



~ Sandbox Group 2.0 ~

Challenges & Choices: Cost / Benefit Analysis

Karl W. Kassel, Mayor

Feb 12, 2018



Mayor's Office Mission

- Respecting and protecting the best interests of the community, balanced with individual freedoms
- Provide principled community leadership
- Provide community-driven, cost effective and efficient government services



Conclusions from Sandbox 1.0 meeting:

- The Borough's buildings are aging.
- The Borough is behind on major maintenance.
- The Borough is behind on capital investment.
- State funding has reduced dramatically.
- The "old" business model is broken.



Conclusions from Sandbox 1.0 meeting

- Repair & maintenance funding level should be ~\$43M per year
- Replacement capital funding level should be ~\$58M per year
- FNSB total annual operating budget is \$104M (without the school district)



Our Choices

- Close/Demolish Facilities
- Repair/Renovate Facilities
- Replace Facilities

However, each facility has unique concerns...
(health, safety, fiscal, programs, etc.)



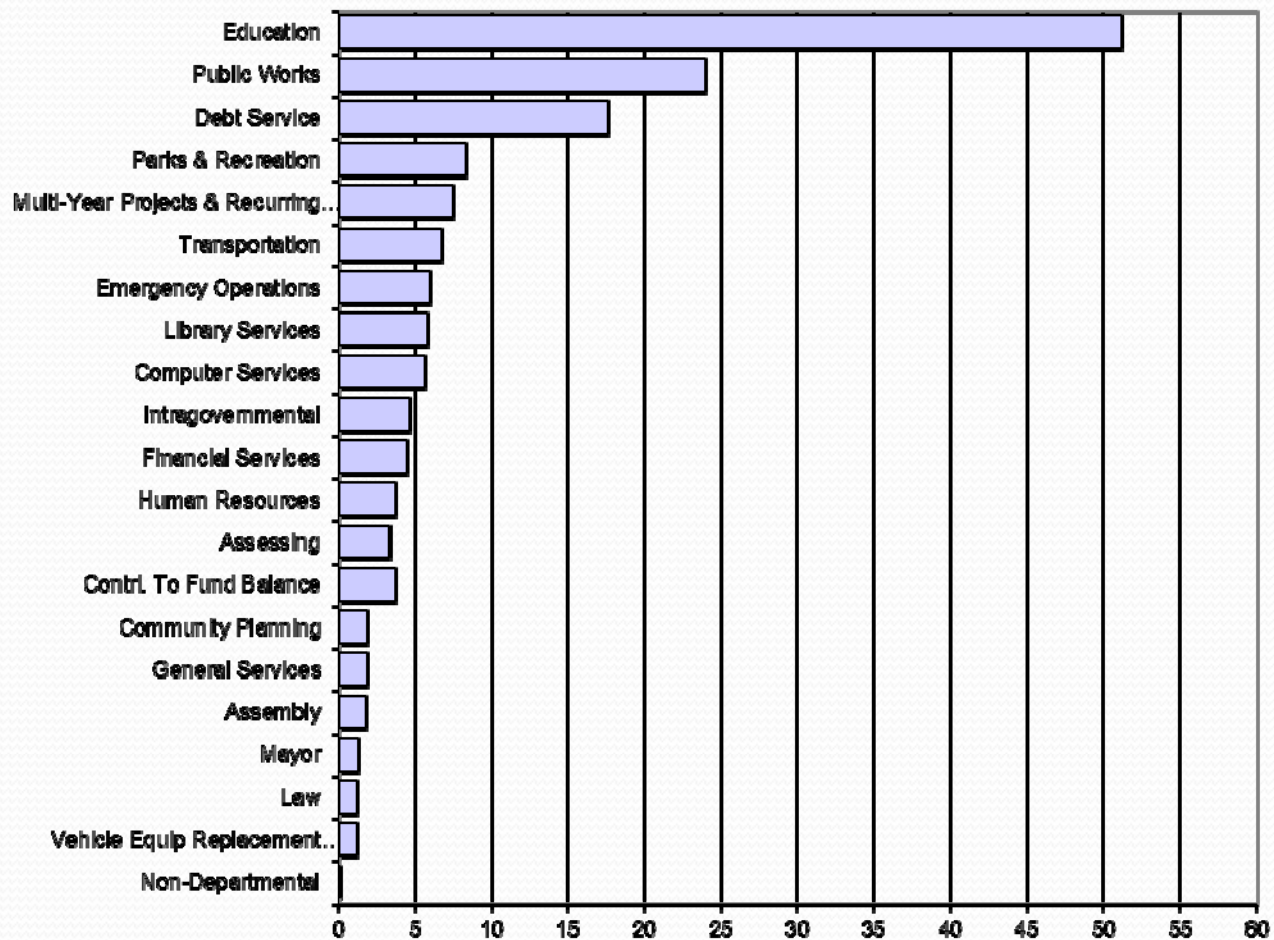
Factors to Consider in Decision Making

- Long-term economics
- Cost / Benefit
- Health and safety
- Quality of life
- Secondary impacts in community



Where are our tax dollars going now?

FY 2018 Costs by Departments

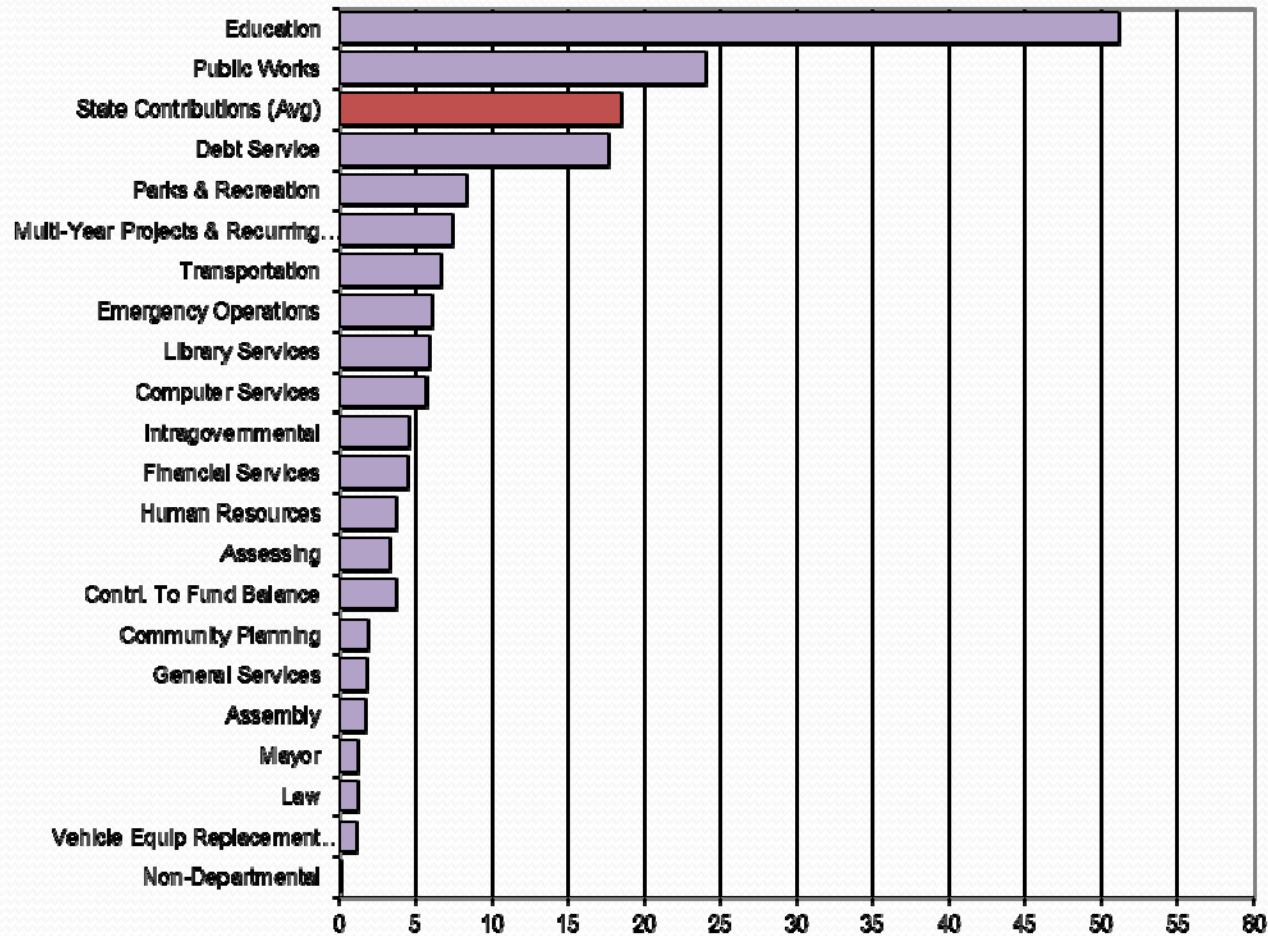


In Millions (\$)



Comparing To Reduced State Contributions

FY 2018 Costs by Departments



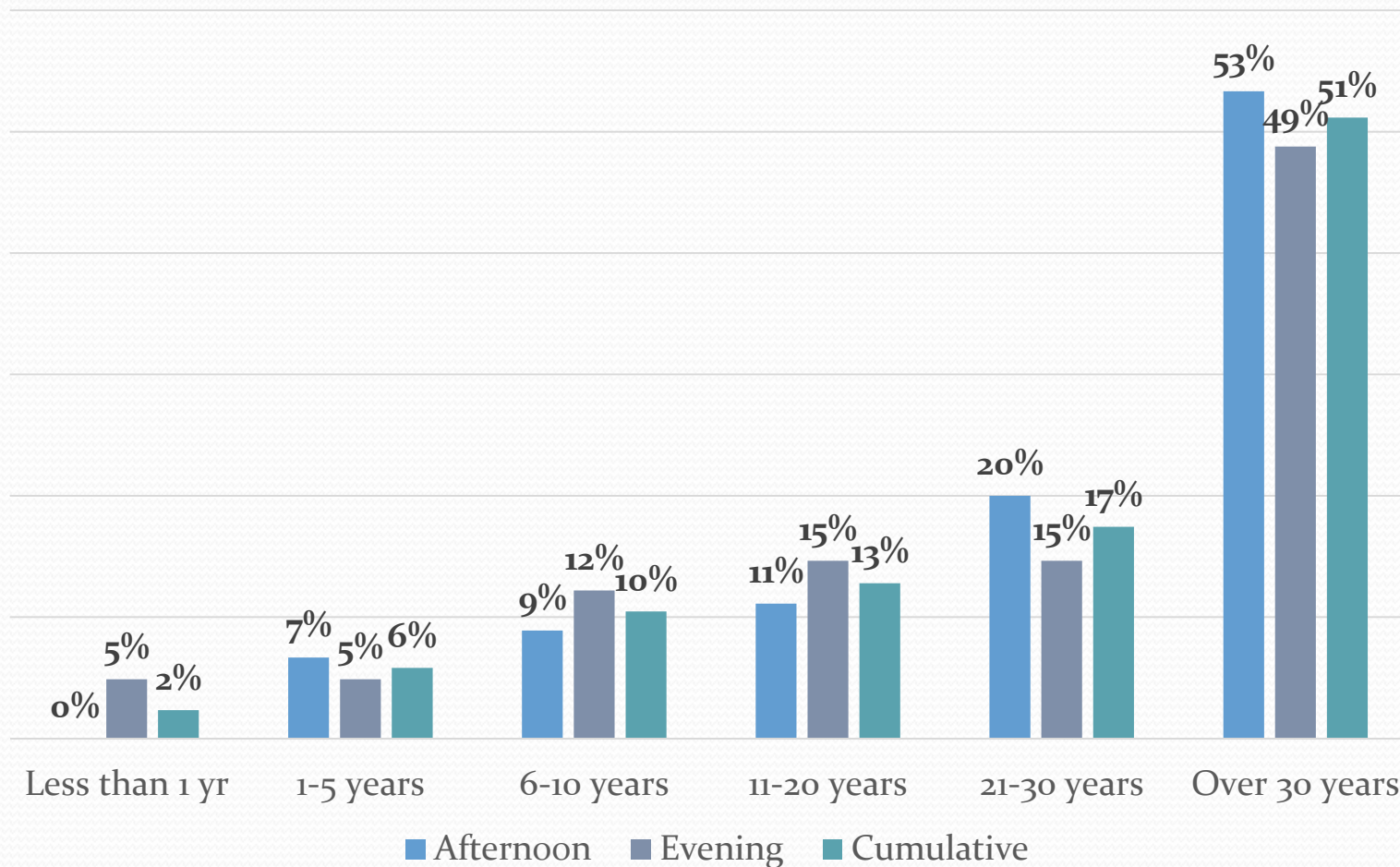
In Millions (\$)



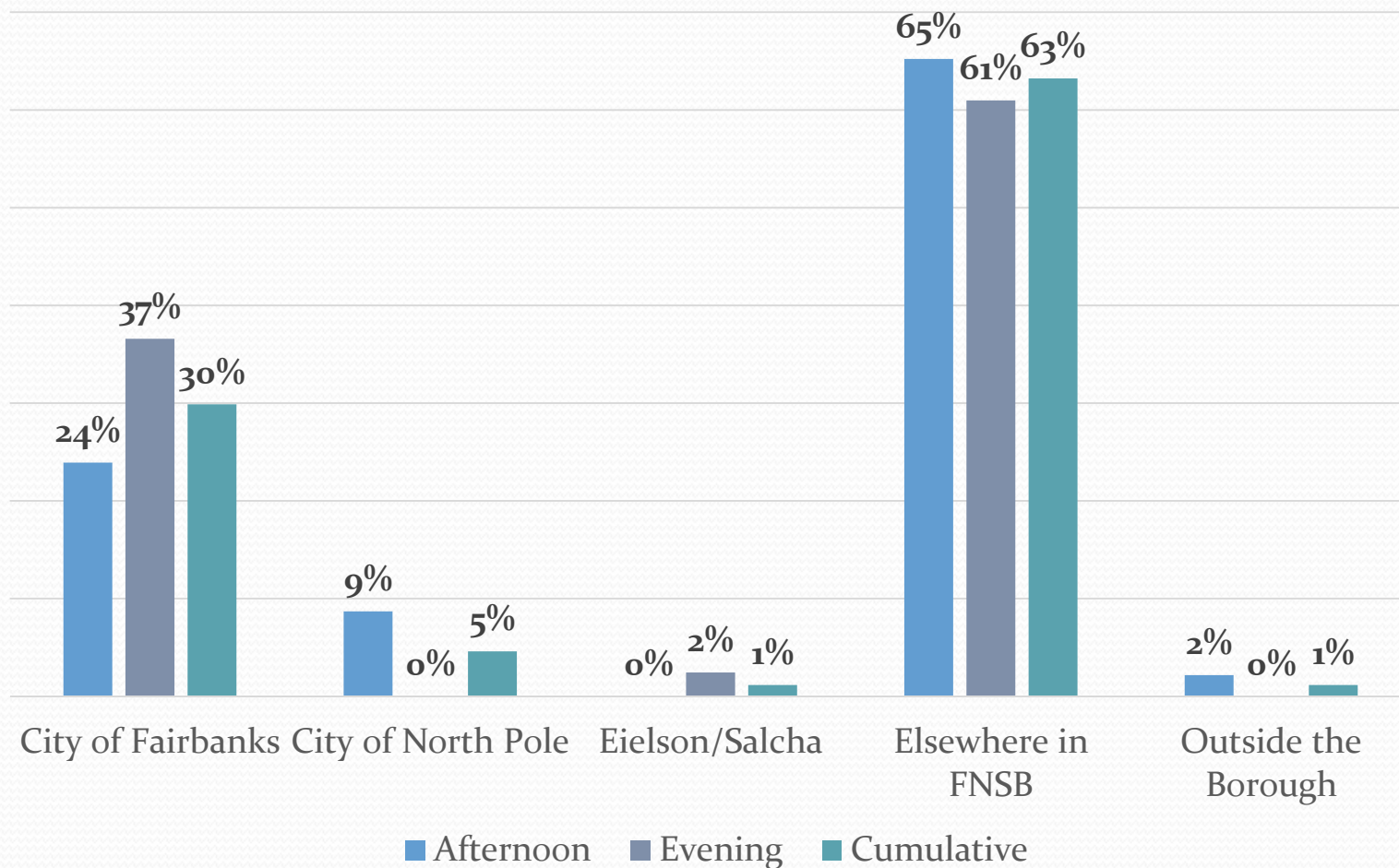
Who is Here?



How long have you lived in Fairbanks?



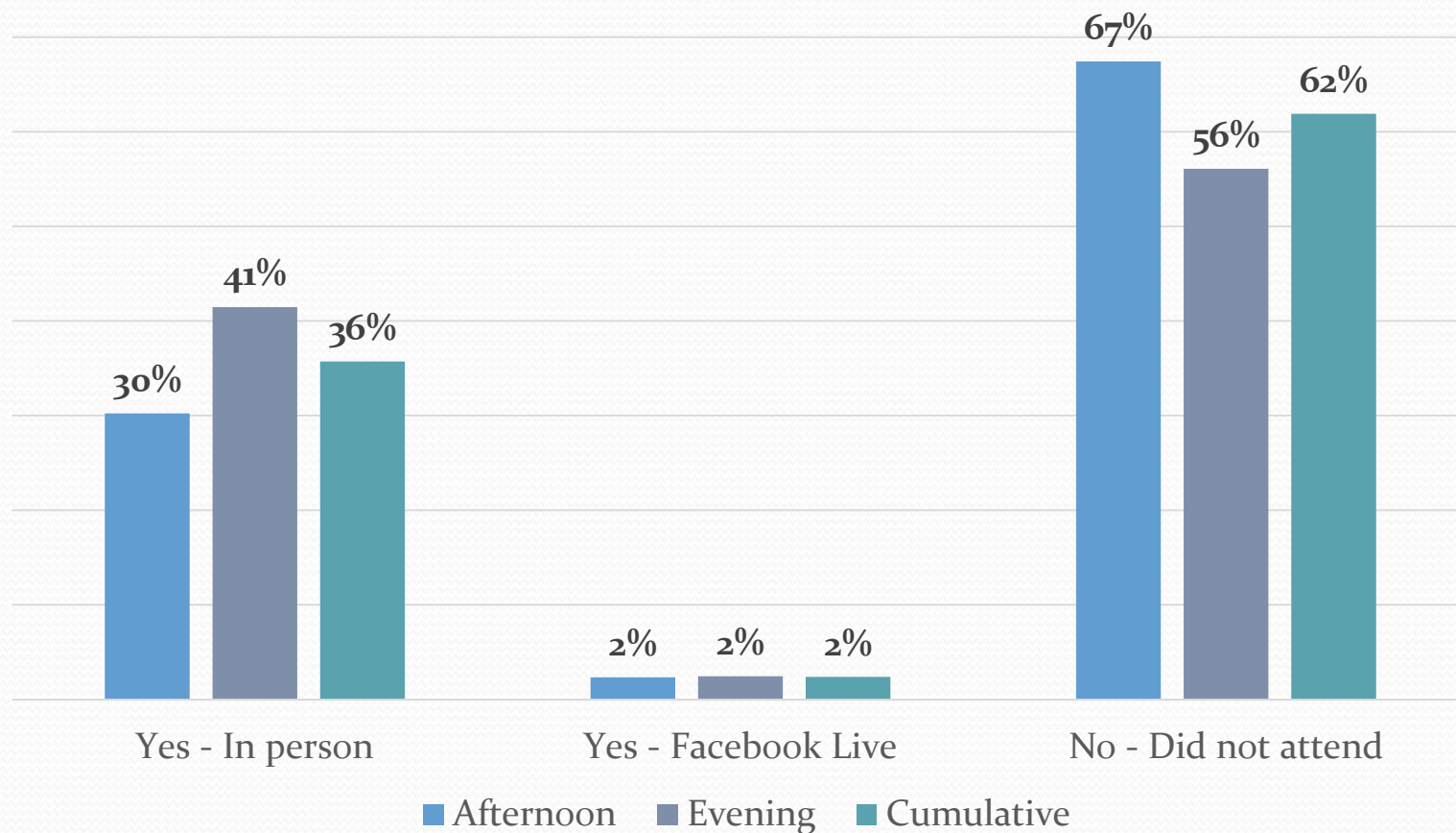
Where do you live?



What Should We Do With Facilities?



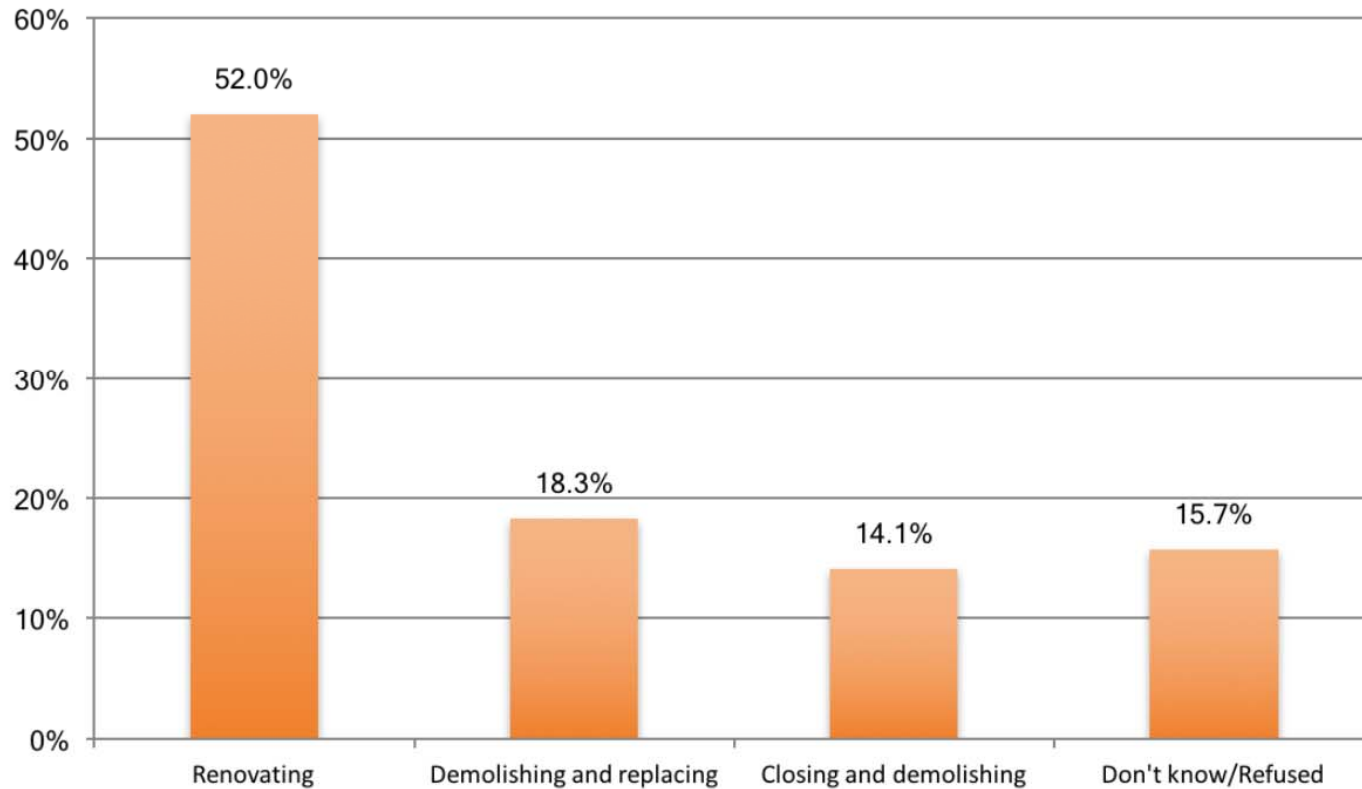
Did you attend the previous Sandbox meeting in November?



Hays Research Poll

February, 2018

Infrastructure

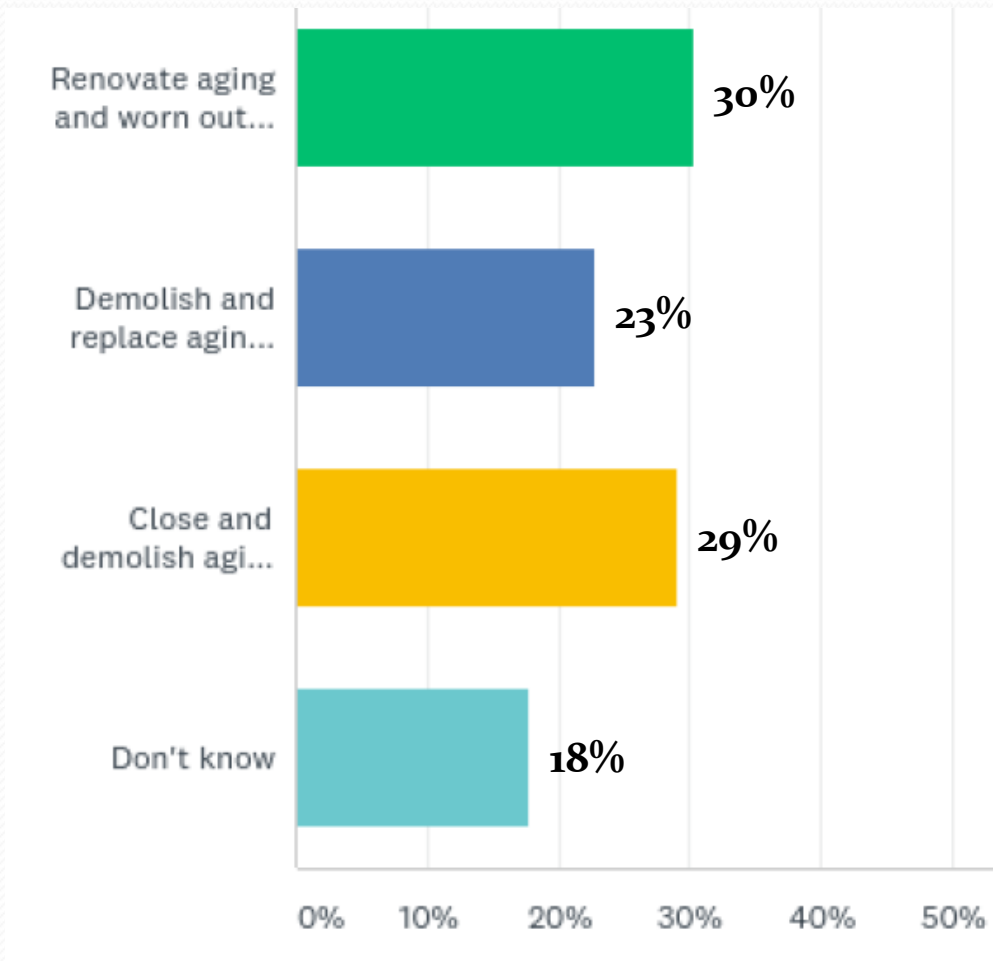


2018 FNSB Resident Survey, n=383 FNSB Residents, +/-5.0%



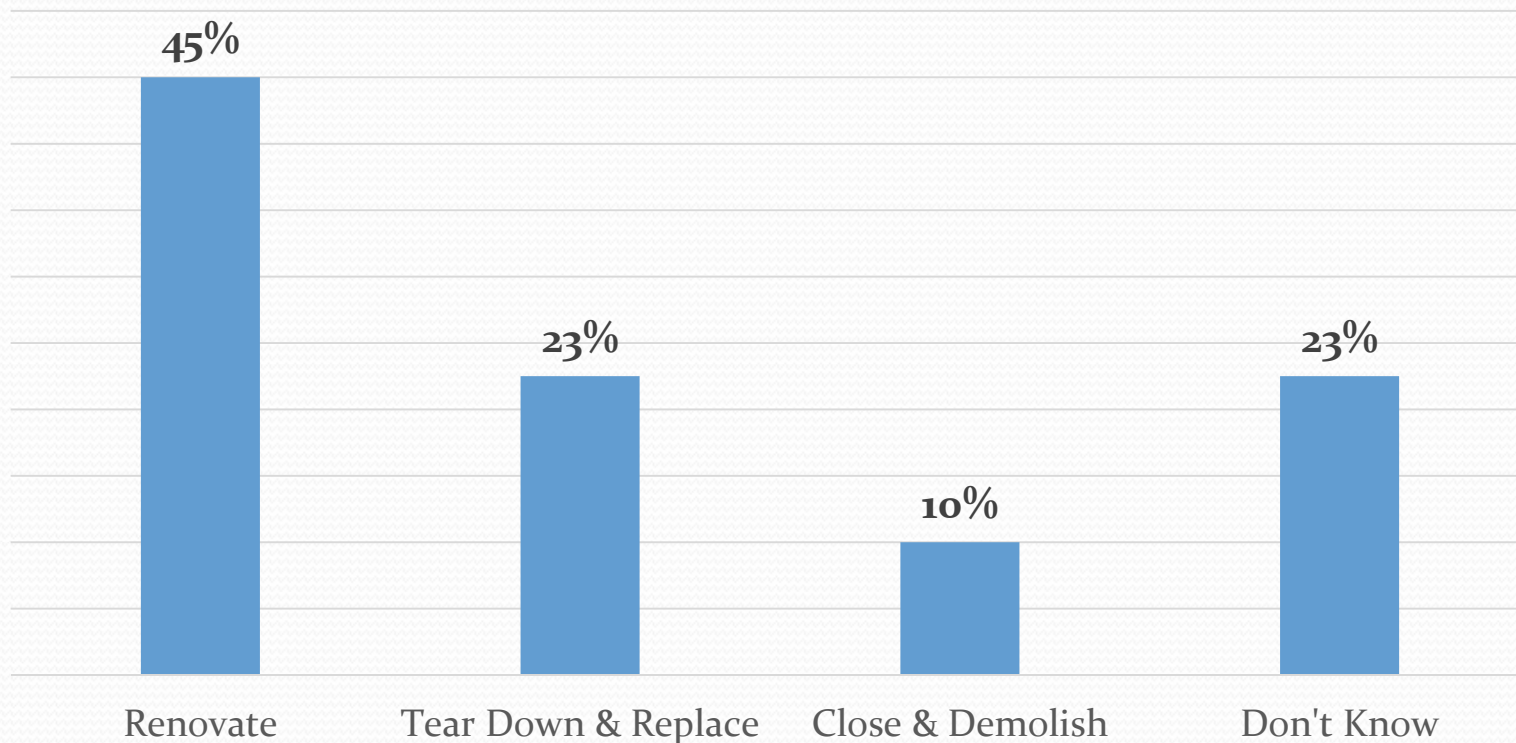
Survey Monkey

January 30 – February 13, 2018

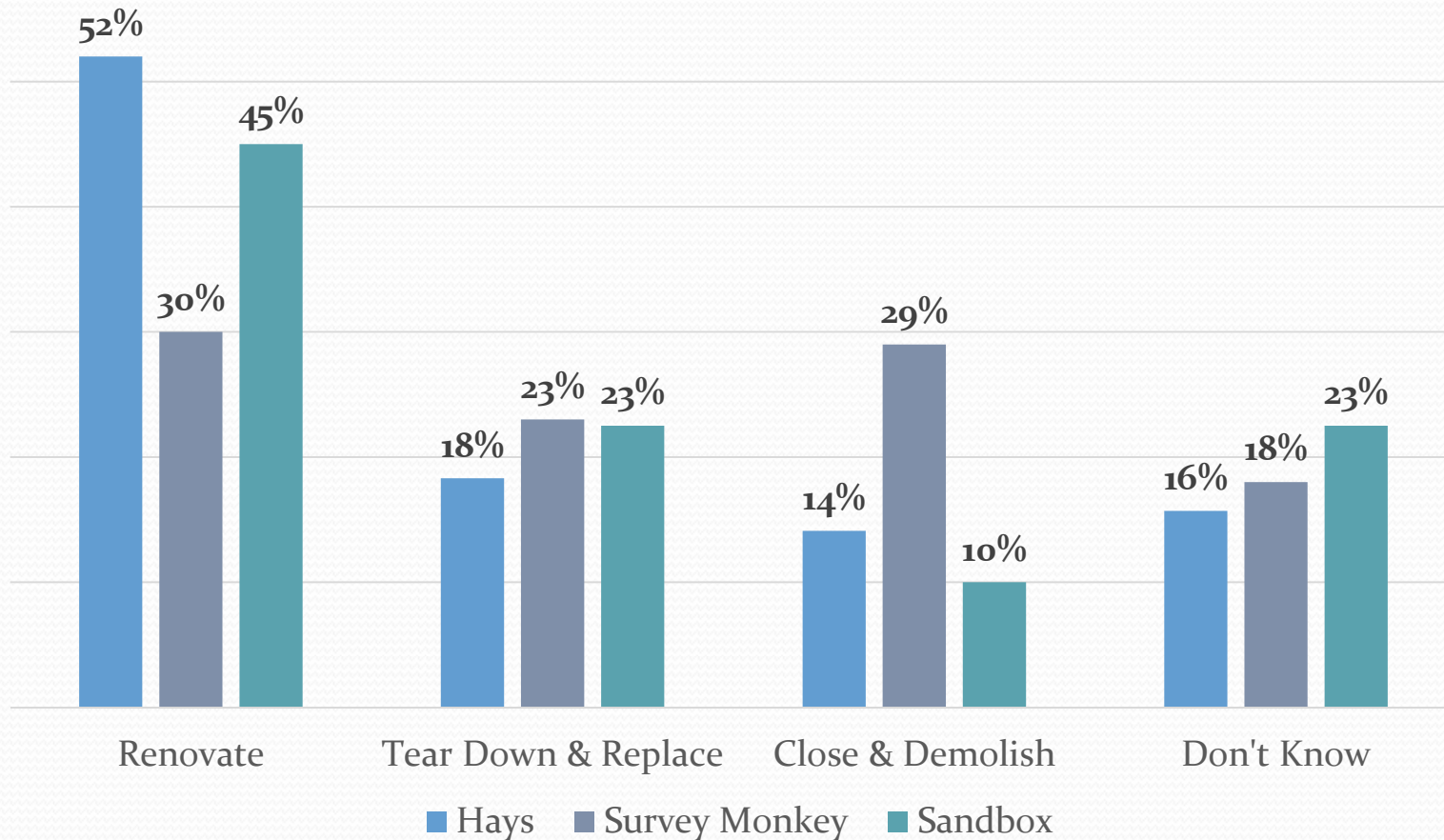


What should the Borough do with its aging and worn out facilities?

Before Cost/Benefit Analysis Info



What should the Borough do with its aging and worn out facilities?



Big Picture: What We've Learned Since Sandbox 1.0

- Ranked status of facilities
- Objective ranking criteria
- Some facilities are fine
- **MANY NEED MAJOR ATTENTION**



The Top Ten



The Top Ten: Analysis

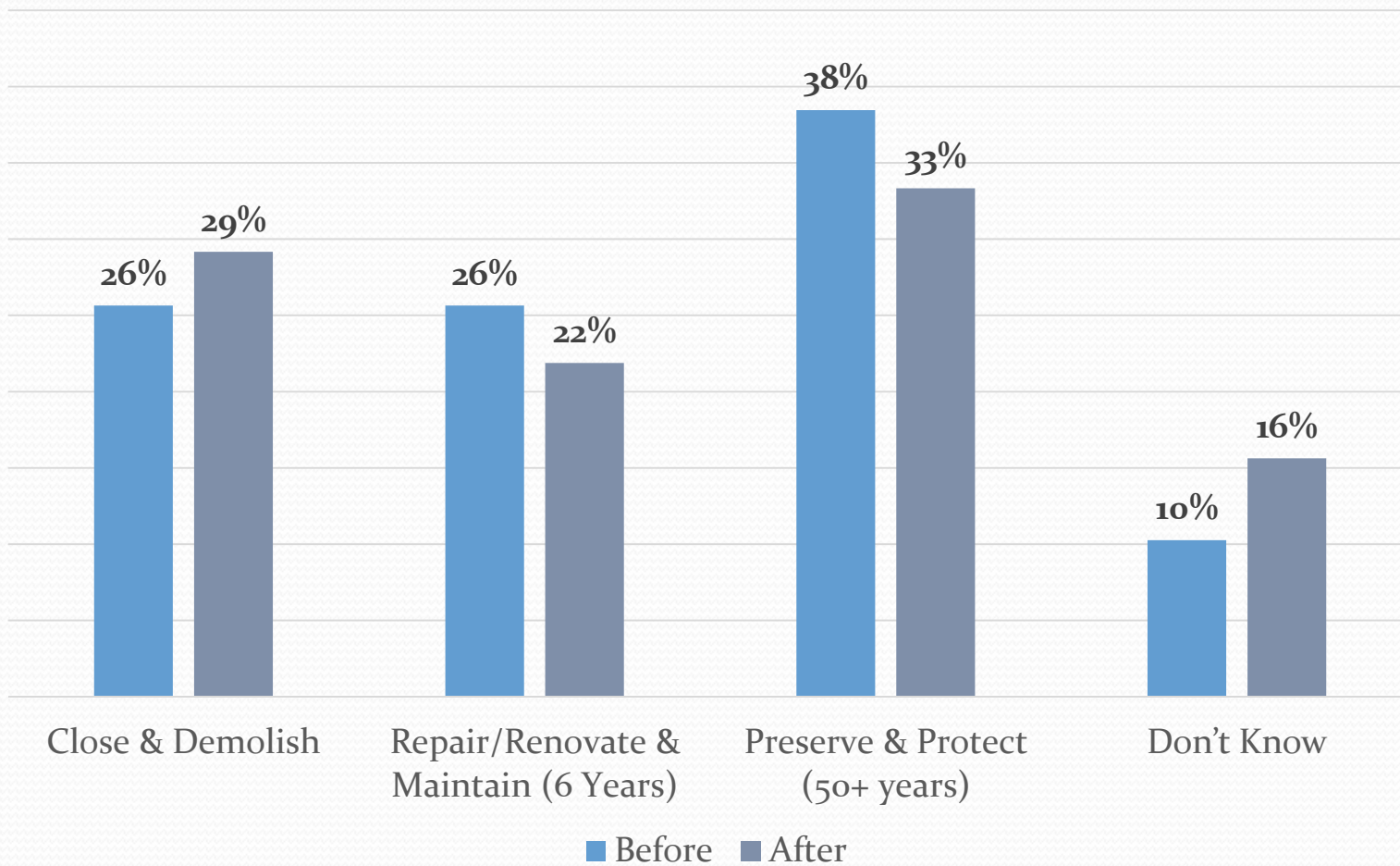


Pioneer Park: Riverboat Nenana

Close/Demolish	Repair/Renovate (6 yrs)	Preserve (50+ yrs)
\$838,000	\$1,593,000	\$9,500,000
<ul style="list-style-type: none"> - Significant visitor draw to the park - Listed on the National Registry of Places - Designated as a National Historic Landmark 	<ul style="list-style-type: none"> - Annual Operational Costs: \$15,000 - Will require annual maintenance cost of \$250,000 - Continued public health & safety concerns - Increased risk & liability to FNSB - Structure Age: 85 years 	<ul style="list-style-type: none"> - Enclose & protect to museum quality standards - Yukon River dioramas maintained & protected



Pioneer Park: Riverboat Nenana

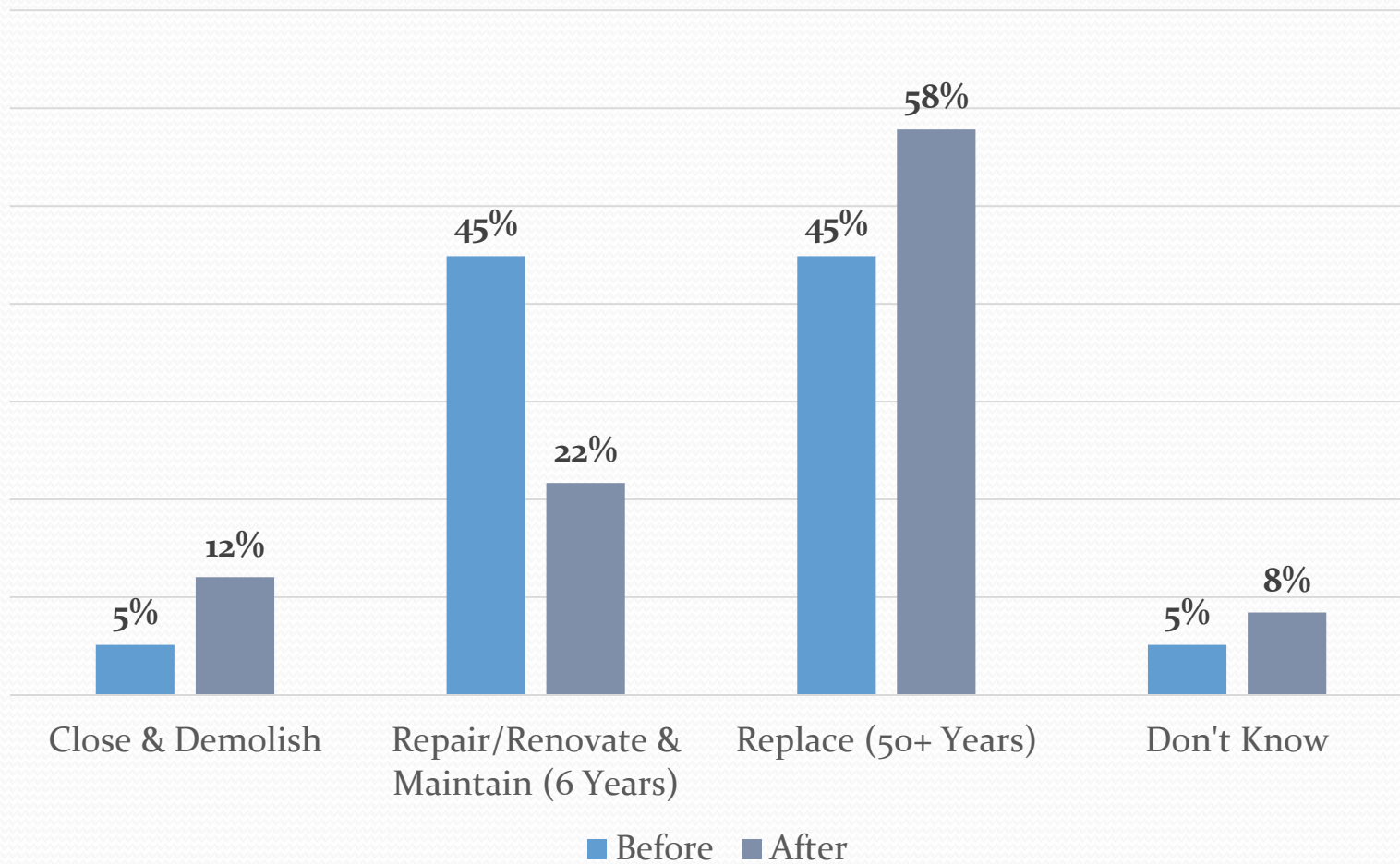


Animal Shelter

Close/Demolish	Repair/Renovate (6 yrs)	Replace (50+ yrs)
\$250,000	\$4,594,000	\$16,005,000
<ul style="list-style-type: none"> - Elimination of Animal Control Division (requires a public vote) - No enforcement of borough animal ordinances - No shelter for animals 	<ul style="list-style-type: none"> - Annual Net Operational Costs: \$2,319,000 - Unable to provide adequate support to programs & services - Continued building & program inefficiencies - Remodel Costs: \$14,500,000 - Building Age: 44 years 	<ul style="list-style-type: none"> - Consolidate staff into one facility - Improves operational efficiency - Supports current & future animal populations - Provides adequate security for staff & animals



Animal Shelter

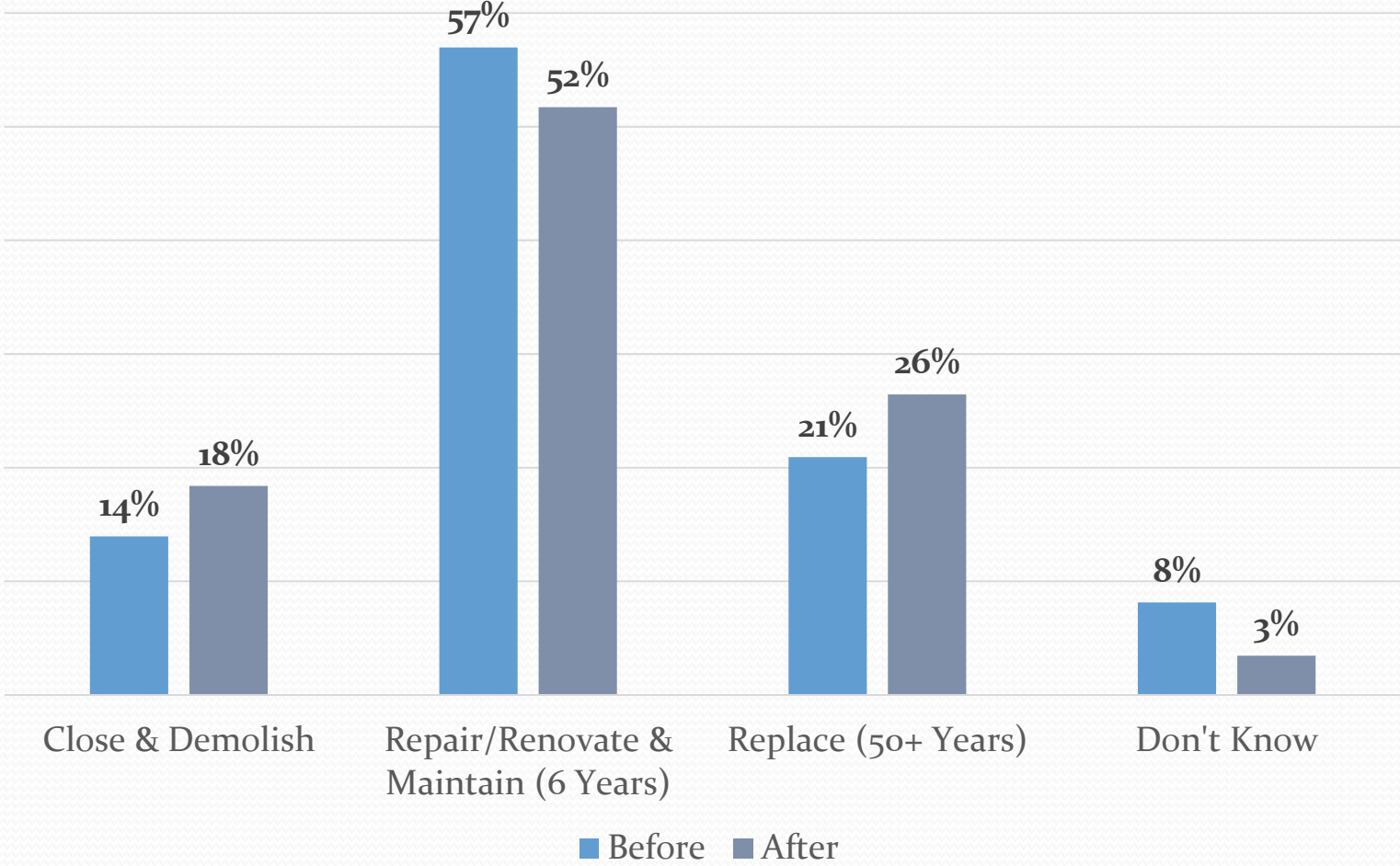


Big Dipper Ice Arena

Close/Demolish	Repair/Renovate (6 yrs)	Replace (50+ yrs)
\$2,400,000	\$12,670,000	\$34,982,000
<ul style="list-style-type: none"> - Loss of ice facility (hockey & skating programs) - Relocate Adaptive Recreation programs - Lose Fairbanks Hockey Hall of Fame - Loss of building support for community events - Loss of P&R office space 	<ul style="list-style-type: none"> - Annual Net Operational Costs: \$650,000 - Address public health, safety, & accessibility issues - Reduce FNSB risk & liability issues - Increased operational efficiency - Building Age: 43 years (Fairbanks) 	<ul style="list-style-type: none"> - Nostalgia & community pride in the Big Dipper - Facility better meets community & program needs - Newer, safer, accessible, and energy efficient



Big Dipper Ice Arena

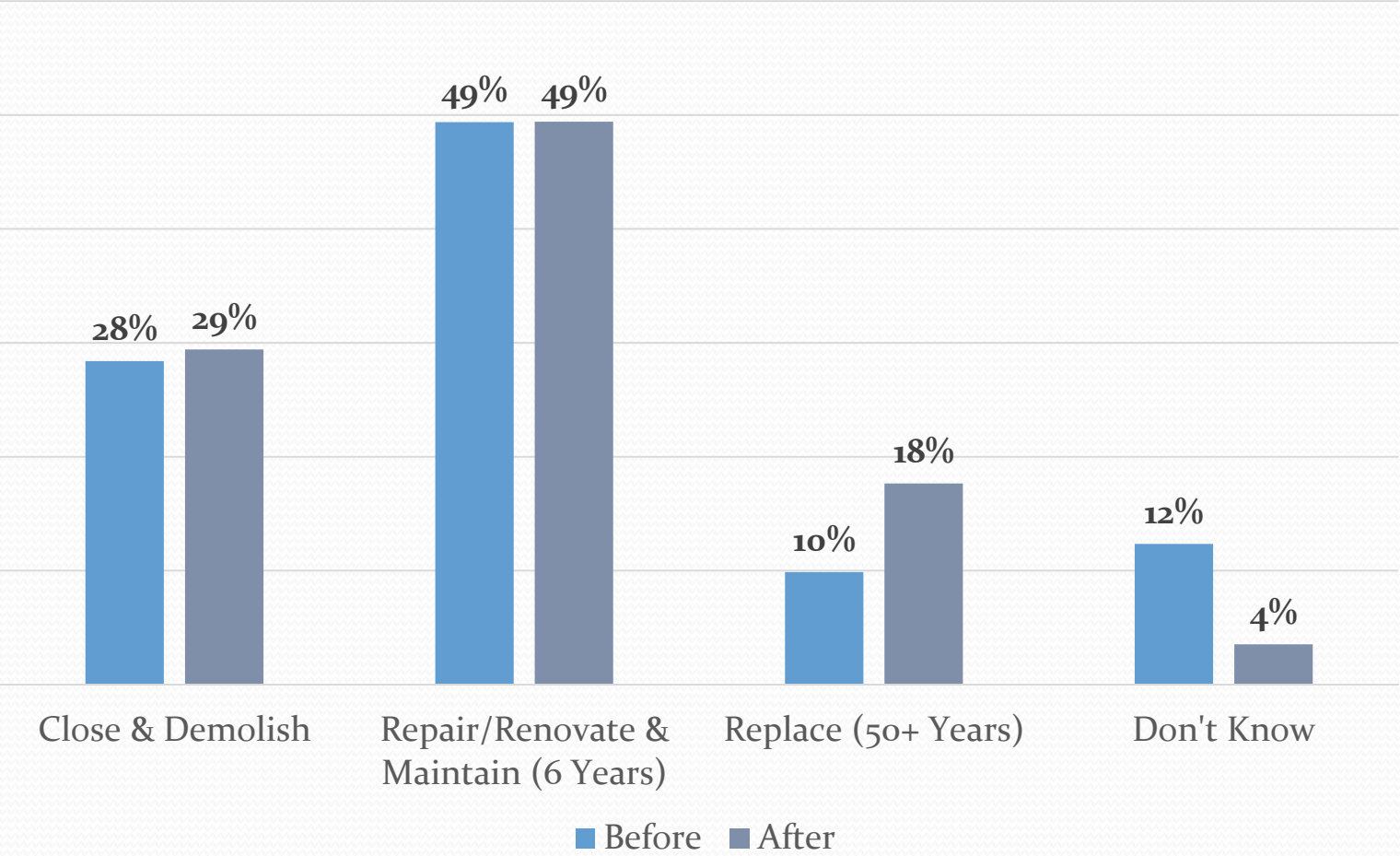


Carlson Center

Close/Demolish	Repair/Renovate (6 yrs)	Replace (50+ yrs)
\$4,400,000	\$11,025,000	\$65,094,000
<ul style="list-style-type: none"> - Lose Division I status for UAF Nanook Hockey - Loss of community facility for large sporting events, tradeshow, concerts, conferences, & other community events - Significant negative economic impact on the community 	<ul style="list-style-type: none"> - Annual Net Operational Costs: \$949,000 - Current facility isn't ideal for any of its current uses - Maintain ice - Repair (no ice): \$3,775,000 <ul style="list-style-type: none"> • Additional concert or other events • Significant loss of revenue - Building Age: 28 Years 	<ul style="list-style-type: none"> - Facility better meets community & event needs - Increased building efficiency (use, energy, insulation, etc.)



Carlson Center

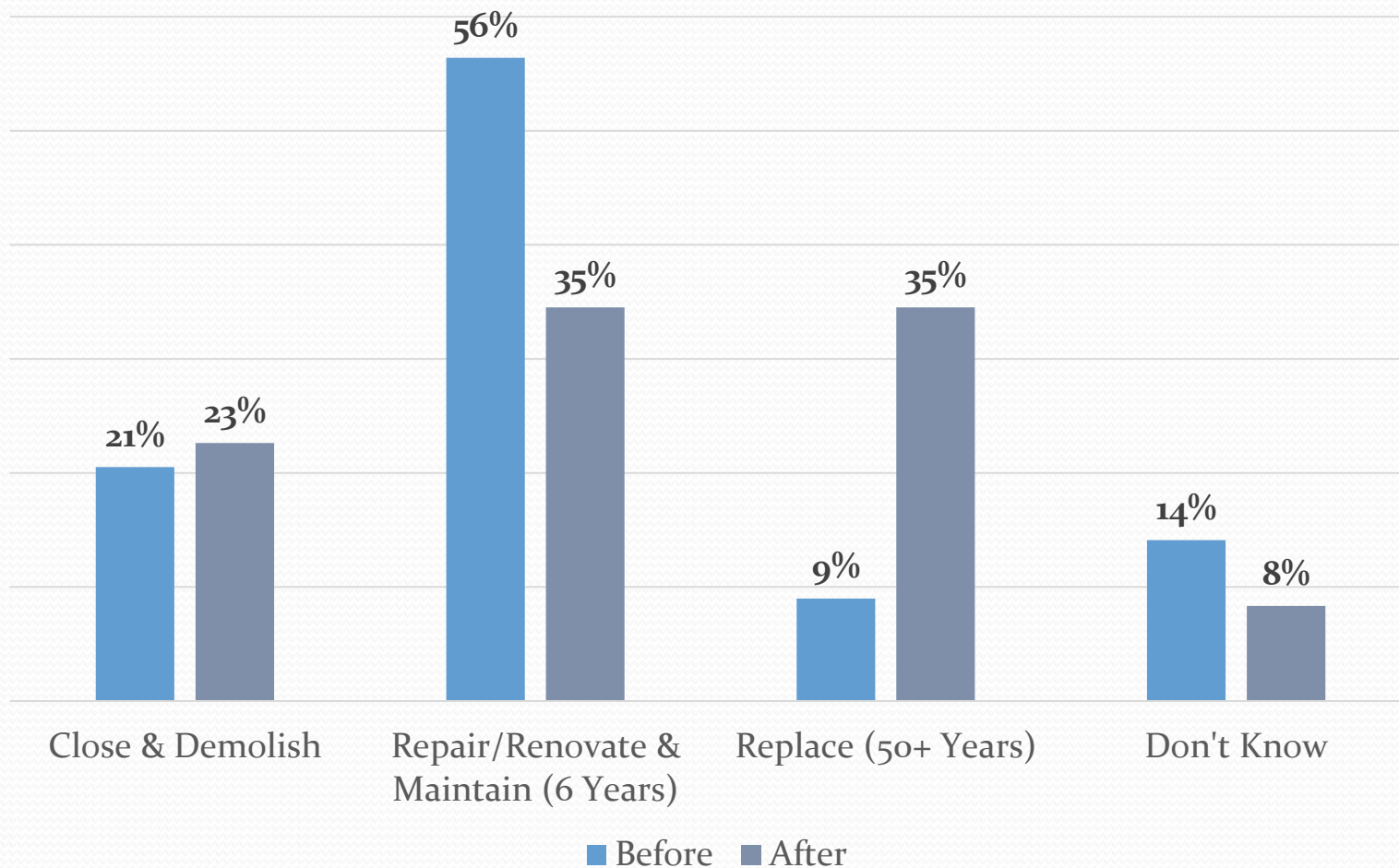


Juanita Helms Administrative Center

Close/Demolish	Repair/Renovate (6 yrs)	Replace (50+ yrs)
\$1,700,000	\$6,662,000	\$20,577,000
<ul style="list-style-type: none"> - No central consolidated facility for borough operations & services - No other borough office space currently available 	<ul style="list-style-type: none"> - Annual Net Operational Costs: \$948,000 - Current facility does not meet organizational needs - Building Age: 34 years 	<ul style="list-style-type: none"> - Improved operational efficiency (energy, ventilation, etc.) - Facility meets current & future needs



Juanita Helms Administrative Center

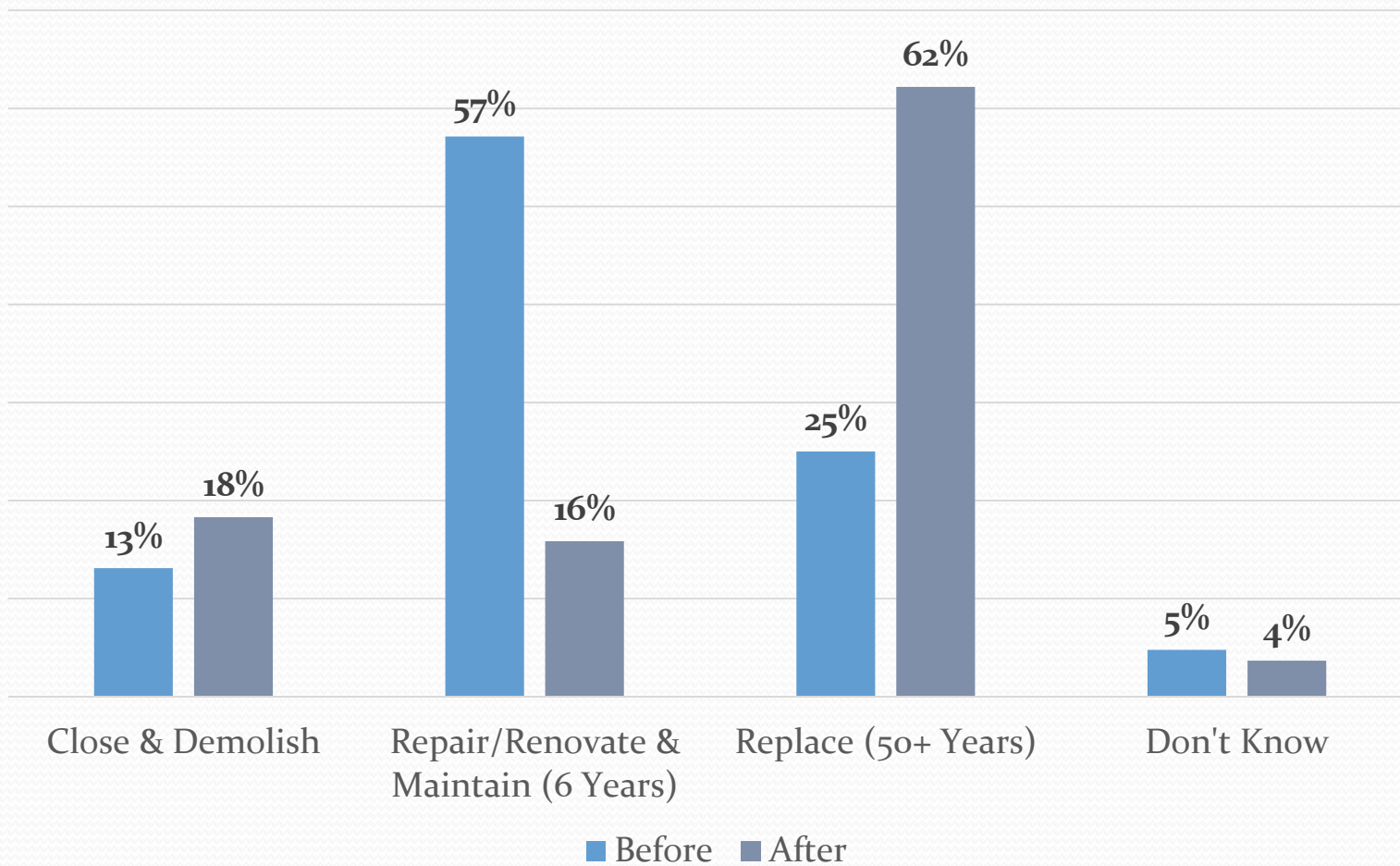


Pioneer Park: Centennial Center

Close/Demolish	Repair/Renovate (6 yrs)	Replace (50+ yrs)
\$1,053,000	\$10,450,000	\$15,311,000
<ul style="list-style-type: none"> - Loss of largest revenue producer at Pioneer Park - Lose public space for community meetings & events - Lose space for musical, dance, & theatre events - Relocate Fairbanks Arts Association & the Bear Art Gallery 	<ul style="list-style-type: none"> - Annual Net Operational Costs: \$231,000 - Continued support for community events hosted at the park - Fix public health, safety, & accessibility issues - Building Age: 51 years 	<ul style="list-style-type: none"> - Facility is safe & accessible - Better meets community needs



Pioneer Park: Centennial Center

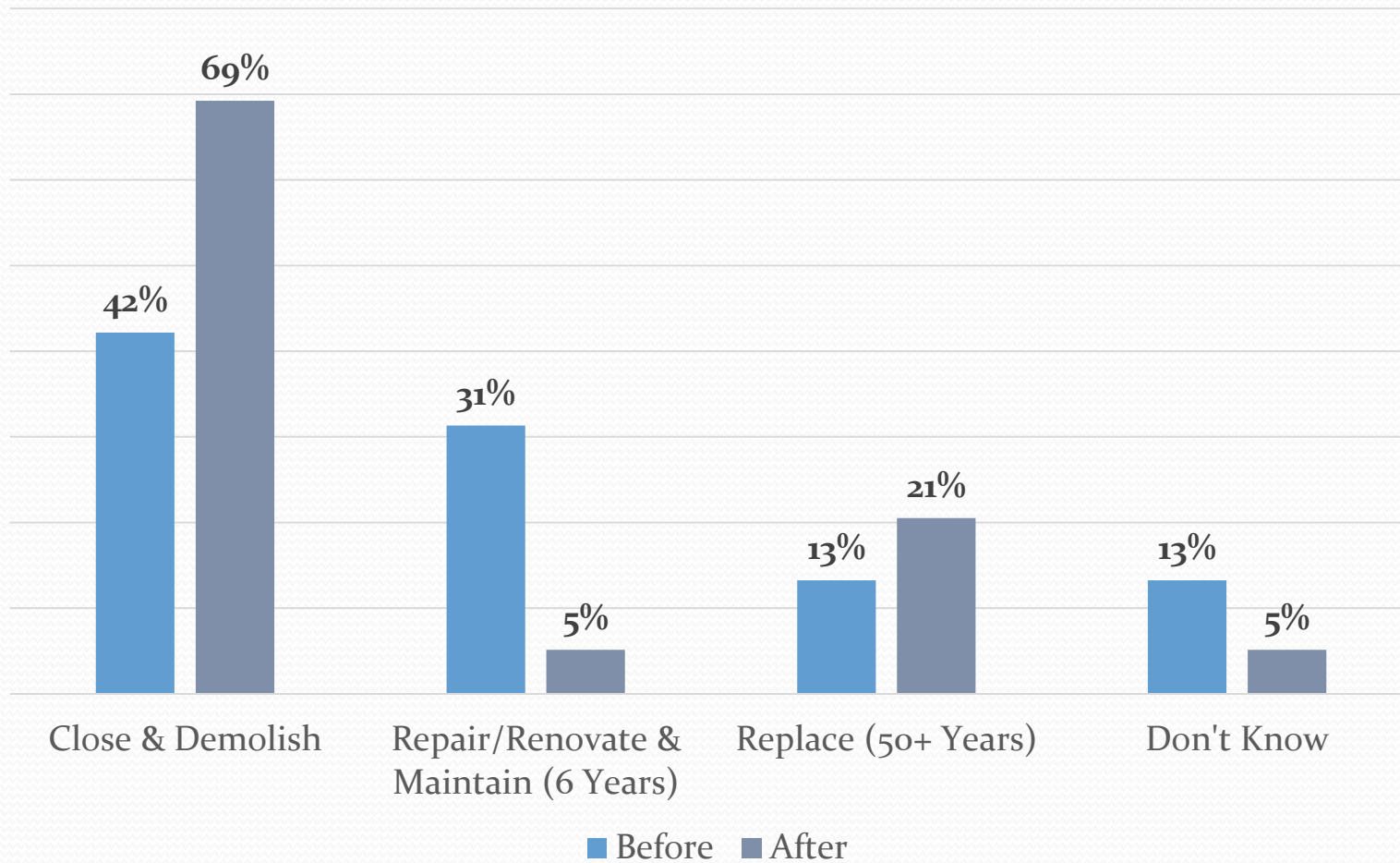


Pioneer Park: Gold Dome Museum

Close/Demolish	Repair/Renovate (6 yrs)	Replace (50+ yrs)
\$527,000	\$2,230,000	\$6,400,000
<ul style="list-style-type: none"> - Relocate Air Museum - Extensive footprint at the park. Land could be used for numerous outdoor events. 	<ul style="list-style-type: none"> - Annual Net Operational Costs: \$52,000 - Significant ongoing maintenance costs - Building Age: 51 years 	<ul style="list-style-type: none"> - Museum quality preservation & protection of artifacts.



Pioneer Park: Gold Dome Museum

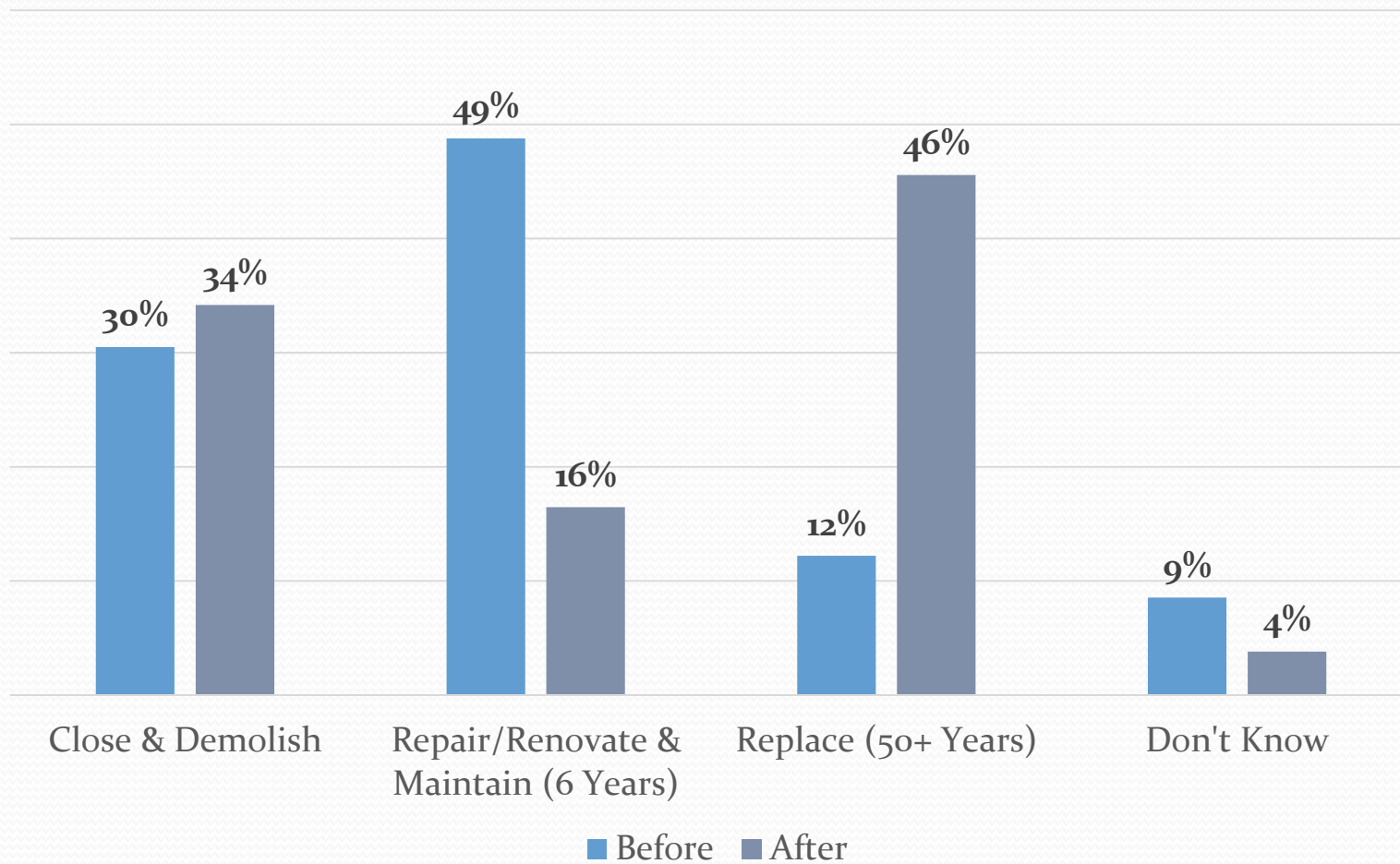


Pioneer Park: Pioneer Hall Museum

Close/Demolish	Repair/Renovate (6 yrs)	Replace (50+ yrs)
\$403,000	\$3,344,000	\$4,882,000
<ul style="list-style-type: none"> - Relocate museum - Significantly changes the character of Gold Rush Town 	<ul style="list-style-type: none"> - Annual Net Operational Costs: \$114,000 - Preserve the character of Gold Rush Town - Building Age: 52 years 	<ul style="list-style-type: none"> - Museum quality preservation & protection of artifacts



Pioneer Park: Pioneer Hall Museum

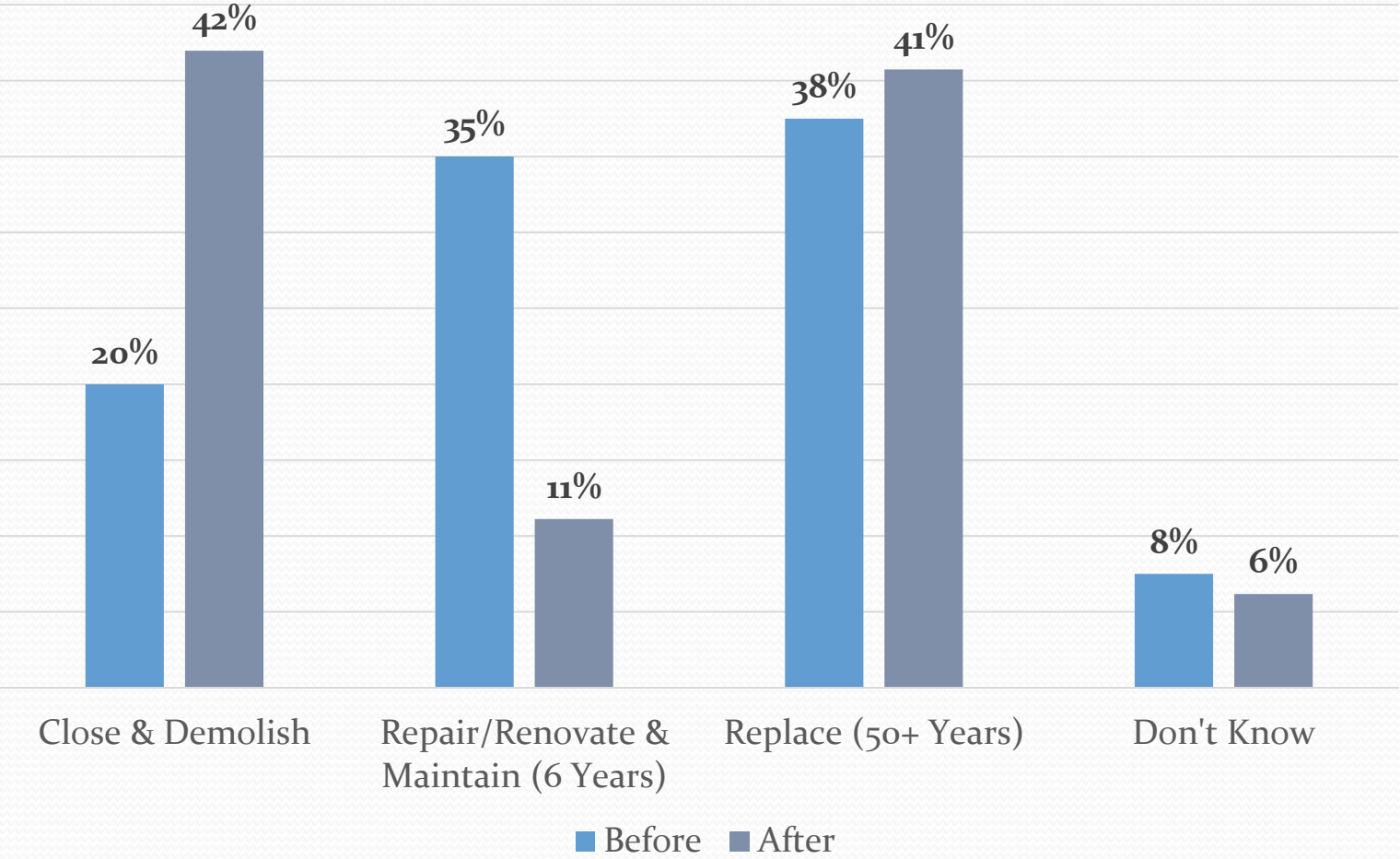


Mary Siah Pool

Close/Demolish	Repair/Renovate (6 yrs)	Replace (50+ yrs)
\$683,000	\$6,793,000	\$13,863,000
<ul style="list-style-type: none"> - Loss of warm pool, weight room, sauna, & hot tub - Lose some programs - Increased demand for less available facility space - Loss of daytime access to swimming pool & showering facilities 	<ul style="list-style-type: none"> - Annual Net Operational Costs: \$723,000 - Critical system failures addressed - Facility has outlived its useful life - Not code compliant - Building Age: 68 years 	<ul style="list-style-type: none"> - Facility meets all current code requirements, including accessibility - Facility better meets community's current and future needs



Mary Siah Pool

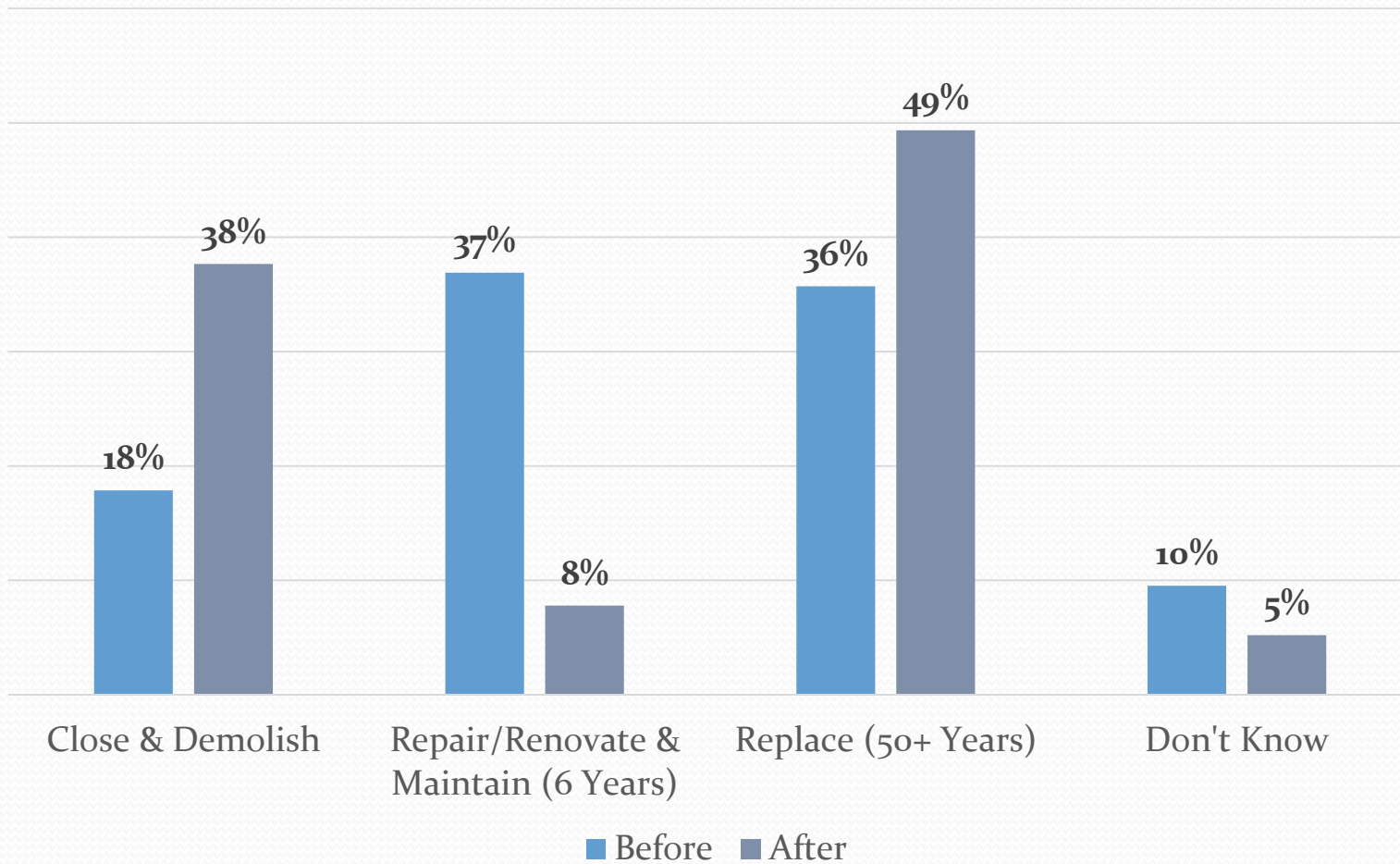


Hamme Pool

Close/Demolish	Repair/Renovate (6 yrs)	Replace (50+ yrs)
\$940,000	\$8,111,000	\$19,678,000
<ul style="list-style-type: none"> - Lose pool for competitive swim meets - Less available space for swim lessons 	<ul style="list-style-type: none"> - Annual Net Operational Costs: \$606,000 - Critical system failures addressed - Pool has outlived its useful life - Building Age: 41 years 	<ul style="list-style-type: none"> - Reduced maintenance & utility costs - Safe, accessible, & efficient facility



Hamme Pool

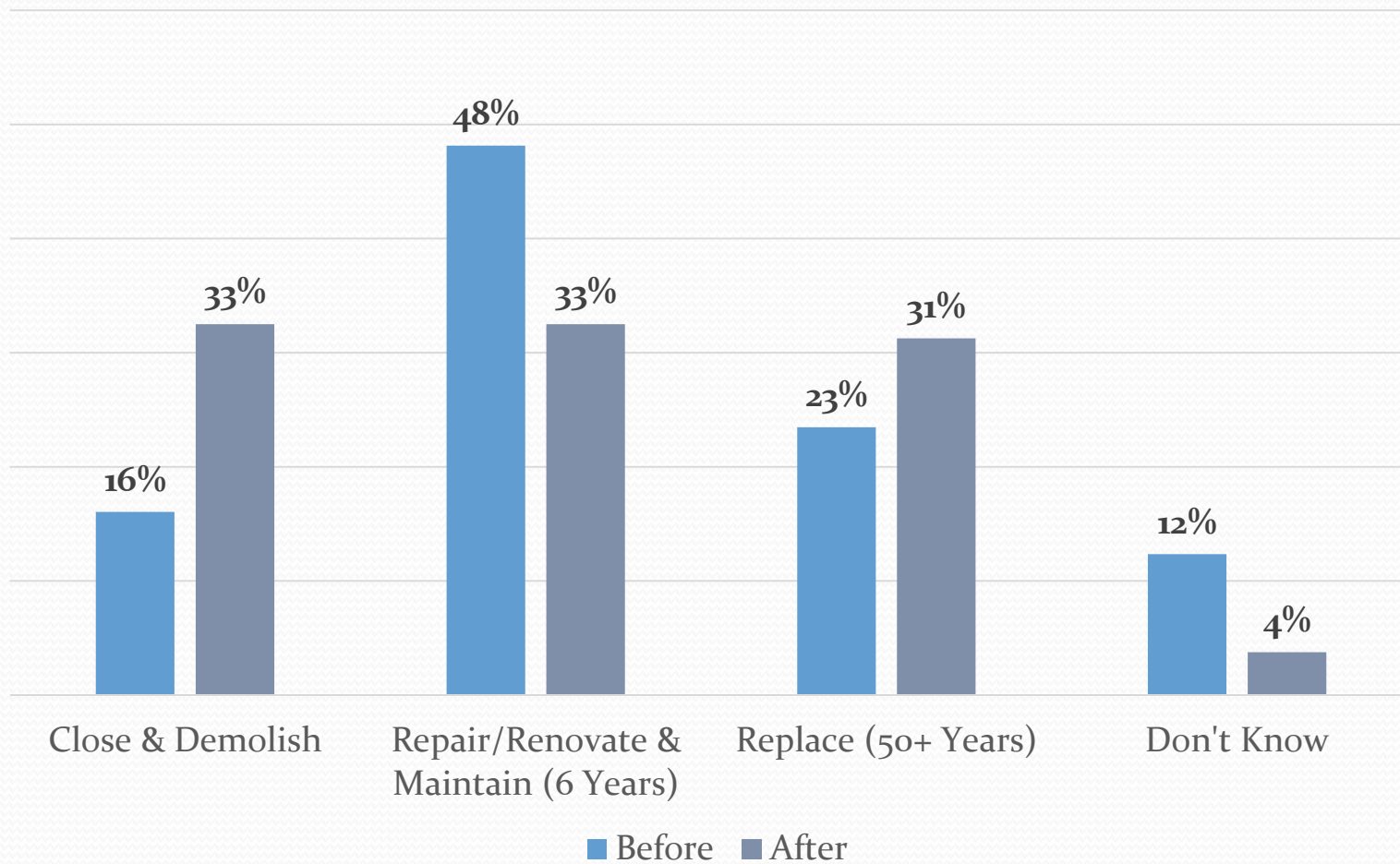


Wescott Pool

Close/Demolish	Repair/Renovate (6 yrs)	Replace (50+ yrs)
\$1,030,000	\$6,621,000	\$22,088,000
<ul style="list-style-type: none"> - Program elimination in North Pole - Relocate competitive pool sports to Fairbanks - Swim lessons only available in Fairbanks 	<ul style="list-style-type: none"> - Annual Operational Costs: \$553,000 - Critical system failures addressed - Building Age: 41 years 	<ul style="list-style-type: none"> - Reduced maintenance & utility costs - Safe, accessible, & efficient facility



Wescott Pool

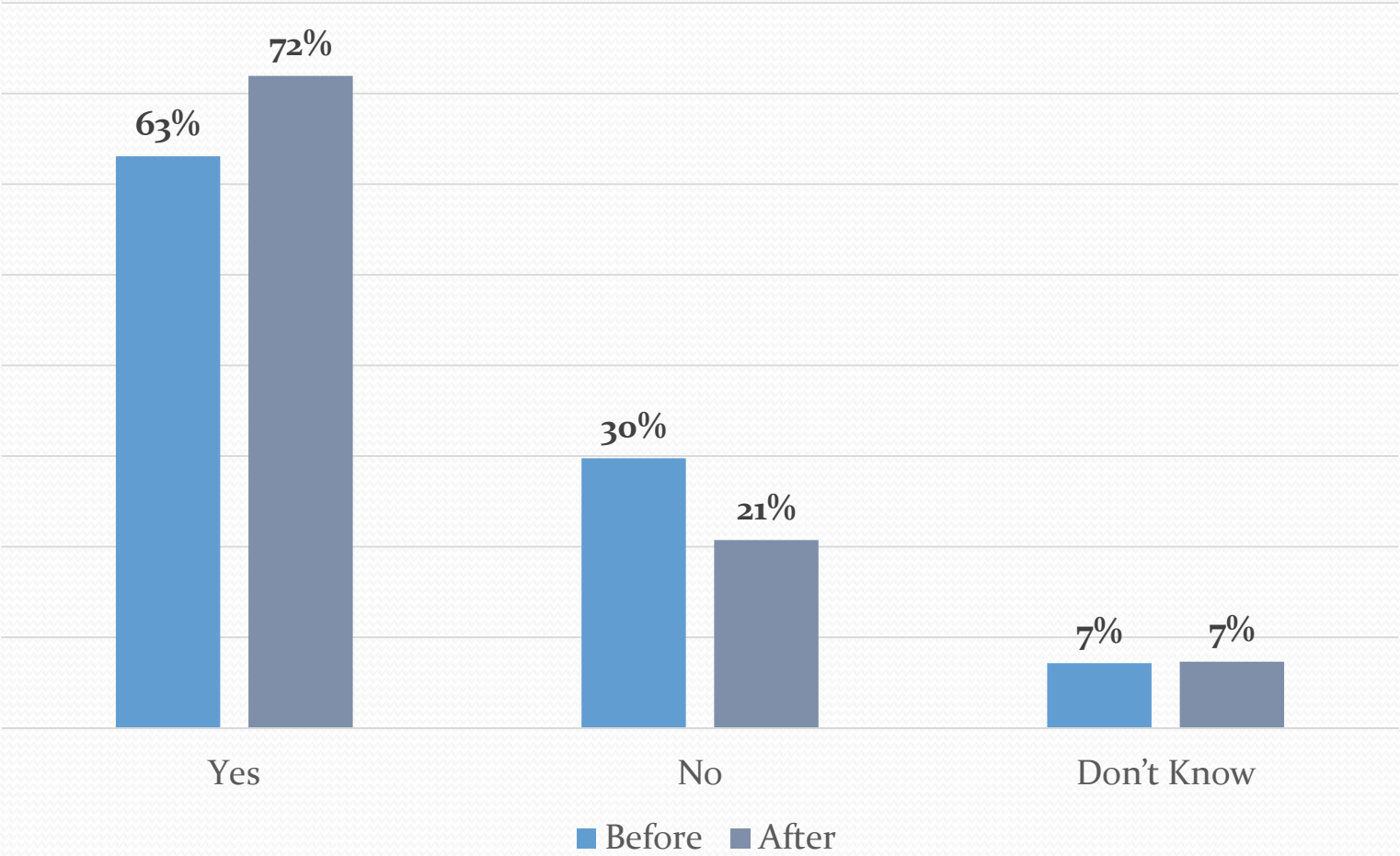


Aquatics Center

Close/Demolish Hamme & Mary Siah	Repair/Renovate (6 yrs) Hamme & Mary Siah	Construct (50+ yrs) Aquatics Center
\$1,623,000	\$14,904,000	\$35,000,000
<ul style="list-style-type: none"> - Loss of competitive pool - Loss of warm pool - No swim lessons, water aerobics, & other programs 	<ul style="list-style-type: none"> - Continued ongoing high maintenance & utility costs - Continued operational inefficiencies - Building Ages: 41 & 68 years 	<ul style="list-style-type: none"> - Annual Interim Plan Costs (3 years): \$1,029,024 - Combined Mary Siah & Hamme Replacement Cost: \$33,541,000 - Able to meet community demand for programs & services - Adequately supports a variety of user groups - Gain operational efficiencies



Aquatics Center



Wrap Up



Finance Options

- Bonds (high cost projects, long life cycles)
- Capital \$ (major maintenance, medium scale renovations)
- FMR (maintenance, minor renovations)
- Operational Budget (daily, routine maintenance work)



Summary

- Bond package: Fall 2018 - Stay Tuned!
- Summary of info on the FNSB website:
FNSB.us
- Possible new polls/surveys
- Dial in course of action

- FY18-19 Budget released to Assembly April 5



Public Comment



Chena Lakes
early summer morning

THANK YOU!

