

	Presented
Date Action Taken:	2.9.15
Other:	126.15 Postponed to 2.9.15
Verified By:	<i>[Signature]</i>

CITY COUNCIL INFORMATIONAL MEMORANDUM

IM No. 15-03: Meta Rose Square Appraisal

Originator: Public Works Director
 Date: January 20, 2015

Agenda of: January 26, 2015


Route to:	Department Head	Signature	Date
X	Public Works Director	<i>[Signature]</i>	1/20/15
X	Finance Director	<i>[Signature]</i>	1-20-15
X	Deputy Administrator	<i>[Signature]</i>	1-20-15
X	City Clerk	<i>[Signature]</i>	1.20.15

Reviewed by Mayor Bert L. Cottle: *[Signature]* 01/20/2015

Attachments: AM No. 14-39(AM), 2 pages
Summary Appraisal Report 38 pages

Summary Statement: In response to the property appraisal prepared by Vince Coan and in accordance with Action Memorandum No. 14-39(AM), a committee of the whole meeting is needed to discuss; 1) the appraisal of Meta Rose Square, 2) any recommendations from Planning regarding terms or conditions of the sale, and 3) and to adjust dates as needed of how to proceed with the sale of the Meta Rose Square property.

CITY OF
WASILLA
 • ALASKA •

Date of Action: 8.25.2014	
Approved <input checked="" type="checkbox"/>	Denied <input type="checkbox"/>
By: Amended see notes page 2. 	

CITY COUNCIL ACTION MEMORANDUM

AM No. 14-39(AM): Directing Administration to Proceed with the sale of Lot 5A, Block 1, Fred Nelson Subdivision E, Plat 83-87 (Meta Rose Square), by the sealed bid method of disposal.

Originator: Council Members Leone Harris and Colleen Sullivan-Leonard
 Date: 8/11/2014 Agenda of: 8/25/2014

Route to:	Department Head	Signature	Date
X	Public Works Director		
X	Finance Director		
X	Deputy Administrator		
X	City Attorney		
X	City Clerk		

Reviewed by Mayor Verne E. Rupright: _____

Fiscal Impact: yes or no Funds Available: yes or no

Account name/number/amount:
 Account Name Account # Dollar Amount

Attachments: IM No. 14-12 (pp. 5)
 Mat-Su Borough Real Property Detail for property (pp. 1)
 WMC 5.32, Sale or Lease of Public Lands (pp. 8)

Summary Statement: In response to IM No. 14-12 presented to the Council on June 23, 2014, from Public Works Director Archie Giddings, in relation to the sale of Meta Rose Square. The City Council requests the Administration to proceed with the sale of the Meta Rose Square, Lot 5A, Block 1, Fred Nelson E, Plat 83-87, by the sealed bid method of disposal as required in Wasilla Municipal Code 5.32.040.

Per WMC 5.32.010, Lands available: "All lands which the city holds title, and which in the opinion of the council are not needed for, or devoted to, a municipal purpose, may be leased or sold, as hereinafter provided for, and in such case where such sale or lease would be in the best interest of the public."

Per WMC 5.32.030, Appraisal required: *“No lands or any interest in land shall be sold or exchanged unless the same has been appraised by a qualified appraiser within six months prior to the date fixed for the sale or exchange. The mayor shall be responsible to have such appraisal made and it shall reflect any restrictions on the use of the land as offered for sale. Alternatively, the latest available Matanuska-Susitna Borough assessed value may be used (see attachment). No land shall be sold or exchanged for less than the approved minimum appraised or assessed value.”*

Therefore, per City Council request, the City Administration shall obtain a commercial appraisal on the Meta Rose Square property. An ordinance shall be brought back for action by the City Council to identify the amount necessary to procure a commercial appraisal for Meta Rose Square before the land may be published for sale.

Once the bids are opened and a buyer is qualified, an ordinance shall be brought back to the City Council to authorize the Mayor to proceed with the sale.

Recommended Action: Direct Administration to bring back an ordinance to appropriate funds from the Assigned Land Bank portion of the General Fund, Fund Balance, to obtain an appraisal of the property referenced above. Further to direct Administration per WMC 5.32.040 to proceed with the sale of the property by sealed bid method of disposal. Once a buyer is identified, an ordinance authorizing the sale of the land will be brought forward to the Council to proceed with the sale. The timeline shall be as follows:

- September 8 – Introduction of ordinance to appropriate funds for appraisal.
- September 22 – Adoption of ordinance to appropriate funds for appraisal.
- No later than November 3 – Appraisal due.
- **November 24 – During regular City Council Meeting hold a Committee of the Whole to discuss the appraisal, any recommendations from Planning regarding terms or conditions of sale, and adjust dates as needed of how to proceed.**
- *Tentative* - No later than December 15 – Requests for bids due.
- *Tentative* - January 12 – Introduction of ordinance to authorize the sale of the property.
- *Tentative* - January 26 – Adoption of ordinance to authorize the sale of the property.

**SUMMARY APPRAISAL REPORT
"META ROSE SQUARE"
(Existing and Complete Multiple Lease Bay Facility)**

**Lot 5A, Block 1, Fred Nelson RSB
290 N. Yenlo St.
Wasilla, Alaska 99654**

**Value Estimate Effective Date: January 23, 2015
Report Preparation Date: January 26, 2015
(File No. 1156-14)**

(front building elevations looking westerly)



CLIENT: CITY OF WASILLA

Statewide Appraisal Svcs.

January 26, 2015

Archie Giddings, Public Works Director
City of Wasilla
290 E. Herning Ave.
Wasilla, Alaska 99654

RE: Summary Appraisal Report
"Meta Rose Square"
290 N. Yenlo St.
Wasilla, Alaska 99654 (File No. 1156-14)

Dear Mr. Giddings:

Following this transmittal letter is a summary appraisal report of the real property comprising the "Meta Rose Square" in downtown Wasilla. As agreed, the purpose of the appraisal is summarized as follows:

- to estimate the market value of the leased-fee interest; i.e. based on terms as stipulated by lease agreements reported by the owner, compared with market parameters

Development of the appraisal complies with the "Scope of Work Rule" and Standards Rule 1-1(h) of the Uniform Standards of Professional Appraisal Practice (2014-2015). Reporting of the appraisal complies with Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (2014-2015) pertaining to "Appraisal Report" preparation. As requested, the report format also complies with the former (2012-2013) Uniform Standards of Professional Appraisal Practice pertaining to "Summary Appraisal Report" preparation. The purchase order is included in the addenda section as an engagement document.

Following is the estimated market value of the **LEASED FEE INTEREST**, effective as of **January 23, 2015**, based on cash or equivalent terms.

Estimated Market Value "At Stabilized Occupancy":	\$ 1,850,000
Estimated Market Value "As Is":	\$ 1,680,000

The "Certification of Appraisal" follows, and is incorporated into this transmittal letter. The appraisal can not be understood without reference to the following statements in the body of the report:

- "Scope of Work" (page 4)
- Assumptions and Limiting Conditions (page 5)
 - "Special Economic Assumptions" (page 5)
 - "Extraordinary Assumptions" (page 6)
 - "General Assumptions and Limiting Conditions" (page 7)

Respectfully submitted,



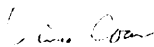
Vince Coan, AA-132
Certified General Real Estate Appraiser

CERTIFICATION OF APPRAISAL

I certify that, to the best of my 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 my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I 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.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My 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.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the 2014-2015 edition of the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the property that is the subject of this report.
- No one other than the undersigned, or those whose services are specifically acknowledged herein, prepared the analyses, conclusions, and opinions concerning the real estate that are set forth in this appraisal report.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Uniform Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Vince Coan is currently certified by the State of Alaska as a General Real Estate Appraiser (Certificate No. AA-132).
- As of the report date, Vince Coan has completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members.

Client: City of Wasilla
Property Rights Appraised: Leased Fee Interest
Value Estimate Effective Date: January 23, 2015
Report Preparation Date: January 26, 2015



Vince Coan, AA-132
Certified General Real Estate Appraiser

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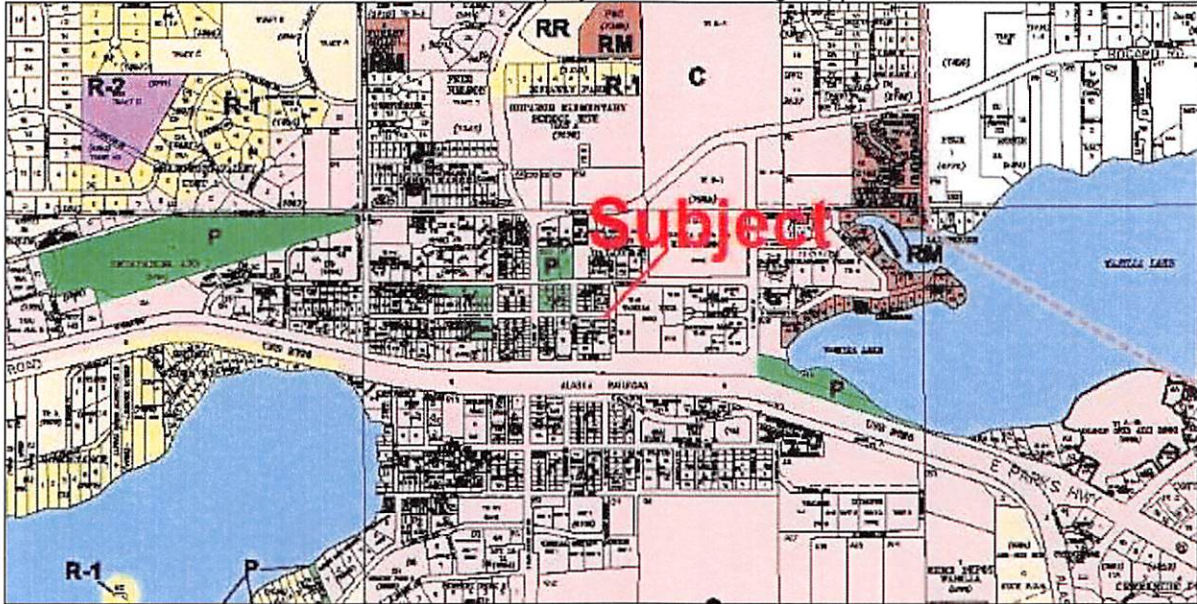
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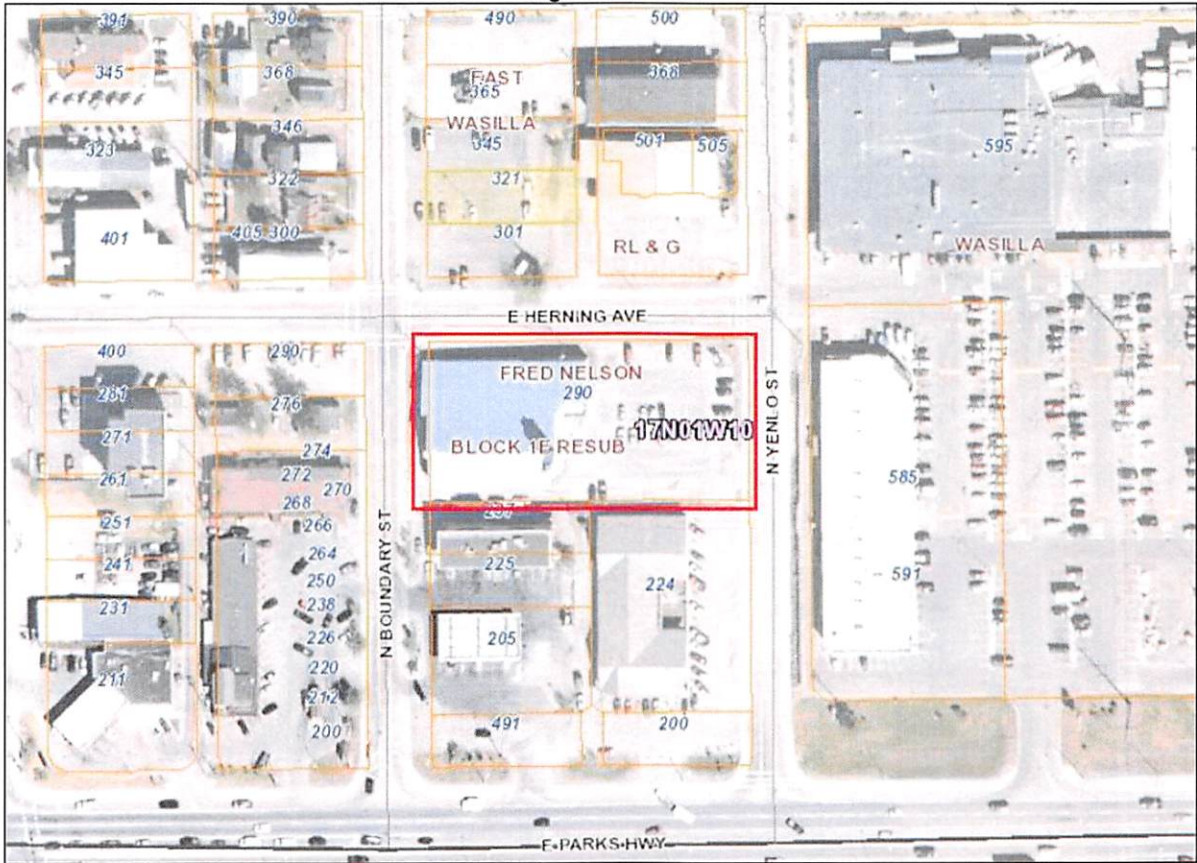
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SUMMARY APPRAISAL REPORT

LOCATION MAP (City of Wasilla Zoning Map)



Immediate Neighborhood Aerial Photo



SALIENT DATA AND CONCLUSIONS SUMMARY

Brief Property and Assignment Summary: The Meta Rose Center, aka "Meta Rose @ the Clock Tower" is a well-known local landmark, located in the central, core area of the original Wasilla Townsite. Physical location is one block north of the Parks Highway, and across N Yenlo St. (west) from the Wasilla Carr's Mall. Originally built in 1983 (Borough records), the building was well-constructed, is in good condition with very minor deferred maintenance items, and heating expenses as reported indicate a very-well insulated structure, and are similar to recent construction. Demise is arctic entry accessing large central common area, glassed-in room adjacent to entry (Wasilla Code Enforcement or Police at times), two public restrooms (with keys kept by merchants), varying-size rental bays on the main level (several with private restrooms, exterior entrances, and mezzanine areas), large stairwell to the partial second level, and stairwell near the central core of the building to the basement. On the second level is one rental bay, and small office utilized by the lessor. In the basement is one rental bay, five storage units around 50 SF each, and storage/maintenance/mechanical rooms. Occupancy was logically impacted by loss of anchor, with all other bays leased since early 2014.

Since there are several lease bays, the purpose of the appraisal is to analyze the market value of the leased-fee interest. Two analyses via the income approach are considered; at market terms and stabilized occupancy, and based on average rents and occupancy as reported over the past two years. Since "Allisaw" (original builder and anchor) left the property, lack of anchor appears to have impacted occupancy, as well as uncertainty regarding the property since the City of Wasilla did not utilize the property as a library. It is understood that intended users are the City of Wasilla, and that intended use is for in-house decision making purposes relative to possible marketing of the property.

The appraiser did not measure bay interiors. Building sizes as noted are utilized for analysis; there was a dichotomy between sizes noted in the leases, and information provided by the client based on 1983 building plans. Sizes as reported from plans will be utilized for the main level bays since this is the only source that segregates bay mezzanines. There are large differences between plans and leases for the basement and second level. Since there appear to have been changes to these levels since construction, sizes as noted on leases will be utilized for the basement and second levels. A BOMA survey will be required for more definitive analyses. The following chart summarizes basic property information and assumed sizes:

Legal:	5A/1 Fred Nelson RSB		<u>Vertical Summary:</u>		
Tax ID#:	2523000L005A		<u>(All Sizes SF)</u>		
Address:	290 N. Yenlo St.		GBA:	21,413 (no bay mezz)	
<u>Site Summary:</u>	<u>SF</u>	<u>AC</u>		<u>Floor</u>	<u>Mezz</u>
Size:	45,000	1.03	Main Level Lease Bays:	12,055	2,063
Yenlow St. Frontage:	150'		2nd Level Lease Bays:	1,860	
Herning Ave. Frontage:	300'		Bsmt. Lease Bays:	1,345	
Boundary St. Frontage:	150'		Total Assumed Rentable:	15,260	2,063
			COMMON:	4,090 (calculated)	
				Efficiency Ratio: 81%	
				<u>Total</u>	<u>14,118</u>

Zoning: C-Commercial

Highest and Best Use: "As Is"; i.e. general commercial lease bays.

Property Rights Analyzed: Leased Fee Interest

Value Estimate Effective Date: January 23, 2015 (last "walk-through" interior inspection date)

Report Preparation Date: January 26, 2015

Valuation Approaches Considered: Income Approach with brief Sales Comparison Approach considered as "check of reasonableness" for the income approach, presented in the addenda section.

Forecast Exposure Period: One year or less assuming typical, competent, professional marketing

Estimated Market Value "At Stabilized Occupancy": \$ 1,850,000
Estimated Market Value "As Is": \$ 1,680,000

APPRAISAL PREMISE

Scope of Work (Scope of the Appraisal): In developing my opinion of value and preparing this appraisal report, I have:

- inspected the subject and comparable properties
- adhered to the terms of engagement with the client, and analyzed the leased-fee interest;
 - considered the income approach only;
 - the cost approach is not considered as market participants place little significance on depreciated cost for older commercial buildings in Wasilla
 - the income approach is given most consideration for analyzing the leased-fee interest since there are multiple lease bays
 - no similar sales have occurred; general commercial sales will be briefly included during final reconciliation only as a "check of reasonableness"
- complied with the "Scope of Work Rule" and Standards Rule 1-1(h) of the *Uniform Standards of Professional Appraisal Practice* in developing opinion(s) of value
- complied with Standards Rule 2-2(a) of the 2014-2015 edition of the *Uniform Standards of Professional Appraisal Practice* pertaining to "Appraisal Report" preparation
 - utilized the "Summary Appraisal Report" format from the former (2012-2013) *Uniform Standards of Professional Appraisal Practice*
- limited analyses only to the following statements under the heading "Assumptions and Limiting Conditions, which are incorporated by reference;
 - "Special Economic Assumptions"
 - "Extraordinary Assumptions"
 - "General Assumptions and Limiting Conditions"

Assumptions and Limiting Conditions: The following "Special Economic, Extraordinary, and General" Assumptions and Limiting Conditions, except where expressly stated to the contrary in the body of the report, are governing upon this appraisal.

Special Economic Assumptions and Pertinent Real Estate Statistics (January, 2015):

1. **Federal Revenue Statement:** Federal spending for military, infrastructure, and many different government programs, has evolved to be a large portion of the State's economy. It is not possible to forecast potential ramifications to Alaska due to politics and possible changes in future Federal expenditures, military base closures, and social programs/assistance. It is assumed that the military will remain a significant presence in Alaska, and that general funding for myriad programs remains consistent.

2. **Local Economy and Real Estate Market Statements:**

- a. Oil prices have decreased 50% since September, 2014, from around \$100/bbl to around \$50/bbl, with potential for further decline. In 2013, the State Legislature published a "break-even" oil price at \$72/bbl with no capital budget, and \$95/bbl for operating (\$5.5BB average) plus \$3bb capital budget;
 - i. the new Governor announced that the large (\$2.5 - \$3BB) annual capital projects budgets for the past four years are not sustainable, with much less forecast for 2015 (around \$100MM)
 - ii. several large-scale projects are funded for the next few years, and most will likely be completed, leaving potential for slow-down of large capital projects starting in 2016-2017
 - iii. as of January, 2015 there are concerns regarding unfunded liabilities, and potential \$2-4BB shortfall for 2015
- b. current oil price influences range from OPEC's refusal to restrict production and insistence that price drops are a result of speculation rather than supply/demand and that prices will increase in the foreseeable future, to forecasts that predict even lower prices for extended periods
- c. **Residential Market Segment:** Residential growth drives demand for commercial properties; the following chart summarizes numbers of houses sold in the greater area from 2010 - 2014:

Period	No. Units	% Δ
2010	1,107	6%
2011	1,203	9%
2012	1,181	-2%
2013	1,469	24%
2014	1,697	16%

- d. since 2000, "trough" sales were 1,040 units in 2009, and prior to 2014, "peak" sales were around 1,550/year during 2005 and 2006.
 - i. these statistics reflect a stable to increasing market segment since 2009, and have influenced small-project commercial development
 - ii. year-to-date 2013 to 2014 indicates an additional 15% +/- activity in house sales
 - e. **Commercial Market Segment:** Including "box", hospital, and smaller-scale projects, around 3,000,000 SF of general commercial space has been built in Wasilla since 2000. Numbers of small projects increased in 2011-2013, fewer have been undertaken in 2014, and similar activity is forecast for 2015, driven primarily by increasing numbers of house sales. There have been very few commercial foreclosures in the greater area, and increasing construction during a period in which there have been few sales indicates perceived stable market conditions. In particular, Fred Meyer's recent purchase and razing of the former Palmer Carr's Mall removed the last, large obsolete commercial development in the greater area.
3. **Population:** Growth averaged around 5%/year from 2000-2006, around 2.2% through 2010, and increased to an average of around 4.5% from 2011 - 2013, with continual growth forecast for the foreseeable future.
 4. **Summary:** It is beyond the scope of the appraisal process to forecast future oil prices or political decisions. Readers/users are advised that the appraisal process is a reflection of market data and trends. For the past 24 years, annual population growth in the Mat-Su Borough has averaged from 1.2% to 5.7%. Analyses are predicated on the "special economic assumption" that the foreseeable future will reflect the recent past to some degree, which is characterized as varying rates of continual, annual growth and expansion. Impacted by low oil prices, current press reports reflect budgetary concerns, and that newly-elected leaders will be required to reduce operating expenses. Other economic issues include more or less oil in the pipeline, future large or small LNG projects, hydroelectric dams, large bridges, or small/large infrastructure-extending projects either partially or not yet funded. It is not possible to forecast ramifications to the State's economy influenced by a new Governor and Legislature, current/future oil prices, other economies, changing technology, or political events.

Extraordinary Assumptions - defined in the *Uniform Standards of Professional Appraisal Practice* as "an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions".

1. **Environmental Statement:** No engineering or environmental reports were provided. No hazards associated with either the subject or surrounding properties were noted. All analyses are based on the "extraordinary assumption" that subject horizontal and vertical components, and properties in proximity, are "environmentally clean". If further information is required, appropriate professionals should be retained.
2. **Site Statement:** No soils, engineering, or title reports were provided;
 - a. no evidence of settling or soils-related issues were noted, and analyses are based on the "extraordinary assumption" that site characteristics are adequate to support the vertical components through their economic life
 - b. it is assumed that the subject is compliant with Wasilla's commercial zoning district, including required on-site parking
 - c. it is assumed that there are no encroachments or setback violations
 - d. it is assumed that there are no legal, detrimental site-related issues
 - e. if further information is required, appropriate professionals should be retained
3. **Vertical Components Statement:** The appraiser is not an engineer or certified building inspector;
 - a. the appraiser did not measure the individual rental bays; sizes as reported by the client/owner based on 1983 plans for the main level bays are utilized. Basement and second levels appear to have changed, and sizes noted in the lease documents will be utilized. An "extraordinary assumption" is made that size estimates are reasonably accurate; a BOMA survey will be required for more definitive analyses.
 - b. original construction was reported in 1983, indicating physical age at 31 years; condition and quality are rated as good, with economic age estimated at 50% of physical age, or around 15 years, with remaining economic life estimated at around 30 years +; could be indefinite assuming on-going maintenance
 - c. no curable deferred items, beyond some worn floor covers and interior/exterior touch-up items, were observed. Carpet seams in most of the bays are uneven, some are stained, and the restaurant floor in the kitchen exhibits heavy, continual use. Deferred items are estimated at a maximum of \$10,000, which will be deducted during reconciliation
 - d. incurable deficiencies "built-in" as a result of the original construction date include inadequate electricity/communications infrastructure
 - i. rental rates in newer properties tend to be higher than in the subject and other, older properties in proximity
 - ii. consideration for functional obsolescence is therefore included in the income approach
 - iii. since no sales of directly similar properties are known to have occurred, methodology via the sales comparison approach is very briefly presented as a "check of reasonableness" for the income approach in the addenda section
 - e. all analyses are based on the "extraordinary assumption" that there are no deficiencies associated with the building, including exterior/interior walls, roof, foundation, and mechanical systems
 - f. if further information is required, appropriate professionals should be retained
4. **Information Statement:** The owner/lessor forwarded lease documents and operating information, which has been relied on as follows;
 - a. there is a dichotomy between some sizes noted in the leases, and sizes as reported from plans
 - b. since plans segregate bay mezzanines, they will be utilized for main-level bay sizes
 - c. leases for the basement and second-level bays appear to be more accurate and will be utilized for sizes of those bays since it appears these levels have changed since original plans
 - d. it is assumed that operating expense data provided is correct

General Assumptions and Limiting Conditions:

1. Employment to make this appraisal report does not require expert preparation and/or testimony, unless mutually satisfactory arrangements are made in advance.
2. This appraisal, or any information contained herein, is not to be used in a syndication or limited partnership.
3. All dimensions and legal descriptions are assumed to be correct as found through on-site inspections and/or information provided to the appraiser during the course of the assignment. The information used and the data furnished is considered to be reliable. If any errors in that information or this report are found, the right is reserved to modify the conclusions reached.
4. While various approaches to value and/or mathematical calculations may have been used in estimating value, these are only aides to the formulation of the value estimate(s) expressed by the appraiser. In these calculations certain mathematical figures are rounded to the nearest significant amount.
5. The data and conclusions contained in this appraisal report are a part of the whole valuation, and no part of this appraisal report is to be used out of context.
6. Disclosure of the contents of this appraisal report is governed by the bylaws and regulations of the Appraisal Institute. Neither all, or any part of, the contents of this report shall be disseminated to the general public through advertising, public relations, news, sales, or any other media without the prior written consent and approval of the appraiser(s) signing the report.
7. The date of value for the opinions expressed in this appraisal report is the date of certification, unless otherwise stated. The appraiser assumes no responsibility for economic or physical factors occurring at some later date which may have an impact on the opinions expressed herein.
8. No title report was provided, and no opinion is expressed as to the value of subsurface oil, gas, or mineral rights. The property included in this analysis is not known to be subject to surface entry for the exploration or removal of such materials except as is expressly stated.
9. No engineering or soil studies were made available. Therefore, assumptions as to soil qualities employed in this appraisal report are not conclusive but have been considered consistent with information otherwise commonly available. If further information is required, appropriate professionals should be retained.
10. The maps, plats and exhibits included are for illustration purposes only, as an aid in visualizing matters discussed in the report. They should not be considered as official surveys or relied upon for any other purpose.
11. The forecasts, projections, or operating estimates contained herein are based on perceptions of current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to change with future conditions.
12. The liability of Statewide Appraisal Services and Vince Coan, from professional negligent acts, errors and/or omissions is limited to the client only and to the fee actually received by the appraiser(s). There is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of these assumptions and limiting conditions. All persons utilizing and relying upon this report, in any manner, bind themselves to accept this limitation of liability.

GENERAL INFORMATION

Purpose, intended users, and intended use of the appraisal:

- The purpose of this appraisal is to estimate the market value of the leased-fee interest "As Is"; effective as of January 23, 2015 (last inspection date)
- Intended users are the client (City of Wasilla)
- Intended use of the appraisal is to aid the City of Wasilla regarding decision-making purposes relative to possible marketing of the property for sale

Value Estimate Effective Date: January 23, 2015

Report Preparation Date: January 26, 2015

Definition of Market Value: Market value is defined by federal regulatory agencies pursuant to Title XI of FIRREA as:

"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, 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:

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto;
- 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."

Definition of Property Rights Appraised: "Leased-fee interest" is defined by the Appraisal Institute in the Fourth Edition of The Dictionary of Real Estate Appraisal, as follows:

"An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease."

Area Information Summary: The appraisal process is not only a reflection of market data, but also of market participant's perceptions. Barring economic factors extrinsic to Alaska and the Mat-Su Borough, some degree of growth and demand for all property types is forecast to continue into the foreseeable future. Following is a brief, general summary as of year-end, 2014:

- oil prices have decreased 50% since September, 2014, there is a new State administration, and concerns prior to the 2015 Legislative session have been expressed regarding revenue shortfalls
- prior to the oil price decrease, it was generally acknowledged that Alaska's economy was among the most sound of any other State, during which it was also forecast that oil would range around \$100/bbl;
- it is not possible to forecast future oil prices or subsequent impacts; there were large capital projects budgets for the past four years, and there are large capital projects funded into 2017, but it would be unrealistic to assume large capital projects beyond that time
 - the new Governor recently submitted a capital budget of \$110MM, compared to the past four-year average of from \$2.5BB to \$3BB
- for the past 24 years, the Mat-Su Borough is the only area of the State to experience continual growth in both population and employment each year;
- MLS statistics indicate that the number of vacant land sales (all sizes and types) decreased from 2007 to 2008, and increased on an annual basis from 2009 through 2013, with an increase in activity in 2014
 - current inventory of readily developable residential lots located in the "core area" from Wasilla to Palmer has absorbed to the point that a perception of feasible subdivision opportunities is demonstrated by increased numbers of preliminary plats filed with the Mat-Su Borough
- MLS data indicates that absorption of single-family homes in the greater area decreased annually from 2006 through 2008, and has remained generally static to slightly growing from 2009 through 2014;
 - 1,181 units sold in 2012, which was 2% less than in 2011
 - 1,469 units sold in 2013, which was 24% more than in 2012
 - 1,697 units sold in 2014, which was the most volume to have occurred; prior peaks were 2005 and 2006 at around 1,550 units
 - numbers of house sales increased in the areas more near Palmer and Wasilla, and slowed in the Meadow Lakes, Goose Bay/Point MacKenzie, and Houston areas
- mining Mat-Su Borough data indicates that residential housing construction decreased annually from a "peak" of around 1,400 units in 2005, to around 500 units in 2010, increased to 600 in 2011, increased to around 750 in 2012 and 2013, with similar activity forecast for 2014
 - the increase in numbers of houses built from 2010-2011 is the first since 2003-2004
- in Wasilla, around 3,000,000 SF commercial space was built from the late 1990's through 2012, commercial occupancy patterns are in equilibrium, with less construction activity and longer marketing periods for vacant sites;
 - overall commercial vacancy is low, mostly off bays in older projects, typical of communities that have experienced significant "box" store development
 - since 2010, there has been an increase in numbers of small projects, mostly owner-occupied, with very few speculative projects
- in Palmer, around 300,000 SF commercial space was built from the late 1990's through 2012, and there is more vacant space than in Wasilla however, the pace of absorption of office space has increased
 - Fred Meyer recently bought and razed the former "Palmer Carr's Mall" to become more of a presence in Palmer
 - this purchase removed the last remaining old, large "challenged" property from available inventory in the greater area
- several road projects and other infrastructure are funded in the Anchorage and Mat-Su areas into 2017;
- all statistics indicate significantly more activity more near Wasilla than Palmer, reflecting historic trends;
- As of January, 2015, all negative economic concerns are extrinsic to the State and influenced by energy economics; if oil prices remain low there could obviously be ramifications.

PROPERTY SPECIFIC INFORMATION

Property Identification: Signage indicates "Meta Rose Square".

Legal Description: Lot 5A, Block 1, Fred Nelson RSB, plat no. 83-178, Palmer Recording District, Third Judicial District, State of Alaska.

Mat-Su Borough Tax ID#: 2523B01L005A

Location: 290 N. Yenlo St., Wasilla, Alaska 99654

Ownership: City of Wasilla

Furniture, Fixtures and Equipment (FF&E): None included; real property only is analyzed.

Three Year Sales History: None.

Assessed Value and Real Estate Taxes: The Matanuska-Susitna Borough levies a flat rate on properties within each service area, irrespective of property type. Following are current and historic assessed values. There is no methodology by which to forecast future assessed values, mill rates, or real property taxes.

2523000L005A	2012	2013	2014
Land	\$ 360,000	\$ 360,000	\$ 360,000 \$ 8.00 / SF
Building	1,542,000	1,507,400	1,507,400 \$ 70.40 / SF
Total	\$1,902,000	\$1,867,400	\$1,867,400
Mill Rate	11.661	11.842	11.652
R.E. Tax	\$22,179	\$22,114	\$21,759 \$ 1.02 / SF
%change AV		-1.8%	0.0%
%change Taxes		-0.3%	-1.6%
Based on GBA			

Subject Photos:



Front building elevations



Looking easterly along E. Herning Ave., subject on right



Looking southerly along S. Boundary St.; subject on left



Rear and side building elevations looking northeasterly



Front common area



Common area extending to rear of building; restaurant at right by stairwell



Front booth adjacent to entry (city use)



Main-level lease bay (Flowers by Louise)



Rear prep area Flowers by Louise



Former Allisaw bay; seasonal rental



Mezzanine break area former Allisaw bay



Typical private bath (former Allisaw bay)



Rear common area



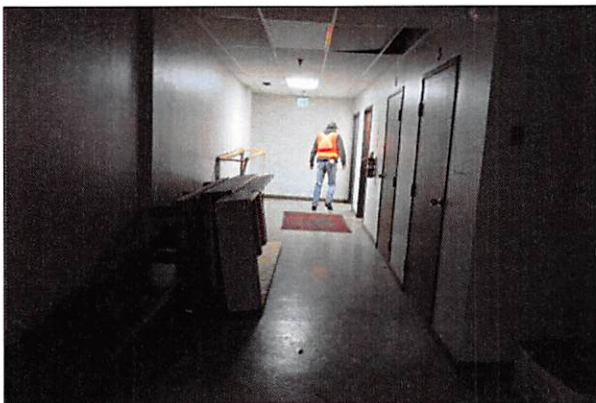
Small lease bay beauty parlor



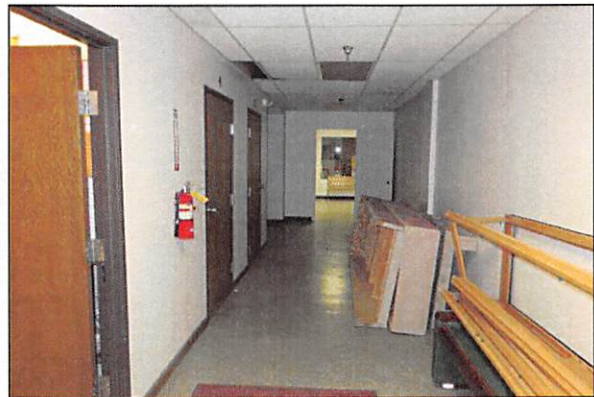
Former elevator shaft; rental nook to Travel Agency



Typical common restrooms (tenants have key)



Basement corridor



Basement corridor



Basement rental bay



2nd level conference room



2nd level lease bay



2nd level lease bay



Main level lease bay (Younique Boutique)



Typical private restroom



Mezzanine Younique Boutique



Main level lease bay (Big Daddy's Tobacco)



Private restroom (Big Daddy's)



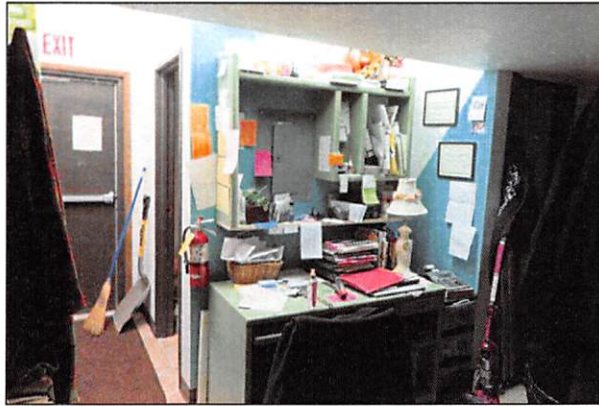
Basement lease bay



Main level lease bay (Clumzy Clover)



Main level lease bay mezzanine space (Clumzy Clover)



Typical rear office



Basement Stairwell



Main level restaurant bay



Employee bath in kitchen bay



Main level restaurant bay prep area



Restaurant bay kitchen

- Access: Very good with drives onto each street
- Topography and Foliage: Level and at grade; minimal landscaping (planter box), most of the site not encumbered with building footprint is paved
- Soils: No soils information was provided; physical age of vertical components is 31 years, and no settling or other soils-related issues were noted. Analyses are predicated on the "extraordinary assumption" that soils conditions are adequate to support vertical components through their remaining economic life. If further information is required, appropriate professionals should be retained.
- Utilities: City water/sewer, natural gas, electricity, telephone and refuse service
- Zoning and Restrictions: C - Commercial (City of Wasilla). This is a typical, general commercial district, and the City of Wasilla reports that the project is legal and conforming, included required parking (one space for each 300 SF vertical), and snow storage.
- Easements: No title report was provided. The plat indicates 10' utility easement along the westerly and southerly boundaries. There are dotted lines extending though the central portion of the site with no explanation. It is assumed that easements are typical and non-detrimental. If there is concern, title experts should be retained.
- Site Improvements: Paved/striped parking lot, sidewalk at front of the building, minimal landscaping in the form of two CMU planters, two light poles. Comparable data includes generally similar amenities, and contributory value of site improvements is not further segregated since the cost approach is not considered.
- Encroachments: No surveys were provided. No encroachments are apparent, and it is assumed that none exist. If further information is required, appropriate professionals should be retained.
- Environmental Issues: Prior to the availability of natural gas in this area, fuel oil was the most common energy source. There are no apparent noxious uses apparent in immediate proximity, and none were observed at inspection. This appraisal report is prepared assuming that no environmental hazards exist on, around, or near the subject property.
- Floodplain and Earthquake Zones: According to FEMA Flood Insurance Map panel 020021 9675C, and the plat, a very small portion of the lake frontage is labeled as a "Flood Hazard Area". Since development is reported as legal and conforming, no issues associated with the floodplain are apparent. Once designated Seismic Zone 4, the USGS has changed the classification to a complicated formula. It is known that Wasilla, as well as the State of Alaska, are is seismically active.

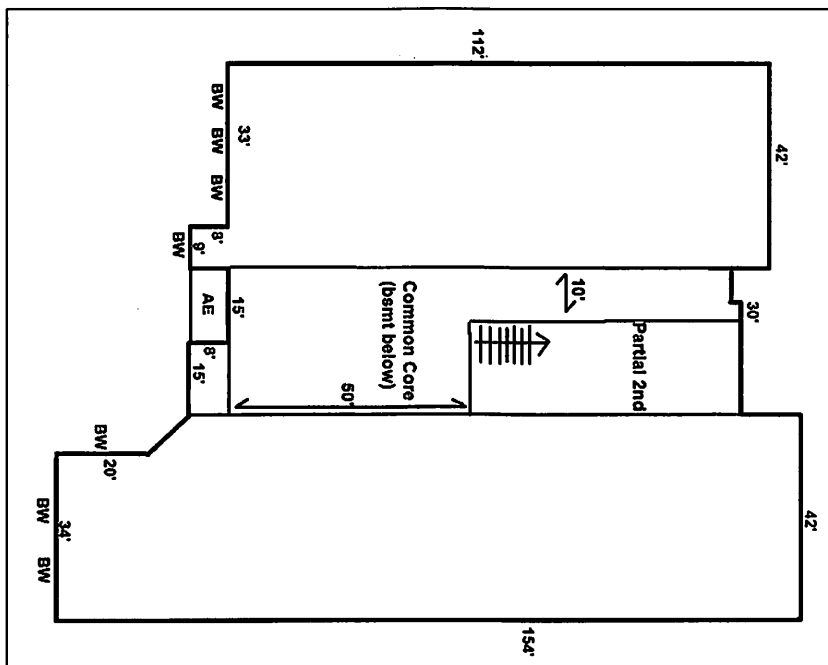
Improvements Description: Readers are advised that the appraiser is not an engineer or certified building inspector. An "extraordinary assumption" has been made that the all construction was to IBC requirements during original construction, and that there are no structural/mechanical/finish deficiencies. If further information is required, appropriate professionals should be retained. It appears that the main level is accessible, and it is assumed that the building satisfies ADA guidelines.

Building Summary: The subject is one of the more superior projects that was developed in Wasilla during the early to mid-1980's. Quality, and overall condition, are rated as good. Observable deferred items are very minor, and include mostly several areas of worn floor covers in various bays (mostly carpet seams), with floor cover in the restaurant kitchen requiring replacement at some future point. Interior walls/ceilings show little wear and tear, with a few stains. One cracked exterior window pane was noticed, and the exterior of the building exhibited no deferred items. A subjective estimate of \$10,000 appears adequate to address "curable" deferred items, and will be deducted during final reconciliation.

Brief History: The property was developed for owner-occupancy ("Allisaw Cook Ware"), with additional lease bays and large mezzanine (now enclosed second level) in 1983. The contractor reported that the owner desired the building to exhibit pride of ownership, and wanted to enhance the core downtown area. Basic construction is CMU with large wood and steel beams. More reminiscent of modern construction, there is dead-air space between exterior walls and interior wood frame, and the builder stated that the roof and walls were very well insulated. This is indicated by natural gas expense as reported, indicating around \$4.50/SF during the last 12 months, which is comparable to modern construction.

Demise: Building design is partial basement with five storage units, mechanical room, storage/work areas, restroom, corridors, two stairwells, and one rental suite. The main level includes arctic entry into full-height, atrium-type front common area, demised into nine bays (including glass booth adjacent to entry). Five include varying-size mezzanines accessed via interior stairs within the suites. The partial second level is demised is accessed via a wide stairwell adjacent to the restaurant bay; one is utilized as a lessor conference room, and one is leased. There are two large, common restrooms, and the larger main-floor bays include private restrooms, and rear exterior entrances.

Following is the Mat-Su Borough's exterior building sketch, with exterior dimensions spot checked in the field. The sketch is based on exterior measurements and main common core only; sizes utilized for analyses will be as reported by the client under the "extraordinary assumption" that their information is correct.



Vertical Summary:

- **Size:** Summarized as follows; main-level bay sizes as reported by the client, based on plans, are utilized. These sizes differ somewhat from lease documents, and are utilized as this is the only source which segregates mezzanine sizes. For the basement and second levels, sizes as reported from plans are larger than noted in the leases. For these bays, sizes in leases are utilized as it appears that configuration changed since original construction. GBA reported by the client and the Mat-Su Borough (same), and reported by the client based on building plans. Following is a summary of sizes utilized for analysis purposes. A BOMA-type survey will be required for more definitive analyses.

Suite No./Lessee	Size (SF)		
	Floor	Mezz.	Total
Main Level:			
100/Younique Boutique (400 SF Mezz)	1,668	400	2,068
101/Big Daddy's Tobacco (175 SF Mezz)	1,077	175	1,252
102/Clumzy Clover Teas & Treasures	1,735	400	2,135
103/The Alcove Salon (nook)	200		200
104/CruiseOne (former el. shaft)	42		42
105/Pataya Sushi (adjacent to main stairwell)	1,070		1,070
121/Vacant (768 SF Mezz; former Allisaw)	3,710	768	4,478
122/Flowers by Louise (320 SF Mezz)	2,328	320	2,648
Vacant (glass booth adjacent to entry)	225		225
Total Main Level:	12,055	2,063	14,118
2nd Level:			
201/Area 51 Hobby & Games	1,328		1,328
203/Office-Conf. Room	532		532
Total 2nd Level:	1,860		1,860
Basement:			
Fancy Lou's	1,345		
Rentable Area Totals (utilized for analyses):	15,260	2,063	17,323
Total Vacant "As Is":	4,703	27%	

- **Age and Condition:** Physical age is 31 years, with physical life indicated at 50 years (*Marshall Valuation Service*). Condition is good, with minor deferred items mostly including floor covers. At several inspections, appearance of common areas was very clean, and it appears that maintenance is continual. Operating data forwarded indicates heating expense commensurate with new construction, reflecting the builder's report that the subject was insulated very well. No data relative to roof-top mechanical was forwarded; it is not known when, or if, these items have been replaced. Reflecting apparent condition and relative simplicity of mechanical, effective age is estimated at 50% of physical age, or around 15 years. Remaining economic life is forecast to be at least 35 years, and probably is indefinite, assuming on-going maintenance.
- **Functional Adequacy:** While individual, open mezzanines is unique in this area for retail bays, all individual rooms are generally functional for their intended use; i.e. retail bays of varying size, and one restaurant. As noted on the size chart, building efficiency (rentable area vs. common area) reflects a larger percentage of common (non-revenue producing) area than is typical for building's in this size range. Large interior common area is atypical to newer construction, evidenced by the satellite building in the Target development. When queried, the builder reported that the original owner desired to have the large common area, which at one time included potted plants and furniture. No deduction is made for non-curable functional obsolescence due to "super adequacy", since most reliance is placed on the income approach. It should be noted that in larger buildings, more typical leases would required some type of common-area "pass through" to the tenants; however, that is likely not possible to obtain in the subject building due to considerable competitive product in near proximity.
- **Foundation:** Reported to be CMU on reinforced spread footings.

- **Construction Type:** Exterior walls are Class "C" (masonry), with interior wood-frame walls and dead air space between exterior walls and interior framing. The builder also reported several large steel and glu-lam wood beams, and metal web joists are visible in the larger bays.
- **Roof:** Visible metal web joists, with roof cover reported to be T&G plywood sheathing with waterproof membrane and metal roof cover. No roof-related problems were noted at inspection.
- **Interior Walls and Ceilings:** Finished GWB with many custom accents in individual suites. Full height ceilings are painted metal web joists, with finished GWB ceilings throughout.
- **Floors:** Good-quality ceramic tile in the entry, common area, and public restrooms. Mostly commercial carpet in public areas in the rental bays, with sheet vinyl in private restrooms. Slab floor in basement, with sheet vinyl in the rental bay.
- **Windows:** Several bay windows on the main level, mostly fixed fenestration on the main level, and several west-facing windows along the parapet on the west wall (second level). Fenestration is good.
- **Doors:** Glass store-front doors at the arctic entry, roll-down metal fence security doors noted for the rental bays, and metal security entrance doors in most main-level bays, and metal rear door. Interior bay doors are mostly typical hollow-core wood doors.
- **Plumbing:** Two public restrooms, several private restrooms, several employee break rooms; plumbing is typical, and main-level public restrooms appear to be accessible.
- **Electrical:** Assumed to be adequate and typical to modern retail use.
- **Climate Control:** Roof-mounted forced-air HVAC.
- **Fire Protection:** Full, wet fire sprinkler system.
- **Insulation:** The builder reported equivalent to more than R-30 in the roof, and probably similar in the walls due to dead-air space between exterior CMU and interior frame walls. Utility expenses as reported for the past 12 months indicate around \$4.50/SF, which is typical to modern construction.
- **Environmental Observations:** None noted; if there is concern, appropriate professionals should be retained.

ANALYSIS AND VALUATION

Appraisal Methodology: The appraisal process is summarized as a procedure in which market information of similar properties is compared to the subject, via one or more of several types of methodologies. The appraiser's task is to analyze relevant market data for comparison to the subject property, reflecting the actions and perceptions of participants within the market segment. Most significant to the appraisal process as whole is that methodology utilized is a reflection of market data, as well as consideration to market participants' perceptions.

Forecasting highest and best use of land typically initiates the valuation process. The approaches to value appropriate for the specific appraisal problem are analyzed, then reconciled into a final value estimate. It is most typical to analyze the leased-fee interest of property that include multiple lease bays, under the theory that commercial real estate is an investment. There have been no relevant sales of similar, improved properties to allow for a reliable analysis of the property by direct sales comparison. It is typical for underlying site values of commercial properties in Wasilla to vary greatly, and there have logically been very few land sales in direct proximity; this is an older part of Wasilla, and has been mostly built-out for several years.

The income approach measures the relationship of cash flow through leasing and value, and is most significant when analyzing properties encumbered with rental arrangements. Based on the principle that value is created by the expectation of benefits to be derived in the near future, the anticipated gross or net operating income through leasing is converted to an indication of value. As of the report date, essentially all bays meant by the lessor to be rented, with the exception of the largest (former "Allisaw"), were occupied. Since there was one vacant bay, and the project is existing and complete, with newer lessees likely "fitting" into bays rather than conduct significant tenant alterations, direct capitalization will be utilized.

The sales comparison approach compares various elements of similar properties that have sold to the subject. Units of comparison can be based on the gross or net areas of structures, or on an overall basis or exclusive of the site. There have been a few sales of general commercial properties, but not recent activity (for the past several years), of strict retail buildings in the core area. The sales comparison approach will be considered as a "check of reasonableness" to the income approach, and will be considered during final reconciliation.

Summary: The final step in the appraisal process is the reconciliation of the various value indications. Since this is an older, nearly all built-up part of Wasilla, lack of similar sales activity for either site or vertical precludes reliable, direct comparison. Two different analyses will be presented in the income approach; as if occupied within general market parameters "At Stabilized Occupancy", which represents the market value of the leased-fee interest at that point in time that the former "Allisaw" bay is leased. Alternately, analyses based on historic cash flows as reported by the client will be considered. This methodology more likely reflects the forecast selling price that an investor would recognize.

Highest and Best Use Statement: Highest and best use is not an established fact; it is an opinion or forecast of the most profitable use of land. The concluded highest and best use represents the premise upon which market value analyses are performed. Page 332 of the 14th edition of *The Appraisal of Real Estate*, published by the Appraisal Institute, contains the following simple definition:

Definition: "The reasonably probable use of property that results in the highest value". The former definition contained in the 13th Edition included the following, added verbiage: "and legal use of vacant land or an improved property that is physically possible, appropriately supported, and financially feasible and that results in the highest value."

Statements (page 332, 14th Edition): To be reasonably probable, a use must meet certain conditions:

- The use must be physically possible (or it is reasonably probable to render it so)
- The use must be legally permissible (or it is reasonably probable to render it so)
- The use must be financially feasible

Statements (page 333, 14th Edition): To be reasonably probable, a use must meet certain conditions:

- The use to which a property will most likely be put based on market analysis and the highest and best use conclusion. The most probable use is the basis for the most probably selling price of the property

Highest and best use must meet the four tests implied; physically possible, financially feasible, resulting in the most profitable use of the site, and may be limited by improvements existing as of the date of valuation. It's possible that the highest and best use of a site, as improved, may differ if vacant. If improved, market forces dictate that the existing use will continue until the value of the site as if vacant (including all associated building demolition costs less salvage value) exceeds the value as improved. When improvements exist as of the date of valuation, two analyses are considered; as vacant, and as improved.

The following chart summarizes house sold/built statistics for the past several years; this data is most significant to demand for general-purpose commercial and light-industrial properties. MLS statistics are more reliable; house-built numbers are from mining Mat-Su Borough assessor data, and depends on their timing of adding inventory, as well as coding for various uses.

Year	2000	2001	2002	2003	2004	2005	2006	2007	
Houses Built	852	926	1,012	1,277	1,385	1,341	1,083	705	
% Change		8.7%	9.3%	26.2%	8.5%	-3.2%	-19.2%	-34.9%	
Houses Sold	223	578	1,015	1,255	1,440	1,558	1,561	1,385	
% Change		159.2%	75.6%	23.6%	14.7%	8.2%	0.2%	-11.3%	
Peaks									15 Year
Year	2008	2009	2010	2011	2012	2013	2014	Totals:	Annual Avg.
Houses Built	625	558	494	605	764	815	800	13,242	883
% Change	-11.3%	-10.7%	-11.5%	22.5%	26.3%	6.7%	-1.8%		
Houses Sold	1,127	1,040	1,107	1,203	1,181	1,469	1,697	17,839	1,189
% Change	-18.6%	-7.7%	6.4%	8.7%	-1.8%	24.4%	15.5%		
Historic Highs	My forecast	Highest Year							

Summary: As with virtually all commercial properties in the greater Wasilla area, occupying business operations are impacted most by numbers of occupied residences. The population base continues to expand, impacted by a strong jobs market. Current unemployment in the Mat-Su Valley is around 6.5%, compared to up to and over 10% in the early 2000's. Several major capital projects are funded in the Mat-Su Borough for the next few years, and more detached houses will likely be built in the "core area" of the Borough than in Anchorage during 2015, impacted by shrinking land inventory and very high housing prices in comparison to the Valley. It is not financially feasible, under typical entrepreneurial-profit driven incentives, to build new office or shop/office projects solely for leasing or sale. However, existing inventory for lease or sale is limited, and there have been several smaller, owner-occupied projects developed over the past few years. Zoning, location, and evolving characteristics of sites fronting on Knik-Goose Bay Rd, particularly within the city limits, indicates highest and best use "As Is"; i.e. some type of general commercial use. There is no rationale by which to remove the new subject building and alternately develop the site.

Income Approach: Logically, potential investors rely on the income approach when analyzing existing, multiple-tenant properties. Briefly summarized, the Net Operating Income (NOI) from operations of real property is capitalized for an indication of value. Since the subject is fully occupied as of the report date, direct capitalization will be utilized. There have been no sales of similar-quality office buildings in Wasilla from which to extract capitalization rates, most consideration will be given to mortgage-equity methodology (financing criteria), with secondary consideration given to extraction from available market data, including some consideration to "anecdotal evidence" in the form of office building sales reported by Anchorage appraisers.

- **Income Expectancy:** Following is a summary of the rent roll forwarded by the lessor, followed by a summary of comparable data. As was discussed in the description section, sizes as noted on leases are different than noted in lease documents. Since methodology utilized to determine sizes noted on the leases, sizes as reported by the client, based on plans, will be utilized for the main floor. This is the only source which defines sizes of bay mezzanines. Most size differences are on the second and basement levels, and leases will be utilized for these bays as they appear to be most reasonable. It was reported that the second level (originally mezzanine) may have changed since construction. A BOMA-type survey will be required for more definitive analyses.

Lease terms are summarized as follows, based on sizes as previously discussed, with rents indicated by the leases. For the bays including mezzanines, contract rent has been segregated, based on \$0.75/SF/month average for the mezzanines, for the indication of rent paid for floor area. This is required as no comparable data was found that included similar mezzanines.

SUBJECT RENT ROLL (rents as noted in leases, sizes as discussed)				Lease	Overall	Inputed Mezz	Calculated	Start	Annul	Tenant		
Suite No./Lessee	Size (SF)			Rent/Mo.	Rent/SF/Mo.	Rent @ \$0.75	\$/SF Floor	Date	Term	Options	Escalators	Expenses
	Floor	Mezz.	Total									
100/Younique Boutique (400 SF Mezz)	1,668	400	2,068	\$ 2,590.32	\$ 1.55	\$ 300	\$ 1.37	11/1/14	1 Yr	Vo-Mo	N/A	Bay Interior, Elec
101/Big Daddy's Tobacco (175 SF Mezz)	1,077	175	1,252	\$ 1,399.65	\$ 1.30	\$ 131	\$ 1.18	5/1/14	2 Yrs	Vo-Mo	N/A	Bay Interior
102/Clumzy Clover Teas & Treasures	1,735	400	2,135	\$ 2,495.00	\$ 1.44	\$ 300	\$ 1.27	3/1/14	1 Yr	Vo-Mo	N/A	Bay Interior, Elec
103/The Alcove Salon (nook)	200		200	\$ 255.00	\$ 1.28			7/1/14	1 Yr	Vo-Mo	N/A	Bay Interior
104/CruiseOne (former el. shaft)	42		42	\$ 180.00	\$ 4.29			3/1/14	1 Yr	Vo-Mo	N/A	Bay Interior
105/Pataya Sushi (adjacent to main stairwell)	1,070		1,070	\$ 1,245.00	\$ 1.16			7/1/13	3 Yrs	Vo-Mo	N/A	Bay Interior, Elec
121/Vacant (768 SF Mezz, former Allisaw)	3,710	768	4,478	\$ 6,717.00	\$ 1.50	\$ 576	\$ 1.66					
122/Flowers by Louise (320 SF Mezz)	2,328	320	2,648	\$ 3,074.00	\$ 1.32	\$ 240	\$ 1.22	7/1/14	1 Yr	Mo-Mo	N/A	Bay Interior, Elec
Vacant (glass booth adjacent to entry)	225		225	\$ -	\$ -			7/1/14	1 Yr	Mo-Mo	N/A	Bay Interior, Elec
Total Main Level:	12,055	2,063	14,118	\$17,955.97	\$ 1.42			/SF Occupied				
2nd Level:												
201/Area 51 Hobby & Games	1,328		1,328	\$ 1,478.00	\$ 1.11			7/1/14	2 Yrs	Vo-Mo	N/A	Bay Interior
203/Office-Conf. Room	532		532									
Total 2nd Level:	1,860		1,860									
Basement:												
Fancy Lou's	1,345			\$ 1,140.00	\$ 0.85			11/6/14	3 Mos.			
Rentable Area Totals (utilized for analyses):	15,260	2,063	17,323	includes Basement Storage (50 SF +/-) Average floor area rent when segregating mezzanines								
Total Vacant "As Is":	4,703			One month Christmas rental @ \$1,950 (\$0.44/SF)								
Indicated Occupancy:	73%			Based on market rent @ \$1.50/SF/Mo. Floor & \$0.75/SF/Mo. Mezz.								

Following is a location map, summary chart noting market data considered for comparison purposes, and brief narrative descriptions.



Comparable Rental Data Summary Chart

Comp	Property/Location	Term/Date	Size (SF)	\$/SFMo.	Avg.	Escalators	Lessee \$
R-1	Frontier Mall/300 W. Swanson	3 Yrs/2013	1,600	\$ 1.15			Int/AI Utils.
	Frontier Mall/300 W. Swanson	3 Yrs/2013	1,200	\$ 1.15			
R-2	Gold Rush Jewelers (rear bldg.)	Long-term (annual)	800	\$ 1.30			Int/AI Utils
	(lessor reports would be \$.50/SF if leased)		400 - 1,466	\$ 1.50			
R-3	Persinger Bldg. (Subway)	3 Yrs/2015	1,046	\$ 1.45		+CPI	Int/EI
	Available			1,527 \$ 1.35			
R-4	Westside Center/931 W. Comm. Dr.	Available	800	\$ 1.50			Int/EI, Gas
R-5	Carr's Annex/701 E. Parks						
	Ground Level Retail	3 bays; 5 Yrs/2014	1,212 - 2,498	\$ 1.75	\$ 1.75	+CPI	Int + CAM
	2nd Floor Office	1 - 5 Yrs/2012-14	345 - 816	\$ 1.25 - \$ 1.35	\$ 1.30		
	Carr's Wasilla Mall/591 E. Parks	Available	1,570	\$ 1.35			Int + CAM
	Carr's Annex/595 E. Parks	5 Yrs/2014	3,202	\$ 1.45			Int + CAM
R-6	Quodoba Bldg./1513 E. Parks	Lengthy/2015	2,095	\$ 2.50			Int/AI Utils/CAM

Comparable R-1: The Frontier Mall is located one mile+ west of the subject, and is a two-building complex with bays fronting the Parks Highway, and rear building accessed from W. Swanson Ave. at the rear. The Broker reported that these lease rate are typical to retail users in the complex. Location and physical plant are inferior, indicating more than \$1.15/SF.

Comparable R-2: This is a two-building facility located south of the subject. One of five bays in the rear building is leased to a long-term user at what the owner indicated he believed to be sub-market rents. He also reported that the vacant bays are by his choice for possible future plans, but that if he were to leased them he would not accept less than \$1.50/SF/month. All space in the main building is owner-occupied, and the rear building is inferior to the Meta Rose Square in all aspects. This data is included as there are vacant retail bays in immediate proximity to the subject.

Comparable R-3: The Persinger Building (Subway is anchor) is located south of the subject, also across Yenlo St. from Carr's. This is a mid-1980's frame project that includes a somewhat eclectic mix of tenants, including Subway, Integra Insurance, Royal Spa (former laundromat space), a tanning booth, and other small users. One bay ("turn key") recently leased at \$1.45/SF/month to a non-disclosed retail user, and one is available, "As Is", with lessee's responsible for interior build-out if required. Location is somewhat superior; however, access is the same as the subject, and overall this space is inferior to the subject, particularly regarding quality. However, these are two vacant bays in immediate proximity to the subject, and are competing space. The listing Broker reported that existing leases are mostly dated, and range from a low of \$1.25 to a high of \$1.65/SF/month, which are not reflected due to maturing lease terms.

Comparable R-4: The Westside Center is located one mile+ west of the subject, and is a similar-vintage, two-building frame project with mostly retail users. The owner is a large management company that bought the property as mostly vacant in the mid-2000's, remodeled most of the project, and leased large blocks of space to the State of Alaska and MTA. This bay is leased through 7/16, and the manager reported that he is assisting the tenant to find somebody to take over the bay. Current use is mixed office/retail, and it was reported that it is built-out with private restroom and two small rooms.

Comparable L-5: This is data from all three buildings in the Wasilla Carr's property. Highest reported rents are the main level in the "Land Company Building", which is the two-level frame satellite building on the east side of the parking lot. Recent retail rents on the main floor were at \$1.75/SF/month, with second-level office rents reported at \$1.25 to \$1.35/SF/month. Space in the main building is available at \$1.35/SF/month as built-out, and a recent lease in the single-level building at the west side of the parking lot (across Yenlo St. from the subject) is at \$1.45/SF/month. In general terms, the subject plant is superior to this project, and lessee's are logically influenced by the Carr's anchor.

Comparable R-6: This is the recent lease (lessee not-disclosed) in the Quodoba Building, fronting on the Parks Highway in front of Fred Meyer. This data is "anecdotal evidence", demonstrating much higher lease rates influenced by development at the Parks Highway/Palmer-Wasilla Highway corridor. Lease rates in the Target development approach \$4/SF/month as all CAM's are passed-through to

tenants. It is clear that the Palmer-Wasilla Highway/Parks Highway intersection is considered superior to the older, core Wasilla area.

Rental Rate and Potential Gross Annual Income (PGI) Reconciliation (leased-fee interest): Indicated market rents for the subject are from more than \$1.15/SF/month, to less than \$1.75/SF/month. Base unit rent for the subject's main-level bays are \$1.50/SF/month for "floor area"; no data include mezzanines similar to the subject bays, and a subjective -50% adjustment is made, indicating an average rental rate for subject mezzanines at \$0.75/SF/month, which has been utilized to segregate floor and mezzanine space in subject bays.

Most significant is data in the Carr's complex, and the owner/manager reported continual availability of one or more bays. This property, and the Persinger Building (R-3) have historically included one or more vacant bays continually available, which are competitive product, and tend to set a ceiling of retail rental rates in the subject's location. Overall, subject bays range from similar to superior to most of the bays in the data set, and it is continual availability of bays that logically impacts occupancy and rental rates.

Second-level rents are indicated at \$1.25/SF/month, and the subject basement lease at \$0.85/SF appears to be within reason, and will be utilized. PGI is forecast as follows:

AT MARKET TERMS				
	Size (SF)	\$/SF/Mo	\$/Mo	\$/Yr
Main (Floor):	12,055	\$ 1.50	\$ 18,083	\$ 216,990
Main (Mezz.)	2,063	\$ 0.75	1,547	18,567
2nd:	1,860	\$ 1.25	2,325	27,900
Bsmt:	1,345	\$ 0.85	1,143	13,719
Totals:	17,323	\$ 1.33	\$ 23,098	\$ 277,176
Average \$/SF/Mo. Overall				

- **Vacancy and Credit Loss:** Prior to adjusting for large vacancy and absorption period "As Is", analyses are based on stabilized occupancy, analyzed at 95% (5% vacant and credit loss allowance). There is no on-going vacancy study published for the Wasilla commercial market. In the highest and Effective gross annual income is estimated as follows:

PGI	Vac/CL		EGI
\$ 277,176	5.0%	(13,859)	\$ 263,317

- **Operating Expenses:** Operating expenses attributable to the lessor are deducted from effective gross income, indicating anticipated net operating income, which is capitalized. Rental income is based on fully serviced leases, requiring the lessor to pay all operating expense, which are typically separated into three categories: fixed expenses, variable expenses, and replacement allowances. The Fourteenth Edition of The Appraisal of Real Estate contains the following definitions:

- "Operating expenses are the periodic expenditures necessary to maintain the real property and continue the production of revenue."
- "Fixed expenses are operating expenses that generally do not vary with occupancy and have to be paid whether the property is occupied or vacant."
- "Variable expenses are operating expenses . . . that generally vary with the level of occupancy or the extent of services provided."
- "A replacement allowance provides for the periodic replacement of building components that wear out more rapidly than the building itself and must be replaced periodically during the building's useful life" (i.e., capital items).

Fixed Operating Expenses: This category includes real property taxes and insurance premiums.

- **Real Estate Taxes:** 2014 taxes of \$21,759 will be utilized.

- o **Insurance:** Analyzing data forwarded by the owner indicates typical expense of around \$0.35/SF (replacement only), indicating \$7,495.
- o **Total Fixed Operating Expenses:** \$29,253 (\$1.37/SF)

Variable Operating Expenses: This category includes management/leasing, utilities, maintenance and repair, janitorial, and yard maintenance, all of which are forecast as a lessor expense.

- o **Management/Leasing Commissions:** Nearly all commercial properties in the Palmer-Wasilla areas are owner managed. A local Broker specializing in commercial sales and leasing reports that from 5% to 10% of effective gross income is typical, depending on several factors (numbers of tenants, quality of space and likelihood of turnover, etc.). Since all but one bay is occupied, 5% will be utilized, indicating \$13,166.
- o **Utilities:** Reported to total \$34,000; heat is supplied to all bays, and most of electricity is passed through. Natural gas expenses as reported at \$4.28/SF. which reflects good construction and insulation. Data as reported will be utilized.
- o **Maintenance and Repair:** Difficult to segregate from data as provided, the City maintains/repairs as required. A typical allowance of \$0.50/SF GBA will be utilized (\$10,707).
- o **Janitorial:** Current contracts are \$0.20/SF/month (including supplies), which applied to all common area as estimated indicates \$11,287.
- o **Yard Maintenance:** \$5,000 is forecast.
- o **Total Variable Expenses** are estimated at \$74,160 (\$3.46/SF).

Replacement Reserves: No reserve account was reported, and it is most typical for owner-managed properties to pay for capital items as replacement is required. Since the subject is well-maintained, an estimate of \$0.50/SF (\$10,707) will be utilized.

Total Operating Expenses: Estimated operating expenses attributed to the lessor for analyses of the leased-fee interest total \$114,120, which equates to \$8.61/SF (GBA) and 43% of effective gross income. The unit expense is within typical, general commercial ranges of from \$7.50 to \$10/SF with lessors providing for most expenses. The ratio is somewhat high, and is influenced by large common area.

Following is a simple spreadsheet summarizing estimated income and expenses to the leased-fee interest "At Stabilized Occupancy", based on market terms which support lease data as reported (when mezzanines are segregated).

Pro-Forma Operating Statement "Market Terms At Stabilized Occupancy"				\$/SF GBA
Potential Gross Annual Income:			\$ 277,176	
Less Vacancy & Credit Loss:	5.0%		(13,859)	
Effective Gross Income:			\$ 263,317	
Less Fixed Operating Expenses:				
Real Property Taxes		\$ 21,759		\$ (1.02)
Insurance	\$ 0.35	7,495		(0.35)
Total Fixed:			(29,253)	\$ (1.37)
Less Variable Operating Expenses:				
Management/Leasing:	5.0%	\$ 13,166		
Utilities:		34,000		
Maintenance/Repair:	\$ 0.50 /SF GBA	10,707		
Janitorial:	\$ 2.40 /SF CA	11,287		
Yard:		5,000		
Total Variable:			\$ (74,160)	\$ (3.46)
Less Replacement Reserves:	\$ 0.50		\$ (10,707)	(0.50)
Total Operating Expenses:	-43% (% EGI)		\$ (114,120)	\$ (6.59)
Indicated Net Operating Income:			\$ 149,198	\$ 8.61

- **Capitalization:** No similar sales have occurred from which to extract an overall capitalization rate. Data included in the final reconciliation (general commercial sales as a "check of reasonableness") indicate from around 7% to 12%. Most consideration will be given to mortgage equity analysis, defined as: "Capitalization and investment analysis procedures that recognize how mortgage terms and equity requirements affect the value of income-producing property."

The following chart summarizes current financing parameters for good-quality projects:.

Mortgage Criteria		Equity Criteria	
Effective Interest	6.75%	12.5%	Yield Rate
LTVR	75%	10	Holding Period (Yrs)
Term (Yrs)	20	10%	Appreciation

When applying these six factors to the Akerson Format, a computed overall capitalization rate of around 8% is indicated. Increasing the equity yield rate to 15% increases the overall capitalization rate to 8.4%. Risk is a current component that is not measurable, and the subject's central, well-known location in the original Townsite area is a logical positive factor for many users. When considered "At Stabilized Occupancy", and under the special economic assumption that the foreseeable future will reflect the recent past, an overall rate range of from 8% to 8.5, applied to forecast NOI as follows:

	<u>NOI</u>	<u>OAR</u>	<u>Indication</u>
\$	149,198	8.0%	\$ 1,864,971
\$	149,198	8.5%	\$ 1,755,266

Reconciliation Leased-Fee Interest "At Stabilized Occupancy": Most consideration is given from the mid-point to upper-end of the range, indicating the following at market terms and stabilized occupancy:

Indicated Leased-Fee Interest "At Stabilized Occupancy": \$1,850,000

Analyses "As Is": Assumptions required to adjust for vacancy, which is one bay representing around 23% of rentable area, are absorption period, and alterations required to attract a tenant. In general terms, this bay is too large for most users, and too small for major anchors. For analyzing the impact of this space, one year is forecast for lease-up, with an allowance to attract a lessee of around \$25/SF. TI allowance is indicated since this bay has not leased "As Is", and is subjective based on typical allowance for unfinished space ("core & shell" projects) at \$40/SF.

The following chart summarizes the adjustment required to adjust the indication "At Stabilized Occupancy", for "As Is Value" indication. Required adjustments are for rent loss through the forecast 12-month absorption period, associated leasing commissions, and build-out allowance. No deduction is required for real property taxes or insurance, as rental rates were forecast based on this being a lessor expense. The adjustment is analyzed as follows:

	<u>Size (SF)</u>	<u>\$/SF/Mo.</u>	<u>\$/Mo</u>	<u>Months</u>	<u>Rent Loss</u>
Floor:	3710	\$ 1.50	\$ 5,565.00	12	\$ 66,780
Mezz	768	\$ 0.75	\$ 576.00	12	6,912
					<u>\$ 73,692</u>
			Add Commissions:	5%	<u>3,685</u>
			Total Rent Loss Adjustment:		<u>\$ 77,377</u>
			TI Allowance (\$/SF):	\$ 25	<u>92,750</u>
			Total Adjustment:		<u>\$ 170,127</u>
					\$ 170,000

Following is the market value of the leased-fee interest of the subject "As Is":

$$\$1,850,000 - \$170,000 = \$1,680,000$$

Indicated Leased-Fee Interest "As Is": \$1,680,000

FINAL RECONCILIATION

Income Approach	
"At Stabilized Occupancy"	\$ 1,850,000
"As Is"	\$ 1,680,000

The income approach is most significant when analyzing properties with multiple lease bays. The sales comparison approach was not considered due to lack of similar properties that have sold. Following is a summary chart of general commercial sales in Wasilla, which is considered as "anecdotal evidence" for comparison to the income approach, as a "check of reasonableness".

Property	Subject	S-1	S-2	S-3	S-4	S-5	S-6
Common Name	Meta Rose	Ashton Building	KMBQ Radio	Little Miller's	N/A	Sourdough Pawn	Larson Bldg.
Building Type:	Retail	Office/Café	Office	Retail/Storage/Apt.	Office/Retail	Office/Retail	Retail/Office
Address	290 N. Yenlo St. Wasilla	6177 E. Mountain Wasilla	2200 E. Parks Hwy Wasilla	1201 W. Parks Hwy. Wasilla	285 E. Parks Hwy. Wasilla	1301 W. Parks Wasilla	500 E. Swanson Wasilla
Transaction Data:							
Sales Price		\$ 725,000	\$ 590,000	\$ 595,000	\$ 335,000	\$ 595,000	\$ 950,000
Property Rights	Leased Fee	Leased Fee	Fee Simple	Fee Simple	Fee (vacant)	Leased-Fee	Fee Simple
Terms	Cash	Cash	Cash	Owner; Equivalent	Cash	Cash	Cash
Sale Conditions	Normal	Normal	Institutional			Normal	
Other			450 sale days				
Cash Eq. Price		\$ 725,000	\$ 590,000	\$ 595,000	\$ 335,000	\$ 595,000	\$ 950,000
Sale Date		12/14	3/11	4/13	9/14	12/14	List 2/11; Exp. 7/14
Property Data:							
Gross Bldg. Area	21,413	7,800	4,220	3,996	2,832	8,580	9,600
Rentable Bldg. Area	17,323	6,474	4,220	3,996	2,832	8,212	8,976
Effective Age (Yrs)	15	10	10	15	10	25	10
Quality	Good	Average	Average	Average	Good	Average-	Average
Condition	Average+	Average	Average	Average	Average	Average-	Average+
Sprinkler	Yes	No	No	No	No	No	Yes
ADA	Main	Single-Level	N/A	N/A	N/A	No	Main Level
Extras							
Total Site Area (SF)	45,000	54,450	51,836	83,983	9,583	23,587	13,970
Land/Bldg. Ratio	2.1	5.5	12.3	21.0	3.4	2.7	1.5
Excess Land (SF)							
Net Site Area (SF)	45,000	54,450	51,836	83,983	9,583	23,587	13,970
Land/Bldg. Ratio	2.1	5.5	12.3	21.0	3.4	2.7	1.5
Other							
Operating Data (estimated unless otherwise noted):							
Average Unit Rent	\$ 1.33	\$ 1.40	\$ 1.50	\$ 1.10	\$ 1.50	\$ 1.10	\$ 1.20
Potential Gross Income	\$ 277,176	\$ 108,763	\$ 75,960	\$ 52,747	\$ 50,976	\$ 108,398	\$ 129,254
Stabilized Vac/CL	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
	(13,859)	(5,438)	(3,798)	(2,637)	(2,549)	(5,420)	(6,463)
Effective Gross Income	\$ 263,317	\$ 103,325	\$ 72,162	\$ 50,110	\$ 48,427	\$ 102,978	\$ 122,792
Est. Annual Expenses \$/SF	\$ 6.50	\$ 5.50	\$ 4.00	\$ 3.00	\$ 4.00	\$ 5.25	\$ 5.00
Est. Annual Expenses	(139,185)	(42,900)	(16,880)	(11,988)	(11,328)	(45,045)	(48,000)
Indicated Expense Ratio	-52.9%	-41.5%	-23.4%	-23.9%	-23.4%	-43.7%	-39.1%
Indicated NOI	\$ 124,133	\$ 60,425	\$ 55,282	\$ 38,122	\$ 37,099	\$ 57,933	\$ 74,792
Analysis:							
Excess Land Estimate							
Adjusted Sales Price	\$ -	\$ 725,000	\$ 590,000	\$ 595,000	\$ 335,000	\$ 595,000	\$ 950,000
Est. Site Value	\$ 790,000	\$ 190,000	\$ 400,000	\$ 350,000	\$ 120,000	\$ 140,000	\$ 120,000
Gross Income Multiplier	-	6.7	7.8	11.3	6.6	5.5	7.3
Overall Cap Rate		8.3%	9.4%	6.4%	11.1%	9.7%	7.9%
\$/SF Overall	\$ -	\$ 112	\$ 140	\$ 149	\$ 118	\$ 72	\$ 106
\$/SF Building Only		\$ 69	\$ 45	\$ 61	\$ 76	\$ 55	\$ 92
Reported	Estimated						

Price/SF Building (including): While site values are illustrated, they are not extracted for this analysis. None of the properties are directly comparable, and the location adjustment as applied gives consideration to underlying site values. Since vertical components are dissimilar, analyses will be based on \$/SF overall, both on gross and net building sizes. Following is a brief discussion of methodology and indicated adjustments:

- **Location:** Data will be subjectively graded in comparison to the subject analyzed as a core-area property
- **Age/Quality/Condition:** This data set is problematic regarding segregation for this adjustment. The following pairings are considered as an aid in grading the comparable data set to the subject.

S-1 & S-2	\$ 140	Δ	\$ 112	=	-20%
S-2 & S-5	\$ 140	Δ	\$ 72	=	-49%
S-3 & S-5	\$ 149	Δ	\$ 72	=	-52%

- **Functionality:** The subject is unique among the data set regarding large common area, which is a logical consideration for potential buyers. This is a subjective category, and is utilized to grade perceptions for differences in income-production potential.

Qualitative Adjustment Grid

Comp	Unadjusted \$/SF	Sale Date	Location	Eff. Age	Quality	Condition	Functionality	Score	Adj. %	Adj. \$/SF
Sub.			5	5	5	5	4	24		
S-1	\$ 112	12/14	4	5	5	5	5	24	0%	\$ 112
S-2	\$ 140	3/11	4	5	5	5	4	23	4%	\$ 146
S-3	\$ 149	4/13	4	4	3	5	5	21	14%	\$ 170
S-4	\$ 118	9/14	6	5	6	5	6	28	-14%	\$ 101
S-5	\$ 72	12/14	4	3	3	3	5	18	33%	\$ 97
Reflects subject's large CA			Inefficient Design	Mean =: \$ 125 /SF			Median =: \$112 /SF			

When including horizontal and vertical, a wide adjusted range of from \$97 to \$170/SF, with measures of central tendency as noted. When simply dividing the indication from the income approach by the subject's vertical sizes, the following overall \$/SF is indicated.

"At Stabilized Occupancy"			
GBA SF	\$ 1,850,000	/	21,413 = \$ 86.40
Rentable SF	\$ 1,850,000	/	17,323 = \$ 106.79
"As Is"			
GBA SF	\$ 1,680,000	/	21,413 = \$ 78.46
Rentable SF	\$ 1,680,000	/	17,323 = \$ 96.98

Each indication is less than data as adjusted, particularly "As Is". Each is influenced by the subject's large size in relation to the data, and functionality impacted by large common area. These differences are not extreme, and dissimilarities among the subject and data set are not possible to measure. As analyzed, general commercial sales data offers general support for the income approach. Giving sole consideration to the income approach, and generally supported by brief sales comparison as analyzed above, the following is indicated for the leased-fee interest of the subject property, estimated effective as of January 23, 2015:

Estimated Market Value "At Stabilized Occupancy":	\$ 1,850,000
Estimated Market Value "As Is":	\$ 1,680,000

ADDENDA

APPRAISER QUALIFICATIONS AND ALASKA CERTIFICATION: VINCE COAN

EDUCATION

Chugiak High School, Chugiak, Alaska
BBA Degree, University of Alaska (Major-Real Estate)

REAL ESTATE AND APPRAISAL EDUCATION

University of Alaska:
(Real Estate Appraisal, Law, Investment Analysis, Statistics, Finance, Brokerage, Property Management, Urban Theory)

Income Capitalization Workshop, AIREA
Computer Assisted Appraisal Systems, IAAO
Capitalization Theory Part A, AIREA
Capitalization Theory Part B, AIREA
Standards of Professional Practice, AIREA
Case Studies in Real Estate Valuation, AIREA
Narrative Report Writing, AIREA
Report Writing and Review, National Highway Institute
Appraisal of Partial Acquisitions, International Right-of-Way Association
Valuation Litigation, Appraisal Institute
Appraisal of Contaminated Properties, International Right-of-Way Assoc.
Alternative Appraisal Reporting Forms, Appraisal Institute
Small Income Properties, Appraisal Institute
The Appraisal of Complex Properties in the Northwest, Appraisal Institute
The Appraisal of Special Purpose Properties in the Northwest, Appraisal Institute
Easement Valuation, International Right-of-Way Association
Retail Property Appraisal, Appraisal Institute
Partial Interest Valuation – Undivided, Appraisal Institute
Partial Interest Valuation – Divided, Appraisal Institute
Standards of Professional Practice, Parts A & B, Appraisal Institute
Real Estate Econometrics/Trend Analysis, Appraisal Institute
Land Valuation Adjustment Procedures, Appraisal Institute
Land Valuation Assignments Workshop, Appraisal Institute
Standards of Professional Practice, Part C, Appraisal Institute
Appraisal of Conservation Easements, Appraisal Institute and ASFMRA
Standards and Ethics of the Appraisal Institute for Associate Members
Uniform Appraisal Standards for Federal Land Acquisitions, Appraisal Institute
Advanced Income Capitalization, Appraisal Institute

EMPLOYMENT HISTORY

Statewide Appraisal Services, Owner (Since 1992)
Valley Appraisal and Analysis, Inc., Commercial Appraiser (1990-92)
Alaska Valuation Service, Inc., Commercial Appraiser (1989-90)
Erickson and Associates, Commercial Appraiser (1986-89)
Municipality of Anchorage, Senior Appraiser (1984-86)
State of Alaska, Land Manager
Alaska State Legislature, House Finance Committee Aide
Alaska Land Development Services, Surveyor
Various Surveying and Construction Work (all in Alaska)

PROFESSIONAL AFFILIATIONS AND COMMUNITY SERVICE

Certified General Real Estate Appraiser (State of Alaska No. AA-132)
Appraisal Institute, Associate Member
Contract Review Appraiser, State Division of Occupational Licensing (past)
State of Alaska Board of Certified Real Estate Appraisers 2000-2003 (Chairman)
State Assessment Review Board 2002 (Board Member)
International Right-of Way Association, Regular Member
Matanuska-Susitna Borough Board of Equalization 1992-2002
Valley Board of Realtors
Little League Baseball (Coach/Manager; past)
Vice President, Matanuska-Susitna Youth Football Association (past)

APPRAISAL EXPERIENCE: Multifamily properties; commercial and residential condominiums; small to large office buildings; farms and agricultural parcels; warehouses and industrial properties; small to large retail properties, convenience stores with and without fuel sales; community and neighborhood shopping centers; vacant residential/commercial/industrial lots and subdivisions; fly-in lodges; seafood processing plants, hotels, motels, and restaurants; aircraft hangars; car washes; various private and governmental leaseholds, inholdings, partial interests, easements, right-of-way, and condemnation appraisals. Appraisal experience includes a variety of commercial, industrial, multifamily, agricultural, special-use properties, subdivisions and vacant land, appraised throughout Alaska, including the following areas:

Anchorage	Kotzebue
Eagle River/Chugiak	Naknek
Fairbanks	Palmer
Glennallen	Sand Point
Homer	Seward
Iliamna	Sitka
Juneau	Skagway
Kenai	Soldotna
Ketchikan	Talkeetna
King Salmon	Valdez
Kodiak	Wasilla
	Wrangell

Qualified as expert witness in Masters Hearings, Superior Court, and Bankruptcy Court.

No. 132 Effective: 05/30/2013 Expires: 06/30/2015	STATE OF ALASKA DEPARTMENT OF COMMERCE, COMMUNITY, & ECONOMIC DEVELOPMENT Division of Corporations, Business and Professional Licensing P.O. Box 110806, Juneau, Alaska 99811-0806
BOARD OF CERTIFIED REAL ESTATE APPRAISERS Certifies that VINCE J. COAN Is a Certified GENERAL REAL ESTATE APPRAISER	
Commissioner: Susan K. Bell	