in addition to (and not inclusive of) the \$100,000 in repair work previously authorized.

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. Funds authorized by the Board in Resolution No. G19-03 are being utilized to repair the west exterior wall of the Office Building, south stairwell, and other high-priority repairs approved by the Executive Director. These funds have been fully spent or otherwise committed.

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. Funding for this damage was not included in the previously approved Resolution No. G19-03 because the extent of the damage was not yet known and the damage was not determined to be a critical safety issue.

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

Recommendation

Staff recommends approval of Resolution No. G19-07.

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

RESOLUTION NO. G19-07

**RESOLUTION OF THE ALASKA INDUSTRIAL DEVELOPMENT
AND EXPORT AUTHORITY RELATING TO OFFICE BUILDING
EARTHQUAKE 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 and parking lots were damaged by a November 30, 2018 earthquake and associated aftershocks and require repairs (the “Work”);

WHEREAS, on January 9, 2019, the Board approved Resolution No. G19-03 providing \$100,000 in funding for Work requiring immediate attention to provide safe occupancy of the impacted areas of the Office Building and included repairs to the west exterior wall of the Office Building and that work is currently being completed;

WHEREAS, additional Work is required to make repairs related to damage from the November 30, 2018 earthquake and associated aftershocks and to maintain the Office Building and associated parking lots in good condition;

WHEREAS, the performance of the Work is needed to protect the value of the Authority’s investment in the Office Building 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 \$400,000 for the Work, which amount is in addition to the \$100,000 approved in Resolution No. G19-03.

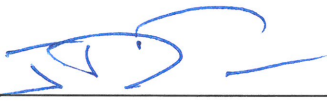
NOW, THEREFORE, BE IT RESOLVED BY THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY AS FOLLOWS:

Section 1. In addition to the expenditure of funds authorized in Resolution No. G19-03, the Authority may expend up to \$400,000 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

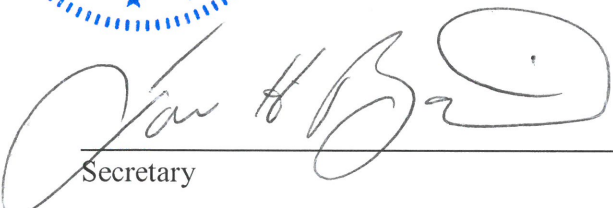
Section 2. This authorization is retroactive to November 30, 2018.

Dated at Anchorage, Alaska, this 6th day of March 2019.





Chair



Secretary