

**CBJ DOCKS & HARBORS BOARD**  
**FINANCE MEETING AGENDA**  
**For Tuesday, May 27th, 2014**

- I. Call to Order** (5:00 p.m. to 7:00 p.m.) in the **Room 224, City Hall.**
- II. Roll Call** (Greg Busch, Kevin Jardell, Mike Peterson, Scott Spickler, and Tom Donek).
- III. Approval of Agenda.**

**MOTION: TO APPROVE THE AGENDA AS PRESENTED OR AMENDED.**

- IV. Public Participation on Non-Agenda Items** (not to exceed five minutes per person, or twenty minutes total).
- V. Approval of March 25th, 2014 Finance Committee Meeting Minutes.**

**VI. New Business**

- 1. Boat Shelter (F-23) Sale – Right of First Refusal  
Presentation by Port Director

Committee Questions

Public Comment

Committee Discussion/Action

**MOTION: TO BE DEVELOPED AT THE MEETING**

**IX. Items for Information/Discussion.**

- 1. Mount Roberts Tramway – Horan & Co Retrospective Market Value Appraisal dated May 14, 2014  
Presentation by Port Director
- 2. CBJ Docks & Harbors Lease Holdings  
Presentation by Port Director

**X. Staff & Member Reports.**

**XI. Committee Administrative Matters.**

- 1. Next Finance Committee Meeting June 24th, 2014

**XII. Adjournment.**

**CBJ DOCKS & HARBORS BOARD**  
**FINANCE MEETING MINUTES**  
**For Tuesday, March 25<sup>th</sup>, 2014**

- I. Call to Order** Harbor Board Finance Committee Meeting was called to order at 5:01pm in **Room 224, City Hall.**
- II. Roll Call** The following Finance Committee members were present: Greg Busch, Mike Peterson, Scott Spickler, and Tom Donek.  
Also in attendance were the following: Carl Uchytel – Port Director, Teena Scovill – Port Administrative Assistant III, Angelica Lopez-Campos – CBJ Accountant II.
- III. Approval of Agenda.**  
**MOTION BY MR. SCOTT SPICKLER: TO APPROVE THE AGENDA AS PRESENTED.**  
Motion passed with no objection.
- IV. Public Participation on Non-Agenda Items:** None.
- V. Approval of February 25<sup>th</sup>, 2014 Finance Committee Meeting Minutes.**  
**MOTION BY MR. MIKE PETERSON: TO APPROVE THE FEBRUARY 25, 2014 FINANCE MEETING MINUTES AS PRESENTED.**  
Motion passed with no objection.
- VI. Old Business**  
1. FY15/FY16 Proposed Budget  
Presentation by the Port Director  
Mr. Uchytel stated the budget has been brought back to the Finance Committee after the preliminary approval from the last board meeting on February 25, 2014 in order to have additional time for review.
- Committee Questions**  
Mr. Spickler stated after his review of the budget he would like to recommend rejecting the landscape charge that is being imposed by the city Parks & Recreation department to the Docks & Harbors department in the amount of \$45,000.00. He also stated he would like to cut the travel expenses for sending Docks & Harbors employees to the Seattle Boat Show.
- Mr. Donek asked if the landscape charge comes out of the Docks Budget.
- Mr. Uchytel answered yes. Docks was not charged by the Parks & Recreation Department in the past for the maintenance of shrubs and flowers and now due to City Budget issues Parks & Recreation can no longer afford not to be compensated by the Docks Department.
- Mr. Donek asked if we refuse to pay this do we have another use for the \$45,000.00.
- Mr. Uchytel answered it would just stay as additional revenue and not be specifically allocated elsewhere.

**CBJ DOCKS & HARBORS BOARD**  
**FINANCE MEETING MINUTES**  
**For Tuesday, March 25<sup>th</sup>, 2014**

Mr. Donek asked if we are subject to losing more funds due to the budget deficit of the City.

Mr. Uchytel answered the other city departments will be asked to cut their budgets but since Docks & Harbors is an enterprise the city budget issues should not affect us.

Mr. Donek stated since we are now getting charged by Parks & Recreation for landscaping we will see more charges from other departments coming our way.

Mr. Uchytel stated we pay \$310,000.00 a year to the city for use of city departments such as finance and legal.

Mr. Busch stated since the landscape charge is new to Docks & Harbors it appears to be directly related to the city budget short fall, are there any services that are provided by Docks & Harbors to the other departments that we could charge for.

Mr. Peterson stated he sees this to come in the future other departments are going to charge all enterprise departments. He suggested rejecting the landscape charge.

Mr. Busch stated he assumes we are not the only department being charged for services by other city departments.

Mr. Spickler stated he believes we need to make sure we defend our Docks & Harbors budget so we can proactive to monitor all expenses.

Ms. Lopez-Campos advised Docks & Harbors could go to Parks & Recreation to get a description of the charges.

Mr. Spickler stated he would like to see the estimated \$5,000.00 used for employee travel to the boat show eliminated and he would like to reject the \$45,000.00 landscape charge.

Mr. Uchytel answered it is up to the board on whether or not they support the boat show.

**Public Comment – None.**

**Committee Discussion/Action**

Mr. Busch is supportive of sending personnel to the Seattle Boat Show and supportive of the Docks & Harbors budget as is.

Mr. Donek stated if we reject the landscape charges it will add a burden to the Assembly for the budget issues. He stated he is in favor of the budget as is.

Mr. Busch stated as an enterprise board we need to maintain a certain profit for our bond requirements and our capital improvement expenditures.

**CBJ DOCKS & HARBORS BOARD**  
**FINANCE MEETING MINUTES**  
**For Tuesday, March 25<sup>th</sup>, 2014**

Mr. Peterson stated he would like to forward the proposed budget to the full board and reject the landscape charge so we can preserve our revenues. If the city assembly directs us to absorb this \$45,000.00 then we do so.

Mr. Spickler added we will have an increase to our payroll with the increase in PERS contributions that are required.

**MOTION BY MR. MIKE PETERSON: TO FORWARD THE DOCKS AND HARBORS FY15/FY16 PROPOSED BUDGET FOR APPROVAL WITH THE EXCEPTION OF DISCUSSING THE LANDSCAPE LINE ITEM.**

**VII. Items for Information/Discussion**

1. FY15/FY16 Budget Power Point presentation for the Assembly April 23<sup>rd</sup>.

Ms. Teena Scovill showed a Power Point of the Docks & Harbors FY15/FY16 budget that will be presented to the City Assembly on April 23, 2014. Ms. Scovill went through each slide and explained the details based on the budget report.

**VIII. Staff & Member Reports.**

Presentation by the Port Director

Mr. Uchytel stated that Docks & Harbors is still working with Mr. Charles Horan on the appraisal regarding the Tram lease rent with Goldbelt. Goldbelt is requesting Horan & Company to fact check the appraisal. Docks & Harbors will have to pay for this. Mr. Uchytel also stated the Cultural Preservation lease will be protested by Goldbelt.

Mr. Uchytel stated the Harbormaster, Mr. David Borg, started work today.

Mr. Paul Swanson – Juneau, AK

Mr. Swanson added he is in favor of sending staff to the Seattle Boat Show to represent Juneau.

**IX. Committee Administrative Matters.**

1. Next Finance Committee Meeting April, 22<sup>nd</sup>, 2014

**X. Adjournment.**

The Finance Committee adjourned at 6:14pm.

May 22, 2014

Dave Borg  
Harbormaster  
CBJ Docks and Harbors

Re: Boathouse F-23

Mr. Borg:

We are in the process of selling our boat and boathouse in Aurora Harbor, Juneau, Alaska.

It has come to our attention that we are obliged to give the CBJ Docks and Harbors first right of purchase for the boathouse.

We are selling a one-half interest in the boathouse moored in F-22/23, Aurora Harbor. Our half is F-23.


We understand that there is a Harbor Board meeting in the near future. We would appreciate your presenting this to the Board at your earliest convenience.

Thank you for your consideration and efforts on our behalf.

Respectfully,



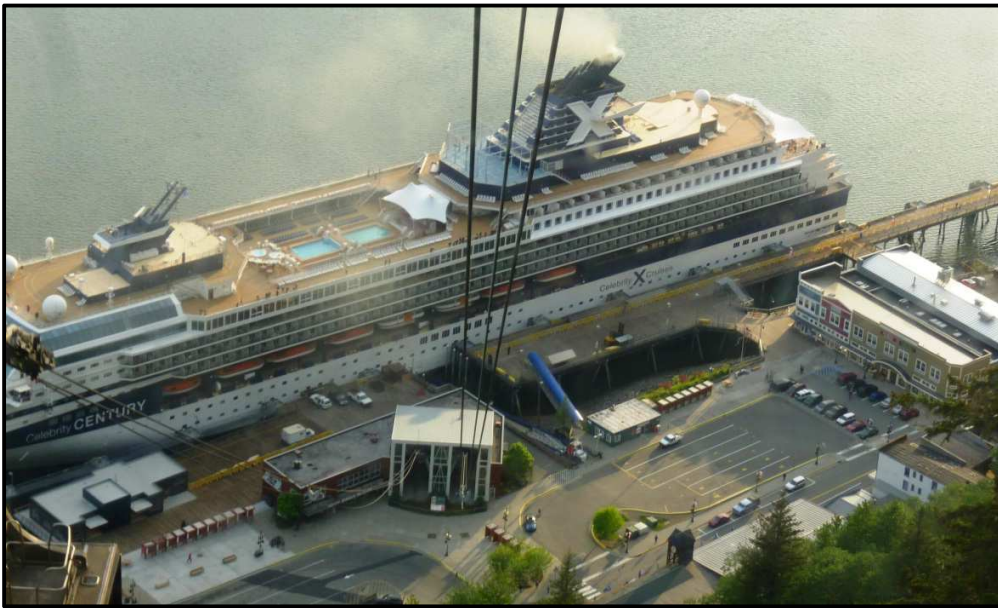
John D Gitkov



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**RETROSPECTIVE MARKET VALUE APPRAISAL  
MOUNT ROBERTS TRAMWAY LANDS LEASED  
FROM THE CITY AND BOROUGH OF JUNEAU,  
JUNEAU, ALASKA**



Subject Tram Site Photo Center Taken June 30, 2011 By C. Horan. Photo O63O11\_1992

Prepared For: Carl Uchytel, Port Director  
City and Borough of Juneau Docks and Harbors  
155 S. Seward Street  
Juneau, Alaska 99801

Prepared By: Charles E. Horan, MAI  
Horan & Company, LLC  
403 Lincoln Street, Suite 210  
Sitka, Alaska 99835

Effective Date: July 1, 2012

Report Date: May 14, 2014

Our File No.: 12-038B-3

# HORAN & COMPANY

REAL ESTATE APPRAISERS/CONSULTANTS

CHARLES E. HORAN MAI / WILLIAM G. FERGUSON, JOSHUA C. HORAN, JAMES A. CORAK,  
SLATER FERGUSON, SHEILA KRAMER, AND KELLY GOEDEN

403 LINCOLN STREET, SUITE 210, SITKA, ALASKA 99835

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

May 14, 2014

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

VIA Email: [carl\\_uchtyl@ci.juneau.ak.us](mailto:carl_uchtyl@ci.juneau.ak.us)

Re: Retrospective Market Value Appraisal Mount Roberts Tramway Lands Leased from the City and  
Borough of Juneau, Juneau, Alaska; Our File 12-038B-3

Dear Mr. Uchtyl:

At your request, I made a market value appraisal of the “unimproved lands of the lease premises including the air rights easements at its highest and best use” of those lands leased to the Mt. Roberts Development Corporation from the City and Borough of Juneau (CBJ). These lands include the lower tram terminal site of 10,000 SF and the adjacent Air Rights Easement of 21,815 SF. The effective date is July 1, 2012. As a result of my investigation and analysis, it is my opinion the market value of these lands, as of the effective date, is as follows:

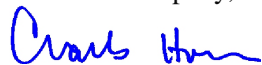
<b>Lower Tram Site</b>	<b>\$3,000,000</b>
<b>Air Rights</b>	<b>\$22,000</b>

This appraisal has been prepared for negotiating the most recent basic rental adjustment.

Your attention is invited to the attached report, which contains the description of the property as appraised, the most pertinent market information considered and analysis used in arriving at this opinion. Also, it contains the definition of Market Value, Certification of Appraisal, Assumptions and Limited Conditions and other relevant data. This is a complete summary appraisal.

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

Sincerely,  
Horan & Company, LLC



Charles E. Horan, MAI  
AA685

12-038B-3 - Mt. Roberts Tramway Lands Leased from CBJ

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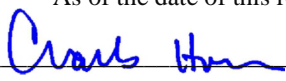
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## CERTIFICATION OF APPRAISAL

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I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed previous appraisal services regarding the property that is subject to this report within the last three years including; a retrospective appraisal for the same purposes with an effective date of January 1, 2011, report date March 9, 2012, reviews of the appraisals by Per Bjorn-Roli, MAI with report dates of the July 10 2012 and October 15, 2013.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to the review by its duly authorized representatives.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- As of the date of this report, I have completed the continuing education program of the Appraisal Institute.

  
Charles E. Horan, MAI , AA41

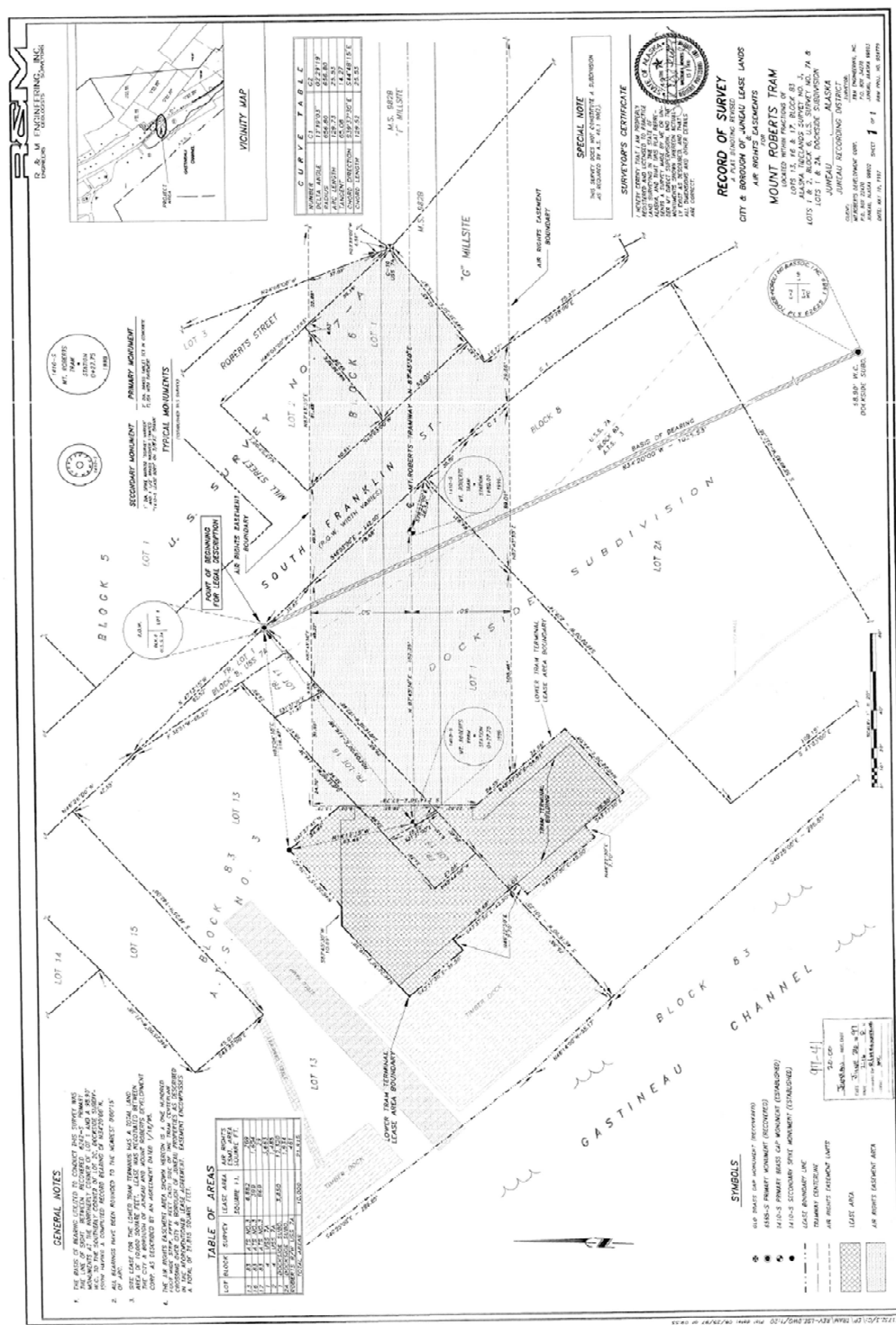
May 16, 2014

Date of Report

July 1, 2012

Effective Date

12-038B-3 - Mt. Roberts Tramway Lands Leased from CBJ



**FIGURE 1.1 - RECORD OF SURVEY WITH AIR RIGHTS EASEMENTS - MT. ROBERTS TRAM**

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## 1 INTRODUCTION

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### **Background**

The City and Borough of Juneau (City) has a land lease with Goldbelt Inc. (Goldbelt) the successors of the Mount Roberts Development Corporation for the lower tram terminal site (10,000SF) and air rights easement (21,815 SF) for the Mount Roberts Tram in Juneau, Alaska. The lease was signed January 31, 1995 with a “permit date” of January 1, 1996 and expires in 35 years from the effective date of the lease, with a 35 year option to renew allowed. The tram was constructed during the 1996 and 1997 seasons.

Section 5 of the lease provided for among other things, an initialed base rent set at 10% of the unimproved land value which was to be adjusted based on a reappraisal every three years after the initial three-year term from the permit date January 1, 1996. A copy of the complete lease is in the addenda. Relevant parts of Section 5 indicate:

**Base Rent:** (A) The Base Rent (including payment for the Air Rights Easement) shall be ten percent (10%) of the appraised market value of the Leased Premises per year...

(B) The Leased Premises shall be appraised for the determination of Base Rent of the Lease as follows:

- (2) An appraisal shall be conducted every three years thereafter. The new Base Rent shall be effective commencing on the first day of the third anniversary of the Permit Date of the Lease, and shall be reset effective on the first day of each successive third year anniversary of the Lease.
- (3) The basis of appraisal shall be the fair market value of the unimproved land of the Leased premises including the Air Rights Easements, at its highest and best use. The appraisal shall not consider any buildings or structural improvements above or below ground, landscaping or paving. The appraisal shall consider the Leased Premises as unimproved land.
- (4) A certified appraiser selected and compensated by the Assessor of the City and Borough of Juneau shall conduct each initial appraisal. If Lessee concurs in the result of the appraisal by the CBJ Assessor, the appraisal shall establish the fair market value for calculating the Base Rent. If Lessee does not concur in the result of the appraisal by the CBJ Assessor, Lessee shall hire an independent certified appraiser, and present the results to Lessor. If Lessor concurs in the results of the independent appraisal, the appraisal shall establish the fair market value for calculating the Base Rent. If Lessor does not concur, Lessor and Lessee shall negotiate in good faith to

reach a fair market value between the results of the initial and independent appraisals. If Lessor and Lessee cannot agree, Lessor and Lessee shall engage and share in the cost of a third independent certified appraiser (acceptable to both parties) to determine the fair market value of the Leased Premises. The third appraiser shall be instructed to select either the initial appraisal or the independent appraisal as the one which most closely reflects the fair market value of the Leased Premises. The fair market value selected by the third appraiser shall be final, and shall establish the fair market value for calculating the Base Rent. In this section, “certified” means a regular member of the Society of Real Estate Appraisers of the American Institute of Real Estate Appraisers (or the successor body of either group) who has been properly designated MAI, SREA or SRPA, or any future similar designation which denotes proficiency in the appraisal of commercial real property.

In addition, Section 6 provides for a Royalty Payment to be paid, based on a sliding scale at a percentage of the gross “Leasehold Revenues.”

As memorialized in the John Stone letter of April 3, 2006, the Ports and Harbor Board reset the rent at \$104,000, based on 8% of the 2005 assessment. The letter states “rent will remain in effect for three years until adjusted, pursuant to paragraph 5 of the lease. This rent replaces the current rent charge under paragraphs 5 & 6 of the lease.” A copy of this letter is also in the addenda. There was an apparent lapse in regularly updating the base rent calculation for the lease every three years after that.

At the request of the Port Director, I (Charles Horan, MAI) completed an appraisal for the base rent calculations with an effective date of January 1, 2011 for a third year anniversary update. It indicated a value of the lower tram unimproved land and air rights of \$3,300,000.

Goldbelt objected to the value of this original appraisal and obtained their own appraisal performed by Per Bjorn-Roli, MAI of Reliant Advisory Services with an effective date July 1, 2012 and report date July 10, 2012, indicating a land value of \$0.00 (zero dollars) using certain extraordinary assumptions. After some negotiations, Goldbelt obtained a second appraisal report dated October 15, 2013, by Bjorn-Roli, with the same effective date but with different extraordinary assumptions. Under the second appraisal, the land value was \$2,450,000 except that using an additional extraordinary assumption, a discount of \$1,092,700 was applied assuming the landowner would have to complete offsite and onsite improvements suggesting a revised value of \$1,357,300. A third appraisal was issued by Bjorn-Roli, report date February 6, 2014 with the same effective date which considered a more recent sale, closing in September of 2013 reflecting a revised value of \$2,300,000, further revised by extraordinary assumption \$1,092,700, indicating a revised value rounded to \$1,210,000. Goldbelt plans to submit this latest appraisal for arbitration purposes.

This is an updated appraisal completed by Charles Horan, MAI at the request of the Port Director (City). This is a revision to the original appraisal which is intended to be submitted for arbitration. This updated appraisal has an effective date of July 1, 2012 to bring parity between it and the Bjorn-Roli appraisals. It also considers updated market information and additional descriptive information about the subject property

### **Property Identification**

The property appraised comprises those lands leased from the CBJ by the Mt. Roberts Development Corporation as described in the lease dated January 31, 1995 recorded in Book 427, Page 705, Juneau Recording District, a copy of which is in the Addenda of this report.

As instructed by the lease, a survey of the leased premises was made to calculate the final area of the tram terminal area and the air rights easements. This was done by a Record of Survey performed by Malcom Menzies of R&M Engineering dated May 10, 1997 attached hereto as Figure 1.1 at the beginning of this section.

The address of the property is 490 South Franklin Street, Juneau, Alaska 99801.

### **1.1 PURPOSE, USE AND USERS OF THE APPRAISAL**

The purpose of the appraisal is to comply with Section 5 of the lease, which describes the base rent and how it is to be reestablished through appraisal every third anniversary of the permit date, which was originally January 1, 1996. Section 5(d)(3) states:

“The basis of appraisal shall be the fair market value of the unimproved land of the Leased premises including the Air Rights Easements, at its highest and best use. The appraisal shall not consider any buildings or structural improvements above or below ground, landscaping or paving. The appraisal shall consider the Leased Premises as unimproved land.”

The **intended use** of this appraisal is to assist in negotiation of the rental adjustment, which apparently was last done in July 2006. The appraised value would then be used to help calculate the “base rent”. This appraisal is intended to be used as part of the arbitration process outlined in the lease.

The **intended users** are the lessor, City and Borough of Juneau (City), the lessee, Mt. Roberts Tramway Limited Partnership, the successors of the original lessee, a subsidiary of Goldbelt, Inc. (Goldbelt) and the third independent certified reviewing appraiser pursuant to Section 5(d) 4 of the lease.

## **1.2 SCOPE OF APPRAISAL**

Information on the condition of the site and the neighborhood is based on the appraiser walk-through inspection of the site in early June 2011. The property was inspected again in July of 2012 and most recently in April of 2013 and various other times incidental to other work in the neighborhood. The appraiser has reviewed various Jensen Douglas architectural construction documents dated June 1995 prior to the tram development which helps understand the pre-lease condition the site. Copies for reference are included in the addenda noted as; C-1 Lower Tram Existing Site Conditions, C-2 Site Plan, C-3 Retaining Wall Extension, S101 Lower Tram-Lower Floor Foundation Plan, S201 Existing Seawall Section Detail. An understanding of the site after construction is informed to by the Record of Survey and the As-Built Survey Plat of the Mount Roberts Lower Terminal by R&M Engineering dated 1997 and the Gary Gillette, port engineer letter to Charles Horan dated October 28, 2013. These are also in the addenda.

The legal issues and experience data surrounding the property are informed by a review of the lease and relevant documents from City staff, interviews with representatives of the lessee, Jim Duncan, representatives of the lessor, Carl Uchytel, Port Director, and other personnel in the harbor master's office.

Market research included a canvassing of the subject area over the past 30 years for rents, building sales, and land transactions, observations of redevelopment, which have occurred in the area to discern residual land values from income indicators and market transactions. The market unit of comparison is price per square foot. This very high value market is driven by retail sales generated by cruiseship passenger traffic. Capitalized land leases, sales of vacant land, and underdeveloped land were considered. Improved properties were also analyzed since the market pays higher prices for the strategic retail locations. In the subjects instance, we also relied on improved transactions where we allocated land and building values. Building owners and managers, appraisers, realtors and tenants were interviewed to establish market rental trends, construction costs and sales prices paid for properties in the neighborhood.

Other market trend indicators were researched and analyzed including retail sales, Cruise ship passenger counts and other relevant data discussed in the appraisal. Market trends are verified by our many years of experience in this market and dating back to 1980. We have identified over 30 transactions including offers to buy and sell, sales, building space rents and land leases between the 200 block and 500 block of South Franklin Street within the last 10 years. We have also considered market experience in competing markets such as the Ketchikan and Skagway.

**Assumptions and Limiting Conditions**

In addition to the general assumptions and limiting conditions this appraisal is made based on specific hypothetical condition.

HC-1 Although the site is developed with the lower tram terminal, ticketing office and other related facilities, it is appraised in the hypothetical condition which does not consider any buildings or structural improvements above or below ground, landscaping or paving. It is appraised as unimproved land.

This appraisal report and valuation contained herein are further expressly subject to the following assumptions and/or conditions:

1. It is assumed that the data, maps and descriptive data furnished by the client or his 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.
4. This appraisal was made on the premise that there are no encumbrances prohibiting utilization of the property under the appraiser's estimate of the highest and best use.
5. It is assumed that the title to the property is marketable. No investigation to this fact has been made by the appraiser.
6. No responsibility is assumed for matters of law or legal interpretation.
7. It is assumed no conditions exist that are not discoverable 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.
8. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption

that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

9. The value estimate is made subject to the purpose, date and definition of value.
10. The appraisal is to be considered in its entirety, the use of only a portion thereof will render the appraisal invalid.
11. 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.
12. The market rent is estimated for the tract with no value for improvements to the land or improvements on the land which are owned or leased by the lessee.

## 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, Pages 122-123



**Exposure time** is estimated at 12 - 24 months. Exposure time precedes an appraisal and is based on estimated demand considering the supply and demand, availability of funds to purchase, overall economic well-being of the community, and the physical characteristics of the Juneau real estate market. The marketing time considers the subject value at the appraised value beginning at the effective date of the appraisal.

### **Extraordinary Assumptions**

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.

(USPAP, 2010-2011 ed.) *The Dictionary of Real Estate Appraisal*, 5th Edition, Appraisal Institute, Pages 73

### **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.

The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute

The use of this Hypothetical Condition may affect the assignment results.

## 2 AREA ANALYSIS

### 2.1 JUNEAU AREA ANALYSIS

The demand for real estate is driven by population, employment and other economic activity.

#### Overall Market

The Juneau economy is primarily driven by the Government. 40% of all jobs and 50% of all wages in Juneau are Federal, State or Tribal Government. Being the state capital, The State of Alaska employment makes up about a quarter of this payroll.

Diversifying elements of Juneau's economy include tourism, two nearby major gold mines (Greens Creek and Kensington), regional and local health care, and the seafood industry. The Juneau and Southeast Alaska Economic Indicators October 2013 released by the Juneau Economic Development Council (JEDC-2013) indicates expansion of 5% in the number of jobs in the private sector with a 1% contraction in the government sector. However, there was a growth of 5% in both public and private sector wages in 2012 over the previous year. See our Figure 2.2 excerpted from JEDC report.

This confirms what has been observed in the Juneau economy, things are stable with growth in certain market segments.

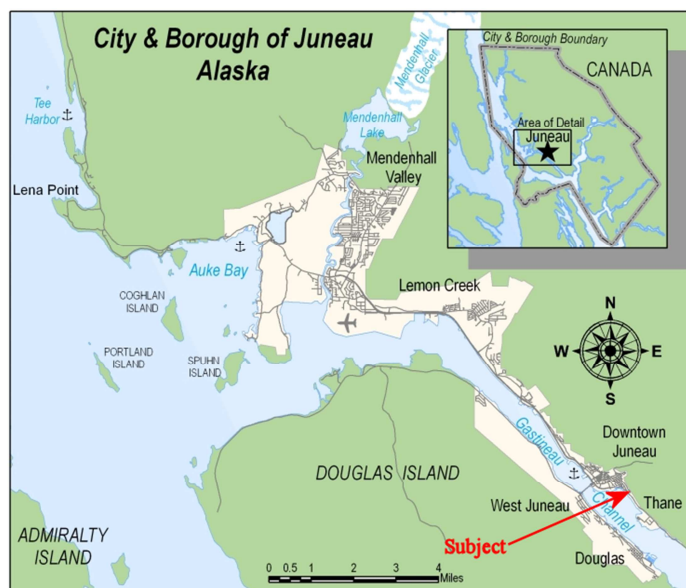
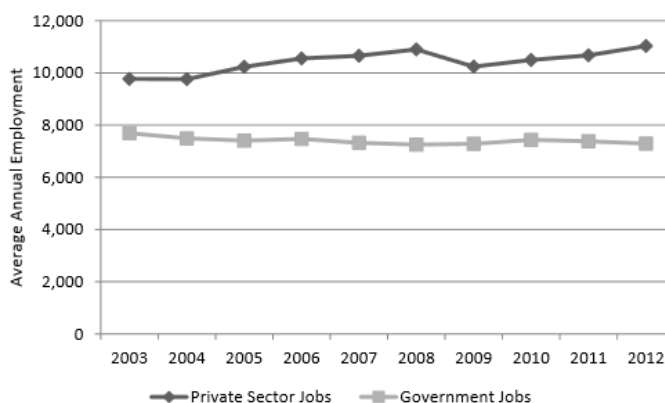


FIGURE 2.1 – JUNEAU AREA MAP SHOWING INDUSTRIAL WATERFRONT AREAS

Figure 1: Juneau Private and Government Sector - Ten Year Jobs Trend



Alaska Department of Labor and Workforce Development, 2012 Quarterly Census of Employment and Wages

FIGURE 2.2 – NUMBER OF JOB TREND, SOURCE: JEDC-2013, PAGE 4

Juneau's population has risen each of the last five years from a low in 2007 of 30,350 to 32,832 in 2012. See Figure 2.3. This compounded annual growth at 0.5% is less than the state growth of 1.3%. The overall region has rebounded a little stronger as well.

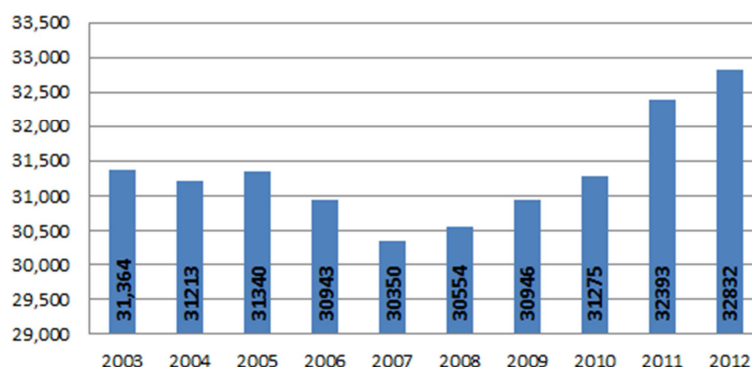


FIGURE 2.3 – JUNEAU AND POPULATION TRENDS 2003-2012

Another measure of the communities supply and demand characteristics is gross business sales. The JEDC study presented the following gross sales information from 2003 at 2012 reflected in our Figure 2.4 below.

Professional and business services and contractor sales account for about 25% of the total. Real estate showed strong growth at almost 10% in 2012. On the other hand Food, Retail Sales and Automotive showed a 4% decline. Tourism related businesses which account for about 10% of the overall gross volume

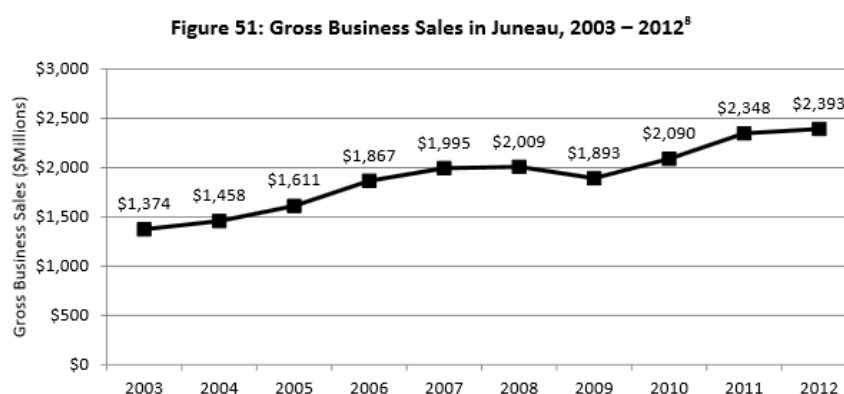
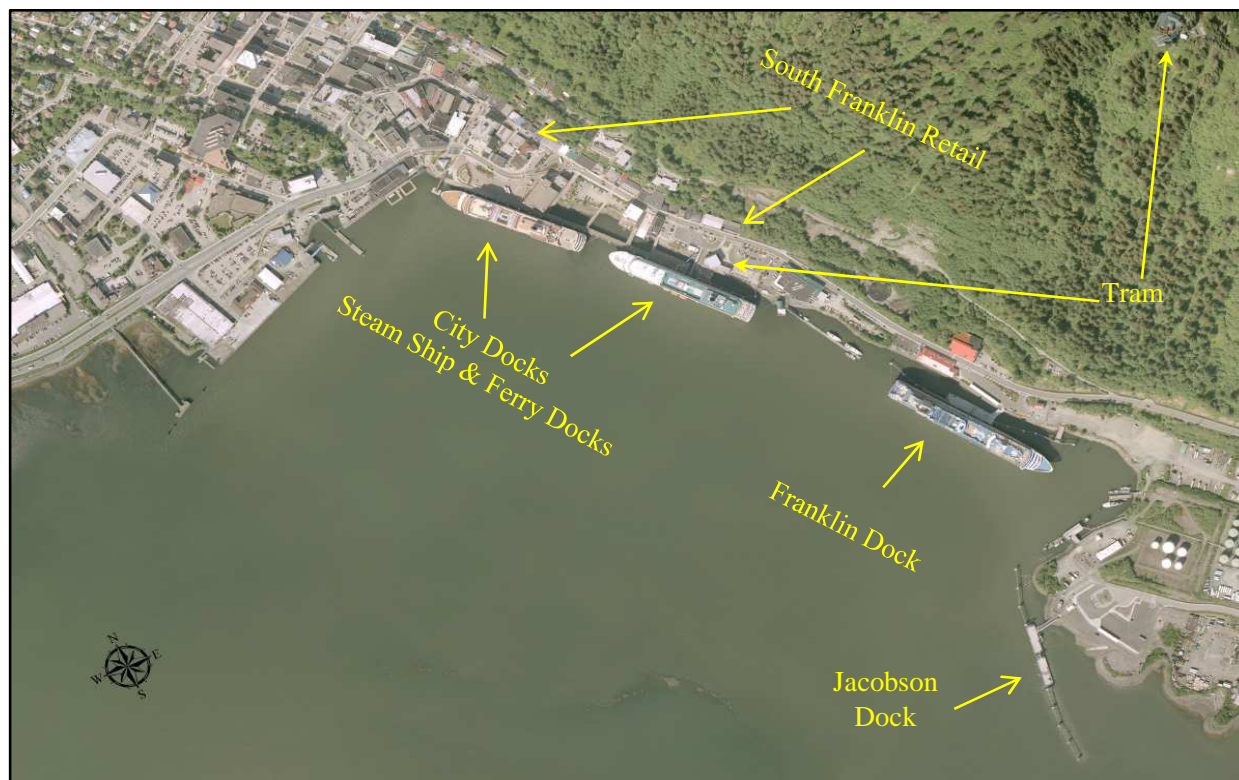


FIGURE 2.4 - GROSS BUSINESS SALES, GEDC 2013 PG. 45

gained almost 8% from 2011 to 2012. Overall business activity rebounded after a decline in 2009. Gross business sales exceeded the previous highs experienced in 2007 and 2008. Activity has been relatively stable recently overall with some strengthening in the tourism area which had weakened with a significant falloff in 2008.

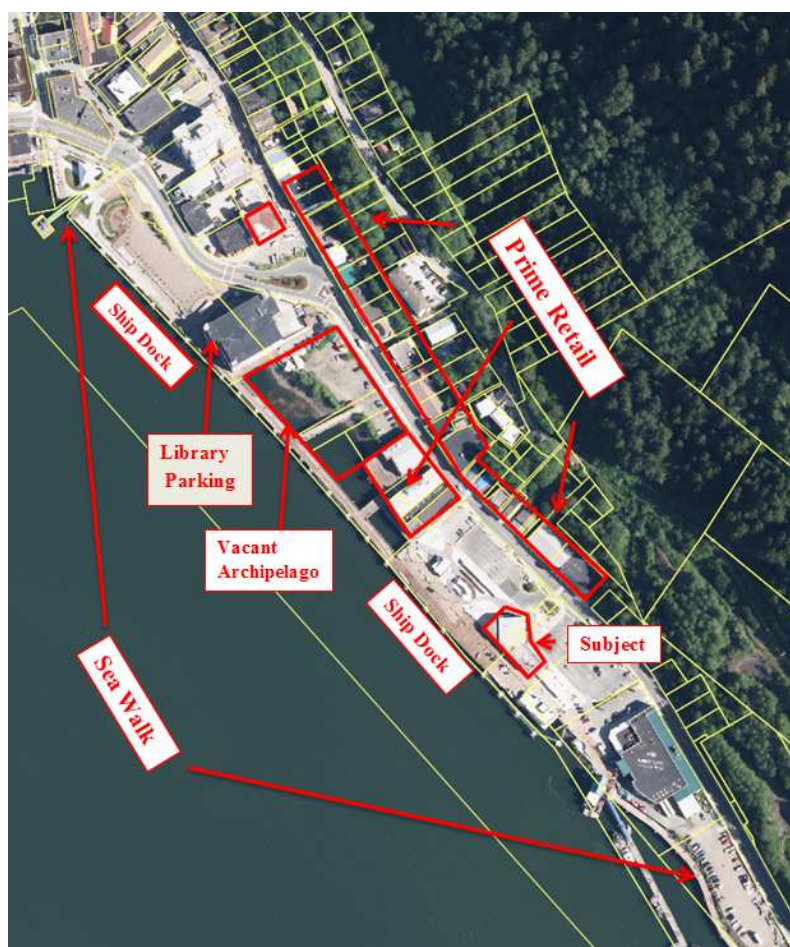
## 2.2 SUBJECT MARKET- CRUISE SHIP TOUISM AND SOUTH FRANKLIN STREET



**FIGURE 2.5 - JUNEAU WATERFRONT AND CRUISE SHIP DOCK LOCATIONS**

The subject property is located along the waterfront of downtown Juneau in the center of the most heavily used tourist area of South Franklin Street. In the current market, the heaviest tourist traffic and therefore the highest market rents are in the 300 and 400 block of South Franklin with concentrations near the subject and the larger cruise ship docks. South Franklin Street is the main thoroughfare serving these retail areas extending southeast to the Alaska Juneau Rock Dump where the Jacobson Dock is located. This stretch of South Franklin Street is approximately one mile in length and has developed into a heavily-traveled street in the summer months by tourists visiting Southeast Alaska. The recently completed Sea Walk and continued investment in the reconfiguration and expansion of cruise ship docking along the waterfront, continued high volume pedestrian traffic and resulting high volume retail sales this neighborhood appears certain.

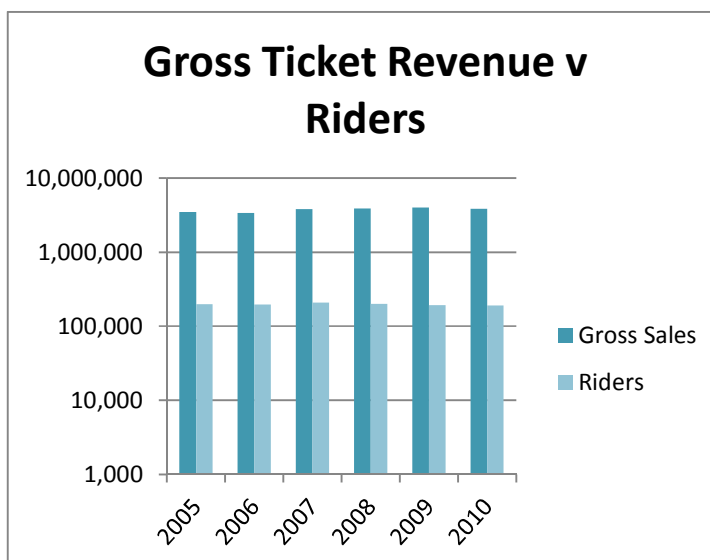
About 930,000 visitors used this corridor from May through September 2012 as a result of cruise ship visitation. Three cruise ship docks are parallel to South Franklin Street, with an additional dock nearby at the Rock Dump. The heaviest tourist concentration parallels the two City Docks and the 300 to 400 blocks of S. Franklin St. There is a strip of privately-owned property between the docks/Sea Walk and S. Franklin St, developed with retail businesses catering to the traffic generated from the cruise ship passengers. The development between the dock and street include city owned parking/transfer areas, the public library/parking garage, the vacant Archipelago site and the subject. The other opportunities for private retail are on the east side of S. Franklin, see Figure 2.6. The subject parcel is located in the center of the most active and valuable area of Juneau's waterfront which is arguably one of the most concentrated tourist areas of southeast Alaska. The highest rents and the most sought after properties are in the 300 to 400 block of S. Franklin Street.



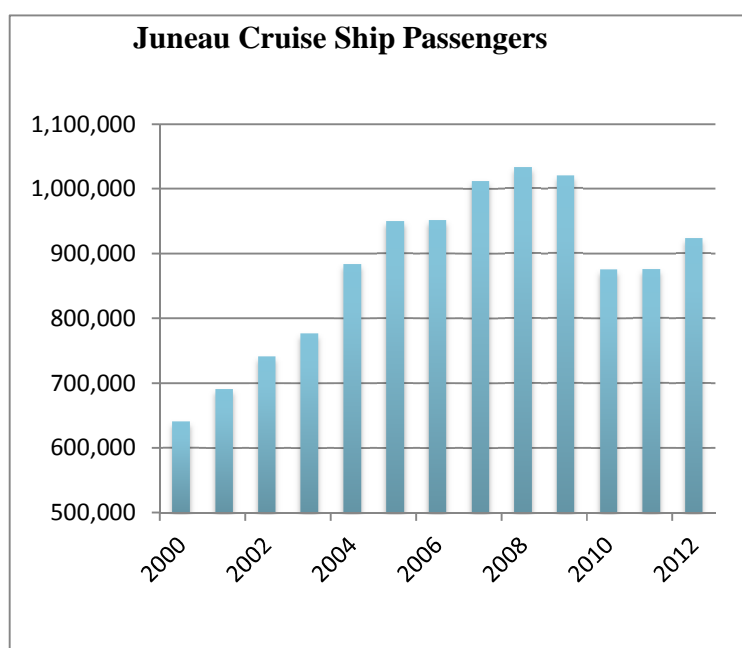
**FIGURE 2.6 - PHOTO OVERLAY MAP SHOWING SALES IN THE 300 AND 400 BLOCK S. FRANKLIN ST.: THE HIGHEST TOURISM TRAFFIC AND RETAIL.**



Visitation to the subject tram has ranged between 190,000 and 210,000 visitors from 2005 to 2010. Revenues appear relatively stable. Fig 2.7 shows tram ridership and revenue. While cruise ship passengers peaked in 2008, tram revenue continued to rise through 2009, but has leveled off since then. The tourist visitation numbers impact the tram ridership and revenues, but the tram numbers fluctuate less. The tram may be near practical operating capacity although weather and other elements impact is ridership and revenue.



**FIGURE 2.7 - GROSS TICKET REVENUE VS. RIDERS. SOURCE: GOLDBELT INC.**



**FIGURE 2.8 – JUNEAU CRUISE SHIP PASSENGERS SOURCE: JUNEAU CONVENTION & VISITORS BUREAU COMPILED BY HORAN & Co**

Cruiseship passenger visitation peaked out at just over a million for the years between 2007 and 2009. It dropped to about 875,000 for 2010 and 2011, increasing to about 930,000 in 2012. See Figure 2.8. This is consistent with the overall regional trend for cruiseship passenger visitation. Retail spending for tourist related sales correlate well with this passenger visitation data as noted in figure 2.9 tourism spending. These trends show retail demand should persist for this market.

These patterns reflect the retail building rental rates that have been achieved over the last 10 years. Monthly rents rose rapidly from from \$5.00/SF to over \$8.00/SF from 2001 through 2008 in many properties. There was a significant shucking out of businesses during this time especially jewelry stores and others who were paying the highest

rents. Recent interviews with landlords in the same block as the tram confirm rents from as low as \$6.00/sf to as high as \$8.00/SF but predominantly in the \$7.00/SF plus range. Real estate investors soon realize that the high end rents were not sustainable and rental concessions have been made during lease rollovers ever since. The less aggressive more stable building managers have maintained their rent levels generally in the \$6.50/SF to \$7.00/SF range.

Long-term income expectation through rents is critical in making land purchase decisions. While building costs are generally similar throughout the market the higher income generated by rents goes to the location- that is the land under the buildings. Purchasers have been very aware of this in this market with an acute understanding that they can buy

improved properties where the structures are significantly depreciated and the residual value is attributable to the land/location. In a market with limited opportunities to purchase land, structures have been demolished enabling the land to be redeveloped. In other words, the value of land in this area is reflected by transactions involving properties improved with buildings. Some investors have torn improvements down and rebuilt. Some have upgraded the existing structures fully aware that the prices paid reflect significant land value. Until the Archipelago Group recently sold portions of the old Juneau Cold Storage site in 2011 and 2013 the most recent undeveloped upland sale was 265 S. Franklin St. in 2005. A detailed discussion of these market indicators will be developed in the Valuation Section of this report (Section 4) and how they relate to the subject site.

### Juneau Tourist Spending 2001 - 2013

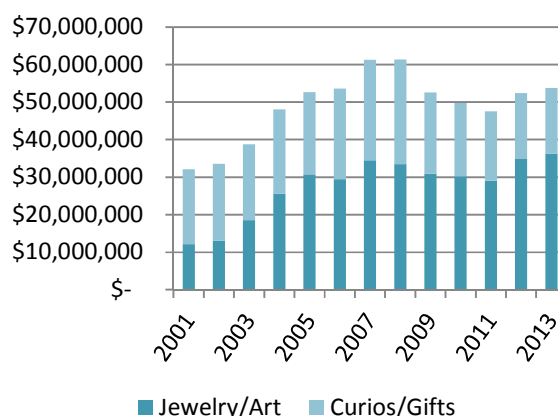


FIGURE 2.9 - TOURIST RELATED SPENDING 2001 - 2013.  
SOURCE: CBJ FINANCE COMPILED BY HORAN & CO.

### 3 PROPERTY DESCRIPTION

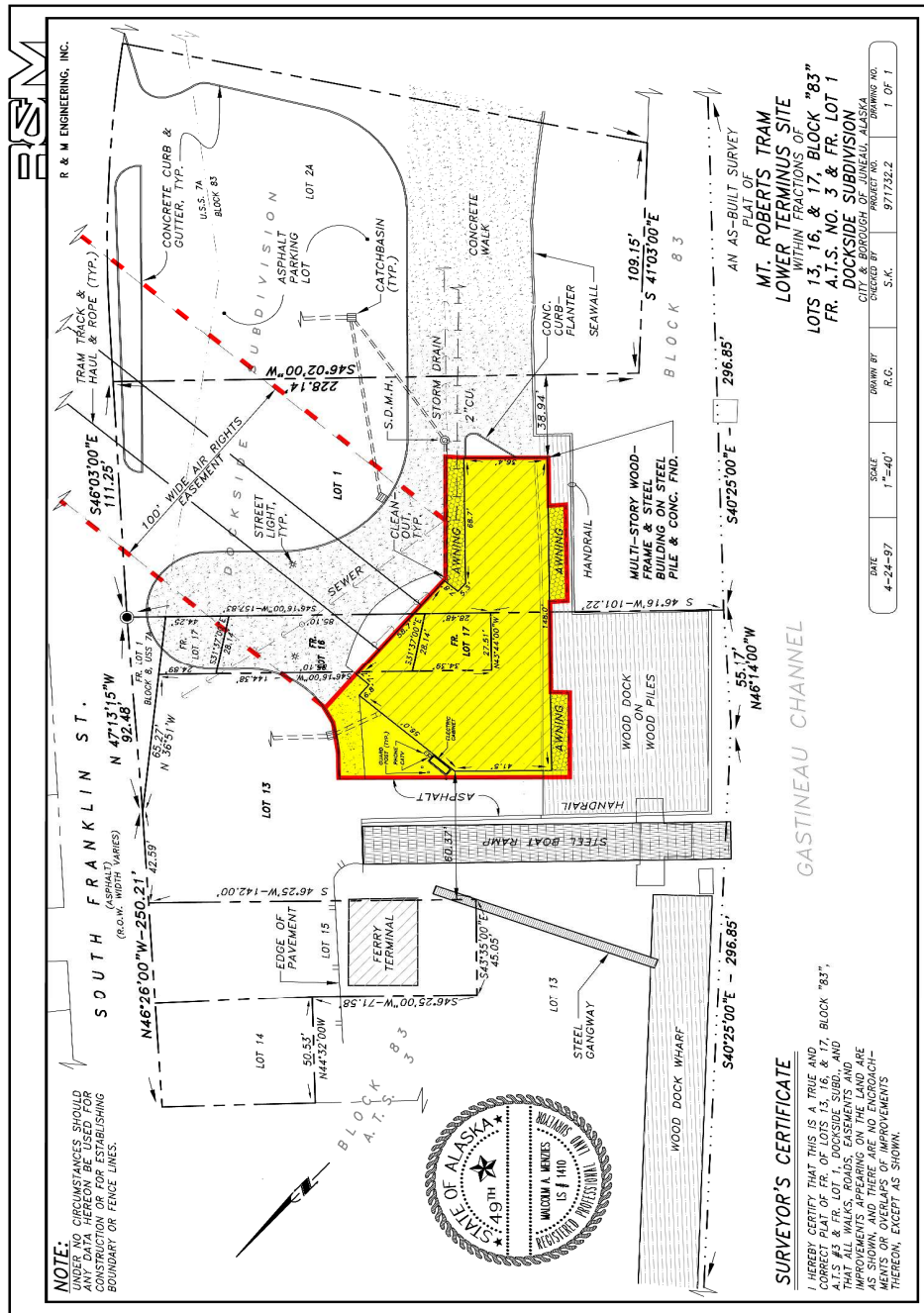


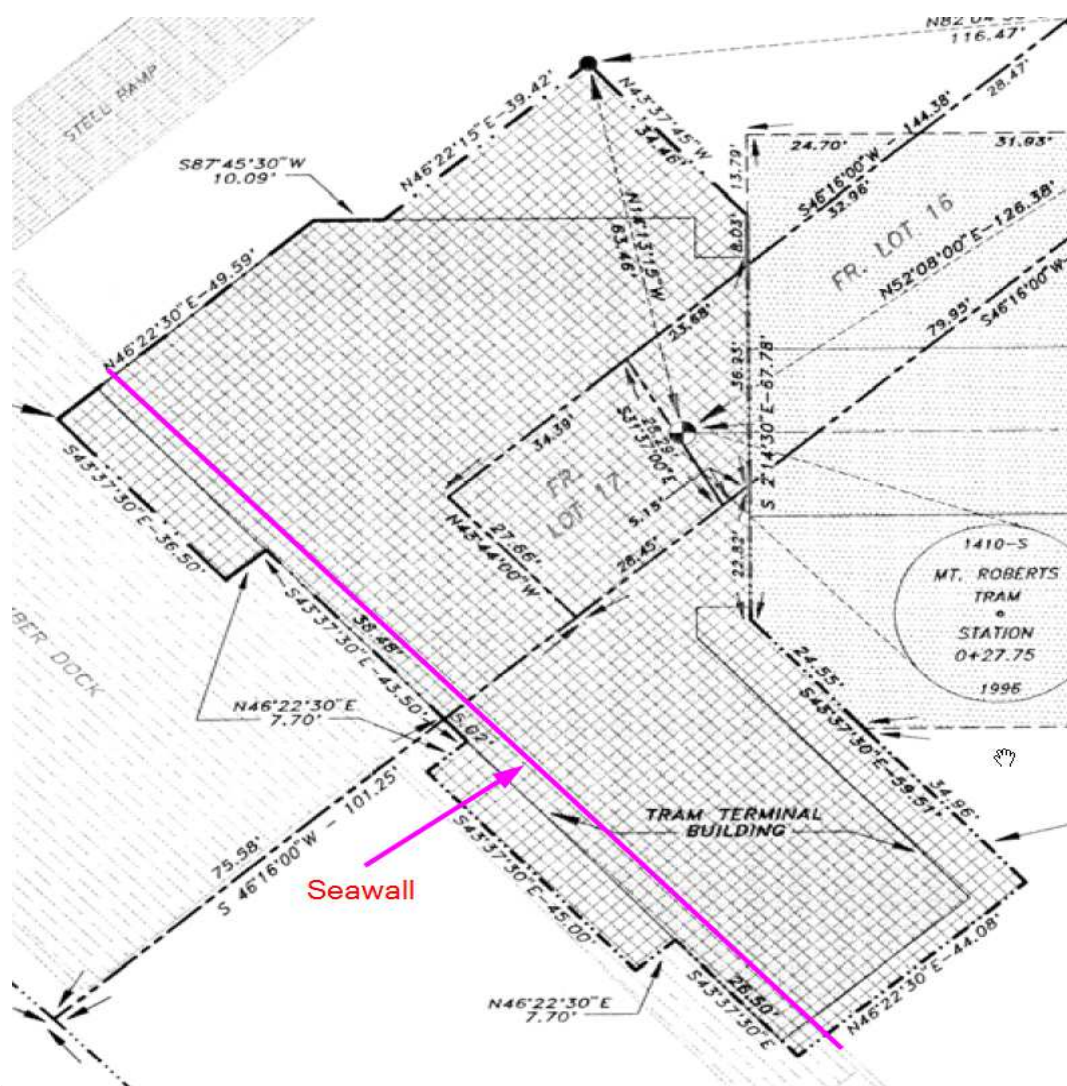
FIGURE 3.1 - As-Built Survey with Highlighted Lower Base Landing Terminal Site and Air Rights Easement. Highlighted by Horan & Co., LLC. Not to Scale.



This appraisal is made to establish the base value for annual rent calculations of the land without consideration to the improvements, Section 5(d)(3) states:

“The basis of appraisal shall be the fair market value of the unimproved land of the Leased premises including the Air Rights Easements, at its highest and best use. The appraisal shall not consider any buildings or structural improvements above or below ground, landscaping or paving. The appraisal shall consider the Leased Premises as unimproved land.”

As instructed by the lease, a record of survey was completed to establish the lower tram terminus site at 10,000 SF and the air rights easement area 100' wide covering various CBJ properties as described in Fig 1 being 21,815 SF. An as-built survey was also completed; shown in Fig 3.1 where I have highlighted the approximate location of the lower tram terminal site and the air rights easement over CBJ lands.



12-03  
 FIG 3.2 CLOSE UP EXCERPT LOWER TRAM SITE RECORD OF SURVEY SHOWING SITE SIZE AND APPROXIMATE LOCATION OF SEAWALL.

### 3.1 LOWER TRAM TERMINUS SITE

This parcel is a combination of uplands, filled tidelands and a limited amount of sloping uplands. The original shoreline has long been filled by the AJ Mine tailings and obscured. Filled tidelands have similar characteristics and utility as uplands. The subject is an irregular roughly six sided parcel containing 10,000 square feet.

The appraiser has reviewed various Jensen Douglas architectural construction documents dated June 1995 prior to the tram development which helps understand the pre-lease condition the site. Copies for reference are included in the addenda noted as; C-1 Lower Tram Existing Site Conditions, C-2 Site Plan, C-3 Retaining Wall Extension, S101 Lower Tram-lower Floor Foundation Plan, S201 Existing Seawall Section detail. An understanding of the site after construction is informed to by the Record of Survey and the As-Built Survey Plat of the Mount Roberts Lower Terminal by R&M Engineering dated 1997, the appraiser walkthrough inspection of the site and the Gary Gillette, Port Engineer letter to Charles Horan dated October 28, 2013.

The requirements of the appraisal for the base for rent adjustment considers the site be valued as unimproved land and “shall not consider any buildings or structural improvements above or below ground, landscaping or paving.” Subsequent to the lease the development of the land included significant site improvements to anchor the lower tram terminus and the terminal building.

#### Pre development site

A study of the various documents and interviews with knowledgeable people suggest these filled tidelands were outside (above) the inner tidal floodplain at an elevation of about 24 feet, gently sloping and drained. The site was used as a parking area for the nearby docks. The site had asphalt pavement and a seawall partially constructed of timber and partially precast concrete. The southwesterly strip of the site had sloping riprap fill probably ranging up to 6 to 8 feet inside the edge of the present building encompassing about 17% of the site.

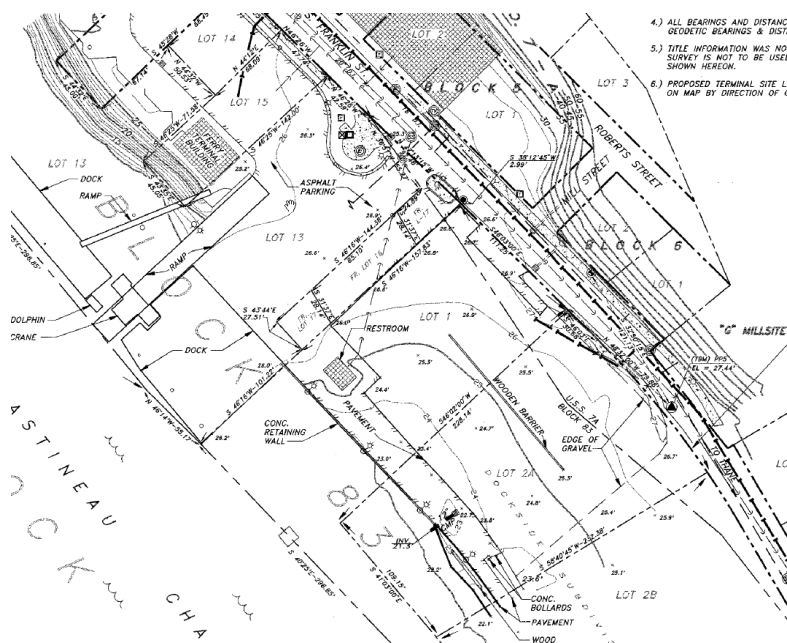


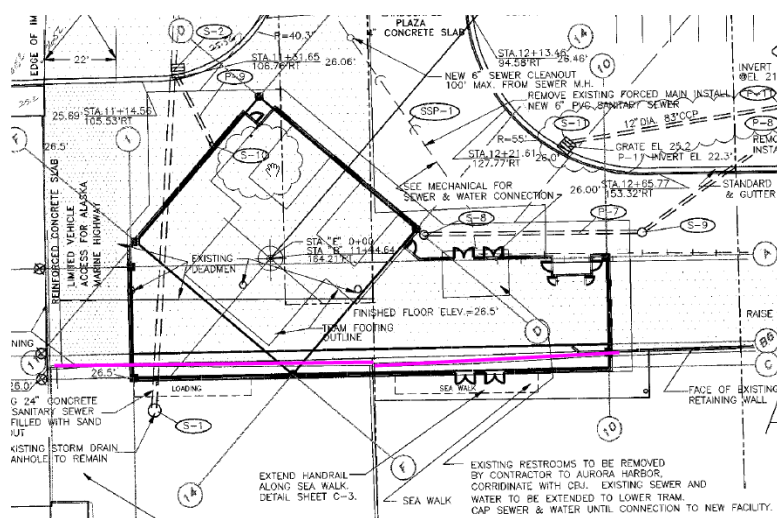
FIG 3.3 EXCERPT FROM LOWER TRAM EXISTING CONDITIONS DRAWING C-1  
JENSEN DOUGLAS ARCHITECTS

The site was improved with a public restroom which was serviced by city water, sewer and private electrical service. The site had good access to South Franklin Street to the north approximately 100 feet through the paved parking lot and dock access travel ways.

### Post development site description

After development the site was built out with lower aerial tram foundation works in supporting the building. The final elevation was raised several feet which included an extension of the seawall height, additional compacted fill and pilings.

The sewer and water lines had been upgraded and replaced. The parking lot and access to South Franklin Street had been upgraded by the City with wide sidewalks, vehicle travel ways, bus turnarounds and other amenities to accommodate the flow of pedestrian traffic and tours into and out of the area. This included extensive offsite landscaping, paving and sidewalk development. Dock access behind a building had been maintained by the City.



**FIGURE 3.4 EXCERPT FROM 1995 SITE PLAN DRAWING C-2 JENSEN DOUGLAS ARCHITECTS SHOWING EXISTING UTILITY HOOKUPS AND PROPOSED REPLACEMENTS AND OTHER OFF SITE DEVELOPMENTS MAINTAINED BY THE CITY. NOTE SEAWALL LOCATION HIGHLIGHTED BY HORAN AND COMPANY.**

### Site description as appraised

Over time the adjacent public areas around the Lower Tram and South Franklin Street have been upgraded by the City. Most recently in 2012 the visitor center was developed shown the 2013 aerial photograph Figure 3.5. This photography also shows the SeaWalk which connects three cruise ship births behind the South Franklin Street corridor, the extensive concrete walkways, vendor booths for selling tours, bus pickup and drop off areas, landscaping etc. The market would have understood that the area was continuing to be improved by the City which would further enhance the site's attractiveness and functionality to handle the flow of tourists into the area. These new improvements are cited in the October 2013 by Gary Gillette, Port Engineer in the addenda which states the following:



A potential new lessee would not be required to make improvements off the lease site because the city has a long history of improving and maintaining this area for public access to the docks, the Sea Walk, the Fishermen's Memorial, the Visitor Center, Port

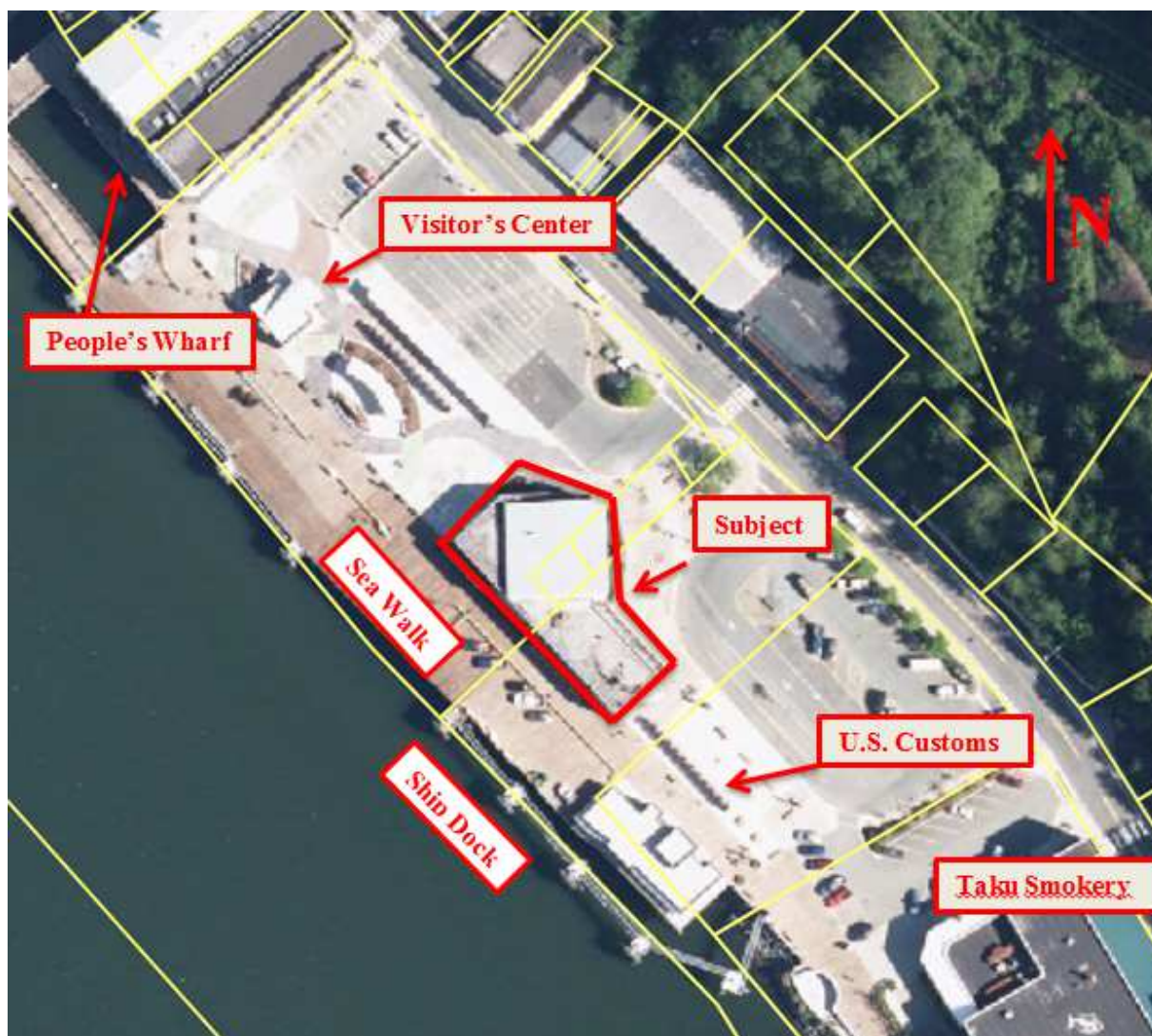


FIGURE 3.5 - 2013 AERIAL PHOTOGRAPHY SHOWING THE SUBJECTS SITE AND IMMEDIATE AREA INDICATING APPROXIMATE CONDITION OF AREA JULY 2012.

Customs Building, and the Mt. Roberts Tram lower terminal. Since 2010 substantial reconstruction and improvements of the public facilities has taken place which has significantly improved access to the surrounding uses including the tram building. These improvements are expected to serve the community for at least the next fifty years.

As appraised the subject Lower Tram site is a 10,000 square foot irregular site. It is 151.5 feet wide with exposure to cruise ships to the south west and the pedestrian traffic from South Franklin Street to the north east. The northern border of the site is nearly 100 feet facing toward the Visitors Center and People's Wharf commercial building. The southern width of the site is about 44 feet facing the US Customs Office and Taku Smokery / Twisted Fish restaurant and the parking area. The sites shape with extensive perimeter and exposure makes it ideal for retail store front development.

The site is mostly level (80% plus) and filled to grade with the exception of the southwesterly edge approximately 1,700 SF or 17% more or less which is riprap rock sloping toward the water.

#### **Off site amenities as appraised**

The site is serviced with City sewer, water and private utilities including power, trash collection, phone, cable, internet and fuel are available.

The site has public access on all sides. It has vehicular access through the adjacent municipal parking lot and tour bus staging area leading to the subject from South Franklin Street. It has direct access to the Sea Walk and cruise ship offloading area along the southwest 151 foot border. The remaining perimeter of the site is developed with public sidewalk access.

#### **Site improvements**

This appraisal does not include consideration for any pavement, sidewalk, dock or structures on the site or in the site. This appraisal does not include the retaining wall along the southwest edge of the site. Nor does the appraisal include any utilities extended into the site. The site is appraised as filled uplands, mostly at grade.

#### **Functional utility**

The market would regard this as a typical upland commercial site with good exposure to cruise ship traffic. The site is fully usable. The site has an excellent shape being over 150 feet wide with an average depth of about 67 feet (10,000SF/ 150'). This maximizes its exposure to retail, tours and traffic both from the Sea Walk and South Franklin Street. Although the current building is supported by driven piling along the water's edge piling may not be required for a light wood frame building. As envisioned for the sites highest and best use, piling may not necessarily be required. An engineered foundation possibly supplemented with a light boardwalk connecting the site to the Sea Walk would be sufficient. This technique was used in the redevelopment of the People's Wharf building just north of the subject.

### 3.2 ZONING

The subject is zoned Waterfront Commercial (WC). The 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. Properties of similar zone between Franklin Street and the docks have been developed with retail-oriented uses.

### 3.3 ASSESSED VALUATION AND TAXES

Although the subject property is owned by the City and Borough of Juneau (City), the extent of the private leaseholder's possession is assessed and taxed according to state law as a possessory interest. Typically the possessory interest is calculated as the difference between the current fee simple value and the present value of the reversion of the exempt owner (the value returned to the City) at the end of the term of possession.

The subject is identified by the assessor's office as 490 South Franklin Street. Its assessor parcel number is 1C100K830011. In 2011 the land and improvements were revalued and have not changed through the 2014 assessment. This parcel only covers 10,000 square feet and the improvements on the lower tram site. Apparently the air rights have not been assessed. The following is a summary of the fee simple assessment which has not changed since 2011 and show the possessory interest calculation for 2012.

Land-fee simple	\$3,000,000	Adjusted for possessory interest	\$2,460,400
Improvements	<u>\$1,533,000</u>	No adjustment	<u>\$1,533,000</u>
Total value	\$4,533,000	Total taxable 2012	\$3,993,400

The typical mil rate in Juneau has been between 10.17 and 12 mils over the past few years and was 10.55 mils for fiscal year 2012.

The assessed valuation had been appealed in 2011 both on the basis of value and use of the incorrect square footage. It is not clear if the assessment includes the air right easements. Some past assessments have added a nominal amount for easements and the prior assessments had been calculated based on the apparent incorrect square footage of the Lower Tram site. In 2011 the fee simple base value of the land was reduced from \$350/ SF to \$300/ SF as a result of a tax appeal. The fee simple value is adjusted downward for its possessory interest based on a 10% annual discount from a hypothetical reversion at the end of the first 35 year term of the lease. The following table shows the nominal fee simple square foot assessment value for the Lower Tram

site land from 2005 to 2013 and the possessory interest from 2011 - 2013.

<b>Table 3.1 Summary Square Foot Assessed Land Value Fee Simple 2005 To 2013 and Possessory Interest Value 2011 Through 2013 Lower Tram Site.</b>		
<b>Year</b>	<b>Fee Simple SF Value</b>	<b>SF Value Adjusted for Possessory Interest</b>
2005	\$130	Calculations not available
2006	\$130	Calculations not available
2007	\$500	Calculations not available
2008	\$500	Calculations not available
2009	\$500	Calculations not available
2010	\$350	Calculations not available
2011	\$300	\$250.95
2012	\$300	\$246.04
2013	\$300	\$240.65

A copy of the Possessory interest calculation summary applicable the last several years is included in the addenda.

### **3.4 EASEMENTS AND OTHER RESTRICTIONS**

The lease spells out that the lessor has clear title to the lease premises and warrants most of the lands. There may be a clouded title on the portion of the air rights which it does not warrant as outlined in Section 2 of the lease. There are prior easements and use agreements (see Section 12 of lease) which do not appear to inhibit the highest and best use of the site. The appraisal is made assuming no atypical restriction on the highest and best use.

### **3.5 DESCRIPTION OF AIR RIGHTS**

As indicated on Fig 3.6 the air rights extend due east of the irregular-shaped lower tram landing site. These air rights extend 50' north and south of the center line of the tram and run over portions of Lot 13, Block 83, a fraction of Lot 15, portions of Lots 1 and 2A of the Dockside

Subdivision, portions of Lots 1 and 2 of Block 6, and the Roberts and South Franklin Streets' rights-of-way. The air rights apparently terminate to the east where they enter AJT Property's land they encompass. The subject easement area is 21,815 SF.

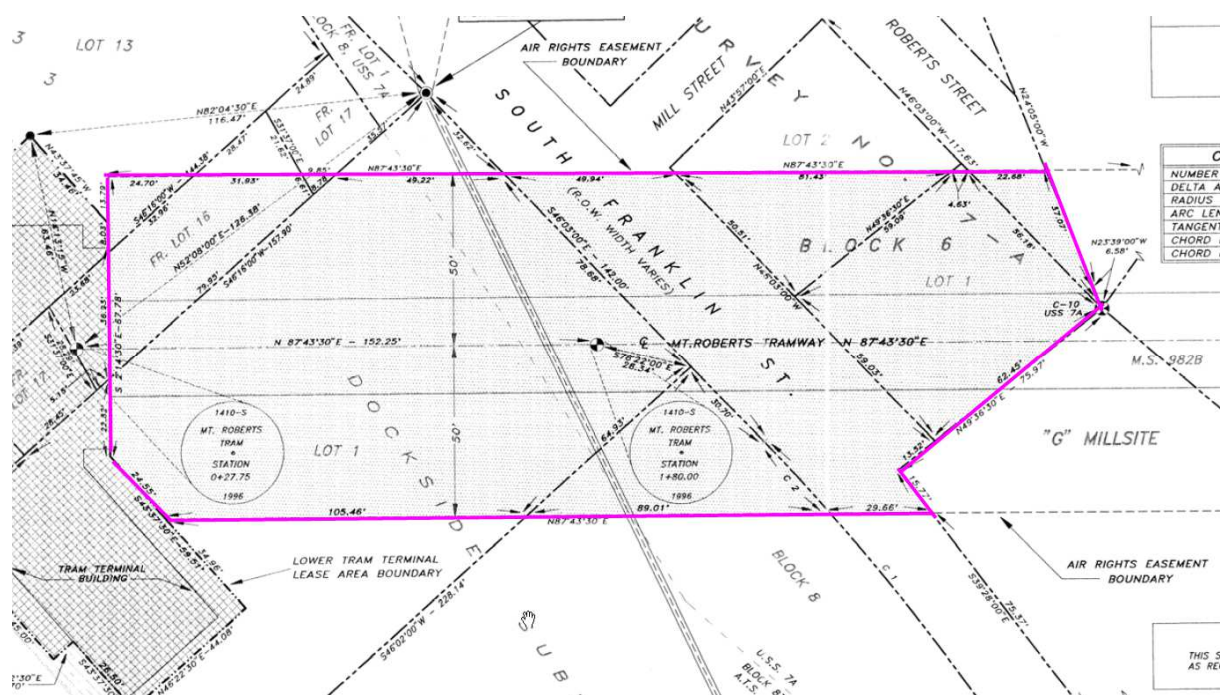


FIGURE 3.6 DRAWING OF AIR RIGHTS EXCERPTED FROM THE LOWER TRAM SITE RECORD OF SURVEY.

These air rights are unspecified as to their exact height or what aerial box or three dimension corridor may include. Apparently, the air rights do not inhibit other uses along the ground being of a sufficient height to allow other normal activities.

A significant portion of the air rights, (over half), go across the CBJ Dock and Harbor parking lots between the waterfront and South Franklin Street. The air rights use then continue to rise steeply up Mt. Roberts across Franklin Street to vacant lots and a portion of Roberts Street as the topography begins to rise. The lots across South Franklin Street and Roberts Street are not developed; they are brushy with small trees.

As part of the tram operation they would be an important part of the aerial corridor to get from the lower to the upper site.



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## 4 VALUATION

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### 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 lease requires that for the purpose of appraising the property for adjusting the base rental amount, it is to be appraised at its highest and best use without consideration of the lease use limitations or other requirements of the lease. The lease is very specific about appraising the lower tram site and the air rights easement for the base rent calculation. The following discussion considers the lower tram site 10,000 square foot parcels highest and best use.

The subject site is mostly level at grade (80% +) in a prime location having a wide 150 foot exposure to the cruise ship dock wharf to the southwest and to the heavily trafficked retail opportunities of South Franklin Street to the northeast. Historic development confirms that zoning allows tourist oriented retail sales. The site is available for a variety of legally permissible commercial retail uses and is physically suitable for such development.

There are a number of feasible possible commercial uses oriented towards the cruise ship trade such as the development of various attractions, tour sales, retail sales and related uses.

Observations in the neighborhood show that retail commercial first floor space along this strip of South Franklin Street is renting from \$5/SF to \$8/SF per month or more for spaces ranging from less than 1,000 SF to over 4,000 SF in size. Second floor space is developed with apartments, storage, offices or other supporting areas that augment the high volume retail business that is conducted on the lower levels or which generally support secondary commercial demand for the neighborhood at large. The 300 and 400 block along South Franklin Street generates some of the highest rents in the market area. The most financially feasible and maximally productive use would be for development of a retail building typical of similarly situated properties in the immediate area.

## **4.2 LAND VALUATION**

We have observed dozens of transactions over the last 15 years in the subject neighborhood. This older neighborhood developed with residential and commercial uses had few vacant sites. The demand for land was expressed through acquisition of existing buildings, some of which were redeveloped, many of which were upgraded to take advantage of the increasing retail traffic that were generating rents far in excess of the capital required to develop building improvements. The prices of paid for improved properties based on the ground floor retail area rapidly rose from \$200-\$400/SF 15 years ago to up to \$1000/SF in the middle of the last decade. If buildings contributed \$50/ SF to \$200/SF indicating business owners were eager to pay over \$400/SF for land to secure their locations. Rents were rapidly rising from lows of \$2.00/SF to \$3.00/SF around the year 2000 to rents ranging from \$8-\$10/SF by 2008/2009 suggesting residual land values over \$500/SF.

During this period traffic patterns developed where the prime tourism pedestrian traffic and highest retail rents were found in the 300 block and 400 block of South Franklin Street. The only significant vacant land in this area was a 70,000 square foot parcel of land, the old Juneau Cold Storage site sold from Sealaska to the Archipelago group for \$2,500,000 in 1998. The purchasers had done various studies in an effort to figure out how to best utilize this land. In the end no development plan was executed. In recent years, they have just begun to sell upland parts of the site at \$300/SF.

The appraiser has studied dozens of sales which detailed the market's purchase of buildings that were torn down and redeveloped, tidelands that were purchased and developed on platform docks, and tidelands that were leased then developed. Of the many transactions observed, the following were considered as the broader summary of potentially relevant sales considered.

<b>TABLE 4.1 - TRANSACTIONS CONSIDERED HIGHLIGHTING THE SIX MOST HELPFUL OBSERVATIONS FOR VALUING THE SUBJECT.</b>						
<b>Record Number</b>	<b>Address</b>	<b>Sale Date</b>	<b>Sale Price</b>	<b>SF Land Size</b>	<b>PP SF Land</b>	<b>Category</b>
4761	307 S. Franklin St	01/2006	\$1,500,000.00	4,500	\$333.33	Improved
4855	422 S. Franklin St	02/2006	\$2,200,000.00	4,543	\$484.26	Improved
5453	278 S. Franklin St	01/2008	\$5,025,000.00	6,159	\$815.88	Improved
6391	550-560 S. Franklin St.	03/2008	\$10,000,000.00	123,535	\$80.95	Improved
7339	550-560 S. Franklin St.	05/2012	\$10,000,000.00	123,535	\$80.95	Improved
2587	455 S. Franklin St	1/2004	\$1,360,000.00	2,633	\$516.52	Improved
2782	431 S. Franklin	02/2004	\$1,000,000.00	1,610	\$621.12	Improved
2793	373 S. Franklin St	02/2005	\$1,000,000.00	3,000	\$333.33	Improved
4812	259 S. Franklin St	01/2007	\$2,545,000.00	5,328	\$ 477.67	Improved
4814-Comp1	439 S. Franklin St	01/2006	\$1,900,000.00	3,625	\$524.14	Improved
4161-Comp2	489 S. Franklin St	12/2007	\$6,400,000.00	15,420	\$415.05	Improved
3800-Comp3	265 S. Franklin St	03/2005	\$960,000.00	15,510	\$61.90	Land Sale
5193-Comp4	425 S. Franklin St	07/2004	\$1,200,000.00	8,420	\$142.52	Land Sale
7238-Comp5	356 S. Franklin	12/2011	\$498,300.00	1,650	\$302.00	Land Sale
7740-Comp6	356 S. Franklin	08/2013	\$910,352.00	5,287	\$172.19	Land Sale
7889	386 S. Franklin	09/2013	\$298,035.00	7,267	\$41.01	TL Sale
2781	406 S. Franklin St	03/2002	\$2,900,000.00	11,211	\$258.67	TL Tear Down
5012	422 S. Franklin St	07/2011	\$15,500.00	1,955	\$7.93	TL Lease
7659	432 S. Franklin St	07/2012	\$5,950.00	476	\$12.50	TL Lease
7658	428 S. Franklin	09/2012	\$3,296.00	145	\$22.73	TL Lease

Of these 20 transactions summarized in Table 4.1 the six highlighted in green are most representative of the market as compared to the subject in location and land characteristics. They will be used as our primary Comparables 1 through 6. The observations highlighted in yellow are important but less directly comparable requiring larger adjustments. The pink are important indicators but least comparable. They are included to give a sense of the breadth of the market.

The first five observations would require extensive adjustment and were not considered prime indicators. Record 4761 split level building had extensive redevelopment costs. Record 4855 was a partnership negotiation for a project in mid development which included a concrete and steel piling deck over tidelands being prepared for a very expensive commercial building far more expensive than what the subject would warrant. Record 5453, the sale of the Red Dog Saloon included business value. Records 6391 and 7339 related partnership sales and a resale of the Taku Smokery property including the fish processing plant, restaurant, and retail store. The first sale included an allocation of the plant and land at \$7 million with \$3 million allocated to 54,296 SF of excess land. This excess land is over \$55/SF and has no relation to the subject highest and best use.

The next group of sales highlighted in yellow records 2587, 2782, 2793 and 4812 are typical of competitive, smaller, commercial buildings that sold in the subjects' immediate market area. At a glance they could easily be adjusted for between \$50/SF to \$150/SF allocated to the building suggesting \$240 to over \$400/SF residual to the land. These indicators are reflective of typical market thinking as do records 4814 and 4161 highlighted in green. These later two transactions are felt to be more similar to the subject and will be used in our primary sales analysis as Comps 1 and 2.

The remaining four observations highlighted in green, 3800, 5193, 7238, and 7740, include sales of undeveloped property. Record 3800, Comparable 3 included steep excess land to the rear and a smaller development footprint of about 3200 SF. Record 5193, Comparable 4 is the reported price for a partnership buyout with related parties. The sale is also very steep in the rear, however, was mostly developed through extensive excavation and extraordinary foundation costs. Record 7238 and 7740, our primary Comparables 5 and 6, are more recent sales of portions of the Archipelago group's land to the City and Borough of Juneau (City) with specific allocated upland valued at \$300/SF. These are the most recent upland transfers of undeveloped land in the subjects' competitive market area.

The remaining observations are tidelands. Record number 7889 is also a recent Archipelago group sale to the City at \$41/SF. This sale has no frontage on South Franklin with limited retail exposure and having significant lesser value as it acknowledged by the seller. Record 2781 was the purchase of an older building that was torn down over tidelands with direct access to South Franklin Street. Although it is more similar at \$259/SF, is not used as a primary sale since other

upland sales data are available.

Finally The appraiser also considered the fractional tideland lease from the City to various property owners in the 400 block of South Franklin, Records 5012, 7659, and 7658. These negotiated leases are based on a variety of assessments or appraisals in recent time. Capitalizing the indicated values at 8% suggest a range of fee value per square foot from \$99.00 to \$284. These tidelands transactions set a minimum value for the subject uplands.

### Direct sales comparison approach

The six most helpful sales noted above have been adjusted and ranked for their comparability to the subject based on the following discussion and summarized in Table 4.2. Quantitative

adjustments are made for building improvements, leasehold interests and extraordinary foundation costs where reasonable estimates have been made. Qualitative comparison ranking is made where there's less definitive market evidence. In this case an element of comparison is given a negative rating if the Comparable is superior and a positive rating if a



Comparable is inferior to the subject. These quantitative adjustments and qualitative ratings assist the appraiser's judgment in making a determination of how the market would respond price wise to the subject on a value per SF basis.

Comparables 1 through 4 occurred between 2004 and 2007. It is acknowledged that the market had been rising through that time then softened after 2008. However, these Comparables are rated similar qualitatively in our discussion and summary Table 4.2. These older sales are arguably inferior and will be given less weight in our final conclusion of value.



**COMP 1 - NOTE FALSE FRONT AND NO SECOND FLOOR.**

**Comparable 1** sold for a below market discount in acknowledgment that the tenants retained an advantageous below market lease rate for a period of time which was estimated to be a \$50,000 to \$100,000 discount. Therefore, Right's Conveyed are adjusted by +\$75,000. At the time of sale there was a 43 year old building that had been remodeled about 15 years prior. It was one story with no sprinkler. It had an estimated replacement cost of about \$200 a square foot. The appraiser estimates it was about 25% depreciated contributing about \$150 per square foot or \$337,000 to the transaction (2245 SF). The price was then reduced by this amount.

The sale is considered similar in terms of the site characteristics and location. Its smaller size makes it somewhat Superior -1 on a price per square foot basis. On balance, the adjusted square foot price is rated as somewhat superior.



**COMP 2**

**Comparable 2** is across the street from the subject. This property was initially developed in 1974 as a warehouse. In 1995 it was redeveloped as a retail center with appealing architectural appointments, walkways and covered spaces. It is estimated that substitutable space could be developed for about \$250/SF at that time. Considering the age of the structure a 40% discount suggests they contribute a value of \$150/SF indicating a downward adjustment of \$2,539,500 (16,930 SF). This site is considered inferior by +1 for its larger size and +2 for site characteristics since it is somewhat above road grade and has diminished site utility due to the steep portions of the site surrounding the building. Overall, the indicated square foot value is inferior to what the subject would warrant.





**COMP 3- AS SOLD,  
PREDEVELOPMENT PHOTO.**

**Comparable 3** is the sale of a vacant lot in the 200 block of South Franklin Street where the pedestrian tourist traffic volume and rents are lower than in the subject's immediate area. It is inferior in location by +1. This is a large lot with a narrow 45.5 feet of frontage on South Franklin Street. At the time of sale the acknowledged usable area was 3200 SF. Considering the unit of comparison is based on the smaller footprint and in fact it included excess land, the size is rated superior

by -1. On balance the sale is overall similar to the subject on a square foot basis.



**POST DEVELOPMENT  
PHOTO**



**COMP 4 - AS SOLD,  
PREDEVELOPMENT PHOTO.**

**Comparable 4** had a small level area by South Franklin and sloped steeply to the rear. One of the partners owned Trucano Construction Company and completed an extraordinary amount of excavation and retaining wall development along the sides and rear of the site. The appraiser estimates this would add between \$75.00 to \$100 per square foot to the foundation costs or about \$500,000 which will be used as an adjustment to bring this to a similar grade for the usable area which is estimated at

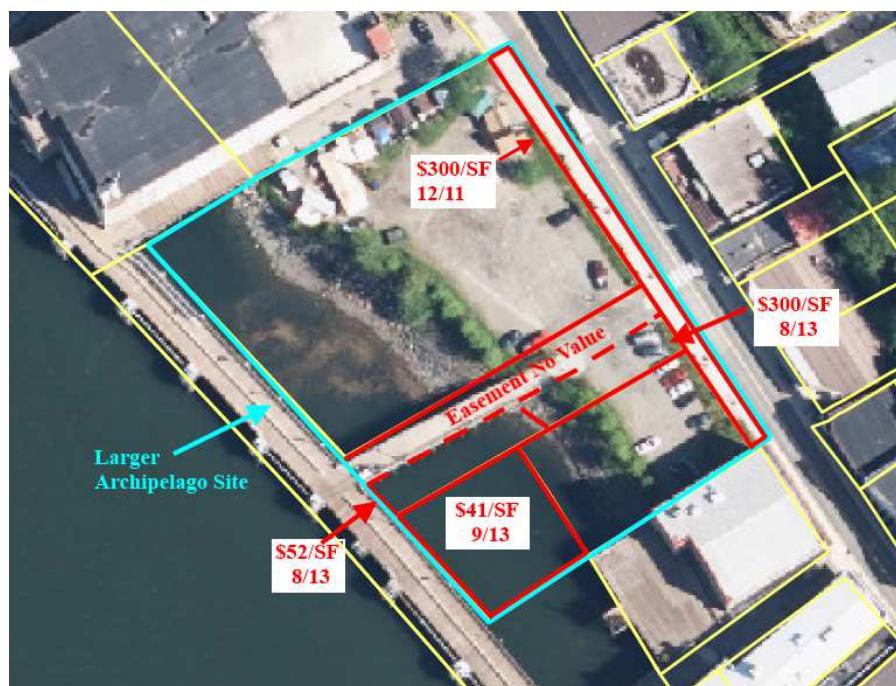
about 75% or 6315 SF.

The seller's motivation was to be part of the business and the seller had an interest in the construction of the building for the owner occupying partnership. The Conditions of Sale is therefore rated as inferior +1. Overall, the adjusted price per square foot is inferior to what is warranted by the subject.



**POST DEVELOPMENT  
PHOTO**

Comparable 5 and 6 are two of three recent sales of portions of the **Archipelago site** to the City. As part of its' overall waterfront development plans the City has been negotiating to buy portions of the site for various uses; to widen its' sidewalk, develop better access between South Franklin Street and the Sea Walk and to develop an open space for tourists off the Sea Walk.



**FIGURE 4.2 - ARCHIPELAGO SHOWING FRACTIONAL SALES TO THE CITY BY DATE AND SF VALUES.**

Although the sales have finalized over time between December 2011 and September 2013 the seller looks at them as one group of sales from the larger parcel priced at \$300/SF for up lands and tidelands contributing significantly less at \$41.00/SF to \$52/SF. The quality of the fill on these lands is uncertain. It is the site of the old Juneau Cold Storage which had been leveled after a fire with unclassified soils, structures, and possibly debris. The configuration of the sales are shown on Figure 4.2



**COMP 5**

**Comparable 5** is the sale of a 5 foot strip of land along South Franklin Street which the city acquired to widen the sidewalk. While the City was hoping to pay less for this parcel the seller felt it was prime developable land. Regardless of the size of the parent tract the seller insisted the nominal rate of \$300/SF was reasonable in this market in this particular location. In the end the city agreed. There is some inconsistency about what the net square footage might be since the City already had a 25 foot wide easement within the strip. Due to a large and vacant area along this 300 feet of frontage it could be argued the subject has better retail synergy however on balance it is rated similar in location size and site characteristics.



**COMP 6**

**Comparable 6** is the purchase from the Archipelago group of 10,913 SF. The parties acknowledge an easement area of 5496.2 SF favoring the purchaser, the City. It could be argued the seller had some rights retained in this easement<sup>1</sup> but for the purposes of the sale the parties agreed to attribute no value to it. The remaining 5,416.8 SF was composed of 2,881.8 of unfilled tidelands 2,535 SF of uplands. The parties assigned a value of \$52/SF to the 2,881.8 SF

tidelands indicating an adjustment of \$149,852 to the sales price. The remainder of \$760,500 was allocated to the uplands portion at \$300/SF. Overall, the adjusted uplands valued at \$300/SF is similar to the subject.

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<sup>1</sup>The easement could be relocated and other uses that would not interfere with the easement could be conducted upon it by the fee holder

TABLE 4.2 - SALES ADJUSTMENT GRID													
Characteristic	490 S. Franklin St.	1 (#4814) 439 S. Franklin	2 (#4161) 489 S. Franklin St		3 (#3800) 265 S. Franklin		4 (#5193) 425 S. Franklin		5 (#7238) 356 S. Franklin		6 (#7740) 356 S. Franklin		
Price	Solve	\$1,900,000	\$6,400,000		\$960,000		\$1,200,000		\$498,300		\$910,352		
Quantitative Adjustments													
Rights Conveyed	Fee	Lshld	+75,000	Sim	0	Sim	0	Sim	0	Sim	0	Sim	0
Adjust/Buildable	Vacant	Bldg	-\$337,000	Bldg	-\$2,539,500	None		Fnd	+\$500,000	None		Tide land	-\$149,853
Adjusted Price		\$1,638,000		\$3,860,500		\$960,000		\$1,700,000		\$498,300		\$760,500	
Usable Area	10,000 SF	3,625 SF		15,420 SF		3,200 SF		6,315 SF		1,650 SF		2,535 SF	
Adjusted SF Value		\$451.86/ SF		\$250.30/ SF		\$300/ SF		\$269.20/ SF		\$300/ SF		\$300/ SF	
Qualitative Ranking													
Market Conditions	7/12	1/06	0	12/07	0	3/05		7/04		12/11		8/13	
Conditions of Sale	Cash - Normal	Sim	0	Sim	0	Sim	0	Inf	+1	Sim	0	Sim	0
Location	Good	Sim	0	Sim	0	Inf	+1	Sim	0	Sim	0	Sim	0
Size (SF)/ Shape	10,000/ Good	Sup	-1	Inf	+1	Sup	-1	Sim	0	Sim	0	Sim	0
Site Characteristics	Mostly Level	Sim	0	Inf	+2	Sim	0	Sim	0	Sim	0	Sim	0
Overall Net Rating		Superior -1		Inferior +3		Similar 0		Inferior +1		Similar 0		Similar 0	

If comparable is **Superior**, minus rating of -1, -2, or -3 depending on severity.

If comparable is **Inferior**, plus rating of +1, +2, or +3 depending on severity.

The relative weighing of each Comparable as adjusted to the subject is summarized in Table 4.2. The square foot value ranking conclusions are displayed in the following Table 4.3.

<b>TABLE 4.3 - SUMMARY RANKING GRID</b>				
<b>Comparable</b>	<b>Date</b>	<b>Rating</b>	<b>Rank</b>	<b>SF Price</b>
Comparable 1	1/06	Superior	-1	\$452
Comparable 3	3/05	Similar	0	\$300
Comparable 5	12/11	Similar	0	\$300
Comparable 6	8/13	Similar	0	\$300
Comparable 4	7/04	Inferior	+1	\$269
Comparable 2	12/07	Inferior	+3	\$250

This small market for high valued retail trade is dynamic and had been rapidly increasing as expressed by rents in the earlier part of the last decade. Rents have moderated and settled into a price range similar to the mid part of that decade but still with an expressed anticipation of future rising prices. The market halted in 2008/2009. The recent sales activity has resumed in the transactions between the Archipelago Group and the City. There are typical normal variants and inconsistencies in small markets like this. The overall trends however are clear and have been mimicked in parallel markets in Ketchikan in Skagway.

The selected primary sales reflect the market thinking and ranges of values expected to be paid in this economic environment. Comparables 1 and 2 reflect the response of rent payers who wish to control their sites and their willingness to pay significant prices for their locations. They understood land values were rapidly increasing beyond the contributory value of the buildings as their rents increase. Even though these sales required large adjustments to aid the appraiser's judgment they indicate a reasonable range of value between \$250 per square foot and \$450 per square foot. This range is narrowed by the more recent transactions which have an acknowledged going price for up lands even though they have uncertain soils at \$300 per square foot. These most similar sales are given most weight at \$300/SF in the final selection of the market indicated value which are supported by the other available data.

Based on the foregoing the market value of the Lower Tram Terminal Site can be calculated as follows:

$$10,000 \text{ SF} @ \$300/\text{SF} = \$3,000,000$$

### Check for Reasonableness

As a check for reasonableness, I developed a probable, feasible land budget based on highest and best use development. Assuming a one story building developed on 90% of the site (9,000 SF) was rented at \$6.50/SF per month, net of utilities and other building variable operating expenses, and further assuming a 100% building efficiency ratio, and the following building costs and discounts, a land budget for this type of highest and best use development scenario can be processed as follows:

Estimated Income 9,000 SF @ \$6.50/SF/Mo x 12 Mos	\$ 702,000
Less Allowance for Vacancy Credit Loss, Tax, Insurance, Maintenance, and Management (25%)	<u>\$ 175,500</u>
Indicated Net Operating Income	\$ 526,500
Capitalized at 9%	<u>÷ 9%</u>
Indicated Value of Development	\$5,850,000
Less 10% Entrepreneurial Profits	\$5,265,000
Less Building Costs 9,000 SF @ \$250	<u>\$2,250,000</u>
Land Budget	\$3,015,000

This confirms the estimated land value by the Sales Comparison Approach at \$3,000,000.

### Air Rights Value

The highest and best use of the air rights would be for the tram use as leased. It has been demonstrated that the tram operation produces a positive cash flow before capital recapture<sup>2</sup>. If

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<sup>2</sup> Per Bjorn-Roli, MAI, appraisal #12-0300, Page 70, Report date July 10, 2012. Indicates “appraiser” stabilize NOI of \$1,597,972. If capitalized at, say 10% would indicate a positive value in the \$16 million range.

properly capitalized and distributed among the factors of production, the subject air rights would have a significant value in use. The value in use may be greater than the generalized market value for, say speculative yet defined use. The full potential of this value may not be realized without having control of the entire corridor. The City does not control the corridor. The value of the air rights represents a portion of a bundle of rights for the land over which they extend. In the subject instance it extends over valuable commercial property in the immediate tram parking area rights of way (S. Franklin and Roberts Streets) and less developable steeper property across South Franklin Street (Lots 1 & 2, Block 6). These air rights represent a unified tract assumed to be marketable as a contiguous 21,815 SF parcel. The highest and best use would be for general speculation with a potential for, among other uses to contribute to the tram corridor, extinguish a nuisance or other aerial developments.

### **Valuation Methods**

Ideally the air rights would be valued based on Comparable sales, but ample data simply does not exist.

Since air rights comprise only a portion of the bundle of property rights, valuing the property before and after the imposition of the air rights would give guidance to their value (the Before and After Method). This method would show the extent to which the air rights diminish the value of the fee property upon which the air rights are imposed. Using this method is also not possible due to the lack of sales data for property with and without air rights to compare. Further, the subject parcel is a composite of several underlying parcels of varying characteristics and legal interests (the city fee interest in certain lands vs. rights of way, etc.). In this case, we will consider what nominal values or percentages of value ranges have been applied to express a value for these types of interests.

When these kinds of limited rights are leased or sold, they are often priced in conjunction with other property rights. For instance, the AJ Mine Properties has a lease agreement with Goldbelt for the uphill tram terminus and associated air rights. The rent for the upper tram terminal site would reasonably be less on a unit basis (such as rent/ acre) than what would be warranted by the subject lower tram site, which is on higher value property due to its higher demand location. The agreement for the upper tram site apparently does not allocate the air rights rents or value from the land use rights conferred for the Upper Tram Terminus.

There are instances where the rights for aerial transmission lines are sometimes 10% to 50% of the underlying land value. Power easements have sold for 30% of the underlying fee value. In 1992 the City and Borough of Sitka (CBS), leased air rights for 12' to 35' over a sidewalk for a 2<sup>nd</sup> floor building expansion for a rate based on 50% of fee value of the underlying land. These

air rights had an immediate application for the extension of a commercial building. This ratio would be superior to the subject air rights which are more generalized and go over a parking lot, right of ways and more difficult to access lands.

### **Market Observations - A Nominal Value**

An in depth study of lease rates and sales of utility and communication easements could be undertaken, but it would overcomplicate the market rationale for pricing this nominal interest. While there's not a lot of market guidance for a nominal value for this partial interest, we have considered the following two local market observations.

<b>TABLE 4.4 - TRANSACTIONS SUMMARIES</b>					
Comparable	Location	Date	Price/Capitalized Value	Size	SF value
7- (#7197)	323 Martin Way	6/11	\$125,000	18,396 SF	\$6.97/SF
8- (#7633)	Mt. Roberts tram aerial easement	1/11	\$100,000	98,010 SF	\$1.02/SF



FIGURE 4.3 - LOCATIONS OF SUBJECT AIR RIGHTS EASEMENT AND NEARBY TRANSACTIONS.

**Comparable 7** is located as shown on Figure 4.3. It is an uphill parcel with walk in access from South Franklin Street and rear city street access. It represents a fee value near \$7.00/SF that may be ascribed to that portion of the site encumbered by the east end of the easement east of South Franklin Street. It contrasts with a high retail commercial land value of \$300/SF reflective of the Lower Tram Site.

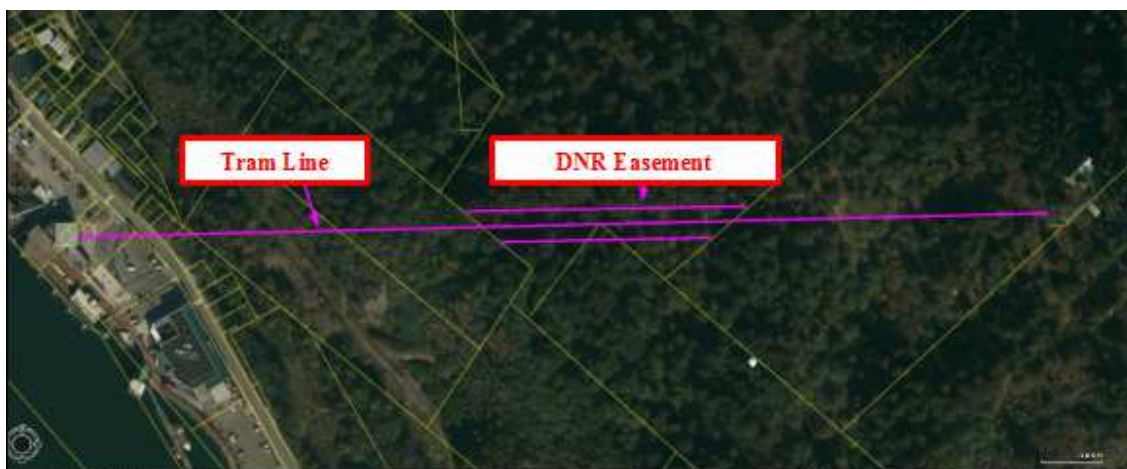


FIGURE 4.4 - LOCATION OF STATE AND AK DNR AERIAL TRAM EASEMENT.

**Comparable 8** is the capitalized permit fee of \$8000 per year for 2.25 acres of aerial tram easement from DNR for that portion of the Mt Roberts Tram which covers lands that lay between the privately owned AJ T properties. This annual rental fee was originally set in 1996 and has not been adjusted over the last three five year rental renewal periods. These steep hillside lands are inferior to the subject. The permit fee may be more reflective of the value in use rather than the value of the fee land for an alternate highest and best use. This is typical of the pricing method for exclusive use private utility or right of way easements. It represents a reasonable nominal value for the use of this land.

In conclusion, there is very little guidance for ascribing a fee simple value to the aerial rights as instructed by the lease. The value of the lower tram site as an alternate “larger parcel” with a highest and best use as commercial retail would rapidly diminish if the parcel is expanded, for instance, into the air rights area considering the other encumbrances. The air rights represent a nuisance in general with regard to the value of the rights of the lands it is associated that is; the parking lot, the right of ways and the hillside above South Franklin Street.

In this case, we have an example of nearby air rights at \$1.00/SF (Comp 8) which represents about 15% of the nominal value paid for nearby hillside lands for alternate uses (Comp 7 \$7.00/SF). The steep hillside portion of the subject lands east of South Franklin Street as part of a corridor would be far superior to the DNR Comp 8 lands. However, based on the limited available data, a nominal fee value for the air rights at \$1.00/SF appear to be a reasonable.



The value of the air rights are summarized as follows

21,815 SF @\$1.00/SF =	\$21,815
Rounded	\$22,000

### **Rental Adjustment Base Land Value**

Based on this appraisal, the base land value for lease calculations as effective July 7, 2012 can be summarized as follows:

Lower Tram Site Terminal 10,000 SF	\$3,000,000
Air Rights Easement 21,815 SF	<u>\$ 22,000</u>
Total Indicated Value	\$3,022,000

Presented by: The Manager  
Introduced: 07/21/97  
Drafted by: S.B.G./J.R.C.

## RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 1877

### A Resolution Identifying Certain Land as Subject to Docks and Harbors Board Administration.

WHEREAS, the Docks and Harbors Board has proposed a list of properties which it proposes to administer and dispose of pursuant to CBJ 85.02.060 (a)(5), and

WHEREAS, the management authority will include management and maintenance of facilities, contracts for services, leasing of land and facilities, issuance of permits, use of revenue generated from the lands for docks and harbors purposes, and other authority within the scope of CBJ 85.02.060 (a)(5), and

WHEREAS, the Assembly Lands Committee has reviewed and approved the list of properties;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

**Section 1. Approval.** The Assembly identifies the lands listed in the attached Exhibit "A" as subject to docks and harbors board administration.

**Section 2. Effective Date.** This resolution shall be effective immediately upon adoption.

Adopted this 21<sup>st</sup> day of July, 1997.

  
\_\_\_\_\_  
Mayor

Attest:

  
\_\_\_\_\_  
Clerk

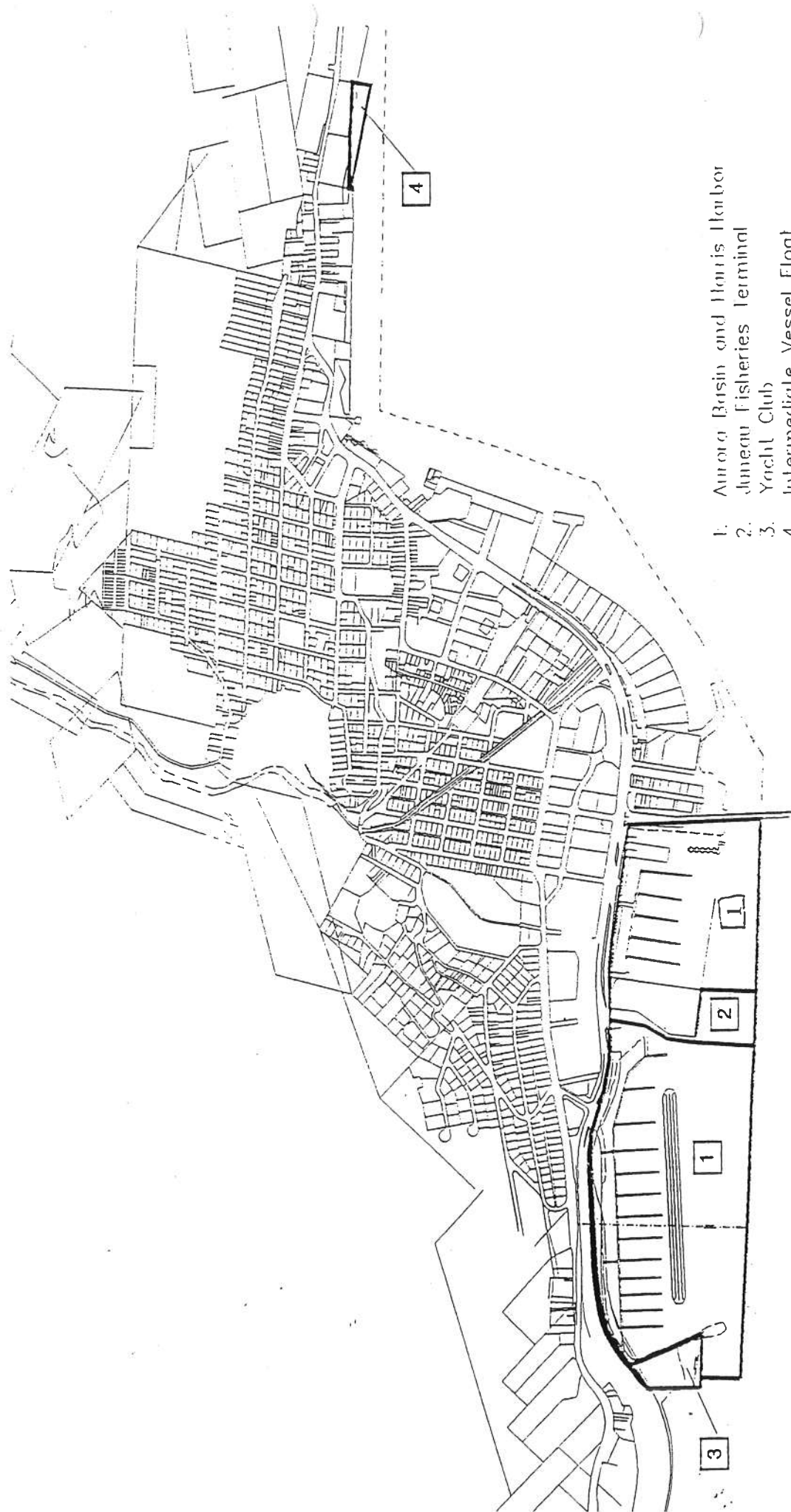
**Exhibit "A"**

**To**

**Resolution No. 1877**

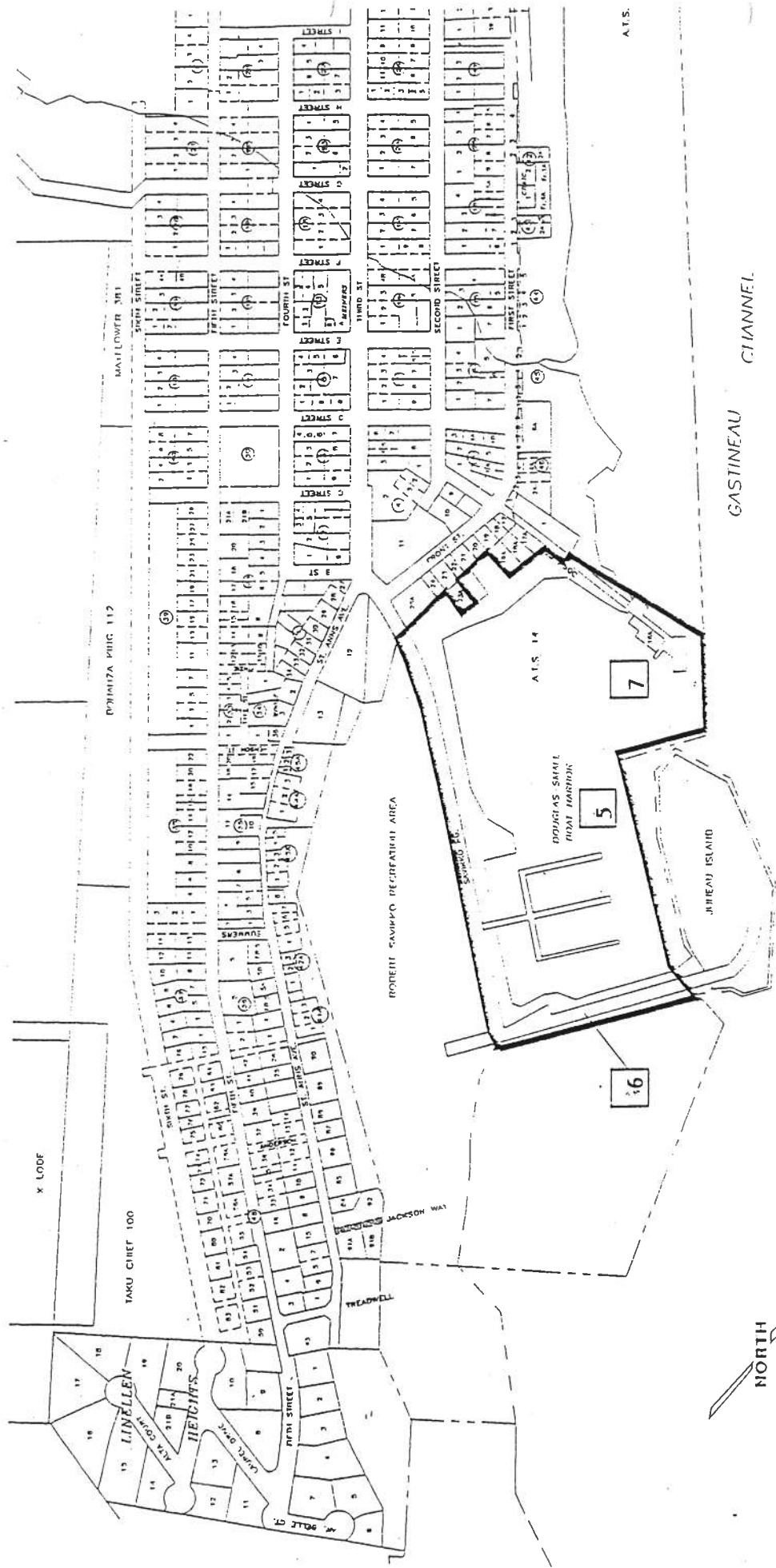
**DOCKS & HARBORS BOARD**  
**PROPERTIES IDENTIFIED FOR IMMEDIATE ADMINISTRATION**

1. Those portions of Parcel #890 encompassing Aurora and Harris basins.
2. The Juneau Fisheries Terminal (CBJ/UAS Lease).
3. Norway Point/Yacht Club Lot (State land currently administered by Docks & Harbors under Management Agreement).
4. Portion of Parcel #1123 encompassing the intermediate Vessel Float.
5. Parcel #1235 encompassing Douglas basin and including Dock St. Causeway.
6. Portion of Parcel #1233 encompassing the Juneau Island Causeway.
7. Portion of Parcel #1234 encompassing the public portion of the Douglas Wharf.
8. Parcel #0310 encompassing Don D. Statter Harbor Facilities at Auke Bay.
9. Parcel #0001 encompassing Amalga Harbor Launch Ramp.
10. CBJ Echo Cove lands, including the picnic/campground area and Launch Ramp Facility.



1. Aurora Basin and Harris Harbor
2. Juneau Fisheries Terminal
3. Yacht Club
4. Intermediate Vessel Float

Properties Identified for Immediate Administration



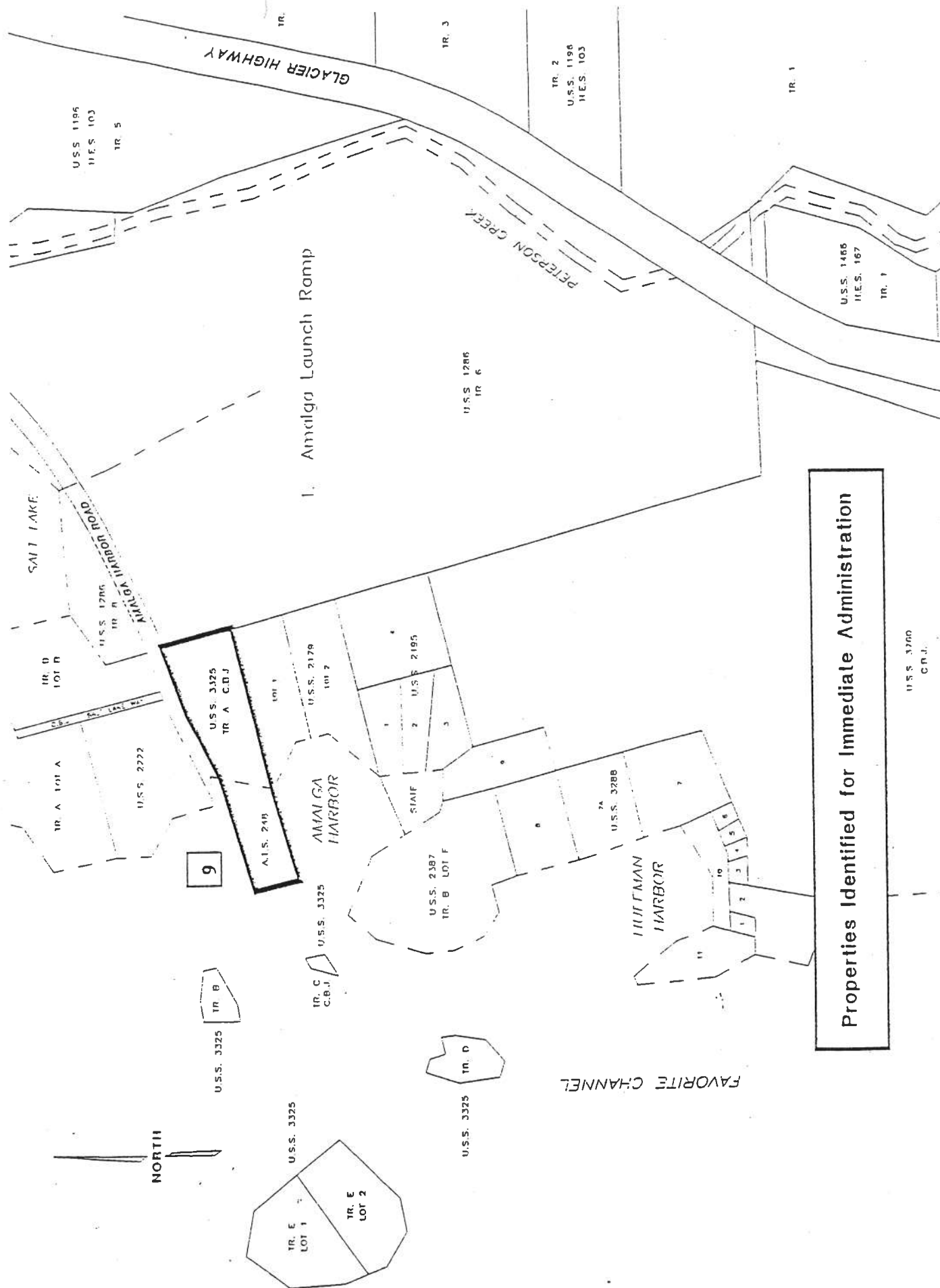
1. Douglas Basin
2. Jureau Island Causeway
3. Douglas Dock (Cold Storage)

Properties Identified for Immediate Administration

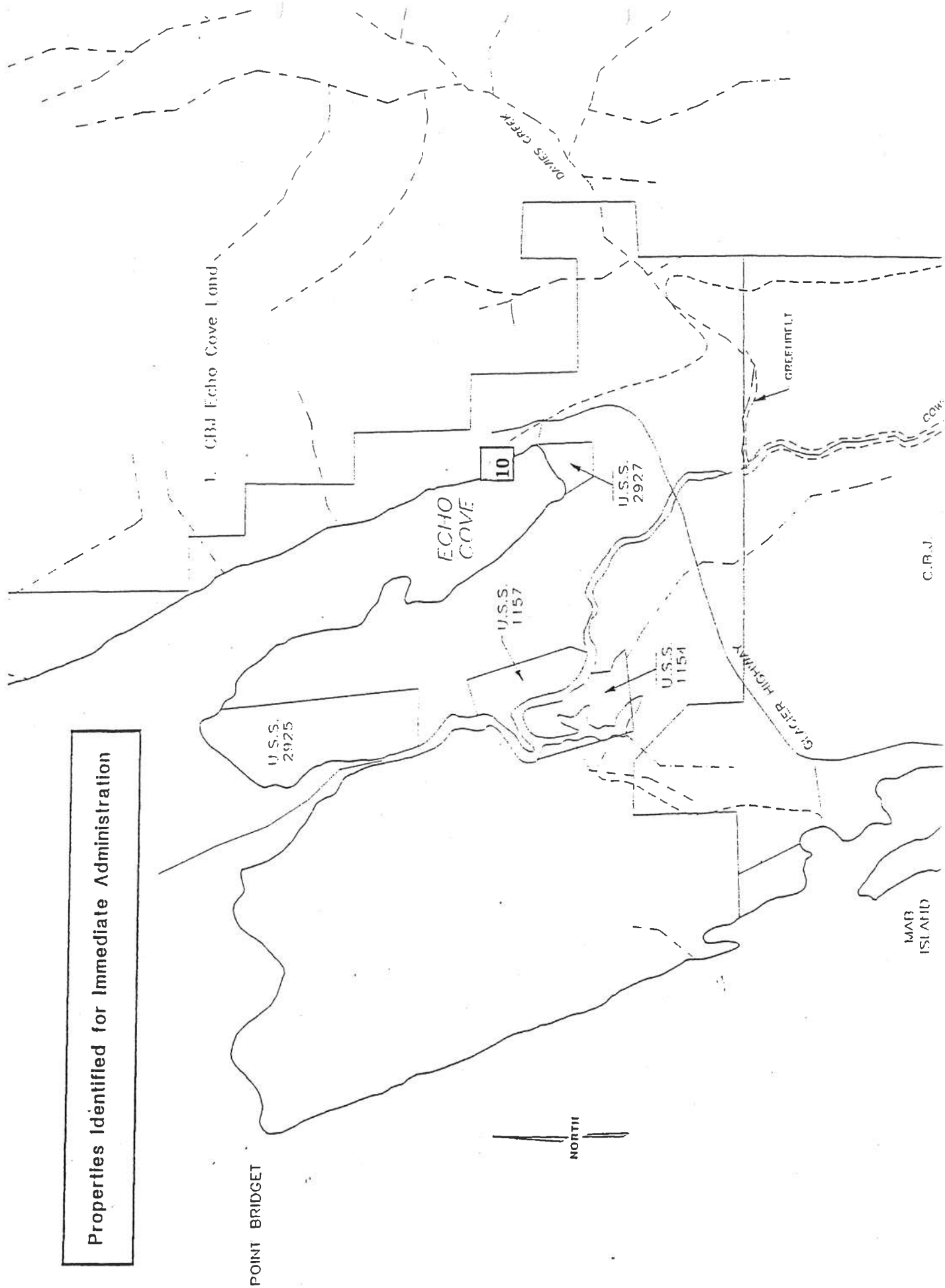


### Properties Identified for Immediate Administration





Properties Identified for Immediate Administration





Properties Identified for Subsequent Administration

FAVORITE CHANNEL

TEE HARBOR

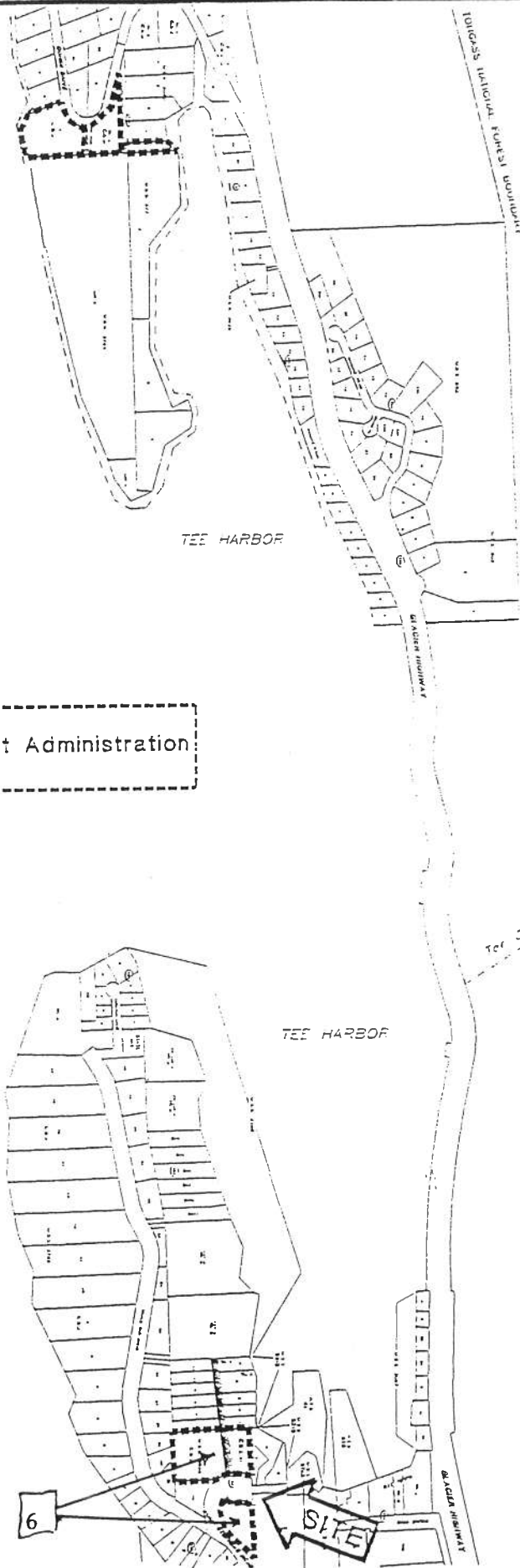
Properties Identified for Subsequent Administration

TEE HARBOR

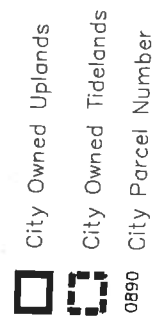
NORTH

6

SITE



## Juneau Area



## Other Lands Managed by Docks and Harbors

### Auke Bay Loading Facility:

- Lot 1, ATS 357 (purchased by CBJ)
- Auk Nu Cove – Development Parcel (acquired from ADNR)
- Auk Nu Cove – Mitigation Parcel (acquired from ADNR)

### Statter Harbor

- ATS 16 – DeHart's Marina (purchased by CBJ)
- ATS 121 & 756 – Horton Lots (leases purchased by CBJ later transferred from State)
- Lot 4 – Lehnhart's (purchased by CBJ)
- Lot 5 – Management transferred from P&R to D&H
- ATS 1700 – Launch Ramp site (acquired from ADNR)
- Lot 2 at Glacier Hwy – Launch Ramp site (acquired from ADNR)

### Cruise Berths Site

- Expanded ownership of ATS 3 for Cruise Berths Project (acquired from ADNR)

### Taku Harbor

#### Thane Lots

- Leased to AJT
- Leased to Thane Ore House

### North Douglas Boat Ramp

- ATS 1692

### Auke Bay

- ATS 1691 – NOAA Dock

### Indian Cove

- ATS 1690 – NPS Dock

### Allen Marine and Gitkov Docks

### Andrew's Marina

### Samson Barge

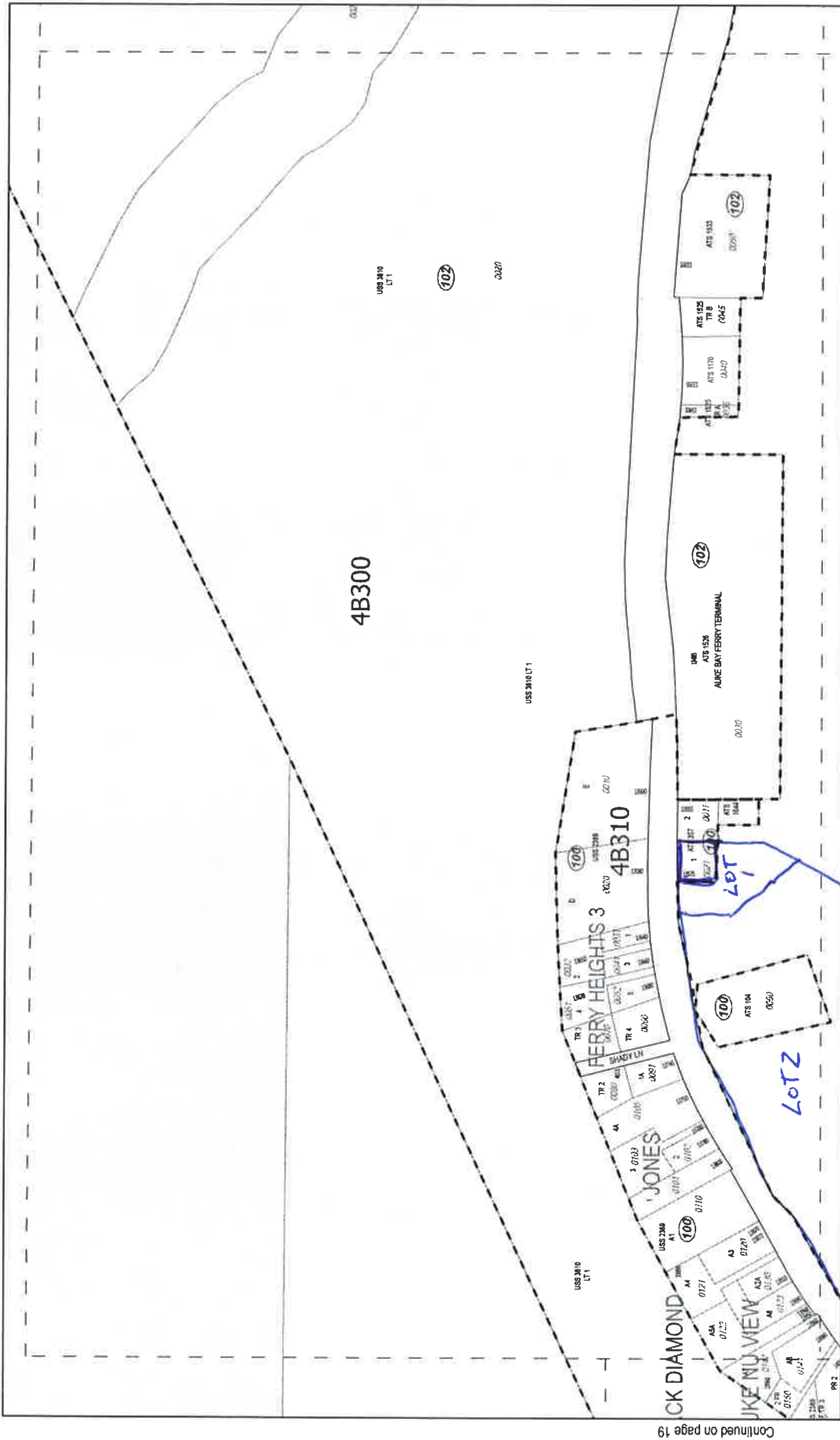
### Wayside Park

### Channel Construction

### Channel Drive Parcels

### Tee Harbor Uplands

### Trucano Leases at Douglas Bridge



Continued on page 19

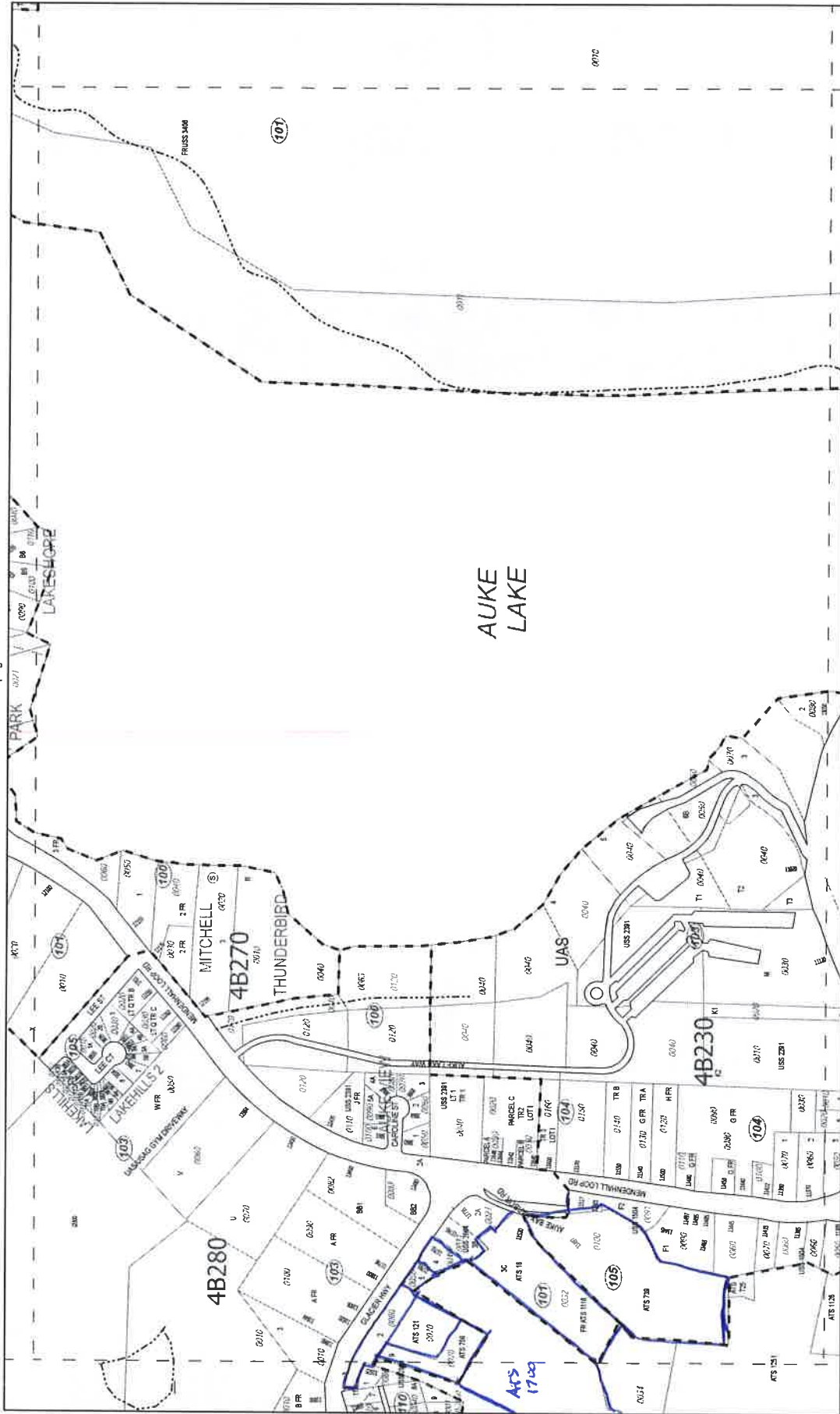
Continued on page 20

155	7	(B)	EAST VALLEY
Address Number	Lot	Block	Subdivision

Parcel Code Prefix	6D090	Block Number	102	Lot Number	0030
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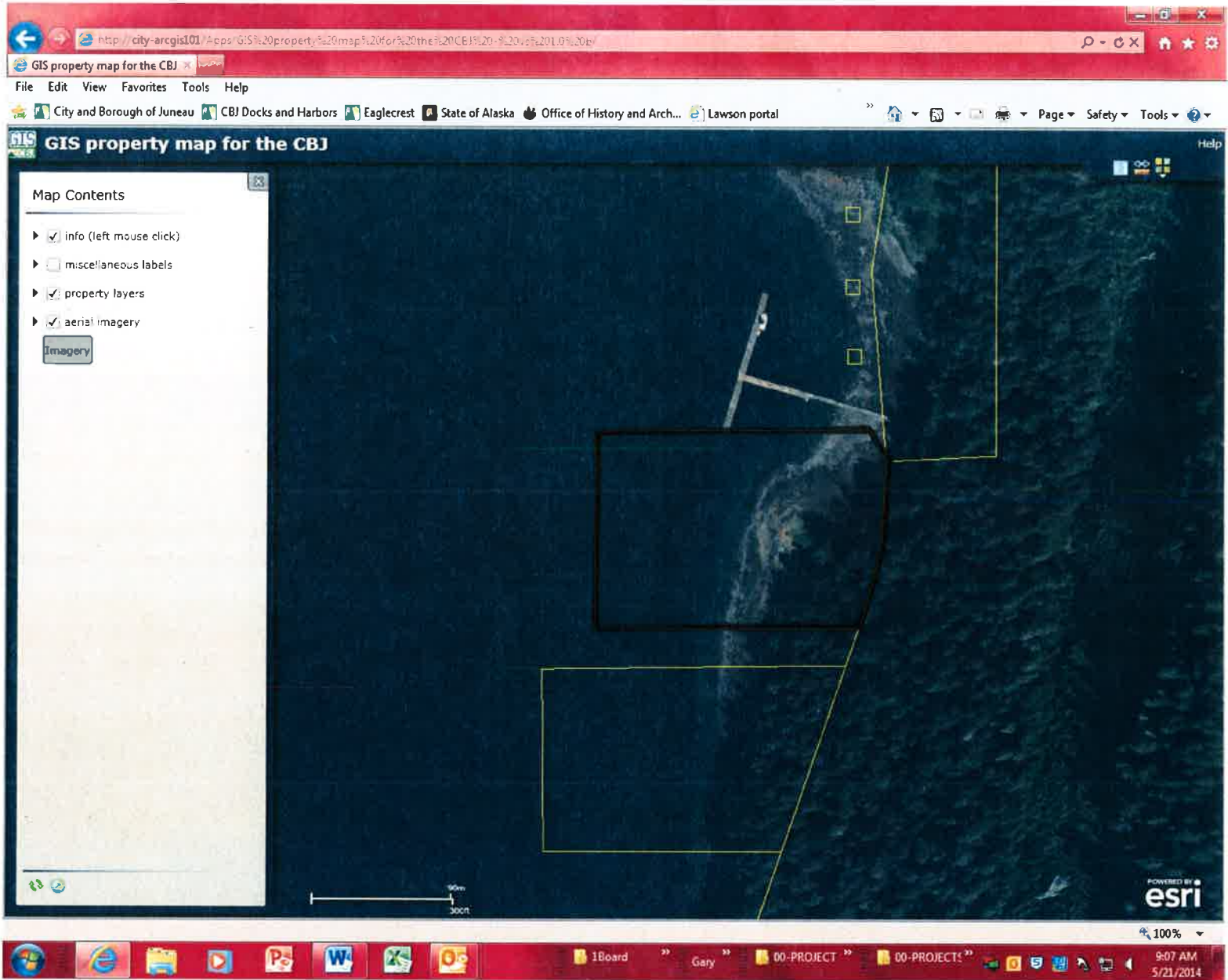
Continued on page 26

Property Information

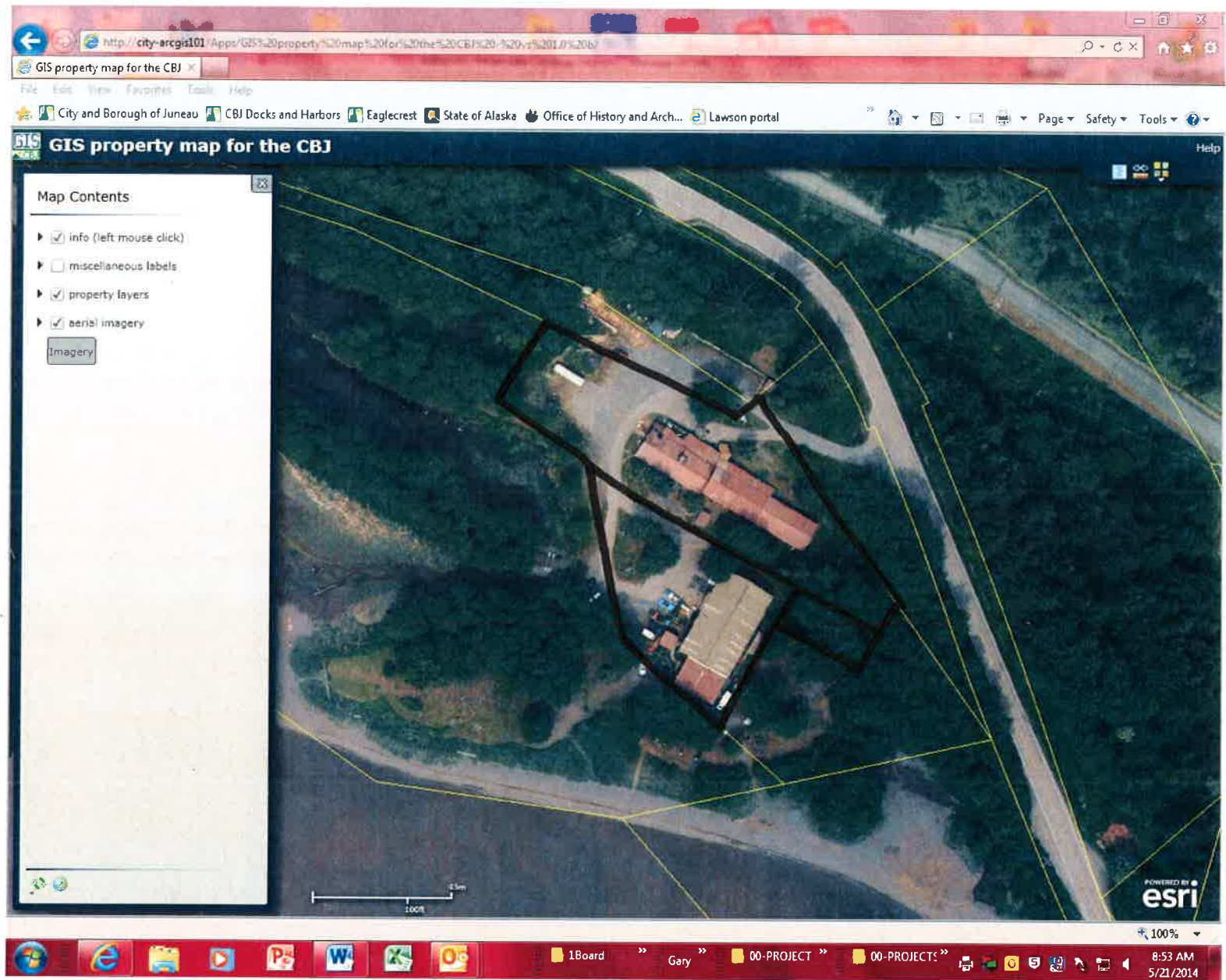
155	7	(B)	EAST VALLEY
Address Number	Lot	Block	Subdivision

Assessor Tax Code

6D090	102	0030
Parcel Code Prefix	Block Number	Lot Number

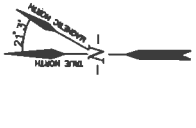


Taku Harbor



Thane



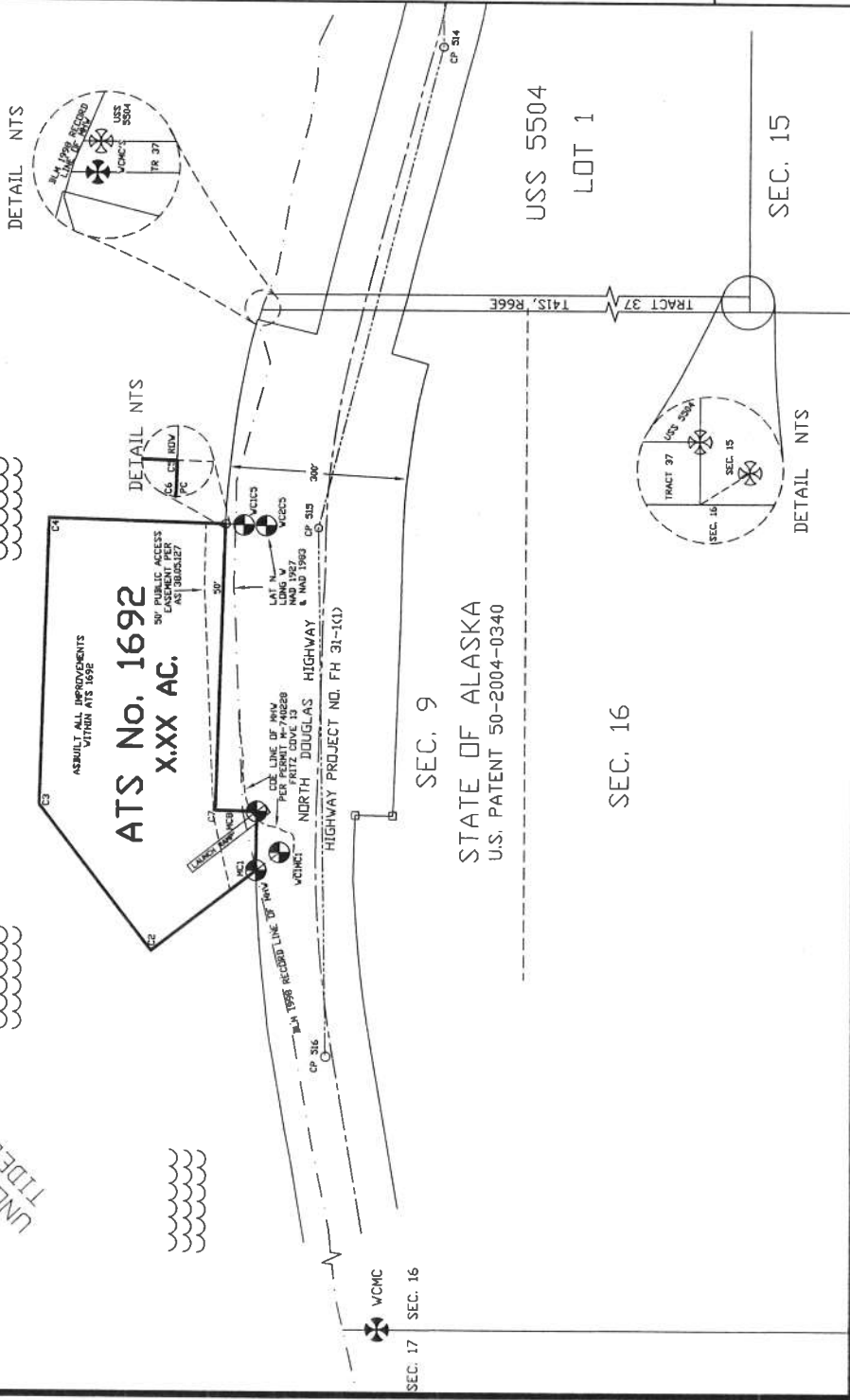


APPROX. MEAN DECLINATION, 2011

FRITZ COVE

UNOCCUPIED  
TIDELANDS

UNOCCUPIED  
TIDELANDS



DETAIL NTS

DETAIL NTS

DETAIL NTS

SEC. 17

SEC. 9

STATE OF ALASKA  
U.S. PATENT 50-2004-0340

SEC. 16

USS 5504

LOT 1

SEC. 15

PLAN OF SURVEY  
ATS No. 1692  
ADL No. 106678  
LOCATED WITHIN PROTRACTED  
SECTION 9  
TOWNSHIP 41 SOUTH, RANGE 66 EAST  
COPPER RIVER MERIDIAN, ALASKA



1"=1MILE

VICINITY MAP

USGS 1962 1966  
JUNEAU B-3

LEGEND:

- GLO/BLM MONUMENT TO BE RECOVERED/RESET
- ⊙ PRIMARY MONUMENT TO BE SET
- ⊗ PRIMARY MONUMENT OF RECORD
- SECONDARY MONUMENT TO BE SET
- RANDOM CONTROL MONUMENT PER NH-0959(19)-69633
- CONCRETE ROW MONUMENT OF RECORD

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF MINING, LAND & WATER  
550 W. 7TH AVE., SUITE 650  
ANCHORAGE, AK 99501  
(907) 269-8523

SCALE: 1" = 200'  
DRAWN: PG  
DATE: 9/10/2012

# PLAN OF SURVEY

ATS No. 1691

ADL No. 106678

LOCATED WITHIN PROTRACTED

SECTIONS 22 & 23

TOWNSHIP 40 SOUTH, RANGE 65 EAST

COPPER RIVER MERIDIAN, ALASKA



1"=1MILE

VICINITY MAP

USGS 1962 1966  
JUNEAU B-3

## LEGEND:

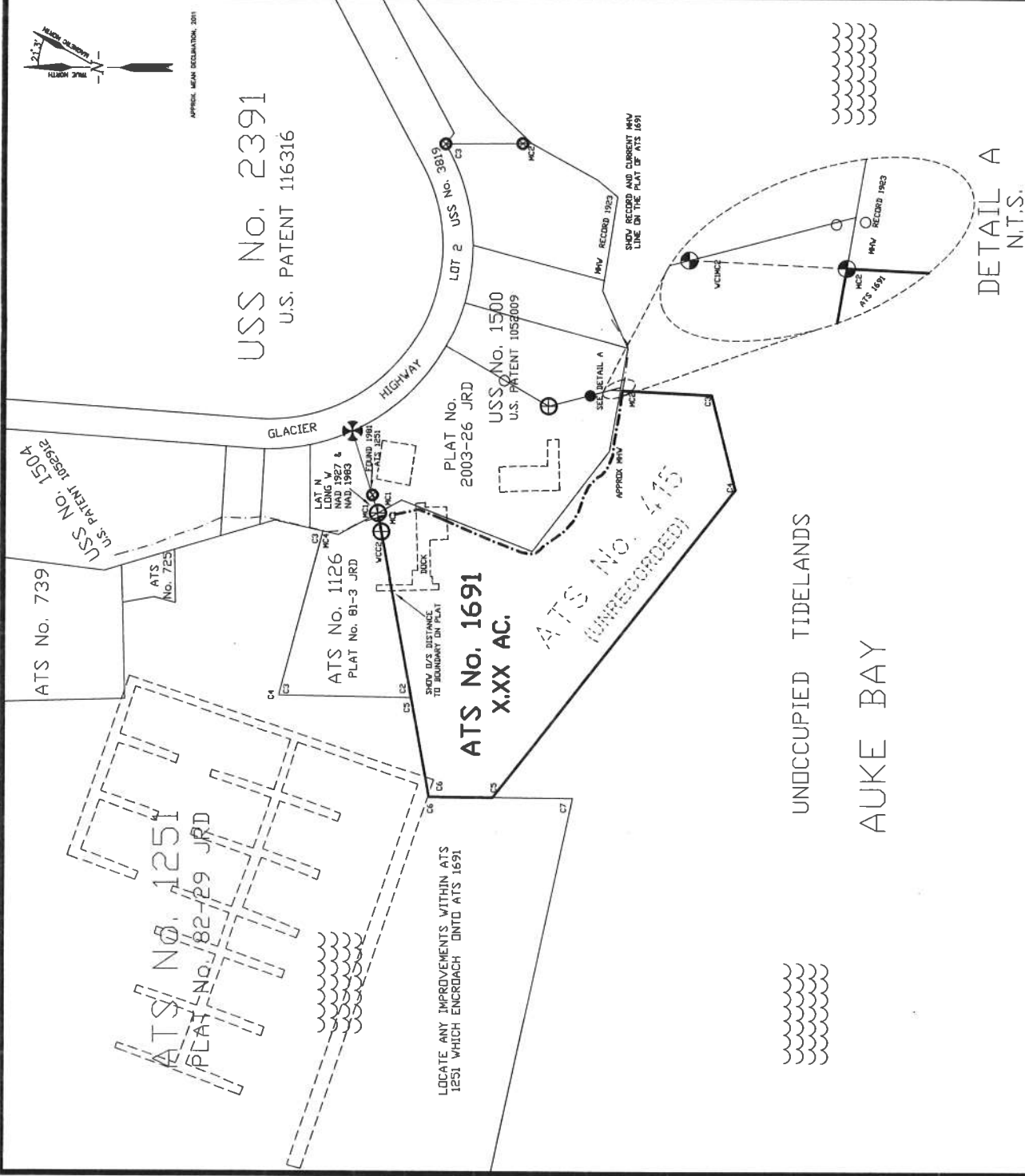
- ⊗ GLO/BLM MONUMENT TO BE RECOVERED/RESET
- ⊕ PRIMARY MONUMENT TO BE RECOVERED/RESET
- ⊙ PRIMARY MONUMENT TO BE SET
- ⊗ STONE MONUMENT WITH CHISELED X SET 1923
- REBAR AND CAP TO BE RECOVERED/RESET
- REBAR AND CAP OF RECORD
- APPROXIMATE MHW

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF MINING, LAND & WATER  
550 W. 7TH AVE., SUITE 650  
ANCHORAGE, AK 99501  
(907) 269-8523

SCALE: 1" = 200'

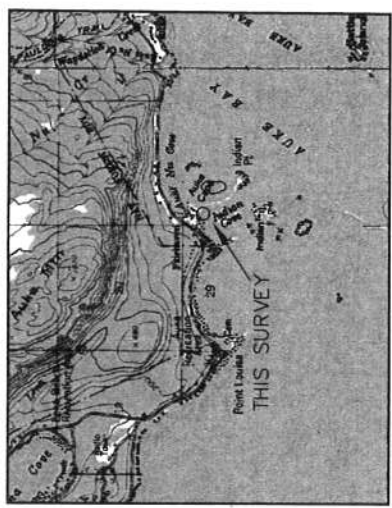
DRAWN: PG

DATE: 10/8/2012



# PLAN OF SURVEY ATS No. 1690 ADL No. 106678

LOCATED WITHIN PROTRACTED SECTION 28  
TOWNSHIP 40 SOUTH, RANGE 65 EAST  
COPPER RIVER MERIDIAN, ALASKA

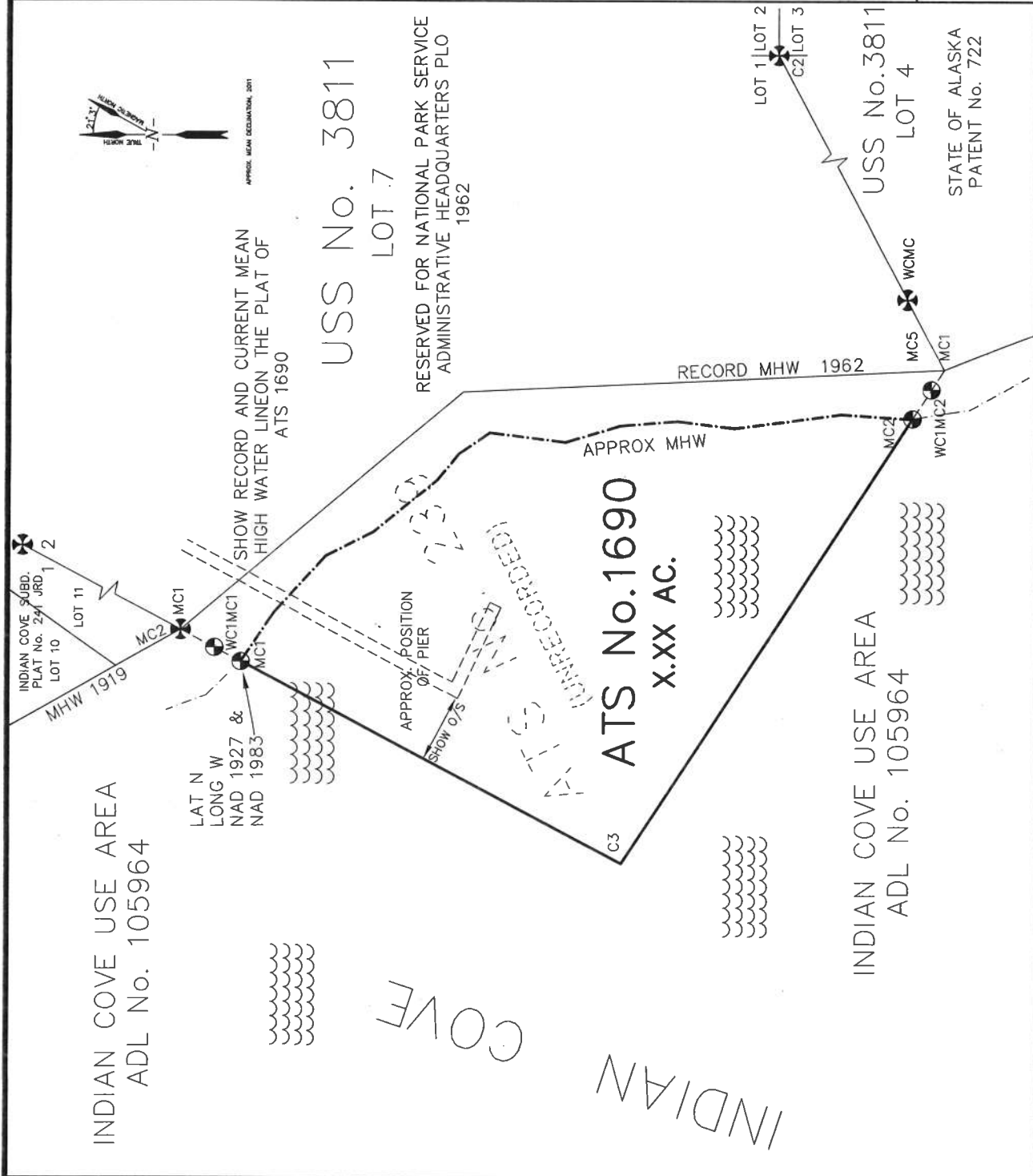


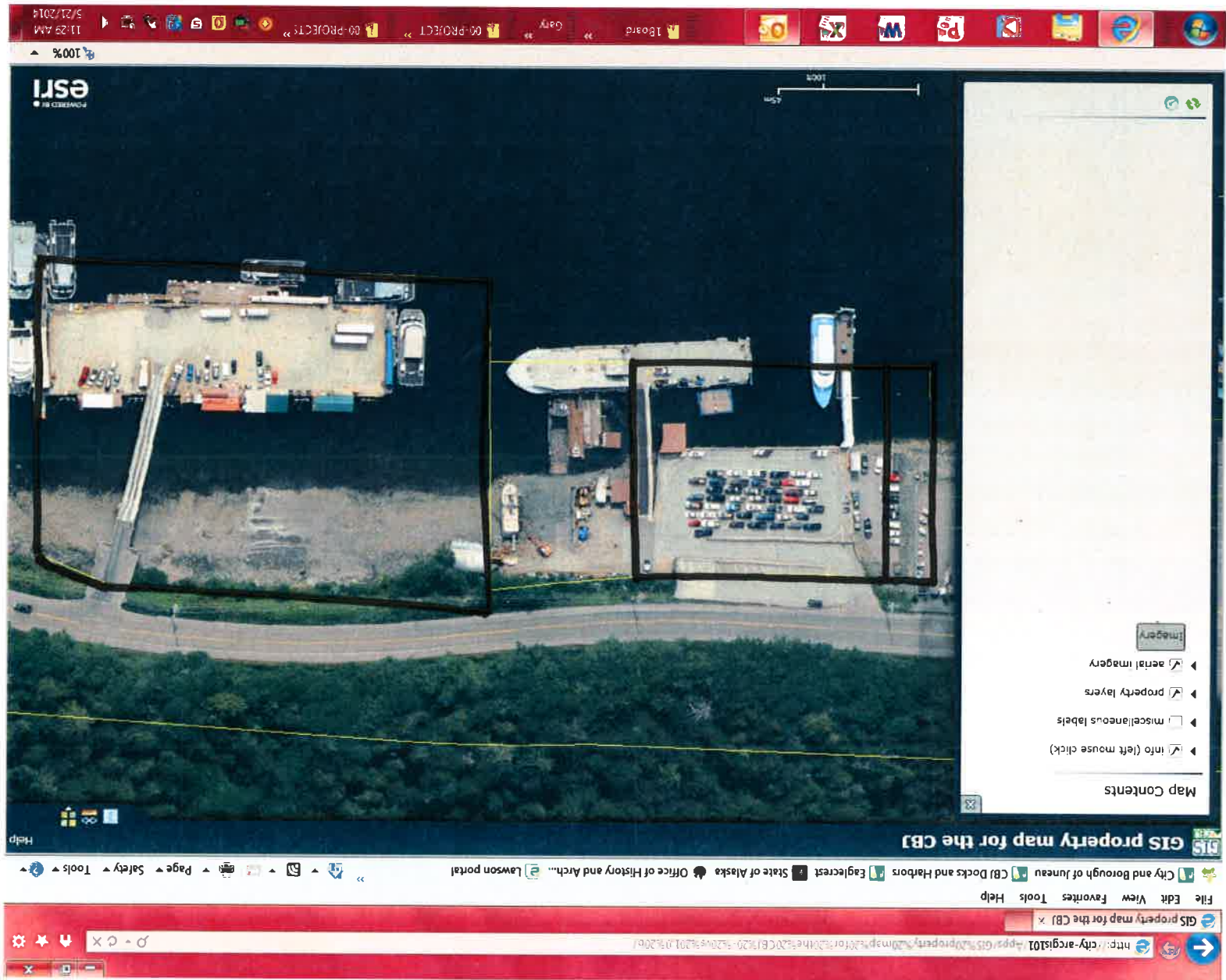
1"=1MILE VICINITY MAP USGS 1962 1966  
JUNEAU B-3

## LEGEND:

- ⊕ GLO/BLM MONUMENT TO BE RECOVERED/RESET
- ⊙ PRIMARY MONUMENT TO BE SET
- APPROXIMATE MHW

DEPARTMENT OF NATURAL RESOURCES DIVISION OF MINING, LAND & WATER 550 W. 7TH AVE., SUITE 650 ANCHORAGE, AK 99501 (907) 269-8523	SCALE: 1" = 100'
DRAWN: PG	
DATE: 9/17/2012	

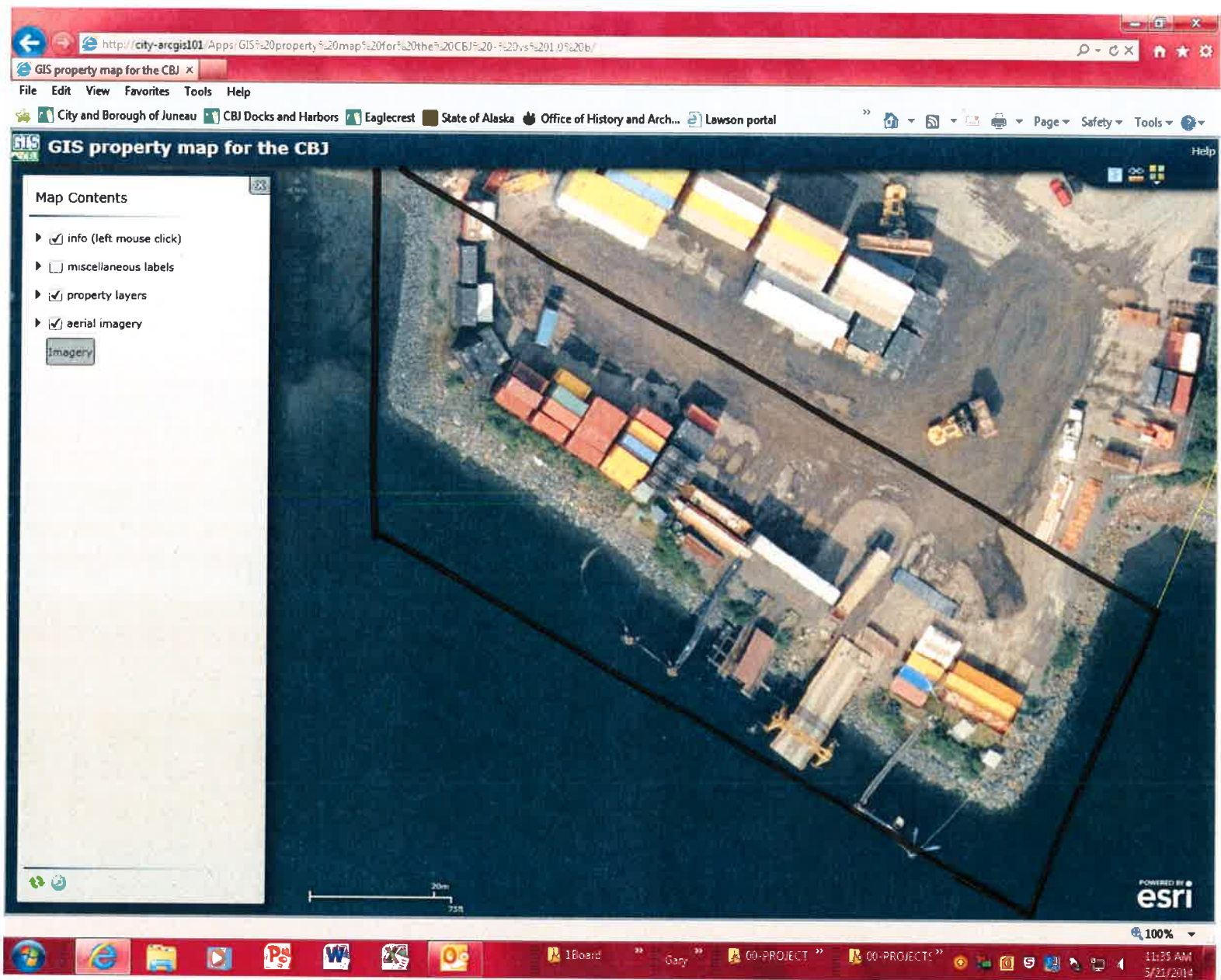




Allen Marine - Gittkov

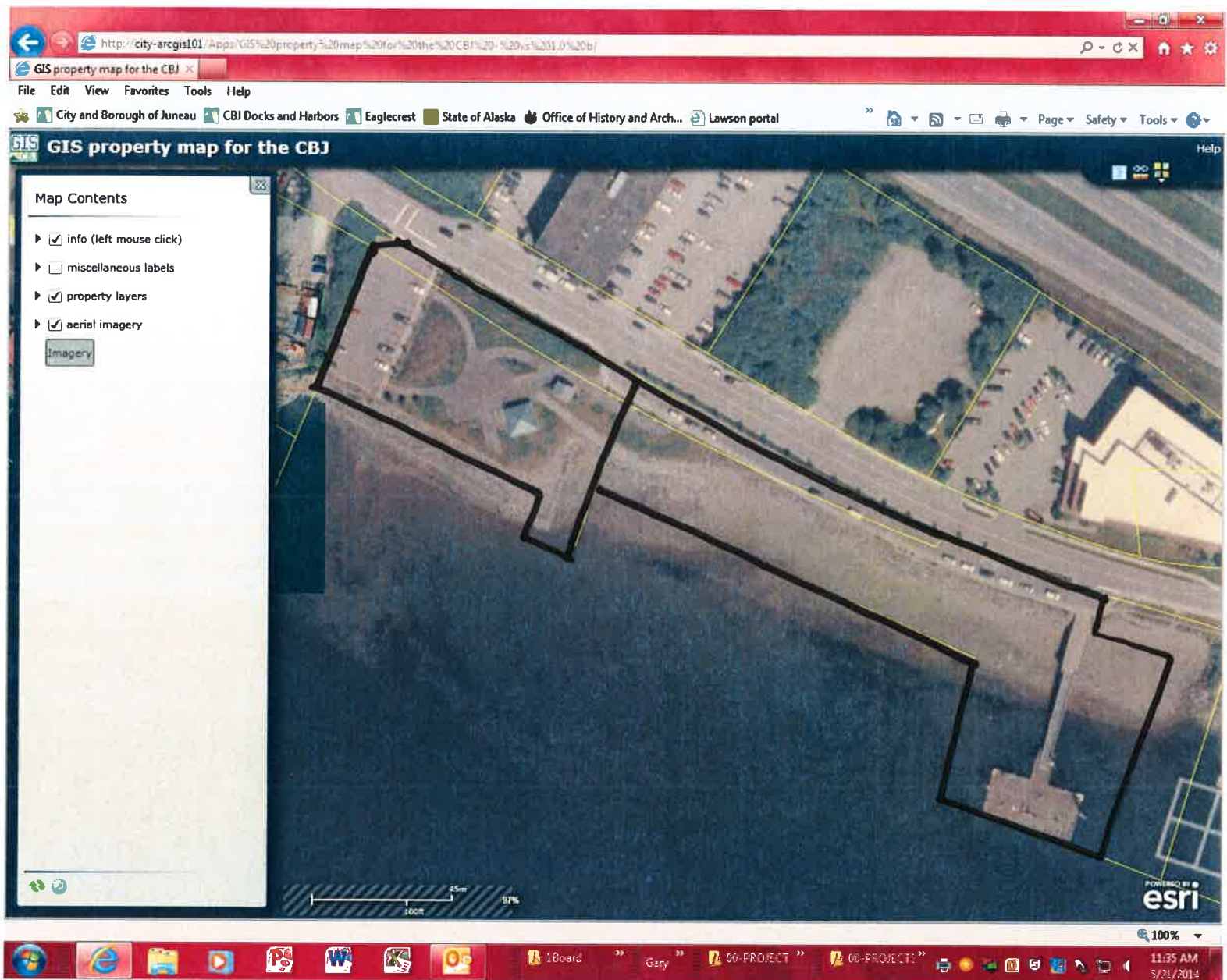




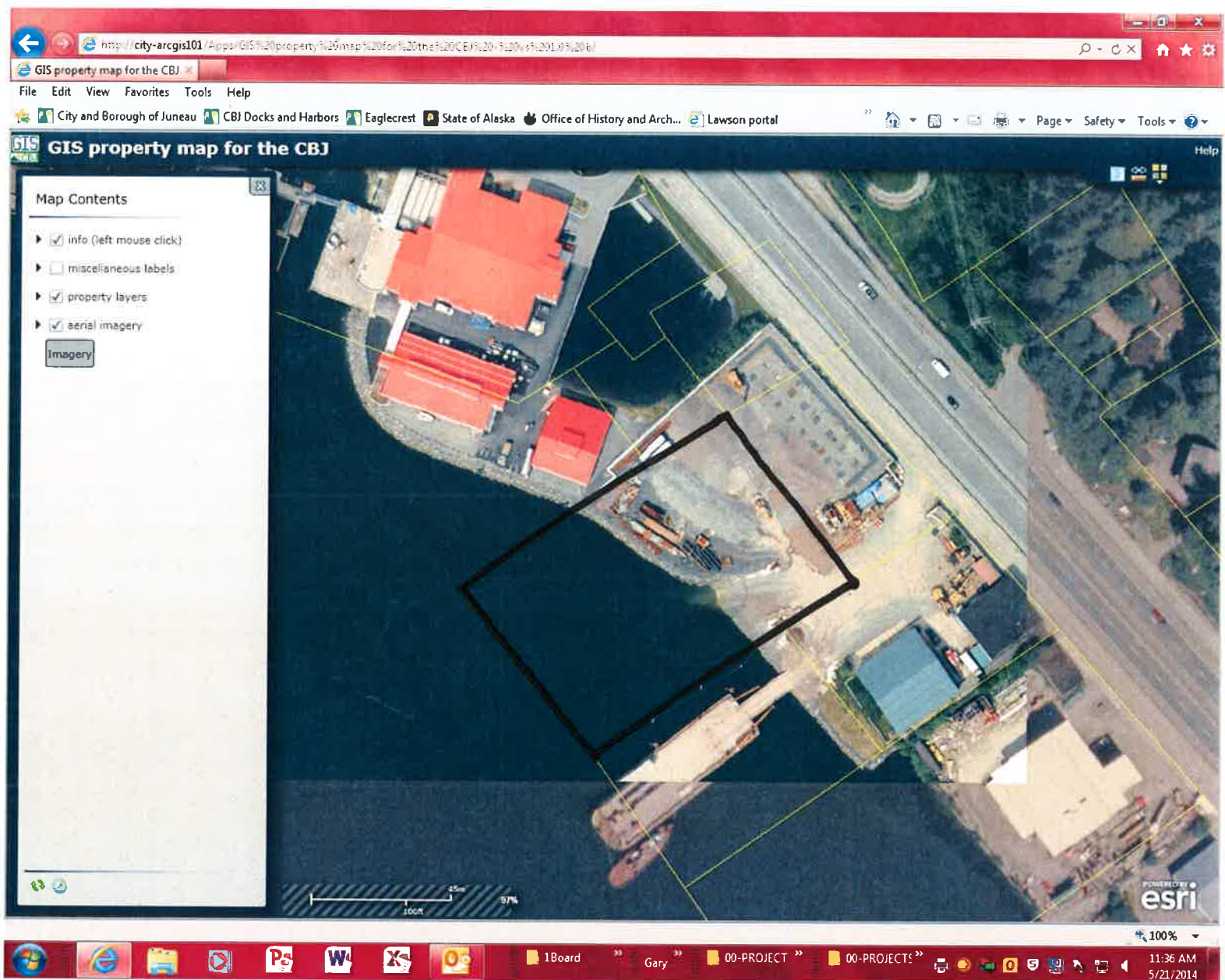


Samson Barge



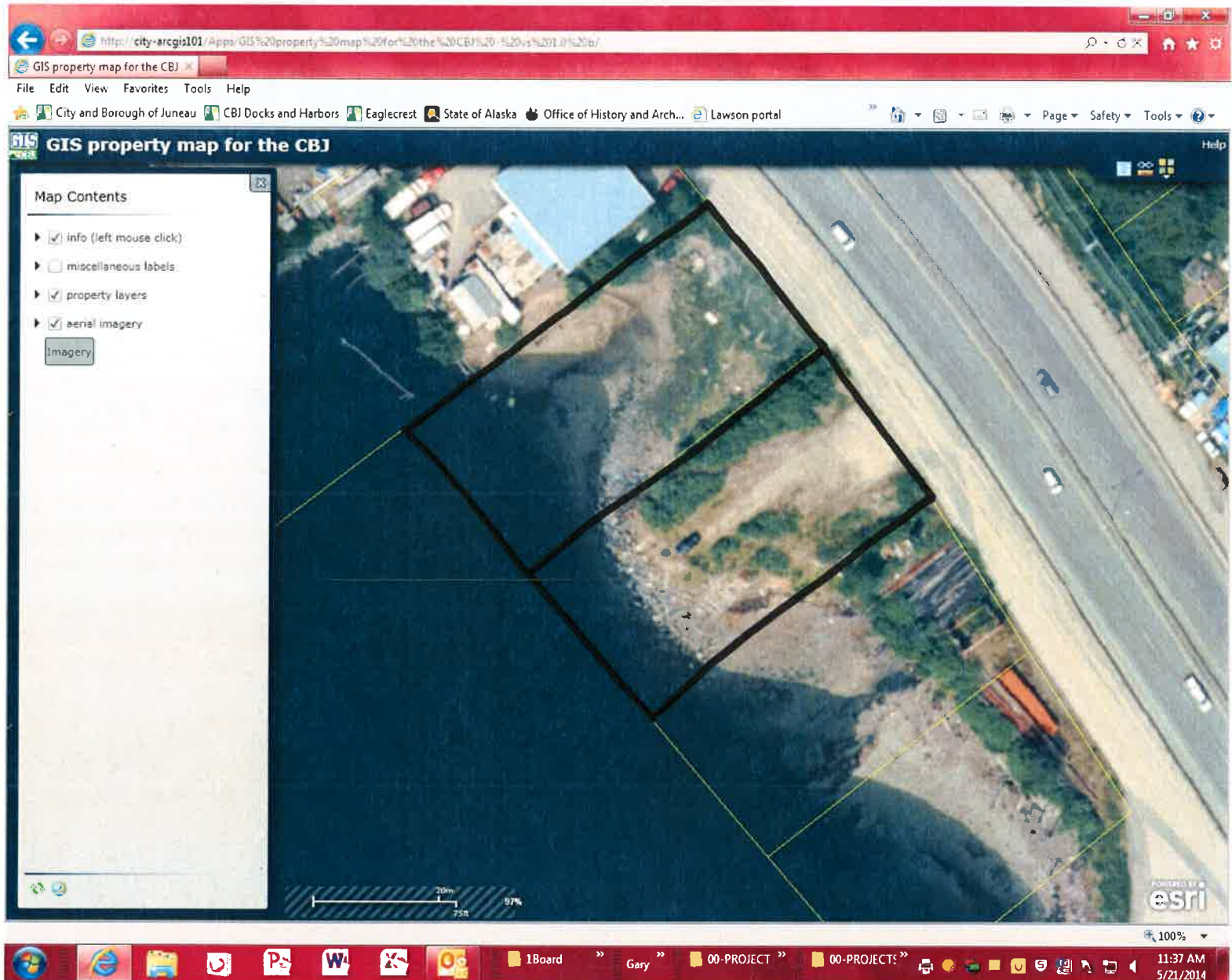


Wayside Park



## Channel Construction



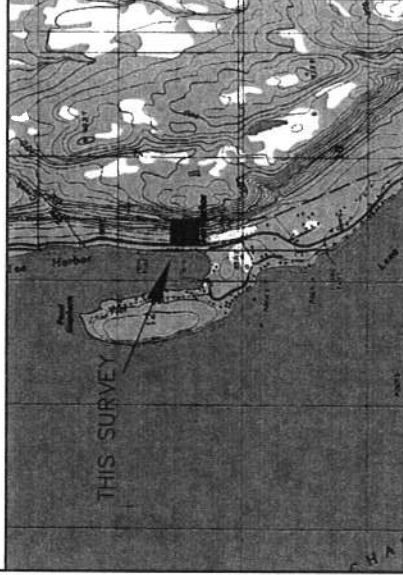


## Channel Drive Parcels

# PLAN OF SURVEY

## ASLS No. 2013-15

ADL No. 101676  
LOCATED WITHIN SECTION 7  
TOWNSHIP 40 SOUTH, RANGE 65 EAST  
COPPER RIVER MERIDIAN, ALASKA



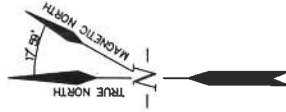
- 1"=1 MILE  
USGS JUNEAU B-3
- LEGEND:**
- GLO/BLM MONUMENT TO BE RECOVERED/RESET
  - GLO/BLM MONUMENT OF RECORD
  - PRIMARY MONUMENT TO BE SET
  - BLM/COPPER COATED STEEL ROD
  - PRIMARY MONUMENT OF RECORD
  - SECONDARY MONUMENT OF RECORD
  - SURVEYED
  - UNSURVEYED

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF MINING, LAND & WATER  
550 W. 7TH AVE., SUITE 650  
ANCHORAGE, AK 99501  
(907) 269-8523

SCALE: 1" = 200'

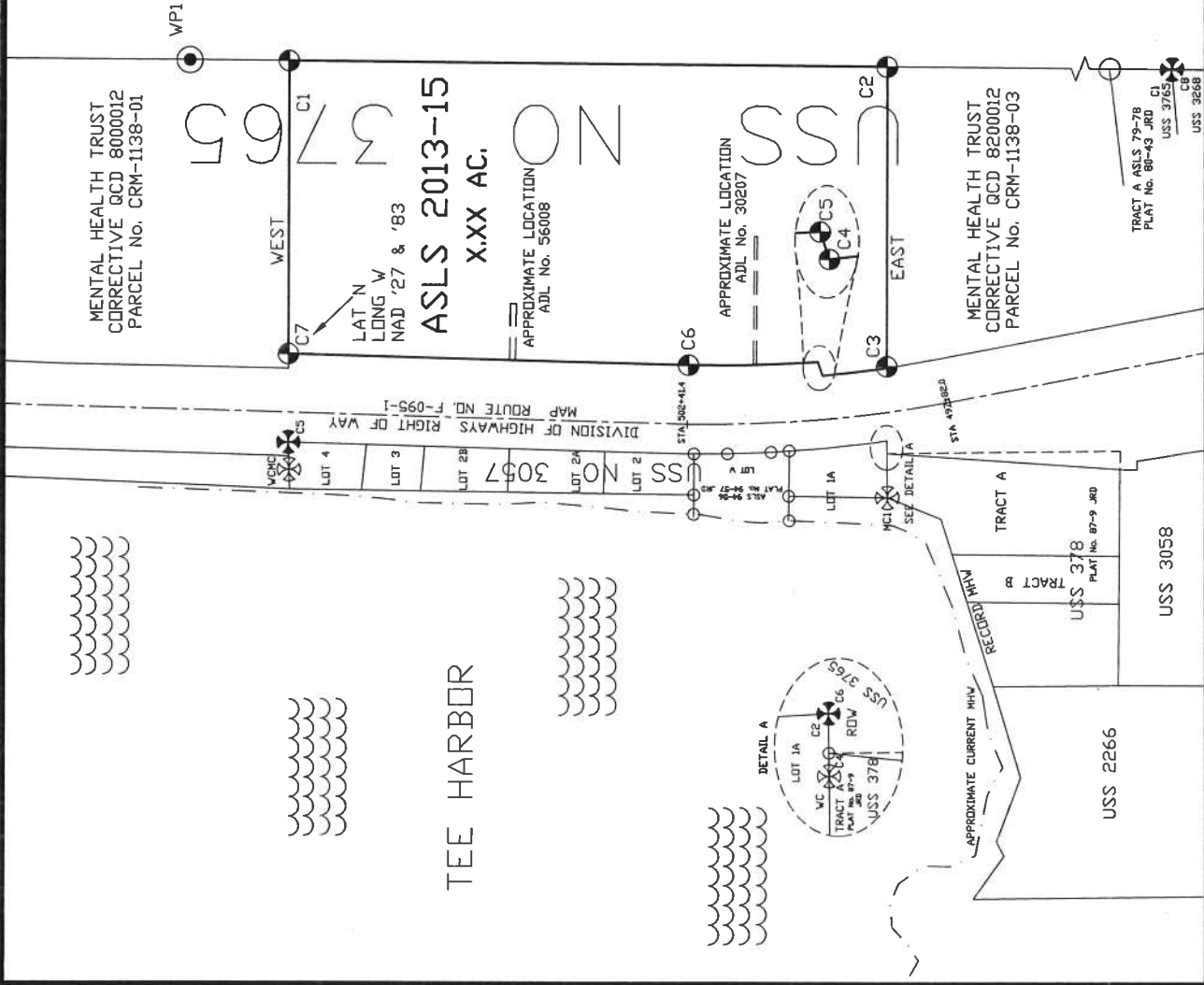
DRAWN: PG

DATE: 4/17/2014

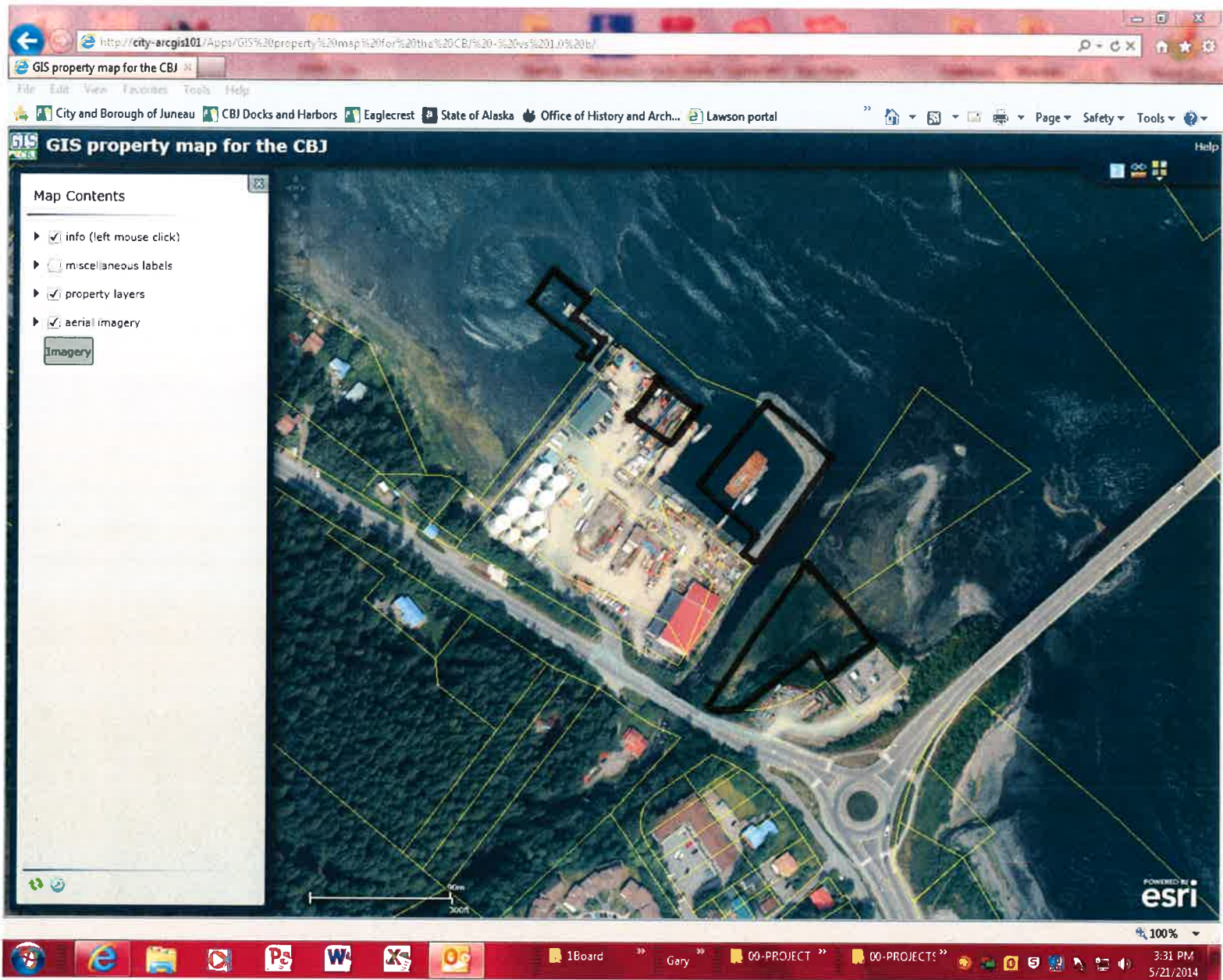


APPROX. MEAN DECLINATION  
NOAA 2013

TONGASS NATIONAL FOREST







Trucano Leases