

ANCHORAGE, ALASKA
AR No. 2024-_____

1 **A RESOLUTION OF THE ANCHORAGE ASSEMBLY EXPRESSING SUPPORT**
2 **FOR THE STAND UP OF THE ALASKA CENTER FOR TREATMENT BY**
3 **OCTOBER 2025 AND OUTLINING POLICY GUIDANCE FOR THE REQUEST**
4 **FOR PROPOSALS FOR THE CONTRACT OPERATOR**
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6
7 **WHEREAS**, for more than a decade, Anchorage leaders have envisioned a low-
8 barrier, comprehensive substance use disorder treatment facility that fills statewide
9 gaps in behavioral health services; and

10
11 **WHEREAS**, as part of the 2020 sale of Municipality Light & Power (ML&P) to
12 Chugach Electric Association (CEA), pursuant to Regulatory Commission of
13 Alaska (RCA) cases U-18-102, U-19-020 and U-19-021, Stipulation, Part III.E.,
14 within five years of the sale closing (October 2025), the Municipality of Anchorage
15 shall spend \$15 million toward the planning, permitting, design, construction, and
16 related demolition costs of the Alaska Center for Treatment (the "Required Use"),
17 a planned substance use disorder center that will serve the communities of
18 Southcentral Alaska by offering some combination of outpatient and inpatient
19 treatment options, transitional housing services, and crisis stabilization; and
20

21 **WHEREAS**, the RCA agreement states the following conditions to meet by the
22 expenditure deadline: (1) the funds shall be and remain appropriated for the
23 Required Use; (2) unexpended funds appropriated shall be and remain in a
24 dedicated fund for the Required Use; (3) one or more contracts requiring the
25 expenditure of the entire \$15 million have been awarded by the Municipality of
26 Anchorage pursuant to Title 7 of Anchorage Municipal Code; and (4) the
27 Municipality of Anchorage is and remains a party to such contract or contracts;
28 and
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30 **WHEREAS**, if any of the above conditions of the RCA agreement is not met as of,
31 or at any time after, the Expenditure Deadline, any amount that has not been
32 spent by the Municipality of Anchorage for the Required Use shall be offset
33 against the next payment(s) due from Chugach Electric Association to the
34 Municipality; and
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36 **WHEREAS**, AO 2020-360, As Amended, passed by the Assembly on October 13,
37 2020, appropriated \$15 million from the proceeds of the Municipal Light & Power
38 sale for the purpose of planning, permitting, design, construction, and related
39 demolition costs of the Alaska Center for Treatment; and

1 **WHEREAS**, AR 2021-187(S), As Amended reappropriated certain sections of AR
2 2020-360 to align with audit requirements and once again appropriated \$15 million
3 for the Alaska Center for Treatment; and

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5 **WHEREAS**, to-date, the Municipality of Anchorage has spent \$10 million to
6 purchase and improve the 80-unit building formerly known as the Golden Lion
7 Hotel, located at 1000 36th Avenue in midtown Anchorage to serve as the home
8 for the Alaska Center for Treatment; and

9
10 **WHEREAS**, the remaining \$5 million from the ML&P sale is intended for planning,
11 renovation, and development of the facility and to identify and oversee necessary
12 renovations of the building to meet the needs for a contractor to operate the
13 Alaska Center for Treatment; and

14
15 **WHEREAS**, the Anchorage Health Department (AHD) plans to release a Request
16 for Proposals (RFP) in the fall of 2024, which will be published nationwide, to
17 identify an operator for the Alaska Center for Treatment that will be given a multi-
18 year \$1 per year master lease to get the facility operational by October 2025; and

19
20 **WHEREAS**, when the Municipality last solicited bids in 2021 to run the Alaska
21 Center for Treatment, no organization stepped forward, with potential operators
22 citing concerns about uncertainty over Medicaid waivers and reimbursement rates
23 and uncertainty whether the incoming mayor would support the identified location
24 for the facility; and

25
26 **WHEREAS**, to improve the chances for a successful bidder, the Anchorage Health
27 Department posted a Request for Information in July 2024 to gather information to
28 aid in the development of a Request for Proposals to identify an operator of the
29 Alaska Center for Treatment; and

30
31 **WHEREAS**, to assist the Anchorage Health Department in its work to secure an
32 operator, ensure a successful RFP process, and provide a strong foundation of
33 support for the selected operator of the Alaska Center for Treatment, the Anchorage
34 Assembly has developed the following policy guidance for operation of the Alaska
35 Center for Treatment; now, therefore

36
37 **THE ANCHORAGE ASSEMBLY RESOLVES:**

38
39 **Section 1.** *List here - appropriate and realistic policy guidance on the RFP*
40 *through a resolution, based on 9/4 Public Health and Safety Committee meeting*
41 *discussion...Some suggestions from RFI responses:*

- 42
43 • Better substance use disorder (SUD) or behavioral health (BH) system
44 connectivity and collaboration including better supports for individuals who
45 are trying to navigate the system to the right level of service.

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- Providers who have both inpatient and outpatient services at the same site including residential treatment services and recovery residences through transitional housing
- main operator for the ACT should be a SUD services provider who then partners/subcontracts/subleases with a transitional housing provider
- The Medicaid reimbursement rate is too low to sustain services
- The state of the Golden Lion property and the work and funding needed to make the building usable for an operator
- The fastest any respondent said they could make the ACT operation self-sustaining was 24 months

Section 2.

Section * This resolution shall be effective immediately upon passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this _____ day of _____, 2024.

Chair of the Assembly

ATTEST:

Municipal Clerk