



New Facility Construction Report January 2026

Sitework

RESPEC (civil engineer) and Dawson (general contractor) continue to work with ADEC (Alaska Department of Environmental Conservation) to close the SWPPP (Storm Water Pollution Prevention Plan), as the future hospital site is required to be “stabilized” and must meet standards for a temporary condition until the actual construction takes place. There are still a few remaining items that ADEC has requested a formal response to, which they were not previously satisfied with, based on the most recent returned submittal. Another submittal will be sent to ADEC before the end of January.

WERC Building

The WERC (Wellness, Education, and Resource Center) building and the MRI addition are 100% complete with the original contract scope. The UPS (Uninterrupted Power Supply) for both the magnet and servers is planned to be installed starting the week of the 19th through the 30th. All other remaining punch list items, including the FF&E (Fixtures, Furniture, and Equipment), will be installed in this same time frame.

The monument sign at the entrance is being shipped to Petersburg this week and will also be installed in the upcoming weeks, as part of the same mobilization.

New Hospital Design

The design drawings for the full Hospital were paused at 35% schematic design. These, in theory, could still be used with revisions if the project were to be fully funded at one time.

To create an alternative pathway for progress of the campus, the current concepts that have been recently developed are for a multi-phase approach as follows: Phase 1 – Sitework, completed; Phase 2 – WERC Building completed; Phase 3 – LTC layout concept only; Phase 4 – Hospital layout concept only. This would allow an immediate focus to take place on the Long-Term Care Building with allowable funds at that time, in anticipation of future funding for the Hospital.

Based on current market conditions, a project of this scale and magnitude will go up in costs by roughly \$2,000,000 per year due to inflation and changing market conditions. So, if the campus is built in 2031 versus 2026, for example, it could be forecasted to cost \$10,000,000 more. This is another driver to start construction as soon as possible on at least one building to reduce the overall construction costs for the completion of the campus.

Upcoming Activities

- LTC/Hospital Phased Concept Design

- Final FF&E Install
- Monument Sign, Interior Signage, and UPS installation.

Budget

- WERC budget – \$22.7M (Stacked)
 - CCPF Treasury Grant – \$20M
 - HRSA Grant – \$2.7M
- Hospital Sitework & 35% Schematic Design – \$5.3M
 - HRSA Grant – \$5.3M
- Remaining funds in combined grants – >\$1M (mostly expended)

Completed WERC Building



Phased Concept Layout – Long-term Care and Hospital

