

# Kongiganak Multi-Purpose Facility

## Business Plan

August 2007



A plan developed by the Kongiganak Traditional Council and residents of Kongiganak. With assistance from Agnew::Beck Consulting, LLC and Summit Consulting. This conceptual plan was produced in part with Multi-Use Facilities Grant Assistance funds made available through the Department of Commerce, Community and Economic Development and the Denali Commission.



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# ACKNOWLEDGEMENTS

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The Kongiganak Multi-Use Facility Business Plan is the result of a team effort by the Kongiganak Traditional Council and other residents and tribal members of Kongiganak. This plan is the direct result of their contributions of time and knowledge of their community, and their desire for a prosperous community. The Traditional Council members include:

- Oscar Active, Village Administrator
- Cassius Brown, Acting President of the Traditional Council
- Harvey Paul, Council Secretary
- Edward David
- Tommy Phillip

Two Council work sessions, one community visit and workshop, and a review session were held to gather public input for this plan. At the community workshop on November 7, 2006, 33 adults, youth and Elders attended. Their contributions truly made this plan a community document.

Photos were provided by Agnew::Beck Consulting, LLC and Jimmy Phillip. Maps were compiled by the State of Alaska Department of Community, Commerce and Economic Development (DCCED) as part of the Community Profiles Mapping Project. Design drawings were created by Kumin Associates, Inc. Site drawings were created by Summit Consulting.

Funding for the preparation of this plan was provided for in part through the State Department of Commerce, Community and Economic Development and the Denali Commission.

# RESOLUTION ADOPTING PLAN

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KONGIGANAK TRADITIONAL COUNCIL  
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## RESOLUTION 07-08-01

**RESOLUTION OF THE KONGIGANAK TRADITIONAL COUNCIL ACCEPTING THE 100% DRAFT MULTI-USE FACILITY BUSINESS PLAN PREPARED AND DRAFTED BY AGNEW-BECK CONSULTING, LLC, AND SUMMIT CONSULTING INC.**

**WHEREAS**, the Kongiganak Traditional Council has reviewed the 100% Draft Multi-Use Facility Business plan, as well as Agnew-Beck Consulting, LLC, Department of Commerce and Community & Economic Development-Department of Community Advocacy and Summit Consulting Services Inc.; and

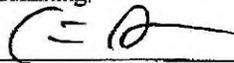
**WHEREAS**, minimal changes were suggested by Agnew-Beck Consulting, LLC, Department of Commerce and Community & Economic Development-Department of Community Advocacy and Summit Consulting Services Inc. and no changes were made from the Kongiganak Traditional Council.

**NOW THEREFORE BE IT RESOLVED**, that the Kongiganak Traditional Council approve the 100% Draft Multi-Use Facility Business plan prepared by Agnew-Beck Consulting, LLC, and Summit Consulting Services, Inc.

**NOW THEREFORE BE IT FURTHER RESOLVED**, that upon accepting the 100% Draft Multi-Use Business plan, the Kongiganak Traditional Council will, from this date on, refer to this document as Kongiganak Multi-Use Facility Business Plan-FINAL version; acknowledging this document to be a living document and may be amended at any time as needed.

## CERTIFICATION

This resolution was passed and approved by the Kongiganak Traditional Council on this 7<sup>th</sup> day of August, 2007 of which a quorum was present, with a vote of 3 yes; and 0 no; and 2 abstaining.

Signed:   
President

Attested by:   
Secretary

# 01: EXECUTIVE SUMMARY

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## Project History

Kongiganak currently has limited space available to provide basic community services. Services are spread out in a number of small houses which have inadequate space and substandard construction. Maintaining multiple buildings that are not energy efficient places an increased financial burden on the Traditional Council and makes it difficult for residents to access services. A new facility would combine essential services into one energy-efficient building and would enable each program and tenant to share in operation costs. This project is listed as a priority in the Kongiganak Community Development Plan.



To develop this facility the Kongiganak Traditional Council has secured funding from the Denali Commission to complete conceptual planning for the facility. This business plan is one product of the conceptual planning process. The council has also completed a 65% design for the facility. Conceptual planning also includes securing a 30-year lease for the site and securing agreements with prospective tenants. Once this is complete, funding applications will be submitted to secure capital funding for the facility.

## Summary of Findings

This business plan describes the functions and tenants of the proposed facility. It also includes the revenue that will be generated through these uses. The owner and primary tenant of this facility will be the Kongiganak Traditional Council. The council will provide a variety of community services from the facility through its programs, including: Tribal Youth Coordinator office; child protection through the Indian Child Welfare Act program; administration for the utility program; space for a contract post office; tribal administration offices; a community meeting space and youth center; a computer lab and community library and a kitchen. Public safety offices, a holding cell and the search and rescue equipment storage will be housed in one of the facilities that will be vacated by existing programs when the new facility is complete. The public safety functions, particularly the holding cell, were deemed to be incompatible with the other community services made available in the new facility.

The development of the facility is planned in two phases. The first phase includes developing the main part of the facility, as described in the 65% design. This phase will also include renovating an existing structure to house the village public safety office, holding cell and volunteer fire department equipment. The second phase will include an additional wing to house a Head Start facility and an arts & crafts workroom. Agreements are not yet in place with the tenants of these spaces, nor have they been included in the 65% design. Once commitments are secured to occupy these spaces, phase two can begin.

The spreadsheet in Figure 5 (page 22) demonstrates that the Kongiganak Traditional Council has adequate funding through its annual contracts and program funds to operate this facility. In fact, the planned facility would save the council money from the current situation where the council

is operating multiple facilities, none of which are energy efficient and all of which require significant maintenance and upkeep.

## **Leadership & Ownership**

The Kongiganak Traditional Council is leading the planning process to develop the Kongiganak Multi-Use Facility. The council will be the owner and operator of the facility.

The site for the multi-purpose facility is held by the village corporation, Qemirtalek Coastal Corporation. The corporation will negotiate with the tribe to secure a 30-year lease for the site.

## **Community Support**

The development of a Multi-Use Facility has been reaffirmed multiple times. In 2001, the community developed and produced a Community Plan that lists the facility as part of their development strategy. See Appendix A for relevant sections of the Community Plan.

A community workshop was held in November 2006 to gather community input and gauge support. See Appendix B for notes from the community meeting.

In addition, the council has developed a 65% design for the facility using Council funds. The council has also secured a matching grant that will be used to renovate the office and holding cell for the village public safety force. It was determined at the community meeting that these uses are not compatible with the other functions of the multi-use facility. These functions will be housed in one of the facilities that will be vacated by tenants moving into the new facility. The renovation of the existing facility will be completed as part of the same construction project that will build the new facility.

## **Community Vision for the Facility**

- Efficient, accessible and self-sustaining
- Combines business and community spaces, including a place for youth
- A place to for people to connect
- Attract people to new programs

## **Facility Goals**

The goals for the facility include:

- Develop a cost-effective, energy efficient and sustainable facility
- Gather community oriented businesses and services into one place to create a ‘one-stop shop’ for residents, particularly for elders
- Provide space for future programs such as a Head Start program
- Foster a friendly, welcoming atmosphere and provide a center for the community

The creation of local hire jobs during the construction of the facility will be a secondary but important benefit.

## Facility Character

The community shared the following input to determine the character of the proposed facility:

- Sloped roof fits well with existing community buildings and functions well with snow loads and wind
- Vinyl or metal siding will preserve the exterior of the facility
- Handicapped accessible to the greatest extent possible, particularly for elders
- Include skylights and large windows to bring in plenty of natural light
- Utilize waste heat transfer to keep costs down
- A two-story building will limit expensive foundation work
- Provide an adequate parking area for ATV's
- Ensure the facility meet building codes, including adequate fire protection
- Locate the facility in the middle of the village
- Consider rain water collection and storage
- Consider alternative energy production such as installing solar panels on the roof
- Keep the facility secure by, for example, using surveillance cameras or a night watchman
- Design the facility to be warm in the winter and cool in the summer

## 02: COMMUNITY OVERVIEW

### Location

Kongiganak is a traditional Yup'ik Eskimo village located 70 miles southwest of Bethel, on the west shore of the Kuskokwim Bay, west of the mouth of the Kuskokwim River. Fishing and subsistence lifestyle figure prominently into the local culture. The village was permanently settled in the late 1960s by former residents of Kwigillingok, seeking higher ground to escape periodic flooding.

The area is characterized by flat topography and is dotted with countless lakes, numerous streams and tundra vegetation. The closest villages are Kwigillingok, 11 miles to the west and Tuntutuliak, 30 miles to the north.

Figure 1. Village Location



### Population Served

There are few places in the world where the ideas of currency and cash are recent introductions. In Kongiganak, elders can recount their first experiences with cash money and children can spend this money on goods shipped from elsewhere. The influence of the western economic model has been only partially accepted in this area. The traditional system of trade and barter are still used heavily. Cash as a medium of exchange has not fully taken root among village members.

The community of Kongiganak is largely centered on the school, both with the number of students and as an employer. The remaining sources of employment include services, stores and commercial fishing. Subsistence practices hold much importance in the lives of residents.

In 2004, a survey conducted by the community found the population to be 494, with 97.2% of that population Native (see Table 1 for more population statistics).

Table 1: U.S. Census Bureau 2000 Statistics

Population	
2000	359
1990	294
1980	239
1970	190
1960	0
Income and Poverty Levels	
Median Household	\$33,250.00
Percent Below Poverty	13.80%
Employment	
Percent Unemployment	3.50%
Percent of Adults Not Working	48.30%

### Current Infrastructure

Kongiganak is not on a developed road system. Transportation to and from the village is done by air carriers. The state owns a 2000' gravel airstrip. Arctic Circle Air Service, Grant Air, Hageland Aviation,

Inland Aviation Services, Inc. and Yute Air all provide flight service to Kongiganak, both passenger and freight. Barge service from Bethel and Seattle deliver bulk items and fuel during summer months as well. Within the village ATV's and snowmachines are heavily used for transportation depending on the season. A system of trail markers as guides marks routes to neighboring villages.

Currently, infrastructure development in Kongiganak includes minimal sewage infrastructure and water storage. Treated surface water is hauled from the washeteria for community use. Portable toilets are collected and hauled to the sewage lagoon, passing through a pre-treatment plant first. Homes in Kongiganak are not currently plumbed. Several projects are underway or recently completed to rehabilitate or develop a new water source, water treatment facility, washeteria and sewage lagoon.

The landfill is operated by the Traditional Council.

Kongiganak has a newly constructed health facility, Lillian E. Jimmy Memorial Health Clinic. Emergency service is provided by a health aide.



Map I. Area Use Map, Kongiganak



**Notes**

MAR 2003  
This map was prepared by Coastal Village Region Planners in cooperation with the Alaska Department of Community Development and Regional Development. Community Planning, Design, Construction, and Public Works. The information on this map is for informational purposes only and does not constitute a contract. The information on this map is for informational purposes only and does not constitute a contract. The information on this map is for informational purposes only and does not constitute a contract.

**AREA USE MAP  
KONGIGANAK**

69° 07' 25" N 152° 02' 52" W (NAD 83)  
Approximate Elevation: 50'  
Township 2 South, Range 19 West, S.M., AK  
U.S.G.S. Quadrangle "KUSKOOWIM BAY D-3", Alaska  
SETHREE, RECORDING DISTRICT

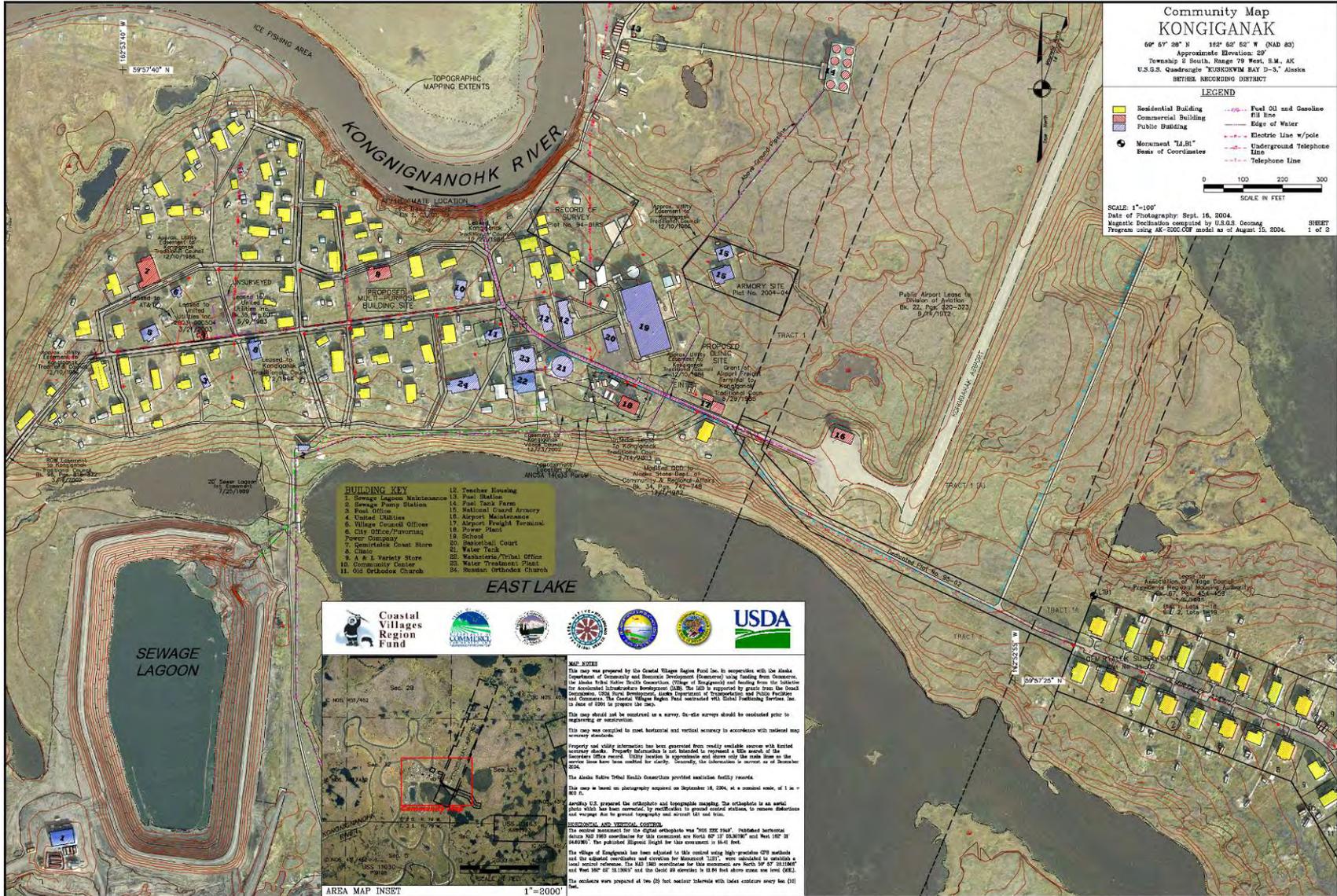
SEE SHEET I FOR DETAILED COMMUNITY MAP

0 400 800 1200  
SCALE IN FEET

SCALE: 1"=400'  
Date of Photography: Sept. 16, 2004  
Magnetic Declination computed by U.S.G.S. Geomag.  
Program: using ARC-2000.COPY model as of August 16, 2004.

SHEET  
2 of 2

Map 2. Community Map, Kongiganak



## 03: FACILITY PROGRAM & DESCRIPTION

### Facility Program: Elements

The development of the multi-use facility is planned in two phases. The first phase of development will include the following elements:

<b>PHASE I:</b>
Tribal Youth Coordinator office (2 workers)
ICWA office (1 worker)
Utility Office (2 workers)
Tribal Administration (4 workers)
Contract Post Office
Community meeting space / Youth Center
Computer lab and community library
Kitchen



The proposed facility will house the functions listed above. This includes office space for nine community workers. Not included in this list but mentioned at the community workshop is space for the housing administrator and the drug and alcohol counselor.

The post office is one of the most important functions to include in the multi-use facility, according to views shared at the community workshop. Currently, Kongiganak is served by a post office operated by a local contractor. This operation is housed in a small, poorly constructed old house that is difficult to heat and is very small. The existing facility is wholly inadequate. However, the United States Postal Service is not currently developing new post offices in rural Alaska villages according to discussions with the USPS Facility Regional Specialist for Alaska. The ideal solution would be to work with the postal service to construct a post office as part of the multi-use facility. This would require the postal service changing the status of Kongiganak from a contract post office to one managed directly by the postal service. According to research conducted as part of this business planning process that is unlikely to occur.

There are a number of ways to approach this issue. One option is to lobby both state and federal legislators to convince the postal service to change Kongiganak's status and to construct a new facility as part of the multi-use facility. This could be a lengthy process and could potentially delay construction of the facility.

The recommended option is to include space for the contract post office within the multi-use facility. This would require some additional square footage to devote to this purpose. It would

also likely require some subsidy for operation costs, as the contract post office will only be able to pay approximately \$300 per month for lease space. The importance of this function to the community, however, warrants subsidy by tribal operations to include it in the new center.

The community meeting space is approximately 600 square feet (see Figures 2 & 3). This space will be used for community meetings, council meetings and other community functions. This use will be intermittent. This space can also be used as a youth center. For this purpose the space should include games and equipment for recreation, however, if the space will serve both functions the equipment for the youth center will need to be moveable. Another option would be to renovate another of the vacated spaces for use as a youth center. Providing adequate supervision, however, would be important if the youth center was housed in a separate facility.

A computer lab and community library would be housed on the second floor in space number 208 (See Figure 3). This would be a quiet space that would need to be open to the public with supervision and secured when not in use.

The kitchen included in the 65% design is fairly small and will serve well for preparing small meals or as a warming kitchen for larger functions. If possible, this kitchen could be enlarged in order to provide space for preparing meals as fundraisers, an idea shared at the community workshop. The kitchen is adjacent to the community meeting / youth center space.

The gross square footage for Phase I is 4013 square feet. This phase will use the completed 65% design as the basis for development. This phase will also include renovating an existing facility to house the village public safety office, holding cell and volunteer fire department.

Phase II can include an additional wing for the facility that will include the following elements:

<b>PHASE II:</b>
Head Start (requires 35 SF per child @ 15 children)
Arts & Crafts workshop
Outdoor play area (adjacent to Head Start) (requires 75 SF per child @ 15 children) - 1200 SF

A Head Start classroom is a desired program element that could be included in an additional wing of the multi-use facility. Kongiganak does not currently have a Head Start program. This is an early childhood program that provides pre-school enrichment classes to 3-5 year olds. Two entities operate Head Start programs in the Yukon-Kuskokwim region, the Association of Village Council Presidents and Rural CAP. In order to begin the process of developing a Head Start program to serve the village, the council should apply in writing to either entity. A community assessment is required, to assess the number of children that will likely attend. Developing a classroom entails following the space requirements of the federal program, under the guidance of the entity sponsoring the program. The interior space requirement for a Head Start classroom is 35 square feet per child, with an average occupancy of 15 children. This would require a space of approximately 600 square feet. In addition, the space must have adjacent outdoor space for outdoor play that provides 75 square feet per child, which would require a total of 1200 square feet. If a program was created for Kongiganak, this tenant would be able to pay a monthly lease for the space.

Community meeting participants voiced strong support for an arts and crafts workshop to be included in the facility. The current 65% design does not include space for this use. This workshop would provide space for traditional activities such as skin sewing, beading, carving, and woodworking. Some participants supported including a crafts store, however, most artists currently sell their work out of the community, in Bethel and Anchorage. Support could be provided to increase use of the Internet for arts and crafts marketing. Some participants would also like to see a music recording studio included in this space. There is no revenue projected to be generated by this space, so subsidy would be required from other tenants.

## **Facility Concept Design Documents**

The 65% design documents are included on the following pages. Phase one development can be accommodated within this design. Phase two development does not yet have a design completed, nor are agreements in place with prospective tenants.

Figure 2. First Floor Plan

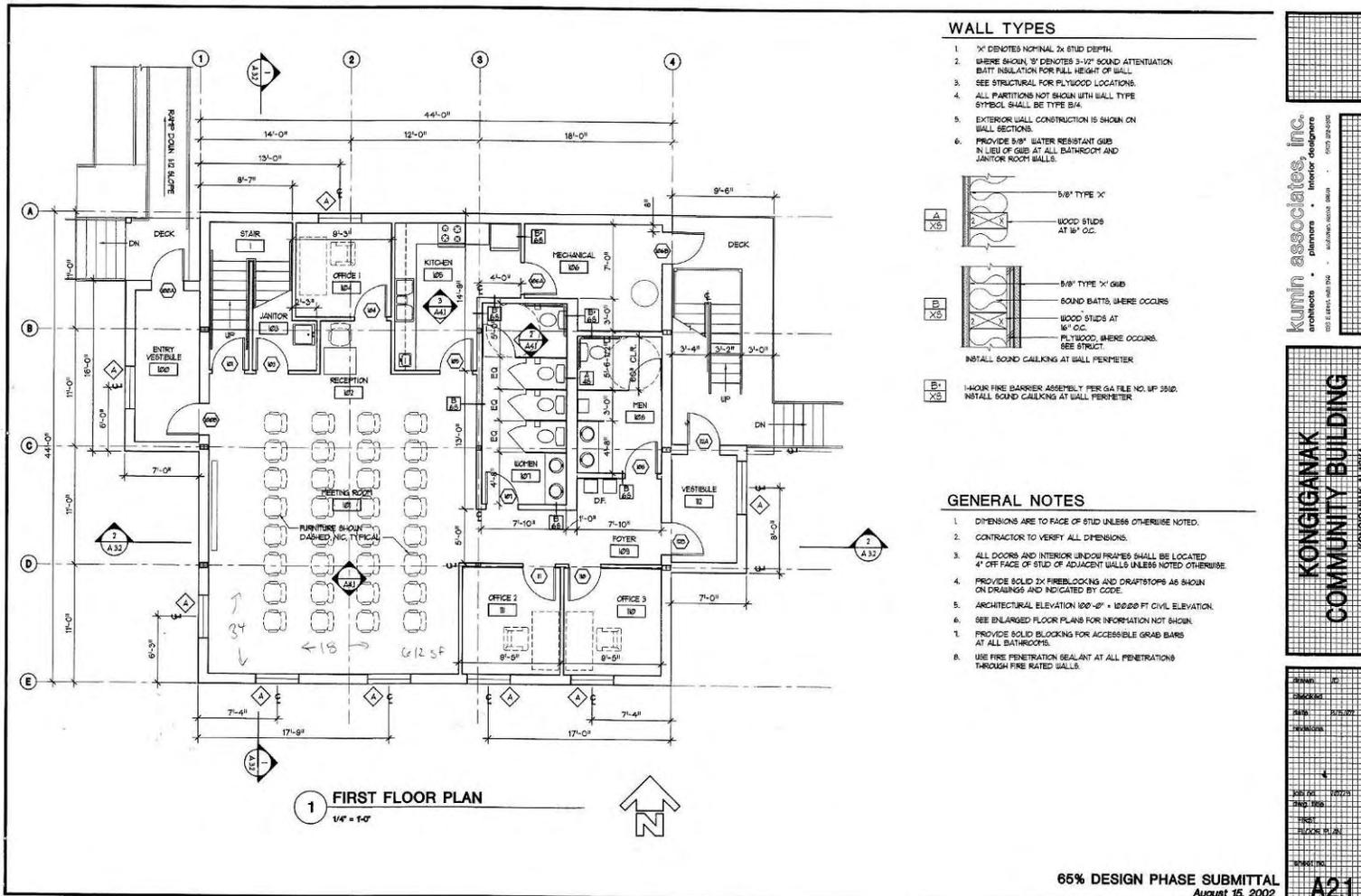
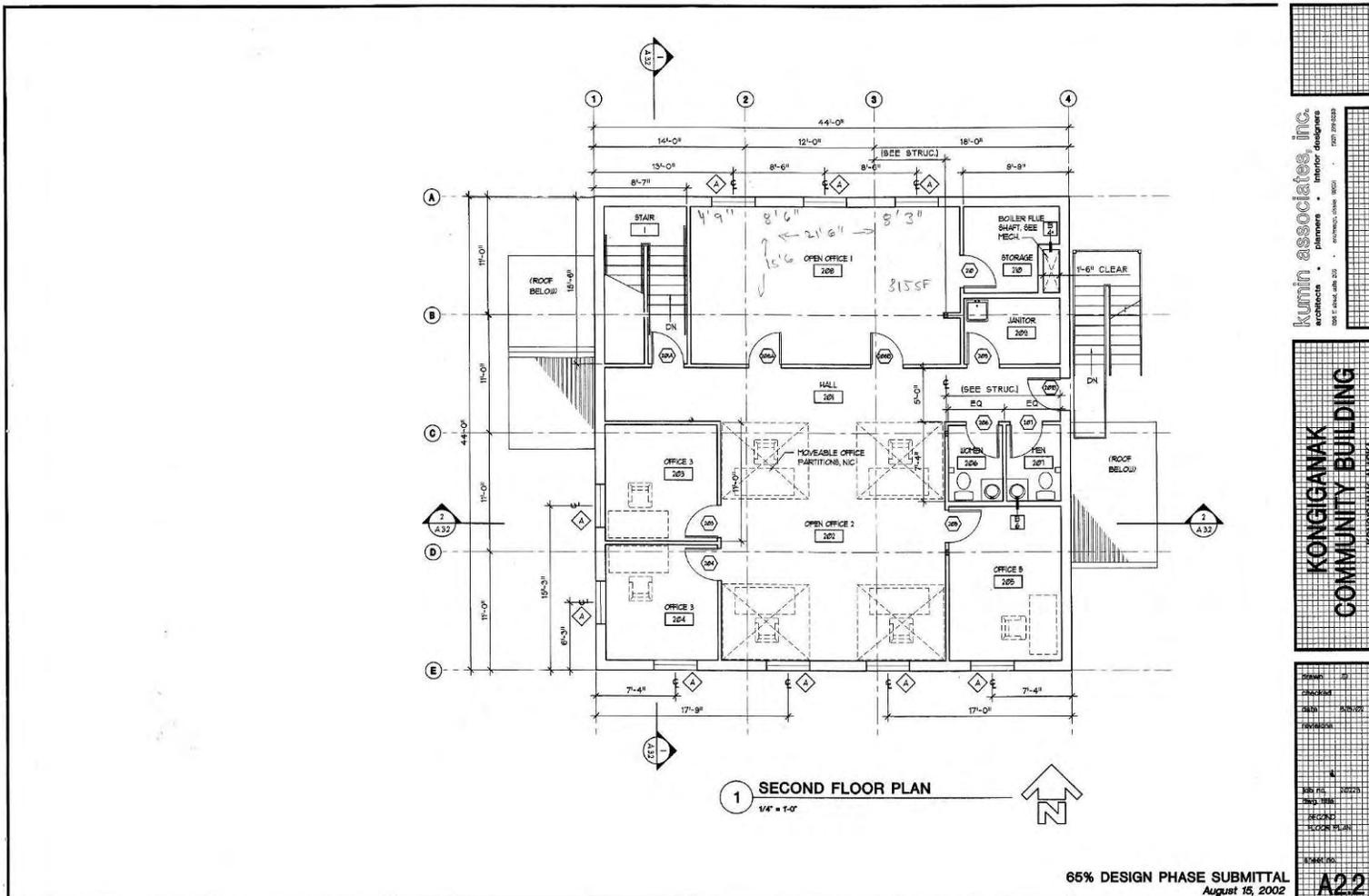


Figure 3. Second Floor Plan



## 04: LEGAL AUTHORITY & ISSUES

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### Ownership

The multi-use facility is being developed by the Kongiganak Traditional Council and will be owned and operated by the council.

The site was identified by the Traditional Council for a community building and is located near electric and future water lines. The site for the multi-purpose facility is held by the village corporation, Qemirtalek Coastal Corporation. The corporation will negotiate with the tribe to secure a 30-year lease for the site.



### Ordinances Related to Facility Construction

Not applicable.

### Special Permits, Licenses and Regulation

None known at this time.

### Management Structure

#### Organizational Chart

See Figure 4.

#### Key Personnel

The facility will be managed by the Tribal Administrator. This position currently manages other facilities owned by the Traditional Council. No further training is required for this position.

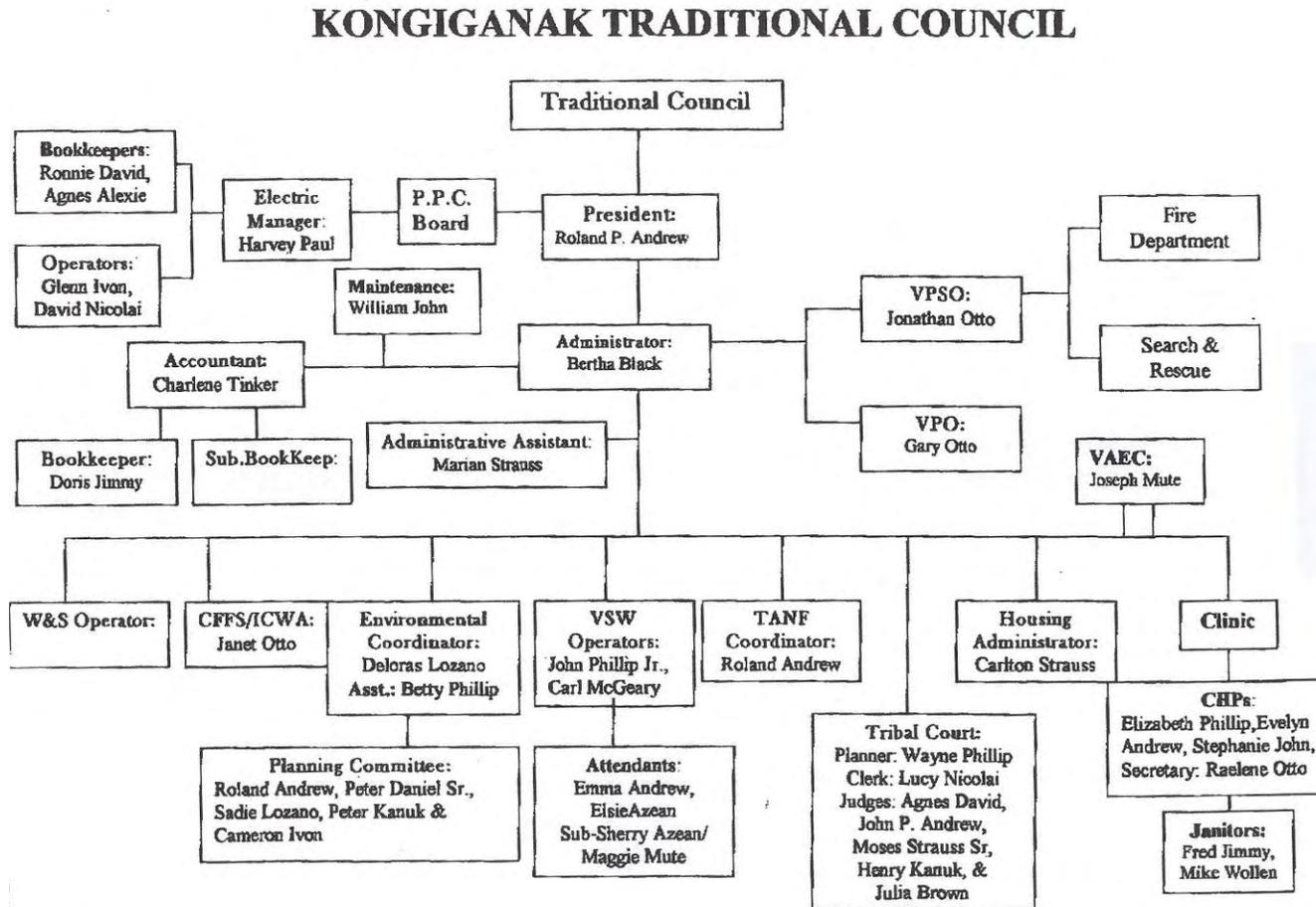
Janitorial services will be provided by the janitor that currently maintains council facilities. No further training is required for this position.

Facility maintenance will be provided on a periodic basis by janitor.

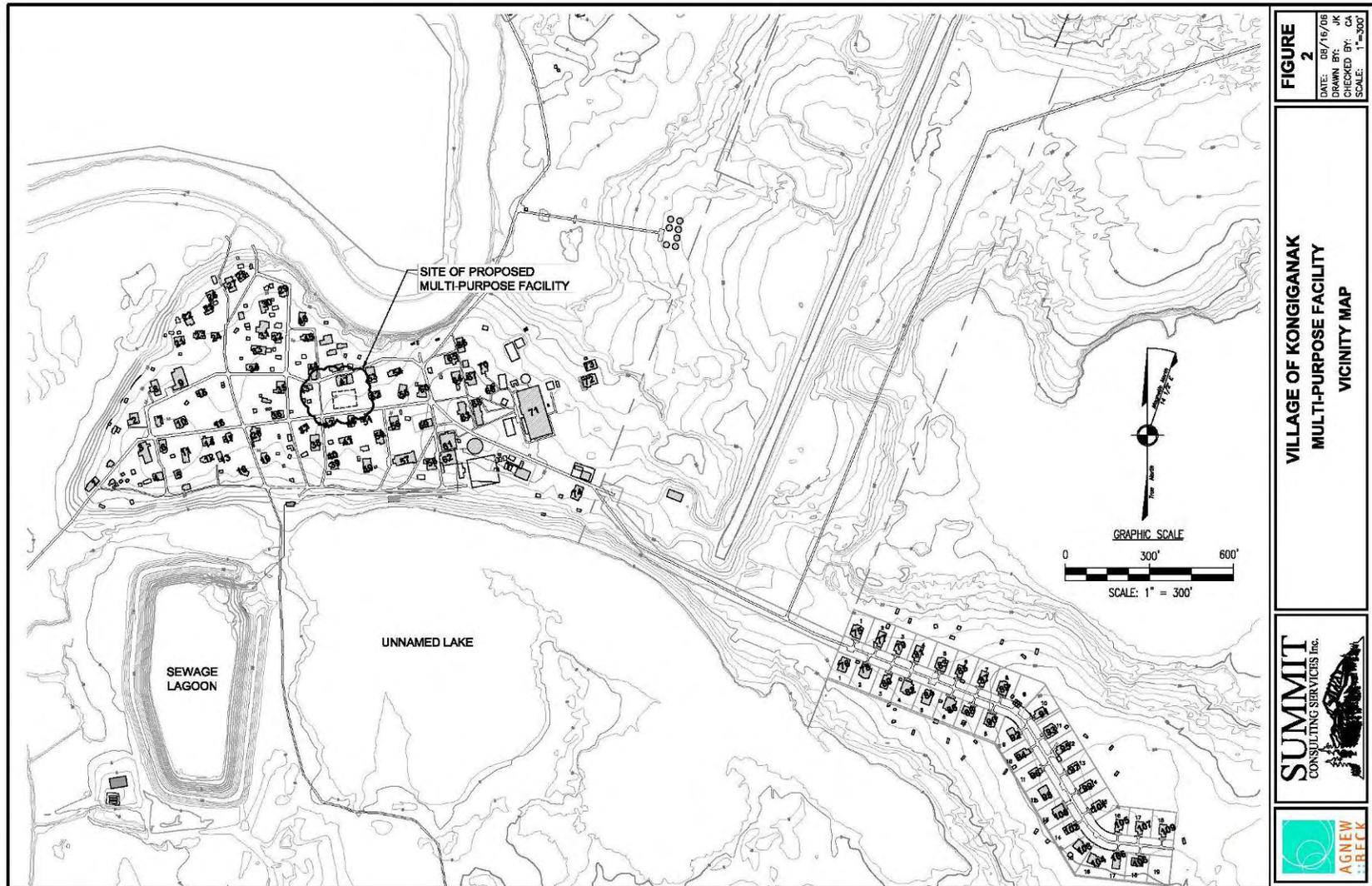
### Facility Site Selection

At the outset of the planning process the Kongiganak Traditional Council had already chosen a site for a Multi-Purpose Facility. The site is very well-suited for a public use building and there are no other available locations in the community that are as well-suited.

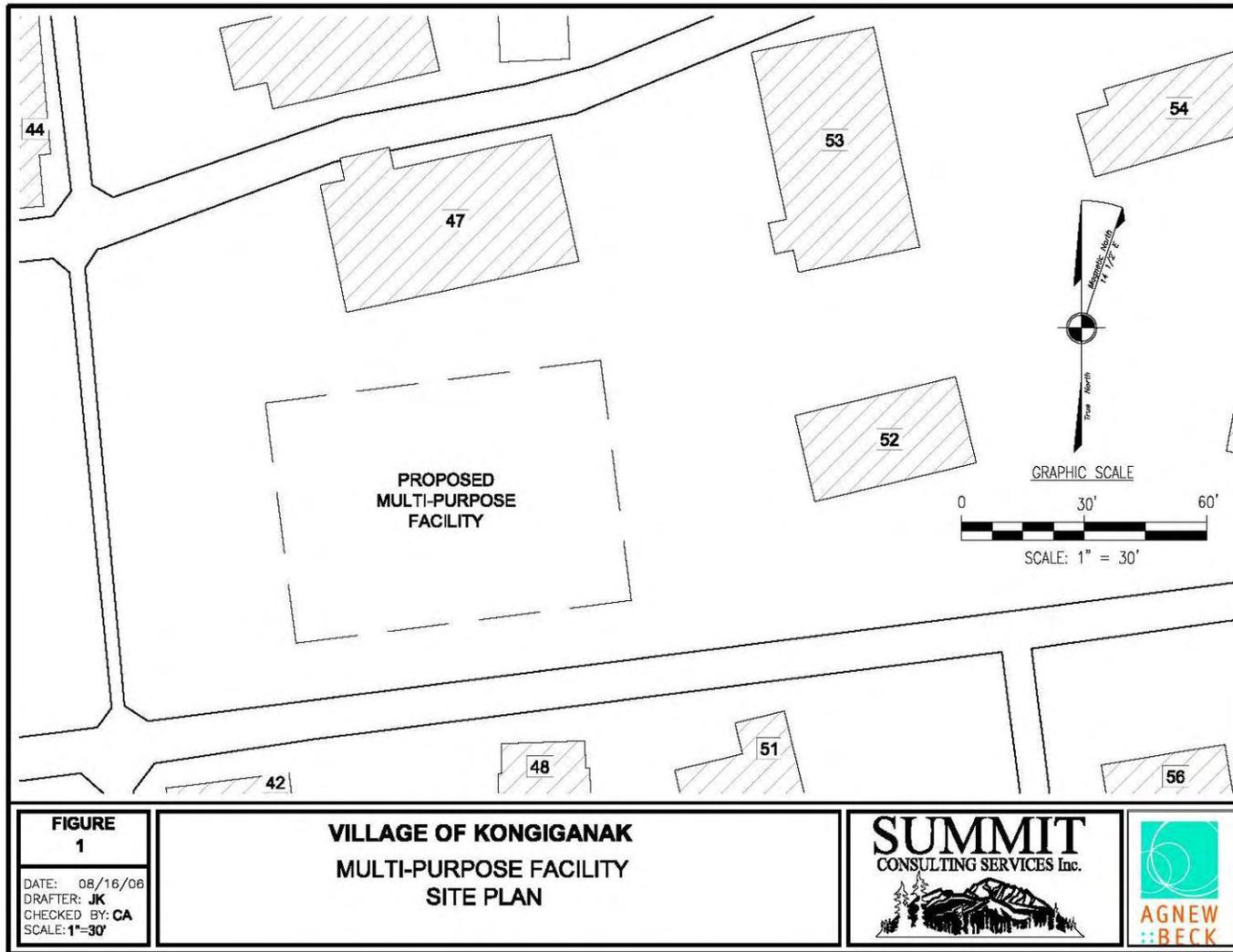
Figure 4: Kongiganak Traditional Council Organizational Chart



Map 3. Proposed Site, Regional View



Map 4. Facility Plan, Local View



## **Proposed Site – Access, Utilities, Ownership**

The site is centrally located in the community, just south of the A&L Variety Store, 400 feet from the washeteria, and 600 feet from the school. It is on the north side of one of the primary east-west boardwalks.

Utility poles carrying overhead electrical, phone, and cable are located along the boardwalk immediately south of the site. Currently the only buildings with piped water and sewer in Kongiganak are the water plant, the washeteria, and the school. A community water haul and piped vacuum sewer system are in the design stage and services to the site are planned.



## **Site Control**

Most of the surface property in Kongiganak, including the site, is owned by the Village Corporation, the Qemirtalek Corporation. The property for public use facilities such as the water plant, washeteria, and water storage tank has been transferred to the Kongiganak Traditional Council. It is anticipated that a similar transfer, from the Village Corporation to the Traditional Council, will take place for the Multi-purpose Facility. A member of the Corporation Board of Directors who sits on the Traditional Council has indicated a willingness by the Corporation to take this action.

## 05: FINANCE: OPERATIONS

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### Facility Operations Revenue & Expense

The following spreadsheets summarize the existing and projected revenue and expense for the Kongiganak Traditional Council. Projected revenues and expense include a proposed budget and expenditures related to phase one of the facility. In the proposed budget the Traditional Council has contracts for \$559,183 in revenues. Assuming the proposed facility is built, expenses will total \$321,347 for personnel and administrative costs, \$65,445 in facility operations and maintenance and \$15,742 in contributions to replacement and reserve accounts for a total of \$402,535 in expenses. This leaves a significant surplus in case some programs are short funded or other eventualities arise.



### Summary of Costs – Proposed Facility

#### Annual Staffing Costs

Staffing costs include eight hours per week of janitorial service at \$15/ hour plus 35 percent fringe rate, and one annual maintenance visit for equipment and facility maintenance of \$2,500, for a total annual personnel cost of \$10,924. This cost is included in the expense budget for the proposed facility.

#### Annual Facility Costs

Facility costs are calculated on a per square foot basis, based on the facility costs of the recently constructed washeteria. Utility costs for this facility were calculated at \$9.35 per square foot per year. For the proposed facility of 4,016 square foot the annual utility costs are projected to be \$37,550 annually, which includes water and sewer, heat and electricity. Facility insurance is also included at an annual cost of \$12,000, based on existing insurance costs.

#### Repair and Replacement Contributions

Repair and replacement contributions are included in two categories. Annual contributions to cover the boilers, furnaces, water heaters, furnishings and other equipment are projected to be \$10,716. Annual contributions to cover eventual facility replacement are projected to be \$5,026 for a total contribution of \$15,742 (See Figure 7).



## Summary of Projected Revenue

### Revenue Generating Uses

#### Full-time Tenants

All of the tenants of the facility, except the contract post office, are programs operated by the Traditional Council, the owner and manager of the facility. Lease payments will be made out of facility line items in each program budget, as summarized in the attached spreadsheet. A lease agreement will be negotiated with the contract postmistress for approximately \$300 per month. This is the payment that matches current expenditures for the sub-standard facility that currently houses the post office.

#### Short-term Space Rental

A small amount of revenue may be generated from community use of the meeting space, however, this is difficult to project and is not expected to be significant and is therefore not included in the revenue projections.

### Non-revenue Generating Uses

Many of the activities to be housed in the facility will not generate revenue but will significantly enhance community life.

#### Youth Center

One of the most important functions supported by the participants of the community workshop is the youth center. Youth in Kongiganak do not currently have a place to safely congregate. A youth center would provide a space for much-needed recreation and gathering. Youth could also contribute to the center by hosting fundraisers, helping with janitorial and maintenance duties and hosting community events.

#### Community Meetings

Community meetings such as the traditional council, village corporation board and shareholders, gatherings for social events, voting and other community functions currently lack adequate space in Kongiganak. This facility will provide a safe, sanitary and well-heated space for community events.

#### Community Library and Computer Lab

There is currently no community library in Kongiganak, other than the school library which is not open year round. Also, the council currently offers community access to computers and the Internet. The purpose of this program is to increase access to education and economic development opportunities using the World Wide Web. These functions will both be housed in the proposed facility in a secure space, which will greatly increase community access to these services.



Figure 5. Revenues

Current Fiscal Year		
Revenue Sources		
Item	Contracted	Proposed
<b>Earned Income</b>		
AVCP - Tribal Operations	\$85,000.00	\$85,000.00
BIA Compact - Indian Self- Determination	\$2,800.00	\$2,800.00
BIA Compact - Transportation Plan	\$102,589.00	\$102,589.00
Revenue from Power Company		
Safewater Corporation Revenues	\$55,094.00	\$44,632.00
AVCP - ICWA	\$25,971.00	\$6,273.00
Federal Contract - EPA/IGAP	\$110,000.00	\$110,000.00
State Contract - TANF		
AVCP - Housing Improvement Fund	\$44,396.00	\$26,649.00
Federal Contract - Clinic	\$26,693.00	\$21,469.00
AVCP - Summer Youth Employment	\$10,000.00	\$4,810.00
Rental Income	\$38,697.00	\$39,000.00
Taxes & Fees	\$16,049.00	\$16,000.00
Recreational Income	\$4,450.00	\$4,450.00
Administrative revenues	\$8,444.00	\$8,500.00
Other	\$9,380.00	\$9,000.00
<b>Subtotal Earned income</b>	<b>\$539,563.00</b>	<b>\$481,172.00</b>
<b>Grants</b>		
State of Alaska Grants		
Federal Grants		
ANHB - Solid Waste Management	\$12,000.00	\$12,000.00
ANA - Tribal Court	\$79,477.00	\$66,011.00
Partnerships		
Other		
<b>Subtotal Grants</b>	<b>\$91,477.00</b>	<b>\$78,011.00</b>
<b>In-kind (cash replacement)</b>		
Maintenance & Janitorial labor		
Food & Supplies		
Utilities		
Other		
<b>Sub-total In-kind (cash replacement)</b>	<b>\$0.00</b>	
<b>Total Revenues</b>	<b>\$631,040.00</b>	<b>\$559,183.00</b>

**Notes**

Based on 2004 Audit  
 Does not include capital programs: water & sewer 1 & 2; boardwalk project; fire department; state revenue share  
 Does not include 'supplies & construction materials' other than for general government  
 Proposed budget does not include construction supplies line items

Figure 6. Expenditures

Expenditures		
Item	Current Fiscal Year	Proposed Budget
Salaries & Benefits	\$ 59,296.00	\$ 61,074.88
Personnel	\$ 154,439.00	\$ 159,072.17
Supplies	\$ 10,983.00	\$ 10,000.00
Travel & per diem	\$ 63,449.00	\$ 45,000.00
Camp rent	\$ 5,600.00	\$ 5,600.00
Administrative fees	\$ 7,735.00	\$ 7,000.00
Professional fees	\$ 21,688.00	\$ 15,000.00
Training/ Professional Development	\$ 4,098.00	\$ 4,000.00
Communications		\$ 9,600.00
Other	\$ 19,915.00	\$ 5,000.00
<b>Subtotal Other</b>	<b>\$347,203.00</b>	<b>\$ 321,347.05</b>
<b>Facility Operations &amp; Maintenance</b>	<b>Existing Facility</b>	<b>Proposed Facility</b>
<b>Facility Expense</b>		
Facility Expense	\$ 91,551.00	\$ 37,521.55
Janitorial		\$ 8,424.00
Repairs & Maintenance	\$ 1,684.00	\$ 2,500.00
Insurance	\$ 12,514.00	\$ 12,000.00
Equipment	\$ 8,022.00	\$ 5,000.00
<b>Facility Subtotal</b>	<b>\$ 113,771.00</b>	<b>\$ 65,445.55</b>
<b>Repair &amp; Replacement Reserve</b>		
Facility		\$ 5,026.00
Equipment		
Boilers & Furnaces		\$ 416.67
Water Heaters		\$ 425.00
Computers		\$ 1,875.00
Other Equipment		\$ 3,000.00
Furnishings		\$ 5,000.00
<b>Subtotal Repair &amp; Replacement Reserve</b>	<b>0</b>	<b>\$ 15,742.67</b>
<b>Total Expenditures</b>	<b>\$ 460,974.00</b>	<b>\$ 402,535.27</b>
<b>Revenues Less Expenditures: Surplus (Deficit)</b>	<b>\$170,066.00</b>	<b>\$156,647.73</b>

Proposed facility figure is based on a utility costs for washeteria building in Kongiganak: \$9.35 / sf x 4013 sf  
Based on 8 hours per week at \$15/ hr plus 35% fringe

Figure 7. Repair and Replacement Reserve  
**Repair & Replacement**

	<b>Total Cost</b>	<b>/ Useful Life (yrs)</b>	<b>Annual Cost (\$)</b>	<b>Notes</b>
Facility	\$ 5,026.00		\$ 5,026.00	From Capital replacement tab
Equipment				
Boilers & Furnaces	\$ 12,500.00	30	\$ 416.67	
Water Heaters	\$ 8,500.00	20	\$ 425.00	
Computers	\$ 7,500.00	4	\$ 1,875.00	
Other Equipment	\$ 15,000.00	5	\$ 3,000.00	
Furnishings	\$ 50,000.00	10	\$ 5,000.00	
<b>Total Annual Contribution to Repair &amp; Replacement Reserve</b>			<b>\$ 15,742.67</b>	

Figure 8. Capital Replacement Worksheet

### CAPITAL REPLACEMENT WORKSHEET

**Enter the appropriate cost information only in the *WHITE* cells.  
 The *BLUE* cells will automatically be calculated.**

Capital Replacement Expense		
Facility Cost:	<b>\$2,136,512</b>	
Inflation Rate:	1.5%	
Expected Life in Years:	30	
Future Value of Facility (Cost with inflation):	<b>\$3,339,540</b>	(formula for future value of an asset)
Percent Local Cash Required for Replacement:	10%	
10% Capital Replacement Amount:	<b>\$333,954</b>	(future value multiplied by % local cash required)
Expected Interest Rate:	5.0%	
<b>Annual Capital Replacement Expense</b>	<b>\$5,026</b>	(formula for determining annual capital replacement amount)

Figure 9. Facility Worksheet

Facility Program Worksheet			
Kongiganak Multi-Use Facility			
	ESTIMATED SQUARE FEET	ESTIMATED ANNUAL OPERATING COSTS (facility only)	NOTES
<b>Potential Uses / Tenants</b>		\$ 9.35	Based on existing utilities costs for the washeteria building in Kongiganak.
<b>PHASE I:</b>			
Tribal Youth Coordinator office (2 workers)		\$ -	Existing 65% design has space for 11 workers.
ICWA office (1 worker)		\$ -	
Utility Office (2 workers)		\$ -	
Contract Post Office		\$ -	
Tribal Administration (4 workers)		\$ -	
Community Meeting space / Youth Center		\$ -	
Computer lab and community library		\$ -	This could use the space in the existing design on the second floor, space # 208
Kitchen		\$ -	This is included in existing design in space # 105
		\$ -	
<b>NET TOTAL</b>		\$ -	
ADD 25% FOR CIRCULATION, HVAC+E	0	\$ -	
<b>GROSS TOTAL</b>	4,016	\$ 37,550	
X \$400 / SF	\$ 400.00		
<b>ROUGH CONSTRUCTION COST</b>	\$ 1,606,400		
Total Est Construction Cost	\$ 1,606,400.00		
x multiplier for Est Project Cost	1.33		
<b>Total Est Project Cost</b>	\$ 2,136,512.00		
* HVAC+E = heating, ventilation, air conditioning and electrical			
<b>PHASE II:</b>			
Head Start (requires 35 SF per child @ 15 children)	600	\$ 5,610	
Arts & Crafts workshop	600	\$ 5,610	
Outdoor play area (adjacent to Head Start) (requires 75 SF per child @ 15 children) - 1200 SF		\$ -	
<b>NET TOTAL</b>	1,200	\$ 11,220	
ADD 25% FOR CIRCULATION, HVAC+E	300	\$ 2,805	
<b>GROSS TOTAL</b>	1,500	\$ 14,025	
X \$400 / SF	\$ 400.00		
<b>ROUGH CONSTRUCTION COST</b>	\$ 600,000		
Total Est Construction Cost	\$ 600,000.00		
x multiplier for Est Project Cost	1.33		
<b>Total Est Project Cost</b>	\$ 798,000.00		
* HVAC+E = heating, ventilation, air conditioning and electrical			

## 06: FINANCE: CAPITAL DEVELOPMENT

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### Project Cost Estimate

A full cost estimate will be developed when the design is complete. The estimate included in this business plan is based on a \$400 per square foot rate quoted by the Coastal Villages Region Fund that recently constructed a comparable facility in Kongiganak.

For phase one of the development, with a gross square footage of 4,016 square feet, the construction cost is estimated at \$1,606,400. In general, the entire project cost will be the construction cost increased by one-third, which totals \$2,136,512.



### Capital Development Fundraising Strategy

Potential sources for capital funding with suggested range for funding request include:

- Request for appropriation from the State of Alaska \$250,000
- Request for appropriation from the US Government \$300,000
- USDA Rural Development Community Facilities program \$500,000
- Denali Commission Multi-Use Facility program (if funded) \$750,000
- Indian Community Development Block Grant \$500,000
- Rasmuson Foundation \$350,000
- M.J. Murdock Charitable Trust \$350,000
- Coastal Villages Region Fund \$200,000
- Administration for Native Americans (planning & equipment only) \$250,000



## **07: APPENDICES**

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APPENDIX A: Relevant Sections of Kongiganak Community Development Plan

APPENDIX B: Summary of Public Comment

## Appendix A: Relevant Sections of Kongiganak Community Development Plan

Listing section of this plan. General features of the projects and the actions that may be needed are described in the Project Summary section following the project listings.

The CP committee will recommend the Traditional Council which of these projects rank the highest priority. Priority will be given to projects that meet the Plans goals and objectives and have the greatest likelihood of becoming successful enterprises.

The following goals have been established for the CP and will provide the guidelines for carrying out the CP during the effective term of the plan.

*Goal 1.* Increase the total number of employment opportunities (jobs) for the residents.

*Goal 2.* Develop the public infrastructure within the village to the extent that is able to encourage and support new economic development projects.

*Goal 3.* Promote tribally owned and operated enterprises which will allow the community to be more self-sufficient and less dependant upon outside sources of support and financial assistance.

*Goal 4.* Support opportunities for individual members to pursue their ambitions for owning and operating their own businesses and to successfully start and manage their business ventures.

*Goal 5.* Develop enterprises which will be based in renewable resources and value added processing of these products for export sale.

*Goal 6.* Support economic development projects that target the creation of new career opportunities for young people in the community, reducing the number of people who feel compelled to leave for economic reasons.

*Goal 7.* Encourage marketing strategies, which will promote locally produced goods and services that can be sold in new markets at greater economic benefit to our residents.

*Goal 8.* Increase opportunities for the tribal government to contract with federal and state agencies for managing and delivering programs and services that are presently provided by outside organizations.

*Goal 9.* Clean up Environment.

*Goal 10.* Increase encouragement of our youth to higher education

**New Street Lights:** The TC has submitted a grant application to USDA Rural Development for twenty new streetlights to replace faulty fixtures and to install lighting in areas that do not have lights at this time.

**River Erosion:** The LKSD school buildings are threatened by localized river erosion. In the past, the buildings and boardwalks have been relocated due to erosion. Within the main village, houses are being threatened and other house sites have already been lost to river erosion.

→ **Youth and Community Center:** The youth do not have a place to enjoy recreation and social programs. The community hall was built in the early 1970's and is too small to hold the current numbers of residents for meetings, seminars, gatherings, etc. The center could also be used as a conference or meeting center for training or other activities.

**Kongiganak Lodge:** This business will provide new jobs and revenue by supplying needed visitor accommodations. No commercial lodging is presently available. The lodge may be operated as a tribal or private owned enterprise.

**Government Contracting Initiative:** This would continue the Council's efforts to assume local control and management of services that historically have been provided by outside agencies and organizations. Two BIA services are now contracted to the Tribe. Similar initiatives would allow for contracting education and housing programs and other programs, creating local employment. Some services such as the airport maintenance and Workforce Development have been contracted locally for years. State policy managers and State employee Unions have opposed the idea of contracting out further state services, especially to tribal governments. Policy changes may be forthcoming, in lieu of the State's multi-million budget shortfalls, to contract out services as a cost saving measure.

**Housing:** There are 90 homes occupied of which 35 are AVCP RHA, 7 teacher housings and 48 privately owned houses. There are 9 commercial buildings and 7 facilities. The AVCP RHA has plans to construct four (4) more homes in 2007. The KTC also has decided to directly contracting through BIA for Housing Improvement Program starting 2006 and planning on applying for AHFC's Homeless Assistance Program. This way might be a lot easier to find homes for young homeless families and single parent families who are about to be homeless.

**Small Business Ventures:** Besides large-scale economic development projects, small business hold the potential to create local employment and contribute to the local economy. At the National level, small businesses account for creating 4 out every 5 new jobs. The ratio is probably smaller in Alaska, where citizens have relied on government jobs and spending to fuel the economy. Still the current trend is for a steady reduction of state and federal jobs and spending on local programs.

already exist and need to grow and improve services. Others may exist only in the minds of residents and represent their hopes for future business careers.

All of these projects have been chosen by the committee to be included in the plan because they meet the Plan's general goal of creating local employment opportunities. This in turn will create new careers, new businesses, and improve local quality of life for the entire community. **The list of projects completed are:**

- Laundry Facility.....\$1,300,000.00
- Joint Bulk Fuel Tank Farm.....\$3,833,340.00
- Electric Utility Upgrade.....\$3,100,000.00
- New Street lights.....\$5,325.00
- New Boardwalks-BIA.....\$2,400,000.00
- Water Source and Pretreatment.....\$1,164,000.00
- Phase II Sewer.....\$2,811,900.00
- AVCP RHA Single Family Homes.....\$450,973.00
- Indian Housing Block Grant.....\$195,351.00
- Play deck.....\$26,316.00
- Winter Trail Marking.....\$13,473.00
- New Street Lights.....\$5,325.00

**The list of future Projects selected are:**

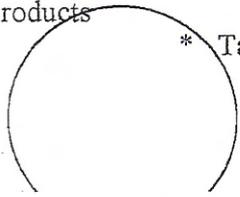
- Art & Crafts Studio and Marketing Cooperative
- Upgrade / replace Home foundations
- Water and Sewer Improvements
- Tribal Court
- Home Renovations
- Boat Harbor-Dock / Dock facility
- Public Sauna / Steam house
- Upgrade/Enlarge Churches and New Mission House
- New School
- New Clinic
- Wind Generation
- Swimming Pool
- Environment Program
- Landfill / Burn Box



- Electric Outside Plant Upgrade
- Multi-Purpose Building
- River Erosion Control
- Youth and Community Center
- Kongiganak Lodge
- Day Care Center
- Airport Extension / Improvement
- Door and window replacement
- Business Center
- Senior Citizens Housing
- Government Contracting Initiative
- Job Creation Programs

**Business Ideas:**

- \* Engine Repair Shop
- \* Welding Shop
- \* Boat making venture
- \* Variety Store
- \* Fast Food
- \* Woodworking Shop
- \* Clothing Store
- \* Natural / Herbal Products
- \* Hair Salon
- \* Tannery



## Appendix B: Summary of Public Comment

### MEMO

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**TO** Bertha Black  
Council members

**FROM** Thea Agnew Bemben, Agnew::Beck

**DATE** September 16, 2006

**SUBJECT** Questions to address in teleconference this afternoon – Kongiganak Multi-Use Facility

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Dear Bertha,

We are looking forward to meeting with you and members of the council this afternoon at 2:30 pm by phone. Below is a preliminary list of questions to explore in the phone meeting, based on an initial meeting we had with Chris Allard. I hope we can also take some time for you to help us understand the history of this project and what your specific goals are for our work together. I have also attached a blank spreadsheet that we will use to look at the expense and revenue for the facility. Looking forward to talking this afternoon.

Thea

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- Project History – Bertha and Council
- Project goals
  - Develop a concept for the multi-use facility that will meet community needs and that will be affordable and sustainable to operate
  - Develop a business plan that communicates the project concept to funders and ensures sustainability
  - Others?
- Starting questions:
  - Does Kongiganak have a community plan? What year was it completed? Has it been submitted to DCCED? Can we get a copy of it?
    - Does the community plan list this project as a priority?
  - Existing washeteria building:
    - Does the washeteria break even or make money each year?
    - Does the council pay rent for its space in the building?
    - Does the council plan to move its offices to the new multi-use facility?
    - Does the council have enough funding to pay for the operation and maintenance of the washeteria building and the new multi-use facility?
  - Proposed multi-use facility:
    - The floor plan produced by Kumin for the 65% design includes office and meeting space. Which programs will be housed in the facility?
    - What other users might be included? In order for this facility to be considered 'multi-use' we need to expand the range of activities included in the facility.

- Which of these other users will be able to pay for their space and therefore generate revenue for the facility to cover operations costs? Please see attached spreadsheet to see format for calculating operation expenses and projected revenue.
    - How would the council like to re-configure the space in the facility? Can the 65% design be amended to reflect these changes?
  - Which funders have the council secured funding from in the past?
    - ICDBG, Denali Commission, private foundations?
    - What projects did these entities fund and for what amounts? Are any of these grants still active or are they all closed-out?
  - What issues, if any, are there with the site proposed for the new facility?
    - Site control in place?
    - Utilities to or near site?
    - Location close to potential users of the facility and other facilities?
    - Others?
  - Design issues:
    - Does the council have any funding to update the 65% design that Kumin has worked on?
    - Does the council have funds to pay for a cost estimate based on the updated 65% design?
  - Next Steps:
    - Visit to Kongiganak:
      - We would like to schedule a work session with the council to go through the spreadsheet and work out the specifics of the concept for this facility.
      - We suggest that including an informational meeting with the community might be beneficial. This could coincide with a community potluck and would serve to let people know about the project and solicit their input. Both the work session and the community meeting could be included in one two-day visit.
      - When would be a good time for the visit? We would be bringing two people from A::B (plus Thea's baby son, Noah).
    - Project schedule:
      - Once we have a date for the meeting and have pulled together background information, we can set a date for writing a first draft for the council's review.
    - Other issues?

## Traditional Council Meeting

Attendees: Harvey Paul, Cassius, Roland, Bertha Black, Chris Allard, Thea, Tomas

## Discussion with Cassius prior to beginning of meeting:

- The council owns several building in the community but wants to collect them in one facility to cut down on costs.
- Buildings owned include VPSO (office and holding cell), Power Company, YKHC (outpatient), ICWA, Volunteer Fire Dept.
- A village clinic is slated for construction next fiscal year in the vicinity of airport

## Meeting:

- Intro by Chris.
  - o Water & Sewer project, funded by Village Safe Water is now a completed planning document.
  - o House Assessment – description of/layout of community houses to determine readiness to switch over to water/sewer.
- The goal of the work is to balance the community wants with what is fiscally feasible.
- Goals of Facility
  - o Cost-effective and energy efficient
  - o Having services all in one place for elders
  - o 'one-stop shopping'
  - o Job creation from the construction
  - o Possibility of space for opening up future programs, projects, and services (e.g. Head Start)
- Vision of Facility
  - o Efficiency
  - o Business and community space
  - o Multi-use (community space and place for youth)
    - Community computers are located in another building
  - o Self-sustainability (e.g. proceeds go to paying utility)
  - o Place to for people to connect
  - o Accessible
  - o As more programs are attracted, make people more aware of them
- There is strong demand for open places in community
- AV equipment wanted in new facility
- The current village meeting place in the community, with 2 offices, is about 800 sq. ft., leaving approx. 600 ft for meeting space.
- The school is a larger space, approx. 1400 sq. ft.
- Building aspects:
  - o Sloped roof
  - o Vinyl or metal siding to make wood last
  - o Handicapped accessible, maybe to 2<sup>nd</sup> floor
  - o Skylights

- Windows
  - Nice atmosphere
- Expense worksheet:
  - Need for offices/space
  - Sales tax currently pays for VPO
  - Worried about requirement for Denali Commission that stipulates that multi-use buildings have health and safety as part of the services
    - Kong. Should not tailor construction to this grant as there may not be funding for it in the future, should create a building the community wants.
- Site Control – corporation is willing to have 30/40 year lease for site for free/low cost
  - Corporation also willing to pay for utilities
  - The site has been approved in general meetings, can be found in minutes to meetings.
- “When it benefits the village, we’re generous.” Cassius
- Discussion of different/additions spreadsheets/costs
- Discussion of state requirements and why they require money to be set aside for building replacement, onerous requirement
- Larger question is if the community can afford building
- Community can support the building but if require R&R it is much more difficult
- Community does have money from VPSO expansion saved, can be used for match
- Potential for in-kind contribution of land by the corporation
  - Could be valued for match
- Community has request to include Multi-Facility building for states FY07 budget
- Council meets 1<sup>st</sup> Thursday of every month
  - Get info back to them in time for this.

#### Tasks:

- Follow up on Post Office – get contact name to Bertha.
- Check on construction cost for the Fisheries Building CVRF, constructed by Paug Viq Ltd.
- Find out facility requirements for Head Start

Present:

Thea Agnew Bembem, Tomas Jensen, Agnew::Beck  
Chris Allard, Summit Consulting  
See sign-in sheet for community members – 34 members signed in

- What should the community building be?
  - A place for kids
    - Games, computer games, movies, theatre, pool, teen center, computer lab, playroom for younger children
  - Meeting place for council
    - Monthly meetings, larger community meetings, teleconference equipment
  - Cultural activities
    - Skin sewing, beading, furs, arts & crafts, carving, craft store (most items now sold in Bethel and Anchorage), internet sales for arts & crafts
    - Workshop for woodworking, music recording studio
  - Corporation office
  - Kitchen & bathrooms
    - Community gathering space for meals
  - Utility office
  - Post office
    - 400-600 s.f. area, designed by US Post Office, Post Office would do interior planning IF they committed
    - Would need to negotiate a 'reasonable' rent
    - 1<sup>st</sup> floor location is preferable and would need a secure entrance
  - Maqii
  - Community library
  - Café/food shop
    - Fundraisers, raise money for building
  - VPSO office space & fire department (to another older building)
    - VPSO office and holding cell
    - Equipment storage
  - ICWA & Alcohol counselor
    - AVCP rent space
  - Housing administrator
  - Small engine repairs shop (to another building)
  - Computer lab
    - Homework club working with school
  - Weight room
  - Pre-school/kindergarten classroom
- Goals for building
  - More offices closer together
  - Create space for VPO, VPSO, holding cell & volunteer fire department
  - Create space/use other space for small engine repair (e.g. community hall, CVRF)
- Physical presence/Building character
  - Waste heat transfer

- 2 story building with open loft space for offices
- Fire alarms
- Parking area
- Meet building codes
- Convenient location – in middle of village
- Decrease operation costs
- Rain water collection and storage
- Nice big windows on south side
- Solar panels on roof
- Handicapped accessible
- Surveillance cameras – night watchman
- Accessible for elders
- Air conditioned in summer



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