**DATE OF WORK PLAN:** May 16, 2011

**PROJECT NAME & ID #:** Van Buren Street, 48th Avenue Area Circulation & Access Improvements Phase II; Project PM&E #06-13, ROW File #C-21-07

**APPRAISAL CLIENT:**

Municipality of Anchorage (MOA)

c/o Vicki Gerken, SR/WA

Realty Officer II

Municipality of Anchorage, Project Management and Engineering, Survey/ROW Acquisition

PO Box 196650

Anchorage, AK 99519-6650

TELEPHONE: 907-343-8187 FAX: 907-249-7359 EMAIL: gerkenvl@muni.org

**PROPERTY OWNER:**

Municipality of Anchorage (MOA)

c/o Tom Korosei

Planner, Landscape Architect

Municipality of Anchorage, Parks and Recreation

PO Box 196650

Anchorage, AK 99519-6650

TELEPHONE: 907-343-4503 FAX: 907-278-6595 EMAIL: koroseitj@muni.org

**PROJECT BACKGROUND:** MOA is upgrading Van Buren and 48th Avenue Area. The upgrade includes relocating a soccer field and development of an off street parking area. The land exchange involves a land exchange of a portion of the Brotherhood/Sisterhood Park, which is owned by the MOA and managed by the MOA Department of Parks and Recreation and a portion of private land owned by Orbus, Inc., a subsidiary of American Fast Freight (AFF).

Because the park is subject to Section 6(f) of the Federal Land and Water Conservation Act (LWCF), MOA must provide “replacement land” for the park lands that are to be converted to a non-recreational use. Appraisals are required to show that the market value of the replacement property (“replacement land”) equals or exceeds the value of the property acquired for community use (“converted lands”). The State of Alaska, Department of Natural Resources (DNR) and the National Park Service (NPS) administer the LWCF program and must approve the exchange.

Construction of the project as designed requires the exchange of 1.90 acres of the south portion of Tract 4, Crossroads Business Park, according to Plat 86-88, Anchorage Recording District, Anchorage, Alaska (owned by the MOA), for 2.73 acres of Tract 5B-1, Crossroads Business Park, according to Plat 2002-73, Anchorage Recording District, Anchorage, Alaska (owned by Orbus/AFF), immediately to the west. The soccer field will be relocated west onto the land received from AFF and the north portion of Tract 4 will be developed into a dedicated parking area for the soccer field. The land exchange was approved by voters in the April 6, 2010 Municipal election. Re-zoning of the exchanged lands was approved by Municipal Assembly on January 12, 2010.

**INTENDED USER:** MOA, DOWL HKM, DNR, and NPS will use the appraisal(s) as part of the land exchange process required by the LWCF program.

**INTENDED USE:** The appraisal(s) will provide independent opinions of the market values of the conversion and replacement properties. The appraisal(s) will become part of the LWCF exchange application package and will allow the NPS to evaluate whether the proposed exchange satisfies the LWCF requirement that the market value of the replacement land equals or exceeds the market value of the converted land. No other use is intended.

**ASSIGNMENT CONDITIONS:** Complete a self-contained appraisal in compliance with the following:

* *Chapter 4 of the Federal Financial Assistance Manual Volume 69 for the Land and Water Conservation Fund State Assistance Program, effective October 1, 2008* (LWCF manual)
* *Uniform Appraisal Standards for Federal Land Acquisitions 2000 (UASFLA)*
* *Uniform Standards of Professional Appraisal Practice, 2010-2011* (USPAP)

The above standards are listed in order of precedence to be followed in cases where conflicting provisions exist.

**TITLE INTEREST TO BE APPRAISED:** The appraisal(s) involve fee title interest. See the attached Table A for a summary. MOA will provide maps and language to the appraiser.

**TYPE OF VALUE AND VALUE DEFINITIONS:**

**Market Value** is defined in the 2000 Edition of the *Uniform Appraisal Standards for Federal Land Acquisitions* (UASFLA):

*Market value is the amount in cash, or in terms reasonably equivalent to cash, for which in all probability the property would have sold on the date of appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of appraisal.[[1]](#footnote-1)*

The current 2010-2011 edition of USPAP describes market value in general terms and cautions the appraiser to “…identify the exact definition of market value, and its authority, applicable in each appraisal completed for the purpose of market value.”

The concept of market value requires the following conditions:

* *Consummation of a sale occurs as of a specified date*
* *An open and competitive market exits for the property interest appraised.*
* *The buyer and seller are each acting prudently and knowledgeably.*
* *The price is not affected by undue stimulus.*
* *The buyer and seller are typically motivated.*
* *Both parties are acting under what they consider their best interest.*
* *Marketing efforts were adequate and a reasonable time was allowed for exposure on the open market.*
* *Payment was made in cash in U.S. Dollars or in terms of financial arrangements comparable thereto.*
* *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.[[2]](#footnote-2)*

**EFFECTIVE DATE OF APPRAISAL:** The date of the appraiser’s final inspection.

**PROPERTY INFORMATION:** The parcels have metes and bounds legal descriptions. Parcel boundaries and locations are adequately identified by their MOA parcel numbers and depictions on parcel plats.

**CONVERTED PARCEL:**

Present Use: Parcel 29 is the southernmost 1.9 acre portion of the Brotherhood/Sisterhood Park, also known as Tract 4 of Crossroads Business Park. The land was zoned R-O SL (residential office with special limitations). On January 12, 2010, the land was rezoned I-1 SL (light industrial with special limitations) and is improved primarily as a soccer field.

Anticipated Use:It is anticipated that the MOA will transfer fee title of 1.9 acres to Orbus/AFF along with the rights to a portion of the lands within the Van Buren Street Right of Way. The MOA plans to replat said 1.9 acres, vacate right of way, and vacate a 10’ wide Telephone and Electrical Easement area that borders the east and south property lines of Tract 4, and Tract 5C of Crossroads Business Park (Plat 2000-25, Anchorage Recording District, Anchorage, Alaska) west property line creating Tract 3 of Sisterhood Park Subdivision, which is anticipated to containing a total of 10.941 acres, or 476,603 square feet, more or less in the “after”.

**REPLACEMENT PARCEL:**

Present Use: Parcel 30 is the northernmost portion of Tract 5B-1, Crossroads Business Park, containing approximately 2.73 acres and is currently owned by Orbus/AFF. The land is undeveloped and currently zoned as R-4 SL (multi-family with special limitations).

Intended Use: Orbus/AFF will convey said 2.73 acres to the MOA for inclusion into Brotherhood/Sisterhood Park. The MOA will vacate the 10’ Telephone and Electrical Easement along the eastern property line and replat the replacement lands to combine them with the remaining Tract 4, Crossroads Business Park lands and the adjacent lands to the north (Lot 2, Rail-Air Business Park). The new lot will be known Tract 1 of Sisterhood Park Subdivision, is anticipated to contain 7.539 acres or 328,407 square feet, more or less. Tract 1 will be re-zoned to PLI lands and will be improved as the replacement soccer field and adjacent parking area.

The remainder of Tract 5B-1, Crossroads Business Park will be replatted as Tract 2, Sisterhood Park Subdivision containing 6.095 acres, or 265,516 square feet.

**LOT SIZE:** See attached Table A **BUILDING SIZE:** N/A. Appraise land only.

**BUILDING AGE:** N/A **ADDITIONAL PROPERTY INFORMATION:** None

**EXTRAORDINARY ASSUMPTIONS AND LIMITING CONDITIONS:**

* The rights reserved or granted in the final conveyance documents will be substantially the same as those stated in the preliminary language upon which this estimate of value is based.

**HYPOTHETICAL CONDITIONS:**

* The land is appraised as if vacant and unimproved.
* The land is not reserved for park use. (See Additional Assignment Conditions below.)

**JURISDICTIONAL EXCEPTIONS:**

* Exposure Time

Section D-1b of UASFLA provides the legal authority for invoking the Jurisdictional Exception Rule to USPAP Standard Rules 1-2(c) and 2-2(a)(v)

* Public Improvements

49CFR 24.103(a) sets forth the legal authority for the use of UASFLA in general. Section D-1c of UASFLA provides the legal authority for invoking the Jurisdictional Exception Rule to void USPAP Standards Rule 1-4(f).

**ADDITIONAL ASSIGNMENT CONDITIONS:** The appraiser should make a careful reading of the LWCF manual. Some of its major appraisal requirements are summarized here:

* Because this assignment involves 6(f) lands a “part taken” appraisal must be prepared instead of the “before and after” methodology usually required by UASFLA. The “part taken” methodology must be used for converted and replacement lands (LWCF manual Chapter 4, Section c(2)viii)(a).
* Per LWCF manual Chapter 4, Section c(2)(ii) :

*The appraiser's estimate of highest and best use must be an "economic” use. A non-economic highest and best use such as "conservation," "natural lands," "preservation." or any use which requires the property to be withheld from economic production in perpetuity, is not a valid use upon which to estimate market value. Therefore, any appraisal based on such a non-economic highest and best use will not be approved for federal land acquisition purposes.*

*In this same regard, an appraiser's use of any definition of highest and best use which incorporates non-economic considerations (e.g. value to the public, value to the government, or community development goals) will render the appraisal unacceptable for LWCF purposes (Section A-14 of the Uniform Appraisal Standards for Federal Land Acquisition (UASFLA)*

* Per LWCF manual Chapter 4, Section c(2)(viii)(b):

*The appraiser should ignore the actual zoning of the property (Parcel 29) if the zoning is a non-economic zoning established to recognize the “open space" characteristics of the park or to foster the preservation of the park.*

**SCOPE OF WORK:**

**REPORT TYPE:** Self-contained as defined in USPAP

 **APPROACHES TO VALUE:**  Direct Sale Comparison

**SOURCES FOR PROPERTY INFORMATION RESEARCH:** Physical Inspection by the Appraiser, Survey Plat, Assessor’s Records, Owner, Client, Recent Appraisals for DOTPF

**SOURCES FOR COMPARABLE SALE RESEARCH:** Assessor’s Records, Owner, Client, Recent Appraisals for MOA, MLS, Local Appraisers, Physical Inspection of Primary Sales by Appraiser. UASFLA requires the appraiser to personally verify sale information if the appraisal goes to condemnation. That is not the case here. Verification by competent and reliable personnel is sufficient for this project, provided all other verification requirements required by UASFLA are met.

**ITEMS TO BE PROVIDED BY THE CLIENT and/or DOWL HKM:**

* Title reports
* Right-of-Way and Parcel Maps
* Preliminary Exchange Agreements and Conveyance Documents
* Other maps and drawings for the replacement parcels depicting areas and uses reserved by MOA

**SUBMITTAL DATE FOR PRELIMINARY REPORT:** An unbound draft report shall be submitted to the Client for review four weeks from the date of the Notice to Proceed (NTP) is issued.

**SUBMITTAL DATE FOR FINAL REPORT:** A final report shall be submitted to the Client within one week from receipt of the review comments.

**NUMBER OF REPORT COPIES (PRELIMINARY & FINAL) REQUIRED BY CLIENT:** Submit a color .pdf electronic copy and 1 hard copy of the preliminary report to Trawver Land Services (TLS) for review and submittal to MOA and DOWL HKM. Submit 4 signed hard copies and a color .pdf copy of the final report.

1. *Uniform Appraisal Standards for Federal Land Acquisitions*, Interagency Land Acquisition Conference, Washington, D.C. 2000, p. 13.. [↑](#footnote-ref-1)
2. The Dictionary of Real Estate Appraisal, 4th Edition, © 2002, p. 178. [↑](#footnote-ref-2)