



# Summary Appraisal Report • Land

**of**

Bakery Subdivision Acquisition

1318 Sawmill Creek Road  
Sitka, AK 99835

**As Of:**

08/30/2018

**Prepared For:**


Adam Chinalski  
2174 Halibut Point Rd  
Sitka, AK 99835

**Prepared By:**

Timothy W. Riley  
Archipelago Appraisals LLC  
1220 Glacier Ave, #310  
Juneau, AK 99801

Archipelago Appraisals LLC  
**REVISION**

An inadvertent error was noted in the preparation of this report. The wrong picture was used for Comparable 1. The correct photo has been inserted, the sales map updated reflecting the change and the date signed changed. A minor formatting change was made reflecting sf for the size in Comparable 3 was also don. No other changes were made and no change to value was noted.

	Client File #:	Appraisal File #:		8019
	<h1>Appraisal Report · Land</h1>			
	Appraisal Company: Archipelago Appraisals LLC			
	Address: 1220 Glacier Ave, #310, Juneau, AK 99801			
Phone: 907-38-6667		Fax:		Website:
Appraiser: Timothy W. Riley		Co-Appraiser:		
AI Membership (if any): <input type="checkbox"/> SRA <input type="checkbox"/> MAI <input type="checkbox"/> SRPA <input type="checkbox"/> AI-GRS <input type="checkbox"/> AI-RRS		AI Membership (if any): <input type="checkbox"/> SRA <input type="checkbox"/> MAI <input type="checkbox"/> SRPA <input type="checkbox"/> AI-GRS <input type="checkbox"/> AI-RRS		
AI Affiliation (if any): <input type="checkbox"/> Candidate for Designation <input type="checkbox"/> Practicing Affiliate		AI Affiliation (if any): <input type="checkbox"/> Candidate for Designation <input type="checkbox"/> Practicing Affiliate		
Other Professional Affiliation:		Other Professional Affiliation:		
Email: alaskanriley@gmail.com		E-mail:		
Client: Adam Chinalski		Contact: hmrepairguy@gmail.com		
Address: 2174 Halibut Point Rd, Sitka, AK 99835				
Phone: 360-652-9092		Fax:		Email:
<b>SUBJECT PROPERTY IDENTIFICATION</b>				
Address: 1318 Sawmill Creek Road				
City: Sitka		County:	City & Borough of Sitka	State: AK ZIP: 99835
Legal Description: Portion of USS 2355 & Lot 21, USS 3695				
Tax Parcel #: None		RE Taxes: 0		Tax Year: 2018
Use of the Real Estate As of the Date of Value: Commercial				
Use of the Real Estate Reflected in the Appraisal: Commercial				
Opinion of highest and best use (if required): Commercial				
<b>SUBJECT PROPERTY HISTORY</b>				
Owner of Record: City and Borough of Sitka				
Description and analysis of sales within 3 years (minimum) prior to effective date of value: The subject area has been in municipal hands for many years.				
Description and analysis of agreements of sale (contracts), listing, and options: This appraisal is to be used in determining a value for the transfer of the subject to the owner of the adjacent property by direction of the City and Borough of Sitka's Planning and Zoning Committee.				
<b>RECONCILIATIONS AND CONCLUSIONS</b>				
Indication of Value by Sales Comparison Approach		\$ 22,100		
Indication of Value by Cost Approach		\$		
Indication of Value by Income Approach		\$		
Final Reconciliation of the Methods and Approaches to Value: Only the Sales Comparison Approach to value was applicable. Three comparables were examined and their indications reconciled as detailed on the next pages.				
<b>Opinion of Value as of:</b> 08/30/2018		\$ 22,100		
Exposure Time: 45 days				
The above opinion is subject to: <input type="checkbox"/> Hypothetical Conditions and/or <input type="checkbox"/> Extraordinary Assumptions cited on the following page.				

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Client:	Adam Chinalski	Client File #:	
Subject Property:	1318 Sawmill Creek Road, Sitka, AK 99835	Appraisal File #:	8019

**ASSIGNMENT PARAMETERS**

Intended User(s): Adam Chinalski &amp; City and Borough of Sitka

Intended Use: Value for acquisition

*The report is not intended by the appraiser for any other use by any other user.*

Type of Value: Fair market

Effective Date of Value: 08/30/2018

Interest Appraised: ☒ Fee Simple ☐ Leasehold ☐ Other

Hypothetical Conditions: (A hypothetical condition is that which is contrary to what exists, but is asserted by the appraiser for the purpose of analysis. Any hypothetical condition may affect the assignment results.) None noted

Extraordinary Assumptions: (An extraordinary assumption is directly related to a specific assignment and presumes uncertain information to be factual. If found to be false this assumption could alter the appraiser's opinions or conclusions. Any extraordinary assumption may affect the assignment results.) None noted

This is an Appraisal Report in accordance with Standard Rule 2-2(a) of the Uniform Standard of Professional Appraisal Practice (USPAP).

**SCOPE OF WORK**

Definition: The scope of work is the type and extent of research and analysis in an assignment. Scope of work includes the extent to which the property is identified, the extent to which tangible property is inspected, the type and extent of data research, and the type and extent of analysis applied to arrive at credible opinions or conclusions. The specific scope of work for this assignment is identified below and throughout this report.

**Scope of Subject Property Inspection/Data Sources Utilized****Appraiser**Property Inspection: ☒ Yes ☐ No

Date of Inspection: 08/30/2018

Describe Scope of Property Inspection, Source of Area Calculations and Data Sources Consulted: Proposed plat, buyer, assessor &amp; local appraisers. Subject was inspected and all comparables inspected.

**Co-Appraiser**Property Inspection: ☐ Yes ☐ No

Date of Inspection:

Describe Scope of Property Inspection, Source of Area Calculations and Data Sources Consulted:

**Approaches to Value Developed****Cost Approach:**

- ☐ Is necessary for credible results and is developed in this analysis  
☒ Is not necessary for credible results; not developed in this analysis  
☐ Is not necessary for credible results but is developed in this analysis

**Sales Comparison Approach:**

- ☒ Is necessary for credible results and is developed in this analysis  
☐ Is not necessary for credible results; not developed in this analysis  
☐ Is not necessary for credible results but is developed in this analysis

**Income Approach:**

- ☐ Is necessary for credible results and is developed in this analysis  
☒ Is not necessary for credible results; not developed in this analysis  
☐ Is not necessary for credible results but is developed in this analysis

Additional Scope of Work Comments: Fair market value for sale to adjacent owner.

Significant Real Property Appraisal Assistance: ☒ None ☐ Disclose Name(s) and contribution:

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Client:	Adam Chinalski	Client File #:	
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**SITE VALUATION****Site Valuation Methodology**

- ☒ **Sales Comparison Approach:** A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, then applying appropriate units of comparison and making adjustments to the sale prices of the comparables based on the elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when an adequate supply of comparable sales are available.
- ☐ **Market Extraction:** A method of estimating land value in which the depreciated cost of the improvements on the improved property is estimated and deducted from the total sale price to arrive at an estimated sale price for the land; most effective when the improvements contribute little to the total sale price of the property.
- ☐ **Alternative Method:** (Describe methodology and rationale)

**Site Valuation**

ITEM	SUBJECT	COMPARISON 1		COMPARISON 2		COMPARISON 3	
Address	1318 Sawmill Creek Road Sitka, AK 99835	700 Etolin St Sitka, AK 99835		1315 Halibut Point Rd Sitka, AK 99835		403 Alice Loop Rd Sitka, AK 99835	
Proximity to Subject		0.87 miles W		2.20 miles W		1.80 miles W	
Data Source/ Verification		Buyer Assessor, Recorder		Seller Assessor, Recorder		Seller Assessor, Recorder	
Sales Price	\$	\$ 20,000		\$ 41,000		\$ 280,600	
Price/ sf	\$ 0.00	\$ 9.74		\$ 9.92		\$ 8.80	
Sale Date		09/22/2016		07/12/2018		04/23/2015	
Location	Price St	Etolin		HPR		Sealing Cove	
Site Size	1,771 sf	2,054 sf		4,132 sf		31,890 sf	
Site View	Good ocean	Residential +10,000.00		Residential +10,000.00		Similar	
Site Improvements	None	None		None		None	
Net Adjustment		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 10,000	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 10,000	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 0
		Net Adj. 50%		Net Adj. 24%		Net Adj. 0%	
Indicated Value		Gross Adj. 50% \$ 30,000		Gross Adj. 24% \$ 51,000		Gross Adj. 0% \$ 280,600	
Prior Transfer History	No transfer within prior 3 yrs -	No transfer within prior year		No transfer within prior year		No transfer within prior year	

**Site Valuation Comments:** The subject is a proposed sale of a portion of the Eagle Way ROW to an adjacent owner to be used for parking for a small bakery. There are significant water & sewer utility easements on the parcel to be acquired. With this in mind, the appraiser examined similar transaction in the community that would be competitive. Comp 1 is the purchase by the city of a similar sized utility easement covering 38% of the lot that had long existed but was never memorialized. Comp 2 is a recent purchase of land to expand parking for a vet clinic in a similar high traffic location, impressed with a 28% access & utility easement. Comp 3 is a large purchase in 2015 that was analyzed at the time as 40% impacted by easement due to their shape & impact on development. Of note in this purchase was the decision by the buyer to move the utilities to free up the area impressed by them at significant cost. This comparable was adjacent a harbor with a similar waterfront view, with the other two comparables exhibiting typical residential views.

**Site Valuation Reconciliation:** The subject acquisition will more than double the size of the subject, greatly increasing its utility & potential uses in this commercial zone. Comp 1's impact on the subject lot is notable at 38% but must also be considered in light of its prior existence & the existing improvements already accounting for its impact. Its indications are \$14.60/sf overall after adjustment & given some weight. Comp 2's lot expansion indicates \$12.34/sf & the similar commercial use give this observation most weight. Comp 3's large size & economies of scale in terms of the price per square foot give this observation least weight. Consideration of the actions of the owner of Comp 3 in relocation of the utilities to allow development of the impacted area at a significant cost must also be considered in this analysis. The appraiser has weighed all these factors in the determination. It is the appraiser's opinion that \$12.50/sf, or \$22,100, rounded, for the subject is reasonable based on the sales examined & overall benefit to the expanded site.

**Opinion of Site Value****\$ 22,100**

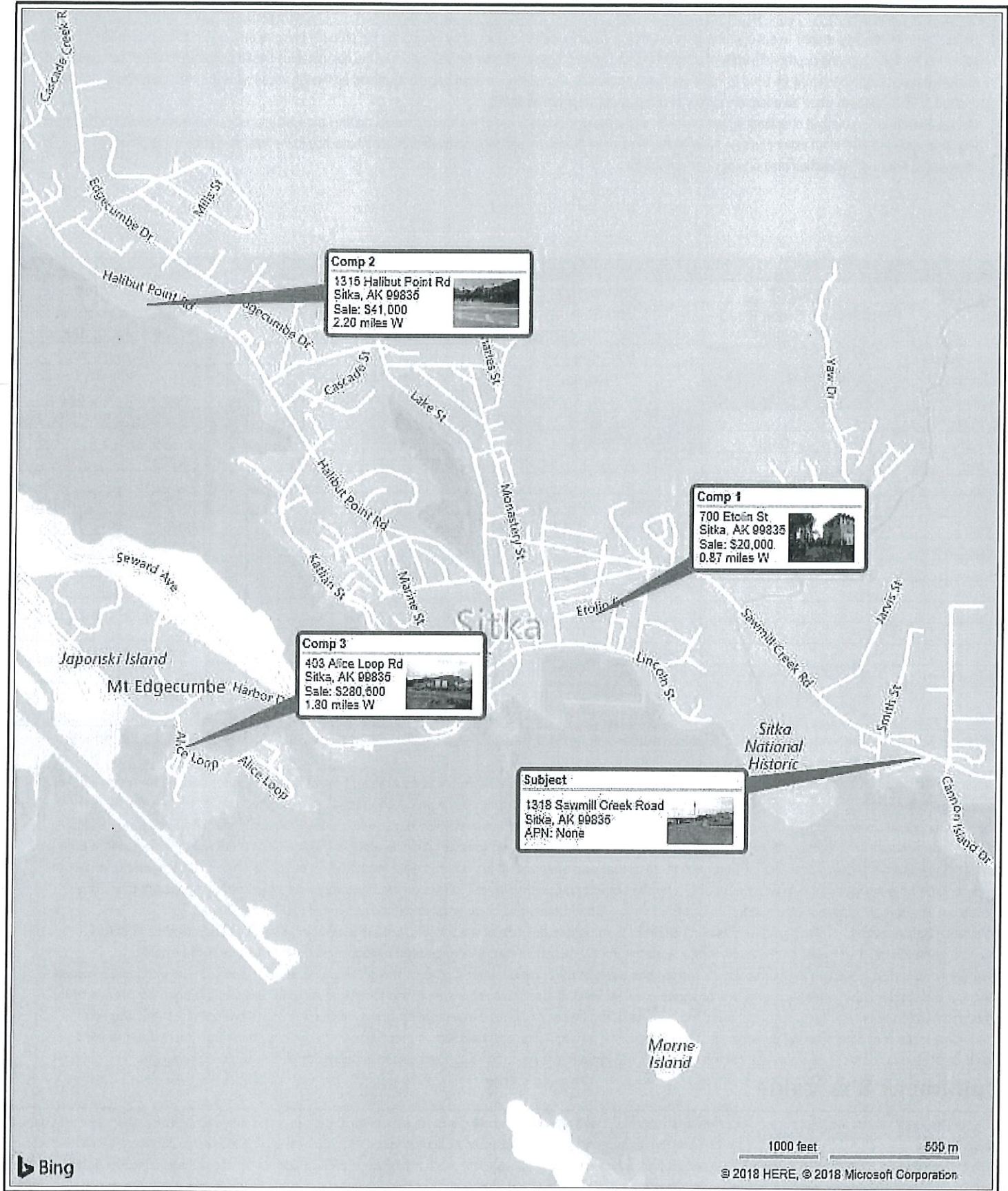
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## Lauren Moore

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**From:** Wendy Lawrence  
**Sent:** Thursday, December 20, 2018 2:13 PM  
**To:** Lauren Moore  
**Subject:** RE: Appraisal of 1318 SMC

Lauren, I approve of this appraised value. I discussed my concerns with the appraiser and we have concluded on the publishes value for the right of way purchase.

Regards,

Wendy Lawrence  
Assessing Director  
City and Borough of Sitka  
100 Lincoln Street, Suite 109  
Sitka, AK 99835  
(907) 747-1820 Office  
(907) 747-6138 Fax

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**From:** Lauren Moore  
**Sent:** Wednesday, December 05, 2018 11:46 AM  
**To:** Wendy Lawrence <[wendy.lawrence@cityofsitka.org](mailto:wendy.lawrence@cityofsitka.org)>  
**Subject:** RE: Appraisal of 1318 SMC

I believe this is not urgent, but I'll check with Maegan to make sure my impression is correct. Is 2 weeks enough time?  
Lauren

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**From:** Wendy Lawrence  
**Sent:** Tuesday, December 04, 2018 6:06 PM  
**To:** Lauren Moore <[lauren.moore@cityofsitka.org](mailto:lauren.moore@cityofsitka.org)>  
**Subject:** Re: Appraisal of 1318 SMC

This should do, I will return to the office tomorrow morning and will review. What is your timeframe?

Wendy

On Dec 4, 2018, at 2:43 PM, Lauren Moore <[lauren.moore@cityofsitka.org](mailto:lauren.moore@cityofsitka.org)> wrote:

Hi Wendy,

I've received Archipelago Appraisals' report for 1318 SMC from the applicant, Adam Chinalski. Chinalski had made a request for a ROW purchase for parking at Grandma Tillie's Bakery. On July 26, the Planning Commission voted to recommend approval of the sale subject to certain conditions, including a determination of fair value for the purchase from Assessing.

In addition to the appraisal, I've attached the as built diagram and site plan. Please let me know if there's anything else I should send you.

Thank you!

Lauren Moore  
Interim Planning Director  
City and Borough of Sitka  
Sitka, AK 99835  
(907) 747-1815

<LM 18-01 Chinalski 1318 SMC Eagle Way appraisal.pdf>

<LM 18-01 Chinalski 1318 SMC Eagle Way as built.pdf>

<LM 18-01 Chinalski 1318 SMC Eagle Way ROW site plan.pdf>