

**Agency: Commerce, Community and Economic Development****Grants to Municipalities (AS 37.05.315)****Grant Recipient: Wrangell****Federal Tax ID: 92-6000144****Project Title:****Project Type: New Construction and Land Acquisition**

# Wrangell - Hospital and Nursing Home Replacement Project

**State Funding Requested: \$3,800,000****House District: 2 / A**

One-Time Need

**Brief Project Description:**

Replacement of a 42-year-old hospital and nursing home.

**Funding Plan:**

Total Project Cost:	\$39,000,000
Funding Already Secured:	(\$35,200,000)
FY2013 State Funding Request:	<u>(\$3,800,000)</u>
Project Deficit:	\$0

*Funding Details:*

*\$35,200,000 in funds are secured through existing cash reserves of the WMC, a \$3,800,000 grant from the State of Alaska, and the ability to borrow funds based on those reserves.*

**Detailed Project Description and Justification:**

The Wrangell Medical Center (WMC) Hospital and Long Term Care Facility replacement project is a shovel-ready project that will create jobs and stimulate the economy, while improving the access and quality of health care of the City and Borough of Wrangell for the next 40 years. Project financing is 80% complete and seeks \$3,800,000 in "top-off" funding.

Wrangell Medical Center is a vital safety-net provider for the City and Borough of Wrangell and surrounding communities. As the only hospital and nursing home facility in the area and the community's largest employer, WMC is a major social and economic driver for the region. Services include emergency department, lab, x-ray, physical therapy, home health, specialty clinics, and long term care.

Recent facility conditions studies have concluded that a new facility is imminently necessary. The current building was constructed in 1968. After more than 40 years of use, the facility faces problems in the areas of foundation settlement, floor loading, heat and ventilation condition, and hazardous materials. Further, the building was designed to serve the standard of care appropriate in the 1960s and can no longer meet today's health care needs for the community and region.

New construction is far more cost-effective than remodeling the current facility. The cost of remodeling the current building to meet updated hospital codes is approximately \$40 million, which far exceeds the cost of total facility replacement of \$25 million.

Between financing and reserves, WMC brings 80% of the cost of this project to the table. WMC only seeks the remaining

20%, or \$5 million, to bring the project to completion. Once completed, the project will support 21 additional permanent jobs in the Wrangell community, over and above its current impact. Further, construction of a new facility is estimated to create 262 jobs, \$11 million in payroll, and \$26 million in business activity. The project will have long-standing, significant economic impacts in the region.

**Project Timeline:**

Upon receipt of funding, construction would begin in late fall of 2012.

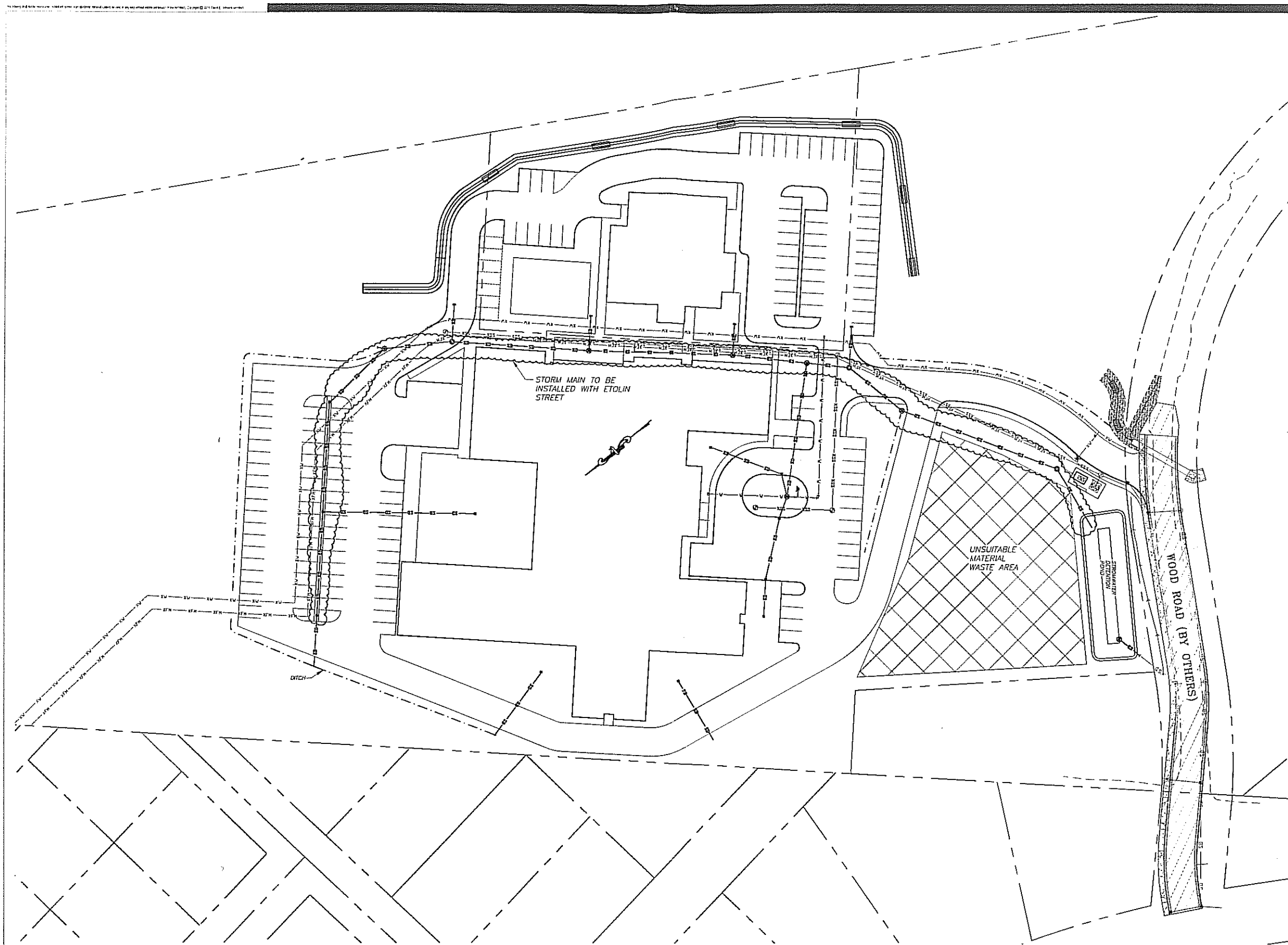
**Entity Responsible for the Ongoing Operation and Maintenance of this Project:**

Wrangell Medical Center

**Grant Recipient Contact Information:**

Name: Timothy Rooney  
Title: Borough Manager  
Address: PO Box 531  
Wrangell, Alaska 99929  
Phone Number: (907)874-2381  
Email: tdrooney@wrangell.com

Has this project been through a public review process at the local level and is it a community priority? ☒ Yes ☐ No



DEJA



A Replacement Facility for  
**Wrangell Medical Center**  
 Wrangell, Alaska

David L. Johnson  
 Architects

455 Franklin Drive  
 Wrangell, Alaska 99991

PROJECT NUMBER  
 102325  
 DATE  
 DECEMBER 201

**RSM**  
 RSM ENGINEERING-KETCHIKAN, INC.  
 355 CARLINA LAKE ROAD  
 KETCHIKAN, ALASKA 99901

ETOLIN STREET  
 STORM MAIN  
 ADDITION  
 12-12-11

Design Development - Not for Construction