

Real Estate Appraisal



GARY PAXTON INDUSTRIAL PARK
4600 Sawmill Creek Road
Sitka, Alaska

AS OF
October 29, 2014

PREPARED FOR
Mark Gorman, City Administrator
City & Borough of Sitka

PREPARED BY
Kim M. Wold
ALASKA APPRAISAL ASSOCIATES, INC.

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November 14, 2014

Mark Gorman
City & Borough of Sitka
Municipal Administrator
100 Lincoln St.
Sitka, AK 99835

RE: **Gary Paxton Industrial Park
4600 Sawmill Creek Road
Sitka, Alaska**

Dear Mr. Gorman:

Pursuant to your request, we have prepared an appraisal for the above referenced property. The purpose of this appraisal is to estimate the market value of the fee simple interest in 18 parcels located in the Gary Paxton Industrial Park for asset management/sale negotiations. No personal property, furniture, fixtures, equipment, or other non-realty items are included in the value estimates. This appraisal is intended for the exclusive use of City & Borough of Sitka.

This summary appraisal report has been completed in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation as well as the bylaws of the Appraisal Institute.

The attached report details the scope of the appraisal, level of reporting, definition of value, valuation methodology, and pertinent data researched and analyzed in the development of this appraisal.

We certify that we have no present or contemplated future interest in the property appraised beyond this estimate of value.

This appraisal report and all of the appraiser's work in connection with the appraisal assignment are subject to the Limiting Conditions and Assumptions, and all other terms stated in the report. Any use of the appraisal by any party, regardless of whether such use is authorized or intended by the appraiser, constitutes acceptance of all such Limiting Conditions and Assumptions, and all other terms stated in the report.

Extraordinary Assumptions: It is assumed that: (1) All lots are clear of rock and other materials and cleaned of all debris, equipment, etc.; (2) All marine improvements, including docks, piling, dolphins, etc. have no contribution value and are excluded from the value estimates; (3) All appurtenant structures to the administration building that encroach upon the utility easement area suffer no material loss in value; (4) The administration building has adequate parking, both onsite and along Sawmill Creek Road, as well as the two parking lots lying to the north of the highway; (5) All equipment in the wastewater treatment building is removed and has no negative effect on the improvements' value; (6) Lots 16A, 19, and 20 have ingress via access and utility easements by unimproved rights-of-way included within the Sawmill Cove Industrial Park Subdivision No. 2; (7) The access and utility right-of-way appurtenant to Lots 3, 6, and 7 is vacated and the land area of 35,000 square feet creates a total assemblage of 126,057 square feet.

Hypothetical Conditions: None

In my opinion, the value of the subject property, as of October 29, 2014, was as follows:

SUMMARY OF VALUES				
Parcel No.	Land Value	Tideland Value	Imp Value	Total Value
1	\$195,000		\$124,000	\$319,000
2	\$1,182,000	\$7,500	0	\$1,189,000
3	\$41,000		0	\$41,000
4	\$182,000		0	\$182,000
5	\$529,000		0	\$529,000
6	\$114,000		0	\$114,000
7	\$233,000		0	\$233,000
8	\$510,000		0	\$510,000
9	\$209,000	\$48,000	\$345,000	\$602,000
10	\$345,000		0	\$345,000
11	\$170,000		0	\$170,000
12	\$110,000		0	\$110,000
13	\$827,000		0	\$827,000
14	\$567,000		0	\$567,000
15	\$81,000		0	\$81,000
16	\$51,000		0	\$51,000
17	\$52,000		0	\$52,000
18	\$78,000		0	\$78,000
TOTALS	\$5,476,000	\$55,500	\$469,000	\$6,000,000

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Respectfully Submitted,
ALASKA APPRAISAL ASSOCIATES, INC.

A handwritten signature in black ink, appearing to read "Kim M. Wold". The signature is fluid and cursive, with the first name "Kim" and last name "Wold" being the most legible parts.

Kim M. Wold
Licensed General Appraiser
jw

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Summary of Salient Facts

Subject Property	Gary Paxton Industrial Park 4600 Sawmill Creek Road Sitka, Alaska
Property Overview	An assemblage of 18 parcels including uplands and tidelands, located within the Gary Paxton Industrial Park. Off-site improvements include road and utility infrastructure. On-site improvements include an administration building, wastewater treatment building, and a warehouse.
Interest Appraised	Fee Simple
Date of Inspection	October 20 and 30, 2014
Date of Valuation	October 29 and 30, 2014
Date of Report	November 14, 2014
Highest and Best Use Land as Vacant	Commercial or industrial development
Highest and Best Use As Improved (Parcels 1, 7, and 9)	As improved

Reconciled Market Value

SUMMARY OF VALUES							
Parcel No.	Lot	Block	Plat No.	Land Value	Tideland Value	Imp Value	Total Value
1	11	4	2008-27	\$195,000		\$124,000	\$319,000
2	9A	4	2013-2	\$1,182,000	\$7,500	0	\$1,189,000
3	9B	4	2013-2	\$41,000		0	\$41,000
4	9C	4	2013-2	\$182,000		0	\$182,000
5	12A	4	2013-2	\$529,000		0	\$529,000
6	13	4	2008-27	\$114,000		0	\$114,000
7	23	4	2008-27	\$233,000		0	\$233,000
8	15	4	2008-27	\$510,000		0	\$510,000
9	4	4	2008-27	\$209,000	\$48,000	\$345,000	\$602,000
10	Access	ROW		\$345,000		0	\$345,000
11	8	4	2008-27	\$170,000		0	\$170,000
12	17	4	2008-27	\$110,000		0	\$110,000
13	1	1	ATS6 2006-8	\$827,000		0	\$827,000

14	3,6,7	4	2008-27	\$567,000		0	\$567,000
15	16A	4	2013-2	\$81,000		0	\$81,000
16	19	4	2008-27	\$51,000		0	\$51,000
17	20	4	2008-27	\$52,000		0	\$52,000
18	1	2	2008-27	\$78,000		0	\$78,000
TOTALS				\$5,476,000	\$55,500	\$469,000	\$6,000,000

Extraordinary Assumptions

It is assumed that: (1) All lots are clear of rock and other materials and cleaned of all debris, equipment, etc.; (2) All marine improvements, including docks, piling, dolphins, etc. have no contribution value and are excluded from the value estimates; (3) All appurtenant structures to the administration building that encroach upon the utility easement area suffer no material loss in value; (4) The administration building has adequate parking, both onsite and along Sawmill Creek Road, as well as the two parking lots lying to the north of the highway; (5) All equipment in the wastewater treatment building is removed and has no negative effect on the improvements' value; (6) Lots 16A, 19, and 20 have ingress via access and utility easements by unimproved rights-of-way included within the Sawmill Cove Industrial Park Subdivision No. 2; (7) The access and utility right-of-way appurtenant to Lots 3, 6, and 7 is vacated and has a land area of 35,000 square feet.

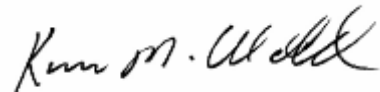
Hypothetical Conditions

None

Certification Statement

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 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.
- 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.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with Uniform Standards of Professional Appraisal Practice.
- I, Kim M. Wold, have personally made a visual inventory of the subject property.
- The appraiser gratefully acknowledges the assistance of David E. Hunnicutt, MAI, JD in the inspection of the property and comparable sales research necessary to complete this report.
- 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, Kim M. Wold, have completed the Standards and Ethics Education Requirement for Candidates/Practicing Affiliates of the Appraisal Institute.



Kim M. Wold

The date of this report is November 14, 2014

Limiting Conditions and Assumptions

This appraisal and report were customized for a specific property, use, and user, at a specific time. Therefore, this appraisal and report are only reliable under the following:

Limiting Conditions:

1. That the appraiser is not required to give further consultation, testimony, or attend in court with reference to the property in question unless arrangements have been previously made.
2. Possession of this report or a copy thereof does not carry with it the right of publication or distribution. Neither all nor any part of the contents of this report (especially any opinions and conclusions, the identity of the appraiser or the appraisal firm) shall be disseminated to the public or distributed to any individual or entity by any means without prior written permission of the appraiser.
3. When it is being used only for the intended use stated herein by the intended user stated herein.
4. When it is used in a timely manner, as the appraiser cannot be responsible for unforeseen market changes that occur after the valuation date.
5. When the distribution of the total valuation, if any, in this report between land and improvements is applied only under the reported highest and best use of the property. The allocation of value for land and improvements must not be used in conjunction with the subject property and other properties, as it may result in an unreliable conclusion.
6. It is understood that any sketches and maps are presented only to assist the reader of the report in visualizing the property.
7. When the user has read and understands the report in its entirety. Any lack of understanding about this appraisal could result in its misuse, which might put the user in jeopardy.
8. Secondary opinions and conclusions made by the appraiser are formed only to contribute to the Primary Appraiser Generated Information (PAGI). This is the information that the intended user will isolate and rely on. Unless specifically listed as a PAGI, these secondary opinions include but are not limited to square footage calculations, effective age, highest and best use, replacement cost new, etc. Isolating and inappropriately using any of the secondary appraiser generated information out of context could jeopardize the user.

General Assumptions

This assignment cannot proceed without making some general assumptions; however, these assumptions should not be taken lightly or as a matter of fact. If any of these assumptions are found to be inaccurate, the opinions and conclusions reached herein could be in error and jeopardize the user. The appraiser(s) are not competent in these fields; however, each of these assumptions can be explored by other experts and professions. The user should decide if these assumptions are acceptable. The appraiser is not competent in the following fields and makes no guarantees, express or implied, regarding the topics of these assumptions. Unless otherwise stated, described, and considered in this report, it is assumed that:

9. Title to the property is good and marketable. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Unless otherwise stated, it is also assumed that the property is free and clear of any liens or encumbrances.
10. The property is under responsible ownership and competent management.
11. All engineering studies, land surveys, and other professional reports relied on by the appraiser are correct. Should such studies not be provided to the appraiser, it is assumed that there are no hidden or unapparent conditions of the property, subsoil, structure, or any other property component that would render it more or less valuable.
12. The property is in full compliance with all applicable federal, state, and local laws and regulations.
13. The property conforms to all applicable zoning and land use regulations and restrictions.
14. All required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any 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 is based. This includes the American Disabilities Act.
15. 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.
16. There are no hazardous or toxic materials on, in, or near the property. The presence of substances such as, but not limited to, asbestos, urea formaldehyde foam insulation, radon, mold, and other potentially hazardous or toxic materials would significantly affect the value opinion. Unless otherwise stated, the opinions and conclusions are predicated on the assumption that there is no such material on, in, or near the property which would cause a loss in value.
17. Any proposed improvements are assumed to be completed in a good competent manner, in accordance with the submitted plans and specifications.
18. The structure was properly designed and constructed. This means that each individual building component is reliable and has been properly installed. It is assumed that no defects have occurred over time. This includes, but is not limited to termite damage. All mechanical components are assumed to be in operable condition and are appropriate for the structure. All electrical and plumbing equipment is assumed to be appropriate and in working order. It is assumed that the insulation is adequate.
19. The property has a plentiful supply of potable water, and that adequate sewage disposal is available.
20. If a survey was not provided to the appraiser, the public records are assumed to be correct with respect to size and shape.
21. The property has a legal and physical means of ingress and egress.
22. The subject property is legally and physically suitable for occupancy and livability.
23. Market forces remain relatively constant in the future. If an opinion of marketing time is formed, the user should be cautious when relying on this opinion, as the appraiser cannot foresee spastic changes in these forces.
24. All files, work papers, and documents developed in connection with this assignment are the property of Alaska Appraisal Associates, Inc. Information, estimates, and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to

assist the client in visualizing the property; no other use of these plans is intended or permitted.

25. The liability of Alaska Appraisal Associates, Inc. and its employees is limited to the intended user only. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the intended user, the intended user shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. In the case of limited partnerships or syndication offerings or stock offerings in real estate, the intended user agrees that in the event of lawsuit (brought by lender, partner, or part owner in any form of ownership, tenant, or any other party) or any awards or settlements of any type in such suit, regardless of outcome, the intended user will hold the appraiser completely harmless in any such action.
26. If there are any tracts that, according to map, plat, or survey, indicate riparian and/or littoral rights, said rights are assumed to go with the land, unless easements or deeds are found by the appraiser to the contrary.

Definitions

Market Value, as defined in the *Dictionary of Real Estate Appraisal, 5th ed.* (Chicago: Appraisal Institute, 2010), is:

The major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined.¹

1. The most widely accepted components of market value are incorporated in the following definition: The most probable price that the specified property interest should sell for in a competitive market after a reasonable exposure time, as of a specified date, in cash, or in terms equivalent to cash, under all conditions requisite to a fair sale, with the buyer and seller each acting knowledgeably, for self-interest, and assuming that neither is under duress.
2. Market value is described in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the terms identified by the appraiser as applicable in an appraisal (USPAP, 2010-2011 ed.) USPAP also requires that certain items be included in every appraisal report. Among these items, the following are directly related to the definition of market value.
 - Identification of the specific property rights to be appraised.
 - Statement of the effective date of the value opinion.
 - Specification as to whether cash, terms equivalent to cash, or other precisely described financing terms are assumed as the basis of the appraisal.
 - If the appraisal is conditioned upon financing or other terms, specification as to whether the financing or terms are at, below, or above market interest rates and/or contain unusual conditions or incentives. The terms of above- or below-market interest rates and/or other special incentives must be clearly set forth; their contribution to, or negative influence on, value must be described and estimated; and the market data supporting the opinion of value must be described and explained.
3. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market

¹ For further discussion of this important term, see *The Appraisal of Real Estate*, 13th ed. (Chicago: Appraisal Institute, 2008), 20-25.

under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- 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 US dollars or in terms of financial arrangements comparable thereto; and
 - 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 (12 C.F.R. Part 34.43(g); 55 *Federal Register* 34696, August 24, 1990, as amended at 57 *Federal Register* 12202, April 9, 1992; 59 *Federal Register* 29499, June 7, 1994)
4. The International Valuation Standards Council defines *market value* for the purpose of international standards, as follows: “The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after property marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.” (*International Valuation Standards*, 8th ed., 2007).
 5. 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 appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to 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 at the time of the appraisal. (*Uniform Standards for Federal Land Acquisitions*)
 6. The Alaska Supreme Court defines *market value* as follows: “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 buyer willing to buy, with a reasonable time allowed to find a purchaser. *State v. 7.026 Acres*, Sup. St. Op. No. 601, 466 P2d 364, 365; (1970).” The opinion further reads, in part: “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. Fair market value is normally based on a parcel’s fee simple value.”

7. The definition of market value applied for estate taxation purposes is contained in Revenue Ruling 59-60 and also in Section 20.2031(b) of the Treasury regulations, as follows:

“The amount at which the property would change hands between a willing buyer and willing seller, when the former is not under any compulsion to buy, and latter is not under any compulsion to sell, both parties having a reasonable knowledge of relevant facts.”

The Treasury regulation goes on to state: “The fair market value of a particular item of property includible in the decedent’s gross estate is not to be determined by a forced sale price. Nor is the fair market value of an item of property to be determined by the sale price of the item in a market other than that in which such item is most commonly sold to the public, taking into account the location of the item wherever appropriate. . . . All relevant facts and elements of value as of the applicable valuation date shall be considered in every case.”

Regulation 20.2031(b) requires a residential or commercial appraiser to follow the valuation guidelines when preparing a residential home appraisal for tax purposes or retrospective date of death valuations, and that appraiser should hold a designation and be qualified as stated under regulations Section 1.170A-17(a).²

A **Fee Simple** interest is defined in the *Dictionary of Real Estate Appraisal, 5th ed.* (Chicago: Appraisal Institute, 2010), as:

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.

A **Leased Fee** interest is defined in the *Dictionary of Real Estate Appraisal, 5th ed.* (Chicago: Appraisal Institute, 2010), as:

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 leased fee are specified by contract terms contained within the lease.

² See Susan Kassell, Office of Chief Counsel, Department of the Treasury, Internal Revenue Service INVO 2009-0016 Release Date 1/2/08, UIL 170.00-00, in reference to holders of the MAI, SRA, SRPA, and SREA designations of members of the Appraisal Institute: “The Service does not consider any particular organization’s recognized appraisal designations to be superior to, or preferred over, those of any other organization. The example was included in the proposed regulations merely as an illustration of the types of designations that would satisfy the education and experience requirement and was not intended to indicate any preference for designations offered by a particular organization. In addition, the proposed regulation refers to designations “similar to” those provided as examples. The Service recognizes that there are other organizations awarding designations that would also be recognized professional appraiser organizations.”

Leasehold Interest is defined in the *Dictionary of Real Estate Appraisal, 5th ed.* (Chicago: Appraisal Institute, 2010), as:

The tenant's possessory interest created by a lease.

Extraordinary Assumption is defined in the *Uniform Standards of Professional Appraisal Practice, 2012-2013 Edition* (The Appraisal Foundation), as:

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Hypothetical Condition is defined in the *Uniform Standards of Professional Appraisal Practice, 2012-2013 Edition* (The Appraisal Foundation), as:

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Comment. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Exposure Time is defined in the *Dictionary of Real Estate Appraisal, 5th ed.* (Chicago: Appraisal Institute, 2010), as:

The time a property remains on the market.

The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.

Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions.

Based on a review of the Sitka marketplace, an exposure time of three to nine months is estimated for the subject property. Exposure time is predicated on a reasonable listing price at or slightly above the market value estimate for the property. It is assumed that a sale will be consummated for cash or terms equivalent to cash and that the property will be adequately exposed on the open market and handled by a real estate broker who is knowledgeable and has the competency to properly present a property of this type. The most typical purchaser for a property such as the subject would be an owner/user.

Marketing Time is defined in the *Dictionary of Real Estate Appraisal, 5th ed.* (Chicago: Appraisal Institute, 2010), as:

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.)

A marketing time of three to nine months is estimated for the subject property, based on current economic conditions, supply, demand, sales activity, and the prevailing interest rate environment.

Appraisal Specifics

Privacy Statement

In compliance with the Gram-Leach-Bliley Act, the appraiser will not provide any nonpublic personal information to any person or entity where that information will be used for solicitation purposes. This information may be shared among parties to process and service the consumer's transaction.

Electronic Signature

My original signature has been copied to this report electronically. This report was delivered to the client by Email. While there is no way to prevent unethical or criminal tampering, this signature is password protected. If you are an intended user as described in this report and have concerns about its authenticity, you may send the report to me for verification.

Legal Description

The property is legally described as:

Parcel 1: Lot 11, Block 4, of the Sawmill Cove Industrial Park, Resubdivision No. 1, according to Plat No. 2008-27.

Parcel 2: Lot 9A, Block 4, of the Sawmill Cove Industrial Park, Resubdivision No. 2, according to Plat No. 2013-2.

Parcel 3: Lot 9B, Block 4, of the Sawmill Cove Industrial Park, Resubdivision No. 2, according to Plat No. 2013-2.

Parcel 4: Lot 9C, Block 4, of the Sawmill Cove Industrial Park, Resubdivision No. 2, according to Plat No. 2013-2.

Parcel 5: Lot 12A, Block 4, of the Sawmill Cove Industrial Park, Resubdivision No. 2, according to Plat No. 2013-2.

Parcel 6: Lot 13, Block 4, of the Sawmill Cove Industrial Park, Resubdivision No. 1, according to Plat No. 2008-27.

Parcel 7: Lot 23, Block 4, of the Sawmill Cove Industrial Park, Resubdivision No. 1, according to Plat No. 2008-27.

Parcel 8: Lot 15, Block 4, of the Sawmill Cove Industrial Park, Resubdivision No. 1, according to Plat No. 2008-27.

Parcel 9: Lot 4, Block 4, of the Sawmill Cove Industrial Park, Resubdivision No. 1, according to Plat No. 2008-27.

Parcel 10: The access and utility right-of-way area located between Lots 2 and 4, Block 4, of the Sawmill Cove Industrial Park, Resubdivision No. 1, according to Plat No. 2008-27.

Parcel 11: Lot 8, Block 4, of the Sawmill Cove Industrial Park, Resubdivision No. 1, according to Plat No. 2008-27.

Parcel 12: Lot 17, Block 4, of the Sawmill Cove Industrial Park, Resubdivision No. 1, according to Plat No. 2008-27.

Parcel 13: Lot 1, Block 1, Alaska Tideland Survey No. 6, according to Plat No. 2006-8.

Parcel 14: Lots 3, 6, 7, and a proposed vacated access and utility right-of-way, providing access to said lots, Block 4, of the Sawmill Cove Industrial Park, Resubdivision No. 1, according to Plat No. 2008-27.

Parcel 15: Lot 16A, Block 4, of the Sawmill Cove Industrial Park, Resubdivision No. 2, according to Plat No. 2013-2.

Parcel 16: Lot 19, Block 4, of the Sawmill Cove Industrial Park, Resubdivision No. 1, according to Plat No. 2008-27.

Parcel 17: Lot 20, Block 4, of the Sawmill Cove Industrial Park, Resubdivision No. 1, according to Plat No. 2008-27.

Parcel 18: Lot 1, Block 2, of the Sawmill Cove Industrial Park, Resubdivision No. 1, according to Plat No. 2008-27.

All of the parcels are located within the Sitka Recording District, First Judicial District, State of Alaska.

Appraisal Purpose

The purpose of this appraisal is to estimate the market value of the subject property.

Intended Use

The intended use of this appraisal is for asset management/sale negotiations. This appraisal and report may be inappropriate for other uses and jeopardize the user. This appraisal may not be used or relied on for any use except the stated use without the express written consent of the appraiser. The appraiser, appraiser's firm, and related parties assume no obligation, liability, or accountability for any other use without such written consent.

Intended User(s)

This appraisal is intended for the exclusive use of City & Borough of Sitka. Regardless of who pays for this appraisal the intended user is City & Borough of Sitka only. The scope of work in this appraisal is customized for the intended user. This appraisal and report may be inappropriate for other users and may put them in jeopardy. Therefore, regardless of the means of possession of this report, this appraisal may not be used or relied on by anyone other than the herein stated intended user. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability to any third party.

Three-Year Sale History

There have been no sales transactions involving the subject property within the preceding three years.

Current Listing/Pending Contracts

There are no current listings or pending contracts encumbering the subject property. The City and Borough of Sitka has received proposals for the purchase of portions of the site from Silver Bay Seafoods and Alaska Pacific Packing. The Silver Bay Seafoods offer is for acquisition of Lots 4, 8, 9A, and an access right-of-way of 33,000 square feet for a price of \$2,100,000. The Alaska Pacific Packing offer is at appraised market value.

Ostensible Owner

Title to the property vests to City and Borough of Sitka.

Appraisal Scope

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to determine the appropriate scope of work. USPAP defines the scope of work as:

The amount and type of information researched and the analysis applied in an assignment. Scope of work includes, but is not limited to, the following:

- the degree to which the property is inspected or identified;
- the extent of research into physical or economic factors that could affect the property;
- the extent of data research; and
- the type and extent of analysis applied to arrive at opinions or conclusions.

This Appraisal Report is intended to comply with the reporting requirements set forth under Standard Rule 2-2 of USPAP for a real property appraisal report. There may be insufficient information presented for this report to be understood. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's work file. The information contained in the report is specific to the needs of the client and for the intended use stated in this report.

Scope of Work

- The subject property was identified to the appraiser by the client providing the property address and the current owner's name. A tax card and plat were pulled for that address through the tax assessor's office and/or title agency records. The physical property was located by common address.
- The following approaches to value have been considered in the scope of work decision for the main "Value Opinion":
 - The Cost Approach was not performed.
 - The Direct Comparison Approach was performed.
 - The Income Approach was not performed.
- Additional information concerning the scope of work is conveyed throughout the report.
- Please be aware that the term "Inspection" may be used in this report. The term inspection found anywhere in this report is to mean a "Personal Visual Inventory" of the subject's or comparable property's components. This is opposed to a "Building Inspection," which investigates the appropriateness and soundness of various components of the improvements.
- The American Disability Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey or analysis of the property or comparables to determine whether or not they are in conformity with one or more of the requirements of the Act.

- The signee(s) on the Certification is competent in all aspects of this assignment.

Extent of Research of the Subject Property

- The flood zone information for the subject properties was obtained through our appraisal software from a third party provider based on the property address.
- Unless otherwise stated, the appraiser(s) has made no evaluation of the structural, electrical, plumbing, and/or mechanical systems. We have assumed that these systems are operable and adequate for their intended use.
- The subject properties' assessment and tax information was researched for past sales and physical characteristic information. The subject properties' zoning was obtained from an interview with the zoning authority personnel.
- The subject property data that was obtained from second-hand sources was validated by the appraiser personally accessing the subject property. In addition, the owner was interviewed concerning past sales, utilities, and physical property characteristics.
- Kim M. Wold and David E. Hunnicutt, MAI, JD did personally make a visual inventory of the subject properties while walking over the land, through the interior, and around the exterior of the subject property. I am familiar with the subject neighborhood and the market area. I have worked in and around this area for a number of years. I did drive through parts of this neighborhood in conjunction with this assignment, noting such things as the typical style/design, age, size, quality, and use of the properties. The appraiser(s) has completed no research concerning the character of the inhabitants of the neighborhood such as sex offenders, nor has any study been made of crime statistics committed in the area surrounding the subject property.
- The subject improvements were measured by the appraiser for purposes of this appraisal. The appraiser also relied on measurements set forth in assessment records for the subject property.
- Unless a professional inspection, structural engineer study, or similar report was provided to the appraiser, the subject property information was obtained by a method of data gathering known as a "Personal Visual Inventory." This consists of the appraiser compiling notes of what components are there and how many of them there are. This personal visual inventory was made on-site or from the curb. The extent of the subject property accessed was stated above and did not include accessing any part of the property that could not be walked through in an upright manner, or that required the use of special equipment such as a ladder. None of the property components were dissected or invasively inspected by the appraiser.
- The appraiser has not performed a "Building Inspection" which is a process utilized to rate the appropriateness and usability of the various components of the structure. This

process involves inspecting and testing. Should you have concerns about these issues, please seek a qualified professional to investigate these issues for you. The information obtained from an inspection may affect the value of the subject property, so the appraisal should be made after the inspection rather than vice versa.

- Neither police records nor past issues of newspapers have been researched concerning the subject property's past use for anything that might affect the safety or health of present and future occupants. This includes, but is not limited to, the by-products of methamphetamine production, infectious disease, or environmental hazards.
- If available in the normal course of business, the appraiser has evaluated any previous sales within the preceding three years prior to the effective date of the appraisal, and any current contract, listing, or option of the subject property for its applicability in forming an opinion of current market value and/or marketability.

Extraordinary Assumptions / Hypothetical Conditions

- There are extraordinary assumptions utilized in forming the opinions and conclusions of the primary appraiser generated information. Please refer to the Letter of Transmittal and Summary of Salient Facts earlier in this report for further information.
- There are no hypothetical conditions utilized in forming the opinions and conclusions of the primary appraiser generated information.

Extent of the Analysis & Associated Research

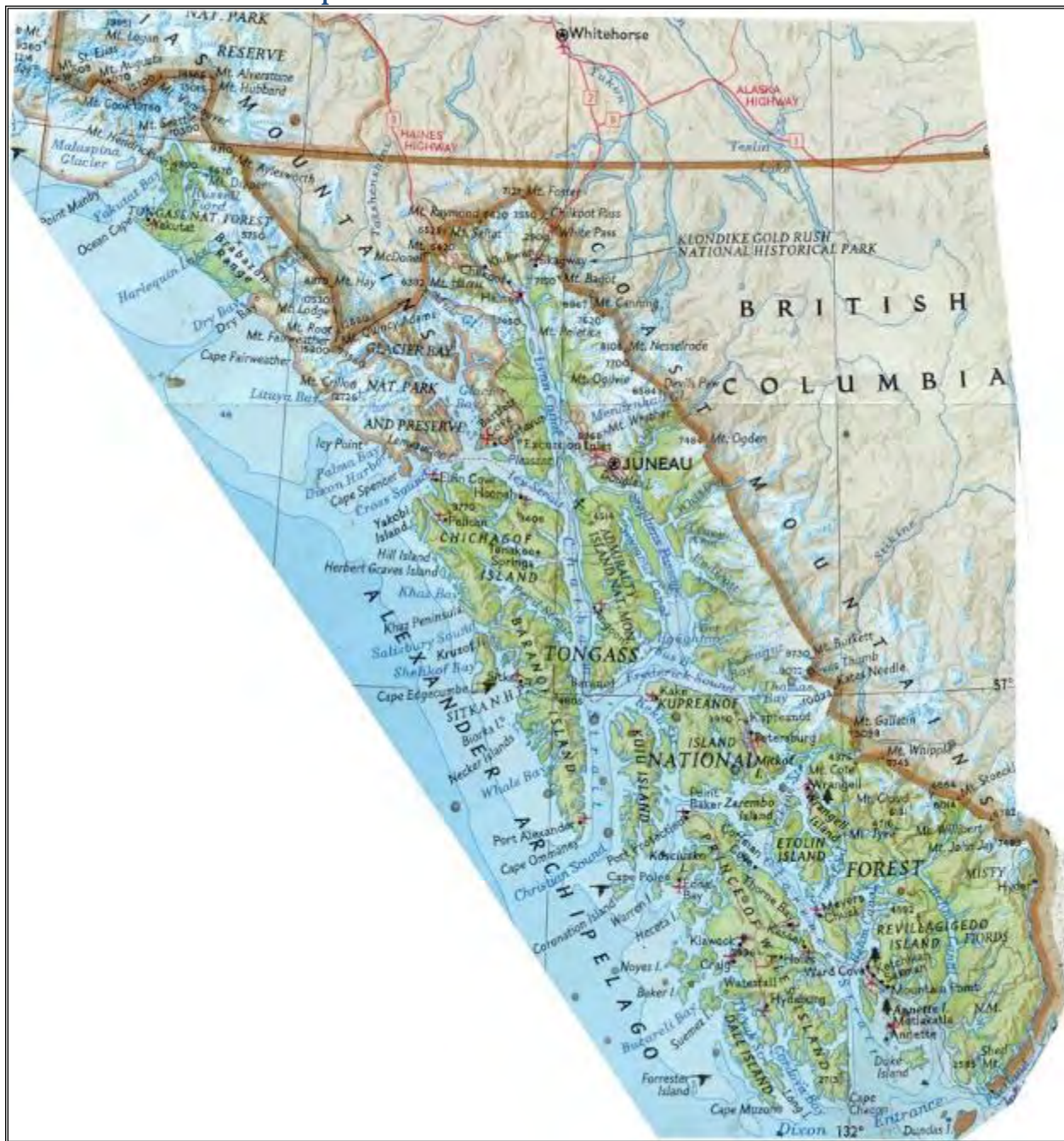
- The following analysis and associated research have been performed in conjunction with the main opinion of value:
- The Direct Sales Comparison Approach was performed by an analysis in which the subject is compared to similar properties that have a recent marketing history.
 - A quantitative analysis was performed. Many of the property characteristics were considered including; the date of sale, location, and utility. A line by line adjustment grid was utilized.
 - The comparable properties were obtained from a thorough search of office files, assessor's records, title agency records, and/or through local realtors. Some comparable sale information was obtained from appraisers involved in the valuation of properties in Southeast Alaska. The tax data was supplied by the local assessor's office. The physical property characteristics were verified by a curbside visual inventory. An attempt was made to verify the sales prices and dates of sales by a telephone interview with one of the parties in the transaction or real estate sales agent. Some of the data that could not be verified may have been used in the analysis. The data records were analyzed for errors and

inconsistencies. Records that showed a large discrepancy from the other data was not used. Sales prices are not public record in Alaska. While sales prices were confirmed with at least one knowledgeable party, there is no certainty that the information is correct.

Additional Information

- The projected use of the subject property is consistent with those permitted uses included in the waterfront and industrial zoning classifications, or as permitted by the Sawmill Creek Industrial Park Board.

Southeast Alaska Map



Sitka Area Analysis

Sitka (SIT-kuh)

Current Population:	9,039 (Dept. of Labor Estimate June 2013)
Incorporation Type:	Unified Home Rule Municipality
Borough Located In:	City & Borough of Sitka
Taxes:	Sales: 5% from Oct-Mar.; 6% from Apr. - Sept., Property: 6.0 mills, Special: 6% Bed Tax; 5.0% Tobacco Tax

Coastal Management District: Sitka

Location and Climate

Sitka is located on the west coast of Baranof Island fronting the Pacific Ocean, on Sitka Sound. An extinct volcano, Mount Edgecumbe, rises 3,200 feet above the community. It is 95 air miles southwest of Juneau and 185 miles northwest of Ketchikan. Seattle, Washington, lies 862 air miles to the south. The community lies at approximately 57.053060° North Latitude and -135.330000° West Longitude. (Sec. 36, T055S, R063E, Copper River Meridian.) Sitka is located in the Sitka Recording District. The area encompasses 2,874.0 sq. miles of land and 1,937.5 sq. miles of water. January temperatures range from 23 to 35 °F; summers vary from 48 to 61 °F. Average annual precipitation is 96 inches, including 39 inches of snowfall.

History, Culture and Demographics

Sitka was originally inhabited by a major tribe of Tlingits, who called the village "Shee Atika." Russian Vitus Bering's expedition arrived in 1741, and the site became "New Archangel" in 1799. St. Michael's Redoubt trading post and fort were built here by Alexander Baranof, manager of the Russian-American company. Tlingits burned down the fort and looted the warehouse in 1802. In 1804, the Russians retaliated by destroying the Tlingit Fort in the Battle of Sitka. This was the last major stand by the Tlingits against the Russians, and they evacuated the area until about 1822. By 1808, Sitka was the capital of Russian Alaska. Baranof was Governor from 1790 through 1818. During the mid-1800s, Sitka was the major port on the north Pacific coast, with ships calling from many nations. Furs destined for European and Asian markets were the main export, but salmon, lumber, and ice were also exported to Hawaii, Mexico, and California. After the purchase of Alaska by the U.S. in 1867, it remained the capital of the territory until 1906, when the seat of government was moved to Juneau. A Presbyterian missionary, Sheldon Jackson, started a school, and in 1878 one of the first canneries in Alaska was built in Sitka. During the early 1900s, gold mines contributed to its growth, and the city was incorporated in 1913. During World War II, the town was fortified and the U.S. Navy built an air base on Japonski Island across the harbor, with 30,000 military

personnel and over 7,000 civilians. After the war, the BIA converted some of the buildings to be used as a boarding school for Alaska Natives, Mt. Edgecumbe High School. The U.S. Coast Guard now maintains the air station and other facilities on the island. A large pulp mill began operations at Silver Bay in 1960. In 1971, the city and borough governments were unified. Sitka offers abundant resources and a diverse economy.

A federally-recognized tribe is located in the community -- the Sitka Tribe of Alaska; Central Council Tlingit & Haida Indian Tribes. Tlingit and Russian culture influence Sitkan arts and artifacts and remain a part of the local color. Sitka has year-round access to outdoor recreation in the Gulf of Alaska and Tongass National Forest.

According to Census 2010, there were 4,102 housing units in the community and 3,545 were occupied. Its population was 16.8 percent American Indian or Alaska Native; 65.3 percent white; 0.5 percent black; 6 percent Asian; 0.3 percent Pacific Islander; 9.8 percent of the local residents had multi-racial backgrounds. Additionally, 4.9 percent of the population was of Hispanic descent.

Facilities, Utilities, Schools and Health Care

Water is drawn from a reservoir on Blue Lake and Indian River and is treated, stored, and piped to nearly all homes in Sitka. The maximum capacity is 8.6-million gallons per day, with 197-million gallons of storage capacity. Ninety-five percent (95%) of homes are connected to the piped sewage system, which receives primary treatment. Refuse is collected and placed in a van and shipped to the State of Washington. The community participates in annual hazardous waste disposal events. The borough owns hydroelectric facilities at Blue Lake and Green Lake and a diesel-fueled generator at Indian River. The capacity of the Blue Lake reservoir is undergoing expansion. Electricity is provided by Sitka Electric Department. There are 7 schools located in the community, attended by 1,769 students. Local hospitals or health clinics include Mt. Edgecumbe/SEARHC Hospital; Sitka Community Hospital; U.S. Coast Guard Air Station. The hospitals are qualified Acute Care facilities. The USCG Air Station provides emergency support only and Medevac Services, and is a qualified Emergency Care Center. Long Term Care: Sitka Pioneers' Home. Specialized Care: Aurora's Watch (operated by Shee Atika Corp.); Sitka Council on Alcoholism & Other. Emergency Services have limited highway, marine, floatplane and airport access. Emergency service is provided by 911 Telephone Service, volunteers and the military. Auxiliary health care is provided by Sitka Fire Dept./Ambulance/Rescue (907-747-3233/3245); SEARHC Air Medical (907-966-2411); U.S. Coast Guard Air Station/Medevac (907-966-5430).

Economy

The economy is diversified with fishing, fish processing, tourism, government, transportation, retail, and healthcare services. Cruise ships bring over 200,000 visitors annually. In 2009, 572 residents held commercial fishing permits, and fish processing provides seasonal employment. Sitka Sound Seafood and the Seafood Producers Co-op are major employers. Regional healthcare services, the U.S. Forest Service, and the U.S. Coast Guard also employ a number of residents.

The 2005-2009 American Community Survey (ACS) estimated 4,652 (MOE +/-341)¹ residents as employed. The ACS surveys established that average median household income (in 2009 inflation-adjusted dollars) was \$58,895 (MOE +/--\$3,740). The per capita income (in 2009 inflation-adjusted dollars) was \$30,013 (MOE +/--\$2,251). About 6.7% (MOE +/-2.6%) of all residents had incomes below the poverty level.

¹ All ACS statistics are published with their respective margin of error (MOE).

Transportation

The state-owned Rocky Gutierrez Airport on Japonski Island has a 6,500' long by 150' wide paved and lighted runway. The runway is scheduled for repaving in 2013. In addition to daily jet service, several scheduled air taxis, air charters, and helicopters are available. The city and borough operates five small boat harbors with 1,350 stalls and a seaplane base on Sitka Sound at Baranof Warm Spring Bay. There is a breakwater at Thompson Harbor but no deep draft dock. A boat launch, haul-out, boat repairs, and other services exist. Cruise ships anchor in the harbor and lighter visitors to shore. The Alaska Marine Highway System (state ferry) has a docking facility. The ferry serves Sitka several times a week with a six hour run to Juneau. Freight arrives by barge and cargo plane.

Economy

The Alaska Department of Labor published an economic demographic, and social study in the November 2013 issue of *Economic Trends* magazine. A copy of the section pertaining to Sitka follows:

By MALI ABRAHAMSON

Sitka's Diverse Economy

Fishing town returns to its roots after end of timber era



The Southeast city of Sitka has one of the lengthiest colonial histories of any place in Alaska. Known to the Russians as Novo Arkhangelsk — “New Archangel” — Sitka was established as the capitol and administrative headquarters for Russian America.

In 1799, Russians set up the headquarters of the Russian American Company near what was originally a Tlingit settlement, taking advantage of the lucrative fur trade between Alaska Natives and Russians along the Alaska coast. The high price that otter pelts fetched in the Chinese and European markets brought enormous profits for traders who bartered for pelts in Sitka, then crossed the Pacific to deliver to eastern Asian ports such as Canton and Okhotsk.

In 1867, the transfer of Alaska to the United States from Russia took place in Sitka, and until 1906 the town served as the capital of what was then known

as a district.

Alaska's first gold discovery was near Sitka in 1872, a few years after the purchase. This ignited mining interests and spurred the stream of prospectors during the Klondike Rush who spread by the thousands into the Juneau mining district and eventually the interior.

Despite the presence of potentially economic mineral deposits nearby, a stigma developed over mining in Sitka. According to a recent assessment by Avalon Development of Fairbanks, Sitka's reputation in the mining world during the rush was damaged by speculation, lack of capital, and poor management despite enormous endeavors in Juneau and elsewhere. Other political factors and land ownership precluded mining firms from exploring the region in the mining revivals up to the present day, so few data are available on the resource.

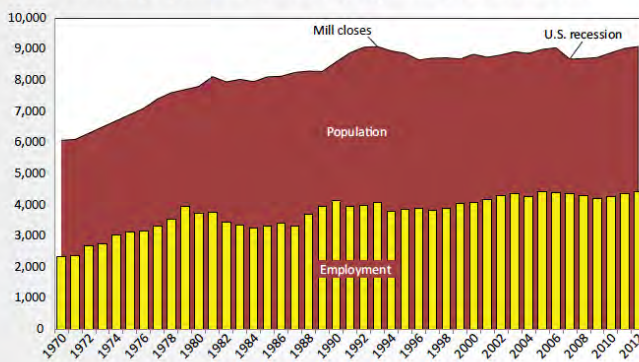
Seafood would eventually become the base of Sitka's economy, which was punctuated by the tumultuous rise and fall of the timber industry. Unlike some communities in Southeast that took a long-term hit from the removal of a large industry from a small economy, Sitka's population, jobs, and wages have recovered due to its relatively diverse economy. (See Exhibit 1.)

Structural change from timber

The timber era in Sitka was instigated by the federal government, which signed several long-term contracts in the 1950s to supply timber to mills in Southeast. One of these was the Alaska Lumber and Pulp Company, which was the largest employer in Sitka from the 1960s through its closure in 1993. Population also peaked that year at 9,000, a gain of about 3,000 since the start of timber's rise.

The mill's closure was followed by stagnating

1 Stability Despite Economic Changes Sitka's population and employment, 1970 to 2012



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section



Above, Lincoln Street is the main street in downtown Sitka. In the center is St. Michael's Russian Orthodox Cathedral. Photo by Roger Wollstadt. Above left is a peregrine falcon in Sitka. Photo by Alan Wu

employment and a 5 percent decline in the population over the next three years. (See Exhibit 1). An Alaska Department of Labor and Workforce Development study of former workers found that by 1996, 30 percent of the mill workers had left Alaska. The remaining workers had difficulty finding other jobs and saw their once-high earnings fall despite Sitka's relatively diversified economy.

Average monthly wages also peaked in 1993 due to high-paying mill jobs, then dipped considerably from a high of \$3,700 (in 2012 dollars). After a few solid years of growth, wages were still well below that level in 2012, at \$3,350.

Today, Sitka's population has grown to just over 9,000, recovering its 1993 high. The area's slow-down from the 2007-09 U.S. recession was small and short-lived, much like it was for the rest of the state, and 2012 brought record employment of 4,433.

The numbers from 2012 don't show surging growth, but given the increasing pace of retirement and seasonal industries, slow employment and population growth don't signify an unhealthy economy. Sitkans have a high quality of life — low utility rates and

unique access to health care, education, and recreation for a town of its size. Healthy earnings from fisheries have also helped shield the economy after the loss of the timber industry.

Sitka's unemployment rate was the fifth-lowest of any borough or census area in 2012 and was second-lowest in Southeast, after Juneau. Though Sitka's per capita income is slightly below the state average, it tops the U.S. average. Sitka residents also rely less on government transfer payments such as food and income assistance than other Alaskans.

Fish brings in \$47 million a year

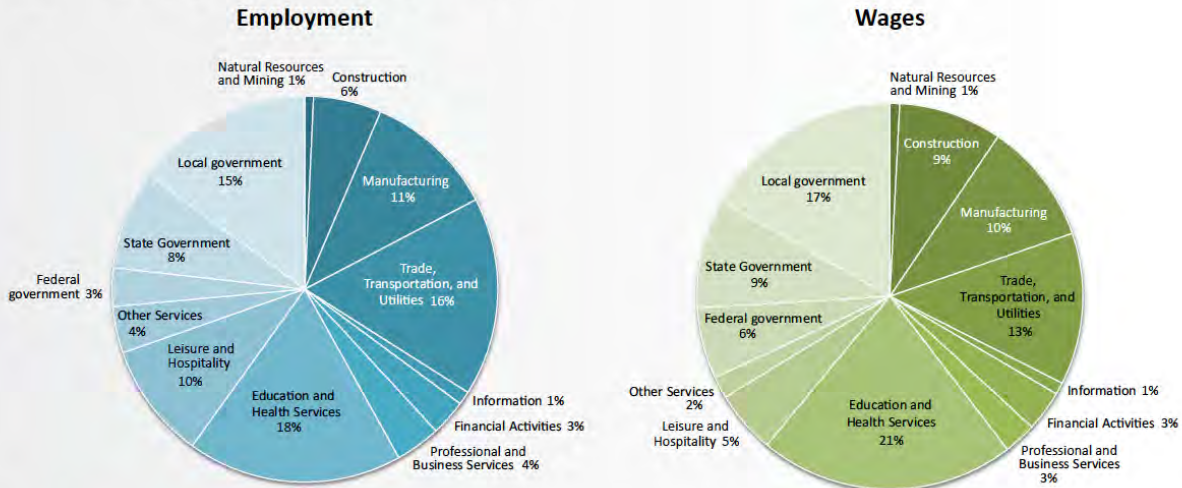
The National Oceanic and Atmospheric Administration — or NOAA — reports that Sitka is the ninth-largest port in the United States by value and the 14th largest by volume of seafood harvested.

Seafood harvesters aren't reflected in regular employment data because most are self-employed,¹ but according to the U.S. Census Bureau's analysis of tax receipts, 596 of these "nonemployers" — the

¹For more on fishing jobs and how they're counted, see the main article on page 4 of this issue.

2 Sitka's Range of Industries

Percentages of jobs and wages, 2012



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Census term for businesses without employees — in Sitka’s fishing industry reported \$47 million in receipts in 2012. This was about 9 percent of the state total for self-employed fishermen’s earnings, another indicator of the major role fishing plays in Sitka.

Salmon is critical to the area, both from a commercial perspective and a history of subsistence. According to Alaska Department of Fish and Game reports, Sitka permit holders received an estimated \$16 million in gross ex-vessel² value from salmon in 2012, and adding high-value sablefish, halibut, and other seafood harvests brings the total to \$41 million.

Natives historically harvested herring roe on the branches of hemlock trees (see the photo on page 18), and today, commercial herring openers in the spring are one of the most iconic derby fisheries in the world, even having been featured on reality television.

Other natural resources have also spurred fledgling businesses such as a tribal-run tannery, sea salt manufacturing, and bulk water sales.

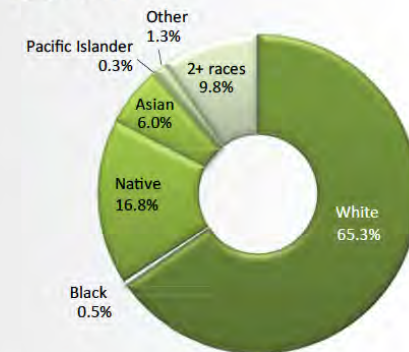
Manufacturing mainly processing

Seafood processing has ramped up in recent years

²Ex-vessel is the price for fish at the dock, before processing.

3 Sitka's Racial Makeup

2012



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

with the added capacity from the opening of the Silver Bay plant in 2007. July processing employment had peaked at about 400 until that year, then reached a record 1,100 jobs in 2011. In that stellar fishing year, Sitka plants processed a net 87.8 million pounds of seafood with a wholesale value of \$170.8 million.

High plant numbers are helping drive the last four years of job growth shown in Exhibit 1. Although



Above, this photo shows Sitka with a herring fleet in the harbor. Photo by Flickr user BackwaterSurfer

the numbers have yet to be finalized, 2013 appears to have been a similarly epic year for salmon throughout Southeast.

Though the majority of manufacturing jobs are in seafood, Sitka also has a well-established shipbuilding firm and a brewery that distributes outside the area.

Tourism in Sitka

Tourism is a well-supported primary industry in the community, and cruise passengers have typically been shuttled into downtown to see its myriad historic and educational sites. A private entity recently built a new mooring facility just north of town and hopes to attract ships in future tourism seasons.

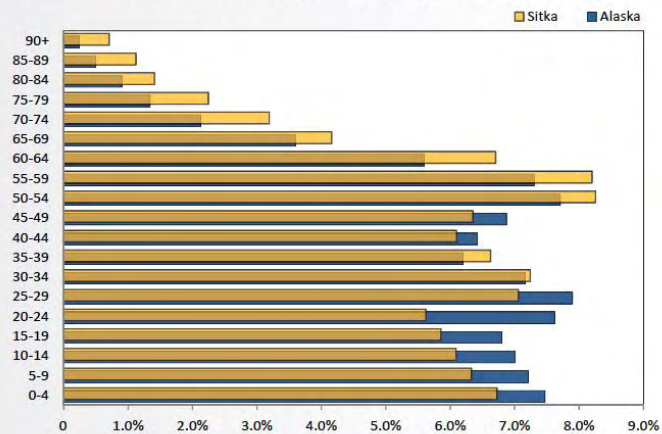
Several hotels and restaurants in the downtown area cater to day-in visitors and locals. These leisure and hospitality employers provide 10 percent of local jobs but only 5 percent of wages. (See Exhibit 2.) These types of jobs are often part-time, lower paying, and seasonal.

A niche for health care

While fishing and tourism bring in money from outside, health care and education organizations

4 Sitkans Older Than Alaskans

On average, percents by age group, 2012



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

generate significant wages and jobs in the area. In an unusual mix of public and private facilities, Sitka has made a small-town niche for these services, which provide higher average wages than Sitka's rural Southeast counterparts.

The regional Native hospital SEARHC, Sitka's

largest employer, is a major contributor to the 18 percent of private health care jobs and 21 percent of the industry’s private wages. (See Exhibit 2.)

Another major health care contributor is the state-run Sitka Pioneers’ Home, which houses 75 of Alaska’s elders. The Pioneers’ Home also affects Sitka’s overall age distribution, which is four years older than the state median. (See Exhibit 4.)

A legacy of education

The community remains focused on education despite the 2007 closure of Sheldon Jackson College, which opened in 1878 and was once the only institution of higher learning in the territory. The college campus was transferred to the Sitka Fine Arts Camp, drawing artists who perform and offer workshops for all ages.

The fine arts camp is one of the two private education organizations that create jobs and bring worldwide talent to Sitka. The other, the Sitka Sound Science Center, hosts students from several outside universities for their field courses in marine science.

The two state-run educational institutions are the Alaska State Trooper Academy and Mount Edge-



Above, harvested Sitka herring roe attached to hemlock branches. Photo by juneautek.com

cumbe High School. The trooper academy offers instruction in criminal investigation, police procedure, laws, physical skills, and the training of village public safety officers, troopers, and wildlife officers. Mount Edgecumbe, the state-run boarding school, serves students from all over Alaska and is the largest school in Sitka by enrollment. These organizations add state jobs, but also employment for housing, catering, and maintenance contractors.

The University of Alaska Southeast also has a branch in Sitka, with 80 to 90 jobs during the school year and enrollment of 1,160 in spring 2012.

Education and health made up a third of all employment in 2012 when private and government jobs were combined, and many of those were year-round positions. This is reflected in the high proportions of nurses and teachers shown in Exhibit 5.

Government’s share of jobs

Sitka’s government employment is similar to that of the state as a whole, accounting for 26 percent of payroll jobs in 2012 when schools, hospitals, and tribes are included. There are small offices at the trooper academy (Department of Corrections), Department of Fish and Game, Department of Health and Social Services, and Indian Health Service.

Sitka’s federal employment has declined, which is also similar to the rest of the state. Federal jobs in Sitka peaked at 210 in 2004 with many seasonal forestry jobs, and has been reduced by about 25 percent since then, shrinking the overall government share of jobs and wages.

5 Seafood Processing Tops Occupations

Sitka, total workers and wages in 2012

Occupations	Workers	Wages
Meat, Poultry, and Fish Cutters and Trimmers	617	\$5,378,616
Retail Salespersons	297	\$2,832,517
Waiters and Waitresses	200	\$1,348,616
Cashiers	192	\$1,739,710
Registered Nurses	184	ND
Construction Laborers	165	\$2,352,802
Teachers and Instructors, All Other	160	ND
Nursing Assistants	133	\$3,398,125
Janitors/Cleaners, Exc Maids and Housekeeping Cleaners	132	\$2,097,355
Combined Food Prep and Serving Workers, Incl Fast Food	122	\$677,956
Fishers and Related Fishing Workers	115	\$1,835,922
Secondary Teachers, Exc Spec and Career/Tech Ed	108	ND
Maids and Housekeeping Cleaners	106	\$703,438
Office and Administrative Support Workers, All Other	95	\$1,731,100
Bartenders	91	\$669,525
Recreation Workers	87	ND
General and Operations Managers	85	\$4,293,660
Stock Clerks and Order Fillers	85	ND
Bookkeeping, Accounting, and Auditing Clerks	83	\$2,106,586
Social Workers, All Other	79	\$1,824,066

Notes: This table counts workers by occupation regardless of seasonality or longevity of their employment. It excludes federal workers. ND means wages are suppressed to protect the confidentiality of an employer or its workers.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

The gross sales tax for the City and Borough of Sitka are shown on the following chart.

GROSS SALES TAX BY INDUSTRY TYPE (January - December)					
INDUSTRY TYPE	2011	2012	2013	2014	Grand Total
Agriculture, Forestry, & Fishing	\$ 26,986.13	\$ 21,410.19	\$ 22,705.77	\$ 17,459.80	\$ 88,561.89
Construction	\$ 119,999.28	\$ 139,068.45	\$ 219,352.06	\$ 163,838.32	\$ 642,258.11
Finance, Insurance, & Real Estate	\$ 248,856.58	\$ 270,821.71	\$ 311,040.73	\$ 233,367.63	\$ 1,064,086.65
Manufacturing	\$ 333,886.53	\$ 321,287.44	\$ 294,210.35	\$ 173,105.77	\$ 1,122,490.09
Retail Trade	\$ 5,118,321.41	\$ 5,069,556.45	\$ 5,500,447.90	\$ 4,537,419.93	\$ 20,225,745.69
Services	\$ 1,448,200.82	\$ 1,477,568.60	\$ 1,735,589.33	\$ 1,548,250.57	\$ 6,209,609.32
Transportation & Public Utilities	\$ 709,248.74	\$ 685,024.91	\$ 695,063.31	\$ 528,667.65	\$ 2,618,004.61
Wholesale Trade	\$ 69,266.11	\$ 53,442.09	\$ 56,393.12	\$ 46,977.93	\$ 226,079.25
Grand Total	\$ 8,074,765.60	\$ 8,038,179.84	\$ 8,834,802.57	\$ 7,249,087.60	\$ 32,196,835.61

The sales report has fluctuated over the years, but declined 7.3 percent in 2010. The City and Borough of Sitka sales tax clerk has indicated that gross sales remain weak into 2011. Updated sales information could not be obtained from the City and Borough of Sitka. Anecdotal information suggests that sales are rebounding in 2013.

Listed below are the past five years bed tax receipts for the City and Borough of Sitka.

BED TAX TOTAL BY YEAR	
Year	Bed Tax Due
2010	\$ 322,102.36
2011	\$ 317,107.52
2012	\$ 348,859.87
2013	\$ 367,970.53
2014	\$ 356,180.53
Grand Total	\$ 1,712,220.81

The bed tax receipts peaked in 2007 at \$405,206 and fell to a low of \$317,107 in 2011. Revenues have risen in the following years. 2014 is expected to produce the highest bed tax revenue since 2007 when the full year receipts are collected.

Conclusion

The local economy is the weakest of all the major cities in Southeast Alaska. A new cruise ship wharf may help increase tourism and tax revenues. The assessor reports few real estate

transactions over the past six months. Real estate prices are considered fragile with a downward trend bias. Overall, there is above average downward price risk for real estate and no near term catalyst for price appreciation.

The cruise industry has less economic impact than in Ketchikan, Skagway, or Juneau. The total number of passengers arriving in Sitka in 2013 was 102,938. The number declined to 91,043 in 2014 due to capacity reductions and itinerary changes. The number of passengers expected to visit in 2015 is estimated at 102,000.

Recent construction projects have boosted the economy over the past three years. There is concern regarding future government capital projects due to declining state and federal budgets. Private capital investments may offset some of the public capital spending declines.

Neighborhood Map



Data use subject to license.
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www.delorme.com

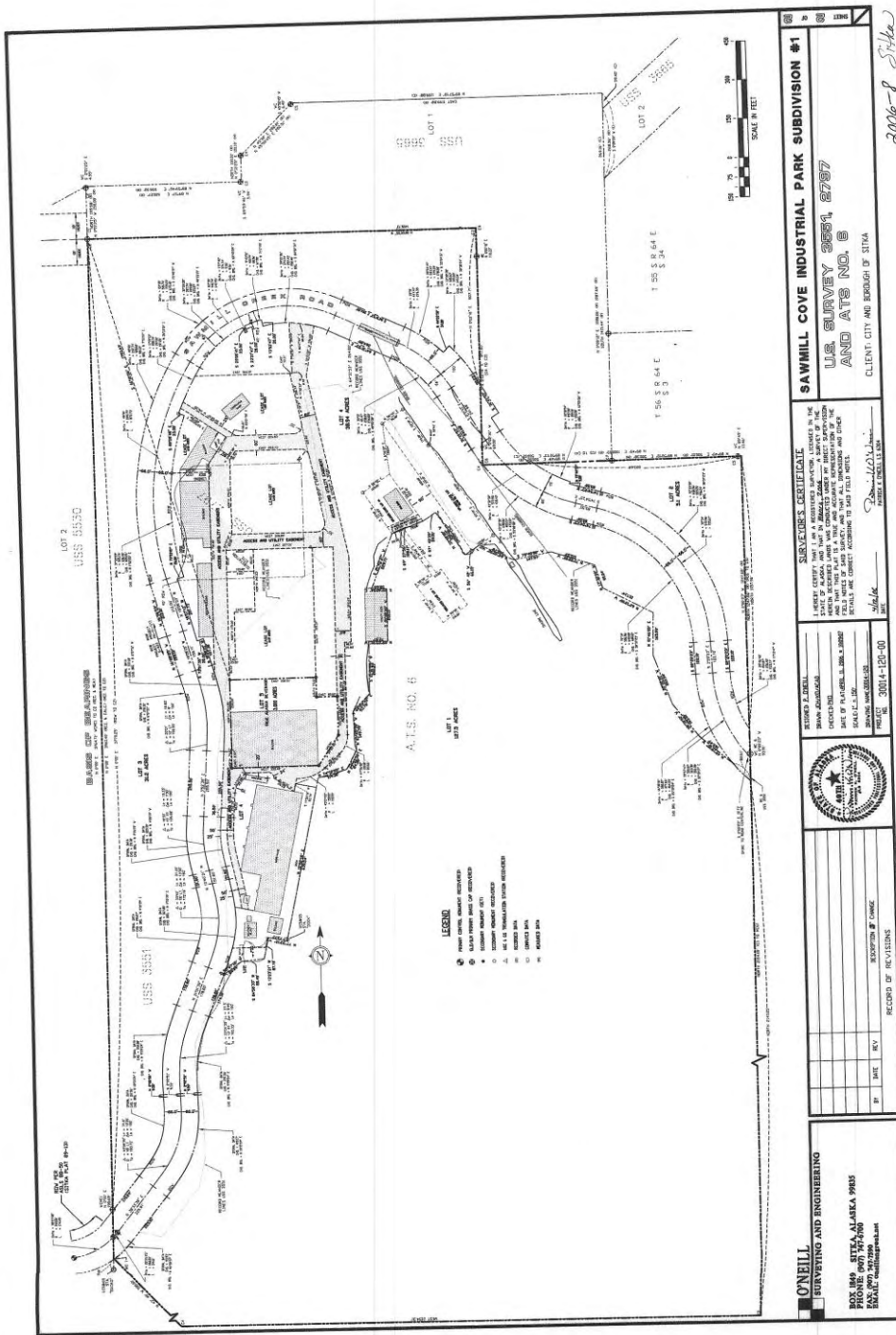
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Data Zoom 13-1

Plat Map

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Page 1

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CERTIFICATE OF OWNERSHIP AND EASEMENTS
I, the undersigned, being duly appointed and authorized by the Board of Assessors of the City of Sitka, Alaska, do hereby certify that the within plat is a correct and true representation of the actual and true situation of the above described land and premises as the same exist on this day of 11/2/2013.

CERTIFICATE OF APPROVAL BY THE BOARD
I, the undersigned, being duly appointed and authorized by the Board of Assessors of the City of Sitka, Alaska, do hereby certify that the within plat is a correct and true representation of the actual and true situation of the above described land and premises as the same exist on this day of 11/2/2013.

CERTIFICATE OF APPROVAL BY THE ASSESSOR
I, the undersigned, being duly appointed and authorized by the Board of Assessors of the City of Sitka, Alaska, do hereby certify that the within plat is a correct and true representation of the actual and true situation of the above described land and premises as the same exist on this day of 11/2/2013.

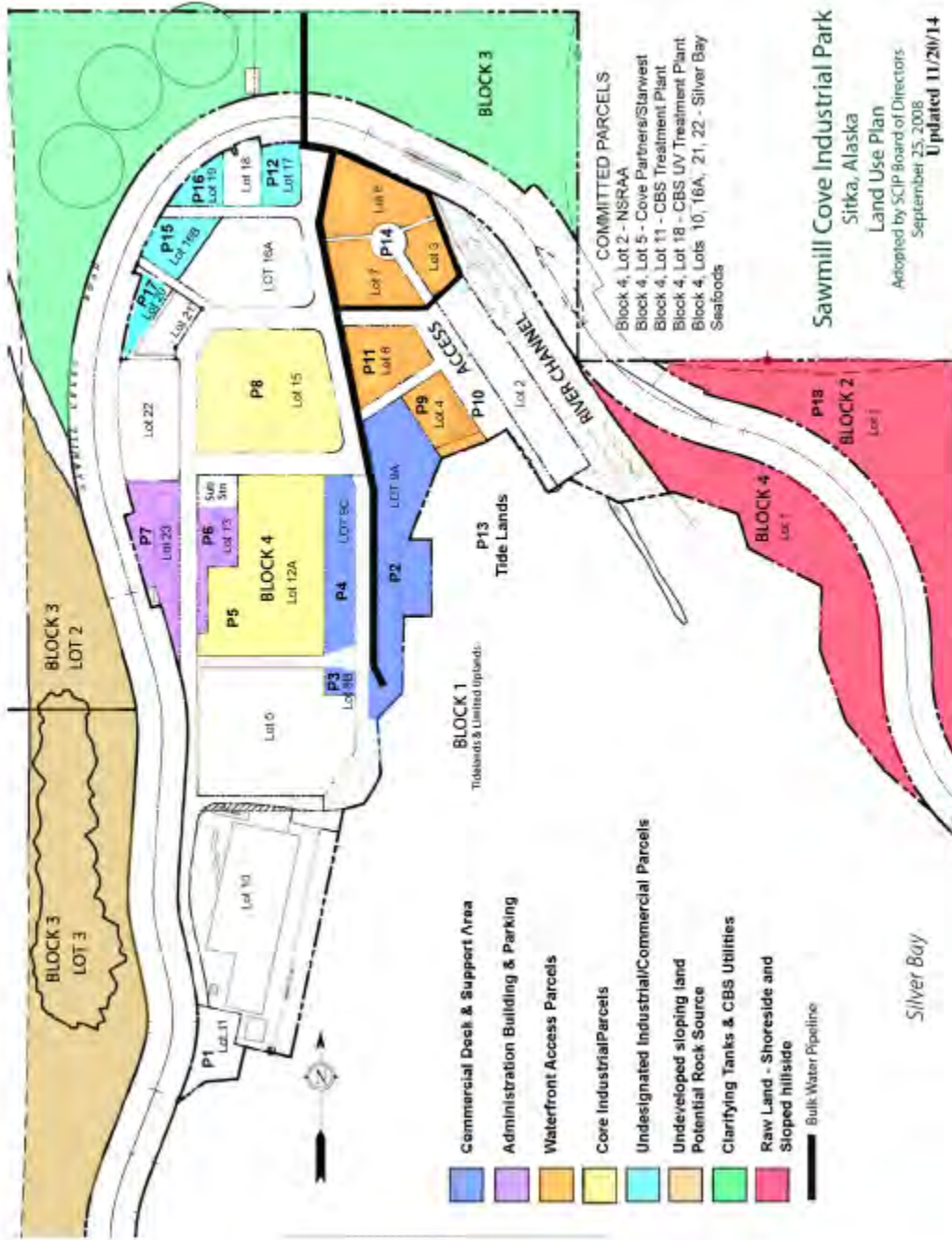
LEGEND

● SHOWN BY THIS PLAT
○ SHOWN BY PREVIOUS PLAT
□ SHOWN BY PREVIOUS PLAT

UTILITY EASEMENT DATA

LOT	UTIL. EASEMENT (SQUARE FEET)	PERCENT OF LOT AREA
LOT 1	1,000	0.5%
LOT 2	1,200	0.6%
LOT 3	1,500	0.8%
LOT 4	1,800	0.9%
LOT 5	2,100	1.1%
LOT 6	2,400	1.2%
LOT 7	2,700	1.4%
LOT 8	3,000	1.5%
LOT 9	3,300	1.6%
LOT 10	3,600	1.8%
LOT 11	3,900	1.9%
LOT 12	4,200	2.1%
LOT 13	4,500	2.2%
LOT 14	4,800	2.4%
LOT 15	5,100	2.5%
LOT 16	5,400	2.7%
LOT 17	5,700	2.8%
LOT 18	6,000	3.0%
LOT 19	6,300	3.1%
LOT 20	6,600	3.3%
LOT 21	6,900	3.4%
LOT 22	7,200	3.6%
LOT 23	7,500	3.7%
LOT 24	7,800	3.9%
LOT 25	8,100	4.0%
LOT 26	8,400	4.2%
LOT 27	8,700	4.3%
LOT 28	9,000	4.5%
LOT 29	9,300	4.6%
LOT 30	9,600	4.8%
LOT 31	9,900	4.9%
LOT 32	10,200	5.1%
LOT 33	10,500	5.2%
LOT 34	10,800	5.4%
LOT 35	11,100	5.5%
LOT 36	11,400	5.7%
LOT 37	11,700	5.8%
LOT 38	12,000	6.0%
LOT 39	12,300	6.1%
LOT 40	12,600	6.3%
LOT 41	12,900	6.4%
LOT 42	13,200	6.6%
LOT 43	13,500	6.7%
LOT 44	13,800	6.9%
LOT 45	14,100	7.0%
LOT 46	14,400	7.2%
LOT 47	14,700	7.3%
LOT 48	15,000	7.5%
LOT 49	15,300	7.6%
LOT 50	15,600	7.8%
LOT 51	15,900	7.9%
LOT 52	16,200	8.1%
LOT 53	16,500	8.2%
LOT 54	16,800	8.4%
LOT 55	17,100	8.5%
LOT 56	17,400	8.7%
LOT 57	17,700	8.8%
LOT 58	18,000	9.0%
LOT 59	18,300	9.1%
LOT 60	18,600	9.3%
LOT 61	18,900	9.4%
LOT 62	19,200	9.6%
LOT 63	19,500	9.7%
LOT 64	19,800	9.9%
LOT 65	20,100	10.0%
LOT 66	20,400	10.2%
LOT 67	20,700	10.3%
LOT 68	21,000	10.5%
LOT 69	21,300	10.6%
LOT 70	21,600	10.8%
LOT 71	21,900	10.9%
LOT 72	22,200	11.1%
LOT 73	22,500	11.2%
LOT 74	22,800	11.4%
LOT 75	23,100	11.5%
LOT 76	23,400	11.7%
LOT 77	23,700	11.8%
LOT 78	24,000	12.0%
LOT 79	24,300	12.1%
LOT 80	24,600	12.3%
LOT 81	24,900	12.4%
LOT 82	25,200	12.6%
LOT 83	25,500	12.7%
LOT 84	25,800	12.9%
LOT 85	26,100	13.0%
LOT 86	26,400	13.2%
LOT 87	26,700	13.3%
LOT 88	27,000	13.5%
LOT 89	27,300	13.6%
LOT 90	27,600	13.8%
LOT 91	27,900	13.9%
LOT 92	28,200	14.1%
LOT 93	28,500	14.2%
LOT 94	28,800	14.4%
LOT 95	29,100	14.5%
LOT 96	29,400	14.7%
LOT 97	29,700	14.8%
LOT 98	30,000	15.0%
LOT 99	30,300	15.1%
LOT 100	30,600	15.3%
LOT 101	30,900	15.4%
LOT 102	31,200	15.6%
LOT 103	31,500	15.7%
LOT 104	31,800	15.9%
LOT 105	32,100	16.0%
LOT 106	32,400	16.2%
LOT 107	32,700	16.3%
LOT 108	33,000	16.5%
LOT 109	33,300	16.6%
LOT 110	33,600	16.8%
LOT 111	33,900	16.9%
LOT 112	34,200	17.1%
LOT 113	34,500	17.2%
LOT 114	34,800	17.4%
LOT 115	35,100	17.5%
LOT 116	35,400	17.7%
LOT 117	35,700	17.8%
LOT 118	36,000	18.0%
LOT 119	36,300	18.1%
LOT 120	36,600	18.3%
LOT 121	36,900	18.4%
LOT 122	37,200	18.6%
LOT 123	37,500	18.7%
LOT 124	37,800	18.9%
LOT 125	38,100	19.0%
LOT 126	38,400	19.2%
LOT 127	38,700	19.3%
LOT 128	39,000	19.5%
LOT 129	39,300	19.6%
LOT 130	39,600	19.8%
LOT 131	39,900	19.9%
LOT 132	40,200	20.1%
LOT 133	40,500	20.2%
LOT 134	40,800	20.4%
LOT 135	41,100	20.5%
LOT 136	41,400	20.7%
LOT 137	41,700	20.8%
LOT 138	42,000	21.0%
LOT 139	42,300	21.1%
LOT 140	42,600	21.3%
LOT 141	42,900	21.4%
LOT 142	43,200	21.6%
LOT 143	43,500	21.7%
LOT 144	43,800	21.9%
LOT 145	44,100	22.0%
LOT 146	44,400	22.2%
LOT 147	44,700	22.3%
LOT 148	45,000	22.5%
LOT 149	45,300	22.6%
LOT 150	45,600	22.8%
LOT 151	45,900	22.9%
LOT 152	46,200	23.1%
LOT 153	46,500	23.2%
LOT 154	46,800	23.4%
LOT 155	47,100	23.5%
LOT 156	47,400	23.7%
LOT 157	47,700	23.8%
LOT 158	48,000	24.0%
LOT 159	48,300	24.1%
LOT 160	48,600	24.3%
LOT 161	48,900	24.4%
LOT 162	49,200	24.6%
LOT 163	49,500	24.7%
LOT 164	49,800	24.9%
LOT 165	50,100	25.0%
LOT 166	50,400	25.2%
LOT 167	50,700	25.3%
LOT 168	51,000	25.5%
LOT 169	51,300	25.6%
LOT 170	51,600	25.8%
LOT 171	51,900	25.9%
LOT 172	52,200	26.1%
LOT 173	52,500	26.2%
LOT 174	52,800	26.4%
LOT 175	53,100	26.5%
LOT 176	53,400	26.7%
LOT 177	53,700	26.8%
LOT 178	54,000	27.0%
LOT 179	54,300	27.1%
LOT 180	54,600	27.3%
LOT 181	54,900	27.4%
LOT 182	55,200	27.6%
LOT 183	55,500	27.7%
LOT 184	55,800	27.9%
LOT 185	56,100	28.0%
LOT 186	56,400	28.2%
LOT 187	56,700	28.3%
LOT 188	57,000	28.5%
LOT 189	57,300	28.6%
LOT 190	57,600	28.8%
LOT 191	57,900	28.9%
LOT 192	58,200	29.1%
LOT 193	58,500	29.2%
LOT 194	58,800	29.4%
LOT 195	59,100	29.5%
LOT 196	59,400	29.7%
LOT 197	59,700	29.8%
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LOT 201	60,900	30.4%
LOT 202	61,200	30.6%
LOT 203	61,500	30.7%
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LOT 207	62,700	31.3%
LOT 208	63,000	31.5%
LOT 209	63,300	31.6%
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LOT 211	63,900	31.9%
LOT 212	64,200	32.1%
LOT 213	64,500	32.2%
LOT 214	64,800	32.4%
LOT 215	65,100	32.5%
LOT 216	65,400	32.7%
LOT 217	65,700	32.8%
LOT 218	66,000	33.0%
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LOT 229	69,300	34.6%
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LOT 231	69,900	34.9%
LOT 232	70,200	35.1%
LOT 233	70,500	35.2%
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LOT 235	71,100	35.5%
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LOT 238	72,000	36.0%
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LOT 251	75,900	37.9%
LOT 252	76,200	38.1%
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LOT 254	76,800	38.4%
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LOT 265	80,100	40.0%
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LOT 267	80,700	40.3%
LOT 268	81,000	40.5%
LOT 269	81,300	40.6%
LOT 270	81,600	40.8%
LOT 271	81,900	40.9%
LOT 272	82,200	41.1%
LOT 273	82,500	41.2%
LOT 274	82,800	41.4%
LOT 275	83,100	41.5%
LOT 276	83,400	41.7%
LOT 277	83,700	41.8%
LOT 278	84,000	42.0%
LOT 279	84,300	42.1%
LOT 280	84,600	42.3%
LOT 281	84,900	42.4%
LOT 282	85,200	42.6%
LOT 283	85,500	42.7%
LOT 284	85,800	42.9%
LOT 285	86,100	43.0%
LOT 286	86,400	43.2%
LOT 287	86,700	43.3%
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LOT 289	87,300	43.6%
LOT 290	87,600	43.8%
LOT 291	87,900	43.9%
LOT 292	88,200	44.1%
LOT 293	88,500	44.2%
LOT 294	88,800	44.4%
LOT 295	89,100	44.5%
LOT 296	89,400	44.7%
LOT 297	89,700	44.8%
LOT 298	90,000	45.0%
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LOT 300	90,600	45.3%
LOT 301	90,900	45.4%
LOT 302	91,200	45.6%
LOT 303	91,500	45.7%
LOT 304	91,800	45.9%
LOT 305	92,100	46.0%
LOT 306	92,400	46.2%
LOT 307	92,700	46.3%
LOT 308	93,000	46.5%
LOT 309	93,300	46.6%
LOT 310	93,600	46.8%
LOT 311	93,900	46.9%
LOT 312	94,200	47.1%
LOT 313	94,500	47.2%
LOT 314	94,800	47.4%
LOT 315	95,100	47.5%
LOT 316	95,400	47.7%
LOT 317	95,700	47.8%
LOT 318	96,000	48.0%
LOT 319	96,300	48.1%
LOT 320	96,600	48.3%
LOT 321	96,900	48.4%
LOT 322	97,200	48.6%
LOT 323	97,500	48.7%
LOT 324	97,800	48.9%
LOT 325	98,100	49.0%
LOT 326	98,400	49.2%
LOT 327	98,700	49.3%
LOT 328	99,000	49.5%
LOT 329	99,300	49.6%
LOT 330	99,600	49.8%
LOT 331	99,900	49.9%
LOT 332	100,200	50.1%
LOT 333	100,500	50.2%
LOT 334	100,800	50.4%
LOT 335	101,100	50.5%
LOT 336	101,400	50.7%
LOT 337	101,700	50.8%
LOT 338	102,000	51.0%
LOT 339	102,300	51.1%
LOT 340	102,600	51.3%
LOT 341		

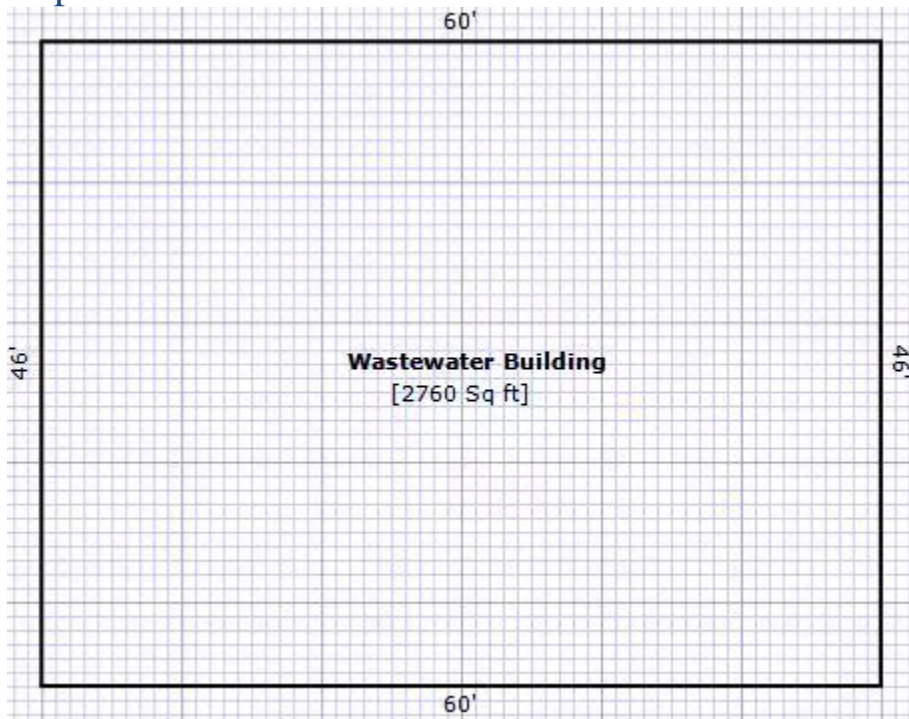
Land Use Map



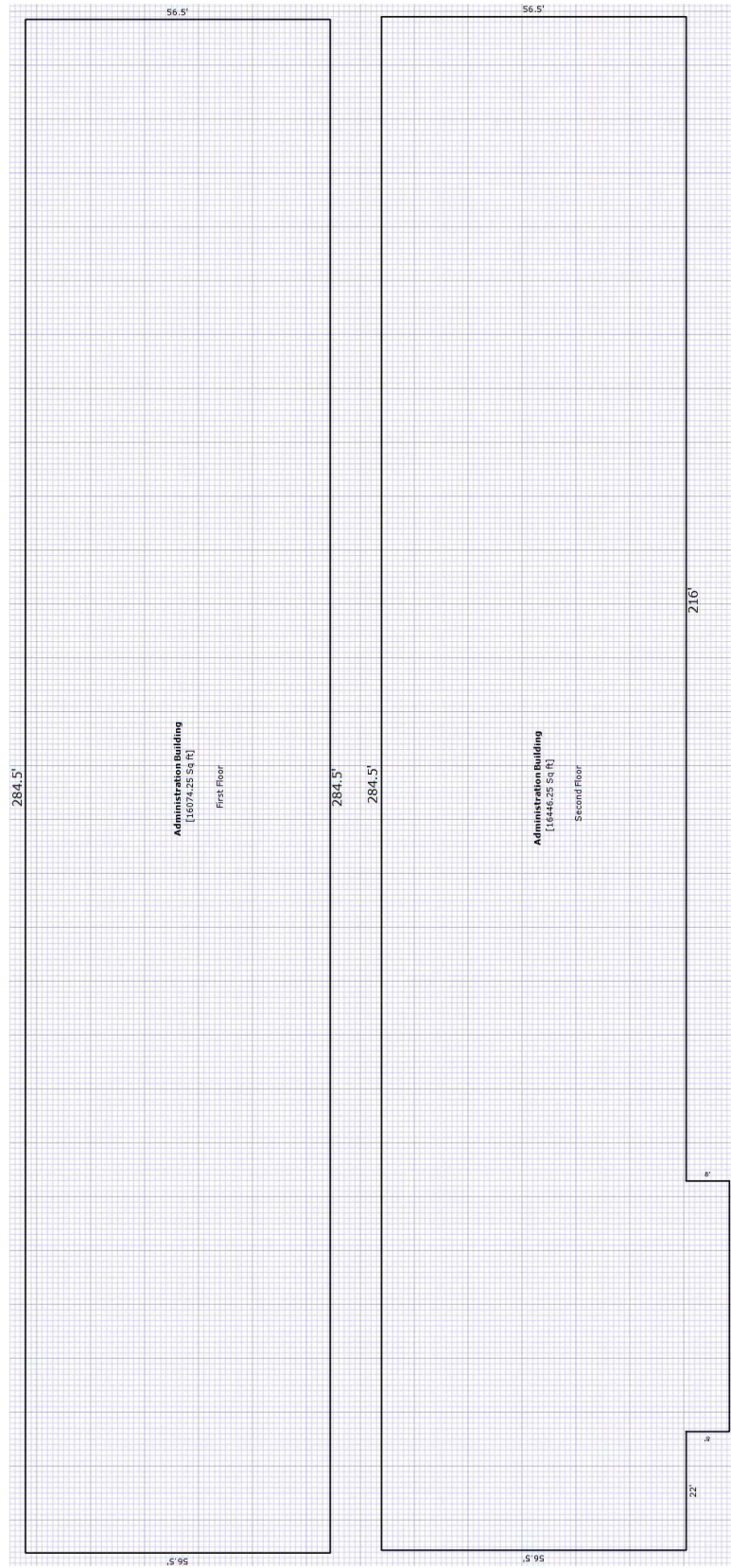
Site Plan



Improvement Sketches



PARCEL 1



PARCEL 7

Administration Building 1st Floor

F6-39 = 370 SF
 F6-40 = 100 SF
Total F6 = 470 SF
\$0.75 per SF

F7-42 = 307 SF
 F7-43 = 125 SF
Total F7 = 432 SF
\$1.00 per SF

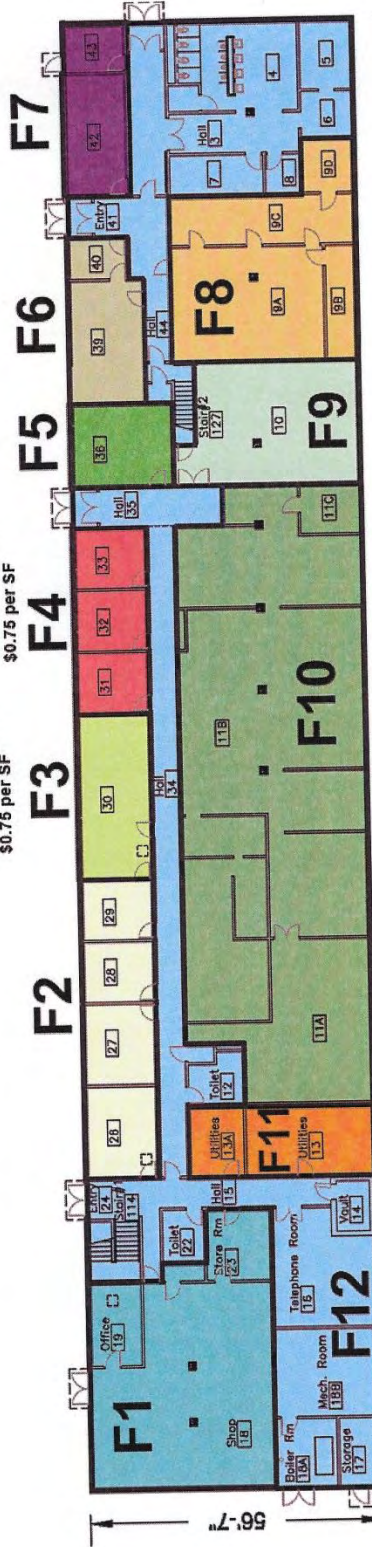
F3-30 = 480 SF
Total F3 = 480 SF
\$0.75 per SF

F4-31 = 180 SFS
 F4-32 = 180 SF
 F4-33 = 187 SF
Total F4 = 547
\$0.75 per SF

F5-36 = 338 SF
Total F5 = 338 SF
\$0.75 per SF

F1-18 = 1342 SF
 F1-19 = 181 SF
 F1-23 = 189 SF
Total F1 = 1712 SF
\$0.75 per SF

F2-26 = 270 SF
 F2-27 = 240 SF
 F2-28 = 180 SF
 F2-29 = 180 SF
Total F2 = 870 SF
\$0.75 per SF



56'-7"

284'-7"

F12
 common area

F10-11A+11B+11C = 4178 SF
Total F10 = 4178 SF
\$1.00 per SF

F11-13 = 351 SF
 F11-13A = 154 SF
Total F11=505 SF
\$1.00 per SF

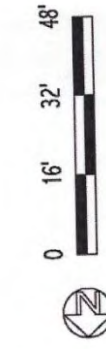
F8-9A+9B+9C+9D = 1290 SF
Total F9 = 807 SF
\$1.00 per SF

F9-10+127 = 807 SF
Total F9 = 807 SF
\$1.00 per SF

16,103 Square Feet

PARCEL 7

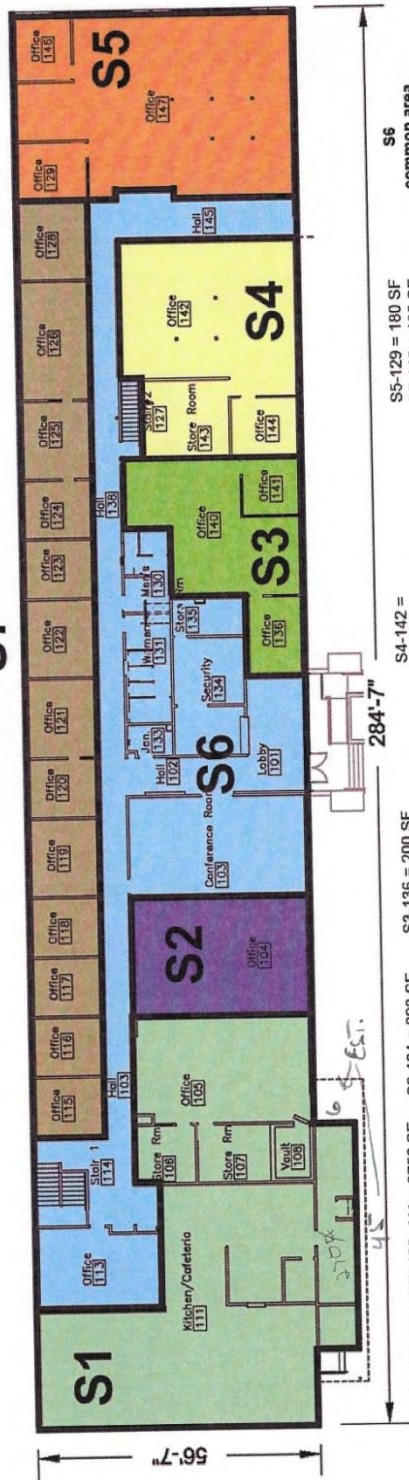
Administration Building 2nd Floor



S7-115 = 180 SF
 S7-116 = 180 SF
 S7-117 = 180 SF
 S7-118 = 180 SF
 S7-119 = 240 SF
 S7-120 = 180 SF
 S7-121 = 240 SF
 S7-122 = 240 SF
 S7-123 = 180 SF
 S7-124 = 180 SF

S7

S7-125 = 240 SF
 S7-126 = 360 SF
 S7-128 = 240 SF
Total S7 = 2820 SF
\$1.25 per SF



S1-105+106+107+108+111 = 3756 SF
Total S1 = 3756 SF
\$0.65 per SF

S2-104 = 893 SF
Total S2 = 893 SF
\$1.25 per SF

S3-136 = 200 SF
 S3-140 = 738 SF
 S3-141 = ??? SF
Total S3 (136+140) = 938 SF
\$1.25 per SF

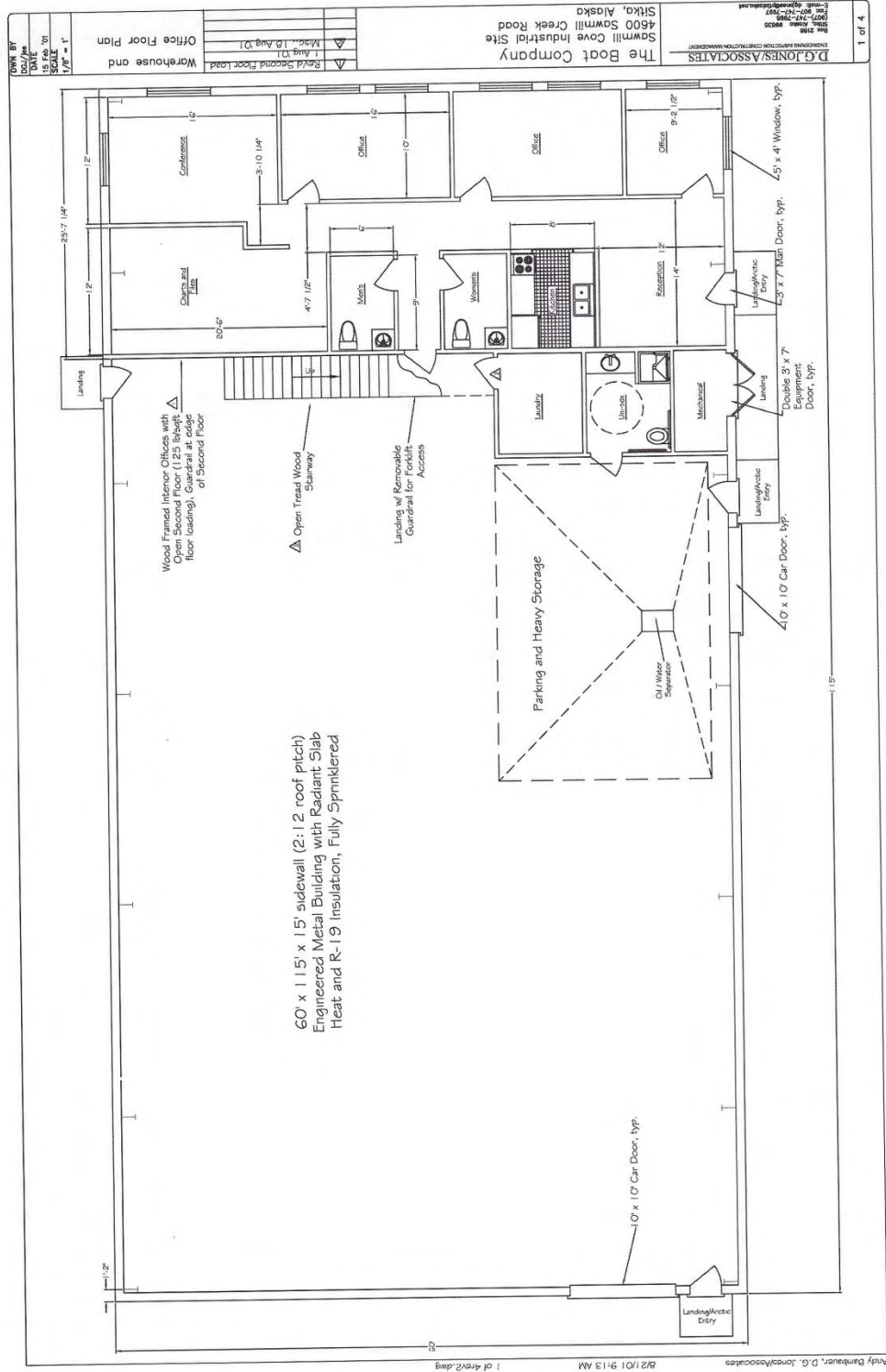
S4-142 =
 S4-143 =
 S4-144 =
 S4-147 =
Total S4(142+143+144) = 1530 SF

S5-129 = 180 SF
 S5-146 = 180 SF
 S5-147 = 1797 SF
Total S5 = 2157 SF
\$1.25 per SF

S6 common area

16,373

PARCEL 7



PARCEL 9

Description of the Site

The following grid shows the individual parcel's attributes such as size, configuration, water frontage, access, utilities, easements, etc.

PARCEL DESCRIPTIONS										
Parcel No.	Shape	Access	Road Frontage	Water Frontage	Adverse Easemnt	Utilities	Topo	Upland Size (SF)	Tideland Size (SF)	Total Size (SF)
1	Highly Irregular	Unimproved	31'	260'	No	E	Level	25,606	0	25,606
2	Highly Irregular	Improved	1,054'	1,020'	Yes	E,W,S	Level	147,735	3,771	151,506
3	Irregular	Improved	147'	0	No	E,W,S	Level	7,503	0	7,503
4	Irregular	Improved	476'	0	No	E,W,S	Level	34,636	0	34,636
5	Irregular	Improved	340'	0	No	E,W,S	Level	117,608	0	117,608
6	Irregular	Improved	343'	0	No	E,W,S	Level	20,810	0	20,810
7	Highly Irregular	Improved	932'	0	No	E,W,S	Bench	37,244	0	37,244
8	Irregular	Improved	328'	0	No	E,W,S	Level	113,369	0	113,369
9	Irregular	Unimproved	347'	128'	Yes	E,W,S	Level	26,031	24,217	50,248
10	Irregular	Unimproved	70'	356'	No	None	Level	45,922	0	45,922
11	Irregular	Improved	224'	0	No	E,W,S	Level	32,362	0	32,362
12	Irregular	Improved	143'	0	No	E,W,S	Slope	16,997	0	16,997
13	Irregular	Unimproved	N/A	N/A	Yes	None	Submerged	0	5,553,900	5,553,900
14	Irregular	Improved	337'	0	No	E,W,S	Level	126,057	0	126,057
15	Irregular	Unimproved	0*	0	No	None	Bench	20,135	0	20,135
16	Irregular	Unimproved	0*	0	No	None	Bench	12,669	0	12,669
17	Irregular	Unimproved	0*	0	No	None	Bench	13,088	0	13,088
18	Irregular	Improved	1,239'	0	Yes	None	Steep Slope	222,869	0	222,869
		TOTAL AREA						1,020,641	5,581,888	6,602,529

Utilities – E=Electric, W=Water, S=Sewer

* Parcels 1, 15, 16, and 17 have no permitted access from Sawmill Creek Road.

Access

The access to the subject properties consists of improved and unimproved rights-of-way and easements. The improved access has asphalt paving with a concrete curb and street lighting. The unimproved accesses are rudimentary roads typically lacking in utility infrastructure. It is assumed that developers of properties having unimproved access will not be burdened with the cost of off-site street improvements.

Soil Conditions

Several of the parcels have large concrete foundation structures lying below grade. These foundations may create atypical development costs related to the placement of new foundation footings and utility extensions. The load bearing capacities of the various parcels is considered good.

Easements/Restrictions

There are extensive utility easements that impair several of the parcels. The special use easements benefit the municipality and the owners within the Gary Paxton Industrial Park. The easements are intended to cover active utilities; however, due to the complexity of

existing and abandoned utilities in the area of this plat, the inability to visually confirm the existence or absence of additional buried utilities, some active utilities may not be depicted on the plat. Special use easements are intended to provide access for the maintenance and replacement of all existing active utilities, whether shown within an easement or not. It is assumed that there are no other adverse easements, other than those depicted on the property plats.

Site Improvements

Site improvements are assumed to include clearing and grading into a developable condition. All stockpiled materials are assumed to be removed.

Flood Zone

The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject flood map information is as follows:

Map No.	02220C0436C
Map Date	September 29, 2010
Zone	D

**Hazardous Materials/
Toxic Waste**

The on-site inspection of the property did not reveal any indication of hazardous materials, toxic waste, or other environmental hazards. The appraiser is not an expert in the identification of hazardous materials, toxic waste, or other environmental hazards. Therefore, the user is advised to conduct their own investigation or to retain the services of a professional to assess the potential for hazardous materials, toxic waste, or other environmental hazards.

Site Comments

The parcels have average development potential for destination oriented industrial land uses. The nature and intended use of the Gary Paxton Industrial Park creates a synergy for various industrial uses. The improved transportation and utility linkages are rated as good.

Description of the Improvements**PARCEL 1**

Improvements on Parcel 1 consist of a 46 foot wide by 60 foot long Class S steel warehouse. The building has a gable roof design. Entry to the structure is via three single man doors as well as two rollup garage doors that are 8 foot wide by 8 foot tall. The gross building area is 2,760 square feet. The height to the eave is 20 feet.

The foundation is a concrete perimeter footing with a 6 inch stem wall. The floor is a reinforced concrete slab with floor drains. The structural frame is engineered steel bents with galvanized

steel purlins and girts. There is blanket insulation on the interior walls and ceiling. Interior lighting is provided by six halogen lamps that are hung from the ceiling. The building has four electrical unit heaters located in the building corners.

Electrical service is three phase. There are no interior plumbing fixtures. There is potable water to the building. A sewer lift will be required to pump effluent to the industrial park sewer system. There is a connection to a waste water outfall.

There is a large electrical transformer located at the corner of the building.

It is assumed that the interior equipment and the longshore shed will be removed from the property.

The overall condition of the improvements is good.

PARCEL 7

This parcel is improved with a two story administrative office building originally constructed as part of the Alaska Pulp Company mill site. The building has a footprint of 56.5 feet by 284.5 feet. The second floor has identical dimensions as the first floor, with the addition of an 8 foot by 46 foot wide bump out on the north side of the building. The ceiling height is 10 feet. The gross building area is calculated as follows:

	<u>Gross Area</u>	<u>Net Rentable Area</u>	<u>Efficiency Ratio</u>
First Floor	16,074.25	11,629	72%
Second Floor	<u>16,446.25</u>	<u>12,094</u>	<u>74%</u>
TOTAL	32,516.50	23,723	73%

* The building lease plan shows a gross building area of 32,476 square feet; however, the difference is of no effect on the improvement's value.

This is a Class D wood framed structure with a low slope roof with membrane roofing. The primary entry is along the north side of the building and includes a stairway as well as an ADA compliant ramp. There are two additional entryways on the north side of the building. The lower floor has six double man door entries as well as a single man door, primarily located on the west, east, and south sides of the building. Primary access is available to the second floor where there is a lobby and reception area. A central corridor runs east to west on both floors. There is extensive partitioning on both floors to provide conference rooms, private office suites, restrooms, etc. The first floor includes communication rooms, mechanical room, a boiler room, etc.

The foundation is a concrete perimeter footing and stem wall that serves as a retaining wall on the south, west, and north sides of the structure. The structure is wood framed. The exterior siding is a manufactured hard board. The windows are mostly aluminum framed with fixed pane upper panels and awning type lower panels. The windows all have thermal glazing.

The interior has flooring surfaces including carpet, vinyl, and asbestos tile. The interior wall finishes include sheetrock, wood panel wainscots, and full wood paneling. Ceiling finishes include dropped acoustic tile as well as Celotex ceilings.

Electrical service is 110/220. The lighting is predominantly fluorescent fixtures. There are adequate bathroom facilities. Bathrooms have sheet vinyl on the floors with sheetrock walls and ceilings. Bathroom fixtures are white porcelain. Countertops are laminate. Toilet stalls are compartmented with one stall being ADA compliant.

Heat is provided by an oil fired boiler. Heat is distributed via radiators typically located on the exterior walls. There are additional radiators along the hallway corridors.

The building is equipped with emergency exit signage. The building lacks a fire sprinkler system.

There are shed shelters located on the south side of the building that provide shelter to the entries as well as an area for BBQ.

There are 15 on site parking spaces to the north of the main entry. On the north side of Sawmill Creek Road are 18 parallel parking spaces, with an additional 12 spaces being provided in small parking lots, each containing six spaces.

The building is in an overall worn condition. The exterior siding appears to be failing as there was significant bubbling of paint noted on the exterior. It is likely that there is water intrusion into the superstructure. The interior finishes are quite worn with no recent renovation or remodeling having taken place. The boiler is very dated and is inefficient. The heating system is in need of replacement. Water piping is uninsulated, which leads to heat loss. The insulation qualities of the building are substandard. The electrical lighting fixtures are inefficient and should be replaced. The partitioning of the first and second floors is outdated relative to contemporary design trends. The partitioning would fail to meet the needs of any single tenant in the Sitka marketplace.

The improvements have significant physical deterioration and functional obsolescence that is viewed as incurable.

PARCEL 9

This site is improved with a 60 foot wide by 115 foot long by 16 foot to the eave Class S industrial building. Entry is via four single man door entries and a double man door entry into a mechanical room. There are two 10 foot wide by 10 foot tall rollup garage doors. The interior has minimal partitioning, to include a mechanical room, bathroom, office, etc. The building has a gable roof design. The gross building area is 6,900 square feet. The height to the eave is 20 feet.

The foundation is a concrete footing and stem wall. The floor is a concrete slab with in-floor heat tubing. The superstructure is steel bents set on 20 foot center. The purlins and girts are

galvanized. The floor, walls, and ceilings are insulated. There are thermal pane windows on the westerly end of the building.

The building has water lines and waste lines stubbed in to support additional bathrooms and a break room. There is a hot water heater located in the mechanical room that is oil fired.

The interior framing is 2 by 4 inch stud walls. The bathroom has concrete floors with sheetrock walls and ceiling. Plumbing fixtures are white porcelain.

The building has three phase electrical service. There are extensive surface mounted fluorescent light fixtures. The building has a fire sprinkler system.

The building was built in 2002 and is in good condition. The building is unfinished relative to the original proposed plans. Should the building fail to be completed as proposed, some of the water and sewer line stubs may become obsolete. Given that there is in-floor heat tubing, it would be cost prohibitive to change the internal plumbing piping. The in-floor heat lacks a boiler.

The overall condition of the existing improvements is good.

Property Assessment and Taxes

The property is owned by the City and Borough of Sitka and is not assessed for tax purposes, as was the policy of the previous assessor. The parcel identification numbers are as follows:

<u>Parcel No</u>	<u>Tax Parcel ID No.</u>
1	6-1000-003
2	6-6500-900
3	6-6500-925
4	6-6500-950
5	6-6500-600
6	6-6500-700
7	6-6500-200
8	6-6500-500
9	6-6400-800
10	N/A
11	6-6400-700
12	6-6400-200
13	6-1000-050
14 (Lot 3)	6-6400-500
14 (Lot 6)	6-6400-300
14 (Lot 7)	6-6400-400
15	6-6500-450
16	6-6400-000
17	6-6500-300
18	6-1000-075

Zoning

Exhibit 1 - A Binding Attachment to Ordinance 2006-24

Portion of Zoning Table 22.16.015-6 Retail and Business Uses for SC District		
	Existing	Revised Code Per Ordinance 2006-24
Retail Use		
Building, hardware and garden materials	P	P
Bulk forest products sales		P
Retail forest products sales		conditional use
Art galleries and sales of art		not permitted
Department and variety stores	P	not permitted
Food stores		conditional use permit
Agricultural product sales	P	P
Motor vehicle and boat dealers	P	P
Auto supply stores	P	P
Gasoline service stations	P	conditional use permit
Apparel and accessory stores	P	not permitted
Furniture and home furnishing stores	P	conditional use permit
Eating and drinking places	P	conditional use permit
Drug stores	P	not permitted
Liquor stores	P	not permitted
Used goods, second hand stores	P	conditional use permit
Sporting goods	P	not permitted
Books, stationary, video, and art supply		not permitted
Jewelry stores	P	not permitted
Monuments, tombstones, gravestones	P	P
Hobby, toys, game stores	P	not permitted
Photographic and electronic stores	P	not permitted
Fabric stores	P	not permitted
Fuel dealers	P	conditional use permit
Florists	P	not permitted
Medical supply stores	P	not permitted
Pet shops	P	not permitted
Sales of goods that are wholly manufactured at Sawmill Cove Industrial Park SCIP		P
Sales of gifts, souvenirs and promotional materials that bear the logo or trade name of an SCIP permitted use business		P
Stand alone souvenir and gift shops		not permitted
Bulk retail	P	not permitted
General business services	P	conditional use permit
Professional offices	P	P
Communications services	P	P
Research and development services	P	P

sc district amend table revised-1.xls: Name Print Date:8/10/2006

Subject Photographs



Aerial view of the subject property



Subject Parcel 1



Subject Parcel 1



Subject Parcel 1



Subject Parcel 1



Subject Parcel 2



Subject Parcel 2



Subject Parcel 2



Subject Parcel 2



Subject Parcel 2



Subject Parcel 3



Subject Parcel 4



Subject Parcel 5



Subject Parcel 5



Subject Parcel 6



Subject Parcel 7



Subject Parcel 7



Subject Parcel 7



Subject Parcel 7



Subject Parcel 7



Subject Parcel 7



Subject Parcel 7



Subject Parcel 7



Subject Parcel 8



Subject Parcel 8



Subject Parcel 9



Subject Parcel 9



Subject Parcel 9



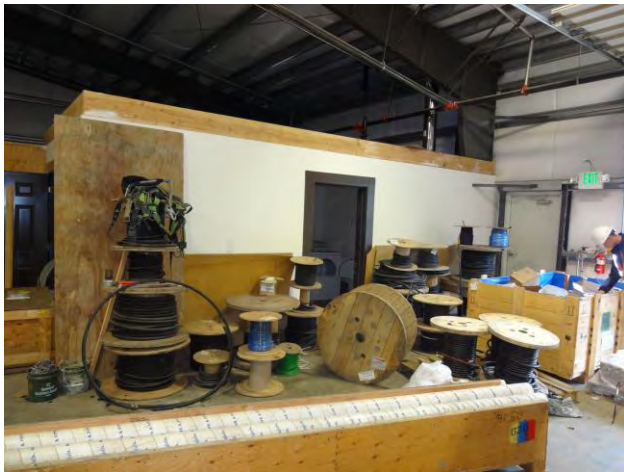
Subject Parcel 9



Subject Parcel 9



Subject Parcel 9



Subject Parcel 9



Subject Parcel 10



Subject Parcel 11



Subject Parcel 12



Subject Parcel 13



Subject Parcel 13



Subject Parcel 13



Subject Parcel 13



Subject Parcel 14



Subject Parcel 14



Subject Parcel 14



Subject Parcel 15



Subject Parcel 15



Subject Parcel 15 (right of photo)
Subject Parcel 16 (left of photo)



Subject Parcel 16



Subject Parcel 17



Subject Parcel 18



Subject Parcel 18



Street scene of Sawmill Cove Road viewing north



Street scene of Sawmill Cove Road viewing north



Street scene of Sawmill Cove Road viewing west



Street scene of Sawmill Cove Road viewing east, fronting Parcel 18

Highest and Best Use

The property's value is dependent on an opinion of highest and best use for the subject site as if vacant and as improved or proposed.

Highest and best use may be defined as

the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.³

The theoretical focus of highest and best use analysis is on the potential uses of the land as though vacant. In practice; however, the contributory value of the existing improvements and any possible alteration of those improvements are also important in determining highest and best use and, by extension, in developing an opinion of the market value of the property.

In the analysis of highest and best use of land as though vacant, the appraiser seeks the answers to several questions:

- Should the land be developed or left vacant?
- If left vacant, when would future development be financially feasible?
- If developed, what kind of improvement should be built?

In the highest and best use of the property as improved, additional questions must be answered:

- Should the existing improvements on the property be maintained in their current state, should they be altered in some manner to make them more valuable, or should they be demolished to create a vacant site for a different use?
- If renovation or redevelopment is warranted, when should the new improvements be built?

In general, if the value of a property as improved is greater than the value of the land as though vacant, the highest and best use is the use of the property as improved. However, a property's existing use may represent an interim use, which begins with the land value for the new highest and best use and adds the contributory value of the current improvements until the new highest and best use can be achieved. In practice, a property owner who is redeveloping a parcel of land may remove an improvement even when the value of the property as improved exceeds the value of the vacant land. The cost of demolition and any remaining improvement value are taken into consideration in the test of financial feasibility for redevelopment of the land. Likewise, if an improved property has value but may have greater value if modified in some way, the cost of modifying the improvements and the value gained in that modification are accounted for in the determination of highest and best use.

³ *The Appraisal of Real Estate* 11th Edition, Page 297, Appraisal Institute

As market/marketability analysis progresses to highest and best use analysis, appraisers first consider the reasonably probable uses of a site that can be legally undertaken. In the analysis of pertinent data, four steps are implicit and are applied in the following order to develop adequate support for the appraiser's highest and best use opinion:

1. Legally permissible
2. Physically possible
3. Financially feasible
4. Maximally productive

These criteria are generally considered sequentially. The tests of physical possibility and legal permissibility can be applied in either order, but they both must be applied before the tests of financial feasibility and maximum productivity. A use may be financially feasible, but this is irrelevant if it is legally prohibited or physically impossible.

Highest and Best Use As Vacant

The parcels' physical attributes are generally conducive to development with a multitude of industrial land uses. The parcels have either developed or platted partially developed access and availability to utility linkages. Parcel No. 18 is the only parcel with significant development limitations due to an adverse topography. The only significant limitations to development of the parcels is configuration, parcel size, and subgrade foundation structures.

The development of parcels within the Gary Paxton Industrial Park are limited to those permitted uses as identified by the Sawmill Cove Land Use Overlay.

The development trend is for industrial oriented land uses, as encouraged by the Sawmill Cove Industrial Park Board.

The highest and best use of the subject parcels, as vacant, would be for industrial development with those parcels having usable water frontage having a marine oriented use.

Highest and Best Use As Improved

Parcels 1 and 9 have industrial warehouse type improvements that were constructed in 2002. The improvements are minimally finished beyond a shell structure, with Parcel 9 being incomplete relative to the original plans. The improvements would have market appeal to owner/users. The improvements contribute to the overall property value and constitute the highest and best use, as improved, subject to the addition of interior finishes and potential development of marine improvements.

Parcel 7 is improved with an administrative office building of approximately 32,500 square feet. The rent roll identified 11 tenants, consisting of private and public entities. The total area currently occupied is 8,840 square feet, which indicates 37 percent occupancy. Upon completion of the Blue Lake Dam project, there will be a significant drop in occupancy.

The current scheduled income is \$129,738 per year and is expected to drop in the next year. Based on the net rentable area of 23,723 square feet, the current income equates to \$5.46 per square foot per year of net rentable area.

Six office building properties located in the Juneau marketplace were analyzed on the basis of their operating expenses per square foot on an annual basis. These were all existing buildings constructed between 1980 and the early 1990s. The expense comparables indicated fixed and operating expenses ranging from \$7.35 to \$15.73 per square foot of net rentable area. The efficiency ratio of the comparables ranged from 79 to 100 percent; whereas the subject's efficiency ratio is 73 percent. The comparable expenses were without inclusion of the janitorial costs. After adjustment to the subject's efficiency ratio, the annual expense cost ranged from \$10.07 to \$19.42 per square foot. The average annual operating expense was \$15.78 per square foot, which included property taxes, insurance, heat, utilities, maintenance, and reserves.

The subject's expenses for the past year totaled \$249,200 or \$10.50 per square foot of net rentable area. It should be noted that the expenses do not include property taxes and would not include provisions for deferred maintenance.

Assuming that the administration building would have annual operating expenses of \$15.78 per square foot, as reflected by the average of the comparables, there is a long term future expectation that the property would function at a substantial operating loss. It is viewed as untenable to hold the property with the expectation of attracting new tenants and increasing the building's occupancy. Further, it is uneconomic to cure the physical and functional deficiencies to better compete in the marketplace.

While the physical improvement is substantial, it is so uneconomic to operate that it is considered to contribute no value to the overall property. The cost of demolition is considered to offset any interim use value. The highest and best use of Parcel 7, as improved, is industrial oriented development, possibly incorporating the existing improvements.

Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are:

- The Cost Approach
- The Direct Sales Comparison Approach
- The Income Capitalization Approach

This appraisal includes the following:

- Cost Approach: This approach is applicable; however, is not necessary to produce a credible estimate of value and has not been developed.
- Direct Sales Comparison Approach: This approach is applicable, necessary, and has been fully developed.
- Income Capitalization Approach: This approach is not applicable and has not been developed.

Direct Sales Comparison Approach

The following steps describe the applied process of the Direct Sales Comparison Approach.

1. The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
2. The most pertinent data is further analyzed and the quality of the transaction is determined.
3. The most meaningful unit of value for the subject property is determined.
4. Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
5. The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

Land Value

The subject's land value has been developed via the sales comparison approach. We have researched and analyzed various types of comparable land sales. The sales selected were deemed to be the most recent and comparable data available. The sales are summarized on the following Comparable Land Sales Summary Table for each "key lot." The key lot analysis values one parcel out of a group of similar parcels. The key lot is then used to value the other lots in the group with adjustments being made for significant value attributes. Descriptive analyses and adjustment grids are contained in the report addenda.

**COMPARABLE LAND SALES SUMMARY TABLE
"KEY LOT" LOT 4 (PARCEL 9)**

No.	Location	Sale Date	Price	Size in SF (Uplands)	Price/ SF Allocated to Uplands
1.	4513 Halibut Point Rd, Sitka	03/01/2005	\$2,040,000	179,507	\$9.21
2.	4056 S Tongass Hwy, Ketchikan	01/02/2008	\$850,000	138,956	\$6.12
3.	111 JT Brown St, Craig	09/22/2009	\$542,725	65,135	\$8.00
4.	916 Nordic Drive, Petersburg	06/30/2011	\$268,000	5,000	\$12.00
5.	301-307 Front Street, Hoonah	05/25/2012	\$295,000	6,000	\$13.00
6.	Alice Loop Road, Sitka	12/31/2014	\$604,000	89,433	\$6.75

The comparable sales were located in Sitka, Ketchikan, Craig, Petersburg, and Hoonah. The sales were all waterfront properties, some of which included tidelands. The sales occurred between March 2005 and December 2014, which is a pending sale. The gross sales prices ranged from \$268,000 to \$2,040,000.

The prices allocated to the upland portions of the comparables ranged from \$6.12 to \$13 per square foot.

The comparables were essentially fee simple transactions, which were cash sales under normal conditions.

No adjustment for economic trends was necessary, as the market is viewed as stable.

The key parcel is rated to have an average location. Comparable No. 1 was rated superior, as it is located on Halibut Point Road and is adjacent to tidelands having unique deep water moorage attributes. Comparables 2 and 3 were rated as similar in location. Comparables 4 and 5 were both located on major thoroughfares in what is known as the business districts of Petersburg and Hoonah. Both of these parcels were rated superior. Comparable No. 6 is closer in proximity to downtown Sitka but lacks utility of its water frontage. It is rated inferior overall in location.

The comparables were adjusted for size. Overall, the comparables bracketed the subject key parcel.

The subject's upland topography was level. Comparable No. 1 was terraced and was adjusted upward for this inferiority. The other comparables were similar in topography and no adjustments were necessary.

The subject parcel had all utilities available. Only Comparable No. 2 lacked public water and were and was adjusted upward.

No adjustments were necessary for zoning classifications.

The subject is encumbered with an access and utility easement extending along its upland frontage. Each of the comparables was considered superior in this attribute and were adjusted downward.

The comparable sales were reconciled to an upland value of \$8.00 per square foot.

The tidelands adjacent to Parcel 9 were valued as a ratio to the uplands. Typically, sales and leases of tidelands in Southeast Alaska tend to fall within a range of 20 to 35 percent of the adjacent upland value. This ratio is supported by comparables cited in this report.

The specific ratio is highly dependent on the utility of the tidelands, i.e., whether they are economic to fill or, alternatively, provide deep water access and protection from adverse wind and wave conditions. A tideland value ratio of 25 percent will be applied, utilizing a base upland value of \$8.00 per square foot. The tideland value is estimated at \$2.00 per square foot.

COMPARABLE LAND SALES SUMMARY TABLE
"KEY LOT" LOT 12A (PARCEL 5)

No.	Location	Sale Date	Price	Size in SF	Price/ SF
7.	4620 Sawmill Creek Road, Sitka	10/28/2009	\$245,000	49,846	\$4.92
8.	6104 Ridgewood St, Ketchikan	12/23/2010	\$800,000	233,264	\$3.43
9.	Harbor Way, Hoonah	09/14/2011	\$27,600	6,903	\$4.00
10.	Harbor Way, Hoonah	08/17/2012	\$83,795	20,657	\$4.06
11.	4644 Sawmill Creek Road, Sitka	02/20/2013	\$235,000	66,491	\$3.53
12.	202 Jarvis St, Sitka	08/17/2013	\$743,000	114,903	\$6.47

Parcel 5 (Lot 12A) was selected as the key lot for the upland parcels lacking water frontage within the main industrial park complex. The comparables were obtained from the Sitka, Ketchikan, and Hoonah marketplaces. The sales occurred between October 2009 and August 2013. The gross sales prices ranged from \$83,795 to \$800,000, on an allocated basis. The indicated sales prices per square foot ranged from \$3.43 to \$6.47.

Each of the sales involved fee simple property rights, sold for cash terms, under normal conditions of sale.

No adjustment for economic trends was necessary, as the market is viewed as stable.

The subject key lot was rated as average for locational attributes. Comparables 7, 8, and 11 were rated as similar in location. Comparables 9 and 10 were rated as inferior, as they were located in Hoonah, which has inferior economic attributes. Comparable No. 12 was rated as superior, as it is more centrally located.

The key lot had an area of 117,608 square feet. The comparables ranged in size from 6,903 square feet to 233,264 square feet. Adjustments were made based on relative size, compared to the subject key lot.

The comparables were similar in topography and no adjustments were necessary.

The subject had all utility services available. Only Comparable No. 8 required an upward adjustment for lack of public water and sewer services.

No adjustments were necessary for zoning or easements.

After adjustment, the comparables supported a price per square foot of \$4.50, giving weight to Comparables 7, 8, and 12.

COMPARABLE LAND SALES SUMMARY TABLE
"KEY LOT" ATS 1 (PARCEL 13)

No.	Location	Sale Date	Price	Size in SF	Price/ SF
13.	Mile 6 N Tongass Hwy, Ketchikan	10/31/2005	\$603,750	635,105	\$0.48
14.	Mile 6 N Tongass Hwy, Ketchikan	10/31/2005	\$304,900	513,137	\$0.54
15.	Mile 7 N Tongass Hwy, Ketchikan	10/28/2005	\$642,000	351,529	\$0.72
16.	7599 N Tongass Hwy, Ketchikan	06/08/2010	\$1,470,000	1,306,800	\$0.58
17.	4513 Halibut Pt Road, Sitka	08/15/2011	\$290,625	266,587	\$1.09

Key Lot ATS 1 (Parcel 13) utilized Comparables 13 through 17 to support the value estimate. The comparables were located in the Ketchikan and Sitka marketplaces. Specifically, Comparables 13, 14, 15, and 16 were located in Ward Cove and were part of the original Ketchikan Pulp Mill complex. These parcels were primarily used for docking and log storage.

The comparables sold between October 2005 and August 2011. The indicated sales prices of the comparables ranged from \$290,625 to \$1,470,000. Comparable 17 reflected the fee simple value of a capitalized annual lease.

The sales price indications represent fee simple property rights. The terms of the transactions were cash, negotiated under normal conditions of sale.

No economic trends adjustment was necessary, as the market is viewed as stable.

The key lot was viewed as having average locational attributes. All of the comparables were viewed as having superior location attributes. The comparables located in Wards Cove are more protected from adverse wind and wave conditions. Comparable No. 17 is located in a superior neighborhood and was given a downward adjustment.

The subject tidelands were substantially larger than the comparables; however, it is highly likely that the subject tidelands will be subdivided into smaller tracts for better economies to the end user. Nonetheless, downward adjustments were made to the comparables relative to their size.

Each of the comparables had similar topographical conditions and no adjustments were necessary.

Utilities were not considered to be a material factor in the value indications of the comparables and no adjustments were made.

No adjustments were made for zoning or easements.

After adjustment, ATS 1 is estimated to have a unit value of \$0.15 per square foot.

COMPARABLE LAND SALES SUMMARY TABLE
"KEY LOT" LOT 1, BLOCK 2 (PARCEL 18)

No.	Location	Sale Date	Price	Size in SF	Price/ SF
18.	800 Bk Miller Ridge Rd, Ketchikan	03/03/2008	\$100,000	200,103	\$.50
19.	NHN Indian River Road, Sitka	04/02/2009	\$1,800,000	9,365,400	\$.19
20.	D-1 Loop Road, Ketchikan	12/06/2010	\$69,000	1,261,933	\$.05
21.	Hugli Avenue, Ketchikan	12/08/2011	\$155,500	239,329	\$.65
22.	Yaw Drive, Sitka	05/21/2012	\$485,000	1,756,927	\$.28

Lot 1, Block 2 is valued based on five land sales located in the Ketchikan and Sitka marketplaces. The comparables sold between March 2008 and May 2012. The gross sales prices ranged from \$69,000 to \$1,800,000. The indicated sales prices per square foot ranged from \$0.05 to \$0.65.

Each of the sales involved fee simple property rights and were sold for cash terms. The sales were all negotiated under normal conditions.

No adjustment for economic trends was necessary as the market is viewed as stable.

The subject's location was considered average. Comparables 18, 19, 21, and 22 were rated as superior as they had closer proximity to business centers, residential areas, schools, and other amenities. Comparable No. 20 was rated as similar in locational attributes.

The subject's size was 222,869 square feet. The comparables bracketed the subject in size. Adjustments were made to the comparables relative to their size.

The subject's topography was considered steep. Comparables 18, 19, 20, and 22 were considered similar in topography. Comparable No. 21 was considered superior and was given a downward adjustment.

The subject has no utility services, although a high voltage transmission line crosses a portion of the property. Due to the high cost of installing a transformer and the need to install utility poles and extensions onto the subject property, it is assumed that the subject has no electrical service. Although Comparables 19 and 20 had electrical service ... however, there would be substantial cost extending the electrical service into the properties. No adjustments were made to these comparables for utilities. Comparable No. 21 had water and sewer available and electrical service was in very close proximity. A downward adjustment was made to this comparable.

No adjustments were made for zoning or easements.

After adjustment, the comparables support a value of \$0.35 per square foot for the subject parcel.

Land Value Conclusion

The individual parcel valuations are shown on the following Key Lot Adjustment Grid:

KEY LOT ADJUSTMENT GRID									
Key Lot	Subj Parcel	Size (SF)	Location	Size	Utilities	Adjusted Price/SF	Indicated Value	Rounded Value	
Lot 4 (Parcel 9)	9	26,031	\$0.00	\$0.00	\$0.00	\$8.00	\$208,248	\$208,000	
	1	25,606	(\$0.40)	\$0.00	\$0.00	\$7.60	\$194,606	\$195,000	
	2	147,735	\$0.85	(\$0.85)	\$0.00	\$8.00	\$1,181,880	\$1,182,000	
	10	45,922	\$0.00	\$0.00	(\$0.50)	\$7.50	\$344,415	\$345,000	
Lot 12 (Parcel 5)	5	117,608	\$0.00	\$0.00	\$0.00	\$4.50	\$529,236	\$529,000	
	3	7,503	\$0.00	\$1.00	\$0.00	\$5.50	\$41,267	\$41,000	
	4	34,636	\$0.00	\$0.75	\$0.00	\$5.25	\$181,839	\$182,000	
	6	20,810	\$0.00	\$1.00	\$0.00	\$5.50	\$114,455	\$114,000	
	7	37,244	\$1.00	\$0.75	\$0.00	\$6.25	\$232,775	\$233,000	
	8	113,369	\$0.00	\$0.00	\$0.00	\$4.50	\$510,161	\$510,000	
	11	32,362	\$0.00	\$0.75	\$0.00	\$5.25	\$169,901	\$170,000	
	12	16,997	\$1.00	\$1.00	\$0.00	\$6.50	\$110,481	\$110,000	
	14	126,057	\$0.00	\$0.00	\$0.00	\$4.50	\$567,257	\$567,000	
	15	20,135	(\$1.00)	\$1.00	(\$0.50)	\$4.00	\$80,540	\$81,000	
	16	12,669	(\$1.00)	\$1.00	(\$0.50)	\$4.00	\$50,676	\$51,000	
	17	13,088	(\$1.00)	\$1.00	(\$0.50)	\$4.00	\$52,352	\$52,000	
ATS 1 (Parcel 13)	13	5,510,340	\$0.00	\$0.00	\$0.00	\$0.15	\$826,551	\$827,000	
Lot 1, Block 2 (Parcel 18)	18	222,869	\$0.00	\$0.00	\$0.00	\$0.35	\$78,004	\$78,000	
TOTALS		6,530,981					\$5,474,641	\$5,475,000	

Improvement Valuation

We have researched and analyzed four comparables in this approach. The sales selected were deemed to be the most recent and comparable data available. The comparable sales are summarized on the following Improved Comparable Sales Summary Table, followed by descriptive analyses.

IMPROVED SALES SUMMARY TABLE

No.	Location	Sale Date	Price	Building Size (SF)	Price/ SF
1.	213 Smith Street	12/04/2008	\$507,000	9,100	\$55.71
2.	311 Price Street	10/01/2011	\$495,000	7,200	\$68.75
3.	115 Harvest Way	01/12/2012	\$352,500	7,000	\$50.36
4.	201 Price St	12/23/2011	\$375,000	6,000	\$62.50

Improved Sale No. 1**Property Identification**

Record ID 200
Property Type Commercial, Retail/Shop
Address 213 Smith Street, Sitka, Alaska 99835

Sale Data

Grantor Allen Marine LLC
Grantee Baranof Investments LLC
Sale Date December 04, 2008
Deed Book/Page 2008-002016-0
Property Rights Fee Simple
Conditions of Sale Normal
Financing Cash
Verification Confirmed by Kim M. Wold

Sale Price \$1,057,000
Downward Adjustment \$550,000 Land Value
Adjusted Price \$507,000

Land Data

Land Size 1.680 Acres or 73,174 SF
Zoning C-2, Commercial
Topography Level
Utilities W,S,T,E
Shape Trapezoidal

General Physical Data

Building Type Single Tenant
Gross SF 9,100

Construction Type Wood Frame
Roof Type Enameled Steel
Foundation Concrete
Electrical 110/220
HVAC HW space heater
Sprinklers Yes
Stories 1
Year Built 2004
Condition Average

Indicators

Sale Price/Gross SF \$116.15 Actual or \$55.71 Adjusted
Floor Area Ratio 0.12
Land to Building Ratio 8.04:1

Legal Description

Lots 1 and 2, Allen Projects Lot Line Adjustment, Plat 2003-12, Sitka Recording District.

Remarks

This is a Miracle Truss building that has a first floor area of 8,400 square feet and a storage mezzanine of 700 square feet. The first floor is divided into a retail storefront and maintenance shop. The quality of the building is low cost. The shop area has overhead garage doors. The height to the eave is 24 feet.

Improved Sale No. 1 (Cont.)



Improved Sale No. 2**Property Identification**

Record ID 343
Property Type Commercial, Shop
Address 311 Price Street, Sitka, Alaska

Sale Data

Grantor Shaffer and Hansen
Grantee Charles and Linda Kelly
Sale Date October 01, 2011
Deed Book/Page 2011-001317-0
Property Rights Fee Simple
Conditions of Sale Normal
Financing Cash
Verification Confirmed by Kim M. Wold

Sale Price \$695,000
Downward Adjustment \$200,000 Land Value
Adjusted Price \$495,000

Land Data

Land Size 0.728 Acres or 31,692 SF
Zoning C2, Commercial
Topography Level
Utilities W,S,T,E
Shape Trapezoidal

General Physical Data

Building Type Multi Tenant
Gross SF 7,200

Construction Type Class S
Roof Type Metal
Foundation Concrete
Electrical 110/220
HVAC Electric Heat
Sprinklers Yes
Stories 1
Year Built 2004
Condition Good

Indicators

Sale Price/Gross SF \$96.53 Actual or \$68.75 Adjusted
Floor Area Ratio 0.23
Land to Building Ratio 4.40:1

Legal Description

Lot 2, Vern Heights Estates, Plat 2005-13, Sitka Recording District.

Improved Sale No. 2 (Cont.)

Remarks

This is a Class S engineered steel building with four bays. The building was constructed in 2004 and is average plus quality. The building has a dry sprinkler system. Heat is provided by electric space heaters. The average height is 20 feet. One of the bays has 10 foot ceiling height and has a two bedroom 1,200 square foot apartment above it.



Improved Sale No. 3**Property Identification**

Record ID 344
Property Type Commercial, Shop
Address 115 Harvest Way, Sitka, Alaska

Sale Data

Grantor Martin Revocable Trust
Grantee 115 Harvest Way LLC
Sale Date January 12, 2012
Deed Book/Page 2012-000061-0
Property Rights Fee Simple
Conditions of Sale Normal
Financing Cash
Verification Confirmed by Kim M. Wold

Sale Price \$495,000
Downward Adjustment \$142,500 Land Value
Adjusted Price \$352,500

Land Data

Land Size 0.344 Acres or 14,991 SF
Zoning C2, Commercial
Topography Level
Utilities W,S,T,E
Shape Irregular

General Physical Data

Building Type Multi Tenant
Gross SF 7,000

Construction Type Class S
Roof Type Metal
Foundation Concrete
Electrical 110/220
HVAC Electric Heat
Sprinklers Yes
Stories 1
Year Built 2001
Condition Good

Indicators

Sale Price/Gross SF \$70.71 Actual or \$50.36 Adjusted
Floor Area Ratio 0.47
Land to Building Ratio 2.14:1

Legal Description

Lot 1, Harvest Subdivision, Plat 2009-14, Sitka Recording District.

Remarks

This is a one story, Class S engineered steel structure. There is a two-story office located at one end of the building. The office has an area of 375 square feet on each floor or 750 square feet total. The rest of the building is a five bay warehouse shop facility with some mezzanines. Each bay has its own bathroom.

Improved Sale No. 3 (Cont.)



Improved Sale No. 4**Property Identification**

Record ID 345
Property Type Industrial, Shop
Address 201 Price St, Sitka, Alaska

Sale Data

Grantor Sitka House Business Org
Grantee Hansen & Hansen Enterprise, LLC
Sale Date December 23, 2011
Deed Book/Page 2011-001678-0
Property Rights Fee Simple
Conditions of Sale Normal
Financing Cash
Verification Confirmed by Kim M. Wold

Sale Price \$575,000
Downward Adjustment \$200,000 Land Value
Adjusted Price \$375,000

Land Data

Land Size 0.824 Acres or 35,895 SF
Zoning I, Industrial
Topography Level
Utilities W,S,T,E
Shape Square

General Physical Data

Building Type Multi Tenant
Gross SF 6,000

Construction Type Class S
Roof Type Metal
Foundation Concrete
Electrical 110/220
HVAC Oil Heat
Sprinklers Yes
Stories 1
Year Built 2001
Condition Average

Indicators

Sale Price/ SF \$95.83 Actual or \$62.50 Adjusted
Floor Area Ratio 0.17
Land to Building Ratio 5.98:1

Legal Description

Lot 1, Breedlove Subdivision, Plat 2007-2, Sitka Recording District.

Remarks

This is a one story Class S structure of average quality. The improvements are in average quality. The average story height is 20 feet.

Improved Sale No. 4 (Cont.)



Analysis Grid

The above sales have been analyzed and compared with the subject property. We have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Economic Trends (time)
- Location
- Physical Characteristics

On the following pages are two sales comparison grids displaying the subject Parcels 1 and 9, the comparables, and the adjustments applied for each parcel.

Improved Sales Summary and Adjustment Grid					
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Property Name:	Parcel 1				
Address:		213 Smith Street	311 Price Street	115 Harvest Way	201 Price St
City:		Sitka	Sitka	Sitka	Sitka
Date of Sale:		12/4/2008	10/1/2011	1/12/2012	12/23/2011
Sale Price:		\$1,057,000	\$695,000	\$495,000	\$575,000
Price/SF (Bldg Only)		\$55.71	\$68.75	\$50.36	\$62.50
Property Rights:		Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment					
Conditions of Sale:		Normal	Normal	Normal	Normal
% Adjustment					
Economic Conditions	10/29/2014	12/4/2008	10/1/2011	1/12/2012	12/23/2011
Months Elapsed		71.83	37.47	34.03	34.70
% Adjustment		0.00%	0.00%	0.00%	0.00%
Adjusted Price/SF:		\$55.71	\$68.75	\$50.36	\$62.50
Building Size (SF)	2,760	9,100	7,200	7,000	6,000
Comparison		Inferior	Inferior	Inferior	Inferior
\$ Adjustment		\$8.00	\$7.00	\$7.00	\$6.00
Age/Condition	2002	2004	2004	2001	2001
Comparison		Superior	Superior	Inferior	Inferior
\$ Adjustment		(\$2.00)	(\$2.00)	\$1.00	\$1.00
Quality	Average				
Comparison		Inferior	Similar	Similar	Similar
\$ Adjustment		\$10.00	\$0.00	\$0.00	\$0.00
Functional Utility	Average				
Comparison		Superior	Superior	Superior	Superior
\$ Adjustment		(\$3.00)	(\$3.00)	(\$3.00)	(\$3.00)
Building Height	20'	24'	20'	20'	20'
Comparison		Superior	Similar	Similar	Similar
\$ Adjustment		(\$4.00)	\$0.00	\$0.00	\$0.00
Finish	Average				
Comparison		Superior	Superior	Superior	Superior
\$ Adjustment		(\$15.00)	(\$15.00)	(\$10.00)	(\$10.00)
Sprinkler	No	Yes	Yes	Yes	Yes
Comparison		Superior	Superior	Superior	Superior
\$ Adjustment		(\$4.00)	(\$4.00)	(\$4.00)	(\$4.00)
Net Adjustments:		(\$10.00)	(\$17.00)	(\$9.00)	(\$10.00)
Adjusted Price/Sq. Ft.:		\$45.71	\$51.75	\$41.36	\$52.50
Average Price/Sq. Ft.:		\$47.83			
Reconciled Price/Sq. Ft.:		\$45.00			

PARCEL 1

Improved Sales Summary and Adjustment Grid					
Subject		Comparable 1	Comparable 2	Comparable 3	Comparable 4
Property Name:	Parcel 9				
Address:		213 Smith Street	311 Price Street	115 Harvest Way	201 Price St
City:		Sitka	Sitka	Sitka	Sitka
Date of Sale:		12/4/2008	10/1/2011	1/12/2012	12/23/2011
Sale Price:		\$1,057,000	\$695,000	\$495,000	\$575,000
Price/SF (Bldg Only)		\$55.71	\$68.75	\$50.36	\$62.50
Property Rights:		Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment					
Conditions of Sale:		Normal	Normal	Normal	Normal
% Adjustment					
Economic Conditions	10/29/2014	12/4/2008	10/1/2011	1/12/2012	12/23/2011
Months Elapsed		-1326.20	-1360.57	-1364.00	-1363.33
% Adjustment		0.00%	0.00%	0.00%	0.00%
Adjusted Price/SF:		\$55.71	\$68.75	\$50.36	\$62.50
Building Size (SF)	6,900	9,100	7,200	7,000	6,000
Comparison		Inferior	Similar	Similar	Superior
\$ Adjustment		\$3.00	\$0.00	\$0.00	(\$1.00)
Age/Condition	2002	2004	2004	2001	2001
Comparison		Superior	Superior	Inferior	Inferior
\$ Adjustment		(\$2.00)	(\$2.00)	\$1.00	\$1.00
Quality	Average				
Comparison		Inferior	Similar	Similar	Similar
\$ Adjustment		\$10.00	\$0.00	\$0.00	\$0.00
Functional Utility	Average				
Comparison		Similar	Similar	Similar	Similar
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00
Building Height	20'	24'	20'	20'	20'
Comparison		Superior	Similar	Similar	Similar
\$ Adjustment		(\$4.00)	\$0.00	\$0.00	\$0.00
Finish	Average				
Comparison		Superior	Superior	Superior	Superior
\$ Adjustment		(\$10.00)	(\$15.00)	(\$5.00)	(\$5.00)
Sprinkler	Yes	Yes	Yes	Yes	Yes
Comparison		Similar	Similar	Similar	Similar
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00
Net Adjustments:		(\$3.00)	(\$17.00)	(\$4.00)	(\$5.00)
Adjusted Price/Sq. Ft.:		\$52.71	\$51.75	\$46.36	\$57.50
Average Price/Sq. Ft.:		\$52.08			
Reconciled Price/Sq. Ft.:		\$50.00			

PARCEL 9

Adjustment Notes

The comparables have received adjustments for various characteristics that influence value. Downward, or negative adjustments have been made when a comparable possesses a superior characteristic, while upward, or positive adjustments have been for inferior characteristics. The intent of this process is to bring the comparables to approximate parity with the subject.

The comparables were located in the Sitka marketplace. The sales transpired between December 2008 and January 2012. The gross sales prices ranged from \$495,000 to \$1,057,000. The indicated sales price per square foot of building area only was \$50.36 to \$68.75.

Each of the properties conveyed fee simple property rights and were negotiated for cash under normal terms of sale.

No economic trends adjustment was necessary as the market is viewed as stable.

PARCEL 1:

Improved Comparables 1, 2, 3, and 4 were substantially larger than the subject's 2,760 square feet and more economies of scale as far as their construction. These comparables would have lesser marketability due to their smaller universe of potential purchasers. Upward adjustments were made to these comparables.

The subject was built in 2002. The comparables were adjusted relative to their age difference to the subject.

The subject's quality was rated as average, although it is recognized that there is likely some superamenity to the construction materials. Comparable No. 1 was a Miracle Truss building and was rated as inferior in quality. No adjustments were necessary to Comparables 2, 3, and 4.

The subject's functional utility was considered average. All of the comparables were rated as superior in that they had functioning bathrooms.

The subject's building height was 20 feet. Comparable No. 1 had a 24 foot height to the eave and was given a downward adjustment.

The subject's level of finish was considered average. All of the comparables had superior interior build outs and finishes and were adjusted downward.

The subject lacked a fire sprinkler system. Each of the comparables had fire suppression systems and were adjusted downward.

After adjustment, the comparables supported an estimated value per square foot of \$45 for the subject.

PARCEL 9

The same improved comparables were used to value Parcel 9 as were used to value Parcel 1.

Parcel 9 had a gross building area of 6,900 square feet. The comparables bracketed the subject. Appropriate adjustments were made for size differential.

The comparables bracketed the subject in age and appropriate adjustments were made for age differential.

The subject’s quality was rated as average. Comparable No. 1 was inferior in quality due to its utilization of a Miracle Truss building package. The remaining comparables were similar to the subject.

No adjustment was necessary for functional utility.

The subject’s building height was 20 feet. Only Comparable No. 1 required a downward adjustment for height differential.

The subject’s finish was rated as average. Each of the comparables was superior in the extent of finish and downward adjustments were made.

No adjustment was necessary for sprinkler systems.

After adjustment, the comparables support a value of \$50 per square foot for the subject.

Sales Comparison Approach Conclusion

PARCEL 1

Parcel 1’s improvement value was estimated at \$45 per square foot. Land is added at its previously estimated value. The value calculation is shown as follows:

2,760 SF x \$45/SF	=	\$124,200
Land Value	=	<u>\$195,000</u>
 TOTAL VALUE	=	 \$319,200
ROUNDED	=	<u>\$319,000</u>

PARCEL 9

Parcel 9’s improvement value was estimated at \$50 per square foot. Uplands and tidelands are added at their previously estimated values. The value calculation is shown as follows:

6,900 SF x \$50/SF	=	\$345,000
Upland Value	=	\$209,000
Tideland Value	=	<u>\$ 48,000</u>
 TOTAL VALUE	=	 \$602,000

Final Reconciliation

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed.

Value Conclusion

Based on the data and analyses developed in this appraisal, we have reconciled to the following individual parcel values, as of October 29, 2014, subject to the Limiting Conditions and Assumptions of this appraisal:

SUMMARY OF VALUES							
Parcel No.	Lot	Block	Plat No.	Land Value	Tideland Value	Imp Value	Total Value
1	11	4	2008-27	\$195,000		\$124,000	\$319,000
2	9A	4	2013-2	\$1,182,000	\$7,500	0	\$1,189,000
3	9B	4	2013-2	\$41,000		0	\$41,000
4	9C	4	2013-2	\$182,000		0	\$182,000
5	12A	4	2013-2	\$529,000		0	\$529,000
6	13	4	2008-27	\$114,000		0	\$114,000
7	23	4	2008-27	\$233,000		0	\$233,000
8	15	4	2008-27	\$510,000		0	\$510,000
9	4	4	2008-27	\$209,000	\$48,000	\$345,000	\$602,000
10	Access	ROW		\$345,000		0	\$345,000
11	8	4	2008-27	\$170,000		0	\$170,000
12	17	4	2008-27	\$110,000		0	\$110,000
			ATS6				
13	1	1	2006-8	\$827,000		0	\$827,000
14	3,6,7	4	2008-27	\$567,000		0	\$567,000
15	16A	4	2013-2	\$81,000		0	\$81,000
16	19	4	2008-27	\$51,000		0	\$51,000
17	20	4	2008-27	\$52,000		0	\$52,000
18	1	2	2008-27	\$78,000		0	\$78,000
TOTALS				\$5,476,000	\$55,500	\$469,000	\$6,000,000

Appraisal Qualifications

Kim M. Wold

EXPERIENCE

Employed by the Ketchikan Gateway Borough from January 1976 to October 1978 as a Junior Appraiser with subsequent advancement to an Appraiser position. The position involved the revaluation of approximately 5,000 properties within the Ketchikan Gateway Borough.

Founded Alaska Appraisal Associates, Inc. and served as President and Chief Appraiser from October 1978 to present. Also associated during this period with Hugh A. Thompson and Associates Inc. of Redmond, Washington.

PROFESSIONAL TRAINING

Attended numerous and appraisal related courses presented by the American Institute of Real Estate Appraisers, Northwest Center for Professional Education, Marshall Valuation Service, University of Alaska, and the International Right of Way Association.

Completed courses sponsored by the American Institute of Real Estate Appraisers and the Appraisal Institute in conjunction with the University of Portland, University of Colorado, University of San Diego, and Arizona State University. These courses include:

Basic Valuation Principles 1978	-	Course 1A
Residential Valuation 1978	-	Course 8
Capitalization Theory 1979	-	Course 1B
Case Studies 1981	-	Course 2-1
Appraisal Report Writing 1981	-	Course 2-2
Investment Analysis 1982	-	Course 6
Standards of Professional Practice 1983	-	Course 2-3
Litigation Valuation 1985	-	Course 4
Standards of Professional Practice 1991	-	Course 410/420
State Certification/License - Residential 1991		
State Certification/License - Commercial 1991		
Highest & Best Use and Market Analysis, 1993	-	Course 520
Advanced Residential Report Writing, 1995	-	Course 500
Standards of Professional Practice, 1997	-	Course 410/420
Automated Valuation Models, 1999		
Technical Inspection of Real Estate, 1999		
Internet and Appraising, 1999		
Standards of Professional Practice, 2000	-	Course 410/420
Law and Value; Communication Corridors, Tower Sites, and Property Rights, 2001		
Attacking & Defending an Appraisal in Litigation, 2001		
Valuation of Detrimental Conditions in Real Estate, 2002		

Appraisal Litigation Practice and
 Courtroom Management, 2003
 The Road Less Traveled; Special Purpose Properties, 2004
 Hospitality Properties, 2004
 Standards of Professional Practice, 2004
 Rates & Ratios; Making Sense of GIMs, OARs & DCF, 2004
 Supporting Capitalization Rates, 2004
 Condominiums, Co-Ops, and PUDs, 2006
 What Clients Would Like Their Appraisers to Know, 2006
 Residential Highest and Best Use, 2007
 Standards of Professional Practice, 2007
 Current Issues and Misconceptions in the Appraisal Process, 2007
 Business Practices and Ethics, 2009
 Uniform Standards of Professional Appraisal Practice, 2009
 Highest and Best Use and Market Analysis, 2009
 Understanding the New Interagency Appraisal and Evaluation Guidelines, 2011
 General Appraiser Site Valuation & Cost Approach, 2011
 Self Storage: Emerging Core Asset, 2011
 Appraisal Curriculum Overview, 2011
 Fundamentals of Separating Real Property, Personal Property,
 and Intangible Business Assets, 2012
 Standards of Professional Practice, 2013
 Uniform Standards of Professional Appraisal Practice Update, 2014

PROFESSIONAL LICENSING

Licensed by the State of Alaska, Department of Commerce and Economic Development,
 Division of Occupational Licensing, in September, 1991 as a General Real Estate Appraiser.
 Current license expires June 30, 2015.

PROFESSIONAL AFFILIATIONS

Senior Member - National Association of Review Appraisers and
 Mortgage Underwriters
 Associated Member - Appraisal Institute
 Fee Appraiser - Federal Housing Authority (FHA/HUD #2218)

AREAS APPRAISED IN ALASKA

Areas in which appraisals have been completed include Bristol Bay, Bethel, Anchorage, Haines,
 Hoonah, Juneau, Yakutat, Sitka, Wrangell, Petersburg, Craig, Klawock, Hydaburg, Metlakatla,
 Thorne Bay, Hollis, Ketchikan, Unalaska, Chignik, St. Paul Island, and numerous remote
 locations throughout Southeast Alaska.

Appraisals have also been completed in the Seattle metropolitan area.

TYPES OF PROPERTIES APPRAISED

Single and multi-family residential, income producing properties, special purpose properties such as sawmills and fish processing plants, tidelands, logging camps, grocery stores, shopping centers, aviation facilities. Extensive experience appraising urban and remote acreage of varying highest and best uses such as residential, commercial, industrial, agricultural, forestry, mining claims, tidelands, recreational, etc.

TYPES OF APPRAISALS

Appraisals have been conducted for a multitude of purposes including market value, insurance, estate, ad valorem, eminent domain, charitable contributions, syndication, etc.

SPECIAL PROJECTS

Served as a member of the Ketchikan Gateway Borough Land Selection Committee evaluating municipal land selections (1980).

Appraised State lands in the Ketchikan and Prince of Wales Island area to assist in reconstituting the University of Alaska Land Trust (1987).

Served as a member of the Alaska Mental Health Land Valuation Panel evaluating Southeast Alaska lands to settle the Weiss v. State of Alaska litigation (1988).

Conducted physical and legal attribute identification of Southeast Alaska lands and improved properties for the reconstitution of the Mental Health Land Trust (1993).

PUBLISHED ARTICLES

No published articles in the preceding 10 years.

EXPERT WITNESS

Testified as an expert witness in proceedings before the U.S. Bankruptcy Court. Testified in the Superior Courts within the States of Alaska and Washington in regard to real estate and business valuations. Testified before the Boards of Equalization for the Ketchikan Gateway Borough and the City of Craig. Testified in Internal Revenue Service tax appeal hearings.

Specific Cases Testified – In re: Salmon Falls Resort, LLC, US Bankruptcy Case No. K09-00301-DMD; Trident Seafoods Corporation v. Commonwealth Insurance Company; Case No. 2010-CV-00214-RAJ; In re: Alaska Fur Gallery, US Bankruptcy Case No. A09-00196-DMD

APPRAISAL CLIENTS

Government Agencies - Federal Deposit Insurance Corporation, Alaska Native Health Service, Alaska Renewable Resource Corporation, Alaska Department of Natural Resources, Alaska State Building Authority, Alaska Housing Finance Corporation, Bureau of Indian Affairs, U.S. Department of Agriculture -Forest Service, Ketchikan Public Utilities, Metlakatla Housing Authority, National Oceanic & Atmospheric Administration.

Municipalities - Cities of Craig, Juneau, Klawock, Petersburg, Ketchikan, Thorne Bay; Ketchikan Gateway Borough.

Financial Institutions - Alaska Pacific Bank, Commercial Fisheries and Agricultural Cooperative Bank, First Bank of Ketchikan, First National Bank of Anchorage, Seafirst Mortgage Corporation, Tongass Federal Credit Union, Ward Cove Credit Union, KeyBank National Association, Wells Fargo Bank, Frontier Bank, Federal National Mortgage Association, First Heritage Bank, Alaska Growth Capital, Native American Bank, Cascade Bank, True North Federal Credit Union, Northrim Bank, Toyota Financial Services, Banner Bank

Fisheries - Craig Fisheries, E.C. Phillips Cold Storage, Ward Cove Packing Company, Wrangell Seafoods, Silver Lining Seafoods, Excursion Inlet Packing Co., Hoonah Seafoods, Canadian Fisheries Co., North Pacific Processors, Sitka Sound Seafoods, Norquest, YKI Fisheries, Salamataof Seafoods, Pacific Star Seafoods, Ocean Beauty Seafoods, Trident Seafoods, Pelican Seafoods, Westward Seafoods, Harbor Crown Seafoods, Alyeska Seafoods, Maruha Nircho, Silver Bay Seafoods

Forestry - Alaska Timber Corporation, Louisiana Pacific Corporation, Georgia Pacific Corporation, Pacific Forest Products, Mitkof Lumber, Wrangell Forest Products, Valentine Logging, Sealaska Timber Corporation, Whitestone Logging.

Native Corporations - AHTNA, Inc., Cape Fox Corporation, Sealaska Corporation, Shaan Seet Corporation, Kootznoowoo Inc., Klawock-Heenya Corporation, Ketchikan Indian Corporation, Tlingit-Haida Regional Housing Authority, Klukwan, Inc., Huna Totem

Tourism - Waterfall Resort, Yes Bay Lodge, Clover Pass Resort, Whale Pass Lodge, Hyda-Way Lodge, King Salmon Motel, Tides Inn, Royal Executive Suites, Scandia Inn, Beachcomber Inn, Driftwood Lodge, Mink Bay Lodge, Juneau Travel Lodge, Stikine Inn, Fireweed Lodge, Leonard's Landing, Sure Strike Lodge, El Capitan Lodge, Rocky Point Lodge, Juneau Hotel

Addenda

Land Sale No. 1**Property Identification**

Record ID 453
Property Type Land, Vacant
Address 4513 Halibut Point Rd, Sitka, Alaska

Sale Data

Grantor Richard E. Scheumann, et al
Grantee Charles & Nancy McGraw
Sale Date March 01, 2005
Deed Book/Page 2005-000324-0
Property Rights Fee & Leasehold
Conditions of Sale Normal
Financing Cash
Verification Confirmed by Kim M. Wold

Sale Price \$2,500,000
Upward Adjustment \$90,000 Leased fee interest
Downward Adjustment \$550,000 Improvements & travel lift
Adjusted Price \$2,040,000

Land Data

Zoning I, Industrial
Topography Terraced
Utilities W,S,T,E
Shape Irregular
Use at Sale Boat haul out and repair
Easements/Restrictions None
Site Improvements None

Land Size Information

Gross Land Size 5.086 Acres or 221,541 SF
Front Footage 576 ft Total Frontage: 576 ft Sitka Sound

Indicators

Sale Price/Gross Acre \$491,557 Actual or \$401,110 Adjusted
Sale Price/Gross SF \$11.28 Actual or \$9.21 Adjusted
Sale Price/Front Foot \$4,340 Actual or \$3,542 Adjusted

Legal Description

Lots 52, 53, and 55, USS 3475; ATS 1275, Lots B and C, ATS 1386; Lots 58A, B,C, and D, USS 3475, Sitka Recording District.

Remarks

This is a waterfront industrial parcel consisting of uplands and tidelands. The site has frontage on Halibut Point Road with direct access. There is deep water marine access. A portion of the tidelands was leased at \$7,112 per year, indicating a leased fee value of approximately \$90,000. Improvements included in the sale included a dock and travel lift having a contribution value of \$550,000. The property was developed with a cruise ship dock facility. The allocated value to the 179,507 square feet of uplands is \$10.72 per square foot. The unfilled tideland value was allocated at \$2.74 per square foot.

Land Sale No. 2**Property Identification**

Record ID	230
Property Type	Residential, Waterfront
Address	4056 S Tongass Highway, Ketchikan, Alaska
Location	South

Sale Data

Grantor	Gain Estate
Grantee	Gary & Leilani Lake
Sale Date	January 02, 2008
Deed Book/Page	2008-000003-0
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Cash
Verification	Confirmed by Kim M. Wold

Sale Price	\$850,000
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Land Data

Zoning	RH/RL, Residential
Topography	Level
Utilities	T,E
Shape	Irregular
Use at Sale	Mobile Home Park
Easements/Restrictions	None
Site Improvements	Clearing, grading

Land Size Information

Gross Land Size	3.190 Acres or 138,956 SF
Front Footage	1008 ft Total Frontage: 1008 ft Tongass Narrows

Indicators

Sale Price/Gross Acre	\$266,458
Sale Price/Gross SF	\$6.12
Sale Price/Front Foot	\$843

Legal Description

Lot 3, subdivision of a portion of USS 1697, Plat 2007-37, Ketchikan Recording District.

Remarks

This is an old, dilapidated mobile home park that is being replatted into a residential subdivision. The site had several mobile homes that the purchaser was required to give vacation notice and incur the costs of removing the mobile homes. There was a single family residence on the site that had no contribution value. A significant portion of the site area is below the high tide mark and cannot be developed. There is a stream flowing through the westerly portion of the property that is undevelopable and composes approximately 10 percent of the site area.

Land Sale No. 3**Property Identification**

Record ID 426
Property Type Land, Waterfront
Address 111 JT Brown St, Craig, Alaska 99921

Sale Data

Grantor City of Craig
Grantee Silver Bay Seafoods
Sale Date September 22, 2009
Deed Book/Page 2009-002976-0
Property Rights Fee Simple
Conditions of Sale Normal
Financing Cash
Verification Confirmed by Kim M. Wold

Sale Price \$542,725 Capitalized Lease

Land Data

Zoning I, Industrial
Topography Level Upland/Submerged Tideland
Utilities W,S,T,E
Shape Irregular
Use at Sale Commercial
Easements/Restrictions None
Site Improvements None

Land Size Information

Gross Land Size 1.744 Acres or 75,957 SF
Uplands Land Size 1.495 Acres or 65,135 SF , 85.75%
Wetlands Land Size 0.248 Acres or 10,822 SF , 14.25%

Indicators

Sale Price/Gross Acre \$311,243
Sale Price/Gross SF \$7.15
Sale Price/Uplands Acre \$362,955
Sale Price/Uplands SF \$8.33

Legal Description

Portion of Lot 2 and Lot 3, False Island Subdivision, Plat No. 2001-15, Ketchikan Recording District.

Remarks

This is an industrial waterfront site consisting of uplands and tidelands in the False Island Industrial Park. The property is located approximately two miles north of downtown Craig. This is part of a transaction that involved a processing building that was also leased to Silver Bay Seafoods. The indicated upland value is \$8.00 per square foot. The indicated tideland value is \$2.00 per square foot.

Land Sale No. 4**Property Identification**

Record ID 388
Property Type Industrial, Marine Industrial
Property Name Petersburg Shipyard
Address 916 Nordic Drive, Petersburg, Alaska 99833

Sale Data

Grantor Petersburg Shipwrights, Inc
Grantee Piston & Rudder Service, Inc.
Sale Date June 30, 2011
Deed Book/Page 2011-000451-0
Property Rights Fee Simple
Conditions of Sale Normal
Financing Cash
Verification Confirmed by Kim M. Wold

Sale Price \$1,350,000
Downward Adjustment \$1,082,000 Buildings, Personal Property, and Intangibles
Adjusted Price \$268,000

Land Data

Zoning Waterfront Industrial
Topography Sloping
Utilities W,S,T,E
Shape Irregular
Use at Sale Shipyard
Easements/Restrictions None Noted
Site Improvements Clearing, Grading, Levelling

Land Size Information

Gross Land Size 1.294 Acres or 56,356 SF
Uplands Land Size 0.115 Acres or 5,000 SF , 8.87%
Wetlands Land Size 1.179 Acres or 51,356 SF , 91.13%

Indicators

Sale Price/Gross Acre \$1,043,474 Actual or \$207,149 Adjusted
Sale Price/Gross SF \$23.95 Actual or \$4.76 Adjusted
Sale Price/Uplands Acre \$11,761,200 Actual or \$2,334,816 Adjusted
Sale Price/Uplands SF \$270.00 Actual or \$53.60 Adjusted

Legal Description

Several parcels, retained in appraiser's file.

Remarks

This is a sale of marine industrial property in Petersburg that houses a shipyard. The sale included improvements, personal property, and goodwill. The purchaser indicated that the improvements are valued at \$545,000, the personal property including inventory is valued at \$402,000, and the goodwill is valued at \$135,000. There is also an ARMY Corps of Engineers permit that went along with the sale. This was an arm's length transaction. The upland price allocation is \$12 per square foot. The tideland price allocation is \$2.87 per square foot.

Land Sale No. 5**Property Identification**

Record ID 472
Property Type Industrial, Waterfront
Address 301-307 Front Street, Hoonah, Alaska

Sale Data

Grantor Dignon Co., Inc.
Grantee Alaska Seafood Holdings, Inc.
Sale Date May 25, 2012
Deed Book/Page 2012-000792-0
Property Rights Fee Simple
Conditions of Sale Normal
Financing Cash
Verification Confirmed by Kim M. Wold

Sale Price \$5,220,000
Downward Adjustment \$4,925,000 Imps & Bus. Enterprise
Adjusted Price \$295,000

Land Data

Zoning CI, Commercial Industrial
Topography Level uplands
Utilities W,S,T,E
Shape Irregular
Use at Sale Industrial
Easements/Restrictions Slope & Utility
Site Improvements Clearing & Grading

Land Size Information

Gross Land Size 1.560 Acres or 67,964 SF
Useable Land Size 1.560 Acres or 67,964 SF , 100.00%

Indicators

Sale Price/Gross Acre \$3,345,642 Actual or \$189,074 Adjusted
Sale Price/Gross SF \$76.81 Actual or \$4.34 Adjusted
Sale Price/Useable Acre \$3,345,642 Actual or \$189,074 Adjusted
Sale Price/Useable SF \$76.81 Actual or \$4.34 Adjusted

Legal Description

Lots T-22 and T-23, Tidelands Addition to City of Hoonah, Plat 109, and a portion of ATS 29, and a portion of USS 2577, Sitka Recording District. (Full metes and bounds description retained in appraiser's files).

Remarks

This is an assembled parcel located near the center of downtown Hoonah. The parcel consists of approximately 6,000 square feet of uplands and filled tidelands. There are 61,964 square feet of tidal and submerged lands. The site has good water marine access. The site was improved with a going concern seafood processing and cold storage facility that was sold. The upland land was allocated a value of \$13 per square foot and the tidelands were allocated at \$3.50 per square foot.

Pending Land Sale No. 6**Property Identification**

Record ID 473
Property Type Commercial, Waterfront
Address Alice Loop Road, Sitka, Alaska

Sale Data

Grantor Shee Atika, Inc.
Grantee Sitka Tribe of Alaska
Closing Date December 31, 2014
Property Rights Fee Simple
Conditions of Sale Normal
Financing Cash
Verification Confirmed by Kim M. Wold

Contract Price \$604,000

Land Data

Zoning W, Waterfront
Topography Level
Utilities W,S,T,E
Shape Irregular
Use at Sale Vacant
Easements/Restrictions None
Site Improvements Clearing & Grading

Land Size Information

Gross Land Size 2.053 Acres or 89,433 SF

Indicators

Sale Price/Gross Acre \$294,189
Sale Price/Gross SF \$6.75

Legal Description

Lot 11, Alice & Charcoal Subdivision, Sitka Recording District.

Remarks

This is a site located in Sitka. The purchaser intends to use the site as a bus facility. The contract was entered into in 2011; however, due to government funding, still has not closed.

Land Sale No. 7**Property Identification**

Record ID	474
Property Type	Industrial
Address	4620 Sawmill Creek Road, Sitka, Alaska

Sale Data

Grantor	City and Borough of Sitka
Grantee	Silver Bay Seafoods LLC
Sale Date	October 28, 2009
Deed Book/Page	2009-001657-0
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Cash
Verification	Confirmed by Kim M. Wold

Sale Price	\$245,000
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Land Data

Zoning	IL, Light Industrial
Topography	Level
Utilities	W,S,T,E
Shape	Irregular
Use at Sale	Industrial
Easements/Restrictions	None
Site Improvements	Clearing & Grading

Land Size Information

Gross Land Size	1.144 Acres or 49,846 SF
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Indicators

Sale Price/Gross Acre	\$214,103
Sale Price/Gross SF	\$4.92

Legal Description

Lot 22, Block 4, Sawmill Cove Industrial Park Subdivision No. 1, Sitka Recording District.

Remarks

This is an irregular shaped parcel having frontage on Sawmill Creek Road but no direct access. The parcel is below highway grade. Primary access is from an improved interior roadway within the Gary Paxton Industrial park. The site was improved with an old, dilapidated building remaining from the prior pulp mill operation. The building was unusable at the time of sale and contributed no value to the sales price.

Land Sale No. 8**Property Identification**

Record ID	203
Property Type	Commercial
Address	6104 Ridgewood St, Ketchikan, Alaska
Location	North Tongass

Sale Data

Grantor	Walton Properties
Grantee	S&S Construction
Sale Date	December 23, 2010
Deed Book/Page	2010-004180-0
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Cash
Verification	Confirmed by Kim M. Wold

Sale Price	\$800,000
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Land Data

Zoning	CG, General Commercial
Topography	Gently undulating
Utilities	T,E
Shape	Irregular
Use at Sale	Vacant
Easements/Restrictions	Sewer, Slope
Site Improvements	Clearing, grading

Land Size Information

Gross Land Size	5.355 Acres or 233,264 SF
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Indicators

Sale Price/Gross Acre	\$149,393
Sale Price/Gross SF	\$3.43

Legal Description

Lot 2, Block 4, Crowder/Karlson Subdivision, Plat 2006-31, Ketchikan Recording District.

Remarks

This is a portion of the former Ridgewood Mobile Home Park located off North Tongass Highway. The property is accessed off Don King Road. The site is partially graded as part of a mobile home park. This area is overgrown with alder after closure of the mobile home park. Unstable soils comprise the northerly portion of the site. A stream flows across the westerly portion of the site. This area is forested and will require site development and fill. The site was purchased for equipment storage and operation of a concrete batch plant.

Land Sale No. 9**Property Identification**

Record ID 475
Property Type Commercial, Commercial
Address Harbor Way, Hoonah, Alaska

Sale Data

Grantor City of Hoonah
Grantee Huna Fish Company LLC
Sale Date September 14, 2011
Deed Book/Page 2012-000826-0
Property Rights Fee Simple
Conditions of Sale Normal
Financing Cash
Verification Confirmed by Kim M. Wold

Sale Price \$27,600

Land Data

Zoning CI, Commercial Industrial
Topography Level
Utilities W,S,T,E
Shape Rectangular
Use at Sale Commercial
Easements/Restrictions Utility
Site Improvements Clearing & Grading

Land Size Information

Gross Land Size 0.158 Acres or 6,903 SF

Indicators

Sale Price/Gross Acre \$174,164
Sale Price/Gross SF \$4.00

Legal Description

Lot L-21C, ATS 29, Plat 2010-8, Sitka Recording District.

Remarks

This is a site located in a city industrial park. This is the purchase of the fee simple interest in the land underneath an existing commercial processing business. The site has good utility.

Land Sale No. 10**Property Identification**

Record ID	476
Property Type	Commercial, Commercial
Address	Harbor Way, Hoonah, Alaska

Sale Data

Grantor	City of Hoonah
Grantee	Dennis Mayer, et al
Sale Date	August 17, 2012
Deed Book/Page	2012-001202-0
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Cash
Verification	Confirmed by Kim M. Wold

Sale Price	\$83,795
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Land Data

Zoning	CI, Commercial Industrial
Topography	Level
Utilities	W,S,T,E
Shape	Irregular
Use at Sale	Vacant
Easements/Restrictions	Utility
Site Improvements	Clearing & Grading

Land Size Information

Gross Land Size	0.474 Acres or 20,657 SF
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Indicators

Sale Price/Gross Acre	\$176,701
Sale Price/Gross SF	\$4.06

Legal Description

Lot 4A, Hoonah Harbor Subdivision, Plat 2010-9, Sitka Recording District.

Remarks

This is a parcel located in a city industrial park. The parcel has a corner location with platted street frontage on two sides. The site has good utility for commercial development.

Land Sale No. 11**Property Identification**

Record ID 477
Property Type Industrial, Industrial
Address 4644 Sawmill Creek Road, Sitka, Alaska

Sale Data

Grantor City of Sitka
Grantee Silver Bay Seafoods, LLC
Sale Date February 20, 2013
Deed Book/Page 2013-000220-0
Property Rights Fee Simple
Conditions of Sale Normal
Financing Cash
Verification Confirmed by Kim M. Wold

Sale Price \$235,000

Land Data

Zoning I, Industrial
Topography Level
Utilities W,S,T,E
Shape Irregular
Use at Sale Vacant
Easements/Restrictions None
Site Improvements Clearing & Grading

Land Size Information

Gross Land Size 1.526 Acres or 66,491 SF

Indicators

Sale Price/Gross Acre \$153,955
Sale Price/Gross SF \$3.53

Legal Description

Lot 16-A, Sawmill Cove Industrial Park, Sitka Recording District.

Remarks

This is an irregular shaped parcel of land located in the Gary Paxton Industrial Park. The site had improved road frontage. The property was purchased for construction of a bunkhouse.

Land Sale No. 12**Property Identification**

Record ID 478
Property Type Industrial, Industrial
Address 202 Jarvis St, Sitka, Alaska

Sale Data

Grantor John R. Dawson Revocable Living Trust
Grantee Orca Holdings LLC
Sale Date August 17, 2013
Deed Book/Page 2013-001038-0
Property Rights Fee Simple
Conditions of Sale Normal
Financing Cash
Verification Confirmed by Kim M. Wold

Sale Price \$1,092,000
Downward Adjustment \$349,000 Less Improvements
Adjusted Price \$743,000

Land Data

Zoning I, Industrial
Topography Level
Utilities W,S,T,E
Shape Irregular
Use at Sale Industrial
Easements/Restrictions None
Site Improvements Clearing & Grading

Land Size Information

Gross Land Size 2.638 Acres or 114,903 SF

Indicators

Sale Price/Gross Acre \$413,980 Actual or \$281,673 Adjusted
Sale Price/Gross SF \$9.50 Actual or \$6.47 Adjusted

Legal Description

Lot A, Amended Dawson Subdivision, Plat 90-104, Sitka Recording District.

Remarks

This is a level site that was sold as part of a going concern ready mix and equipment rental business. The site has restricted visibility, but otherwise has above average locational attributes.

Land Sale No. 13**Property Identification**

Record ID 137
Property Type Industrial, Waterfront
Address Mile 6 N Tongass Hwy, Ketchikan, Alaska
Location North Tongass

Sale Data

Grantor Ketchikan Gateway Borough
Grantee Boyer Towing, Inc.
Sale Date October 31, 2005
Deed Book/Page 2005-004742-0
Property Rights Fee Simple
Conditions of Sale Normal
Financing Cash
Verification Confirmed by Kim M. Wold

Sale Price \$603,750

Land Data

Zoning IH, Heavy Industrial
Topography Sloping upland, submerged tidelands
Utilities T,E
Shape Irregular
Use at Sale Vacant
Easements/Restrictions Typical
Site Improvements None

Land Size Information

Gross Land Size 14.580 Acres or 635,105 SF
Uplands Land Size 3.000 Acres or 130,680 SF , 20.58%
Wetlands Land Size 11.580 Acres or 504,424 SF , 79.42%
Front Footage 888 ft Total Frontage:

Indicators

Sale Price/Gross Acre \$41,409
Sale Price/Gross SF \$0.95
Sale Price/Uplands Acre \$201,250
Sale Price/Uplands SF \$4.62
Sale Price/Front Foot \$680

Legal Description

Tract 3015 of the Ward Cove SE Replat, subdivision of portions of ATS No. 1 and USS 1208, Plat 2005-30, Ketchikan Recording District

Remarks

A narrow strip of uplands extending along the North Tongass Highway right-of-way. The uplands slope to the mean high water line. The tidelands are submerged with deep water moorage capability. The upland area is allocated a value of \$2.75 per square foot. The tideland value allocation is \$0.48 per square foot.

Land Sale No. 14**Property Identification**

Record ID 138
Property Type Industrial, Waterfront
Address Mile 6 N Tongass Hwy, Ketchikan, Alaska
Location North Tongass

Sale Data

Grantor Ketchikan Gateway Borough
Grantee Joergen Schade
Sale Date October 31, 2005
Deed Book/Page 2005-004625-0
Property Rights Fee Simple
Conditions of Sale Normal
Financing Cash
Verification Confirmed by Kim M. Wold

Sale Price \$304,900

Land Data

Zoning IH, Heavy Industrial
Topography Sloping uplands/submerged tidelands
Utilities T,E
Shape Irregular
Use at Sale Vacant
Easements/Restrictions Typical
Site Improvements None

Land Size Information

Gross Land Size 11.780 Acres or 513,137 SF
Uplands Land Size 0.230 Acres or 10,000 SF , 1.95%
Wetlands Land Size 11.550 Acres or 503,137 SF , 98.05%
Front Footage 672 ft Total Frontage:

Indicators

Sale Price/Gross Acre \$25,883
Sale Price/Gross SF \$0.59
Sale Price/Uplands Acre \$1,328,144
Sale Price/Uplands SF \$30.49
Sale Price/Front Foot \$454

Legal Description

Tract 3013 of the Ward Cove SE Replat, subdivision of portions of ATS No. 1 and USS 1653, Plat 2005-30, Ketchikan Recording District.

Remarks

A narrow strip of sloping uplands lying to the water side of the North Tongass Highway. The tidelands are submerged with deep water moorage capacity. The value allocated to the uplands is \$3.50 per square foot. The tideland value allocation is \$0.54 per square foot.

Land Sale No. 15**Property Identification**

Record ID 136
Property Type Industrial, Waterfront
Address Mile 7 N Tongass Hwy, Ketchikan, Alaska
Location North Tongass

Sale Data

Grantor Ketchikan Gateway Borough
Grantee Joergen Schade
Sale Date October 28, 2005
Deed Book/Page 2005-004354
Property Rights Fee Simple
Conditions of Sale Normal
Financing Cash
Verification Confirmed by Kim M. Wold

Sale Price \$682,000
Downward Adjustment \$40,000 Improvements
Adjusted Price \$642,000

Land Data

Zoning IH, Heavy Industrial
Topography Level to steep
Utilities T,E
Shape Irregular
Use at Sale Dock
Easements/Restrictions Typical
Site Improvements Dock, ramp, float

Land Size Information

Gross Land Size 8.070 Acres or 351,529 SF
Uplands Land Size 2.094 Acres or 91,215 SF , 25.95%
Wetlands Land Size 5.976 Acres or 260,315 SF , 74.05%
Front Footage 918 ft Total Frontage:

Indicators

Sale Price/Gross Acre \$79,554 Adjusted
Sale Price/Gross SF \$1.83 Adjusted
Sale Price/Uplands Acre \$306,590 Adjusted
Sale Price/Uplands SF \$7.04 Adjusted
Sale Price/Front Foot \$699 Adjusted

Legal Description

Tract 3011 of the eWard Cove SE Replat, subdivision of ATS No. 1, and ATS 439, and portions of USS 1653 and 1656, Plat No. 2005-30, Ketchikan Recording District.

Remarks

An upland parcel extending along the North Tongass Highway consisting of natural and filled, level lands. A driveway and parking area have been developed on a portion of the property. The tidelands consist mostly of submerged lands suitable for deep water moorage. There was a float and ramp developed on the tidelands that were allocated a value of \$40,000. The value allocated to the uplands is \$5.00 per square foot. The tideland value allocation is \$0.72 per square foot.

Land Sale No. 16**Property Identification**

Record ID	342
Property Type	Industrial, Waterfront
Address	7599 North Tongass Hwy, Ketchikan, Alaska 99901
Location	Wards Cove

Sale Data

Grantor	Ketchikan Gateway Borough
Grantee	State of Alaska
Sale Date	June 08, 2010
Deed Book/Page	2010-002006-0
Property Rights	Fee Simple
Conditions of Sale	Normal
Verification	Confirmed by Kim M. Wold

Sale Price	\$2,640,000
Downward Adjustment	\$1,170,000 Less Improvements
Adjusted Price	\$1,470,000

Land Data

Zoning	IH, Heavy Industrial
Topography	Level
Utilities	T,E
Shape	Irregular
Use at Sale	Industrial
Easements/Restrictions	Yes
Site Improvements	Clearing, grading, asphalt pavement

Land Size Information

Gross Land Size	30.000 Acres or 1,306,800 SF
Uplands Land Size	9.500 Acres or 413,820 SF , 31.67%
Wetlands Land Size	20.500 Acres or 892,980 SF , 68.33%

Indicators

Sale Price/Gross Acre	\$49,000 Adjusted
Sale Price/Gross SF	\$1.12 Adjusted
Sale Price/Uplands Acre	\$154,737 Adjusted
Sale Price/Uplands SF	\$3.55 Adjusted

Legal Description

Lot 3A, Plat 2010-19, Ketchikan Recording District.

Remarks

This is a waterfront industrial site consisting of uplands and submerged lands. The site has level access off North Tongass Highway. The tidelands lie within Wards Cove and are considered to be well protected. The loading capacity of the soils is considered good. The property was improved with a Class S industrial building originally constructed in 2000 to house a veneer plant. The veneer plant subsequently failed and the property was repossessed by Ketchikan Gateway Borough. The building was essentially a shell with several raised concrete foundations which impaired its utility. The building was allocated a value of \$1,170,000. The land value was allocated \$2.30 per square foot for the uplands and \$0.58 per square foot for the tidelands.

Land Sale No. 17**Property Identification**

Record ID 479
Property Type Industrial, Waterfront
Address 4513 Halibut Pt Road, Sitka, Alaska

Sale Data

Grantor State of Alaska, DNR
Grantee Halibut Point Marine
Sale Date August 15, 2011
Property Rights Lease
Conditions of Sale Normal
Financing Cash
Verification Confirmed by Kim M. Wold

Sale Price \$290,625 Capitalized Lease

Land Data

Zoning I, Industrial
Topography Submerged
Utilities W,S,T,E
Shape Irregular
Use at Sale Industrial
Easements/Restrictions None
Site Improvements None

Land Size Information

Gross Land Size 6.120 Acres or 266,587 SF

Indicators

Sale Price/Gross Acre \$47,488
Sale Price/Gross SF \$1.09

Legal Description

ATS 1687, Portion of Lot 51 and all of Lots 52, 53, and 55, USS 3475, and adjacent tidelands of Tracts B and C of ATS 1386 and entire ATS 1275, Sitka Recording District.

Remarks

This is a parcel of tideland that is predominantly submerged. The tidelands have deep water attributes and are used to support a cruise ship dock. The tidelands extend beyond the dock face. The annual rent is \$23,250 which, when capitalized at 8 percent, equals a fee simple value of \$290,625.

Land Sale No. 18**Property Identification**

Record ID	273
Property Type	Land, Residential
Address	800 Bk Miller Ridge Rd, Ketchikan, Alaska
Location	Bear Valley

Sale Data

Grantor	Robert H. Ziegler, Jr.
Grantee	Jerry & Candi Scudero
Sale Date	March 03, 2008
Deed Book/Page	2008-000791-0
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Cash
Verification	Confirmed by Kim M. Wold

Sale Price	\$100,000
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Land Data

Zoning	RM, Medium Density Residential
Topography	Steep Slope
Utilities	None
Shape	Irregular
Use at Sale	Vacant
Easements/Restrictions	Yes
Site Improvements	None

Land Size Information

Gross Land Size	4.594 Acres or 200,103 SF
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Indicators

Sale Price/Gross Acre	\$21,769
Sale Price/Gross SF	\$0.50

Legal Description

That certain unsubdivided remainder of Treetops Addition to Highlands Subdivision of portions of Eureka and Home Lode, USMS 769, Phase II, Plat No. 93-42, Ketchikan Recording District.

Remarks

This is a tract of land lying adjacent to the Highlands Subdivision and the adjoining Bear Valley Subdivision. Access is available via Miller Ridge Road and Summit Terrace. The site has second growth conifer tree cover. Utilities are available in Miller Ridge Road and Summit Terrace. This was a speculative land purchase. The property is encumbered with easements for access, slope, utility, etc.

Land Sale No. 19**Property Identification**

Record ID 383
Property Type Land, Vacant
Address NHN Indian River Road, Sitka, Alaska 99835

Sale Data

Grantor Sheldon Jackson College
Grantee Baranof Island Housing Authority
Sale Date April 02, 2009
Deed Book/Page 2009-000443-0
Property Rights Fee Simple
Conditions of Sale Normal
Financing Cash
Verification Confirmed by Kim M. Wold

Sale Price \$1,800,000

Land Data

Zoning N/A, None
Topography Rugged
Utilities T,E
Shape Irregular
Use at Sale Vacant
Easements/Restrictions None Noted
Site Improvements Some Clearing

Land Size Information

Gross Land Size 215.000 Acres or 9,365,400 SF
Front Footage Indian River Road; Sawmill Creek Road

Indicators

Sale Price/Gross Acre \$8,372
Sale Price/Gross SF \$0.19

Legal Description

Lots 5, 7, and 8, Sheldon Jackson College Subdivision, according to Plat 2008-9, Sitka Recording district.

Remarks

This is a large tract of land located in Sitka. Approximately 10 acres are quarried while the rest remains undeveloped. Portions of the property are very steep in topography. This is considered an arm's length transaction with normal conditions of sale. This sale is analyzed based on the price allocated to Lot 5 only.

Land Sale No. 20**Property Identification**

Record ID	318
Property Type	Future Development, Vacant
Address	D-1 Loop Road, Ketchikan, Alaska 99901
Location	D-1 Loop

Sale Data

Grantor	Ketchikan Gateway Borough
Grantee	Marble Island LLC
Sale Date	December 06, 2010
Deed Book/Page	2010-003975-0
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Cash
Verification	Confirmed by Kim M. Wold

Sale Price	\$69,000
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Land Data

Zoning	FD, Future Development
Topography	Sloping
Utilities	T,E
Shape	Triangular
Use at Sale	Vacant
Easements/Restrictions	Yes
Site Improvements	None

Land Size Information

Gross Land Size	28.970 Acres or 1,261,933 SF
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Indicators

Sale Price/Gross Acre	\$2,382
Sale Price/Gross SF	\$0.05

Legal Description

Tract J, ASLS 81-39, Plat 81-24, Ketchikan Recording District.

Remarks

This is a large tract of land located behind D-1 Loop Road. The site has direct access. Portions of the site have been filled with wood waste. There is a good view amenity. The purchaser obtained a site closure permit from the Alaska Department of Environmental Conservation. The proposed use is for a residential subdivision and light industrial.

Land Sale No. 21**Property Identification**

Record ID 417
Property Type Land, Vacant
Address Hugli Avenue, Ketchikan, Alaska 99901

Sale Data

Grantor Estate of Larri Joe Ferguson
Grantee James J. Annicelli, JR.
Sale Date December 08, 2011
Deed Book/Page 2011-003633-0
Property Rights Fee Simple
Conditions of Sale Normal
Financing Cash
Verification Confirmed by Kim M. Wold

Sale Price \$155,500

Land Data

Zoning RL, Residential
Topography Moderate Slope
Utilities W,S,T,E
Shape Irregular
Use at Sale Vacant
Site Improvements Some clearing and grading

Land Size Information

Gross Land Size 5.494 Acres or 239,329 SF

Indicators

Sale Price/Gross Acre \$28,302
Sale Price/Gross SF \$0.65

Legal Description

Tract A-1-A Ferguson/KGB Subdivision, according to Plat No. 2001-25, Ketchikan Recording District, First Judicial District, State of Alaska.

Remarks

This is a sale involving a large residential parcel in Ketchikan. The parcel has access via Hugli Avenue which is a gravel surfaced road. There is potential for good view amenity. The parcel has areas of steep slope that would be difficult to develop. There is a small road and pad in place on the property. This is considered an arm's length transaction.

Land Sale No. 22**Property Identification**

Record ID 481
Property Type Land, Vacant
Address Yaw Drive, Sitka, Alaska

Sale Data

Grantor Baranof Island Housing Authority
Grantee AK Dept of Public Safety
Sale Date May 21, 2012
Deed Book/Page 2012-000771-0
Property Rights Fee Simple
Conditions of Sale Normal
Financing Cash
Verification Confirmed by Kim M. Wold

Sale Price \$485,000

Land Data

Zoning R2, Residential
Topography Sloping
Utilities None
Shape Irregular
Use at Sale Vacant
Easements/Restrictions None
Site Improvements None

Land Size Information

Gross Land Size 40.334 Acres or 1,756,927 SF

Indicators

Sale Price/Gross Acre \$12,025
Sale Price/Gross SF \$0.28

Legal Description

Lot 5A, Plat 2012-2, Department of Public Safety Subdivision, Sitka Recording District.

Remarks

This is semi-remote site that is to become part of the Alaska Department of Public Safety training facility. The parcel is undeveloped with muskeg and forest lands. The topography ranges from gentle to steep slopes. The intended use is for a trooper driver training course.

Comparable Land Sales Adjustment Grid							
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6
Address:	Lot 4	4513 Halibut Point Rd	4056 S Tongass Highway	111 JT Brown St	916 Nordic Drive	301-307 Front Street	Alice Loop Road
City:		Sitka	Ketchikan	Craig	Petersburg	Hoonah	Sitka
Date of Sale:		1-Mar-05	2-Jan-08	22-Sep-09	30-Jun-11	25-May-12	31-Dec-14
Sales Price:		\$2,040,000	\$850,000	\$542,725	\$268,000	\$295,000	\$604,000
Allocated Sales Price/ SF Uplands:		\$9.21	\$6.12	\$8.00	\$12.00	\$13.00	\$6.75
Property Rights:	Fee Simple	Fee & Leasehold	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment							
Financing:	Cash	Cash	Cash	Cash	Cash	Cash	Cash
% Adjustment							
Conditions of Sale	Normal	Normal	Normal	Normal	Normal	Normal	Normal
% Adjustment							
Economic Trends	10/29/2014	3/1/2005	1/2/2008	9/22/2009	6/30/2011	5/25/2012	12/31/2014
Months Elapsed		117.63	83.07	62.10	40.57	29.57	-2.10
% Adjustment		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Adjusted Price/SF		\$9.21	\$6.12	\$8.00	\$12.00	\$13.00	\$6.75
Location	Average	Superior	Similar	Similar	Superior	Superior	Inferior
% Adjustment							
\$ Adjustment		(\$3.00)	\$0.00	\$0.00	(\$3.00)	(\$4.00)	\$1.00
Upland Size (SF):	26,031	179,507	138,956	65,135	5,000	6,000	89,433
Comparison		Inferior	Inferior	Inferior	Superior	Superior	Inferior
% Adjustment							
\$ Adjustment		\$1.50	\$1.25	\$1.00	(\$2.00)	(\$2.00)	\$1.25
Topography	Level	Terraced	Level	Level	Level	Level	Level
Comparison		Inferior	Similar	Similar	Similar	Similar	Similar
% Adjustment							
\$ Adjustment		\$1.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Utilities	W,S,T,E	W,S,T,E	T,E	W,S,T,E	W,S,T,E	W,S,T,E	W,S,T,E
Comparison		Similar	Inferior	Similar	Similar	Similar	Similar
% Adjustment							
\$ Adjustment		\$0.00	\$0.50	\$0.00	\$0.00	\$0.00	\$0.00
Zoning	WI	I	RH/RL	I	WI	CI	W
Comparison		Similar	Similar	Similar	Similar	Similar	Similar
% Adjustment							
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Easements	Access/Util	None	None	None	None	None	None
Comparison		Superior	Superior	Superior	Superior	Superior	Superior
% Adjustment							
\$ Adjustment		(\$0.40)	(\$0.40)	(\$0.40)	(\$0.40)	(\$0.40)	(\$0.40)
Net Adjustments:		(\$0.90)	\$1.35	\$0.60	(\$5.40)	(\$6.40)	\$1.85
Adjusted Price/Sq. Ft.:		\$8.31	\$7.47	\$8.60	\$6.60	\$6.60	\$8.60
Average Price/Sq.Ft.:		\$7.70					
Reconciled Price/Sq.Ft.:		\$8.00					

Comparable Land Sales Adjustment Grid							
Subject		Comparable 7	Comparable 8	Comparable 9	Comparable 10	Comparable 11	Comparable 12
Address:	Lot 12	4620 Sawmill Creek Road	6104 Ridgewood St	Harbor Way	Harbor Way	4644 Sawmill Creek Road	202 Jarvis St
City:		Sitka	Ketchikan	Hoonah	Hoonah	Sitka	Sitka
Date of Sale:		28-Oct-09	23-Dec-10	14-Sep-11	17-Aug-12	20-Feb-13	17-Aug-13
Sales Price:		\$245,000	\$800,000	\$27,600	\$83,795	\$235,000	\$743,000
Sales Price/SF:		\$4.92	\$3.43	\$4.00	\$4.06	\$3.53	\$6.47
Property Rights:	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment							
Financing:	Cash	Cash	Cash	Cash	Cash	Cash	Cash
% Adjustment							
Conditions of Sale	Normal	Normal	Normal	Normal	Normal	Normal	Normal
% Adjustment							
Economic Trends	10/29/2014	10/28/2009	12/23/2010	9/14/2011	8/17/2012	2/20/2013	8/17/2013
Months Elapsed		60.90	46.87	38.03	26.77	20.53	14.60
% Adjustment		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Adjusted Price/SF		\$4.92	\$3.43	\$4.00	\$4.06	\$3.53	\$6.47
Location	Average	Similar	Similar	Inferior	Inferior	Similar	Superior
% Adjustment							
\$ Adjustment		\$0.00	\$0.00	\$1.00	\$1.00	\$0.00	(\$2.00)
Size (SF)	117,608	49,846	233,264	6,903	20,657	66,491	114,903
Comparison		Superior	Inferior	Superior	Superior	Superior	Similar
% Adjustment							
\$ Adjustment		(\$0.50)	\$0.50	(\$1.00)	(\$1.00)	(\$0.50)	\$0.00
Topography/Soils	Level	Level	Level	Level	Level	Level	Level
Comparison		Similar	Inferior	Similar	Similar	Similar	Similar
% Adjustment							
\$ Adjustment		\$0.00	\$0.50	\$0.00	\$0.00	\$0.00	\$0.00
Utilities	W,S,T,E	W,S,T,E	T,E	W,S,T,E	W,S,T,E	W,S,T,E	W,S,T,E
Comparison		Similar	Inferior	Similar	Similar	Similar	Similar
% Adjustment							
\$ Adjustment		\$0.00	\$0.50	\$0.00	\$0.00	\$0.00	\$0.00
Zoning	CG	IL	CG	CI	CI	I	I
Comparison		Similar	Similar	Similar	Similar	Similar	Similar
% Adjustment							
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Easements	None	None	Sewer, Slope	Utility	Utility	None	None
Comparison		Similar	Similar	Similar	Similar	Similar	Similar
% Adjustment							
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net Adjustments:		(\$0.50)	\$1.50	\$0.00	\$0.00	(\$0.50)	(\$2.00)
Adjusted Price/Sq. Ft.:		\$4.42	\$4.93	\$4.00	\$4.06	\$3.03	\$4.47
Average Price/Sq.Ft.:		\$4.15					
Reconciled Price/Sq.Ft.:		\$4.50					

Comparable Land Sales Adjustment Grid						
	Subject	Comparable 13	Comparable 14	Comparable 15	Comparable 16	Comparable 17
Address:	ATS 1	Mile 6 N Tongass Hwy	Mile 6 N Tongass Hwy	Mile 7 N Tongass Hwy	7599 North Tongass Hwy	4513 Halibut Pt Road
City:	Sitka	Ketchikan	Ketchikan	Ketchikan	Ketchikan	Sitka
Date of Sale:		31-Oct-05	31-Oct-05	28-Oct-05	8-Jun-10	15-Aug-11
Sales Price:		\$603,750	\$304,900	\$642,000	\$1,470,000	\$290,625
Allocated Sales Price/ SF Tidelands:		\$0.48	\$0.54	\$0.72	\$0.58	\$1.09
Property Rights:	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Lease
% Adjustment						
Financing:	Cash	Cash	Cash	Cash	Cash	Cash
% Adjustment						
Conditions of Sale	Normal	Normal	Normal	Normal	Normal	Normal
% Adjustment						
Economic Trends	10/29/2014	10/31/2005	10/31/2005	10/28/2005	6/8/2010	8/15/2011
Months Elapsed		109.50	109.50	109.60	53.47	39.03
% Adjustment		0.00%	0.00%	0.00%	0.00%	0.00%
Adjusted Price/SF		\$0.48	\$0.54	\$0.72	\$0.58	\$1.09
Location	Average	Superior	Superior	Superior	Superior	Superior
% Adjustment						
\$ Adjustment		(\$0.20)	(\$0.20)	(\$0.20)	(\$0.20)	(\$0.50)
Size (SF)	5,510,340	635,105	513,137	351,529	1,306,800	266,587
Comparison		Superior	Superior	Superior	Superior	Superior
% Adjustment						
\$ Adjustment		(\$0.20)	(\$0.20)	(\$0.30)	(\$0.15)	(\$0.35)
Topography	Submerged	Submerged	Submerged	Submerged	Submerged	Submerged
Comparison		Similar	Similar	Similar	Similar	Similar
% Adjustment						
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Utilities	None	T,E	T,E	T,E	T,E	W,S,T,E
Comparison		Similar	Similar	Similar	Similar	Similar
% Adjustment						
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Zoning	WI	IH	IH	IH	IH	I
Comparison		Similar	Similar	Similar	Similar	Similar
% Adjustment						
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Easements	None	None	None	None	None	None
Comparison		Similar	Similar	Similar	Similar	Similar
% Adjustment						
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net Adjustments:		(\$0.40)	(\$0.40)	(\$0.50)	(\$0.35)	(\$0.85)
Adjusted Price/Sq. Ft.:		\$0.08	\$0.14	\$0.22	\$0.23	\$0.24
Average Price/Sq.Ft.:		\$0.18				
Reconciled Price/Sq.Ft.:		\$0.15				

Comparable Land Sales Adjustment Grid						
Subject		Comparable 18	Comparable 19	Comparable 20	Comparable 21	Comparable 22
Address:	Lot 1, Block 2	800 Bk Miller Ridge Rd	NHN Indian River Road	D-1 Loop Road	Hugli Avenue	Yaw Drive
City:	Sitka	Ketchikan	Sitka	Ketchikan	Ketchikan	Sitka
Date of Sale:		3-Mar-08	2-Apr-09	6-Dec-10	8-Dec-11	21-May-12
Sales Price:		\$100,000	\$1,800,000	\$69,000	\$155,500	\$485,000
Sales Price/SF:		\$0.50	\$0.19	\$0.05	\$0.65	\$0.28
Property Rights:	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment						
Financing:	Cash	Cash	Cash	Cash	Cash	Cash
% Adjustment						
Conditions of Sale	Normal	Normal	Normal	Normal	Normal	Normal
% Adjustment						
Economic Trends	10/29/2014	3/3/2008	4/2/2009	12/6/2010	12/8/2011	5/21/2012
Months Elapsed		81.03	67.87	47.43	35.20	29.70
% Adjustment		0.00%	0.00%	0.00%	0.00%	0.00%
Adjusted Price/SF		\$0.50	\$0.19	\$0.05	\$0.65	\$0.28
Location	Average	Superior	Superior	Inferior	Superior	Superior
% Adjustment						
\$ Adjustment		(\$0.25)	(\$0.10)	\$0.10	(\$0.15)	(\$0.10)
Size (SF)	222,869	200,103	9,365,400	1,261,933	239,329	1,756,927
Comparison		Similar	Inferior	Inferior	Similar	Inferior
% Adjustment						
\$ Adjustment		\$0.00	\$0.25	\$0.25	\$0.00	\$0.25
Topography	Steep	Steep Slope	Rugged	Sloping	Moderate Slope	Sloping
Comparison		Similar	Similar	Similar	Superior	Similar
% Adjustment						
\$ Adjustment		\$0.00	\$0.00	\$0.00	(\$0.20)	\$0.00
Utilities	None	None	T,E	T,E	W,S,T,E	None
Comparison		Similar	Similar	Similar	Superior	Similar
% Adjustment						
\$ Adjustment		\$0.00	\$0.00	\$0.00	(\$0.05)	\$0.00
Zoning	R	RM	N/A	FD	RL	R2
Comparison		Similar	Similar	Similar	Similar	Similar
% Adjustment						
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Easements	Utility	Yes	None Noted	Yes	None	None
Comparison		Similar	Similar	Similar	Similar	Similar
% Adjustment						
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net Adjustments:		(\$0.25)	\$0.15	\$0.35	(\$0.40)	\$0.15
Adjusted Price/Sq. Ft.:		\$0.25	\$0.34	\$0.40	\$0.25	\$0.43
Average Price/Sq.Ft.:		\$0.33				
Reconciled Price/Sq.Ft.:		\$0.35				