

Alaska State Legislature

Legislative Affairs Agency

Office of the Executive Director

Terry Miller Legislative Office Building, Room 217

Mailing Address: State Capitol, Rm. 3 Juneau, Alaska 99801-1182 Phone (907) 465-3800 Fax (907) 465-3234



MEMORANDUM

TO: Senator Gary Stevens
Chair, Legislative Council

FROM: Jessica Geary *Jessica Geary*
Executive Director

DATE: December 11, 2019

SUBJECT: Sale of ALOB satellite lot and KTOO Proposal

At the August 21, 2019 Legislative Council Meeting, there was discussion regarding the potential sale of Lot 4A Fouts Subdivision—our unused, vacant parking lot across the street from the Anchorage Legislative Office Building. The lot is valued at \$485,000 (appraisal attached), the sale of which could be used for a legislative infrastructure project improving public access to the work of the Legislature during sessions.

While the Legislature places a high priority on public access so Alaskans can participate in the legislative process to the greatest extent possible, our current camera system for floor sessions and committee meetings is becoming obsolete and will soon require an upgrade. The sale of the ALOB satellite lot would cover the cost of that upgrade.

KTOO has approached LAA to engage in a mutually beneficial project that would upgrade and expand the Capitol's existing video infrastructure which will benefit the public by improving the Legislature's own coverage via AKL.TV and also KTOO's Gavel Alaska statewide television service (proposal attached).

The Juneau Community Foundation (JCF) has committed to funding 55% of the \$996,000 total project cost, which leaves \$448,500 for Legislative Council's approval. It is important to note that, regardless of whether this project goes forward, our camera system will soon require an upgrade. Upgrading the existing system for legislative use only would cost \$306,405. Under the proposal, all equipment and infrastructure would be owned by the Legislature and JCF's commitment is to fund the Capitol's statewide distribution of floor sessions and committee meetings regardless of the providing entity, should KTOO not offer these services in the future.

I appreciate your consideration of this matter and am happy to answer any questions.

Enclosures: Market Appraisal and KTOO Proposal

Motion: I move Legislative Council approve the listing of Lot 4A Fouts Subdivision, the sale of which will be executed by LAA. I further move that Legislative Council approve using the sale proceeds for the KTOO Camera Proposal, not to exceed \$448,500, to be included in Legislative Council's FY 21 capital budget request.

APPRAISAL REPORT

Vacant Land/Parking Lot

1500 West 31st Avenue
Anchorage, Alaska



FOR

State of Alaska Legislative Affairs Agency
120 4th Street, Rm. 3
Juneau, AK 99801

Attn: JC Kestel, Procurement Officer

Date of Appraisal

September 26, 2019

Date of Valuation

September 19, 2019

B-SBC FILE No.

19-093

Date of Inspection

September 19, 2019

BY

Brian Bethard, MAI
General Real Estate Appraiser (Cert. #281)

BLACK-SMITH, BETHARD & CARLSON, LLC

1199 E. Dimond Blvd., Ste. 200
Anchorage, Alaska 99515

PART I - INTRODUCTION

BLACK-SMITH, BETHARD & CARLSON, LLC

September 26, 2019

State of Alaska Legislative Affairs Agency
120 4th Street, Rm. 3
Juneau, AK 99801

Re: 1500 W. 31st Ave
Anchorage, Alaska

Dear Mr. JC Kestel, Procurement Officer:

As requested, we have prepared an *appraisal report* estimating as-is market value of the *fee simple* interest in the property identified above.

Fee Simple Market Value	September 19, 2019	\$485,000
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The value opinions are stated in terms of cash. The market exposure period (looking backward) and the marketing time (looking forward) are both estimated at six months to one year.

The report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (2012-2013) for a Summary Appraisal Report. As such, it presents the data, reasoning, and analyses that were used to develop the appraiser's opinion of value. The depth of discussion contained in this report is specific to the client's intended use.

This narrative appraisal report conforms to and satisfies the requirements of USPAP and Volume 12, Code of Federal Regulations, Part 34, Subpart C. A copy of the appraisal instructions is contained in the Addenda.

Sincerely,
BLACK-SMITH, BETHARD & CARLSON, LLC



Brian Z. Bethard, MAI
General Real Estate Appraiser (Cert #281)

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ADDENDA

- Qualifications of Appraisers
- Underlying Assumptions and Limiting Conditions
- Engagement Letter

CERTIFICATION

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.

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.

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.

Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.

Denver L. Hudson has made a personal inspection of the property that is the subject of this report.

No one provided significant real property appraisal assistance to the persons signing this certification.

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, Brian Bethard, MAI, have completed the continuing education program of the Appraisal Institute.

Brian Z. Bethard, MAI is currently certified by the State of Alaska as a General Real Estate Appraiser (Certificate No. 281).

Brian Z. Bethard has the appropriate knowledge and experience necessary to complete this appraisal assignment competently.

We have performed no services as an appraiser or in any other capacity regarding the property that is the subject of this report with the three-year period immediately preceding acceptance of this assignment.

Dated this 26th day of September 2019.



Brian Z. Bethard, MAI
General Real Estate Appraiser (Cert. No. 281)

PART II – PREMISE OF THE APPRAISAL

SUMMARY OF SALIENT FACTS & CONCLUSIONS



Property Appraised

The subject consists of a parking lot located at 1500 W. 31st Avenue in Anchorage, Alaska. The lot has been used for satellite parking for the building located at 1500 W. Benson Blvd.

The property is identified as Fouts Lot 4A.

The MOA (Municipality of Anchorage) tax identification number is 010-013-24-000.

Address	Area	Comments
1500 W. 31 st Ave.	22,557 SF	Paved parking lot

Ownership reportedly vests in State of Alaska Legislative Council.

Purpose of the Appraisal and the Property Rights Appraised

The purpose of the appraisal is to estimate the as-is market value of the *fee simple* interest. The intended use is for asset evaluation.

Date of Inspection

September 19, 2019

Date of Value

September 19, 2019

Highest and Best Use

Owner user commercial or hold for speculation.

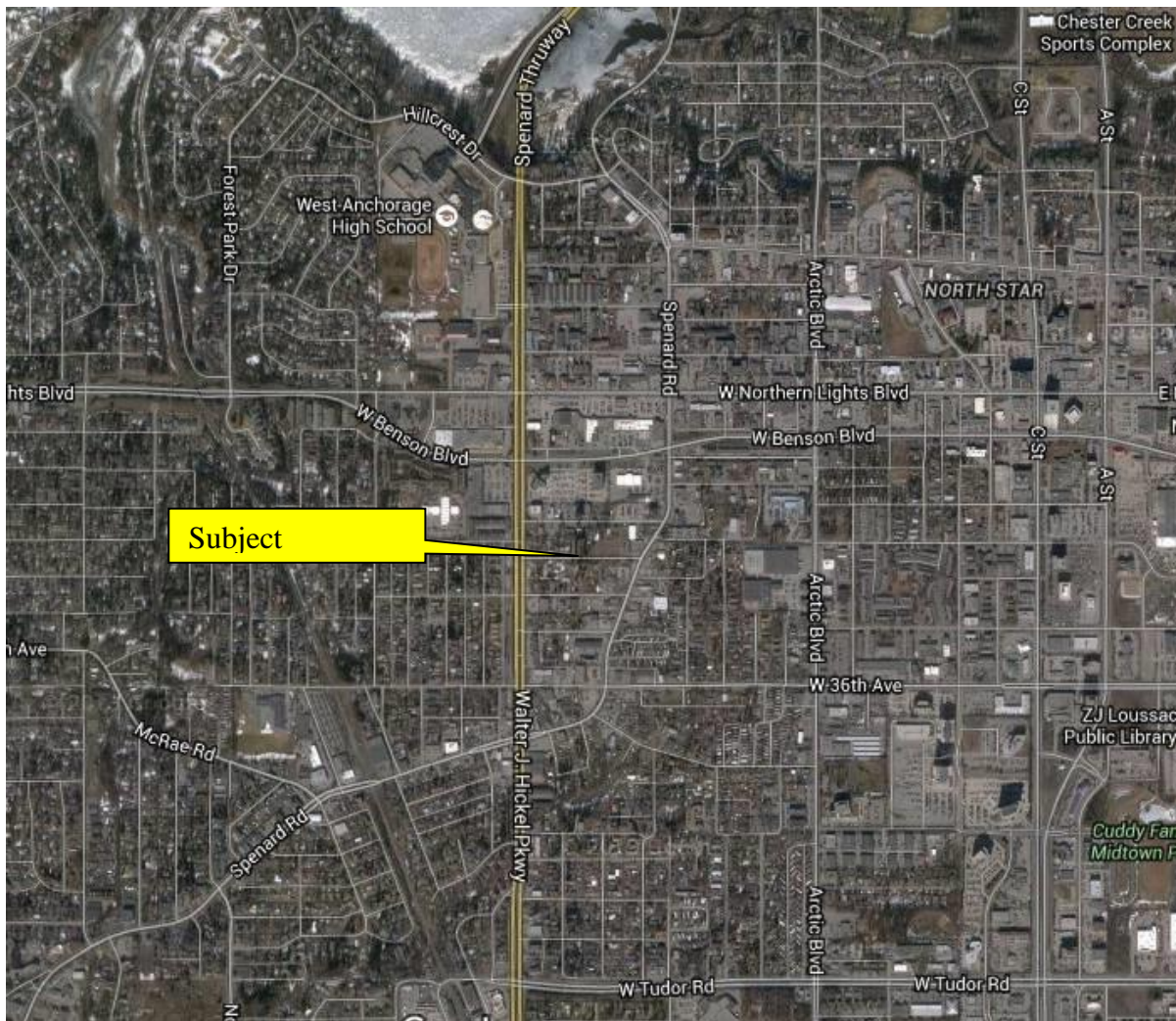
MARKET VALUE ESTIMATE: \$485,000

The value opinions are stated in terms of cash. The market exposure period (looking backward) and the marketing time (looking forward) are both estimated at six months to one year.

IDENTIFICATION OF THE PROPERTY

The subject consists of a parking lot located at 1500 W. 31st Avenue in Anchorage, Alaska. The property is identified as Fouts Lot 4A. The MOA (Municipality of Anchorage) tax identification number is 010-013-24-000. Ownership reportedly vests in State of Alaska Legislative Council.

Address	Area	Comments
1500 W. 31 st Ave.	22,557 SF	Paved parking lot



Property History

The subject was purchased by the State of Alaska from Well Fargo. It was the satellite parking lot and the primary transaction was for the bank building at 1500 W Benson Boulevard. The sale closed 9/28/2016; Book 2016, Page 0038394. Our firm appraised the contribution of the subject at \$22/SF, or \$496,000 prior to the sale. The eventual contribution of the subject site to the total purchase price of the building was not allocated. There are no other known sales/listings.

SUBJECT PHOTOS- TAKEN BY BRIAN BETHARD- 9/19/2019



Looking east on West 31st, subject to right



Front view of the subject



Looking west on W. 31st, subject to left



Subject



Looking southwest at subject



Subject from northeast corner

Client

State of Alaska Legislative Affairs Agency
120 4th Street, Rm. 3
Juneau, AK 99801

Attn: JC Kestel, Procurement Officer

Purpose of the Appraisal and the Property Rights Appraised

The purpose of this appraisal is to estimate the *market value*¹ of the *fee simple*² interest as of September 19, 2019.

The value opinions are stated in terms of cash. The market exposure period (looking backward) and the marketing time (looking forward) are both estimated at six months to one year.

Effective Date of Value

As-Is: September 19, 2019

Date of Inspection

September 19, 2019

Intended Use of the Appraisal/Intended Users

The intended use is for asset evaluation and/or potential sale. The intended users include the client.

Report Date

September 26, 2019

¹ “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:

- 1) Buyer and seller are typically motivated;
- 2) Both parties are well informed or well advised, and both acting in what they consider their 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.

Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.43 Definitions [f].

² Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. Appraisal Institute 1993; *Dictionary of Real Estate Appraisal*

Property Data

Brian Bethard inspected and photographed the property on September 19, 2019. Plat/grid maps and zoning maps/regulations were obtained from the Municipality of Anchorage (MOA). All requested information that was available was provided.

Prior Appraisals

Black-Smith, Bethard & Carlson has not previously appraised the subject property within the past three years. Our firm appraised the property in 2015 for a potential sale. The property sold in 2016, with 1500 W. Benson Boulevard.

Area Data

In order to identify significant trends and indicators, we spoke with local property owners, real estate agents, and appraisers. We obtained a community profile from the State of Alaska Department of Community and Regional Affairs. We also reviewed various publications, reports, and surveys including *Alaska Economic Trends*, *Alaska Business Monthly*, and the *Alaska Journal of Commerce*.

Market Analysis

Because the subject is an existing, conventional property type and market conditions are stable, an *inferred demand* analysis is appropriate (demand is inferred from general market conditions and the available data).

Market Data

Alaska is a non-disclosure state. Comparable data was obtained by searching the local multiple listing service records, surveying several real estate agents/brokers, property managers, and other appraisers. Market data was confirmed with the property owners, managers, or agents.

Approaches to Value

All three of the traditional approaches to value were considered for this assignment.

The subject is vacant land and the income and cost approaches are not applicable. The subject is valued based on the sales comparison approach. The highest and best use of the subject is speculation, with commercial development when feasible. Potential purchasers wishing to develop the property would not recognize the contribution of these improvements that would likely need to be demolished during development. Any interim contribution for use as a parking lot is considered to offset demolition costs.

As required by USPAP, the omission of the cost and income approaches is explained. This appraisal report is a recapitulation of the appraiser's data, analyses, and conclusions. Supporting documentation is retained in our work files.

Appraisal Problem

There are no unusual appraisal issues with this assignment.

ASSUMPTIONS AND LIMITING CONDITIONS

General assumptions and limiting conditions are contained in the addenda of the report. Extraordinary assumptions,³ hypothetical conditions,⁴ and limiting conditions are summarized as follows:

- The appraisal is made according to the extraordinary assumption that the information provided is reliable.

³ "An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions." Uniform Standards of Professional Practice.

⁴ "That which is contrary to what exists, but is supposed for the purpose of analysis." Uniform Standards of Professional Practice.

PART III – PRESENTATION OF DATA

ALASKA

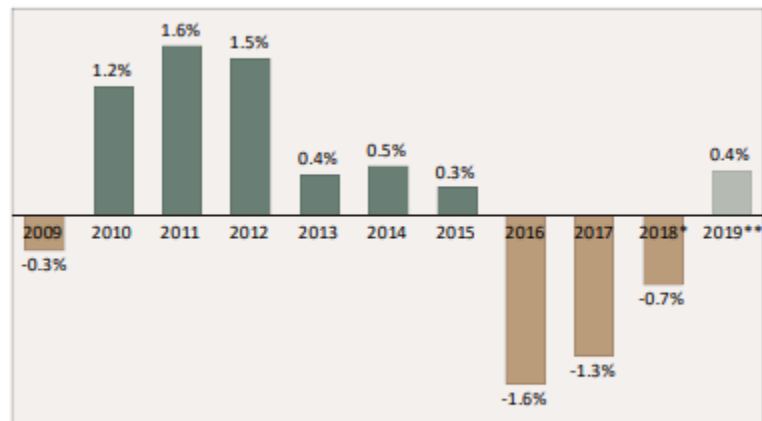
Economic Outlook

While the economy has become more diversified, Alaska is heavily dependent on the oil industry and government spending.

Alaska’s economy faces two major obstacles related to the drop in oil prices: a significant shedding of jobs by employer’s sensitive to oil prices, and state government’s budget dilemma.⁵ The main uncertainty about Alaska’s economic future has less to do with oil prices, which are influenced by factors well beyond the state’s control, and more to do with political decisions on the size and funding source of state government.⁶

An economic crash with significant job losses was predicted in early 2016.⁷ After three years of job losses, Alaska is set to regain a small amount of lost ground in 2019 as some industries show signs of recovery. We forecast 0.4 percent growth in 2019, or about 1,400 new jobs. Sectors devastated early in the recession are beginning to add jobs again. Oil industry employment stabilized in mid to late 2018, and increased activity on the North Slope signals resumed growth. The construction industry, hit especially hard during the recession’s first two years, began to add jobs in 2018 and will pick up the pace in 2019, mainly through projects at Eielson Air Force Base in the Interior. Other sectors have stabilized and some, such as retail and state and local government, will continue to lose jobs in 2019.⁸

STATEWIDE CHANGE IN JOBS, 2009 TO 2019 FORECAST



*Preliminary **Forecast

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Population Trend⁹

Until 2017, natural increase more than offset migration losses, keeping the total population growing. This was the fifth year in a row of net migration losses (in-migration minus out-migration), the longest on record for Alaska. Alaska’s total population declined in 2017 for the first time since the late 1980s. The decline was small, however, at 0.4 percent, and the total population estimate hasn’t changed much over the last four years.

⁵ Caroline Shultz, Alaska Economic Trends, January 2017

⁶ Caroline Shultz, Alaska Economic Trends, January 2017

⁷ *Economic Impacts of Alaska Fiscal Options Overview of Draft Conclusions*; Gunnar Knapp, Director and Professor of Economics Institute of Social and Economic Research, University of Alaska; March 7, 2016

⁸ Karinne Wiebold, Alaska Economic Trends January 2019

⁹ Alaska Economic Trends, March 2018; Alaska Department of Labor

ANCHORAGE and the MATANUSKA-SUSITNA BOROUGH

More than half of Alaska's population resides in the adjoining south-central areas encompassed by the Municipality of Anchorage (MOA) and the Matanuska-Susitna Borough (MSB). Their population centers are physically separated by Joint Base Elmendorf Richardson (JBER) and the flats of the Matanuska and Knik Rivers.

Anchorage is Alaska's largest city. It is a strategic hub for the state's transportation industry and the center of commerce. Oil and gas industries, finance and real estate, communications, and government agencies are also headquartered in Anchorage.

The southern-most portion of the MSB is often described as a bedroom community to Anchorage, commonly referred to as the "Valley." While they have their own identities, the sister cities of Wasilla and Palmer are only 45 miles from Anchorage on the Glenn Highway, a multi-lane, paved expressway with modern interchanges.



Mat-Su has large tracts of undeveloped land, while urban Anchorage is mostly limited to infill sites that restrict growth and increase costs.¹⁰ Most boroughs and census areas have sustained net migration losses in recent years, losing people to other places in the state as well as outside. The Matanuska-Susitna Borough stands out for its large net inflows, averaging more than 1,200 people per year, even in a decade when most of the state's net migration has been negative....By area, the Matanuska-Susitna Borough remains the fastest-growing in the state, adding 1,612 people over the year to reach 104,166 in 2017.¹¹

Anchorage

Job loss has been the headline for the last three years in Anchorage, and although the decline became smaller each year, this has been the longest recession in the city's history. The city will inch back into positive territory in 2019 with 0.2 percent forecasted growth, not through any major project or event but by small gains in a number of industries. Although some Anchorage industries will continue to lose jobs, improving consumer sentiment and growth in tourism, construction, air freight, health care, and military spending will likely offset any declines. Forecasts are based on what we know now, however, so a dramatic oil price decline, big state government cuts, a national recession, or another economic shock would change the outlook considerably¹²

Summary

While there is some evidence of a general softening, the effects of recessionary conditions on various submarkets is not universal. The near-term outlook has been for generally stable conditions but recent state budget developments are unsettling.

¹⁰ Alaska Economic Trends, April 2014; Alaska Department of Labor

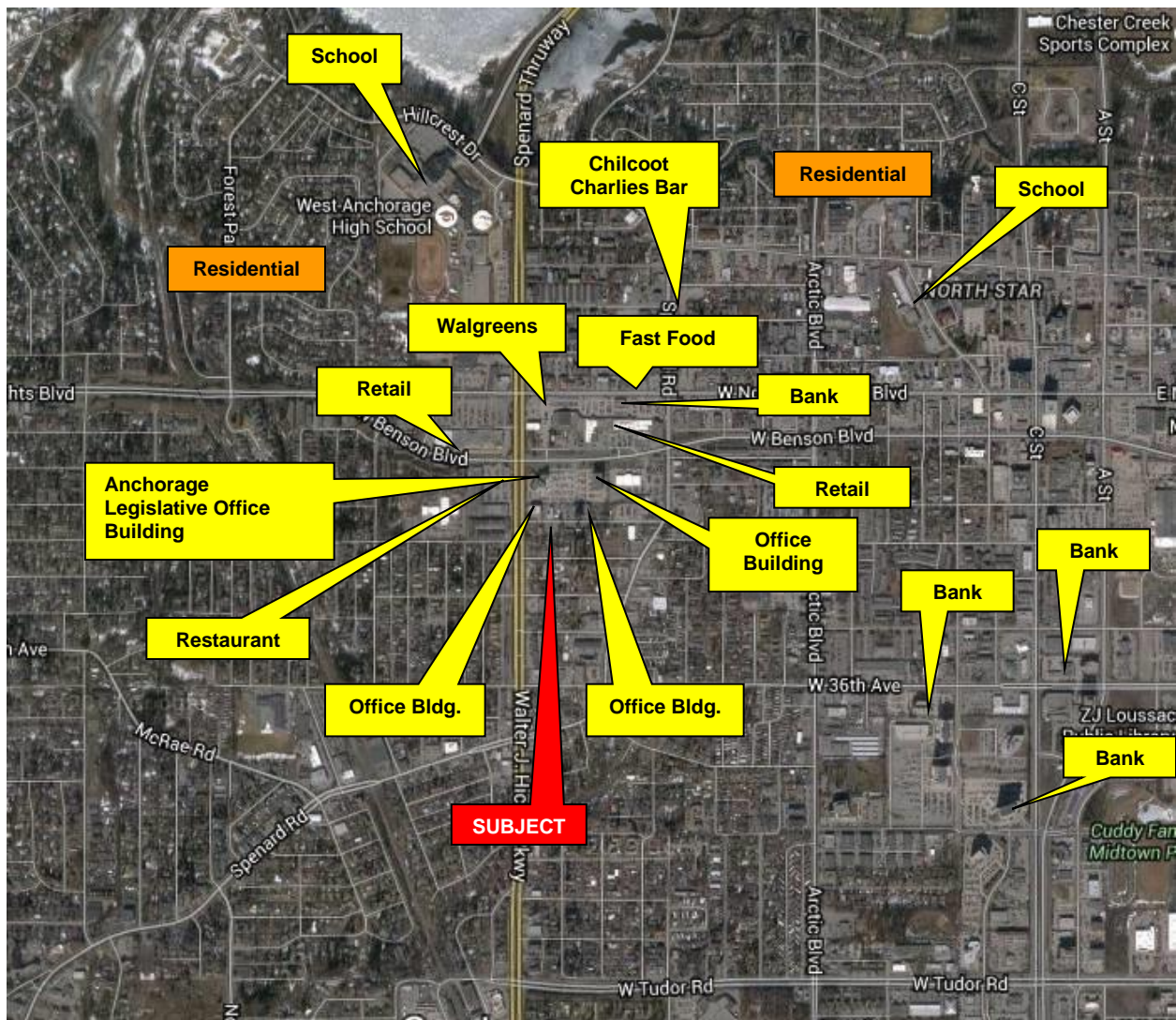
¹¹ Alaska Economic Trends, March 2018; Alaska Department of Labor

¹² Neal Fried, Alaska Economic Trends, January 2019

NEIGHBORHOOD DESCRIPTION

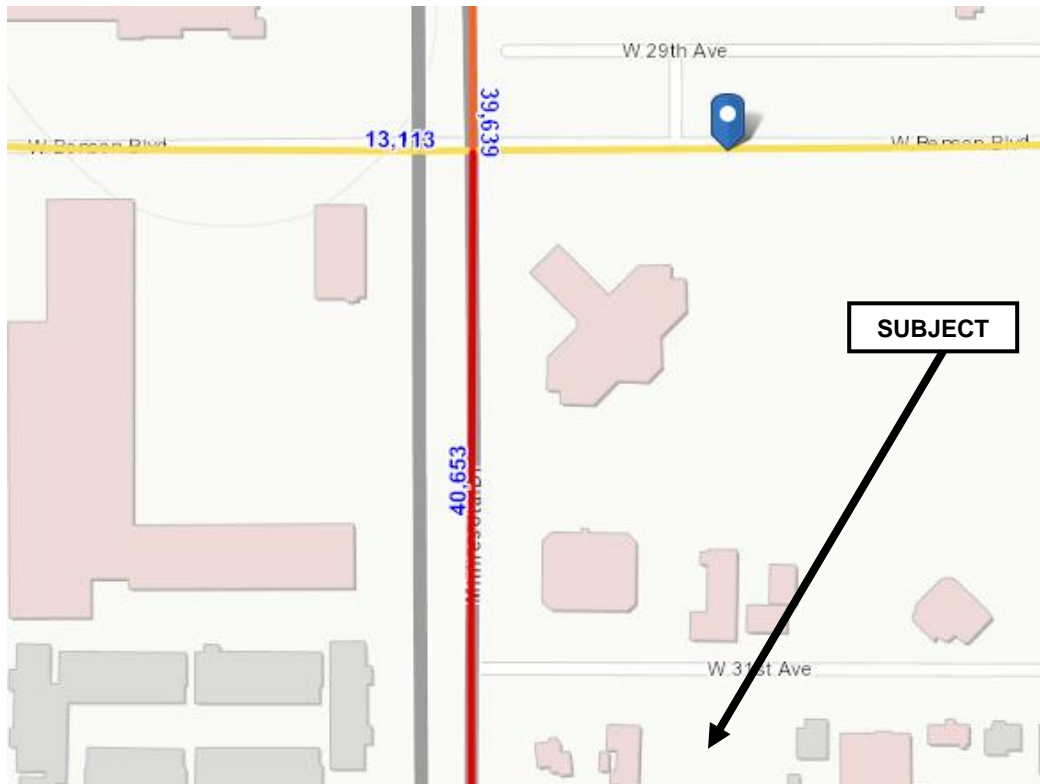
The *general neighborhood* is referenced by the Midtown business district, about 2 miles southwest of the Anchorage CBD. The neighborhood is bounded on the north by Chester Creek, on the east by the New Seward Highway, on the south by Tudor Road and on the west by the Minnesota By-Pass. All public utilities are available and access is good. The area is roughly 95% developed with a variety of general commercial uses. It is centrally located with good access to the Anchorage Bowl. New construction and reinvestment in renovations is noted.

The *immediate neighborhood* is referenced by C Street to the east, Minnesota to the west, Tudor to the south and W 20th Avenue to the north. W. Benson is a one way east bound arterial and Minnesota is a two way north/south bound arterial in Midtown Anchorage.



Nearly all of the remaining vacant commercial land in this area has been acquired for development.

The area to the north of the subject is more retail in nature; whereas, the area to the south of the subject is more residential in nature with commercial interspersed. The area to the east of the subject is the Midtown commercial and office area.



The subject property is located southeast of the corner of W. Benson Blvd. and Minnesota Drive (average daily traffic count 2018 [latest data] of 40,653 vehicles per day on Minnesota Drive and 13,113 vehicles per day on W Benson Blvd.)¹³ Minnesota is a dual lane highway and W. Benson is a multi-lane east bound artery, both are paved streets with rolled-curbs, sidewalks, gutters, and street lighting. The W. 31st Avenue street does not have an ADT count. It is a paved, two-way, interior subdivision street.

Minnesota Drive and New Seward Highway are both multi-lane arterials connecting north and south Anchorage, New Seward Highway is located east of the subject. Benson Blvd. is a major east bound arterial connecting west and east anchorage.

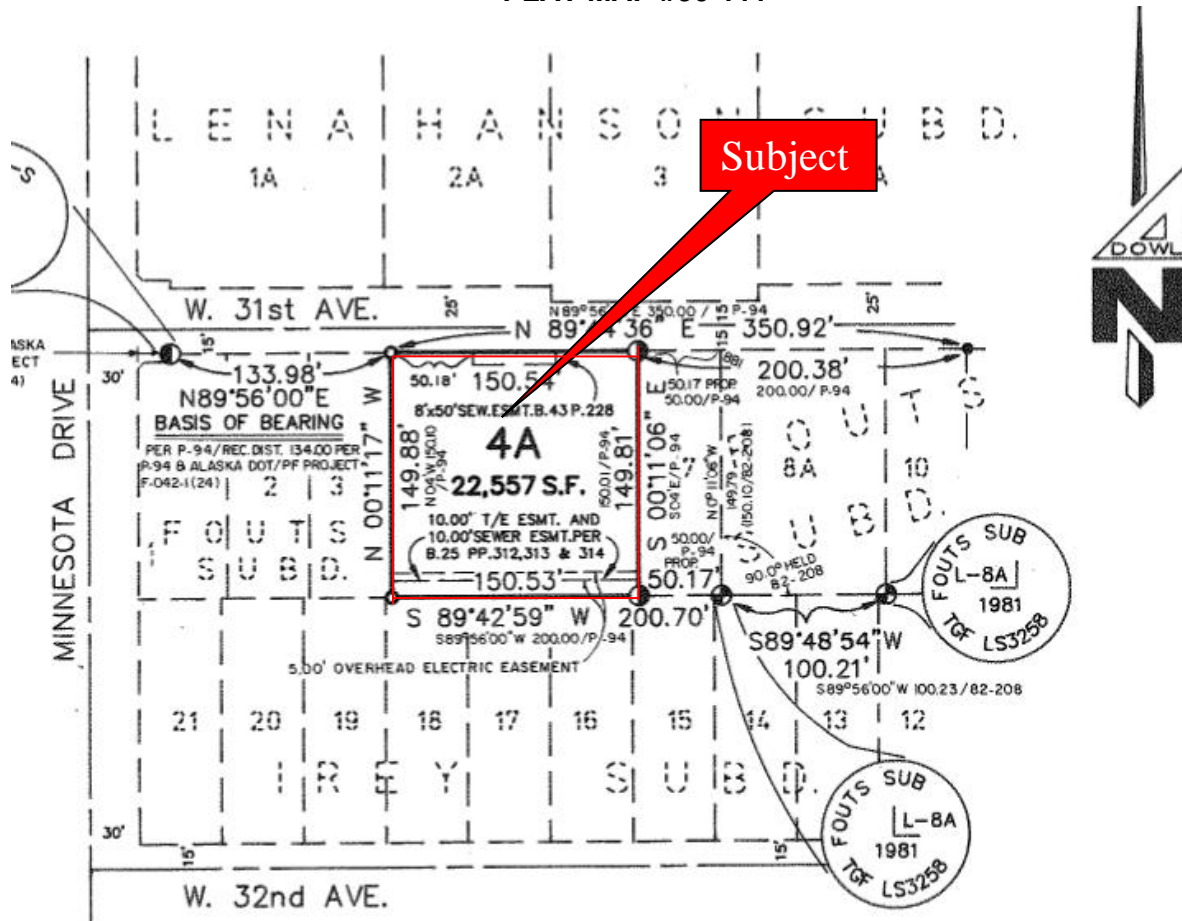
In summary, the immediate neighborhood is an older portion of the Midtown commercial area and is slightly west of the Midtown commercial office core; which has seen the greatest redevelopment in recent years. Properties in the area are generally suitable for both users and investors. The area is centrally located with good access to the Anchorage Bowl. New construction and reinvestment in renovations is noted within the area.

¹³ Alaska DOT

Location

The address is 1500 W. 31st Ave., between Minnesota Drive and Spenard Road. It is made up of one rectangular shaped parcel. The Plat was created in 1990 and the property is known as Fouts Subdivision Lot 4A.

PLAT MAP #90-111



Access

The subject fronts W. 31st Avenue with direct access. W. 31st Avenue is bounded by Minnesota Drive and Spenard Road. It is an east-west, paved interior street with rolled curbs. The parcel has limited exposure, but overall access is considered adequate.

Topography, Soils, and Flood Hazard

The subject site is mostly level. The site is located outside designated flood plains,¹⁴ wetlands,¹⁵ and areas of "high ground failure susceptibility".¹⁶ The Municipality permitting department recognizes this zone in its application of the Uniform Building Code. We were

14 FIMA Flood Insurance Rate Map Panel 243B of 625, September 18, 1987
 15 Anchorage Bowl Wetlands Map No. 69 (May 1988)
 16 Harding-Lawson Associates 1979 Geotechnical Hazard Assessment Study

not provided with a soils report; the base soils are believed to be adequate based on surrounding development.

Area

According to plat map #90-111, the effective site area of the subject is 22,557 SF; this is also confirmed by the Municipality of Anchorage assessment record. If a current survey determines that the site size differs from the MOA records and current plat, an adjustment to the value of the property may be warranted.

Utilities

Public utilities available include water, sewer, electricity, natural gas, and telephone.

Easements

There is an 8' by 50' sewer easement toward the middle of the northern property boundary and a 10' sewer easement along the southern boundary. The utility easements are typical easements mostly confined to the perimeter and do not appear to be a detriment to the property.

Zoning

The subject is zoned B-3 *General Business District*. The B-3 district is intended for general commercial uses in areas exposed to heavy automobile traffic. Most of the commercial property in Anchorage is zoned B-3. This district is governed by section 21.40.180 of the municipal code.

Environmental Issues

The subject site is not listed on the Alaska DEC Contaminated Sites Database and the appraisers did not note any adverse conditions at the site during the inspection. The appraisal is made according to the extraordinary assumption that the site is environmentally clean.

Site Improvements

The site is paved and striped with 6 pole lighting fixtures. Although the site improvements are in average condition and are well suited for parking use. Highest and best use for commercial development would render the site improvements obsolete. Any interim use value is offset by demolition costs.

Suitability

The subject is comprised of one square shaped lot, totaling approximately 22,557 SF. Access is adequate and all public utilities are available. The subject property is suitable for several general commercial uses, not dependent on visibility and exposure. The site would be suitable for owner users or investors.

REAL ESTATE TAXES AND ASSESSMENTS

The municipal tax identification number is 010-013-24-000. A three-year tax history is presented below.

	---Land--	--Building-	---Total---	
Appraised Val 2017:	338,400	39,500	377,900	
Appraised Val 2018:	338,400	40,400	378,800	--Exemption---
Appraised Val 2019:	0	0	0	-----Type-----
Exempt Value 2019:	0	0	0	State
State Exempt 2019:			0	
Resid Exempt 2019:			0	
Taxable Value 2019:			0	

Outstanding taxes or assessments are liens. Verification and reporting is a function of preliminary title reports. We were not provided with a title report. We developed our value opinion as if free and clear. The site is currently owned by the State of Alaska and is tax exempt.

PART IV – ANALYSES OF DATA AND CONCLUSIONS

MARKET ANALYSIS

The Appraisal Institute recognizes two categories of market analysis: inferred and fundamental. Given the property type and stable market conditions, an *inferred demand* analysis is appropriate. Demand is inferred from general market conditions and the data selected for direct comparison.

COMMERCIAL LAND

Most of the activity is attributable to users. An expansion by regional and national chains continues to generate demand for strategic sites, both pad sites and stand-alone locations.¹⁷ Numerous special purpose facilities have been completed, are currently under construction, or proposed. The available data indicates that:

- The market recognizes a price-per-square-foot unit of comparison;
- Anchored out-lots command a premium over stand-alone sites; and,
- Terms are typically cash and a market exposure period of one year is not unreasonable.
- Prices trended upward through 2007 but have stabilized.

General Market Conditions

Because the Multiple Listing Service (MLS) 10-year Comparison Report does not distinguish between vacant land types, it is only indicative of general trends. Over the last three years, activity (# number of transactions) has remained relatively the same while market exposure times (days on market [DOM]) have increased.

10-year Comparison Report						
Property Type: Land						
Borough: 1A - Anchorage Municipality						
Construction Type: Existing and New Construction						
Year	# Sold	Avg. List Price	% List Price Change	Avg. Sold Price	% Sold Price Change	Avg. DOM
2009	112	\$181,801	NA	\$164,390	NA	199
2010	144	\$166,214	-8.57%	\$148,849	-9.45%	302
2011	137	\$193,808	16.60%	\$186,992	25.63%	401
2012	197	\$146,540	-24.39%	\$134,602	-28.02%	265
2013	222	\$178,428	21.76%	\$174,585	29.70%	224
2014	207	\$234,521	31.44%	\$207,003	18.57%	173
2015	191	\$168,171	-28.29%	\$151,497	-26.81%	205
2016	132	\$164,974	-1.90%	\$150,986	-0.34%	178
2017	160	\$170,492	3.34%	\$151,236	0.17%	211
2018	148	\$162,167	-4.88%	\$142,542	-5.75%	279

17 Big-box national retailers, convenience store chains, franchised restaurants, auto dealerships, specialty garages (mini-lubes, mufflers/brakes), and lodging facilities.

Summary

The current market conditions are relatively stable in terms of supply and demand. Market participants remain cautious due to the State budget deficit and worries of sustained low oil prices.

Highest and best use is defined as:

“the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, and financially feasible and that results in the highest value.”¹⁸

Highest and Best Use As-Vacant

Possible Uses

The subject parcel is at grade with W. 31st Avenue and served by all public utilities. The base soils appear adequate for improved uses. Given these characteristics, the parcel could be developed with almost any legally permitted, financially feasible use.

Permissible Use

Legal restrictions, as they apply to the subject, include easements and the public restrictions of zoning, as included in Title 21 of the Anchorage Municipal Code "Land Use Regulations" and private restrictions.

The subject site is made up of a rectangular shaped parcel zoned B-3, located on a low traffic street. It is suited for a general commercial purposes. The B-3 district is intended specifically for those areas surrounding major arterial intersections where personal services, convenience goods and auto-related service facilities are desirable and appropriate land uses.

The easements as noted on the plat are mostly confined to the perimeter without impacting the highest and best use. We are not aware of any private restrictions affecting the site.

Feasible Use

The feasibility of several uses is evidenced by an active market for sites. Uses that have been driving the market for well-located commercial sites containing less than two acres include restaurants, banks, specialty automotive, and convenience stores with gas service. Given the size of the subject site (22,557 SF); it is suitable for a number of general conforming uses. The site is located near a primary arterial; however, it is on a low volume street. Given the location and zoning there are several feasible owner specific uses.

Maximally Productive Use

The market for suitable sites is driven by a number of uses with a variety of requirements. As such, the maximally productive use cannot be determined. In summary, the highest and best use as-vacant, is for a conforming owner-user facility or hold until feasible for speculative use.

Most Probable Buyer

The property is vacant and suitable for a user or investor. Given the setback location, the most probable buyer is an owner user.

¹⁸ Appraisal Institute, The Appraisal of Real Estate, 12th Edition

LAND VALUATION, LOT 4A

There are a number of acceptable procedures that can be used when valuing land. “Sales comparison is the most common technique for valuing land and it is the preferred method when comparable sales are available”.¹⁹ The Direct Sales Comparison Approach involves the comparison of the subject to similar properties that have been recently sold. Sales of similar properties are correlated to the subject by adjusting for various inequalities on an item by item basis. Elements of comparison considered in the valuation are summarized as follows:

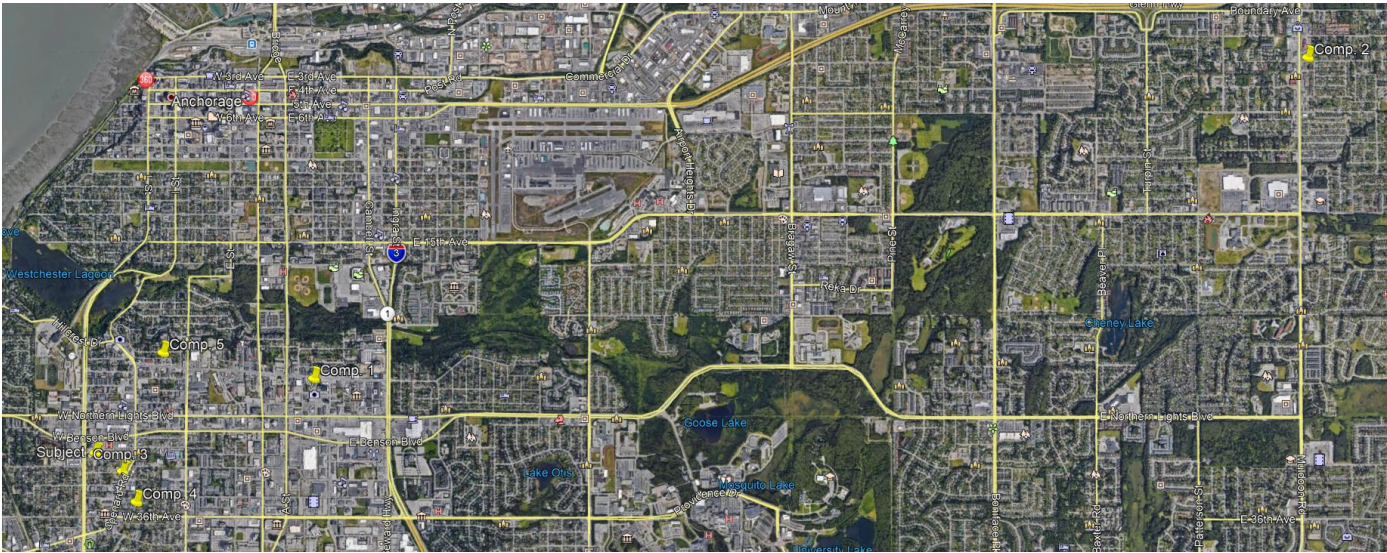
- financing terms
- conditions of sale (motivation)
- market conditions (sale date)
- physical characteristics
 - * access/location
 - * soils & topography
 - * size/shape

In this approach, the site value is added to the estimated cost of the improvements adjusted for age, condition and utility.

Properties selected for comparison are contained in the following table. The market was thoroughly searched for comparable sales. The following sales/listings represent the best data available for comparison purposes.

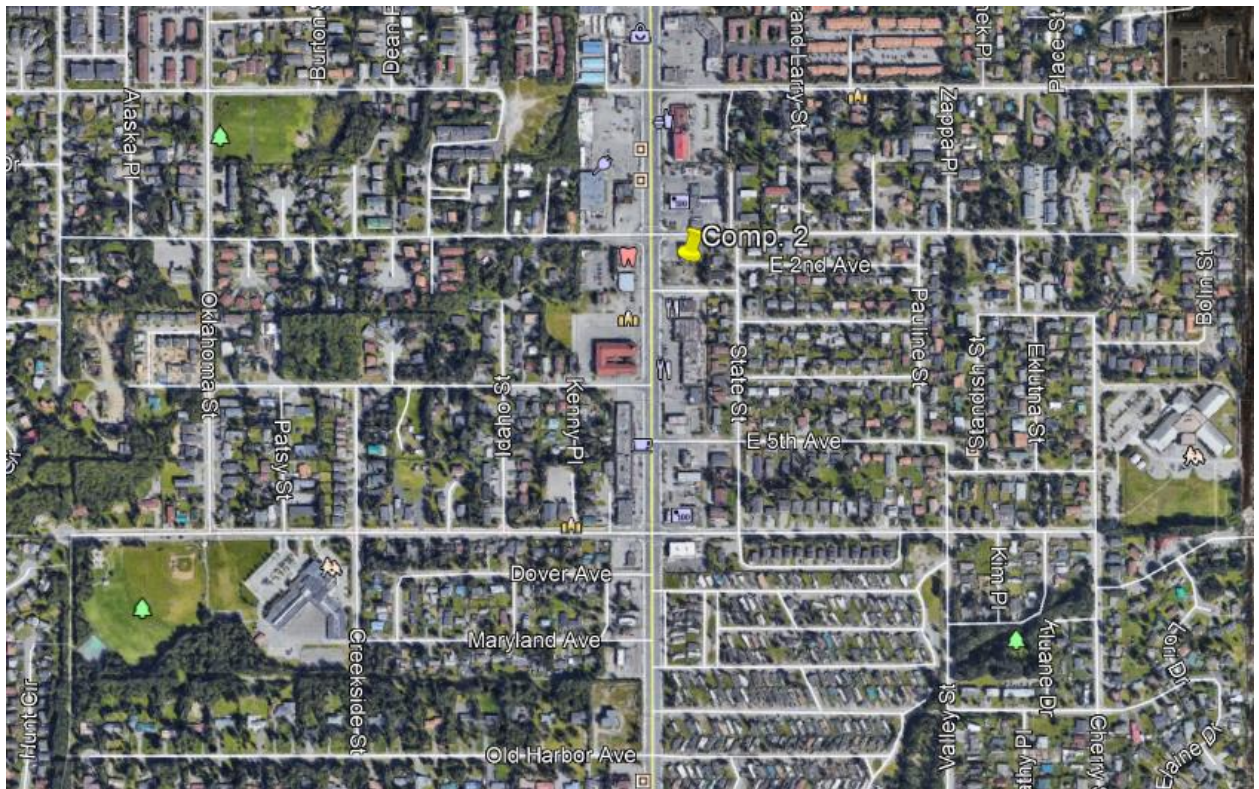
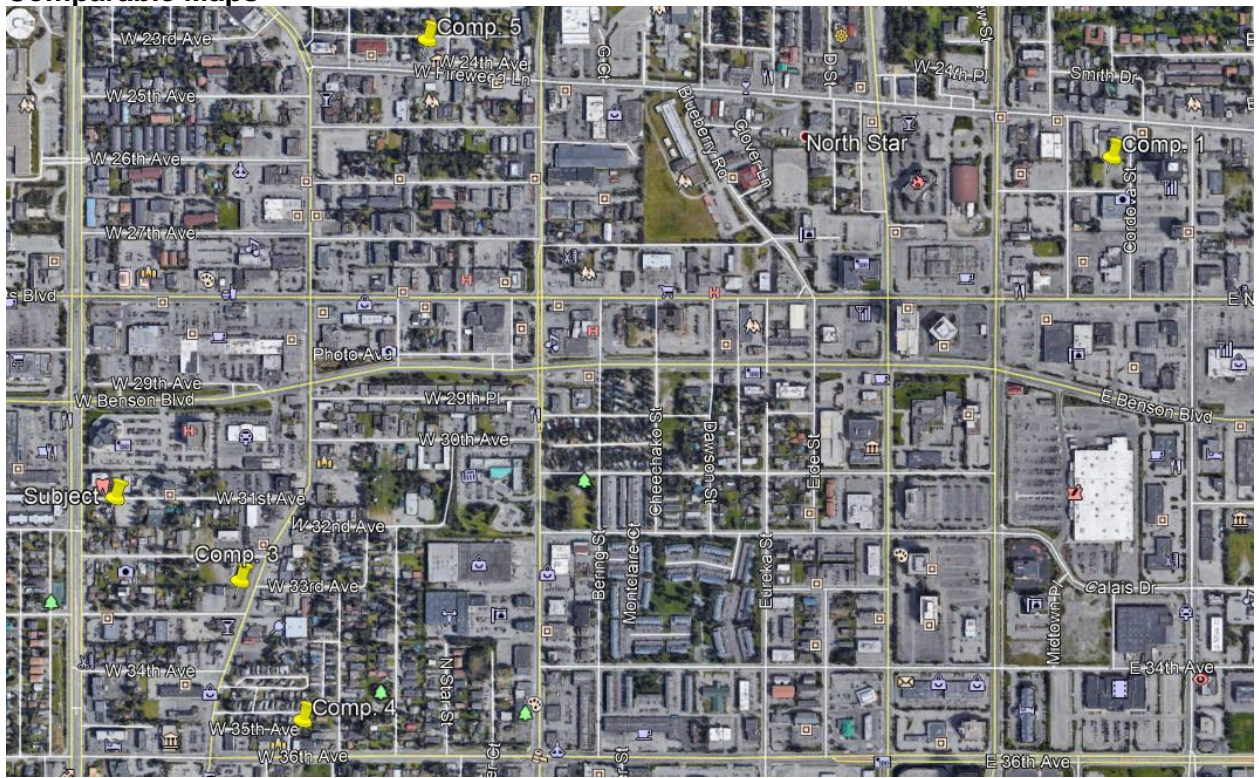
SUMMARY OF COMPARISON LAND DATA								
No.	Address	Date	Zone	Acres	Price	SF	\$/SF	DOM
1	261 E 26 th Ave	2-15	B-3	0.688	\$662,000	29,990	\$22.07	222
2	317 Muldoon Road	7-19	b-3	0.44	\$379,820	18,991	\$20.00	566
3	3208 Spenard Rd	3-18	B-3	0.38	\$270,320	16,383	\$16.50	371
4	1202 W. 35 th Ave	10-16	B-3	0.17	\$129,000	7,438	\$17.34	47
5	1017 W. Fireweed Lane	3-19 List	B-3	0.48	\$450,000	21,000	\$21.43	174
SUBJECT Lot 4A		----	B-3		-----	22,557	-----	-----

DOM (days on market)



¹⁹ Appraisal Institute, *The Appraisal of Real Estate*, Eleventh Edition

Comparable Maps



DESCRIPTION OF THE COMPARABLES

The comparables are identified in the previous table and on the map. The property characteristics are summarized in the following comparison grid. Details are presented in the addenda.

CORRELATION (explanation of the adjustments)

All of the comparables reflect arm's length sales/acquisitions of the fee simple interest. No undue stimulus was reported. Atypical motivations, if any, are recognized in the reconciliation. The indicated unit values are already adjusted to a cash equivalent value (if required) and for expenditures immediately after purchase (e.g. demolition or the cost-to-cure known defects/deficiencies).

Quantitative Adjustments

Market Conditions - The market does not support a quantitative adjustment for the time period bracketed by the comparables and the date of valuation. We did not apply a quantitative adjustment for time. The impact of market conditions is recognized in the final reconciliation.

Size – The market does not support a quantitative adjustment within the range of sizes reflected by the subject and the comparables. We applied a qualitative adjustment to acknowledge the general trend – unit price decreases as parcel size increases.

Qualitative Adjustments

A sufficient number of paired-sales are not available from which to extract reliable adjustments for other inequalities. We correlated physical inequalities with qualitative adjustments (superior, inferior, approximately equal).

Relative Comparison Grid

No.	Subject	1	2	3	4	5
Status	---	Sold	Sold	Sold	Sold	Listing
Address	Lot 4A W 31 st Ave	261 E 26 th Ave	317 Muldoon	3208 Spenard	1202 W 35 th Ave	1017 W Fireweed
Sale Price	---	\$662,000	\$379,820	\$270,320	\$129,000	\$450,000
Date	---	2-15	7-19	3-18	10-16	3-19
Size	22,557 SF	29,990 SF	18,991 SF	16,383 SF	7,438 SF	21,000 SF
Indicated \$/SF	---	\$22.07	\$20.00	\$16.50	\$17.34	\$21.43
General Location • <i>Neighborhood</i>	Established mixed-use district; near Benson & Minnesota	Established mixed-use district; between Northern Lights and Fireweed Approx. =	Older commercial/retail strip Inferior	Older commercial district; infill development Inferior	Older commercial district; infill development; borders trailer park Inferior	Established commercial district; infill development Slightly inferior
Access	Adequate; paved two-way	Adequate; paved two-way Approx. =	Adequate; paved Approx. =	Adequate; paved two-way Approx. =	Adequate; strip paved two-way Inferior	Adequate; paved two-way Approx. =
Topography	Cleared, level at grade	Cleared, fairly level, Approx. =	Cleared, level, at grade Approx. =	Cleared, level, at grade Approx. =	Cleared, fairly level, near grade Approx. =	Cleared, fairly level, near grade Approx. =
Soils	Adequate as prepared	Adequate Approx. =	Adequate Approx. =	Adequate Approx. =	Adequate Approx. =	Adequate Approx. =
Utility Availability	All available	All available Approx. =	All available Approx. =	All available Approx. =	All available Approx. =	All available Approx. =
Size	22,557 SF	29,990 SF Approx. =	18,991 SF Approx. =	16,383 SF Approx. =	7,438 SF Superior	21,000 SF Approx. =
Shape: • <i>Corner/interior</i>	Rectangular interior lot	Rectangular minor corner lot	Minor corner lot	Irregular corner	Irregular interior lot	Rectangular minor corner lot
• <i>Front to depth</i>	Adequate frontage to depth	High ratio of frontage to depth Superior	High ratio of frontage to depth Superior	Adequate frontage to depth Approx. =	Adequate frontage to depth Inferior	Adequate frontage to depth Superior
Restrictions • <i>Zoning</i>	B-3	B-3	B-3	B-3	B-3	B-3
• <i>Other (plat/CCRs)</i>	None reported	None reported Approx. =	None reported Approx. =	None reported Approx. =	None reported Approx. =	None reported Approx. =
Other	Paved, Lighting	N/A Inferior	Fencing, Paved Slightly inferior	N/A Inferior	Small Cabin needs demo Inferior	N/A Inferior
Indicated \$/SF	---	+/- \$22.07	> \$20.00	>\$16.50	>\$17.34	+/- \$21.43

RECONCILIATION

The relative market position of the subject is reconciled in the following table.

Comp. #	\$/SF	Reconciliation
1	+/- \$22.07	Superior frontage, inferior site improvements; dated sale
Subject		
5	+/- \$21.43	Superior traffic, inferior site improvements, unsold listing
2	▲ \$20.00	Most weight on inferior location
3	▲ \$17.34	Similar set back lot, but inferior location and demo costs
3	▲ \$16.50	Sale between two non-profits; appears low

The data generates an overall range of unit values from \$16.50 to \$22.07 per SF. The bracketed range is from \$21.43 to \$22.07 per SF.

The subject site is build-ready, with a favorable shape and paving/pole lighting. It has a good location in midtown but is set back from major streets with limited exposure. The site has paving and pole lighting, which is considered a positive amenity, but it is unlikely that the site improvements would contribute to future development of the site. In the end, we conclude towards the low end of the bracketing range, with consideration of the bulk of the data (\$16.50 to \$21.43). Market value is concluded at \$21.50/SF.

$$\mathbf{\$21.50/SF \times 22,557 SF = \$485,000, rounded}$$

ADDENDA

LIMITING CONDITIONS AND ASSUMPTIONS

This appraisal report has been made with the following general assumptions:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5. All engineering studies (if any) are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.
6. It is assumed that 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.
7. It is assumed that the 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.
8. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.
10. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in this field, if desired.

This appraisal report has been made with the following general limiting conditions:

1. Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication.
3. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.

Additional Assumptions and Limiting Conditions:

1. Any opinions of value provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the opinion of value, unless such proration or division of interests has been set forth in the report.
2. Only preliminary plans and specifications were available for use in the preparation of this appraisal; the analysis, therefore, is subject to a review of the final plans and specifications when available.
3. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
4. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance surveyor analysis of the property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative impact upon the value of the property. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.

QUALIFICATIONS OF BRIAN BETHARD, MAI – ALASKA STATE CERTIFICATION #281

Brian Z. Bethard, MAI

State Certification No. 281

General Education

Service High School, Anchorage, Alaska - Graduate 1989

The Colorado College, Colorado Springs, CO - Bachelor of Arts, Economics 1993

University of Alaska, Anchorage, Anchorage, AK - MBA 1996

Employment History

Black-Smith, Bethard & Carlson, LLC -

Managing Member – 2005 +

Black-Smith and Richards, Inc. -

Fee Appraiser -1995 to 2005

Randall, Hayes, and Henderson, Inc. -

Fee Appraiser -1993 to 1995

Appraisal Courses/Seminars Taken

Residential Case Study - University of Alaska Anchorage - 1994

Uniform Residential Appraisal Report - Appraisal Institute - 1993

Standards of Professional Practice, Part A & B - Appraisal Institute - 1996

Advanced Sales Comparison & Cost Approaches - Appraisal Institute - 1997

Appraisal Principles & Procedures - Appraisal Institute - 1998

Highest and Best Use Market Analysis - Appraisal Institute - 1998

Advanced Applications and Market Analysis - Appraisal Institute - 1998

Report Writing and Valuation Analysis - Appraisal Institute, 1998

Advanced Income Capitalization, Course 510 - Appraisal Institute - 2000

Intro to Statistics & Supporting Adjustments - Appraisal Institute - 2002

Market Studies for Affordable Housing - NH&RA - 2002

Standards of Professional Practice - Appraisal Institute – 2002/03/04/05/07/09/11/13/15

Subdivision Analysis - Appraisal Institute – 2004/15

Rates & Ratios – Appraisal Institute – 2005

Principles of Real Estate Law – IRWA – 2005

Skills of Expert Testimony – IRWA – 2006

Analyzing Distressed Real Estate – AI – 2006

Condemnation Appraising – AI – 2007

Appraisal Challenges in Declining Markets – AI, 2009

Forecasting Revenue – AI, 2009

USPAP Update – AI, 2011

Yellow Book – AI, 2011

Appraisal Curriculum, General – AI, 2011

Real Estate Financing, Statistics & Value Modeling – AI, 2013

Appraisal of Limited Service Hotels – AI, 2015

Certifications

Alaska State Certification: General Real Estate Appraiser #281

Affiliations

Member Appraisal Institute (Member No. 11857)

President: Alaska Chapter Appraisal Institute – 2005 & 2006

Vice Pres: Alaska Chapter Appraisal Institute - 2004

Typical Clients

Cook Inlet Housing Authority
Northrim Bank
Alaska Housing Finance Corp.
HDR Engineering
The Municipality of Anchorage
The City of Valdez
Alaska Industrial Development & Export Authority
Wells Fargo Bank
Key Bank
State of Alaska Department of Natural Resources
First National Bank Alaska
Alaska First Bank
Denali Alaska Credit Union
Department of Justice

Appraisal Assignments

Various Multifamily, Land and Special Purpose
Attwood Building Rent Study, Anch., AK
Kenai Senior Housing Market Study, Kenai, AK
Highlands Luxury Apartments, Anch., AK
The Veco Building, Anch., AK
City of Valdez Assessment, Valdez, AK
Charter North Hospital, Anch., AK
McKay Building, Anch., AK
Alaska DOT Building, Juneau, AK
Alyeska Pipeline Appraisal, Prudhoe - Valdez
15th Avenue Extension ROW Project, Anch., AK
Saint Paul Health Clinic, St. Paul, AK
Residential Mortgage Building, Anch., AK
Sprucewood Housing; 300 Units Eielson AFB

License - General Real Estate Appraiser



17-043

DELIVERY ORDER	STATE OF ALASKA, LEGISLATIVE AFFAIRS AGENCY	DELIVERY ORDER NO.
	FROM JC Kestel 907-465-6705	DO 3120 022

SHIP TO	Legislative Affairs Agency State Capitol 120 4th Street Rm. 3 Juneau, AK 99801	DATE DELIVERY REQUIRED AT DESTINATION:	DATE OF ORDER
		09/19/2019	9/9/2019
		F.O.B. Point Juneau	Requested By EXECUTIVE DIRECTOR

ORDER ISSUED IN ACCORDANCE WITH: CA# Exp. Date Quote Dated		
Shipping Instructions		
Company Contact Name Brian Bethard	Telephone 907-274-4654	Fax 907-274-0889
<input type="checkbox"/> Air Parcel Post <input type="checkbox"/> Surface parcel Post <input type="checkbox"/> Vendors Choice <input type="checkbox"/> Air Freight <input type="checkbox"/> Surface Freight <input checked="" type="checkbox"/> Other-See Below		
Black-Smith, Bethard, & Carlson, LLC. 1199 E. Diamond, Ste. 200 Anchorage, AK 99515		Please email report to JC Kestel @ jc.kestel@akleg.gov when the report/opinion is ready

IMPORTANT:
 1. D.O. number and receiving agency name must appear on all invoices and documents relating to this order.
 2. Do not over ship or substitute.
 3. Receipted freight bills must accompany all claims for freight charges.
 4. The state is registered for tax free transactions under Chapter 32, IRS code. Registration number is 92-6001185 K. Items are for the exclusive use of the state and not for resale.
 5. This order constitutes a binding commitment between the state and the contractor listed. Unauthorized modification without the expressed prior approval of the purchasing authority will result in a financial obligation on the contractor and/or unauthorized state personnel making the change.

I certify that I have received the material listed below
 Printed Name & Title **JC Kestel Procurement Officer** Signature _____ Date _____

	Description: ALOB Satellite Parking Lot Market Sale Value	Qty	Unit	Unit Price	Extended Price
1	Contractor will provide a written opinion of Market Sale Value for our Anchorage Legislative information offices satellite parking lot located at, 1500 W. 31st Ave. Anchorage, AK. The written report/opinion needs to take the following into consideration, but is not limited to the following factors. 1. Property identification, area description, property history, and current use 2. Market Data 3. Cost approach to value 4. Direct sales comparison approach to value 5. Final Estimate of Value with conclusion and evidence. The written report/opinion will be presented to Legislative Council by the Legislative Affairs Agency for review.	1	ea	3,000	\$3000.00

AUTHORIZATION: Jessica Geary, Executive Director Page 1 of 1 Pages TOTAL OF ALL PAGES \$3000.00

SEND INVOICE TO Legislative Affairs Agency 120 4th Street, Room 3 Juneau, AK 99801-1182	<input type="checkbox"/> House Rules <input type="checkbox"/> Allowance Account <input type="checkbox"/> Senate Rules <input type="checkbox"/> Admin. Services <input type="checkbox"/> House Expenses <input type="checkbox"/> Supply <input type="checkbox"/> Senate Expenses <input type="checkbox"/> Maintenance <input type="checkbox"/> LIO Funds <input type="checkbox"/> Other _____																									
<table border="1"> <thead> <tr> <th></th> <th>AMOUNT</th> <th>CC</th> <th>LC</th> <th>ACCT</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>\$3000.00</td> <td>30301 2201</td> <td></td> <td>3054</td> </tr> <tr> <td>2</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>3</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>4</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		AMOUNT	CC	LC	ACCT	1	\$3000.00	30301 2201		3054	2					3					4					
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PURCHASING AUTHORITY NAME TITLE JC Kestel, Procurement Officer	PURCHASING AUTHORITY SIGNATURE 	TELEPHONE NUMBER 907-465-6705
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Proposal
Alaska State Capitol Video Infrastructure
For Alaska Legislative TV and Gavel Alaska
Updated 8/2019

Overview

KTOO proposes a collaborative project with the Alaska Legislature's Legislative Affairs Agency (LAA) to upgrade and expand the video infrastructure in the Alaska State Capitol Building in Juneau to benefit the public by improving access to the Legislature by improving the Legislature's Alaska Legislative TV (AK Leg TV) web service and KTOO's Gavel Alaska television service.

The project scope includes the design and installation of the following:

1. A video routing system and distribution network in the Capitol complex and between the Capitol and KTOO.
2. Control stations at KTOO to receive, switch and distribute the video signals via statewide television channels.
3. 37 broadcast-quality high definition video cameras installed in multiple meeting rooms in the Capitol complex.

The proposed video system would be designed and implemented collaboratively by LAA and KTOO staff. LAA would own the equipment and infrastructure in the Capitol complex. The system would build on the existing AK Leg TV equipment and be compatible with equipment installed at KTOO and the State Library, Archives and Museum (SLAM) building. The system would provide video for the Alaska Legislature streaming service, and KTOO would have access to the video for Gavel Alaska under the terms of a Memorandum of Agreement between the Legislature and KTOO. KTOO would also continue to have access to State of Alaska-owned fiber optic cable between the Capitol and the State Library, Archives and Museum building.

This proposal builds on LAA and KTOO's extensive experience with legislative coverage using both manual and robotic cameras. It has been developed and refined with a number of successful pilot projects using the specific recommended technologies; including remote production, robotic cameras for meetings and events in various venues including the Capitol, and in the House Chambers during the 2019 State of the State address. These pilot productions repeatedly and reliably demonstrated the goals of the project.

The proposal allows for a phased approach, starting with the routing network (phase one), followed by video control stations at KTOO (phase two), deployment of new and replacement cameras in key meeting rooms in the Capitol either in one installation or expanding over time to all or most public meeting room in the Capitol complex (phase three).

The overall project is about \$996,000.

Project benefits

The project provides several benefits to both the Legislature and to KTOO:

- Allows for scheduling of more televised coverage of more meetings and events by eliminating scheduling conflicts.
- Allows the sharing of cameras between LAA and KTOO, so there are not separate cameras for each entity.
- Provides opportunity for feeds to “overflow” rooms and other TVs in the capitol.
- Replaces LAA’s aging video infrastructure before unexpected failure.
- Reduces the Gavel Alaska “footprint” – the space it takes for cameras and crew members in committee rooms, on the floors and in the hallways; the new cameras are small and unobtrusive.
- Reduces KTOO expense for seasonal personnel, overtime for long days, and personnel scheduling limitations.
- Eliminates the wear and tear of moving camera equipment multiple times a day.
- Greatly enhances the quality of the video for viewers, including full quality capture of PowerPoint presentations and multiple camera angles in each room so that all Legislators can be seen.
- Upgrades the TV and web service production from standard definition to high definition video.
- Improves reliability of the signal path from the Capitol to both LAA and KTOO by replacing obsolete routing & microwave equipment.

Recommended Technology

1. **Routing and distribution:** We propose to replace the aging video routing system and distribution network in the Capitol complex and between the Capitol and KTOO. Some of the existing infrastructure is over 30 years old. We propose Riedel’s MediorNet equipment, which provides mass transport over fiber optic cables by sharing the available high bandwidth with many signals. Using MediorNet, a single Fiber optic link can transport 6 full bandwidth HD video signals in each direction. Signals can be routed from any source to any destination over available bandwidth to create a highly efficient pooled resource. For the infrastructure update 10 MediorNet nodes would be installed in the Capitol and at KTOO, with accompanying wiring to 17 rooms.
2. **Control Stations:** We propose to install three video control stations at KTOO. These control stations provide for KTOO to receive the signals from all of the cameras in the Capitol and prepare them for live or delayed broadcast and web stream, including the following functions:
 - Camera control
 - Video switching
 - Titling
 - Audio control
 - Recording
 - Streaming and archiving
 - Broadcast
3. **Cameras:** For interoperability, we propose to select cameras compatible with existing equipment owned by the Legislature, KTOO and the SLAM and reuse cameras where possible. We

propose 37 permanently installed, remote controlled video cameras in Legislative chambers and committee rooms, controlled from both the LIO in Terry Miller and from KTOO, connected by the high-capacity fiber described above. We propose multiple cameras per room - 11 room, some with 3 cameras, some with 4. These installations can happen on a per room basis. Independent of this agreement, KTOO would maintain some manual camera units for ad hoc events and for events in rooms without permanent cameras (i.e, the Speaker's Chambers, the Governor's Conference Room, hallways and the steps of Capitol)

Proposed Agreements. This proposal would depend on the following agreements.

- Approval from the Legislature's Presiding Officers, Rules Chairs, and Legislative Council
- Formal memorandum of agreement between the Legislature and KTOO to undertake the project.
- An ownership & maintenance agreement, identifying which equipment is owned by the Legislature and which is owned by KTOO, and who is responsible for maintenance and replacement.
- We propose that ownership of the cameras, wiring and routing equipment in the State Capitol be owned and maintained by LAA, and that ownership of the control stations and routing equipment at KTOO be owned and maintained by KTOO. Because both parties would depend on each other for interoperability, we propose to include a maintenance protocol as part of the MOA between the Legislature and KTOO.
- An MOA to establish the protocols for shared control between LAA & KTOO, which would provide "default" control to LAA and would include reasonable safeguards against political interference and would provide the Legislature with assurance to prevent accidental broadcast of closed meetings and private conversations.

Phasing

The project can be carried out in three phases, which can also happen concurrently, as follows:

Core Infrastructure – Install the MediorNet network nodes (2 each at LIO, Capitol 2nd floor, & 1st floor. 1 each at 5th floor, 3rd floor, Beltz, & KTOO) and a control panels in both the LIO and KTOO control rooms plus associated wiring in the Capitol. This phase will be beneficial even without subsequent phases, as it will increase capacity, improve reliability and reduce operating expenses immediately, regardless of whether new cameras are installed in subsequent phases. This stage replaces the LIO's aging video routing system. **(Winter 2019 - \$299,000)**

Control stations: Install control stations at KTOO to service remote production using robotic cameras and in high definition. Interfaces with LIO's control stations and legislative information systems for titling data. Replaces unsupported failing titling systems. **(Spring 2020 - \$305,000)**

Robotic cameras: Install 3 or 4 (varies by room) robotic cameras in committee rooms and in Senate & House chambers. Also install interfaces for accessing projector feeds directly at a lower cost & higher quality than mounting cameras pointed at the screens. These interfaces could be installed before cameras if necessary. Rooms can be installed independently either individually, in groups, or all at once. Bulk pricing may be available for larger installs. **(2020 and beyond - \$392,000)**

Phase	Item	KTOO (JCF)			LAA			Totals		
		Quantity	Each	Total	Quantity	Each	Total	Quantity	Each	Total
Core Infrastructure	MediorNet nodes	8	\$18,500.00	\$148,000.00	2	\$18,500.00	\$37,000.00	10	\$37,000.00	\$185,000.00
	MediorNet control panels	4	\$4,500.00	\$18,000.00	1	\$4,500.00	\$4,500.00	5	\$9,000.00	\$22,500.00
	Wiring in Capitol	0	\$15,000.00	\$0.00	1	\$15,000.00	\$15,000.00	1	\$30,000.00	\$15,000.00
	KTOO MediorNet interfacing	1	\$11,500.00	\$11,500.00	0	\$11,500.00	\$0.00	1	\$23,000.00	\$11,500.00
	Video server upgrade	1	\$12,000.00	\$12,000.00	0	\$12,000.00	\$0.00	1	\$24,000.00	\$12,000.00
	Broadcast encoder system	1	\$53,000.00	\$53,000.00	0	\$53,000.00	\$0.00	1	\$106,000.00	\$53,000.00
Control Stations	Integreated camera, audio, titling, and video control Stations	3	\$95,000.00	\$285,000.00	0	\$95,000.00	\$0.00	3	\$190,000.00	\$285,000.00
	System installation services & Shipping	1	\$20,000.00	\$20,000.00	0	\$20,000.00	\$0.00	1	\$40,000.00	\$20,000.00
Robo Cameras (\$8,000 ea), cables & install (\$2,000 ea),	House Chambers (4 cameras, voting data)	0	\$42,000.00	\$0.00	1	\$42,000.00	\$42,000.00	1	\$84,000.00	\$42,000.00
	Senate Chambers (4 cameras, voting data)	0	\$42,000.00	\$0.00	1	\$42,000.00	\$42,000.00	1	\$84,000.00	\$42,000.00
	House Finance (4 cameras, proj. interface)	0	\$42,000.00	\$0.00	1	\$42,000.00	\$42,000.00	1	\$84,000.00	\$42,000.00
	Senate Finance (4 cameras, proj. interface)	0	\$42,000.00	\$0.00	1	\$42,000.00	\$42,000.00	1	\$84,000.00	\$42,000.00
Projector Interface (\$2,000)	205 Butrovich (3 cameras, proj. interface)	0	\$32,000.00	\$0.00	1	\$32,000.00	\$32,000.00	1	\$64,000.00	\$32,000.00
	203 Farenkamp (3 cameras, proj. interface)	0	\$32,000.00	\$0.00	1	\$32,000.00	\$32,000.00	1	\$64,000.00	\$32,000.00
	124 (3 cameras, proj. interface)	0	\$32,000.00	\$0.00	1	\$32,000.00	\$32,000.00	1	\$64,000.00	\$32,000.00
	120 (3 cameras, proj. interface)	0	\$32,000.00	\$0.00	1	\$32,000.00	\$32,000.00	1	\$64,000.00	\$32,000.00
	106 (3 cameras, proj. interface)	0	\$32,000.00	\$0.00	1	\$32,000.00	\$32,000.00	1	\$64,000.00	\$32,000.00
	17 (3 cameras, proj. interface)	0	\$32,000.00	\$0.00	1	\$32,000.00	\$32,000.00	1	\$64,000.00	\$32,000.00
	Beltz (3 cameras, proj. interface)	0	\$32,000.00	\$0.00	1	\$32,000.00	\$32,000.00	1	\$64,000.00	\$32,000.00
	37 total cameras									
	TOTAL			\$547,500.00			\$448,500.00			\$996,000.00
	Core Infrastructure			\$242,500.00			\$56,500.00			\$299,000.00
	Control Stations			\$305,000.00			\$0.00			\$305,000.00
	Robotic Cameras			\$0.00			\$392,000.00			\$392,000.00