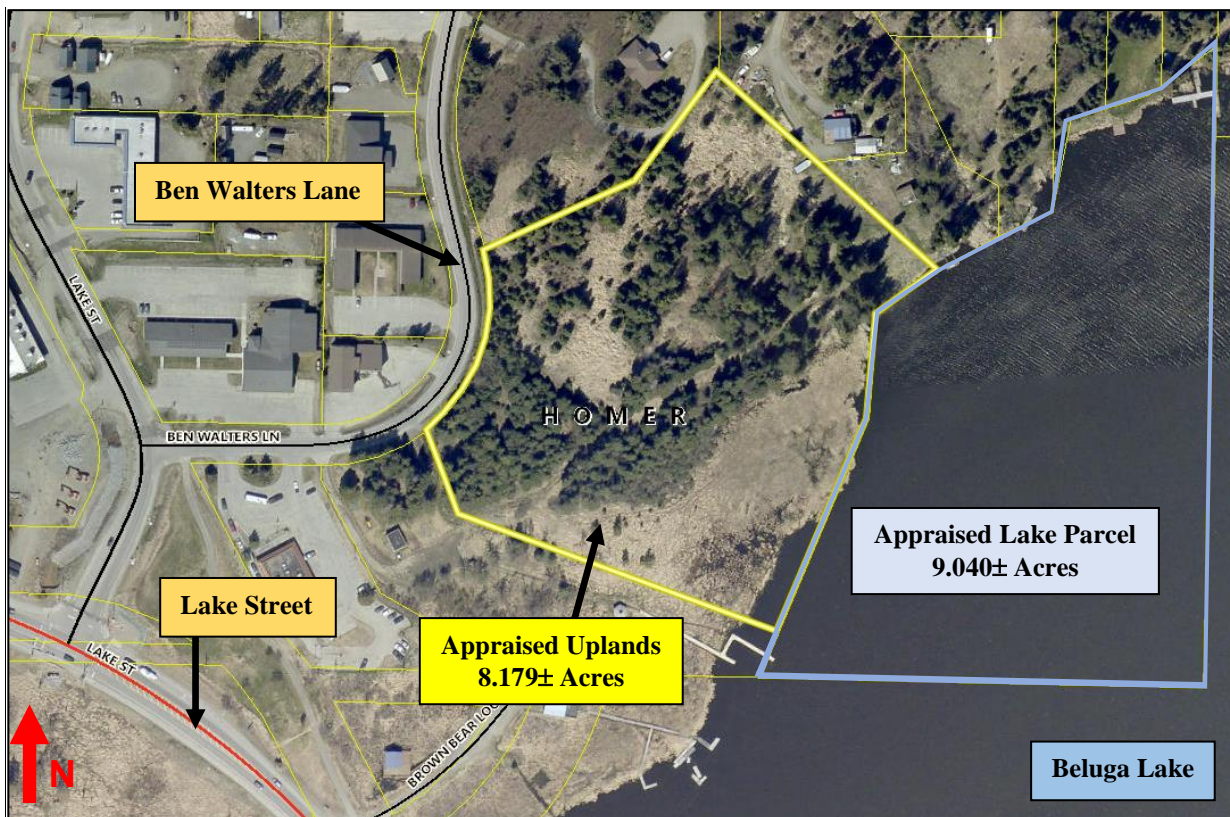


MACSWAIN ASSOCIATES LLC

4401 Business Park Boulevard, Suite 22, Anchorage, Alaska 99503

APPRAISAL REPORT

Market Value Estimate of "Beluga Lake" Property
Lot 1-A-3, Lakeside Village Subdivision Replat, Plat No. 84-122 (Uplands)
Tract C, A.A. Mattox 1959 Addition, Plat No. 59-4411 (Lake Parcel)
3668 Ben Walters Lane, Homer, AK



Date of Value: May 12, 2022

File No. 22-3682

Submitted To:

Janette Keiser
Public Works Director
Homer Public Works Department
3575 Heath Street
Homer, AK 99603

MacSwain Associates LLC

4401 Business Park Blvd., Suite 22
Anchorage, Alaska 99503
Phone: 907-561-1965
Fax: 907-561-1955
s.macswain@macswain.com

July 18, 2022

Janette Keiser
Public Works Director
Homer Public Works Department
3575 Heath Street
Homer, AK 99603

Re: Beluga Lake Property
8.179± Acres Upland Parcel, Lot 1-A-3, Lakeside Village Subdivision Replat
9.040± Acre Beluga Lake Parcel, Tract C, A.A. Mattox 1959 Addition
3668 Ben Walters Lane, Homer, AK

Dear Ms. Keiser:

We have prepared an *Appraisal Report* of the above-referenced commercial-zoned land on Beluga Lake, with 602± feet of lake frontage. The appraised property is comprised of an upland parcel with lake frontage, and a submerged parcel within Beluga Lake. Situated on the east side of Ben Walters Lane, the appraised upland parcel contains 8.179± acres or 356,277± square feet of vacant land. The submerged lake parcel contains 9.040± acres or 393,782± square feet. The purpose of the assignment is to assist the client with a potential acquisition of the subject parcels. The property is currently listed for sale with an asking price of \$1,775,000. The type of value estimated is *market value*. The property rights appraised is the *fee simple estate*. The report is prepared in accordance with the *Uniform Standards of Professional Appraisal Practice* (USPAP).

Based on the data, reasoning, and analysis that follows, the market value of the appraised property, as of May 12, 2022, is estimated as follows.

ONE MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS \$1,650,000

We direct your attention to the Scope of Work, Certificate of Appraisal, and Assumptions and Limiting Conditions for an explanation of restrictions and limitations of this report. If you have any questions, please contact our office.

Respectfully submitted,



Steve MacSwain, MAI
State of Alaska Certificate No. 42



Alex Kleinke
State of Alaska Certificate No. 148873

The undersigned certifies that to the best of their 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 our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- ➔ We 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.
- ➔ We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- ➔ We have not performed any services as an appraiser or in any other capacity, regarding the property that is the subject of this report, within the three-year period immediately preceding acceptance of this assignment.
- ➔ Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- ➔ Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- ➔ The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- ➔ The reported analyses, opinion, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- ➔ The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- ➔ Alex Kleinke of MacSwain Associates, LLC inspected the property on May 12, 2022. Steve MacSwain, MAI is familiar with the property from other appraisal assignments in Homer.
- ➔ No one provided significant real property appraisal assistance to the persons signing this certification.
- ➔ As of the date of this report, Alex Kleinke and Steve MacSwain, MAI are certified General Real Estate Appraisers in the State of Alaska and have completed the education requirements through June 2023.

MacSwain Associates LLC

- ➔ As of the date of this report, Steve MacSwain, MAI has completed the Standards and Ethics Education Requirements for Designated Members of the Appraisal Institute.
- ➔ As of the date of this report, Alex Kleinke has completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.
- ➔ As of the date of this report, Steve MacSwain, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
- ➔ As of the date of this report, Alex Kleinke has completed the continuing education program for Practicing Affiliates of the Appraisal Institute.



Steve MacSwain, MAI
State of Alaska Certificate No. 42



Alex Kleinke
State of Alaska Certificate No. 148873

7/18/22

Date

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Appraiser Qualifications	

Appraisal Summary

Value Type:	Market value
Property Name:	Beluga Lake Property
Property Type:	Commercial-zoned land on Beluga Lake with adjoining submerged lake parcel
Property Rights Appraised:	Fee simple estate
Location:	East side of Ben Walters Lane just east of Lake Street and north of Sterling Highway; property fronts west shore of Beluga Lake near Downtown Homer within the Ocean Drive neighborhood
Legal Description:	Upland Parcel: Lot 1-A-3, Lakeside Village – Park Addition, Plat No. 84-122, Homer Recording District, State of Alaska. Lake Parcel: Tract C, A.A. Mattox 1959 Addition, Plat No. 59-4411, Homer Recording District, State of Alaska.
Tax Parcel Nos:	177-120-23 (upland parcel) and 177-301-03 (lake parcel)
Physical Address:	3688 Ben Walters Lane, Homer, Alaska
Property Owner:	Beluga, LLC per Borough records
Zoning:	Upland parcel zoned Central Business District (CBD) and lake parcel zoned Open Space Recreation (OSR) per City of Homer
Site Description:	Irregular-shaped parcel fronting Beluga Lake, containing 8.179± acres or 356,277± square feet of uplands and 9.04± acres or 393,782± square feet of submerged Beluga Lake
Topography:	Gently sloping from west to east towards lake with slight undulation, and approximately 25-foot elevation difference
Access:	Vehicular access from Ben Walters Lane, paved, two-lane road maintained by City of Homer; potential floatplane access from Beluga Lake
Frontage:	296± feet road frontage on Ben Walters lane, paved two-lane road, 602± feet of Beluga Lake frontage
Utility Service:	Electricity, natural gas, water, and sewer publicly available

Soil and Subsurface Conditions:	Beluga-Mutnala complex, poorly-drained decomposed plant material over silt loam, and Clunie peat, very poorly-drained peat over silty clay loam
Hazardous Substances:	None observed or known
Wetland Designation:	“High Rank” wetlands above comprise majority of property; KWF Wetland Assessment identifies the property as Discharge Slope Wetlands, and Kettle Wetlands proximate to Beluga Lake
Flood Hazard Restrictions:	East portion Zone A, Special Flood Hazard Area subject to inundation by the 1% annual chance flood with no base elevation determined; center and west portions are within Zone D, an area in which flood hazards are undetermined, but possible.
Easements and Restrictions:	20’ utility and sewer easements bisecting property, 10’ utility easement along south, west, and north/east boundaries, 20’ PUE along west boundary, 30’ sewer and drainage easement bisecting property, and 20’ public use easement bisecting property
Sale History:	No known sales in past three years; property currently listed for \$1,775,000
Highest and Best Use:	Commercial development
Extraordinary Assumptions:	None
Hypothetical Conditions:	None
Date of Property Inspection:	May 12, 2022
Effective Appraisal Date:	May 12, 2022
Date of Report:	July 18, 2022

Upland Contribution:	\$1,350,000 (\$3.79±/SF)
Lake Contribution:	\$300,000 (\$0.76±/SF)
Market Value Estimate:	\$1,650,000

Subject Property Photographs

Date: May 12, 2022

Taken By: Alex Kleinke



Easement area cut across center of property's treed portion



East view from subject property towards Beluga Lake

Subject Property Photographs

Date: May 12, 2022

Taken By: Alex Kleinke



South view of Ben Walters Lane frontage, property on left



Northwest view towards upland parcel across Beluga Lake, taken from City-owned dock

Subject Property Photographs

Date: May 12, 2022

Taken By: Alex Kleinke



East view of property from Ben Walters Lane



City-owned park property adjacent to subject's south boundary

Chapter 1: Definition of the Appraisal Problem

Overview	We prepare an <i>Appraisal Report</i> that analyzes an 8.179± acre, or 356,277± square foot vacant parcel fronting Beluga Lake. Additionally, the subject property includes a 9.04± acre or 393,782± square foot submerged lake parcel in Beluga Lake. This submerged parcel is the only privately-owned submerged lake parcel on Beluga Lake, and is outside the remainder of the Stated-owned FAA seaplane base serving the community of Homer. The upland parcel fronts Ben Walters Lane within a commercial zoning district near Downtown Homer within the Ocean Drive neighborhood. The intent of the appraisal is to estimate the market value of the <i>fee simple estate</i> of the property, in order to assist the client with a potential purchase. The report is intended to comply with the <i>Uniform Standards of Professional Appraisal Practice</i> (USPAP).
Value Type	Market value
Client	City of Homer
Intended Use of Appraisal Report	The intended use of this appraisal report is to assist the client with a potential acquisition of the subject property.
Intended Users of Appraisal Report	City of Homer, Kachemak Moose Habitat, Inc., and Kachemak Heritage Land Trust (KHLT)
Property Inspection Date	May 12, 2022
Effective Appraisal Date	May 12, 2022

Date of Report July 18, 2022

Identification of Real Estate Appraised The appraised property is vacant land on the west shore of Beluga Lake. Access is from Ben Walters Lane just north of Lake Street / Sterling Highway Bypass. The recorded plat indicates the subject upland parcel contains 8.179± acres. Additionally, there is an adjacent 9.04± acre submerged parcel within Beluga Lake with common ownership. The Kenai Peninsula Borough identifies the upland parcel as Tax Parcel No. 177-120-23 and the physical address as 3668 Ben Walters Lane. The lake parcel is identified as Tax Parcel No. 177-301-03.

Definition of Market Value The type of value estimated is market value. Market value is defined as follows.

The most probable price which 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:

- a. buyer and seller are typically motivated;*
- b. both parties are well informed or well advised, and acting in what they consider their own best interests;*
- c. a reasonable time is allowed for exposure in the open market;*
- d. payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and*
- e. 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.¹*

Property Rights Appraised We estimate the market value of the fee simple estate, which is defined on the following page.

¹ *Appraisal of Real Estate*, Fifteenth Edition (2020), by the Appraisal Institute, p. 49.

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.²

Legal Description

Public records indicate the appraised property is legally defined as follows:

PARCEL ONE:

Lot 1-A-3, according to the plat of LAKESIDE VILLAGE-PARK ADDITION, filed under Plat Number 84-122, Records of the Homer Recording District, Third Judicial District, State of Alaska.

PARCEL TWO:

Tract C, according to the plat of A.A. MATTOX 1959 ADDITION, filed under Plat Number 59-4411, Records of the Homer Recording District, Third Judicial District, State of Alaska.

Property Owner

Public Records indicate the owner of the appraised property is as follows.

→ Beluga, LLC
9646 W. Aircraft Court
Wasilla, AK 99623-0381

Assessed Value

Historical Kenai Peninsula Borough assessment information for the past three years follows.

KPB Tax Parcel Nos. 177-120-23 & 177-301-03

Year	Upland	Lake	Improvements	Total	Mill Rate	RE Taxes
2022	\$201,300	\$4,400	\$0	\$205,700	11.24	\$2,312.07
2021	\$195,600	\$4,400	\$0	\$200,000	11.44	\$2,288.00
2020	\$193,800	\$4,400	\$0	\$198,200	11.44	\$2,267.41

Based on the 2022 Borough assessed value of \$205,700 and mill rate of 11.24, annual real estate taxes are \$2,312.07.

² *Appraisal of Real Estate*, Fifteenth Edition (2020), by the Appraisal Institute, p. 60.

Three Year Sale History

There have been no known sales of the property in the past three years. The property is currently listed for sale for \$1,775,000, which includes both the upland parcel and lake parcel. It has previously been listed in 2013 for \$1,250,000 and 2019 for \$1,575,000. We are not aware of any written offers on the property.

Report Type and Methodology

This *Appraisal Report* develops the sales comparison approach to estimate market value. Neither the cost nor the income capitalization approach reflects market behavior for vacant land. Qualitative techniques are used to measure differences between the comparable sales and the subject. The appraisal report is a summary of the appraisers' data, analyses, and conclusions with supporting documentation retained on file.

Scope of Appraisal

Alex Kleinke of MacSwain Associates, LLC performed the inspection of the appraised property and assisted Steve MacSwain, MAI with data collection and analysis. In addition, Steve MacSwain, MAI administered the appraisal process, reviewed draft appraisals, and concurred with an opinion of value. Preparation of this report encompassed the following scope of work that concluded with an opinion of market value.

- ➔ Inspected the appraised property on May 12, 2022;
- ➔ Discussed the property with City of Homer and Kachemak Moose Habitat, Inc. representatives;
- ➔ Reviewed KPB assessor map 177-120;
- ➔ Reviewed Plat Map No. 84-122;
- ➔ Reviewed Record of Survey 2004-5;
- ➔ Reviewed recorded Special Warranty Deed to obtain legal description;
- ➔ Reviewed aerial and wetland mapping from Kenai Peninsula Borough;
- ➔ Reviewed wetland, zoning, and utility mapping from City of Homer;
- ➔ Gathered data from the KPB Assessor's office and State of Alaska Recorder's office regarding ownership, assessments, and general property information;

- Reviewed Kenai Peninsula 2021-2026 Comprehensive Economic Development Strategy prepared by KPEDD in June 2021;
- Reviewed Homer Comprehensive Plan prepared by City of Homer in 2018;
- Interviewed Kenai Peninsula real estate brokers, agents, and property owners regarding land sales;
- Interviewed Kenai Peninsula market participants regarding current market conditions, trends, and expectations;
- Gathered and confirmed information on comparable land sales;
- Inspected the primary comparable sales we relied upon in our comparative analysis;
- Applied the sales comparison approach to arrive at a market value indication of the upland parcel;
- Utilized a ratio analysis to estimate the value of the lake parcel; and
- Aggregated the contributory values of the upland parcel and lake parcel to arrive at an estimate of market value.

Statement of Competency

MacSwain Associates, LLC has completed numerous appraisals of land on the Kenai Peninsula and City of Homer. A summary of the appraisers' experience and professional qualifications are located in the addendum. We have the knowledge and experience required by the competency provision of USPAP to complete this assignment credibly.

Exposure Time

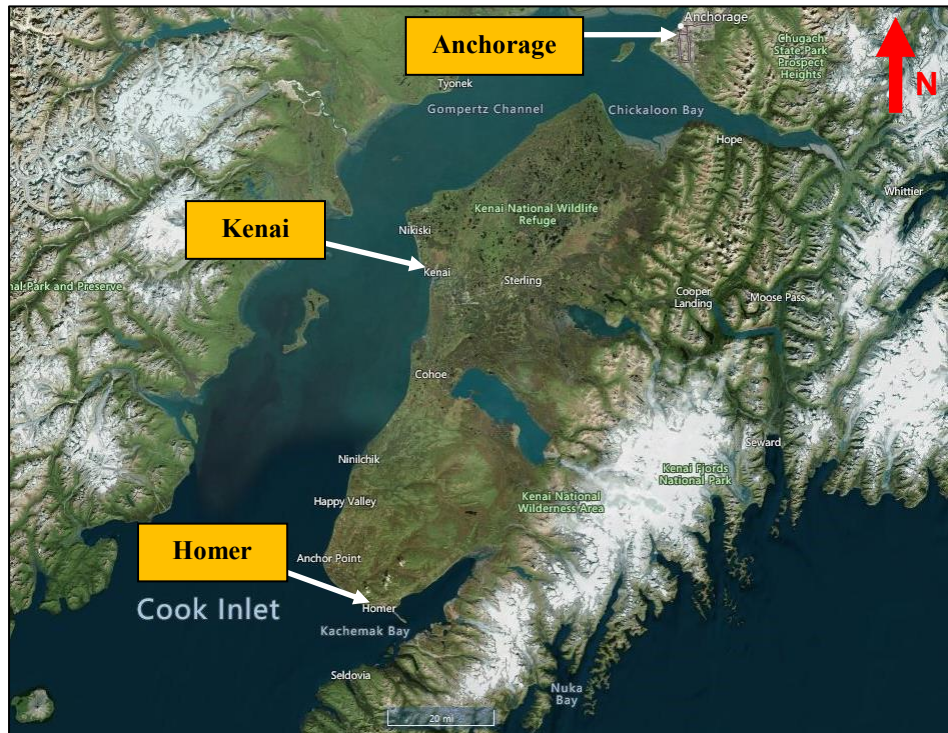
We have collected and analyzed market and economic data that projects real estate trends and activity for similar vacant parcels. Discussions with brokers and analysis of similar property sales indicate that a period of approximately one year prior to our effective date of value is a reasonable exposure period.

Chapter 2: Homer Area and Neighborhood Summary

Overview

The appraised property is within the City of Homer, Alaska, situated at the south end of the Kenai Peninsula. We present a summary socioeconomic analysis of Homer and the immediate neighborhood. The reader is referred to the maps below and on the following pages that illustrate the location and assist in the description and analysis of the factors that affect the real estate market.

Location Map



Homer Summary

The City of Homer is a First Class City, located on the north shore of Kachemak Bay on the southwestern portion of the Kenai Peninsula. Homer’s population has seen a 10% increase over the past ten years, with a 2020 Census Population of 5,522. It is one of the four largest communities on the Kenai Peninsula, along with Kenai, Soldotna, and Seward. Homer is approximately 227 road miles south of Anchorage, the southernmost point of the Sterling Highway. Information for this analysis was obtained from various sources, including the Homer Chamber of Commerce, Kenai Peninsula Economic Development District, and the Alaska Department of Community and Regional Affairs (DRCA).

Economy

Homer's economy is primarily supported by the tourism and fisheries industries. Unlike other regions of Alaska, the economy of Homer is not directly related to the success of the oil industry. Homer acts as a regional hub for other smaller communities such as Anchor Point, Ninilchik, and Seldovia. Over the past several years, Homer has transitioned more towards the tourism industry, as it is estimated to be a \$100± million per year industry on the Kenai Peninsula. Homer is a popular destination for both resident and non-resident tourists. Most of the tourism business occurs between June and August, when sport fishing is at its peak. In addition, the Alaska Islands and Ocean Visitor Center contributes to the local economy. A relatively new 72-room Aspen Hotel located on the Sterling Highway next to the visitor center has added approximately 15 full time jobs. In 2021, Grace Ridge Brewing constructed a new 2,400± square foot facility on the corner of Smoky Bay Way and Ben Walters Lane north of Beluga Lake.

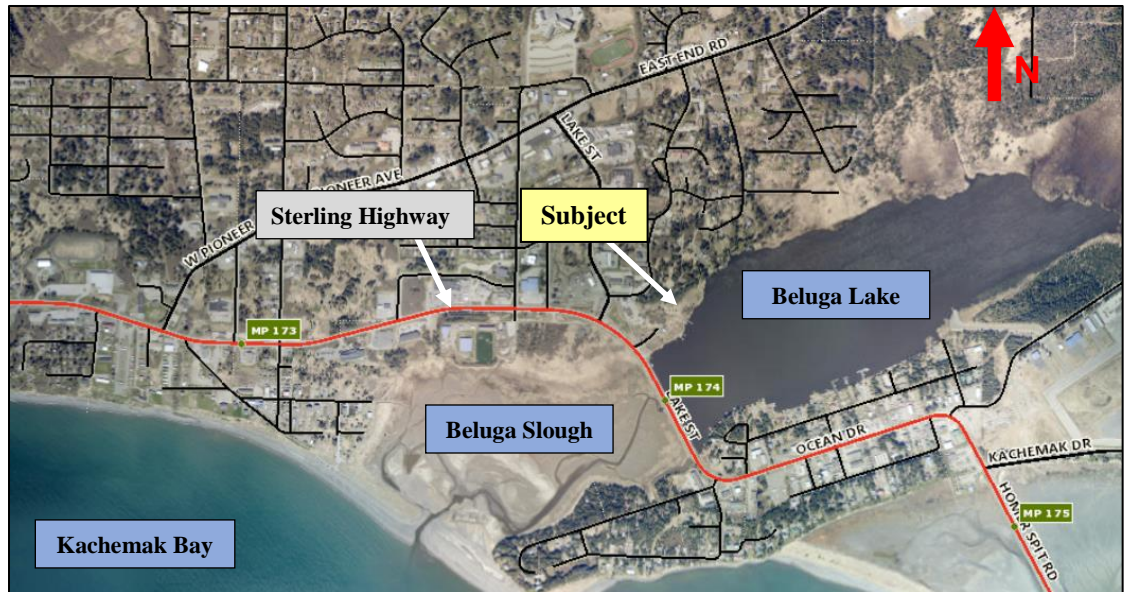
Transportation

The primary road system to Homer is the Sterling Highway, which connects to the Seward Highway leading to Anchorage and other road systems with linkage to Fairbanks, Canada, and the Lower 48. The State owns and operates the Homer Airport, with a 6,700-foot asphalt runway and floatplane basin. There is also a seaplane base at Beluga Lake. The City is served by several scheduled and chartered flight services with Ravn Alaska service to Anchorage with multiple flights per day. There are also four other private landing strips in the vicinity. The Alaska Marine Highway and local ferry services provide marine transportation to other communities in Kachemak Bay and Kodiak.

Public Utilities, Schools, and Health Care

Approximately 90% of Homer is served by public water, while the remaining residents have on-site well systems or have water delivered. There is a City sewer treatment center designed to treat 880,000 gallons per day, but with the capability of treating 1,400,000 gallons per day peak flow. Electricity is provided by Homer Electric Association, and refuse is collected by a private firm and hauled to the Borough landfill. There are eight schools located in the community attended by approximately 1,120 students. Local health care facilities include South Peninsula Hospital and auxiliary health care is provided by the Homer Volunteer Fire Department/EMS, as well as private practitioners.

Neighborhood Map

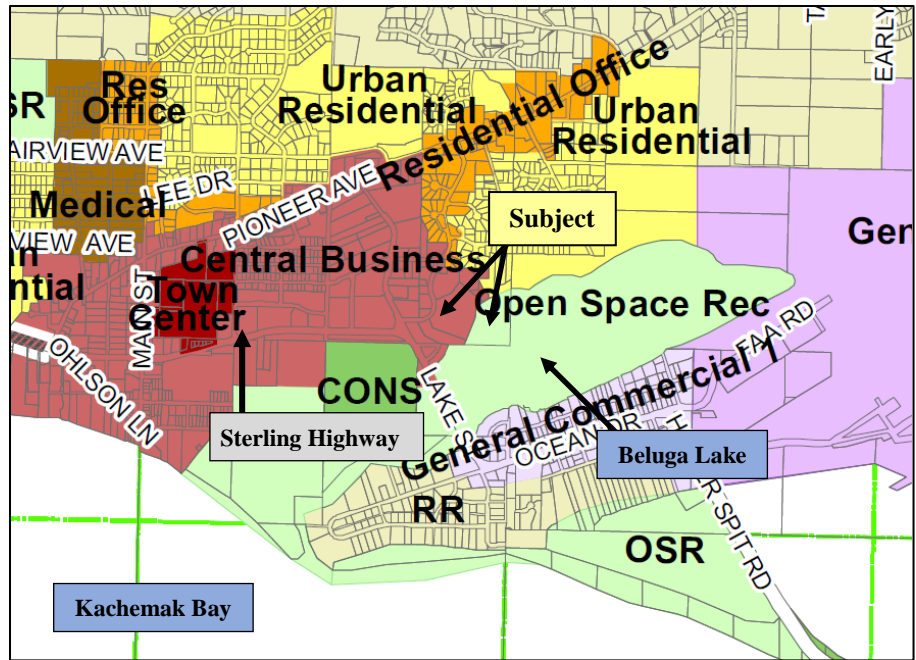


**Immediate
Neighborhood
Summary**

The subject fronts Beluga Lake, just east of Downtown Homer within the neighborhood of Ocean Drive. This area runs between Downtown and the Homer Spit, and contains Beluga Lake, the Homer Airport, Beluga Wetlands and Kachemak Bay Wetlands. Beluga Lake is an active seaplane base in the summer owned by the State of Alaska. In addition to serving as a seaplane base, the Homer Airport Critical Habitat Area, containing 280 acres of wetlands and forest around the lake and airport attracts more than 100 species of birds and is a popular recreational area. The lake is home to floatplane businesses, lodges, and other commercial ventures oriented towards recreational use. The majority of lake development is located along the south side of the airport north of Ocean Drive. Development west of the lake proximate to the subject consists of both commercial and residential development. McDonald's operates a restaurant on the corner of Ben Walter's Lane and Lake Street. The north/east portions of the lake are undeveloped due to the presence of wetlands.

Access to the immediate neighborhood on the west side of the lake is from Lake Street and the Sterling Highway, both State-maintained. Ben Walters Lane affords linkage to commercial and residential areas north of the lake via City-maintained roads. All public utilities are available to the immediate neighborhood and sewer lines bisect the subject property. Multiple zoning districts within the neighborhood influence land use patterns. Central Business District, Urban Residential, Open Space, and Conservation zoning districts are all evident on the west side of the lake.

Zoning Map



Summary

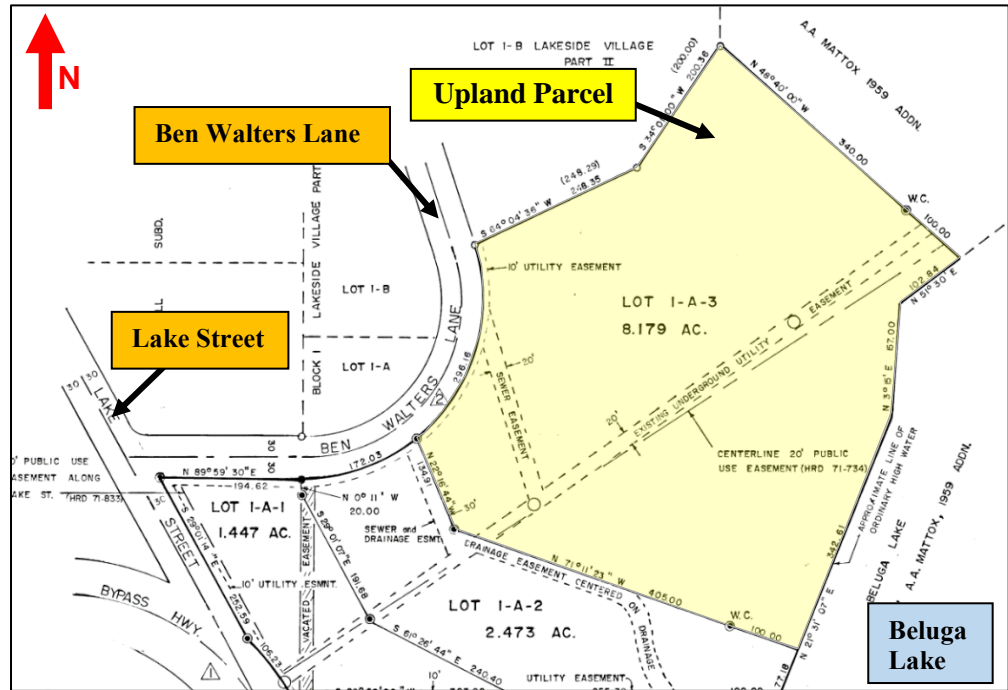
To summarize, the immediate neighborhood a mixed-use neighborhood known as Ocean Drive, which incorporates the Beluga Lake seaplane base, the Homer Airport, and undeveloped wetlands attracting wildlife. The presence of Beluga Lake and the associated wetlands enhances neighborhood appeal. Moreover, proximity to the Sterling Highway affords linkage to alternative neighborhoods within the City of Homer. We anticipate continued moderate growth for the immediate neighborhood.

Chapter 3: Parcel Description and Analysis

Overview

Analysis of land describes the characteristics that enhance or detract from its utility or marketability. The parcel description and analysis is based on our property inspection and review of aerial and Borough mapping. The assessor map below and additional mapping on the following pages assist in the description and analysis of the parcel that follows.

Plat No. 84-122



Parcel Description

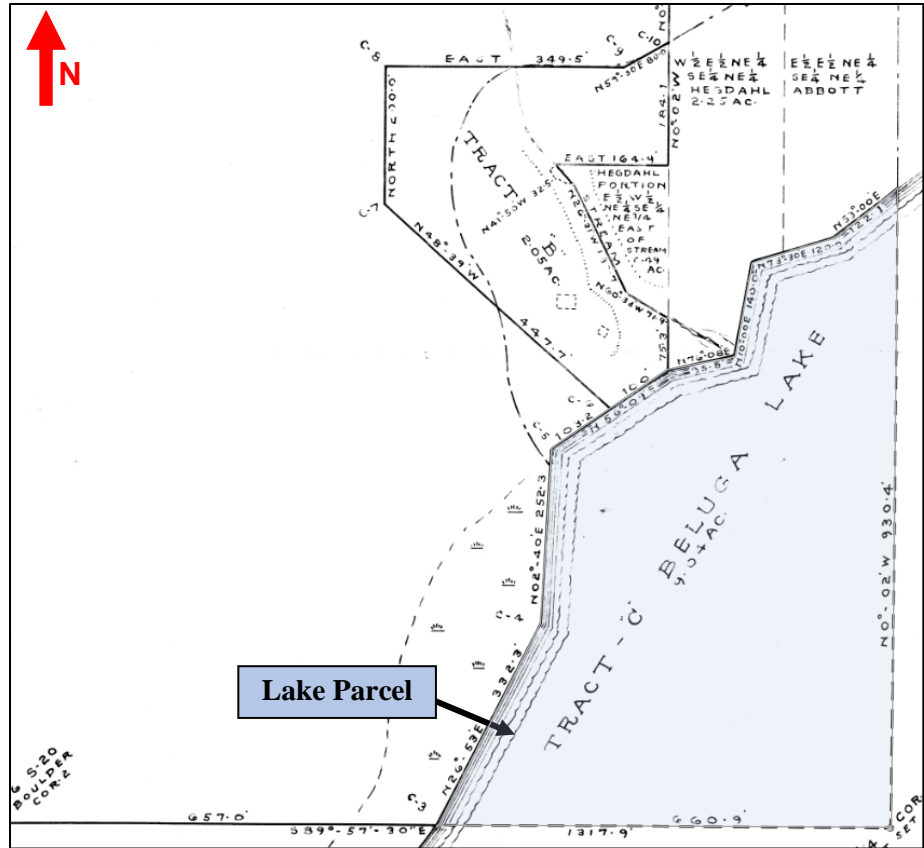
Location:

East side of Ben Walters Lane just east of Lake Street and north of Sterling Highway; property fronts west shore of Beluga Lake near Downtown Homer within the Ocean Drive neighborhood

Shape and Land Area:

Irregular-shaped parcel containing 8.179± acres or 356,277± square feet of uplands and 9.040± acres or 393,782± square feet of submerged lake; note, lake parcel size is based on Plat No. 59-4411 and current KPB data, while the area noted in Record of Survey 2004-5 on page 17 differs.

Plat No. 59-4411



<p>Access:</p>	<p>Vehicular access from Ben Walters Lane, paved road maintained by City of Homer, potential floatplane access from Beluga Lake</p>
<p>Zoning:</p>	<p>Upland parcel is zoned CBD – Central Business District, intended to provide a centrally located area within the City for general retail shopping, personal and professional services, educational institutions, entertainment establishments, restaurants and other business uses. The lake parcel is zoned OSR – Open Space Recreation District, intended to promote public recreational opportunities while protecting and preserving the natural and scenic resources of the area and public access to tidelands.</p>
<p>Frontage and Exposure:</p>	<p>296± feet road frontage on Ben Walters lane, paved two-lane road, 602± feet of Beluga Lake frontage</p>

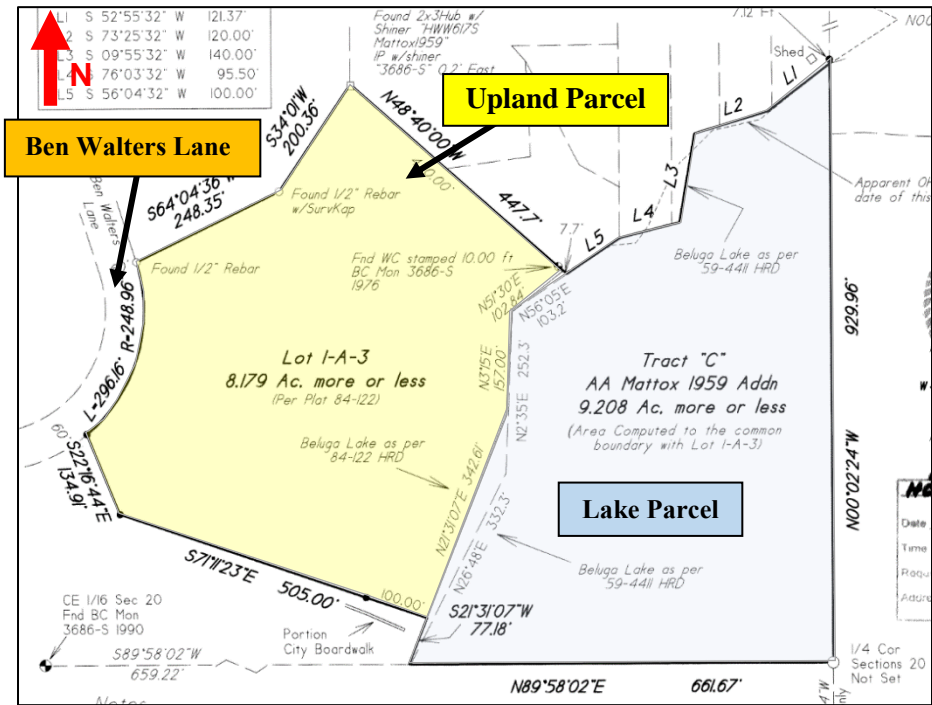
Easements and Restrictions:

Plat Map No. 84-122 indicates several easements: 20' utility and sewer easements bisecting property, 10' utility easement along south, west, and north/east boundaries, 20' PUE along west boundary, 30' sewer and drainage easement bisecting property, and 20' public use easement bisecting property

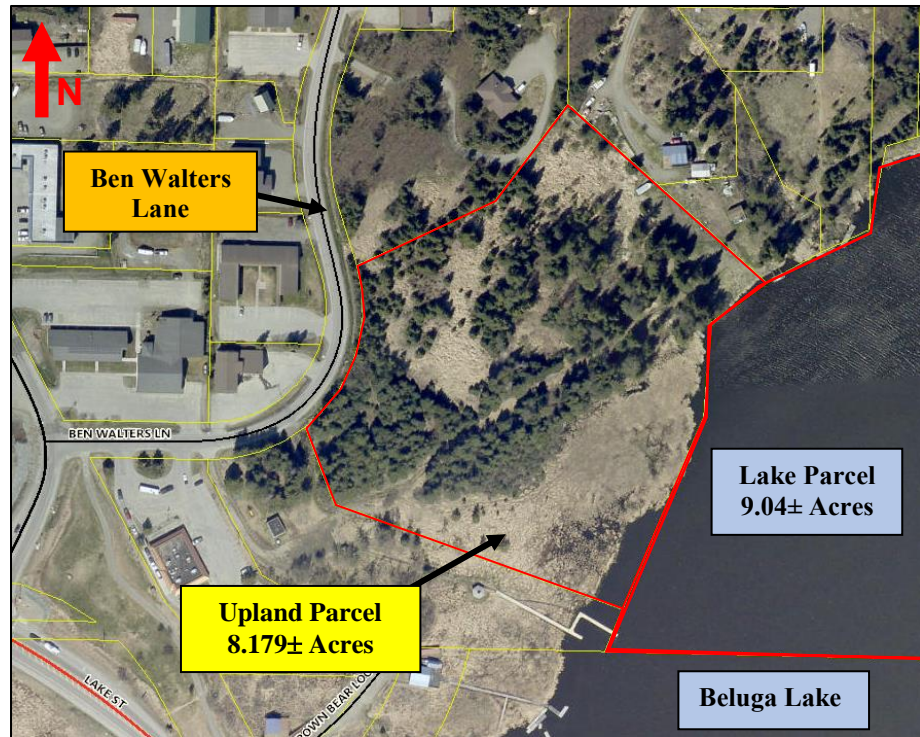
Public Utilities:

Electricity, natural gas, water, and sewer publicly available

Record of Survey 2004-5

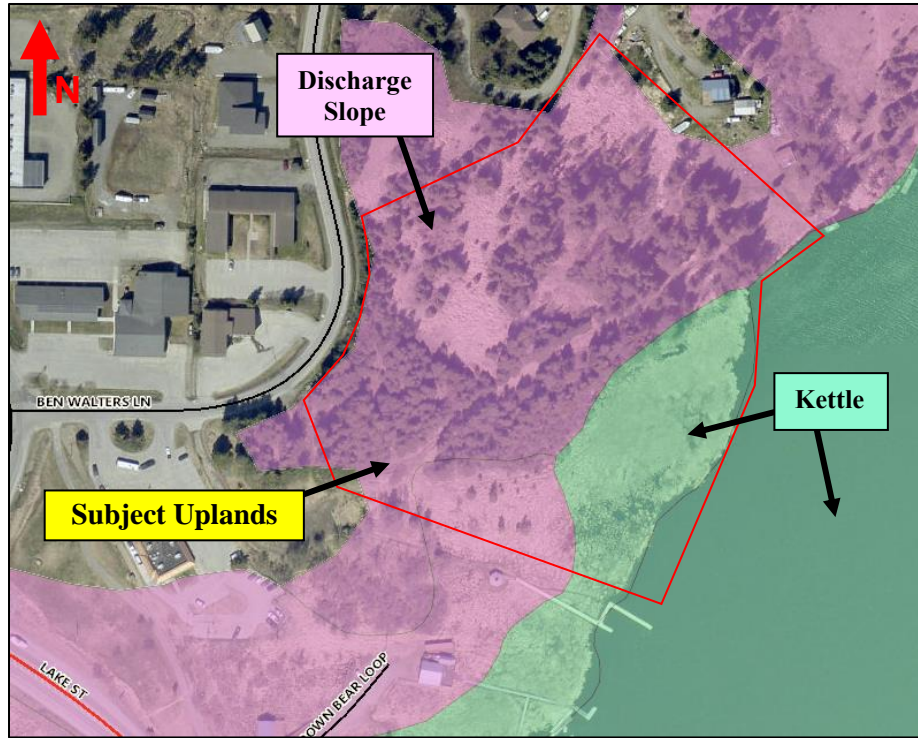


Kenai Peninsula Borough Aerial Mapping



Topography:	Gently sloping from west to east towards lake with slight undulation, and approximately 25-foot elevation difference
Vegetation:	West portion moderately treed with spruce, cottonwood, willow, alder, and low-lying herbaceous grasses, with some wet and marshy areas
Soil Conditions:	Soils mapping indicates the property is comprised of Beluga-Mutnala complex, poorly-drained decomposed plant material over silt loam, and Clunie peat, very poorly- drained peat over silty clay loam.
Flood Hazard:	East portion Zone A, Special Flood Hazard Area subject to inundation by the 1% annual chance flood with no base elevation determined; center and west portions are within Zone D, an area in which flood hazards are undetermined, but possible per FEMA Panel 02122C2020E (October 20, 2016).

KWF Wetland Assessment



Wetland Designation:

Per City of Homer Wetland Mapping, “High Rank” wetlands above comprise majority of property; KWF Wetland Assessment identifies the property as Discharge Slope Wetlands, and Kettle Wetlands proximate to Beluga Lake

Environmental Conditions:

The existence of any hazardous material or other type of environmental contamination, which may or may not be present on the property, was not observed by the appraisers nor do the appraisers have any knowledge of the existence of such substances. Our value conclusion assumes that the property is free of environmental and hazardous contaminants.

Parcel Utility:

Parcel suitable for a variety of commercial development alternatives due to location, access, available utilities, and zoning; lake parcel has more limited utility but complements adjacent uplands

Chapter 4: Highest and Best Use Analysis

Overview

Highest and best use is a market-driven concept rather than a subjective conclusion based on the experience of the appraiser or property owner's needs. The *Dictionary of Real Estate Appraisal* (Sixth Edition) defines *highest and best use* as follows.

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Highest and Best Use as Though Vacant

The parcel is located within the City of Homer boundaries, subject to zoning regulations. Upland parcel zoning is CBD, Central Business District. According to the City of Homer Zoning Code, this designation is:

Primarily intended to provide a centrally located area within the City for general retail shopping, personal and professional services, educational institutions, entertainment establishments, restaurants and other business uses listed in this chapter. The district is meant to accommodate a mixture of residential and nonresidential uses with conflicts being resolved in favor of nonresidential uses. Pedestrian-friendly designs and amenities are encouraged.

A variety of uses is allowable within this zoning designation, including retail, service, office, restaurants, lodging, residential, parks, and other commercial and public type uses. Other legal constraints pertain to City/Borough permitting, and obtaining a permit from the Corps of Engineers due to the presence of wetlands. The appraised upland portion contains 8.179± acres and benefits from over 600 feet of frontage on Beluga Lake, a State-owned seaplane base. Access is from Ben Walters Lane, a paved, two-lane road with City of Homer maintenance. All public utilities are available including water, sewer, natural gas, and electricity. Topography is slightly sloping and undulating and the majority of the property is in a raw state and requires clearing and site prep prior to development. Surrounding development is primarily commercial, with residential use evident to the north. A McDonald's restaurant is immediately to the west of the subject, as is a City-owned park and dock. Based on physical and legal characteristics, the most probable use is for commercial development of the upland portion. Beluga Lake frontage enhances appeal, and supports potential floatplane access. Although recreational use is possible in the subject's current state, commercial development provides a substantially greater

return to the land. The adjacent lake parcel complements the upland parcel and allows for docks, platforms, floatplane/boat slips, and other marine uses. The lake parcel is within the OSR, Open Space Recreation District. According to the City of Homer Zoning Code, this designation is:

Primarily to promote public recreational opportunities while protecting and preserving the natural and scenic resources of the area and public access to tidelands. Generally, pedestrian uses are given priority over motorized uses.

Permitted uses include marine recreation activities such as fishing and boating, open space park or playgrounds, marine-life production, marine sanctuaries, and recreational vehicle parks. A multitude of additional uses are permitted on a conditional basis. The lake parcel contains sufficient land area to enhance the utility of the upland parcel.

Highest and Best Use Conclusion

Based on the foregoing, we conclude the highest and best use of the appraised property, as vacant land, is commercial development, while developing the lake parcel with a complementary and compatible use.

Highest and Best Use As Vacant Commercial Development

Most Probable Buyer

Developer or investor

Chapter 5: Land Valuation - Sales Comparison Approach

Overview

The sales comparison approach is a systematic procedure of estimating the subject's market value by comparing it directly to property sales afforded similar physical and economic character. The approach is founded on the principle of substitution, theorizing value is a function of a knowledgeable investor's (buyer) intent to pay no more for a specific property than the cost of acquiring an alternative property offering similar utility (economic satisfaction). The sales comparison approach is the best approach for valuing vacant land. Due to the lack of submerged lake parcel sales, we develop a ratio analysis to estimate the value of the subject lake parcel. This ratio analysis allows comparison of submerged sales that differ in location and physical character, but have some similar use potential. The rationale for employing this valuation technique is it reflects market behavior. Simply, our research found a distinct relationship between the price paid for tidelands or other submerged parcels and the adjacent uplands. After analysis, we determined submerged values typically range from 15-25 percent of the adjacent upland value

Comparative Market Analysis

Our sales search focused on vacant land with similar physical and economic character to the subject, located in the CBD district. We initially searched for land sales that fronted Beluga Lake in the subject neighborhood. When searching the Beluga Lake market, we found only one land sale, which fronts the east side of the lake. We also analyze a land sale with Beluga Lake proximity, but that lacked frontage. In addition to lakefront land, we supplement the data with a sale fronting Kachemak Bay, as well as non-waterfront sales. The sales we relied upon are listed in the table on the following page.

Elements of Comparison

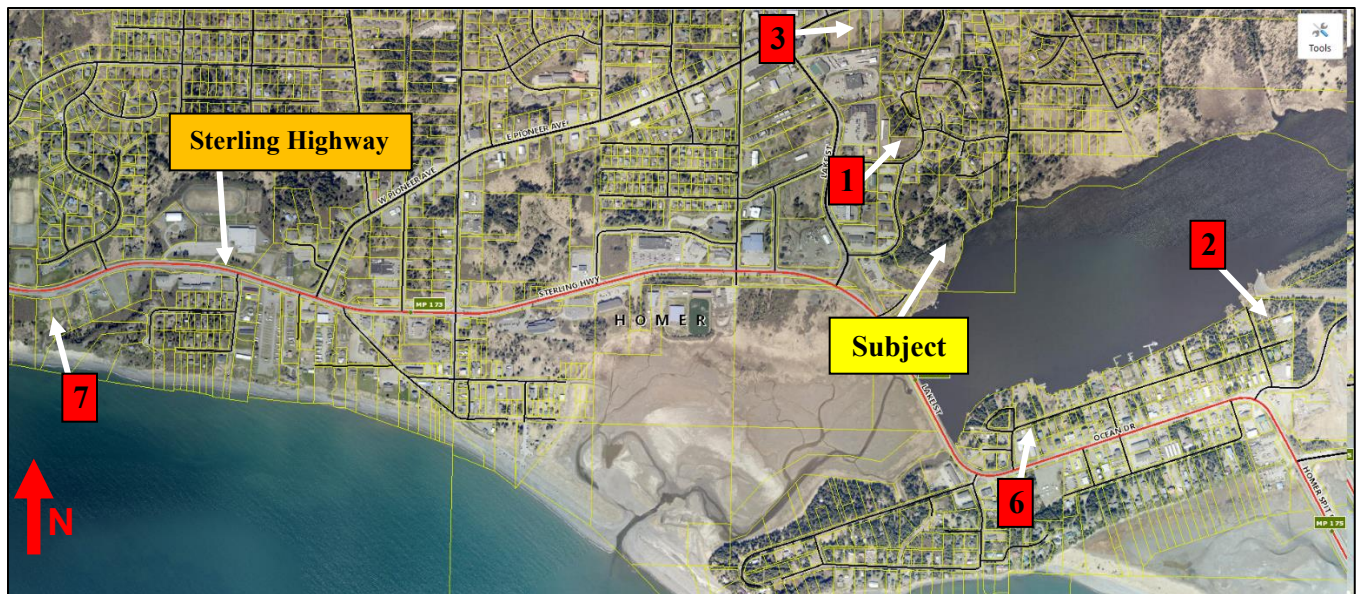
The elements of comparison that have the greatest influence on market behavior and the price paid for vacant land is location, physical character, market conditions, and conditions of sale. We use a qualitative comparison technique that rate elements of comparison as superior, inferior, or similar.

Comparable Land Sale Summary

No.	Location	Sale Date	Zone	Sale Price	SF (Acres)	\$/SF
1	NWC of Smoky Bay Way and Ben Walters Lane, between Lake Street and Lakeside Drive	1/20	CBD	\$175,000	53,709 (1.230)	\$3.26
2	East side of A Street, just west of FAA Road, fronting Beluga Lake	4/19	GC1	\$165,000	73,181 (1.680)	\$2.25
3	South side of East End Road at E. Fairview Avenue, east of Lake Street	12/18	CBD	\$296,000	112,820 (2.590)	\$2.62
6	South side of Lakeshore Drive, west of Douglas Place, just south of Beluga Lake	8/17	GC1	\$175,000	31,500 (0.340)	\$5.56
7	South side of Sterling Highway MP 172.4, west of Glenview Street	8/21	GBD	\$575,000	211,527 (4.856)	\$2.72
L1	East side of Ben Walters Lane on Beluga Lake (subject listing)	2/21	CBD / OSR	\$1,775,000	750,059* (17.220)	\$2.37
--	<i>East side of Ben Walters Lane on Beluga Lake (Subject Upland Parcel)</i>	<i>5/22 (DoV)</i>	<i>CBD</i>	<i>-- --</i>	<i>356,277 (8.179)</i>	<i>-- --</i>

* - subject listing includes 9.040± acres of submerged lake area

Comparable Land Sales Map



Land Sale 1



Land Sale 1 is the January 2020 sale located northeast of the subject in Downtown Homer. The property contains 53,709± square feet or 1.23± acres, fronting Smoky Bay Way and Ben Walters Lane. Zoning is CBD, Central Business District. Publicly available utilities include water, sewer, natural gas, and electricity. At the time of sale, the property was generally devoid of large vegetation, and the broker indicated there was a gravel building pad on the property. Review of wetland mapping indicates the property is encumbered with discharge slope wetlands. The property was exposed to the market for 340 days, originally listed for \$250,000. The list price was then reduced to \$200,000. The buyers offered \$175,000, which was accepted. The sale price indicates a unit price of \$3.26 per square foot. The motivation for the purchase was to acquire a site for the new Grace Ridge Brewing property. By comparison, a downward adjustments is necessary for size differential while an upward adjustment is necessary to account for a non-waterfront location. After analysis, the net adjustment is upward, indicating a unit value greater than \$3.26 per square foot for the Beluga Lake upland parcel.

Land Sale 2



Land Sale 2 is the April 2019 sale located along the south shore of Beluga Lake, east of the subject. The property fronts the east side of A Street, setting just west of FAA Road. The property contains 73,181± square feet or 1.68± acres. Zoning is GC1, General Commercial 1 district. Publicly available utilities include water, sewer, natural gas, and electricity. According to the broker, natural gas is not on site but in the general area, and will incur an assessment of \$2,100. Moreover, the property is reportedly permitted to construct a floating dock for floatplane usage. Review of wetland mapping indicates the property is encumbered with discharge slope and upland complex wetlands. The property was exposed to the market for nearly three years, originally listed for \$220,000. The sale price of \$165,000 indicates a unit price of \$2.25 per square foot. To date, the property remains undeveloped per KPB. By comparison, this sale is rated superior in terms of size differential. Overriding upward adjustments are necessary for inferior market conditions, degree of waterfrontage, and general location farther from the prime commercial area of Homer. After analysis, the net adjustment is upward, indicating a unit value greater than \$2.25 per square foot for the Beluga Lake upland parcel.

Land Sale 3



Land Sale 3 is the December 2018 sale located northeast of the subject property, located in the northeast portion of Downtown Homer. The property fronts the south side of East End Road across from Homer High School. Consisting of two lots, the total site area is 112,820± square feet or 2.59± acres. Zoning is CBD, Central Business District. The property is primarily cleared and there is a small gravel area near the north boundary. Publicly available utilities include water, sewer, natural gas, and electricity. The property was exposed to the market for 282 days, originally listed for \$344,500. The sale price of \$296,000 indicates a unit price of \$2.62 per square foot. To date, the property remains undeveloped per KPB, with the exception of a small driveway that was on the property prior to the sale. By comparison, this sale is rated superior in terms of size differential, clearing, and lack of wetland inundation. Conversely, upward adjustments are necessary for inferior market conditions and lack of waterfrontage. After analysis, the net adjustment is upward, indicating a unit value greater than \$2.62 per square foot for the Beluga Lake upland parcel.

Land Sale 6



Land Sale 6 is the August 2017 sale located near the southwest shore of Beluga Lake fronting the south side of Lakeshore Drive. While proximate to Beluga Lake, the lots do not have lake frontage. The sale consisted of three lots with General Commercial 1 zoning. Land area totals 31,500± square feet or 0.34± acre. Access is from Lakeshore Drive, a gravel road and all public utilities are available. At the time of sale the property was heavily vegetated. The lots were marketed separately but sold together after ten days of market exposure, with a total list price of \$190,000. The sale price of \$175,000 indicates a unit price of \$5.56 per square foot. According to the broker, the buyer purchased the property at a discount for buying all three lots. Subsequent to the sale, the buyer developed the lots, constructing a 2,400± square foot shop on the west lot. Additionally, the buyer assumed natural gas assessments upon purchasing the property. By comparison, downward adjustments are necessary for size differential and lack of wetland inundation. Partially offsetting upward adjustments are required for conditions of sale, market conditions, lack of waterfrontage, and inferior access. The net adjustment is downward, indicating a unit value less than \$5.56 per square foot for the Beluga Lake upland parcel.

Land Sale 7



Land Sale 7 is the August 2021 sale located on the south side of the Sterling Highway setting on the bluff with Kachemak Bay frontage and exposure. Consisting of three lots, the total land area is 211,702± square feet, or 4.86± acres. The property has direct highway access the Sterling Highway. While the bluff location affords the property good Kachemak Bay views, it reduces the developable area, as approximately 70% of the parcel consists of steep terrain. The south portion of the property is mapped as tidal and riverine wetlands. Publicly available utilities include natural gas and electricity. Public water and sewer are situated on the north side of the Sterling Highway, per City of Homer utility mapping, but the selling broker indicated the buyer will tie into them. Zoning is GBD, Gateway Business District, intended to promote mixed-use development, with an emphasis on visitor-oriented business. The property was exposed to the market for over two years, listed for \$675,000. The sale price of \$575,000 indicates a unit price of \$2.72 per square foot. By comparison, this land sale is superior in terms of size differential and direct highway access. Conversely, overriding upward adjustments are required for topography and general location. Thus, this land sale indicates a unit value greater than \$2.72 per square foot for the Beluga Lake upland parcel.

Subject Listing 1

This is the active listing of the subject property. The current list price is \$1,775,000, which includes both the 8.179± acre upland parcel, as well as 9.04± acres of submerged land within Beluga Lake. The upland parcel contains 602± feet of lake frontage, is within the CBD zoning district, and fronts Ben Walters Lane, a paved, two lane road maintained by the City of Homer. The submerged lake parcel is within the Open Space Recreation (OSR) district. All public utilities are available including natural gas, water, sewer, and electricity. With the exception of areas cleared for utilities and easements, the property is in a raw state and is inundated with discharge slope and kettle wetlands. The list price indicates an asking price of \$2.37 per square foot on a per unit basis. This unit price includes both the upland portion as well as the submerged lake portion, which total 17.22± acres.

Reconciliation of Upland Value

Presented below is a rating grid and analysis of the primarily land sales used in comparative analysis.

Land Sale	\$/SF	Rank	Net Adjustment
6	\$5.56	Superior	↓
Subject	-- --	-- --	-- --
1	\$3.26	Inferior	↑
7	\$2.72	Inferior	↑
3	\$2.62	Inferior	↑
2	\$2.25	Inferior	↑

The comparable land sales indicate a unit value range from \$2.25 to \$5.56 per square foot. Land Sale 6 is rated superior indicating a unit value less than \$5.56 per square foot. Conversely, Land Sales 1, 2, 3, and 7 are rated inferior, indicating a unit value greater than \$3.26 per square foot. Land Listing 1 is a listing of the subject property. The unit price for the entire 17.220± acre upland and submerged property is \$2.37 per square foot. As this is a listing, and contains the submerged land in the list price, it is used as information only. After comparative analysis and making the necessary adjustments, we estimate a market value range from \$3.50 to \$4.00 per square foot, which develops the following indicators for the subject upland parcel.

356,277 SF × \$3.50/SF =	\$1,246,970
356,277 SF × \$4.00/SF =	\$1,425,108

Based on the preceding analysis, the market value of the Beluga Lake upland parcel is estimated at \$1,350,000, which equates to \$3.79 per square foot.

Ratio Analysis of Upland Versus Lake Price

As stated, submerged property sales such as tidelands or lake parcels are scarce because of their intrinsic productivity with adjoining uplands. Moreover, the public sector owns a majority of tidelands and sizable lake properties in coastal Alaska communities with marine dependent economies. Further, most sales involving tidelands are improved properties with an integrated economic use. While sales of marine properties with tidelands transpire, it is difficult to extract the

submerged price from the total purchase. Consequently, we use a ratio method of valuing the appraised lake parcel.

The ratio method is a common analytical tool founded on market behavior collected from other Alaska communities where tidelands are integral to their local economies. The table below summarizes 14 sales that illustrate price behavior between tidelands and their adjacent uplands. While we do not classify the subject lake parcel as tidelands, it has similar characteristics due to the ability to support dock or floatplane infrastructure.

Summary Analysis of Upland Versus Tideland Price

No.	Location	Anticipated Use	Upland Price	Tideland Price	Ratio
T-1	Dillingham	Seafood Processing	\$1.84/SF	\$0.44/SF	23.9%
T-2	Kodiak	Fish Meal Plant	\$5.59/SF	\$1.42/SF	25.4%
T-3	Petersburg	Cargo Transfer	\$3.00/SF	\$0.76/SF	25.3%
T-4	Petersburg	Seafood Processing	\$2.85/SF	\$0.60/SF	21.1%
T-5	Unalaska	Seafood Processing	\$11.98	\$2.77/SF	23.1%
T-6	Unalaska	Fuel Dock	\$5.22/SF	\$1.05/SF	20.0%
T-7	Unalaska	Barge Landing	\$8.00/SF	\$1.75/SF	21.9%
T-8	Sitka	Cold Storage	\$14.97/SF	\$4.50/SF	30.1%
T-9	Sitka	Marina	\$6.25/SF	\$0.95/SF	15.2%
T-10	Ketchikan	Dock	\$14.60/SF	\$3.35/SF	23.0%
T-11	Nikiski	Oil Industry/Dock	\$1.10/SF	\$0.18/SF	16.4%
T-12	Seward	Resource Transfer Dock	\$1.05/SF	\$0.15/SF	14.3%
T-13	Haines	Dock	\$1.50/SF	\$0.25/SF	16.7%
T-14	Wrangell	Warehouse	\$3.00/SF	\$0.62/SF	20.7%

This methodology of applying a market-supported ratio to the adjacent upland value to estimate tideland value reflects both private and public sector behavior. Our data search initially focused on coastal communities in Southcentral Alaska catering to recreation and residential markets. However, the scarcity of sale data expanded research to Southeast Alaska markets where we found a higher-propensity of privately-owned tidelands. We were also compelled to include sales of tidelands supporting mixed-use and industrial uses to supplement our data collection. We did not find a significant disparity in tideland ratios from one use to another. Further, these tideland sales support dock infrastructure, which is consistent with the subject lake parcel's potential uses.

The market indicators develop a price ratio ranging from 14.3% to 30.1%. While each sale differs in location as well the economic profile

of the community, the indicated ratios provide an overview of market behavior for tideland parcels.

We emphasize the sales supporting dock uses, and also weigh the indicators with Southcentral Alaska locational similarity (Kodiak/Seward/Nikiski), despite differing uses.

Reconciliation of Ratio Analysis

After analysis, and accounting for the utility of the subject lake parcel, the market indicators support a 20% ratio that we apply to the upland value to develop an opinion of the lake parcel value.

Conclusion of Lake Value

We relied upon a ratio analysis to estimate the value of the subject tidelands. We employ this methodology because similar lake sales do not exist for direct comparison. We concluded with a unit value of \$3.79 per square foot for the subject uplands. Thereafter, we performed a ratio analysis of integrated marine sales that utilize tidelands to enhance upland use. Analysis concluded with a 20% ratio between upland and tideland value.

$$\text{\$3.79/SF Upland Value @ 20\% Ratio} = \text{\$0.76/SF Lake Value}$$

$$393,782 \text{ SF @ } \text{\$0.76/SF} = \text{\$299,274}$$

After analysis, the contributory value of the lake parcel is rounded to \$300,000.

Reconciliation of Market Value

When aggregating the upland value estimate of \$1,350,000 and the estimated value of the lake parcel of \$300,000, the market value of the Beluga Lake property, as of May 12, 2022 is estimated as follows.

Market Value Estimate	\$1,650,000
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Addendum

Assumptions and Limiting Conditions

This appraisal is subject to the following **assumptions and limiting conditions**.

- ➔ No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be marketable unless otherwise stated.
- ➔ The property is appraised free and clear of all liens or encumbrances unless otherwise stated.
- ➔ The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- ➔ All maps, plot plans, and other illustrative material are believed to be accurate, but are included only to help the reader visualize the property.
- ➔ It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
- ➔ It is assumed the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
- ➔ It is assumed the property conforms to all applicable zoning, land use regulations, and platting restrictions unless the nonconformity is identified, described, and considered in the appraisal report.
- ➔ Possession of this report, or a copy thereof, does not carry with it the right of publication.
- ➔ The appraisers, by reason of this appraisal, are not required to give consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
- ➔ Neither all nor any part of the contents of this report shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraisers.
- ➔ The existence of any hazardous material or other type of environmental contamination, which may or may not be present on the property, was not observed by the appraisers nor do the appraisers have any knowledge of the existence of such substances. However, the presence of these substances may affect the value of the property. Therefore, the client is urged to retain an environmental assessment for discovery and evaluation.

TASK ORDER #04
Beluga Lake

This Task Order pertains to an Agreement by and between the City of Homer, ("OWNER"), and MacSwain Associates LLC, ("CONSULTANT"), dated March 24th, 2022, ("the AGREEMENT"). Consultant agrees to perform the services described below. This Task Order shall not be binding until it has been properly signed by both parties. Upon execution, this Task Order shall supplement the Agreement as it pertains to the subject project.

PART 1.0 PROJECT DESCRIPTION. Appraisal Report for Beluga Lake property

PART 2.0 SCOPE OF SERVICES TO BE PERFORMED BY CONSULTANT.

Provide Appraisal Report for a single 8.18 acre parcel currently owned by a private party, in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP). A "Yellow Book" appraisal is not being requested at this time, however an "in house" review shall be accomplished. In the event a "Yellow Book" appraisal is required, the City and Consultant shall negotiate a change order to this Task Order.

PART 3.0 OWNER'S RESPONSIBILITIES.

Provide access to property. Provide data and information as requested by the Consultant.

PART 4.0 DELIVERABLES AND TIME PERIOD.

Progress Reports to be submitted in accordance with the following schedule:

- | | | |
|-------------------|--|-------------------|
| a. Deliverable #1 | Letter Report identifying challenges/opportunities | 30 days after NTP |
| b. Deliverable #2 | Letter Report identifying possible comps | 60 days after NTP |
| c. Deliverable #3 | Appraisal Report | 90 days after NTP |

PART 5.0 PAYMENTS TO CONSULTANT.

Consultant shall be paid a fixed fee of \$7,200 on the basis of the following schedule:

- | | |
|-------------------|---------------|
| a. Deliverable #1 | 33% fixed fee |
| b. Deliverable #2 | 33% fixed fee |
| c. Deliverable #3 | 33% fixed fee |

For City of Homer

Signature:  24 March 2022
Robert Dumouchel, City Manager Date

For Consultant

Signature:  3/23/22
Steve MacSwain, MAI Date

MacSwain Associates LLC

4401 Business Park Boulevard, Suite 22, Anchorage, Alaska 99503

Appraiser: Alex Kleinke
State of Alaska, Certified General Real Estate Appraiser – License #148873

Education: Bachelor of Business Administration, Finance, University of Alaska Anchorage (2009)
Master of Business Administration (MBA), University of Alaska Anchorage (2012)

Professional Experience: 2009 to Present – MacSwain Associates LLC

Real estate appraiser of all property types throughout Alaska including commercial, industrial, land, rights-of-way, and special-purpose properties. Appraisals performed for financing, right-of-way acquisitions, conservation easements, leasing, insurance, taxation, estate planning, investment analysis, and buy-sell decisions.

Appraisal Education: The following is a list of recently completed appraisal courses and seminars.

2022 – *Fundamentals of UASFLA* by the Appraisal Institute, Online

2021 – *Cool Tools: New Technology for Real Estate Appraisers* by the Appraisal Institute, Online

2021 – *Analyzing Operating Expenses* by the Appraisal Institute, Online

2021 – *Business Practices and Ethics* by the Appraisal Institute, Online

2020 – *7-Hour National USPAP 2020-2021 Update Course* by the Appraisal Institute, Anchorage, AK

2017 – *Business Practices and Ethics* by the Appraisal Institute, Online

2017 – *7-Hour Equivalent USPAP Update Course* by the Appraisal Institute, Online

2016 – *Advanced Market Analysis and Highest and Best Use* by the Appraisal Institute, Chicago, IL

2016 – *General Sales Comparison Approach* by the Appraisal Institute, Chicago, IL

2015 – *Real Estate Finance, Statistics, and Valuation Modeling* by the Appraisal Institute, San Diego, CA

2015 – *General Report Writing and Case Studies* by the Appraisal Institute, Las Vegas, NV

2015 – *General Income Approach Parts I and II* by the Appraisal Institute, San Diego, CA

2013 – *The Discounted Cash Flow Model: Concepts, Issues, and Apps.* by the Appraisal Institute, San Diego, CA

2013 – *General Appraiser Site Valuation and Cost Approach* by the Appraisal Institute, Fort Lauderdale, FL

2012 – *General Market Analysis and Highest and Best Use* by the Appraisal Institute, San Diego, CA

2011 – *15-Hour National USPAP Course* by the Appraisal Institute, Anchorage, AK

2010 – *Basic Appraisal Procedures* by the Appraisal Institute, Anchorage, AK

2010 – *Basic Appraisal Principles* by the Appraisal Institute, Anchorage, AK

Sample of Significant and Project Assignments:

2020-21 – Eight right-of-way appraisals for Knik-Goose Bay Road Reconstruction Project

2020 – 43 City of Seward Lease Parcels including commercial, industrial, and marine-type properties

2020 – 41 City of Kenai Lease Parcels including aviation, commercial, industrial, and marine-type properties

2019 – City of Kodiak Lease Parcels including aviation and communication sites, seaplane base, and shipyard

2018 – Fractional interest of land and sandwich leases for Anchorage hotel and fuel station properties

2017 – Pacific Spaceport Complex, market rent of launch complex facilities within PSCA on Kodiak Island

2016-2017 – Provided insurable value project appraisals for properties in Utqiagvik, Dillingham, Iliamna, Kotzebue, Nome, Cordova, Naknek, Angoon, Haines, Hoonah, Juneau, Kake, Anchorage, Bethel, and Yakutat

2015 – 40 City of Seward Lease Parcels including commercial, industrial, and marine-type properties

2015 – 97 City of Kenai Lease Parcels including aviation, commercial, industrial, and marine-type properties

2015 – Assisted with cost estimate to acquire lands to develop proposed AKLNG from Pt. Thomson to Nikiski

2014-2020 – 50+ Right-of-way appraisals for Parks Highway MP 48.8 to 52.3 Reconstruction Project

- 2014 – Assisted with project management and appraisals of Nikiski properties for Alaska LNG acquisitions
- 2012 – Assisted in the income analysis portion of the Trans Alaska Pipeline System (TAPS)
- 2010-2022 – Alaska Railroad Corporation (ARRC) land lease appraisals in Anchorage, Seward, and Whittier

Professional Affiliation: Practicing Affiliate – Appraisal Institute

License #: 148873
Effective: 5/23/2021
Expires: 06/30/2023

State of Alaska
Department of Commerce, Community, and Economic Development
Division of Corporations, Business, and Professional Licensing

Board of Certified Real Estate Appraisers

Licensee: **ALEXANDER H KLEINKE**

License Type: **Certified General Real Estate Appraiser**

Status: **Active**

Commissioner: Julie Anderson



MacSwain Associates LLC

4401 Business Park Boulevard, Suite 22, Anchorage, Alaska 99503

Appraiser: Steve MacSwain, MAI

Member of Appraisal Institute - No. 5700

State of Alaska, Certified General Real Estate Appraiser - No. 42

Professional Experience: 1986 to Present - MacSwain Associates LLC

1976 to 1986 - Appraisal Company of Alaska - President

1970 to 1975 - Real Estate Services Corporation – Appraiser

1969 to 1970 - State of Alaska Department of Highways - Right of Way Agent

Real estate appraiser and consultant of all property types throughout Alaska including commercial, industrial, subdivisions and special-purpose properties. Appraisals have been performed for financing, leasing, insurance, condemnation, taxation, property damages, investment analysis, and buy-sell decisions. Appraisals include valuation of both real property and business enterprises. Professional experience totals 49 years. Life-long Alaskan resident of Alaskan Native descent.

Education: Bachelor of Business Administration, Finance (1969), University of Alaska Fairbanks

Appraisal Education: The following is a list of completed appraisal courses and seminars.

2021 – *Cool Tools: New Technology for Real Estate Appraisers* by the Appraisal Institute

2021 – *Desktop Appraisals (Bifurcated, Hybrid) and Evaluations* by the Appraisal Institute

2021 – *Hot Topics & Myths in Appraiser Liability* by LIA Administrators & Insurance Services

2020 – *Uniform Standards of Professional Appraisal Practice – Update* by the Appraisal Institute

2019 – *How Tenants Create or Destroy Value: Leasehold Valuation and its Impact on Value* –by the Appraisal Institute

2017 – *Appraising Environmentally Contaminated Properties* by the Appraisal Institute

2017 – *Residential & Commercial Valuation of Solar* by the Appraisal Institute

2017 – *Right of Way Acquisition for Pipeline Projects* by the International Right of Way Association

2015 – *Litigation Appraising: Specialized Topics and Applications* by the Appraisal Institute

2015 – *Business Practices and Ethics* by the Appraisal Institute

2013 – *Complex Litigation Appraisal Case Studies* by the Appraisal Institute

2013 – *Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book)* by the Appraisal Institute

2012 – *Appraisal Curriculum Overview* by the Appraisal Institute

2010 – *Reviewing Appraisals in Eminent Domain* by the International Right of Way Association

2010 – *Commercial Appraisal Engagement and Review Seminar for Bankers and Appraisers* by the Appraisal Institute

2009 – *The Appraiser as an Expert Witness: Preparation and Testimony* by the Appraisal Institute

2009 – *Attacking and Defending an Appraisal in Litigation* by Whitmer Education

2008 – *Uniform Standards of Professional Appraisal Practice* by the Appraisal Institute

2007 – *Business Practices and Ethics* by the Appraisal Institute

2007 – *Eminent Domain Law for Right of Way Professionals* by the International Right of Way Association

2007 – *Appraisal Review for Federal Aid Programs* by the International Right of Way Association

2007 – *Analyzing Operating Expenses* by the Appraisal Institute

1969-2006: Numerous appraisal classes pertaining to principles, income capitalization, cost analysis, sale comparison approach, and highest and best use analysis by the Appraisal Institute, Society of Real Estate Appraisers, International Right-of-Way Association, International Association of Assessing Officers, and Marshall Valuation Service

Membership and Organizations: Member of Appraisal Institute – No. 5700, International Right of Way Association (IRWA), and Building Owners and Managers Association (BOMA)

Public Service: Past Chairman of the State Board of Certified Appraisers

Past Member of Board of Equalization, Municipality of Anchorage, National Experience Review Committee of the Appraisal Institute, and Regional Ethics and Counseling Panel of the Appraisal Institute

Past President of Alaska Chapter 57 of the Appraisal Institute

Significant Assignments:

- ➔ Appraised Pacific Spaceport Complex-Alaska (PSCA) land and facilities for Alaska Aerospace Corporation on Kodiak Island.
- ➔ Appraised proposed LNG Pipeline, a FERC-regulated 860-mile pipeline transporting liquefied natural gas.
- ➔ Appraised the Trans-Alaska Pipeline System, a FERC-regulated 800- pipeline that transports crude oil from Prudhoe Bay to Valdez, for TAPS ownership.
- ➔ Appraised remote lands (65,000± acres) owned by three Native corporations damaged by the *Selendang Ayu* grounding and subsequent oil spill.
- ➔ Appraised Calais Company, Inc., a real estate holding company consisting of 39 commercial parcels in Anchorage.
- ➔ Principal real estate consultant and expert witness for all lands affected by the *Exxon Valdez* oil spill. Project involved over 2,000,000 acres of remote land and nearly 2,000 private property owners.
- ➔ Appointed as a representative of a three-member panel that analyzed and valued over 1,000,000 acres and 8,000 parcels for the Mental Health Lands Settlement.
- ➔ Contract assessor for the North Slope Borough, Kodiak Island Borough, City of Nome, and the City of Valdez.
- ➔ Represented Seibu Alaska, Inc. (Alyeska Resort and Alyeska Prince Hotel) in preparing of their property tax appeal with the Municipality of Anchorage that resulted in a \$65 million reduction in assessed value.
- ➔ Appraised submerged tideland parcels and wetlands parcels located in Womens Bay on Kodiak Island for the purpose of an exchange between Koniag, Inc. and U.S. Fish and Wildlife Service.
- ➔ Appraised Common Carrier Pipeline right-of-ways leased and operated by BP Transportation Alaska and ConocoPhillips Alaska.
- ➔ Appraised 3,600 acres consisting of the former Adak Naval Air Station and Submarine Base conveyed to the City of Adak and the State of Alaska.

Expert Witness Experience: Steve MacSwain, MAI is qualified as an expert witness in both the United States Federal Court and the State of Alaska Superior Court. Steve has testified as an expert witness in State and Federal courts. In addition, Steve has testified as expert witness in numerous Alaskan municipal tax courts, public hearings, and depositions on matters related to real property.

Arbitrator Experience: Appointed a Master by the Superior Court of Alaska and Municipality of Anchorage to serve as an arbitrator in determining just compensation.

License #: APRG42 Effective: 6/8/2021 Expires: 06/30/2023	State of Alaska Department of Commerce, Community, and Economic Development Division of Corporations, Business, and Professional Licensing Board of Certified Real Estate Appraisers
Licensee: STEVEN JAMES MACSWAIN	
License Type: Certified General Real Estate Appraiser	
Status: Active	
	Commissioner: Julie Anderson