

**MARKET VALUE APPRAISAL OF  
SEADROME BUILDING AND MARINA.  
GOLDBELT AND CBJ LAND EXCHANGE  
76 EGAN DRIVE, JUNEAU, ALASKA**



**Subject tideland looking west from Merchants Wharf, November 17, 2022**

**PREPARED FOR:** Carl Uchtyl, PE, Port Director  
City and Borough of Juneau Docks and Harbors  
155 S. Seward Street  
Juneau, Alaska 99801

**PREPARED BY:** Charles Horan, MAI  
Horan & Company, LLC  
403 Lincoln Street, Suite 210  
Sitka, Alaska 99835

**EFFECTIVE DATE:** February 21, 2023

**REPORT DATE:** February 27, 2023

**OUR FILE No.:** 22-044

# HORAN & COMPANY

REAL ESTATE APPRAISERS/CONSULTANTS

CHARLES E. HORAN MAI / JOSHUA C. HORAN / SLATER M. FERGUSON

403 LINCOLN STREET, SUITE 210, SITKA, ALASKA 99835

PHONE NUMBER: (907)747-6666 FAX NUMBER: (907)747-7417 commercial@horanappraisals.com

February 27, 2023

Carl Uchtyl, P.E., Port Director  
City and Borough of Juneau Docks and Harbors  
155 S. Seward Street  
Juneau, Alaska 99801

Via email: teena.larson@juneau.org

Re: Market Value Appraisal of Seadrome Building and Marina. Goldbelt and CBJ Land Exchange 76 Egan Drive, Juneau, Alaska. Our File # 22-044.

Dear Mr. Uchtyl,

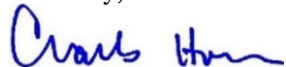
We have worked with your staff and Steven Sahlender, VP of the Alaska Group with Goldbelt and his staff to develop an equal value exchange of lands around Goldbelt's Seadrome Marina. Assisted by site information provided by RESPEC surveyors, the Port Engineer and I have worked to develop an equal value exchange configuration which preserves the highest and best use functionality of the land to both parties with marine and street front access. After analyzing the market and making several iterations of exchange configurations I have determined the following value conclusions of the exchange as of the effective date, February 21<sup>st</sup> 2023.

Goldbelt conveys to CBJ	SF Area	Unit value	Land Value
Upland Parts of Lots 1 & 2	6,252	\$65	\$406,380
Tideland Part of Lot 2	70	\$26	\$1,820
Total Goldbelt Land	6,322		<b>\$408,200</b>
CBJ conveys to Goldbelt	SF Area	Unit value	Land Value
Upland behind Lots 3 & 4	3,400	\$65	\$221,000
Tidelands west of Lot 5	550	\$26	\$14,300
Tidelands south of Lot 5	6,650	\$26	\$172,900
Total CBJ lands	10,600		<b>\$408,200</b>

Your attention is invited to the attached report which explains this analysis in more detail and includes the most pertinent data considered in estimating the market value. This appraisal is intended to comply with the rules and regulations as set forth by the Uniform Standards of Professional Appraisal Practice (USPAP) and the City and Borough of Juneau's appraisal instructions.

If you have any questions or comments, please feel free to contact us at your convenience.

Sincerely,



Charles E. Horan, MAI  
Horan & Company, LLC

---

## TABLE OF CONTENTS

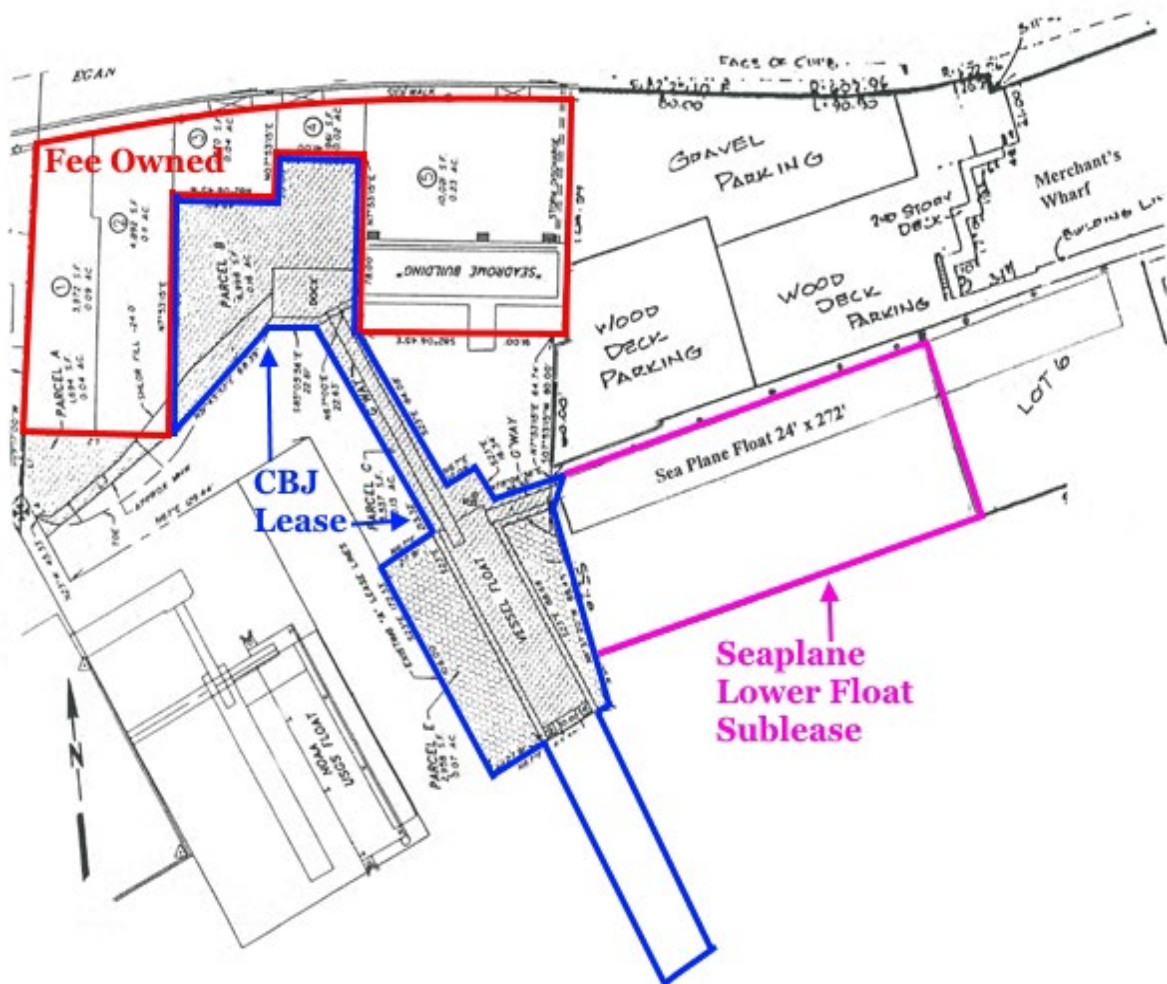
---

1	Introduction .....	4
1.1	Background and Summary of Conclusions .....	4
1.2	Intended Users and Intended Use .....	8
1.3	Inspection & Effective Date .....	8
1.4	Scope of Work .....	8
1.5	Assumptions and Limiting Conditions .....	9
1.6	Definitions .....	12
2	Area Analysis .....	14
2.1	Juneau Area Analysis .....	14
2.2	Neighborhood Analysis .....	15
3	Property Description .....	19
3.1	Site Description .....	19
3.2	Identified Exchange Lands .....	21
4	Valuation .....	24
4.1	Highest and Best Use .....	24
4.2	Land Valuation .....	24
	ADDENDA .....	32
	Certification of Appraiser	
	Photo Orientation Map	
	Subject Photos	
	Site Survey Seadrome	
	CBJ Land Lease	
	Petro – Goldbelt Agreement	
	Petro Amendment #1	
	Tideland Value Ratios	
	A;asla Tode;amds <arlet Remt	
	Juneau Area Analysis	
	Comparable Write ups	
	Qualifications	

# 1 INTRODUCTION

## 1.1 BACKGROUND AND SUMMARY OF CONCLUSIONS

Goldbelt Corporation is the controlling entity of Cultural Preservation, Inc. which owns and leases property at 76 Egan Drive, Juneau, Alaska Seadrome Building and Marina. They have fee ownership of lots 1 through 5, Block 76 Tideland Addition Subdivision to ATS 3 Plat 340, JRD. These are level at grade “uplands, 21,801 SF of commercial the land fronting Egan Drive used for parking and the small three-story wood frame office building on Lot 5. There is an additional 19,919 SF of filled and unfilled tidelands leased from the City and Borough of Juneau for a marina outlined in blue in the figure below. There are also approximately 14,400 SF of submerged lands leased from Merchants Wharf which extends the marina use. The entire tract controlled by the property owner Cultural Preservation Inc. is over 56,000 SF, as generally outlined in Figure 1.1



**FIGURE 1.1 - Showing extent of lands under control of owner Goldbelt/Cultural Preservation, Inc.**

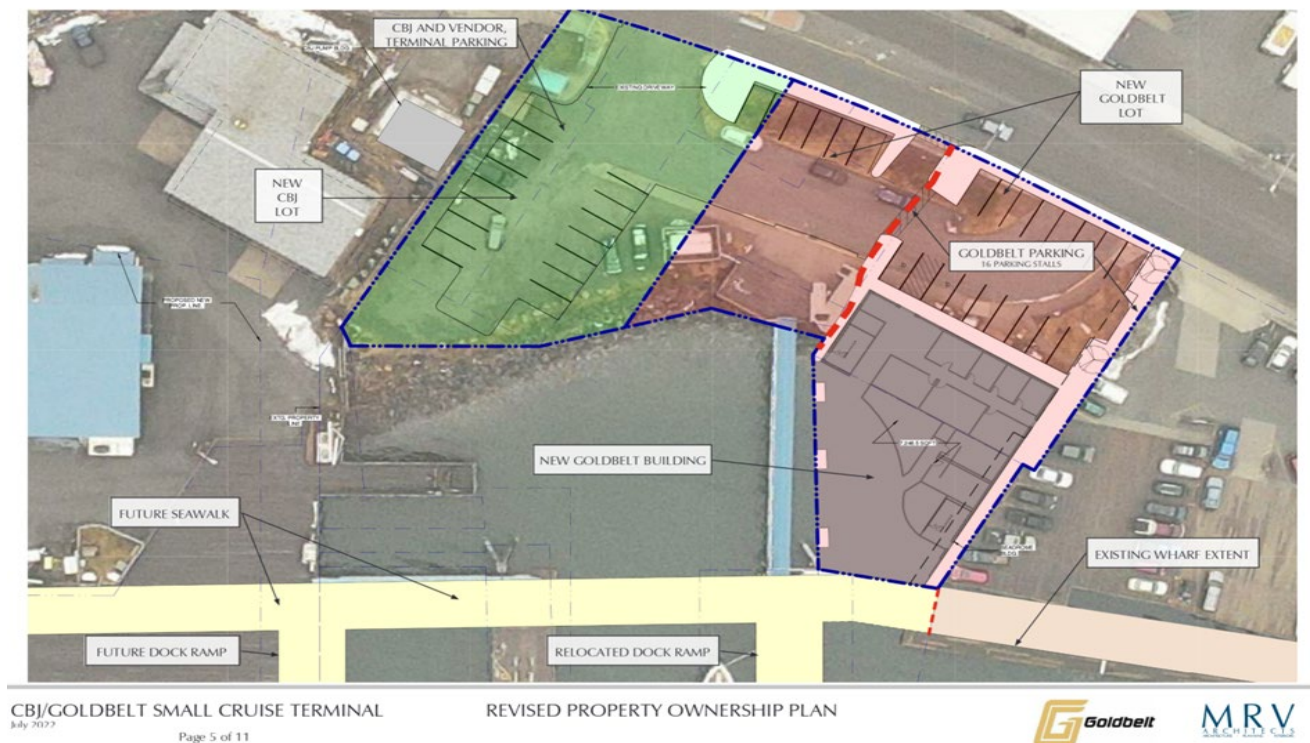
## Synopsis of Land Leases and Agreements

About 19,916 SF of land blue-lined “CBJ Lease” in Fig. 1.1 are leased from the City and Borough of Juneau based on a 35-year lease that began June 1, 1996 which has one additional 35-year option to renew. The annual rent is adjusted to market every five years based on 9% of the estimated market value. It was last reviewed in June 2018 confirming the current rent of \$56,327.58.

The tidelands seaward of Merchants Wharf are leased from the Merchants Wharf based on the 2018 agreement. They also have an agreement for the use of the float on those tidelands with another entity. These agreements have been ongoing for many years. This area is accessed by the CBJ lease.

The site is improved with a small three-story office building paved parking landscaping and other site amenities.

There is a use agreement between Goldbelt and Petro Marine Services for the installation of a diesel fuel system for the purpose of fueling marine vessels. The tanks are above ground inside temporary concrete barriers with fuel lines running down the ramp to the docks. This March of 2015 agreement was amended in June of 2016 allowing a 10 year term expiring in 2025 with automatic one year options to extend.

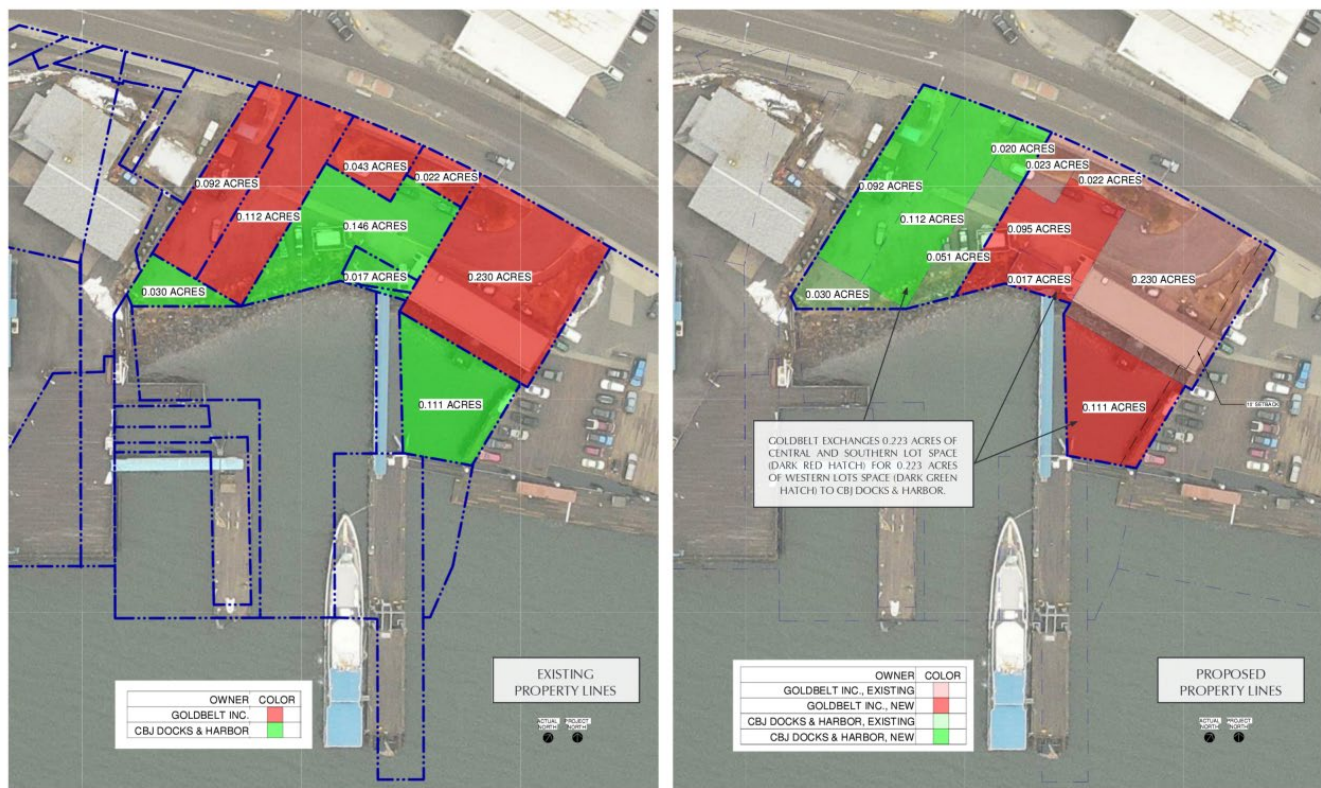


**FIGURE 1.2 - Goldbelt’s initial envisioned expansion July 2022**

## The Proposed Exchange

Goldbelt wishes to expand its upland improvements with a small cruise ship terminal building developed over tidelands seaward of this existing building as noted in Figure 1.2 above. This concept is intended to allow a tie in to the future Seawalk concept. Goldbelt desires to acquire additional land for this purpose and proposes to trade it's uplands for the value of these tidelands.

To initiate the process Goldbelt suggested an exchange configuration that looked something like what is presented in Figure 1.3 below. The idea was to develop an exchange configuration that would be close to equal value. The suggested configuration below puts more valuable level uplands owned by Goldbelt on the CBJ side of the exchange balance requiring several iterations of modifications to develop an even value exchange.



CBJ/GOLDBELT SMALL CRUISE TERMINAL  
July 2022  
Page 4 of 11

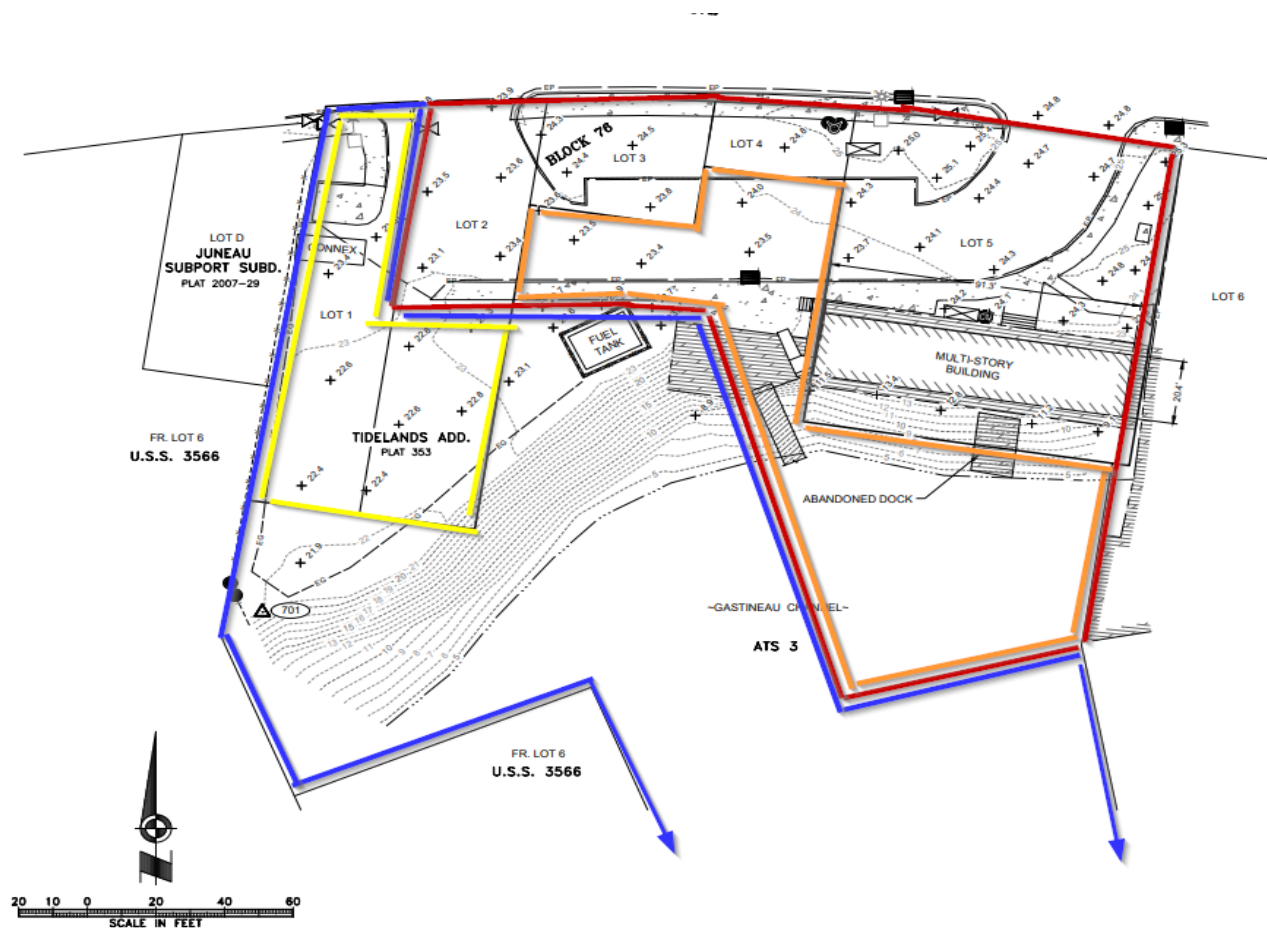
PROPOSED PROPERTY REALLOCATION



**FIGURE 1.3 - initial exchange suggestion which put too much valuable land from Goldbelt to CBJ on the exchange balance.**

As the process developed Goldbelt obtained detailed survey information about the land. The appraiser performed an analysis of the valuation contribution of land characteristics. It was concluded that the highest and best use of the land was similar for both of the property ownerships. It was determined that the sloping and tidal lands had a SF unit value of 40% of the upland unit value. This developed a ratio that for every 1 SF of upland traded, 2.5 SF of tidelands would be required or the reciprocal for every SF of tideland traded 0.40 SF of upland would be required. This ratio and analysis are supported in the valuation section of this report.

After several iterations of possible exchange configurations, the following was concluded to give equal utility to each parties pursuit of highest and best used development of the land.



**FIGURE 1.4 - Concluded exchange configuration showing CBJ receiving Goldbelt land outlined in yellow and Goldbelt receiving CBJ land outlined in orange. This makes the final ownership configuration reflected in CBJ outline in blue which extends into the harbor and covers the existing CBJ Goldbelt lease areas for which the city enjoys market rent. The final configured Goldbelt parcel is outlined in red.**

## Conclusion Traded Land Values

Goldbelt conveys to CBJ	SF Area	Unit Value	Land Value
Upland Parts of Lots 1 & 2	6,252	\$65	\$406,380
Tideland Part of Lot 2	<u>70</u>	\$26	<u>\$1,820</u>
Total Goldbelt Land	6,322		<b>\$408,200</b>
CBJ conveys to Goldbelt	SF Area	Unit Value	Land Value
Upland behind Lots 3 & 4	3,400	\$65	\$221,000
Tidelands west of Lot 5	550	\$26	\$14,300
Tidelands south of Lot 5	<u>6,650</u>	\$26	<u>\$172,900</u>
Total CBJ lands	10,600		<b>\$408,200</b>

### 1.2 INTENDED USERS AND INTENDED USE

The purpose of this appraisal is to estimate the square foot market value of those lands under consideration for exchange and to assist the exchanging parties in developing a near equal exchange of the identified lands based on their values as expressed by these market unit values. For these purposes certain reasonable hypothetical conditions are made part of this assignment such as that the lots are subdivided and marketable and unimproved ready for development to their highest and best use. Also, certain assumptions are made that there is no legal encumbrances by titled interest, lease or agreements would offset the values as calculated.

**The Intended use** of this appraisal as to assist the parties in an equal value exchange. The **Intended users** are the City and Borough of Juneau Harbor Board, Docks and Harbor management and subsequent decision makers involved in the exchange. The appraisal is not intended for any other users or any other use.

Please see the addenda for the summary of assumptions and conditions, certification of appraisal, definitions and other important information relative to the appraisal analysis.

### 1.3 INSPECTION & EFFECTIVE DATE

Charles Horan, MAI inspected and photographed the property on November 17<sup>th</sup> 2023. The property was also viewed on February 21, 2023. This latter date February 21<sup>st</sup> 2023 is the effective date of the appraisal.

### 1.4 SCOPE OF WORK

This appraisal analysis is for land only as though the site is hypothetically vacant and available for highest and best use development. The character of the land is based on a site survey performed by RESPEC. The character the land was differentiated as uplands, generally the land at the top of the slope of the filled areas at near road grade, and tidelands, which in this case include sloping lands and tidal flooded or submerged lands below.

The land is appraised as if vacant and available for development to its highest and best use. It is an extraordinary assumption that the easements, leases and agreements which are described

in this report do not inhibit the value attributed to the various exchange parcels. It is assumed the current land lease between the CBJ and Goldbelt will be revised to accommodate the new lot lines. No complete legal description or current title status report to the land has been provided to the appraiser. It is understood that the land will be surveyed into a legal site prior to conveyance.

The land value as hypothetically vacant will be estimated on the contributory square foot value of each of the exchange components of the land as uplands and tidelands.

The most direct way to estimate market value of the land is the sales comparison approach. Sales prices or annual rents have been analyzed as the primary indicators of value in the subject's competitive market. The market unit of comparison for this property is price per square foot. In some instances, leases were capitalized to indicate the fee value. A land capitalization rate of 8%<sup>1</sup> is used unless a contract rent is being converted and states otherwise. The income approach and depreciated cost approach were considered, but not applicable in the subject instance. The appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP).

A thorough search of the market has been made for comparable transactions including interviews with realtors, consultations with the southeast and statewide Multiple Listing Services, a review of the assessor's files on sales transactions, lenders, government agencies and others who regularly participate in the real estate market. To the extent possible, we have interviewed buyers, sellers or other knowledgeable parties to the transactions as more fully described in our market data sheets contained in the addenda.

Our office maintains market data information on sales, transfers and on a geographic location basis for those rural properties not connected to a road system and those connected. Within each of these areas, the data is further segmented into commercial and residential properties. Within these divisions of separation are divisions for zoning and whether the properties are waterfront or upland parcels. Horan & Company, LLC maintains and continually updates this library of sale transactions throughout Alaska by region and has done so for over 30 years.

## 1.5 ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is made based on the following **hypothetical conditions (HCs)** and **extraordinary assumptions (EAs)**.

**HC1** It is a hypothetical condition of this appraisal that the land as appraised is a legal subdivided marketable sites in fee simple title allowing the highest and best use of each ownership.

---

<sup>1</sup> See adenda for Alaska Tidelands Valuation And Rent Market

**HC 2** The value is for land only. The value disregards site improvements which are present.

**EA1** It is an extraordinary assumption that the lot size and portions are as outlined in this report. It's understood that the final square footage may vary somewhat which could be adjusted by the client or by an amended appraisal.

**EA2** It is an extraordinary assumption that easements, leases and agreements which are known and outlined in this report do not inhibit the value attributed to the various exchange parties. It is assumed current land lease between the CBJ and Goldbelt will be revised to accommodate the new lot lines.

This appraisal and valuation contained herein are also expressly subject to the scope of work and the following assumptions and/or conditions:

1. It is assumed the data, maps and descriptive data furnished by the client or its representative are accurate and correct. Photos, sketches, maps, and drawings in this appraisal report are for visualizing the property only and are not to be relied upon for any other use. They may not be to scale.
2. The valuation is based on information and data from sources believed reliable, correct and accurately reported. No responsibility is assumed for false data provided by others.
3. No responsibility is assumed for building permits, zone changes, engineering or any other services or duty connected with legally utilizing the subject property. No responsibility is assumed for matters legal in character or nature. No opinion is rendered as to title, which is assumed to be good and marketable. All existing liens, encumbrances, and assessments have been disregarded unless otherwise noted, and the property is appraised as though free and clear, having responsible ownership and competent management. It is assumed that the title to the property is marketable. No investigation to this fact has been made by the appraiser.
4. The property described herein has been examined exclusively for the purpose of identification and description of the real property. The objective of our data collection is to develop an opinion of the highest and best use of the subject property and make meaningful comparisons in the valuation of the property. The appraiser's observations and reporting of the subject land or improvements are for the appraisal process and valuation purposes only and should not be considered as a warranty of any component of the property. This appraisal assumes (unless otherwise specifically stated) that the subject is structurally sound and all components are in working condition.
5. This appraisal report may note any significant adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) discovered during the data collection process in performing the appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such

as but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and have assumed that there are no such conditions and make no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property. The appraiser obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable public and/or private sources believes it to be true and correct. It is assumed that no conditions existed that were undiscoverable through normal diligent investigation which would affect the use and value of the property. No engineering report was made by or provided to the appraiser.

6. The Client is the party or parties who engage an appraiser in a specific assignment. A party receiving a copy of this report from the client does not, as a consequence, become a party to the appraiser-client relationship. Any person who receives a copy of this appraisal report as a consequence of disclosure requirements that apply to an appraiser's client does not become an intended user of this report unless the client specifically identified them at the time of the assignment.
7. The appraisal report may not be properly understood without access to the entire report. The appraisal is to be considered in its entirety, the use of only a portion thereof will render the appraisal invalid.
8. Any distribution of the valuation in the report between land, improvements, and personal property applies only under the existing program of utilization. The separate valuations for land, building, and chattel must not be used in conjunction with any other appraisal and is invalid if so used.
9. One (or more) of the signatories of this appraisal report is a member or associate member of the Appraisal Institute. The bylaws and regulations of the Institute require each member and candidate to control the use and distribution of each appraisal report signed by such member or candidate. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this appraisal report in its entirety to such third parties as selected by the party for whom this appraisal report was prepared; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media, or other media for public communication without the prior written consent of signatories of this appraisal report.

10. The appraiser shall not be required to give testimony or appear in court by reason of this appraisal with reference to the property described herein unless prior arrangements have been made.

## 1.6 DEFINITIONS

### Market Value

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

- 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 U.S. 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.

*The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute, Page 123*

The estimated market exposure time is 18 to 24 months.

### Extraordinary Assumption

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 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. (USPAP, 2016-2017 ed.)

*Dictionary of Real Estate Appraisal, Sixth Edition, Page 83-84.*

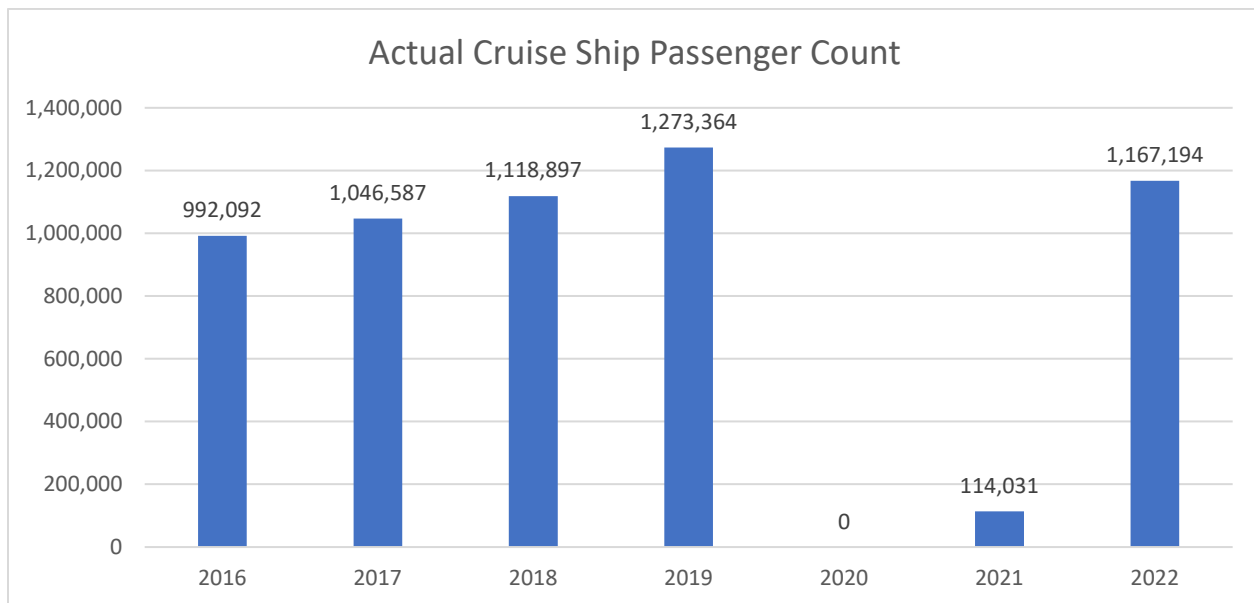
### Hypothetical Condition

1. A condition that is presumed to be true when it is known to be false. (SVP)
2. 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, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.)

The use of an extraordinary assumption or a hypothetical condition if found to be otherwise could impact appraisers' analysis and conclusions.

### 2.1 JUNEAU AREA ANALYSIS

Please see the addenda for the expanded Juneau Area Analysis. The population and employment in Juneau have been declining over the last few years but it appears that the decline is diminishing. The population is aging. There is a housing shortage with prices rising due to supply and demand issues as well as inflationary pressure for materials. There have been no large-scale multifamily housing projects developed for the last several years. It appears that feasibility for new rental housing may be difficult. With the increase in values for condominiums and other forms of home ownership, there may be some more potential in the future for this type of feasible housing. It's beyond the scope of this report to make this determination at this time.



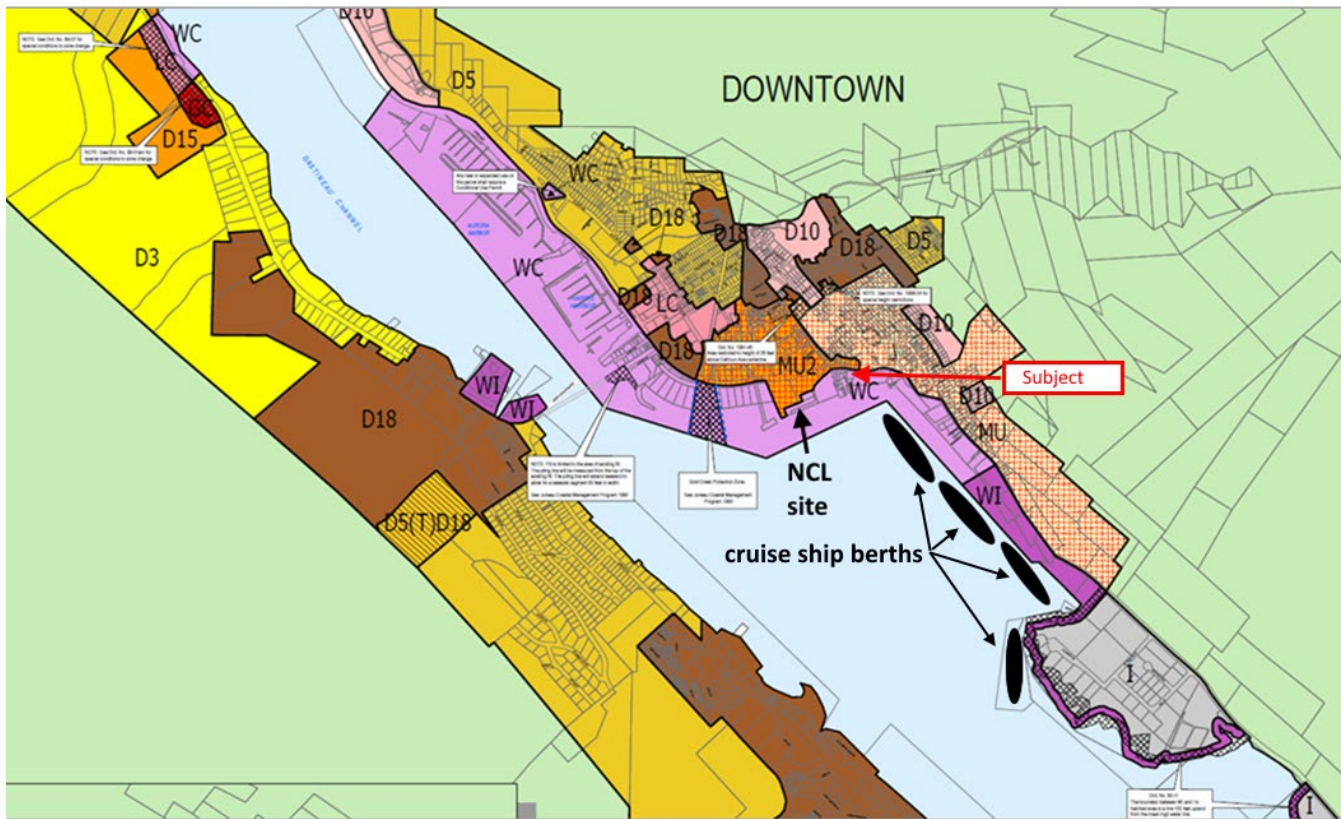
**Figure 2.1 - Actual cruise ship passenger count provided by CBJ Docks and Harbor Department, the Tide Line November 2022 newsletter.**

Tourism has recovered significantly for the independent traveler and more recently, just this year for the cruise ship passenger. Actual passenger count for 2022 is 92% of the previous high in 2019. It appears it will improve next year. Tourism-related sales are also rebounding as seen in gross tax receipts but not near the levels previously seen in 2019. The independent travel market appears to be stronger based on bed tax receipts which in 2022 may have outpaced the 2019 season. Education, government, fishing, and other industries that have lagged in the last several years appears to be recovering if not to prior levels. State Government continues to shrink but may be leveling off.

Overall, the current market in 2022 is positive. It is expected that prices would be stable or moderately increasing in some parts of the commercial real estate sector.

## 2.2 NEIGHBORHOOD ANALYSIS

The subject property is located on the Juneau Harbor waterfront beyond the dense traffic generated by cruise ships. However, it provides a nearby deep-water marina for large yachts, small tourism vessels and sea planes. The subject has the advantage of convenience for most tour operators that would work out of this property. While use of the subject is limited by the water-oriented zoning, its close proximity to the tourism traffic.



**FIGURE 2.2 - Zoning Map. Source: CBJ Downtown Juneau & Douglas Zoning Map as of September 29, 2015 annotated by Horan & Company.**

### Zoning

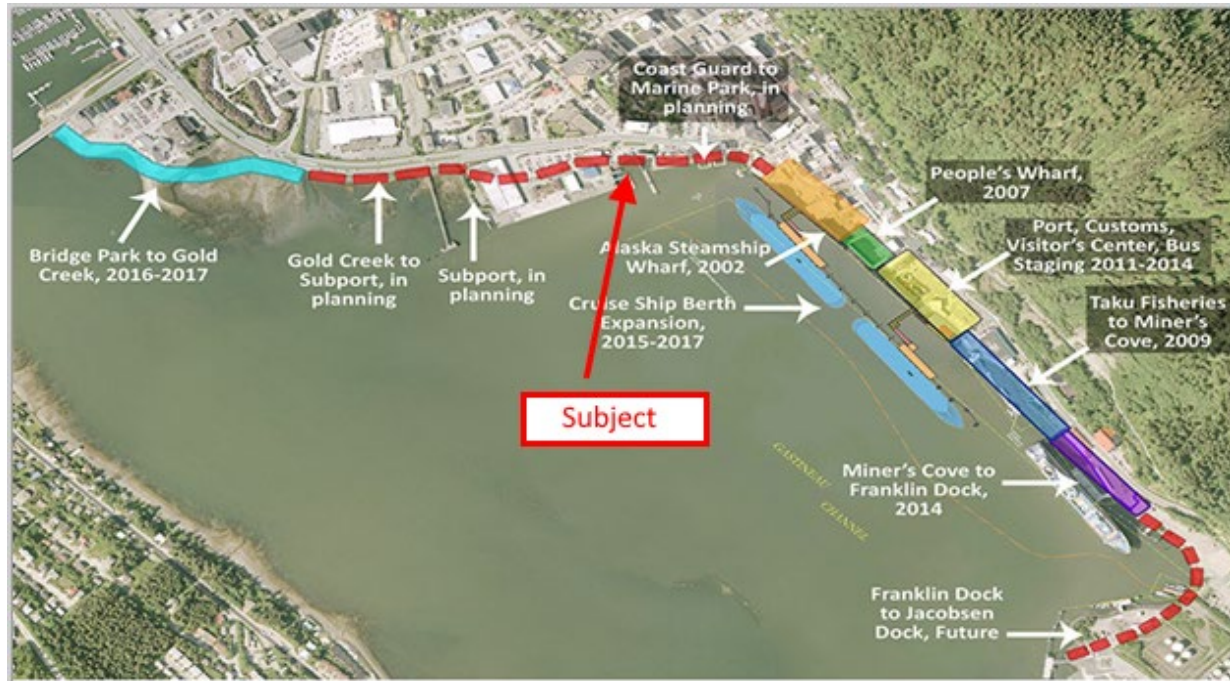
The property is zoned Waterfront Commercial (WC). The WC, Waterfront Commercial District, is intended to provide both land and water space for uses which are directly related to or dependent upon a marine environment. Such activities include private boating, commercial freight and passenger traffic, commercial fishing, floatplane operations, and retail services directly linked to a maritime clientele. Other uses may be permitted if water-dependent or water-oriented.

The parking ordinance changed in March of 2022. The subject was in the former Parking District PD2, which allowed owners or property developers a reduction in the parking requirements up to 30%. The new No Parking Required Area establishes an area where properties can be developed with no requirement for parking which in many cases enhances their development potential. The subject is in the Town Center Parking Area which addresses many issues that had to be dealt with on an individual basis and caused some confusion and development constraints within the area. For instance, it establishes the distance that off-site parking can be provided for development on a certain site. There is still a fee in lieu of opportunity to satisfy parking requirements. There is a mechanism for joint use parking where the requirement can be satisfied with parking provided at different times of day for instance evening theater users can get credit for the same space with daytime office users. The parking space requirements were reduced ranging 50% to 100% of the standard requirement depending on the use. Still many uses require parking to make them feasible to achieve the best economic rent for offices, some residential and some retail for instance.



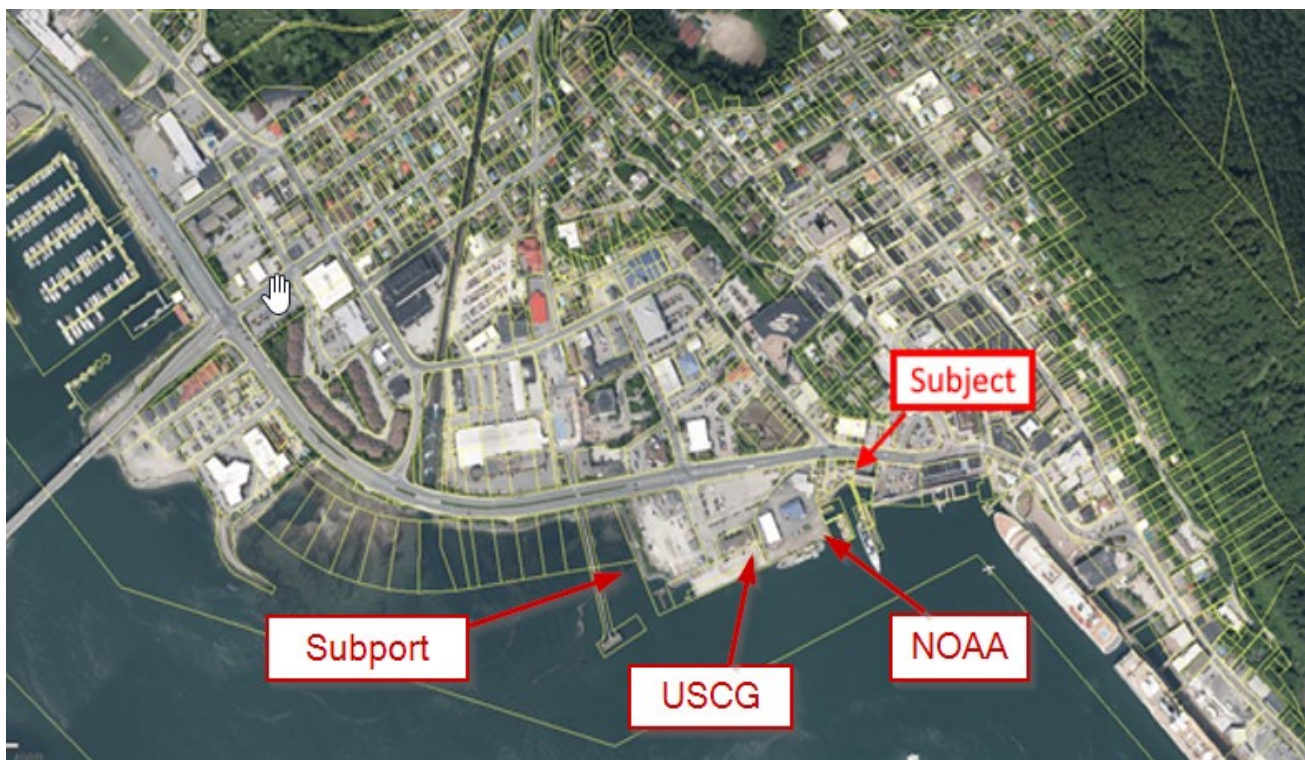
## Juneau Harbor Waterfront

The Long Range Waterfront Master Plan established in 2004, which became part of the Juneau comprehensive plan, calls for a sea walk to pass through these parcels connecting the broader neighborhood by an elevated walkway from the cruise ship docks on South Franklin Street to the 8<sup>th</sup> Street office complex. This project has steadily progressed in phases. The most recent Seawalk phase was completed from the 8<sup>th</sup> Street office complex to Gold Creek, just west of the subject.



**FIGURE 2.4 - Seawalk timeline concept from CBJ website.**

The subject has historically been used for small cruise ships. It is well situated to comply with the waterfront development concept for small to midsize ship harbor and marina use. The CBJ cruise ship docks are just east of the subject beyond the Merchants Wharf which is used for floatplane tourism and the subject marina which employs part of the Merchants Wharf tidelands frontage. Just West of the subject is a small NOAA dock and the US Coast Guard dock beyond. Apparently Juneau has been notified they will possibly be home porting an ice breaker which may involve redevelopment of this government property to the west. Further west is the NCL purchase of 2.9 acres of land on which they envision the development of Juneau Harbors 5<sup>th</sup> large cruise ship dock. The Juneau Waterfront Plan and its overarching Comprehensive Plan have been modified to allow this to happen in the Subport area. All these waterfront dock properties are in high demand at this time due to the growing number of cruise ship visitation to the port of Juneau. This activity demonstrates that the demand for the subject property is very good.



**Figure 2.5 - CBJ GIS overview map of downtown commercial area and inner harbor area**

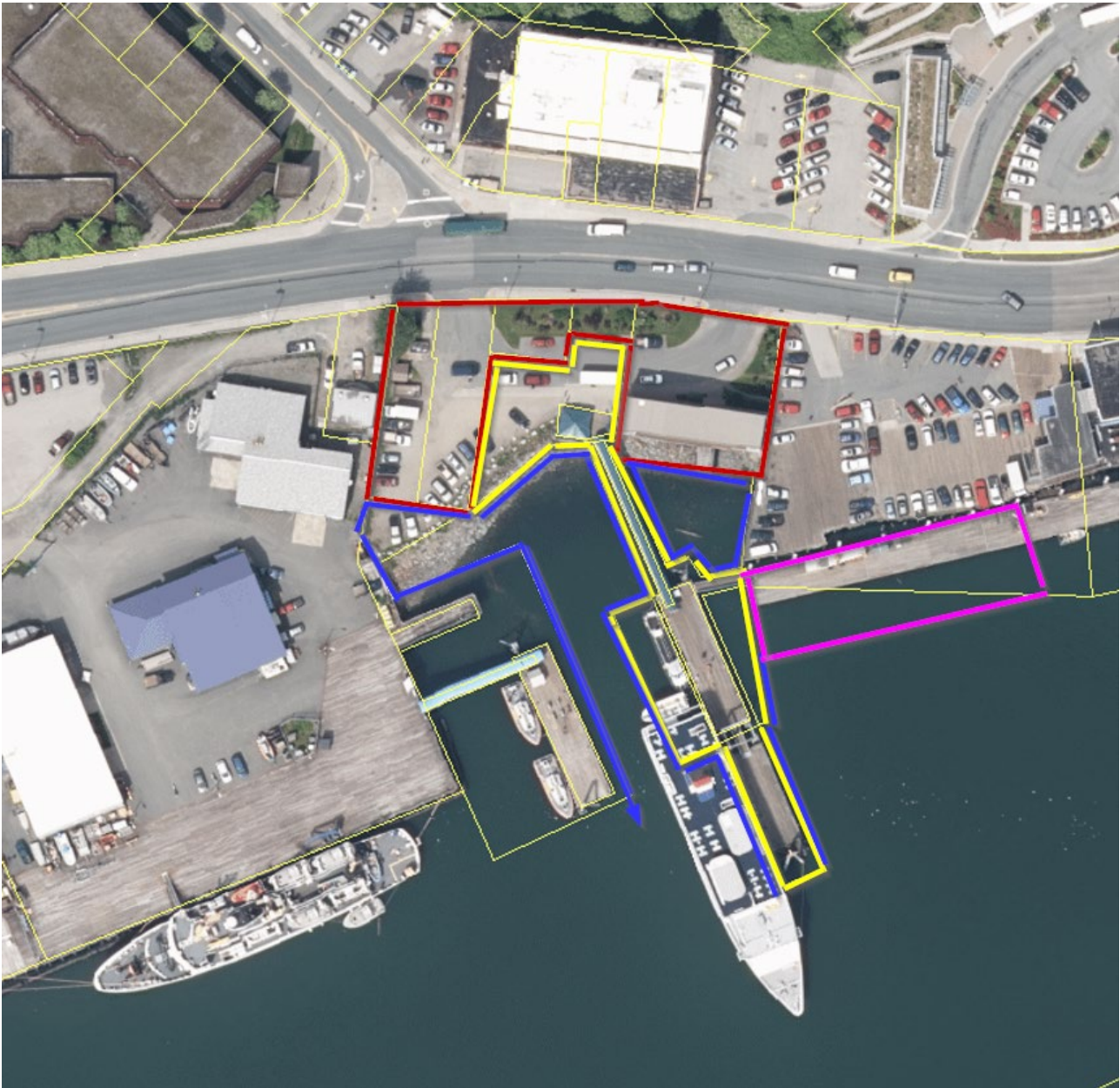
---

### 3 PROPERTY DESCRIPTION

---

#### 3.1 SITE DESCRIPTION

The purpose of the appraisal is to estimate the typical SF land value for the for the properties owned by the proponents of the exchange which we will call CBJ lands and Goldbelt lands. The present configuration and context of these parcels are as indicated in



**Figure 3.1 - The red lines embrace those lands currently owned by Goldbelt. The blue and yellow embrace those lands owned by the CBJ. The yellow is leased from CBJ to Goldbelt.**

### Character of larger land area

The lands are considered as equally situated economic units. In other words, the CBJ is not penalized for not having frontage on Egan Drive nor is Goldbelt penalized for not having access to the waterfront without a land lease from the CBJ. Overall the land has about 250 feet of frontage on Egan Drive. The upland area at grade extends 70 feet to 150 feet south toward the sloping tidelands. The tidelands influence extends another 300 feet or more into the deep water of Juneau Harbor.

The land influenced by the exchange areas is roughly outlined in Figure 3.1. This consists of about 48,000 SF of the CBJ lands of which 6000 SF more or less is classified as uplands (about 12%). Goldbelt has about 20,000<sup>2</sup> square feet of land of which is roughly 16,700 square feet classified as uplands (84%).

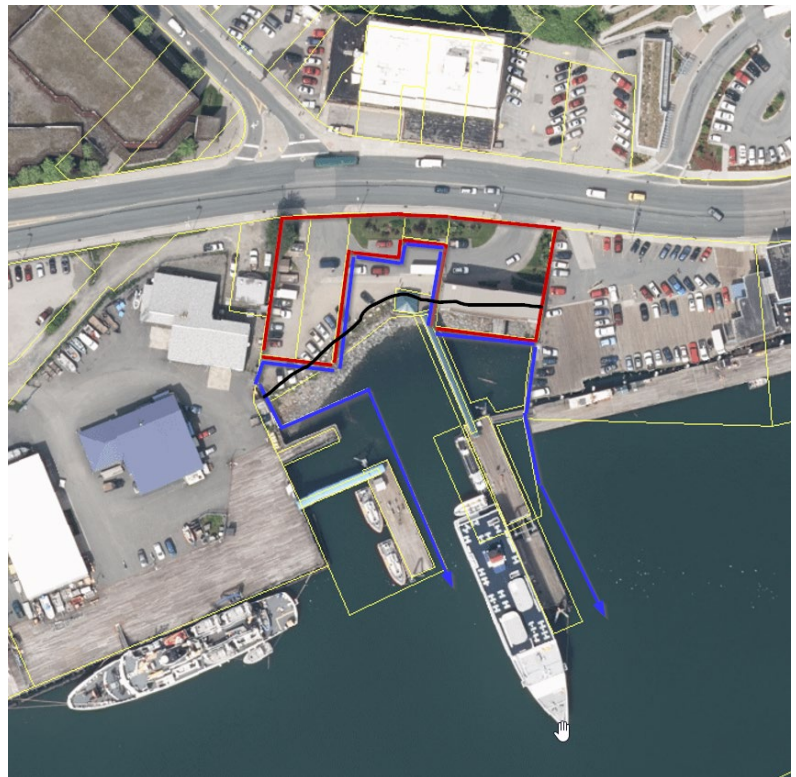
The fill soil is level at road grade and assumed to be competent for most economic highest and best uses based on the neighborhood and historic development on the site. The sloping tidelands appear to be adequate as well as they currently support a pile driven marine float and ramp structure capable of mooring small to midsize vessels.

### Utilities

All utilities available in the City and Borough of Juneau are available to the site, including water, sewer, telephone, cable television, electric power, etc.

### Access and Off-Site Improvements

Road access is along Egan Drive, a paved, undivided, four-lane highway with concrete curbs, gutters, and storm drainage. No on-street parking is available adjacent to or near the subject.



**Figure 3.2 rough outline of land ownership, Goldbelt in red CBJ in blue. This also notes rough approximation of top of fill line.**

---

<sup>2</sup> Goldbelt has title to about 21,801 SF in Lots 1 through 5 Block 76 of the Juneau Townsite Addition. In about 2017 1,823 SF were conveyed as a perpetual easement to the State of Alaska DOT leaving a net effective land area of just under 20,000 SF.

This is a heavily trafficked road. The site has water access through tidelands to the deep water of Gastineau Channel to the south.

### **Assessed Valuation and Taxes**

The subject is carried as two parcels by the assessor with the following Parcel IDs;  
1Co70K760010, Legal Description Tidelands Addition Block 76 Lots 1, 2, & 3, and  
1Co70K760020, Legal Description Tidelands Addition Block 76 Lots 4 & 5.  
The total value for both parcels owned in fee is \$2,138,565 for the 2022 assessment.

The leasehold interest in the tidelands, owned by CBJ Docks & Harbor, parcel number 1Co70K760021, ATS 3 FR, is \$954,030 for 2022.

This includes the improvement value of the floats and other marine improvements. The total value for all three parcels is \$3,092,595. The taxes for all three would be \$32,658 based on a current mill rate of 10.56.

### **Easements and Other Restrictions**

There are no known easements or platted site restrictions that would influence the typical square foot value for the purpose of our analysis. We have already addressed the existence of the land lease and other agreements which do not impact our square foot value analysis.

### **3.2 IDENTIFIED EXCHANGE LANDS**

The exchange lands have been analyzed for their site characteristics as filled or tidelands as previously defined. The CBJ Port Engineer, in consultation with the appraiser, has defined an approximate equal value exchange. The character of these lands are also informed by the topographical survey performed by RESPEC surveyors. The following figure identifies those lands..

This analysis notes that Goldbelt would convey approximately 6,322 SF of land and that the CBJ would convey approximately 10,600 SF land. The breakout is summarized in the following table.



**Figure 3.3 Drawing by Matthew D. Sill, P.E. Port Engineer, Port of Juneau which summarizes the size and shapes of lands that will create an approximate equal exchange.**

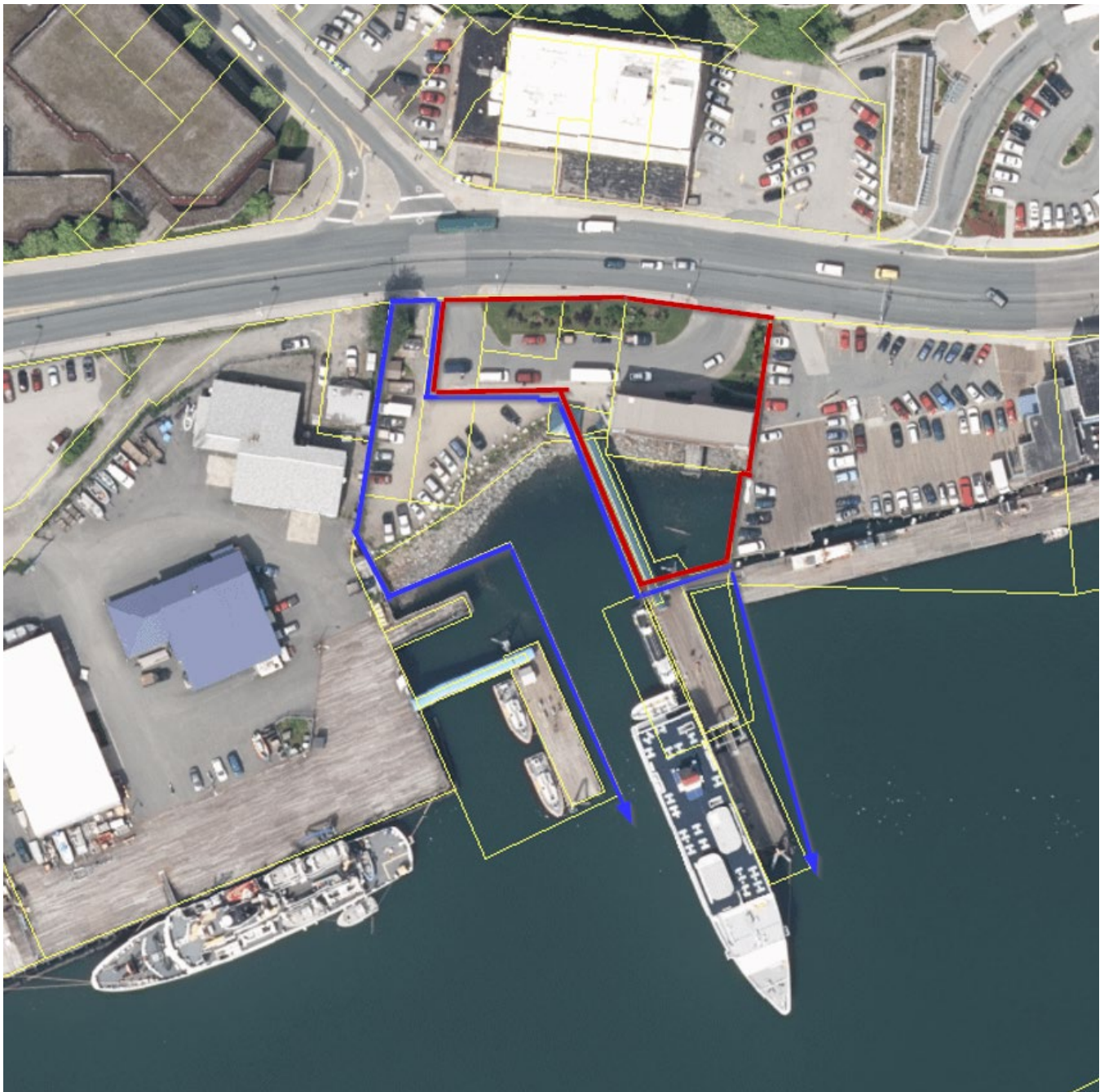
#### **Goldbelt Conveys to CBJ**

Upland Parts of Lots 1 & 2	6252 SF
Tideland Part of Lot 2	<u>70 SF</u>
Total Goldbelt land	6322 SF

#### **CBJ conveys to Goldbelt**

Upland behind Lots 3 & 4	3400 SF
Tidelands west of Lot 5	550 SF
Tidelands south of Lot 5	<u>6650 SF</u>
Total CBJ lands	10600 SF

The newly configured sites would approximate the shapes shown in Figure 3.4 below.



**Figure 3.4 showing newly configured land ownerships. Note CBJ lease to Goldbelt is not indicated.**

---

## 4 VALUATION

---

### 4.1 HIGHEST AND BEST USE

Highest and best use is defined as "the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value.

*The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute, page 93*

The highest and best use for the subject lands would be those allowable uses in the Waterfront Commercial (WC) zone, which include “uses which are directly related to or dependent upon a marine environment.” The commercial waterfront uses to the east include retail sales and other activities oriented towards cruise ship tourism.

Historically, this waterfront site had been developed for docking boats for the owner’s tourism operation. Since that time, the owner dropped that business and operates as a marina for other small tour operators, yacht moorage, etc. The subject upland area supports the logistics of loading and unloading passengers, and the office building on the rear part of Lot 5.

The subject location has proven attractive for its deep-water access close to the cruise ship docks which generate high traffic. The subject is in the Town Center Parking Area district which allows flexible parking requirements. Its demand would be superior to nearby commercial uses without these advantages.

The maximally profitable use is for a marine oriented waterfront development similar to the existing use. The highest and best use of the uplands is to support the marina, small ship terminal use, parking and loading areas.

### 4.2 LAND VALUATION

In this section, the typical SF market value will be estimated. The direct sales comparison approach is utilized in the subject instance. Commercial land sales and capitalized land rents in the immediate area were considered for estimating the square foot value of the subject. For valuation purposes the two site components; level land at road grade (upland) and sloping/tidelands (tideland) are considered for their contributory value of the overall site. The following transactions were found to be most helpful in our analysis. We will estimate the market value of the uplands. We have determined<sup>3</sup> that the tidelands value is a 40% of the unit value of the uplands. We have then adjusted the concluded value of the uplands by this ratio (40%) to determine the contributory value of the tidelands.

---

<sup>3</sup> See addenda for the Tideland Value Ratio study. The subjects are rated as well functioning tidelands at 40%.

Table 4.1 – Summary of Sales Used to Estimate the Value of the Subject Uplands						
Comp #	Address	Date	Indicated Price	SF Size	Price /SF	Comment
1-1494	360 Egan DR	07/2020	*\$1,173,520	29,338	\$40.00	Level land at grade
2-5011	98 Egan DR	06/2018	*\$625,862	19,916	\$31.43	Mixed Tide & upland
Upland			*\$360,047	6,998	\$51.45	Upland
Tideland			*\$265,815	12,918	\$20.58	Tideland
3A-11509	127 S Franklin St.	12/2021	\$1,350,000	16,204	\$83.31	5,000SF near Rd Grade
3B-12181	139 S Franklin St.	04/2022	\$171,000	3,217	\$53.16	At Rd Grade
3	S Franklin St.	04/2022	\$1,521,000	19,421	\$78.32	Mixed Topo

\*Capitalized Land Rent



**Comp1** is across the street a block away from the subject. It is a renewal of a long-term ground rent that was negotiated in mid-2020. The market has improved somewhat since then. This comp will be analyzed as a capitalized rent.



**Comp 2** is also in capitalized land lease of the Goldbelt Tidelands lease from 2018. The market has improved since that time. This comp has the components of uplands and tidelands as does the subject reflecting a 40% ratio of tidelands unit value to uplands.



**Comp 3 A&B** represents two separate purchasers of adjacent properties that are interrelated by easement access and other issues. The first purchase in December of 2021 was for the bulk of the property that has excellent frontage on S Franklin St and benches behind to steep lands accessible off Gastineau Ave. The purchaser felt this transaction was related and should be considered part of the subsequent purchase of a small City Park/land remnant in April of 2022. The price for this latter purchase reflects the high-value frontage on S Franklin Street but also significant discounts for easement encumbrances for AEL&P utilities and access easements which favor the first purchased land. This is a good reflection of high-value core commercial real estate in downtown Juneau. It is superior to the subject in its location and current development potential for tourism retail.

### Quantitative Adjustments

Quantitative Adjustments are made for the rental **Comps 1 and 2** whereby these annual rents are capitalized to indicate market value which is then expressed as a price per SF. The rents are capitalized at the contract rate if applicable or a market rate of 8%. This market rate estimate of 8% is supported by our study in the addenda, Land Lease Rent Percentage Rate Market.

**Comp 2** has elements of filled uplands and tidelands as does the subject. This capitalized rent is further broken out based on an allocation that the tidelands at 40% of the unit value of uplands. This ratio is supported by market analysis contained in the Addenda, Tideland Value Ratios. This is also the case with the subject. Our analysis will develop a unit value of the uplands. The remaining portion of the subject lands will be added at a ratio of 40% of the upland unit value.

**Comp 3** is the purchase of two adjoining sites in downtown Juneau on S Franklin St. They were considered one site by the buyer. The smaller site (Comp 3B), purchased four months later, was a City Park that the City preferred to sell to the adjacent property owner (Comp 3A) since the City site (Comp 3B) was encumbered by an access easement that favored the previously purchase site (Comp 3A). They are analyzed as one transaction for the purpose of estimating the contributory unit value of the upland.

## Qualitative Analysis

The remaining elements of comparison, change in market conditions, conditions of sale, location, and development potential are made in a qualitative manner since discrete adjustments discerned from the market to make quantitative adjustments are not reliably available.

The upland sales are considered on a qualitative basis relative to their being superior, inferior or similar to the subject due to these differences. The indicated price per SF is qualitatively ranked in the following discussion. If a comparable attribute is superior to the subject, a minus rating of -1, -2, or -3 is made, depending on its severity. Conversely, if a comparable attribute is inferior to the subject, a plus rating is made to weigh this with other attributes towards the subject with a +1, +2, or +3, depending on the severity. The gradation of weighting 1 to 3 is used since all qualitative attributes are not, in the appraiser's opinion, equally weighted within the market.

The **market conditions** have changed over the last five years. Prior to the pandemic in early 2020, the market had been relatively stable. The pandemic introduced considerable market uncertainty into 2021. As time went forward, it appeared that travel and some of the other pandemic restrictions may be loosening up even though the COVID virus remained a persistent threat. 2022 begin to see a recovery in the overall economic conditions with increases in sales, employment, and gross earnings in certain market segments which had suffered. There were inflationary pressures that began to be exhibited in 2022. The transactions prior to 2022 are considered inferior by +1 for Comps 1 and 2.

**Conditions of sale** is rated similar between the subject as appraised prior to adjustments for contract risk conditions which will be discussed after concluding the value as though unaffected by those conditions. Each of the comparables was based on rational market criteria of competitive sales or supported by appraisal or other economically driven market-related factors considered by the grantors, grantees or the lessors and lessees. Therefore, the transactions are all rated similar for property rights.

**Location** considers site prominence as exposure to pedestrian or vehicular traffic and ease of access. Comps 1 and 2 are on Egan Drive and rated similar for location. Comp 3 is located on South Franklin street by Front Street in a high-traffic pedestrian area. The purchase was motivated by this traffic and the retail sales it could subsequently generate. It is rated superior by – 1.

**Development potential** is somewhat related to location but reflects the heightened demand for the subject for the possibility of developing a very large cruise ship dock off-site. Although this possibility was not a certainty at the effective date of the appraisal, it was considered probable at some time and was seen in the market as a stimulating motivation for a higher price. In regard to perceived development potential Comps 1 is inferior +1 as it does not have any potential for waterfront development. Comp 2 is similarly on the water, it is part of the

subject. Comp 3 is inferior +1 in its development potential due to only 42% (~8,217 SF of 19,421 SF) of the site near street grade and immediately developable. This site does have more immediate near-term possibility for developing retail income as related to the size of the site.

**Parking** is a critical issue in downtown Juneau. The subject and Comps 1 and 2 are located in the Downtown Center Parking Area which has significantly reduced parking requirements from the other areas of town. These are all rated similar in this regard. Comp 3 on the other hand is in an area that has no parking requirements making the land more valuable, all things being equal, since it does not require part of its site to be dedicated to parking. It is rated superior -1.

### **Summary and Relative Ranking**

The rankings discussed above relative to their SF values compared to the subject are summarized in the following Table 4.2 for the subject uplands.

Characteristic	Subject	Comp 1 - #1494 360 Egan Dr		Comp 2 #5011 98 Egan Dr		Comp 3 #11509 & 12181 S. Franklin St.	
Annual Rent	N/A	Confidential		\$56,325		NA	
Indicated Value	N/A	\$1,173,520		See Discussion		\$1,521,000	
Size (SF)	40,000 SF 20,000 SF	29,338 SF		6,998 SF (19,916 SF) tot		19,421 SF	
Indicated SF Value of Upland	Solve	\$40.05/SF		\$51.45/SF		78.32/SF	
Market Condition (Time)	8/2022	7/2020	+1	6/2018	+1	4/2022	0
Condition of Sale	Typical	Similar	0	Similar	0	Similar	0
Property Rights	Fee	Similar	0	Similar	0	Similar	0
Location	Good Prominence	Similar	0	Similar	0	Superior	-1
Development Potential	Good, Comm. Marine	Inferior	+1	Similar	0	Inferior	+1
Parking District	Town Center	Similar	0	Similar	0	Superior	-1
Net Rating		Inferior	+2	Inferior	+1	Superior	-1
The Subject Value Is:		More Than \$40.00/SF		More Than \$51.45/SF		Less Than \$78.32/SF	

If a comparison is **Superior**, a Minus rating of -1, -2, or -3 is given depending on severity.

If a comparison is **Inferior**, a Plus rating of +1, +2, or +3 is given depending on severity.

The data brackets the subject fairly well between \$40.00/SF and nearly \$78.32/SF; the midpoint of this range is \$59.16/SF. Less weight is given to the lower end of the range. Less comparable indicators, Comp 2 is the subject capitalized rental value that has not changed for many years. It is a low indicator of value. The market range is closer to \$51.45/SF and \$78.32/SF. The central point of this range is \$64.89/SF. This higher end of the range is a more recent reflection of the market and is given the most weight. The indicated value of the upland is \$65.00/SF. The contributory value of the sloping and tidelands are 40% of this amount or \$26.00/ SF.

## Conclusion Exchange Values

Based on the foregoing the exchange lands are valued as follows.

Goldbelt conveys to CBJ	SF area	Unit value	Land Value
Upland Parts of Lots 1 & 2	6,252	\$65	\$406,380
Tideland Part of Lot 2	<u>70</u>	\$26	<u>\$1,820</u>
Total Goldbelt Land	6,322		<b>\$408,200</b>
CBJ conveys to Goldbelt	SF area	Unit value	Land Value
Upland behind Lots 3 & 4	3,400	\$65	\$221,000
Tidelands west of Lot 5	550	\$26	\$14,300
Tidelands south of Lot 5	<u>6,650</u>	\$26	<u>\$172,900</u>
Total CBJ lands	10,600		<b>\$408,200</b>

---

# ADDENDA

---