



FORMAL PROJECT APPROVAL

Name of Project: Bragaw Office Complex Capital Reinvestment
Project Type: Deferred Maintenance and Renewal, Renovation and Site Improvements
Location of Project: Statewide Land Management, Bragaw Office Complex, 1815 – 1901 Bragaw St., Anchorage – Bldgs. SW914, SW915, & AO111
Project Number: SW-0016
Date of Request: May 2, 2014

Total Project Cost:	\$2,100,000	
Approval Required:	FLMC	
Prior Approvals:	Preliminary Administrative Approval	Date: June 6, 2013

A Formal Project Approval (FPA) is required for all Capital Projects with a Total Project Cost in excess of \$250,000.

FPA represents approval of the Project including the program justification and need, scope, the total project cost, and the funding and phasing plans for the project. Requests for formal project approval shall include a signed project agreement or facilities pre-design statement, the proposed cost and funding sources for the next phase of the project and for eventual completion of the project, and a variance report identifying any significant changes in scope, budget, schedule, deliverables or prescriptive criteria associated with a design-build project, funding plan, operating cost impact, or other cost considerations from the time the project received preliminary administrative approval. It also represents authorization to complete project development through the schematic design, targeting the approved scope and budget, unless otherwise designated by the approval authority.

Action Requested

The Facilities and Land Management Committee approves the Formal Project Approval request for the University of Alaska Statewide Bragaw Office Complex Capital Reinvestment as presented and authorizes the university administration to proceed through Schematic Design not to exceed a total project cost of \$2,100,000. This motion is effective June 5, 2014.

Project Abstract

This project will involve alleviating certain deferred maintenance items and completing improvements / renovations to the buildings and site including but not limited to: mechanical systems, roofs, LED exterior lighting, life/safety issues, & parking areas. This program will also reconfigured office space in 1815 to accommodate the relocation of UA Labor Relations from 1835 Bragaw.

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 maintain its competitive Class A position in Anchorage’s UMED district by maintaining this asset in top condition and providing for efficient operations.

The BOC is structured to be a self-sustaining asset. All of BOC’s operation & maintenance, capitalization reserves and future debt service are paid from the rents collected at the property. Thus maintaining maximum occupancy at Fair Market Rents is vital to the financial success of the BOC investment. One of the ways this is accomplished is by maintaining the property in such a condition that it can compete effectively against existing and future Class A buildings in the Anchorage market place.

Programmatic Need

No changes will be made to UA Statewide or UAA’s programmatic or on-going operations. 1815 Bragaw (a.k.a. BOC#1) will continue to house UA Statewide departments located in Anchorage. 1835 Bragaw (a.k.a. BOC#2) will continue to compete for and lease office space to third-party tenants. 1901 Bragaw (a.k.a BOC#3) will house current UAA Tenants of the Diplomacy Building. The tenants will continue their functions for the University by moving to BOC#3 beginning in early 2015 with all moves to be completed by June 30, 2015.

Project Scope

This project will be completed as three separate contracts based on the nature of the work to be performed. The three major areas of work include: 1) Exterior site work, 2) Building exterior envelope and mechanical systems, and 3) Interior reconfigurations. This project will correct deficiencies identified during the pre-purchase assessment.

The exterior site work will involve the following:

- Redesign site common area, re-grade and resurface parking lot
- Upgrade Exterior Lights and Parking Lots to LED fixtures
- Install ADA compatible access from each building to the public sidewalk along Bragaw
- Enhanced landscaping and site lighting

The building exterior envelope and mechanical system upgrades include:

- Various mechanical upgrades BOC#1 & #2
- Replace AC condensing unit at the end of its useful life on BOC#3
- Replace roof on part of BOC#1 and all of BOC#2
- Extend EFIS façade on BOC#1 to include east side of building.

The interior reconfigurations include:

- Reconfiguration of office suites in BOC#1 for relocation of UA Labor Relations.

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

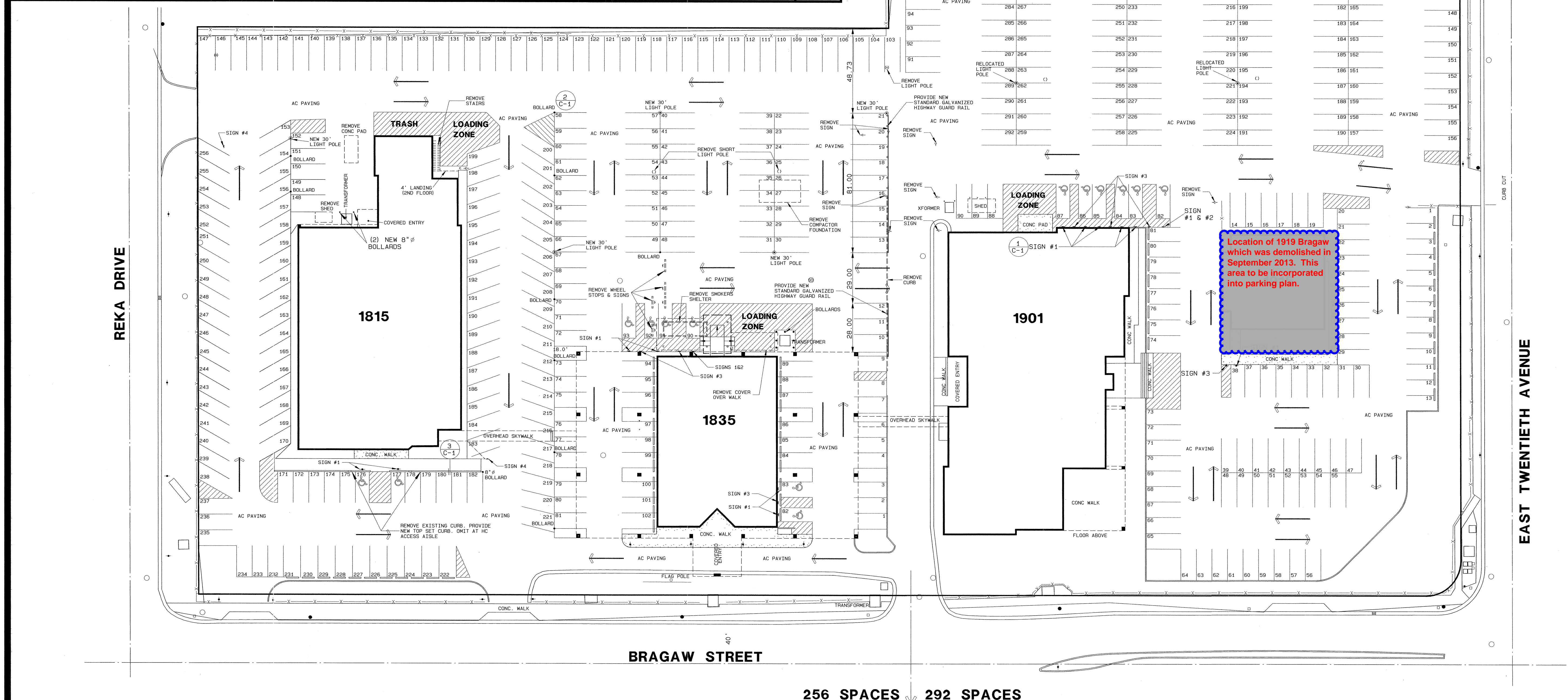
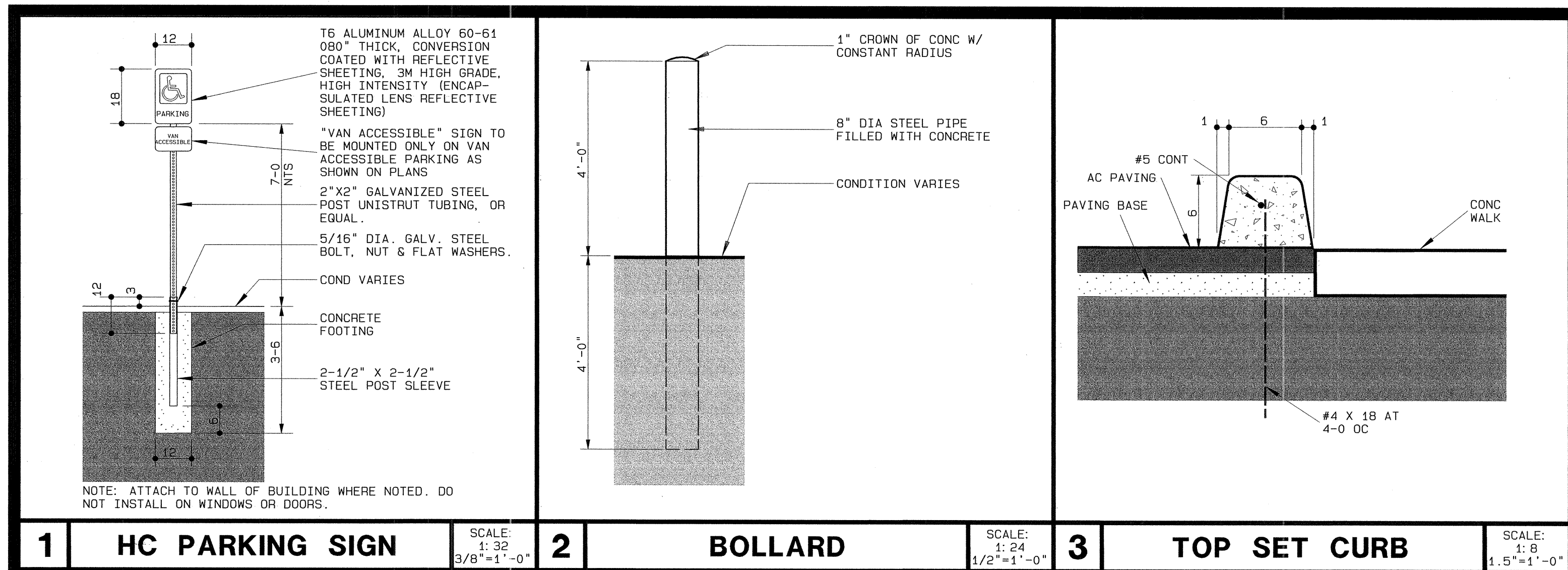
One-page Project Budget
Drawings
Site Plan
Floor Plan BOC #1 – First floor

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

UNIVERSITY OF ALASKA	
Project Name: Bragaw Office Complex Capital Reinvestment	
University: Statewide Facilities and Land Management	
SW914, SW915 & AO111	Date: 5/5/2014
Campus: Off-Campus	Prepared by: R.A. McMaster
Project #: SW-0016	Acct #: TBD
Total GSF Affected by Project:	
PROJECT BUDGET	FPA Budget
A. Professional Services	
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	
Professional Services Subtotal	\$ 93,225
B. Construction	
General Construction Contract(s)	\$ 1,737,675
Other Contractors (List: _____)	
Construction Contingency	\$ 193,100
Construction Subtotal	\$ 1,930,775
<i>Construction Cost per GSF</i>	N/A
C. Building Completion Activity	
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	
Building Completion Activity Subtotal	\$ -
D. Owner Activities & Administrative Costs	
Project Plng, Staff Support	
Project Management	\$ 75,000
Misc. Expenses: Advertising, Printing, Supplies, Etc.	\$ 1,000
Owner Activities & Administrative Costs Subtotal	\$ 76,000
E. Total Project Cost	\$ 2,100,000
<i>Total Project Cost per GSF</i>	N/A
F. Total Appropriation(s)	



SIGN LEGEND	NOTES
1. HANDICAPPED PARKING	1. REMOVE ALL DAMAGED PAVEMENT AND PROVIDE NEW.
2. VAN ACCESSIBLE	2. REMOVE ALL OBSOLETE SIGNS, BOLLARDS, PADS, FENCING, CAMERAS, LIGHTS, ETC.
3. NO PARKING	3. SEAL COAT ALL PAVED AREAS
4. DO NOT ENTER	4. PROVIDE 4" WIDE YELLOW PAINT STRIPING AS SHOWN (OMIT NUMBERS AND LETTERS)
	5. DIAGONAL STRIPING IS 2'-0" OC.

SITE IMPROVEMENT PLAN

SITE UPGRADES FOR:

THE BRAGAW OFFICE CENTER

ANCHORAGE, ALASKA

PREPARED FOR STUART BOND

JOB NUMBER: 95066

WORK ORDER: 970719

DRAWN: 05/12/2004 BY: DDM

REVISED: 06/04/2004

06/07/2004

DON DWIGGINS ASSOCIATES Architects

1401 West 34th Ave, Anchorage, Alaska 99503

www.dondwiggins.com (907) 274-1643

C-1

SCALE: 1:360
1"=30'

