

**APPRAISAL REPORT  
REAL ESTATE APPRAISAL**

**Of  
Byford Property**



4-mile Zimovia Highway, Wrangell  
AK, 99929

**As of**  
April 27, 2021

**Prepared For**  
Ms. Carol Rushmore  
City and Borough of Wrangell  
PO Box 531  
Wrangell, AK, 99929

**Prepared by**  
RAMSEY APPRAISAL RESOURCE  
Roger Ramsey, Alaska-AA 570

**File Name:**  
RAR File # 21-016-P5

## RAMSEY APPRAISAL RESOURCE

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10615 Horizon Drive  
Juneau,  
AK, 99801

907-723-2936  
Fax: 866-404-7117  
rogerramsey@mac.com

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July 8, 2021

Ms. Carol Rushmore  
City and Borough of Wrangell  
PO Box 531  
Wrangell, AK 99929

Re: Appraisal Report, Real Estate Appraisal  
Byford Property  
4-mile Zimovia Highway,  
Wrangell, AK, 99929

File Name: RAR File # 21-016-P5

Dear Ms. Rushmore:

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

The subject property is a vacant parcel that has had all of its topsoil removed, has been backfilled with rock and is ready for development.

Please reference page 10 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis and valuation methodology.

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

Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 8). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, I note the following:

Hypothetical Conditions:

- The subject is currently zoned Light Industrial, but is in the process of being changed to Rural Residential 1 and so far, there appears to be no hang ups in the process. So far it is approved by Planning and Zoning. This appraisal will appraise the property with the hypothetical that the zoning is Rural Residential 1.

Extraordinary Assumptions:

- There are no Extraordinary Assumptions for this appraisal.

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

**Current As Is Market Value:**

The “As Is” market value of the Fee Simple estate of the property, as of April 27, 2021, is

**Two Hundred Five Thousand Dollars (\$205,000)**

The market exposure time preceding April 27, 2021 would have been 6 months and the estimated marketing period as of April 27, 2021 is 3 months.

Respectfully submitted,  
Ramsey Appraisal Resource



Roger Ramsey  
Alaska-AA 570

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## Summary of Important Facts and Conclusions

### GENERAL

**Subject:**

Byford Property  
4-mile Zimovia Highway, Wrangell,  
AK, 99929

The subject property is a vacant parcel that has had all of its topsoil removed, has been backfilled with rock and is ready for development.

**Owner:**

City and Borough of Wrangell

**Legal Description:**

All of Tract Y according to the approved plat of Survey No. 2321, Wrangell Homesites, Zimovia S of Wrangell, Alaska, Wrangell Recording District, Judicial District, State of Alaska.

EXCEPTING THEREFROM: A portion of Tract Y, U.S. Survey No. 2321 deeded to Kenneth E. and Norma J. Dorman on April 4, 1955, more particularly described as follows:

BEGINNING at official Corner No. 4 of Tract Y, official Corner No. 1 of Tract Z, thence N 52° distance of 200 feet to Corner No. 1 of this portion of Tract Y; thence S 52°41' W a distance of 200 feet to Corner No. 2 (the same as aforementioned Corner No. 4); thence approximately NW along the U.S.B.P.R. right-of-way of the road commonly known as Zimovia Highway, a distance of 100 feet to Corner No. 3; thence N 52°41' E a distance of 200 feet to Corner No. 4; thence a distance of approximately 100 feet to Corner No. 1, the boundary between Tracts Y and Z, the point of beginning.

ALSO EXCEPTING THEREFROM: A portion of Tract Y, U.S. Survey No. 2321 deeded to Edgar F. and Arlene E. Dorman on September 20, 1956, more particularly described as follows:

BEGINNING at the west corner of said Tract Y, official Corner No. 1 of this portion of Tract Y, thence SE along the U.S.B.P.R. right-of-way 75 feet to Corner No. 2; thence N 52°17' E 250 feet to Corner No. 3; thence NW (approximately N 41°21' W) a distance of 250 feet, more or less to Corner No. 4; thence S 52°17' E a distance of 250 feet to Corner No. 1; the point of beginning.

ALSO EXCEPTING THEREFROM: The Northwesterly 1/4 of Tract Y running parallel to the boundary line between Tracts Y and X in U.S. Survey No. 2321, Wrangell Recording District, Judicial District, State of Alaska.

ALSO EXCEPTING THEREFROM: That portion conveyed to C. Byford and Danelle A. Byford by deed recorded on July 8, 2021 at Page 23, described as follows: A portion of Tract Y according to the plat of U.S. Survey No. 2321 of the Group of Homesites, accepted on August 29, 1954, file in the U.S. General Land Office and more particularly described as follows:

BEGINNING at the NW corner of said Tract Y, according to the said plat and the same as Corner No. 1 of Tract X according to the same plat; thence Southeast along U.S.B.P.R. right-of-way, a distance of 75 feet to Corner No. 1, the true point of beginning of the property now being conveyed; thence continuing along U.S.B.P.R. right-of-way a distance of 75 feet to Corner No. 2; thence N 52°17' E a distance of 250 feet to Corner No. 3; thence NW (approximately N 41°21' W) a distance of 250 feet, more or less to Corner No. 4; thence S 52°17' E a distance of 250 feet to Corner No. 1; the point of beginning.

**Date of Report:**

July 8, 2021

**Intended Use:**

The intended use is for portfolio management and negotiation of potential sales.

**Intended User(s):**

The client, property owner and potential purchasers..

**Assessment:**

<b>Real Estate Assessment and Taxes</b>					
<b>Tax ID</b>	<b>Land</b>	<b>Improvements</b>	<b>Total Assessment</b>	<b>Tax Rate</b>	<b>Taxes</b>
03-006-303	\$44,000	\$0	\$44,000	\$12.75	\$561

Notes:

**Sale History:**

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

**Current Listing/Contract(s):**

The subject is not currently listed for sale, or under contract.

**Land:**

<b>Land Summary</b>						
<b>Parcel ID</b>	<b>Gross Land Area (Acres)</b>	<b>Gross Land Area (Sq Ft)</b>	<b>Usable Land Area (Acres)</b>	<b>Usable Land Area (Sq Ft)</b>	<b>Topography</b>	<b>Shape</b>
Lot Y2	2.51	109,336	2.51	109,336	Gently sloping up from the	Irregular T shape

Notes:

**Zoning:**

The subject zoning is light industrial and is in the process of transitioning to Rural Residential. I have been asked to appraise it as if it is Rural Residential 1.

**Highest and Best Use of the Site:**

Subdivision

**Type of Value:**

Market value

<b>VALUE INDICATIONS</b>	
<b>Unit sales Approach:</b>	\$230,000

**Reconciled Value(s):****As Is**

Value Conclusion(s) \$205,000  
 Effective Date(s) April 27, 2021  
 Property Rights Fee Simple

## Limiting Conditions and Assumptions

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

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

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

All files, work papers and documents developed in connection with this assignment are the property of Ramsey Appraisal Resource. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.

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

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

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

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



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

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

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

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

**Americans with Disabilities Act (ADA) of 1990**

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

## Scope of Work

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

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

This appraisal is prepared for Ms. Carol Rushmore, -- City and Borough of Wrangell. The problem to be solved is to estimate the current 'As Is' market value . The intended use is for portfolio management and negotiation of potential sales. This appraisal is intended for the use of client, property owner and potential purchasers..

SCOPE OF WORK	
Report Type:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified by the legal description and the assessors' parcel number.
Inspection:	I visited this property on 4/27/2021
Market Area and Analysis of Market Conditions:	A complete analysis of market conditions has been made.
Highest and Best Use Analysis:	A complete as vacant highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.
Type of Value:	Market value
<u>Valuation Analyses</u>	
Cost Approach:	A cost approach was not applied as this approach was considered only in the aspect of site prep costs.

Sales Comparison Approach:	A sales approach was applied as there is adequate data to develop a value estimate using this approach for the potential lots which could be subdivided from the subject
Income Approach:	An income approach was not applied as while the subject could generate an income stream, the most probable buyer is an owner-occupant.
Unit Sales Approach	This is the best approach for determining the market value of the subject property as is. The determination of potential lot values is reasonable and there is good information in the market for this. The cost encumbered to generate sales of these lots is reasonable and market based.
Hypothetical Conditions:	<ul style="list-style-type: none"><li>• The subject is currently zoned Light Industrial, but is in the process of being changed to Rural Residential 1 and so far, there appears to be no hang ups in the process. So far it is approved by Planning and Zoning. This appraisal will appraise the property with the hypothetical that the zoning is Rural Residential 1.</li></ul>
Extraordinary Assumptions:	<ul style="list-style-type: none"><li>• There are no Extraordinary Assumptions for this appraisal.</li></ul>

## Comments

The subject property was formerly a junkyard. The area of the parcel was cleaned and capped the appraiser reviewed the cleanup procedure as documented in the Decision Document from AKDEC dated 4/19/2019 (see Addendum).

From the actions taken and revealed in this document, the appraiser made a determination developed an opinion that the market would perceive the property as clean and without risk to health. This appraisal is based on that opinion.

From talking with local developers and review of the property's attributes, the appraiser determined that the highest and best use of the subject would be to subdivide the property into 5 residential lots.

The appraiser talked with local contractors and utility companies to determine costs for this potential subdivision.

I spoke with Mike Howell to get an idea of what it would cost from this point to do a subdivision of the property, to final plat, with 5 code complying lots. He thought the cost would be around \$3,000 from this point.

The appraiser researched what the sellout value would be by looking at proximate individual lots sold recently. The appraiser researched what developers would require for compensation to estimate a value for the subject as is.

## Market Area Analysis

The following is are excerpts from <http://www.seconference.org/wrangell>, appraiser analysis follows this.

### Wrangell City and Borough\*

Wrangell is one of the oldest non-Native settlements in Alaska. In 1811 the Russians began fur trading with area Tlingits and built a stockade named Redoubt St. Dionysius in 1834. The island was named for Ferdinand Von Wrangel, manager of the Russian-American Co. around 1830. The British Hudson Bay Co. leased the fort in 1840 and named the stockade Fort Stikine. A large Stikine Indian village, known as Kotzlitza, was located 13 miles south of the fort. The Tlingits claimed their own ancient trade rights to the Stikine River and protested when the Hudson Bay Co. began to use their trade routes, but two epidemics of smallpox, in 1836 and 1840, reduced the Tlingit population by half. The fort was abandoned in 1849 when furs were depleted. The fort remained under the British flag until Alaska's purchase by the U.S. in 1867. In 1868 a U.S. military post called Fort Wrangell was established and named for the island. The community continued to grow as an outfitter for gold prospectors, especially in 1861, 1874-77, and 1897. Riotous activity filled gambling halls, dance halls, and the streets. Thousands of miners traveled up the Stikine River into the Cassiar District of British Columbia during 1874 and to the Klondike in 1897. Glacier Packing Co. began operating in Wrangell in 1889. The Wilson & Sylvester Sawmill provided packing boxes for canneries and lumber for construction. The city was incorporated in 1903. By 1916, fishing and forest products had become the primary industries -- four canneries and a cold storage plant were constructed by the late 1920s. In the 1930s, cold packing of crab and shrimp was occurring. Abundant spruce and hemlock resources have helped to expand the lumber and wood products industry. The Alaska Pulp sawmill, Wrangell's largest employer, closed in late 1994 but was reopened on a smaller scale in 1998 by Silver Bay Logging. The city was dissolved and reincorporated as the City and Borough of Wrangell on May 1, 2008.

### Location & Climate

The City and Borough of Wrangell is located on the northwest tip of Wrangell Island, 155 miles south of Juneau and 89 miles northwest of Ketchikan. It is near the mouth of the Stikine River, a historic trade route to the Canadian Interior. It lies at approximately 56.470830 North Latitude and -132.376670 West Longitude. (Sec. 25, T062S, R083E, Copper River Meridian.) Wrangell is located in the Wrangell Recording District. The area encompasses 2,582.0 sq. miles of land and 883.0 sq. miles of water. Wrangell is in the maritime climatic zone and experiences cool summers, mild winters, and year-round rainfall. Summer temperatures typically range from 42 to 64 °F; winter temperatures range from 21 to 44 °F. Average annual precipitation is 82 inches, with 64 inches of snowfall. Fog is common from September through December. \*State of AK, DOT AMHS.

## 2019 Population

2,479 (1990 Census)  
 2,659 (Alaska Department of Community and Regional Affairs, as of August 1995)  
 2,758 (Alaska DCRA, as of August 1995)  
 2,595 (Alaska DCRA, as of August 1996)  
 2,543 (Alaska DCRA, as of August 1997)  
 2,589 (Alaska DCRA, as of August 1998)  
 2,549 (Alaska Department of Community and Economic Development, as of August 2000)  
 2,569 (Alaska DCED, as of August 2000)  
 2,308 (2000 Census)  
 2,308 (Alaska DCED, Jan 2002)  
 2,144 (Alaska DCED, Jan 2003)  
 2,113 (Alaska DCED, Jan 2004)  
 2,023 (Alaska DCED, Jan 2005)  
 1,974 (Alaska DCCED, Jan 2006)  
 1,911 (Alaska DCCED, Jan 2007)  
 1,947 (Alaska DCCED, Jan 2008)  
 2,072 (Alaska DCCED, Jan 2009) Borough population  
 2,112 (Alaska DCCED, Mar 2009 revised 2008 Borough population)  
 2,058 (Alaska DCCED, Jan 2010) Borough population

Above information is found on the Wrangell Borough Website. Current DCCED population estimates are 2426 in 2019.

Following are some of the key industries, and the utility services as identified on the wrangell.com website

**Marine Industry:** The Marine Service Center is a thriving boat works facility for commercial and recreational vessels. Two lifts, 150-ton and 300-ton, and a 40 ton trailer provide haul out capabilities and local vendors provide the necessary services.

**Timber:** Wrangell has a long history in timber harvesting and processing. Once the primary economic driver for Wrangell, it is now a small contributor. While the industry is changing from an old growth harvesting model to a young growth harvesting program, there are still a few local businesses that provide a variety of timber products. The Economic Development Committee, with approval by the Assembly, developed a local Timber Products Plan to help guide community participation in State and Federal timber programs to provide incentive for industry investment.

**Tourism:** Visitor opportunities abound in Wrangell with the scenery and activities rivaling larger destinations! But we don't have the numbers of daily visitors which

mean you can fish alone on a stream, hikes can be quietly enjoyed by you and your friends, and scenic vistas are just that.. nothing but spectacular scenes.

Wrangell receives a few small cruiseships throughout the summer, but most visitors come via the Alaska Marine Highway and Alaska Airlines. Front Street hosts a variety of locally owned retail stores from gifts to hardware! The Wrangell Convention and Visitor Bureau recently did a [baseline analysis of the industry](#) and the draft report is available below. A list of the Cruise Calendar is also available.

[Seafood Processing](#): There are three commercial processors in Wrangell: Trident Seafoods, Sealevel Seafoods, and Alaska Seafoods, processing salmon, crab, shrimp, halibut and bottom fish.

## Utilities and Services

The City and Borough of Wrangell provides drinking water, solid waste, waste water treatment and road maintenance for residents within the town proper, although public sewer and water service stops at 6 Mile Zimovia Highway . All municipal services have recently had new state of the art facilities constructed to address new environmental regulations meet community needs. Alaska State Department of Transportation administers the Wrangell Airport and provides road maintenance for Zimovia State Highway.

### Electrical

Wrangell Municipal Light and Power supplies power to residents and businesses. In today's power market, Wrangell has very inexpensive power. The primary wholesale power source is Lake Tyee Hydro Electric Project. Tyee can provide 21 megawatts of power and serves Wrangell and Petersburg. Tyee is connected to Swan Lake Hydro in Ketchikan. Wrangell also has an 8+ megawatt diesel generating facility as a secondary backup source of power. Heavy industrial power users may be able to obtain a lower interruptible power rate through the Southeast Alaska Power Agency whom oversees the Tyee-Swan Lake hydro power projects.

### RATES:

Residential: Base monthly rate \$8.00  
0-300 KWH \$.126 per KWH  
300 -1200 KWH \$.102 per KWH  
>1200 KWH \$.08 per KWH

Small Commercial: Base monthly rate \$9.00  
all KWH \$.116 per KWH

Large Commercial: Base monthly rate \$13.50  
0-70,000 KWH \$.107 per KWH  
> 70,000 \$.103 per KWH

Industrial: negotiated per KWH

**Drinking Water**

Drinking water is filtered through a state of the art sand filtration and ozonation plant. The community's current average daily water consumption is approximately 600,000 gallons per day. The water is not metered, thus residential and commercial uses pay different monthly base fees. Residential rate is \$32.28 and the commercial rate is defined by the Municipal Code based on type of business. Please contact the Utility Clerk for the most current commercial rates. That information can also be found on this website in our Ordinance in Chapter 15.08.

**Solid Waste and Recycling**

City and Borough of Wrangell provides weekly curbside garbage service. Solid waste is processed in a material recovery handling facility and currently shipped south to an approved landfill in eastern Washington. A volunteer recycling program is available for aluminum cans. The Wrangell Lion's Club promotes the "Cans for Kids" program, reinvesting proceeds from recycling the cans back into youth programs in the community. Residential rate is based on the garbage can size. Please contact the Utility Clerk for the most current commercial rates. That information can also be found on this website in our Ordinance in Chapter 9.04

**Residential Rates**

48 gallon can is \$24/mo

64 gallon can is \$39.90/mo

96 gallon can is \$43.98/mo

Commercial Rate: based on commercial can size and number of weekly pick-ups.

**Waste Water Treatment**

The City's new state of the art waste water treatment plant provides primary treatment to almost 85% of households. The remainder households use a state approved on-site treatment facility. Rates for residential customers is \$27.04 a month. Commercial rate is defined by the City Code base on type of business. Please contact the City's Utility Clerk for the most current commercial rates. That information can also be found on this website in our Ordinance in Chapter 15.08

**Communications**

Wrangell has excellent telecommunications for your business. Telecommunications is based on microwave and earth station links to a fiber optic network provided by GCI. Our local telecommunication providers offer a total package for your business requirements. Alaska Power and Telephone provides local phone service, and broadband internet/data services including wireless, DSL or 56K dial up connections. Long Distance service is provided by AP&T Long Distance, GCI Communication Inc., and AT&T. Local cellular service is provided by GCI Communication Inc.

GCI also provides cable television service.



Wrangell Sentinel publishes a weekly newspaper. The Sentinel is the oldest continually published newspaper in Alaska. Wrangell's local Public Radio Station KSTK 101.7FM provides music, news and community service announcements.

The Borough has been good about maintaining their infrastructure. Following are projects in the hopper approved by the assembly this year.

<u>Priority</u>	<u>Project Name</u>
1.	Public Safety Building Renovation
2.	High School and Middle School Life and Health Safety Upgrades <ul style="list-style-type: none"> <li>• Fire Alarm System Upgrades</li> <li>• Elevator Replacement</li> </ul>
3.	Upper Reservoir Bypass (Connection to Treatment Plant)
4.	Solid Waste Transfer Station Upgrades
5.	Diesel Generation Power Plant Replacement
6.	Ash Street Water Main Replacement
7.	Nolan Center Standby Generator Upgrades
8.	Inner Harbor Replacement
9.	Water Main Replacement Phase II, Zimovia Highway
10.	Drinking Water Dams Stabilization and Improvements
11.	Cemetery Expansion Development

#### **Appraiser's Analysis:**

Wrangell is a community that has been on the rise. They have many significant projects in the hopper and have seen explosive growth in their ship haul out facility. While their population shows a decline from the timber days it now appears to be growing slightly. Based on what I saw in the community, and the general attitude of market participants, I think Wrangell is generally a stable community with potential for moderate growth into the future. The new hospital which was recently completed, will be a boost for the economy, adding a good resource to the community that allows for broader health care and makes it possible for a wider range of people to reside in Wrangell.

As of the date of this valuation, there is a Novel Coronavirus that has been spreading through the world for the last year+. Most people in SE AK have had the opportunity to be vaccinated, which should go a long way towards stabilizing the economy. At the time and date of this valuation it is uncertain how this will affect values of real estate in Wrangell off into the future. No price drops were noted as of the date of value and demand seems to be strong in the market for residential real estate.

In talking with market participants involved in tours, they are expecting to have another down year, but better than 2020 in this coming 2021 season and expecting to be back to normal by the season of 2022.

Currently with the cost of construction lot values are not appreciated the same way that fully developed residential properties are.

## Location Map



## Property Description

The subject property is a vacant parcel that has had all of its topsoil removed, has been backfilled with rock and is ready for development.

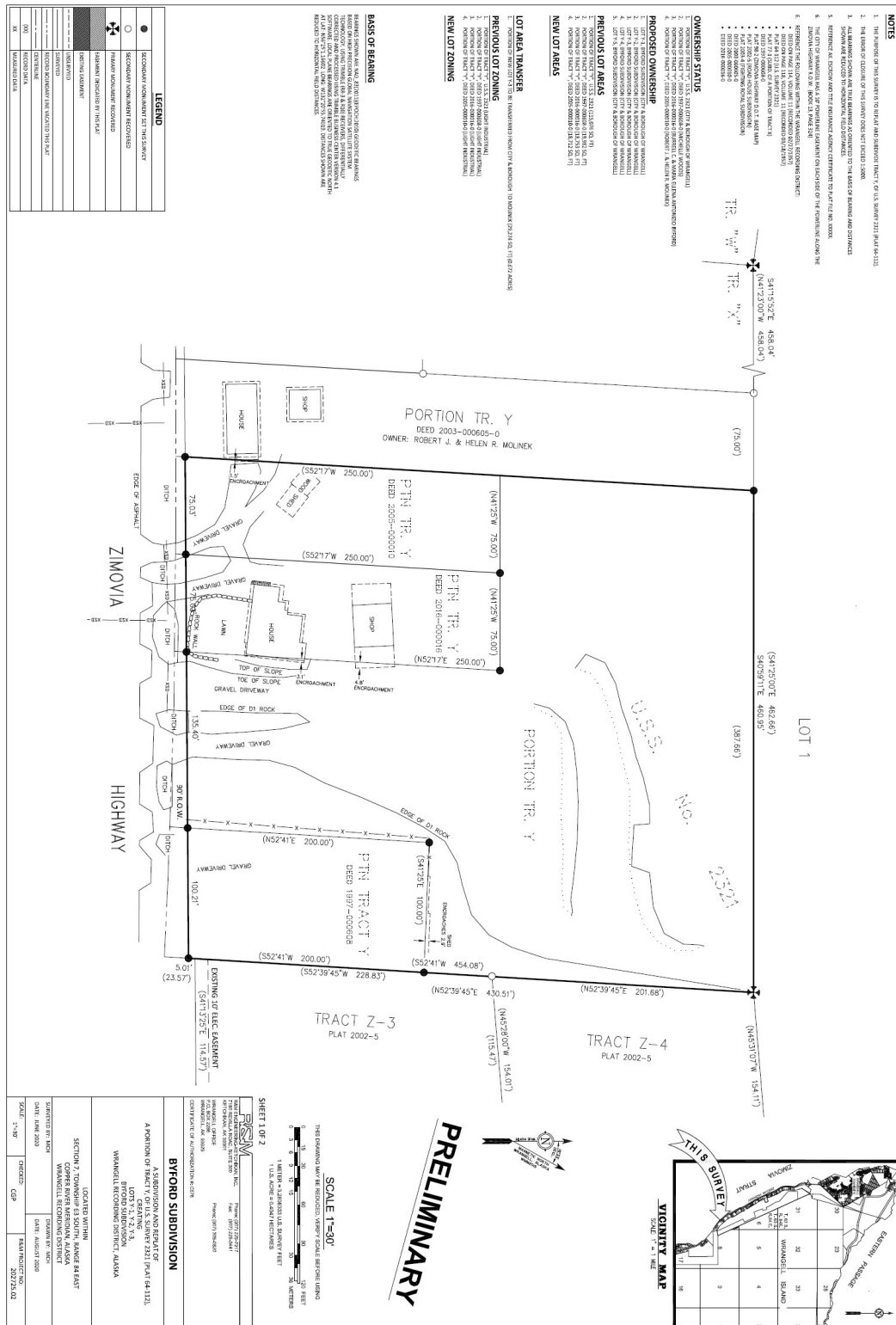
SITE	
Location:	The subject is located approximately 4 miles from the Wrangel ferry terminal, on Zimovia Highway
Current Use of the Property:	The subject is currently vacant.
Site Size:	Total: 2.51 acres; 109,336 square feet  Usable: 2.51 acres; 109,336 square feet
Shape:	Irregular, T shaped.
Frontage/Access:	The subject property has Good access with frontage as follows: <ul style="list-style-type: none"> <li>• Zimovia Highway: 135 feet</li> <li>•</li> </ul>
Visibility:	Good
Topography:	Gently Sloping
Soil Conditions:	The soil conditions observed at the subject are filled rock to a supportive clay substraight.
Utilities:	Electricity: The site is served by public electricity. Sewer: City sewer Water: City water Adequacy: The subject's utilities are typical and adequate for the market area. There is public water and sewer stub to the subject at Zimovia Hwy.
Site Improvements:	<ul style="list-style-type: none"> <li>• The subject site has been improved by removing all topsoil and bringing in rock to make most all of its surface navigable</li> </ul>
Flood Zone:	The subject is located in an area that is not a flood zone.
Wetlands/Watershed:	No wetlands were observed during our site inspection.
Environmental Issues:	The subject was formerly used a Junkyard for autos and other

polluting stuff was stored and spilled there. This has all been cleaned up (See Wrangell Junkyard Cleanup Determination in the addendum).

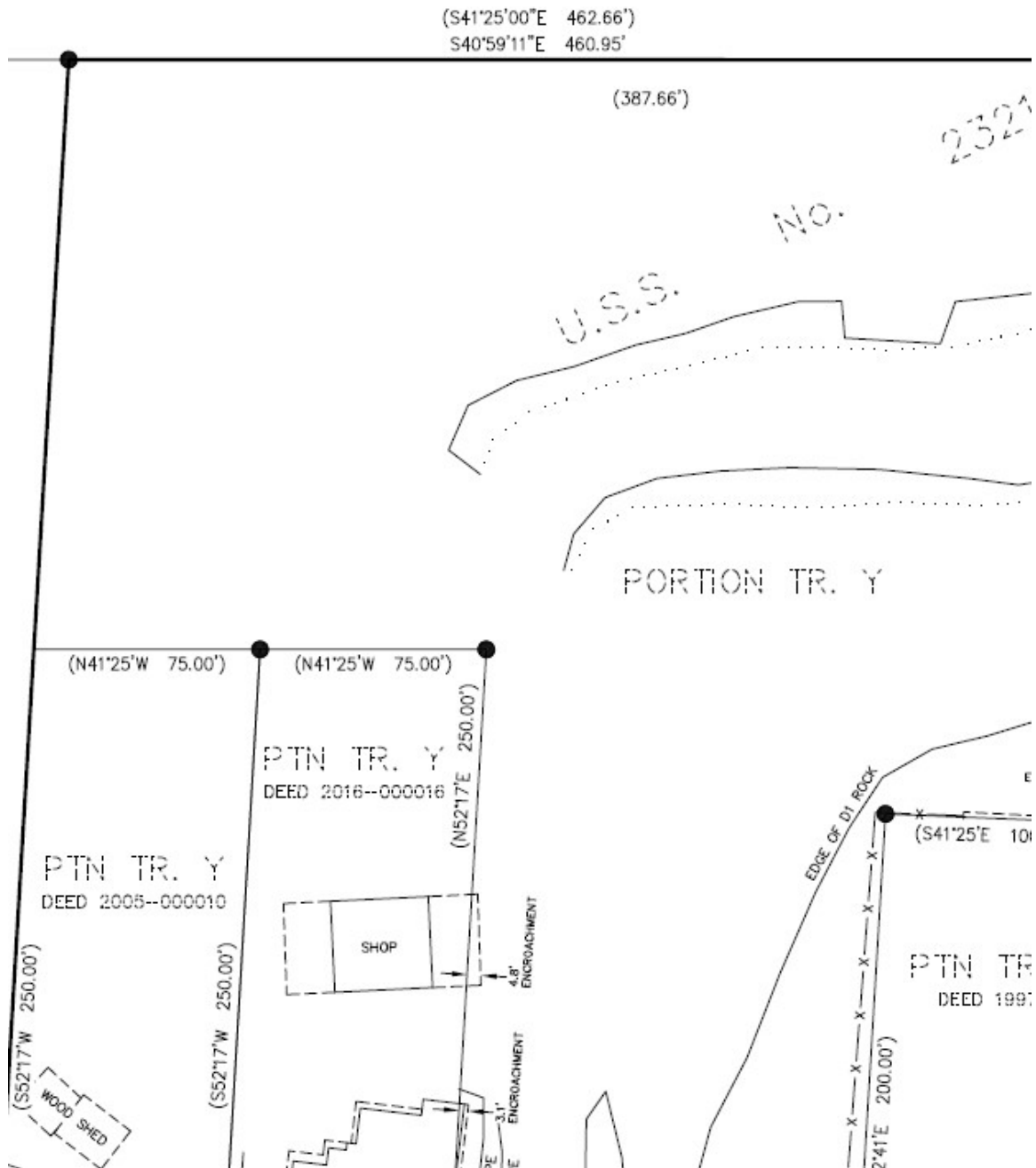
Encumbrance /  
Easements: There are two buildings on the western edge of the subject that encroach on the subject. One encroaches 4.8 feet and the other 3.1 feet. There is also a shed that encroaches on the southern part of the eastern part of the subject T (See preliminary plat).

Site Comments: The subject site is fully developable, with most of its area padded out and ready for development. Very little if any overburden is remaining and most of its surface has been rocked. This would be a very easy site, with much of the risk removed, to develop from this point. The subject has very good views of the water and is south facing. Subdivision of this property and the potential lots, should be very desirable in the Wrangell market.

## Site Plan



The above site plan was given to the appraiser by Mike Howell of R&M Engineering



Above is a excerpt of the drawing of the subject property from the drawing on the forgoing page. As can be seen there is two driveway access points with areas unfilled by rock as noted. Also shown are encroachments onto the subject property. Significant grade changes occur at the point of the line (top of slope) and dotted line (bottom of slope), in the body of the site.

### **Americans with Disabilities Act**

Please reference the Limiting Conditions and Assumptions section of this report on page 9.

### **Hazardous Substances**

Please reference the Limiting Conditions and Assumptions section of this report on page 9.

**Subject Photographs** (Taken by appraiser 4/27/2021)

Above left is the subject driveway that goes up on the eastern portion of the parcel. Pictured right above is the highway frontage in front of the subject. Note there is a bike path on the subject side and a separated path on the waterside.



Above left is a picture from the east looking west through the middle of the back portion of the site. Note the sharp grading slopes which support level tiers on the property. Pictured right above is a view from the rear of the parcel looking toward the front and showing the very good water views afforded to the subject site.





Pictured left above is the rear eastern corner of the site. It is level and would be very easy to develop on. Pictured right above is the rear of the subject looking into towards its west side.



Pictured left above is looking towards the east front portion of the upper area. Pictured above right is the driveway the goes up the eastside of the site. The fence pictured is encroaching a bit on the subject.

## Assessment and Taxes

**Taxing Authority**      City and Borough of Wrangell

**Assessment Year**      2021

Real Estate Assessment and Taxes					
Tax ID	Land	Improvements	Total Assessment	Tax Rate	Taxes
03-006-303	\$44,000	\$0	\$44,000	\$12.75	\$561

Notes:

### Comments

The subject is owned by the Wrangell Borough, which is exempt and for this reason the accuracy of the assessment is not important and appears to be way below market.

## Zoning

LAND USE CONTROLS	
Zoning Code	The subject zoning is light industrial and is in the process of transitioning to Rural Residential. I have been asked to appraise it as if it is Rural Residential 1.
Zoning Description	The rural residential district is intended to provide for low impact land and water uses and activities in areas that are not suitable or desirable for intensive development due to their distance from established utility service areas, existing large lot development or existing rural lifestyles. These areas shall be protected from high density or incompatible development in order to maintain their character and avoid the high public costs associated with utility service for outlying or scattered development. Within the RR-1 district, low density uses, compatible with the character of the district, are encouraged provided they will not require public sewers, water systems or high volume traffic arteries
Zoning Density	The minimum lot area in either of the rural residential districts shall be 15,000 square feet, except that the minimum lot area may be 10,000 square feet for lots served by public water and sewer service
Zoning Change Likely	As discussed earlier the subject current zoning is light industrial, but in the process of changing to Rural Res. 1
Set Back Distance	20 feet from front and rear lines and 5 feet from side yards
Zoning Comments	The subject zoning allows for lots sizes as small as 10,000 SF, when served by public sewer. In speaking with Carol Rushmore, it sounds like they planning department would prefer lots over 15,000 SF in this area.

## Highest and Best Use

Highest and best use may be defined as the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

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

### Highest and Best Use of the Site

The highest and best use of the site, as vacant, is for Subdivision.

The subject is a 2.51-acre parcel, that is all stripped of overburden down to its blue clay substrate and then filled back with rock to make a usable surface throughout much of the property. The subject is currently zoned light industrial, but the Borough is planning to petition for it to be changed to Rural Residential 1 to fit in with the surrounding neighbors and have asked me to appraise it as such. The shape of the property would allow 5 residential lots over 15,000 SF. from my perspective this will be the legally permissible, physically feasible use that would bring the greatest value. Raw lots in this area sell for around \$35K to \$50K. Padding out a lot will cost an average of \$15K without bringing in utilities. Therefore, a padded-out lot would bring between \$50 and \$65K. Since we can develop 5 lots from this site the sellout value will be between \$250K and \$325K. The surveyor cost to subdivide is around \$3000 with the preliminary work that has already been done per Mike Howell.

Another cost required would be to bring water and sewer up to the sites. Per discussions with Todd white the cost would be about \$70,000 to get water and sewer to the individual lots.

Following are a couple ideas thought up by the appraiser and following those are ideas given to the appraiser by CBW.



Above is the a rough idea the appraiser came up. Each lot is over 15,000 SF and should allow reasonable roominess for the Wrangell market.

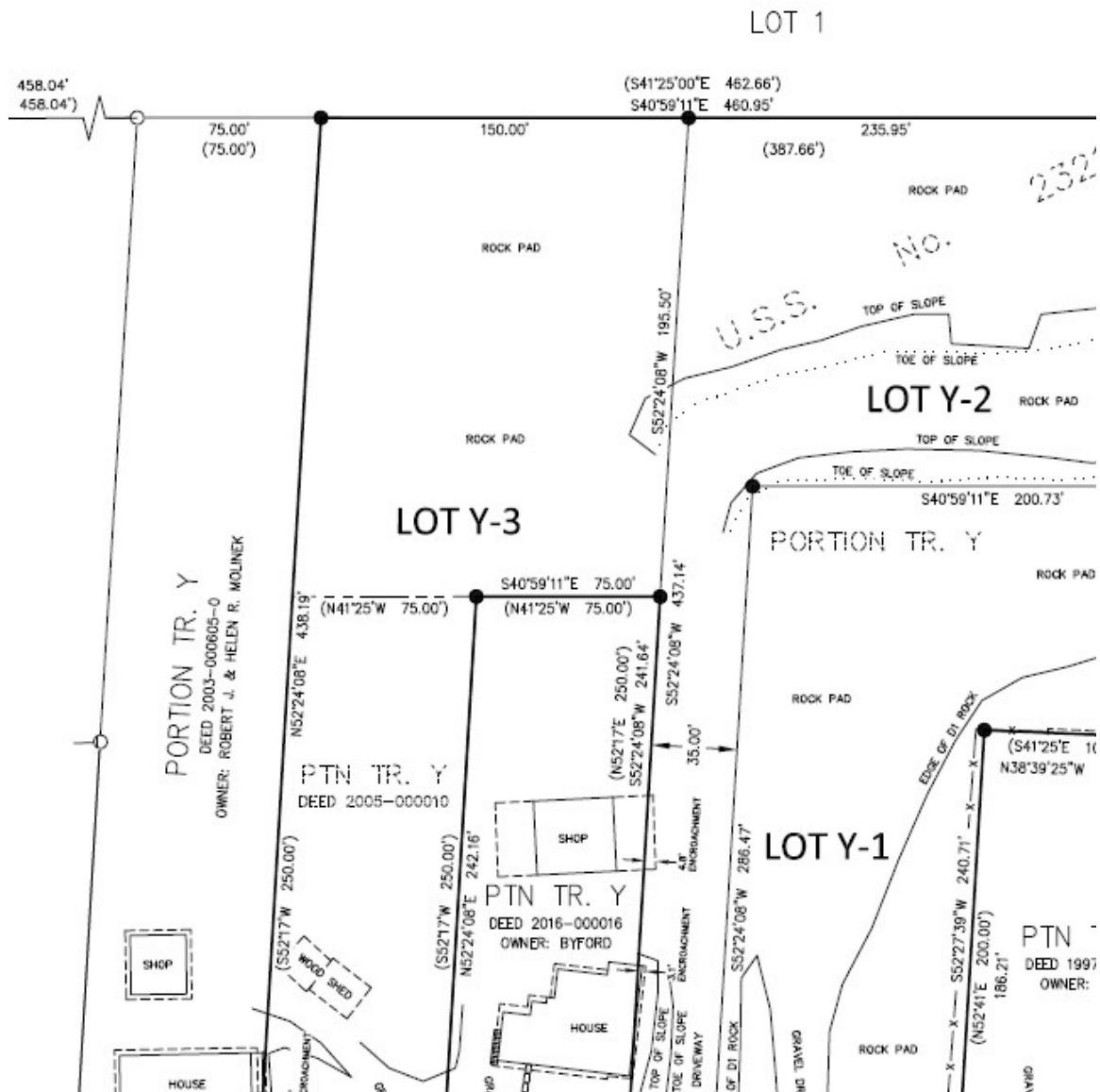
Another idea might be the following:



This would give an extra lot to sell, with lots 3 through six all being over 15,000 SF and lots 1 and 2 being around 13,000 SF each.



The borough is considering and has considered different ideas.



Above is their recent idea which they are considering. It would subdivide the property into 3 lots. One of the lots would be added to a neighboring lot, the owners of which own the lot going up the west side of Lot Y-3 shown above, as well. This would make the contiguous area owned by the owners of lot Y-3 1.93 acres. This would give the Y-3 owners a lot that has good potential for subdivision and in the end give it similar utility to Y-1 and Y-2.



Another idea proposed by the Borough, is for four lots with the back lots accessed by easement. This idea is good, though the lot furthest west would be better if it were larger and the middle lot smaller, making them more similar in size.



Something more like this. In this scenario the cost of utilities would be passed on to the lot owners. They could potentially work together and do it much cheaper than a contractor who would need to be hired to do it if it were in the right of way, as a part of a major subdivision. The lots would be larger and bring a higher dollar amount than smaller lots.

Running rough, but accurate enough, numbers on the two scenarios considered by the appraiser to be potential H&B uses, can be seen following.

<b>Byford Wrangell, AK Scenario: As Is</b>		<b>Prepared By: Roger Ramsey Analysis Date: 6/17/2021 Cash Flows: Semi-Annual</b>			
<b>Cash Flows Beginning</b>		<b>Jun-2021</b>		<b>Dec-2021</b>	
	<b>Inventory</b>	<b>Unit Value</b>	<b># of Sales</b>	<b>Unit Value</b>	<b># of Sales</b>
	smaller lots	\$60,000	1	\$60,000	1
	Larger lots	\$70,000	2	\$70,000	2
<b>Appreciation --&gt;</b>					
	<b>Revenues</b>	<b>\$200,000</b>	<b>3</b>	<b>\$200,000</b>	<b>3</b>
	<b>Expenses</b>	<b>Period 1</b>	<b>Period 2</b>		
	Subdivision	\$3,000			
	Water	\$26,250			
	Sewer	\$35,000			
	Power	\$20,000			
	Expense 6				
	Expense 7				
	Marketing/Commissions	5.0%	\$10,000	\$10,000	
	Developer's Profit	15.0%	\$30,000	\$30,000	

The net present value indicated from developing the subject with a major subdivision (greater than 4 lots with right of way access and all utilities to the sites appears to indicate a net present value at \$206,000.



<b>Byford Wrangell, AK</b>		<b>Prepared By:</b> Roger Ramsey			
<b>Scenario:</b> As Is		<b>Analysis Date:</b> 6/17/2021			
		<b>Cash Flows:</b> Annual			
<b>Cash Flows Beginning</b>		<b>Jun-2021</b>		<b>Jun-2022</b>	
<b>Inventory</b>	<b>Unit Value</b>	<b># of Sales</b>	<b>Unit Value</b>	<b># of Sales</b>	
1	\$45,000	1			
1	\$120,000	1			
1	\$120,000		\$120,000	1	
Appreciation -->					
<b>Revenues</b>	<b>\$165,000</b>	<b>2</b>	<b>\$120,000</b>	<b>1</b>	
<b>Expenses</b>	<b>Period 1</b>	<b>Period 2</b>			
Finish subdivision	\$3,000				
Expense 2					
Expense 3					
Expense 4					
Expense 5					
Expense 6					
Expense 7					
Marketing/Commissions 6.0%	\$9,900	\$7,200			
Developer's Profit 10.0%	\$16,500	\$12,000			

The above scenario uses the minor subdivision and each lot has access to the highway and utilities at the highway. In this case the lots are much larger, which is a significantly superior attribute in the Wrangell market, and each have potential for further subdivision. The appraiser found comparables, which are documented following and adjustment grids indicate value for these potential lots. The sell out indicates two of the lots being sold in the first period and the 3<sup>rd</sup> lot being sold in the second period by June 2022. In this scenario the indicated value as is, is \$204,000, which is very similar to the major subdivision. It is so close that either is considered the highest and best use.

### Highest and Best Use Conclusion

The appraiser considered the idea presented by CBW in the preliminary plat and has concluded it is potentially as much the highest and best use as a major subdivision. The major difference will be the borough will get less property tax off into the future, as compared with a major subdivision scenario.

There is sufficient demand in the market for lots like the ones drawn up in the appraiser's plan as a major subdivision, which all have good views, are mostly all padded out and have access already developed. The only real expense to make these lots marketable is to

bring utilities to each lot and adjust the grading a bit for the cul-de-sac. As indicated after assuming this expense and other expenses required to sell the lots, the net present value is estimated at \$206,000.

With the subject being subdivided with a minor subdivision, with larger lots that have potential for further subdivision, the net present value appears to be \$204,000.

Therefore, it is my opinion that the highest and best use could be either option. I will develop the comparables used for the CBW scenario and present its potential lot values to assist the City in future negotiations.

## Valuation Methodology

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

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

### Cost Approach

The Cost Approach is summarized as follows:

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

### Income Approach

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

### Sales Comparison Approach

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

### Unit Sales Approach

This approach is a common approach for estimating a value of properties which have a highest and best use of subdivision. It looks at the potential lots values, determines absorption rates and cost to develop, subdivide, market, hold and estimates profit required for doing so by the developer. In the end the net incomes are discounted to present.

### Final Reconciliation

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

### *Analyses Applied*

A **cost analysis** was considered and was not developed because this approach was considered only in the aspect of site prep costs.

A **sales comparison analysis** was considered and was developed because there is adequate data to develop a value estimate using this approach for the potential lots which

could be subdivided from the subject

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

The **unit sales approach** is the best approach for determining the market value of the subject property as is. The determination of potential lot values is reasonable and there is good information in the market for this. The cost encumbered to generate sales of these lots is reasonable and market based.

## **Sales Comparison Approach – Land Valuation**

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

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

### ***Land Comparables Selected to value the Molinek Lot***

The subject is a very unique property in the Wrangell market. It is a large piece with potential for subdivision. Most all its area is completely prepped and ready for development. The area where a right of way would go, already has a road bed in place. There is extra rock on the site that could be regraded for the right of way and access to the lots. Most anyone looking to acquire this parcel would base its value on the potential lots which could be subdivided from it.

As shown earlier the highest and best use could easily be the major subdivision or the a use similar to the one shown in the preliminary plat presented by the Borough to the appraiser, they are both very close in values. Since this is the case I will present how I determined the portion of Lot Y-3 was determined for this analysis and the values of Lots Y-1 and Y-2.

Portions of Y-3, are not part of the subject property and instead are owned by the Molinek's. Therefore to determine the value of the portion of the subject owned by the Borough, we will need to take the following steps. 1<sup>st</sup> determine the value of the Molinek portion. 2<sup>nd</sup> determine the value of the lot with the CBW portion added. Subtract the Molinek portion and we will have the market value of the CBW portion.

I have researched numerous comparables for this valuation. four comparables for the analysis to determine the value of the Molinek portion of Lot Y-3; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction.

## Land Comparable 1



## Transaction

<b>ID</b>	1087	<b>Date</b>	2/19/2019
<b>Address</b>	zimovia hwy	<b>Price</b>	\$50,000
<b>City</b>	Wrangell	<b>Price Per SF</b>	\$1.30
<b>State</b>	AK	<b>Financing</b>	Cash
<b>Tax ID</b>	03-006-215	<b>Property Rights</b>	Fee Simple
<b>Grantor</b>	MILLER DAVID J	<b>Days on Market</b>	--
<b>Grantee</b>	HEIDEAIN VALERIE A	<b>Verification</b>	David Miller
<b>Legal Description</b>	Lot: 3, Plat: 2009-5		

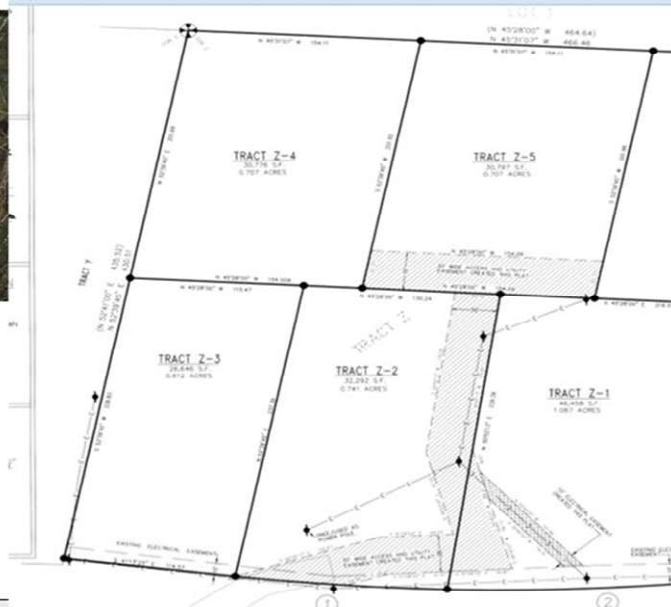
## Site

<b>Acres</b>	0.88	<b>Topography</b>	Sloping
<b>Land SF</b>	38,431	<b>Zoning</b>	Residential
<b>Road Frontage</b>	72	<b>Flood Zone</b>	No
<b>Shape</b>	pan handle	<b>Encumbrance or</b>	None
<b>Utilities</b>	City water & sewer	<b>Environmental Issues</b>	None known

## Comments

This site had water, sewer and power to it. The seller, is a contractor in Palmer. He bought the property with a house on it and subdivided it into 4 lots. He was planning on using this lot for a fishing lodge and had done the subdivision of this lots with intentions of keeping this one. He wanted \$75K for the lot but got talked down by the buyer over time. He thinks he sold it low

## Land Comparable 2



## Transaction

<b>ID</b>	1004	<b>Date</b>	8/10/2018
<b>Address</b>	4 mile Zimovia Hwy	<b>Price</b>	\$45,000
<b>City</b>	Wrangell	<b>Price Per SF</b>	\$1.46
<b>State</b>	AK	<b>Financing</b>	Cash
<b>Tax ID</b>	--	<b>Property Rights</b>	Fee Simple
<b>Grantor</b>	SHERER DONALD	<b>Days on Market</b>	--
<b>Grantee</b>	EVERSON MERTON E	<b>Verification</b>	Merton Everson
<b>Legal Description</b>	Tract: Z-4, Plat: 2002-5		

## Site

<b>Acres</b>	--	<b>Topography</b>	Sloping
<b>Land SF</b>	30,776	<b>Zoning</b>	Residential
<b>Road Frontage</b>	30 foot access easement	<b>Flood Zone</b>	No
<b>Shape</b>	--	<b>Encumbrance or</b>	None
<b>Utilities</b>	City water & sewer in	<b>Environmental Issues</b>	None known

## Comments

\$45K for upper. Todd white removed 16 loads of piled up wood pushed onto lot from adjoining lots. The upper lot has an easement and can use an existing driveway over neighboring property. The lot had been logged and had regrowth of small trees. This lot has decent views and southern exposure. The cost to get all utilities to the site is estimated at \$15K.



## Land Comparable 3



## Transaction

<b>ID</b>	1003	<b>Date</b>	3/15/2018
<b>Address</b>	4 mile zimovia Hwy	<b>Price</b>	\$50,000
<b>City</b>	Wrangel	<b>Price Per SF</b>	\$1.87
<b>State</b>	AK	<b>Financing</b>	cash
<b>Tax ID</b>	--	<b>Property Rights</b>	Fee Simple
<b>Grantor</b>	SHERER DONALD	<b>Days on Market</b>	--
<b>Grantee</b>	EVERSON MERTON E	<b>Verification</b>	Mertan Everson
<b>Legal Description</b>	Tract: Z-3 Plat: 2002-		

## Site

<b>Acres</b>	--	<b>Topography</b>	Mixed
<b>Land SF</b>	26,646	<b>Zoning</b>	Residential
<b>Road Frontage</b>	114	<b>Flood Zone</b>	No
<b>Shape</b>	rectangular	<b>Encumbrance or</b>	None
<b>Utilities</b>	City water & sewer	<b>Environmental Issues</b>	None known

## Comments

He paid \$50K for lower lot which already had a pad in place but no developed access to the pad. Todd white removed 16 loads of piled up wood pushed onto lot from adjoining lots and brought gravel for lower driveway and did excavating for \$10K. The lower lot has difficult access due to the requirement of a steep driveway. It had access over neighboring lot but it wasn't legal. The upper lot has an easement and can use an existing driveway over neighboring property. Both lots had been logged and had regrowth of small trees. These lots have great views and southern exposure.

### Land Comparable 4



### Transaction

<b>ID</b>	1001	<b>Date</b>	4/9/2018
<b>Address</b>	3.8 mile Zimovia	<b>Price</b>	\$62,000
<b>City</b>	Wrangell	<b>Price Per SF</b>	\$3.06
<b>State</b>	AK	<b>Financing</b>	Cash
<b>Tax ID</b>	03-006-216	<b>Property Rights</b>	Fee Simple
<b>Grantor</b>	Kelly, Ryan and Lorraine	<b>Days on Market</b>	--
<b>Grantee</b>	PROULX ROBERT T	<b>Verification</b>	Robert Proulx
<b>Legal Description</b>	Lot: 2, Plat: 2009-5		

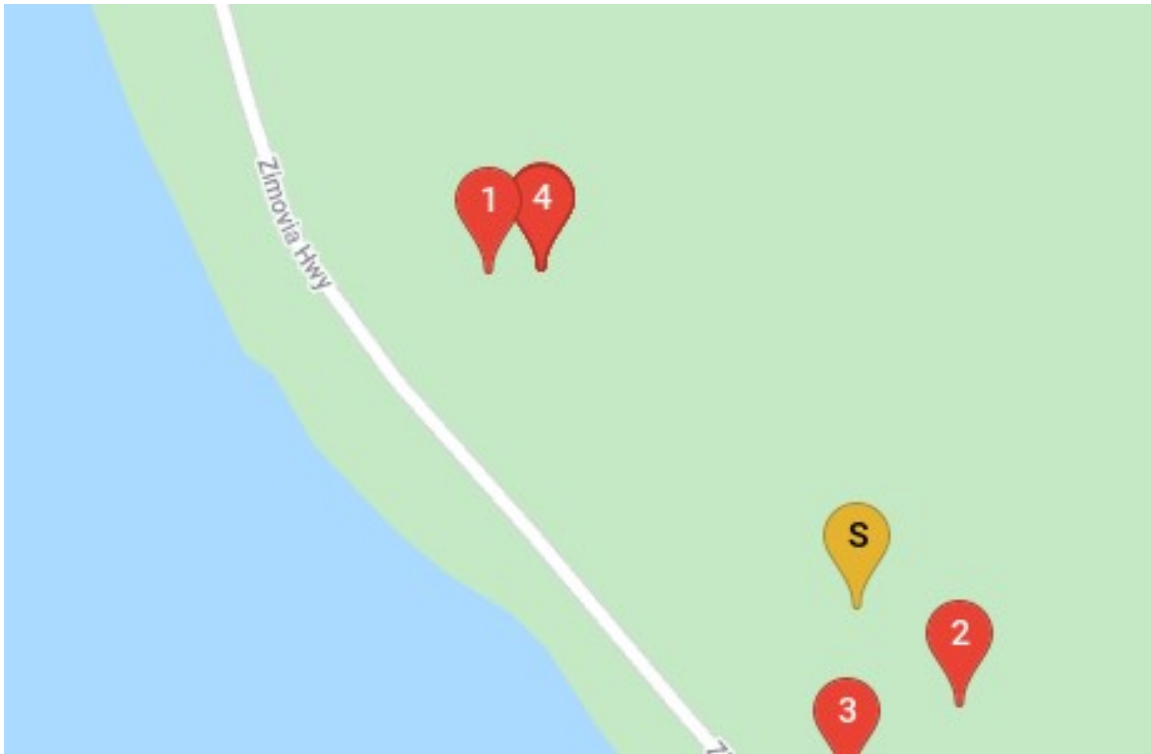
### Site

<b>Acres</b>	--	<b>Topography</b>	Sloping
<b>Land SF</b>	20,276	<b>Zoning</b>	Residential
<b>Road Frontage</b>	easement	<b>Flood Zone</b>	no
<b>Shape</b>	rectangular	<b>Encumbrance or</b>	none
<b>Utilities</b>	City water & sewer	<b>Environmental Issues</b>	none known

### Comments

This lot was purchased with the trees removed and some site prep done, which the buyer valued at \$8K to \$10K and it also came with a container that the buyer thought contributed \$2000. Indicating a raw land value of \$50,000. According to the buyer there is water and sewer to the site and conduit in the ground for electricity.

### ***Comparables Map***



### ***Analysis Grid***

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

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

On the following page is a sales comparison grid displaying the molinek lot as is, the comparables and the adjustments applied. The following grid compares the Molinek to the foregoing sales.

The determined value will then be subtracted from the determined value of the Lot Y-3 as proposed in the preliminary subdivision and considered in a unit sales analysis, to determine the Net Present Value of the subject, with the highest and best use of that proposed by the Borough.

Land Analysis Grid		Comp 1		Comp 2		Comp 3		Comp 4	
Address	4-mile Zimovia	zimovia hwy		4 mile Zimovia Hwy		4 mile zimovia Hwy		3.8 mile Zimovia	
City	Wrangell	Wrangell		Wrangell		Wrangel		Wrangell	
State	AK	AK		AK		AK		AK	
Date	4/27/2021	2/19/2019		8/10/2018		3/15/2018		4/9/2018	
Price	--	\$50,000		\$45,000		\$50,000		\$62,000	
Land Units	1	1		1		1		1	
Price per Unit	\$0	\$50,000		\$45,000		\$50,000		\$62,000	
<b>Transaction Adjustments</b>									
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Conventional	Cash	0.0%	0	0.0%	cash	0.0%	Cash	0.0%
Conditions of Sale	Cash	See Narrative	0.0%	Normal	0.0%	Normal	0.0%	Normal	0.0%
<b>Adjusted Price per Unit</b>		<b>\$50,000</b>		<b>\$45,000</b>		<b>\$50,000</b>		<b>\$62,000</b>	
Market Trends Through	4/27/2021	0.0%	0.0%	0.0%		0.0%		0.0%	
<b>Adjusted Price per Unit</b>		<b>\$50,000</b>		<b>\$45,000</b>		<b>\$50,000</b>		<b>\$62,000</b>	
Location	4 mile	Similar		Similar		Similar		Similar	
% Adjustment		0%		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0		\$0	
Land SF	20250	38431		30776		26646		20276	
% Adjustment		0%		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0		\$0	
Topography	Gently sloping up	Sloping		Similar		Similar		Sloping	
% Adjustment		5%		0%		0%		5%	
\$ Adjustment		\$2,500		\$0		\$0		\$3,100	
Shape	Narrow, long	pan handle		Superior		Superior		Superior	
% Adjustment		0%		-5%		-5%		-5%	
\$ Adjustment		\$0		-\$2,250		-\$2,500		-\$3,100	
Utilities	Water and sewer at highway	Similar		Inferior		Similar		Similar	
% Adjustment		0%		10%		0%		0%	
\$ Adjustment		\$0		\$4,500		\$0		\$0	
Site prep	drive way and some site prep	inferior		Inferior		inferior		Similar	
% Adjustment		5%		15%		10%		0%	
\$ Adjustment		\$2,500		\$6,750		\$5,000		\$0	
<b>Adjusted Price per Unit</b>		<b>\$55,000</b>		<b>\$54,000</b>		<b>\$52,500</b>		<b>\$62,000</b>	
Net Adjustments		10.0%		20.0%		5.0%		0.0%	
Gross Adjustments		10.0%		30.0%		15.0%		10.0%	

***Comparable Land Sale Adjustments valuing the Molinek lot*****Property Rights**

All of the comparable properties were purchased for their fee simple interest.

**Financing**

All the comparables were purchased with cash to the seller

**Conditions of Sale**

No duress was noted in any of the sales.

**Economic Trends**

The Wrangell market for land and lots has been fairly flat. Matched paired sale found by the appraiser and retained in the file, indicate no appreciation at this time for the last 5 years.

**Location**

All of the sales have a similar location to the subject

**Land SF**

While the SF areas of the comparables vary a bit. The usable areas of these lots are all considered similar to the subject overall

**Topography**

Sales 1 and 4 have lots with steeper topography and utilizing the full area of the lot would be more costly and challenging.

**Shape**

All are considered similar overall

**Utilities**

The Molinek lot is right on the highway and has all utilities to its site. Comparable 2 has the potential to hook into utilities in the right of way, but they are not stubbed to the subject and development would be more costly.

**Site Prep**

The subject site has a driveway onto its site. Comparable 1 is inferior with just the beginning of a driveway onto its site and utilities in the easement. Lot 2 had significant overburden piled on it from the adjoining site development and had utilities in the easement a ways back and not to its lot's edge. Lot 3 had utilities in the highway which it abuts but no driveway built, though it did have a pad. Sale 4 is the most similar with a bit of a pad and utilities to the site.

The adjustments made in the grid are based on the appraisers estimates of what the market considerations for these differing aspects would be. There is too little data available to make market adjustments based on paired sales with the differing attributes.

### ***Sales Comparison Approach Conclusion – Land Valuation potential Lot 1***

Following adjustments, the comparables indicated prices per land units of \$52,500 to \$62,000, with a median value of \$54,500.

All of the value indications have been considered in the valuation of the Molinek lot and in the final analysis, all the comparables have been weighted in arriving at my final reconciled per land units value of \$60,000.

<b>Land Value Ranges &amp; Reconciled Value</b>				
<b>Number of Comparables:</b>	<b>4</b>	<b>Unadjusted</b>	<b>Adjusted</b>	<b>% Δ</b>
<b>Low:</b>		\$45,000	\$52,500	17%
<b>High:</b>		\$62,000	\$62,000	0%
<b>Average:</b>		\$51,750	\$55,875	8%
<b>Median:</b>		\$50,000	\$54,500	9%
<b>Reconciled Value/Unit Value:</b>			\$60,000	land units
<b>Subject Size:</b>			1.00	
<b>Indicated Value:</b>			\$60,000	

### ***Land Comparables Selected to value for the Lots in preliminary Plat given to the appraiser from the Borough.***

The subject is a very unique property in the Wrangell market. It is a large piece with potential for subdivision. The borough has given the appraiser a preliminary plat and in the foregoing portion of the appraisal I valued the portion of Lot Y-3 owned by the Molinek's. Now I must determine a value for Lots Y-1, Y-2 and Y-3 as shown in the preliminary plat.

I have researched two comparables for this valuation. these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction. These comparables will be compared to the subject Lot Y-1 in the following grid, as a the key parcel and then adjustments made from there to reflect the value of Lots Y-2 and Y-3.

## Land Comparable 1



## Transaction

<b>ID</b>	437	<b>Date</b>	2/5/2007
<b>Address</b>	2 mile zimovia Hwy	<b>Price</b>	\$55,000
<b>City</b>	Wrangell	<b>Price Per SF</b>	\$1.30
<b>State</b>	AK	<b>Financing</b>	--
<b>Tax ID</b>	03-003-203	<b>Property Rights</b>	Fee Sim
<b>Grantor</b>	Bakke	<b>Days on Market</b>	--
<b>Grantee</b>	Bloom	<b>Verification</b>	David N
<b>Legal Description</b>	Lot B-1BB, Survey 2321,		

## Site

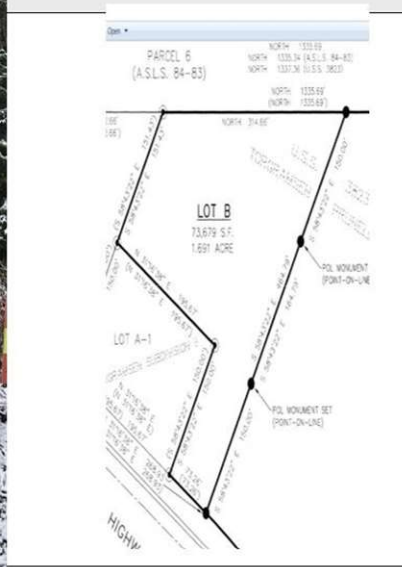
<b>Acres</b>	2.13	<b>Topography</b>	Sloping
<b>Land SF</b>	92,562	<b>Zoning</b>	Residen
<b>Road Frontage</b>	72	<b>Flood Zone</b>	No
<b>Shape</b>	pan handle	<b>Encumbrance or Easement</b>	None
<b>Utilities</b>	City water & sewer	<b>Environmental Issues</b>	None kn



## Land Comparable 2



within borders



## Transaction

<b>ID</b>	1010	<b>Date</b>	8/27/2015
<b>Address</b>	zimovia highway	<b>Price</b>	\$70,000
<b>City</b>	Wrangell	<b>Price Per SF</b>	\$1.46
<b>State</b>	AK	<b>Financing</b>	Cash
<b>Tax ID</b>	03-002-304	<b>Property Rights</b>	Fee Simple
<b>Grantor</b>	TORGRAMSEN LISA	<b>Days on Market</b>	--
<b>Grantee</b>	Smith, Bruce	<b>Verification</b>	Merton Everson
<b>Legal Description</b>	Lot: B Plat: 2015-8		

## Site

<b>Acres</b>	--	<b>Topography</b>	Mixed
<b>Land SF</b>	73,679	<b>Zoning</b>	SFR
<b>Road Frontage</b>	73	<b>Flood Zone</b>	No
<b>Shape</b>	--	<b>Encumbrance or</b>	None
<b>Utilities</b>	City water & sewer	<b>Environmental Issues</b>	None known

## Comments

This is a large lot in the SFR zone, which has a minimum lot size of 5000SF. It has adequit frontage to develop a ROW for potential significant subdivision. While the buyer said it was purchased to develop a SFR, it could definately be developed with much greater density in the future, as it has 73 feet of frontage on its panhandle. When I talked to the buyer in 2019, he said he has about a half acre filled, with a driveway and a pad, at a cost of around \$60K

Land Analysis Grid			Comp 1	Comp 2
Address	4-mile Zimovia	2 mile zimovia Hwy	zimovia highway	
City	Wrangell	Wrangell	Wrangell	
State	AK	AK	AK	
Date	4/27/2021	2/5/2007	8/27/2015	
Price	--	\$55,000	\$70,000	
Land Units	1	1	1	
Price per Unit	\$0	\$55,000	\$70,000	
<b>Transaction Adjustments</b>				
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple 0.0%
Financing	Conventional	0	0.0%	\$45k seller financed 0.0%
Conditions of Sale	Cash	See Narrative	0.0%	Normal 0.0%
<b>Adjusted Price per Unit</b>		<b>\$55,000</b>	<b>\$70,000</b>	
Market Trends Through	4/27/2021	0.0%	10.0%	0.0%
<b>Adjusted Price per Unit</b>		<b>\$60,500</b>	<b>\$70,000</b>	
Location	4 mile	Superior	Superior	
% Adjustment		-5%	-10%	
\$ Adjustment		-\$3,025	-\$7,000	
Land SF	45499	92562	73679	
% Adjustment		-20%	-15%	
\$ Adjustment		-\$12,100	-\$10,500	
Topography	Gently sloping up	Similar	Similar	
% Adjustment		0%	0%	
\$ Adjustment		\$0	\$0	
Shape	Irregular	pan handle	Panhandle	
% Adjustment		0%	0%	
\$ Adjustment		\$0	\$0	
Utilities	Water and sewer at highway	Inferior	Inferior	
% Adjustment		20%	20%	
\$ Adjustment		\$12,100	\$14,000	
Site prep	Gravel pad through out	Inferior	Inferior	
\$ Adjustment		\$60,000	\$60,000	
View	Good	Similar	inferior	
% Adjustment		0%	-10%	
\$ Adjustment		\$0	-\$7,000	
<b>Adjusted Price per Unit</b>		<b>\$117,475</b>	<b>\$119,500</b>	
Net Adjustments		94.2%	70.7%	
Gross Adjustments		144.2%	140.7%	

## ***Comparable Land Sale Adjustments***

### **Property Rights**

All of the comparable properties were purchased for their fee simple interest.

### **Financing**

All the comparables were purchased with cash to the seller

### **Conditions of Sale**

No duress was noted in any of the sales.

### **Economic Trends**

The Wrangell market for land and lots has been fairly flat. Matched paired sale found by the appraiser and retained in the file, indicate no appreciation at this time for the last 5 years. That said sale 1 is 13 years old and the appraiser has noted some appreciation in this time period. Therefore, a bit of an adjustment was made to reflect this.

### **Location**

Sale 1 is closer to town and more convenient. Sale 2 is even closer to the towns off site amenities and both were adjusted for this aspect.

### **Land SF**

The subject lot Y-1 is much smaller than the comparables. This gives it less utility for potential subdivision. More than likely only minor subdivisions would be developed, but there is a chance that a major subdivision would be considered and the comps both have wide enough access to allow for it, making them superior in both area and potential for major subdivisions. Adjustments were made to reflect these aspects

### **Topography**

Both sales were considered similar overall

### **Shape**

All are considered similar overall

### **Utilities**

Lot Y-1 is right on the highway and has all utilities to its site. Both comparables have pan handles and required utilities ran down that and an adjustment was made for that based roughly on cost found by speaking with Todd White.

### **Site Prep**

The subject site has a gravel pad through most of its entirety. It offers utility and functionality as is throughout the site as is. This is vastly superior to the comparables. My adjustment for this was found in the actual cost to develop a pad on comp 2 after acquisition.

**Conclusion**

So the two comparable sales indicate a value for the subject from \$114,750 to \$19,500. The appraiser has ropunded and concluded to \$120,000 for the subject lot Y-1.

**Comparison of potential Lot Y-1 to Lots Y-2 and Y-3****Utilities**

Y-2 and Y-3 potential lots will need utilities run up from the highway as opposed to lot Y-1 which front the highway and has utilities available to it now, though it would still require getting them to its actual building site. An adjustment for this aspect in comparison to lot 1 could reasonably be estimated at \$15,000, per potential back lot.

Lot Y-2 is up high and has unobstructed views which are considered significantly superior to Lot Y-1 and in my opinion would offset the fact that utilities would need to be run much further to get to the building site and I have concluded the value for this site also at \$120,000.

Lot Y-3 would have a view but it would be more similar to that of Y-1, but it would still have the cost to run utilities. Therefore, if we adjust the value for that we end up with a value of \$105,000 for Y-3 as proposed. No if we subtract the value of the Molinek lot, which is estimated at \$60K, that gives us a market value for the portion of Lot Y-3 owned by CBW at \$45,000

**Conclusion**

After making the adjustments comparing the potential lot Y-1 to the potential lots Y-2 and Y-3, we come to the following conclusion.

Potential lot	Potential sell out value CBW ownership
Y-1	\$120,000
Y-2	\$120,000
Y-3	\$45,000

With the above concluded information we can estimate the subject value using the unit sales approach. This is the best approach for valuing the subject, which has no comparable sales in the market with attributes even closely similar. Most larger lot sales are in a different zoning district or were raw lots lacking frontage.

As indicated in the Highest and best use analysis, the indicated net present value to the subject site as is would be approximately **\$205,000**, when developed using the unit sales approach.

## Final Reconciliation

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

### ***Value Indication***

**Unit Sales Approach – Land Value:** \$205,000

### **Unit Sales Approach**

This is the best approach for valuing the subject. It represents the mostly likely approach potential buyers would use when determining the value of the subject. The marketing costs are market based and the estimated developers profit is reasonable. The subdivision cost is reasonable and based on interviews with Mike Howell. This approach was developed in the Highest and Best Use section of the report and that is where the concluded value for the subject was developed, using the forgoing concluded lot values.

### ***Value Conclusion***

Based on the data and analyses developed in this appraisal, I have reconciled to the following value conclusion(s), as of April 27, 2021, subject to the Limiting Conditions and Assumptions of this appraisal.

**Reconciled Value(s):** Premise: As Is  
Interest: Fee Simple  
Value Conclusion: \$205,000  
Two Hundred Five Thousand Dollars

## Certification Statement

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- I certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- The appraiser has not performed any services regarding the subject within the three-year period immediately preceding acceptance of this assignment.
- Roger Ramsey made an inspection of the subject property.



Roger Ramsey  
Alaska-AA 570

## **Addenda**

### Qualification of Roger Ramsey

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

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

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

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

**Education** University of Alaska, BBA, 2001

**Appraisal Education** - Associate member of the Appraisal Institute # 401410

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

### Types of Property Appraised

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

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

### Markets Appraised:

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





THE STATE  
of **ALASKA**  
GOVERNOR MICHAEL J. DUNLEAVY

**Department of  
Environmental Conservation**  
DIVISION OF SPILL PREVENTION AND RESPONSE  
Contaminated Sites Program

P.O. Box 111800  
Juneau, AK 99811-1800  
Phone: 907-465-5590  
Fax: 907-465-5218  
www.dec.alaska.gov

File no: 1529.38.006

April 19, 2019

Lisa Von Bargaen  
Borough Manager  
City and Borough of Wrangell  
P.O. Box 531  
Wrangell, AK 99929

Re: Decision Document: Wrangell Junkyard  
Cleanup Complete Determination

Dear Lisa:

The Alaska Department of Environmental Conservation, Contaminated Sites Program (DEC) has completed a review of the environmental records associated with the Wrangell Junkyard, located at mile 4 Zimovia Highway in Wrangell. Based on the information provided to date, the department has determined that the contaminant concentrations remaining on site do not pose an unacceptable risk to human health or the environment and no further remedial action will be required unless new information becomes available that indicates residual contaminants may pose an unacceptable risk.

This Cleanup Complete determination is based on the administrative record for the Wrangell Junkyard, which is located in the DEC office in Juneau, Alaska. This decision letter summarizes the site history, cleanup actions and levels, and standard site closure conditions that apply.

**Site Name and Location:**

Wrangell Junkyard  
4 Mile Zimovia Highway  
Wrangell, Alaska

**Name and Mailing Address of Contact Party:**

Lisa Von Bargaen, Borough Manager  
City and Borough of Wrangell  
P.O. Box 531  
Wrangell, AK 99929

**DEC Site Identifiers:**

File No.: 1529.38.006  
Hazard ID.: 3295

**Regulatory Authority for Determination:**

18 AAC 75

Ms. Lisa Von Borgen, Borough Manager

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**Site Description and Background**

The 2.51-acre Wrangell Junkyard contaminated site is located on a west facing hillside in a residential area approximately four miles south of Wrangell on Zimovia Highway. The property is zoned residential and is bordered by residential parcels to the north and south; Mental Health Land Trust (MHLT) property on the upper eastern boundary, and slopes down to Zimovia Highway toward Zimovia Strait to the west, approximately 150 feet west of the Site (see aerial image below). Upgradient of the site, on MHLT land, forested wetlands are present, with extensive bogs and ponds. Surface water drainages carry water from the MHLT parcel along the north and south sides of the property. The site is underlain by a shallow clay/till layer that is present at depths of three to five feet throughout the site. Productive groundwater is reported present at the site at a depth of 15 feet within a clay/silt layer based on historic information about the nearest well. This well was located on the Byford residence immediately to the north, but has been out of service since at least 2002. No wells in the vicinity were in service as of the early 2000s.

**Photo 1: Aerial view of the Wrangell Junkyard**



*Photo credit: City and Borough of Wrangell*

The Wrangell Junkyard was operated as Byford Salvage from the early 1960s to the mid-1990s by Virgil Byford. The facility accepted drums of various oils, lubricants and other wastes; polychlorinated biphenyl (PCB) transformers, tires, batteries, boats, and miscellaneous scrap metal. In addition, the owner operated a foundry in one of the two main shop buildings and also salvaged approximately 1,500 automobiles at the site. By the late 1990s, Byford was deceased and the property had transferred to a new owner, Mr. Curtis Gibb, who shipped out the marketable metal for salvage for a short period of time before abandoning the property and leaving the state. No effort was made by either owner/operator to properly store and contain wastes. A large volume of lead acid batteries were stockpiled, crushed, and in some cases partially burned on the property. All materials including potentially hazardous wastes were poorly contained and allowed to be crushed, to leak, and to spill on the property, which drains toward Zimovia Strait. Following a DEC site inspection in 1999, the department initiated steps to conduct a preliminary assessment at the site.

Ms. Lisa Von Barga, Borough Manager

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**Contaminants of Concern and Cleanup Levels**

The highest concentrations of contaminants identified at the site over the course of three investigations are identified in the table below, compared with approved cleanup levels. The contaminants listed are established as the Contaminants of Concern for the site.

Wrangell receives an estimated 83 inches of precipitation annually. The cleanup levels approved for the site are the most restrictive of the migration to groundwater pathway or human health pathway for the method two, >40" precipitation climate zone at 18 AAC 35.341; the Table C Groundwater Cleanup levels under 18 AAC 75.345; and NOAA SQuiRT sediment criteria in accordance with 18 AAC 75.340(i) and 18 AAC 75.345(e).

**Table 1: Contaminants of Concern, Site Concentrations, and Cleanup Levels**

Contaminant	Location	Media	Concentration	Cleanup Level	Units (Source)
Antimony	subsurface	soil	2460	4.6	mg/kg (method 2)
Aroclor 1242 (PCB)	surface Area 6	soil	140	1	mg/kg (method 2)
Aroclor 1254 (PCB)	surface	soil	4	1	mg/kg (method 2)
Arsenic	subsurface	soil	314	0.2	mg/kg (method 2)
Benzo(a)pyrene	drum cache	soil	14	0.17	mg/kg (method 2)
Benzo(b)fluoranthene	drum cache	soil	19	1.7	mg/kg (method 2)
Bis(2-ethylhexyl)phthalate	surface	soil	690	88	mg/kg (method 2)
Cadmium	surface	soil	11.1	9.1	mg/kg (method 2)
Chromium (total)	subsurface	soil	4950	1X10 <sup>5</sup>	mg/kg (method 2)
Chromium (total)	Zimovia	sediment	61	15.9	mg/kg (NOAA SQuiRT)
Copper	subsurface	soil	24900	370	mg/kg (method 2)
Copper	Zimovia	sediment	19	18.7	mg/kg (NOAA SQuiRT)
Dibenzo(a,h)anthracene	drum cache	soil	4.6	0.17	mg/kg (method 2)
Dibenzo(a,h)anthracene	drainage	surface water	0.95	0.25	ug/l (Table C)
Diesel Range Organics	drum cache	soil	40,000	230	mg/kg (method 2)
Lead	drainage	surface water	719	15	ug/l (Table C)
Lead	subsurface	soil	155000	400	mg/kg (method 2)
Lead	Zimovia	sediment	1200	30.24	mg/kg (NOAA SQuiRT)
Mercury	drum cache	soil	4.2	0.36	mg/kg (method 2)
Naphthalene	surface	soil	0.19	0.038	mg/kg (method 2)
Nickel	Zimovia	sediment	35	15.9	mg/kg (NOAA SQuiRT)
Pentachlorophenol	surface	soil	0.71	0.0043	mg/kg (method 2)
Silver	subsurface	soil	247	11	mg/kg (method 2)
Thallium	subsurface	soil	6.8	0.19	mg/kg (method 2)
Zinc	subsurface	soil	8850	4900	mg/kg (method 2)

**Characterization and Cleanup Activities**2000 CERCLA Preliminary Assessment

In 2000, the DEC attempted to reach then-owner Curtis Gibb to gain access to the site, but the owner, having moved out of state, was not responsive. DEC contracted with Ecology and Environment to conduct a Preliminary Site Assessment under the requirements of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). In 2001, the final Preliminary Assessment report was submitted documenting the results of 18 soil and sediment samples collected for a variety of



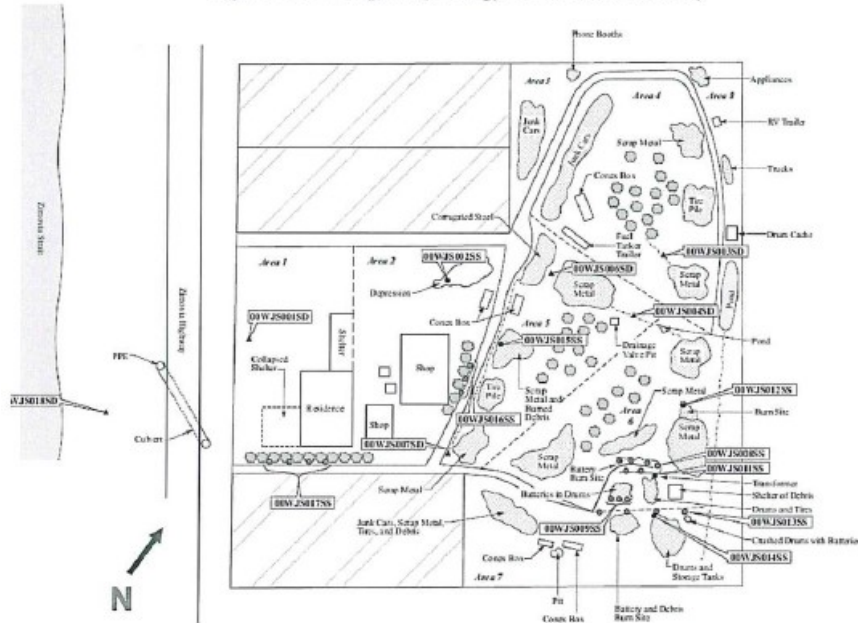
Ms. Lisa Von Bargen, Borough Manager

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analyses. Contamination was reported above DEC cleanup levels for semi-volatile organic compounds (SVOCs), PCBs, and several heavy metals, particularly lead, which was found as high as 120,000 mg/kg. The PCB Aroclor 1242 was found at a concentration of 140 mg/kg in a battery burn site called Area 6. A concentration of 1200 mg/kg lead was found in Zimovia beach sediments downgradient of the site. Significant concentrations of lead in soil found throughout the site were determined the result of large amounts of crushed batteries and poor handling practices over decades of salvage operations. No water samples were collected. Figure 1, taken from the report provides a diagram of the site, with sample locations and areas of concern.

Figure 1: Site Diagram (Ecology & Environment 2000)



### 2002 Site Characterization and Removal Cost Estimate

In 2002, Ecology & Environment conducted a follow-up site characterization and removal estimate for DEC, documented in a report titled, *Wraggell Junkyard Site Characterization and Removal Cost Estimate*. Extensive debris, scrap metal and other solid waste impeded a complete site characterization during this effort. Sixty-four surface samples and 11 subsurface samples were collected. No operating drinking water wells were identified within 1/8 mile of the site. Intertidal groundwater was sampled from a temporary wellpoint installed near Zimovia Strait.

Lead concentrations in soil exceeding the DEC cleanup level of 400 mg/kg were measured in 43 of 65 sample locations, with concentrations as high as 98,500 mg/kg, although only two subsurface samples, had concentrations above the 400 mg/kg cleanup level. Concentrations of lead in the downgradient

Ms. Lisa Von Barga, Borough Manager

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wellpoint were non-detect for the filtered sample. The total volume of soil contaminated with lead was estimated at 3,490 cubic yards. See Figure 2.

**Figure 2: Site Diagram of the Wrangell Junkyard, denoting contaminated areas (Ecology & Environment, June 2002)**



The second owner, Curtis Gibb, abandoned the property sometime around 2000 and moved to the lower '48. After an accumulation of unpaid property taxes, the parcel was foreclosed by the City of Wrangell in approximately 2009. Mr. Gibb could not be located and later research showed he passed away in 2015.

#### 2014-15 EPA Targeted Brownfields Assessment

Upon assuming possession of the property, the City, which lacked the funding to carry out the necessary environmental work, collaborated with DEC to obtain the services of EPA's Targeted Brownfields Assessment program. However, due to the large volume of debris on the site, EPA could not proceed with the work until the property was cleared. Over the next several years, the City worked to clear metal debris from the site. Finally in 2014, the site was sufficiently cleared for EPA to conduct a more comprehensive assessment and estimate of the volume of contaminated soil present at the site. Results of this effort were documented in the report, *Wrangell Junkyard Targeted Brownfields Assessment*, dated July 2015. Samples were analyzed for 21 metals, diesel and residual range organics, dioxins, PCBs, and semi-volatile compounds. Large areas of soil across the site were found to be saturated with lead contamination, and contamination from other metals, petroleum, and semi-volatile organic compounds was also present. In addition, elevated concentrations of heavy metals were documented in sediments in the intertidal area across the highway from the site. The volume of soil contaminated with lead, the primary contaminant of concern, was estimated by EPA at 4,000 cubic yards. The highest

Ms. Lisa Von Bargen, Borough Manager

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Contamination at the site has been cleaned up to concentrations meeting approved cleanup levels suitable for residential land use. This site will receive a "Cleanup Complete" designation on the Contaminated Sites Database. The following standard condition applies:

**Standard Condition**

Groundwater throughout Alaska is protected for use as a water supply for drinking, culinary and food processing, agriculture including irrigation and stock watering, aquaculture, and industrial use. Contaminated site cleanup complete determinations are based on groundwater as a potential drinking water source. Should groundwater from this site be used for other purposes, such as aquaculture, additional testing and treatment may be required to ensure the water is suitable for its intended use.

This this cleanup complete determination is in accordance with 18 AAC 75.380 and does not preclude DEC from requiring additional assessment and/or cleanup action if future information indicates that contaminants at this site may pose an unacceptable risk to human health, safety, or welfare or to the environment.

**Appeal**

Any person who disagrees with this decision may request an adjudicatory hearing in accordance with 18 AAC 15.195 – 18 AAC 15.340 or an informal review by the Division Director in accordance with 18 AAC 15.185. Informal review requests must be delivered to the Division Director, 410 Willoughby Avenue, Suite 303 or by mail to P.O. Box 111800, Juneau, Alaska, 99811-1800, within 20 days after receiving the department's decision reviewable under this section. Adjudicatory hearing requests must be delivered to the Commissioner of the Department of Environmental Conservation, 410 Willoughby Avenue, Suite 303, or by mail to P.O. Box 111800, Juneau, Alaska 99811-1800, within 30 days after the date of issuance of this letter, or within 30 days after the department issues a final decision under 18 AAC 15.185. If a hearing is not requested within 30 days, the right to appeal is waived.

If you have questions about this closure decision, please feel free to contact me at (907) 465-5076 or email me at [sally.schlichting@alaska.gov](mailto:sally.schlichting@alaska.gov).

Sincerely,

  
Sally Schlichting  
Unit Manager

cc: Burrell C. Byford, adjacent property owner: P.O. Box 231, Wrangell, AK 99929-0231  
Michelle Woods, adjacent property owner: P.O. Box 108, Wrangell 99929  
David Griffin, Southeast Area Lands Manager Trust Land Office, adjacent property owner  
Dan Strucher, Senior Project Manager NRC Alaska  
Shane O'Neill, Superintendent of Projects, NRC Alaska  
Jason Ginter, Principal, Nortech  
John Halverson, Contaminated Sites Program Manager  
Spill Prevention and Response, Cost Recovery Unit



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level in the confirmation sampling. Five other samples collected near this sample showed levels of benzene and other petroleum contaminants that met cleanup levels, therefore the elevated concentration of benzene found represents a de-minimis volume of contaminated soil.

**Table 2: Highest Concentrations of COCs**

Contaminant	Location	Media	Concentration	Cleanup Level	Units (Source)
Aroclor 1254 (PCB)	confirmation sample	soil	0.23	1	mg/kg (method 2)
Benzene	confirmation sample	soil	<b>0.0594</b>	0.022	mg/kg (method 2)
Diesel Range Organics	confirmation sample	soil	176	230	mg/kg (method 2)
Lead	confirmation sample	soil	327	400	mg/kg (method 2)
Residual Range Organics	confirmation sample	soil	402	8300	mg/kg (method 2)
Toluene	confirmation sample	soil	0.03	6.7	mg/kg (method 2)

**Cumulative Risk Evaluation**

Pursuant to 18 AAC 75.325(g), a cumulative risk determination must be made that the risk of any remaining concentrations of hazardous substances does not exceed a cumulative carcinogenic risk standard of 1 in 100,000 across all exposure pathways and does not exceed a cumulative noncarcinogenic risk standard at a hazard index of one across all exposure pathways. Cumulative risk was calculated using the concentrations above for Aroclor 1254, benzene, and toluene. Petroleum and lead are not included in cumulative risk calculations. The results for this site met the cumulative risk standards, with a total carcinogenic risk calculated at less than 1 in 100,000 and a noncarcinogenic risk of less than one across all exposure pathways.

**Exposure Pathway Evaluation**

Following investigation and cleanup at the site, exposure to the remaining contaminants was evaluated using DEC's Exposure Tracking Model (ETM). Exposure pathways are the conduits by which contamination may reach human or ecological receptors. ETM results show all pathways to be one of the following: De-Minimis Exposure, Exposure Controlled, or Pathway Incomplete.

**DEC Decision**

Nearly all soil across the entire site was removed down to the confining clay layer present throughout the property at depths ranging from 3-5 feet. Due to these site features and the cleanup, no groundwater was present, therefore no groundwater samples were collected. Previous groundwater seep sampling conducted by Ecology & Environment (2002) downgradient of the site found no detectable concentration of lead in a filtered groundwater sample. Furthermore, soil concentrations for contaminants meet migration to groundwater cleanup levels, with the exception of one sample on the adjacent parcel to the north, which had a concentration of 0.0594 mg/kg for benzene that was 2.7 times the migration to groundwater cleanup level of 0.022 mg/kg, but well below the human health level of 8.1 mg/kg. The confirmation sample was collected from the excavation floor in the dense clay till layer, and represents a de-minimis volume, based on the results of five other samples in the vicinity which were below the applicable cleanup levels for BTEX, DRO, and RRO.

In terms of surface water and sediments near the site, removal of the contaminant source area throughout the site included all surface water drainage pathways (which were subsequently re-routed) and has stopped contaminant migration off site. This will allow any residual concentrations of metals in downgradient marine sediments to naturally recover.

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facility located about two miles southeast of the junkyard site where they were staged for barge transport south.

By October of 2018, NRC had completed transport and disposal of 26,912 tons of soil, stockpile liners, and investigation derived waste. These wastes were loaded at the site into 2,482 FIBCs and 80, 20' open top shipping containers, then transported to the Silver Bay facility where they were loaded onto a series of four barges and shipped south to a disposal facility in Arlington, Oregon.

Post-stockpile verification sampling was conducted to ensure no lead contaminated soil above cleanup levels remained onsite. Eighteen samples were collected, of which 10 were analyzed for total lead based on XRF screening, and 10 were analyzed for DRO and RRO based on photoionization detector (PID) field screening. Total lead concentrations ranged from 2.65 mg/kg to 13.9 mg/kg. DRO and RRO were detected in four samples ranging from 18.4 mg/kg to 26.7 mg/kg for DRO and from 9.08 mg/kg to 14.3 mg/kg for RRO.

Following results of the verification sampling, the site was re-contoured according to a site restoration plan approved by the City and DEC. The restoration plan included subsurface drainage features and preserving and enhancing drive ways on the site. In April 2019, NRC Alaska submitted the final *Site Restoration and Closure Sampling Report*, approved by DEC on April 19, 2019. The report documented the above results and restoration work.

**Photo 3: Drone aerial of final site conditions – October 2018**



*Image courtesy of NRC Alaska*

#### Highest Concentrations Remaining at the Site

Sample results following the cleanup effort in 2016 and the shipment and disposal effort in 2018 were reviewed. The highest concentrations of contaminants remaining at the site are shown in the table below, along with approved cleanup levels. Benzene, which was not previously identified as a contaminant of concern at the site, was the only contaminant detected above the applicable cleanup



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one sample at the site. The same sample had a 0.0314 mg/kg detection for toluene, and was non-detect for DRO, RRO, ethylbenzene and total xylenes.

Following the confirmation sampling, each area of the excavation was backfilled with clean material from an offsite quarry. Simultaneously, the stockpile for the treated material was constructed on the closed out areas of the site. Following completion of the cleanup, backfilling and removal of equipment and staging areas, the site was graded and contoured around the stockpile. The post cleanup site conditions are shown below.

**Photo 2: Drone aerial of site following 2016 cleanup**



*Image courtesy of NRC Alaska*

#### 2018 Stockpile Sampling

In March of 2018, soil and pore water within the stockpile were sampled for total RCRA 8 and Toxicity Characteristic Leaching Procedure (TCLP) metals, DRO, RRO, volatile organic compounds (VOCs), and PAHs in support of one of the proposed disposal alternatives. Soil sample results from the waste showing exceedances of applicable cleanup levels included: Total lead at a maximum of 6,250 mg/kg; cadmium at 3.22 mg/kg; total chromium at 191 mg/kg; DRO at 313 mg/kg; naphthalene at 2.65 mg/kg; benzo(a)anthracene at 0.424 mg/kg; and benzo(a)pyrene at 0.382 mg/kg. All other analytes were below the cleanup levels.

#### 2018 Shipping and Disposal Effort

The 18,350 cubic yards were stockpiled onsite from 2016 to 2018, during which time DEC worked with EPA, contractors, the City and Borough of Wrangell, the Wrangell Cooperative Association, community members, the Department of Natural Resources, and the U.S. Forest Service on options for economically disposing of the volume of lead polluted soil. In late May 2018, DEC issued a contract with NRC Alaska to ship all the treated lead soil to a permitted solid waste facility in Oregon.

Beginning June 2, 2018, DEC contractors mobilized to Wrangell to initiate transport and disposal of the stabilized, lead-contaminated soil from the former junkyard site to Columbia Ridge Landfill in Arlington, Oregon. The work consisted of loading the material into heavy-duty, reinforced sacks called Flexible Intermodal Bulk Containers (FIBC)s each with an approximate capacity of 8 cubic yards. The FIBCs were transported along the Wrangell road system to the former Silver Bay Logging sawmill

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concentrations found at the site that exceeded approved cleanup levels are documented in Table 1 above.

Following the results of the 2014-15 work by EPA, the agency initiated the process to conduct an emergency removal action. In 2015, the EPA Region 10 Emergency Removal Program, (ERP), invoked its CERCLA authority and began preparing a Comprehensive Time Critical Removal Action (TCRA) to implement removal of contaminated soil from the Wrangell Junkyard that exhibited concentrations exceeding the Resource Conservation and Recovery Act (RCRA) thresholds for hazardous materials requiring remedial disposal at a RCRA approved facility. The EPA ERP and its contractors met with DEC and the City in Wrangell in July 2015.

However, EPA's ERP was unable to secure year-end funding to implement the TCRA. To mitigate the risk of contaminant migration off-site, DEC proceeded to take immediate steps using the emergency account of the Oil & Hazardous Response Fund to initiate cleanup work. The department's objective was to complete cleanup of hazardous liquid and solid debris and contaminated soil to residential land use cleanup standards with minimal site restoration. The proposed work included excavation, shipment, and disposal of contaminated soil, sediments, and wastes present at the site. Upon approval to access the emergency account, the department proceeded to issue a term contract to NRC Alaska to carry out the cleanup, which included stabilizing all lead contaminated soil with a phosphate-based product called EcoBond. When applied to the soil, it renders the lead non-leachable, and changes the waste characteristic from hazardous to polluted, non-hazardous material.

#### 2016 Removal Action

The excavation and cleanup took place in 2016. Nearly the entire 2.51-acre site was saturated with lead down to the underlying clay/silt layer. In addition, batteries, drums, tires, automotive parts, construction materials, and other solid wastes buried at the site were removed, disposed of locally, or shipped out. A total of 22 drums and 57 containers of contaminated debris were shipped to permitted facilities in the lower 48. Lead contaminated soil was found to be significantly more extensive than previously estimated. Contamination extended onto adjacent residential properties, to the east and upgradient onto MHLT Land, and to the west into the DOT right-of-way. Cleanup was not conducted in the intertidal sediments, in order to allow this area to undergo natural recovery.

Upon completion of the cleanup, the total volume of lead contaminated soil treated with Ecobond was approximately 18,350 cubic yards. This included 300 cubic yards from the MHLT parcel and 620 cubic yards from the two neighboring residential properties. The treated soil was stockpiled on site. Results of the cleanup effort were documented in the September 30, 2016 cleanup report from NRC titled, *Remedial Action Report Wrangell Junkyard*, approved by DEC on December 21, 2016.

Confirmation samples for total lead were collected throughout the excavation base (268 samples) and sidewalls (46 samples) based on field screening with an x-ray fluorescence detector (XRF). Results for all the samples met the DEC cleanup level of 400 mg/kg for total lead. In addition, samples were collected for benzene, toluene, ethylbenzene, and xylenes (BTEX), diesel range organics (DRO), residual range organics (RRO), PCBs, and RCRA-8 metals. Polycyclic aromatic hydrocarbons (PAHs) were not included because results during characterization at the start of the project were below cleanup levels.

All confirmation sampling results met applicable cleanup levels, with the exception of benzene, which exceeded the 0.022 mg/kg cleanup level for migration to groundwater with a result of 0.0594 mg/kg in

## Glossary

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

### Works Cited:

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

**Effective Date**

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

**Exposure Time**

1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. (Dictionary, 5th Edition)

**Extraordinary Assumption**

An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (Dictionary, 5th Edition)

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

**Fee Simple Estate**

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation,

eminent domain, police power, and escheat. (Dictionary, 5th Edition)

**Highest & Best Use**

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property—specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value. (Dictionary, 5th Edition)

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

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

**Highest and Best Use of Property as Improved**

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

**Hypothetical Condition**

That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (Dictionary, 5th Edition)

### **Leased Fee Interest**

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

### **Market Area**

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

### **Market Value**

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

1. The most widely accepted components of market value are incorporated in the following definition: The most probable price that the specified property interest should sell for in a competitive market after a reasonable exposure time, as of a specified date, in cash, or in terms equivalent to cash, under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, for self-interest, and assuming that neither is under duress.
2. Market value is described in the Uniform Standards of

Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the value definition that is identified by the appraiser as applicable in an appraisal. (USPAP, 2020-2021 ed.) USPAP also requires that certain items be included in every appraisal report. Among these items, the following are directly related to the definition of market value:

- Identification of the specific property rights to be appraised.
- Statement of the effective date of the value opinion.
- Specification as to whether cash, terms equivalent to cash, or other precisely described financing terms are assumed as the basis of the appraisal.
- If the appraisal is conditioned upon financing or other terms, specification as to whether the financing or terms are at, below, or above market interest rates and/or contain unusual conditions or incentives. The terms of above—or below—market interest rates and/or other special incentives must be clearly set forth; their

contribution to, or negative influence on, value must be described and estimated; and the market data supporting the opinion of value must be described and explained.

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by

anyone associated with the sale. (12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

4. The International Valuation Standards Council defines market value for the purpose of international standards as follows: The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion. (International Valuation Standards, 8th ed., 2007)

5. Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure of time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal. (Uniform Standards for Federal Land Acquisitions) (Dictionary, 5th Edition)

### **Marketing Time**

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time). (Dictionary, 5th Edition)

**Scope of Work**

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