

**MOA RFP for the  
Development of Tract B Cook  
Questions due June 5, 2026**

- The 2016 Phase 1 ESA recommended wetlands delineation/assessment. Has this happened?  
**The MOA has not completed a wetlands delineation or assessment.**
  
- Do you have a recent appraisal or BOV on the property?  
**An appraisal was completed in 2024. Report is attached.**

# APPRAISAL REPORT



## Vacant land

Tract B, Cook Subdivision (Plat #82-57)  
NSN E. 40th Avenue in Anchorage, AK

### FOR

Municipality of Anchorage  
P.O. Box 196650  
Anchorage, Alaska 99519-6650

Attn: Tiffany Briggs, Deputy Director

**B-SBC FILE No.**  
24-036

### Report Date

April 30, 2024

### Dates of Inspection

April 23, 2024

### Date of Valuation

April 23, 2024

### BY

Brian Z. Bethard, MAI  
General Real Estate Appraiser (Cert. #281)

Jeff Carlson, Appraiser

### BLACK-SMITH, BETHARD & CARLSON, LLC

1199 E. Dimond Blvd., Ste. 200  
Anchorage, Alaska 99515



## **PART I – INTRODUCTION**

**Appraisers**

1199 Dimond Blvd, Suite 200  
Anchorage, Alaska 99515  
Phone: 907-274-4654  
Fax: 907-274-0889  
E-mail: bsr@ak.net

# BLACK-SMITH, BETHARD & CARLSON, LLC



April 30, 2024

Client: Municipality of Anchorage  
P.O. Box 196650  
Anchorage, Alaska 99519-6650

Attn: Ms. Tiffany Briggs, Deputy Director

RE: Vacant land  
Tract B, Cook Subdivision (Plat #82-57)  
Located at NSN E. 40th Avenue in Anchorage, AK

Dear Ms. Briggs,

We are submitting an *appraisal report* estimating the market value of the fee simple interest in the property identified above. Our opinion of market value, as of April 23, 2024, the date of the inspection, is:

'As-Is' Fee Simple Market Value	<b>\$3,226,000</b>
'As-Encumbered' by Proposed Easement Fee Simple Market Value	<b>\$2,954,000</b>

The value opinions are stated in terms of cash. The market exposure period (looking backward) and the marketing time (looking forward) are both estimated at six months to one year. The value opinions reported are qualified by certain definitions, assumptions, limiting conditions, and certifications. We particularly call your attention to the Assumptions and Limiting Conditions. This narrative appraisal report conforms to and satisfies the requirements of USPAP and Volume 12, Code of Federal Regulations, Part 34, Subpart C. A copy of the appraisal instructions is contained in the Addenda.

Sincerely,  
**BLACK-SMITH, BETHARD & CARLSON, LLC.**

\_\_\_\_\_  
Brian Z. Bethard, MAI  
General Real Estate Appraiser (Cert #281)

\_\_\_\_\_  
Jeff Carlson, Appraiser

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### ADDENDA

Engagement Letter

General Assumptions and Limiting Conditions

Qualifications of Appraisers

## CERTIFICATION

We certify that, to the best of our knowledge and belief...

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- We appraised this property for the Municipality of Anchorage (MOA) on October 11, 2021 (B-SBC File No. 21-082). The intended use was to aid the MOA for the potential purpose of disposal. We also appraised this property in August 2017 (B-SBC File No. 17-056) for the previous owner to aid the negotiated sale of the subject property.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*. The report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Jeff Carlson made a personal inspection of the property that is the subject of this report on April 23, 2024. Brian Bethard is familiar with the subject site and area.
- Jeff Carlson provided significant real property appraisal assistance to the persons signing this certification. His services were limited to photography, basic research, data documentation, and the organization of report contents.
- As of the date of this report, Brian Bethard has completed the continuing education requirements of the Appraisal Institute and the State of Alaska (General Real Estate Appraiser Certificate No. 281).
- Brian Bethard has the appropriate knowledge and experience necessary to complete this appraisal assignment competently.

April 30<sup>th</sup>, 2024



Brian Bethard, MAI  
General Real Estate Appraiser (Cert. No. 281)



Jeff Carlson  
Appraiser

## EXECUTIVE SUMMARY



**Location:** NSN E. 40th Avenue, Anchorage, AK

**Legal Description:** Tract B, Cook Subdivision (Plat #82-57)

**Parcel ID:** Municipality of Anchorage (MOA) #009-131-20

**Owner:** MOA Real Estate Services

**Purpose of the Appraisal:** The purpose of the appraisal is to estimate the *market value* of the *fee simple* interest. The intended use is to aid the MOA for the potential purpose of disposal.

**Site Area:** 391,034 SF (8.98 acres)

**Gross Building Area:** N/A

**Zoning:** Multifamily Residential District (R-4A)<sup>1</sup>

**Highest & Best Use:** As Vacant – Conforming development

**Date of Report:** April 30, 2024

**Date of Inspection:** April 23, 2024

**Date of Valuation:** April 23, 2024

**VALUE CONCLUSION:**

<b>AS IS</b>	<b>\$3,226,000</b>
<b>AS ENCUMBERED BY PROPOSED EASEMENT</b>	<b>\$2,954,000</b>

<sup>1</sup> The current recorded zoning is Mixed Residential District (R-3). The owner is in the process of a rezone to Multifamily Residential District (R-4A). The appraisal is performed under the extraordinary assumption that the property is rezoned as proposed.

## **PART II – PREMISES OF THE APPRAISAL**

## IDENTIFICATION OF THE PROPERTY

The property is located at the SWC of E. 40<sup>th</sup> Avenue and Denali Street in Midtown. The street address is NSN E. 40th Avenue, Anchorage, AK. It is a 391,034 SF (8.98 acres) vacant site.



### Legal Description

The parcel is legally described as Tract B, Cook Subdivision (Plat #82-57), located within Sections 30, Township 13 North, Range 3 West, Seward Meridian, AK.

### Tax Identification Number

Municipality of Anchorage Tax ID # is 009-131-20.

### Ownership:

Municipality of Anchorage (MOA) Real Estate Services  
P.O. Box 196650  
Anchorage, AK 99519

## Property History

The site has a long political history that dates back to the early-2000's which included the National Archives and Records Administration purchasing the property so they could construct a new building to replace their downtown space.<sup>2</sup> However, various political hurdles resulted in the building construction not taking place and the site has remained vacant for years. There have been numerous articles written about and involving this site. The site was rezoned to B-3SL for construction of the proposed building, but the zoning reverted back to R-3 when construction was cancelled.

Prior to the rezone, the subject was purchased by Eagle River Center, LLC from 40<sup>th</sup> Street Investors in June 2002 for a reported price of \$1,550,000.<sup>3</sup>

In 2004, after the rezone, Eagle River Center, LLC sold the subject property to the United States of America for a sale price of \$3,525,000.<sup>4</sup>

A Quitclaim Deed<sup>5</sup> transferred ownership from the United State of America to the Municipality of Anchorage for a reported<sup>6</sup> purchase price of \$4,867,973 (\$12.45/SF).

An "Application for Zoning Map Amendment" was filed in 2019, the owner (MOA) petitioned the site be re-zoned from R-3 (Mixed Residential) to R-4A (Multi-Family Residential Mixed-Use). However, a re-zone never occurred and the case<sup>7</sup> was "Postponed".

In 2024, the owner has reported that a rezone to R-4A has been approved through the Planning & Zoning Commission with action by the Assembly scheduled at their March 5<sup>th</sup> meeting. The case had been postponed several times but at the April 23<sup>rd</sup>, 2024 meeting, the ordinance (Ordinance No. AO 2024-22) to rezone the land to R-4A was approved and passed.

There have been no reported sales within the three years preceding the date of valuation.

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<sup>2</sup> Demer, Lisa, "Begich and Stevens intersect in archives project." Anchorage Daily News, 10/26/2008

<sup>3</sup> BSBC File #03-193A

<sup>4</sup> Statutory Warranty Deed 2004-041946-0 (6/8/2004), State of Alaska, Anchorage Recording District

<sup>5</sup> Quitclaim Deed 2017-050013-0 (12/5/17), State of Alaska, Anchorage Recording District

<sup>6</sup> Tiffany Briggs, Deputy Director, MOA Real Estate Services

<sup>7</sup> MOA Project Number: 2019-0076

**Client**

Municipality of Anchorage  
P.O. Box 196650  
Anchorage, AK 99519-6650

Attn: Ms. Tiffany Briggs, Deputy Director

**Purpose of the Appraisal and Property Rights Appraised**

The purpose of this appraisal is to estimate the *as-is market value*<sup>8</sup> of the *fee simple*<sup>9</sup> interest of the property identified.

**Date of Report**

April 30, 2024

**Date of Inspection and Valuation**

April 23, 2024

**Intended Use of the Appraisal**

The intended use is to aid the MOA for the potential purpose of disposal.

**Intended User(s) of the Appraisal**

The intended users include the client (MOA) and appropriate regulatory agencies.

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<sup>8</sup> "The most probable price, which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- 1) Buyer and seller are typically motivated;
- 2) Both parties are well informed or well advised, and both acting in what they consider their own best interest;
- 3) A reasonable time is allowed for exposure in the open market;
- 4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Office of the Comptroller of the Currency under 12 CFR,  
Part 34, Subpart C-Appraisals, 34.43 Definitions [f].

<sup>9</sup> 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. Appraisal Institute 1993; Dictionary of Real Estate Appraisal

Data sources and the steps in the appraisal development process are summarized:

### **Property Data**

Brian Bethard has inspected the property subject of this appraisal on multiple occasions. Jeff Carlson inspected and photographed the property on April 23, 2024. We obtained a tax history, plat maps, and zoning regulations from the Municipality of Anchorage. The client provided a Stream Corridor Reserve Easement Plan for the site. For a previous assignment<sup>10</sup>, the client provided a prior appraisal, zoning petitions, soils report, Statutory Warranty Deed, Title Insurance, survey, Phase I Environmental Site Assessment Report, rezoning ordinance, site improvement plans and news article. All requested information that was available was provided.

### **Area Data**

In order to identify significant trends and indicators, we spoke with developers, real estate agents, and other appraisers. We also reviewed various publications, reports, and surveys including *Alaska Dispatch News*, *Alaska Economic Trends*, *Alaska Business Monthly*, and the *Alaska Journal of Commerce*.

### **Market Analysis**

The Appraisal Institute recognizes two categories of market analysis: *inferred* and *fundamental*. Because the subject is a conventional property type in a stable market, a lower level of analysis is appropriate. For the purposes of this appraisal, demand is inferred from general market conditions and the available data.

### **Market Data**

Alaska is a non-disclosure state. Comparable data was obtained by searching the local multiple listing service records, surveying real estate agents/brokers, property managers and other appraisers. Market data was confirmed with the property owners, managers, or agents.

### **Appraisal Development**

Sales comparison is the most common technique for valuing land and it is the preferred method when comparable sales are available:<sup>11</sup> The market recognizes the sales price per SF for this property type.

### **Appraisal Reporting**

The report is intended to comply with the reporting requirements set forth under Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice (2020-21) for an *appraisal report*. It presents summary discussions of the data, reasoning, and analyses that were used to develop the appraiser's opinion of value. Supporting documentation is retained in our work file. The depth of discussion contained in this report is specific to the client's intended use.

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<sup>10</sup> BSBC File #17-056

<sup>11</sup> *The Appraisal of Real Estate*, 14th Edition, Appraisal Institute

## EXTRAORDINARY ASSUMPTIONS AND LIMITING CONDITIONS

General limiting conditions and assumptions are summarized in the addenda. *Extraordinary assumptions*,<sup>12</sup> *hypothetical conditions*,<sup>13</sup> and limiting conditions specific to this appraisal are identified below. *Note: Reliance on extraordinary assumptions and/or hypothetical conditions could affect the assignment results.*

- The appraisal is made according to the extraordinary assumption that the information provided is reliable.
- The appraisal is made according to the extraordinary assumption that the subject is environmentally clean.
- The subject is currently recorded as zoned Mixed Residential District (R-3). The owner is in the process of a rezone to Multifamily Residential District (R-4A). The appraisal is performed under the extraordinary assumption that the property is rezoned as proposed.

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<sup>12</sup> "An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions." *Uniform Standards of Professional Practice*

<sup>13</sup> "A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis." *Uniform Standards of Professional Practice*

## **PART III – PRESENTATION OF DATA**

**SUBJECT PHOTOGRAPHS**

Taken by JEC (April 23, 2024)



Looking west along south boundary from/across the SEC on Denali Street.



View northwesterly of subject from/across the SEC on Denali Street.



View northwesterly of subject from/across the middle of the east boundary on Denali Street.



Looking west along north boundary & E. 40<sup>th</sup> Avenue from/across the NEC on Denali Street.



View southwesterly of subject from/across the NEC on Denali Street.



Looking south along east boundary & Denali Street from/across the NEC.

Taken by JEC (April 23, 2024)



View northeasterly of subject from/outside the SWC.



Looking north along west boundary from/outside the SWC.



View southeasterly of subject from/near the middle of the west boundary.



View northeasterly of subject from/near the middle of the west boundary.



View southeasterly of subject from/outside the NWC.



Looking east along north boundary & E. 40<sup>th</sup> Avenue from/outside the NWC.

**ALASKA****Population**<sup>14</sup>

Alaska's population grew by roughly 304 people between July 2022 and July 2023 and has a population of 736,812 according to estimates released by the state labor department. Most boroughs or census areas lost population over the year. Areas gaining population were led by the Matanuska-Susitna Borough, where the population grew by an estimated 2,125 people. The Kenai Peninsula Borough (898) also saw growth, while Southeast Fairbanks Census Area and the Aleutians East Borough had moderate declines.

The Fairbanks North Star Borough had the biggest loss in population, of 844. The Municipality of Anchorage had an estimated population of 289,653 in July 2023, down slightly from 289,972 a year earlier. The municipality is the largest in the state.

The department reported that 44,506 people moved to the state between July 1, 2021 and June 30, 2022. That is the highest level of in-migration since 2012-2013, when 51,069 people moved to Alaska. But 46,995 people left the state between July 1, 2021 and June 30, 2022.

**Economic Outlook – January 2024**<sup>15</sup>

Alaska is forecasted to add 5,400 jobs in 2024, or 1.7 percent. Most post-pandemic recovery is behind us, unlike the last few years' growth, which came from parts of the economy normalizing after COVID disruptions, big projects will be this year's major catalyst. Federal infrastructure projects will start to materialize in 2024, and mining and oil and gas also have big investments on the horizon.

The easiest gains appear to be behind us. In 2021, rebounds from pandemic lows came from re-openings and massive infusions of federal money through household stimulus checks, enhanced unemployment benefits, and direct support to businesses and state and local governments. Rising oil prices and strong Alaska Permanent Fund investment returns that year also lifted state revenue projections. In 2022, Alaska continued to add jobs as students went back to school, cruise ships returned in full, more people traveled and ate out, and oil prices climbed.

2023 gains came in smaller amounts from a wider range of industries, as we expected all Alaska industries grew or held steady. Many of 2023's patterns will continue this year. The federal infrastructure bill and the Inflation Reduction Act are a bright spot and will route billions of dollars to the state over the next decade. However, its timing is difficult to predict.

History is the best guide when forecasting, and 2023 provided plenty of clues about what to expect this year. Some economic uncertainty from the pandemic persists, and Alaska's pre-pandemic economy was weak following a 2015-2018 state recession. Alaska's job growth in 2023 was among the slowest in the country. Supply chain disruptions from 2022 continued in 2023, and while some worked themselves out by the end of the year, COVID-19 is still a global problem. Future restrictions and supply chain disruptions, especially from China,

<sup>14</sup> Alaska Population, Department of Labor and Workforce Development 2024.

<sup>15</sup> Karinne Weibold, *Alaska Economic Trends*, January 2024.

remain possible. While fears of an imminent national recession are receding, some economists are still forecasting a downturn.

### **ANCHORAGE and the MATANUSKA-SUSITNA BOROUGH**

More than half of Alaska’s population resides in the adjoining south-central areas encompassed by the Municipality of Anchorage (MOA) and the Matanuska-Susitna Borough (MSB). Their population centers are physically separated by Joint Base Elmendorf Richardson (JBER) and the flats of the Matanuska & Knik Rivers.



### **Anchorage**

Anchorage is Alaska’s largest city. It is a strategic hub for the state’s transportation industry and the center of commerce. Oil and gas industries, finance and real estate, communications, and government agencies are also headquartered in Anchorage.

### **January 2024<sup>16</sup>**

Anchorage will add an estimated 2,300 jobs in 2024. While some industries will reach full recovery from pandemic lows, the city’s total employment is unlikely to reach pre-pandemic levels this year.

Anchorage has emerged from the pandemic slower than most of the state, and the nation, and it will probably take a few more years to regain pre-pandemic job levels. Anchorage will continue last year’s path of general pandemic recovery, aided in 2024 by infrastructure projects and supported by strong visitor numbers, a recovering statewide economy, and increased oil activity.

Anchorage has no major changes on the horizon, so 2024’s trends will probably color 2023. One ongoing damper is the national labor shortage, and another is Anchorage’s persistent population losses. Fewer people have been moving in as the national economy has outperformed Alaska’s for more than a decade, a trend unlikely to shift in 2024 unless the nation enters a recession.

Anchorage’s population peaked in 2013 at 302,127, then began to decline, rebounding slightly in 2016 before continuing to drop for the next five years, to 289,697. That put the city’s 2021 population below the 2010 Census count of 291,826. Other economic factors in play include the continuing rebound of tourism and the federal infrastructure bill, which will probably generate some ground-level activity in Anchorage this year. High oil prices have also improved the fiscal picture and could fuel more activity in the oil and gas sector.

<sup>16</sup> Karinne Wiebold, Alaska Economic Trends, January 2024

The avoidance of a national recession, large new oil development, and federal infrastructure funding are all bright signals for the Anchorage economy. Yet, the condition of our community remains in need to capture these opportunities. Investments in housing, public safety, education, and redevelopment across the community are still needed to retain residents and attract new working-age people to Anchorage.

### **Matanuska-Susitna Borough**

The southern-most portion of the MSB is often described as a bedroom community to Anchorage, commonly referred to as the “Valley”. While they have their own identities, the sister cities of Wasilla and Palmer are only 45 miles from Anchorage on the Glenn Highway, a multi-lane, paved expressway with modern interchanges. Mat-Su has large tracts of undeveloped land, while urban Anchorage is mostly limited to infill sites that restrict growth and increase costs.<sup>17</sup> Most boroughs and census areas have sustained net migration losses in recent years, losing people to other places in the state as well as outside. Matanuska-Susitna Borough continues to draw movers as it has for years, especially from within the state.

The Matanuska-Susitna Borough gained the most people in the last decade, according to U.S. Census Data. The borough anchored by the communities of Wasilla and Palmer gained 18,086 residents between 2010 and 2020, a growth rate of just over 20%, Census figures show. The figures show the borough with 113,920 residents.<sup>18</sup>

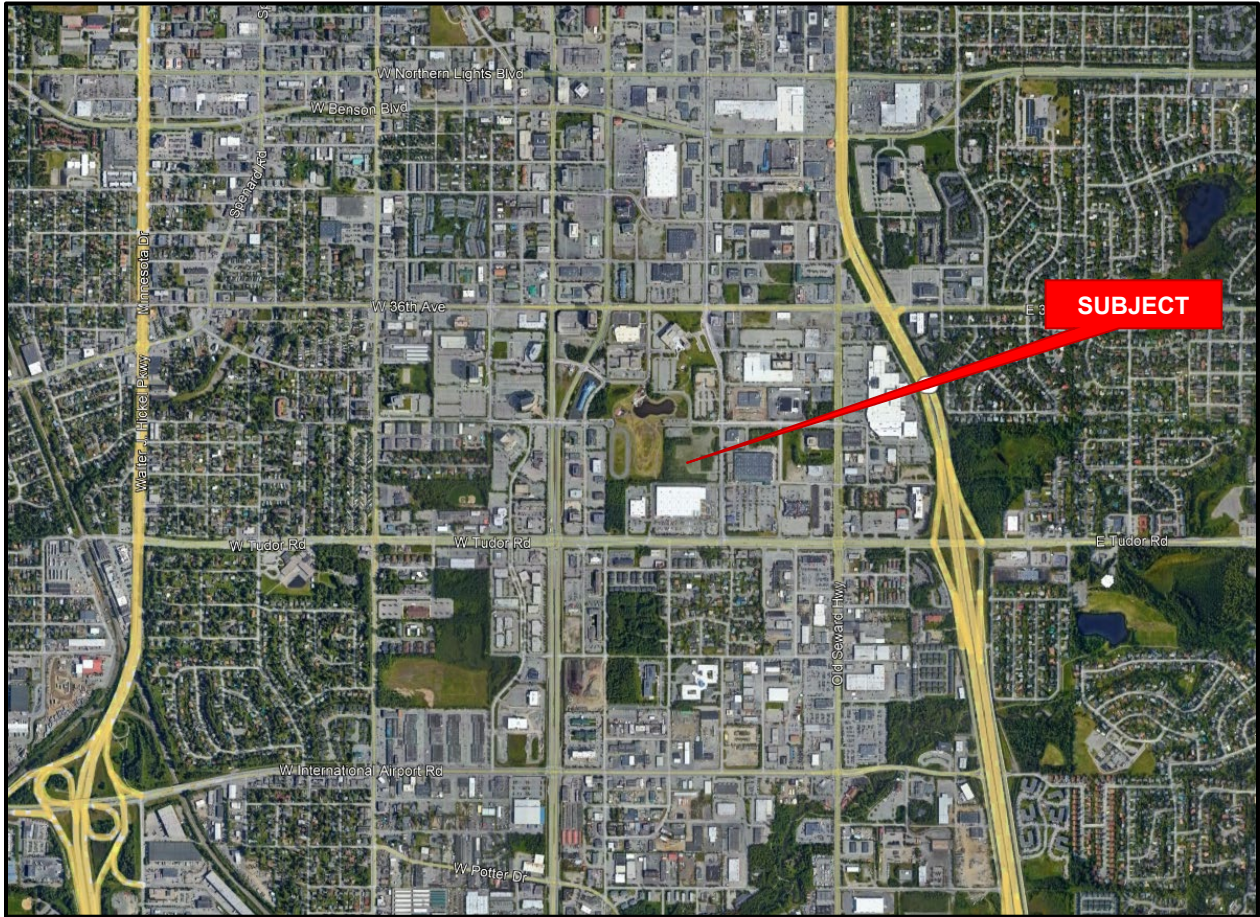
### **Summary**

Deteriorating economic conditions attributed to both the crash in oil prices and the COVID-19 pandemic were expected to influence local real estate market conditions. However, at this time, there is no evidence of seller/lessor concessions. The economy has shown resilience over the past year. Oil prices have rebounded, and steps taken by the Federal Reserve to combat high inflation seem to be working. The state budget deficit remains a concern.

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<sup>17</sup> Alaska Economic Trends, April 2014; Alaska Department of Labor

<sup>18</sup> Department of Labor and Workforce Development, July 2024.



**General Neighborhood**

The subject is located in the Midtown business district, about 2 miles south of the Anchorage CBD. The neighborhood is bounded on the north by Chester Creek, on the east by the New Seward Highway, on the south by Tudor Road and on the west by the Minnesota By-Pass.

**Access**

Access is good via a network of fully improved arterials.

**Utilities**

Natural gas, water, sewer, electricity and telephone.

**Services**

Police, fire protection and road maintenance are provided by the Municipality of Anchorage. Public transportation and refuse service is also available.

**Land Development**

The area is roughly 95% developed with a variety of general commercial uses.

**Life Cycle**

Stable to slight growth.

**Proximity**

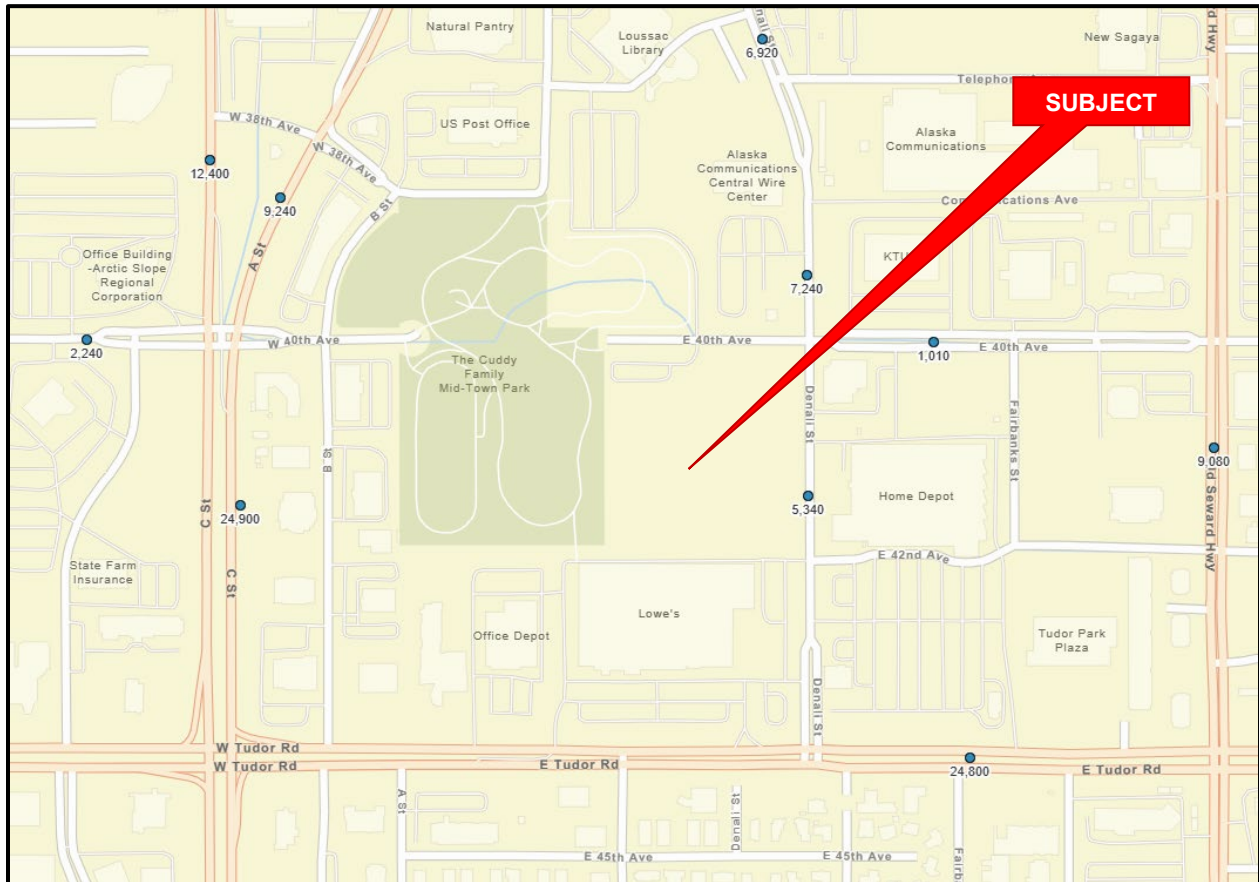
The area is near schools, shopping and employment.

**Positive/Negative Externalities**

Positive: The area is centrally located with good access to the Anchorage Bowl. New construction and reinvestment in renovations is noted.

**Traffic Data**

The following and most recent traffic map<sup>19</sup> (2022) indicates an average daily traffic (ADT) volume of 24,800 vehicles on E. Tudor Road and 5,340 on Denali Street in the vicinity of the subject.



**Summary**

In summary, the neighborhood has all public utilities available, good access, and is approximately 95% built-up. The Midtown business district is an active and desirable area for users and investors. The Cuddy Family Midtown Park is a positive attribute to the immediate area.

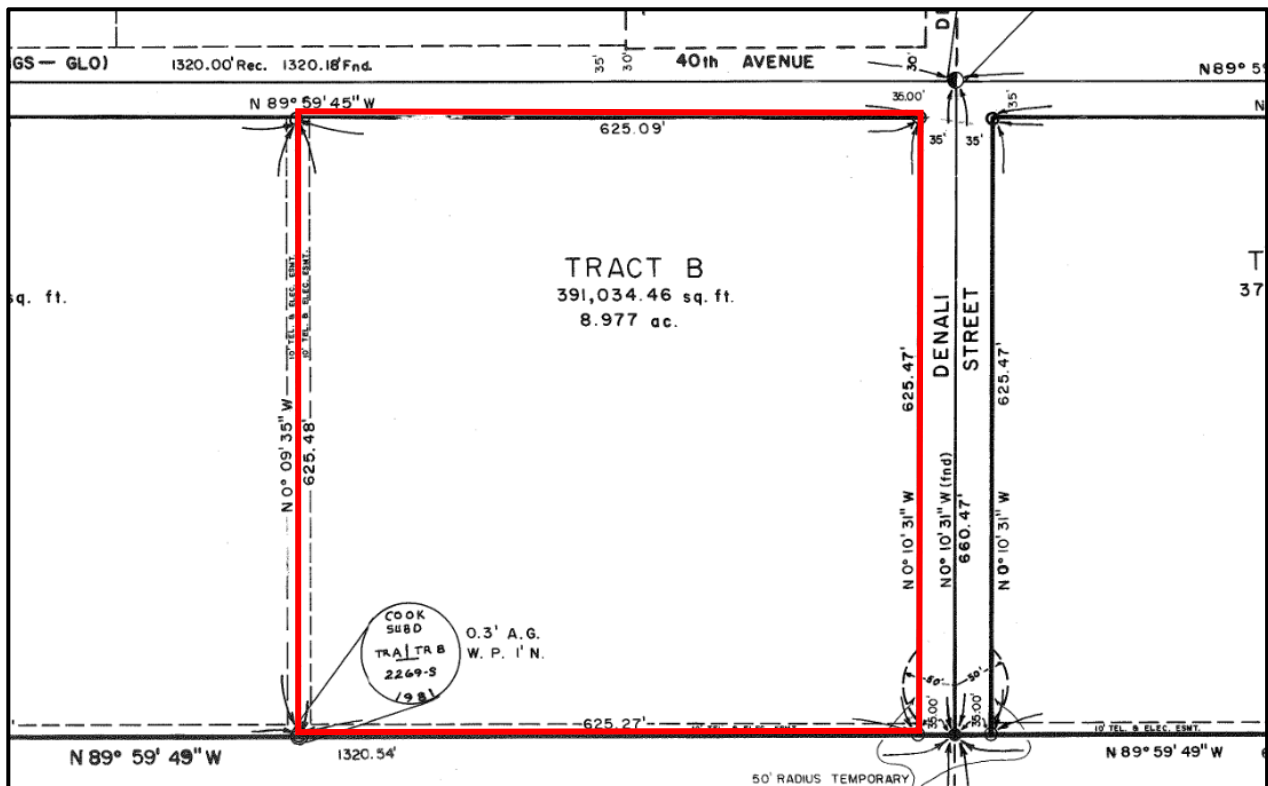
<sup>19</sup> Traffic Counts in Alaska (drakewell.com)

## SITE DESCRIPTION

**Location:** The subject is located at the southwest corner of E. 40<sup>th</sup> Avenue and Denali Street, in Anchorage, AK. The address is NSN E. 40<sup>th</sup> Avenue.

**Access:** The site fronts on Denali Street, a two-lane paved road extending north from E. Tudor Road and connecting to main arterials such as 36<sup>th</sup> Avenue, Benson Boulevard and Northern Lights Boulevard. The site also has frontage on E. 40<sup>th</sup> Avenue. E. 40<sup>th</sup> Avenue dead-ends at the parking lot for Cuddy Family Midtown Park. Access is adequate via dedicated driveways to/from Denali Street and E. 40<sup>th</sup> Avenue.

**Plat:** 82-57



**Land Area:** 391,034 SF (8.98 AC)

**Shape:** Rectangular minor corner lot

**Road Frontage:** ±625' on Denali Street and ±320' on E. 40<sup>th</sup> Avenue

**Adjacent Properties:**

- Northeast: Commercial across E. 40<sup>th</sup> Avenue
- Northwest: Public library across E. 40<sup>th</sup> Avenue
- South: Commercial
- East: Commercial across Denali Street
- West: Municipal park (Cuddy Family Midtown Park)

**Utilities:** All public utilities, including water, sewer, natural gas and electricity are available.

**Topography:** The site is partially wooded and level at/near road grade.

**Soils:** ±50% of the site has been filled and prepared for the construction of the National Archives building that was never built. Secondary growth is noted on the cleared areas and the un-cleared areas are primarily black spruce. According to the soils report provided, native soils contain 0 to 10.5 feet of peat. Regardless, with proper preparation soils appear to be adequate for improved uses.

**Flood Plain:** The subject is located in FEMA flood zone 0 - areas determined to be outside the 0.2% annual chance floodplain.<sup>20</sup>

**Seismic:** Most of south-central Alaska is classified in “seismic zone 4”. Permitting agencies typically recognize this zone in its application of the uniform building code.

**Easements:** Typical; non-restrictive

**Private Restrictions:** None noted.

**Environmental Issues:** None observed

**Wetlands:** According to Municipality of Anchorage Wetland Mapping, ±50% of the site is classified as Class A (High Valuation) wetlands. See image below, wetlands areas shaded in green. The U.S. Fish and Wildlife Service (USFWS) National Wetlands Inventory Mapper shows ±95% of the area classified as Freshwater Forested/Shrub (green) and Freshwater Emergent (light green) wetlands. However, a Phase I Environmental Report<sup>21</sup> disclosed “...potential wetlands were not observed on the Site.” Then goes on to cite the USFWS mapper findings but concludes the wetland listing is a not a recognized environmental condition (REC). Tetra Tech does recommend a wetland assessment and delineation prior to any construction.

MOA Wetland Map



USFWS National Wetlands Inventory Map



<sup>20</sup> FEMA Flood Map 0200050742D (9/25/2009)

<sup>21</sup> Phase I Environmental Site Assessment Report by Tetra Tech prepared for United States General Services Administration on September 20, 2016.

**Zoning/Public Restrictions:**

The subject is currently recorded as zoned Multi-Family Residential (R-3) District. The R-3 use district is “intended primarily for multifamily and townhouse dwellings characterized by low-rise multistory buildings. This district provides greater housing opportunities and efficient use of residential land near commercial, community activity centers, town centers, and areas well served by transit.”<sup>22</sup>

In 2004, a rezoning application was approved for General Business-Special Limitations (B-3-SL) District but certain requirements were not met, thus terminating the rezone.

In 2019, another rezoning application was submitted changing the zoning to Multi-Family Residential Mixed-Use (R-4A) but the case was postponed. The owner has reported that a rezone to R-4A has been approved through the Planning & Zoning Commission with action by the Assembly scheduled at their March 5<sup>th</sup> meeting. The case had been postponed several times but at the April 23<sup>rd</sup>, 2024 meeting, the ordinance (Ordinance No. AO 2024-22) to rezone the land to R-4A was approved and passed.

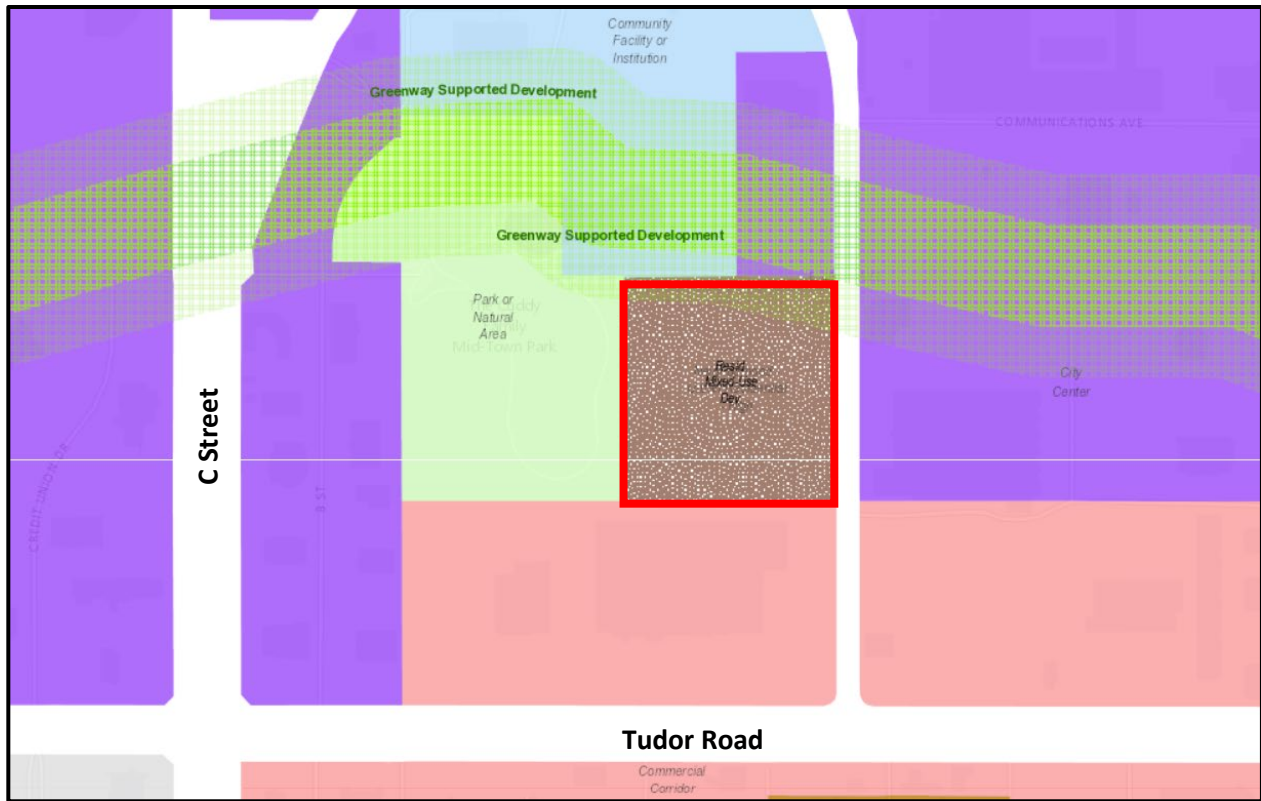
Multifamily Residential District (R-4A) is a multifamily medium to high density residential district. It is intended primarily for multifamily and multi-story residential buildings, but also allows single-family, duplex, and townhouse residential development. For multi-story buildings, the maximum size of buildings and intensity of use is regulated by floor area ratio (FAR) and other site development standards. Multi-story development is intended to be applied in areas well served by transit and/or arterial streets, and by supportive commercial services near the major commercial and employment centers in downtown and midtown. Although some commercial development is allowed within a residential development, the district is intended to be primarily residential. For multi-story buildings, development is intended to be oriented to the sidewalk with windows, entrances, and walkways to provide strong pedestrian connections to nearby services.

The appraisal is performed under the extraordinary assumption that the property is rezoned as proposed.

The exhibit on the following page is part of MOA’s Proposed 2040 Land Use Plan Map. The subject is designated “Residential Mixed Use Development”.

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<sup>22</sup> Municipality of Anchorage code 21.04.020



**Suitability of the Site:**

Access is adequate and the site is partially filled and leveled to road grade. The native soils in the un-cleared areas contain organics of varying depths, but could be developed with proper site preparation. All public utilities are available. The site is zoned for multi-family use. Given these conditions, the site is well-suited for residential or mixed multi-family residential with some commercial uses.

**THREE-YEAR HISTORY OF AD VALOREM VALUATIONS AND TAXES**

MOA Tax ID: 009-131-20

**Appraised Value History**

Tax Year	Roll Type	LUC	Class	Land	Building	Total Appraised
2024	RP	300	C	1,838,500	0	1,838,500
2023	RP	300	C	0	0	0
2022	RP	300	C	1,838,400		1,838,400

**Exemption Value History**

Tax Year	Roll Type	Code	Property Exemption	Sen/Vet Exemption	Res Exemption	Total
2024	RP	004L	1,838,500	0	0	1,838,500
2023	RP	004L	0	0	0	0
2022	RP	004L	1,838,400			1,838,400

Outstanding taxes or assessments are liens. Verification and reporting is a function of preliminary title reports. We developed our value opinion as if free and clear.

**OVERVIEW**

In 2021, the site was improved with ±46,000 SF of asphalt paving complete with concrete curb and gutter (see photos below).

Over the past several years, the site has since been utilized as a homeless camp and some of the asphalt and concrete has been torn up. On our site inspection, we were unable to tell how much asphalt and concrete remained.



**CONTRIBUTION OF SITE IMPROVEMENTS**

As of 2021, the condition of the improvements was average. It is unknown how much paving and asphalt still exist and the condition that it is in, nevertheless, it seems unlikely that the remaining improvements would be useful for a potential purchaser. Considering these factors, salvage value is assumed to offset demolition costs.

## **PART IV – ANALYSIS OF DATA AND CONCLUSION**

**MARKET ANALYSIS**

The Appraisal Institute recognizes two categories of market analysis: inferred and fundamental. Given the property type and stable market conditions, an *inferred demand* analysis is appropriate. Demand is inferred from general market conditions and the data selected for direct comparison.

Market Exposure Time may be defined as "the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market."<sup>23</sup>

The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Marketing time is also a function of the amount and quality of the available inventory, asking prices and investor requirements.

**General Market Conditions**

Because the Multiple Listing Service (MLS) 10-year Comparison Report does not distinguish between vacant land types, it is only indicative of general trends. Over the last three years, activity (# number of transactions) has remained relatively the same while market exposure times (days on market [DOM]) have increased.

**10-year Comparison Report**

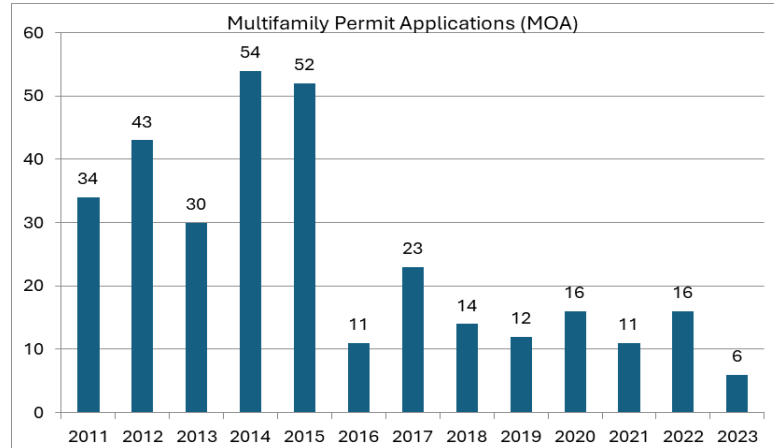
Property Type: Land  
 Borough: 1A - Anchorage Municipality  
 Construction Type: Existing and New Construction

Year	# Sold	Avg. List Price	% List Price Change	Avg. Sold Price	% Sold Price Change	Avg. DOM
2014	207	\$234,521	NA	\$207,003	NA	173
2015	191	\$168,171	-28.29%	\$151,497	-26.81%	205
2016	132	\$164,974	-1.90%	\$150,986	-0.34%	178
2017	160	\$170,492	3.34%	\$151,236	0.17%	211
2018	148	\$162,167	-4.88%	\$142,542	-5.75%	279
2019	140	\$298,026	83.78%	\$260,277	82.60%	214
2020	181	\$192,102	-35.54%	\$168,780	-35.15%	210
2021	214	\$176,206	-8.27%	\$165,667	-1.84%	226
2022	213	\$176,385	0.10%	\$167,100	0.86%	124
2023	150	\$208,174	18.02%	\$192,462	15.18%	177

<sup>23</sup> Source: Appraisal Standards Board Statement 6 and Advisory Opinion 80-7.

## MULTI-FAMILY LAND

Following a rapid run-up in prices, the robust market for multi-family homes has cooled. Trends in new construction multi-family buildings in the Anchorage area are reflected by the following data obtained from the Municipality of Anchorage (MOA).



New construction activity that evidences demand for land and building sites slowed between 2008 and 2010, with a rebound in 2014/15; however, 2016-2023 year-end data dropped below the 2008-10 levels, partially due to the concern over the sustained low oil prices and the lack of available land.

The general decline in sales volume (2008+) is partially attributable to a larger competitive supply of lower-cost alternatives in the Mat-Su Valley. Most Anchorage sub-markets are not overbuilt and the supply of developable land is limited. The inventory is typical of market conditions over the last 5 years+.

### Multi-Family Residential Land Sales

Recent sales and current listings of multi-family parcels exceeding 43,560 SF (1 acre) in the Anchorage bowl are reflected in the following tables from Alaska Multiple Listing Service (MLS) data.

#### Land Sales – as of 2010 +

MLS #	Address	Sale Date	Price-List	Price-Sale	Zoning	SF-Lot	\$/SF	MT
08-14975	4800 Bryn Mawr	11/9/2011	\$750,000	\$650,000	R3	140,348	\$4.63	1096
12-07058	L12 Minnesota	6/6/2012	\$50,000	\$45,000	R2M	50,645	\$0.89	8
12-11221	11411 Brayton	8/7/2012	\$530,000	\$530,000	R3	70,259	\$7.54	0
12-6251	7880 Nadine	3/25/2013	\$575,000	\$575,000	R2M	94,672	\$6.07	315
13-5993	0 Checkpoint	5/6/2013	\$685,000	\$685,000	R4	217,800	\$3.15	0
13-9379	0 Whisperwood Park	6/25/2013	\$1,834,650	\$1,834,650	R3	705,672	\$2.60	0
13-241	0 24th	1/3/2014	\$225,000	\$250,000	R2M	49,114	\$5.09	308
14-1620	7536 4th	2/27/2014	\$300,000	\$287,000	R2M	49,140	\$5.84	17
14-6874	8177 Lake Otis	6/6/2014	\$400,000	\$275,000	R2M	43,971	\$6.25	22
14-11693	L3 Skwentna	6/24/2014	\$2,189,882	\$2,189,882	R3	222,967	\$9.82	0
14-1167	2007 36th	9/11/2014	\$217,000	\$217,000	R2M	53,740	\$4.04	194
15-16626	0 Emerald	11/20/2015	\$250,000	\$250,000	R2A	97,742	\$2.56	18
16-14272	201 24th	7/27/2018	\$1,187,900	\$625,000	R3	84,850	\$7.37	695
22-3367	125 Oklahoma	5/16/2022	\$350,000	\$325,000	R3	44,666	\$7.28	53
19-18885	0 12th	9/22/2022	\$550,000	\$550,000	R2M	84,000	\$6.55	1022
22-14889	4010 Piper	11/9/2022	\$800,000	\$802,500	R2M	97,912	\$8.20	4
22-6305	0 Eastlake	6/16/2023	\$399,000	\$300,000	R2M	396,436	\$0.76	334
<b>Average</b>			<b>\$640,872</b>	<b>\$611,237</b>		<b>147,290</b>	<b>\$5.21</b>	<b>240</b>

The average sale price for vacant land in the Anchorage bowl suitable for multi-family uses is ±\$5.21/SF with an average market time of 240 days since January 2010+.

### Active Land Listings

MLS #	Address	Date-Listing	Price-List	Zoning	SF-Lot	List \$/SF	MT*
18-3321	2800 Dowling	3/7/2018	\$1,250,000	R2M	383,914	\$3.26	2240
21-16460	0 64th	10/26/2021	\$237,585	R3	50,500	\$4.70	911
21-17315	3705 Image	10/7/2021	\$495,000	R2A	109,220	\$4.53	923
22-10852	5800 Boundary	8/2/2022	\$3,974,176	R3	546,912	\$7.27	631
22-14379	0 Dowling	10/23/2022	\$2,600,000	R2M	618,288	\$4.21	460
23-2381	7101 6th	3/13/2023	\$725,000	R2M	88,168	\$8.22	408
23-7922	0 64th	7/7/2023	\$283,100	R3	127,047	\$2.23	292
23-11628	0 Checkpoint	9/19/2023	\$1,043,000	R4	94,023	\$11.09	218
24-2870	5800 Boundary	3/22/2024	\$2,284,032	R3	369,824	\$6.18	33
<b>Average</b>			<b>\$1,432,433</b>		<b>265,322</b>	<b>\$5.74</b>	<b>680</b>

\* As of 4/24/2024

The average asking price for vacant land (> 43,560 SF) suitable for multi-family use in the Anchorage bowl is ±\$5.74/SF with an average market time of ±23 months.

### Summary

The inventory is typical of market conditions over the last 4 years+. Permit applications for duplex and multi-family construction has been down since 2014/15. There have been limited sales of large parcels over the past 5 years. Regardless, a market time of less than one year is supported by the data.

Highest and Best Use is defined in the 14<sup>th</sup> Edition of the *Appraisal of Real Estate*, Appraisal Institute, as “the reasonably probable use that results in the highest value.”

### **HIGHEST AND BEST USE AS-VACANT**

#### **Possible uses**

The site is a minor corner lot. Access is adequate and is partially filled and leveled to road grade. All public utilities are available. Although there are some soil issues, ±50% of the site has been filled and adequate for improved uses. Given these conditions, the site is well-suited for permissible uses.

#### **Permissible Use**

Legal restrictions, as they apply to the subject, could include public restrictions (zoning), private restrictions (conditions, covenants, & restrictions [CCR's), plat notes, and easements.

#### Public Restrictions

The subject is zoned Multifamily Residential District (R-4A) district.<sup>24</sup> The R-4A use district is “intended primarily for multifamily and multi-story residential buildings, but also allows single-family, duplex, and townhouse residential development. For multi-story buildings, the maximum size of buildings and intensity of use is regulated by floor area ratio (FAR) and other site development standards. Multi-story development is intended to be applied in areas well served by transit and/or arterial streets, and by supportive commercial services near the major commercial and employment centers in downtown and midtown. Although some commercial development is allowed within a residential development, the district is intended to be primarily residential. For multi-story buildings, development is intended to be oriented to the sidewalk with windows, entrances, and walkways to provide strong pedestrian connections to nearby services.”<sup>25</sup>

#### Private Restrictions

None reported

#### Easements

None

#### Plat Notes

None

#### **Feasible Use**

There is a limited supply of large tracts of multi-family land zoned in Anchorage but there has also been limited new construction of large projects. Most new projects have been subsidized tax credit apartments for low income housing.

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<sup>24</sup> Although the subject is still recorded as being zoned R-3, a rezone to R-4A has been approved and passed by the MOA assembly and we have appraised the site according to the rezone.

<sup>25</sup> Municipality of Anchorage code 21.04.020

**Maximally Productive Use**

Because the market is driven by users with a variety of requirements, the maximally productive use cannot be determined. The highest and best use is to hold for speculation, until a mixed use multi-family development is feasible.

**HIGHEST AND BEST USE AS-VACANT**

Given the subject's location, access, available public utilities and surrounding developments, the Highest and Best Use of the property is speculation, with mixed use multifamily development or subdivision when feasible.

## LAND VALUATION

*Sales comparison* is the most common technique for valuing land and it is the preferred method when comparable sales are available. Elements of comparison include:<sup>26</sup>

- Property rights
- Financing terms
- Conditions of sale (motivation)
- Expenditures immediately after purchase
- Market conditions (sale date)
- Physical characteristics
  - Zoning
  - Utility availability
  - Access
  - Location
  - Soils and topography
  - Size
  - Shape

### SUMMARY OF COMPARABLE SALES

The market recognizes a price-per-square-foot unit of comparison. Comparable sales and listings used to value the subject as a multi-family property are identified in the following table and on the map. There are limited sales of larger multifamily parcels and no recent sales of R4 zoned sites. We have selected the most relevant data available. Details are retained in the appraisal files.

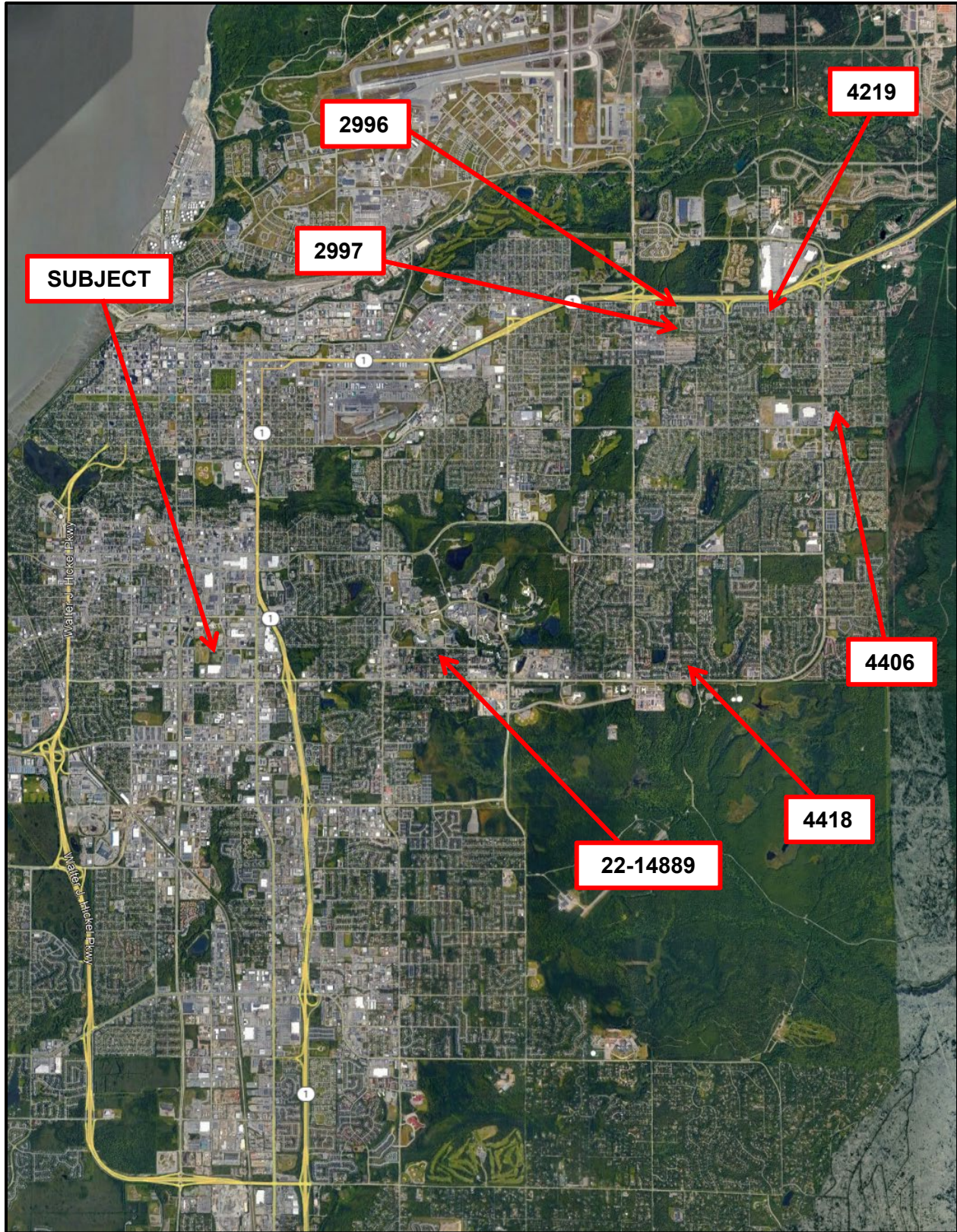
Ref.	Address/Location	Status	Date	Zoning	\$	AC	SF	\$/SF	DOM♥
2996	NSN Whisperwood Park Drive	Sold	5-13	R-4	\$685,000	5.02	218,862	\$3.13	0
2997	NSN Skwentna Drive	Sold	6-14	R-3	\$2,189,862	6.08	264,991	\$8.26	N/A
4219	125 Oklahoma Street	Sold	5-22	R-3	\$325,000	1.03	44,666	\$7.28	53
4406	NSN State Street	Sold	9-22	R-2M	*\$750,000	1.93	84,000	*\$8.93	1022
22-14889	4010 Piper Street	Sold	11-22	R-2M	**\$802,500	2.25	97,912	**\$8.20	4
4418	4220 Baxter Road	Pending	4-24	R-3	\$1,200,000	2.74	119,157	\$10.07	131
<b>Subject</b>	<b>NSN Denali Street</b>	<b>N/A</b>	<b>N/A</b>	<b>R-4A</b>	<b>N/A</b>	<b>8.98</b>	<b>391,034</b>	<b>N/A</b>	<b>N/A</b>

\* Adjusted upward \$200,000 (developer's reported cost) for extending sewer to site.

\*\* Acquired for future redevelopment. The interim contributory value of the existing improvements may offset demolition. The agent opined that the price was supported by the land value.

A map of the comparable properties is presented on the following page.

<sup>26</sup> The Appraisal of Real Estate, 13th Edition, Appraisal Institute



## **DESCRIPTION OF THE COMPARABLES**

The comparables are identified in the previous table and on the map. The property characteristics are summarized in the following comparison grid. Details are retained in the appraisal files.

## **CORRELATION (EXPLANATION OF THE ADJUSTMENTS)**

All of the comparables reflect arm's length sales/acquisitions of the fee simple interest (except where noted). Atypical motivations, if any, are recognized in the reconciliation. The indicated unit values are already adjusted to a cash equivalent value (if required) and for expenditures immediately after purchase (e.g. demolition or the cost-to-cure known defects/deficiencies).

### **Market Conditions**

Market conditions have been generally stable over the time period bracketed by the comparables and the date of valuation. I made no quantitative adjustment.

### **Physical Inequalities**

I correlated the comparables with qualitative adjustments (superior, inferior, approximately equal) according to the following criteria.

#### ***Location***

The qualitative adjustment recognizes:

- Neighborhood compatibility (externalities)
- Exposure to traffic

#### ***Size***

A large lot clearly has an advantage over a smaller site that is otherwise identical. In contrast, where the market recognizes a \$/SF unit of comparison; the data confirms the general trend - *unit price (\$/SF) decreases as parcel size increases*. In other words; in terms of *unit price*, a 20,000 SF parcel is generally superior to a 100,000 SF parcel - all other characteristics being equal.

#### ***Shape/Configuration***

The comparative analysis recognizes both the corner/interior lot characteristic as well as the shape (frontage to depth). In general, a corner lot is superior to an interior lot and parcels with high ratios of frontage-to-depth are superior to those that are comparatively narrow and deep.

#### ***Access, Topography, Soils, Utilities, Restrictions***

The qualitative adjustments for other inequalities are based on the observations summarized in the grid.

## **COMPARATIVE ANALYSIS**

I correlated the comparables in the following *relative comparison analysis* grid. An overall net adjustment (<, >, ±) is applied to develop value indicators on the bottom line.

Reference No.	SUBJECT	2996	2997	4219	4406	22-14889	4418
<b>Status</b>	---	Closed	Closed	Sold	Sold	Sold	Pending
<b>Address</b>	4000 Denali Street	NSN Whisperwood Park Drive	NSN Skwentna Drive	125 Oklahoma Street	NSN State Street	4010 Piper Street	4220 Baxter Road
<b>Sale Price</b>	---	\$685,000	\$2,189,862	\$325,000	\$750,000	\$802,500	\$1,200,000
<b>Date</b>	---	May 2013	June 2014	May 2022	September 2022	November 2022	April 2024
<b>Size</b>	8.98 AC 391,034 SF	5.02 AC 218,862 SF	6.08 AC 264,991 SF	1.03 AC 44,666 SF	1.93 AC 84,000 SF	2.25 AC 97,912 SF	2.74 AC 119,157 SF
<b>\$/SF</b>	---	<b>\$3.13/SF</b>	<b>\$8.26/SF</b>	<b>\$7.28/SF</b>	<b>\$8.93/SF</b>	<b>\$8.20/SF</b>	<b>\$10.07/SF</b>
<b>General Location</b>	Midtown; Established high-traffic commercial district, some new development	NE Anchorage established residential district	NE Anchorage established residential district	NE Anchorage established residential district	NE Anchorage; just off Muldoon mixed use corridor	Umed across from Providence; mixed use district	NE Anchorage; just off Tudor mixed use corridor
<ul style="list-style-type: none"> <li>Neighborhood</li> <li>ADT (2022)</li> </ul>	5,340 - Denali	2,690 – Boundary <i>Inferior</i>	N/A <i>Inferior</i>	1,420 – Oklahoma <i>Inferior</i>	N/A <i>Inferior</i>	3,090 - Piper <i>Slightly inferior</i>	4,010 - Baxter <i>Inferior</i>
<b>Access</b>	Paved; adequate	Paved; adequate <i>Approx. =</i>	Paved; adequate <i>Approx. =</i>	Paved; adequate <i>Approx. =</i>	Paved; adequate <i>Approx. =</i>	Paved; adequate <i>Approx. =</i>	Paved; adequate <i>Approx. =</i>
<b>Topography</b>	Mostly cleared, generally level	Mostly cleared, generally level <i>Approx. =</i>	Cleared and level <i>Slightly superior</i>	Cleared and level <i>Slightly superior</i>	Heavily wooded & level to sloping <i>Inferior</i>	Partially cleared and level <i>Approx. =</i>	Mostly cleared and generally level <i>Approx. =</i>
<b>Soils</b>	±50% adequate soils	Appear to be adequate <i>Slightly superior</i>	Appear to be adequate <i>Slightly superior</i>	Appear to be adequate <i>Slightly superior</i>	Appear to be adequate <i>Slightly superior</i>	Appear to be adequate <i>Slightly superior</i>	Appear to be adequate <i>Slightly superior</i>
<b>Utilities</b>	All available	All in the area <i>Approx. =</i>	All available <i>Approx. =</i>	All available <i>Approx. =</i>	All available <i>Approx. =</i>	All available <i>Approx. =</i>	All on-site <i>Approx. =</i>
<b>Size</b>	8.98 AC 391,034 SF	5.02 AC 218,862 SF <i>Slightly superior</i>	6.08 AC 264,991 SF <i>Slightly superior</i>	1.03 AC 44,666 SF <i>Superior</i>	1.93 AC 84,000 SF <i>Superior</i>	2.25 AC 97,912 SF <i>Superior</i>	2.74 AC 119,157 SF <i>Superior</i>
<b>Shape</b>	Rectangular minor corner lot	Irregular interior lot	Irregular “L” shaped; (4) minor corner lots	Rectangular minor corner lot	Square corner assemblage with streets on all 4 sides	Square corner lot	Interior flag with frontage on 2 roads
<ul style="list-style-type: none"> <li>Corner/Interior</li> <li>Frontage to Depth</li> </ul>	Adequate	Adequate <i>Slightly inferior</i>	Adequate <i>Slightly superior</i>	Adequate <i>Approx. =</i>	Adequate <i>Slightly superior</i>	Adequate <i>Approx. =</i>	Adequate <i>Approx. =</i>
<b>Restrictions</b>							
<ul style="list-style-type: none"> <li>Zoning</li> <li>Other (Plat/CCRs)</li> </ul>	R-4A None reported	R-4 None reported <i>Approx. =</i>	R-3 None reported <i>Slightly inferior</i>	R-3 None reported <i>Slightly inferior</i>	R-2M None reported <i>Slightly inferior</i>	R-2M None reported <i>Slightly inferior</i>	R-3 None reported <i>Slightly inferior</i>
<b>Other</b>	Adjacent to Cuddy Family Park	None <i>Slightly inferior</i>	None <i>Slightly inferior</i>	None <i>Slightly inferior</i>	None <i>Slightly inferior</i>	None <i>Slightly inferior</i>	None <i>Slightly inferior</i>
<b>Indicated \$/SF</b>	---	> <b>\$3.13/SF</b>	± <b>\$8.26/SF</b>	± <b>\$7.28/SF</b>	± <b>\$8.93/SF</b>	± <b>\$8.20/SF</b>	< <b>\$10.07/SF</b>

## RECONCILIATION AND CONCLUSION

The data generates a bracketing range of unit values from \$3.13 to \$10.07/SF. The relative market position of the subject is isolated in the following table.

MLS #	\$/SF	Reconciliation
4418	▼\$10.07	Pending sale with size and soils
4406	▶◀\$8.93	Offsetting inequalities
2997	▶◀\$8.26	Offsetting inequalities
<b>Subject</b>	---	
22-14889	▶◀\$8.20	Offsetting inequalities
4219	▶◀\$7.28	Offsetting inequalities
2996	▲\$3.13	Dated sale; only comparable with same zoning as subject; most weight given to inferior location

The analysis supports a narrowed range from \$7.28 to \$8.93. The subject is superior to the comparables for location, but this is offset by larger size and inferior soils. Giving weight to the middle of the range, market value is reasonably supported at \$8.25/SF.

$$\mathbf{\$8.25/SF \times 391,034 \text{ SF} = \$3,226,000, \text{ rounded}}$$

**LAND VALUE AS ENCUMBERED BY PROPOSED EASEMENT**

A ±80'-wide stream corridor reserve easement will encumber a strip at the NEC of the property and along the E. 40<sup>th</sup> Avenue & Denali Street right(s)-of-way. The gross area is ±44,000 SF. The purpose is for:

*The stream corridor reserve easement defines and sets aside the land area necessary to construct a section of Fish Creek as an open channel waterway to said Tract B.*



Compensation for the easement is measured in terms of the fee value. Where the fee value is recognized at 100%; partial interests are allocated a fraction (<100%) that is sometimes referred to as an encumbrance-of-rights factor (ERF) or an easement-to-fee ratio (EFR). The factor is applied to the rights to be conveyed; the residual applies to the rights retained. Survey responses and schedules support the following general ranges:

Where the owner-grantor:	Compensation as % of Fee
retains most of the rights	10% to 25%
conveys most of the rights	75% to 90%

In selecting a factor (%) I weighed the following:

The easement is confined to the periphery; an area typically allocated to the requirements for yards, set-back, screening buffers, etc. Typically, the market does not require a concession for a property similarly encumbered compared to one that is not.

However, the easement language is sufficiently broad-brush that little utility may remain – particularly if the area could be utilized for open drainage.

“...The focus needs to be on what the easement document says. The law is well established that it does not matter what the easement holder plans to do with the easement; if the easement holder is acquiring the right to do other things, it has to pay for those other things....In fact, the law typically requires that the ‘most injurious’ that could be made under the language of the easement document establishes the scope of the easement that needs to be valued.” Right of Way, May/June 2019 Page 33.

**GENERAL EASEMENT DESCRIPTION**

**DESCRIPTION OF EASEMENT:**  
A STREAM CORRIDOR RESERVE EASEMENT WITHIN TRACT B OF COOK SUBDIVISION ACCORDING TO PLAT 82-57, FILED IN THE ANCHORAGE RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID TRACT B, THEN HEADING 315 FEET WESTERLY ON NORTH PROPERTY LINE, THEN CONTINUING 80 FEET SOUTH TO CORNER POINT, THEN CONTINUING EAST 175 FEET TO POINT OF BEGINNING OF QUARTER CIRCLE WITH SIXTY-FOOT RADIUS TO ITS END POINT, THEN CONTINUING 175 FEET SOUTH TO CORNER POINT, THEN CONTINUING EAST APPROXIMATELY 80 FEET TO EAST PROPERTY LINE OF SAID TRACT B, THEN CONTINUING BACK TO POINT OF COMMENCEMENT AT THE NORTHEAST CORNER OF SAID TRACT B CONTAINING 44,000 SQUARE FEET MORE OR LESS.

**PURPOSE OF EASEMENT:**  
THE STREAM CORRIDOR RESERVE EASEMENT DEFINES AND SETS ASIDE THE LAND AREA NECESSARY TO CONSTRUCT A SECTION OF FISH CREEK AS AN OPEN CHANNEL WATERWAY ON SAID TRACT B.

THE MUNICIPALITY OF ANCHORAGE OR ITS ASSIGNS ENJOY THE RIGHT TO CONSTRUCT FISH CREEK WITHIN SAID EASEMENT AT THEIR OPTION WITH NO RESTRICTIONS. THIS RIGHT DOES NOT EXTEND TO COVER ANY OTHER CONSTRUCTION ACTIVITY.

THE STREAM CORRIDOR RESERVE EASEMENT IS TO BE MAINTAINED AS VEGETATED NATURAL OPEN SPACE BY THE PROPERTY OWNERS UNTIL THE FISH CREEK DAYLIGHTING PROJECT COMMENCES.

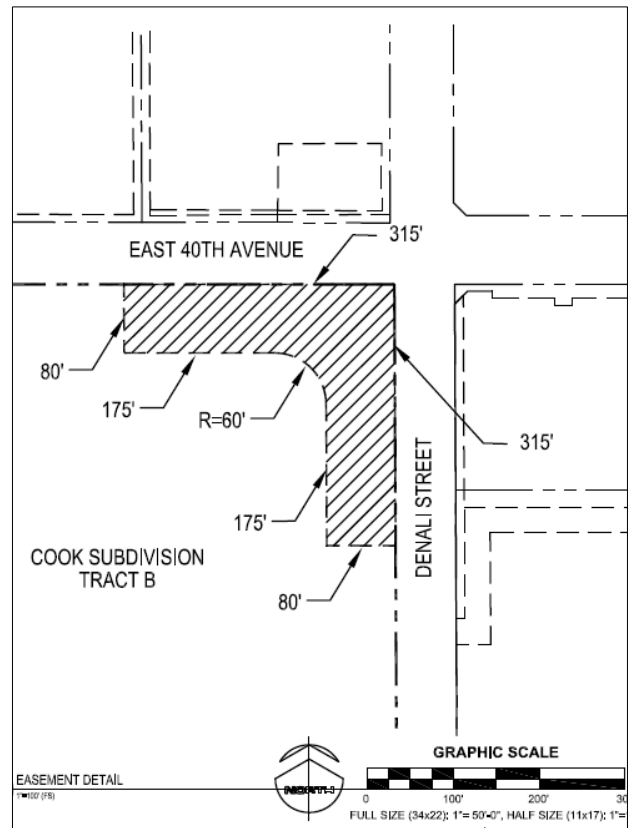
EXISTING ENCUMBRANCES MAY REMAIN IN PLACE WITHIN SAID RESERVE EASEMENT, BUT NO NEW ONES SHALL NOT BE GRANTED FOR ANY PURPOSE.

NO PERSON SHALL ENGAGE IN ANY ACTIVITY THAT WILL DISTURB, REMOVE, CLEAR OR DESTROY VEGETATION IN SAID RESERVE EASEMENT AREA OR CAUSE ANY DISTURBANCE WITH THE EXCEPTION OF REVEGETATION AND LANDSCAPE INSTALLATION PROJECTS.

AN EXISTING PRIVATE WATER SERVICE LINE WITHIN SAID RESERVE EASEMENT MAY REMAIN IN SERVICE WHILE THE SAID RESERVE EXISTS AND MAY BE MAINTAINED IN PLACE AS NEEDED FOR ITS OPERATION.

ALL OTHER MAINTENANCE IN SAID RESERVE EASEMENT SHALL BE ACCORDING TO 21.70.020.B.13.

THE STREAM CORRIDOR RESERVE EASEMENT IS TO CONVERT TO A STREAM CORRIDOR EASEMENT AFTER FULL COMPLETION OF FISH CREEK DAYLIGHTING ON SAID TRACT B. FULL COMPLETION IS DEFINED BY THE STREAM CHANNEL ON SAID TRACT B RECEIVING WATERS FROM AN OPEN CHANNEL FROM THE DIRECTION OF DENALI STREET AND DISCHARGING WATER IN AN OPEN CHANNEL TO THE DIRECTION OF CUDDY FAMILY MIDTOWN PARK.



Potentially, the only remaining benefit to the owner is the ability to include the encumbered area for site-planning purposes (e.g., development density calculations, building setbacks, on-site septic placement).

In summary, most of the rights are conveyed by the easement.

Given these conditions, I applied a factor of 75% to the rights granted (easement/fee ratio [EFR]). The encumbrance is calculated as follows:

Part to be encumbered with the Utility Easement (net additional area)	44,000 SF
<u>x Indicated unit value</u>	<u>x \$8.25 /SF</u>
Indicated fee value of the area encumbered (rnd.)	\$363,000
<u>x Easement-fee ratio (allocation to rights granted)</u>	<u>x 75%</u>
Indicated value for the easement	(\$272,250)
<u>Fee simple Land Value (before easement)</u>	<u>\$3,226,000</u>
<b>Land Value As Encumbered by Easement, rounded</b>	<b>\$2,954,000</b>

**ADDENDA**



## Municipality of Anchorage

Dave Bronson, Mayor

– Real Estate Department –

March 4, 2024

Brian Bethard, MAI  
Black-Smith, Bethard & Carlson, Inc.  
119 E. Dimond Blvd.; Suite 200  
Anchorage, AK 99515  
[B.Bethard@bsbc-ak.com](mailto:B.Bethard@bsbc-ak.com)

*Via email*

RE: Tract C Cook Subdivision (Plat 82-57) (PID 009-131-20-000)  
Appraisal Services Notice to Proceed, New SAP Contract 4400001234

Dear Appraiser:

We have received your proposal to perform appraisal services on the above referenced project for a proposed cost of \$5,500 with a five (5) to six (6) week delivery.

We find the cost to be acceptable. Therefore, Black-Smith, Bethard & Carlson, Inc. is authorized to begin work on the referenced project as of the date of this notification.

We expect the information to be provided in accordance with our Request for Appraisal Services letter dated February 26, 2024 with a Summary Report completed and emailed to our office no later than April 16, 2024.

Please call me at 907-343-7525 or email [tiffany.briggs@anchorageak.gov](mailto:tiffany.briggs@anchorageak.gov) with any questions or concerns you may have concerning this notice or the project. Copies of pertinent information related to the project will be made available upon request.

Sincerely,

*Tiffany Briggs*

Tiffany Briggs  
Real Estate Director

## GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

### **This appraisal report has been made with the following general assumptions:**

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5. All engineering studies (if any) are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
7. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
8. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.
10. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in this field, if desired.

**This appraisal report has been made with the following general limiting conditions:**

1. Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication.
3. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.

**Additional Assumptions and Limiting Conditions:**

1. Any opinions of value provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the opinion of value, unless such proration or division of interests has been set forth in the report.
2. Only preliminary plans and specifications were available for use in the preparation of this appraisal; the analysis, therefore, is subject to a review of the final plans and specifications when available.
3. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
4. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance surveyor analysis of the property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative impact upon the value of the property. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.

## QUALIFICATIONS BRIAN BETHARD, MAI – ALASKA STATE CERTIFICATION #281

**Brian Z. Bethard, MAI**

### **State Certification No. 281**

#### **General Education**

Service High School, Anchorage, Alaska - Graduate 1989

The Colorado College, Colorado Springs, CO - Bachelor of Arts, Economics 1993

University of Alaska, Anchorage, Anchorage, AK - MBA 1996

#### **Employment History**

Black-Smith, Bethard & Carlson, LLC -

Managing Member – 2005 +

Black-Smith and Richards, Inc. -

Fee Appraiser -1995 to 2005

Randall, Hayes, and Henderson, Inc. -

Fee Appraiser -1993 to 1995

#### **Appraisal Courses/Seminars Taken**

Residential Case Study - University of Alaska Anchorage - 1994

Uniform Residential Appraisal Report - Appraisal Institute - 1993

Standards of Professional Practice, Part A & B - Appraisal Institute - 1996

Advanced Sales Comparison & Cost Approaches - Appraisal Institute - 1997

Appraisal Principles & Procedures - Appraisal Institute - 1998

Highest and Best Use Market Analysis - Appraisal Institute - 1998

Advanced Applications and Market Analysis - Appraisal Institute - 1998

Report Writing and Valuation Analysis - Appraisal Institute, 1998

Advanced Income Capitalization, Course 510 - Appraisal Institute - 2000

Intro to Statistics & Supporting Adjustments - Appraisal Institute - 2002

Market Studies for Affordable Housing - NH&RA - 2002

Standards of Professional Practice - Appraisal Institute – 2002/03/04/05/07/09/11/13/15

Subdivision Analysis - Appraisal Institute – 2004/15

Rates & Ratios – Appraisal Institute – 2005

Principles of Real Estate Law – IRWA – 2005

Skills of Expert Testimony – IRWA – 2006

Analyzing Distressed Real Estate – AI – 2006

Condemnation Appraising – AI – 2007

Appraisal Challenges in Declining Markets – AI, 2009

Forecasting Revenue – AI, 2009

USPAP Update – AI, 2011

Yellow Book – AI, 2011

Appraisal Curriculum, General – AI, 2011

Real Estate Financing, Statistics & Value Modeling – AI, 2013

Appraisal of Limited Service Hotels – AI, 2015

Residential/Commercial Valuation of Solar – AI, 2017

Appraisal of Convenience Stores – AI, 2017

Appraisal of Car Dealerships– AI, 2018

How tenants create/destroy value– AI, 2019

#### **Certifications**

Alaska State Certification: General Real Estate Appraiser #281

**Affiliations**

Member Appraisal Institute (Member No. 11857)  
President: Alaska Chapter Appraisal Institute – 2005 & 2006  
Vice Pres: Alaska Chapter Appraisal Institute - 2004

**Typical Clients**

Cook Inlet Housing Authority  
Northrim Bank  
Alaska Housing Finance Corp.  
HDR Engineering  
The Municipality of Anchorage  
The City of Valdez  
Alaska Industrial Development & Export Authority  
Wells Fargo Bank  
Key Bank  
State of Alaska Department of Natural Resources  
First National Bank Alaska  
Alaska First Bank  
Denali Alaska Credit Union  
Department of Justice

**Appraisal Assignments**

Various Multifamily, Land and Special Purpose  
Attwood Building Rent Study, Anch., AK  
Kenai Senior Housing Market Study, Kenai, AK  
Highlands Luxury Apartments, Anch., AK  
The Veco Building, Anch., AK  
City of Valdez Assessment, Valdez, AK  
Charter North Hospital, Anch., AK  
McKay Building, Anch., AK  
Alaska DOT Building, Juneau, AK  
Alyeska Pipeline Appraisal, Prudhoe - Valdez  
15<sup>th</sup> Avenue Extension ROW Project, Anch., AK  
Saint Paul Health Clinic, St. Paul, AK  
Residential Mortgage Building, Anch., AK  
Sprucewood Housing; 300 Units Eielson AFB

License #: APRG281  
Effective: 6/7/2023  
Expires: 06/30/2025

**State of Alaska**

Department of Commerce, Community, and Economic Development  
Division of Corporations, Business, and Professional Licensing

**Board of Certified Real Estate Appraisers**

Licensee: **BRIAN ZANE BETHARD**

License Type: **Certified General Real Estate Appraiser**

Status: **Active**



Commissioner: Julie Sande

**Relationships**

No relationships found.

**Designations**

No designations found.