

Memorandum



UNIVERSITY
of ALASKA
Many Traditions One Alaska

To: Dr. Ashok Roy
Thru: Kit Duke
From: Robert McMaster
Date: 8-26-2014
Re: Purchase of 2.04 acres of land located a 1750 S. Bragaw in Anchorage, AK

Statewide Facilities and Land Management ("FLM") recommends the University purchase approximately 2 acres ("1750 Bragaw") located at 1750 S. Bragaw. This property is located diagonally across the street from University's 1815 Bragaw building (see p. 3). As shown on page 2, this parcel has both practical and strategic value. The extension of Bragaw (Summer 2015/2016) through UAA campus to connect with Elmore creates a new "Northern Gateway" to UAA. It is in the University's best interest to have some control over the future of this Northern Gateway area. The University's initial strategic investment along the Northern Gateway was the purchase of the Bragaw Office Complex ("BOC") in June 2013.

The parcel is vacant, covered with light vegetation. FLM completed its due diligence on this parcel during the lead up to the purchase of BOC. The property was valued at \$1,550,000 in August 2013. The seller has agreed to sell the property to the University for \$1,500,000. FLM believes the property's highest and best use in near future would be for parking that would support either UAA's parking needs or an expansion of square footage at BOC. This additional parking would also be required in the future, if the University should ever wish to hold classes at BOC. The parcel could also be used for development of a future building for either educational or investment purposes. As a pure investment opportunity the land should appreciate significantly over the next to 5 to 10 years as traffic counts increase, due to the adjustment in traffic patterns from the extension of Bragaw to Elmore.

A brief, cursory review of the new Title 21 zoning regulations indicates that the property could accommodate between 175 and 200 parking spaces, depending upon design elements. Assuming 175 spaces, the University may be able to add up to 36,000 square feet to the BOC, using the 1750 Bragaw parcel. The example above is a rough estimate, but it demonstrates the property's practical value to the University.

Strategically, the parcels location along the Northern Gateway provides the University with the ability to influence how this important area is developed. The parcel could be developed into any number of uses, including but not limited to: office, retail, housing, hospitality (restaurant) or a multi-use complex. Future purchase consideration should be given to the two adjoining properties as well; the Chugachmiut Building to the south and Northstar Behavioral Health to the north.

For the reasons mentioned above, Facilities and Land Management seeks commitment of appropriate funds from UA Finance and approval to execute a Purchase Agreement for the 1750 Bragaw property. The property will be purchased for \$1,500,000, contingent upon Board of Regents approval. The acquisition of this Investment Property would use funds from the Inflation Proofing Fund and be held as an Investment Property.

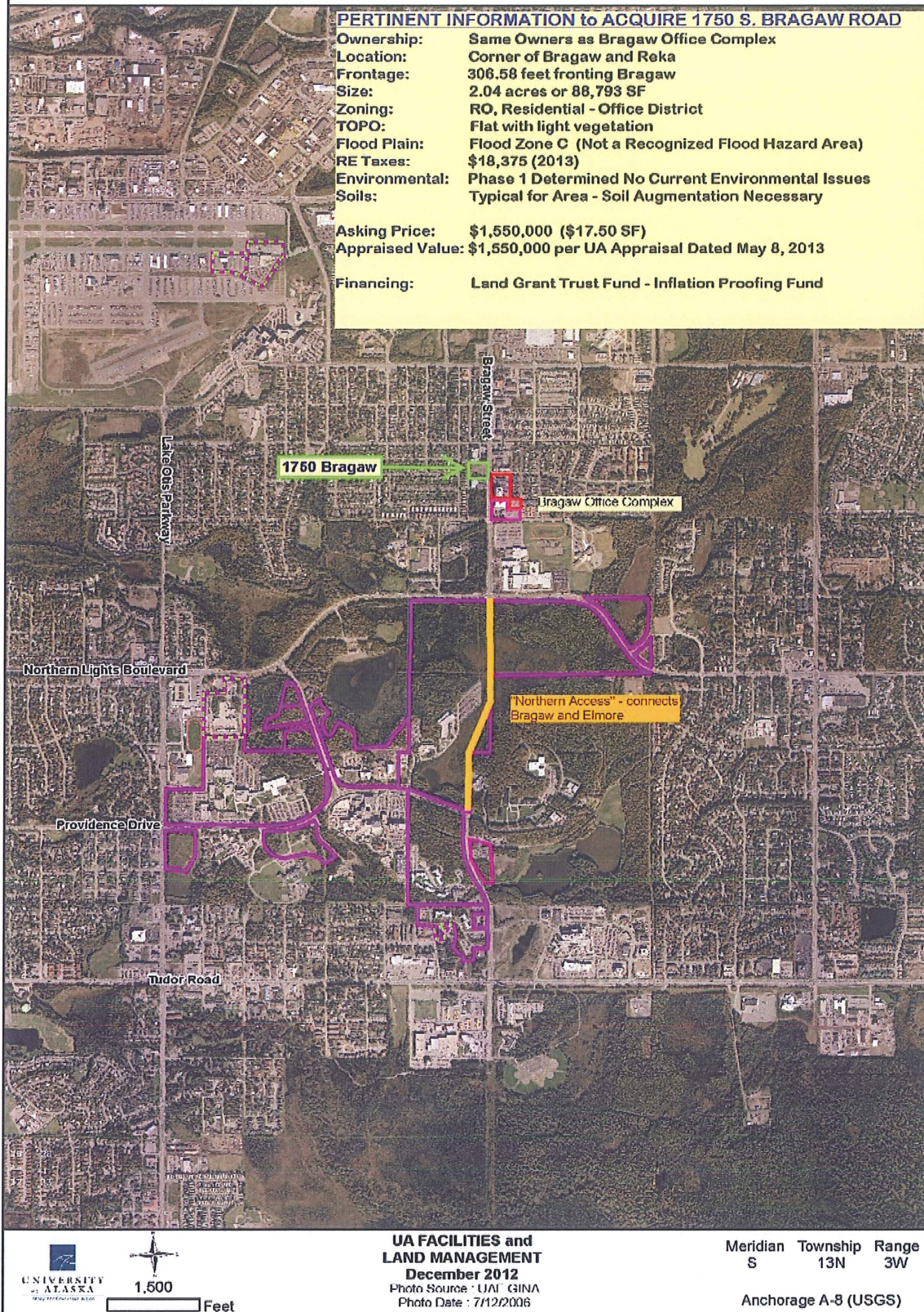
Anchorage Campus

AN.AC.XXXX
AN.IK3.XXXX
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AN.MF.XXXX
AN.UL.XXXX

PERTINENT INFORMATION to ACQUIRE 1750 S. BRAGAW ROAD

Ownership: Same Owners as Bragaw Office Complex
Location: Corner of Bragaw and Reka
Frontage: 306.58 feet fronting Bragaw
Size: 2.04 acres or 88,793 SF
Zoning: RO, Residential - Office District
TOPO: Flat with light vegetation
Flood Plain: Flood Zone C (Not a Recognized Flood Hazard Area)
RE Taxes: \$18,375 (2013)
Environmental: Phase 1 Determined No Current Environmental Issues
Soils: Typical for Area - Soil Augmentation Necessary

Asking Price: \$1,550,000 (\$17.50 SF)
Appraised Value: \$1,550,000 per UA Appraisal Dated May 8, 2013
Financing: Land Grant Trust Fund - Inflation Proofing Fund



UA FACILITIES and
LAND MANAGEMENT
December 2012
Photo Source : UAF GINA
Photo Date : 7/12/2006

Meridian Township Range
S 13N 3W

Anchorage A-8 (USGS)





1750 BRAGAW LAND PARCEL TOPO

