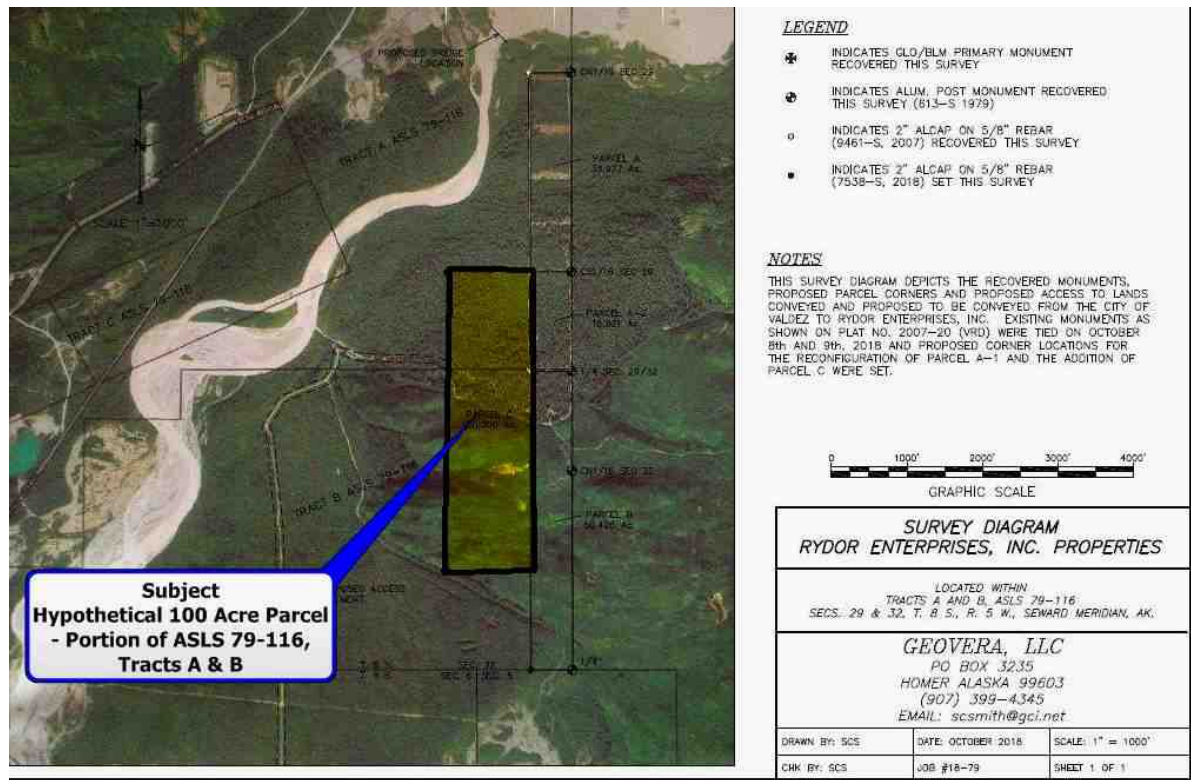


APPRAISAL OF REAL PROPERTY - VACANT LAND

Aerial Map - Approximate Location - Shaded Area



LOCATED AT

Hypoth. 100 Acre Parcel-Ptn ASLS 79-116,Tr. A & B
Valdez, AK 99686

FOR

City of Valdez - Paul Nylund
P.O. Box 307
Valdez, AK 99686

OPINION OF VALUE

\$135,000

AS OF

05/04/2019

BY

Clint H. A. Lentfer, MBA
Alaska Appraisal & Consulting Group, LLC
4305 Old International Airport Rd.
Anchorage, AK 99502

clint@akacg.com

LAND APPRAISAL REPORT

File No.:

SUBJECT

ASSIGNMENT

MARKET AREA DESCRIPTION

SITE DESCRIPTION

Property Address: Hypoth. 100 Acre Parcel-Ptn ASLS 79-116,Tr. A & B City: Valdez State: AK Zip Code: 99686

County: Valdez Legal Description: Hypothetical 100 Acre Parcel - Portion of ASLS 79-116, Tracts A & B

Assessor's Parcel #: N/A - Hypothetical Parcel Tax Year: N/A R.E. Taxes: \$ N/A Special Assessments: \$ N/A

Market Area Name: Remote Area - Southeast of Valdez Map Reference: ASLS 79-116 Census Tract: 0003.00

Current Owner of Record: City of Valdez Borrower (if applicable): City of Valdez

Project Type (if applicable): ☐ PUD ☐ De Minimis PUD ☒ Other (describe) VACANT LAND HOA: \$ ☐ per year ☐ per month

Are there any existing improvements to the property? ☒ No ☐ Yes If Yes, indicate current occupancy: ☐ Owner ☐ Tenant ☐ Vacant ☐ Not habitable

If Yes, give a brief description: Site is a hypothetical 100 Acre portion of two larger tracts of land that have very difficult access east of the Richardson Highway and southeast of the Valdez town center. Soils conditions appear to be organic overburden over assumed rocky - heavily treed areas - no improved access - access via seasonal dirt trails, site makes up a rectangular sloping area with limited marketability / utility of use - no utilities, remote area, limited access attributes.

The purpose of this appraisal is to develop an opinion of: ☒ Market Value (as defined), or ☐ other type of value (describe)

This report reflects the following value (if not Current, see comments): ☒ Current (the Inspection Date is the Effective Date) ☐ Retrospective ☐ Prospective

Property Rights Appraised: ☒ Fee Simple ☐ Leasehold ☐ Leased Fee ☐ Other (describe)

Intended Use: Intended use of the appraisal is for determining a fair market value for the subject parcel in order to develop a value for negotiations for the potential purchase of the hypothetical 100 Acre site. City of Valdez Resolution #19-19 included in addenda.

Intended User(s) (by name or type): City of Valdez / Rydor Enterprises / Other users identified by the client only - no other users / uses identified.

No one else can use any information or conclusions within the appraisal report except those users identified above.

Client: City of Valdez - Paul Nylund Address: P.O. Box 307, Valdez, AK 99686

Appraiser: Clint H. A. Lentfer, MBA Address: 4305 Old International Airport Rd., Anchorage, AK 99502

Characteristics			Predominant Occupancy	One-Unit Housing			Present Land Use		Change in Land Use	
Location:	☐ Urban	☐ Suburban	☒ Rural		PRICE	AGE	One-Unit	25 %	☒ Not Likely	
Built up:	☐ Over 75%	☐ 25-75%	☒ Under 25%	☒ Owner 50	\$ (000)	(yrs)	2-4 Unit	0 %	☐ Likely *	☐ In Process *
Growth rate:	☐ Rapid	☐ Stable	☒ Slow	☐ Tenant	75	Low 1	Multi-Unit	0 %	* To: _____	
Property values:	☐ Increasing	☒ Stable	☐ Declining	☐ Vacant (0-5%)	450	High 50	Comm'l	2 %		
Demand/supply:	☐ Shortage	☒ In Balance	☐ Over Supply	☒ Vacant (>5%)	225	Pred 25	Vacant	73 %		
Marketing time:	☐ Under 3 Mos.	☐ 3-6 Mos.	☒ Over 6 Mos.					%		

Factors Affecting Marketability											
Item	Good	Average	Fair	Poor	N/A	Item	Good	Average	Fair	Poor	N/A
Employment Stability	☐	☒	☐	☐	☐	Adequacy of Utilities	☐	☐	☐	☒	☐
Convenience to Employment	☐	☐	☐	☒	☐	Property Compatibility	☐	☐	☒	☐	☐
Convenience to Shopping	☐	☐	☐	☒	☐	Protection from Detrimental Conditions	☐	☐	☐	☒	☐
Convenience to Schools	☐	☐	☐	☒	☐	Police and Fire Protection	☐	☐	☐	☒	☐
Adequacy of Public Transportation	☐	☐	☐	☐	☒	General Appearance of Properties	☐	☐	☐	☐	☒
Recreational Facilities	☐	☒	☐	☐	☐	Appeal to Market	☐	☐	☒	☐	☐

Market Area Comments: Site is large for the area, being a hypothetical 100 acre, undeveloped rectangular shaped site about 4 miles north of the Richardson Highway and its confluence with the Valdez Glacier Stream, near Slater Creek and East Peak, southeast of the Valdez town Center. The site has steeply sloping to gently rolling terrain, with limited, seasonal trail access - considered inferior in the market, having limited visibility and no direct access, with Valdez located approximately 120 air miles & 305 road miles east of Anchorage. The site is considered to have a fair location with poor access, no utilities with sloping topo and rocky soils and heavily treed areas surrounding the rectangular site. Limited recent sales data is available in the area due to the relatively small market and subjects sites unique attributes and large size. The majority of vacant lots in the area are heavily treed with good access and views of the surrounding Chugach mountains, with city and state maintained roads providing access and good visibility to the surrounding areas, all superior attributes to the subject. The closest neighborhood is a residential area southeast of downtown Valdez and Robe Lake, considered an average location for residential uses, with no current access and limited development options. The subject's location, access and visibility are considered fair to poor, and the heavily treed site with sloping topography and poor access limit most types of development - full site description to follow.

Dimensions: Rectangular - (approx. 1,110' x 3,942') Site Area: 100 Acres

Zoning Classification: Heavy Industrial Description: industrial development, including heavy manufacturing, shipping terminals, natural resource extraction and other processes or operations which involve one or more of the following: employs large numbers of workers, heavy truck traffic, significant environmental effects..(see addenda for full descr)

Do present improvements comply with existing zoning requirements? ☐ Yes ☐ No ☒ No Improvements

Uses allowed under current zoning: Multiple industrial uses. See addendum page for description of zoning and allowable uses. See City of Valdez zoning description under 17.38 for full description and potential uses - in addenda. The site is vacant and unimproved - we are appraising the vacant land only under a hypothetical assumption that is encompasses 100+/- acres as depicted in documents provided.

Are CC&Rs applicable? ☐ Yes ☐ No ☒ Unknown Have the documents been reviewed? ☐ Yes ☒ No Ground Rent (if applicable) \$ _____ / _____

Comments: No documents provided from the client.

Highest & Best Use as improved: ☐ Present use, or ☒ Other use (explain) Special use facility or recreational uses that meet zoning criteria. No soils report available for review, heavily treed areas, steeply sloping terrain - assume site is developable, however limited current / seasonal access to site.

Actual Use as of Effective Date: Vacant Land Use as appraised in this report: Vacant Land

Summary of Highest & Best Use: Subject consists of a remote 100 Acre / 4,356,000 SF site with limited / seasonal access, located approx. 4 miles north of the Richardson Highway, west of Robe Lake and southeast of the City of Valdez. The zoning allows for multiple uses, with proposed use listed and explained in City of Valdez Resolution #19-19, being for the purposes of a year round mountain recreation facility. Poor access and steeply sloping terrain and heavily treed site limit potential development options - downward pressure on concluded values - unknown soils conditions, limited current access, however good views of the surrounding mountains. We physically inspected the subject on May 4, 2019, traveling / viewing all corners of the site.

Utilities	Public	Other	Provider/Description	Off-site Improvements	Type	Public	Private	Frontage	None - Remote Parcel
Electricity	☐	☐	none	Street	None - unimproved trail	☐	☐	Topography	Sloping / heavily treed site
Gas	☐	☐	None	Width	narrow / gravel			Size	100 acres
Water	☐	☐	None	Surface	gravel			Shape	Rectangular
Sanitary Sewer	☐	☐	None	Curb/Gutter	none	☐	☐	Drainage	Assumed Average
Storm Sewer	☐	☐	None	Sidewalk	none	☐	☐	View	Avg+ / Mountains&river
Telephone	☐	☐	None	Street Lights	none	☐	☐	subject site	limited access/visibility=remote
Multimedia	☐	☐	None	Alley	none	☐	☐		

Other site elements: ☐ Inside Lot ☐ Corner Lot ☐ Cul de Sac ☐ Underground Utilities ☒ Other (describe) Remote parcel - limited current access

FEMA Spec'l Flood Hazard Area ☐ Yes ☒ No FEMA Flood Zone X FEMA Map # 0200940168D FEMA Map Date 1/3/2019

Site Comments: The subject consists of a hypothetical 100 acre / 4,356,000 SF generally rectangular shaped remote site located on the outskirts of the community of Valdez north of the Richardson Hwy and west Robe Lake (small residential development), about 6 miles southeast of downtown Valdez, no public utilities, and limited / seasonal gravel trail access, located about 4 miles north of the Richardson Highway in a steeply sloping, heavily treed area, limiting development - considered a remote location. We are valuing the site as if vacant and unimproved. The specific location, sloping topography, lack of access utilities, and overall site attributes put downward pressure on the value - limiting development options and overall marketability. NO SOILS REPORT PROVIDED - limited access, heavy trees and organic overburden and topography ranging from steeply sloping to gently sloping - limiting full development of the site.

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LAND APPRAISAL REPORT

File No.:

TRANSFER HISTORY

My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s):
MLS, State of Alaska Recorders Office, Owner

1st Prior Subject Sale/Transfer

Date:

Price:

Source(s):

2nd Prior Subject Sale/Transfer

Date:

Price:

Source(s):

Analysis of sale/transfer history and/or any current agreement of sale/listing:
No 36 month prior sale for subject. No sales of comps within the past 12 months discovered. Of note is that the hypothetical subject site is under agreement / resolution with the City of Valdez for purchase from Rydor Enterprises according to City of Valdez Resolution #19-19 - included in the addenda for review.

Larger adjustments and the use of older sales in the analysis was unavoidable, and are typical in this sector of the more rural / remote vacant land market due to lack of market activity, unique property characteristics, access, visibility, size, view, soils, etc., with general and specific locations and overall attributes of sites also playing a role in the value.

SALES COMPARISON APPROACH

FEATURE	SUBJECT PROPERTY	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Address Hypoth.	100 Acre Parcel-Ptn ASL Valdez, AK 99686	100 Acre Parcel - Ptn ASLS 79-116 Valdez, AK 99686		5445 Kodiak Cv Valdez, AK 99686		Edgerton Hwy MP 10.5 Copper Center, AK 99573	
Proximity to Subject		0.17 miles E-adjacent		3.94 miles SE		58.59 miles NE	
Sale Price	\$		\$ 150,000		\$ 389,000		\$ 120,000
Price/ Acre	\$	\$ 1,500.00		\$ 26,444.60		\$ 750.00	
Data Source(s)	State of AK	Rec. Off. / City of Valdez		Seller,MLS,contract		Seller, MLS, Realtor	
Verification Source(s)	Rec. Office, City	Owner		Ak Rec. Office		Ak Rec. Office	
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust
Sales or Financing	N/A	Cash		Cash		Cash	
Concessions	Adjust. in % SP	None		None Noted		None Noted	
Date of Sale/Time	N/A	2007		2016		2018	
Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Location	Avg/Fair-Inf.access	Similar / Adjacent		Sup-access&lk frnt	-50	Sup loc.+ access	-5
Site Area (in Acres)	100	100		14.71		160	
Zoning	Heavy Industrial	Heavy Industrial		Comm/Res - Sim		No Zoning	
Site attributes:	Steep/limited acces	Steep/limited acces		Sup access	-20	Sup. access	-5
Utilities	None	None		E,T	-10	E,T	-10
Lot Chx. / Views	remote	remote		Good views/road	-10	level,good soils	-10
Overall Adjusted \$/Acre	Adj. are in % of SP	\$1,500/Acre		\$2,644/Acre		\$525/Acre	
Net Adjustment (Total, in \$)		☐ + ☐ - \$		☐ + ☒ - \$	-350,100	☐ + ☒ - \$	-36,000
Net Adjustment (Total, in % of S.P.)					(-90 % of S.P.)		(-30 % of S.P.)
Adjusted Sale Price (in \$)		\$ 150,000		\$ 38,900		\$ 84,000	

Summary of Sales Comparison Approach See comments on the following page for additional comparables, adjustments and methodology.

Overall adjusted sales price of the comparables is an additional good indicator, given weight, with a range of about \$40,000 to \$150,000, average of about \$100,000. The \$/Acre analysis is also overall supportive and relevant, and provides a good adjusted range at \$525/Ac to \$2,644/Ac, overall adjusted average of \$1,215 per acre - both methods / indicators provide good overall support / good indicators.

A concluded value range of about \$100,000 to \$150,000 deemed appropriate, the most probable concluded value toward mid range deemed most appropriate, with reasoning discussed on the following page. Weight was given to the historical sale of the adjoining 100 acres to the same party, however seems to be a slightly high indicator, as the market appeared to be near its peak in 2007/08.

PUD

PROJECT INFORMATION FOR PUDs (if applicable) ☐ The Subject is part of a Planned Unit Development.

Legal Name of Project: N/A

Describe common elements and recreational facilities: None - Vacant Lot - remote parcel - no access

RECONCILIATION

Indicated Value by: Sales Comparison Approach \$ 135,000

Final Reconciliation The six comparables provide generally good support for the subjects concluded value. A concluded value range of about \$100,000 to \$150,000 per acre deemed appropriate, the most probable concluded value toward the mid range-\$130,000-reasoning discussed on the following page.

This appraisal is made ☒ "as is", or ☐ subject to the following conditions: Appraised as if vacant and unimproved - a hypothetical 100 acre, rectangular shaped site as portrayed in the diagrams throughout the appraisal report.

☐ This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.

Based upon an inspection of the subject property, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 135,000 , as of: 05/04/2019 , which is the effective date of this appraisal. If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.

ATTACH.

A true and complete copy of this report contains 22 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report, which contains the following attached exhibits: ☐ Scope of Work ☐ Limiting cond./Certifications ☒ Narrative Addendum ☒ Location Map(s) ☒ Flood Addendum ☒ Additional Sales ☒ Photo Addenda ☒ Parcel Map ☒ Hypothetical Conditions ☒ Extraordinary Assumptions ☐

SIGNATURES

Client Contact: Paul Nylund

E-Mail: pnylund@valdezak.gov

APPRaiser



Appraiser Name: Clint H. A. Lentfer, MBA

Company: Alaska Appraisal & Consulting Group, LLC

Phone: Fax:

E-Mail: clint@akacg.com

Date of Report (Signature): 06/05/2019

License or Certification #: 506 State: AK

Designation:

Expiration Date of License or Certification: 06/30/2019

Inspection of Subject: ☒ Did Inspect ☐ Did Not Inspect (Desktop)

Date of Inspection: 05/04/2019

Client Name: City of Valdez - Paul Nylund

Address: P.O. Box 307, Valdez, AK 99686

SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)

Supervisory or Co-Appraiser Name:

Company:

Phone: Fax:

E-Mail:

Date of Report (Signature):

License or Certification #: State:

Designation:

Expiration Date of License or Certification:

Inspection of Subject: ☐ Did Inspect ☐ Did Not Inspect

Date of Inspection:

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3/2007

ADDITIONAL COMPARABLE SALES

File No.:

SALES COMPARISON APPROACH

FEATURE	SUBJECT PROPERTY	COMPARABLE NO. 4		COMPARABLE NO. 5		COMPARABLE NO. 6	
Address Hypoth. 100 Acre Parcel-Ptn ASL Valdez, AK 99686		Edgerton Hwy MP 2.2 Copper Center, AK 99573		MP90 Richardson Hwy Copper Center, AK 99573		Edgerton Hwy MP 5.5 Copper Center, AK 99573	
Proximity to Subject		53.74 miles NE		55.61 miles NE		54.98 miles NE	
Sale Price	\$		\$ 145,000		\$ 200,000		\$ 100,000
Price/ Acre	\$	\$ 966.67		\$ 1,923.08		\$ 980.39	
Data Source(s)	State of AK	Seller, MLS, Realtor		Seller, MLS, Realtor		Seller, MLS, Realtor	
Verification Source(s)	Rec. Office, City	Ak Rec. Office		Ak Rec. Office		Ak Rec. Office	
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust
Sales or Financing Concessions	N/A	Owner Fin.		Owner Fin.		Cash	
	Adjust. in % SP	None Noted		None Noted		None Noted	
Date of Sale/Time	N/A	2012		2013		2015	
Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Location	Avg/Fair-Inf.access	Sup loc.+ access	-5	Sup-access&lk frnt	-15	Sup loc.+ access	-5
Site Area (in Acres)	100	150		104		102	
Zoning	Heavy Industrial	No Zoning		No Zoning		No Zoning/inf.shpe	+10
Site attributes:	Steep/limited acces	Sup. access	-5	Sup. access	-5	Sup. access	-5
Utilities	None	E,T	-10	E,T	-10	E,T	-10
Lot Chx. / Views	remote	level,good soils	-10	level,good soils	-10	level,good soils	-10
Overall Adjusted \$/Acre	Adj. are in % of SP	\$677/Acre		\$1,154/Acre		\$785/Acre	
Net Adjustment (Total, in \$)		☐ + ☒ -	\$ -43,500	☐ + ☒ -	\$ -80,000	☐ + ☒ -	\$ -20,000
Net Adjustment (Total, in % of S.P.)			(-30 % of S.P.)		(-40 % of S.P.)		(-20 % of S.P.)
Adjusted Sale Price (in \$)		\$ 101,500		\$ 120,000		\$ 80,000	

Summary of Sales Comparison Approach

Discussion and Summary of Sales Comparison Approach:

We have reviewed the most recent, most applicable large lot (100+ acre) sales & listings of vacant land in the surrounding Valdez / Copper River Basin Region, with the six most applicable comparables discovered analyzed in the sales comparison grid, with S-1 & S-2 located in Valdez, with S-1 being the 2007 sale of the adjoining 100 acres, similar in all respects to the subject, purchased from the City of Valdez by the subjects proposed buyer in a similar resolution fashion, where the prospective buyer chose the land and solicited the city to purchase the land, therefore provides a very good indicator, however this sale was during the height of the real estate market and therefore represents a value at the height of the market and is therefore concluded to be a slightly high indicator. S-2 is a significantly smaller site with superior overall attributes including access, lake frontage, utilities, and therefore numerous large percentage adjustments were necessary - therefore this is the weakest indicator and given least weight in our analysis. The remaining comps S-3, S-4, S-5 & S-6 are all located near Kenny Lake / Copper Center north of the subject, however represent similar arms length, larger lot sales in the region, providing good data for similar large lot sales. Adjustments to these comps were necessary as they have superior access, utilities, overall lot characteristics, and superior potential development options, however have a differing location.

We had to expand our search parameters (date of sale, site size, zoning, location, access) due to the lack of recent sales of similar large lot properties in the Valdez market, however after adjustments, the data provide good data for analysis and a relatively tight range of indicators results, with support from both the price per Acre and overall adjusted sales price of the comparables. The respective comparable sites have superior topographical and access attributes, and larger adjustments to reflect superior site characteristics to reflect the subjects lack of access and inferior site attributes (steep, limited utility of use, remote nature of site) were necessary. The overall adjusted SP of the comparables and price per acre indicators both provide good indicators, and due to the varying sizes of the comparables, the overall adjusted \$/AC is considered a slightly weaker indicator, however both are considered overall supportive indicators for a value range of the subject site. The subject is representative of a value toward the middle of the range of the indicators - after adjustments, considering all of the attributes and remote nature lacking access - affecting development opportunities. A concluded value range of about \$100,000 to \$150,000 deemed appropriate, the most probable concluded value toward mid range deemed most appropriate, with reasoning discussed on the following page. Weight was given to the historical sale of the adjoining 100 acres to the same party, however seems to be a slightly high indicator, as the market appeared to be near its peak in 2007/08.

Final Concluded Value of \$135,000.

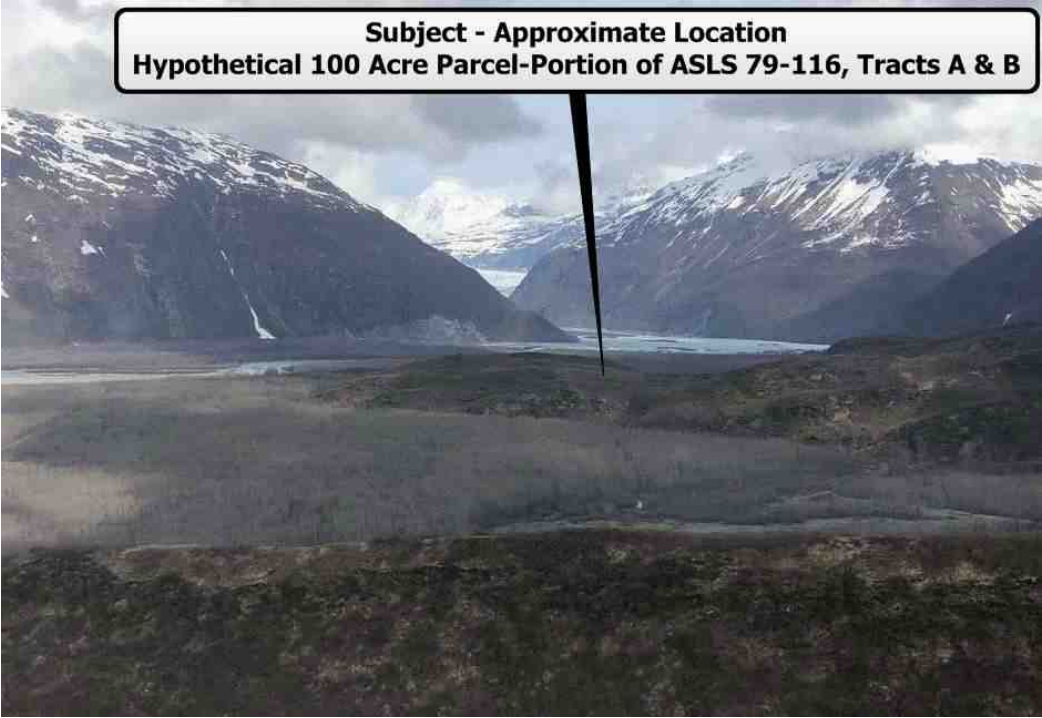
Subject Photo Page

Borrower	City of Valdez				
Property Address	Hypoth. 100 Acre Parcel-Ptn ASLS 79-116,Tr. A & B				
City	Valdez	County	Valdez	State	AK Zip Code 99686
Lender/Client	City of Valdez - Paul Nylund				



Looking northeast

Hypoth. 100 Acre Parcel-Ptn AS
Sales Price
G.L.A.
Tot. Rooms
Tot. Bedrms.
Tot. Bathrms.
Location Avg/Fair-Inf.access
View
Site 100
Quality
Age



Looking northeast



Access Road / Trail

Subject Photo Page

Borrower	City of Valdez				
Property Address	Hypoth. 100 Acre Parcel-Ptn ASLS 79-116,Tr. A & B				
City	Valdez	County	Valdez	State	AK Zip Code 99686
Lender/Client	City of Valdez - Paul Nylund				



Subject site

Hypoth. 100 Acre Parcel-Ptn AS
Sales Price
G.L.A.
Tot. Rooms
Tot. Bedrms.
Tot. Bathrms.
Location Avg/Fair-Inf.access
View
Site 100
Quality
Age

Looking east
down northern
property line



Subject site

Looking south
down eastern
property line



Subject site

NE corner of site

Interior Photos

Borrower	City of Valdez				
Property Address	Hypoth. 100 Acre Parcel-Ptn ASLS 79-116, Tr. A & B				
City	Valdez	County	Valdez	State	AK Zip Code 99686
Lender/Client	City of Valdez - Paul Nylund				



Southern Access
southern portion of subject site on left



Southern Access
southwest corner of site



Southern portion of site - looking north



Northern portion of site
Looking southwest



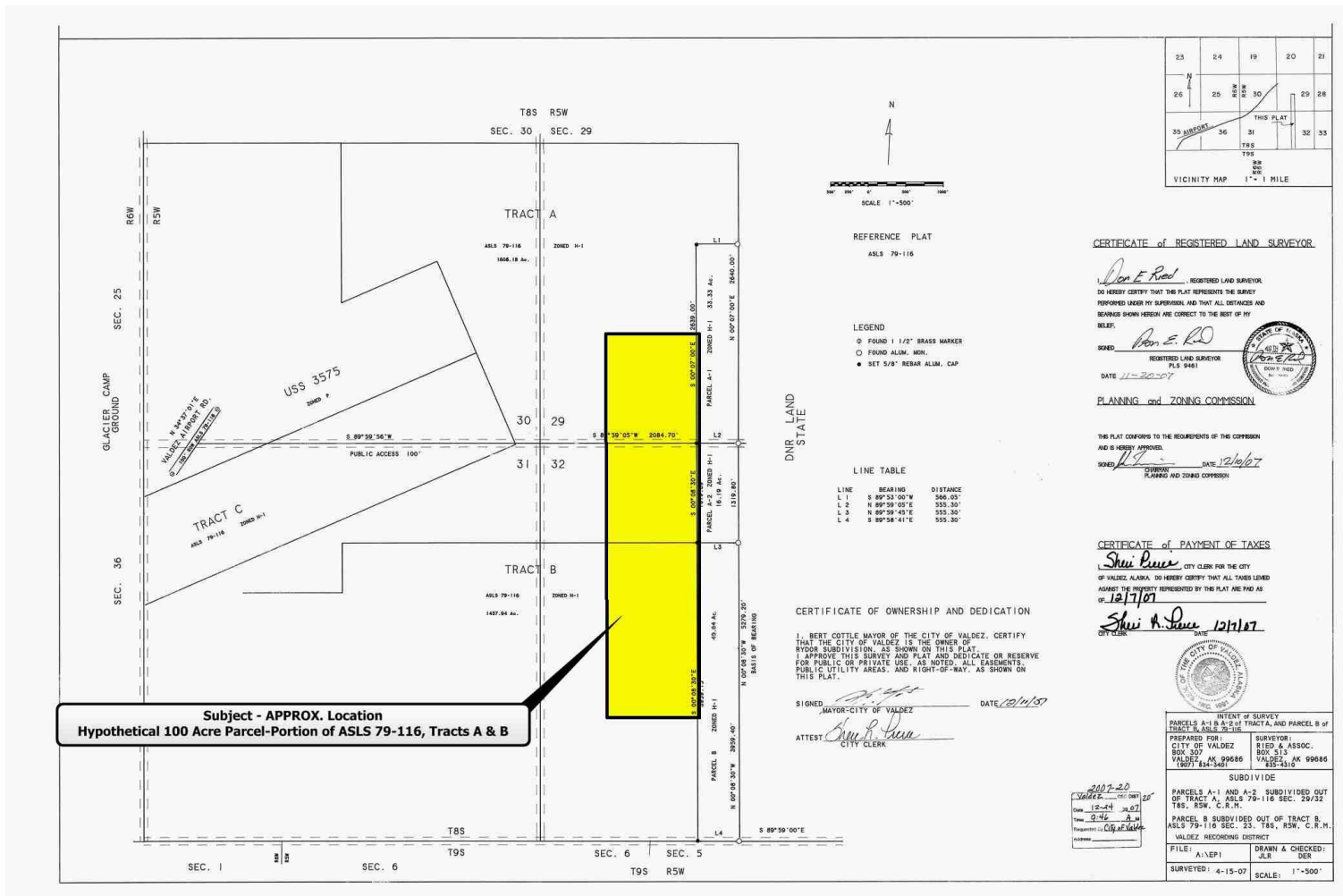
Northern portion of site
Looking south



Northern property line - access trail
looking east

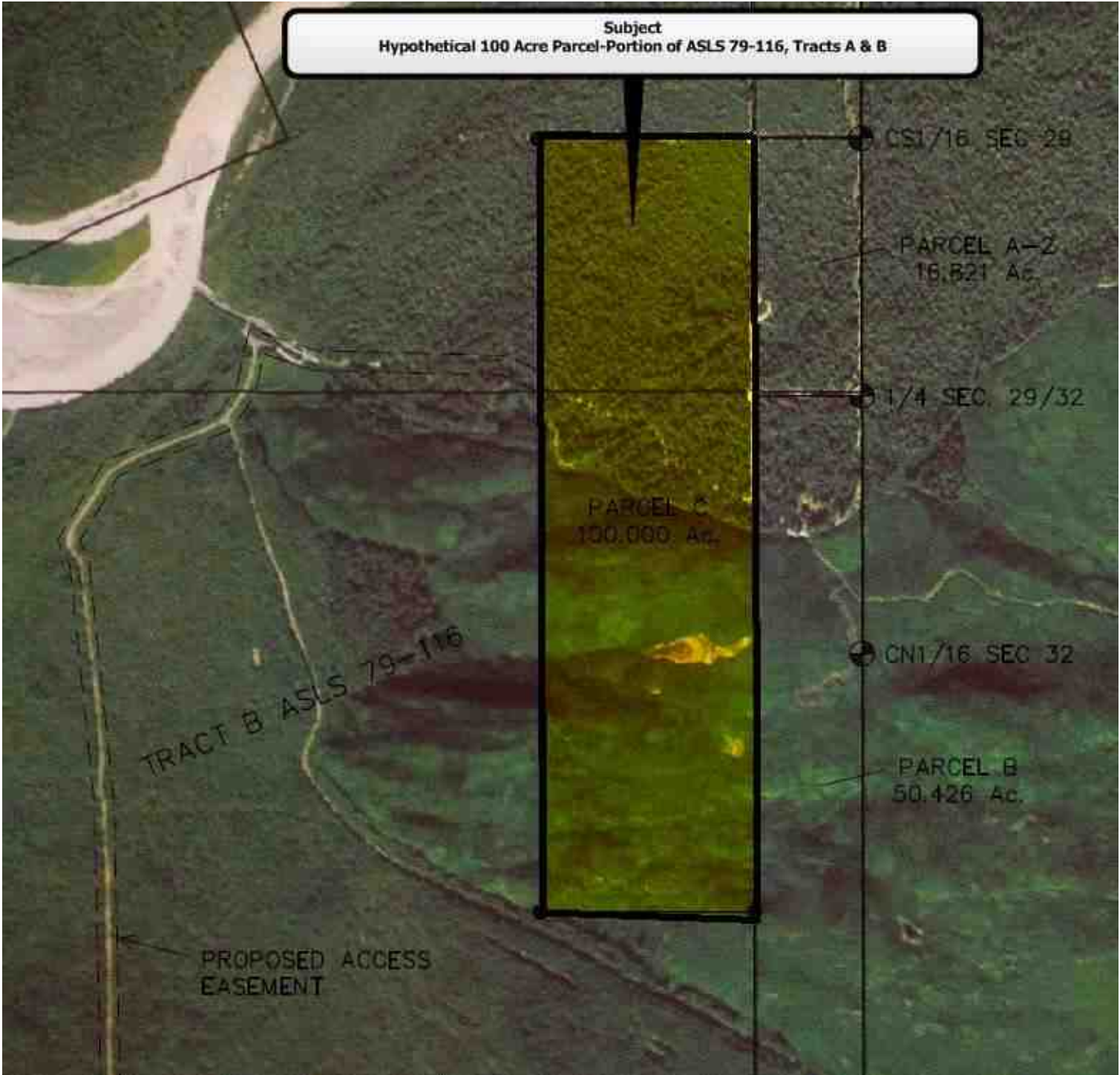
Plat Map - Approx. Location

Borrower	City of Valdez
Property Address	Hypoth. 100 Acre Parcel-Ptn ASLS 79-116, Tr. A & B
City	Valdez
	County Valdez
	State AK
	Zip Code 99686
Lender/Client	City of Valdez - Paul Nylund



Aerial Overview Map - Shaded Area

Borrower	City of Valdez				
Property Address	Hypoth. 100 Acre Parcel-Ptn ASLS 79-116, Tr. A & B				
City	Valdez	County	Valdez	State	AK Zip Code 99686
Lender/Client	City of Valdez - Paul Nylund				



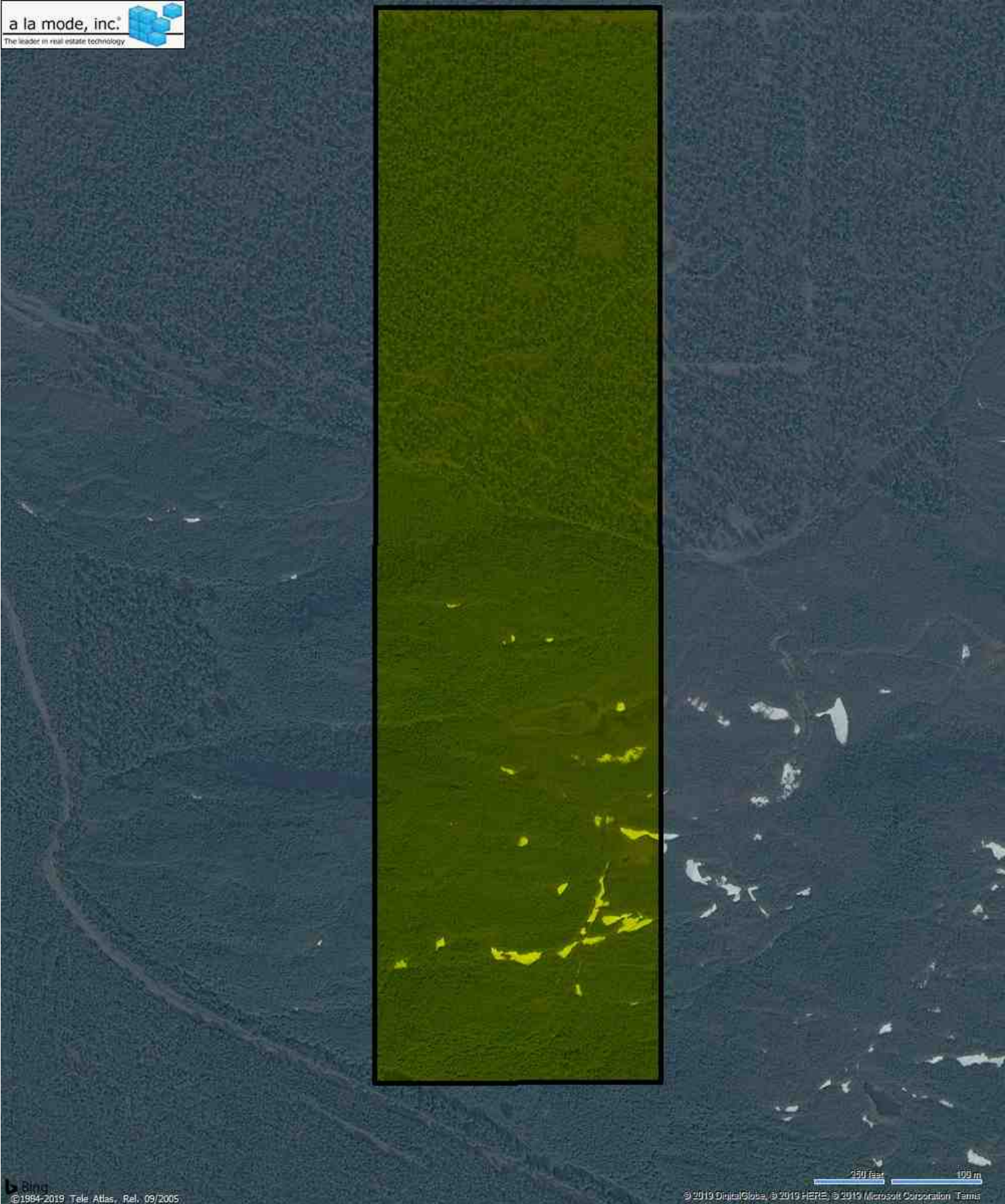
Approximate Location Map

Borrower	City of Valdez				
Property Address	Hypoth. 100 Acre Parcel-Ptn ASLS 79-116,Tr. A & B				
City	Valdez	County	Valdez	State	AK Zip Code 99686
Lender/Client	City of Valdez - Paul Nylund				



Approximate Location Map

Borrower	City of Valdez				
Property Address	Hypoth. 100 Acre Parcel-Ptn ASLS 79-116,Tr. A & B				
City	Valdez	County	Valdez	State	AK Zip Code 99686
Lender/Client	City of Valdez - Paul Nylund				



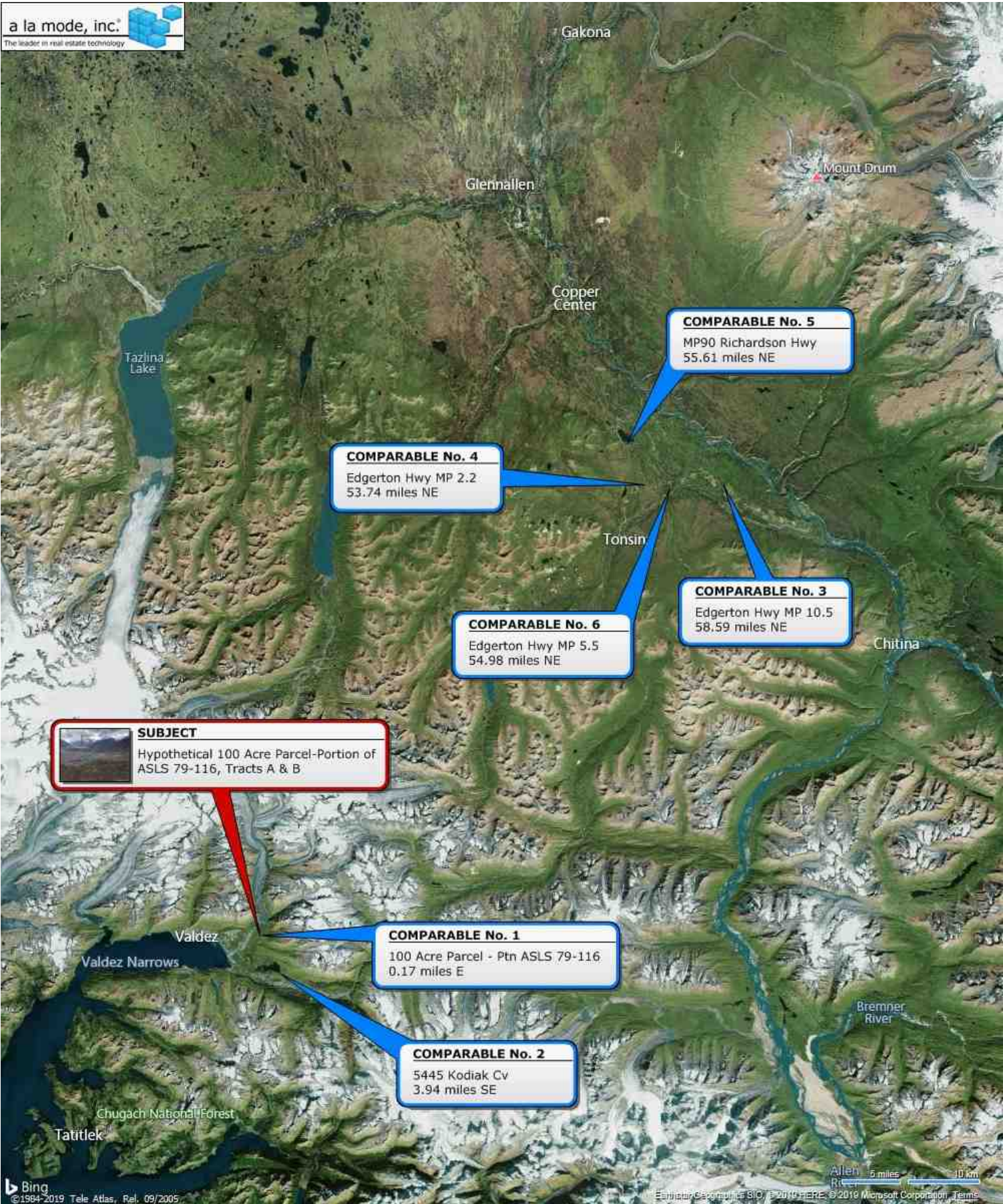
Flood Map

Borrower	City of Valdez				
Property Address	Hypoth. 100 Acre Parcel-Ptn ASLS 79-116, Tr. A & B				
City	Valdez	County	Valdez	State	AK Zip Code 99686
Lender/Client	City of Valdez - Paul Nylund				



Comparable Sale Location Map

Borrower	City of Valdez				
Property Address	Hypoth. 100 Acre Parcel-Ptn ASLS 79-116,Tr. A & B				
City	Valdez	County	Valdez	State	AK
Lender/Client	City of Valdez - Paul Nylund		Zip Code	99686	



Borrower	City of Valdez				
Property Address	Hypoth. 100 Acre Parcel-Ptn ASLS 79-116,Tr. A & B				
City	Valdez	County	Valdez	State	AK Zip Code 99686
Lender/Client	City of Valdez - Paul Nylund				

Chapter 17.38

H-I HEAVY INDUSTRIAL DISTRICT

[17.38.010](#) Intent.



The H-I (heavy industrial) district is intended for industrial development, including heavy manufacturing, shipping terminals, natural resource extraction and other processes or operations which involve one or more of the following: employs large numbers of workers, heavy truck traffic, significant environmental effects or large-volume public water or sewer service or storage of hazardous materials under a conditional use permit. Commercial and retail uses are generally not allowed in the H-I district. Residential uses other than accessory uses listed in Section [17.38.030](#) are prohibited. (Ord. 16-04 § 8 (part): Ord. 03-15 § 17 (part): prior code § 30-26(a))

[17.38.020](#) Permitted principal uses and structures.



In an H-I zone, the following uses and structures are permitted outright:

- A. All permitted uses in the light industrial district;
- B. Agricultural, forestry and fishery resource processing;
- C. Aquaculture operations;
- D. Asphalt and concrete plants;
- E. Construction yards, equipment and storage;
- F. Electric, light and power generating stations;
- G. Fabrication facilities;
- H. Garbage, offal and animal reduction processing;
- I. Manufacturing and processing facilities;
- J. Marijuana cultivation facilities;
- K. Marijuana product manufacturing facilities;
- L. Marijuana retail stores;
- M. Marijuana testing facilities;
- N. Mining support services;
- O. Petroleum exploration and development operations and service bases;
- P. Warehousing. (Ord. 16-04 § 8 (part): Ord. 03-15 § 17 (part): prior code § 30-26(b))

[17.38.030](#) Permitted accessory uses and structures.



In an H-I zone, the following uses and structures, which are incidental to the permitted principal uses and structures listed in Section [17.38.020](#), are permitted:

- A. Accessory buildings;
- B. Automobile parking in conjunction with permitted or conditional uses;
- C. Owner/operator dwellings;
- D. Watchman’s facilities;
- E. Small wind energy systems in conformance with Section [17.48.150](#). (Ord. 16-04 § 8 (part): Ord. 08-11 § 15: Ord. 03-15 § 17 (part): prior code § 30-26(c))

[17.38.040](#) Conditional uses.



In an H-I zone, subject to the conditional use provisions of this title, the following uses and structures may be permitted:

Borrower	City of Valdez				
Property Address	Hypoth. 100 Acre Parcel-Ptn ASLS 79-116,Tr. A & B				
City	Valdez	County	Valdez	State	AK Zip Code 99686
Lender/Client	City of Valdez - Paul Nylund				

- A. Hazardous substance testing and manufacturing facilities;
- B. Airports and landing fields for rotary and fixed-wing planes;
- C. Dams and water reservoirs;
- D. Dormitories as a necessary use associated with a permitted principal use;
- E. Explosive ammunition, gunpowder manufacture and storage;
- F. Gas and fuel storage;
- G. Junkyards, auto wrecking and scrap yards conducted within an enclosure, but less than six feet in height and located at least fifty feet from any public street;
- H. Oil refineries and petrochemical plants, gas liquefaction and fractionation plants;
- I. Petroleum products, docks and related facilities;
- J. Natural resource extraction;
- K. Outdoor shooting ranges;
- L. The storage, manufacturing, handling and use of flammable, combustible and hazardous materials, liquids and gases is permitted on a conditional use basis to ensure maximum safety in facility sitting and to minimize conflicts with other uses. (Ord. 16-04 § 8 (part): Ord. 03-15 § 17 (part): prior code § 30-26(d))

17.38.050 Prohibited uses and structures.



Any uses or structures not of a character indicated under permitted principal uses and structures or permitted as a conditional use are prohibited. (Ord. 16-04 § 8 (part): Ord. 03-15 § 17 (part): prior code § 30-26(e))

17.38.060 Minimum lot requirements.



- A. Lot width: two hundred feet.
- B. Lot size: forty thousand square feet. (Ord. 16-04 § 8 (part): Ord. 03-15 § 17 (part): prior code § 30-26(f))

17.38.070 Minimum setback requirements.



- A. Front yard, side yard and rear yard: subject to building code regarding fire walls and separation of structures.
- B. Side yard where it abuts a residential zoning district: same as that required for the residential district.
- C. Rear yard where it abuts a residential zoning district: same as that required for the residential district. (Ord. 16-04 § 8 (part): Ord. 03-15 § 17 (part): prior code § 30-26(g))

17.38.080 Maximum lot coverage by all buildings and structures.



Unrestricted within setbacks. (Ord. 16-04 § 8 (part): Ord. 03-15 § 17 (part): prior code § 30-26(h))

17.38.090 Maximum height of buildings and structures.



Unrestricted. (Ord. 16-04 § 8 (part): Ord. 03-15 § 17 (part): prior code § 30-26(i))

17.38.100 Required off-street parking and loading.



Adequate off-street parking and loading spaces shall be provided in connection with any permitted use in accordance with the requirements set forth in Sections 17.48.100 and 17.48.110. (Ord. 16-04 § 8 (part): Ord. 03-15 § 17 (part): prior code § 30-26(j))

17.38.110 Signs may be allowed in conjunction with any permitted use subject to the provisions of Section 17.48.090. (Ord. 16-04 § 8 (part): Ord. 03-15 § 17 (part): prior code § 30-26(k))



CITY OF VALDEZ, ALASKA

RESOLUTION #19-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA AUTHORIZING THE NEGOTIATED SALE OF 100 ACRES WITHIN TRACTS A & B, ASLS 79-116 TO RYDOR ENTERPRISES, LLC.

WHEREAS, the City of Valdez is the Owner of the following real property described as Tracts A & B, ASLS 79-116; and

WHEREAS, Rydor Enterprises wishes to purchase 100 acres of land within Tracts A & B of ASLS 79-116 for the purposes of development of a year-round mountain recreation facility; and

WHEREAS, Rydor Enterprises is willing to pay the fair market value of the property; and

WHEREAS, Chapter 4.04.070 of the Valdez Municipal Code provides for the City Council to negotiate the sale of City owned real property; and

WHEREAS, at their public meeting on February 13th, 2019, the Planning and Zoning Commission approved a recommendation to City Council to sell this 100 acre parcel to Rydor Enterprises via negotiated sale.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that:

Section 1: The City Manager of the City of Valdez, Alaska is authorized to negotiate the sale of 100 acres within Tracts A and B, ASLS 79-116 at the fair market value which will be determined by an independent appraisal. Purchaser may arrange a secondary independent appraisal at their own expense. The results of the secondary appraisal may be submitted to the City for consideration in determination of fair market value of the property. If the secondary appraisal returns a value less than the original appraisal, the average of the two appraisals may be used to determine the fair market value and sale price of the land.

Section 2: In conformance with the Property Management and Procedures, upon approval of the land sale by City Council, purchaser is required to submit a prorated deposit in the amount of \$1,500 as down payment for the cost of the appraisal. Any unused funds remaining may be applied to the purchase price. Payments of the deposit must be made within 15 business days of the approval of the land sale by City Council. No deposit is required for the cost of the survey, as it has already been conducted, provided to the City, and paid for at the purchaser's expense. No deposit is required for the cost of the Phase 1 environmental assessment as it is currently in progress at the purchaser's expense.

Section 3: Purchaser will sign a purchase agreement with the City of Valdez within 15 business days of receipt of the appraisal of the subject property.

Section 4: In conformance with the Property Management Policies & Procedures, upon signing the purchase agreement, purchaser is required to submit a deposit toward the purchase price in an amount equal to ten percent (10%) of the fair market value as determined by the City.

Section 5: Upon receipt of the 10% deposit, the balance due on the transaction, plus any additional costs associated with the appraisal must be paid in full within 120 calendar days of the date the deposit is received.

Section 6: Failure of purchaser to comply with (2) through (5) above will constitute the purchaser exercising his option to terminate this agreement. Should purchaser terminate this agreement, purchaser will remain responsible for all costs incurred pursuant to this agreement.

Section 7: It is the intention of Rydor Enterprises to use this land for acquiring a lease of adjacent DNR land to develop a year-round mountain recreation facility. If the intended use of the land is shown not to be viable, purchaser may develop the land for use in conformance with existing zoning requirements in place at the time. The land may also be subdivided in conformance with the processes outlined in Valdez Municipal Code.

Section 8: Upon approval, this resolution must be posted in the office of the City Clerk for 30 days prior to finalization of the sale.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, this 2nd day of April, 2019.

CITY OF VALDEZ, ALASKA



Jeremy O'Neil, Mayor

ATTEST:



Sheri L. Pierce, MMC, City Clerk



CITY OF VALDEZ, ALASKA

RESOLUTION 07-20

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA AUTHORIZING THE NEGOTIATED SALE OF 100 ACRES WITHIN TRACTS A & B, ASLS 79-116 TO RYDOR ENTERPRISES AND REPEAL OF RESOLUTION 06-72

WHEREAS, Resolution No. 06-72 authorizing the negotiated sale of 27 acres within Tracts A and B, ASLS 79-116 to Rydor Enterprises was approved by the City Council on August 21, 2006; and

WHEREAS, Rydor Enterprises allowed the authorization terms of Resolution No. 06-72 to expire and is now requesting new terms and conditions of the sale; and

WHEREAS, the revision of text amending the terms and conditions of the negotiated sale requires repeal of Resolution No. 06-72 and re-enactment of a new resolution establishing new terms and conditions; and

WHEREAS, the City of Valdez is the owner of the following real property described as Tracts A & B, ASLS 79-116; and

WHEREAS, RYDOR Enterprises wishes to purchase 100 acres of land within this parcel for the purposes of obtaining a lease or land purchase of adjacent land from the State of Alaska Department of Natural Resources for future development of a year-round mountain recreation facility; and

WHEREAS, RYDOR Enterprises is willing to pay the fair market value of the property; and

WHEREAS, the Planning and Zoning Commission has determined that it is a good and proper use of this land to allow Rydor Enterprises to use the property to obtain a land lease or purchase of adjacent land from DNR to develop a year-round mountain recreation facility; or if a year-round mountain recreation facility is not feasible then whatever use the private sector deems most prudent based on the zoning of the area; and

WHEREAS, Chapter 4.04.050 of the Valdez Municipal Code provides for the City Council to negotiate the sale of City owned real property.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA that:

Section 1: The City Manager of the City of Valdez, Alaska is authorized to negotiate the sale of 100 acres within Tracts A and B, ASLS 79-116 at the fair market appraised value which is determined to be \$150,000 based on the August 14, 2006 appraisal by Appraisal Company of Alaska.

Borrower	City of Valdez	File No.
Property Address	Hypoth. 100 Acre Parcel-Ptn ASLS 79-116,Tr. A & B	
City	Valdez	County Valdez
	State AK	Zip Code 99686
Lender/Client	City of Valdez - Paul Nylund	

APPRAISAL AND REPORT IDENTIFICATION

This Report is one of the following types:

- ☒ Appraisal Report (A written report prepared under Standards Rule 2-2(a) , pursuant to the Scope of Work, as disclosed elsewhere in this report.)
- ☐ Restricted Appraisal Report (A written report prepared under Standards Rule 2-2(b) , pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use by the specified client or intended user.)

Comments on Standards Rule 2-3

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.
- Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).

Reasonable Exposure Time (USPAP defines Exposure Time as the estimated length of time that 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.)
My Opinion of Reasonable Exposure Time for the subject property at the market value stated in this report is: 6-8 months

Comments on Appraisal and Report Identification

Note any USPAP-related issues requiring disclosure and any state mandated requirements:
None.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
As of the date of this report, I, Clint Lentfer have completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members.The client identified in this report may disclose or provide this appraisal report as required by law or regulation and as necessary to complete or consider the event or transaction for which the appraisal was requested by the client. The appraisers consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media). Receipt of this appraisal report by any party not identified as the client or intended user shall not entitle that recipient to rely on the appraisal for any purpose or to use the appraisal in any manner other than for the intended use by intended users identified in this report.

I have performed no services, as an appraiser regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

A reasonable exposure time is 6 to 8 months.

APPRAISER:

Signature: 

Name: Clint H. A. Lentfer, MBA

State Certification #: 506

or State License #:

State: AK Expiration Date of Certification or License: 06/30/2019

Date of Signature and Report: 06/05/2019

Effective Date of Appraisal: 05/04/2019

Inspection of Subject: ☐ None ☒ Interior and Exterior ☒ Exterior-Only

Date of Inspection (if applicable): 05/04/2019

SUPERVISORY or CO-APPRAISER (if applicable):

Signature:

Name:

State Certification #:

or State License #:

State: Expiration Date of Certification or License:

Date of Signature:

Inspection of Subject: ☐ None ☐ Interior and Exterior ☐ Exterior-Only

Date of Inspection (if applicable):

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, 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: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) 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. (Source: FDIC Interagency Appraisal and Evaluation Guidelines, October 27, 1994.)

* Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF LIMITING CONDITIONS AND CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is valued on the basis of it being under responsible ownership.
2. Any sketch provided in the appraisal report may show approximate dimensions of the improvements and is included only to assist the reader of the report in visualizing the property. The appraiser has made no survey of the property.
3. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
4. Any distribution of valuation between land and improvements in the report applies only under the existing program of utilization. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
5. The appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous waste, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. This appraisal report must not be considered an environmental assessment of the subject property.
6. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
7. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.
8. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
9. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
10. The appraiser is not an employee of the company or individual(s) ordering this report and compensation is not contingent upon the reporting of a predetermined value or direction of value or upon an action or event resulting from the analysis, opinions, conclusions, or the use of this report. This assignment is not based on a required minimum, specific valuation, or the approval of a loan.

CERTIFICATION: The appraiser certifies and agrees that:

- 1. The statements of fact contained in this report are true and correct.
- 2. 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.
- 3. Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- 4. Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- 5. I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- 6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- 9. Unless otherwise indicated, I have made a personal inspection of the interior and exterior areas of the property that is the subject of this report, and the exteriors of all properties listed as comparables.
- 10. Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).

ADDRESS OF PROPERTY ANALYZED: Hypoth. 100 Acre Parcel-Ptn ASLS 79-116,Tr. A & B, Valdez, AK 99686

APPRAISER:
Signature: 
Name: Clint H. A. Lentfer, MBA
Title:
State Certification #: 506
or State License #:
State: AK Expiration Date of Certification or License: 06/30/2019
Date Signed: 06/05/2019

SUPERVISORY or CO-APPRAISER (if applicable):
Signature: _____
Name: _____
State Certification #: _____
or State License #: _____
State: _____ Expiration Date of Certification or License: _____
Date Signed: _____
☐ Did ☐ Did Not Inspect Property