

## TRACT 1, U-MED PROFESSIONAL PARK SUBDIVISION Request for Proposals to Lease or Purchase Land Anchorage, Alaska

### Response for Written Questions

- **Please consider modifying the RFP Period to allow a reasonable timeframe for Bidders to thoroughly develop qualified proposals.**

The University is reviewing this request and has not made a determination at this time to extend the timeframe of this RFP. All interested parties will be informed once a final determination is made.

- **Please consider modifying the RFP to a Lease Option only.**

The University is reviewing this request and has not made a determination at this time to modify this RFP for a lease option only. All interested parties will be informed once a final determination is made.

- **Please advise whether the RFP anticipates that the Minimum Price be paid equally on an annual basis?**

The Lease Minimum Price is expressed as an annual figure, but the specification of that figure is not an indication that the actual rental should not exceed that amount, either initially or through increases to be proposed in an escalator clause during the lease term. The University customarily includes an escalator clause in its leases. Those submitting proposals are not required to propose any particular escalator clause, but it is a factor that will be taken into account in bid selections.

- **Further information is requested as to how the present value of a lease proposal will be calculated and what the applicable discount rate will be.**

Due to recent volatility in interest rates, the University refrains from specifying a particular discount rate in the RFP. The University has traditionally applied an 8% discount rate, but the University reserves the right to depart from that rate. Further, the University will be taking into account the value of the reversionary interest at the expiration of a lease term, and the discount rate applied to that figure may not be the same discount rate applied to the lease payment stream. The University reserves the right to apply the simplifying assumption that the likely higher fair market value of the property in the future, discounted to a present-day value, will approximate the current fair market value of the property.

- **Will the University make any third-party reports in its possession related to the site available to Bidders?**

The documentation available has been presented under Additional Documents on the UA Land Management Public Notice website page for the RFP (noted below).



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- **Please provide the University documents that will be utilized for the sale or lease of the parcel.**

The following documentation has been incorporated as University Documentation on the UA Land Management Public Notice page for the RFP (noted below)

- Cash Sale – Purchase Agreement
- Cash Sale – Quitclaim Deed
- Ground Lease form

**RFP Public Notice Webpage Where Documentation is Available:**

<https://www.alaska.edu/ualand/public-notices/2022/lake-otis-providence-drive.php>