

SUR

84

SENATE FINANCE COMMITTEE REPORT

DATE: 4/4/90

FURTHER:

DATE TURNED INTO OFFICE: 4/11/90

The Finance Committee considered

SJR 84

Federal funding for development of the airport at St. Paul, AK.

and recommended:

- replace with _____ CS _____ same title
- or adopt _____ CS _____ new title
- attached amendment(s) technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

fiscal note(s) _____ Dept/Date: _____

zero fiscal note(s) _____

appropriation-no fiscal note

APPROVES PREVIOUS:

fiscal note(s) DOT/PF Dept/Date: 4/4/90
119.66E/1793.6 FE/1913.0.070

zero fiscal note(s) _____

SIGNING DO PASS:

[Signature]
[Signature]
[Signature]
[Signature]
 1. [Signature] (DO PASS) 2. _____

OTHER RECOMMENDATIONS:

Co-Chairs: Signatures and Recommendations

STATE OF ALASKA
1990 LEGISLATIVE SESSION

BILL VERSION: SJR 84
PUBLISH DATE: 4/4/90

REQUEST: FISCAL NOTE

Revision Date: Agency Affected: DOT&PF
Title: "A resolution relating to federal funding for development of St. Paul Airport" BRU: Central Region
Sponsor: Transportation Committee Components: Maintenance & Operations
Requestor:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	5.0	5.0	5.0	5.0	5.0
CONTRACTURAL	0	50.0	50.0	50.0	50.0	50.0
SUPPLIES	0	10.0	10.0	10.0	10.0	10.0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	65.0	65.0	65.0	65.0	65.0
CAPITAL	1,913.0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	119.6	65.0	65.0	65.0	65.0	65.0
FEDERAL FUNDS	1,793.6	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	1,913.0	65.0	65.0	65.0	65.0	65.0

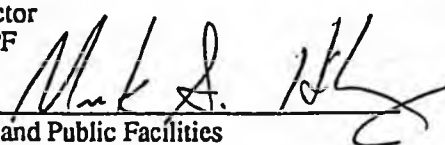
POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS:

Prepared by: Kit Duke, Regional Director
Division: Central Region, DOT&PF

Phone: 266-1440
Date: April 3, 1990

Approved by Commissioner: 
Agency: Department of Transportation and Public Facilities

Date: 4/4/90

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

BY THE TRANSPORTATION COMMITTEE

1 IN THE SENATE

2

SENATE JOINT RESOLUTION NO. 84

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - SECOND SESSION

5

Relating to federal funding for develop-

6

ment of the airport at Saint Paul,

7

Alaska.

8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9

WHEREAS title to the airport at Saint Paul, Alaska was transferred to
10 the State of Alaska under the terms of the Fur Seal Act Amendments of 1983
11 (P.L. 98-129) and a Transfer of Property Agreement entered into
12 February 11, 1984; and

13

WHEREAS the local Native corporation agreed to lease or sell land
14 needed for expansion of the airport, and state and federal agencies have
15 committed themselves to take the steps necessary to implement the Transfer
16 of Property Agreement; and

17

WHEREAS the economic well-being of Saint Paul, Alaska, is largely
18 dependent upon the rapidly growing crab, surimi, and bottomfish industry;
19 and

20

WHEREAS the Saint Paul airport facility provides the only year-round
21 access to and from the community; and

22

WHEREAS the Saint Paul airport facility is critical to ensuring that
23 the community's commercial and social ties with the state and nation are
24 maintained; and

25

WHEREAS the Saint Paul airport is classified as a nonprimary commer-
26 cial service airport under the Airport Improvement Program (AIP); and

27

WHEREAS nonprimary airports are only eligible to receive AIP discre-
28 tionary funding and limited State of Alaska primary entitlement funding;

29

1 WHEREAS AIP discretionary funding has not been available for the Saint
2 Paul airport due to the low priority assigned to development of the air-
3 port; and

4 WHEREAS the annual level of primary entitlement funding is generally
5 not sufficient to accommodate the improvement needs at state primary air-
6 ports and is not sufficient to accommodate the needs of the Saint Paul
7 airport; and

8 WHEREAS the Airport Improvement Program identifies specific set-aside
9 discretionary funding for nonprimary airports and safety improvement proj-
10 ects;

11 BE IT RESOLVED that the Alaska State Legislature respectfully requests
12 the United States Department of Transportation, Federal Aviation Adminis-
13 tration, to allocate a level of discretionary funding to the State of
14 Alaska that will allow for the development of the Saint Paul airport.

15 COPIES of this resolution shall be sent to the Honorable Samuel K.
16 Skinner, Secretary of the U.S. Department of Transportation; the Honorable
17 Admiral James B. Busey, U.S.N. (Ret.), Administrator of the Federal Avia-
18 tion Administration; and to the Honorable Ted Stevens and the Honorable
19 Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Repre-
20 sentative, members of the Alaska delegation in Congress.

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Location

The airstrip is located roughly 3.8 to 4 miles northeast of the city of St. Paul.

Legal Description

NA

Land Area

87.29 acres (approximately)

Improvements

Airstrip

Highest and Best Use

As improved with airstrip

2
+33
8

3464

Land Value

\$759,000 unfilled

Value by the Cost Approach

\$5,753,000

2
433
9

3897

Value by the Income Approach

NA

Value by the Market Data Approach

NA

Market Value Estimate

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SFC

\$5,753,000 (subject to engineering study)

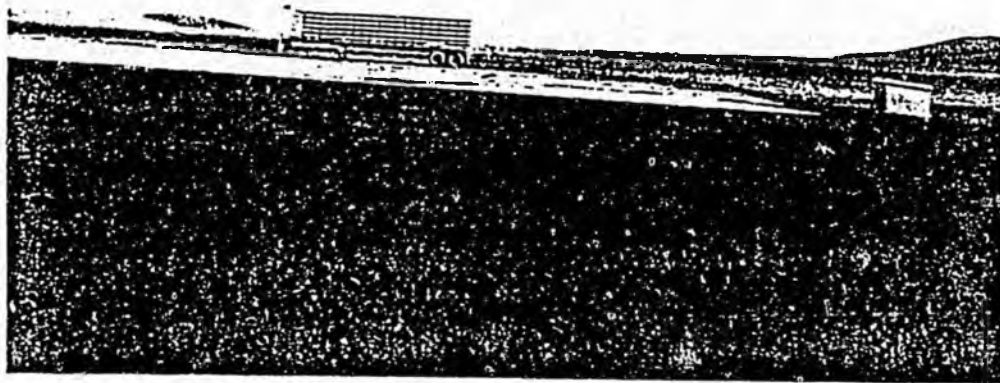
Date of Appraisal

October 2, 1985



SUBJECT PHOTOGRAPHS

Date Taken: 10-2-85
Taken By: DBS/TRD



View northerly of recently paved landing pad



View northwesterly of runway

SUBJECT PHOTOGRAPHS

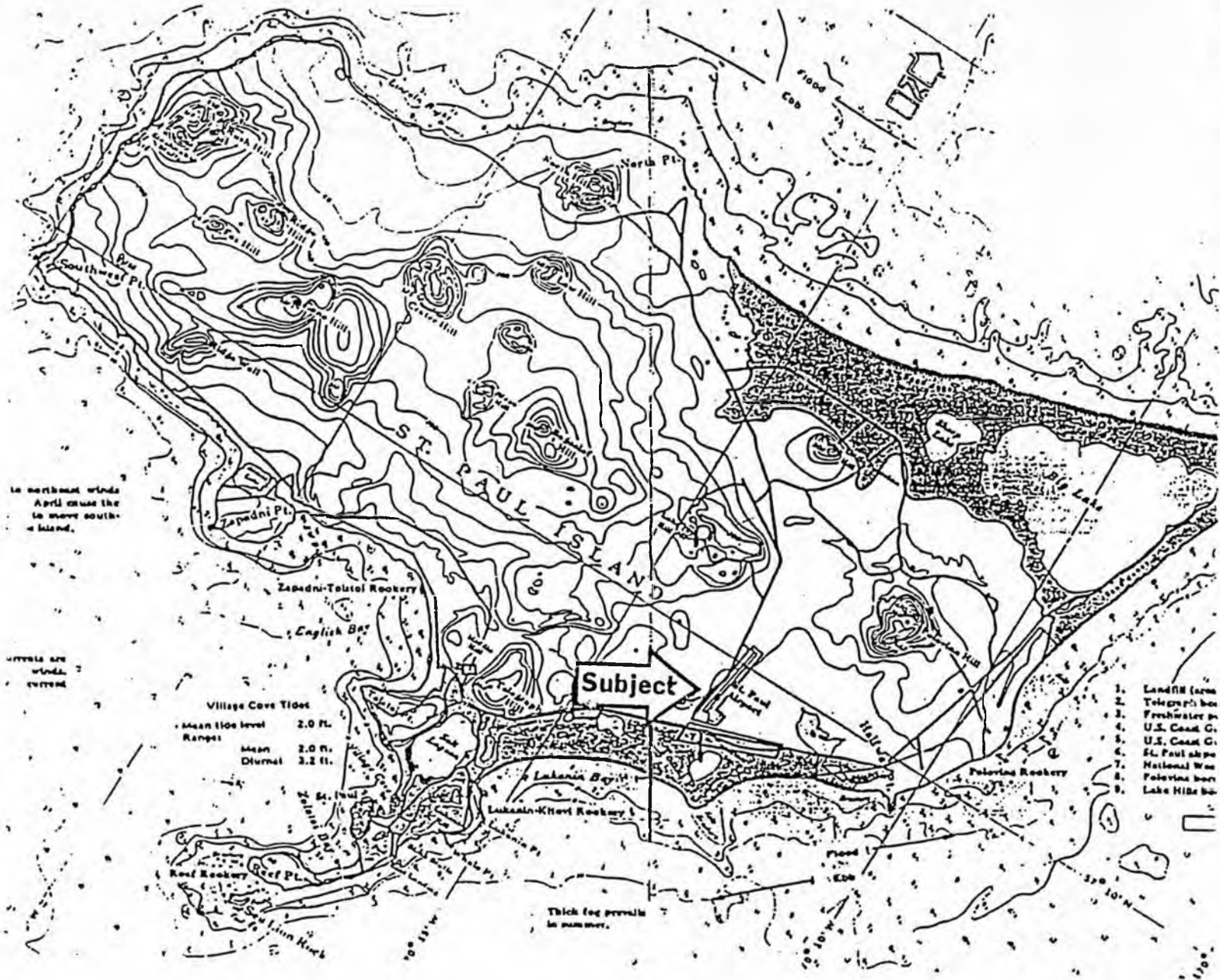
Date Taken: 10-2-85
Taken By: DBS/TRD



View southwesterly of runway



Plat Map



SITE DESCRIPTION

At the time of inspection, the appraisers were informed by the city maintenance supervisor that the approximate area of the airstrip was 87.29 acres. This is a long parallel strip underlying the airstrip and the abutting area. The airstrip is 200 feet wide and was recently resurfaced (in 1984) by the city with four inches of scoria. In addition, Exxon upgraded the landing strip with instruments and building at an approximate cost of \$1,000,000. None of these improvements are included in the valuation of the airstrip.

As of the date of inspection, the airstrip was substantially as it is today, with a slight expansion of the apron and the additional four inches of scoria placed on the top.

Following is a general description of the landing strip as provided by the City of St. Paul in a recent technical study made of the St. Paul area.

"I. General Description of Existing System

The majority of this report is quoted verbatim from the "Pribilof Island Transportation Study" prepared by Dames & Moore and the draft study entitled "Saint Paul Airport Study" prepared by John Wahl of the State Department of Transportation and Public Facilities.

A. Overview

The island of St. Paul is serviced by a 150' X 5,075'

scoria surfaced runway. The airport is located roughly 3.8 to 4 miles northeast of the city of St. Paul. The airport area is relatively flat and gently rises toward the north. The runway is oriented in a north-northeast, south-southwest direction.

The airfield was constructed by the military during World War II. The runway was initially constructed to a 3,250' length and 100' width. It was later lengthened and widened to 150' X 3,750' in 1950 and to its final 5,075' length in 1957. The embankments were formed by placing volcanic scoria directly over the ground after stripping the vegetation. The depth of the embankment varies from one foot to seven feet plus. The airport manager has stated that some areas of the embankment are soft and have been excavated over the years and the material replaced with scoria. The surface showed evidence of deep rutting in some areas. The scoria generally compacts to a tight uniform mass. Most of the material appears to have a maximum size of 3/4". The material is rounded and lacking in fines. No processed surfacing was placed on the runway, and as a consequence the surface is fairly loose. The surface is smooth and firm unless very wet. In very wet weather, the runway is incapable of supporting the weight of Reeve L-188 aircraft, although lighter aircraft are able to land

and take off.

A 240' X 330' parking apron is provided with a 60' X 260' connecting taxiway. The apron and taxiway, like the runway, were constructed from scoria and consist of an overlay of the existing ground. The northern part of the apron also has a 60' X 260' portland cement concrete pad. This area is used by aircraft for loading and unloading. A small garage type building is located on the southeast edge of the apron and is used for storing vehicles. The south portion of the apron is reserved for vehicles and has a temporary barrier separating it from the aircraft operating areas. Access is provided by a road which enters the apron at the southwest corner.

The FAA has installed a medium intensity runway lighting system at the airport. The runway lights consist of can mounted light fixtures with direct burial cable. Visual approach slope indicator (VADI) lights are installed on both runways (18-36). A medium approach light system (MARLS) is installed on runway 36. Runway end identifier lights (REIL) are installed on runway 18. A rotating beacon is located at the National Weather Service facility southeast of the airport. The runway lights are controlled from the National Weather Service building. The MARLS,

REIL and VASI lights are controlled by radio from the aircraft using the facility.

B. Service Provided

Scheduled commercial airline service is provided to St. Paul by Reeve Aleutian Airways. Reeve flies Lockheed L-188 turbo-prop aircraft from Cold Bay. All Reeve flights serving Cold Bay originate in Anchorage, which is designated an international and a regional center airport by the Alaska Department of Transportation and Public Facilities. Therefore, St. Paul is linked by passenger and freight service through Anchorage to all major airports in Alaska, the remainder of the United States, Western Europe and Asia.

The number of arriving and departing passengers in St. Paul is nearly identical; cargo traffic--freight plus mail--is nearly all inbound. A relatively small amount of mail goes outbound.

Maximum load capacity of L-188 service to St. Paul varies with weather. Load capacity is greater in winter months when the scoria-surfaced runway is frozen, resulting in better take-off and landing conditions to those present during spring and summer months, when the runway surface can be soft and wet due to snowmelt and rain. On the other hand,

passenger demand is high during summer months. Cargo demand remains fairly stable at an average of a little over 7,000 pounds per trip throughout the year; however, cargo capacity can reach 10,000 pounds during some summer trips.

Based on previous reports and a brief discussion with a pilot from Reeve Aleutian Airways(1), the present condition of the airport is inadequate for any large increase in usage demand; the existing runway is too short and too narrow, the electronic landing assisting equipment stops short of providing user air carriers adequate landing or take off data, and there are no passenger comfort oriented buildings."

(1) This description depicts the subject's condition prior to the city's and Exxon's upgrades.

HIGHEST AND BEST USE

Highest and Best Use is defined by the American Institute of Real Estate Appraisers and the Society of Real Estate Appraisers in a joint Real Estate Appraisal Terminology Handbook as follows:

"That reasonable and probable use that will support the highest present value as defined as of the effective date of the appraisal. Alternatively, that use from among reasonable, probable and legal alternative uses found to be physically possible, appropriately supported, financially feasible and results in the highest land value."

It is obvious that the City of St. Paul needs a runway as this is the only practical form of transportation through much of the year. The subject area is the logical area to locate a runway. However, in the opinion of the appraisers, there are a number of nearby areas in St. Paul that are suitable for a landing strip. As such, the particular area of the subject is not significantly better than a number of other acceptable alternatives.

Existing improvements, however, represent the subject's Highest and Best Use, as improved.

LAND VALUATION

There are a number of acceptable procedures that can be used when valuing land; the Market Data or Comparison Approach, the Land Abstraction Procedure, the Anticipated Use for Development Procedure, and the Land Residual Technique. St. Paul and St. George do not have an established real estate market. In fact, there is no "market" at all. The only transactions noted were three house sales in St. Paul. Due to the lack of sales in our subject area, we have conducted a sales search of western Alaska, specifically the coastal areas. Sales of unimproved properties in other remote areas are compared directly to the subject parcels, and adjusted for various inequalities on an item by item basis. Location, size, utilities, time of sale, topography and soil conditions are some of the major land characteristics which require adjustment. The parcels under appraisal may be valued on any number of measurement bases, i.e., price per square foot, price per front foot, price per acre, and price per unit buildable on site are typical. The most appropriate units of comparison will be applied to each parcel.

Analyses and Conclusions as to Land Value

In the appraisal of the subject landing strip, it should be noted that no sales of similar type landing strips in bush areas that service similar sized communities were located. As a result, the value of the airstrip can only be estimated indirectly.

Consultation with the State of Alaska Department of Transportation and Public Facilities, Division of Aviation Leasing, indicated that on most bush strips which are state-owned, the leasing policy for a minimal strip similar to the subject, which does not include guidance facilities or landing lights, is \$.02/SF for lands fronting and adjacent to the strip. The normal land lease rate in the State of Alaska is around 10% annually of fee value. Thus, capitalizing out the \$.02/SF would indicate a land value, in comparison, of approximately \$.20/SF, or \$8,712 per acre.

Recently, on the subject strip in St. Paul, the Aleut Corporation has leased from the TDX Corporation 7.44 acres of land for a helicopter port. This port has \$9 million worth of improvements including buildings and a helicopter pad. The Aleut Corporation in turn sub-leases these facilities to Exxon and ARCO. The original land lease began February 1984 and is for four years with three options to extend, at \$.50/SF per year plus one-third of the net profit from the leasing to Exxon and ARCO. Capitalized at a 10% rate, this translates to \$5.00/SF, or \$217,800 per acre.

The St. George Tanaq Corporation has also leased 5 acres adjacent to the St. George airstrip to the City of St. George. The date of lease is August 20, 1985 for a term of 5 months, with renewal options. Monthly lease payments are \$2,800, or \$33,600 annually. Capitalized at a 10% rate, this indicates a fee value of

\$1.54/SF.

Comparable Rural Land Sale No. 1 is a sale of 3,708 acres of land on St. George Island, approximately 45 miles away from the subject. This transaction between the St. George Tanaq Corporation and the federal government is very complicated. Without detailed analysis of land transfers over various periods of time, it amounts to approximately \$645 per acre and includes much of the wildlife cliff area and areas near the airport and the city. The price per acre in a cash transaction was \$645 for a total of \$2,392,000. This sale may or may not be representative of market value, according to Bret Coburn, Land Manager for St. George Tanaq Corporation.

The following is the general analysis we made of the downtown St. Paul industrial area lands.

LAND VALUATION

There are a number of acceptable procedures that can be used when valuing land; the Market Data or Comparison Approach, the Land Abstraction Procedure, the Anticipated Use for Development Procedure, and the Land Residual Technique. St. Paul and St. George do not have an established real estate market. In fact, there is no "market" at all. The only transactions noted were three house sales in St. Paul. Due to the lack of sales in our subject area, we have conducted a sales search of western Alaska, specifically the coastal areas. Sales of unimproved properties in other remote areas are compared directly to the subject

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Analyses and Conclusions as to Land Value

After making a thorough sales search, we were unable to locate any relevant fair market land sales. This is due primarily to there being little privately held land available for sale. The majority of land in western Alaska is federally controlled or it is controlled by the local governing entities and Native corporations. Due to the limited sales data, our sales search was extended to Kodiak Island, the Aleutian chain and southwestern Alaska, encompassing the communities of Kodiak, Port Lions, Dillingham, Naknek, Dutch Harbor, Sand Point, King Cove, Perryville, Emmonak, Unalaska, and Morzhovoi village.

As with most rural Alaskan communities, land use patterns are not clearly defined due to a lack of zoning and relatively haphazard development. The cities of St. Paul and St. George tend to be an exception due to the original government planning and development typical of western Alaska. The comparable land sales are categorized according to their land use pattern. In most of the

comparable communities, there tends to be a clear distinction between residential and commercial/industrial land, but no clear distinction between industrial and commercial land, with the exception of waterfront industrial and commercial land sales, which tend to sell for a higher unit value.

After compiling the sales data, it was arrayed according to the communities that were larger and had the strongest economies to the communities that were smaller and had the least vigorous economies. As anticipated, the larger, more economically vigorous communities have the highest priced residential, commercial and industrial lands, and the smaller, less economically vigorous communities had the lowest priced lands.

Specific adjustments are nearly impossible to derive as they require sales in local markets. As a result, the appraisers are severely limited in the ability to analyze specific differences between the subject parcels and the comparable sales. The only possible exceptions appear to be waterfront commercial and industrial versus non-waterfront commercial and industrial; acreage land sales as compared to lot sales; and for the subject's full range of utilities. For example, when comparing Comparables No. 1 and 2, industrial waterfront sales in Kodiak to Comparables No. 1 and 2, industrial commercial upland sales, there appears to be a roughly 2 to 1 value ratio between waterfront and uplands. This is not an uncommon ratio. In adjusting for industrial and commercial acreage sales to lot

sales, there typically tends to be a 1 to 3 ratio. It has been the experience of the appraisers that where utilities do not have to be brought in other than electricity, raw acreage costs in rural Alaska typically are about .33 of the gross lot value. This ratio, of course, varies somewhat from area to area and in larger communities like Anchorage, it can be approximately 4 to 1. In rural recreational sites, it can be 2 to 1. But, for purposes of this analysis, a 3 to 1 ratio appears to be reasonable. In comparison, all the sales are adjusted to reflect the aforementioned when compared to subject lots.

The utility adjustments are somewhat more difficult to derive. The subject has a full range of utilities available which include sewer, water, electricity and telephone. In a number of cases, most of the comparable sales, especially the smaller more rural communities, do not have a full range of utilities. As an alternative, the costs of installing on-site utilities in many of these rural communities is the cost of a shallow well and septic system, or \$7,000 to \$8,000. Thus, in comparison to the subject, each sale without these utilities is adjusted upward \$8,000 per lot. In the case of acreage sales, it is adjusted upward approximately \$.37/SF assuming a typical half-acre lot size.

After making these adjustments, the sales data shows a much higher degree of correlation.

St. Paul is a larger community than many of the smaller villages located in the Aleutians. In addition it has a partially protected waterfront which makes it more suitable for future industrial and commercial development. As such, the best indicators of its market value are upland sales Comparables 4 through 7, the Dillingham, Sand Point and Unalaska sales. In comparison, the subject site tends to be slightly superior to the sales because it is located closer to the city center and is simply easier to develop. As such, the comparables probably represent the low end of the market. The Kodiak sales are in the City of Kodiak, which has an established, vigorous community and tends to represent the higher end of the market value range.

Sales Grid - Commercial and Industrial Oriented Upland Land Sales

Comparable No.	Location	Type	Date of Sale	Sales Price	Price/SF	Adjust to Lot Size	Adj for Utilities	Area Compared to Subject
1	Kodiak	commercial	3/84	\$ 67,440	\$6.00	\$6.00	\$6.00	superior
2	Kodiak	commercial	7/84	\$ 60,000	\$6.34	\$6.34	\$6.34	superior
3	Bethel	commercial	6/85	\$ 40,000	\$4.00	\$4.00	\$4.00	superior
4	Dillingham	commercial	10/81	\$ 75,000	\$.56	\$1.93**	\$2.30	similar
5	Sand Point	comm & ind	10/83	\$275,000	\$.35	\$1.05	\$1.42	similar
6	Sand Point	comm & ind	1/84	\$ 7,500	\$.19	\$.19	\$.56	similar
7	Unalaska	industrial	4/84	\$ 40,000	\$.55	\$.55	\$.92	similar
8	Chignik	comm & ind	7/84	\$ 2,788	\$.10	\$.10	\$.47	inferior

* per acre basis, \$.18/SF

The aforementioned comparative industrial sales are not directly comparable to airport land and are only utilized as a general guideline. In valuing the downtown industrial area of St. Paul, the typical waterfront industrial market value was \$1.50/SF. This was based on the most similar sales arrayed according to the economic activity and strength of the community in question in comparison. The subject area generally lacks utilities and in the opinion of the appraisers, \$1.50/SF would be the upper limit of market value.

In conclusion, it is obvious that the data is inconclusive in that it gives an extremely wide range of value indications. The typical airport leasing at \$.02/sf indicated a market value of \$8,712/acre capitalized. The comparative lease of an adjacent lot to the airport from TDX to the Aleut Corporation indicated \$217,800/acre capitalized, and the lease by the city of St George at the airport indicated \$1.54/SF. Finally, the comparative industrial sales indicated a top value of \$1.50/SF, or \$65,340 per acre for industrial land in the St. Paul Harbor area. Thus, the correlation and conclusions as to land value are strictly a judgement call. One factor to consider, assuming an open market situation, is the principle of substitution. This is principle under which a willing buyer would not pay any more for a property than it would cost to buy an alternate property with similar utility. Under this scenario, it would be assumed that there are alternatives to the landing strip, or at least lands adjacent to the landing strip. This in itself is similar to the leasing

policies of the State of Alaska, Division of Aviation in that any bush strip serving similar sized communities in the Aleutian chain, southwestern and southcentral Alaska has land available, and usually more land than is actually leased at \$.02/SF or \$8,712/acre. The lease by TDX to the Aleut Corporation and Tanaq to St. George do not represent fair market transactions. They are actually one-shot deals in which all of the land is controlled by the Native corporations, and they can basically ask the price that they want. Plus, the existing airport facility is a special benefit to the leased properties. Under an open market situation as is assumed by the appraisers, the most representative land value would be the State leasing program at \$.02/SF capitalized at \$8,712/acre.

Based on the aforementioned, and the limited data available, a reasonable market value estimate for the subject strip and adjoining lands would be \$8,712/acre. Total indicated market value, as unfilled, is summarized as follows:

Area 87.29 acres @ \$8,700(rnd) per acre = \$759,423

SAY \$759,000

It should be noted that if ARCO and Exxon's present exploration for oil off the Aleutian chain and Pribilof Islands is successful, the potential market value of the subject strip and land surrounding it could increase dramatically. The preceding analysis assumes an open market situation in which the principle of substitution is in effect.

Contributory Value of Filled Runway

We researched both St. George and St. Paul to estimate the contributory value of the filled runway. It appears the best information was from the St. George area. We contacted Allan Christopherson of Peratrovich, Nottingham and Drage, Inc. According to Mr. Christopherson, they are presently doing a considerable amount of engineering work on the new St. George airport. Recently, they obtained a bid to construct a bypass road around the St. George airport. According to him, this bid was from Brice Construction and amounted to \$10/cubic yard in place as of January, 1985. He stated that this did not include any royalties for the fill, which would have been supplied by the City of St. George. Assuming royalty for fill, he expected the price to be increased another \$.50 to \$1.00/cubic yard, say \$.75. Mobilization, permits and other factors would probably bring the total cost to \$11.25/cubic yard. Mr. Christopherson felt this was reasonably representative of the cost of the filled airport area. For estimating the fill value of the St. Paul airport, some parallels could be drawn from the St. George airport. In analyzing the St. George airport, Mr. Brice of Brice Construction estimated the airport to have between 120,000 and 130,000 cubic yards of fill. say 125,000 cubic yards. To that he said we should add another \$20,000 for culverts. The St. George airport is 3,900 feet in total length and the filled runway area probably averages, including the tapering at the ends of the strip to 60 feet, about 80 feet in width. Total filled surface area would be

312,000 SF, or approximately .40 cubic yards of fill per square foot of surface area.

We do not have an engineering study on the St. Paul airport. As a result, this appraisal is subject to adjustment when the exact amount of fill is determined. The length is approximately 5,075 feet with a 200 foot width. Thus, there is 1,015,000 SF of area in the runway. In addition, there is a 240' X 330' parking apron for an additional 79,200 SF, and a 60' X 260' connecting taxiway for an additional 15,600. Thus, total area approximates 1,109,800 SF. Please note as previously mentioned this is only an unsubstantiated estimate and a survey should be utilized to adjust the figures in this report. Assuming that, like the St. George airport, it would take .40 cubic yards per square foot, the probably cubic yardage in the subject airport would be 443,920+/- . The St. George fill cost would probably be quite similar to the St. Paul area. Multiplying the filled are of 443,920CU by \$11.25/CU indicates an approximate replacement cost of the airstrip of \$4,994,100. (This figure may vary substantially depending on an engineering study.)

Conclusions

In conclusion, the estimated market value of the lands underlying the airstrip was \$759,000, assuming a hypothetical market. The estimated replacement cost of the strip fill is \$4,994,100. Thus, total estimated market value by the Cost Approach is \$5,753,000 (rnd).

VALUE AS INDICATED BY THE INCOME AND MARKET DATA APPROACHES

In our sales search, we were unable to find a single rented airstrip nor were we able to find any sales of similar type airstrips in the Aleutian chain or southwestern Alaska. Due to this lack of data, these two approaches to market value are not possible in this report.