

**MARKET VALUE APPRAISAL**  
**Of**  
**Ridgeview Subdivision**



**APPRAISAL REPORT No. 3396**

**STATE OF ALASKA**  
**Department of Natural Resources**  
**Division of Mining, Land & Water**  
**550 West Seventh Avenue Suite 650**  
**Anchorage, AK 99501-3576**

# MEMORANDUM

# State of Alaska

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**Department of Natural Resources**

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**Division of Mining, Land and Water**

550 West 7<sup>th</sup> Avenue, Suite 650

Anchorage AK 99501-3576

DATE: December 13, 2005

TO: Mike Ward  
Appraiser II

FROM: Brandon Simpson



SUBJECT: Appraisal of twenty-six parcels of vacant land located in the Copper River Basin.

As requested, I have completed an appraisal on the referenced parcels. I understand that this appraisal will be used to determine the minimum purchase price for the above referenced parcels. I am submitting this report for your review and approval.

The appraisal was completed in accordance with the "Uniform Standards of Professional Appraisal Practice" of the Appraisal foundation and in accordance with the General Appraisal Instructions, DNR. This is a complete, summary report based on the General Assumptions and Limiting Conditions stated in the report, as well as the facts, analyses, and reasoning leading to the opinions of value.

I have inspected some of the subject parcels and most of the comparables used in this report. Physical descriptions of the key parcels were based on inspections, aerial photography, topographic maps, previously completed appraisal reports, and interviews of various individuals familiar with the area. Based on my observations and analyses of all available data, I have formed an opinion of the market values as of the effective date of value.

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## APPRAISAL SUMMARY

### Location and Legal Description

Subdivision Name	ADL	Location	Legal Description
Ridgeview Subdivision	Various	Between Lake Louise Road and Tolsona Lake on the north side of the Glenn Highway at approximately mile 162. Subdivision is approximately 25 miles west of the Glenn and Richardson Highway intersection	Various

### Summary of Values

Subdivision	ADL	Lot	Block	Survey	Size (acres)	\$ Per/acre	Value (RND)
Ridgeview	229689	1	1	2004-42	10.61	\$792	\$8,400
Ridgeview	229690	2	1	2004-42	10.61	\$752	\$8,000
Ridgeview	229691	1	2	2004-42	9.69	\$800	\$7,800
Ridgeview	229692	2	2	2004-42	9.67	\$776	\$7,500
Ridgeview	229693	3	2	2004-42	9.66	\$800	\$7,700
Ridgeview	229694	4	2	2004-42	9.69	\$800	\$7,800
Ridgeview	229695	5	2	2004-42	9.68	\$760	\$7,400
Ridgeview	229696	6	2	2004-42	9.59	\$800	\$7,700
Ridgeview	229698	1	3	2004-42	10.55	\$855	\$9,000
Ridgeview	229699	2	3	2004-42	10.58	\$832	\$8,800
Ridgeview	229700	3	3	2004-42	10.48	\$720	\$7,500
Ridgeview	229701	4	3	2004-42	11.84	\$567	\$6,700
Ridgeview	229702	1	4	2004-42	9.38	\$824	\$7,700
Ridgeview	229703	2	4	2004-42	9.40	\$776	\$7,300
Ridgeview	229704	3	4	2004-42	9.43	\$720	\$6,800
Ridgeview	229705	4	4	2004-42	9.42	\$800	\$7,500
Ridgeview	229706 KEY	5	4	2004-42	9.45	\$800	\$7,600
Ridgeview	229707	6	4	2004-42	9.40	\$760	\$7,100
Ridgeview	229708	7	4	2004-42	9.42	\$800	\$7,500
Ridgeview	229709	8	4	2004-42	9.42	\$720	\$6,800
Ridgeview	229710	9	4	2004-42	9.41	\$760	\$7,200
Ridgeview	229711	10	4	2004-42	9.37	\$800	\$7,500
Ridgeview	229712	11	4	2004-42	9.40	\$776	\$7,300
Ridgeview	229713	1	5	2004-42	10.06	\$760	\$7,600
Ridgeview	229714	2	5	2004-42	10.02	\$776	\$7,800
Ridgeview	229715	3	5	2004-42	10.01	\$704	\$7,000

## PREMISES OF THE APPRAISAL

### **Type of Appraisal and Report**

This appraisal is a complete, summary appraisal prepared in accordance with Standards Rule 1 and 2 of the current edition of **Uniform Standards of Professional Appraisal Practice** (USPAP), and in accordance with DNR's General Appraisal Instructions.

### **Purpose of Appraisal**

The purpose of this appraisal is to estimate current market value.

### **Intended Use of Appraisal**

The appraisal will be used by DNR to determine the minimum bid for parcels to be acquired during the auction sale program (AS 38.05.055).

### **User and Client Identity**

This appraisal is prepared for the State of Alaska, Department of Natural Resources and the general public.

### **Property Rights Appraised**

Rights appraised are fee simple estate less mineral rights reserved to the State of Alaska under **AS 38.05.125(a)**.

Fee simple estate is defined as<sup>1</sup>:

"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."

**AS 38.05.125(a)** states<sup>2</sup>:

Reservation. (a) Each contract for the sale, lease or grant of state land...is subject to the following reservations: "[sic] the party of the first part, Alaska, hereby expressly saves, excepts and reserves... unto itself, its lessees, successors, and assigns forever, all oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils of every name, kind or description, and with may be in or upon said land...[and the right] to occupy as much of said land as may be necessary or convenient... to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved."

### **Definition of Market Value<sup>3</sup>**

"The most probable price, as of a specified date, in cash, or terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress."

### **Effective Date of Value**

September 28, 2005

### **Exposure Time**

Exposure time is defined as<sup>4</sup>: "...the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal..."

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<sup>1</sup> The Appraisal of Real Estate, Twelfth Edition, Appraisal Institute, 2001, p.69

<sup>2</sup> Alaska Statutes Title 38, Public Land Article 5, State of Alaska, 2002, pp. 590-591

<sup>3</sup> The Appraisal of Real Estate, Twelfth Edition, Appraisal Institute, 2001, p.22

<sup>4</sup> Uniform Standards of Professional Appraisal Practice 2004, Appraisal Foundation, p. 94.

Exposure time can vary depending on the type of property being appraised and constantly changing market conditions. Supply and demand of similar properties to the subject is an important factor for determining exposure time.

Parcels similar to the subjects typically require up to three years of marketing time. The subject parcels are considered average to below average when compared with other available properties on the market. Based on exposure time for similar properties, the estimated values are based on an exposure time of up to three year.

### **Marketing Time**

“Marketing time is an opinion of the amount of time is might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal.”<sup>5</sup>

Based on current market conditions for similar properties the estimated value is based on a marketing time of up to three years.

### **Scope of the Appraisal**

I inspected the subject subdivision September 28, 2005 as well as some of the comparable sales. Comparables 12265 and 12662 were inspected during the summer of 2004. Physical features and access were identified by use of physical inspections, topographic maps, status plats, aerial photographs, DNR appraisal records and interviews with people who are familiar with the area.

Interviews were conducted with local real estate agents, appraisers, and other individuals familiar with the area who provided information about trends in values, supply and demand. DNR records were searched for recent comparable sales. The recorders office was also searched to identify any recent sales. Sellers and buyers were contacted to verify recent sale prices and other transaction details.

After analysis of all available data, appropriate comparable sales were selected. The market value estimate was derived from this process and is based on the following assumptions and limiting conditions.

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<sup>5</sup> Op Ci, p. 141

## **Assumptions and Limiting Conditions**

1. The property is appraised as vacant land without structural or site improvements.
2. All engineering studies are assumed to be accurate. Plats and illustrative material included in the report are intended to help the reader in visualizing the properties.
3. Information furnished by others and included in the report is believed to be reliable but the appraiser does not warrant the accuracy of such information.
4. Unless otherwise noted in the report, the appraiser did not find any evidence that hazardous materials exist on these properties. The estimate of value is based on the assumption that there are no such materials on the property. The appraiser is not qualified to detect these substances. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge that is required to discover these substances.
5. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony, or be in attendance in court with reference to the property in question unless arrangements have been made in advance.
6. The data and conclusions in this report are a part of the whole valuation. Each part of this report is only part of the evidence upon which the final judgment is based. Therefore, no part should be used out of context and by itself alone.
7. It is assumed that there are no hidden or apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for any such conditions, or for arranging engineering studies to discover them.
8. The estimate of value in this report is not based in whole or in part upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.
9. Some parcels may contain saw timber, but not necessarily in commercial quantities. The estimated market value does not include that value of commercial timber, if any.
10. Unless noted, the existence of personal property or improvements, if any, could not be confirmed. The properties are appraised "as vacant".

### **Extraordinary Assumption**

"An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions"<sup>6</sup>

At the time of assignment a recorded survey was not available. The description of the real estate is based on a preliminary survey (ASLS 2004-42). It is assumed that the final recorded survey will be similar in all respects to the preliminary survey.

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<sup>6</sup> 2004 USPAP, The Appraisal Foundation, 2004, p. 3

## PRESENTATION OF DATA

### Area and Neighborhood Description

#### Copper River Basin

The subject parcels lie in an area of the state referred to as the Copper River Basin, which describes the lands that surround the Copper River and its tributaries.

The Copper River Basin is about 140 air miles northeast of Anchorage. The basin is found in the eastern portion of Southcentral Alaska. It is surrounded by the Alaska Range to the north, the Wrangell Mountains to the east, the Chugach Mountains to the south, and the Talkeetna Mountains to the west.

The basin is a broad forested plain with elevations ranging from 2000 to 3000 feet above sea level. A shallow to deep permafrost table can be found in most of the basin. White and black spruce is the predominant vegetation in the area interspersed with scattered thickets of willow and alder, grasses, low shrubs, and berry bushes. The Copper River is the dominant river in the basin and is fed by the Chistochina, Gulkana, Nelchina, Slana, and Tazina rivers as well as many other streams.

The climate is continental characterized by long and cold winters and relatively warm summers. Temperatures can range from -74 to 96° Fahrenheit. The mean temperature in January is -10° and 56° in July. Annual precipitation is 9 inches including 39 inches of snowfall per year.

The Copper River Basin is part of the Valdez-Cordova demographic census area. The area population is 2,915, which equates to about 1 person per 25 square miles<sup>7</sup>. The 2000 census shows a slight drop in population. Most of the population is concentrated in the small towns of Glennallen, Gakona, Copper Center, Kenny Lake, McCarthy, and Chitina.

Access to the Copper River Basin is available by the Glenn and Richardson Highways. Charter air service provides access to the road less areas. Public services and facilities are limited to essential needs.

#### Lake Louise

Lake Louise is a State Recreation Area and can be accessed via Lake Louise Road. The state maintains this 20-mile long gravel road that is found near MP 160 of the Glenn Highway just south of Glennallen. The road ends at the south portion of Lake Louise where a state supported boat launch and camping area is found. During the summer, boats and floatplanes allow access to the remainder of Lake Louise as well as Susitna Lake and Tyone Lake (found north of Susitna Lake). Lake Louise is in the Matanuska Susitna Borough. Lake Louise is primarily a recreational area with some year round residents. The approximate population for Lake Louise is 109.

Lake Louise is more popular as a recreational area during the winter months. Lodges provide year-round accommodations. Many residents are seasonally employed or retired.

#### Glennallen

The community of Glennallen lies along the Glenn Highway at its junction with the Richardson Highway, 189 road miles east of Anchorage. It is located just outside the western boundary of Wrangell-St. Elias National Park. Residential is the primary use of land in the Glennallen area with some recreational cabins. The approximate population for Glennallen is 574.

Glennallen is the supply hub of the Copper River region. Local businesses serve area residents and Glenn Highway traffic, supplies and services, schools and medical care. State highway maintenance and federal offices are in Glennallen. RV parks, lodging, fuel and other services

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<sup>7</sup> US Census Bureau, 2000, Alaska Department of Labor

cater to independent travelers. The National Park Service's Wrangell-St. Elias Visitor Center and the Copper River Princess Wilderness Lodge were completed in 2002 at Copper Center. Offices for the Bureau of Land Management, Alaska State Troopers, and the Dept. of Fish and Game are located here. There are several small farms in the area. Four residents hold commercial fishing permits.

### General Property Description

<b>Location</b>	26 individual lots located between Lake Louise Road and Tolsona Lake on the north side of the Glenn Highway at approximately mile 162. Subdivision is approximately 25 miles west of the Glenn and Richardson Highway intersection
<b>Access</b>	Primary access to the general area of the subdivision is provided by the Glenn Highway. Access into the subdivision will be along platted right-of-ways and easements. DNR plans to have an apron extended from the Glenn Highway, brush out a staging area that is described on the plat as Tract A, ASLS 2004-42 and brush the section line that bisects the subdivision. At time of inspection this work had not been completed. Access to the individual parcels is via walk-in, snowmachine or ATV.
<b>Size &amp; Shape</b>	9.37 to 11.84 acres, rectangular & irregularly shaped
<b>Topography</b>	Area elevations vary from 2,400 to 2,700 feet above sea level. Topography generally slopes up away from the highway with several level benches present. Individual parcels descriptions will detail approximate portion of each parcel that is considered steep.
<b>Soils/Vegetation</b>	Subdivision has White Spruce, Black Spruce and Aspen mix. Alder bushes are present but not overwhelming. Large white spruce and aspen groves are present throughout the subdivision. Vegetation mix indicates adequate drainage but intermittent permafrost is common for the area and likely present. Two small streams/drainages are present in the subdivision and are shown on the survey. Individual parcels descriptions will detail approximate portion of each parcel that is considered wet.
<b>Utilities</b>	Electricity is not available at this time
<b>Water &amp; Sewer</b>	No public water or sewer systems is available
<b>Easements/Setbacks</b>	Typical access and section line easements along lot lines are 50' section line, 60' public access, and 20' pedestrian. A 100' building setback will be required along the two small streams/drainages present in the subdivision.
<b>Environmental Hazards</b>	Possible frost heaves could cause problems during construction of any improvements
<b>Zoning Regulations</b>	None
<b>Hazardous Waste &amp; Toxic Materials</b>	None observed
<b>Tax Assessments</b>	None
<b>Ownership History</b>	State of Alaska
<b>Adjacent Land Use</b>	Recreational and rural residential use

## Detailed Site Descriptions

### Ridgeview Subdivision ASLS 2004-42

ADL	Lot	Block	ASLS	Size	% steep	% wet	Notes
229689	1	1	2004-42	10.61	20	10	View potential to the south of the Chugach Mtns, southwest of Tazlina Lake & glacier
229690	2	1	2004-42	10.61	10	30	View potential to the south of the Chugach Mtns, southwest of Tazlina Lake & glacier. Small stream along east boundary
229691	1	2	2004-42	9.69	10	20	View potential to the south of the Chugach Mtns, southwest of Tazlina Lake & glacier
229692	2	2	2004-42	9.67	5	30	View potential to the south of the Chugach Mtns, southwest of Tazlina Lake & glacier. Small stream along east boundary
229693	3	2	2004-42	9.66	10	20	View potential to the south of the Chugach Mtns, southwest of Tazlina Lake & glacier. Small stream along east boundary
229694	4	2	2004-42	9.69	10	20	View potential to the south of the Chugach Mtns, southwest of Tazlina Lake & glacier. Small stream along east boundary
229695	5	2	2004-42	9.68	10	30	View potential to the south of the Chugach Mtns, southwest of Tazlina Lake & glacier. Small stream along east boundary
229696	6	2	2004-42	9.59	10	20	View potential to the south of the Chugach Mtns, southwest of Tazlina Lake & glacier. Small stream along east boundary
229698	1	3	2004-42	10.55	10	5	View potential to the south of the Chugach Mtns, southwest of Tazlina Lake & glacier
229699	2	3	2004-42	10.58	10	10	View potential to the south of the Chugach Mtns, southwest of Tazlina Lake & glacier
229700	3	3	2004-42	10.48	10	40	View potential to the south of the Chugach Mtns, southwest of Tazlina Lake & glacier. Small stream along west boundary
229701	4	3	2004-42	11.84	0	75	View potential to the south of the Chugach Mtns, southwest of Tazlina Lake & glacier. Small stream along east boundary
229702	1	4	2004-42	9.38	20	5	View potential to the south of the Chugach Mtns, southwest of Tazlina Lake & glacier
229703	2	4	2004-42	9.40	5	30	View potential to the south of the Chugach Mtns, southwest of Tazlina Lake & glacier. Small stream along west boundary
229704	3	4	2004-42	9.43	10	40	View potential to the south of the Chugach Mtns, southwest of Tazlina Lake & glacier. Small stream along east boundary
229705	4	4	2004-42	9.42	10	20	View potential to the south of the Chugach Mtns, southwest of Tazlina Lake & glacier
229706	5	4	2004-42	9.45	10	20	View potential to the south of the Chugach Mtns, southwest of Tazlina Lake & glacier. Small stream along east boundary
229707	6	4	2004-42	9.40	20	20	View potential to the south of the Chugach Mtns, southwest of Tazlina Lake & glacier. Small stream along east boundary
229708	7	4	2004-42	9.42	20	10	View potential to the south of the Chugach Mtns, southwest of Tazlina Lake & glacier
229709	8	4	2004-42	9.42	20	30	View potential to the south of the Chugach Mtns, southwest of Tazlina Lake & glacier. Small stream along east boundary
229710	9	4	2004-42	9.41	10	30	View potential to the south of the Chugach Mtns, southwest of Tazlina Lake & glacier. Small stream along west boundary
229711	10	4	2004-42	9.37	10	20	View potential to the south of the Chugach Mtns, southwest of Tazlina Lake & glacier. Small stream along west boundary
229712	11	4	2004-42	9.40	10	25	View potential to the south of the Chugach Mtns, southwest of Tazlina Lake & glacier. Small stream along west boundary
229713	1	5	2004-42	10.06	30	10	View potential to the south of the Chugach Mtns, southwest of Tazlina Lake & glacier

<b>229714</b>	2	5	2004-42	10.02	25	10	View potential to the south of the Chugach Mtns, southwest of Tazlina Lake & glacier
<b>229715</b>	3	5	2004-42	10.01	35	20	View potential to the south of the Chugach Mtns, southwest of Tazlina Lake & glacier. Small stream along northern boundary

## DATA ANALYSIS AND CONCLUSION

### Highest and Best Use

Analysis of highest and best use for the subject property is necessary to accurately estimate the value of the land. Highest and best use analysis ensures that the value estimate is derived with the use in mind that maximizes the utility for a given property. The appropriate highest and best use for a given property is determined by the conditions of the market. Highest and best use can be defined as<sup>8</sup>:

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

The land to be valued is considered vacant and thus valued with the highest and best potential use for the property. Value for improvements (when present on the site) is then based on their contribution to this use. The appraised parcels are vacant and unimproved.

### Legally Permissible

The subject parcels are not subject to any known zoning requirements that would be restrictive to potential development. Development of well and septic systems must comply with the requirements of the Department of Environmental Conservation. Therefore, almost any legal use of the site would be possible.

### Physically Possible

The subject parcels range in size from 9.37 to 11.84 acres. The size and physical characteristics are adequate to support all reasonable and probable uses.

### Financially Feasible

Surrounding land use is primarily recreational although a few rural residential properties can be found along the Glenn Highway. In order to develop the subject parcels as residential, utilities would need to be extended into the subdivision and access would need to be improved. The cost to do so would be substantial. A rough estimate provided by Copper Valley Electric Association estimated the cost of one mile of line extension at \$50,000.

Development of the parcel depends on the amount of resources the owner is willing to allocate for recreational or possibly rural residential needs.

### Maximally Productive

Maximally productive use is the use that produces the maximum return from the proceeds of a sale or lease. The subject parcels are located near Lake Louise in an area that is known for winter recreation. In addition to the winter recreation available near the subdivision, Tex Smith Lake and Junction Lake are located in close proximity to the subdivision and provide year round fishing opportunities. Both are stocked by Alaska Department of Fish and Game. These activities are the primary motivations for surrounding recreational users.

### Highest and Best Use of Land as Vacant

Based on the foregoing analysis, the highest and best use of the subject parcel as vacant would be for almost any legal use, primarily a private recreation cabin site.

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<sup>8</sup> The Appraisal of Real Estate, Twelfth Edition, Appraisal Institute, 2001, p.306

## **Valuation Analysis**

Three approaches are considered to determine the market value estimate.

### **Income Approach**

The income approach for valuation is used primarily for income producing properties. It utilizes the capitalization process to discount future anticipated net income to a present value. It is not common to lease vacant land for a residential or recreational use therefore data that supports this approach is not available.

### **Cost Approach**

The cost approach is based on the assumption that an informed buyer would pay no more than the cost of producing a substitute property with the same utility as the subject property. This approach will separate the value of the land from the value of the improvements to determine the cost of reproducing the improvements. The cost approach is most effective for appraising properties that have newer improvements. As such, the cost approach will not be used.

### **Sales Comparison Approach**

The sales comparison approach considers actual sales or prices asked for properties that have similar characteristics of the subject properties. Adjustments are made to the comparison properties so as to determine a price at which they would have sold if they had identical characteristics as the subject properties. This derived price then indicates a value for the subject properties. Some of the characteristics considered include general market conditions, sales terms, location, highest and best use and physical features. Only the sales comparison approach is applicable.

### **Key Parcel Method**

In appraising more than one similar parcel, it is an accepted practice to appraise a key parcel that is most representative of the other parcels being appraised. The key parcel may be a hypothetical parcel or an actual parcel. The value of the remaining parcels is then based on a comparison to the key parcel. This methodology replicates typical developer thinking.

### **Explanation of Adjustments**

DNR appraisal instructions state that the appraiser may develop and use quantitative or qualitative adjustments. Ideally, the value differences for any price adjustment is measured by comparing prices of paired sales that are very similar except for the feature of comparison to be measured. When market sales do not support quantifiable adjustments for differences and the comparable sales, the appraiser must use personal knowledge of overall trends, opinion surveys, and/or judgment in making adjustments. The conventional sequence of adjustments is property rights conveyed, financing terms, conditions of sale, time, location, and physical features.

An adjustment of less than 1.00 means the sale feature is superior to that appraised property and requires a downward adjustment to indicate the value of the key parcel. An adjustment greater than 1.00 means that the sale feature is inferior to the subject, requiring an upward adjustment to indicate the value of the key parcel. An adjustment of 1.00 means the sale feature is similar to the key parcel, and no adjustment is necessary. The adjustments are multiplied to obtain a total adjustment, which is then multiplied by the sale price to indicate the value of a key parcel.

The same adjustments and procedures are applied to the key parcel value to indicate the market value of a parcel being appraised, except the direction of adjustment is reversed when comparing appraised parcels to the key parcel. Superior features require a positive adjustment compared with the appraised parcel; inferior features require a negative adjustment. Detailed information about the comparable sales and the adjustments is contained in this report and Addenda. Following is a summary of adjustments and how they were estimated.

**Unit of Comparison** Generally, the buyers and sellers in the market place determine the unit of comparison, e.g. price per acre, square foot, site, front foot, etc. The price per acre is the most commonly recognized unit of comparison in the subject market.

**Rights Conveyed** Fee simple less mineral rights as per Alaska Statue 38.05.125(a). Retention and exclusion of the mineral estate does not tend to affect property values, because most buyers are interested in the surface estate.

**Financing Terms** In accordance with DNR instructions, market value is estimated in terms of seller financing typical for the market. Cash transactions sometimes are afforded a discount from typical financing. Sales used in this analysis do not offer measurable differences in prices as a result of terms. In general a cash transaction would tend to be at the lower end of the price range with listings usually setting the upper limit.

**Conditions of Sale** Unless otherwise noted the market transactions used in this appraisal do not reflect any unusual seller-buyer motivations that affected value.

**Market Conditions (Time)** Analysis of real estate sales in the subject area indicates that prices of vacant land have been level in the recent years. Comparable sales used in this valuation are the most recent transactions available and need no time adjustment.

**Location** The subject parcels are located east of Lake Louise Road, north of the Glenn Highway between Lake Louise and the town of Glennallen. All comparable sales are located in the general vicinity of Glennallen. No location adjustment is necessary.

**Size** The price per unit and size of a given unit tend to have an inverse relationship. As the size of a parcel increases the price paid per acre decreases. Comparables that differed from the "key lot" by more than one acre were given size adjustments based on a chart derived from market data by Steve Starrett, staff appraiser. In general, his findings point to a 25% decrease in unit price each time the size of a parcel doubles. A size adjustment chart is included in the addenda to show how the adjustments were derived

**Access** Unless noted otherwise, the subject parcels and comparables sales featured similar means of access.

**Site Quality** Describes the physical attributes of the parcel. Any differences in soil, topography and other physical attributes will be detailed in the lot type groupings and adjusted as needed.

**Utilities** All subject parcels and most comparable sales lack electricity.

**Amenities** Exceptional features of a given parcel may increase value. Features such as type of water frontage, proximity to creeks and small ponds, and exceptional views are examples of amenities that may warrant an adjustment. Any adjustments will be detailed in the lot type groupings.

## Description and Valuation of Key Parcel

Key parcel is identified as follows:

<b>KEY LOT</b>	
<b>Location</b>	Between Lake Louise Road and Tolsona Lake on the north side of the Glenn Highway at approximately mile 162. Subdivision is approximately 25 miles west of the Glenn and Richardson Highway intersection (T4N, R6W, Section 26, C.R.M.)
<b>Legal Description</b>	Lot 5, Block 4, ASLS 2004-42 (ADL 229706)
<b>Access</b>	Primary access to the general area of the subdivision is provided by the Glenn Highway. Access to the key lot is along platted, undeveloped Meteor Lake Road.
<b>Size and Shape</b>	9.45-acre near rectangular parcel
<b>Topography/Vegetation/ Soils</b>	Moderately sloped parcel with approximately 10% of parcel being considered steep. Treed with White Spruce and Alder mix. Approximately 20% of parcel is poorly drained.
<b>Utilities</b>	None
<b>Easements</b>	Typical
<b>Hazardous Waste and Toxic Materials/ Environmental Hazards</b>	None noted
<b>Zoning Regulations</b>	None
<b>Amenities</b>	Interior lot, good view potential of the Chugach Mountains, Tazlina Lake and glacier, no frontage. Small stream/drainage along east boundary.

## Summary of Comparable Sales

The following sales are the most recent transactions of remote parcels similar to the key parcel:

No.	Comp ID	Sale date	Lot/ Tract	Block	ASLS	Size/ acres	Sale price	\$/acre
1	12662	1/1/2001	35		79-144	19.99	\$7,000	\$350
2	11930	2/1/1999	5&6	6	79-121	10.00	\$20,000	\$2,000
3	12265	7/1/1998	40		79-251	2.67	\$7,500	\$2,809
4	14911	8/15/2005	8		79-36	9.53	\$5,400	\$567
5	15051	7/6/2005	T		ASCS	20.00	\$11,500	\$575
6	15052	6/2/2005	3		79-251	19.98	\$8,400	\$420
7	15053	7/8/2005	41		79-37	9.54	\$5,400	\$566

### Adjustment Grid – Key Lot

ITEM/COMP.	ADL 229706	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5	COMP 6	COMP 7							
Comp. ID #	Key Lot	12662	11930	12265	14911	15051	15052	15053							
Date of Sale		1/1/01	2/1/99	7/1/98	8/15/05	7/6/05	6/2/05	7/8/05							
Total Sales Price		\$7,000	\$20,000	\$7,500	\$5,400	\$11,500	\$8,400	\$5,400							
Size, Acres	9.450	19.990	10.000	2.670	9.530	20.000	19.980	9.540							
Price per/acre		\$350	\$2,000	\$2,809	\$567	\$575	\$420	\$566							
<b>COMPARISONS</b>															
Property Rights	Fee less MR	Similar	1.00	Similar	1.00	Similar	1.00	Similar	1.00	Similar	1.00	Similar	1.00	Similar	1.00
Financing Terms	Typical	Similar	1.00	Similar	1.00	Similar	1.00	Similar	1.00	Similar	1.00	Similar	1.00	Similar	1.00
Conditions of Sale	Normal	Similar	1.00	Similar	1.00	Similar	1.00	Similar	1.00	Similar	1.00	Similar	1.00	Similar	1.00
Mrktg. Cond/Time	Current	1/1/01	1.00	2/1/99	1.00	7/1/98	1.00	8/15/05	1.00	7/6/05	1.00	6/2/05	1.00	7/8/05	1.00
Total Adjustments			1.00		1.00		1.00		1.00		1.00		1.00		1.00
Adjusted Unit Price			\$350		\$2,000		\$2,809		\$567		\$575		\$420		\$566
<b>PHYSICAL COMPARISONS</b>															
Location	Glennallen area	Similar	1.00	Similar	1.00	Similar	1.00	Similar	1.00	Similar	1.00	Similar	1.00	Similar	1.00
Size, Acres	9.450	19.990	1.39	10.000	1.00	2.670	0.60	9.530	1.00	20.000	1.39	19.980	1.39	9.540	1.00
Access	Trail	Similar	1.00	Superior	0.80	Superior	0.80	Similar	1.00	Similar	1.00	Similar	1.00	Similar	1.00
Site Quality	Treed parcel w/ mod slope & adequate drainage	Similar	1.00	Similar	1.00	Similar	1.00	Similar	1.00	Similar	1.00	Similar	1.00	Similar	1.00
Utilities	None	Similar	1.00	Similar	1.00	Superior	0.35	Similar	1.00	Similar	1.00	Similar	1.00	Similar	1.00
Amenities	Good view potential	Inferior	1.10	Similar	1.00	Inferior	1.10	Inferior	1.10	Inferior	1.10	Inferior	1.10	Inferior	1.10
Total Adjustments			1.53		0.80		0.18		1.10		1.53		1.53		1.10
<b>INDICATED PER/ACRE VALUE</b>	<b>\$800</b>	<b>\$535</b>	<b>\$1,600</b>	<b>\$519</b>	<b>\$623</b>	<b>\$879</b>	<b>\$643</b>	<b>\$623</b>							

**Comp 1** is a 19.99-acre parcel located 26 miles to the east of the “key lot” just northeast of the Glenn and Richardson Highway intersection. The parcel is located near the Copper River in an area that has not been developed. This sale lacks the view potential of the “key lot” and was adjusted for this inferior feature. After adjusting this larger parcel for size the indicated per/acre sales price is \$535.

**Comp 2** is a 10.00 acre parcel located about 29 miles to the southeast of the “key lot”. This sale is located south of the Glenn and Richardson Highway intersection. At the time of sale the access was via a minimally improved dirt road. Although this sale lacked view potential it does feature creek frontage and did not need an amenities adjustment. After adjusting for the superior means of access the indicated per/acre price is \$1,600.

**Comp 3** is a 2.67-acre parcel located approximately 22 miles to the east of the “key lot”. This sale had electricity available at time of sale as well as access via a minimally improved dirt road. The utilities adjustment given is based on paired sales analyses detailed in the addenda. This sale lacked view potential and was adjusted downward to account for this inferior feature. After adjusting for these superior features as well as size the indicated per/acre price is \$519.

**Comp 4** is a 9.53-acre parcel located approximately 20 miles to the east of the “key lot”, just north of the Glenn Highway. This parcel was sold over-the-counter by DNR. An amenities adjustment as given to account for the lack of view potential. The indicated per/acre sales price is \$623.

**Comp 5** is a 20.00-acre parcel located 6 ½ miles to the east of the “key lot”, off Lake Louise Road. This parcel was sold over-the-counter by DNR. The larger sale lacked view potential and was adjusted accordingly. The indicated per/acre sales price is \$879.

**Comp 6** is 19.98-acre parcel located 22 miles to the east of the “key lot”. Sold by DNR over-the-counter this larger parcel lacks view potential. After adjusting the indicated per/acre price is \$643.

**Comp 7** is 9.54-acre parcel located about 20 miles to the east of the “key lot”. This parcel was sold over-the-counter by DNR and was similar in most respects to the “key lot”. An amenities adjustment was made to account for the lack of view potential to yield a per/acre sales price of \$623.

**Reconciliation**

**Key Lot**

After adjustment the comparable sales indicate a range of \$519 to \$1,600 per/acre with a mean of \$775. Comparable No. 1 is included to provide a low indicator. This comparable lacks any developed access, does not have much view potential and is in an area that has scrub black spruce and permafrost present. Comparable No. 2 is the least similar location of the comparable sales and appears to be somewhat of an outlier. This sale was included to help bracket the “key lot”. Comparable No. 3 required the most substantial adjustments and is the least similar of the comparable sales to the “key lot”. The remaining comparable sales indicate a range of \$623 to \$879 per/acre with a mean of \$692. Comparables No. 4 – 7 indicate recent interest in similar parcels near Glennallen.

Based on the preceding analysis the indicated market value estimate for the “key lot” is **\$800/acre (or \$7,600 rounded for a 9.45-acre site).**

**Summary of Ridgeview Subdivision parcels**

ADL	Lot	Block	Survey	Size (acres)	LOC.	SIZE	ACCESS	SITE QUALITY	UTILITIES	AMENT.	TOTAL ADJUST	KEY LOT PER ACRE VALUE	ADJUSTED PER ACRE VALUE	SITE VALUE (RND)
<b>229706</b>	5	4	2004-42	9.45	Glennallen area	9.45	Trail	Moderate slope, adequate drainage	None	Good view potential	1.00	\$800	\$800	<b>\$7,600</b>
<b>Ridgeview Subdivision ASLS 2004-42</b>														
<b>229689</b>	1	1	2004-42	10.61	1.00	0.99	1.00	1.00	1.00	1.00	0.99	\$800	\$792	<b>\$8,400</b>
<b>229690</b>	2	1	2004-42	10.61	1.00	0.99	1.00	0.95	1.00	1.00	0.94	\$800	\$752	<b>\$8,000</b>
<b>229691</b>	1	2	2004-42	9.69	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$800	\$800	<b>\$7,800</b>
<b>229692</b>	2	2	2004-42	9.67	1.00	1.00	1.00	0.97	1.00	1.00	0.97	\$800	\$776	<b>\$7,500</b>
<b>229693</b>	3	2	2004-42	9.66	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$800	\$800	<b>\$7,700</b>
<b>229694</b>	4	2	2004-42	9.69	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$800	\$800	<b>\$7,800</b>
<b>229695</b>	5	2	2004-42	9.68	1.00	1.00	1.00	0.95	1.00	1.00	0.95	\$800	\$760	<b>\$7,400</b>
<b>229696</b>	6	2	2004-42	9.59	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$800	\$800	<b>\$7,700</b>
<b>229698</b>	1	3	2004-42	10.55	1.00	0.99	1.00	1.08	1.00	1.00	1.07	\$800	\$855	<b>\$9,000</b>
<b>229699</b>	2	3	2004-42	10.58	1.00	0.99	1.00	1.05	1.00	1.00	1.04	\$800	\$832	<b>\$8,800</b>
<b>229700</b>	3	3	2004-42	10.48	1.00	1.00	1.00	0.90	1.00	1.00	0.90	\$800	\$720	<b>\$7,500</b>
<b>229701</b>	4	3	2004-42	11.84	1.00	0.92	1.00	0.77	1.00	1.00	0.71	\$800	\$567	<b>\$6,700</b>
<b>229702</b>	1	4	2004-42	9.38	1.00	1.00	1.00	1.03	1.00	1.00	1.03	\$800	\$824	<b>\$7,700</b>
<b>229703</b>	2	4	2004-42	9.40	1.00	1.00	1.00	0.97	1.00	1.00	0.97	\$800	\$776	<b>\$7,300</b>
<b>229704</b>	3	4	2004-42	9.43	1.00	1.00	1.00	0.90	1.00	1.00	0.90	\$800	\$720	<b>\$6,800</b>
<b>229705</b>	4	4	2004-42	9.42	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$800	\$800	<b>\$7,500</b>

<b>229706 KEY</b>	5	4	2004-42	9.45	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$800	\$800	<b>\$7,600</b>
<b>229707</b>	6	4	2004-42	9.40	1.00	1.00	1.00	0.95	1.00	1.00	0.95	\$800	\$760	<b>\$7,100</b>
<b>229708</b>	7	4	2004-42	9.42	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$800	\$800	<b>\$7,500</b>
<b>229709</b>	8	4	2004-42	9.42	1.00	1.00	1.00	0.90	1.00	1.00	0.90	\$800	\$720	<b>\$6,800</b>
<b>229710</b>	9	4	2004-42	9.41	1.00	1.00	1.00	0.95	1.00	1.00	0.95	\$800	\$760	<b>\$7,200</b>
<b>229711</b>	10	4	2004-42	9.37	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$800	\$800	<b>\$7,500</b>
<b>229712</b>	11	4	2004-42	9.40	1.00	1.00	1.00	0.97	1.00	1.00	0.97	\$800	\$776	<b>\$7,300</b>
<b>229713</b>	1	5	2004-42	10.06	1.00	1.00	1.00	0.95	1.00	1.00	0.95	\$800	\$760	<b>\$7,600</b>
<b>229714</b>	2	5	2004-42	10.02	1.00	1.00	1.00	0.97	1.00	1.00	0.97	\$800	\$776	<b>\$7,800</b>
<b>229715</b>	3	5	2004-42	10.01	1.00	1.00	1.00	0.88	1.00	1.00	0.88	\$800	\$704	<b>\$7,000</b>

*Note on above site adjustments:*

Adjustments were given to parcels that differed from the "key lot" in percentage of land considered steep and percentage of land considered wet.

## CERTIFICATION OF VALUE

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent on an action or event resulting from the analyses, opinions and conclusions in, or the use of, this report.
- To the best of my knowledge and belief, the analyses, opinions, and conclusions were developed and presented in this report in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.
- I have the knowledge and experience necessary to competently complete this appraisal assignment.
- My opinion of market value is shown on the preceding pages.

December 13, 2005  
Dated



Brandon Simpson, Dept. of Natural Resource

## **ADDENDUM**

Market Data Map  
Comparable Sales Forms  
Preliminary Plat of Parcel  
Size Adjustment Chart  
Paired Sales Analyses  
Special Appraisal Requirements  
Appraiser Qualifications

**COMPARABLE**

<b>ID:</b> 12662	<b>PHOTOGRAPH/MAP:</b>
<b>REGION:</b> SOUTHCENTRAL <b>AREA:</b> COPPER RIVER BASIN <b>NEIGHBORHOOD:</b> GLENNALLEN <b>LOCATION:</b> 1 MILE EAST OF GLENN HIGHWAY AND RICHARDSON HWY INTERSECTION  <b>FRONTAGE NAME:</b> <b>SUBDIVISION:</b>	
<b>GRANTOR:</b> STRAUB, SANDRA C. & MICHAEL W <b>GRANTEE:</b> ROBERTSON, DEAN BYRON	<b>TAKEN BY:</b> BRANDON SIMPSON <b>DATE:</b> 8/2/2004
<b>DATE OF SALE:</b> 1/1/2001 <b>SALE PRICE:</b> \$7,000.00 <b>ACRES:</b> 19.990 <b>REC DIST:</b> CHITINA <b>BOOK/PAGE/SER. #</b> 59/94 <b>INSTRU:</b> DEED <b>TERMS:</b> CASH <b>CONDITION:</b>	<b>SOURCE OF INFORMATION/DATE:</b> HAROLD GREEN & LARRY CLARKE, RE AGENTS BY JERRY SMITH 1/01
<b>LEGAL DESCRIPTION:</b> LOT 35, ASLS 79-144, PLAT 80-1; ADL 203190  <b>TAX ID:</b>	<b>USGS MAP:</b> GULKANA <b>QUAD:</b> A-3 <b>LATITUDE:</b> N620741 <b>LONGITUDE:</b> W1452656 <b>MTRS:</b> C004N001W17
<b>SLOPE:</b> LEVEL <b>VEGETATION:</b> BLACK SPRUCE WITH SOME WILLOW INTERSPERSED <b>SOILS:</b> FAIR GRAVELLY SILT <b>SHORE:</b> <b>UNUSUAL FEATURES:</b> <b>SITE DESCRIPTION:</b> P60' PUBLIC ACCESS AND UTILITY EASEMENT RUNS THE LENGTH OF THE PARCEL'S WESTERN BOUNDARY. DISCONTINUOUS FORMATIONS OF PERMAFROST ARE FOUND IN THE AREA. PLAT NOTES INDICATE THAT SOME OF THE LARGER LOTS WITHIN THE SUBDIVISION MAY NOT BE SUITABLE FOR CONVENTIONAL SUBSURFACE SEWAGE DISPOSAL. THE SELLING AGENT DID INDICATE THAT THE SALE PRICE WAS LESS THAN 25% OF THE LIST PRICE OF \$10,000. LOCATED 2-5 MILES NORTHEAST OF GLENNALLEN BETWEEN RICHARDSON HIGHWAY AND COPPER RIVER (1 MILE FROM RIVER).	
<b>FRONTAGE:</b> <input type="checkbox"/> LakeFrontage <input type="checkbox"/> HwyFrontage <input type="checkbox"/> OceanFrontage <input type="checkbox"/> CreekFrontage <input type="checkbox"/> PondFrontage <input type="checkbox"/> RiverFrontage <b>ELECTRICITY:</b> N <b>TELEPHONE:</b> N <b>WATER:</b> N <b>SEWER:</b> N <b>NATURAL GAS:</b> N <b>ACCESS:</b> <span style="margin-left: 100px;">EASEMENT</span>	
<b>ZONING:</b> NONE <b>TITLE INTEREST:</b> FEE <b>PARCEL TYPE:</b> UPLAND <b>EASEMENTS/RESTRICTIONS:</b> 60' PUBLIC ACCESS & UTILITY	
<b>HIGHEST / BEST USE:</b> RESIDENTIAL/REC <b>MARKET EXPOSURE:</b> <b>SUPPLY/DEMAND:</b> <b>BUYER/SELLER MOTIVATION:</b>	

<b>SALE PRICE:</b>	\$7,000.00
<b>VALUE OF IMPROVEMENTS:</b>	\$0.00 <b>IMPROVEMENTS:</b>
<b>LAND VALUE:</b>	\$7,000.00

# OF SITES:	\$/SITE:	ACRES:	\$/ACRE:	SQUARE FEET:	\$/SQFT:	FRONT FEET:	\$/FF:	RENTAL RATE:
1	\$7,000	19.99	\$350	870,764	\$0.01	0	\$0.00	0.000 %













SECTION 23 STATE OF ALASKA

SECTION 24 STATE OF ALASKA

SECTION 26 STATE OF ALASKA

**LINE DATA**

LINE	BEARING	DISTANCE
L1	S82°59'33"W	60.00'
L2	S82°59'33"W	69.34'
L3	S89°31'55"W	170.01'
L4	S89°57'33"E	50.00'
L5	S89°59'11"E	50.00'
L6	S34°48'58"W	60.88'
L7	S34°48'58"W	60.88'
L8	S82°59'33"W	100.75'
L9	S82°59'33"W	166.27'

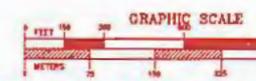


**NOTES**

- UTILITY EASEMENTS: In addition to the 30' utility easements shown hereon, Any utility pole set shall have an additional 30' radius easement for support hardware placement.
- Woodlot Lot Road R.O.W. is common with the section line easement between section 25 and section 28.
- See Sheet 1 of 2 for: Basis of Coordinates, Basis of Bearing, and additional notes.

**LEGEND**

- SET A 3 1/4" STATE OF ALASKA D.M.R. ALUMINUM CAP, ON A 2 1/2" x 28" FLANGED ALUMINUM PIPE, WITH A CARBONITE WITNESS POST SET A 5/8"x36" REBAR WITH A 2" ALUMINUM CAP, STAMPED LS 7589, 2005, WITH LOT & BLOCK NOMENCLATURE EXISTING 6"Ø CONCRETE POST, A.K.A. D.O.T. R.O.W. MONUMENT
- EXISTING 3 1/4" BLM BRASS CAP ON A 2 1/2" STEEL PIPE
- SURVEYED LINE
- UNSURVEYED LINE
- MEASURED THIS SURVEY
- (R1) RECORD DATA BLM PLAT 14896, C.R.M., APPROVED 01/26/76
- (R2) RECORD DATA BLM PLAT OF U.S.S. 3137, APPROVED 03/18/53
- (R3) RECORD DATA AK D.O.T. R.O.W. MAP F-042-3(10), APPROVED 01/10/63



1 METER = 3.2808333 US FEET, 1 US ACRE = 0.4047 HECTARE

DATE OF SURVEY	CLINE AND ASSOCIATES
Beginning 07/16/05	P.O. BOX 2703
Ending 09/20/05	SEWARD, ALASKA 99684
	907-224-7324

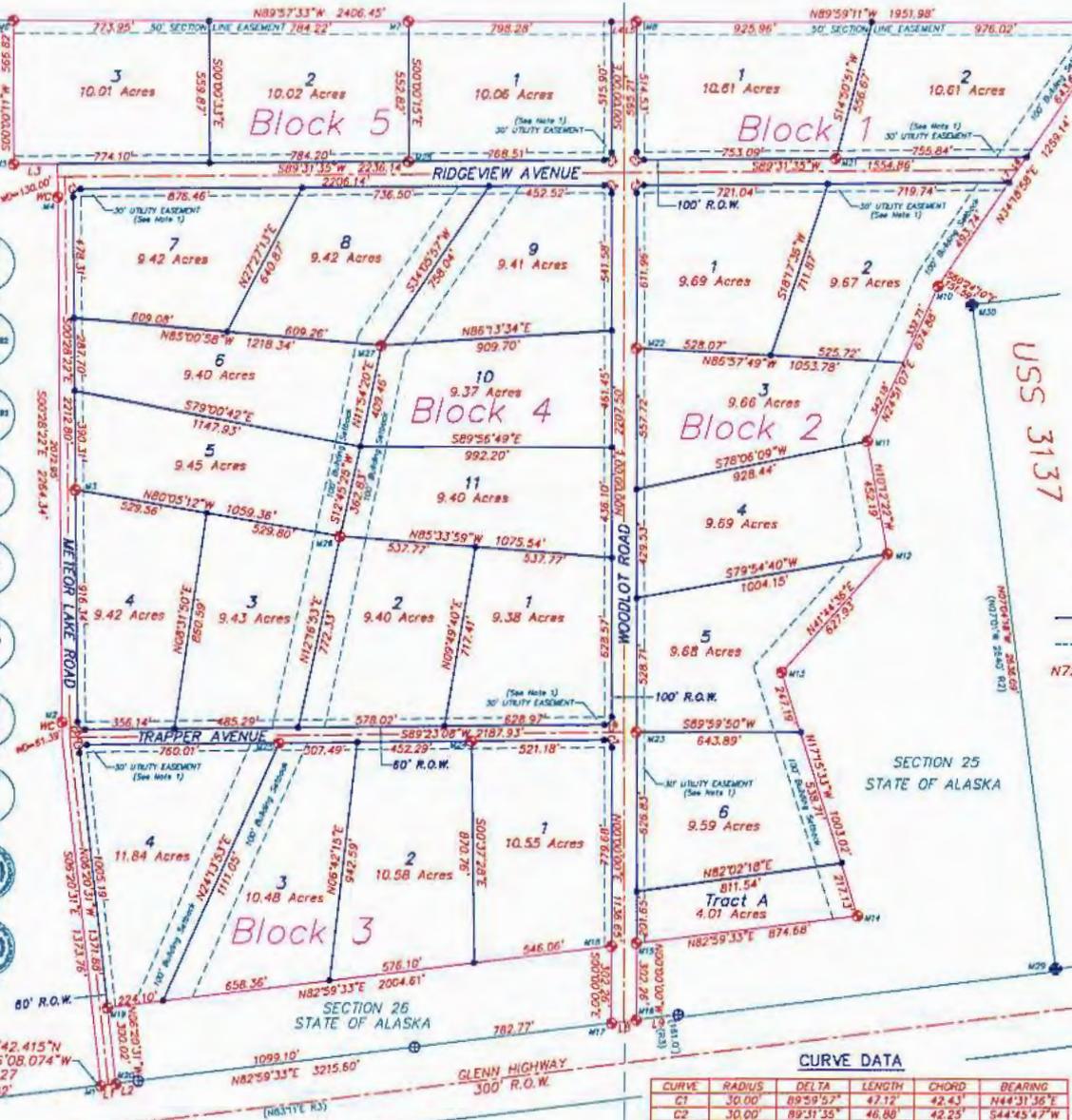
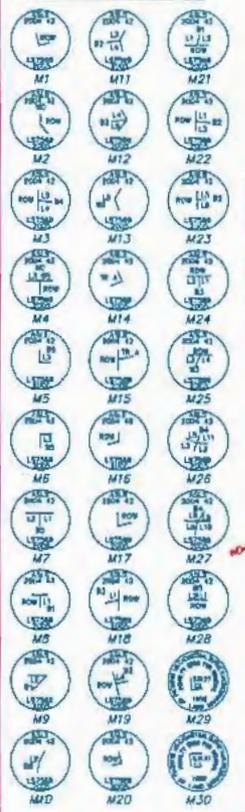
STATE OF ALASKA  
DEPARTMENT OF NATURAL RESOURCES  
**DIVISION OF MINING, LAND AND WATER**  
ANCHORAGE, ALASKA

ALASKA STATE LAND SURVEY No. 2004-42

**RIDGEVIEW SUBDIVISION**  
Creating: Lots 1-2, Block 1, Lots 1-6, Block 2  
Lots 1-4, Block 3, Lots 1-11, Block 4  
Lots 1-3, Block 5, and Tract A  
Within Unsurveyed Sections 25 and 26  
Township 4 North, Range 6 West  
Copper River Meridian, Alaska  
Chitina Recording District

DRAWN BY WNC	APPROVAL RECOMMENDED
DATE: 11/30/05	Statewide Plotting Supervisor
SCALE 1"=300'	CHECKED WNC
	FILE NO. ASLS 20040042

**MONUMENT DETAILS**



**CURVE DATA**

CURVE	RADIUS	DELTA	LENGTH	CHORD	BEARING
C1	30.00'	89°59'57"	47.12'	42.43'	N44°31'36"E
C2	30.00'	89°31'55"	46.86'	42.25'	S44°45'47"W
C3	30.00'	90°28'25"	47.37'	42.60'	N45°41'13"W
C4	30.00'	89°31'55"	46.88'	42.25'	N44°45'47"E
C5	30.00'	90°28'25"	47.37'	42.60'	S45°41'13"E
C6	30.00'	89°23'08"	46.80'	42.20'	S44°41'34"W
C7	30.00'	90°36'52"	47.45'	42.65'	S45°48'26"E
C8	30.00'	90°08'30"	47.20'	42.48'	N45°32'37"W
C9	30.00'	95°43'39"	50.12'	44.49'	N41°31'19"E

LAT: 62°05'42.415"N  
LONG: 146°16'08.074"W  
NAD 27  
917.42'

**DNR SIZE ADJUSTMENT METHOD**  
DEVELOPED BY STEVE STARRETT

ACRES	VALUE RATIO
2.50	1.33
3.00	1.22
3.50	1.14
4.00	1.08
4.50	1.04
5.00	1.00
6.00	0.95
7.00	0.90
8.00	0.85
9.00	0.80
10.00	0.75
11.00	0.73
12.00	0.71
13.00	0.69
14.00	0.67
15.00	0.65
16.00	0.64
17.00	0.62
18.00	0.60
19.00	0.58
20.00	0.56
21.00	0.55
22.00	0.55
23.00	0.54
24.00	0.53
25.00	0.53
26.00	0.52
27.00	0.51
28.00	0.50
29.00	0.50
30.00	0.49
31.00	0.48
32.00	0.48
33.00	0.47
34.00	0.46
35.00	0.46
36.00	0.45
37.00	0.44
38.00	0.43
39.00	0.43
40.00	0.42

The above graph represents a general market trend in the size-price behaviour for remote parcels.

For parcels over 5 acres in size, the price per acre decreases by 75 percent or a multiplier of .75 when parcel size doubles.

In order to adjust for parcel sizes in size increments smaller than a doubling of size (e.g. a 16-acre parcel which fits between the 10 to 20 acres size category) the value ratios are interpolated.

For parcels over 5 acres in size, the interpolation is made on a straight line basis, because larger parcels tend to sell on a price per acre basis.

For parcels under 5 acres in size, the interpolation between size categories is exponential, because the concept of building site value is more important than the number of acres.

## Ridgeview Adjustments

**Paired sales** – Electric and telephone vs. No utilities

Comp ID	12264	15052
Utilities	ET	No
Sale date	7/1/98	6/2/05
Sale price	\$7,500	\$8,400
Size acres	2.67	19.98
\$ Per/acre	\$2,809	\$420
\$ Per/acre adjusted to 10.00-acres	\$1,621	\$563

$$\$563/\$1,621 = 0.35$$

Sale no. 15052 lacks electric and telephone and sold for 35% of sale no. 12264 which features electric and telephone.

Note about comparable sales used. The two comparable sales used are both found in the Glennallen II subdivision. Although they sold seven years apart a time adjustment is not necessary due to lack of measurable movement in the Glennallen area.

## SPECIAL APPRAISAL INSTRUCTIONS DNR LAND DISPOSAL

1. **Appraisal Standards:** A **complete, summary** appraisal is required and must be prepared in accordance with these instructions and with Standards Rules 1 and 2 of the *Uniform Standards of Professional Appraisal Practice* (USPAP).
2. **Purpose of the Appraisal:** The purpose of the appraisal is to estimate current market value.
3. **Intended Use:** The appraisal will be used by DNR to establish the minimum price for a sealed bid auction and will be used by the general public for guidance in determining actual bid prices.
4. **Definition of Market Value:** Appraisals must use the following definition of market value. Appraisals using other definitions will be returned for correction.

*The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.<sup>1</sup>*

5. **Terms of Sale:** Market value must be estimated in terms of seller financing typical for the market. DNR will not accept appraisals that apply a downward adjustment to comparable prices with typical seller financing in order to indicate a cash value. Per AS 38.05.065 DNR is required to offer seller financing and does not discount for cash. This is the reason for the market value definition used above, to provide a value based on "precisely revealed terms."
6. **Conditions of Sale:** To the extent possible, the appraiser shall use only private transactions for comparables. However, a history of DNR sales in the subject subdivision shall also be reported and considered. DNR comps from 1990 to present will be available on the DNR web site or at no cost on a CD. Contact Brandon Simpson at 269-8513 for a copy. The history will include all the terms of sale for a transaction, including veteran's discount. A sale involving a veteran's discount may not be used. To verify DNR sales not on the web site and check for a veteran's discount, contact the regional DNR Public Information Center, in Anchorage, Fairbanks, or Juneau. See item #14 for names and phone numbers. Ask them to print you a copy of Revenue and Billing screen NR 30 for each ADL number you want to verify. This screen will include the bid price, any discount, the financing terms, and the effective date of the contract. For DNR sales not on Revenue and Billing, contact Brandon Simpson at 269-8513. Do not assume that the bid price on DNR's web site is the actual sale price.
7. **Property Rights Appraised:** Appraise the fee simple estate less mineral rights reserved under AS 38.05.125(a). Appraisals that do not cite this definition will be returned for correction.
8. **Date of Valuation:** Use a current date of valuation.
9. **Inspection and Determination of Site Quality:** The appraiser must make an onsite inspection of the appraised property. Comparable sales located within reasonable proximity to the appraised property must also be inspected. Fly-over inspections are acceptable for properties that do not have road access. DNR may allow exceptions to these inspection requirements, if special conditions warrant. Any exceptions must be authorized in writing by the DNR review appraiser before work begins. In order to determine site characteristics and access, the appraiser should also use as many of the following sources of information as are available: recent aerial photos from commercial sources, previous DNR appraisals, topographic maps, field inspection reports in DNR case files, aerial mosaics in DNR subdivision design files, and previous field experience in the area.

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<sup>1</sup> The Appraisal of Real Estate, Eleventh Edition, Appraisal Institute, 1996, page 22

## SPECIAL APPRAISAL INSTRUCTIONS DNR LAND DISPOSAL

- 10. Improvements:** There may be structures, site improvements, and personal property on some of the parcels. The appraisal report must state the contributory value of the land, the contributory value of the improvements, and the contributory value of the personal property. The appraisal report must include photographs of the improvements and personal property sufficient to allow the reader to determine their general character and condition.
- 11. Case File Information:** To inspect case file information, please contact the following:
- Southcentral Region:** Tammias Brown 269-8946  
**Northern Region:** Jeanne Proulx 451-2745  
**Southeast Region:** Ted Deats 465-3405
- 12. Photographs:** Photographs of the subject parcels and comparables are optional. The report must contain photographs of improvements and personal property sufficient to allow the reader to determine their general character and condition. If digital photographs are used, they must be on photo-quality paper.
- 13. Plat or Survey Maps:** Some type of map is required that will depict the locations of improved roads, trails, and utilities. This map could be a plat map or a map published by a local government agency such as the Assessor's office or planning department. These maps may be modified by the appraiser to reflect the necessary information. Plat maps for DNR subdivisions (ASLS) are available on the DNR web site. The appraiser is expected to review surveys, plats, plat notes, and land status maps for easements and other restrictions that could affect value and to summarize such easements and restrictions in the appraisal report.
- 14. Title Information:** DNR will not provide title reports. Survey plats and land status maps are available on the internet at <http://www.dnr.state.ak.us/><sup>2</sup>. The appraiser may also make 1 hard copy set of these items free of charge at the Fairbanks (Hal Meyer 451-2710) and Anchorage (Wyn Menefee 269-8412) information offices. DNR staff will show appraisers how to research and print what they need but will not prepare the copies. Appraisers who are working on projects in Southeast can contact Ted Deats at 465-3405. He will print and mail plats.
- 15. Data Analysis and Key Parcel:** When appraising similar parcels within the same subdivision or neighborhood, a typical or *Key Parcel* valuation method must be used. For each key parcel appraised, the report must include a valuation grid similar in format to the sample appraisal on the DNR website (<http://www.dnr.state.ak.us/mlw/appraise/index.htm>). The grid must describe the pertinent features of the key parcel and each of the comparable sales. The grid must also show adjustments (qualitative or quantitative) made in relating the pertinent features of the comparable transactions to the pertinent features of the key parcel.

Adjustments may be quantitative (dollar amounts or percentages) or qualitative (plus/minus, inferior/superior) and must be briefly discussed in narrative, in addition to being presented in the grid. As the amount of the adjustment increases, the need for factual evidence (e.g. paired sales, data arrays, opinion surveys) increases. If qualitative adjustments are used, the relative weight for each adjustment must be described and supported. The final reconciliation must clearly state which indicators of value are the most reliable, and explain how each indicator affects the appraiser's final conclusion of value. Estimates based solely on the appraiser's opinion without explanation will be rejected. Estimates based solely on regression analysis or other statistical methods may also be rejected.

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<sup>2</sup> From the DNR home page, click the *Maps, Plats, and Data* button. Retrieve plats by entering the meridian, township and range and clicking the *find* button. (Using the *enter* key generally results in a false message that the plat is not available.)

## SPECIAL APPRAISAL INSTRUCTIONS DNR LAND DISPOSAL

The appraisal may have more than one key parcel, e.g. a waterfront site and an interior site. Once the key parcels are valued, the remaining parcels must be valued in a grid or grids that compare the pertinent features of each subject parcel to the pertinent features of the appropriate key parcel. (See sample appraisal on the DNR website.) The grid must also show adjustments (qualitative or quantitative) made in relating the pertinent features of each subject parcel to the pertinent features of the key parcel.

The key parcel valuation grid and the grid that compares the remaining parcels to the key parcel will satisfy the narrative requirement for describing the subject lots.

**16. Comparable Sale Data and Map:** Comparable Sale Forms or data sheets are required. Each data sheet must be similar in content to the attached sample. A comparable sale location map is required, showing the location of each comparable in relation to the appraised properties and other comparables. If the data on the form is found to be insufficient or inaccurate upon initial technical review, DNR will not review the report until comparable data forms are found to be complete and accurate.

**17. Report Format:** DNR encourages brevity, provided the report contains sufficient information for the reviewer to determine that the analyses and conclusions are supported and reasonable for the intended use. Please refer to the DNR web site for an example. The following are not required: regional analysis, area analysis, site photographs, plats, and lengthy narratives. A summary of subject parcels, legal descriptions, and estimated values at the beginning of the report or as part of the certification is not required by USPAP and need not be included. This information need only be shown in the Sales Comparison Approach where the values are estimated. A single Excel or Lotus spreadsheet, single-row spaced, with ADL numbers, legal descriptions, acres, and estimated values is required in electronic format, and the appraiser must e-mail the file to [brandon\\_simpson@state.ak.us](mailto:brandon_simpson@state.ak.us) or provide the file on a disc or CD. The lot(s), block, tract (if applicable), and subdivision name must be in separate columns. An acceptable report must meet USPAP requirements for a summary report and must also contain the following:

- Letter of Transmittal Explaining the Limitations of the Appraisal
- Scope of Appraisal
- Description of Seller Financing Typical for the Subject Market
- Neighborhood Analysis & Sale History of the Subject Subdivision/Parcels
- Comparable Sales and Subject Location Map
- Narrative Explanation of Adjustments
- Key Lot Valuation Grid
- Valuation Grid for Remaining Parcels
- Certification
- Comparable Sale Forms

**18. Required Number of Copies:** One copy of the draft report and four bound copies of the final report should be delivered to the DNR Review Appraiser. With each delivery, the appraiser should also provide the Excel or Lotus file required in Section 17 above. Electronic delivery of the draft report to the DNR Review Appraiser by pdf file is acceptable, provided photographs and other exhibits are included and can be printed. Other electronic formats are not acceptable.

**19. Place of Delivery and Date:** Delivery dates are as stated in the request for proposals (RFP) and the appraisal contract. Timely submittal is critical in order to meet printing deadlines for the sale brochure. The place of delivery is the office of the DNR appraisal unit noted below. Delivery to any other DNR office is not acceptable.

**20. Disclosure:** By law, appraisal reports are public documents that must be made available to the public upon request. Appraisals shall not contain any language that restricts public use. If the report contains use-restricting language, the language will not apply.

**SPECIAL APPRAISAL INSTRUCTIONS  
DNR LAND DISPOSAL**

**21. Review and Approval:** The DNR review appraiser will review all appraisals for compliance with USPAP and DNR instructions.

**22. How to Contact the DNR Appraisal Unit:**

Mike Ward	Phone:	907-269-8512
Division of Mining, Land & Water	FAX:	907-269-8914
550 W 7 <sup>th</sup> Ave, Suite 650	E-mail:	<a href="mailto:appraisals@dnr.state.ak.us">appraisals@dnr.state.ak.us</a>
Anchorage, AK 99501-3576	Hours:	8AM to 4PM

## **APPRAISER QUALIFICATIONS**

### **Brandon Simpson**

Appraiser

Department of Natural Resources

550 West 7<sup>th</sup> Avenue, Suite 650

Anchorage, AK 99501-3576

(907) 269-8513

brandon\_simpson@dnr.state.ak.us

### **Education**

University of Colorado at Denver: BA in Economics, 1998.

Colorado State University

### **Appraisal Courses**

Appraisal Procedures, Course 120, Appraisal Institute, 2003

Basic Income Capitalization, Course 310, Appraisal Institute, 2004

Fundamentals of Rural Appraisal, University of Missouri, ASFRMA A-101, 2004

Uniform Standards of Professional Appraisal Practice (USPAP-15hr) Appraisal Foundation, 2005

Basic Appraisal Principles, Appraisal Institute, 2005

### **Appraisal Seminars**

The Principles of Real Estate Appraisal, IRWA 400, 2002

Land Valuation Assignments, Appraisal Institute, 2002

Land Valuation Adjustment Procedures, Appraisal Institute, 2002

Principles of Real Estate Law, IRWA 800, 2005

### **Work Experience**

Alaska Department of Natural Resources, Appraiser II, June 2005 to present

Alaska Department of Natural Resources, Appraiser I, March 2002 to May 2005

Charles Schwab, Investment Consultant, May 1999 to March 2002

Merrill Lynch, Client Service Specialist, July 1998 to May 1999