

ANCHORAGE, ALASKA  
AO NO. 2022-103(S-2)\*

1 AN ORDINANCE AUTHORIZING THE COMPETITIVE DISPOSAL OF PORTIONS  
2 OF HERITAGE LAND BANK PARCELS 6-011, 6-016, AND 6-017, LEGALLY  
3 DESCRIBED AS TRACT I PRINCE ADDITION ALYESKA SUBDIVISION (PLAT  
4 87-131)(PID 075-311-04-000), TRACT B GIRWOOD ELEMENTARY SCHOOL  
5 SUBDIVISION (PLAT 85-38)(PID 075-031-32-000), AND TRACT 9A SECTION 9  
6 TOWNSHIP 10 NORTH RANGE 2 EAST (PLAT 73-220)(PID 075-041-31-000), TO  
7 CY INVESTMENTS LLC AS DESCRIBED IN THE DEVELOPMENT AGREEMENT  
8 BETWEEN THE DEVELOPER AND THE MUNICIPALITY OF ANCHORAGE  
9 DATED APRIL 29, 2022, AND AMEND THE HERITAGE LAND BANK 2021  
10 ANNUAL WORK PROGRAM.

11  
12  
13 *\*(NOTE: in this S-2 version, the markup shows changes from the S-1 version.  
14 Additions shown in underline and bold, deletions indicated by [brackets,  
15 strikethrough, and bold]. Prior changes made to the original AO in the (S) and (S-  
16 1) versions are demonstrated in the (S-1) version.)*

17  
18 **WHEREAS**, the Municipality of Anchorage (MOA) proposes the disposal of portions  
19 of Heritage Land Bank (HLB) Parcels 6-011, 6-016, and 6-017, legally described as  
20 Tract I Prince Addition Alyeska Subdivision (Plat 87-131)(PID 075-311-04-000),  
21 Tract B Girdwood Elementary School Subdivision (Plat 85-38)(PID 075-031-32-  
22 000), and Tract 9A Section 9 Township 10 North Range 2 East (Plat 73-220)(PID  
23 075-041-31-000), To CY Investments LLC as described in the Development  
24 Agreement between the developer and the Municipality of Anchorage Dated April  
25 29, 2022, and amend the HLB 2021 Annual Work Program; and

26  
27 **WHEREAS**, HLB issued a Request for Proposals on April 6, 2021 for the  
28 development of portions of three parcels in Girdwood commonly known as Holtan  
29 Hills with the intent to provide housing; and

30  
31 **WHEREAS**, HLB obtained an appraisal on December 18, 2021 where the  
32 developed area was estimated to have a market value of two million one hundred  
33 thousand dollars (\$2,100,000); and

34  
35 **WHEREAS**, the successful proposer was identified, and a Development Agreement  
36 was drafted and entered on April 29, 2022 between the MOA and the Developer;  
37 and

38  
39 **WHEREAS**, the disposal will continue to implement residential housing identified in  
40 the 1995 Girdwood Area Plan and the 2006 Crow Creek Neighborhood Plan; and  
41

1 **WHEREAS**, this disposal will occur according to the terms of the Development  
2 Agreement entered into by the Municipality of Anchorage and CY Investments, LLC  
3 including equal distribution of net proceeds of lot sales; and  
4

5 **WHEREAS**, this disposal will occur over three phases and is intended to take the  
6 form of a Planned Unit Development, affording the development a mixed-density  
7 model which will allow single-family, multi-family, and condo-type construction by  
8 the ultimate purchasers, thereby addressing several areas of housing needs in the  
9 community; and  
10

11 **WHEREAS, the disposal over three phases is for 16.1 acres for Phase 1, 17.1**  
12 **acres for Phase 2, and 27.2 acres for Phase III, for a total of 60.4 acres of**  
13 **portions of HLB Parcels 6-011, 6-016, and 6-017; and**  
14

15 **WHEREAS**, a Planned Unit Development (PUD), which can allow for greater density  
16 than current zoning would allow, requires a Conditional Use Permit approved by the  
17 Planning and Zoning Commission; and  
18

19 **WHEREAS**, Phase **1[!]** of the proposed Holtan Hills Planned Unit Development will  
20 propose to have single-family, multi-family, and condo-type units; and  
21

22 **WHEREAS**, the completed development will include infrastructure comprised of  
23 roads and utilities that will extend to Crow Creek Road creating a second point of  
24 egress for the neighborhood and creating the opportunity for development of lands  
25 west of Crow Creek Road with utilities in the future; and  
26

27 **WHEREAS**, development of municipal lands through a public-private partnership  
28 offers an opportunity for greater public benefit by meeting the community's goals in  
29 ways not typically feasible with a private development; and  
30

31 **WHEREAS**, HLB and the Community of Girdwood have committed to work together  
32 to identify and apply for available State and Federal funding to develop secondary  
33 access on Crow Creek Road to the Holtan Hills development; and  
34

35 **WHEREAS**, AWWU has sought a grant to cover the infrastructure costs of sewer to  
36 the parcels, which will reduce the development costs for offsite improvements; and  
37

38 **WHEREAS**, the infrastructure development, including roads and utilities will attach  
39 to all parcels in Phase **1[!]**, including any lots subject to future conveyance to a  
40 Girdwood housing entity for the development of housing; and  
41

42 **WHEREAS**, to meet the housing needs in Girdwood, the development of housing  
43 that is at least 50% occupied as primary residences whether owner occupied or  
44 leased on a five-month to yearly basis should be prioritized; and  
45

1 **WHEREAS**, Girdwood has an estimated immediate need to add at least 150-300  
2 units of year-round permanent housing for residents to its inventory and this demand  
3 will be updated through the Girdwood Area Plan that is underway; and  
4

5 **WHEREAS**, many concerns have been expressed by the residents that the addition  
6 of more residents will increase the burden on the infrastructure and services  
7 available within Girdwood; and  
8

9 **WHEREAS**, HLB is the primary owner of developable land within Girdwood for  
10 housing, industrial and commercial uses. HLB's Work Plan which is due for updating  
11 should be developed concurrently and in coordination with the Girdwood Area Plan  
12 that is also underway specifically in addressing housing, commercial and  
13 infrastructure needs for the community; and  
14

15 **WHEREAS**, the Assembly finds that the Girdwood community recognizes that while  
16 there will be opportunity for public involvement during the entitlement process (i.e.,  
17 conditional use permit and planned unit development) where public feedback can  
18 help shape density requirements, the Girdwood community seeks assurance that  
19 this development will provide some relief to the housing pressures experienced by  
20 current and future full-time residents of Girdwood, specifically by providing more  
21 stable long-term rental property and more attainable housing to those at 120 percent  
22 and below area median incomes; and  
23

24 **WHEREAS**, the land development costs are not typically recouped by the developer  
25 until such time as the lots are sold and/or housing units constructed and sold; and  
26

27 **WHEREAS**, in the Development Agreement, CY Investments LLC has a duty to act  
28 as Declarant of the homeowners' association for the Project; and  
29

30 **WHEREAS**, as Declarant for the homeowners' association, CY Investments LLC  
31 can set the terms of the planned community through the declaration, and of the  
32 homeowners' association through the founding bylaws, including any restrictions on  
33 short term rentals, percentage required to approve changes to the homeowners'  
34 association bylaws, as well as the time period in which the developer shall transfer  
35 control of the homeowners' association to the individual owners and any rights  
36 retained, and all terms must be approved by HLB; and  
37

38 **WHEREAS**, the return on investment to the HLB Fund will be deferred but likely  
39 significant, leading to the long-term health of the Fund; and  
40

41 **WHEREAS**, this land disposal commits approximately 22% of the suitable  
42 residential developable land in Girdwood to the Holtan Hills development (2022  
43 Existing Conditions Report by Huddle AK and Agnew::Beck); and  
44

45 **WHEREAS**, the Assembly finds that a public commitment by the Municipality to  
46 improved communication and transparency, as well as a return on investment that  
47 considers the specific benefit to the Girdwood community as part of the calculation

1 of the benefit for the Municipality as a whole, would be beneficial to the public  
2 interest; and

3  
4 **WHEREAS**, the Assembly finds that as a resort community, Girdwood faces high  
5 external housing demand and has seen a drastic increase in short term rentals in  
6 the last 10 years, making it challenging for year-round residents of Girdwood to  
7 obtain housing, and raising concerns among residents that the character of this  
8 beloved and close-knit community will be lost as community members, especially  
9 working and middle class families, will be increasingly priced out of the housing  
10 market; and

11  
12 **WHEREAS**, the projected profits of two Phases of the Holtan Hills development for  
13 HLB are estimated at approximately \$1.2 Million and likely additional profits in Phase  
14 3 that are not yet identified, those profits should be reinvested in further  
15 development of attainable housing in Girdwood; and

16  
17 **WHEREAS**, the housing developed from Holtan Hills will contribute to the overall  
18 property tax base of the Girdwood Valley Service Area; and

19  
20 **WHEREAS**, return on investments by HLB should not be viewed in strictly monetary  
21 terms, but overall benefit to the Municipality of Anchorage; and

22  
23 **WHEREAS**, the proposed disposal of portions of HLB Parcel 6-011 is not in the  
24 *2021 HLB Annual Work Program (AR 2021-25)*, pursuant to AMC § 25.40.020B, to  
25 proceed with the disposal, the *2021 HLB Annual Work Program* must be amended;  
26 and

27  
28 **WHEREAS**, following required public noticing, the HLB Advisory Commission  
29 (HLBAC) held a public hearing and passed HLBAC Resolution 2022-09(S),  
30 recommending the disposal of portions of HLB Parcels 6-011, 6-016, and 6-017,  
31 legally described as Tract I Prince Addition Alyeska Subdivision (Plat 87-131)(PID  
32 075-311-04-000), Tract B Girdwood Elementary School Subdivision (Plat 85-  
33 38)(PID 075-031-32-000), and Tract 9A Section 9 Township 10 North Range 2 East  
34 (Plat 73-220)(PID 075-041-31-000), to CY Investments, LLC as described in the  
35 Development Agreement between the developer and the Municipality of Anchorage  
36 Dated April 29, 2022, and amend the HLB 2021 Annual Work Program; now,  
37 therefore,

38  
39 **THE ANCHORAGE ASSEMBLY ORDAINS:**

40  
41 **Section 1.** The MOA is hereby authorized to execute disposal of portions of HLB  
42 Parcels 6-011, 6-016, and 6-017, legally described as Tract I Prince Addition  
43 Alyeska Subdivision (Plat 87-131)(PID 075-311-04-000), Tract B Girdwood  
44 Elementary School Subdivision (Plat 85-38)(PID 075-031-32-000), and Tract 9A  
45 Section 9 Township 10 North Range 2 East (Plat 73-220)(PID 075-041-31-000), to  
46 CY Investments, LLC as described in the Development Agreement dated April 29,  
47 2022.

1  
2 The following terms shall attach to any conveyance of these parcels as well **as** be  
3 included in the Development Agreement:  
4

- 5 A. CY Investments LLC will restrict the use of single-family properties  
6 built in Holtan Hills, Phase **1[¶]**, to prohibit short-term rentals (less than  
7 30 days in duration) except for rental of an Accessory Dwelling Unit  
8 (ADU) on the property, through the homeowners' association bylaws;  
9 which shall further provide that, until such time as the Municipality  
10 adopts an ordinance, applicable to properties in the homeowners'  
11 association, otherwise regulating short-term rentals, this specific  
12 restriction may be amended only by 100% unanimous approval of all  
13 parties entitled to vote on proposed amendments to the homeowners'  
14 association's bylaws; and  
15
- 16 B. The above restriction and amendment vote requirement shall be  
17 included with the initial Declaration recorded by the Developer after  
18 approval of HLB and shall not be changed except by unit owners after  
19 formation of the homeowners' association and transfer of rights to it.  
20

21 This Assembly approval requires and is conditioned upon the agreement by the  
22 Developer to the following terms and conditions:  
23

- 24
- 25 C. All developers must submit applications for land use entitlements to  
26 the Girdwood Board of Supervisors (GBOS) for review prior to seeking  
27 official action by the designated decision-making body; and  
28
- 29 D. At least one multi-family lot for the development of at least 8 units to  
30 be drawn from HLB's portion of profits will be designated for future  
31 disposal to a Girdwood housing trust or non-profit entity for the  
32 purposes of developing community housing for residents, if and only  
33 if a housing trust or entity is established which can legally receive and  
34 own property, and if and only if the housing trust or entity is  
35 established within five years of the recording of the plat for Phase **1[¶]**  
36 of Holtan Hills Subdivision **and upon approval of the Conditional**  
37 **Use Permit for the Residential Planned Unit Development**  
38 **[entitlements being complete on the parcels]**. Otherwise, the multi-  
39 family lot reverts to Heritage Land Bank ownership; and  
40
- 41 E. CY Investments LLC and HLB will continue to engage with the  
42 Girdwood Board of Supervisors or delegated committee as the project  
43 progresses; and  
44
- 45 **F[¶]**. CY Investments LLC will develop Holtan Hills through the **Conditional**  
46 **Use Permit for a Residential Planned Unit Development and will**  
47 **request approval to exceed the allowable density for the gR-3**

~~zoning district as part of this process [Planned Unit Development and Conditional Use Permit process that must exceed the density of what current underlying zoning - single family zoning (gR3) - permits]; and~~

The above terms are required for legal disposal of parcels in this Ordinance. Conveyance is subject to the agreement of the Developer to comply with the terms of this resolution.

**Section 2.** Within 45 days of passage of this ordinance, and concurrent with the ongoing development, HLB and GBOS shall identify and mutually agree on and pay for engagement of a third party to liaise between HLB and GBOS [the Girdwood community] until such time as HLB has a newly appointed and confirmed HLB director that has been in the position for at least six months.

**Section 3.** Within 30 days of the close of the sale, HLB staff shall provide an update to the Assembly through an informational memorandum.

**Section 4.** The Municipality’s intent for this development in all phases, is to provide community housing opportunities attainable for year-round residents of Girdwood.

**Section 5.** HLB, in consultation with GBOS or a committee it designates, shall work to identify [~~and apply for~~] available State and Federal funding to develop a secondary access on Crow Creek Road to the Holtan Hills development.

**Section 6.** Pursuant to AMC § 25.40.020B, this ordinance hereby amends the *2021 HLB Annual Work Program* to include this disposal under the terms stated herein.

**Section 7.** This Ordinance shall become effective immediately upon passage and approval by the Anchorage Assembly.

PASSED AND APPROVED by the Anchorage Assembly this \_\_\_\_ day of \_\_\_\_\_, 2023.

ATTEST:

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Municipal Clerk

**MUNICIPALITY OF ANCHORAGE**  
**ASSEMBLY INFORMATION MEMORANDUM**

AIM No. 38-2023

Meeting Date: February 7, 2023

1 **From: MAYOR**

2  
3 **Subject: HERITAGE LAND BANK APPRAISAL PROTOCOL FOR HOLTAN**  
4 **HILLS**

5  
6 This information memorandum is submitted to provide background regarding the  
7 appraisal procurement process that Heritage Land Bank (HLB) follows and how that  
8 pertains to the Holtan Hills land disposal.

9  
10 The Real Estate Department currently has term contracts with three State of Alaska-  
11 certified real estate appraisers. The State of Alaska licenses appraisers and which  
12 requires basic training, education, and testing. Certified general appraisers are the  
13 highest tier of professional appraisers and require considerably more training and  
14 education.

15  
16 As described in AMC Title 25, most disposals of HLB property require fair market  
17 value to be determined by an appraisal. When an appraisal is necessary, staff  
18 requests quotes from the term contract appraisers to ensure that the MOA is  
19 receiving as many quotes for the appraisal task as possible to make an informed  
20 decision on which vendor to select to complete the appraisal. HLB has the fiduciary  
21 responsibility as required by AMC 25.40.035 Heritage Land Bank fund, to select the  
22 best product at the lowest price.

23  
24 HLB in preparation of the Request for Proposals (RFP) for the Holtan Hills land  
25 disposal followed code process as outlined in AMC 25.40.025.H:

26  
27 In order to assist development that will provide public benefits and notwithstanding  
28 any other provision of this section, Heritage Land Bank land may be disposed of by  
29 lease, sale or other disposition, for the purpose of facilitating a specific project. The  
30 project shall provide public benefits. In addition to and consistent with the applicable  
31 requirements of titles 21, 23 and 24 of this Code, the disposition shall include  
32 additional requirements and conditions to insure the proper development and  
33 completion of the project in the public interest. Disposals pursuant to this subsection  
34 shall be through requests for proposals or through invitations to bid. The disposition  
35 of property pursuant to this subsection may be for less than fair market value or less  
36 than fair market rental rate. However, the Heritage Land Bank shall, for informational  
37 purposes only:

- 38 1. provide a descriptive summary of the public benefits expected from the  
39 project; and

2. obtain an appraisal of the value of the property, determined by a certified real estate appraiser, if it were disposed of without the development requirements imposed pursuant to this subsection. Assembly approval of a disposition under this subsection shall include a finding that the disposition provides public benefits.
3. A summary listing and description of estimated economic and non-economic benefits and costs associated with the project. This summary should be succinct, concise, and quantified where appropriate, and should not exceed two pages in length.

This section of code describes the requirement of an appraisal, along with other items, that is needed for informational purposes in evaluating public benefit, per AMC 25.40.025.H, to the MOA when projects may be considered to assist the implementation of a specific development project.

A request for quotes to provide appraisal services for the proposed Holtan Hills development area was sent out on November 1, 2021. A modified request for quotes was sent out on December 7, 2021 requesting rush appraisal services and provided additional information regarding the potential land disposal to inform the market value. Appraisals by certified general appraisers can take months to obtain without an expedited request; therefore, HLB requested rush services with a 28-day turnaround time. The rush also aligned with the planned release of the Holtan Hills RFP in April, 2021. While the real estate market is in constant flux; the December, 2021 appraisal is still acceptable for the purposes of reviewing the Holtan Hills project in consideration of AMC 25.40.025.H.

MacSwain Associates, LLC was the successful responder and an appraisal report was completed with a valuation date of December 18, 2021 and submitted to HLB on January 7, 2022. The cost to HLB for the appraisal report was nine thousand five hundred dollars (\$9,500; PO 2021003647).

The appraisal considered the hypothetical condition that the property evaluated could be legally subdivided and developable to its highest and best use (See Appendix C page 15). The appraisal was completed as a Restricted Appraisal Report, where there is not a willing buyer at the time of the appraisal and is done at the owner's request, and complied with the Uniform Standards of Professional Appraisal Practice. HLB staff and the HLB Executive Director, Robin Ward, reviewed the appraisal and accepted the work as submitted.

Prepared by: Heritage Land Bank Division  
Approved by: Lance Wilber, OECD Director  
Concur: Kent Kohlhase, Acting Municipal Manager  
Respectfully submitted: Dave Bronson, Mayor

Appendices:  
Appendix A: Request for quotes

- 1 Appendix B: Modified request for quotes
- 2 Appendix C: Appraisal



# Municipality of Anchorage

Dave Bronson, Mayor

November 1, 2021

Approved Appraiser

*Via email*

RE: Request for Quote  
Appraisal of HLB Parcels 6-011, 6-016 & 6-017 (portions)  
(PIDs 075-031-32, 075-041-31, 075-311-04)

Dear Appraiser:

We require **RUSH appraisal services** for the above referenced parcels (combined) for the potential purpose of disposal at **As-Is Fair Market Value**. On Page 2, please find a map and information for use in identifying the property to be appraised.

A narrative appraisal report will be required if the fair market value of the parcel is determined to be greater than \$25,000. A waiver valuation will suffice if the fair market value is determined to be \$25,000 or less. We will require one (1) bound copy of the appraisal report or waiver valuation and one (1) electronic version (PDF).

Please provide your fee based upon providing the appraisal within **twenty-eight (28) days** of Notice to Proceed. We request your proposal by **November 8, 2021**.

We will supply you with copies of other pertinent information related to the project if you are selected to complete this project. Please call me at 907-343-7531 or email [shelley.rowton@anchorageak.gov](mailto:shelley.rowton@anchorageak.gov) with any questions you may have concerning this request.

Sincerely,

*Shelley Rowton*

Shelley Rowton  
Land Management Officer, Heritage Land Bank



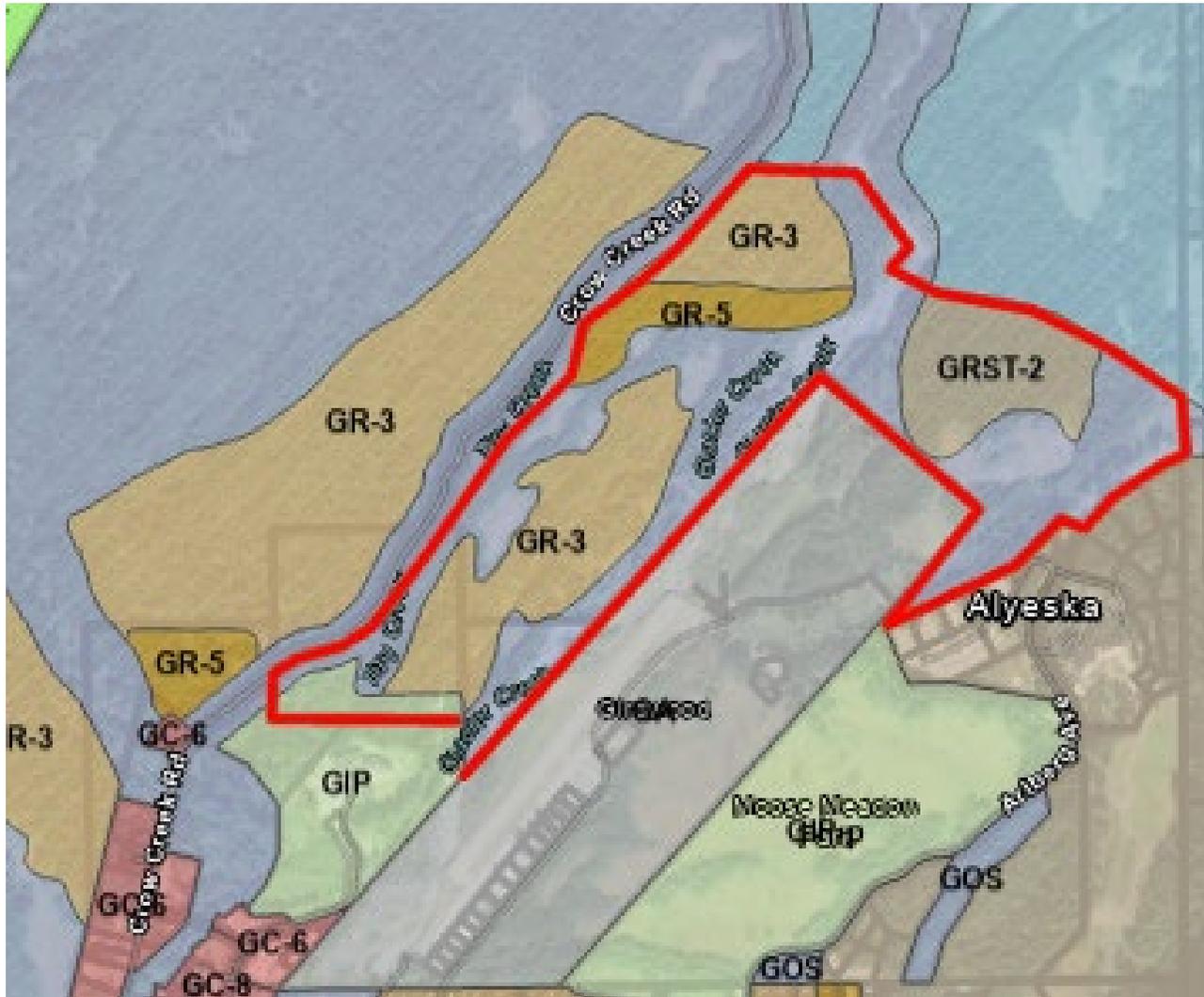
# Municipality of Anchorage

Dave Bronson, Mayor

RFQ – Appraisal of Proposed Holtan Hills & Alyeska Village

November 1, 2021

Parcels	PIDs	Acres	Legal	Tenant	Miscellaneous
Ptns 6-011, 6-016, 6-017	075-031-32, 075-041-31, 075-311-04	200 +/-	Tract I Alyeska Subdivision Prince Addition (Plat 87-131), Tract B Girdwood Elementary School Subdivision (Plat 85-38), and Tract 9A Section 9 T10N R2E (Plat 73-220)	None	As-Is Value Required





# Municipality of Anchorage

Dave Bronson, Mayor

December 7, 2021

Approved Appraiser

*Via email*

RE: Request for Modified Quote  
Appraisal of HLB Parcels 6-011, 6-016 & 6-017 (portions)  
(PIDs 075-031-32, 075-041-31, 075-311-04)

Dear Appraiser:

We require **RUSH appraisal services** for the above referenced parcels (combined) for the potential purpose of disposal at **As-Is Fair Market Value**. On Page 2, please find a map and information for use in identifying the property to be appraised. I will forward you a preliminary concept plan of the phased development as well.

A restricted appraisal report is requested in this situation. The value will be used to demonstrate to the Anchorage Assembly that the transfer of the property will result in public benefit greater than the fair market value of the property. While the land will be transferred to our partner in three tracts, I don't see any need to value the three phases separately. If you do, please let me know and we can discuss.

We will require one (1) bound copy of the appraisal report or waiver valuation and one (1) electronic version (PDF).

Please provide your RUSH fee based upon providing the appraisal within **twenty-eight (28) days** of Notice to Proceed (Draft NLT January 7, 2022 and Final NLT January 14, 2022) We request your proposal by **December 9, 2021**.

We will supply you with copies of other pertinent information related to the project if you are selected to complete this project. Please call me at 907-343-7531 (office), 907-371-4060 (mobile) or email [shelley.rowton@anchorageak.gov](mailto:shelley.rowton@anchorageak.gov) with any questions you may have concerning this request.

Sincerely,

A blue ink handwritten signature of Shelley Rowton, consisting of a large, stylized 'S' followed by a series of loops and a long horizontal stroke.

Shelley Rowton  
Land Management Officer, Heritage Land Bank



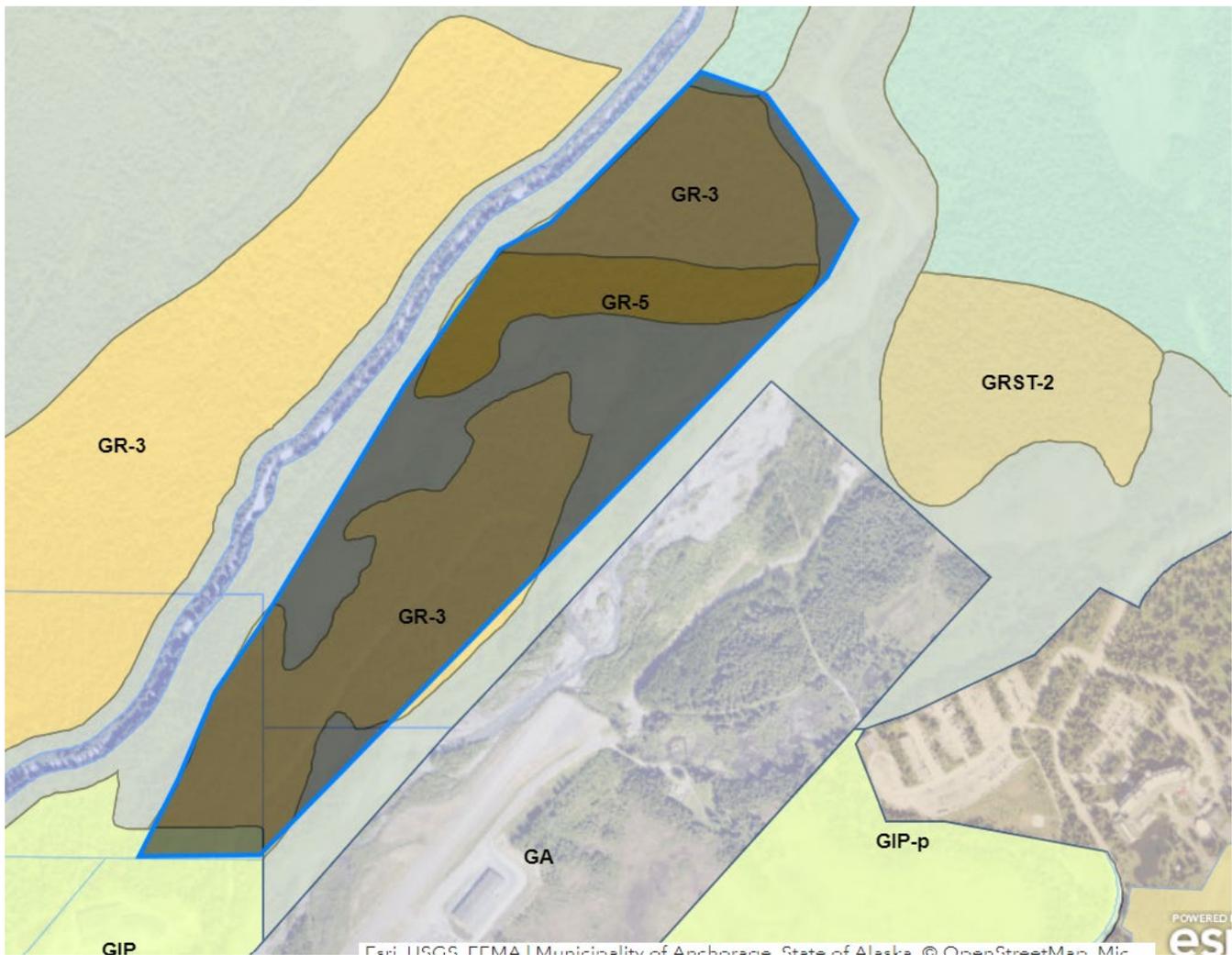
# Municipality of Anchorage

Dave Bronson, Mayor

Modified RFQ – Restricted Appraisal of Proposed Holtan Hills

December 7, 2021

Parcels	PIDs	Acres	Legal	Tenant	Miscellaneous
Ptns 6-011, 6-016, 6-017	075-031-32, 075-041-31, 075-311-04	<del>200</del> +/- 90 +/-	Tract I Alyeska Subdivision Prince Addition (Plat 87-131), Tract B Girdwood Elementary School Subdivision (Plat 85-38), and Tract 9A Section 9 T10N R2E (Plat 73-220)	None	As-Is Value Required

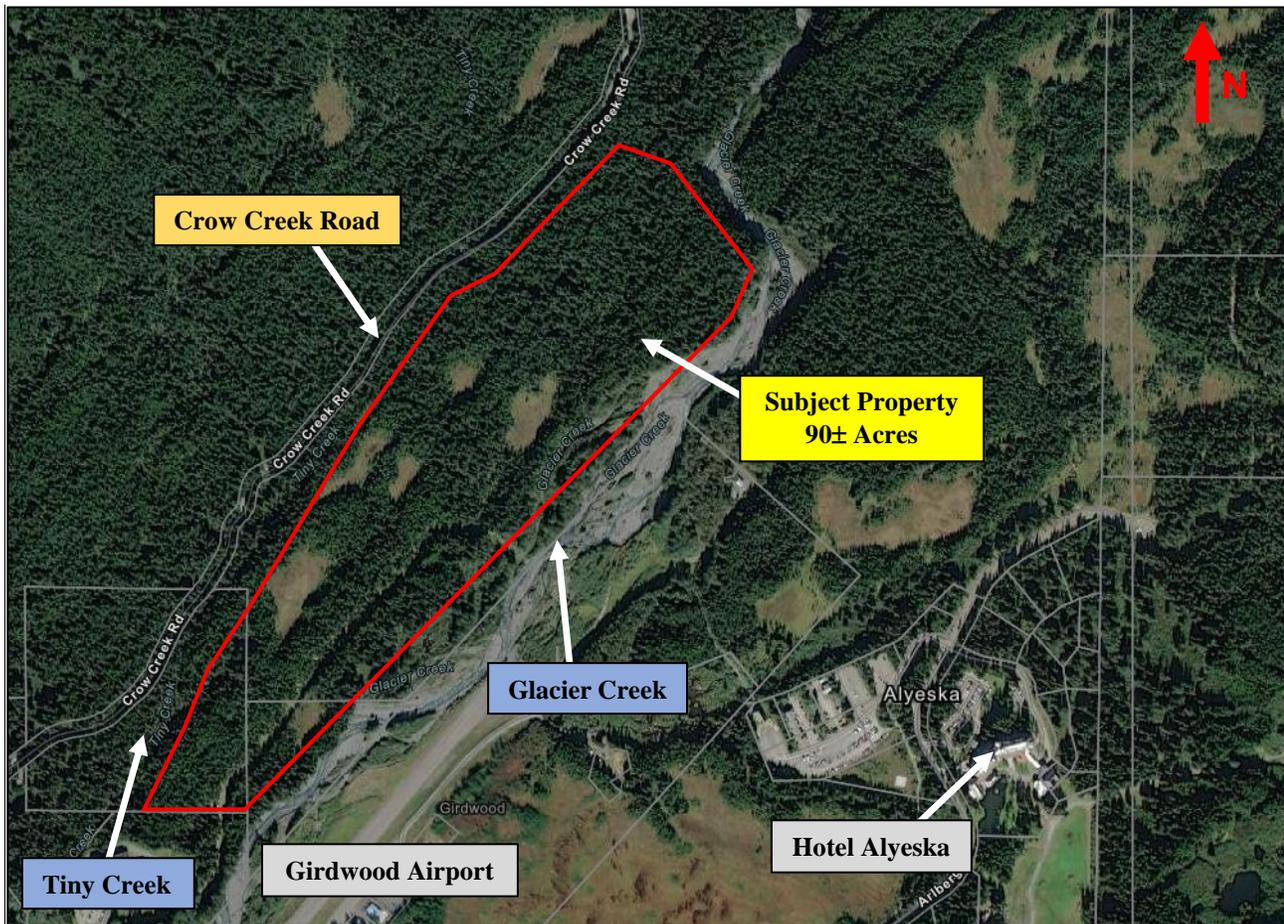


# MACSWAIN ASSOCIATES LLC

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

## RESTRICTED APPRAISAL REPORT

Market Value Estimate - 90± Acres of Land in Holtan Hills, Girdwood, AK  
Portions of Tract I, Plat 87-131, Tract B, Plat 85-38, & Tract 9A, Plat 73-220



Date of Value: December 18, 2021

File No. 21-3636

### Submitted To:

Shelley Rowton, HLB Land Management Officer  
Municipality of Anchorage  
4700 Elmore Road  
Anchorage, AK 99507

**MacSwain Associates LLC**

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

January 7, 2022

Shelley Rowton, HLB Land Management Officer  
Municipality of Anchorage  
4700 Elmore Road  
Anchorage, AK 99507

Re: 90± Acres of Land in Holtan Hills  
Portions of Tract I, Plat 87-131, Tract B, Plat 85-38, & Tract 9A, Plat 73-220  
Girdwood, AK

Dear Ms. Rowton:

We have prepared a *Restricted Appraisal Report* of the above-referenced property located in Girdwood, Alaska. The appraised property contains approximately 90± acres residential-zoned land, owned by the Municipality of Anchorage / Heritage Land Bank (MOA/HLB). Located between Crow Creek Road and Glacier Creek, the appraised 90± acre property is not a legally-separated tract; thus, we invoke a **hypothetical condition** that the appraised property is legally separated and developable according to its highest and best use. We appraise the market value of the *fee simple estate*. This report is prepared in accordance with the *Uniform Standards of Professional Appraisal Practice* (USPAP).

Based on the result of our investigation and analysis, the market value of the appraised property, as of December 18, 2021, is estimated as follows.

<b>Market Value of Subject Property</b>	<b>\$2,100,000</b>
---	--------------------

Your attention is directed to the Assumptions and Limiting Conditions of this report. We also direct your attention to the **hypothetical condition** of the appraisal. Finally, we direct your attention to the Statement regarding COVID-19, which succeeds the Assumptions and Limiting conditions in the addendum. If you have any questions, please contact our office.

Sincerely,



Steve MacSwain, MAI  
State of Alaska Certificate No. 42



Alex Kleinke  
State of Alaska Certificate No. 148873

**Appraiser Certification**

The undersigned certifies that to the best of their knowledge and belief:

- ➔ The statements of fact contained in this report are true and correct.
- ➔ The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- ➔ We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- ➔ We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- ➔ We have not performed any services as an appraiser or in any other capacity, regarding the property that is the subject of this report, within the three-year period immediately preceding acceptance of this assignment.
- ➔ Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- ➔ Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- ➔ The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- ➔ The reported analyses, opinion, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- ➔ The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- ➔ Alex Kleinke of MacSwain Associates, LLC inspected the subject property on December 18, 2021. Steve MacSwain, MAI is familiar with the property from other appraisal assignments in Girdwood.
- ➔ No one provided significant real property appraisal assistance or analytical support to the persons signing this certification.
- ➔ As of the date of this report, Alex Kleinke and Steve MacSwain, MAI are certified General Real Estate Appraisers in the State of Alaska and have completed the education requirements through June 2023.
- ➔ As of the date of this report, Steve MacSwain, MAI has completed the Standards and Ethics Education Requirements for Designated Members of the Appraisal Institute.

**MacSwain Associates LLC**

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



---

Steve MacSwain, MAI  
State of Alaska Certificate No. 42



---

Alex Kleinke  
State of Alaska Certificate No. 148873

1/7/22

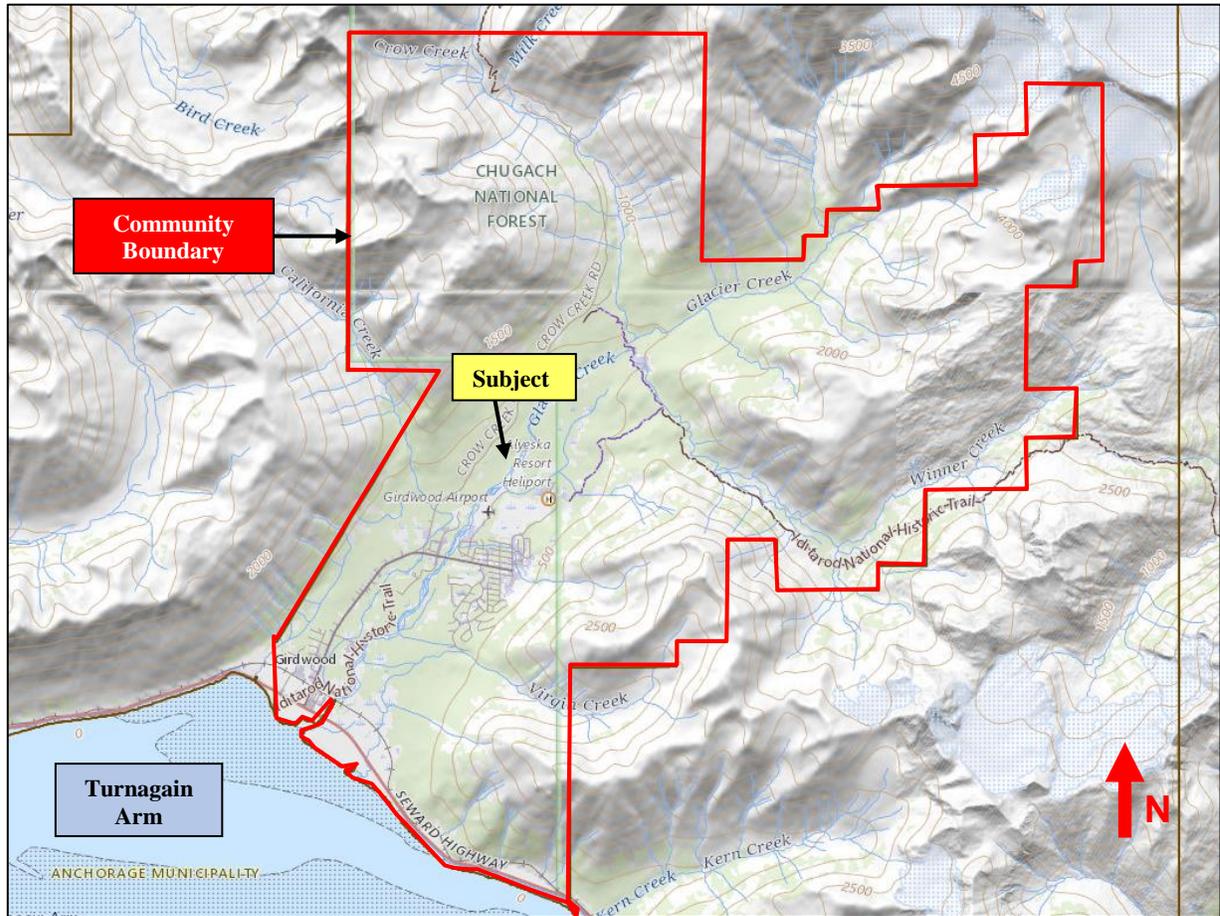
---

Date

**Appraisal Overview**

This is a *Restricted Appraisal Report* prepared to comply with USPAP. The data, reasoning, and analyses that are used to develop an opinion of value are retained on file. The information contained in this report addresses the specific needs of the client and the appraisers are not responsible for the unauthorized use of this report.

**Girdwood Community Council Map**



**Client:** MOA/HLB

**Appraisers:** Steve MacSwain, MAI (State of Alaska Certificate No. 42) and Alex Kleinke (State of Alaska Certificate No. 148873)

**Intended Use:** Assist with potential property development or disposition

**Intended User:** Client

**Value Type:** The type of value estimated is *market value*. Market value is defined as follows.

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. *buyer and seller are typically motivated;*
- b. *both parties are well informed or well advised, and acting in what they consider their own best interests;*
- c. *a reasonable time is allowed for exposure in the open market;*
- d. *payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and*
- e. *the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*<sup>1</sup>

**Property Inspection Date:** December 18, 2021

**Effective Appraisal Date:** December 18, 2021

**Report Date:** January 7, 2022

**Property Type/Current Use:** Vacant land used for recreation

**Property Rights Appraised:** Fee simple estate

**Legal Description:** Portions of Tract I, Alyeska Subdivision Prince Addition, Plat 87-131; Tract B, Girdwood Elementary School Subdivision, Plat 85-38; and Tract 9A, Section 9, T10N, R2E, Plat 73-330.

**Ownership:** Municipality of Anchorage / Heritage Land Bank (MOA/HLB)

**Three-Year Sale History:** No sales in past three years

**Appraisal Methodology:** We utilize the sales comparison approach to estimate the market value of the appraised land. We also performed abbreviated DCF analyses as a test of reasonableness, which we retain on file. The cost approach does not reflect market behavior for similar land. Our comparative market analysis uses qualitative techniques to measure differences between the comparable sales and the subject. Known as a relative comparison

---

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

analysis, we rate various features of the comparable sales that affect market behavior. This report is a brief recapitulation of the appraisers' data, analyses, and conclusions with supporting documentation retained on file.

**Appraisal Scope:** The scope of the appraisal is summarized as follows.

- Inspected the appraised property on December 18, 2021;
- Discussed the property with Shelley Rowton, HLB Land Management Officer with the Municipality of Anchorage;
- Reviewed mapping provided by Municipality of Anchorage outlining appraised premises;
- Reviewed Plat Maps 87-131, 85-38, and 73-220;
- Reviewed MOA zoning map;
- Reviewed Crow Creek Neighborhood Land Use Plan prepared for Heritage Land Bank by Agnew::Beck Consulting, LLC dated April 2006;
- Reviewed Crow Creek Neighborhood Phase 1: Lower Matrix Feasibility Study Final Report, prepared for Heritage Land Bank by The Boutet Company, LLC dated March 2007;
- Reviewed Land Use Planning Title 21, Chapter 21.09 regarding land use in Girdwood;
- Observed neighborhood land use patterns;
- Gathered data from the Municipality of Anchorage Assessing Department and State of Alaska Recorder's office regarding ownership, assessments, and general property information;
- Interviewed local and Anchorage-wide market participants regarding current market conditions, trends, and expectations;
- Performed a land use analysis that concludes with an opinion of highest and best use;
- Collected and analyzed land sales;
- Developed the sales comparison approach to arrive at market value indications;
- Developed abbreviated subdivision lot sell-out analyses based on available information, performed as a test of reasonableness and retained on file; and
- Reconciled the value indications into a final estimate of market value.

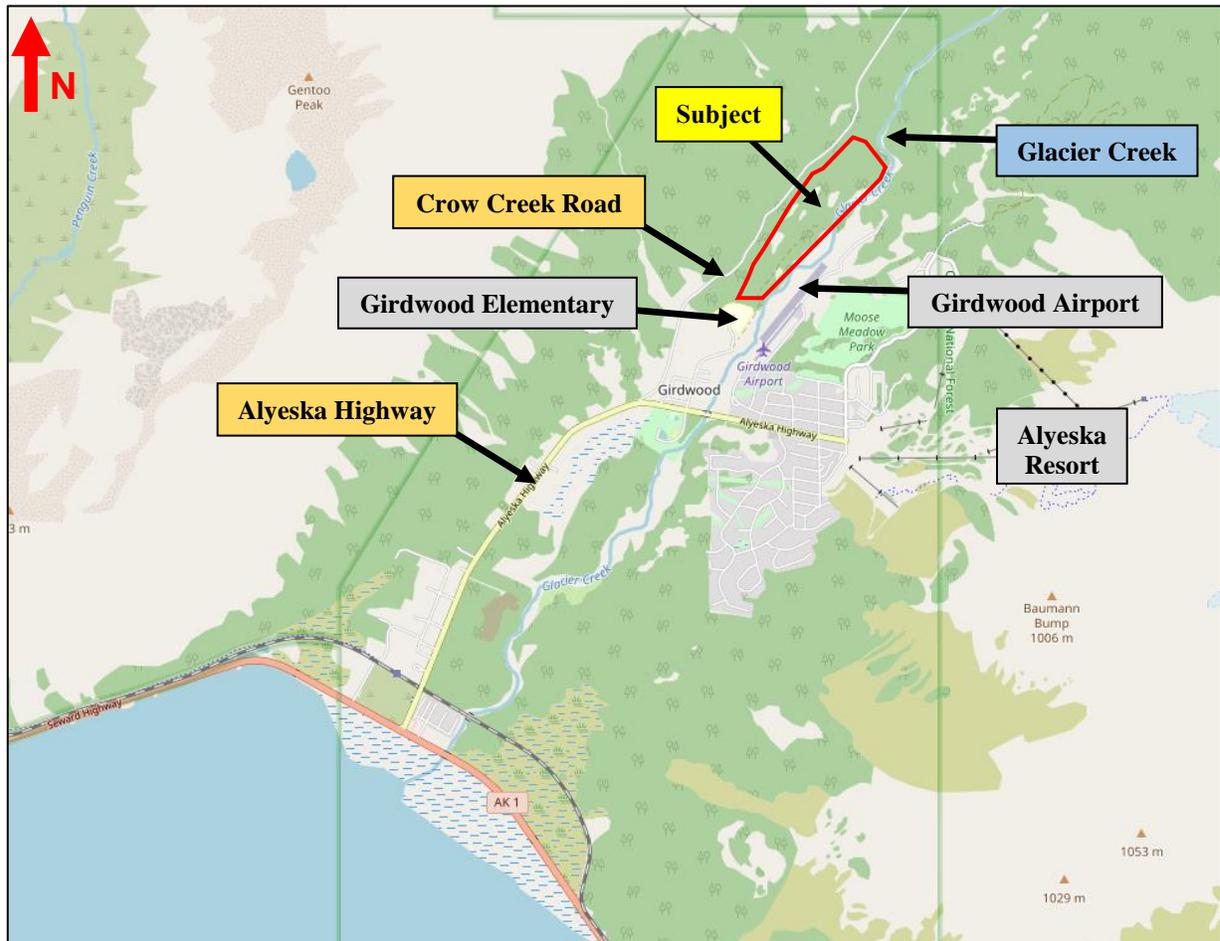
**Exposure Time:** A period of 12 months prior to our effective date of value is a reasonable exposure time.

## **Property Description**

**Neighborhood Description:** The appraised property is located on southeast side of Crow Creek Road, west of the Girdwood Airport and Glacier Creek. The south end of the property is 0.8± road miles north of Alyeska Highway. The subject land extends an additional 0.8± mile in a northeast direction along Crow Creek Road. Zoning districts consist of both GR-3, Single-

Family/Two-Family Residential and GR-5, Multiple-Family Residential designations, as well as Girdwood Open Space District zoning interspersed where land has less development potential. Neighborhood development includes Girdwood Elementary, sparse residential development, and Girdwood Airport. Lands in the neighborhood are primarily undeveloped. Glacier Creek constricts the neighborhood's developable area, but provides appeal as it enhances the character of the neighborhood. Access is provided by Crow Creek Road, which deteriorates into a gravel road south of the subject. The historic Crow Creek Mine is located north of the subject. Established in 1896, this gold mine continues to operate, and is now open to the public for tourism activities and wedding venue. The neighborhood benefits from both recreational and residential potential due to physical character and zoning. We consider the neighborhood's outlook to be positive with long-term residential viability.

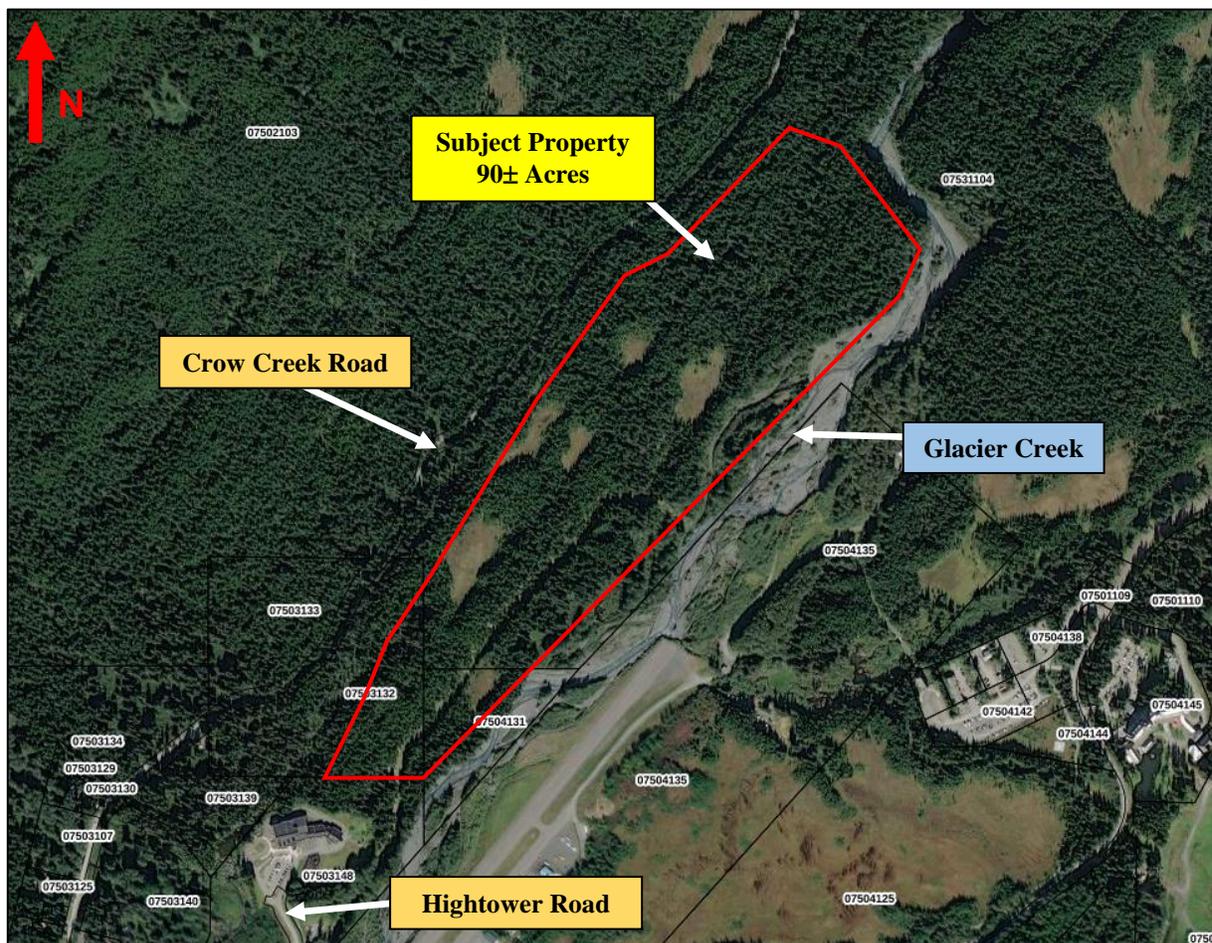
**Neighborhood Aerial Map**



**Parcel Description:** This parcel description is based on the December 18, 2021 property inspection, publicly available mapping and published land use plans, and information provided by the client. The appraised parcel contains 90± acres, based on documentation provided by the client. It is not a legally-separated property. The hypothetical subject parcel presently overlaps over three parcels. These are identified by the MOA as Parcels 6-011, 6-016, and 6-071. When combined, these properties create an irregular-shaped 90-acre parcel sandwiched between Crow Creek Road and Glacier Creek. The subject contains several level benches with gravel-based

soils, which appear suitable for development. These buildable areas are bounded by pockets of marshy wetlands and lands with steep topographical profiles. Overall, the appraised 90± acres is suitable for a planned unit development that takes advantage of the buildable areas and utilizes the non-buildable areas for privacy buffers and recreational amenities. The split-zoning allows for a variety of densities. The majority of the buildable area is zoned gR-3, Single-Family/Two-Family Residential, while the balance is zoned gR-5, Multiple-Family Residential. The non-buildable areas are zoned GOS, Girdwood Open Space. An approved Master Plan with zoning designations that maximize yield will enhance financial feasibility for subdivision. Conditional use permits will require Municipal approval. Public water, electricity, and telephone are available to the property. Public sewer terminates at Girdwood Elementary. Subdivision development would require sewer and natural gas infrastructure, and further extension of water, electricity, and telephone. Road infrastructure is limited to a narrow road to the south boundary off Hightower Road; which, based on information obtained from the client, will permit access to the appraised land. There does not appear to be constructed access from Crow Creek Road, and the steep slope between the road and subject land will increase development costs. We assume the property is environmentally clean, as a search of the State of Alaska Contaminated Sites Database yielded no results. Moreover, a soils survey was not provided, and snow cover precluded observation as to the extent of overburden. However, our observations indicated the land is heavily treed with coniferous trees.

**State of Alaska GIS Aerial Map**



**Parcel Description (continued):** Vegetation and wetland maps obtained from the Crow Creek Neighborhood Land Use Plan identify land cover as primarily open needleleaf forest with pockets of wet graminoid-forb meadows and emergent wetlands. Despite the proximity of Glacier Creek and Tiny Creek, FEMA mapping does not indicate significant flood plain inundation. Overall, the subject parcel has residential appeal due to its location and physical character; however, development challenges are present that increase costs and project risk.

**Site Improvements:** Limited to recreational trails and utility infrastructure

**Highest and Best Use:** Residential subdivision

**Property Photographs**

Date: December 18, 2021

Taken By: Alex Kleinke



Northeast view of parcel taken near south boundary



West view of utility infrastructure near southwest corner

**Property Photographs**

Date: December 18, 2021

Taken By: Alex Kleinke



East view of meadow on southeast portion of property



Northeast view of property taken near center of parcel

**Property Photographs**

Date: December 18, 2021

Taken By: Alex Kleinke



Southwest view of property taken from south half of property



Northeast view of Crow Creek Road, just south of subject's south boundary

**Property Valuation – 90± Acres****Sales Comparison Approach**

**Overview:** The sales comparison approach is a systematic procedure of estimating the subject's market value by comparing it directly to property sales afforded similar physical and economic character. The approach is founded on the principle of substitution, theorizing value is a function of a knowledgeable investor's (buyer) intent to pay no more for a specific property than the cost of acquiring an alternative property offering similar utility (economic satisfaction). The sales comparison approach is the best approach for valuing commercial land.

**Comparable Land Sales:** A summary of property sales used in comparative analysis follows. These sales include four properties in South Anchorage and one property in Northeast Anchorage. The transactions are analyzed on a price per acre basis. Additional details of these transactions are retained on file.

**Comparable Land Transactions**

<b>No.</b>	<b>Location</b>	<b>Zoning</b>	<b>Sale Date</b>	<b>Sale Price</b>	<b>Size (Acres)</b>	<b>\$/Acre</b>
1	West terminus of Snow Flake Drive, just south of Rabbit Creek Road, South Anchorage	R-6 / R-9	5/20	\$350,000	20.00	\$17,500
2	East and west sides of Kings Way Drive, just south of Paine Road, South Anchorage	R-10	5/20	\$575,000	89.34	\$6,430
3	South side of E. 172 <sup>nd</sup> Avenue, west side of Goldenview Drive, South Anchorage	PLI	3/20	\$1,800,000	104.76	\$17,821
4	East and west sides of Cobblestone Hill Road, east of Prominence Pointe Drive terminus, South Anchorage	R-7	12/16	\$900,000	99.70	\$9,027
5	Southeast corner of Boundary Avenue and Newell Street at the current terminus of Whisperwood Park Drive, Northeast Anchorage	R-3 / R-4	6/13	\$1,834,650	16.20	\$113,250
	<b>Between Crow Creek Road and Glacier Creek, north of Alyeska Highway, Girdwood (Subject)</b>	<b>gR-3 / gR-5 / gOS</b>	<b>-- --</b>	<b>-- --</b>	<b>90.00</b>	<b>-- --</b>

**Comparable Sales Analysis:** These comparables indicate a wide range of value from \$6,430 to \$113,250 per acre. Adjustments were considered for location, access, frontage, size differential, and development costs. Factors affecting development costs include location and access as well as the extent of utility extension required, and topography, which influences the degree of site work required. The appraised parcel requires utility extension, road infrastructure, and extensive site work. Moreover, financially feasible subdivision will require an approved master plan and depend on successfully obtaining conditional use permits to enhance yield. Despite these risk

**MacSwain Associates LLC**

factors, the subject's appeal is enhanced due to increased residential demand in Girdwood caused by a housing shortage. After adjustments, the sales indicate a wide unit value, greater than \$9,027 per acre, but less than \$113,250 per acre. After carefully considering the subject's positive and negative characteristics, we correlate with a value ranging from \$20,000 to \$25,000 per acre, which is developed below.

---

90 Acres × \$20,000/ Acre=	\$1,800,000
90 Acres × \$25,000/ Acre=	\$2,250,000

---

This value range reflects the subject 90± acres in its current state, and not premised on a specific development plan. At this stage, Holtan Hills' plan has not been finalized. Relying on a DCF subdivision analysis without a final subdivision plan for the subject 90 acres could be misleading. Therefore, we consider the sales comparison approach to be the most credible method of estimating market value. As a test of reasonableness, we prepared abbreviated subdivision analyses utilizing a variety of projections, which we retain on file. Based on the preceding analysis, the market value of the appraised property, as of December 18, 2021, is reconciled as follows.

<b>Market Value of Subject Property</b>	<b>\$2,100,000</b>
---	--------------------

## **Assumptions and Limiting Conditions**

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

- ➔ No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed marketable unless otherwise stated.
- ➔ The property is appraised free and clear of all liens or encumbrances unless otherwise stated.
- ➔ The information furnished by others is believed to be reliable, but we do not guarantee its accuracy.
- ➔ All maps, land use plans, and other illustrative material are believed to be accurate, but are included only to help the reader visualize the property.
- ➔ It is assumed there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
- ➔ It is assumed the appraised property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
- ➔ It is assumed the appraised property conforms to all applicable zoning, land use regulations, and platting restrictions unless the nonconformity is identified, described, and considered in the appraisal report.
- ➔ It is assumed that the use of the land and improvements is within the property boundaries and that there is no encroachment or trespass unless noted in the report.
- ➔ The appraisers are not required to give consultation, testimony, or to attend court proceeding pertaining to the appraised property without prior arrangements.
- ➔ Neither all nor any part of the contents of this report shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraisers.
- ➔ The appraisers are not aware of any hazardous materials or other type of environmental contamination on the appraised property. Furthermore, we do not have any knowledge that such substances exist. However, the presence of these substances may affect the property value. Therefore, we urge the client to retain an environmental report for discovery and risk assessment.

## **Hypothetical Condition**

- ➔ The property contains 90± acres per mapping and documents provided by the client. It is currently not a legally-separated parcel. We invoke a *hypothetical condition* that the appraised 90± acres is legally separated and developable to its highest and best use.

**Statement on COVID-19**

- ➔ This appraisal was performed following public awareness that COVID-19 was affecting residents in the United States. At the time of the appraisal, COVID-19 was having widespread health and economic impacts. The effects of COVID-19 on the real estate market in the subject neighborhood were not yet measurable based on reliable data. The analyses and value opinion in this appraisal are based on the data available to the appraiser at the time of the assignment and apply only as of the effective date indicated. No analysis or opinions contained in this appraisal should be construed as predictions of future market conditions or value.

# MacSwain Associates LLC

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

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

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

**Professional Experience:** 2009 to Present – MacSwain Associates LLC

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **Sample of Significant and Project Assignments:**

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

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

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

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

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

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

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

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

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

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

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

2014 – Assisted with project management and appraisals of Nikiski properties for Alaska LNG acquisitions

2012 – Assisted in the income analysis portion of the Trans Alaska Pipeline System (TAPS)

2010-2022 – Alaska Railroad Corporation (ARRC) land lease appraisals in Anchorage, Seward, and Whittier

**Professional Affiliation:** Practicing Affiliate – Appraisal Institute

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

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

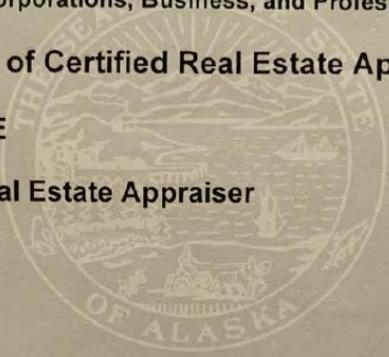
**Board of Certified Real Estate Appraisers**

Licensee: **ALEXANDER H KLEINKE**

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

Status: **Active**

Commissioner: Julie Anderson

The seal of the State of Alaska is visible in the background of the license information. It features a central figure holding a bow and arrow, surrounded by the words "THE GREAT SEAL OF THE STATE OF ALASKA".

# MacSwain Associates LLC

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

**Appraiser:** Steve MacSwain, MAI

Member of Appraisal Institute - No. 5700

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

**Professional Experience:** 1986 to Present - MacSwain Associates LLC

1976 to 1986 - Appraisal Company of Alaska - President

1970 to 1975 - Real Estate Services Corporation – Appraiser

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2012 – *Appraisal Curriculum Overview* by the Appraisal Institute

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

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

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

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

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

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

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

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

2007 – *Analyzing Operating Expenses* by the Appraisal Institute

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

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

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

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

Past President of Alaska Chapter 57 of the Appraisal Institute

**Significant Assignments:**

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

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

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

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

**MUNICIPALITY OF ANCHORAGE**  
**ASSEMBLY INFORMATION MEMORANDUM**

AIM No. 39-2023

Meeting Date: February 7, 2023

1 **From: MAYOR**

2  
3 **Subject: HOLTAN HILLS PRO FORMA UPDATE FROM CY INVESTMENTS,**  
4 **LLC**

5  
6 This information memorandum is submitted to provide a financial analysis for the  
7 Holtan Hills project from the Municipality of Anchorage's private development partner  
8 on the project, CY Investments, LLC.

9  
10 Attached is the updated Pro Forma and an accompanying letter from CY Investments,  
11 LLC.

12  
13 Prepared by: Heritage Land Bank Division  
14 Approved by: Lance Wilber, OECD Director  
15 Concur: Kent Kohlhase, Acting Municipal Manager  
16 Respectfully submitted: Dave Bronson, Mayor

17  
18 Appendices:  
19 Appendix A: Updated Pro Forma  
20 Appendix B: Letter from CY Investments, LLC  
21

Appendix A: Updated Pro Forma from CY Investments, LLC

<b>Holtan Hills Phase 1 &amp; 2</b>		
<b>PROFORMA 1/28/23</b>		
	<b>HH Ph. 1</b>	<b>HH Ph. 2</b>
<b>Revenue from Lot Sales (Based on Market Survey)</b>	<b>9,792,000</b>	<b>7,640,000</b>
Onsite Development Costs		
Onsite Pre-Development Costs (Sec 8.3(a) - 8.3(e))	417,500	158,700
Engineering, Review, and Inspections (Sec 8.3(a) - 8.3(e))	437,345	461,350
Provided by Triad Engineering	4,635,544	4,616,184
Financing Costs (Sec 8.3(f)) - Based on 7.5% interest for 3 years	832,224	805,268
<b>Total Onsite Development Costs</b>	<b>6,322,613</b>	<b>6,041,502</b>
Post Development Costs - Based upon Appraisal Review of Standard Fees		
Closing Costs (Sec 6.9 - Title insurance, recording fee, warrenty deeds, etc...)	51,000	44,000
Marketing Fee (Sec 6.9 - 3% of Sales Price)	293,760	229,200
General and Administrative Expense (Sec 8.3(h))	30,000	30,000
Developer Administrative Fee (Sec 6.8 - 1% of Sec 8.3(a) - 8.3(h))	63,526	60,715
Developer Management Fee (Sec 6.8 - 3.5% of Sec 8.3(a) - 8.3(h))	222,341	212,503
<b>Total Post Development Costs</b>	<b>660,628</b>	<b>576,418</b>
<b>Net Income before Tax</b>	<b>2,808,759</b>	<b>1,022,080</b>
<b>Holtan Hills LLC</b>		
Approved By: _____		
Connie Yoshimura, Manager		
Date: _____		
<b>Municipality of Anchorage and Its Heritage Land Bank</b>		
Received By (Sign): _____		
Name (Print): _____		
Its: _____		
Date: _____		

## Appendix B: Letter from CY Investments, LLC

Date: 1/28/2023

Re: Holtan Hills

To Whom It May Concern:

Attached is an updated pro forma as of 1/28/2023. There have been some changes both plus and minus as a result of higher interest rates, increased construction costs and inflation. These have been offset by a modest increase in proposed values for lots which will be subject to an appraisal prior to any actual construction.

The good news is that projected revenue has increased slightly from \$9,407,000 to \$9,792,000. This revenue projection is based upon 51 completed and fully improved lots with water, sewer, road, gas and electric within the lot. The lot sizes vary from two 45 feet wide to five larger luxury lots on a cul-de sac with spectacular views. The majority of the lots, however, measure from 50 to 70 feet wide plus 5 low density multi-family lots designed as a cluster at the entrance point at the intersection of Hightower Road and Holtan Hills Drive. All lots will be offered to private parties and home builders.

Financing costs have now been calculated at 7.5%, an increase of 2%. Also as a result of higher interest rates, loan extension fees have also increased. Commercial interest rates are projected to stabilize in 2023 but the final rate of interest will depend on the actual timing of construction.

Pre-development costs have also increased. Pre-development fees include platting, rezone and Title 21 plans for a PUD/CU. Given the amount of time and community response to the proposed land disposal, this preplanning has had to be increased. It includes Crow Creek Road Secondary Access Planning. It also includes SWPP costs which includes the initial plan for approval and weekly inspections. Legal fees for the creation of the master and sub associations are included. Property taxes and general liability insurance have also been put into this category. There are also additional contingency funds set aside for community outreach and legal fees in case of an appeal.

Engineering costs include surveying, test and inspection. Crow Creek secondary access engineering and MOA inspection, engineering review and platting are included.

The contingency for construction costs has been increased from 7% to 11%. This is due primarily to the competitive nature for a contract due to the omnibus bill and its infrastructure grants. Trucking costs, gravel sources and labor shortages are our major concern. There is also hesitancy from qualified general contractors who have worked in the community before due to the community's overactive and negative environment for development, whether those feelings are perceived or real. Construction costs include onsite street improvements, onsite drainage improvements, sewer improvements, water improvements, electric/gas/telephone/internet. Potential water/sewer assessments/wetland mitigation, landscaping and monument signs are also included in this category.

Post development costs which include title insurance, escrow closing fees, marketing, tax prep, supplies, development administrative fee and developer management have increased as a result of the above increased costs.

As a result, total net income has decreased by approximately \$300,000 in Phase I and projected \$400,000 in Phase II. Please be advised that Phase II costs are projected both for lot/size and absorption as well as construction costs. No schematic plat/survey has been completed as to the number and type of lots. The size and type of lots for Phase II will be based upon the type of lots absorbed in Phase I. What we do understand is the basic topography and the delineated wetlands is that there is adequate acreage for residential development of a variety of housing and lot sizes.

The AWWU grant of approximately \$2.5 million will assist in getting the pro forma back to its original projections. However, it is important to keep in mind that the funds will first be spent for the off-site improvement of the sewer to be extended to the property line of Holtan Hills. It does not include road improvements to MOA standard which will remain the responsibility of the HLB. Any extension of the sewer line into Holtan hills will not pay for the entire sewer on the proposed Holtan Hills drive. Also, if the sewer line is installed before a contract for the road, it will require the re- excavation of the sewer line ditch to install the pigtails for the lot once the final plat is approved. This excavation will also be needed to install the pigtails from the existing water line.

In conclusion, the success of any residential development rests upon how fast the lots can be absorbed and to the extent possible to control costs by a fixed bid contract. Weather plays a major factor in the cost of development because if you have open trenches you cannot re-use the soil but must bring in clean and dry adequately tested soil to refill the trenches. And it rains a lot in Girdwood. In this particular situation, the best outcome would be for a single contract to complete the off-site sewer extension, the road to the property and the same contractor for the completion of Phase I Holtan Hills. This would provide an opportunity for a competitive contracting bid that can compete with other infrastructure jobs soon to be coming to Alaska and the MOA.



**MUNICIPALITY OF ANCHORAGE  
ASSEMBLY INFORMATIONAL MEMORANDUM**

No. AIM 43-2023

Meeting Date: February 7, 2023

1 **From:** Chair LaFrance

2  
3 **Subject:** GIRDWOOD BOARD OF SUPERVISORS RESOLUTION  
4 RECOMMENDING ASSEMBLY REJECTION OF THE LAND  
5 DISPOSAL OF PORTIONS OF HERITAGE LAND BANK PARCELS  
6 6-011, 6-016 AND 6-017, KNOWN AS HOLTAN HILLS, AS  
7 DESCRIBED IN AO 2022-103(S-2).  
8

9 Please see the attached resolution from the Girdwood Board of Supervisors for your  
10 review and information.

11  
12 Prepared by: Jenna Brister, Executive Administrative Assistant  
13 Approved by: Barbara A. Jones, Municipal Clerk  
14 Respectfully submitted: Suzanne LaFrance, Chair

**Municipality  
of  
Anchorage**



*P.O. Box 390  
Girdwood, Alaska 99587  
<http://www.muni.org/gbos>*

*David Bronson, Mayor*

*GIRDWOOD VALLEY SERVICE AREA BOARD OF SUPERVISORS*

*Mike Edgington and Briana Sullivan, Co-Chairs*

*Jennifer Wingard, Amanda Sassi, Guy Wade*

**Resolution 2023-04  
Of the Girdwood Board of Supervisors**

**RESOLUTION RECOMMENDING ASSEMBLY REJECTION OF THE LAND  
DISPOSAL OF PORTIONS OF HERITAGE LAND BANK PARCELS 6-011, 6-016 AND  
6-017, KNOWN AS HOLTAN HILLS, AS DESCRIBED IN AO 2022-103(S-2)**

WHEREAS, in April 2022 HLB and CY Investments entered into a Development Agreement for joint development of the parcels 6-011, 6-016 and 6-017, known as the Holtan Hills project; and

WHEREAS the GBOS and the community of Girdwood appreciate the extensive work that has gone into the S-1 and S-2 versions of the Ordinance, the acknowledgement of Girdwood's housing crisis, the recognition that HLB should assess "value" to the Municipality beyond financial return, and the inclusion of other statements helpful in establishing a formal record of the Girdwood community's longer-term goals for housing development; and

WHEREAS, the proposed development is based on a Girdwood Area Plan from 1995 and also the 2006 Crow Creek Neighborhood Land Use Plan, both of which are significantly outdated and neither one of which sufficiently address Girdwood's current housing crisis; and

WHEREAS, the Girdwood Area Plan is currently being updated as the Girdwood Comprehensive Plan, with final draft anticipated in early Fall 2023; and the updated plan will address housing as one of four priority areas representing the vision and values of the community; and

WHEREAS, the publicly available financial information and projections for the Holtan Hills project are limited and incomplete, requested updated financial information has not been provided by HLB, and the relatively low land appraisal compared to other undeveloped Girdwood Valley land has not been adequately justified; and

WHEREAS, despite multiple requests from the Girdwood Board of Supervisors (GBOS) and others, major questions remain unanswered by HLB about the process leading up to and following the signing of the development agreement, including: 1) the ability of HLB to enter into joint ventures when not included in statute; 2) full financial picture consisting of financials for Phase 3, as well as income statements, balance sheets and cash flow statements inclusive of estimates of offsite improvements (and thus the value of CY Investment's sole source project management fee); 3) debt financing including potential risks for HLB and the Municipality of Anchorage; 4) the change in development partners between the awarding of the RFP and development agreement; 5) consideration of alternatives to the chosen development structure; 6) determination that the 2006 Crow Creek Neighborhood Land Use Plan satisfied the code requirement for a project-specific Area Master Plan although the legal determination was withheld; and

WHEREAS, GBOS' previous Resolutions [2022-14](#) and [2022-23](#), [June 22, 2022 Letter to MOA/HLB](#) and [Letter of Objection to AO 2022-103 & AO 2022-103\(S\)](#) have clearly stated that the project in its current form is not accepted by the Girdwood community; and

WHEREAS, based on the limited financial information provided, there is scant evidence that HLB conducted an appropriate level of financial due diligence to determine if the project represents a sound investment of Municipal resources, and potentially exposes the Municipality to substantial financial liabilities; and

WHEREAS, no version of the disposal ordinance guarantees that housing is produced through this land disposal, nor that a substantial proportion of dwellings will be occupied by residents of the community, nor that the housing needs of Girdwood are met in any substantive way; and

WHEREAS, after selection of the winning proposal, GBOS passed Resolution [2021-18](#), in August 2021 urging HLB to prioritize the need for community housing in Girdwood that was attainable and affordable to the working population of the community; and

WHEREAS, after the development agreement was made publicly available in May 2022, GBOS engaged with the developer and HLB, forming the Holtan Hills Housing Advisory Committee (HHHAC) to summarize Girdwood's concerns, develop a short-list of actionable changes to the project and present them to HLB and the developer; and

WHEREAS, HLB submitted the original AO 2022-103 on November 8, 2022 with no acknowledgement of the community concerns nor response to any changes requested by GBOS based on work by HHHAC; and

WHEREAS, through community meetings, joint meetings with the Girdwood Land Use Committee, and three Assembly Work Sessions, the Girdwood Board of Supervisors has determined that the Holtan Hills project, as originally proposed and under the conditions of AO 2022-103(S-2), devotes public lands to a project which does not provide adequate benefit to Girdwood's need for community housing, nor represents adequate financial return to the citizens of Anchorage; and

THEREFORE GBOS urges Assembly members to reject the Holtan Hills land disposal.

THEREFORE FURTHER, GBOS requests that any future disposal of these HLB lands requires a project-specific Area Master Plan completed before any development commences.

PASSED AND APPROVED by a vote of 5 to 0 this 6th day of February 2023.

Mike Edgington  
GBOS Co-chair

Briana Sullivan  
GBOS Co-chair

Guy Wade

Jennifer Wingard

Amanda Sassi



# MUNICIPALITY OF ANCHORAGE

## Assembly Information Memorandum

No. AIM 37-2023

Meeting Date: February 7, 2023

Municipal Clerk's Office

Accepted

Date: February 7, 2023

**From: MAYOR**

**Subject: SUMMARY OF 2006 CROW CREEK NEIGHBORHOOD LAND USE PLAN IMPLEMENTATION**

The Planning Department in consultation with the Legal Department, has determined that the *2006 Crow Creek Neighborhood Land Use Plan* (CCNLUP) is a valid element of the comprehensive plan and remains the precedent land use plan meeting the requirements for an area master plan guiding development within the Crow Creek area. The CCNLUP was adopted by the Anchorage Assembly on April 11, 2006 via AO 2006-47. Per the CCNLUP (page 2):

*“The purpose of this project is to prepare a Land Use Plan for Heritage Land Bank (HLB) property in the Crow Creek Neighborhood. This plan meets the requirements of Title 21, Chapter 9 for preparation of an Area Master Plan.”*

Furthermore, AMC 21.09.030E.7. states that an area master plan approval shall expire if *“Implementation of the area master plan schedule is delayed for more than seven years...”* Key infrastructure projects that were planned or on-going within the Crow Creek area to support residential development were identified within the CCNLUP implementation schedule (page 32). One of these projects was “water transmission loop (II B).” Anchorage Water and Wastewater Utility completed this project in October of 2011 which included the installation of a 16-inch water main to provide a water connection for future residential development, as well as provide redundancy for Girdwood’s potable water supply. Because this development action was identified as part of the implementation schedule of the CCNLUP and was completed within seven years of the adoption of the CCNLUP, the CCNLUP has not expired and is still the precedent land use plan for the Crow Creek area.

Prepared by: Ryan Yelle, Planning Department  
Approved by: Craig H. Lyon, Planning Director  
Concur: Lance Wilber, Community Development Director  
Concur: Kent E. Kohlhase, Acting Municipal Manager  
Respectfully submitted: Dave Bronson, Mayor