

# ALASKA MENTAL HEALTH TRUST LAND OFFICE

## INVITATION TO BID

### TRACT C-2, U-MED PROFESSIONAL PARK, ANCHORAGE, AK

March 4, 2020

File #: TLO 2018-159  
MH Parcel: SM-1526-01

### Competitive Land Lease, Tract C-2, U-Med Professional Park

#### I. Background.

The Alaska Mental Health Trust Land Office (TLO) acting as agent for the Alaska Mental Health Trust Authority (The Trust) is offering a certain Property located in Anchorage, Alaska for lease under a competitive sealed bid auction. Interested parties are invited to review the enclosed material and submit a Bid packet according to the instructions contained herein. Any questions must be submitted in writing to the TLO at the submittal address shown below. Updates will be posted to the TLO's website at <https://alaskamentalhealthtrust.org/> It is the potential bidders' responsibility to check the website or contact the TLO for updates to this Invitation to Bid.

#### II. Property Legal Description.

The Property is described as Tract C-2, Providence-Chester Creek Subdivision, according to the survey plat filed in the Anchorage Recording District on November 23, 2004 as Plat No. 2004-169 (Attachment 2). The Property contains 5.537 acres more or less and is located in Section 28, Township 13 North, Range 3 West, Seward Meridian. This property is located at Laurel Street and East 40<sup>th</sup> Avenue in the U-Med district. The Property is zoned R-O, with special limitations, by ordinance AO 2012-49.

#### III. Site Characteristics.

Located in the University Medical District (U-Med), the lot is roughly 100% cleared of vegetation, partially at street grade with easements provided for water, sewer, public use, and access totaling +/- 47,258 square feet. General studies of the parcel indicate the land well suited for development. The location makes the parcel one of the most desirable lots for medical office development.

#### IV. Historical and Existing Uses of the Property.

Tract C-2 was once part of an 80-acre parcel, located at Lake Otis and 36<sup>th</sup> Avenue. There has been no historic use of the parcel known to the TLO. Tract C-2 was created by the subdivision of Tract C, into two tracts, C-1 and C-2. Tract C-1 was conveyed to the State of Alaska for the ongoing use by Alaska Psychiatric Institute.

#### V. Adjacent Land Use Trends.

The primary land uses in the vicinity of Tract C-2 are the University of Alaska to the north and Providence Hospital and related professional office

buildings to the east. The subject parcel is located in the U-Med District, one of the fastest growing and most desirable commercial development areas in Anchorage. The parcel is adjacent to the McLaughlin Youth Center, a youth detention center, on the west side, UAA Health Sciences on the east side, and Alaska Psychiatric Institute on the south side.

- VI. Previous State Plans/Classifications.** The parcel is not located within a State Planning Area. In 1965, the Department of Natural Resources (DNR) classified these lands as Reserved Use (CL 225). This classification was consistent with the conveyance of these lands to the state under MH-1, a grant for mental health purposes. Upon conveyance of the subject property to the Trust, this land was designated as Alaska Mental Health Trust land.
- VII. Existing Plans Affecting Area.** The University Medical District Plan (March 2016) and the Anchorage 2040 Land Use Plan Map currently guide land use in the area. The U-Med District Plan designates the area for medical and office uses; leasing the Tract for commercial/office is consistent with the District Plan.
- VIII. Apparent Highest and Best Use.** The highest and best use of Tract C-2 as defined by appraisal of the property is medical/commercial office space as implemented through commercial leasing.
- IX. Owner.**  
The property is owned by the Alaska Mental Health Trust Authority, a public corporation within the Alaska Department of Revenue (AS 47.30.011 et seq.). The TLO is offering the land estate; the mineral estate is reserved to the Trust and subject to valid existing rights.
- X. Terms and Conditions.**  
The successful respondent of a long-term lease of C-2 will be determined by competitive bid. Respondents will be evaluated on their ability to provide the greatest monetary return to the Trust over time considering both immediate and long-term revenue streams (AS 38.05.801). In addition, respondents will be evaluated based on their demonstrated ability to perform, experience and successful real estate development in the Anchorage area. The lease terms are approximately as follows:
- a) **Term.** An initial term of 50 years.
  - b) **Lease Rate.** The initial annual lease rate will be established through a competitive request for proposals (RFP) bid process. The minimum bid will be \$310,000, representing 8% of the appraised value of \$3,878,000 dollars. As part of the RFP process, the Trust Land Office will consider proposals at or above the minimum and will require the respondents to provide calculations showing all of the component values that contribute to the proposed rate. Leases will include rent adjustments based on changes in the CPI each year plus adjustments based on re-appraisal of the land every 5 years. In no case will the lease rate go down.
  - c) **Development Requirements:** The zoning is R-O-SL allowing for medical and other commercial office buildings, with a TLO lease restriction to Class-A office building standards.
  - d) **Negotiation of Other Lease Terms.** The TLO has provided an example of the lease form (Attachment 3). TLO may entertain proposals for minor modifications of the

ground lease but will retain the ability to reject any and all requests. All requests for modifications to lease terms will be provided by the bidder with their bid packet and TLO will consider the minor modifications prior to executing the lease.

**XI. Asset Management Considerations.**

This lease offering is consistent with the long term “Resource Management Strategy” adopted by The Trust in June 2015. The proposal provides for the TLO to focus first on land or resources at the high end of their market values and provides long term economic benefits to The Trust. The Trust’s Asset Management Policy Statement states that “leases are preferred over sales, and, when reasonable to do so, land values should be enhanced before disposal through lease or sale.”

**XII. Property Condition and Warranty.**

The TLO does not warranty the condition of the Property or its fitness for any particular purpose, and the Property is being offered “as-is, where-is”. If any potential bidder desires access to the property for inspection purposes, please contact the TLO. No claim will be considered for allowance, adjustment or rescission based upon failure of the Property to correspond to any particular expectation or standard of the buyer. The TLO is not aware of the presence of hazardous substances on the Property. The TLO encourages all prospective bidders to conduct their own independent investigation and rely on their own due diligence of the Property.

**XIII. Close of Transaction.**

Lease signing must occur within 90 days of the Bid Award. At the TLO’s sole discretion, the closing may be extended if it is determined to be in the best interest of the Trust.

**XIV. Disclaimers.**

This Invitation to Bid is subject to the following disclaimers and limitations of liability. By providing a signature on the Bid Response Form, the Bidder hereby acknowledges and agrees to the following:

- a) The information provided in the Invitation to Bid packet has been provided as general background.
- b) The Bidder may not rely in any manner upon any representation by the TLO or any of its employees or representatives outside the provisions of this Invitation to Bid or the terms or conditions contained in any of the Attachments for any purpose, including the interpretation of any provision of this Invitation to Bid.
- c) The Bidder accepts that the Property is being leased “as-is, where-is” without warranties regarding the condition of the Property.
- d) The Bidder accepts that the TLO cannot and does not make any warranties or representations of any kind or character, express or implied, as to quality or fitness for a particular use or purpose, matters of title, physical conditions, or availability of access.
- e) The Bidder accepts that the TLO will not be liable for and will not pay for any costs incurred in the evaluation, submission or preparation of a bid or proposal or expenses

- f) incurred due to the rejection for any reason of any or all bids, cancellation of this Invitation to Bid, the successful bidders failure to execute the lease or any other reason, including fault of the TLO or its representatives.

**XV. Rejection or Acceptance of Bids.**

This Invitation to Bid does not commit the TLO to accept any bids or award the lease. **The TLO reserves the right, in its sole discretion, to accept or reject any and all bids and/or financial offers for any reason or no reason, to extend the deadline, to cancel this Invitation to Bid, solicit new bids or proposals, to award the lease without further discussions, to waive any informality or technicality in this Invitation to Bid and in the bids received, and to award the lease to any Bidder which the TLO believes to be in the best interests of the Alaska Mental Health Trust.** If there are no responsive bids received by the Due Date, the Trust, in its sole discretion, reserves the right to extend the offering, to re-advertise under the same or different terms, to lease or not lease the property at this time.

- XVI. Pre-Bid Conference:** Potential bidders are encouraged to attend the **July 1, 2020** pre-bid conference at the Trust Land Office (see C.17, Schedule of Events, page 6) to answer any questions regarding the competitive bid process.

**XVII. Bid Submittal**

Bid Packets must be received on or before **2:00 PM on July 20, 2020**, at the TLO, located at 2600 Cordova, Suite 100, Anchorage, AK 99503. There will be no opportunity to change a bid after **2:00 PM on July 20, 2020**. No fax or email bids will be accepted. Bids received after **2:00 PM on July 20, 2020** will be rejected and returned unopened. The TLO reserves the right to reject any or all bids. Bidders may withdraw bids by delivering a written revocation and providing appropriate identification to the TLO prior to **2:00 PM on July 20, 2020**.

**XVIII. Bid Deposit.**

A cashier's check or money order in the amount equal to 20% of the first year of the annual lease rate of the proposed bid is required with all submitted Bid Packets. Upon completion of the lease the successful Bidder's deposit will be credited toward the first year's rental payment. All funds must be in U.S. dollars, must be tendered by cashier's check or money order and must be made payable to "Alaska Mental Health Trust Land Office". Checks must be drawn on a solvent bank in the United States. *Please note: Personal checks will not be accepted.* In the event that the apparent winning bidder cannot close the transaction through no fault of the TLO, the deposit will be forfeited as liquidated damages, and not as a penalty. Unsuccessful bidders' deposits will be returned.

**XIX. Bid Packet.**

The sealed Bid Packet must include:

- a) a completed and signed Bid Response Form (see Attachment 4);
- b) a board resolution, if the bid is from a company or organization, authorizing the signer of the bid form to sign as representative;
- c) certification of funds, and;
- d) a bid deposit.

These items are required to be placed in a sealed inner envelope placed inside an outer mailing envelope, sealed and delivered to the TLO as provided for below. Only materials listed on the bid form should be placed on the inner envelope. By signing the Bid Response Form, the Bidder submitting the bid acknowledges that they have read this invitation to bid and that if their bid is accepted and, for whatever reason, they decide not to lease the Property, they understand that their bid deposit will be forfeited as liquidated damages. The submitting party must be over 18 years old on the date of the bid opening.

**XX. Bid Processing.**

The bid opening will be open to the public and will be held at the TLO at **2:15 PM on July 21, 2020**. The apparent high bidder will not be announced until the conclusion of the bid opening. Bidders are not required to attend either the Bid Opening or the Bid Award. In the event the apparent high bidder is not present at the bid award, they will be notified by telephone. Unsuccessful bidders will be notified by fax, email or mail.

**XXI. Handling Bid Deposits.**

Bid deposits will be safeguarded against theft, misappropriation and loss. Receipt of a bid deposit by the TLO does not constitute and shall not be construed as acceptance of any bid by the TLO. Unsuccessful bidders may pick up their bid deposit from **8:00 AM to 3:00 PM on July 22, 2020**, at the submittal location (2600 Cordova Street, Suite 100, Anchorage, AK 99503). Bid deposits which have not been retrieved by **July 22, 2020 at 3:00 PM**, will be returned to the bidder by mail to the address on the bid form.

**XXII. Bid Award.**

The TLO will evaluate all bids and select an apparent winning bidder, or reject any and all bids, at its sole discretion. Evaluation and award will be made in the sole discretion of the TLO and the Trust, solely in the Alaska Mental Health Trust's and its beneficiaries' best interests. The Bid Award will be announced at the TLO on **July 21, 2020 at 2:30 PM**; the award announcement is open to the public.

**XXIII. Amendments.**

Bidders are required to keep themselves informed of any amendments to the Invitation to Bid. Any amendment to the Invitation to Bid will be in writing signed by the TLO representative, will be made available prior to the Due Date (on or before 2:00 PM on July 20, 2020), and will expressly be identified as such. Only persons to whom the Invitation to Bid has been sent by the TLO will be sent amendments and such supplemental information or clarifications as may be issued by the TLO. Amendments will be posted on the TLO's website: <https://alaskamentalhealthtrust.org/>. By submitting a bid, each Bidder agrees to all terms and conditions in the Invitation to Bid as amended by any and all amendments issued by the TLO prior to the date and time the bid is received by the TLO.

**XXIV. Minor Modifications.**

If in the best interest of the TLO to do so, the TLO may make minor modifications to the offering. Potential bidders who have provided names and mailing addresses to the TLO will be notified in writing of modifications, if any.

**XXV. Schedule of Events: All events will be held at the Trust Land Office, 2600 Cordova Street, Suite 100, Anchorage, Alaska 99503. Contact phone number is 269-8751.**

**Pre-Bid Conference**

<b>Sealed Bid Acceptance Open</b>	July 6, 2020
<b>Sealed Bid Acceptance Close</b>	July 20, 2020
<b>Sealed Bid Opening</b>	July 21, 2020
<b>Bid Award</b>	July 21, 2020

**Attachments**

- Attachment 1: Location Map/Aerial Photo
- Attachment 2: Survey Plats
- Attachment 3: Sample Ground Lease Agreement
- Attachment 4: Bid Response Form

Attachment 1  
Location Map/Aerial Photo

Attachment 2  
Survey Plat



Attachment 3  
Sample Ground Lease

[Separate File]



Attachment 4  
**Bid Response Form - Competitive Land Disposal**  
**Tract C-2, U-Med Professional Park Subdivision (Plat 2004-149)**  
**Bid Deadline: On or Before 2:00 PM on July 20, 2020**

Please read all of the Invitation to Bid Packet information prior to completing and signing this form. To be eligible, the Bid Packet must be received and date-stamped by the Alaska Mental Health Trust Land Office prior to the Bid Deadline. Bid Packets may be submitted by courier service or delivered in person. Failure to properly submit a Bid Packet prior to the Bid Deadline will result in rejection of the bid.

Bid Packets shall be submitted in a sealed envelope that is clearly labeled with the bidder's name, mailing address, phone number, e-mail address, and titled "Bid Packet: Competitive Land Disposal, Tract C-2, U-Med Professional Park." The Bid Packet must include the following:

- a. a completed and signed Bid Response Form ;
- b. a board resolution, if the bid is from a company or organization, authorizing the signer of the bid form to sign as representative;
- c. certification of funds, and;
- d. Earnest money deposit.

Please submit your Bid Packet to the Alaska Mental Health Trust Land Office, 2600 Cordova Street, Suite 100 Anchorage, AK 99503. Please type or print legibly.

**Bidder Information:**

Name(s): \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-Mail: \_\_\_\_\_

Contact Representative or Agent: \_\_\_\_\_

The initial annual lease rental payment will be \_\_\_\_\_  
based on the following calculations (submit additional pages to demonstrate rental  
payments or additional consideration to be paid to lessor):

\_\_\_\_\_  
Bidder Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Bidder Signature

\_\_\_\_\_  
Date