

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

RESOLUTION NO. G21-26

RESOLUTION OF THE ALASKA INDUSTRIAL DEVELOPMENT AUTHORITY RELATING TO OFFICE BUILDING MAINTENANCE, REPAIR AND CAPITAL WORK AND INCREASING THE ANNUAL ALLOCATION FOR SUCH 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 offices of the Authority and the Alaska Energy Authority;

WHEREAS, the Office Building requires over time major maintenance, repairs, and capital improvements (the Work);

WHEREAS, the Work may sometimes need to be scheduled and performed on short notice due to its nature;

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

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 Work constitutes capital costs that are outside of the Authority’s annual facility operating budget;

WHEREAS, the Authority in Resolution G17-15 established an annual allocation of \$250,000 from the Revolving Fund to be used for major maintenance, repairs, and capital

improvements to the Office Building; and

WHEREAS, the Staff of the Authority, due to the increased cost of materials and supplies, requests that the Board increase the annual allocation for major maintenance, repairs, and capital improvements to the Office Building from \$250,000 to \$275,000.

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

Section 1. The Authority may expend up to \$275,000 annually from the Revolving Fund in completing and carrying out the Work.

Section 2. Maintenance, repairs and capital improvement projects performed under the Resolution shall be approved by the Executive Director.

Section 3. This authorization is on a fiscal-year basis and renews at the beginning of every fiscal year until terminated by the Board. Unexpended authorized amounts in a fiscal year shall accumulate and carry forward to subsequent fiscal years.

Section 4. The Executive Director shall provide periodic reports to the Board on expenditures made under this resolution.

Dated at Anchorage, Alaska, this 30th day of September, 2021.



Secretary

Chair



MEMORANDUM

To: Board Members
Alaska Industrial Development and Export Authority

From: Alan Weitzner
Executive Director

Date: September 30, 2021

Subject: Office Building Maintenance, Repair, and Capital Work Plan
Resolution No. 21-26

BACKGROUND

In Fiscal Year 2000, The Alaska Industrial Development and Export Authority (the “Authority” or “AIDEA”) 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 AIDEA and the Alaska Energy Authority. As owner, AIDEA has the responsibility to operate the Office Building effectively, efficiently, and to maintain the office requirements of both Authorities. These efforts are also required to protect the value of the Authority’s investment in the property, and to decrease operating and utility costs for future years.

AIDEA’s Board, through the adoption of Resolution No. G17-15, authorized an annual allocation of \$250,000 to support AIDEA’s responsibilities for major maintenance, repairs and capital improvements to the Office Buildings as managed by Authority staff. This amount is expended annually from AIDEA’s Revolving Fund until terminated by the Board with unexpended amounts in any fiscal year carried forward to subsequent fiscal years. Amounts expended under this funding constitutes capital costs that are outside of the Authority’s annual facility operating costs.

Additionally, Resolution No. G21-08 was approved by the Board in April 2021 authorizing access to funding held encumbered by previous board resolutions in the amount of \$336,456.59, close those previous resolutions, and use the funding for two identified building improvement capital projects:

1. Electrical Systems Work (estimated at \$150,000); and
2. Fan Replacement (estimated at \$175,000).

The projects address the concerns of the aging mechanical systems and will keep the mechanical systems functional for the next 30 years. Any amounts remaining unencumbered on these projects by latest June 30, 2023 will automatically revert back to the Revolving Fund.

ACTIONS

The Board identified the need to create a 5-Year Capital Work Plan for the Office Building. A

competitive selection process was undertaken by AIDEA to engage an external consultant to advise procurement staff on coordinating a new property management contract procurement for the Office Building and development of this capital work plan. The contract was solicited and awarded after competitive competition to Mintz Consulting whose principal, Tanci Mintz, has three decades of experience in both State and commercial facilities management.

With the assistance of Mintz Consulting, the 5-Year Capital Work Plan (as attached) was developed which lists known capital projects required to maintain the property. The requirements are prioritized and forecasted for execution across multiple years, thus decreasing costs and enabling better planning of efforts. This plan requires more than the allotted amount based on estimates provided.

Additionally, a new Property Management Contract was competitively bid and awarded on September 1, 2021, to Cange Group LLC. Cange Group's proposal was evaluated and found to be the most competitive and offered the highest advantage to meet the Authority's interests. Specifically, the experience and information evaluated in their proposal provided the highest possible efficiency in operating the building while maintaining quality of service and performance levels. Since award, Cange Group has been very proactive in providing building operations support with no breaks in service between contracts. They have taken the lead in addressing requirements for capital improvements outlined in the 5-year Capital Work Plan.

RECOMMENDATION

AIDEA staff recommends the Board approve Resolution No. G21-26 authorizing the annual allocation of \$250,000 (under Resolution No. G17-15) be increased annually to \$275,000 for major maintenance, repair, and capital improvements to the office building. This increase would extend for 5 years annually if approved. These funds provide the additional funding required to meet FY22 estimates above the baseline requested. The increase requested is warranted to address the required facility and grounds capital projects prioritized under the 5-Year Capital Work Plan, and to ensure safe and efficient building operations for the office and administrative space required.

ATTACHMENTS

1. AIDEA 5-Year Capital Work Plan

**AIDEA BUILDING 5-YEAR CAPITAL WORK PLAN
FY 22-FY 27 & Future Project List**

| Item # | NTP # | PR # | Bldg Component | Project Title / Description | Prior FY Completion | Planned FY Replacement | (1) Health, Life & Safety | (2) Improvement of Infrastructure | (3) Reduce Energy Consumption | (4) Enhance aesthetics | Prior Years Historical Capital Projects | Expenditures | | | | | | Total Future Cost FY28-FY58 | |
|-------------------|-------|------|----------------|--|---------------------|------------------------|---------------------------|-----------------------------------|-------------------------------|------------------------|---|----------------|---------|----------------|----------------|-------|-------|-----------------------------|--------------------------------|
| | | | | | | | | | | | | FY 22 | FY 23 | FY 24 | FY 25 | FY 26 | FY 27 | | Total Estimated Cost FY22-FY27 |
| | tbd | tbd | CIVIL | Parking lot upgrades (ponding, curbs, resurfacing, striping) | | FY22 | | | | | | 135,000 | | | | | | | |
| | tbd | tbd | L/S | Install elev knowbox for emergency responders - MOA required | | FY22 | | | | | | 1,500 | | | | | | | |
| | | | ELEC | Provide power to rear parking lot lights | | FY22 | | | | | | 25,000 | | | | | | | |
| | | | L/A | Repair freon leak in chiller(s) | | FY22 | | | | | | 5,000 | | | | | | | |
| | | | CIVIL | Investigate and resolve water source intrusion, east upper lawn | | FY22 | | | | | | 10,000 | | | | | | | |
| 33 | | | ELEC | Elec deficiencies - cable retorquing, MCC terminations, Circuit additions, egress lighting LED exit signs, breaker conductor replacement, arc flash, lighting contractors LED conversion | Orig | FY22 | | | | | | 155,190 | | | | | | | |
| FY22 TOTAL | | | | | | | | | | | | 331,690 | | | | | | 331,690 | |
| 34 | tbd | tbd | HVAC | Replace building original supply fan #1 & #4, and return fan #3 | Orig | FY23 | | | | | | | 225,000 | | | | | | |
| | tbd | tbd | PLUM | Replace building single 80 gl hot water heater | FY07 | FY23 | | | | | | | 7,000 | | | | | | |
| | tbd | tbd | L/S | Clean all mechanical air ducts | FY06 | FY23 | | | | | | | 15,000 | | | | | | |
| | tbd | tbd | L/S | Remove and replace kitchen sink #310, contains ACM sound proofing | | FY23 | | | | | | | 2,500 | | | | | | |
| | tbd | tbd | ENVEL | Upgrade building signage and add new signage at front of bldg. | | FY23 | | | | | | | 18,000 | | | | | | |
| | tbd | tbd | L/S | Add exterior and interior signs req'd by code for sprinkler, halon, etc | | FY23 | | | | | | | 2,500 | | | | | | |
| | tbd | tbd | HVAC | HVAC - air separator addition | | FY23 | | | | | | | 5,000 | | | | | | |
| FY23 TOTAL | | | | | | | | | | | | 275,000 | | | | | | 275,000 | |
| | tbd | tbd | HVAC | Replace (25) valve pneumatic actuators, existing is corroded | Orig | FY24 | | | | | | | | 154,502 | | | | | |
| | tbd | tbd | HVAC | Replace mechanical room relief fan VFD's | FY98 | FY24 | | | | | | | | 35,000 | | | | | |
| | tbd | tbd | ENVEL | Inspect and provide finish upgrades to exterior envelope | | FY24 | | | | | | | | 75,000 | | | | | |
| FY24 TOTAL | | | | | | | | | | | | | | 264,502 | | | | 264,502 | |
| | tbd | tbd | ELEC | Main electrical replacements (MDP, Elev, Panel BL,1L,PMCC,BMCC) | | FY25 | | | | | | | | 245,000 | | | | | |
| | tbd | tbd | PLUM | Replace branch piping servicing heating & cooling coils, corroded | Orig | FY25 | | | | | | | | 12,000 | | | | | |
| FY25 TOTAL | | | | | | | | | | | | | | | 257,000 | | | 257,000 | |

**Note: Estimates are based upon vendor estimates and independent analysis by AIDEA.

**Prioritization and execution of projects subject to change based on funding, the needs of AIDEA and the emerging requirements.

**AIDEA BUILDING 5-YEAR CAPITAL WORK PLAN
FY 22-FY 27 & Future Project List**

| Item # | NTP # | PR # | Bldg Component | Project Title / Description | Prior FY Completion | Planned FY Replacement | (1) Health, Life & Safety | (2) Improvement of Infrastructure | (3) Reduce Energy Consumption | (4) Enhance aesthetics | Prior Years Historical Capital Projects | Expenditures | | | | | Total Estimated Cost FY22-FY27 | Total Future Cost FY28-FY58 |
|--|-------|------|----------------|---|---------------------|------------------------|---------------------------|-----------------------------------|-------------------------------|------------------------|---|--------------|-------|-------|-------|----------------|--------------------------------|-----------------------------|
| | | | | | | | | | | | | FY 22 | FY 23 | FY 24 | FY 25 | FY 26 | | |
| tbd | tbd | | PLUM | Replace fin-tube baseboard heaters | | FY26 | | | | | | | | | | 35,000 | | |
| tbd | tbd | | MECH | Replace (43) VAV boxes | | FY26 | | | | | | | | | | 27,000 | | |
| tbd | tbd | | HVAC | Replace heat rejection fan (cooling tower) | | FY26 | | | | | | | | | | 50,000 | | |
| tbd | tbd | | L/S | Replace halon with new FM200 product (environmentally friendly alt) | | FY26 | | | | | | | | | | 25,000 | | |
| tbd | tbd | | HVAC | Replace supply fan #2 | FY05 | FY26 | | | | | | | | | | 42,000 | | |
| FY26 TOTAL | | | | | | | | | | | | | | | | 179,000 | | 179,000 |
| tbd | tbd | | PLUM | Replace or line original copper and cast iron piping | | FY27 | | | | | | | | | | | 275,000 | |
| FY27 TOTAL | | | | | | | | | | | | | | | | | 275,000 | 275,000 |
| TOTAL FY22 - FY27 (5) YEAR CIP PLAN | | | | | | | | | | | | | | | | | | 1,582,192 |
| 7 | | | | Upgrade HVAC to direct digital control DDC | FY18 | FY28 | | | | | 131,125 | | | | | | | 131,125 |
| 23 | | | PLUM | Replace drinking fountain w/ water bottle station | FY20 | FY30 | | | | | 20,699 | | | | | | | 20,699 |
| | | | HVAC | Replace supply fan #2, main bldg. cooling | FY05 | FY31 | | | | | 50,000 | | | | | | | 50,000 |
| | | | | Install new UPS | FY16 | FY31 | | | | | 16,273 | | | | | | | 16,273 |
| 26 | | | | Replace 3rd flr r/r exhaust | FY20 | FY35 | | | | | 9,217 | | | | | | | 9,217 |
| 18 | | | HVAC | Install DDC for RTU / Board Room | FY20 | FY35 | | | | | 11,312 | | | | | | | 11,312 |
| | | | ELEV | Elevator Modernization | FY06 | FY36 | | | | | 75,000 | | | | | | | 75,000 |
| 8 | | | ENVEL | Roof replacement | FY17 | FY37 | | | | | 159,175 | | | | | | | 159,175 |
| 2 | | | HVAC | Replace (2) chillers and base mounted pumps | FY16 | FY37 | | | | | 177,650 | | | | | | | 177,650 |
| | | | ELEC | Replace existing light fixtures | FY99 | FY40 | | | | | 125,000 | | | | | | | 125,000 |
| tbd | tbd | | HVAC | Replace board room 6T RTU | FY19 | FY41 | | | | | 35,000 | | | | | | | 35,000 |
| 31 | | | ENVEL | Reseal windows and replace (4) window units | FY21 | FY41 | | | | | 90,000 | | | | | | | 90,000 |
| | | | L/S | East & west fence | FY16 | FY46 | | | | | 35,000 | | | | | | | 35,000 |
| 16&17 | | | PLUM | Replace two existing boilers | FY19 | FY58 | | | | | 125,000 | | | | | | | 125,000 |

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**AIDEA BUILDING 5-YEAR CAPITAL WORK PLAN
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|---|-------|-----------|----------------|---|---------------------|------------------------|---------------------------|-----------------------------------|-------------------------------|------------------------|---|--------------|-------|-------|-------|-------|-------|--------------------------------|-----------------------------|
| | | | | | | | | | | | | FY 22 | FY 23 | FY 24 | FY 25 | FY 26 | FY 27 | | |
| TOTAL FY28-FY58 FUTURE YEARS PLAN | | | | | | | | | | | | | | | | | | 1,060,451 | 1,060,451 |
| OTHER (for reference purposes only): | | | | | | | | | | | | | | | | | | | |
| 6 | | INT | | Lobby wall, 3rd flr office expansion | FY17 | n/a | | | | | 32,684 | | | | | | | | |
| 4 | | INT | | Lobby remodel, security wall, move desk | FY18 | n/a | | | | | 10,320 | | | | | | | | |
| 5 | | n/a | | Office consolidation report | FY18 | n/a | | | | | 136,839 | | | | | | | | |
| 10 | | INT/CIVIL | | Replace entry door, boiler leak, replace south sidewalk | FY18 | n/a | | | | | 14,134 | | | | | | | | |
| 12 | | | | 3rd flr window leak, mech penthouse upgrade, remodel AEA office | FY18 | n/a | | | | | 82,695 | | | | | | | | |
| 15 | | | | Earthquake repairs | FY19 | n/a | | | | | 19,519 | | | | | | | | |
| 21 | | | | 1st flr breakroom, men's r/r partition | FY20 | n/a | | | | | 91,503 | | | | | | | | |
| 22 | | | | Upgrade pkg lot lights to LED | FY20 | | | | | | 24,351 | | | | | | | | |
| 24 | | | | Provide an emergency evacuation plan | FY20 | n/a | | | | | 2,125 | | | | | | | | |
| 25 | | | | Install window film 7 offices | FY20 | n/a | | | | | 2,795 | | | | | | | | |
| 28 | | | | 2nd flr phase II improvements | FY21 | n/a | | | | | 93,826 | | | | | | | | |
| 29 | | | | Remodel 1&2 flr offices | FY21 | n/a | | | | | 34,287 | | | | | | | | |
| 30 | | | | Complete building assessment report | FY21 | n/a | | | | | 15,000 | | | | | | | | |
| | | | | Covid sanitation | FY21 | n/a | | | | | 15,619 | | | | | | | | |
| TOTAL FY18-FY21 PAST CIP PROJECTS | | | | | | | | | | | | | | | | | | 575,697 | |

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