

## **MARKET VALUE APPRAISAL**

Of 17 Parcels Located in the  
Glenn & Fireweed Subdivisions  
Tok, Alaska



Typical Vegetation in the Glenn S/D

**YEAR 2008**

**APPRAISAL REPORT No. 3508**

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



## A. SUMMARY OF APPRAISAL NO. 3508

1. ADL NO(S): See table below
2. SIZE: Various, as noted in table
3. APPLICANT: N/A
4. LOCATION: Two subdivisions near Tok, Alaska
5. LEGAL DESCRIPTION(S): Glen and Fireweed Subdivision, lot and block as noted in table below
6. INTEREST APPRAISED: Fee Simple Title less Mineral Rights
7. PURPOSE OF THE APPRAISAL: Estimate Market Value
8. APPRAISED BY: Michael R. Ward
9. DATE of REPORT: December 1, 2008
10. DATE of VALUE(S): August 27, 2008
11. APPRAISED VALUE(S):

LOT	BLOCK	ADL	Access	Topo	Soils	Util.	ACRES	VALUE
<b>GLENN</b>								
17	5	418339	10' ATV Trail	Level	Avg.	None	5.00	\$7,400
18	5	418340	10' ATV Trail	Level	Avg.	None	5.00	\$7,400
19	5	418341	10' ATV Trail	Level	Avg.	None	5.00	\$7,400
20	5	418342	10' ATV Trail	Level	Avg.	None	4.99	\$7,300
21	5	418343	10' ATV Trail	Level	Avg.	None	5.00	\$7,400
22	5	418344	10' ATV Trail	Level	Avg.	None	5.00	\$7,400
15	4	418345	10' ATV Trail	Level	Avg.	None	5.00	\$7,400
16	4	418346	10' ATV Trail	Level	Avg.	None	5.00	\$7,400
1	6	418354	10' ATV Trail	Level	Avg.	None	5.00	\$7,400
2	6	418355	10' ATV Trail	Level	Avg.	None	5.00	\$7,400
3	6	418356	10' ATV Trail	Level	Avg.	None	5.00	\$7,400
7	8	418350	Gravel	Level	Avg.	E 200'	5.00	\$11,500
8	8	418351	Gravel	Level	Avg.	E 600'	5.00	\$8,600
9	8	418352	Gravel	Level	Avg.	E 1,000'	5.00	\$8,600
10	8	418353	Wlk-in, 380' from gravel	Level	Avg.	E 1,800'	5.00	\$7,400
<b>FIREWEE</b>								
D								
Q		417050	10' ATV Trail	Level	Avg.	None	17.72	\$15,700
R		417051	10' ATV Trail	Level	Avg.	None	21.34	\$17,100

**B. SUMMARY OF REVIEW**

1. DATE of REVIEW: February 11, 2009
2. REVIEWER'S CLIENT:  DNR  Other: \_\_\_\_\_
3. INTENDED USERS of the REVIEW:  DNR  General Public  Other: \_\_\_\_\_
4. INTENDED USE of the REVIEW: Establish minimum bid price for sealed bid auction
5. PURPOSE of REVIEW:  Evaluate for Technical Compliance with DNR Instructions & USPAP  
 Evaluate for Technical Compliance with UASFLA  Develop Independent Estimate of Value  
 Other: \_\_\_\_\_
6. SCOPE OF REVIEW: I Inspected the Subject on \_\_\_\_\_ I Did Not Inspect the Subject   
 I Inspected the Comparable Sales on \_\_\_\_\_ I Did Not Inspect the Comparable Sales   
 I Independently Verified the Comparable Sales in the Report  Yes  No  
 Data and Information Considered in Addition to that Contained in the Report:  None  See Sections C thru F  
 Extraordinary Assumptions, Hypothetical Conditions, & Other Limiting Conditions for this review:  
 None  See Section G Related appraisals reviewed: \_\_\_\_\_  
 Proofread DNR data entry:  Yes  No
7. RESULTS OF REVIEW:  Not Approved  Approved Approved Value: As noted in previous table

**C. COMPLETENESS OF APPRAISAL MATERIAL WITHIN SCOPE OF WORK APPLICABLE TO THE ASSIGNMENT/CONFORMANCE with APPRAISAL INSTRUCTIONS: Adequate.****D. ADEQUACY and RELEVANCE of APPRAISAL DATA and PROPRIETY OF ADJUSTMENTS: Adequate****E. APPROPRIATENESS OF APPRAISAL METHODS and TECHNIQUES: Adequate.****F. ANALYSES, OPINIONS, and CONCLUSIONS ARE APPROPRIATE and REASONABLE, except:****G. REVIEWER'S ASSUMPTIONS AND LIMITING CONDITIONS**

1. This review is based on data and information contained in the appraisal report as well as any additional data from other sources that is identified in this review.
2. The reviewer assumes that the data and information in the appraisal are factual and accurate.
3. The reviewer reserves the right to consider any additional data or information that may subsequently become available, and to revise an opinion or conclusion, if such data and information warrant a revision.
4. All assumptions and limiting conditions contained in the appraisal report are part of this review unless otherwise stated.
5. A title report has not been provided to the appraiser and the reviewer. Unless specifically noted in the report or this review, it is assumed that the only easements and restrictions that affect the property are those shown on the preliminary plat.
6. The value of commercial timber, if any, is specifically excluded from the final conclusion of value.



REVIEW APPRAISER'S CERTIFICATION APPRAISAL NO. 3508

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

- The facts and data reported by the reviewer and used in the review process are true and correct.
- The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report, and are 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.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or use of, this review.
- My analyses, opinions, and conclusions were developed and this review report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- I did  did not  personally inspect the subject property of the report under review.
- No one provided significant professional assistance to the person signing this review report.

Reviewed by Kevin Hindmarch  
Kevin Hindmarch, Review Appraiser

Date 2/11/09

cc: Jeffrey Bruno  
Tony Wagner

**MEMORANDUM****State of Alaska**

**Department of Natural Resources**  
Tel (907) 269-8514  
Fax (907) 269-8914  
Michael.Ward1@alaska.gov

**Division of Mining, Land and Water**  
550 West 7<sup>th</sup> Avenue, Suite 650  
Anchorage AK 99501-3576

DATE: December 1, 2008

TO: Kevin Hindmarch  
Review Appraiser

FROM: Michael R. Ward, Appraiser

SUBJECT: Appraisal of Seventeen (17) parcels in the Glenn & Fireweed Subdivisions,  
located near Tok, Alaska.

As requested, I have completed an appraisal of the above referenced real estate. I understand that these appraisals will be used to estimate the market value to establish a purchase price for a sealed bid auction. 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 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, as well as all of the comparables. Physical descriptions of the subject area are based on physical inspections, soil maps, aerial photography and topographic maps. Based on my observations and analyses of all available data, I have formed an opinion of the market value as of the effective date of value.

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### 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 are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting of a predetermined results.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the property that is the subject of this report.
- no one provided significant professional assistance to the person signing this report.
- I have the knowledge and experience to competently complete this assignment.
- my opinion of the market value of the fee simple title less mineral rights for the land only developed to its highest potential, described in the subsequent report is :

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\_\_\_\_\_  
Date

\_\_\_\_\_  
Appraiser

**APPRAISAL SUMMARY**

<b>Property Type</b>	Seventeen (17) parcels ranging in size from 4.99 to 21.34 acres
<b>Location</b>	The Unorganized Borough, Tok, Alaska
<b>Interest Appraised</b>	Fee Simple Estate less mineral rights
<b>Legal Description</b>	All legal descriptions shown on the previous page.
<b>Owner of Record</b>	State of Alaska
<b>Zoning</b>	None
<b>Effective Date of Appraisal</b>	August 27, 2008
<b>Date of Report</b>	December 1, 2008
<b>Exposure &amp; Marketing Time</b>	1-2 years
<b>Estimated Market Value</b>	See individual parcel analyses

## PREMISES OF THE APPRAISAL

### TYPE OF APPRAISAL AND REPORT

This is a summary appraisal prepared in accordance with Standard Rules 1 and 2 of the Uniform Standards of Professional Appraisal Practice, Appraisal Foundation, and in accordance with General Appraisal Instructions - DNR, a copy of which is included in the Addenda.

### PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the current market value of the properties described in this report.

### INTENDED USE OF THE APPRAISAL

This appraisal will be used to determine the minimum purchase price for the parcels to be made available in a sealed bid auction.

### CLIENT AND USER IDENTITY

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

### PROPERTY RIGHTS APPRAISED

The rights appraised are the fee simple estate less the mineral rights reserved to the State of Alaska under AS 38.05.125(a). Fee simple estate is defined<sup>1</sup> as:

"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 which 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 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.*

In accordance with instructions from the State of Alaska, market value for the appraised property is estimated in terms of seller financing typical for the property type as of the date of appraisal.

### EFFECTIVE DATE OF VALUE ESTIMATE

The subject parcels and comparables were inspected on August 27, 2008. The effective date of the value estimate is August 27, 2008.

<sup>1</sup> The Appraisal of Real Estate, 13th Edition, Appraisal Institute, 2008, p.111

<sup>2</sup> Alaska Statutes Title 38, Public Land Article 5, State of Alaska, 2006, pp. 590-591

<sup>3</sup> The Appraisal of Real Estate, 12th Edition, Appraisal Institute, 2008, p.23

**PROPERTY HISTORY**

The subdivisions are owned and were developed by the State of Alaska DNR. There have been no sales, options, or listings of the subject lots in the last three years.

**EXPOSURE TIME**

Exposure time is "...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..."<sup>4</sup>

Exposure time varies with the type of property and changes with market conditions. The market for residential properties in the Tok area has been moderate for the last ten years. The market has been driven by a population that has been relatively constant from 1993 through 2007. Primary sellers are private developers, the Mental Health Lands Trust, Native allottees, and the State of Alaska. Road accessible, residential parcels such as the subject typically require from 12 to 24 months of marketing time.

Compared with competing parcels in the overall market for residential parcels, the market appeal for the subject parcels is average. Considering exposure times for similar properties, appraised values for the subject parcels are based on an exposure time of one to two years.

**SCOPE OF THE APPRAISAL**

I inspected the subject lots and the comparables on August 27, 2008. Physical features, access and utilities were identified by the use of physical inspections, topographic maps, status plats, aerial photographs, DNR appraisal records and interviews with people who are familiar with the area. The effective date of value is August 27, 2008.

Interviews were conducted with real estate agents, appraisers, and other individuals who provided data about trends in values, supply and demand. Sellers and buyers were contacted to verify sale prices and other transaction details. Also, DNR appraisal records were searched for recent sales of similar parcels.

After analysis of all available data, appropriate sales were selected for comparison with a key parcel of the subject properties being appraised. The market value estimate is based on the following assumptions and conditions.

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<sup>4</sup> Uniform Standards of Professional Appraisal Standards (USPAP) 2006, p. 90.

**ASSUMPTIONS AND LIMITING CONDITIONS**

1. The properties are appraised as vacant land without structural or site improvements.
2. Some parcels may contain saw timber but not necessarily in commercial quantities. The estimated market value does not include the value of commercial timber, if any.
3. The data and conclusions embodied in this report are a part of the whole valuation. Each part of this appraisal is only part of the evidence upon which final judgement is based. Therefore, no part should be used out of context and by itself alone.
4. The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question, unless prior arrangement has been made and adequate time is provided to review the appraisal.
5. 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.
6. In this valuation various mathematical calculations were used to formulate the opinion of value. These calculations are only aids for the formulation of the opinion of value by the appraiser. Therefore, in the application of these calculations, certain arithmetical figures are rounded to the nearest significant amount.
7. The information furnished by others is believed to be reliable but it is not warranted for its accuracy. Plats of lease areas in this report are included for illustration only and may not be to scale.
8. 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 such conditions, or for arranging engineering studies to discover them.
9. Unless otherwise stated in this report, the appraiser does not know about the existence of hazardous materials or toxic substances, which may or may not be present on the property. The appraiser is not qualified to detect such substances. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them.
10. 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.

**PRESENTATION OF DATA****Tok Area Overview**

<b>Current Population:</b>	1,353 (2007 Est. Population)
<b>Incorporation Type:</b>	Unincorporated
<b>Borough Located In:</b>	Unorganized
<b>Taxes:</b>	No taxing authority

**Location and Climate**

Tok is located at the junction of the Alaska Highway and the Tok Cutoff to the Glenn Highway, at 1,635' elevation, 200 miles southeast of Fairbanks. It is called the "Gateway to Alaska," as it is the first major community upon entering Alaska, 93 miles from the Canadian border. The community lies at approximately 63.336670° North Latitude and -142.985560° (West) Longitude. (Sec. 18, T018N, R013E, Copper River Meridian.) Tok is located in the Fairbanks Recording District. The area encompasses 132.3 sq. miles of land and 0.0 sq. miles of water. Tok is in the continental climate zone, with cold winters and warm summers. In the winter, ice fog and smoke conditions are common. The average low temperature during January is -32; the average high during July is 72. Extreme temperatures have been measured from -71 to 99. Annual precipitation is 11 inches, including 33 inches of snow.

**History, Culture and Demographics**

There are several versions on how Tok obtained its name. The nearby Tokai River was first reported in 1887 by Lt. Allen. "Tok River" was recorded in 1901 by the USGS. Tok began in 1942 as an Alaska Road Commission camp. So much money was spent in the camp's construction and maintenance that it earned the name "Million Dollar Camp" by those working on the highway. In 1944 a branch of the Northern Commercial Company was opened, and in 1946 Tok was established as a Presidential Townsite. With the completion of the Alcan Highway in 1946, a post office and a roadhouse were built. In 1947 the first school was opened, and in 1958 a larger school was built to accommodate the many newcomers. The U.S. Customs Office was located in Tok between 1947 and 1971, when it was moved to Alcan, at the border. Between 1954 and 1979, a U.S. Army fuel pipeline operated from Haines to Fairbanks, with a pump station in Tok.

The pump station's facilities were purchased as area headquarters for the Bureau of Land Management. The U.S. Coast Guard constructed a LORAN (Long Range Aid to Navigation) station in 1976. Four 700' towers, located 6 miles east of Tok junction, transmit radio navigation signals for air and marine traffic in the Gulf of Alaska. In July of 1990, Tok faced extinction when a lightning-caused forest fire jumped two rivers and the Alaska Highway, putting both residents and buildings in peril. The town was evacuated and even the efforts of over a thousand firefighters could not stop the fire. At the last minute a "miracle wind" (so labeled by Tok's residents) came up, diverting the fire just short of the first building. The fire continued to burn the remainder of the summer, eventually burning more than 100,000 acres. Evidence of the burn can be seen on both sides of the highway just east of Tok.

The population of the community consists of 19% Alaska Native or part Native. The area was traditionally Athabaskan, although the current population is primarily non-Native. Tok has become known as the "Sled Dog Capital of Alaska." Although residents have chosen not to incorporate as a municipality, there are numerous local volunteer committees for various community functions and various membership organizations. During the 2000 U.S. Census, total housing units numbered 748, and vacant housing units numbered 214. Vacant housing units used only seasonally numbered 66. U.S. Census data for Year 2000 showed 518 residents as employed. The unemployment rate at that time was 17.99 percent, although 47.94 percent of all adults were not in the work force. The median household income was \$37,941, per capita income was \$18,521, and 10.5 percent of residents were living below the poverty level.

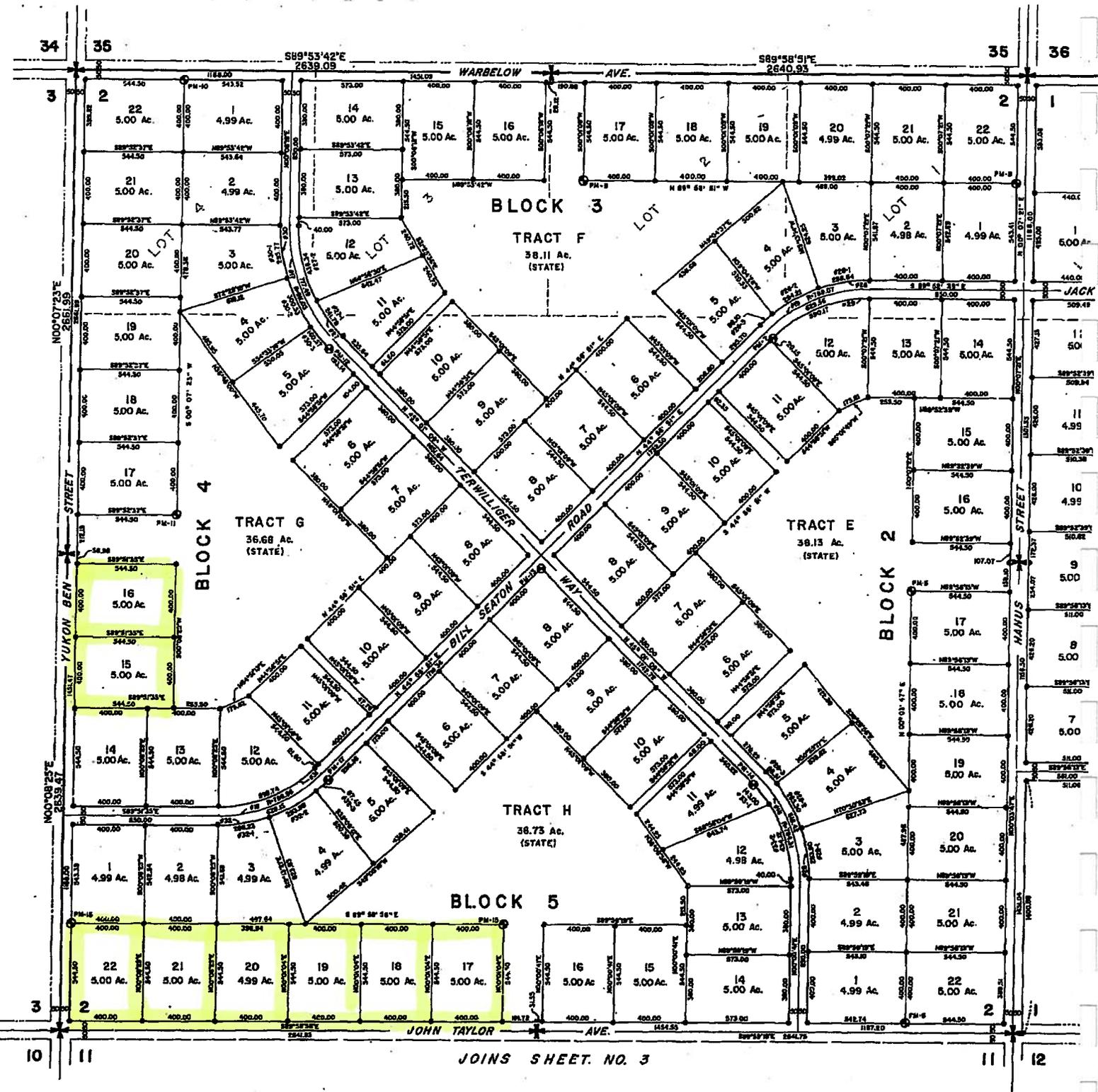
**Facilities, Utilities, Schools and Health Care**

There is no central water and sewer in Tok, because businesses and residences are spread out over a wide area. Most homes use individual wells at 50- to 125-foot depths and individual septic tanks. The schools operate individual systems. Most homes are heated with fuel oil or wood-burning stoves, and many residents use propane for cooking, water heating and clothes drying. A private firm, J.D. Refuse Service, provides household refuse collection and disposal at the landfill, located at mile 120.5 Tok Cutoff. Alaska Power & Telephone Co., based in Port Townsend, WA, owns and operates a diesel power system in Tok which provides electricity to area communities. Electricity is provided by Alaska Power Company. There are 2 schools located in the community, attended by 315 students. Local hospitals or health clinics include Tok Community Clinic (907-883-5855); Tok Public Health Center (907-883-4101). The clinic is a qualified Emergency Care Center. Specialized Care: Tok Area Mental Health Center; Upper Tanana Alcohol Program. Tok is classified as an isolated town/Sub-Regional Center, it is found in EMS Region 1C in the Interior Region. Emergency Services have highway and air access. Emergency service is provided by 911 Telephone Service, volunteers, a health aide and military Auxiliary health care is provided by Tok Area EMS (907-883-5873/883-5111); 40 Mile Air Medevac (907-883-5191).

**Economy and Transportation**

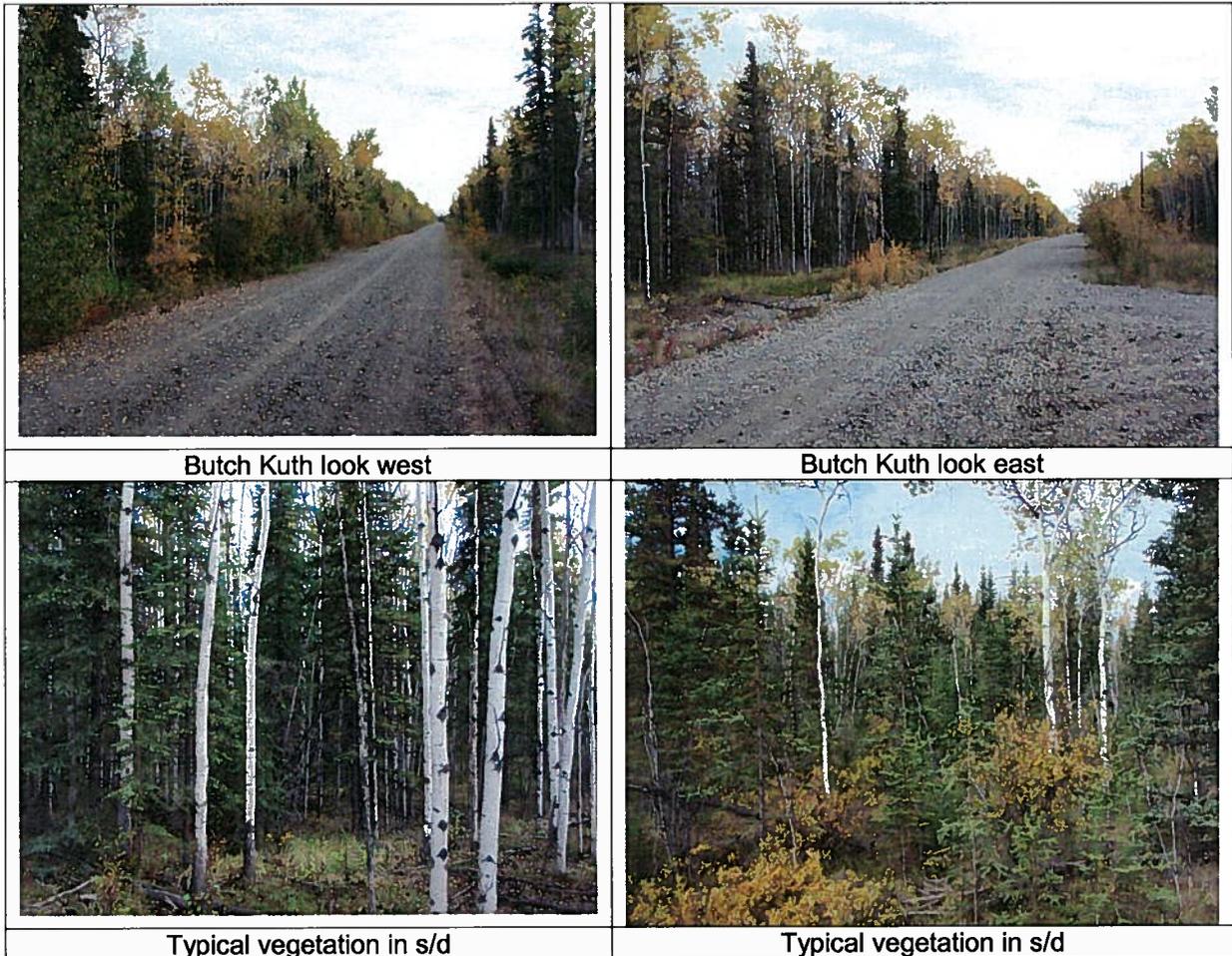
Tok is the transportation, business, service and government center for the Upper Tanana region. Employment and business revenues peak in the summer months, with the rush of RV travelers on the Alaska Highway. Four residents hold commercial fishing permits. Subsistence and recreational activities are prevalent. Moose, bear, rabbit, grouse, and ptarmigan are taken. Dahl sheep and caribou are hunted outside of the region, but only through lottery permits. Salmon are obtained from the Copper River to the south. Berry-picking and gardening are also popular activities.

Tok is located at the junction of two highways, and is the first community with services for visitors entering (and last community for visitors departing) Alaska by highway. Bus services are available to Anchorage and Fairbanks, and freight is delivered by truck. There are two State-owned runways. One is a gravel strip operated by DNR and is 1,690' long by 45' wide. The other is available at Tok Junction, is operated by DOT, and is 2,509' long by 50' wide, asphalt. There are two additional private airstrips in the vicinity.



JOINS SHEET NO. 3

**GENERAL SITE DESCRIPTION GLENN  
SUBDIVISION C017N012E 29&30 ASLS 81-205**



**Location**

The subject is located three miles south of the Tok Intersection of the Glenn Highway and the Alaska Highway, in Tok, Alaska. The subject lots specifically are south of Warbelow Avenue (surveyed trail) and north of Butch Kuth Avenue (a gravel road).

**Access**

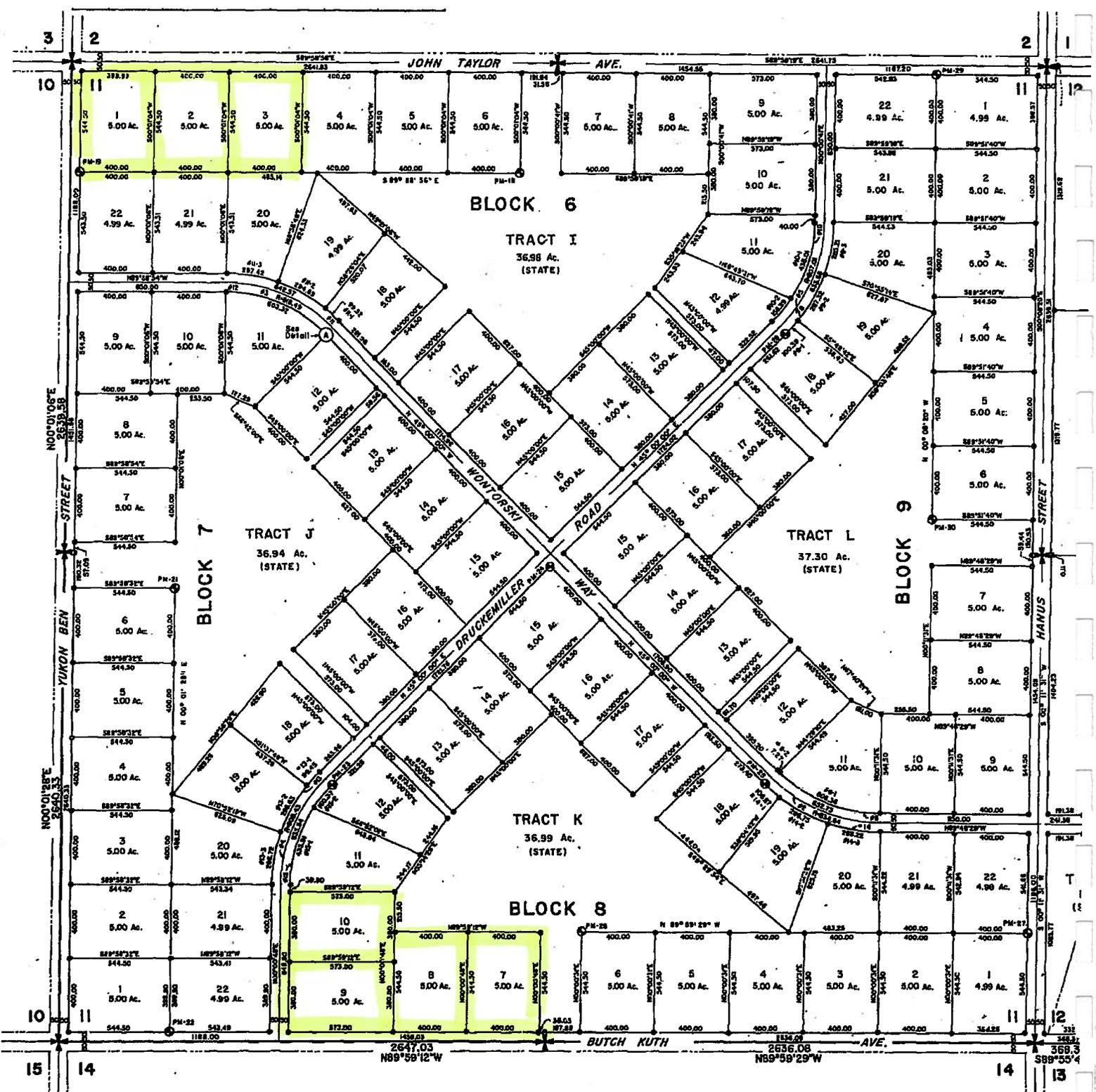
The subdivision is accessible from an apron from the Glenn Highway. Lots 7-9, Block 8 have gravel road access by Butch Kuth Avenue. Lot 10, Block 8 has undeveloped access by a dirt survey line from Butch Kuth Ave. Lots 1-3, Block 6 and Lots 17-22, Block 5 have undeveloped access by a dirt survey line along John Taylor Avenue. Lots 15-16, Block 4 have undeveloped access by a dirt survey line along Yukon Ben Street.

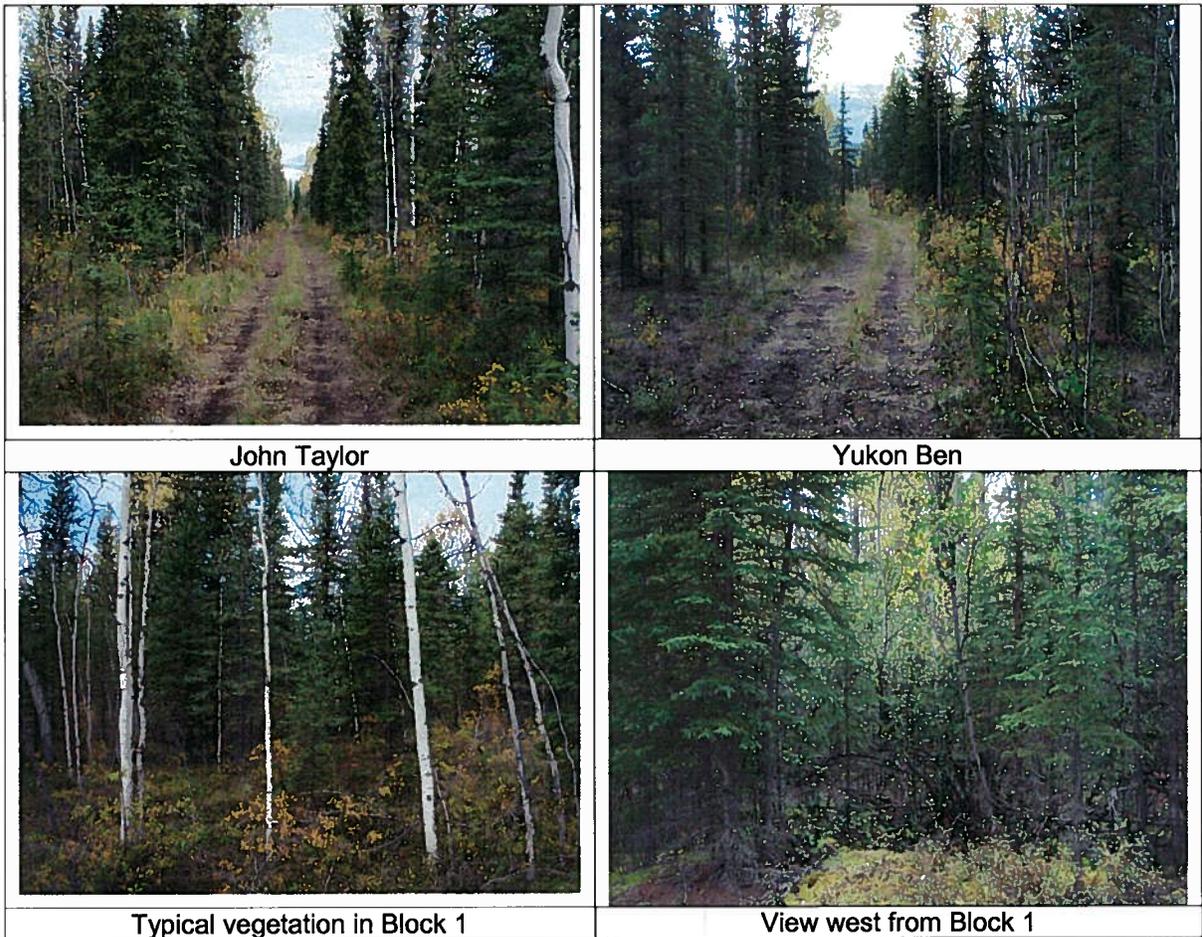
**Size and Shape**

The subject lots are rectangular in shape and contain 5.00 acres.

**Topography/Soils/Vegetation**

All lots are on level ground with adequate to well drained soils/shallow topsoil over a gravel base. Vegetation is small to medium spruce and birch.





**Utilities**

Electric and telephone service are not available to the subject lots. All lots would be on individual well water and septic; no piped water or sewer services are available in Tok. Electric is available approximately 200' east of Block 8, Lot 7.

**Easements**

A title report was available to the appraiser and according to preliminary documents; there are no adverse easements affecting the subject lots.

**Environmental Hazards**

None were observed.

**Hazardous Waste and Toxic Materials**

None were observed.

**Zoning Regulations**

The subject is located outside the boundaries of an organized borough or incorporated city. There are no land use restrictions which would prevent development of the site to its highest and best use.

**Ownership History**

The property is owned by the State of Alaska DNR.

# FIREWEED REMOTE RECREATIONAL CABIN SITES

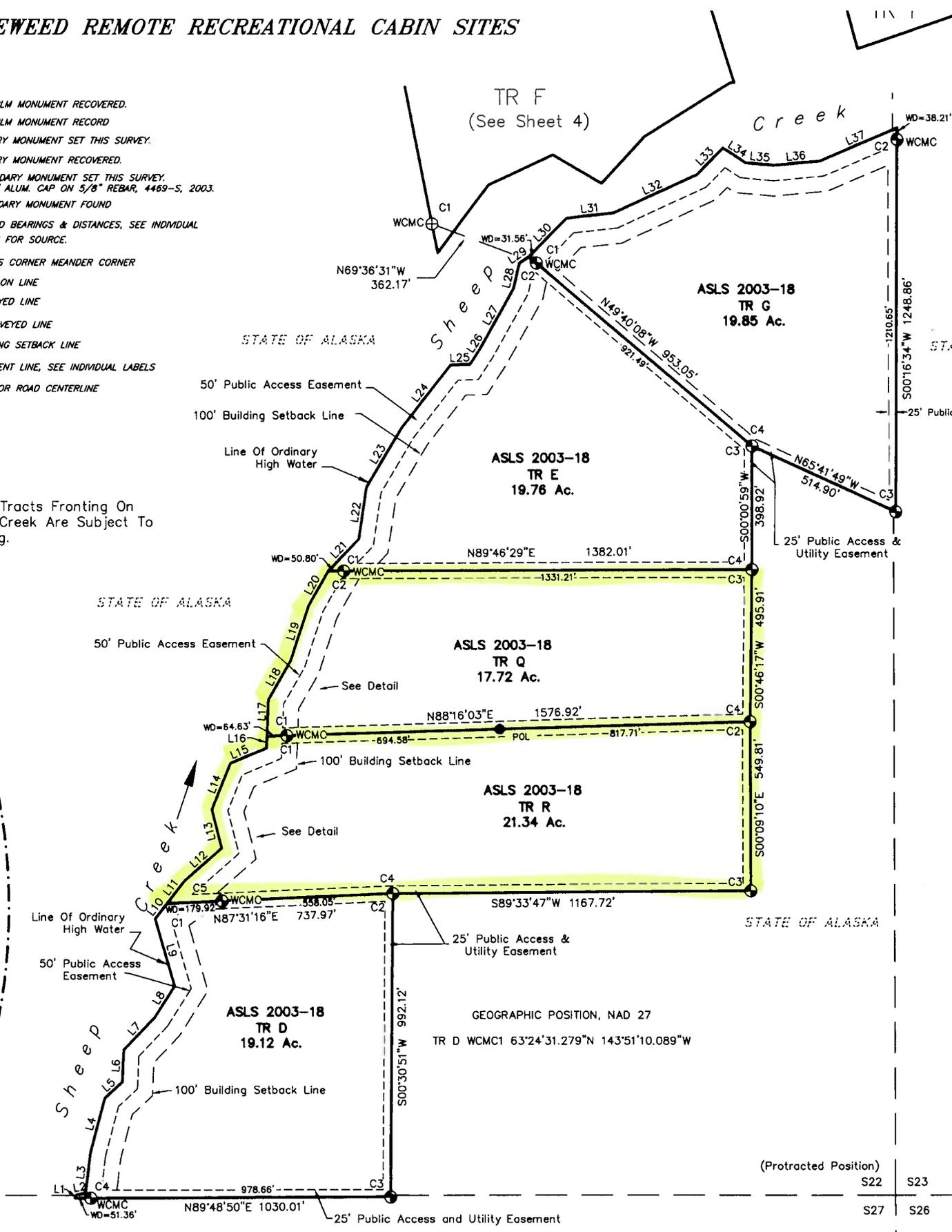
## LEGEND:

- ⊗ GLO-BLM MONUMENT RECOVERED.
- ⊗ GLO-BLM MONUMENT RECORD
- ⊕ PRIMARY MONUMENT SET THIS SURVEY.
- ⊕ PRIMARY MONUMENT RECOVERED.
- SECONDARY MONUMENT SET THIS SURVEY.  
SET 2" ALUM. CAP ON 5/8" REBAR, 4469-S, 2003.
- SECONDARY MONUMENT FOUND
- (R) RECORD BEARINGS & DISTANCES, SEE INDIVIDUAL SHEETS FOR SOURCE.
- WCMC WITNESS CORNER MEANDER CORNER
- POL POINT ON LINE
- SURVEYED LINE
- UNSURVEYED LINE
- - - BUILDING SETBACK LINE
- - - EASEMENT LINE, SEE INDIVIDUAL LABELS
- - - TRAIL OR ROAD CENTERLINE

ument

NOTE: Tracts Fronting On Sheep Creek Are Subject To Flooding.

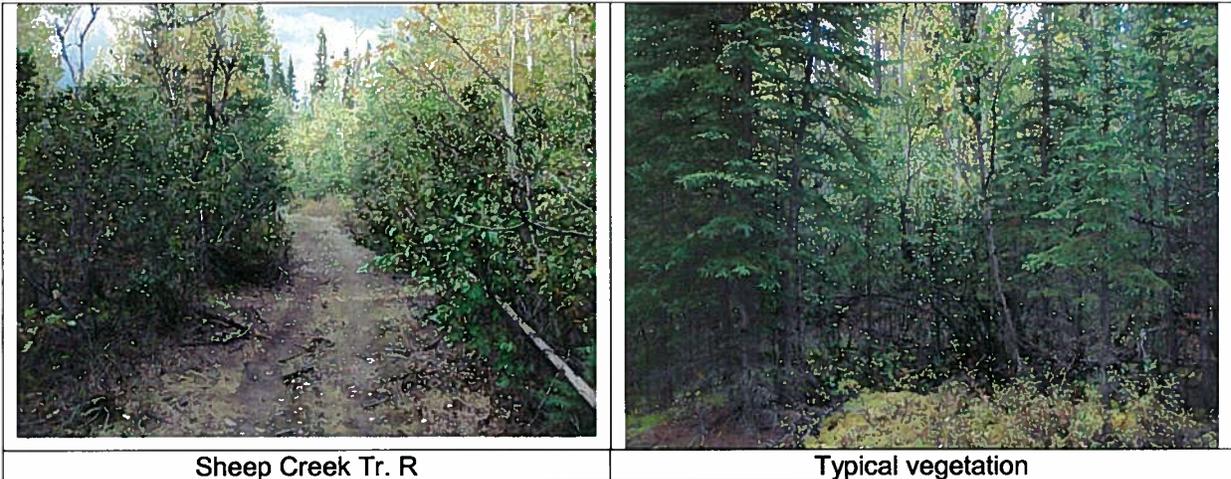
- Centerline
- - - 18'
- Access each centerline
- - - Access each centerline
- - - Access each centerline



(Protracted Position)

S22	S23
S27	S26

**GENERAL SITE DESCRIPTION FIREWEED  
SUBDIVISION C019N008E 22 ASLS 2003-18**



**Location**

The subject is located 30 miles west of Tok, Alaska. The subject lots specifically are located on the south bank of Sheep Creek at Milepost 1342 of the Alaska Highway.

**Access**

The lots are accessible along a 10' wide trail from the Alaska Highway by way of ATV, snowmachine or walk-in.

**Size and Shape**

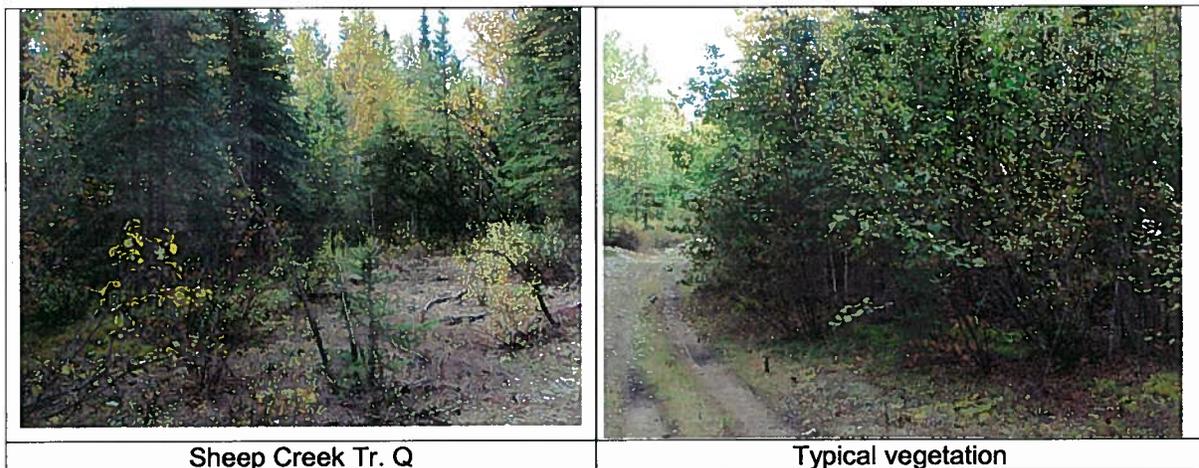
The subject lots are basically rectangular in shaped and are 17.72 to 21.34 acres.

**Topography**

The tracts slope upward in a northeasterly direction away from Sheep Creek. Both lots are moderately sloped with views to the west.

**Soils**

Soil conditions are unknown, but appear to be gravelly nearest the creek, with some areas of poorly drained soils.



**Utilities**

Electric and telephone service are not available to the subject lots. Because there is no public water or sewer, on-site water wells and septic systems are needed for development.

**Easements**

A title report was available to the appraiser and according to preliminary documents; the creek frontage has a 50' access easement and a 100' building setback. There is also a 25' public access and utility easement along the other three sides. These are peripheral easements that do not impact value.

**Environmental Hazards**

None were observed.

**Hazardous Waste and Toxic Materials**

None were observed.

**Zoning Regulations**

The subject is located outside the boundaries of an organized borough or incorporated city. There are no land use restrictions which would prevent development of the site to its highest and best use.

**Ownership History**

The property is owned by the State of Alaska DNR.

## DATA ANALYSIS and CONCLUSION

Highest and best use analysis identifies the most profitable and competitive use of the property. Therefore, highest and best use is a market driven concept that is fundamental to the valuation of a property.

### HIGHEST AND BEST USE

Highest and best use is defined as:

*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.*<sup>5</sup>

The highest and best use of a site must meet four criteria. The highest and best use of a property must be:

- legally permissible,
- physically possible,
- financially feasible, and
- maximally productive.

The value of land is generally estimated as though vacant and available for development to its highest and best use. The appraisal of improvements (when present on the site) is based on their actual contribution to the total value of the property. The appraised property is vacant and unimproved.

### HIGHEST and BEST USE of SITE as VACANT

#### Legally Permissible

There are no local zoning laws limiting the development of this parcel. Development of well and septic systems must comply with the requirements of the Department of Environmental Conservation. The subject parcels could be developed for almost any legal use.

#### Physically Possible

The size and physical characteristics of the parcels are adequate to support all reasonable and probable uses. There are no soils or topography issues that reduce the buildable area suitable for development with a residential/recreational structure.

#### Financially Feasible

Surrounding land use is a mix between recreational and residential. The Tok area attracts many summer time residents, while also offering a semi-rural lifestyle to year round residents if they choose. Based on the neighborhood development, it appears there is limited demand for commercial use.

#### Maximally Productive

Surrounding land use is primarily recreational. Maximally productive use is the use that produces the maximum return from the proceeds of a sale or lease.

<sup>5</sup> The Appraisal of Real Estate, Twelfth Edition, Appraisal Institute, 2001, p305

**Highest And Best Use Of Land As Vacant Glenn Subdivision**

Based on the foregoing analysis, the highest and best use of the subject parcel as vacant would be for residential development.

The definition above applies specifically to the Highest and Best Use of the land. It is to be recognized that in cases where a site has existing improvements on it, the Highest and Best Use may very well be determined to be different from the existing use. All parcels are vacant and unimproved.

**Highest And Best Use Of Land As Vacant Fireweed Subdivision**

Based on the foregoing analysis, the highest and best use of the subject parcel as vacant would be for remote recreational development.

The definition above applies specifically to the Highest and Best Use of the land. It is to be recognized that in cases where a site has existing improvements on it, the Highest and Best Use may very well be determined to be different from the existing use. All parcels are vacant and unimproved.