

RATIONALE AND REASONING

Background

In June 2013, the Diplomacy Building at 4500 Diplomacy Drive, Anchorage, AK was sold to the Alaska Native Tribal Health Consortium above Fair Market Value (“FMV”). This sale unlocked millions of dollars in accumulated equity that helped leverage the purchase of the Bragaw Office Complex (BOC), a commercial income producing property in a strategic location relative to the UAA campus. Three facilities comprising the BOC on the 1800-1900 block of Bragaw Street, Anchorage, AK were purchased by UA FLM in late June 2013 under FMV. Included in the Board’s June 13, 2013 approval for purchase of the buildings was financing for capital projects including this one which is now advancing through the normal approval steps. Completing this project was a fundamental component to the overall strategy of purchasing BOC below FMV and using some of the savings to address various long term operating and market position issues. It is critical that BOC ma

Project Impacts

Affected Areas will be temporarily vacated if necessary to allow for the work. Minor construction noise, certain odors and limited access to affected areas may occur throughout the duration of the project. The exterior site work will be staged to allow for sections of the parking lot to be closed while they are being repaired to minimize the impact on the tenants. BOC#3 is currently vacated and will be undergoing renovations over the next year which makes this the optimum time to have the mechanical systems off-line and allow for the AC condensing unit to be replaced. The office space in BOC#1 to be reconfigured is currently vacant and will have minimal impact on adjacent tenants.

Special Considerations

None.

Total Project Cost and Funding Sources

<u>Funding Title</u>	<u>Fund Account</u>	<u>Amount</u>
BOC rent income	TBD	\$1,100,000
Working Capital Loan	TBD	\$1,000,000
Total Project Cost		\$2,100,000

Annual Program and Facility Cost Change Projections

This project will repair and renovate existing facilities and is not expected to change the current program and facilities costs. The repairs are needed to keep the facility in a marketable condition to ensure positive revenue generation.

Project Delivery Method

Design-Bid-Build

Project Design Team

Rod P. Kinney Associates, Inc. – Civil Engineer
McCool, Carlson and Green - Architect, Inc.

Affirmation

This project complies with Regents Policy.

Supporting Documents

- One-page Project Budget
- Drawings
 - Site Plan
 - Floor Plan BOC #1 – First floor

Approvals

The level of approval required for FPA shall be based upon the estimated TPC as follows:

TPC > \$4.0 million will require approval by the board based on the recommendations of the Facilities and Land Management Committee (FLMC).

TPC > \$2.0 million but not more than \$4.0 million will require approval by the FLMC.

TPC > \$1.0 million but not more than \$2.0 million will require approval by the Chair of the FLMC.

TPC \$1.0million will require approval by the AVP of Facilities and Land Management.

Project Name: Bragaw Office Complex Capital Reinvestment
 University: Statewide Facilities and Land Management
 SW914, SW915 & AO111
 Campus: Off Campus
 Project #: SW 0016
 Total GSF Affected by Project:

Date: 5/5/2014
 Prepared by: R.A. McMaster

..... Advance Planning, Program Development	
..... Consultant: Design Services	\$ 75,500
..... Consultant: Construction Phase Services	\$ 15,000
..... Consul: Extra Services (List: _____)	
..... Site Survey	
..... Soils Testing & Engineering	
..... Special Inspections	
..... Plan Review Fees / Permits	\$ 2,725
..... Other	
..... General Construction Contract(s)	\$ 1,737,675
..... Other Contractors (List: _____)	
..... Construction Contingency	\$ 193,100
<i>Construction Cost per GSF</i>	<i>N/A</i>
..... Equipment	
..... Fixtures	
..... Furnishings	
..... Signage not in construction contract	
..... Move Out Costs	
..... Move In Costs	
..... Art	
..... Other (Interim Space Needs or Temp Reloc. Costs)	
..... OIT Support	
..... Maintenance Operation Support	
..... Project Plng, Staff Support Project Management	\$ 75,000
..... Misc. Expenses: Advertising, Printing, Supplies, Etc.	\$ 1,000



