

# **MARKET VALUE APPRAISAL**

**Of**

**Remote Matsu Parcels  
For 2007 Land Auction**



**APPRAISAL REPORT No. 3422**

**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*

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Anchorage AK 99501-3576

DATE: November 7, 2006

TO: Kevin Hindmarch  
Review Appraiser

FROM: Brandon Simpson



SUBJECT: Appraisal of 82 parcels of vacant land and 1 parcel that contains 2 dilapidated cabins, located in remote Matsu Borough. The subject parcels include 7 potential re-offer parcels. The remainder of the parcels are updates of parcels currently available over-the-counter.

As requested, I have completed an appraisal of 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 Summary Appraisal 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 the subject area and most of the comparable sales used in this report. Physical descriptions of the subject area are based on physical inspections, soil maps, aerial photography and topographic maps. Based on my observations and analysis of all available data, I have formed an opinion of market value as of the effective date of value.

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## APPRAISAL SUMMARY

### Location

Subdivision Name	ADL	Location	Legal Description
Alexander Creek West	Various	Approximately 36 miles northwest of Anchorage and 5 miles west of the Yentna and Susitna Rivers confluence.	Various
Lake Creek Homestead	222786	Approximately 2.5 miles southwest of Shulin Lake, between Lake Creek and the Kahiltna River.	Tract A, ASLS 87-56
Lockwood Lake Homestead	225264	Approximately 1 miles northeast of Lockwood Lake and 3 miles northeast of the 'Big Bend' of the Yentna River.	ASLS 95-39
Skwentna Station	Various	Approximately 1 mile north of Skwentna. Subdivision is situated between the Yentna and Skwentna Rivers.	Various

### Value Summary

Subdivision	ADL	Lot/Tract	Block	ASLS	Size - acres	Appraised Value
Alexander Creek West	204893	5	3	79-209	4.96	\$4,000
Alexander Creek West	204894	6	3	79-209	4.99	\$4,000
Alexander Creek West	204967	10	6	79-209	4.99	\$4,000
Alexander Creek West	204968	11	6	79-209	4.99	\$4,000
Alexander Creek West	204895	7	3	79-209	4.99	\$4,000
Alexander Creek West	204898	10	3	79-209	4.99	\$4,000
Alexander Creek West	204899	11	3	79-209	4.99	\$4,000
Alexander Creek West	204900	12	3	79-209	4.99	\$4,000
Alexander Creek West	204901	13	3	79-209	4.61	\$3,700
Alexander Creek West	204827	1	1	79-209	5	\$4,000
Alexander Creek West	204828	2	1	79-209	5	\$4,000
Alexander Creek West	204829	3	1	79-209	4.9	\$3,900
Alexander Creek West	204830	4	1	79-209	5	\$4,000
Alexander Creek West	204831	5	1	79-209	4.5	\$3,600
Alexander Creek West	204832	6	1	79-209	4.99	\$4,000
Alexander Creek West	204833	7	1	79-209	5	\$4,000
Alexander Creek West	204835	9	1	79-209	5	\$4,000
Alexander Creek West	204837	11	1	79-209	5	\$4,000
Alexander Creek West	204838	12	1	79-209	4.95	\$4,000
Alexander Creek West	204839	13	1	79-209	4.56	\$3,600
Alexander Creek West	204840	14	1	79-209	5	\$4,000
Alexander Creek West	204841	15	1	79-209	4.56	\$3,600
Alexander Creek West	204842	16	1	79-209	4.87	\$3,900
Alexander Creek West	204843	17	1	79-209	5	\$4,000
Alexander Creek West	204844	18	1	79-209	5	\$4,000
Alexander Creek West	204863	37	1	79-209	5	\$4,000
Alexander Creek West	204864	38	1	79-209	5	\$4,000

Alexander Creek West	204870	44	1	79-209	5	\$4,000
Alexander Creek West	204877	1	2	79-209	4.89	\$3,900
Alexander Creek West	204878	2	2	79-209	5	\$4,000
Alexander Creek West	204879	3	2	79-209	5	\$4,000
Alexander Creek West	204880	4	2	79-209	5	\$4,000
Alexander Creek West	204881	5	2	79-209	5	\$4,000
Alexander Creek West	204882	6	2	79-209	5	\$4,000
Alexander Creek West	204884	8	2	79-209	4.99	\$4,000
Alexander Creek West	204885	9	2	79-209	4.62	\$3,700
Alexander Creek West	204886	10	2	79-209	4.79	\$3,800
Alexander Creek West	204887	11	2	79-209	5	\$4,000
Alexander Creek West	204888	12	2	79-209	5	\$4,000
Alexander Creek West	204890	2	3	79-209	5	\$4,000
Alexander Creek West	204891	3	3	79-209	5	\$4,000
Alexander Creek West	204905	4	4	79-209	5	\$4,000
Alexander Creek West	204907	6	4	79-209	5	\$4,000
Alexander Creek West	204908	7	4	79-209	5	\$4,000
Alexander Creek West	204910	9	4	79-209	5	\$4,000
Alexander Creek West	204917	16	4	79-209	5	\$4,000
Alexander Creek West	204919	18	4	79-209	4.6	\$3,700
Alexander Creek West	204920	19	4	79-209	4.68	\$3,700
Alexander Creek West	204921	20	4	79-209	4.65	\$3,700
Alexander Creek West	204922	21	4	79-209	4.99	\$4,000
Alexander Creek West	204923	22	4	79-209	4.91	\$3,900
Alexander Creek West	204924	23	4	79-209	4.87	\$3,900
Alexander Creek West	204925	24	4	79-209	4.81	\$3,800
Alexander Creek West	204926	25	4	79-209	4.81	\$3,800
Alexander Creek West	204927	26	4	79-209	4.9	\$3,900
Alexander Creek West	204933	6	5	79-209	5	\$4,000
Alexander Creek West	204934	7	5	79-209	5	\$4,000
Alexander Creek West	204935	8	5	79-209	5	\$4,000
Alexander Creek West	204936	9	5	79-209	5	\$4,000
Alexander Creek West	204939	12	5	79-209	4.65	\$3,700
Alexander Creek West	204945	19	5	79-209	5	\$4,000
Alexander Creek West	204946	20	5	79-209	5	\$4,000
Alexander Creek West	204947	21	5	79-209	5	\$4,000
Alexander Creek West	204948	22	5	79-209	4.99	\$4,000
Alexander Creek West	204949	23	5	79-209	4.83	\$3,900
Alexander Creek West	204950	24	5	79-209	4.66	\$3,700
Alexander Creek West	204951	25	5	79-209	4.66	\$3,700
Alexander Creek West	204971	14	6	79-209	5	\$4,000
Alexander Creek West	204972	15	6	79-209	5	\$4,000
Lake Creek Homestead	222786	A		88-17	28.14	\$16,900
Lockwood Lake Homestead	225264			95-39	37.07	\$20,200
Skwentna Station	205103	2	2	79-205	4.898	\$22,000
Skwentna Station	205112	11&12&13	2	79-205	14.96	\$12,400
Skwentna Station	205117	1&2&3	3	79-205	14.79	\$12,200
Skwentna Station	206216	13&14&15	3	79-205	14.6	\$12,200

Skwentna Station	206219	16&17	3	79-205	9.71	<b>\$9,200</b>
Skwentna Station	206000	33	3	79-205	5	<b>\$6,300</b>
Skwentna Station	206001	34	3	79-205	5.038	<b>\$6,300</b>
Skwentna Station	205125	4&5&6	4	79-205	14.634	<b>\$12,300</b>
Skwentna Station	205128	7&8&9	4	79-205	14.75	<b>\$12,200</b>
Skwentna Station	206227	12&13&14	4	79-205	14.8	<b>\$12,200</b>
Skwentna Station	205987	21&22	4	79-205	9.78	<b>\$9,300</b>

\*Potential reoffer lots in yellow. Remainder of lots were available over-the-counter at time of appraisal assignment.

## PREMISES OF THE APPRAISAL

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

This appraisal is a Summary Appraisal Report 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.

### **User and Client Identity**

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

### **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) for the potential reoffer parcels. For the remaining parcels the appraisal will be used to establish purchase price for over the counter sales.

### **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**

June 8, 2006

### **Date of Report**

November 7, 2006

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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

**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..."

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 years.

**Marketing Time**

"Marketing time is an opinion of the amount of time it 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.

**Sale History**

ADL 204894, Lot 6, Block 3, ASLS 79-209 (Alexander Creek West) sold 3/01/2005 but was relinquished 4/20/2005. It is not uncommon for remote DNR land to sell and then later be relinquished to the state. The remaining subject parcels have not sold in the last three years.

**SCOPE OF WORK****Property and Comparable Sales Inspection**

I inspected the subject parcels and many of the comparable sales June 8, 2006. Some of the comparable sales used have been inspected during previous inspections not related to this assignment. The remaining comparable sales are located in areas and/or subdivisions that the appraiser is familiar with. Recent satellite imagery as well as topographic maps were consulted to get an idea of the physical attributes of these sales.

**Research and Analysis Conducted**

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 recorder's 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. Individual lot values were derived by correlating the "key lot" value.

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

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

## **Assumptions and Limiting Conditions**

1. The property is appraised as vacant land without structural or site improvements (except ADL 225264, Lockwood Lake Homestead, which has 2 dilapidated cabins).
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. ADL 225264 (Lockwood Lake Homestead) was inspected on the ground. The remainder of the subject parcels were inspected from the air. Due to the lack of on-site inspections (aerial only) some physical features are assumed based on conversations with those knowledgeable about the area and interpretation of existing maps and aerials. The appraiser reserves the right to modify the value conclusions if an on-site inspection reveals a variation in site features from those assumed in this report.
11. The pre/acre value and total adjustment factor displayed in the adjustment grids in this report have been rounded for display purposes, but not for calculations.

**PRESENTATION OF DATA**

**Property Identification**

<b>ADL</b>	<b>Subdivision</b>	<b>MTRS</b>	<b>Lot/Tract</b>	<b>Block</b>	<b>ASLS</b>	<b>Size - acres</b>
204893	Alexander Creek West	S17N8W10&11	5	3	79-209	4.96
204894	Alexander Creek West	S17N8W10&11	6	3	79-209	4.99
204967	Alexander Creek West	S17N8W14	10	6	79-209	4.99
204968	Alexander Creek West	S17N8W14	11	6	79-209	4.99
204895	Alexander Creek West	S17N8W10&11	7	3	79-209	4.99
204898	Alexander Creek West	S17N8W10	10	3	79-209	4.99
204899	Alexander Creek West	S17N8W10&15	11	3	79-209	4.99
204900	Alexander Creek West	S17N8W10&15	12	3	79-209	4.99
204901	Alexander Creek West	S17N8W10&15	13	3	79-209	4.61
204827	Alexander Creek West	S17N8W10	1	1	79-209	5
204828	Alexander Creek West	S17N8W10	2	1	79-209	5
204829	Alexander Creek West	S17N8W10	3	1	79-209	4.9
204830	Alexander Creek West	S17N8W10	4	1	79-209	5
204831	Alexander Creek West	S17N8W10	5	1	79-209	4.5
204832	Alexander Creek West	S17N8W10	6	1	79-209	4.99
204833	Alexander Creek West	S17N8W9&10	7	1	79-209	5
204835	Alexander Creek West	S17N8W9	9	1	79-209	5
204837	Alexander Creek West	S17N8W9&10	11	1	79-209	5
204838	Alexander Creek West	S17N8W10	12	1	79-209	4.95
204839	Alexander Creek West	S17N8W10	13	1	79-209	4.56
204840	Alexander Creek West	S17N8W10	14	1	79-209	5
204841	Alexander Creek West	S17N8W10	15	1	79-209	4.56
204842	Alexander Creek West	S17N8W10	16	1	79-209	4.87
204843	Alexander Creek West	S17N8W10	17	1	79-209	5
204844	Alexander Creek West	S17N8W10	18	1	79-209	5
204863	Alexander Creek West	S17N8W15	37	1	79-209	5
204864	Alexander Creek West	S17N8W15	38	1	79-209	5
204870	Alexander Creek West	S17N8W15	44	1	79-209	5
204877	Alexander Creek West	S17N8W11	1	2	79-209	4.89
204878	Alexander Creek West	S17N8W11	2	2	79-209	5
204879	Alexander Creek West	S17N8W11	3	2	79-209	5
204880	Alexander Creek West	S17N8W11	4	2	79-209	5
204881	Alexander Creek West	S17N8W10&11	5	2	79-209	5
204882	Alexander Creek West	S17N8W10&11	6	2	79-209	5
204884	Alexander Creek West	S17N8W10	8	2	79-209	4.99
204885	Alexander Creek West	S17N8W10	9	2	79-209	4.62
204886	Alexander Creek West	S17N8W10	10	2	79-209	4.79
204887	Alexander Creek West	S17N8W10	11	2	79-209	5
204888	Alexander Creek West	S17N8W10	12	2	79-209	5
204890	Alexander Creek West	S17N8W11	2	3	79-209	5
204891	Alexander Creek West	S17N8W11	3	3	79-209	5
204905	Alexander Creek West	S17N8W15	4	4	79-209	5
204907	Alexander Creek West	S17N8W15	6	4	79-209	5
204908	Alexander Creek West	S17N8W15	7	4	79-209	5

204910	Alexander Creek West	S17N8W15	9	4	79-209	5
204917	Alexander Creek West	S17N8W14	16	4	79-209	5
204919	Alexander Creek West	S17N8W14	18	4	79-209	4.6
204920	Alexander Creek West	S17N8W14	19	4	79-209	4.68
204921	Alexander Creek West	S17N8W14	20	4	79-209	4.65
204922	Alexander Creek West	S17N8W14	21	4	79-209	4.99
204923	Alexander Creek West	S17N8W14	22	4	79-209	4.91
204924	Alexander Creek West	S17N8W14	23	4	79-209	4.87
204925	Alexander Creek West	S17N8W14	24	4	79-209	4.81
204926	Alexander Creek West	S17N8W11&14	25	4	79-209	4.81
204927	Alexander Creek West	S17N8W11&14	26	4	79-209	4.9
204933	Alexander Creek West	S17N8W11	6	5	79-209	5
204934	Alexander Creek West	S17N8W14	7	5	79-209	5
204935	Alexander Creek West	S17N8W14	8	5	79-209	5
204936	Alexander Creek West	S17N8W14	9	5	79-209	5
204939	Alexander Creek West	S17N8W14	12	5	79-209	4.65
204945	Alexander Creek West	S17N8W11	19	5	79-209	5
204946	Alexander Creek West	S17N8W11	20	5	79-209	5
204947	Alexander Creek West	S17N8W11	21	5	79-209	5
204948	Alexander Creek West	S17N8W11	22	5	79-209	4.99
204949	Alexander Creek West	S17N8W11	23	5	79-209	4.83
204950	Alexander Creek West	S17N8W11	24	5	79-209	4.66
204951	Alexander Creek West	S17N8W11	25	5	79-209	4.66
204971	Alexander Creek West	S17N8W14	14	6	79-209	5
204972	Alexander Creek West	S17N8W14	15	6	79-209	5
222786	Lake Creek Homestead	S23N9W9&10	A		88-17	28.14
225264	Lockwood Lake Homestead	S19N7W4			95-39	37.07
205103	Skwentna Station	S22N11W24	2	2	79-205	4.898
205112	Skwentna Station	S22N11W23&24	11&12&13	2	79-205	14.96
205117	Skwentna Station	S22N11W24	1&2&3	3	79-205	14.79
206216	Skwentna Station	S22N11W24	13&14&15	3	79-205	14.6
206219	Skwentna Station	S22N11W23&24	16&17	3	79-205	9.71
206000	Skwentna Station	S22N11W25	33	3	79-205	5
206001	Skwentna Station	S22N11W25	34	3	79-205	5.038
205125	Skwentna Station	S22N11W24	4&5&6	4	79-205	14.634
205128	Skwentna Station	S22N11W24	7&8&9	4	79-205	14.75
206227	Skwentna Station	S22N11W24	12&13&14	4	79-205	14.8
205987	Skwentna Station	S22N11W24&25	21&22	4	79-205	9.78

\*Potential reoffer lots in yellow. Remainder of lots were available over-the-counter at time of appraisal assignment.

### Personal Property

There is no personal property involved with the appraisal of these properties.

**Market Area**

The subject parcels are located in a remote area of Matsu Borough located west of the Parks Highway, south of Denali National Park, east of the Alaska Range and north of Cook Inlet. More specifically, the Alexander Creek West parcels are located about 5 miles west of the Yentna and Susitna Rivers confluence. The Lake Creek Homestead parcel can be found about 2 ½ miles southwest of Shulin Lake, between Lake Creek and the Kahiltna River. The Lockwood Lake Homestead parcel is about 1 mile northeast of Lockwood Lake near the 'Big Bend' of the Yentna River. Skwentna Station Subdivision is about 1 mile north of the Skwentna airport and just south of the Yentna River.

The area is characterized as valley lowlands. The topography is level to rolling for most of the area with a mixture of forest and muskeg. Numerous lakes, ponds, creeks and rivers are found throughout the area flowing into the Skwentna, Yentna and ultimately the Susitna Rivers. The primary use is for recreation and rural homesteads. Fishing, hunting and winter recreation are the most common activities of area residents and cabin owners. Numerous salmon streams make for excellent fishing and contribute to the habitat that supports the areas big game including moose and bear. Thousands of parcels have been made available by the State of Alaska in the remote Matsu Borough vicinity. Most of these parcels lack developed access. Trails and seismic lines crisscross the area and provide access into the general area. Depending on the specific parcel and season the various access means include: fly-in (via wheeled, float or ski-plane), ATV (very dependent on the season and condition of the trails and water level), boat, & snow-machine (the most common and cheapest access means). Less common access means include dog sled, helicopter and non-motorized overland access by foot or cross-country ski.

**General Property Description**

<b>Location</b>	82 individual lots in 4 subdivisions located in remote Matsu Borough
<b>Access</b>	Primary access is via snow-machine in the winter, fly-in year round, and boat to river front parcel
<b>Size &amp; Shape</b>	4.5 to 37.07 acres, rectangular, square & irregularly shaped
<b>Topography</b>	Alexander Creek West, Lockwood Lake Homestead, and Skwentna Station parcels have elevation between 100 to 200 feet above sea level. Lake Creek Homestead is close to 800 feet of elevation. Topography is level to rolling.
<b>Soils</b>	The low hills generally consist of gravelly deposits, ranging from gravelly clay loam to gravelly sand. Terraces and outwash plains are made up principally of water worked very gravelly sand. Well drained uplands on nearly level to rolling uplands are potentially suitable for cultivation, construction, or forestry.
<b>Vegetation</b>	Birch, spruce, cottonwoods, aspens, alders, & underbrush of varying densities.
<b>Utilities</b>	Electricity is not available in any of the areas discussed.
<b>Water &amp; Sewer</b>	No public water or sewer systems are available.
<b>Easements</b>	Typical access and section line easements along lot lines are 50' section line, 60' public access, and 20' pedestrian
<b>Environmental Hazards</b>	Possible frost heaves could cause problems during construction of any improvements
<b>Zoning Regulations</b>	All lots are located in unregulated areas of the Matsu Borough

<b>Hazardous Waste &amp; Toxic Materials</b>	None observed
<b>Tax Assessments</b>	Matanuska-Susitna Borough is the taxing authority. Parcels owned by the State of Alaska are tax-exempt. Once ownership is transferred from the State of Alaska, property taxes become the responsibility of the purchaser.
<b>Ownership History</b>	State of Alaska
<b>Adjacent Land Use</b>	Rural residential development & recreational use

## Detailed Site Descriptions

### Alexander Creek West ASLS 79-209

Located approximately 34 miles northwest of Anchorage across Cook Inlet, about 5 miles west of the Yentna and Susitna Rivers confluence. Subdivision lies at the foot of Mount Susitna near Alexander Creek. Area is heavily wooded with birch and sporadic spruce. Numerous small lakes, creek and wet areas are found near the subdivision. Recreational cabins are common near floatplane lakes and rivers that allow for boat access. Summer access is via floatplane to Derf Lake then overland. It is also possible to boat into the general vicinity of the subdivision. Winter access is by ski plane or snowmachine.

### Lake Creek Homestead ASLS 88-17

Located approximately 72 miles north of Anchorage, just south of Quiet Lake and about 2 ½ miles southwest of Shulin Lake. This location is between Lake Creek and the Kahiltna River. The area is heavily wooded with birch and sporadic spruce. The topography is rolling with the elevation near 800 feet. Summer access is possible via floatplane to Quiet Lake then overland. May be possible to access general area via boat along Lake Creek then overland to parcel. Winter access is via ski plane or snowmachine.

### Lockwood Lake Homestead ASLS 95-39

Located approximately 45 miles northwest of Anchorage, 1 mile northeast of Lockwood Lake. The parcel has 2 dilapidated cabins on it. One of the cabins is a log cabin start with no value. The other cabin is partially completed and filled with trash. This cabin may be salvageable but would require substantial repair and removal of trash. The area is mostly level and heavily treed with birch and sporadic spruce. Areas of swamp are present surrounding Lockwood Lake and the subject parcel. Summer access is via floatplane to Lockwood Lake then overland. Winter access is via ski plane or snowmachine.

### Skwentna Station ASLS 79-205

Located approximately 68 miles northwest of Anchorage and 1 mile north of Skwentna Airport. The Skwentna River is found south of the airport and the Yentna River runs north of the subdivision. Summer access is via wheeled plane to Skwentna airport, then overland. Boat access is also possible via the Yentna River then overland to parcel. Winter access is via ski plane or snowmachine.

## 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>6</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 except for ADL 225264, ASLS 95-39 (Lockwood Lake Homestead) which has 2 dilapidated cabins.

### 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 4.50 to 37.07 acres. The size and physical characteristics are adequate to support all reasonable and probable uses.

### Financially Feasible

Surrounding land use is primarily recreational. Development of the parcel depends on the amount of resources the owner is willing to allocate for recreational needs.

### Maximally Productive

Maximally productive use is the use that produces the maximum return from the proceeds of a sale or lease. Access to fishing, hunting, snow machining and dog sledding 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>6</sup> The Appraisal of Real Estate, Twelfth Edition, Appraisal Institute, 2001, p.306



-Cabin #1, ADL 225264, ASLS 95-39



-Cabin #2, ADL 225264, ASLS 95-39