



ALASKA RAILROAD CORPORATION
327 W. Ship Creek Ave.
Anchorage, AK 99501.

January 24, 2020

Addendum 1

RFP # 19-61-207807

2020 ARRC Right of Way Appraisal

Addendum number 1 is issued for the following Clarifications and Questions.

**The Closing Date for this has not changed. This RFP will close as follows:
Proposals will be received until January 30, 2020 @ 3:00 PM local Alaska time.**

Clarifications:

- 1. Statement of work (Pages 7-9):**

Modifications:

Please replace the following sections in the entirety with the one attached herein:

- 2. Identification of the property:** The Alaska Railroad right-of-way (ROW) corridor is a primarily 200' wide corridor approximately five hundred sixty three (563) miles in length (470 miles of mainline, 93.5 miles of branch lines). Areas less than the standard width shall be reflected appropriately within the appraisal.
- 4. Purpose of the Appraisal:** The purpose of the appraisal is to determine the appraised fair market value of the ARRC Right of Way to assist with the annual rent calculation to be charged to occupants/users for their use of ARRC land.
- 9. Application of Appraisal:** As background information, the per square foot values determined by this appraisal will be applied to a number of blanket utility permits. For longitudinal use within the ARRC ROW corridor segment, the per square foot value (including the enhancement factor) will be applied to the appropriate segment, multiplied by the occupants width to determine the occupants total area to determine rent.
- 12. Number of copies:** ARRC requires one hard copy of the final **Self Contained Appraisal** report as well as a thumb drive containing the final and a thumb drive containing the draft reports. ARRC requests one report be done for the entire ROW, broken up by segment.

14. Deliverables: As part of the appraisal the appraiser is to determine the following:

- Segments – there will be a natural break in change on land value.
- The value per square foot of each segment, to be determined by the across-the-fence method
- Enhancement factor(s) of the corridor
- Determine the appropriate rental rates for highest and best use of the ROW corridor.
- Usage factors- if applicable, for underground and overhead utilities
- Annual fee to charge for overhead and underground utility crossing the tracks (not land value, but impact and risk to railroad operations and infrastructure, comparison to other railroads is recommended). ARRC current fee schedule is based on a previous appraisal study, which should be the minimum fee charged.

QUESTIONS:

1. Since a title report is not going to be provided, the requested scope of work should be based on the extraordinary assumption that the land ownership of the surface estate for the entire corridor is equivalent to fee simple ownership and is not encumbered by any easements, covenants or restrictions that may impact functional utility or marketable title.

Property rights appraised – The official of the Alaska Railroad Corporation have indicated that the title of the property is based on exclusive use and subject to prior claims. We have not determined the difference between these property rights and fee simple.

The property rights being appraised in this report are to be based on a fee simple estate. Fee simple is defined by The Dictionary of Real Estate Appraisal, Third Edition, copyright 1993, page 140, by the Appraisal Institute as being: “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.”

2. How would you like the appraiser to handle crossings of non-owned right-of-ways? (This issue may be best handled by explicitly limiting the scope of work and authorizing the use of an extraordinary assumption.)

Same answer as above.

3. What about the valuation of submerged lands (rivers, streams, etc.) that the corridor ROW crosses? I assume that the exclusive use easement does not extend to submerged lands and that in these areas the property rights are air rights? (Again, this issue may be best handled by explicitly limiting the scope of work and authorizing the use of an extraordinary assumption.)

Same answer as above.

4. For guidance in the bidding process, if possible, it would be helpful to be provided a copy of the last appraisal report and, at a minimum, to know how many sections were identified.

Yes, the appraisal is available for review at ARRC's offices, please contact Greg Goemer @ 265-2593 or goemerg@akrr.com to schedule an appointment.

All other terms and conditions remain unchanged.
If there are any questions regarding this addendum please let me know.

Thank you,

Greg Goemer
Sr. Contract Administrator
Alaska Railroad Corporation