

**COMPLETE MULTIPLE
APPRAISAL REPORT**

2007 LAND DISPOSAL
ASPS #: 10-06-125
(Glennallen, Copper Center & Valdez area)

FOR:

Mr. Michael Ward
State of Alaska Department of Natural Resources
Division of Mining, Land and Water
550 West 7th Avenue, Suite 650
Anchorage, Alaska 99501-3576

Date of Value:

September 25, 2006

Appraised by:

Richard H. Johnson, ARA
Johnson Appraisal Company
Anchorage, Alaska
Alaska Certified General License #323

ADL #	Subdivison Name	MTRS	Survey	Lot	Block	Estimated Value
204504	COPPER HEIGHTS	C001N001E17	ASLS 80-9	4, 5, 6	6	\$8,250
204466	COPPER HEIGHTS	C001N001E7	ASLS 80-9	4, 5	1	\$6,000
204468	COPPER HEIGHTS	C001N001E7	ASLS 80-9	6, 7	1	\$6,000
204473	COPPER HEIGHTS	C001N001E8	ASLS 80-9	4, 5, 6	2	\$7,425
204479	COPPER HEIGHTS	C001N001E8	ASLS 80-9	1,2	3	\$6,750
204481	COPPER HEIGHTS	C001N001E8	ASLS 80-9	3,4	3	\$6,750
204483	COPPER HEIGHTS	C001N001E8	ASLS 80-9	5,6	3	\$7,500
204485	COPPER HEIGHTS	C001N001E8	ASLS 80-9	7,8	3	\$7,500
204490	COPPER HEIGHTS	C001N001E8	ASLS 80-9	4,5,6	4	\$8,250
204463	COPPER HEIGHTS	C001N001E17	ASLS 80-9	1,2,3	1	\$8,250
203209	GLENNALLEN AREA I	C004N001W20	ASLS 79-144	55		\$7,500
203210	GLENNALLEN AREA I	C004N001W20	ASLS 79-144	56		\$7,500
206091	GLENNALLEN II	C004N002W22	ASLS 79-250	22		\$7,500
204824	GLENNALLEN II	C004N002W27	ASLS 79-251	46		\$15,000
206098	GLENNALLEN II	C004N002W26	ASLS 79-251	19		\$5,400
206099	GLENNALLEN II	C004N002W26	ASLS 79-251	20		\$5,400
204780	GLENNALLEN II	C004N002W22	ASLS 79-250	1		\$5,940
204790	GLENNALLEN II	C004N002W22	ASLS 79-250	11		\$6,600
204791	GLENNALLEN II	C004N002W22	ASLS 79-250	12		\$6,600
204797	GLENNALLEN II	C004N002W27	ASLS 79-251	1		\$11,880
204805	GLENNALLEN II	C004N002W26	ASLS 79-251	11		\$6,000
204806	GLENNALLEN II	C004N002W26	ASLS 79-251	12		\$5,400
204807	GLENNALLEN II	C004N002W26	ASLS 79-251	13		\$5,400
204808	GLENNALLEN II	C004N002W26	ASLS 79-251	14		\$5,400
204817	GLENNALLEN II	C004N002W27	ASLS 79-251	37		\$7,920
204819	GLENNALLEN II	C004N002W27	ASLS 79-251	39		\$7,500
206095	GLENNALLEN II	C004N002W26	ASLS 79-251	16		\$6,000
206096	GLENNALLEN II	C004N002W26	ASLS 79-251	17		\$6,000
206097	GLENNALLEN II	C004N002W26	ASLS 79-251	18		\$6,000
213165	KENNEY LAKE	C002S002E03	ASLS 81-193	2	2	\$15,000
206072	ROBE LAKE	C009S005W22	ASLS 79-146	7	4	\$38,000
205878	ROBE LAKE	C009S005W23	ASLS 79-146	1	4	\$35,000
222636	SOUTH LAKE LOUISE HMSD	C005N007W11	ASLS 91-151			\$15,000
203352	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	10	9	\$11,520
204510	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	2	1	\$6,160
204511	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	3	1	\$6,160
204512	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	4	1	\$6,160
204513	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	5	1	\$6,160
204514	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	6	1	\$6,160
204516	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	1	2	\$5,600
204517	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	2	2	\$5,600
204518	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	3	2	\$5,600
204519	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	4	2	\$5,600
204520	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	5	2	\$6,000
204521	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	6	2	\$6,000
204522	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	7	2	\$6,000
204523	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	8	2	\$6,000
204524	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	9	2	\$6,000
204526	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	2	3	\$6,000
204527	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	3	3	\$6,000
204528	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	4	3	\$6,000

204529	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	5	3	\$6,000
204530	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	6	3	\$6,000
204531	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	7	3	\$6,000
204532	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	8	3	\$6,000
204533	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	9	3	\$6,000
204534	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	10	3	\$6,000
204536	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	1	4	\$8,000
204537	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	2	4	\$8,000
204539	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	4	4	\$8,000
204540	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	5	4	\$8,000
204541	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	6	4	\$8,800
204542	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	1	5	\$8,000
204545	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	4	5	\$8,000
204556	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	3	6	\$8,000
204557	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	4	6	\$8,000
204573	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	2	7	\$5,600
204579	TAZLINA SOUTHWEST	C003N001W35	ASLS 79-121	1	8	\$7,200
204580	TAZLINA SOUTHWEST	C003N001W35	ASLS 79-121	2	8	\$7,200
204581	TAZLINA SOUTHWEST	C003N001W35	ASLS 79-121	3	8	\$7,200
204582	TAZLINA SOUTHWEST	C003N001W35	ASLS 79-121	4	8	\$7,200
204583	TAZLINA SOUTHWEST	C003N001W35	ASLS 79-121	5	8	\$7,200
203352	WILLOW CREEK	C001N001E27	ASLS 79-122	30		\$10,000
203073	WILLOW CREEK		ASLS 79-122	52		\$10,000
203100	WILLOW CREEK	C001N001E27	ASLS 79-122	95		\$10,000
229507	BOTTLEY CREEK	C002N008W20	ASLS 2005-52			\$5,000
228811	TOLSONA LAKE ODD LOT	C004N004W19		6		\$10,000
228884	TOLSONA LAKE ODD LOT	C004N005W25		2		\$11,300
228885	TOLSONA LAKE ODD LOT	C004N005W24		11		\$13,800

TABLE OF CONTENTS

PART I-INTRODUCTION

SUMMARY	6-7a
AREA MAP	8
ASSUMPTIONS AND LIMITING CONDITIONS	9
SCOPE OF THE APPRAISAL.....	10-11

PART II-FACTUAL DATA

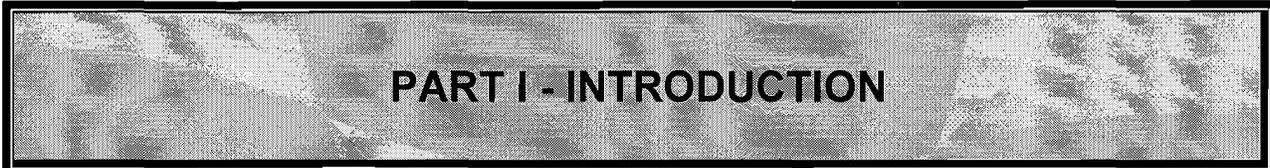
PROPERTY RIGHTS APPRAISED	13
PURPOSE OF THE APPRAISAL	13
INTENDED USE OF THE APPRAISAL	13
DATE OF INSPECTION.....	13
LEGAL DESCRIPTION	14
AREA DATA	14-15
ZONING.....	15

PART III-ANALYSIS AND CONCLUSIONS

HIGHEST AND BEST USE	17
HIGHEST AND BEST USE DETERMINATION	17-18
APPROACH TO VALUE	19
ELEMENTS OF VALUE	20-22
COMPARABLE SALE MAPS	23-23a
Copper Heights Subdivision – Analysis & Conclusions	24-30
Glennallen Area I Subdivision – Analysis & Conclusions	31-39
Glennallen Area II Subdivision – Analysis & Conclusions	40-57
Kenney Lake Subdivision – Analysis & Conclusions	58-64
Robe Lake Subdivision – Analysis & Conclusions	65-73
South Lake Louise Homestead – Analysis & Conclusions	74-80
Tazlina Southwest Subdivision – Analysis & Conclusions	81-97
Willow Creek Subdivision – Analysis & Conclusions	98-105
Bottley Creek – Analysis & Conclusions.....	106-112
Tolsona Lake Odd Lot – Analysis & Conclusions.....	113-126
CERTIFICATION	127-127b

PART IV-ADDENDA

DNR Special Appraisal Instructions-Land Disposal	
Comparable Sale Data Sheets	
Appraiser Qualifications & License	



PART I - INTRODUCTION

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Name of Project: 2007 Land Disposal/Over-the-Counter Updates
ASPS # 10-06-125

Area, Borough and State: Glennallen, Copper Center & Valdez
Unorganized Borough, Alaska

Owner of Record: State of Alaska, DNR

Brief Description: Eighty platted lots within eleven subdivisions or odd
lots near Glennallen, Copper Center and Valdez

Appraiser: Richard H. Johnson, ARA

Type of Report: Complete, summary under Standard Rule 2-2(b) of
the Uniform Standards of Professional Appraisal
Practice.

Client of this Report: State of Alaska Department of Natural Resources

Instructions to the Appraiser: Estimate current market value of the individual subject
lots.

Intended Use of this Report: Establish market value for the land disposal program.
The DNR will use the values established in this report
to set a minimum price for each lot.

Property Rights Appraised: Fee simple estate less mineral rights.

Intended Users of this Report: State of Alaska, Department of Natural Resources. It
will also be used by the general public for guidance in
determining actual bid prices.

Dates of Field Work: September 23 -26, 2006

Date of Property Inspection: September 23 - 25, 2006

Effective Date of Value: September 25, 2006

Date of Report: October 31, 2006

Highest and Best Use: Recreational or rural residential

Size: Reported on the next page.

Estimated Market Value: Reported on the next page.

ADL #	Subdivison Name	MTRS	Survey	Lot	Block	Estimated Value
204504	COPPER HEIGHTS	C001N001E17	ASLS 80-9	4, 5, 6	6	\$8,250
204466	COPPER HEIGHTS	C001N001E7	ASLS 80-9	4, 5	1	\$6,000
204468	COPPER HEIGHTS	C001N001E7	ASLS 80-9	6, 7	1	\$6,000
204473	COPPER HEIGHTS	C001N001E8	ASLS 80-9	4, 5, 6	2	\$7,425
204479	COPPER HEIGHTS	C001N001E8	ASLS 80-9	1, 2	3	\$6,750
204481	COPPER HEIGHTS	C001N001E8	ASLS 80-9	3, 4	3	\$6,750
204483	COPPER HEIGHTS	C001N001E8	ASLS 80-9	5, 6	3	\$7,500
204485	COPPER HEIGHTS	C001N001E8	ASLS 80-9	7, 8	3	\$7,500
204490	COPPER HEIGHTS	C001N001E8	ASLS 80-9	4, 5, 6	4	\$8,250
204463	COPPER HEIGHTS	C001N001E17	ASLS 80-9	1, 2, 3	1	\$8,250
203209	GLENNALLEN AREA I	C004N001W20	ASLS 79-144	55		\$7,500
203210	GLENNALLEN AREA I	C004N001W20	ASLS 79-144	56		\$7,500
206091	GLENNALLEN II	C004N002W22	ASLS 79-250	22		\$7,500
204824	GLENNALLEN II	C004N002W27	ASLS 79-251	46		\$15,000
206098	GLENNALLEN II	C004N002W26	ASLS 79-251	19		\$5,400
206099	GLENNALLEN II	C004N002W26	ASLS 79-251	20		\$5,400
204780	GLENNALLEN II	C004N002W22	ASLS 79-250	1		\$5,940
204790	GLENNALLEN II	C004N002W22	ASLS 79-250	11		\$6,600
204791	GLENNALLEN II	C004N002W22	ASLS 79-250	12		\$6,600
204797	GLENNALLEN II	C004N002W27	ASLS 79-251	1		\$11,880
204805	GLENNALLEN II	C004N002W26	ASLS 79-251	11		\$6,000
204806	GLENNALLEN II	C004N002W26	ASLS 79-251	12		\$5,400
204807	GLENNALLEN II	C004N002W26	ASLS 79-251	13		\$5,400
204808	GLENNALLEN II	C004N002W26	ASLS 79-251	14		\$5,400
204817	GLENNALLEN II	C004N002W27	ASLS 79-251	37		\$7,920
204819	GLENNALLEN II	C004N002W27	ASLS 79-251	39		\$7,500
206095	GLENNALLEN II	C004N002W26	ASLS 79-251	16		\$6,000
206096	GLENNALLEN II	C004N002W26	ASLS 79-251	17		\$6,000
206097	GLENNALLEN II	C004N002W26	ASLS 79-251	18		\$6,000
213165	KENNEY LAKE	C002S002E03	ASLS 81-193	2	2	\$15,000
206072	ROBE LAKE	C009S005W22	ASLS 79-146	7	4	\$38,000
205878	ROBE LAKE	C009S005W23	ASLS 79-146	1	4	\$35,000
222636	SOUTH LAKE LOUISE HMSD	C005N007W11	ASLS 91-151			\$15,000
203352	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	10	9	\$11,520
204510	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	2	1	\$6,160
204511	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	3	1	\$6,160
204512	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	4	1	\$6,160
204513	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	5	1	\$6,160
204514	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	6	1	\$6,160
204516	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	1	2	\$5,600
204517	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	2	2	\$5,600
204518	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	3	2	\$5,600
204519	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	4	2	\$5,600
204520	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	5	2	\$6,000
204521	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	6	2	\$6,000
204522	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	7	2	\$6,000
204523	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	8	2	\$6,000
204524	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	9	2	\$6,000
204526	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	2	3	\$6,000
204527	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	3	3	\$6,000
204528	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	4	3	\$6,000

204529	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	5	3	\$6,000
204530	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	6	3	\$6,000
204531	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	7	3	\$6,000
204532	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	8	3	\$6,000
204533	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	9	3	\$6,000
204534	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	10	3	\$6,000
204536	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	1	4	\$8,000
204537	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	2	4	\$8,000
204539	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	4	4	\$8,000
204540	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	5	4	\$8,000
204541	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	6	4	\$8,800
204542	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	1	5	\$8,000
204545	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	4	5	\$8,000
204556	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	3	6	\$8,000
204557	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	4	6	\$8,000
204573	TAZLINA SOUTHWEST	C003N001W34	ASLS 79-121	2	7	\$5,600
204579	TAZLINA SOUTHWEST	C003N001W35	ASLS 79-121	1	8	\$7,200
204580	TAZLINA SOUTHWEST	C003N001W35	ASLS 79-121	2	8	\$7,200
204581	TAZLINA SOUTHWEST	C003N001W35	ASLS 79-121	3	8	\$7,200
204582	TAZLINA SOUTHWEST	C003N001W35	ASLS 79-121	4	8	\$7,200
204583	TAZLINA SOUTHWEST	C003N001W35	ASLS 79-121	5	8	\$7,200
203352	WILLOW CREEK	C001N001E27	ASLS 79-122	30		\$10,000
203073	WILLOW CREEK		ASLS 79-122	52		\$10,000
203100	WILLOW CREEK	C001N001E27	ASLS 79-122	95		\$10,000
229507	BOTTLEY CREEK	C002N008W20	ASLS 2005-52			\$5,000
228811	TOLSONA LAKE ODD LOT	C004N004W19		6		\$10,000
228884	TOLSONA LAKE ODD LOT	C004N005W25		2		\$11,300
228885	TOLSONA LAKE ODD LOT	C004N005W24		11		\$13,800



AREA MAP

ASSUMPTIONS AND LIMITING CONDITIONS

1. The appraiser assumes no responsibility for legal matters. The subject lots are assumed to be free and clear of encumbrances, except as otherwise noted, *and* title is assumed to be marketable. No title information was given to the appraiser prior to the engagement.
2. Market data and other pertinent information has been obtained from seemingly knowledgeable and reputable persons. The accuracy of this information is believed to be true but cannot be guaranteed.
3. It is assumed the legal descriptions of the subject lots as furnished by the client are correct.
4. It is assumed all plats and maps used by the appraiser are correct.
5. The appraiser observed no evidence of potential contaminant problems. However, no responsibility for identifying such problems should be assumed by the client or general public. The property is assumed to be free of contaminants.
6. The fee simple of the surface estate is being appraised. There are no known underlying oil, gas, mineral or coal deposits in sufficient quantities that would disturb the surface estate. However, no information regarding minerals was given to the appraiser prior to engagement of this assignment.
7. Sketches and maps included in this appraisal report show *approximate* boundaries and are included to help the reader in visualizing the subject and sales. No claim is made to their accuracy.
8. This report is based on the condition of the subject lots and the market data gathered at the time of the appraisal. It is understood that values expressed in this report may cease to be valid if a market change occurs in the subject or in the local real estate market, or if any appropriate new information becomes available. The appraiser reserves the right to revise the appraisal report should the need arise.
9. It is assumed that there is full compliance with all applicable Federal, State, and local environmental laws and regulations, as well as applicable zoning, building, and use regulations and restrictions, unless otherwise noted in this report.
10. It is assumed that the utilization of the land is within the boundaries of the property described and that there is no encroachment or trespass unless otherwise noted.
11. The appraiser assumes there are no unapparent conditions of the property or subsoil that render it more or less valuable. I assume no responsibility for such conditions, or for any engineering studies required to discover such conditions.
12. This appraisal report is to be used only in its entirety and no part is to be used without the entire report, or in conjunction with any other appraisal. Use of a portion of the report invalidates the analysis and valuation conclusions contained herein.
13. Richard H. Johnson is an accredited member of the American Society of Farm Managers and Rural Appraisers. This report may be reviewed by the Society's Ethics Committee for compliance with their Code of Ethics and Standards of Professional Practice.
14. This appraisal report has been written for the State of Alaska, Department of Natural Resources (the client). Possession of this report, or a copy thereof, does not carry with it the right of publication (either in part or in whole). It may not be used for any purpose other than the stated Purpose of the Report without the express, written consent of the appraiser *and* client.

Scope of Appraisal

The scope of this appraisal encompasses the research and analysis to prepare a report in accordance with the **Uniform Standards of Professional Appraisal Practice** (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation and the **General Appraisal Requirements for DNR Land Disposal**.

The term "scope of work" refers to the amount and type of information researched and the analysis applied in the assignment. The appraisal process is divided into four basic tasks: (1) gathering of information, (2) analyzing data collected, (3) drawing conclusions, and (4) reporting the conclusions.

This report is performed under USPAP Standard Rules 1 and 2. It is prepared under the *summary* reporting option of Standard Rule 2-2(b). Departure is not invoked. Thus, it is a *complete* appraisal report.

The purpose of this appraisal is to form an opinion of current market value for the individual subject lots. The date of value is September 25, 2006. The client and intended user for this report is the Alaska Department of Natural Resources.

The subject of this appraisal report consists of eighty separate valuation assignments. The appraised parcels are platted lots in the subdivisions of Copper Heights, Glennallen Area I, Glennallen Area II, Kenny Lake, Robe Lake, South Lake Louise Homestead, Tazlina Hill, Tazlina Southwest, Willow Creek, Bottley Creek and Tolsona Lake Odd Lot. The pictures contained in this report were taken by the appraiser during the property inspections.

Area data is compiled from the State of Alaska Community Data Base website. An inspection of the general area was also completed. The property data section for each subdivision is based on a physical inspection of the subject lots. Legal descriptions and acreage estimates were taken from the Alaska State Land Surveys or subdivision maps. Where a conflict between lot sizes existed, the subdivision maps were relied upon. Title information was not available to the appraiser prior to the engagement of the assignment.

Alaska is a non-disclosure state. However, the sale prices of the comparable sales relied upon were given to me by real estate brokers, appraisers and land managers with the Alaska Mental Health Trust and the University of Alaska. A preliminary

search for comparable data took place during the week of September 23, 2006. The search was confined to the Glennallen, Copper Center and Valdez areas. Sales occurring after January 2003 were considered. Sales were field inspected when practical. Sales not personally inspected were verified with brokers or appraisers that have inspected the sales. All of the relevant sale transfers were verified with appropriate sources. After assembling and analyzing the data defined in the scope of the assignment, a final value estimate will be made for each subject lot.

The three traditional approaches to value are considered. These include the income approach, cost approach, and sales comparison approach. The sales comparison is the only valuation approach used to solve the appraisal problem. The other two approaches were not used due to a lack of market data or being an inapplicable approach.

References

The following parties were contacted and/or consulted with as part of the appraisal process:

- ▶ Copper River Realty
- ▶ University of Alaska Land Office
- ▶ Alaska Mental Health Trust Land Office
- ▶ State of Alaska Department of Natural Resources
- ▶ Area landowners (when possible)

PART II - FACTUAL DATA

PROPERTY RIGHTS

The property rights appraised herein are the fee simple estate less mineral rights reserved under AS 38.05.125(a). This is the absolute ownership of all of the rights (less mineral estate) unencumbered by any other interest or estate (which include the rights to sell, lease, use, give the property away and the right to refuse to exercise any of these privileges), other than those described in this report; subject only to the limitations of eminent domain, escheat, police power and taxation.

Most of the subdivisions are subject to certain restrictions, easements or covenants. It is suggested the reader look at each subdivision plat for more information.

PURPOSE OF APPRAISAL

The purpose of this report is to obtain an estimate of current market value for each subject parcel. *Market Value* is defined by the Special Appraisal Instructions, DNR Land Disposal as follows:

Market Value- The most probable price, as of a specified date, in cash, or in terms of 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.

Reasonable Exposure Time in Market Value Estimate- Exposure time is the estimated period of time the property being appraised would have been offered on the market in order to have sold at market value on the effective date of the appraisal. The exposure assumes a competent sale effort and reasonable time as reflected by sales of like-kind property under similar market conditions. In this appraisal, the exposure time is one to three years.

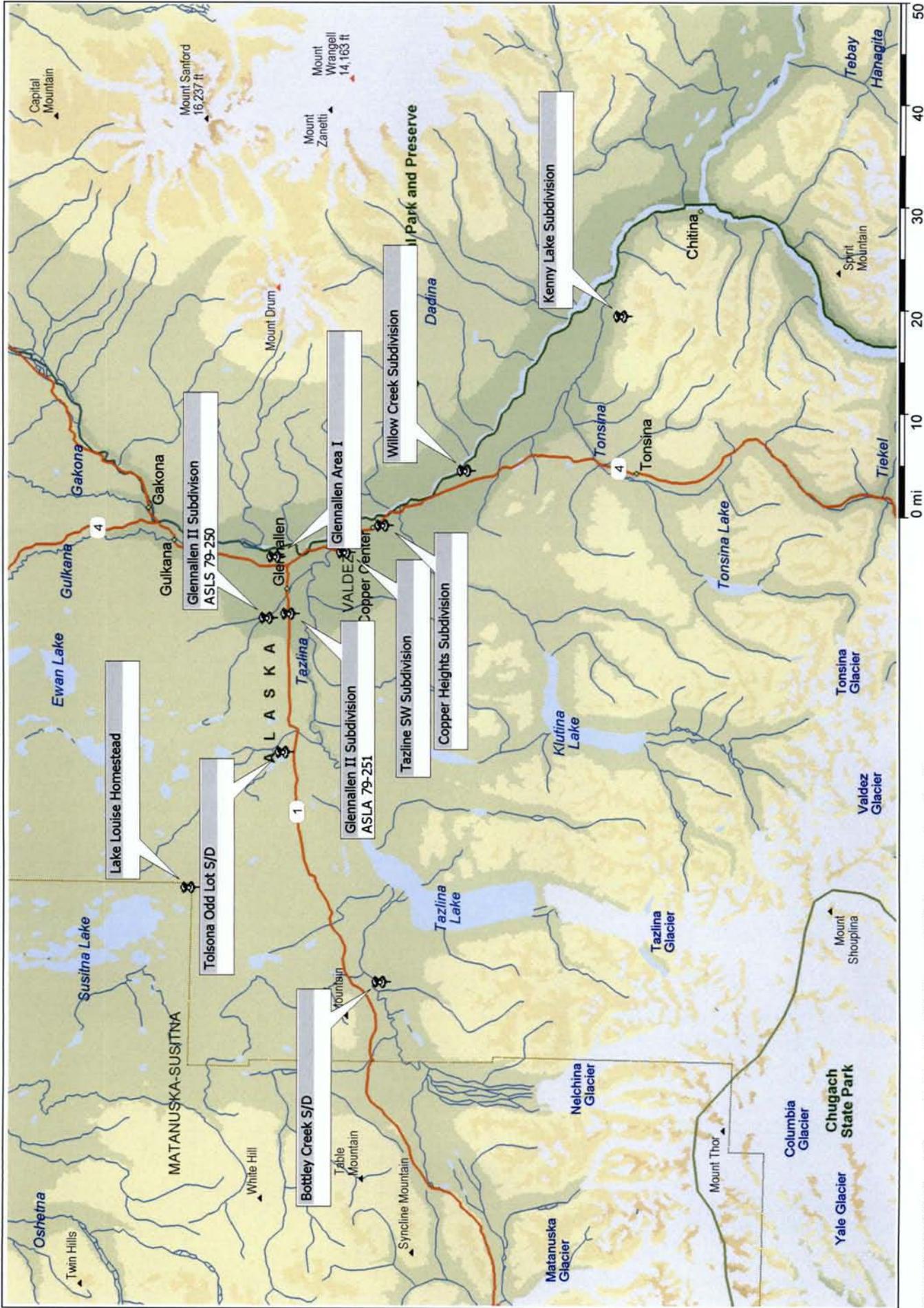
INTENDED USE

The appraisal will be used by the State of Alaska DNR to establish the minimum price for each subject parcel for a sealed bid auction or over-the-counter sales. It will also be used by the general public for guidance in determining an actual bid price.

DATE OF INSPECTION

An on-the-ground inspection of the subject lots took place on September 23 -25, 2006. Access to most of the subdivisions was by the road system or ATV. Bottley Creek was inspected by air only. Some survey corners and monuments for the lots in this subdivision were located.

Location Map for Subdivisions (except for Robe Lake)



Copyright © 1988-2004 Microsoft Corp. and/or its suppliers. All rights reserved. <http://www.microsoft.com/streets/>
 © Copyright 2003 by Geographic Data Technology, Inc. All rights reserved. © 2004 NAVTEQ. All rights reserved. This data includes information taken with permission from Canadian authorities © Her Majesty the Queen in Right of Canada.

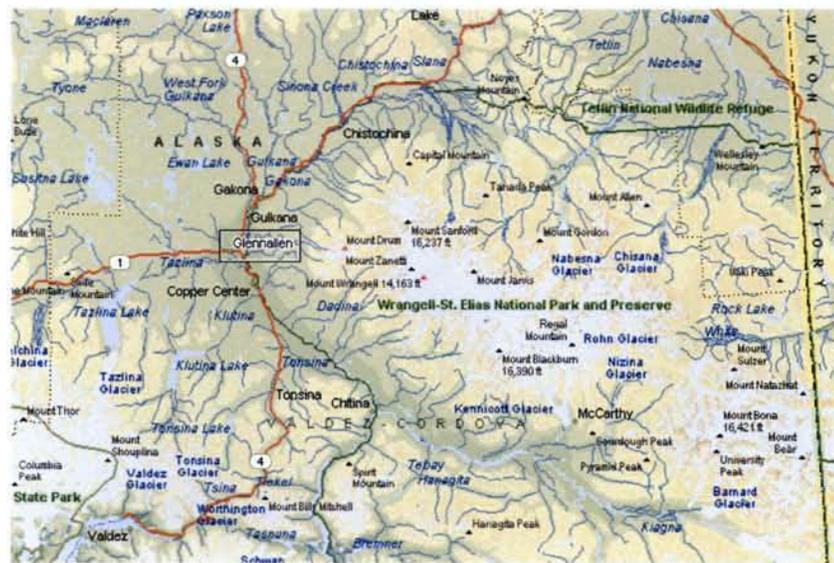
LEGAL DESCRIPTIONS

Various lots within the eleven subdivisions. See the summary of values at the beginning of the report or the individual property discussions for a more complete legal description.

AREA AND COMMUNITY DATA

Based on the Special Appraisal Instructions, the *Area and Regional* analysis is brief. The subject area stretches from west of Glennallen to Valdez. My market research focused on non-Federal rural lands in the vicinity of the communities of Glennallen, Copper Center, Kenny Lake and Valdez.

The area is accessed by the road system. The Glenn Highway runs from west to east. It connects the town of Glennallen with Anchorage. The Richardson Highway runs in a north-south direction and connects Valdez with Fairbanks. These two roads intersect at Glennallen. Valdez is also accessed from the Alaska Marine Highway system. Connected to the main highways is a small network of roads.



AREA MAP

Most of the area is classified as rural. The majority of the population is confined to road accessible areas with electricity and telephone service available. The remote areas are not served with public utilities.

Traditional land uses in the area include subsistence type uses (fishing, hunting, etc.), gold mining and oil related businesses (Alyeska Pipeline). Commerical fishing and oil services

(Alyeska terminal) are predominate in Valdez. These traditional uses are fast becoming replaced with land and water based tourism, government, construction and retail-based commerce. The Port of Valdez now has commercial charter boats for salmon and halibut fishing. Black and brown bear hunting is a major recreational component. Moose and caribou are also hunted in the fall.

The majority of the area is within the Wrangell-St. Elias National Park and Preserve. Significant non-Federal ownerships include ANCSA corporation lands, and lands owned by the State of Alaska, the University of Alaska, and the Alaska Mental Health Trust. The State, UA and MHT are actively subdividing their land holdings and selling the subdivided lots to private users and investors. The sales are handled through sealed bids and over-the-counter transactions. The subdivisions are marketed through newspapers and the worldwide web.

The climate around Glennallen is classified as "interior extreme". The climate around Valdez is classified as "maritime". Large black spruce forests exist throughout the area. Minor components of alder and birch are also found. The annual precipitation varies from 60 inches to 200 inches. The mean temperature range is -25°F in January to almost 80°F in July.

MARKET OVERVIEW

The market for this assignment for the subject is nation wide. Buyers range from local persons to out-of-state buyers. Local buyers typically purchase subdivided lots for recreation or rural residential use. Out-of-state buyers (usually from the West Coast) purchase subdivided lots for seasonal recreation and investment. Some purchase lots for year-round residency. Several existing subdivisions are competing with the subject for potential buyers. A check of the Multiple Listing Service revealed numerous vacant recreational properties for sale within the market area.

ZONING

The subject lots are within an unorganized borough. Currently, there are no zoning restrictions on the subject properties.

PART III - ANALYSIS AND CONCLUSIONS

HIGHEST AND BEST USE

The determination of highest and best use is one of the most fundamental and important parts of the appraisal process. An appraiser's estimate of highest and best use must be an economic use. A non-economic highest and best use, such as conservation preservation, or any other use that requires the property to be withheld from economic production in perpetuity, is not a valid use upon which to estimate market value.

Definition

The Appraisal of Real Estate, 12th Edition, defines highest and best use as "*...the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible and that results in the highest value...*"

Four Tests

In determining the highest and best use of a property, many elements are considered. Potential uses must be analyzed in terms of legally permissible, physically possible, financially feasible and its degree of profitability. The use that meets the first three tests and is most profitable is its highest and best use. The four tests are applied in their corresponding order. In other words, the test of legal use must be met before the test of physically possible can be applied, and so forth.

Reasonably Probable Uses

A key element in the definition refers to "reasonably probable uses." Market value cannot be predicted upon uses that are not reasonable. Supply and demand observed in the market area indicates there are three possible *reasonably probable* uses – recreation, rural residential use or investment use.

DETERMINATION

Legally Permissible

The first test involves a determination of what uses are legally permissible. Existing leases, deed restrictions, zoning, building codes, historic controls and environmental regulations may all influence potential use and must be investigated by the appraiser.

None of the subject lots are currently zoned. Therefore, any of the reasonably probable uses are legally permissible.

Physically Possible

Once the test of legally permissible use is completed, the test of physically possible uses must be addressed. The appraiser must determine what legally permitted uses of the property

being appraised are physically possible.

Access for the subject lots range from good via the road system to poor via unimproved right-of-ways. Rural residential use is not physically possible on the lots without good road access. Recreation is not as dependent on access, so the lots with poor access could be used for recreation. All of the lots are physically possible for investment use.

Financially Feasible

After applying the first two tests in the highest and best use determination, uses that are not legally permissible or physically possible were eliminated from consideration. Potential uses that satisfy the first two criteria are then subjected to the third criteria of financially feasible.

All three uses are classified "non income-producing". Demand for all three physically possible uses is good in the area. All three uses are considered financially feasible.

Maximally Productive

The final test involves determining which uses that have been determined legally permissible, physically possible and financially feasible is the maximally productive use of the subject. The financially feasible use that produces the highest residual land value consistent with the rate of return warranted by the market for that use is the highest and best use

Conclusion

Based on the above highest and best use analysis, recreational /investment use is the maximally productive use for lots with poor access. Rural residential/investment use is the maximally productive use of the lots with good access.

BOTTLEY CREEK SUBDIVISION

PROPERTY DATA SECTION
AND
VALUATION DETERMINATION



ASLS No. 2005-52: Bottley Creek



ASLS No. 2005-52: Bottley Creek



ASLS No. 2005-52: Bottley Creek