

DETAILED NARRATIVE APPRAISAL REPORT

**Kenai Peninsula Borough
Keohane Property ~ Proposed Drainage Easement
Tract 1 Kingswood Estates Subdivision (Plat No. KN 76-22)
Kenai, AK**



Prepared for

Kenai Peninsula Borough
Land Management Division
144 N Binkley St.
Soldotna, AK 99669

August 31, 2016





September 23, 2016

Marcus Mueller, Land Management Officer
Kenai Peninsula Borough
144 N. Binkley St.
Soldotna, AK 99669

RE: Keohane Property ~ Proposed Drainage Easement
Tract 1 Kingswood Estates Subdivision (Plat No. KN 76-22)

Dear Mr. Mueller:

At your request and authorization, we have prepared an appraisal of the above referenced property located at 51402 Equestrian Avenue in Kenai, Alaska. The appraisal is reported in a detailed narrative format.

The concluded market values, before and after execution of a proposed drainage easement, are based on value indications developed by the sales comparison approach. The "Scope of Work" details the appraisal process. Property identification, property traits, and the market value conclusions are summarized on Pages 5 & 6.

This appraisal is prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, in conformity with and subject to the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and in conformance with the appraisal instructions of the Kenai Peninsula Borough.

Thank you for this assignment and the opportunity to be of service to the Borough. If you have any questions regarding this report, please don't hesitate to call.

Respectfully submitted,

Barbara J. Belluomini

David M. Derry, MAI



Assumptions & Limiting Conditions

1. This is an Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2 (a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it may include summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraisers' conclusion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraisers' work file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraisers are not responsible for unauthorized use of this report.
2. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
3. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or unapparent conditions of the property or subsoil that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
10. It is assumed that all required licenses or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
11. Any site plan in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
12. It is assumed that the utilization of the land is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
13. The appraisers are not qualified to detect hazardous waste and/or toxic substances. Any comment by the appraisers that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, ureaformaldehyde foam insulation,



polychlorinated biphenyl, petroleum leakage, agricultural chemicals or without limitation other potentially hazardous materials may affect the value of the property. The appraisers' value estimate is predicated on the assumption that there is no such substance on or in the property or in proximity to it that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraisers' descriptions and resulting comments are the result of the routine observations made during the appraisal process.

14. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers, and in any event, only with proper written qualification and only in its entirety.
15. Neither all nor any part of the contents of this report (especially any conclusion as to value, the identity of the appraisers, or the firm with which the appraisers are connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraisers.
16. The appraisers herein by reason of this appraisal are not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
17. The estimate of market value in this report is not based in whole or in part upon the race, color, or national origin of the prospective owners or occupants of the property appraised, or upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.



Summary

Client	Kenai Peninsula Borough
Property Appraised	<p>Keohane Property 51402 Equestrian Ave. Kenai, AK</p> <p>The property consists of a 9.20 acre (total size) Kalifornsky Beach Road frontage site. The appraisal assignment is to estimate the market value of a proposed easement encompassing 4.30 acres at the north. The purpose of the easement is for storm water collection and drainage.</p>
Legal Description	<p>Tract 1 Kingswood Estates Subdivision (Plat No. KN 76-22)</p> <p>The property is located within the Kenai Recording District, Third Judicial District, State of Alaska.</p>
Interest Appraised	Fee Simple Estate
Owner of Record	Paula N. Keohane & Timothy J. Keohane
Zoning	Unzoned
Highest and Best Use	<p>As-Is (before easement encumbrance) – Maintain the property as-is, vacant, as an interim use. As market conditions warrant, subdivide and/or develop with a single-family residential (SFR) use.</p> <p>After easement encumbrance – Again, maintain the property as-is, vacant, as an interim use. As market conditions warrant, subdivide (fewer lots, though) and/or develop with a SFR use, with the 4.30-acre portion at the north essentially open space.</p>
Extraordinary Assumptions	<ol style="list-style-type: none"> 1. The overall site size, at 9.20 acres, is based on available dimensions and the size reported by the Kenai Peninsula Borough Assessor's office. The appraisers reserve the right to modify the value conclusion if a survey by a Registered Professional Land Surveyor identifies a variation in site size. 2. The area encompassed by the proposed easement is based on information provided by the client (see exhibits, included in the <i>Addenda</i>). The appraisers,



again, reserve the right to modify the value conclusion following a survey of that area.

3. The actual easement agreement consummated for the proposed easement is assumed to follow the draft "Drainage Easement" provided by the client (included in the *Addenda*). As such, the estimated value after easement encumbrance assumes that the character of the land encumbered by the easement is maintained as stipulated in that document.

Hypothetical Conditions

None

Note that the use of Extraordinary Assumptions and/or Hypothetical Conditions may affect the assignment results.

Effective Appraisal Date

August 31, 2016 (property inspection date)

Date of Report

September 23, 2016

Estimated Market Value

As-is (before easement encumbrance) - \$160,000 *Entire Property*

Remainder (after easement encumbrance) - <\$109,000>

Difference (attributed to easement acquisition) - \$ 51,000 *Easement*

The value conclusions are subject to the Extraordinary Assumptions contained in this report.

Remainder Report on File w/ KPB Land Mgmt.

