

**APPRAISAL REPORT
REAL ESTATE APPRAISAL**

Of
Petersburg Port Authority Storage Lot



dock St, Petersburg
AK, 99833

As of
March 4, 2024

Prepared For
Ms. Debra Thompson
Petersburg Borough
12 South Nordic
Petersburg, AK, 99833

Client File:

Prepared by
RAMSEY APPRAISAL RESOURCE
Roger Ramsey, AK-APRG570

File Name:
24-26

RAMSEY APPRAISAL RESOURCE

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March 20, 2024

Ms. Debra Thompson
Petersburg Borough
12 South Nordic
Petersburg, AK 99833

Re: Appraisal Report, Real Estate Appraisal
Petersburg Port Authority Storage Lot
dock St, Petersburg,
AK, 99833

File Name: 24-26

Dear Ms. Thompson:

At your request, I have prepared an appraisal for the above referenced property, which may be briefly described as follows:

The subject property is filled tidelands which have been filled with good draining fill to the level of Dock Street. The platted boundary appears to be at the top of the bank supporting the fill, so all of the subject lot is flat and usable, but the subject site does not have riparian rights. Utilities currently do not adjoin the site and will need to be brought in from Dock Street.

Please reference page 9 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis and valuation methodology.

I certify that I have no present or contemplated future interest in the property beyond this estimate of value. The appraiser has not performed any services regarding the subject within the three-year period immediately preceding acceptance of this assignment.

Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 7). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, I note the following:

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal.

Extraordinary Assumptions:

- There are no Extraordinary Assumptions for this appraisal.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), I have made the following value conclusion(s):

Current As Is Market Value:

The “As Is” market value of the Fee Simple estate of the property, as of March 4, 2024, is

Four Hundred Fourteen Thousand Dollars (\$414,000)

The market exposure time preceding March 4, 2024 would have been 4 months and the estimated marketing period as of March 4, 2024 is 4 months.

Respectfully submitted,
Ramsey Appraisal Resource



Roger Ramsey
AK-APRG570

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Summary of Important Facts and Conclusions

GENERAL

Subject: Petersburg Port Authority Storage Lot
dock St,
Petersburg, AK, 99833

The subject property is filled tidelands which have been filled with good draining fill to the level of Dock Street. The platted boundary appears to be at the top of the bank supporting the fill, so all of the subject lot is flat and usable, but the subject site does not have riparian rights. Utilities currently do not adjoin the site and will need to be brought in from Dock Street.

Owner: Petersburg Borough

Legal Description: A portion of Petersburg Port Authority Storage area according to Plats 2000-5 and 2000-6.

Date of Report: March 20, 2024

Intended Use: The intended use is for setting a potential sales price.

Intended User(s): The client and potential purchasers.

Assessment:

Real Estate Assessment and Taxes			
Tax ID	Land	Improvements	Total Assessment
01-010-035	\$227,200	\$10,500	\$237,700
Totals	\$227,200	\$10,500	\$237,700

Notes:

Sale History: The subject has not sold in the last three years, according to public records.

Current Listing/Contract(s): The subject is not currently listed for sale, or under contract.
Portions of the property are currently encumbered with short term storage at a rate of \$.30 per SF per month.

Land:

Land Summary						
Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Usable Land Area (Acres)	Usable Land Area (Sq Ft)	Topography	Shape
Port Authority	0.67	28,983	0.67	28,983	Level s	irregularly shaped

Notes:

Zoning: Industrial

Highest and Best Use of the Site: Marine related industrial uses

Type of Value: Market Value

VALUE INDICATIONS	
Sales Comparison Approach:	\$414,000

Reconciled Value(s):	As Is
Value Conclusion(s)	\$414,000
Effective Date(s)	March 4, 2024
Property Rights	Fee Simple

Limiting Conditions and Assumptions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.

All files, work papers and documents developed in connection with this assignment are the property of Ramsey Appraisal Resource . 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.

No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, nor for any expertise or knowledge required to discover them.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.

Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.

It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.

The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) Ramsey Appraisal Resource 's regular per diem rate plus expenses.

Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

Americans with Disabilities Act (ADA) of 1990

A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. Ramsey Appraisal Resource has not made a determination regarding the subject's ADA compliance or non-compliance. **Non-compliance could have a negative impact on value, however this has not been considered or analyzed in this appraisal.**

Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

This appraisal is prepared for Ms. Debra Thompson, Client, of the Petersburg Borough. The problem to be solved is to estimate the current 'As Is' market value of the lot as vacant. The intended use is for setting a potential sales price. This appraisal is intended for the use of client and potential purchasers.

SCOPE OF WORK

Report Type:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified by the legal description and the assessors' parcel number.
Inspection:	On 3/4/2024, I the appraiser, visited the subject property. I took photographs from all property corners looking into the property and I viewed and photographed the adjoining parcels and the subject's property line where it adjoins filled area along the waterfront.
Market Area and Analysis of Market Conditions:	A complete analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.
Highest and Best Use Analysis:	A complete as vacant and as improved highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially

Type of Value:	feasible uses were considered, and the maximally productive use was concluded.
<u>Valuation Analyses</u>	Market Value
Cost Approach:	A cost approach was not applied as The subject is not improved with a structure and this approach does not have bearing.
Sales Comparison Approach:	A sales approach was applied as there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.
Income Approach:	An income approach was not applied as while the subject could generate an income stream, the most probable buyer is an owner-occupant.
Hypothetical Conditions:	<ul style="list-style-type: none">• There are no hypothetical conditions for this appraisal.
Extraordinary Assumptions:	<ul style="list-style-type: none">• There are no Extraordinary Assumptions for this appraisal.

Comments

In the process of this valuation, I considered and looked for recently sold properties which could be put to similar uses as the subject. The market data is slim, but there are market transactions

To complete this valuation, I spoke with both of the local real estate agencies in town, to get info about any sales of properties, they were involved in, which might have bearing on value. Additionally, I requested all of the property transactions that have been collected by the borough in an excel format. I turned this into a data base file and joined that to a GIS map so that I could identify the location of all the recent sales. I have maps like this that go back to the early 2000's. I contacted the buyers and the sellers of the properties that I felt were the most indicative for valuing the subject, to get proper confirmation.

Market Area Analysis

Area Analysis: Petersburg Borough

To determine the current economic condition of Petersburg, the appraiser spoke with active market participants. I spoke with both of the active realtors to get their perspective. They both indicated the market for real estate is maintaining, with no significant change in the last few years. They indicated that industrial and commercial properties have a fairly long marketing period, at market rates.

I spoke with Liz Cabrera, who is in charge of Petersburg's community and economic development. Some of the things she indicated were that the fishing fleet for the last few years, due to lack of fish in the region. This has caused some decrease in fuel sales and summertime employment numbers.

New projects coming on line, per Liz, are a new hospital with costs around 27 million. A federal grant of \$20 million is secured for this along with \$7 Million from other sources. This should keep the economy humming for the next few years. Also there is a new residential subdivision above the ferry terminal, Hammer and Wikan are making some large additions, PIA is planning on developing more multi family and the Catholic church which burned down is looking to be rebuilt.

She gave me the following numbers to give a broad perspective on the market.

YEAR	Pop.	Change	
2005	3161	-26	
2006	3109	-52	
2007	3063	-46	
2008	3017	-46	
2009	3008	-9	
2010	3,203	195	CENSUS
2011	3,291	88	
2012	3,242	-49	
2013	3,200	-42	
2014	3,198	-2	
2015	3,177	-21	
2016	3,174	-3	
2017	3,136	-38	
2018	3,190	54	
2019	3,226	36	
2020	3,398	172	CENSUS
2021	3,368	-30	

The above table shows that the population is up some from 2012, since the last census. And up since the last valuation in 2017

	GROSS SALES	% Change from Previous Year
Gross Sales		
2003	\$70,289,962	
2004	\$72,478,027	3.11%
2005	\$85,582,273	18.08%
2006	\$89,273,591	4.31%
2007	\$87,883,645	-1.56%
2008	\$99,281,413	12.97%
2009	\$85,138,560	-14.25%
2010	\$89,677,636	5.33%
2011	\$92,461,357	3.10%
2012	\$100,822,511	9.04%
2013*	\$115,051,839	14.11%
2014*	\$121,998,195	6.04%
2015	\$115,174,736	-5.59%
2016	\$97,064,692	-15.72%
2017	\$99,676,642	2.69%
2018	\$101,574,849	1.90%
2019	\$107,176,629.65	5.51%
2020	\$98,633,994.92	-7.97%
2021	\$106,000,000.00	7.47%

The above table shows the gross sales of all things sold from Petersburg. 2021 is fairly similar to 2019.

	AVERAGE ANNUAL EMPLOYMENT									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Federal Government	125	116	111	105	106	105	100	97	98	
State Government	49	49	49	49	47	45	43	44	45	
Local Government	351	357	366	369	378	379	381	362	368	
Total Industries	1534	1479	1502	1438	1456	1477	1492	1437	1382	
Total industries without seafood processing	1166	1447	1150	1155	1160	1167	1158	1145	1166	

	2016	2017	2018	2019	2020	2021
Federal Government	101	91	91	80		66
State Government	42	40	39	38		39
Local Government	364	373	372	390		405
Total Industries (Public & Private)	1,301	1,258	1,246	1,281		1,421
Subtract seafood processing	1,106	1,094	1,096	1,116		1,061

As can be seen the average overall employment has gone up since through 2019 but this reflects seafood processors as well. When seafood processing is taken out of the mix, employment is fairly flat, but a bit down.

Bank Deposits by Zip Code

99833	Bank Deposits	Petersburg
2000	56,875	\$56,875,000
2001	59,395	\$59,395,000
2002	62,291	\$62,291,000
2003	67,466	\$67,466,000
2004	71,227	\$71,227,000
2005	72,090	\$72,090,000
2006	78,036	\$78,036,000
2007	83,996	\$83,996,000
2008	98,689	\$98,689,000
2009	100,042	\$100,042,000
2010		\$105,915,000
2011		\$115,504,000
2012		\$122,773,000
2013	122,507	\$122,507,000
2014	133,684	\$133,684,000
2015	129,637	\$129,637,000
2016	132,836	\$132,836,000
2017	124,773	\$124,773,000
2018	105,498	\$105,498,000
2019	113,158	\$113,158,000
2020	131,043	\$131,043,000
2021	154,649	\$154,649,000

* Only includes 2 out of 3 local banks.

as of June 30 each year

SOURCE: <http://www2.fdic.gov/SOD/index.asp>

The above table is a good general check on the wealth of a community. As can be seen the Petersburg community banks a fair bit of money, and deposits have remained fairly stable, in the last number of years with 2021 seeing a marked increase. There was a lot of

stimulus being pumped in 2021 and this is thought to be the reason for the increase, as gross sales were fairly similar to 2019.

Interviews with the local realtors indicated significant demand for homes over the last few years with interest rates being low and as can be seen above more money being deposited in the market. While interest rates rising, has slowed this demand, it is still fairly strong.

CONCLUSION

After studying the market indicators included above and others retained in the appraiser's file, it is the appraiser's opinion that market demand for residential has diminished some with higher interest rates, this could be offset by the new hospital construction. The increased cost to build has sent values of already constructed improvements up, though land appears to be maintaining fairly level values (due to the cost to construct). This will continue to be the case until personal incomes rise to meet this inflation. At that point we may see a rise in land values as well.

For commercial and industrial properties like the subject demand should remain steady with the ongoing developments taking place in Petersburg.

In general the economic condition in Petersburg is fairly stable overall.

Location Map



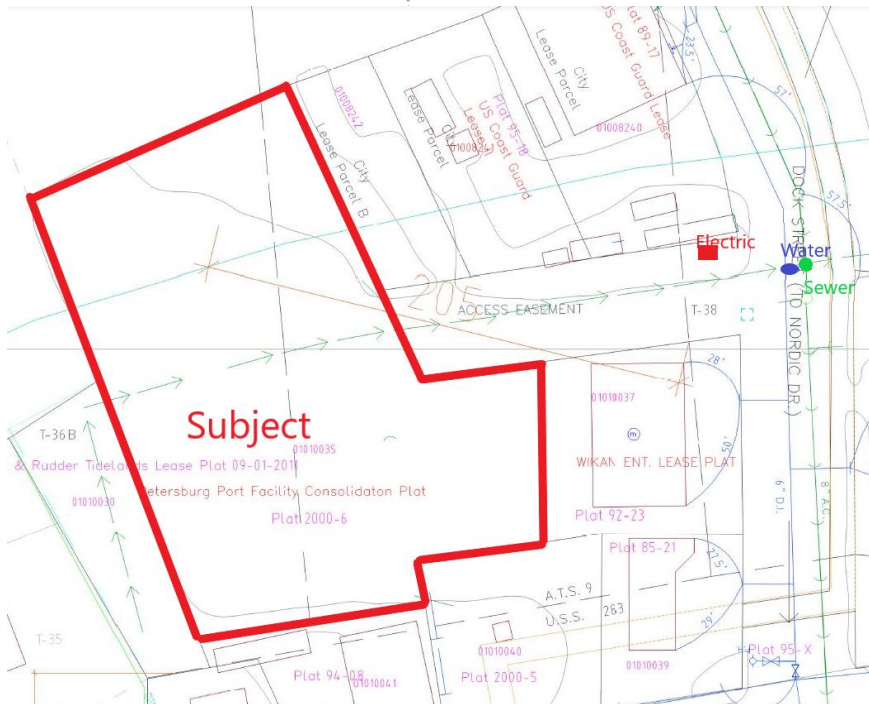
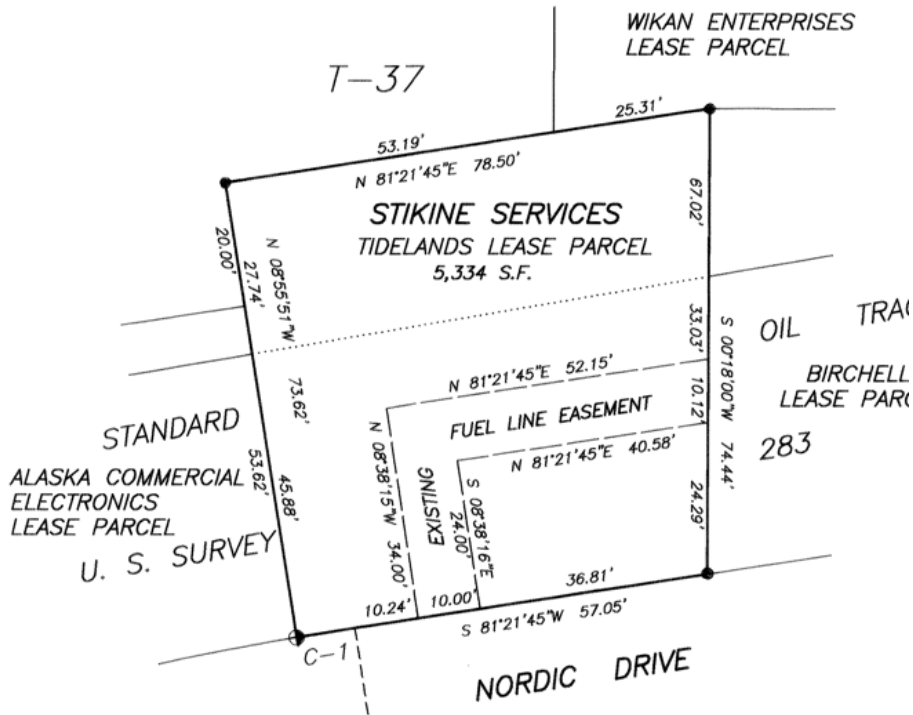
Property Description

The subject property is filled tidelands which have been filled with good draining fill to the level of Dock Street. The platted boundary appears to be at the top of the bank supporting the fill, so all of the subject lot is flat and usable, but the subject site does not have riparian rights. Utilities currently do not adjoin the site and will need to be brought in from Dock Street.

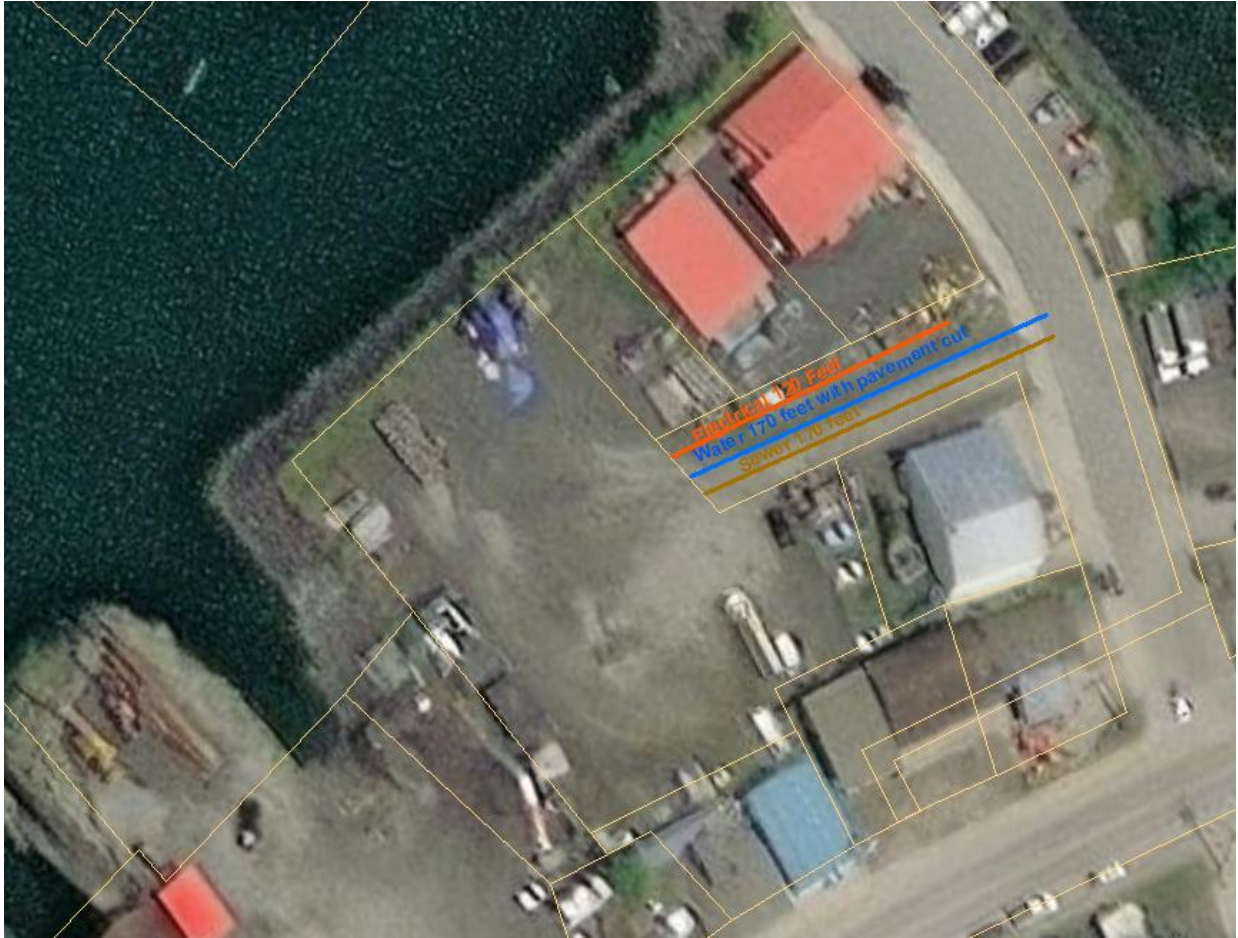
SITE	
Location:	Dock Street
Current Use of the Property:	Vacant/storage
Site Size:	Total: 0.67 acres; 28,983 square feet Usable: 0.67 acres; 28,983 square feet The subject usable area is filled with good draining soil and flat usable ground.
Shape:	While the subject has an irregular shape, its shape does not have a negative affect on any areas of the subject property.
Frontage/Access:	The subject property has good access with frontage as follows: <ul style="list-style-type: none"> • Dock Street by way of an 150 foot long easement. It is not a corner lot.
Visibility:	average
Topography:	The subject property is level with Dock Street and the access easement from Dock Street
Soil Conditions:	Good draining fill with a gravel surface.
Utilities:	Electricity: The site is served by public electricity, approximately 75 feet away from the subject. Sewer: Sewer is in the Dock Street right of way. Water: City water is in the Dock Street right of way. Adequacy: The subject's utilities are typical and adequate for the market area.
Site Improvements:	<ul style="list-style-type: none"> • The site was formerly tidelands that have since been filled with good draining soil, that the appraiser considers suitable for development. •

The subject is the parcel above identified as Petersburg Port Authority Storage area in Pkat 2000-6, minus the Stikine Services Lease area shown in the following plat 2000-5.

5



Above is an as-built given to me by Karl Hagerman, Petersburg power and light. I have added the colored lines and descriptions for the subject boundaries and utilities service locations.



Aerial view of the subject with approximate location from where utilities will need to be developed from to get to the subject.

Americans with Disabilities Act

Please reference the Limiting Conditions and Assumptions section of this report on page 8.

Hazardous Substances

Please reference the Limiting Conditions and Assumptions section of this report on page 8.

Subject Photographs



The picture above is a view from near the property line furthest from the water, looking towards the water.



View from the property line nearest the water



View from the subject property over the water, towards floats and docks associated with Piston and Rudder, a boat maintenance and repair operation, which have uplands that adjoin the subject and could be used for expansion of its operation.



View of the property line adjoining the Stikine Services lease area, viewers right and view of the Wikan lease area, which is currently under contract to be sold.(comp 2 following)

Assessment and Taxes

Taxing Authority Petersburg Borough

Assessment Year 2023

Real Estate Assessment and Taxes			
Tax ID	Land	Improvements	Total Assessment
01-010-035	\$227,200	\$10,500	\$237,700
Totals	\$227,200	\$10,500	\$237,700

Notes:

Zoning

LAND USE CONTROLS	
Zoning Code	Industrial

Highest and Best Use

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.

1. **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?
2. **Physically Possible:** To what use is the site physically adaptable?
3. **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?
4. **Maximally Productive.** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

Highest and Best Use of the Site

The highest and best use of the site, as vacant, is for Marine related industrial uses.

The subject is in an area developed with industrial and commercial businesses, with the most common uses in the area being businesses that relate to marine uses. Piston and Rudder a boat repair service is adjoining the property to the SW, Alaska Commercial Electronics, which supplies electronics for boats is to the south along with Stikine Services, which is primarily automotive repair. Wikan service is to the east and it

provides engine repair primarily for boats and finally the coast guard is another neighbor to the NE. Petersburg has a large fleet of boats and attracts boats from the region for repair, therefore a use that goes along with the surrounding uses of boat repair would most likely be its highest and best use.

Valuation Methodology

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

1. The Cost Approach
2. The Income Approach
3. The Sales Comparison Approach

Cost Approach

The Cost Approach is summarized as follows:

$$\begin{array}{r} \text{Cost New} \\ - \text{Depreciation} \\ + \text{Land Value} \\ = \text{Value} \end{array}$$

Income Approach

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

Analyses Applied

A **cost analysis** was considered and was not developed because The subject is not improved with a structure and this approach does not have bearing.

A **sales comparison analysis** was considered and was developed because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

An **income analysis** was considered and was not developed because while the subject could generate an income stream, the most probable buyer is an owner-occupant.

Sales Comparison Approach – Land Valuation

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- 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 Comparables

I have researched four comparables for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction.

Comp	Address	Date	Land Units	Acres	Land SF	
City	City	Price	Price Per Land	Price Per Acre	Price Per Land SF	Sale Comments
Subject	dock St	1/0/1900	1	0.67	28,983	
Subject	Petersburg	--	--	--	--	
1	1200 S. Nordic	5/29/2021	1/0/00	\$0	\$12,380.00	The buyers own two residential homes directly across the street and bought this to control their view. This property included tidelands leased from Petersburg @ 6% of assessed value. The tideland area is 8,526 SF and the
	Petersburg	\$225,000	\$0	\$791,668	\$18.17	
2	103 Dock Street	3/14/2024	1/0/00	\$0	\$6,722.00	This property was developed with a shop owned by the Lessee. Petersburg borough decided to sell the property which they had been leasing. The fee simple market value was set by appraisal at \$100K and the buyer agreed to the
	Petersburg	\$100,000	\$0	\$648,004	\$14.88	
3	710 S Nordic	10/20/2015	1/2/00	\$0	\$11,600.00	The buyer would not give me the sales price, or any financial info. But the Broker told me the sales price was \$65,000. This indicates a value for the land prior to fill at \$5.60 per SF. The cost to fill was not disclosed by the buyer either.
	Petersburg	\$65,000	\$32,500	\$244,086	\$5.60	
4	103 N. First Street	8/14/2020	1/0/00	\$0	\$8,259.00	This is the sale of vacant land. it was listed by Anchor properties.
	Petersburg	\$126,000	\$0	\$664,557	\$15.26	

Land Comparable 1



Transaction			
ID	1601	Date	
Address	1200 S. Nordic	Price	\$225,000
City	Petersburg	Price Per Land SF	\$18.17
State	AK	Financing	Cash
Tax ID	1010803	Property Rights	Fee Simple
Grantor	THE ESTATE OF	Days on Market	--
Grantee	Huse and Zaic	Verification	Broker
Legal Description	Lots T1, T1A, T2,T3,		
Site			
Acres	0.28	Topography	flat
Land SF	12,380	Zoning	Industrial
Road Frontage	74	Flood Zone	No
Shape	irregular	Encumbrance or	None
Utilities	All utilities	Environmental Issues	none known

Comments

The buyers own two residential homes directly across the street and bought this to control their view. This property included tidelands leased from Petersburg @ 6% of assessed value. The tideland area is 8,526 SF and the assessment is \$20,500 or \$2.40 per SF and based on comparables I have found this is about half the market value. Additionally, at a lease rate of 6% of the assessment (\$1,230) this is a very advantageous lease as current lease rates are 10% of fee simple, which would arguably be \$4263 per year at a fee simple value of \$5 per SF. So the difference in lease amounts is \$3,033 and capitalizing this at 10% indicates \$30,330 in leasehold interest. Additionally, there is a small dock on the waterfront with an estimated value of \$15K. Therefore adjusting the sales price to reflect these aspects gives us an upland value of approximately \$179,670 or \$14.51 per SF

Land Comparable 2



Transaction

ID	3669	Date	3/14/2024
Address	103 Dock Street	Price	\$100,000
City	Petersburg	Price Per Land SF	\$14.88
State	AK	Financing	Cash
Tax ID	1010037	Property Rights	Fee Simple
Grantor	Petersburg Borough	Days on Market	--
Grantee	Wikan	Verification	Debra Thompson
Legal Description	--		

Site

Acres	0.15	Topography	Flat
Land SF	6,722	Zoning	Industrial
Road Frontage	84.5	Flood Zone	no
Shape	Irregular	Encumbrance or	None
Utilities	Power, water, sewer	Environmental Issues	none known

Comments

This is a sale of the land beneath the building. It does not include the utilities developed on the site or any paving. Formerly this site was a leased site and the Lessee petitioned the borough to purchase the property. The sales price of the land was set based on appraisal. The buyer paid for the land plus the two years remaining on the lease and the appraisal.

Land Comparable 3



Transaction

ID	829	Date	10/20/2015
Address	710 S Nordic	Price	\$65,000
City	Petersburg	Price Per Land SF	\$5.60
State	AK	Financing	Cash
Tax ID	01010058 and 01010061	Property Rights	Fee Simple
Grantor	Smith	Days on Market	--
Grantee	Menish	Verification	Broker
Legal Description	LOT 1, BLK 207,		

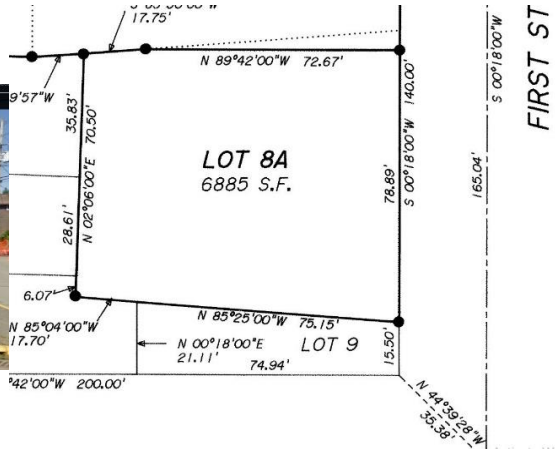
Site

Acres	0.27	Topography	Sloping
Land SF	11,600	Zoning	Industrial
Road Frontage	50	Flood Zone	tidal influence
Shape	--	Encumbrance or	none
Utilities	City water & sewer	Environmental Issues	none known

Comments

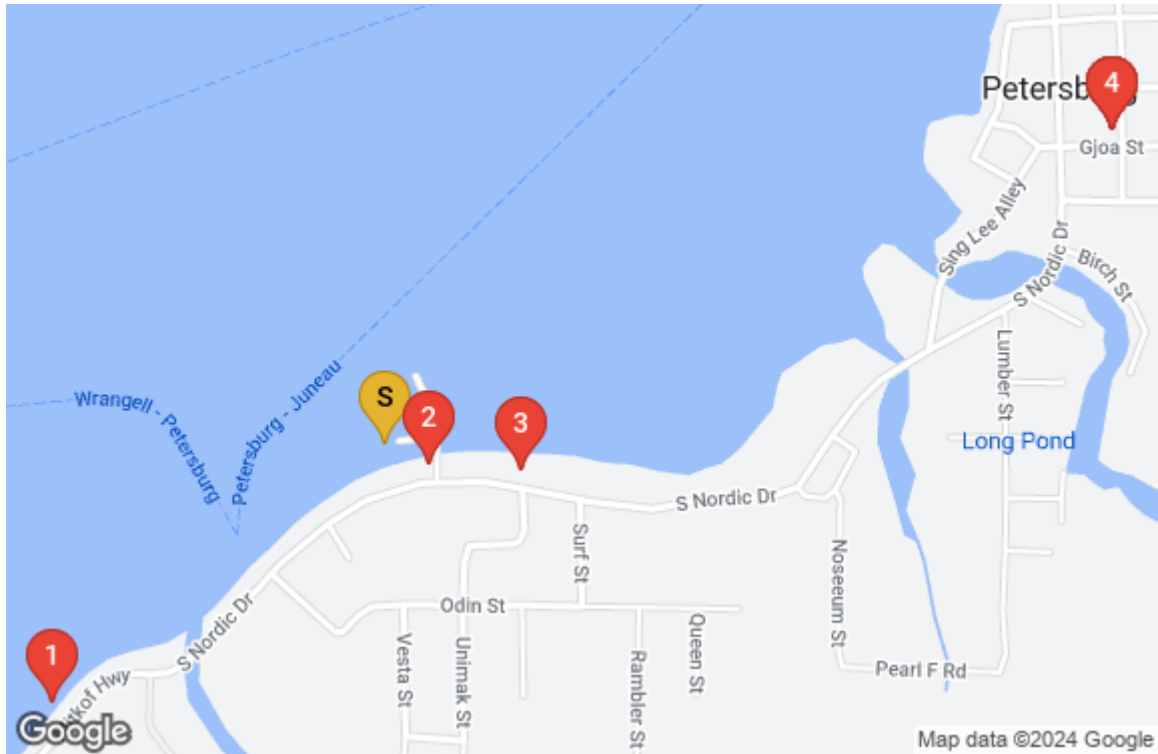
The buyer would not give me the sales price, or any financial info. But the Broker told me the sales price was \$65,000. This indicates a value for the land prior to fill at \$5.60 per SF. The cost to fill was not disclosed by the buyer either, so the appraiser contacted Rock and Road a local site prep contractor, to get cost for fill and rip rap rock. After discussing the size they indicated the cost would be between \$50,000 and \$60,000 for the work that was done. Approximately 90% or 10,440 SF of the subject was filled after purchase. Using \$55,000 for the fill cost the cost per SF to fill is \$5.26. Therefore, the cost of the filled uplands is indicated at \$10,86 per SF. This is before any estimate of entrepreneurial incentive which, could reasonably be estimated between 20-40% of cost of improvements, which can reasonable be estimated at \$18,000.

Land Comparable 4



Transaction			
ID	3675	Date	8/14/2020
Address	103 N. First Street	Price	\$126,000
City	Petersburg	Price Per Land SF	\$15.26
State	AK	Financing	--
Tax ID	1007350	Property Rights	Fee Simple
Grantor	WEAVER MARK W	Days on Market	--
Grantee	ROCKWELL	Verification	Pat Weaver, by Josh Conn
Legal Description	--		
Site			
Acres	0.19	Topography	flat
Land SF	8,259	Zoning	Commercial
Road Frontage	168	Flood Zone	No
Shape	Irregular	Encumbrance or	none
Utilities	All utilities	Environmental Issues	none known
Comments			
This is the sale of vacant land. it was listed by Anchor properties.			

Comparables Map



Analysis Grid

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

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Land Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4
Address	dock St	1200 S. Nordic	103 Dock Street	710 S Nordic	103 N. First Street
City	Petersburg	Petersburg	Petersburg	Petersburg	Petersburg
State	AK	AK	AK	AK	AK
Date	3/4/2024	5/29/2021	3/14/2024	10/20/2015	8/14/2020
Price	--	\$225,000	\$100,000	\$65,000	\$126,000
Price Adjustment	\$0	-\$45,000	\$0	\$78,000	\$0
Adjusted Price	\$0	\$180,000	\$100,000	\$143,000	\$126,000
		-20.0%	0.0%	120.0%	0.0%
Land SF	28,983	12,380	6,722	11,600	8,259
Land SF Unit Price	\$0.00	\$14.54	\$14.88	\$12.33	\$15.26
Transaction Adjustments					
Property Rights	Fee Simple	Fee Simple	0.0%	0 0.0%	Fee Simple 0.0%
Financing	Conventional	Cash	0.0%	0 0.0%	0 0.0%
Conditions of Sale	Cash	See Comments	0.0%	0 0.0%	Normal/see comments 0.0%
Adjusted Land SF Unit Price		\$14.54	\$14.88	\$12.33	\$15.26
Market Trends Through	3/4/2024	0.0%	0.0%	0.0%	0.0%
Adjusted Land SF Unit Price		\$14.54	\$14.88	\$12.33	\$15.26
Location		#N/A	#N/A	#N/A	#N/A
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00
Area of site	#N/A	#N/A	#N/A	#N/A	#N/A
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00
Topography	Level	flat	Flat	Sloping	flat
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00
Shape	The site is irregularly	irregular	Irregular	0	Irregular
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00
Utilities	The site is served by	All utilities	Power, water, sewer	City water & sewer	All utilities
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00
Zoning	Industrial	0	Industrial	Industrial	0
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00
Adjusted Land SF Unit Price		\$14.54	\$14.88	\$12.33	\$15.26
Net Adjustments		0.0%	0.0%	0.0%	0.0%
Gross Adjustments		0.0%	0.0%	0.0%	0.0%

A price adjustment was made at the beginning to Comparable 1 to reflect its below market lease rate of some tidelands and its dock. A price adjustment was made to Comparable 3 to reflect costs associated with filling the site , which gives its new uplands similar utility to the subject.

Comparable Land Sale Adjustments

Property Rights

All were purchased or being purchased for their fee simple rights

Financing

All were purchased with cash to the seller

Conditions of Sale

No duress was noted in any of the sales

Economic Trends

Petersburg has had a market that has remained fairly flat. No adjustment was made for this aspect, though it appears one is required for comp 3 as it is quite old and is indicating the bottom of the value range. This could also be due to the fact that the property was unfilled and required the assumption of significant risk and effort to get it filled.

Location

All are considered similar overall.

Area of site

The size of the site does not appear to have a great effect on value. While I am sure it would at some point when the size gets much bigger, the size of the subject is not at that point and no adjustment was made.

Topography

All were flat and level with grade except sale three which required fill and was adjusted for in the adjustment of the sales price.

Shape

No adjustments were made for this aspect as all are considered similar enough.

Utilities

The subject requires utilities to be run from quite a distance further than any of the comparables, all which had utilities stubbed to their site. The appraiser sent a map to Bosjun Reid showing where the utilities are currently located, based on my discussions with Karl Hagerman and as-builts he provided. For this adjustment I relied on Bosjun's estimates, to dig and back fill the conduit laid by Petersburg power, along with costs for running conduit and wire given to me by Karl. Additionally, Bosjun gave me costs for running water and sewer from beneath the paved area of Dock street to the property line. This adjustment is made as a lump sum after determining the SF value as if the subject had utilities to the site, as all the comparables did have. Bosjun indicated costs at around 15K for all trenching in. Additional costs were not given for pavement replacement. The

appraiser estimates 120 SF of pavement would be required at a cost of \$10 per SF, or \$1200. Karl Hagerman gave me the cost of \$40 per lineal foot for wire and conduit to the property line 120 feet away for a cost of \$4800. Adding these up we get \$21,000.

Sales Comparison Approach Conclusion – Land Valuation

Following adjustments, the comparables indicated prices per land sf of \$12.33 to \$15.26, with a median value of \$14.71.

Sale	\$/Land Sf	Comparability
4	\$15.26	
Subject	\$15.00	
2	\$14.88	
1	\$14.54	
3	\$12.33	

All of the value indications have been considered, and in the final analysis, comparables 1, 2 and 3, have been given most weight in arriving at my final reconciled per land sf value of \$15.00.

Land Value Ranges & Reconciled Value				
Number of Comparables:	4	Unadjusted	Adjusted	% Δ
Low:		\$12.33	\$12.33	0%
High:		\$15.26	\$15.26	0%
Average:		\$14.25	\$14.25	0%
Median:		\$14.71	\$14.71	0%
Reconciled Value/Unit Value:			\$15.00	land sf
Subject Size:			28,983	
Indicated Value:			\$434,745	
Lump sum adjustment for utilities			-\$21,000	
Indicated value after utilities deduction			\$413,745	
Reconciled Final Value:			\$414,000	
Four Hundred Fourteen Thousand Dollars				

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. Finally, each is considered separately and comparatively with each other.

Value Indication

Sales Comparison Approach – Land Value: \$414,000

Sales Comparison Approach

This approach is the most reliable approach for valuing the subject. The comparable data used is the best available in the market and thought to produce creditable results.

Value Conclusion

Based on the data and analyses developed in this appraisal, I have reconciled to the following value conclusion(s), as of March 4, 2024, subject to the Limiting Conditions and Assumptions of this appraisal.

Reconciled Value(s): Premise: As Is
Interest: Fee Simple
Value Conclusion: \$414,000
Four Hundred Fourteen Thousand Dollars

SF Value Conclusion

Generally, if the subject size were larger or smaller, today comparable sales indicate, the per SF value should be estimated at \$15 per SF with a lump sum adjustment to that number for utilities at approximately \$21,000.

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 future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated

result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- I certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- The appraiser has not performed any services regarding the subject within the three-year period immediately preceding acceptance of this assignment.
- Roger Ramsey made an inspection of the subject property.

A handwritten signature in black ink, appearing to read "Roger Ramsey". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Roger Ramsey
AK-APRG570

Addenda

Qualifications Placeholder Page

Since starting Ramsey Appraisal Resource in 2006, I have had the pleasure of providing high quality appraisal services to a diverse client base, on many complex appraisal assignments throughout S.E. Alaska.

A partial client list includes; AKDOT&PF, for which I have performed numerous valuations of partial and whole acquisitions, for eminent domain actions. Other State agencies which have used my services are AKDNR and Alaska Mental Health Trust Land Office. I have performed appraisals for the Cities and or Boroughs of Haines, Juneau, Petersburg, Ketchikan and Klawock. I am on the approved appraiser list of numerous lenders operating in SE Alaska and enjoy good working relationships with their review appraisers. I have been hired by attorneys and private parties for estate valuations and divorce proceedings. I have valued properties for conservation groups who are negotiating with property owners.

I am proud of my appraisal accomplishments and credit my success to good education, good mentors, helpful reviewers, persistence and hard work.

Professional Experience	Dates	Contact
Ramsey Appraisal Resource	2006-Present	Roger Ramsey
Horan and Company	4 months 2006	Charles Horan, 907-747-6666
AKDOT&PF	24 months 2004-2005	Ray Preston, 907-465-4519
Henricksen Appraisal	24 months 2002-2003	Bob Henricksen 907-723-3590
AKDOT&PF	8 months 2000-2001	Rob Murphy 907-465-4541

Education University of Alaska, BBA, 2001

Appraisal Education - Associate member of the Appraisal Institute # 401410

2023	USPAP Update, Practical Application of Fundamental Analysis, Appraisal of Industrial and Flex Buildings, The Cost Approach
2021	USPAP Update, Eminent Domain and condemnation appraising, Commercial Leases: The Tenant and Terms matter, Analyzing Operating Expenses, Cool Tools: New tech for appraisers.
2019	USPAP update, HP-12C, Appraisal Statistics and financing Appraisal Institute, Seattle
2017	Income Capitalization, Appraisal Institute – San Diego and USPAP update online
2015	Appraisal of Conservation Easements and other Partial interest – Sacramento CA
2013	USPAP update, -/- Uniform Appraisal Standards for Federal Land Acquisitions, -/- Business Practices and Ethics, Anchorage, AK
2011	USPAP update, Tigard OR, -/- Real Estate Industry Perspectives on Lease Accounting, online, -/- Basic building science, Air Sealing, ventilation & Ice Dam, Juneau, AK
2010	Advance Sales Comparison and Cost Approach, Seattle WA
2009	Advanced income Approach, Tigard OR, -/- Commercial Appraisal Engagement and Review, Tigard OR, -/-15-Hour USPAP, Tigard OR
2008	Sustainable Mixed use, Seattle, WA
2007	General Demonstration Appraisal Report Writing, Tigard, OR, -/- USPAP update Tualatin,-/- Appraisal & Appraisal Review for Federal-Aid Highway Programs, Anchorage, AK --
2006	General Applications, Online, -/- Apartment Appraisal, Concepts and Applications, Long Beach, CA
2005	Basic Income Capitalization, Tualatin, OR,-/- USPAP update Juneau, AK,-/- Best practices for Residential Report Writing, Juneau, AK
2004	Appraising Special Purpose properties, -/- Appraisal of Nonconforming Uses, -/- Partial Interest Valuation/Divided, -/- Subdivision Analysis, Anchorage, AK
2003	(USPAP) Standards of Professional Practice, Lake Oswego, OR, -/- Residential Case Study, Dublin, CA,
2002	Appraisal Procedures, Appraisal Institute, Diamond Bar, CA
1998	Appraisal Principles, Appraisal Institute, Chicago, IL

Types of Property Appraised

Commercial– I have appraised office buildings, apartments, marine facilities, restaurants, mixed use, convenience stores with gas, industrial and commercial shops. I have valued partial interest of remote recreational, industrial, commercial and residential properties for eminent domain. I have valued industrial, commercial, and residential tidelands. I have appraised large tracts of land with timber value, “special use properties (churches, armory, and funeral homes)”, and remote commercial properties (lodges).

Residential – I have appraised single family residences, duplexes, triplexes, four-plex's, remote improved and vacant residential properties throughout SE AK.

Markets Appraised:

I have appraised both town and remote locations in all of the following areas: Haines, Skagway, Gustavus, Hoonah, Tenakee springs, Juneau, Sitka, Petersburg, Wrangell, Ketchikan, Prince of Whales and Hyder

Glossary

This glossary contains the definitions of common words and phrases, used throughout the appraisal industry, as applied within this document. Please refer to the publications listed in the **Works Cited** section below for more information.

Works Cited:

- Appraisal Institute. *The Appraisal of Real Estate*. 13th ed. Chicago: Appraisal Institute, 2008. Print.
- Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 5th ed. 2010. Print.

Effective Date

1. The date on which the analyses, opinion, and advice in an appraisal, review, or consulting service apply.
2. In a lease document, the date upon which the lease goes into effect. (Dictionary, 5th Edition)

Exposure Time

1. The time a property remains on the market.
2. 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 on an analysis of past events assuming a competitive and open market. (Dictionary, 5th Edition)

Extraordinary Assumption

An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. 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. (Dictionary, 5th Edition)

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinion or conclusions. (USPAP, 2020-2021 ed.)

Fee Simple Estate

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. (Dictionary, 5th Edition)

Highest & Best Use

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. (Dictionary, 5th Edition)

Highest and Best Use of Land or a Site as Though Vacant

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements. (Dictionary, 5th Edition)

Highest and Best Use of Property as Improved

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one. (Dictionary, 5th Edition)

Hypothetical Condition

That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions 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. (Dictionary, 5th Edition)

Leased Fee Interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease). (Dictionary, 5th Edition)

Market Area

The area associated with a subject property that contains its direct competition. (Dictionary, 5th Edition)

Market Value

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

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 prudently, 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 value definition that is identified by the appraiser as applicable in an appraisal. (USPAP, 2020-2021 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 under all conditions requisite to a fair sale, the buyer and the 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. (12 C.F.R. Part 34.42(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 proper 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 of time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal. (Uniform Standards for Federal Land Acquisitions) (Dictionary, 5th Edition)

Scope of Work

The type and extent of research and analyses in an assignment. (Dictionary, 5th Edition)

Marketing Time

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 the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the 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). (Dictionary, 5th Edition)