

By: Public Works
Adopted: July 11, 2022
Yes: Brown, Graham, Johnson, Rubeo, Velock
No: Sullivan-Leonard
Absent: None

**City of Wasilla
Resolution Serial No. 22-10**

Authorizing The Mayor To Enter Into A Purchase Agreement, Pursuant To WMC 5.28.030(B), To Acquire 6.62 Acres Of Land Identified As Township 17N Range 1W Section 11 Lot C21, Located Near 1155 E Depot Road (Wasilla Chamber of Commerce Building), In The Amount Not To Exceed \$1,200,000, Plus Closing Costs, For The Wasilla Intermodal Depot Project.

WHEREAS, the City of Wasilla is required to relocate its existing train passenger boarding activity to accommodate future construction of the Main Street Couplet project; and

WHEREAS, the City of Wasilla in 2015 purchased an approximate eleven-acre parcel of land near E Depot Road for the new train stop, and relocated the train depot building to that parcel; and

WHEREAS, the City of Wasilla has a desire to acquire the adjoining vacant land to provide space for future expansion of the site as an intermodal facility; and

WHEREAS, the City of Wasilla accepted and appropriated a block grant from the Matanuska-Susitna Borough in the amount of \$1,486,393 for any necessary planning, property acquisition, site preparation, architectural design, engineering and construction for the intermodal depot project; and

WHEREAS, the property owner is selling the land for \$1,200,000; and

WHEREAS, the City of Wasilla would require receipt of an appraisal prepared by a qualified and licensed appraiser as arranged by the seller; and

WHEREAS, the City of Wasilla's obligation to purchase the property would be contingent upon the property appraising for not less than the purchase price.

NOW, THEREFORE, BE IT RESOLVED, that the Wasilla City Council authorizes the Mayor to act on its behalf to acquire 6.62 acres of land identified as Township 17N Range 1W Section 11 Lot C21 located near 1155 E Depot Road in accordance with Wasilla Municipal Code 5.28.030(B).

Effective Date. This resolution takes effect upon adoption.

ADOPTED by the Wasilla City Council on July 11, 2022.



Glenda D. Ledford, Mayor

ATTEST:



Jamie Newman, MMC, City Clerk

[SEAL]

**City of Wasilla
Legislative Staff Report
Resolution Serial No. 22-10**

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Originator: Robert Walden, Deputy Public Works Director
Date: 7/4/2022

Agenda of: 7/11/2022

Route to:	Department Head	Signature	Date
X	Public Works Director	<i>Robert L Walden</i>	7/5/22
X	Finance Director	<i>Frank J. Bell</i>	7/5/22
X	Deputy Administrator	<i>Christina Hagan</i>	7/5/22
X	City Clerk	<i>Janae Stambor, Deputy Clerk</i>	07/05/2022
X	Mayor	<i>Deanda Redford</i>	7/5/22

Fiscal Impact: yes or no

Funds Available: yes or no

Account name/number:

Const. Services/Intermodal Facility 110-4330-433.45-06 \$1,200,000
Total: \$1,200,000

Attachments: Resolution Serial No. 22-10 (2 pages)
Black-Smith, Bethard & Carlson, LLC Appraisal (52 pages)
Richter & Stone Revised Appraisal Review (1 page)

Summary Statement: To accommodate future construction of the Main Street Couplet project, the City's existing train stop for passenger boarding is required to be relocated. As part of the initial phase, the City purchased approximately eleven acres of land near E Depot Road in 2015 and has since relocated the old depot building. Further development will be necessary before the train stop can officially be moved.

Conceptually, the City desires to expand this project from simply a relocation of a train stop to a full intermodal facility accommodating other potential forms of mass transit. The project would include a phased approach aligned with public demand and available funding.

For sale is a 6.62 acre of land adjoining the original eleven-acre parcel purchased in 2015. This land purchase would provide the necessary space to develop the conceptual intermodal facility. The funding for this purchase would come from the block grant received from the Matanuska-Susitna Borough in the amount of \$1,486,393, accepted through Ordinance Serial No. 22-21 on June 27, 2022. The block grant was provided for the property acquisition, site preparation, architectural design, engineering, or construction of an intermodal facility, making this land purchase an eligible expenditure under the grant.

The land has previously been listed for sale at \$1,200,000. The intent of this resolution would allow the Mayor to enter into an agreement with the sellers for the asking price, plus closing costs

if applicable. The sale agreement would be contingent upon a fair market value assessment as provided by a licensed and certified appraiser selected by the seller.

The attachments provided include a commercial appraisal and review of the appraisal obtained by the Matanuska-Susitna Borough as preliminary work relating to acquisition of the land. The City also was provided an Environmental Site Assessment report which has been reviewed by public works and is available upon request. The documents were shared with the City for purposes of final acquisition of the parcel.

Proposed Action: Adopt the Resolution.

APPRAISAL REPORT

Commercial Property for Multi-Modal Wasilla Deport Project Wasilla, AK



Approximate lot lines

FOR
Matanuska-Susitna Borough
350 East Dahlia Avenue
Palmer, AK 99645-6488

Date of Report
April 19, 2022

Date of Inspection and Valuation
February 10, 2022

B-SBC FILE No. 22-011

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

BLACK-SMITH, BETHARD & CARLSON, LLC
1199 E. Dimond Blvd., Ste. 200
Anchorage, Alaska 99515

BLACK-SMITH, BETHARD & CARLSON, LLC

April 19, 2022

Client: Tammy Simmons
Matanuska-Susitna Borough
350 East Dahlia Avenue
Palmer, AK 99645-6488

Re: Commercial Property for Multi-Modal Wasilla Depot Project
Wasilla, Alaska

Ms. Simmons:

We are submitting a *Self-Contained appraisal report* estimating the market value of the *fee simple interest* in the property identified above.

Fee Simple Market Value	Date	Value
	February 10, 2022	\$722,000

The value opinion is 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 report is intended to conform to the Uniform Standards for Federal Land Acquisition (UASFLA), the Uniform Standards of Professional Practice (USPAP) as set forth in Standards Rule 2-2(a), and the procedures and guidelines of the Alaska Right of Way Manual. Supporting documentation concerning the data, reasoning, and analyses is contained in the Addenda. The depth of discussion contained in this report is specific to the client's intended use.

The value opinions reported are qualified by certain definitions, assumptions, limiting conditions, and certifications. We call your attention to the extraordinary assumptions and hypothetical conditions on page 11. This narrative appraisal report conforms to and satisfies the requirements of USPAP and Volume 12, Code of Federal Regulations, Part 34, Subpart C.

Sincerely,
BLACK-SMITH, BETHARD & CARLSON, LLC



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

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ADDENDA

- Engagement Letter
- Appraisal Instructions
- Right of Entry
- Land Comparables
- Net Useable Area Calculations
- Underlying Assumptions and Limiting Conditions
- Qualifications of Appraiser

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.

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 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*.

George M. Mies made a personal inspection of the property that is the subject of this report on February 10, 2022. George M. Mies provided real property appraisal assistance. I limited his services to data collection and documentation.

No one provided significant real property appraisal assistance to the persons signing this certification.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report I, Brian Bethard, MAI, have completed the continuing education program of the Appraisal Institute.

Brian Z. Bethard, MAI is currently certified by the State of Alaska as a General Real Estate Appraiser (Certificate No. 281).

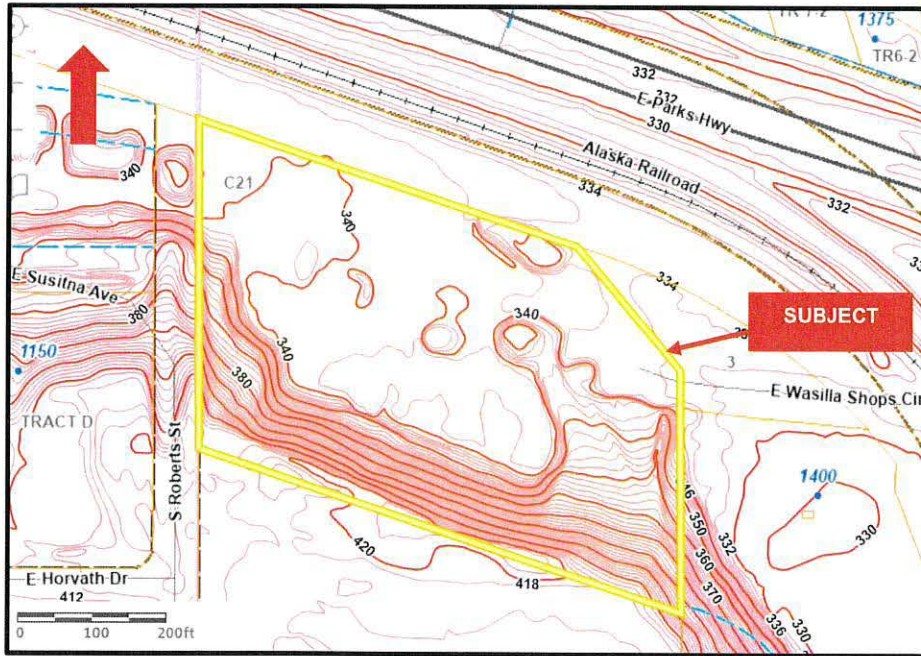
Brian Z. Bethard has the appropriate knowledge and experience necessary to complete this appraisal assignment competently.

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 agreement.

Dated this 19th day of April 2022.



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



Property Appraised

The subject site is identified as follows:

Tax ID No.

17N01W11C021

Area

6.62± AC gross; 4.42± AC net (excludes steeply sloping topography)

Legal Description

Parcel #1 Waiver Resolution Serial No. 2003-072PWm Matanuska-Susitna Borough. Recorded document number 2004-012448-0, Palmer Recording District, Third Judicial District, State of Alaska.

Owner

We were not provided with a title report. According to the Matanuska-Susitna Borough (MSB), ownership currently vests with the Estate of David F. Smith.

Property Rights Appraised

Fee Simple

Date of Report:

April 19, 2022

Date of Inspection and Valuation:

February 10, 2022

Highest & Best Use:

Speculation

Value Conclusion

Fee Simple Market Value

Date
February 10, 2022

Value
\$722,000

SUBJECT PHOTOGRAPHS

Taken 2-10-22 by George M. Mies



Southeasterly from Parks Highway at subject



Southwesterly from Parks Highway at subject



Westerly at subject from adjacent ARRC property



Southerly along east property line



Easterly along south property line from South Roberts Street



Northerly along South Roberts Street near southwest corner of subject

Taken 2-10-22 by George M. Mies



Westerly across subject from near the east property line



Southwesterly toward southern portion of subject



Southwesterly toward southern portion of subject



Southerly along the west property line



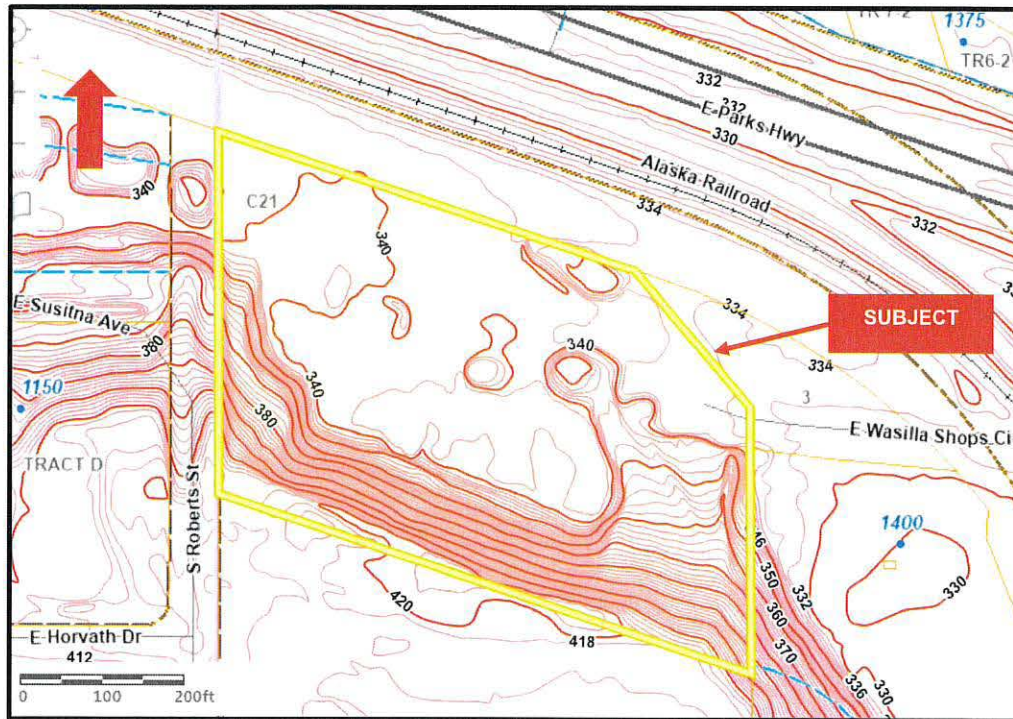
Easterly across subject from near the west property line



Easterly across subject from near the west property line

PART II – PREMISES OF THE APPRAISAL

Identification Of The Property



Property Appraised

The subject site is identified as follows:

Tax ID No.

17N01W11C021

Area

6.62± AC gross; 4.42± AC net (excludes steeply sloping topography)

Legal Description

Parcel #1 Waiver Resolution Serial No. 2003-072PWm Matanuska-Susitna Borough. Recorded document number 2004-012448-0, Palmer Recording District, Third Judicial District, State of Alaska.

Owner

We were not provided with a title report. According to the Matanuska-Susitna Borough (MSB), ownership currently vests with the estate of David F. Smith.

Property History

There have been no sales of the property within the last 10 years. The property was listed from December 17, 2015 to October 19, 2017 with Neal Ainsworth and Kelsey McLeod of Jack White Real Estate Mat-Su for as price of \$1,200,000. There were offers presented.

Client

Tammy Simmons
Matanuska-Susitna Borough
350 East Dahlia Avenue
Palmer, AK 99645-6488

Purpose of the Appraisal and Property Rights Appraised

The purpose of this appraisal is to estimate the *market value*¹ of the *fee simple*² interest of the property as of February 10, 2022, the date of inspection. The value opinion is 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.

Effective Date of Value

February 10, 2022 (Date of Inspection)

Intended Use of the Appraisal

The intended use of the appraisal is to assist the MSB in its determination of the market value for the purposes of just compensation for the acquisition of this parcel for the Multi-Modal Wasilla Depot Project.

Intended Users of the Appraisal

The appraisal report will be used by the MSB and the City of Wasilla.

¹ "Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of value, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property." Uniform Appraisal Standards for Federal Land Acquisition (UASFLA), 6th Edition, Section 1.2.4.

² 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*

Property Data

George M. Mies conducted a visual inspection and photographed the subject property on February 10, 2022 in the presence of Mr. Steven F. Smith, Representative of the estate of David F. Smith. Brian Z. Bethard, MAI is familiar with the area and has viewed the property on prior occasions. The inspection included an examination of the subject and neighborhood. Borough records, assessment data and zoning records were reviewed.

Area Data

In order to identify significant trends and indicators, we spoke with local property owners, real estate agents, and appraisers. We obtained a community profile from the State of Alaska Department of Community and Regional Affairs. We also reviewed various publications, reports, and surveys including *Alaska Economic Trends*, *Alaska Business Monthly* and the *Alaska Journal of Commerce*.

Market Data

Local economic data and comparable sales data was obtained by searching Multiple Listing Service records, surveying several real estate agents/brokers, property managers, local lenders and other appraisers. Market data was confirmed with the property owners, managers, agents, or parties knowledgeable regarding the transaction.

Market Analyses

The Appraisal Institute recognizes two categories of market analysis: *inferred* and *fundamental*. For the purposes of this appraisal, demand is inferred from general market conditions and the available data.

Valuation

The subject is vacant land and the cost approach and the income approach are not applicable. The sales comparison approach is fully developed and utilized to estimate the value of the subject.

Extraordinary Assumptions And Hypothetical Conditions

General assumptions and limiting conditions are contained in the addenda of the report. Extraordinary assumptions,³ hypothetical conditions,⁴ and limiting conditions are summarized as follows:

- A Phase I Environmental Site Assessment, performed by 3-Tier Alaska & Travis/Peterson Environmental Consulting, on March 2, 2022 stated “The Phase I ESA found a single area of concern on the subject property involving the concrete washout area. The concrete washout area is visible in historic imagery as described in Section 4.10. TPEC does not know whether chemical additives or metals were added to concrete mix manufactured on site. Had this occurred, TPEC believes the concentration of chemical additives or metals have compounded within the concrete washout area potentially impacting groundwater. Thus, TPEC site reconnaissance and review of environmental records discovered a **low to moderate** risk of historical contamination at the subject property.” We are not experts in this field. The appraisal is made according to the *extraordinary assumption* that the site is environmentally clean.
- The subject’s access is problematic. Access from the upper elevation (South Roberts Street) is steep. Access from the upper level appears to be possible but the cost is unknown. It would require a long driveway utilizing much of the sloping topography along the contour lines. Absent an engineer analysis and contractors estimate, we recognize the subject has possible legal access from South Roberts Street, but the cost is unknown and development is speculative. This is an extraordinary assumption of the report. The most feasible access for the subject is via a 60-foot wide, gravel surfaced street across the adjacent parcel on the west.
- A survey was not provided. Based on scaled measurements from the MSB topography maps we calculated the net useable area to be 192,535 SF. The net useable area appears to maintain the required 2:1 slope ratio (calculations in the Addenda). We are not experts in this field, if a survey of the developable area is provided, we retain the right to amend this report. It is an extraordinary assumption that the net useable area of the subject is 192,535 SF.

³ "An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions." *Uniform Standards of Professional Practice*.

⁴ "That which is contrary to what exists, but is supposed for the purpose of analysis." *Uniform Standards of Professional Practice*.

PART III – PRESENTATION OF DATA

ALASKA**Population**⁵

With the COVID-19 pandemic limiting long-distance moves and a new group of fighter jets arriving to Alaska, the state has ended its longest stretch of population decline since World War II, according to estimates released by the Alaska Department of Labor and Workforce Development. From 2016 through 2020, the state recorded four consecutive years of population declines. But as of July 2021, Alaska had 734,323 residents, up 745 from the same date the year before. If not for the redeployment of F-35 fighter jets to Eielson Air Force Base, which brought about 1,000 new residents to the Fairbanks area, the decline may have continued. Even with the new arrivals, the number of people moving out of Alaska exceeded the number of people moving in for a ninth consecutive year. But the new arrivals narrowed the migration gap, and when coupled with a natural increase (births minus deaths), it was enough to post a small gain.

Economic Outlook – January 2022⁶

Alaska recovered 7,100 jobs in 2021 after losing 27,600 in 2020, with the gains spread across industries as the losses had been the year before. The industries hit hardest initially by the pandemic, such as transportation and the leisure and hospitality sector, recovered the most jobs in 2021 as bars and restaurants reopened and travel picked up.

The pandemic continued in 2021, but vaccines rolled out early in the year and businesses adapted to safety measures. An abbreviated tourist season, higher oil prices, and federal relief money helped Alaska recover a modest number of jobs.

Despite the obstacles and uncertainty in 2022 that could limit growth, we expect the state to recover another 9,800 jobs in 2022. That 3.2 percent increase would leave us less than 11,000 jobs short of 2019's pre-pandemic employment.

Most industries won't fully recover this year, though. Only construction, health care, and federal employment are forecasted to end 2022 at or above their pre-COVID levels.

Alaska entered 2022 amid rapidly changing conditions. The world is still battling COVID-19, and while all U.S. adults became eligible for a booster in the fall and a vaccine was approved for children 5-12, Alaska's vaccination rate remains below the nation and most states. At the end of 2021, 68 percent of eligible Alaskans had received at least one shot. Nationally, it was 78 percent. Alaska's highest numbers of cases, hospitalizations, and deaths from the pandemic so far came in September and October of 2021, pushing some hospitals to enact crisis care standards when they couldn't meet the demand.

Still-strained providers face a new concern. Near the end of 2021, Alaska's cases began to decline again but another highly contagious variant emerged.

Note: The emergence of the Omicron strain has had no measurable impact on the economy.

⁵ Alaska Broke its 4-Year Population Loss Streak in 2021, but the Gain Could be Short-Lived, by James Brooks, Anchorage Daily News, January 6, 2022.

⁶ Karinne Weibold, *Alaska Economic Trends*, January 2022

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 2022⁷

Anchorage moved into recovery mode in 2021, and most industries clawed back some of their pandemic job losses. A few moved close to or above pre-COVID levels, but most industries still have a way to go.

Anchorage also has an extra obstacle to overcome. The statewide economy grew for a single year in 2019, but the city hadn't begun to recover from the preceding three-year statewide recession when the pandemic hit. That means Anchorage had been losing jobs for five years in a row before 2021, so full employment recovery will take even longer.

Most of 2022's gains will be a recovery of 2020's pandemic-related losses, but a few prospects for additional growth are on the horizon. Parts of the new massive federal infrastructure bill could kick in this year, expectations for a strong tourism rebound are high, and rising oil prices are brightening the fiscal picture.

The labor shortage will continue to hamper job growth, however, and new COVID-19 variants remain a concern. The decline in federal pandemic relief payments to people and businesses will also act as a drag on the economy.

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.⁸ Most boroughs and census areas have sustained

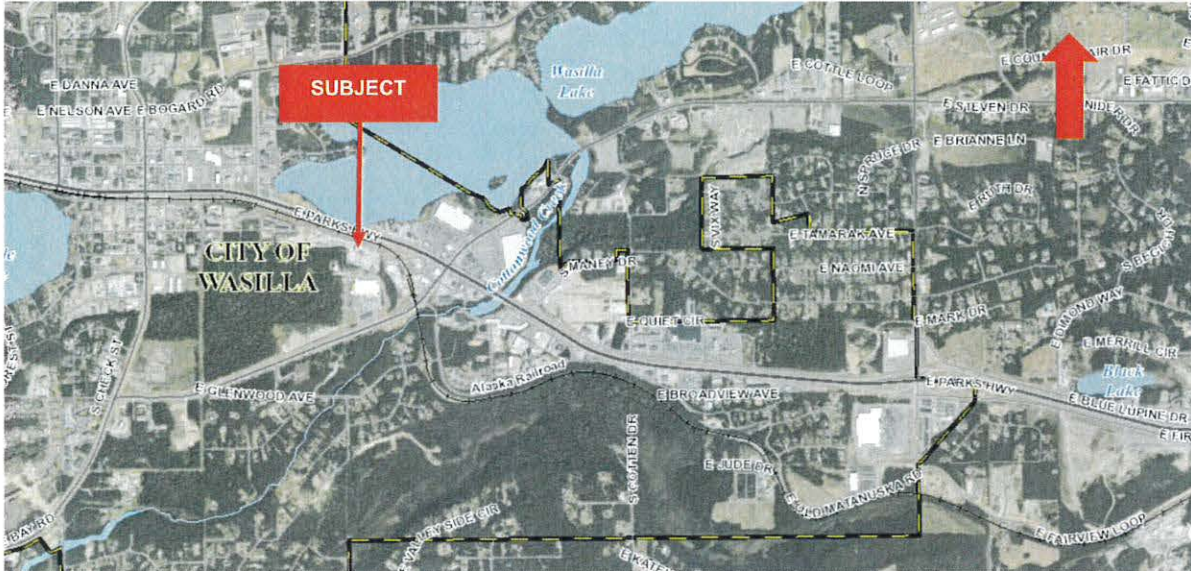
⁷ Neil Freid, Alaska Economic Trends, January 2022

⁸ Alaska Economic Trends, April 2014; Alaska Department of Labor

Neighborhood Description

GENERAL NEIGHBORHOOD

The general area is characterized as a mixed-use developing district along the Parks Highway inside the Wasilla city limits.



- **Infrastructure**

The Parks Highway and Palmer-Wasilla Highway are major arterials. Good commuter linkages; public utilities including gas, electricity, water & sewer.

- **Land use**

Mixed-use district primarily commercial with some industrial and residential development.

- **% Developed**

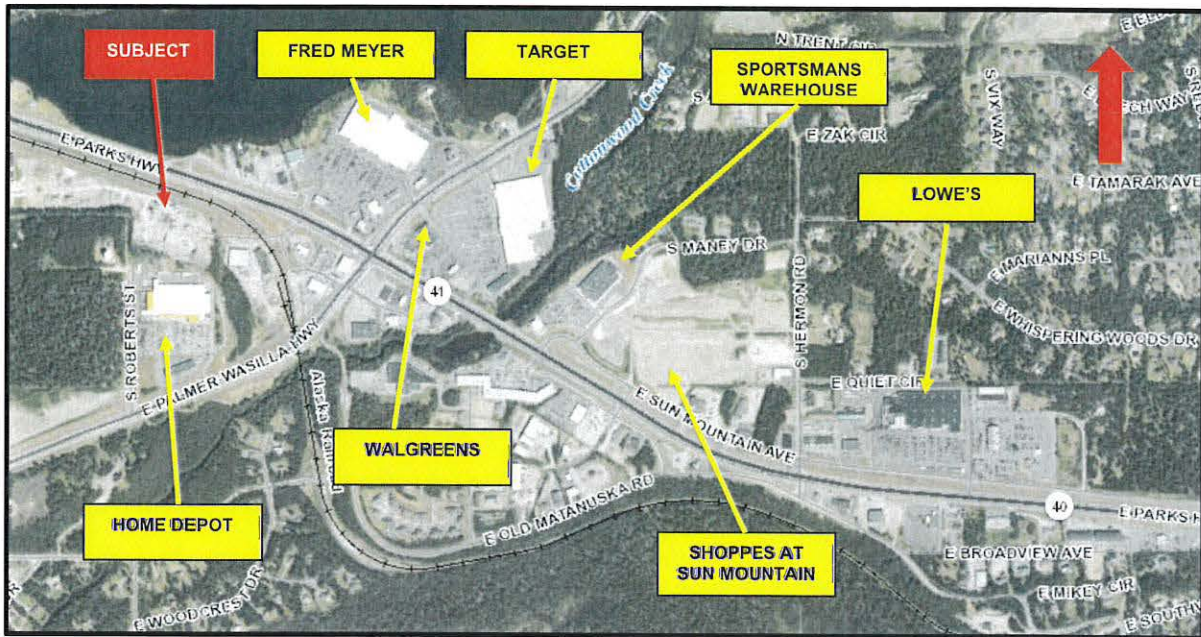
±75%

- **Growth pattern**

Infill.

IMMEDIATE NEIGHBORHOOD

The immediate neighborhood is referenced as the commercial area surrounding the intersection of the Palmer-Wasilla and Parks Highways.



Land use: Mixed commercial district

% Developed: ±85%

Neighborhood Cycle: Stable

Externalities: The strategic quality of this district is enhanced by improvements to the infrastructure. A Department of Transportation project has transformed the Parks Highway from the Glenn Highway to Wasilla into an efficient expressway with interchanges at the major intersections. The extension of the Palmer-Wasilla Highway to the Knik-Goose Bay Road was a positive development.

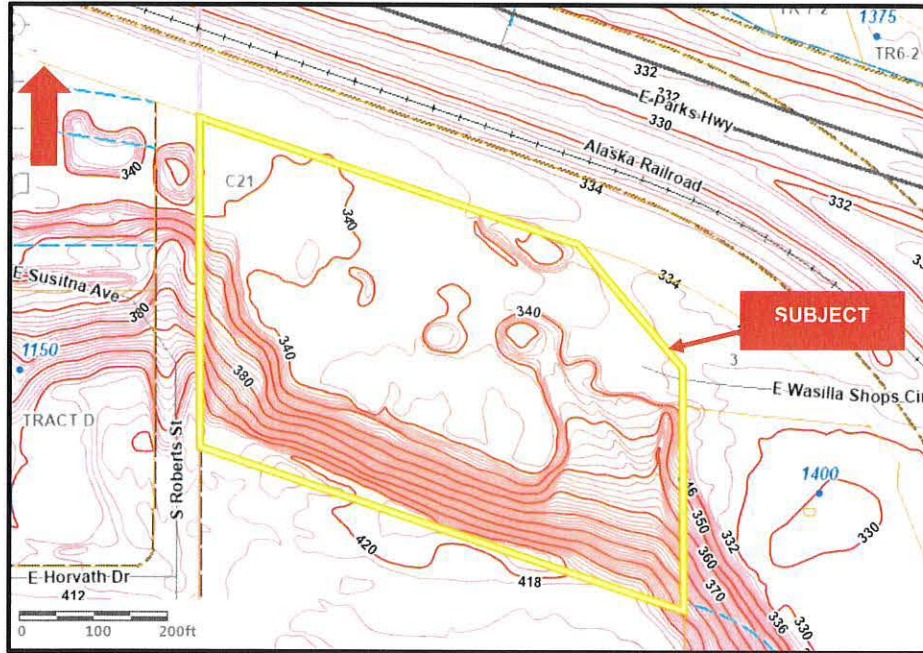
Multiple big box stores and national retail stores have moved into the area. Along with these retail stores there are many national restaurant chains in the area as well including Taco Bell, Burger King, Carl's Jr., IHOP, Red Robin, Starbucks, Sonic, Planet Fitness, Fred Meyer fueling station, etc. creating Wasilla's new central business district.

Suitability: Suitable for developers, investors, and owner-occupants.

Site Description

Location

The subject is located on the south side of the East Parks Highway between its intersection with the Palmer-Wasilla Highway and Knik-Goose Bay Road.



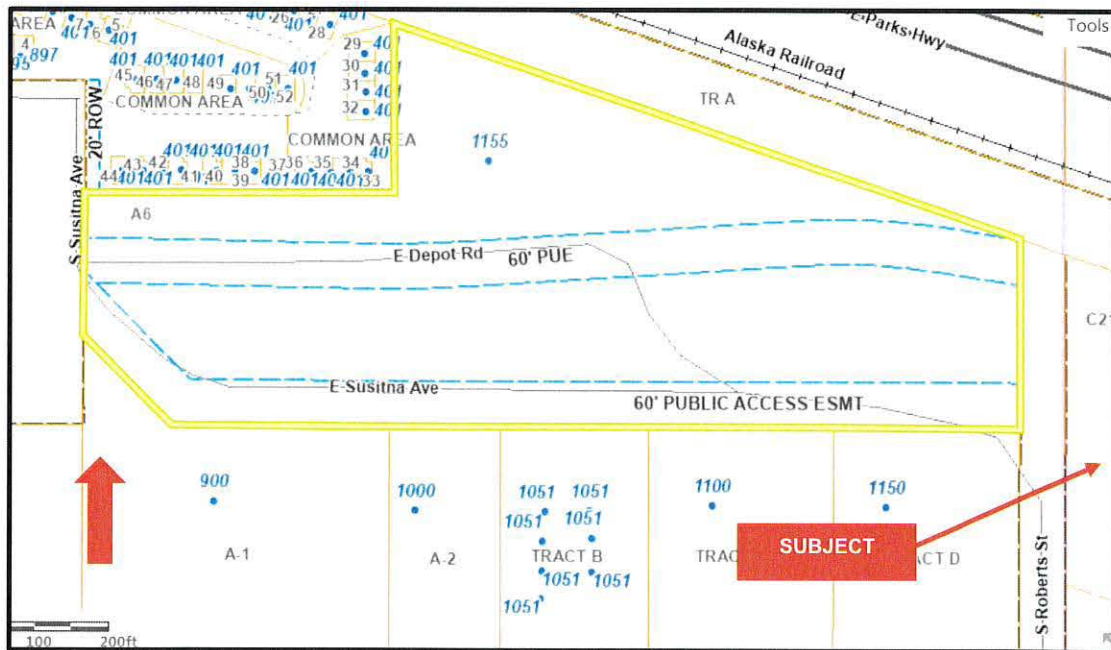
Street Improvements and Access

While the subject has about 535± feet of frontage± on the Alaska Railroad ROW and East Parks Highway it has no direct access to the highway. The southwest portion of the parcel has 225± feet of frontage on South Roberts Street, a 2-lane, gravel surfaced street. South Roberts Street has a 60-foot right-of-way width which extends to the highway right-of-way (Plat No. 72-109) however, due to the steep terrain the physical roadway varies in direction as denoted on the following Google image:



The portion of the subject fronting South Roberts Street ranges in elevation from 340-feet to 420-feet which makes constructing access difficult. We are not experts in this field, but have consulted an excavation firm⁹ and it was determined that physical access would be difficult to establish a 10% grade and fill/gravel relocation would be required. A cost could not be determined without engineering studies, but access is possible.

The subject currently has access via a 60-foot wide, gravel surfaced street across the adjacent parcel on the west (see following);



In addition to the preceding, Statutory Warranty Deed with Reservation of an Easement in Favor of the Adjacent Property, 2015-025564, (subject) benefits the subject with legal access from East Susitna Road. It states:

⁹ GMC Contracting, Inc. 561-4733

PROPERTY. The easement reserved is perpetual and appurtenant meaning it shall run with the BENEFITED PROPERTY as stated within this easement. The easement reserved contains a roadway reservation and utility easement reservation.

The easement is reserved for the BENEFITED PROPERTY which shares part of its eastern border with the SUBJECT PROPERTY. Both the BENEFITED PROPERTY and the SUBJECT PROPERTY have historically been used as gravel pits, and for the production of concrete. As a result the BENEFITED PROPERTY and the SUBJECT PROPERTY remain undeveloped. Surrounding real property has been developed with the Parks Highway, and improved roads, inclusive of utility installations. The overall intention of this easement is to insure that the BENEFITED PROPERTY will be able to be improved and developed consistent with the development planned for the SUBJECT PROPERTY.

Roadway Reservation

The Grantor reserves across the Subject Property an area 60' in width beginning where the Subject Property meets and has access to E. Susitna Road and it shall run easterly across the Subject Property to the western border of the Benefitted Property. This easement shall proceed on the shortest distance across the Subject Property to the Benefitted Property over the cleared and passable surface that exists at the date of this conveyance. This easement shall be used as a roadway affording the Benefitted Property the right to pass on foot, with animals, vehicles, loads, or otherwise, over and across the Subject Property.

The Grantor states that this easement is reserved acknowledging that E. Susitna Avenue presently is platted but has not been physically developed such that E. Susitna Avenue provides a legal access to the Benefitted Property but that this legal access cannot be made physically accessible without substantial expenditure. Similarly, the Grantor in reserving this easement, acknowledges that S. Roberts Street also is platted and may provide the Benefitted Property a legal access. Like E. Susitna Avenue, S. Roberts Street cannot be made physically accessible without substantial expenditure. Hence, the Grantor's purpose in reserving this roadway easement is to preserve for the Benefitted Property a means of ingress and egress without expenditure, across the Subject Property.

This roadway reservation shall terminate at such time that the Grantee [or a successor in title] of the Subject Property completes a platting action in conformity with the Matanuska Susitna Borough Code which creates a public use easement that affords the Benefitted Property ingress and egress consistent with this roadway reservation.

Note: The Benefitted Property in this document is the subject property addressed in this appraisal.

In the past the subject also had access from the east via East Wasilla Shop Circle across the Alaska Railroad property (ARR-DOT Subdivision, Plat No. 2007-86) however, the Alaska Railroad blocked this access point in 2014.

Finally, physical access to the subject is considered to be marginally adequate via a gravel surface public use easement through the adjoining property to the west.

Size, Shape, and Frontage

According to the MSB the subject is a 6.62± AC (288,367 SF) slightly irregular parcel with 535± feet of frontage on the Alaska railroad right-of-way on the south side of the East Parks Highway. Excluding the steeply sloping topography required to maintain a 2:1 slope, the net useable area is calculated to be 192,535 SF AC (see Topography and calculations in Addenda).

Topography & Soils (see topographic map on page 18)

The northern portion of the parcel is fairly level and slightly above the grade of the East Parks Highway. The elevation varies from about 334-feet to 340-feet. The southern portion of the parcel is very steep with elevations ranging from 340-feet to 420-feet over a span of 125± feet. This steeply sloping topography is excluded from the net useable area as it appears to be required for slope containment. The net useable area is calculated to be 192,535 SF (288,367 SF – 95,832 SF).

The parcel was utilized as a gravel extraction facility and concrete batch plant until around 2012 according to the owner's representative. He stated that the base soils are gravel in nature.

Wetlands, Flood Plain and Seismic

No wetlands were observed. The subject lies outside of the flood plain and areas of high ground failure susceptibility. Nevertheless, the entire region is classified as a "seismic zone 4". Most permitting departments in south-central Alaska recognize this zone in applications of the Uniform Building Code.

Environmental Issues

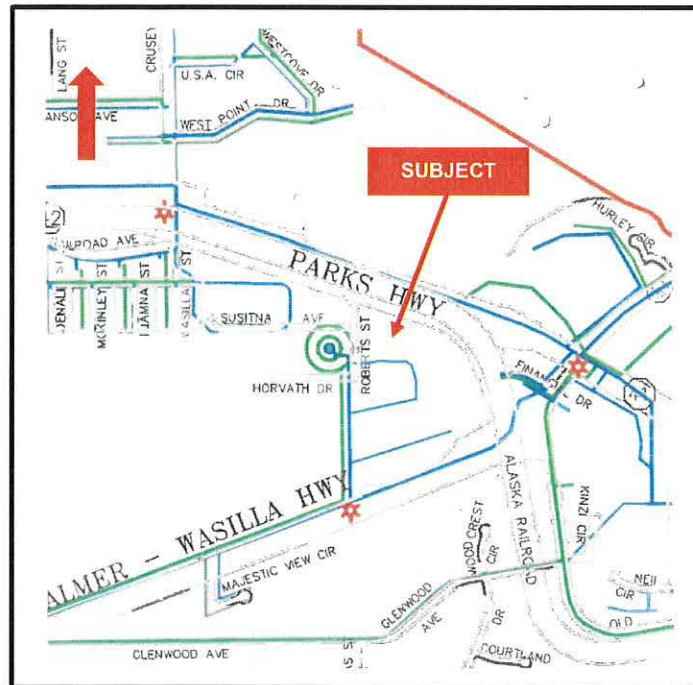
A Phase I Environmental Site Assessment, performed by 3-Tier Alaska & Travis/Peterson Environmental Consulting, on March 2, 2022 stated "The Phase I ESA found a single area of concern on the subject property involving the concrete washout area. The concrete washout area is visible in historic imagery as described in Section 4.10. TPEC does not know whether chemical additives or metals were added to concrete mix manufactured on site. Had this occurred, TPEC believes the concentration of chemical additives or metals have compounded within the concrete washout area potentially impacting groundwater. Thus, TPEC site reconnaissance and review of environmental records discovered a **low to moderate** risk of historical contamination at the subject property." We are not experts in this field. The appraisal is made according to the *extraordinary assumption* that the site is environmentally clean.

Utilities

Electricity and telephone are in the area. Public water is located in the parcel adjacent to the east of subject and public sewer is located about 600± L. F. east of the subject on the east side of the Alaska Railroad right-of way.¹⁰ Natural gas is located about 600± L. F. west of the subject in Susitna Avenue.¹¹

¹⁰ John Becker, Utility Supervisor, City of Wasilla, 373-9010.

¹¹ Enstar Natural Gas, Wasilla 376-7979.



Blue – Water; Green - Sewer

There are two water wells, one drilled in ±1979 and the other in around 2000 according to the owner’s representative. The depth and quality of these wells is unknown.

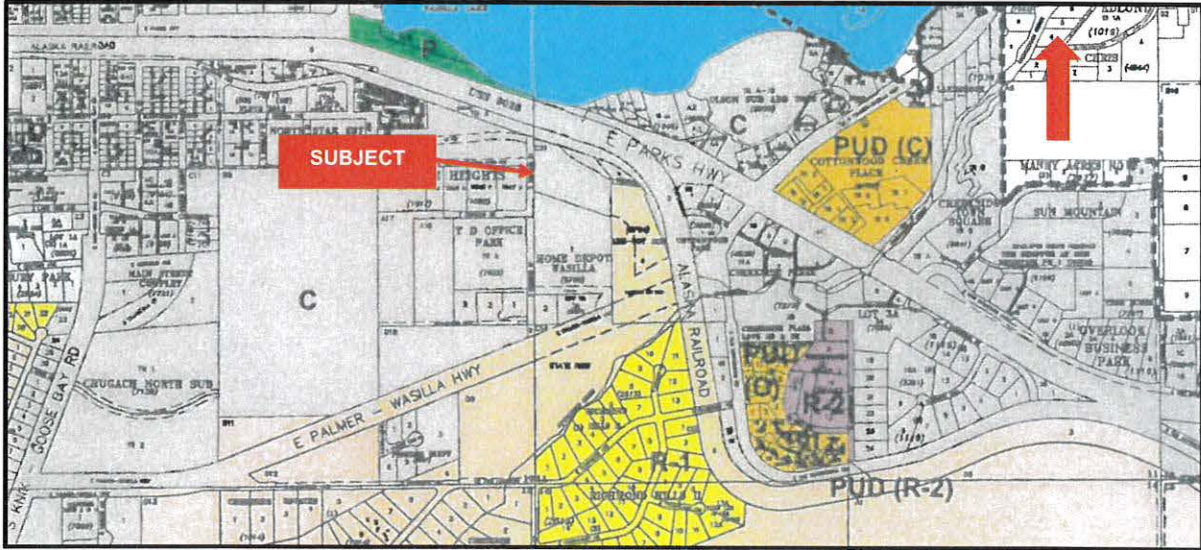
Easements

We were not provided with a title report. The MSB tax map does not indicate the parcel has any easements; however, on the site inspection it was noted an overhead power line bisects the parcel in an east-west direction (see photo).



Zoning/Public Restrictions

The subject is zoned C - (*Commercial*). The commercial district is intended to “protect areas of existing commercial development and to provide areas for the continued growth of commercial enterprise. The uses in this zone are oriented towards serving the commercial needs of the residents of the city and the surrounding area.”¹²



Private Restrictions

We are unaware of any private restrictions that may limit the use of the subject parcel.

Suitability of the Site

The subject is proximate to the commercial developments at the intersection of the Palmer-Wasilla and Parks Highways. It is adjacent to the site of the Multi-Modal Wasilla Depot Project. However, access is adequate and no public utilities are directly available to the property.

Tax and Assessment Data

Real Estate Taxes

Outstanding taxes or assessments are liens. Verification and reporting is a function of preliminary title reports. We were not provided with a title report. We develop our value opinion as if free and clear.

A three year tax history of the parcels is presented as follows:

Tax ID# 17N01W11C021

Year	Land	Building	Total	Mill Rate	Taxes
2020	\$720,900	\$0	\$720,900	12.472	\$8,991.07
2021	\$720,900	\$0	\$720,900	12.092	\$8,717.12
2022	\$720,900	\$0	\$720,900	12.092*	\$8,717.12

*2021 mill rate, 2022 mill rate will be established in the May-June time frame.

¹² Wasilla municipal code 16.20.010

PART IV – ANALYSIS OF DATA CONCLUSIONS

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.

GENERAL MARKET CONDITIONS

The following ten-year sales trends for Wasilla is generated from Multiple Listing Service (MLS) data, supports a market time/exposure period of ± one year.

Vacant Land *Days on Market (DOM)

10-YEAR COMPARISON REPORT				
Wasilla Land				
Year	# Sold	Average Sold Price	% Change	Average DOM
2012	225	\$55,950	----	125
2013	240	\$49,080	-12%	102
2014	239	\$51,517	+5%	147
2015	197	\$59,336	+15%	120
2016	222	\$52,734	-11%	142
2017	263	\$64,615	+23%	168
2018	187	\$72,866	+13%	169
2019	243	\$83,670	+15%	161
2020	224	\$76,904	-8%	154
2021	294	\$102,009	+33%	150
2022 (1 month)	9	\$106,044	-----	179

The statistics do not distinguish between land types. The general trend has been an increase in the number of properties sold during 2019 – 2021. During this time frame sale prices have ranged from \$76,904 to \$102,009 and the average days on the market have average about ±5 months. In the first month of 2022 the reported average sold price was \$106,044, an increase of ±4% over 2021. The average days on the market for this period was about ±6 months.

Highest and Best Use

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

Possible Uses

The base soils are gravel in nature soils and generally good per the owner’s representative. Access is marginally adequate and no public utilities are directly available to the property. The topography is challenging but the site is large enough to support development. In summary, the site could be developed with any permissible, feasible use.

Permissible Use

Restrictions can include public restrictions, private restrictions, plat notes and easements.

Public Restrictions

The subject is zoned C - (*Commercial*). The commercial district is intended to “protect areas of existing commercial development and to provide areas for the continued growth of commercial enterprise. The uses in this zone are oriented towards serving the commercial needs of the residents of the city and the surrounding area.”¹³

Private Restrictions

None reported

Plat Notes

None

Easements

We were not provided with a title report. The MSB tax map does not indicate the parcel has any easements; however, on the site inspection it was noted an overhead power line bisected the parcel in an east-west direction.

Feasible Use

The feasibility of commercial development is evidenced by an active market for developable sites and projects recently completed, underway, and proposed.

Maximally Productive Use

This sub-market is user-driven. Because needs and preferences are not universal and the inputs necessary to evaluate alternative uses are not available, the maximally productive use cannot be determined. Considering the development challenges highest and best use is speculative for potential commercial development or assemblage.

Most Probable Buyer

Probable buyers included users (owner-occupants) and developers.

¹³ Wasilla municipal code 16.20.010

Land Value

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:¹⁴

- | | |
|---|---|
| <ul style="list-style-type: none"> • Property rights • Financing terms • Conditions of sale (motivation) • Expenditures immediately after purchase • Market conditions (sale date) | <ul style="list-style-type: none"> • Physical characteristics ➤ Zoning ➤ Utility availability ➤ Access ➤ Location ➤ Soils and topography ➤ Size ➤ Shape |
|---|---|

SUMMARY OF COMPARABLE SALES

Comparable from the market area are identified in the table and on the map.

▼Days on market

SUMMARY OF COMPARISON DATA								
No.	Address/Location	Status	Date	\$	AC	SF	\$/SF	DOM▼
1	800 E. Railroad Ave.	Sold	10-19	\$230,000	1.74	75,741	\$3.04	178.
2	4060 E. Fireweed Rd.	Sold	8-19	\$499,999	3.49	152,343	\$3.28	251
3	3765 E. Blue Lupine Dr.	Sold	9-19	\$1,674,000	10.74	467,834	\$3.58	62
4	3400 E. Cottle Lp.	Sold	5-21	\$675,000	4.10	178,596	\$3.78	69
5	2970 E. Palmer-Wasilla HW	Sold	1-18	\$587,500	5.30	230,868	\$2.54	228
SUBJECT	NSN S. Roberts St.	---	2-22	---	6.62	288,367	---	---

Comparable Map



¹⁴ The Appraisal of Real Estate, 14th Edition, Appraisal Institute.

DESCRIPTION OF THE COMPARABLES

The property characteristics are summarized in the following comparison grid. Details are presented in the addenda.

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 physical inequalities with qualitative adjustments (superior, inferior, approximately equal) according to the following criteria.

Location

The qualitative adjustment recognizes:

- proximity to goods and services
- neighborhood compatibility (externalities)
- average daily traffic (ADT) estimated by the DOT

Access, Topography, Soils, Utilities, Restrictions

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

Size

The comparative analysis recognizes the general trend - unit price (\$/SF) decreases as parcel size increases. 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.

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.

MARKET DATA GRID AND RELATIVE COMPARISON ANALYSIS						
No.	Subject	1	2	3	4	5
Status	--	Sold	Sold	Sold	Sold	Sold
Address	NSN S. Roberts St.	800 E. Railroad Ave.	4060 E. Fireweed Rd.	3765 E. Blue Lupine Dr.	3400 E. Cottle Lp.	2970 E. Palmer-Wasilla HW
Sale Price	--	\$230,000	\$499,999	\$1,674,000	\$675,000	\$587,500
Date	Feb 2022	Oct 2019	Aug 2019	Sept 2019	July 2021	Jan 2018
Size	288,367 SF (gross)	75,741 SF	152,343 SF	467,834 SF	178,596 SF	230,868 SF
Indicated \$/SF		\$3.04	\$3.28	\$3.58	\$3.78	\$2.54
General Location						
Neighborhood	Mixed-use Parks HW corridor near intersection of P-W and Parks HW developments	Established commercial/light industrial south of Wasilla Core	Mixed use highway corridor near Wal-Mart	Mixed use highway corridor near Wal-Mart	Mixed-use P-W HW corridor near intersection of P-W and Parks HW developments	Mixed-use P-W HW corridor near intersection of P-W and Parks HW developments
ADT (2020)	33,700 (Parks HW exposure)	NA (Railroad Av.) 28,400 (Parks HW limited exposure)	2,470 (E. Fireweed) 26,400 (Parks HW exposure)	2,800 (E. Blue Lupine) 26,400 (Parks HW exposure)	10,600 (P-W HW)	10,600 (P-W HW)
Access	Marginally adequate via a 60-foot surfaced PUE across adjacent parcel to the west	Good direct access to/from Railroad Ave. <i>(superior)</i>	Good direct access to/from E. Fireweed Rd. <i>(superior)</i>	Good direct access to/from E. Lupine Dr. <i>(superior)</i>	Good direct access to/from P-W HW <i>(superior)</i>	Good direct access to/from P-W HW <i>(superior)</i>
Topography	NUA is cleared and mostly level near road grade*	Heavily wooded, slightly sloping, near road grade <i>(inferior)</i>	Cleared, fairly level, slightly rolling, near road grade <i>(approx. =)</i>	Cleared, fairly level, slightly rolling, near road grade <i>(approx. =)</i>	Cleared, fairly level, slightly below road grade <i>(approx. =)</i>	Mostly cleared and level, 10% at SE corner is steep <i>(slightly inferior)</i>
Soils	Good, former gravel pit	Appear adequate <i>(slightly inferior)</i>	Appear adequate <i>(slightly inferior)</i>	Appear adequate <i>(slightly inferior)</i>	Appear adequate <i>(slightly inferior)</i>	Appear adequate <i>(slightly inferior)</i>
Utility Availability	In neighborhood; but requires extensions	All reportedly adjacent <i>(superior)</i>	NG & E adjacent <i>(off-setting)</i>	NG & E on-site <i>(off-setting)</i>	NG in area, E adjacent <i>(inferior)</i>	NG & E on-site <i>(off-setting)</i>
Size	288,367 SF (gross) 192,535 SF (net)	75,741 SF <i>(superior)</i>	152,343 SF <i>(approx. =)</i>	467,834 SF <i>(inferior)</i>	178,596 SF <i>(approx. =)</i>	230,868 SF <i>(inferior)</i>
Shape: Corner/interior	Slightly irregular interior lot	Slightly irregular, minor corner lot	Slightly irregular, minor corner lot	Slightly irregular interior lot	Irregular minor corner lot	Rectangular interior lot
Frontage to depth	high frontage exposure to depth	high frontage to depth <i>(approx. =)</i>	adequate frontage-to-depth <i>(slightly superior)</i>	adequate frontage-to-depth <i>(slightly superior)</i>	adequate frontage-to-depth <i>(slightly superior)</i>	adequate frontage-to-depth <i>(slightly superior)</i>
Restrictions						
Zoning	Commercial	Commercial	Un-zoned	Un-zoned	Un-zoned	Commercial
Other (plat/CCRs)	No significant restrictions reported	No significant restrictions reported	No significant restrictions reported	No significant restrictions reported	No significant restrictions reported	No significant restrictions reported
Other	OH power line bisects the parcel	None <i>(superior)</i>	None <i>(superior)</i>	None <i>(superior)</i>	None <i>(superior)</i>	None <i>(superior)</i>
Indicated \$/SF	--	>\$3.04	±\$3.20	±\$3.58	±\$3.78	>\$2.54

*The \$/SF is based on the NUA; cleared and level

Reconciliation

The data generates an overall range of unit values from \$2.54 to \$3.78/SF. The relative market position of the subject is isolated in the following table.

No	\$/SF	Reconciliation
4	▶◀ \$3.78	2021 sale of a similar sized parcel, off-setting characteristics.
<i>Subject</i>		
3	▶◀ \$3.58	2019 sale of a larger parcel, off-setting characteristics.
2	▶◀ \$3.20	2019 sale of a similar sized parcel, off-setting characteristics.
1	▲ \$3.04	2019 sales of a smaller parcel, most weight on inferior exposure.
5	▲ \$2.54	2018 sale of a slightly larger parcel, most weight on inferior exposure.

The analysis develops a narrower range from \$3.20 to \$3.78/SF.

Giving weight to the narrow range while recognizing the good exposure of the subject, I applied a unit value of \$3.75/SF to the subject parcels net useable area. The indicated value of the subject is shown as follows:

$$192,535 \text{ SF} \times \$3.75/\text{SF} = \$722,000 \text{ (rnd)}$$

Note: We are also aware of the 2015 sale of the adjoining lot to the west for \$1,500,000. The property has superior access and utilities but is significantly larger (485,258 SF). The net area excluding a Public Use Easement is 409,658 SF, indicating a sale price of \$3.66/SF. This sale was excluded due to the date of sale.

ADDENDA

LETTER OF ENGAGEMENT

Ship To
 Receiving Department
 Matanuska-Susitna Borough
 350 E Dahlia Avenue
 Palmer, AK 99645-6488

Bill To
 Accounts Payable
 Matanuska-Susitna Borough
 350 E Dahlia Avenue
 Palmer, AK 99645-6488

PurchaseOrder
 No. 2022-00002818
 DATE 01/27/2022

Matanuska-Susitna Borough
 (907)861-8501
 Fax:(907)861-8517
 Fed I.D. #92-0030816
 Email: purchasing@matsugov.us

PURCHASE ORDER NUMBER MUST APPEAR ON ALL INVOICES, SHIPPERS, BILL OF LADING AND CORRESPONDENCE

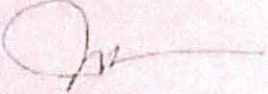
VENDOR NO. 13084
 PHONE (907) 274-4654
 FAX (907) 274-0989
Vendor
 BLACK-SMITH BETHARD AND CARLSON LLC
 1199 E DIAMOND #200
 ANCHORAGE, AK 99515

DELIVER BY
SHIP VIA
FREIGHT TERMS
 PAGE 1 of 1

REFERENCE #

QUANTITY	UNIT	DESCRIPTION	UNIT COST	TOTAL COST
1.0000	JB	A - APPRAISAL ON COMMERCIAL PROPERTY TAX ID#17N01W11C021 FOR MULTI-MODAL WASILLA DEPOT PROJECT; SELF CONTAINED REPORT 430 000 000 462 200 - Consultants 6,000.00 35472-1800-1820	6,000.0000	\$6,000.00
TOTAL DUE				\$6,000.00

PROCESSED FOR PAYMENT BY PURCHASING DIV.



Special Instructions

APPRAISAL INSTRUCTIONS

1. **CLIENT:** The client is the Matanuska-Susitna Borough (MSB). Should questions arise that cannot be answered by a careful reading of these instructions, the Consultant is to contact MSB. MSB's contacts are:
 - Sheila Armstrong, phone: 907.861.8355, e-mail: sheila.armstrong@natsugov.us and
 - Tammy Simmons, phone: 907.861.7718, e-mail: tammy.simmons@natsugov.us
2. **CONSULTANT CONTACT:** The work to be conducted by the Consultant will be performed by Steve Carlson, of Black-Smith, Bethard & Carlson, LLC. Questions and contacts to the contractor about the project may be directed to Steve Carlson, Black-Smith, Bethard & Carlson, LLC, at 907.274.4654 or at the following email address: bsr@ak.net.
3. **PROPERTY OWNER CONTACT:** The property being appraised is owned David F. Smith. Steven F. Smith is the Representative of the Estates of David F. Smith. Contact phone number for Steven F. Smith is 376-5789.
4. **INTENDED USERS:** The appraisal report will be used by the MSB and the City of Wasilla.
5. **INTENDED USE:** The intended use of the appraisal is to assist the MSB in its determination of the market value for the purposes of just compensation for the acquisition of this parcel for the Multi - Modal Wasilla Depot Project.
6. **TYPE OF OPINION:** Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the value, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property.^[1]

The Uniform Act and 49 C.F.R. refer to "fair market value," while the Appraisal Foundation refers to market value. Market value is defined in the "Uniform Standards of Professional Appraisal Practice" (2016-2017 Edition) as: "The most probable price which a property should bring in a competitive and open market under all conditions requisite to fair sale, the buyer and seller each acting prudently and knowledgeable, and assuming the price is not affected by undue stimulus. Implicit in the definition is the consummation of a sale as of a specified date and 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 acting in what they consider their best interests; (3) a reasonable time

^[1] *Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA)*, 6th Edition, Section 1.2.4.

is allowed for exposure in the open market; (4) payment is made in terms of cash in United States 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.”

The Alaska Supreme Court has defined fair market value as “the price in (terms of) money that the property could be sold for on the open market under fair conditions between an owner willing to sell and a purchaser willing to buy, with a reasonable time allowed to find a purchaser ...the highest and most profitable use for which the property is adaptable is to be considered, to the extent that the prospect of demand for such use affects the market value while the property is privately held.” [State v. 7.026 Acres, Sup. Ct. OP. No. 601, 466 P.2d 364, 365 (1970)]. Fair market value is normally based on a property’s fee simple value.


7. **PROPERTY INTEREST TO BE APPRAISED:** The title interest to be appraised is fee simple estate, subject to any easements or encumbrances shown on the plat or title report.
8. **LEGAL DESCRIPTION:** Parcel # 2 Waiver Resolution Serial No. 2003-072-PWm Matanuska-Susitna Borough. Recorded document number 2004-012448-0, Palmer Recording District, Third Judicial District, State of Alaska and located on Tax Account No. 217N01W11C021.
9. **EFFECTIVE DATE OF APPRAISAL:** The date of appraiser’s final inspection.
10. **EXTRAORDINARY ASSUMPTIONS:** It is assumed the property is free and clear from any hazardous materials or contamination that would affect its marketability. If the appraiser observes signs of contamination, the appraiser should immediately contact MSB.
11. **HYPOTHETICAL CONDITIONS:** None.
12. **SCOPE OF WORK:** The appraisal report will conform to the *Uniform Standards for Federal Land Acquisition* (UASFLA), the *Uniform Standards of Professional Appraisal Practice* (USPAP), and the procedures and guidelines of the Alaska Right of Way Manual.

A “Self Contained” *Appraisal Report* as defined by USPAP Standard 2-2(a) is required, with detailed comparable sale forms. The Appraiser shall provide professional appraisal services for a complete report prepared in accordance with recognized appraisal principles, applicable state and federal regulations. The Appraiser shall personally inspect the property, including the interior and exterior of any and all affected improvements on the date of appraisal.

The scope of work is to estimate the value of the land, providing supporting analysis of the appraiser’s conclusion.

Real property and personal property items are to be clearly delineated in the appraisal report.

- 13. REPORT CORRECTIONS:** The Appraiser shall prepare the report, which to the greatest extent possible, is free of mathematical, grammar, spelling and typographical errors. The Appraiser is responsible for professional proofreading of the report to meet the intent of this requirement. The Appraiser shall make all corrections to the appraisal report required. If corrections or deficiencies resulting from Appraiser errors or omissions are required to bring the report into compliance with the Appraisal Guidelines, as noted in item 12 above, a corrected report shall be provided within ten (10) days following the Appraiser's receipt of the request at no additional cost to the MSB.
- 14. APPRAISAL REVIEW:** The appraisal report will be reviewed by Rick Richter, MAI, Richter & Stone.
- 15. NUMBER OF COPIES:** The Appraiser shall deliver one (1) electronic copy of the appraisal report for the parcel listed. MSB will then forward the report to the Review Appraiser. Upon completion of the Appraisal Review process, the Appraiser shall provide one (1) electronic copy of each of the approved appraisal reports and three (3) "clean copies" of each approved appraisal report with the appraiser's original signature to MSB. All hard copies of the report will be delivered to Matanuska-Susitna Borough, Public Works Department, 350 E. Dahlia Avenue, Palmer, Alaska, Attention: Tammy Simmons. All electronic copies of the report shall be delivered to: sheila.armstrong@matasugov.us and tammy.simmons@matasugov.us.
- 16. APPRAISAL REPORT DUE DATES:** The Appraiser will provide the appraisal report within 4 weeks of the Notice to Proceed (NTP) unless a specific date is cited in the NTP or approved by the Capital Projects Director.

 <p>MATANUSKA-SUSITNA BOROUGH PUBLIC WORKS DEPARTMENT</p> <p>RIGHT OF ENTRY (Standard)</p>	PROJECT NAME: MULTI-MODAL WASILLA DEPOT
	MSB FILE #: PWD# 418
	TAX PARCEL #: 17N01W11C021

Permission is hereby granted to the MATANUSKA-SUSITNA BOROUGH, its contractors or agents, to enter upon land owned by Steven F. Smith, Personal Representative of the Estate of David F. Smith, and described as follows:

All that part of the following-described tract of land:


Parcel # 2 Waiver Resolution Serial No. 2003-072-PWm Matanuska-Susitna Borough.
Recorded document number 2004-012448-0, Palmer Recording District,
Third Judicial District, State of Alaska.

said parcel containing 6.62 acres, more or less, for the purposes of completing an Environmental Survey and Appraisal.

It is understood that this permission is not a waiver in any way of the right to compensation for such land or of any remedy authorized by law to secure payment therefore.

This permission is granted in consideration of the location, improvement, and construction of such facility and incidentals thereto, which it is understood is required by the Matanuska-Susitna Borough, and shall continue in effect pending such negotiations.

IN WITNESS WHEREOF, this Right of Entry has been executed on this 27 day of January, 2022


Steven F. Smith, Personal Representative of the
Estate of David F. Smith, Grantor

Multi - Modal Wasilla Depot,
Parcel 17N01W11C021

Page 1 of 2

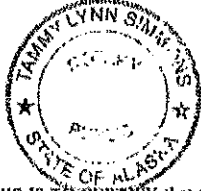
ACKNOWLEDGMENT OF GRANTOR

STATE OF ALASKA)
 : ss
Third Judicial District)

On this 31 day of January, 2022 before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared Steven F. Smith, Personal Representative of the Estate of David F. Smith, the identical person who executed the foregoing instrument and who acknowledged to me that he signed the same freely and voluntarily, with full knowledge of its contents, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

[NOTARY SEAL]



[Signature]
Notary Public in and for the State of Alaska
My Commission Expires: 5-26-2022

CERTIFICATE OF ACCEPTANCE

THIS IS TO CERTIFY that the MATANUSKA-SUSITNA BOROUGH, Grantee herein, acting by and through its BOROUGH MANAGER, hereby accepts for public purposes the real property, or interest therein, described in this instrument.

IN WITNESS WHEREOF, I have hereunto set my hand this 2 day of February, 2022

MATANUSKA-SUSITNA BOROUGH

By: [Signature]
BOROUGH MANAGER

ATTEST:

[Signature]
Name
Borough Clerk

(SEAL)

Multi - Modal Wasilla Depot,
Parcel 17N01W11C021

Page 2 of 2

Sale No. 1

Record ID 3705
Property Type Commercial / Light Industrial
Address 800 E. Railroad Avenue, Wasilla, Alaska
Location S. of MP +/- 41.9 E. Parks Hwy
Tax ID 6942B7A0000
Legal Description Block 7A, Floyd Subdivision
T/R/S SW 1/4, NE 1/4, Section 10, T17N, R1W, S.M.

Sale Data

Grantor Jose & Lucia Nanez
Grantee Jeremy & Justine Collier
Sale Date October 17, 2019 Pending date
Deed Book/Page 2020-002427; closed 2-3-20
Recorded Plat 2009-116
Property Rights Fee simple or equivalent
Marketing Time 178
Conditions of Sale No undue stimulus reported
Financing Reportedly cash
Sale History Listed for \$246,331 on April 22, 2019
Verification Scott Meyers (Somers Sotheby's International Realty);
 907-280-8010, June 05, 2020; Other sources: MLS #19-
 5994, Confirmed by Zack Rall

Sale Price \$230,000

Land Data

Zoning Commercial
Topography Heavily wooded, slightly sloping to fairly level; at/near road
 grades
Utilities All reportedly adjacent
Shape Irregular minor corner lot with high frontage to depth
Neighborhood Established commercial/light industrial south of Wasilla
 Core
Access Adequate (paved)
Soils Appear adequate

Land Size Information

Gross Land Size 1.739 Acres or 75,741 SF
Front Footage 287 ft E. Railroad Avenue; 208 ft S. Wasilla Street; 330 ft E.
 Susitna Avenue

Indicators

Sale Price/Gross Acre \$132,277
Sale Price/Gross SF \$3.04

Sale No. 1 (Cont.)

Remarks

The MLS Listing reported:

Level 1.74 acre commercial building pad in the heart of Wasilla. Perfect opportunity to build with Parks Highway exposure. Water, sewer, gas and electric in the area. The lot has road frontage on three sides and would be an ideal location for a new building.

Listing agent Scott Meyers reported:

All utilities adjacent (in street) and there were no atypical motivations or buyer/seller concessions. The seller was not aware of the proposed Wasilla Main Street Rehabilitation project.



Sale No. 2

Record ID 3671
Property Type Mixed-use Land/Lot, Vacant Land
Address 4060 E. Fireweed Road, Wasilla, Alaska
Location MP 38.9 Parks Highway; 2.2 miles East of Wasilla
Tax ID 7659B03L002C
Legal Description Lot 2C, Block 3, Carefree Acres 2017
T/R/S S17N01E18

Sale Data

Grantor Nilson Family Fun Group, Inc.
Grantee Carl & Lilian Strubhar
Sale Date August 01, 2019 Pending date
Deed Book/Page 2019-017568-0; closed 8/16/19
Recorded Plat 2017-71
Property Rights Fee simple or equivalent
Marketing Time 251 days
Conditions of Sale No undue stimulus reported
Financing Cash
Sale History Listed on 11/23/18 at \$580,000
Other Restrictions None noted
Verification Sherri Mulhaney, Keller Williams Realty Alaska Group of Wasilla; 907-864-6500, February 27, 2020; Other sources: MLS #18-19010, Confirmed by Jeff Carlson

Sale Price \$499,999

Land Data

Zoning un-zoned
Topography Cleared and generally level to slightly rolling at/near road grade
Utilities Gas and electricity is reportedly adjacent
Shape Irregular interior lot with adequate frontage to depth & frontage on 2 road
Neighborhood Mixed use highway corridor near Wal-Mart
Access Adequate, E. Fireweed Rd. is paved & E. Carefree Dr is also paved
Soils Appear to be adequate for improved uses

Land Size Information

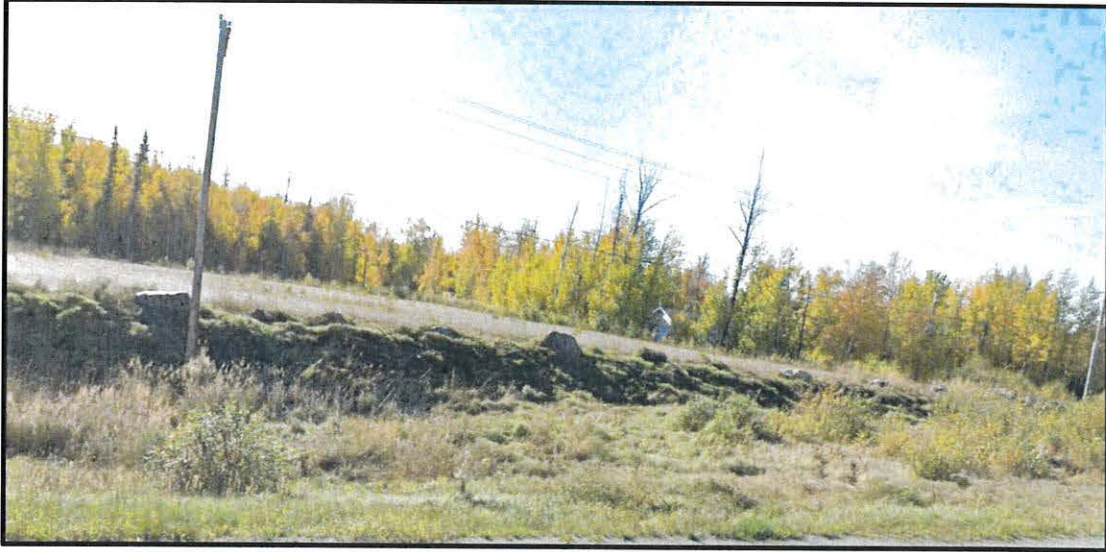
Gross Land Size 3.497 Acres or 152,343 SF
Useable Land Size 3.497 Acres or 152,343 SF , 100.00%
Front Footage 340 ft E. Fireweed Road

Indicators

Sale Price/Gross Acre \$142,967 Actual or \$142,967 Adjusted
Sale Price/Gross SF \$3.28 Actual or \$3.28 Adjusted

Sale No. 2 (Cont.)

Sale Price/Useable Acre \$142,967 Actual or \$142,967 Adjusted
Sale Price/Useable SF \$3.28 Actual or \$3.28 Adjusted



Sale No. 3

Record ID 3058
Property Type Commercial
Address 3765 E. Blue Lupine Drive, Wasilla, Alaska
Location Off MP 39, .25 W Parks Highway
Tax ID 3638000L002B-2
Legal Description Lot 2B-2, Greenridge II Subdivision (Plat No. 90-12)
T/R/S Section 7, T17N, R1E, Seward Meridian, AK

Sale Data

Grantor Carl Mark Fritzler
Grantee Michael Montano, Gregory Strohmeyer, Charles Haggerty
Sale Date September 23, 2019 pending date
Deed Book/Page 2019-029356-0; recorded 12-20-19
Recorded Plat 90-12
Property Rights Fee Simple or equivalent
Marketing Time 1,551 days
Conditions of Sale No undue stimulus reported
Financing Other - see remarks
Sale History See remarks
Verification Staci Beauvais (Keller Williams); 907-315-2282, June 18, 2020; Other sources: MLS #15-7599, Confirmed by Mike Forsland

Sale Price \$1,674,000

Land Data

Zoning Un-zoned, un-zoned
Topography Cleared, level to rolling, at grade
Utilities E & G reportedly on-site
Shape Irregular interior lot with adequate frontage to depth
Neighborhood Parks Highway / Seward Meridian Loop corridor;
commercial intersection
Access Adequate direct via E Blue Lupine Dr. (paved frontage
road); near Wal-Mart
Soils Appear adequate

Land Size Information

Gross Land Size 10.740 Acres or 467,834 SF
Front Footage 772 ft E Blue Lupine Rd. (paved frontage road); 200 ft S
Vicki Wy. (gravel road)

Indicators

Sale Price/Gross Acre \$155,866 Adjusted
Sale Price/Gross SF \$3.58 Adjusted

Sale No. 3 (Cont.)

Remarks

Per MLS Remarks: "Parks Highway frontage. Price commercial property ready for development. Incredible mountain views and unbeatable exposure to traffic. This is a great investment property. The red barn and lumber does not stay with the property.

Per the sales agent (Ms. Staci Beauvais), there was nothing abnormal with conditions of sale; it had very clean terms. She believed they did in-house financing with FNBA. The intended use is for medical. The previous owner had switched this property to AG land for the tax savings and was believed to be used for hay. The seller paid the deferred taxes as is typical.

Listing

The property has been on and off the market since January 2012. It was originally listed for \$2,800,000 and later reduced to \$2,339,000 in September 2013 and was available at that price for over 5 years. It was eventually reduced to \$1,699,000 on June 25, 2019, eventually selling for \$1,674,000 on December 20, 2019. Ms. Beauvais thought the sale was a good indicator of the market at the time.

History:



Sale No. 4

Record ID 3961
Property Type Vacant Land
Address 3400 East Cottle Loop, Wasilla, Alaska
Tax ID 17N01W01D016
Market Type Suburban

Sale Data

Grantor SSA Investments, LLC
Grantee Rhonda C. Hughes
Sale Date May 17, 2021 Closed 7-6-21
Deed Book/Page 2021-019748
Property Rights Fee simple or equivalent
Marketing Time 69 days
Conditions of Sale No undue stimulus reported
Financing Cash to seller
Verification Steve Skinner, Realtor; 907-841-7455, March 03, 2022;
Other sources: MLS #21-3108, Confirmed by George Mies

Sale Price \$675,000

Land Data

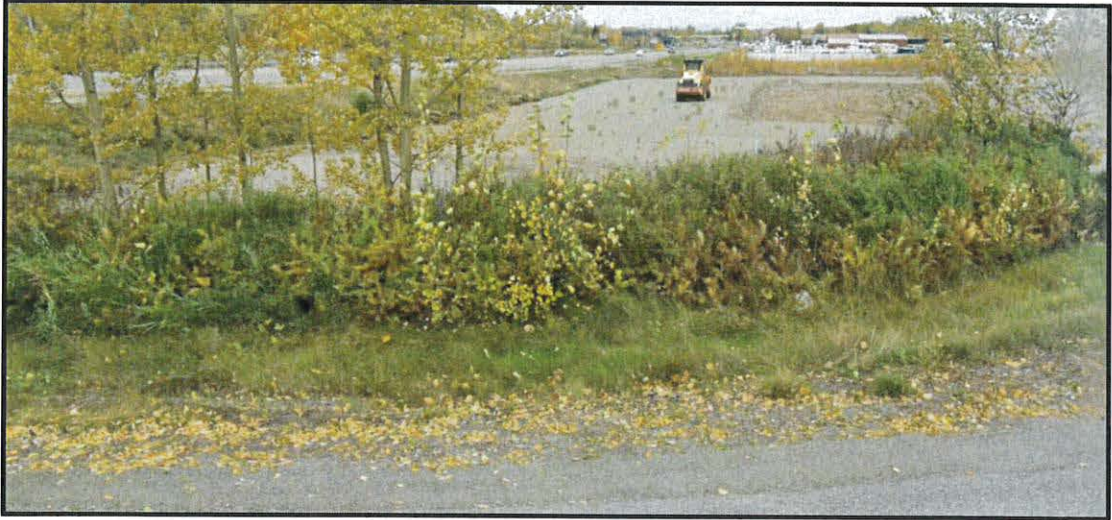
Zoning un-zoned
Topography Fairly level, cleared, slightly below road grade
Utilities NG in area; E adjacent
Shape Irregular
Neighborhood Mixed use P-W HW corridor near intersection of P-W and
Parks HW development
Access Paved
Soils Appear adequate

Land Size Information

Gross Land Size 4.100 Acres or 178,596 SF

Indicators

Sale Price/Gross Acre \$164,634
Sale Price/Gross SF \$3.78



Sale No. 5

Record ID 2932
Property Type Commercial/Industrial land, Vacant Land
Address 2970 East Palmer-Wasilla Highway, Wasilla, Alaska
Location 2 miles NE of Wasilla core; N of MP 40 Parks Highway
Tax ID 17N01W12B022
Legal Description Lot B22, Section 12, Township 17 North, Range 1 West, Seward Meridian, AK
T/R/S 17N01W12

Sale Data

Grantor CST Properties LLC
Grantee Greenstreet Investments, LLC
Sale Date January 09, 2018 Pending date
Deed Book/Page 2018-000841-0; 1/12/18
Recorded Plat N/A
Property Rights Fee simple or equivalent
Marketing Time 228 days
Conditions of Sale See "Remarks"
Financing Cash to seller
Other Restrictions None noted
Verification Greg Johnson, Jack White Commercial; 907-762-5801, February 27, 2020; Other sources: MLS #17-7946, Confirmed by Jeff Carlson

Sale Price \$587,500

Land Data

Zoning un-zoned
Topography Cleared and generally level at/near road grade; steep upward slope at SEC accounts for 10%
Utilities Gas and electricity is reportedly on site
Shape Rectangular interior lot with adequate frontage to depth
Neighborhood Mixed use P-W HW corridor near intersection of P-W and Parks HW development
Access Adequate; Palmer-Wasilla Highway is paved
Soils Appear to be adequate for improved uses; 20% Kettle wetlands but filled

Land Size Information

Gross Land Size 5.300 Acres or 230,868 SF
Useable Land Size 5.300 Acres or 230,868 SF , 100.00%
Front Footage 350 ft Palmer-Wasilla Highway

Indicators

Sale Price/Gross Acre \$110,849 Actual or \$110,849 Adjusted
Sale Price/Gross SF \$2.54 Actual or \$2.54 Adjusted

Sale No. 5 (Cont.)

Sale Price/Useable Acre \$110,849 Actual or \$110,849 Adjusted
Sale Price/Useable SF \$2.54 Actual or \$2.54 Adjusted

Remarks

Selling agent reported grantee owns all property around it.



UNDERLYING 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.

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

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 - 200

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
15th Avenue Extension ROW Project, Anch., AK
Saint Paul Health Clinic, St. Paul, AK
Residential Mortgage Building, Anch., AK
Sprucewood Housing; 300 Units Eielson AFB

<p>License #: APRG2B1 Effective: 02/28/2021 Expires: 08/30/2023</p>		<p>State of Alaska Department of Commerce, Community, and Economic Development Division of Corporations, Business, and Professional Licensing</p>				
<p>Board of Certified Real Estate Appraisers</p>						
<p>Licensee: BRIAN ZANE BETHARD</p>						
<p>License Type: Certified General Real Estate Appraiser</p>						
<p>Status: Active</p>						
		<p>Commissioner: Julia Anderson</p>				
<p>Relationships No relationships found.</p>		<p>Designations No designations found.</p>				
<p>---</p>						
<p>Wallet Card</p>						
<p>State of Alaska Department of Commerce, Community, and Economic Development Division of Corporations, Business, and Professional Licensing Board of Certified Real Estate Appraisers</p>						
<p>BRIAN ZANE BETHARD</p>						
<p>As Certified General Real Estate Appraiser</p>						
<table border="1"> <tr> <td>License APRG2B1</td> <td>Effective 02/28/2021</td> <td>Expires 08/30/2023</td> </tr> </table>				License APRG2B1	Effective 02/28/2021	Expires 08/30/2023
License APRG2B1	Effective 02/28/2021	Expires 08/30/2023				
<p>BRIAN ZANE BETHARD 1199 E Diamond Blvd., Ste. 200 Anchorage, AK 99515</p>						

April 21, 2022

Tammy Simmons, SR/WA
Right-of-Way Acquisition Officer
Public Works Department
Matanuska-Susitna Borough
350 E. Dahlia Avenue
Palmer, AK 99645-6488

Re: Report 3100-22
Appraisal Review Parcel Number 17N01W11C021, Lot 1 Waiver

Dear Ms. Simmons,

At your request, we have reviewed the Revised Appraisal Report dated April 19, 2022 completed by Black Smith, Bethard & Carlson LLC on the above referenced property. It is our opinion that the revised Appraisal Report has been completed according to the Appraisal Instructions provided by the Mat-Su Borough.

- *The content, analyses, and conclusions in the appraisal report were developed in conformance with my understanding of the 2020-21 edition of the Uniform Standards of Professional Appraisal Practice (USPAP) and with the requirements of the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA).*
- *The appraisal was based on an adequate quantity of relevant data and adjustments to the data were made and explained where appropriate.*
- *The appraisal methods and techniques used were appropriate for the valuation problem.*
- *The value opinion stated in the appraisal report was appropriate and reasonable given the data and analyses presented.*

The appraisal report contents and level of detail constitute a self-contained "**Appraisal Report**" as defined in USPAP and conform to the UASFLA requirements. This letter is intended to be an attachment to our Appraisal Review Report #3100-22 dated April 18, 2022. The assumption and limiting conditions and the certification that were part of the Appraisal Review are applicable to this letter. This letter is intended for use by my client Mat-Su Borough. No other users of this letter are intended.

We want to thank you for the opportunity to be of service.

Sincerely,



Rick D. Richter, MAI
Richter & Stone