

MARKET VALUE APPRAISAL

One hundred Seven (107) parcels located within

Kutna Creek Subdivision ASLS 80-157



Kutna Creek Subdivision looking north

APPRAISAL REPORT No. 3568

**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. 3568**

1. ADL NO(S): See table below
2. SIZE: Various, as noted in table
3. APPLICANT: N/A
4. LOCATION: 20 miles southeast of Skwentna
5. LEGAL DESCRIPTION(S): Various lots within Kutna Creek Subdivision, specific lot and block as noted in table
6. INTEREST APPRAISED: Fee Simple Title less Mineral Rights
7. PURPOSE OF THE APPRAISAL: Estimate Market Value
8. APPRAISED BY: Johnthomas Williamson
9. DATE of REPORT: February 2, 2010
10. DATE of VALUE(S): October 6, 2009
11. APPRAISED VALUE(S):

ADL	Lot	Block	Survey	Acres	Value
211443	4	9	80-157	4.718	\$4,800
213402	11	13	80-157	4.881	\$5,300
211365	1	1	80-157	4.994	\$4,800
211366	2	1	80-157	4.939	\$4,800
211367	3	1	80-157	4.999	\$4,800
211368	4	1	80-157	4.978	\$4,100
211369	5	1	80-157	5	\$3,800
211370	6	1	80-157	5	\$4,600
211371	7	1	80-157	5	\$4,100
211372	8	1	80-157	5	\$3,800
211373	9	1	80-157	5	\$3,800
211374	10	1	80-157	5	\$4,300
211375	11	1	80-157	5	\$4,300
211376	12	1	80-157	4.912	\$4,300
211377	13	1	80-157	4.599	\$4,100
211378	14	1	80-157	4.758	\$3,800
211379	15	1	80-157	4.964	\$3,800
211380	1	2	80-157	4.659	\$4,800
211381	2	2	80-157	4.762	\$4,800
211382	1	3	80-157	4.996	\$4,800
211383	2	3	80-157	5	\$4,800
211386	1	4	80-157	4.14	\$4,800
211387	2	4	80-157	4.958	\$4,800
211388	3	4	80-157	4.999	\$4,800
211389	4	4	80-157	4.999	\$4,800
211391	7	4	80-157	5	\$4,600
211392	8	4	80-157	5	\$4,800
211394	10	4	80-157	4.996	\$4,800



ADL	Lot	Block	Survey	Acres	Value
211395	11	4	80-157	5	\$4,600
211396	12	4	80-157	5	\$4,800
211398	14	4	80-157	4.938	\$4,800
211399	15	4	80-157	4.905	\$4,800
211400	16	4	80-157	4.949	\$4,800
211401	17	4	80-157	5	\$4,800
211402	18	4	80-157	4.917	\$4,800
211403	19	4	80-157	4.896	\$4,800
211404	1	5	80-157	4.607	\$4,800
211405	2	5	80-157	4.991	\$4,800
211406	3	5	80-157	5	\$4,800
211407	4	5	80-157	5	\$4,800
211408	5	5	80-157	5	\$4,800
211409	6	5	80-157	4.948	\$4,800
211410	7	5	80-157	4.87	\$4,800
211411	8	5	80-157	4.852	\$4,800
211412	9	5	80-157	4.984	\$5,300
211413	10	5	80-157	4.792	\$5,300
211414	11	5	80-157	4.71	\$4,500
211415	12	5	80-157	4.982	\$5,300
211416	13	5	80-157	4.982	\$4,800
211417	14	5	80-157	4.977	\$4,800
211419	16	5	80-157	4.924	\$4,800
211420	17	5	80-157	4.924	\$4,800
211421	18	5	80-157	4.924	\$4,800
211422	19	5	80-157	4.759	\$4,800
211423	20	5	80-157	4.891	\$5,300
213343	1	6	80-157	5	\$4,600
213344	2	6	80-157	5	\$4,800
213345	3	6	80-157	4.977	\$4,800
213346	4	6	80-157	4.982	\$4,600
213347	5	6	80-157	4.982	\$4,300
213348	6	6	80-157	4.977	\$4,100
211424	1	7	80-157	4.994	\$4,800
211425	2	7	80-157	4.999	\$4,800
211426	3	7	80-157	4.999	\$4,800
211427	4	7	80-157	4.255	\$4,800
211428	5	7	80-157	4.999	\$3,800
211431	3	8	80-157	5	\$4,800
211432	4	8	80-157	5	\$4,800
211433	5	8	80-157	5	\$4,800
211434	6	8	80-157	5	\$4,800
211435	7	8	80-157	4.786	\$4,800
211436	8	8	80-157	4.751	\$4,800



ADL	Lot	Block	Survey	Acres	Value
211437	9	8	80-157	4.865	\$4,800
211445	6	9	80-157	4.654	\$4,800
211449	10	9	80-157	4.782	\$4,800
211450	11	9	80-157	4.991	\$4,800
211451	12	9	80-157	4.982	\$4,800
213349	1	10	80-157	4.994	\$4,800
213350	2	10	80-157	4.999	\$4,800
213351	3	10	80-157	3.97	\$4,800
213352	4	10	80-157	4.466	\$4,800
213353	5	10	80-157	4.407	\$4,800
213354	6	10	80-157	4.226	\$4,800
213355	7	10	80-157	5	\$4,800
213356	8	10	80-157	5	\$4,800
213357	9	10	80-157	5	\$4,800
213358	10	10	80-157	4.786	\$4,800
213361	13	10	80-157	4.999	\$4,800
213363	15	10	80-157	4.999	\$4,600
213365	17	10	80-157	4.814	\$4,800
213369	21	10	80-157	4.413	\$4,800
213370	22	10	80-157	4.903	\$4,800
213371	23	10	80-157	4.794	\$4,800
213372	24	10	80-157	4.998	\$4,800
213373	25	10	80-157	4.944	\$4,800
213374	26	10	80-157	4.999	\$4,800
213375	27	10	80-157	4.999	\$4,800
213376	28	10	80-157	4.994	\$4,800
213377	1	11	80-157	4.994	\$4,800
213378	2	11	80-157	4.999	\$4,800
213379	3	11	80-157	4.999	\$4,800
213381	5	11	80-157	4.721	\$4,800
213382	6	11	80-157	4.872	\$4,800
213392	1	13	80-157	4.54	\$4,800
213393	2	13	80-157	4.775	\$4,800
213394	3	13	80-157	4.94	\$4,800
213396	5	13	80-157	4.89	\$4,300

B. SUMMARY OF REVIEW

- DATE of REVIEW: February 11, 2010
- REVIEWER'S CLIENT: DNR Other: _____
- INTENDED USERS of the REVIEW: DNR General Public Other: _____
- INTENDED USE of the REVIEW: Establish minimum bid price for sealed bid auction
- 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. Please note that the preliminary plat has not been approved. The values are predicated on final approval with no significant change to lot sizes.
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. 3568

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 2/11/10

cc: Tony Wagner

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MEMORANDUM

State of Alaska

Department of Natural Resources

Tel (907) 269-8539

Fax (907) 269-8914

Division of Mining, Land & Water550 West 7th Avenue, Suite 650

Anchorage AK 99501-3576

DATE: February 2, 2010

TO: Kevin Hindmarch
Review AppraiserFROM Johnthomas Williamson
Appraiser I

SUBJECT: Appraisal of 107 parcels within the Kutna Creek Subdivision, ASLS 80-157.

As requested, I have completed an appraisal of the above referenced parcels, and understand that this appraisal will be used to determine a minimum 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 Special 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 all of the subject parcels and all of the comparable sales used in this report, via aerial inspection. Physical descriptions of the subject parcels were based on inspections, aerial photography, topographic maps, peer appraisal reports, interviews with realtors and various individuals familiar with the area. Based on these observations and analyses of all available data, I have formed an opinion of the market values as of the effective date of value.

APPRAISAL SUMMARY

Location and Legal Description

All parcels are located 20 miles southeast of Skwentna, west of the Yentna River, within Kutna Creek Subdivision. All parcels are within Alaska State Land Survey 80-157, as recorded on Plat 81-127 within the Anchorage Recording District. All parcels are within Township 19 North, Range 8 West, Section 4, and Township 20 North, Range 8 West, Section 32. Specific lots as follows:

SUMMARY OF VALUES

ADL	Lot	Block	Survey	Acres	Value
211443	4	9	80-157	4.718	\$4,800
213402	11	13	80-157	4.881	\$5,300
211365	1	1	80-157	4.994	\$4,800
211366	2	1	80-157	4.939	\$4,800
211367	3	1	80-157	4.999	\$4,800
211368	4	1	80-157	4.978	\$4,100
211369	5	1	80-157	5.000	\$3,800
211370	6	1	80-157	5.000	\$4,600
211371	7	1	80-157	5.000	\$4,100
211372	8	1	80-157	5.000	\$3,800
211373	9	1	80-157	5.000	\$3,800
211374	10	1	80-157	5.000	\$4,300
211375	11	1	80-157	5.000	\$4,300
211376	12	1	80-157	4.912	\$4,300
211377	13	1	80-157	4.599	\$4,100
211378	14	1	80-157	4.758	\$3,800
211379	15	1	80-157	4.964	\$3,800
211380	1	2	80-157	4.659	\$4,800
211381	2	2	80-157	4.762	\$4,800
211382	1	3	80-157	4.996	\$4,800
211383	2	3	80-157	5.000	\$4,800
211386	1	4	80-157	4.140	\$4,800
211387	2	4	80-157	4.958	\$4,800
211388	3	4	80-157	4.999	\$4,800
211389	4	4	80-157	4.999	\$4,800
211391	7	4	80-157	5.000	\$4,600
211392	8	4	80-157	5.000	\$4,800
211394	10	4	80-157	4.996	\$4,800
211395	11	4	80-157	5.000	\$4,600
211396	12	4	80-157	5.000	\$4,800
211398	14	4	80-157	4.938	\$4,800
211399	15	4	80-157	4.905	\$4,800
211400	16	4	80-157	4.949	\$4,800
211401	17	4	80-157	5.000	\$4,800
211402	18	4	80-157	4.917	\$4,800
211403	19	4	80-157	4.896	\$4,800
211404	1	5	80-157	4.607	\$4,800

ADL	Lot	Block	Survey	Acres	Value
211422	19	5	80-157	4.759	\$4,800
211423	20	5	80-157	4.891	\$5,300
213343	1	6	80-157	5.000	\$4,600
213344	2	6	80-157	5.000	\$4,800
213345	3	6	80-157	4.977	\$4,800
213346	4	6	80-157	4.982	\$4,600
213347	5	6	80-157	4.982	\$4,300
213348	6	6	80-157	4.977	\$4,100
211424	1	7	80-157	4.994	\$4,800
211425	2	7	80-157	4.999	\$4,800
211426	3	7	80-157	4.999	\$4,800
211427	4	7	80-157	4.255	\$4,800
211428	5	7	80-157	4.999	\$3,800
211431	3	8	80-157	5.000	\$4,800
211432	4	8	80-157	5.000	\$4,800
211433	5	8	80-157	5.000	\$4,800
211434	6	8	80-157	5.000	\$4,800
211435	7	8	80-157	4.786	\$4,800
211436	8	8	80-157	4.751	\$4,800
211437	9	8	80-157	4.865	\$4,800
211445	6	9	80-157	4.654	\$4,800
211449	10	9	80-157	4.782	\$4,800
211450	11	9	80-157	4.991	\$4,800
211451	12	9	80-157	4.982	\$4,800
213349	1	10	80-157	4.994	\$4,800
213350	2	10	80-157	4.999	\$4,800
213351	3	10	80-157	3.970	\$4,800
213352	4	10	80-157	4.466	\$4,800
213353	5	10	80-157	4.407	\$4,800
213354	6	10	80-157	4.226	\$4,800
213355	7	10	80-157	5.000	\$4,800
213356	8	10	80-157	5.000	\$4,800
213357	9	10	80-157	5.000	\$4,800
213358	10	10	80-157	4.786	\$4,800
213361	13	10	80-157	4.999	\$4,800
213363	15	10	80-157	4.999	\$4,600
213365	17	10	80-157	4.814	\$4,800

ADL	Lot	Block	Survey	Acres	Value
211405	2	5	80-157	4.991	\$4,800
211406	3	5	80-157	5.000	\$4,800
211407	4	5	80-157	5.000	\$4,800
211408	5	5	80-157	5.000	\$4,800
211409	6	5	80-157	4.948	\$4,800
211410	7	5	80-157	4.870	\$4,800
211411	8	5	80-157	4.852	\$4,800
211412	9	5	80-157	4.984	\$5,300
211413	10	5	80-157	4.792	\$5,300
211414	11	5	80-157	4.710	\$4,500
211415	12	5	80-157	4.982	\$5,300
211416	13	5	80-157	4.982	\$4,800
211417	14	5	80-157	4.977	\$4,800
211419	16	5	80-157	4.924	\$4,800
211420	17	5	80-157	4.924	\$4,800
211421	18	5	80-157	4.924	\$4,800

ADL	Lot	Block	Survey	Acres	Value
213369	21	10	80-157	4.413	\$4,800
213370	22	10	80-157	4.903	\$4,800
213371	23	10	80-157	4.794	\$4,800
213372	24	10	80-157	4.998	\$4,800
213373	25	10	80-157	4.944	\$4,800
213374	26	10	80-157	4.999	\$4,800
213375	27	10	80-157	4.999	\$4,800
213376	28	10	80-157	4.994	\$4,800
213377	1	11	80-157	4.994	\$4,800
213378	2	11	80-157	4.999	\$4,800
213379	3	11	80-157	4.999	\$4,800
213381	5	11	80-157	4.721	\$4,800
213382	6	11	80-157	4.872	\$4,800
213392	1	13	80-157	4.540	\$4,800
213393	2	13	80-157	4.775	\$4,800
213394	3	13	80-157	4.940	\$4,800
213396	5	13	80-157	4.890	\$4,300

PREMISES OF THE APPRAISAL

Type of Appraisal and Report

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

Purpose of Appraisal

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

Intended Use of Appraisal

The appraisal will be used by DNR to determine the minimum bid for parcels to be acquired through the auction sale program under **AS 38.05.055**.

User and Client Identity

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

Property Rights Appraised

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

Fee simple estate is defined as:

"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."¹

AS 38.05.125(a) states:

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."²

Definition of Market Value

"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."³

Effective Date of Value Estimate

October 6, 2009.

Date of Report

February 2, 2010.

¹ The Appraisal of Real Estate, Thirteenth Edition, Appraisal Institute, 2008, p.111

² Alaska Statutes Title 38, Public Land Article 5, State of Alaska, 2008, pp. 624-625

³ The Appraisal of Real Estate, Thirteenth Edition, Appraisal Institute, 2008, p.23

Exposure Time

Exposure time is defined as "...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; a retrospective opinion based on an analysis of past events assuming a competitive and open market. Exposure time is different for various types of property and under various market conditions. It is noted that the overall concept of reasonable exposure encompasses not only adequate, sufficient, and reasonable time but also adequate, sufficient, and reasonable effort."⁴

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. Currently there are over 100 available parcels within the immediate area. Considering the availability of parcels on the market, a longer exposure time of up to three years is reasonable.

Property History

The Department of Natural Resources is the current owner of record for all of the subject parcels. Lot 4 in Block 9 (ADL 211443) was purchased through the DNR Over-The-Counter offering in February, 2005. The application to purchase was terminated in April, 2007 by the department. Additionally, an application to purchase Lot 11 in Block 13 (ADL213402) was received by DNR in March of 2007; yet, the application was relinquished by the purchaser prior to a finalized land sale contract. The remaining lots are currently available for purchase through the DNR Over-The-Counter offering.

Scope of the Appraisal

Property and Comparable Sales Inspection

I inspected the subject property and all of the comparable sales on October 6, 2009, via aerial inspection. Physical features and access were identified by use of aerial inspections, topographic maps, status plats, aerial photographs, DNR appraisal records, and interviews with people who are familiar with the area.

Research and Analysis conducted

Interviews were conducted with, real estate agents, appraisers, local residents, and other individuals familiar with the area who provided information about trends in value, supply, demand, access, and physical characteristics of the subject properties. DNR records and the Records Office databases were searched for recent comparable sales while the Matanuska - Susitna Borough database was searched for relevant sale information. Private real estate agent websites were searched for recent listings while sellers, buyers, and agents 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.

⁴ Uniform Standards of Professional Appraisal Practice 2008-2009, Appraisal Foundation, p. U-87

Assumptions and Limiting Conditions

1. The property is appraised as vacant land without structural or site improvements.
2. All engineering studies are assumed to be accurate. Plats and illustrative material included in the report are intended to help the reader visualize 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 the value of commercial timber, if any.
10. Unless noted, the existence of personal property or improvements, if any, could not be confirmed. The properties are appraised "as vacant".
11. 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.
12. 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

Market Area – The Matanuska Susitna Borough⁵

Location:

The Matanuska-Susitna (Mat-Su) Borough is located in the middle of south central Alaska, including the Matanuska and Susitna River Drainages, portions of the Chugach Mountains as well as the Alaska, Talkeetna, and Clearwater Ranges. The Municipality of Anchorage, Upper Cook Inlet, and Knik Arm delineate the Borough's southern border. The average temperatures in January range from 6°F to 14°F; in July, 47°F to 67°F. Annual precipitation is 16.5 inches

Local Government:

The Mat-Su Borough is a second class Borough incorporated in 1964 with an elected Mayor and Assembly. The Borough's area-wide powers include: assessment and collection of taxes, education, planning and zoning, parks and recreation, ports, harbors and wharves, ambulance service, transportation systems, air pollution control, day care facilities, historic preservation, and transient accommodations taxation. The Borough's non area-wide powers include fireworks, motor vehicles and operators, snow vehicles, solid waste, libraries, septic tank waste disposal, economic development, limited health and social service, natural gas, electric, and road local improvement districts, animal control, and water pollution control.

Demographics:

The population of the Mat-Su Borough consists of 8.6% Alaska Native or part Native. Low housing costs, the rural lifestyle, and a reasonable commute to Anchorage for employment and services has made the Mat-Su Borough one of the fastest growing areas of Alaska in recent years. During the 2000 U.S. Census, total housing units numbered 27,329, and vacant housing units numbered 6,773. Vacant housing units used only seasonally numbered 5,244. U.S. Census data for Year 2000 showed 25,356 residents as employed. The unemployment rate at that time was 10.3 percent, although 40.63 percent of all adults were not in the work force. The median household income was \$51,221, per capita income was \$21,105, and 11.01 percent of residents were living below the poverty level. The 2008 population was 82,515 (State Demographer).

Economy:

The economy is diverse, and residents are employed in a variety of retail, professional services, city, borough, state and federal occupations. Top employers are Mat-Su Schools, Valley Hospital, Wal-Mart, Carrs/Safeway and Fred Meyer. About one-third of the Borough's labor force commutes to Anchorage for employment. 244 borough residents hold commercial fishing permits.

Facilities:

There are three incorporated cities within the Borough: Houston, Palmer, and Wasilla. Additionally, there are several unincorporated communities and twenty-five (25) Borough recognized community councils. The majority of the Borough population resides in the "core area" surrounding the cities of Palmer and Wasilla, and within the cities themselves. The remaining population is spread out among the various unincorporated communities, as well as some remote sites. There are 35 schools located in the borough, attended by 13,733 students.

Transportation:

The area accesses both the Glenn and George Parks Highways. Commercial airlines serve the nearby Anchorage International Airport, but a local municipal airport supports private and chartered services. The Alaska Railroad provides for delivery of ocean freight.

⁵ All information regarding neighborhood information derived from <http://www.matsugov.us/Planning>. & <http://www.commerce.state.ak.us/dca/commdb/CIS.cfm>

Skwentna Neighborhood

Skwentna is an unincorporated townsite located just north of the Skwentna River, and within the Yentna River drainage. There are approximately 80 full time residents. Skwentna is not accessible by the road system, however it serves a hub for local snowmachiners in the winter and boat traffic up the Yentna in the summer.

History, Culture and Demographics

Dena'ina Athabascans have fished and hunted along the Skwentna and Yentna Rivers for centuries. In 1908, an Alaska Road Commission crew blazed a trail from Seward to Nome, going through Old Skwentna from the Susitna River to Rainy Pass. Many roadhouses were later constructed along the trail to the Innoko Mining District, including the Old Skwentna Roadhouse. Prospectors, trappers and Indians often used sled dogs to transport goods over the trail. Max and Belle Shellabarger homesteaded and started a guide service in 1923, and later a flying service and weather station. A post office was opened in 1937. After World War II, Morrison-Knudson built an airstrip, and in 1950, the U.S. Army established a radar station at Skwentna and a recreation camp at Shell Lake, 15 air miles from Skwentna. In the 1960s, State land disposals increased settlement.

The population of the community consists of 7.2% Alaska Native or part Native. Skwentna residents are scattered over a large area of land. It has a number of seasonal-use homes. There is a small local store, and area residents use snowmachines or aircraft to travel to the post office. During the 2000 U.S. Census, total housing units numbered 360, and vacant housing units numbered 310. Vacant housing units used only seasonally numbered 307. U.S. Census data for Year 2000 showed 59 residents as employed. The unemployment rate at that time was 0 percent, although 26.25 percent of all adults were not in the work force. The median household income was \$16,250, per capita income was \$23,995, and 5.77 percent of residents were living below the poverty level

Facilities, Utilities, Schools and Health Care

A number of homes have individual water wells and septic systems, but very few homes are fully plumbed. Outhouses are the primary means of sewage disposal. There is no central electric system, residents provide power via individual generator sets. A community refuse incinerator is available at the unpermitted dump site near the airport, operated by the Borough. The site is currently being used by several families, but most residents burn and bury their own refuse. There are no state operated schools located in the community. Local hospitals or health clinics include Valley Hospital in Palmer. Skwentna is classified as an isolated village, it is found in EMS Region 2C in the Mat-Su Region. Emergency Services is provided by 911 Telephone Service and volunteers. Auxiliary health care is provided by Lake Creek/Skwentna First Responders

Economy and Transportation

Employment is provided through local lodges, the post office and the airstrip.

ADL	Lot	Block	Survey	Acres
211443	4	9	80-157	4.718
213402	11	13	80-157	4.881
211365	1	1	80-157	4.994
211366	2	1	80-157	4.939
211367	3	1	80-157	4.999
211368	4	1	80-157	4.978
211369	5	1	80-157	5.000
211370	6	1	80-157	5.000
211371	7	1	80-157	5.000
211372	8	1	80-157	5.000
211373	9	1	80-157	5.000
211374	10	1	80-157	5.000
211375	11	1	80-157	5.000
211376	12	1	80-157	4.912
211377	13	1	80-157	4.599
211378	14	1	80-157	4.758
211379	15	1	80-157	4.964
211380	1	2	80-157	4.659
211381	2	2	80-157	4.762
211382	1	3	80-157	4.996
211383	2	3	80-157	5.000
211386	1	4	80-157	4.140
211387	2	4	80-157	4.958
211388	3	4	80-157	4.999
211389	4	4	80-157	4.999
211391	7	4	80-157	5.000
211392	8	4	80-157	5.000
211394	10	4	80-157	4.996
211395	11	4	80-157	5.000
211396	12	4	80-157	5.000
211398	14	4	80-157	4.938
211399	15	4	80-157	4.905
211400	16	4	80-157	4.949
211401	17	4	80-157	5.000
211402	18	4	80-157	4.917
211403	19	4	80-157	4.896
211404	1	5	80-157	4.607
211405	2	5	80-157	4.991
211406	3	5	80-157	5.000
211407	4	5	80-157	5.000
211408	5	5	80-157	5.000
211409	6	5	80-157	4.948
211410	7	5	80-157	4.870
211411	8	5	80-157	4.852
211412	9	5	80-157	4.984
211413	10	5	80-157	4.792
211414	11	5	80-157	4.710
211415	12	5	80-157	4.982
211416	13	5	80-157	4.982
211417	14	5	80-157	4.977
211419	16	5	80-157	4.924
211420	17	5	80-157	4.924
211421	18	5	80-157	4.924

ADL	Lot	Block	Survey	Acres
211422	19	5	80-157	4.759
211423	20	5	80-157	4.891
213343	1	6	80-157	5.000
213344	2	6	80-157	5.000
213345	3	6	80-157	4.977
213346	4	6	80-157	4.982
213347	5	6	80-157	4.982
213348	6	6	80-157	4.977
211424	1	7	80-157	4.994
211425	2	7	80-157	4.999
211426	3	7	80-157	4.999
211427	4	7	80-157	4.255
211428	5	7	80-157	4.999
211431	3	8	80-157	5.000
211432	4	8	80-157	5.000
211433	5	8	80-157	5.000
211434	6	8	80-157	5.000
211435	7	8	80-157	4.786
211436	8	8	80-157	4.751
211437	9	8	80-157	4.865
211445	6	9	80-157	4.654
211449	10	9	80-157	4.782
211450	11	9	80-157	4.991
211451	12	9	80-157	4.982
213349	1	10	80-157	4.994
213350	2	10	80-157	4.999
213351	3	10	80-157	3.970
213352	4	10	80-157	4.466
213353	5	10	80-157	4.407
213354	6	10	80-157	4.226
213355	7	10	80-157	5.000
213356	8	10	80-157	5.000
213357	9	10	80-157	5.000
213358	10	10	80-157	4.786
213361	13	10	80-157	4.999
213363	15	10	80-157	4.999
213365	17	10	80-157	4.814
213369	21	10	80-157	4.413
213370	22	10	80-157	4.903
213371	23	10	80-157	4.794
213372	24	10	80-157	4.998
213373	25	10	80-157	4.944
213374	26	10	80-157	4.999
213375	27	10	80-157	4.999
213376	28	10	80-157	4.994
213377	1	11	80-157	4.994
213378	2	11	80-157	4.999
213379	3	11	80-157	4.999
213381	5	11	80-157	4.721
213382	6	11	80-157	4.872
213392	1	13	80-157	4.540
213393	2	13	80-157	4.775
213394	3	13	80-157	4.940
213396	5	13	80-157	4.890

General Property Description

Legal Description

The opposite table describes the subject parcels within Kutna Creek Subdivision ASLS 80-157, within Township 19 North, Range 8 West, Section 4, and Township 20 North, Range 8 West, Section 32.

Location

Kutna Creek Subdivision is located approximately 20 miles southwest of Skwentna, approximately 3 miles northwest of the Big Bend of the Yentna River.

Access

Access to the subdivision is either by float plane to local lakes, then overland. Alternative access is via boat or snowmachine up the Yentna, then overland to the subject subdivision.

Size & Shape

Lots range in size from 3.97 to 5 acres, and average 4.882 acres. Lots are generally rectangular in shape.

Topography

The subdivision is characterized by a generally level topography with minimal variation in elevation. The entire subdivision lies approximately 100 to 150 feet above sea level.

Soils/Vegetation

Subdivision contains primarily mature birch and spruce mix with some areas of wetlands within the tracts. Soils are typical of the surrounding area, with the larger portions of wetlands identified as tracts within the subdivision.

Utilities, Water & Sewer

Electricity is not available to any of the lots within the subdivision. No public water or sewer system is available. Water supply or sewage disposal systems must be located, constructed and equipped in accordance with the requirements, standards, and recommendations of the Alaska Department of Environmental Conservation.

Easements & Zoning Regulations

No zoning, the subjects are located within an unregulated area of the Mat-Su Borough. Parcels are subject to a 10' easement on each side of common lot lines, and structures may not be constructed within 25' of a right of way. The survey plat indicates a 50' public access easement along the mean high water or ordinary high water line of any water frontage of any sort. Additionally, there is a fifty foot easement on each side of each section line within the subdivision.

Environmental Hazards, Hazardous Waste & Toxic Materials

No toxic materials, waste, or hazards were observed during the field inspection.

Tax Assessments⁶

The subjects are located within the taxing authority of the Matanuska-Susitna Borough; however, there is no tax burden assessed to the State of Alaska from the borough. Tax assessments to private parties will become active when property is sold into private ownership. The 2009 mill rate for the subject subdivision was 10.409.

⁶ <http://www.matsugov.us/realpropertyquery/detail> accessed 11-04-2009

Ownership History

The Department of Natural Resources is the current owner of record for all of the subject parcels. Lot 4 in Block 9 (ADL 211443) was purchased through the DNR Over-The-Counter offering in February, 2005. The application to purchase was terminated in April, 2007 by the department. Additionally, an application to purchase Lot 11 in Block 13 (ADL213402) was received by DNR in March of 2007; yet, the application was relinquished by the purchaser prior to a finalized land sale contract. The remaining lots are currently available for purchase through the DNR Over-The-Counter offering.

Personal Property

There is no personal property involved with the appraisal of this property.



Lot 11 Block 13 looking north



Lot 4 Block 9 looking south



Blocks 9 & 10 looking west



Block 6 looking southeast



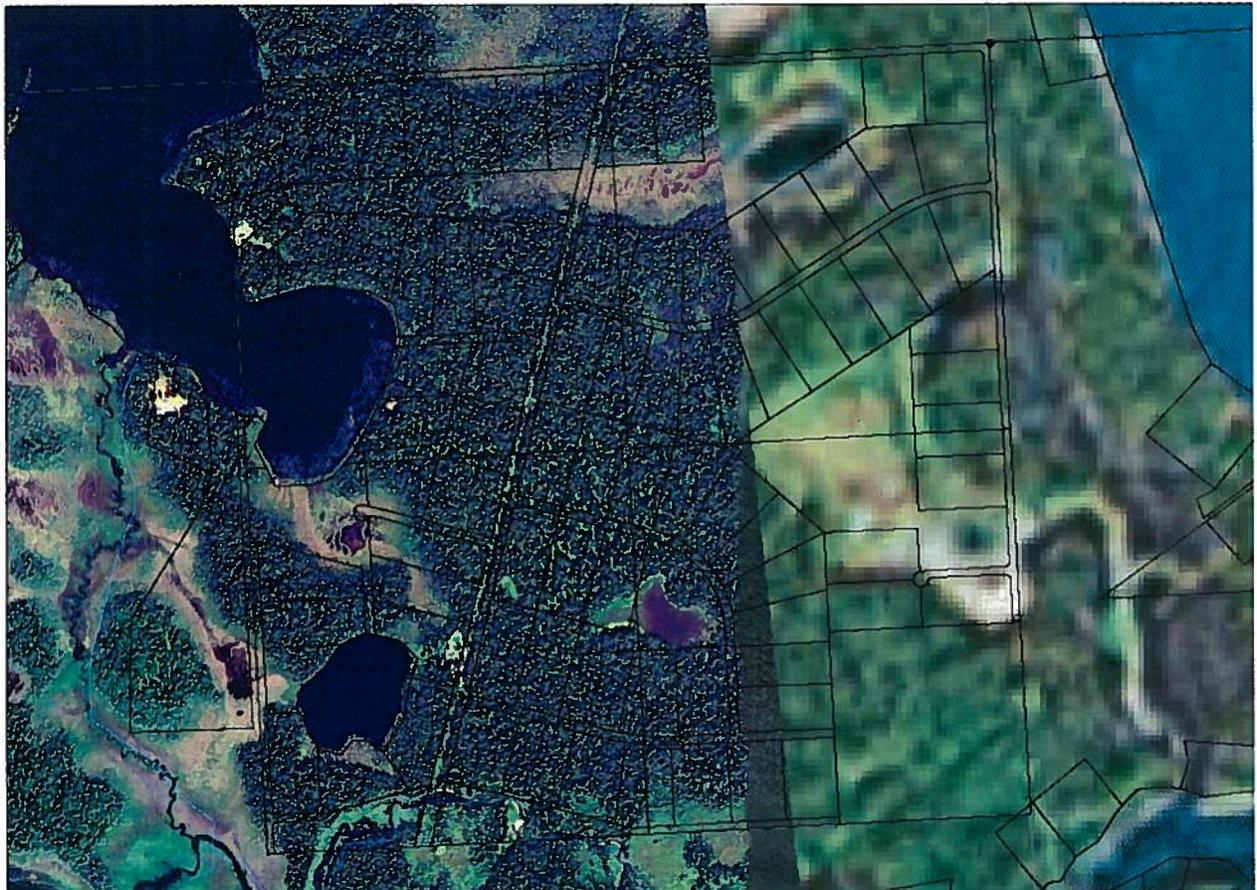
Typical vegetation within the subdivision



Northern portion of Block 1 looking north



Northern portion of Kutna Creek Subdivision



Southern portion of Kutna Creek



L4 B9

L11 B13

Due to the confidentiality of sales information in the State of Alaska, the valuation section of the report is unavailable online. The entire report can be reviewed at the DNR Public Information Center:

In Anchorage

(in the Atwood Building)
550 W. 7th Ave. Suite 1200, Anchorage AK, 99501
Phone (907) 269-8400
Fax (907) 269-8901
TDD for hearing impaired (907) 269-8411
e-mail: dnr.pic@alaska.gov
Business hours 10:00 am to 5:00 pm M-F.

In Fairbanks

(Corner of University & Airport Way)
3700 Airport Way, Fairbanks, AK 99709
Phone (907) 451-2705
Fax (907) 451-2706
TDD for hearing impaired (907) 451-2770
e-mail: fbx-pic@alaska.gov
Business hours 10:00 am to 5:00 pm M-F.

In Juneau

(Southeast Div. of Land)
400 Willoughby Ave., 4th Floor, Juneau AK 99801
Phone (907) 465-3400
Fax (907) 586-2954
e-mail: southeast_land@dnr.state.ak.us
Business hours 10:00 am to 5:00 pm M-F.