

MARKET VALUE APPRAISAL

Nineteen (19) parcels located within the following Mat-Su Borough subdivisions

**Alexander Creek West ASLS 79-209
Friday Creek ASLS 2003-11
Hewitt-Whiskey Lakes ASLS 80-134
High Mountain Lakes ASLS 80-154
Otter Lakes ASLS 79-147**

**Porcupine Butte ASLS 2005-27
Quartz Creek ASLS 2003-42
Skwentna Flats ASLS 80-126
Tallchulitna West ASLS 2006-24
Yentna RRCS ASLS 2003-12**



High Mountain Lakes

APPRAISAL REPORT No. 3574-0

**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. 3574**

1. ADL NO(S): See table below
2. SIZE: Various, as noted in table
3. APPLICANT: N/A
4. LOCATION: Various locations in the Matanuska-Susitna Borough, Alaska
5. LEGAL DESCRIPTION(S): Various surveys and specific tract or 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 7, 2011
10. DATE of VALUE(S): August 2, 2010
11. APPRAISED VALUE(S):

Subdivision	ADL	MTRS	Lot	Bk.	Tr.	ASLS	Acres	Value (rounded)	Date of value
Alexander Creek West	204875	S017N008W15	49	1		79-209	4.39	\$4,200	8-2-2010
Alexander Creek West	204874	S017N008W15	48	1		79-209	4.91	\$4,700	8-2-2010
Friday Creek	229518	S021N014W03			K	2003-11	14.11	\$13,000	8-2-2010
Friday Creek	228405	S021N014W08			B	2003-11	20.00	\$15,400	8-2-2010
Hewitt-Whiskey Lakes	214226	S022N012W3	1,2	9		80-134	10.00	\$9,300	8-2-2010
High Mountain Lakes	210384	S017N013W27	4	6		80-154	4.92	\$6,800	8-2-2010
Otter Lakes	205037	S017N007W7	56			79-147	5.00	\$4,800	8-2-2010
Otter Lakes	205001	S017N007W18	20			79-147	4.96	\$4,700	8-2-2010
Porcupine Butte	229140	S021N016W03			D	2005-27	17.59	\$21,400	8-2-2010
Porcupine Butte	229160	S022N016W34			B	2005-27	19.26	\$13,500	8-2-2010
Porcupine Butte	229245	S021N016W01			G	2005-27	17.54	\$13,400	8-2-2010
Quartz Creek	228745	S020N012W05			M	2003-42	19.77	\$13,800	8-2-2010
Skwentna Flats	211684	S020N010W14	11	5		80-126	4.914	\$5,500	8-2-2010
Skwentna Flats	211687	S020N010W14	3	4		80-126	4.882	\$8,800	8-2-2010
Talachulitna West	229564	S019N012W5			P	2006-24	19.09	\$21,900	8-2-2010
Talachulitna West	230385	S019N012W5			V	2006-24	12.19	\$17,100	8-2-2010
Talachulitna West	229754	S020N012W31			O	2006-24	17.34	\$21,100	8-2-2010
Talachulitna West	229758	S019N012W6			M	2006-24	12.73	\$11,000	8-2-2010
Yentna	228595	S019N007W31			9	2003-12	15.00	\$12,200	8-2-2010

**B. SUMMARY OF REVIEW**

1. DATE of REVIEW: February 10, 2011
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. 3574

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.
- I previously reviewed an appraisal of the parcels in Talachulitna West RRCS and Porcupine Butte RRCS in the past three years.

Reviewed by Kevin Hindmarch
Kevin Hindmarch, Review Appraiser

Date 2/10/11

cc: Rocky Weber
Tony Wagner

MEMORANDUM

State of Alaska

Department of Natural Resources
Tel (907) 269-8539
Fax (907) 269-8914

Division of Mining, Land & Water
550 West 7th Avenue, Suite 650
Anchorage AK 99501-3576

DATE: February 7TH, 2011

TO: Kevin Hindmarch
Review Appraiser

FROM Johnthomas Williamson 
Appraiser I

SUBJECT: Appraisal of nineteen remote parcels within the western portion of the Matanuska – Susitna Borough.

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 subjects and comparable sales used in this report. Physical descriptions of the subject parcels were based on inspections, photography, topographic maps, peer appraisal reports, interviews with realtors, Mat-Su Borough employees 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.

TABLE OF CONTENTS

INTRODUCTION

Title Page	
Letter of Transmittal	ii

PREMISES OF THE APPRAISAL

Appraisal Summary	4
Type of Appraisal and Report	6
Purpose and Use of the Appraisal	6
User and Client Identity	6
Property Rights Appraised	6
Definition of Market Value	6
Effective Date of Value Estimate	6
Exposure Time	7
Property History	7
Scope of the Appraisal	7
Assumptions and Limiting Conditions	8

PRESENTATION OF DATA

Area Analysis	9
Parcel Descriptions	11

DATA ANALYSIS AND CONCLUSION

Approaches to Value	23
Analysis for Alexander Creek Area Parcels	
Highest and Best Use	24
Application of Key Lot Value	28
Analysis for Parcels Without Float Plane Access	
Highest and Best Use	29
Application of Key Lot Value	34
Analysis for Parcels With Float Plane Access	
Highest and Best Use	35
Application of Key Lot Value	40
Certification of Value	41

ADDENDA

Subject Surveys	
Comparable Sale Forms & Surveys	
Appraisal Instructions	
Appraiser Qualifications	

APPRAISAL SUMMARY

Location and Legal Description

Subdivisions are within various locations throughout the Matanuska – Susitna Borough. Specific locations are detailed within the General Subdivision Description section.

Alexander Creek West is located 7 miles west of the confluence of the Yentna and Susitna Rivers within Township 17 North, Range 8 West of the Seward Meridian.

Friday Creek is located 23 miles west of Skwentna within Township 21 North, Range 14 West of the Seward Meridian.

Hewitt-Whiskey Lakes is located 9 miles northwest of Skwentna within Township 22 North, Range 12 West of the Seward Meridian.

High Mountain Lakes is located 7 miles north of Beluga Lake within Township 17 North, Range 13 West of the Seward Meridian.

Otter Lakes is located 5 miles west of the confluence of the Yentna and Susitna Rivers within Township 17 North, Range 7 West of the Seward Meridian.

Porcupine Butte is located 32 miles west of Skwentna within Townships 21 & 22 North, Range 16 West of the Seward Meridian.

Quartz Creek is located 12 miles southwest of Skwentna within Township 20 North, Range 12 West of the Seward Meridian.

Skwentna Flats is located 10 miles south of the Skwentna within Township 20 North, Range 10 West of the Seward Meridian.

Tallchulitna West is located 15 miles southwest of Skwentna within Townships 19 & 20 North, Range 12 West of the Seward Meridian.

Yentna RRCS Subdivision is located 9 miles northwest of the confluence of the Yentna and Susitna Rivers, east of the river within Township 19 North, Range 7 West of the Seward Meridian.

Specific legal descriptions are included within the table on the following page:

SUMMARY OF VALUES

Subdivision	ADL	MTRS	Lot	Bk.	Tr.	ASLS	Acres	Value (rounded)	Date of value
Alexander Creek West	204875	S017N008W15	49	1		79-209	4.39	\$4,200	8-2-2010
Alexander Creek West	204874	S017N008W15	48	1		79-209	4.91	\$4,700	8-2-2010
Friday Creek	229518	S021N014W03			K	2003-11	14.11	\$13,000	8-2-2010
Friday Creek	228405	S021N014W08			B	2003-11	20.00	\$15,400	8-2-2010
Hewitt-Whiskey Lakes	214226	S022N012W3	1,2	9		80-134	10.00	\$9,300	8-2-2010
High Mountain Lakes	210384	S017N013W27	4	6		80-154	4.92	\$6,800	8-2-2010
Otter Lakes	205037	S017N007W7	56			79-147	5.00	\$4,800	8-2-2010
Otter Lakes	205001	S017N007W18	20			79-147	4.96	\$4,700	8-2-2010
Porcupine Butte	229140	S021N016W03			D	2005-27	17.59	\$21,400	8-2-2010
Porcupine Butte	229160	S022N016W34			B	2005-27	19.26	\$13,500	8-2-2010
Porcupine Butte	229245	S021N016W01			G	2005-27	17.54	\$13,400	8-2-2010
Quartz Creek	228745	S020N012W05			M	2003-42	19.77	\$13,800	8-2-2010
Skwentna Flats	211684	S020N010W14	11	5		80-126	4.914	\$5,500	8-2-2010
Skwentna Flats	211687	S020N010W14	3	4		80-126	4.882	\$8,800	8-2-2010
Talachulitna West	229564	S019N012W5			P	2006-24	19.09	\$21,900	8-2-2010
Talachulitna West	230385	S019N012W5			V	2006-24	12.19	\$17,100	8-2-2010
Talachulitna West	229754	S020N012W31			O	2006-24	17.34	\$21,100	8-2-2010
Talachulitna West	229758	S019N012W6			M	2006-24	12.73	\$11,000	8-2-2010
Yentna	228595	S019N007W31			9	2003-12	15.00	\$12,200	8-2-2010

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

August 2nd, 2010.

Date of Report

February 7th, 2011.

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 multiple parcels available around Trapper Creek offered through real estate agents and private owners. Considering the availability of parcels on the market, an exposure time of up to one year is reasonable.

Property History

All of the subjects have been offered through various land disposal programs in the past. Specific case histories are detailed in the Subdivision Description section. The Department of Natural Resources is the current owner of record for all of the subject parcels.

Scope of the Appraisal**Property and Comparable Sales Inspection**

I inspected the subject properties and all of the comparable sales on August 2nd, 2010. Physical features and access were identified by use of 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, surveyors, contractors, 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 market data. 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 assumptions and limiting conditions on the following page.

⁴ Uniform Standards of Professional Appraisal Practice 2010-2011, 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 2009 population was 84,314.

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 42 schools located in the borough, attended by 16,489 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 lies on the south bank of the Skwentna River at its junction with Eight Mile Creek, 70 air miles northwest of Anchorage in the Mat-Su Borough. It lies in the Yentna River valley, within the Anchorage Recording District. There is no road access from the George Parks Highway -- residents are dependent upon air travel and snowmachines. A State-owned 3,400' long by 75' wide gravel airstrip is available.

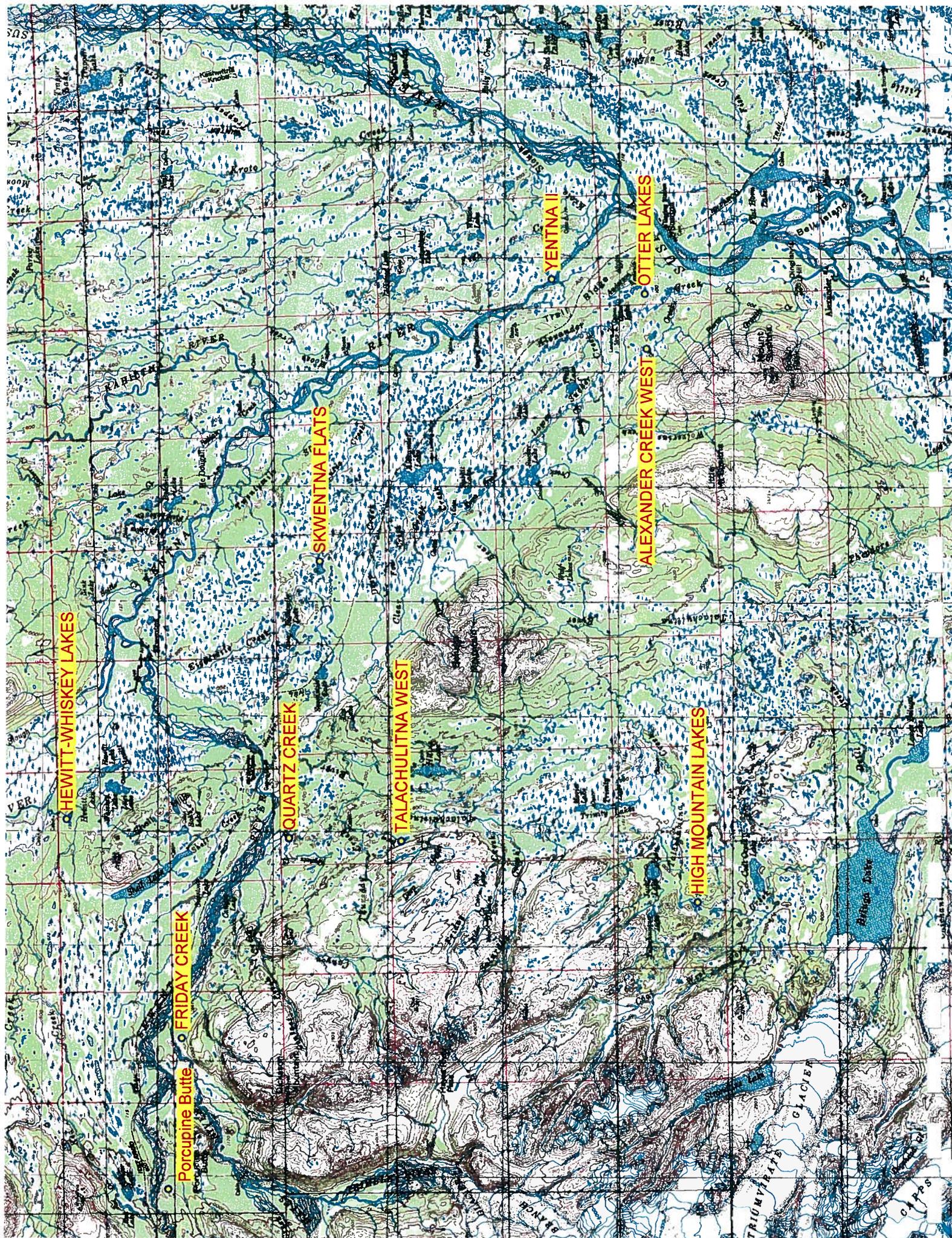
Skwentna residents are scattered over a large area of land. It has a number of seasonal-use homes. A number of homes have individual water wells, but septic tanks are rare, consequently, very few homes are fully plumbed and outhouses are the primary means of sewage disposal. There is no central electric system. Funds have been provided to purchase a community refuse incinerator, however, the community is undecided on a refuse solution. An unpermitted dump site near the airport is currently being used by several families, but most residents burn and bury their own refuse.

Susitna Neighborhood

Susitna is located on the west bank of the Susitna River, at the foot of Mount Susitna. It lies 30 air miles northwest of Anchorage, west of Big Lake, in the Mat-Su Borough, within the Anchorage Recording District.

The community is not accessible by road. The Iditarod Sled Dog trail passes through the community. Charter float planes provide transportation and cargo from Anchorage. The river is often shallow, so air boats and jet-propulsion river boats are necessary for travel. Recreational fishing, guiding and rafting on the Susitna River occur during summer months.

The majority of homes use creek water, but many have individual wells. Outhouses are the primary means of sewage disposal, and only a few homes have septic tanks. Almost 85% of homes have running water in the kitchen, but only a minority have complete plumbing. Over 80% of the 100 houses in Susitna are used only seasonally. Some residents are commercial fishermen; others are retired. There is no central electric system.



HEWITT-WHISKEY LAKES

Porcupine Butte
FRIDAY CREEK

QUARTZ CREEK

SKWENTNA FLATS

TALACHULITNA WEST

YENTNA II

ALEXANDER CREEK WEST

OTTER LAKES

HIGH MOUNTAIN LAKES

TRICORNERATE GLACIER

General Property Description for Alexander Creek West Subdivision ASLS 79-209

Legal Description

The subjects are identified as the following

ADL	Subdivision	MTRS	Lot	Block	ASLS	Acres	Plat	Recording District	MSB Tax ID
204875	Alexander Creek West	S017N008W15	49	1	79-209	4.39	86-133	Anchorage	2051B01L049
204874	Alexander Creek West	S017N008W15	48	1	79-209	4.91	86-133	Anchorage	2051B01L048

Location

Alexander Creek West is located is located approximately 7 miles west of the confluence of the Yentna and Susitna Rivers within Township 17 North, Range 8 West of the Seward Meridian.

Access

Access to the subdivision is via fly-in then overland in the summer or snowmachine during winter. There is a tract reserved within the subdivision for an airstrip; however, the airstrip has not been constructed.

Size, Shape & Topography

The subjects are 4.39 to 4.91 acres. ADL 204874 is irregular while the other two lots are rectangular in shape. The subjects are level with minimal variation in elevation, and approximately 200 feet above sea level.

Soils/Vegetation

Subdivision contains primarily mature birch and spruce mix. A portion of ADL 204889 has poorer soils in the northwestern corner. Soils are typical of the surrounding area.

Utilities, Water & Sewer

The subject does not have utilities. 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 subject is located within an unregulated area of the Mat-Su Borough. There is a 25 foot building setback from all rights-of-way and a 15' utility easement along all interior lot lines.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Tax Assessments⁶

The subject is 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 2010 mill rate for the subdivision was 10.35

Ownership History

ADL 204875 and ADL 204874 were offered through the 2001 DNR Sealed Bid Auction. The parcels did not receive any bids but were sold OTC in 2003. The applicant entered into a purchase contract with DNR. The land sale contracts were then terminated in 2007 due to non-payment.

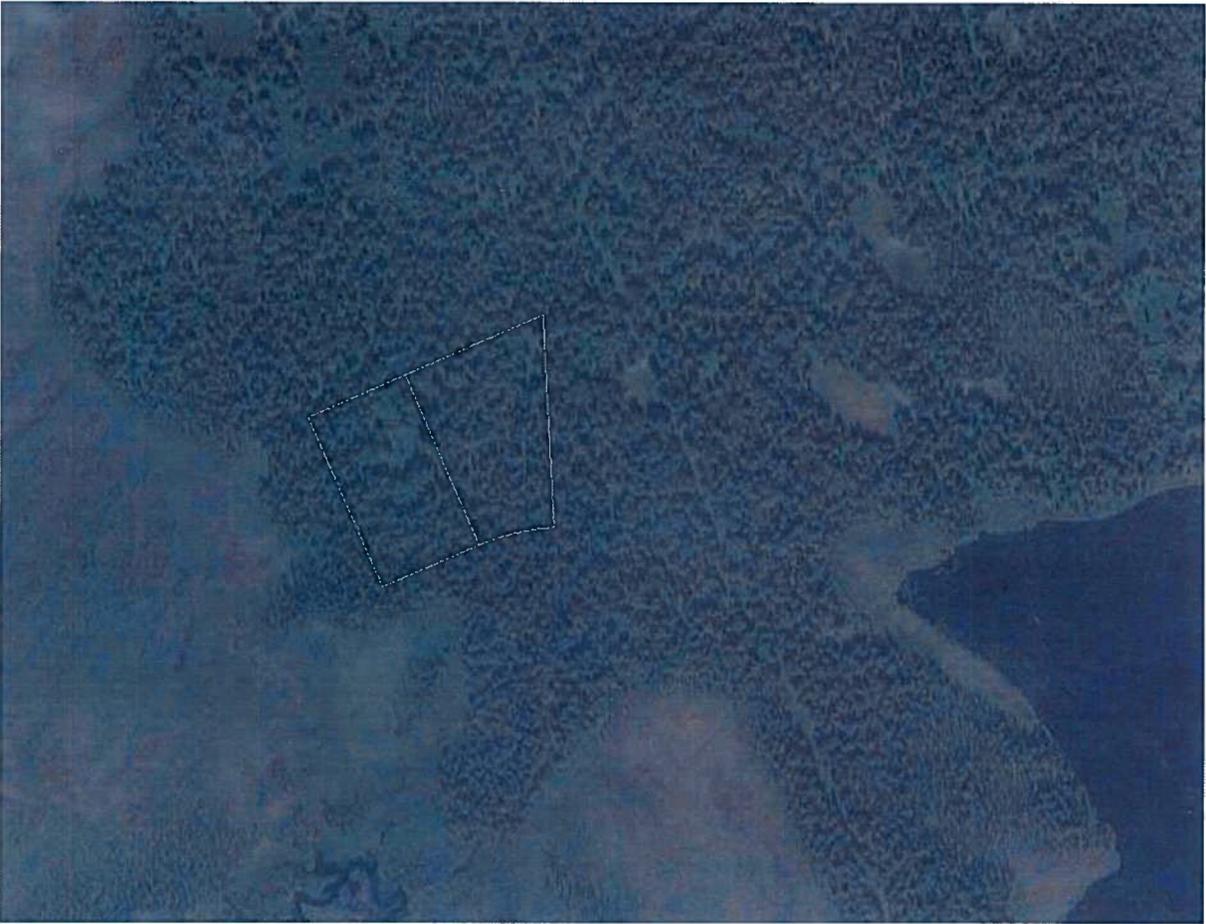
⁶ Tax information for all subject parcels was obtained at <http://www.matsugov.us/realpropertyquery/detail>

ADL 204889 was offered through the 2001 DNR Sealed Bid Auction. The parcel did not receive any bids but sold OTC in 2005. The applicant entered into a purchase contract with DNR. The land sale contract was then terminated in 2009 due to non-payment.

The Department of Natural Resources is the current owner of record of the subjects.

Personal Property

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



Alexander Creek West ADLs 204874 & 204875.



Alexander Creek West ADL 204874 & 204875 .

General Property Description for Friday Creek RRCS ASLS 2003-11

Legal Description

The subjects are identified as the following

ADL	Subdivision	MTRS	Tr.	ASLS	Acres	Plat	Recording District	MSB Tax ID
229518	Friday Creek	S021N014W03	K	2003-11	14.11	2005-87	Anchorage	5725000T00K
228405	Friday Creek	S021N014W08	B	2003-11	20.00	2005-87	Anchorage	5725000T00B

Location

Friday Creek is located is located approximately 23 miles west of Skwentna within Sections 3 & 8 Township 21 North, Range 14 West of the Seward Meridian.

Access

Access to the subdivision is via fly-in then overland in the summer or snowmachine during winter.

Size, Shape & Topography

The subjects are 14.11 to 20.00 acres and irregular in shape. The subjects are level with minimal variation in elevation, and approximately 500 feet above sea level.

Soils/Vegetation

Subdivision contains primarily mature birch and spruce mix. Soils are indicative of adequate drainage.

Utilities, Water & Sewer

The subject does not have utilities. 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 subject is located within an unregulated area of the Mat-Su Borough. There is a 100 foot building setback from the ordinary high water line.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Tax Assessments

The subject is 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 2010 mill rate for the subdivision was 10.35

Ownership History

Both ADL 229518 and ADL 208405 were surveyed through the 2002 DNR Remote Recreational Cabin Site Program. ADL 229518 was leased by an applicant from 2003 to 2008, when the lease was terminated. ADL 208405 was not leased.

The Department of Natural Resources is the current owner of record of the subjects.

Personal Property

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



Friday Creek Tract K ADL 229518 looking west.



Friday Creek ADL Tract K ADL 229518 looking south.



Friday Creek Tract B ADL 228405.



Friday Creek Tract B ADL 228405.

**General Property Description for Hewitt-Whiskey Lakes Add. II Subdivision
ASLS 80-134**

Legal Description

The subject is identified as the following

ADL	Subdivision	MTRS	Lot	Block	ASLS	Acres	Plat	Recording District	MSB Tax ID
214226	Hewitt-Whiskey Lakes Add. II	S022N012W3	1,2	9	80-134	10.00	81-297	Anchorage	2256B09L001-1

Location

Hewitt-Whiskey Lakes Addition II is located is located approximately 9 miles northwest of Skwentna within Section 3, Township 22 North, Range 12 West of the Seward Meridian.

Access

Access to the subdivision is via fly-in or boat then overland in the summer or snowmachine during winter. There is a lake approximately 550 feet from the parcel within Tract H. Note #9 on the survey plat indicates that Tract H is not suitable for fly-in access. However, it is possible to land on the Yentna River to the north, then overland to the parcel.

Size, Shape & Topography

The subject is 10.00 acres and irregular in shape. The subject is level with minimal variation in elevation, and approximately 200 feet above sea level.

Soils/Vegetation

Subdivision contains primarily mature birch and spruce mix. Soils are indicative of adequate drainage.

Utilities, Water & Sewer

The subject does not have utilities. 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 subject is located within an unregulated area of the Mat-Su Borough. There are 10' utility easements along all interior lot lines.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Tax Assessments

The subject is 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 2010 mill rate for the subdivision was 10.35

Ownership History

ADL 214226 was offered through the 2002 DNR Sealed Bid Auction. The parcel did not receive any bids. An applicant attempted to purchase the parcel in 2007, but the application was terminated.

The Department of Natural Resources is the current owner of record of the subject.

Personal Property

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



Hewitt Whiskey Lakes Addition II ADL 214226.



Hewitt-Whiskey Lakes Addition ADL 214226.

General Property Description for High Mountain Lakes Subdivision ASLS 80-154

Legal Description

The subject is identified as the following

ADL	Subdivision	MTRS	Lot	Block	ASLS	Acres	Plat	Recording District	MSB Tax ID
210384	High Mountain Lakes	S017N013W27	4	6	80-154	4.92	81-67	Anchorage	2132B06L004

Location

ADL 210384 is approximately 28 miles west of Mt. Susitna and 3 miles southwest of Judd Lake. The subject lies within Section 27, Township 17 North, Range 13 West of the Seward Meridian.

Access

Access to the subdivision is via fly-in to area lakes then overland in the summer or snowmachine during winter. The subject lies on the southern end of a slough connected to North Lake (local name). At the time of inspection, the pilot's opinion was that North Lake was not float plane accessible. Winter conditions may provide ski plane landings.

Size, Shape & Topography

The subject is 4.92 acres and is irregular in shape. The subject slopes upwards to the southwest and is approximately 1,100 feet above sea level.

Soils/Vegetation

Subdivision contains primarily mature birch and spruce mix. A portion of ADL 210384 has poorer soils in the northwestern corner near waterfront. Soils are typical of the surrounding area.

Utilities, Water & Sewer

The subject does not have utilities. 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 subject is located within an unregulated area of the Mat-Su Borough. There is a 25' building setback from all rights-of-way and a 75' building setback from the ordinary high water mark of North Lake.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Tax Assessments

The subject is 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 2010 mill rate for the subdivision was 10.35

Ownership History

ADL 210384 was offered through the 1995 DNR Sealed Bid Auction. The parcel did not receive any bids but sold OTC in 2007. The contract was not returned to DNR and the application was terminated in 2008.

The Department of Natural Resources is the current owner of record of the subject.

Personal Property

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



High Mountain Lakes ADL 210384 looking east.



High Mountain Lakes ADL 210384 looking west.

General Property Description for Otter Lakes Subdivision ASLS 79-147

Legal Description

The subjects are identified as the following

ADL	Subdivision	MTRS	Lot	ASLS	Acres	Plat	Recording District	MSB Tax ID
205037	Otter Lakes	S017N007W7	56	79-147	5.00	80-131	Anchorage	2046000L56
205001	Otter Lakes	S017N007W18	20	79-147	4.96	80-131	Anchorage	2046000L20

Location

Otter Lakes Subdivision is located 5 miles west of the confluence of the Yentna and Susitna Rivers within Township 17 North, Range 7 West of the Seward Meridian

Access

Access to the subdivision is via fly-in to Yensus or Otter lakes then overland in the summer or snowmachine during winter.

Size, Shape & Topography

The subjects are 4.96 to 5.00 acres and irregular in shape. The subject is level with minimal variation in elevation, and approximately 150 feet above sea level.

Soils/Vegetation

Subdivision contains primarily mature birch and spruce mix. Soils are indicative of adequate drainage.

Utilities, Water & Sewer

The subject does not have utilities. 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

The subjects are located within an unregulated area of the Mat-Su Borough and are not zoned. There is a 10' building setback, a 15' public access, and 15' utility easement along all interior lot lines. Additionally, all sub-surface sewage disposal systems shall be further than 100' from any water body.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Tax Assessments

The subject is 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 2010 mill rate for the subdivision was 10.35

Ownership History

The subjects were surveyed by the Department of Natural Resources in 1979. The Department received an application to purchase ADL 205307 in 2007, yet the application was later relinquished. The Department received an application to purchase ADL .205001 in 2008. The purchaser entered into a sale contract with the State, but later relinquished the purchase per the applicant's request. The Department of Natural Resources is the current owner of record of the subject.

Personal Property

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



Otter Lakes Tract 20 in foreground, Otter Lakes in background, looking east.



Brushed trail near Otter Lakes Tract 56, ADL 205001 parcel gets wetter to the north and east.

General Property Description for Porcupine Butte West RRCS ASLS 2005-27

Legal Description

ADL	Subdivision	MTRS	Tr.	ASLS	Acres	Plat	Recording District	MSB Tax ID
229140	PORCUPINE BUTTE	S021N016W03	D	2005-27	17.59	2008-114	Anchorage	6841000T00D
229160	PORCUPINE BUTTE	S022N016W34	B	2005-27	19.26	2008-114	Anchorage	6841000T00B
229245	PORCUPINE BUTTE	S021N016W01	G	2005-27	17.54	2008-114	Anchorage	6841000T00G

Location

Porcupine Butte West RRCS is located 32 miles west of Skwentna within Townships 21 & 22 North, Range 16 West of the Seward Meridian.

Access

Tract D is set back 122 feet from a float plane accessible lake. Tract B & G are accessible via fly-in to area lakes or river bed gravel bars then overland or snowmachine during winter.

Size, Shape & Topography

The subjects are 17.54 to 19.26 acres and are irregular in shape.

Topography

The subjects are generally rolling with multiple level building sites, and are approximately 1,100 feet above sea level.

Soils/Vegetation

Subdivision contains primarily mature birch and spruce mix. Soils are indicative of adequate drainage.

Utilities, Water & Sewer

The subject does not have utilities. 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

The subjects is located within an unregulated area of the Mat-Su Borough and are not zoned. There is a 100' building setback from the ordinary high water mark of all public and navigable water bodies. Additionally, there is a 30' public access and utility easement along all lot lines.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Tax Assessments

The subject is 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 2010 mill rate for the subdivision was 10.35

Ownership History

Porcupine Butte West RRCS was offered through the DNR Remote Recreational Cabin Site Program in 2005. All three tracts were initially leased by individual applicants. The lease for ADL 229140 was terminated in 2008. The leases for ADL 229160 and ADL 229145 were terminated in 2010. The Department of Natural Resources is the current owner of record of the subject.

Personal Property

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



Porcupine Butte Tract G on all hill looking west.



Porcupine Butte Tract G ADL 229245 on hill looking south.



Porcupine Butte Tract D ADLA 229140 looking northeast.



Porcupine Butte Tract D ADL 229140 looking east.



Porcupine Butte Tract B ADL 229160 looking east.



Porcupine Butte Tract B is on a ridge between a dried up lake and the Skwentna River..

General Property Description for Quartz Creek RRCS ASLS 2003-42

Legal Description

The subject is identified as the following

ADL	Subdivision	MTRS	Tr.	ASLS	Acres	Plat	Recording District	MSB Tax ID
228745	Quartz Creek	S020N012W05	M	2003-42	19.77	2007-127	Anchorage	6734000T00M

Location

Quartz Creek is located 12 miles southwest of Skwentna within Township 20 North, Range 12 West of the Seward Meridian.

Access

Winter access is by snowmachine up the Skwentna River, then Quartz Creek. Summer access is less feasible by flying in to gravel bars along Quartz Creek then overland.

Size, Shape & Topography

The subject is 19.77 acres and is rectangular in shape.

Topography

The subject is rolling with elevation increasing in the southern and western portion of the parcel. Elevation is approximately 500 feet above sea level.

Soils/Vegetation

Subdivision contains primarily mature birch and spruce mix. Soils are indicative of adequate drainage.

Utilities, Water & Sewer

The subject does not have utilities. 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

The subject is located within an unregulated area of the Mat-Su Borough and is not zoned. There is a 30' public access and utility easement around all interior lot lines..

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Tax Assessments

The subject is 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 2010 mill rate for the subdivision was 10.35

Ownership History

Quartz Creek RRCS was offered through the DNR Remote Recreational Cabin Site Program in 2003. The subject was leased to an applicant until the lease was terminated in 2009 due to default. The Department of Natural Resources is the current owner of record of the subject. The Department of Natural Resources is the current owner of record of the subject.

Personal Property

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



Quartz Creek West Tract M, ADL 228745 looking north.



Quartz Creek West Tract M ADL 228745.

General Property Description for Skwentna Flats Subdivision ASLS 80-126

Legal Description

The subjects are identified as the following

ADL	Subdivision	MTRS	Lot	Block	ASLS	Acres	Plat	Recording District	MSB Tax ID
211684	Skwentna Flats	S020N010W14	11	5	80-126	4.914	81-116	Anchorage	2163B05L011
211687	Skwentna Flats	S020N010W14	3	4	80-126	4.882	81-116	Anchorage	2163B04L003

Location

Skwentna Flats is located approximately 10 miles south of the Skwentna within Township 20 North, Range 10 West of the Seward Meridian.

Access

Access to the subdivision is via fly-in to an un-named lake adjacent to the subdivision. ADL 211687 fronts the float-plane accessible lake while ADL 211684 requires overland access. Wintertime access is via snowmachine.

Size, Shape & Topography

The subjects are 4.882 to 4.914 acres and rectangular in shape.

Topography

The subjects are level with minimal variation in elevation and approximately 250' above sea level.

Soils/Vegetation

Subdivision contains primarily mature birch and spruce mix. A portion of ADL 211687 has poorer soils along the northern shoreline. ADL 211684 has poorly drained soils within the southeastern half of the parcel.

Utilities, Water & Sewer

The subject does not have utilities. 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 ADEC.

Easements & Zoning Regulations

The subjects are located within an unregulated area of the Mat-Su Borough and are not zoned. There is a 50' public access easement and 75' building setback along all water bodies. There is a 20' utility easement and 25' building setback along all right of ways. Additionally, there is a 10' utility easement along all common interior lot lines.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Tax Assessments

The subject is 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 2010 mill rate for the subdivision was 10.35

Ownership History

Both parcels were offered through the 2002 DNR Sealed Bid Auction. Neither received any bids. ADL 211684 sold OTC in 2008 while ADL 211687 was purchased OTC in 2006. Both applicants relinquished their applications before entering sale contracts. The Department of Natural Resources is the current owner of record of the subject.

Personal Property

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



Skwentna Flats Lot 3 Block 4, ADL 211687 looking southeast. Lot abuts lake, half of lot is wet.



Skwentna Flats Lot 11, Block 5, ADL 211684 is south of a constructed private airstrip.

General Property Description for Talachulitna West RRCS ASLS 2006-24

Legal Description

The subjects are identified as the following

ADL	Subdivision	MTRS	Tr.	ASLS	Acres	Plat	Recording District	MSB Tax ID
229564	TALACHULITNA WEST	S019N012W5	P	2006-24	19.09	2008-124	Anchorage	6864000T00P
230385	TALACHULITNA WEST	S019N012W5	V	2006-24	12.19	2008-124	Anchorage	6864000T00V
229754	TALACHULITNA WEST	S020N012W31	O	2006-24	17.34	2008-124	Anchorage	6864000T00O
229758	TALACHULITNA WEST	S019N012W6	M	2006-24	12.73	2008-124	Anchorage	6864000T00M

Location

Talachulitna West RRCS is located approximately 15 miles southwest of Skwentna within Townships 19 & 20 North, Range 12 West of the Seward Meridian.

Access

All parcels within Talachulitna West have snowmobile access. Additionally, Tracts P, V, and O are adjacent to smaller floatplane accessible lakes. Tract M is approximately ½ mile from a floatplane lake.

Size, Shape & Topography

The subjects are 12.19 to 19.09 acres and irregular in shape.

Topography

The subjects are rolling and approximately 1,000' above sea level.

Soils/Vegetation

Subdivision contains primarily mature birch and spruce mix. Tract V has some poorly drained soils near the waterfront. Soils are typical of the surrounding area.

Utilities, Water & Sewer

The subject does not have utilities. 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

The subjects are located within an unregulated area of the Mat-Su Borough and are not zoned. There is a 50' public access easement and 100' building setback along all water bodies. There is a 30' public access and utility easement along all interior lot lines. A 50' section line easement is located along the southern lot line of Tract V.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Tax Assessments

The subject is 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 2010 mill rate for the subdivision was 10.35

Ownership History

Talachulitna West RRCS was offered through the DNR Remote Recreational Cabin Site Program in 2006. Tracts M & O were leased to applicants until the leases were terminated in 2006 and 2010 due to default. Tracts P & V were surveyed by the Department to be included in a

Subdivision Auction. The Department of Natural Resources is the current owner of record of the subject.

Personal Property

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



Talachulitna West Tract O, ADL 229754 in foreground.



Talachulitna West Tract M, ADL 229758 on knoll looking east.



Talachulitna West Tract V, ADL 230385 on southern end of lake.



Talachulitna West Tract P, ADL 229564 on lake looking west.

General Property Description for Yentna RRCS ASLS 2003-12

Legal Description

The subject is identified as the following

ADL	Subdivision	MTRS	Tr.	ASLS	Acres	Plat	Recording District	MSB Tax ID
228595	Yentna RRCS	S019N007W31	9	2003-12	15.00	2006-3	Talkeetna	5834000T009

Location

ADL 228595 is located approximately 9 miles northwest of the confluence of the Yentna and Susitna Rivers, east of the river within Township 19 North, Range 7 West of the Seward Meridian

Access

Access to the subdivision is via snowmachine during winter. Summer access is via fly-in or boat then overland. There is a private airstrip near the parcel.

Size, Shape & Topography

The subject is 15.00 acres and irregular in shape.

Topography

The subject is approximately 250' above sea level and gradually slopes upward toward the east.

Soils/Vegetation

Subdivision contains primarily mature birch and spruce mix. Soils are indicative of adequate drainage.

Utilities, Water & Sewer

The subject does not have utilities. 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

The subjects are located within an unregulated area of the Mat-Su Borough and are not zoned. There is a 30' public access and utility easement along all interior lot lines.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Tax Assessments

The subject is 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 2010 mill rate for the subdivision was 13.08

Ownership History

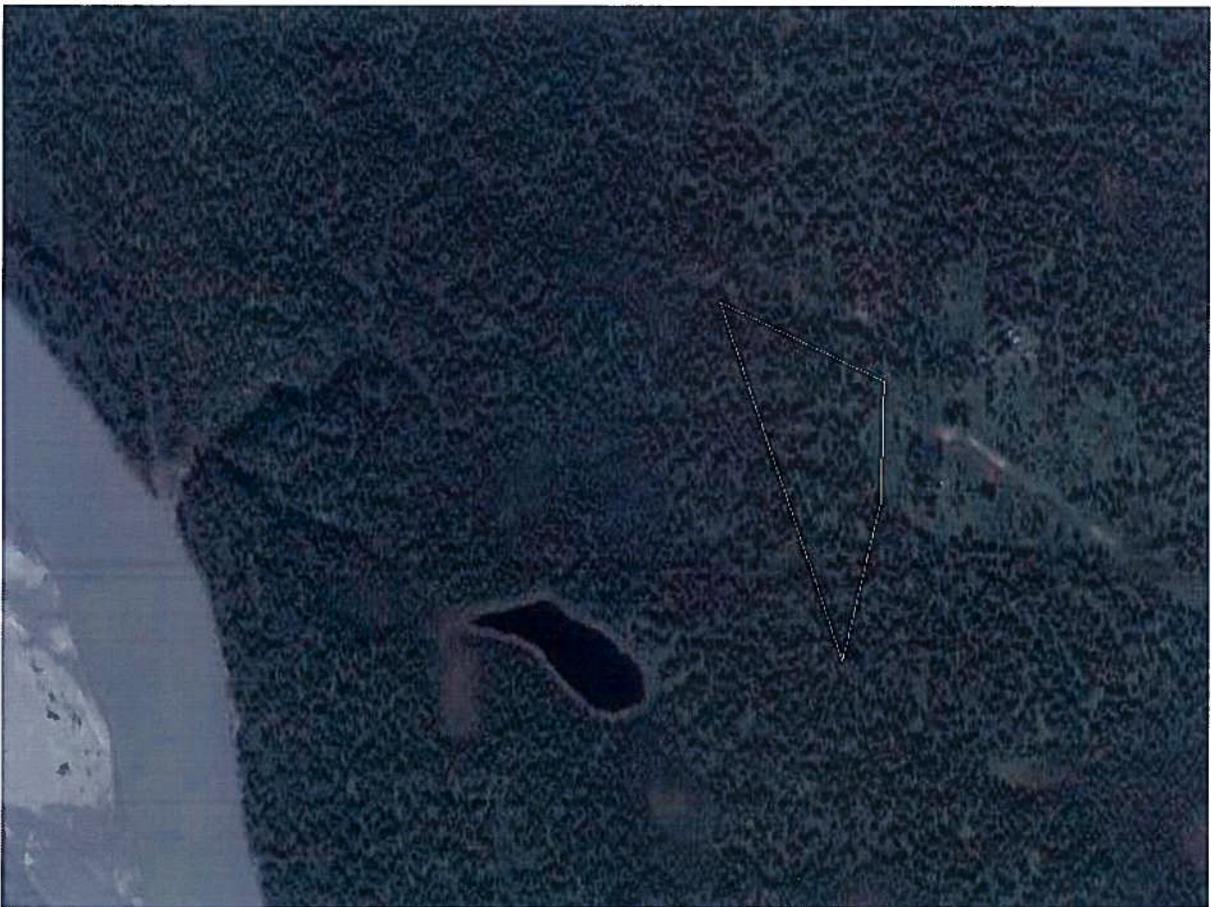
Yentna RRCS was offered through the DNR Remote Recreational Cabin Site Program in 2003. Tracts 9 was leased by private individual until the lease was terminated in 2009. The Department of Natural Resources is the current owner of record of the subject.

Personal Property

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



Yentna Tract 9, ADL 228595 is located between ASLS (looking west).



Yentna Tract 9 is just west of ASLS 87-38.

Valuation Analysis

Three approaches to value are considered to determine the market value estimate.

Income Approach

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

Cost Approach

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

Sales Comparison Approach

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

Key Parcel Method

In appraising more than one similar parcel, it is an accepted practice to appraise a key parcel that is most representative of the other parcels being appraised. The key parcel may be a hypothetical parcel or an actual parcel. The value of the remaining parcels is then based on a comparison to the key parcel. This methodology replicates typical developer thinking, and will be utilized. The same adjustments and procedures are applied to the key parcel value to indicate the market value of a parcel being appraised, except the direction of adjustment is reversed when comparing appraised parcels to the key parcel. Superior features require a positive adjustment compared with the appraised parcel; inferior features require a negative adjustment.

Explanation of Adjustments

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

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

Qualitative adjustments are noted as superior (-), inferior (+), or equal/similar (=). The overall comparability of each sale is analyzed to bracket a probable value for the subject. In many cases, combinations of both quantitative and qualitative adjustments are used.

Data Analysis and Conclusion for

Alexander Creek Area Parcels

Identification of Key lot and Applicable Subjects

Subdivision	ADL	MTRS	Lot	Bk.	Tr.	ASLS	Acres
Otter Lakes (KEY)	205037	S017N007W7	56			79-147	5.00
Alexander Creek West	204875	S017N008W15	49	1		79-209	4.39
Alexander Creek West	204874	S017N008W15	48	1		79-209	4.91
Otter Lakes	205001	S017N007W18	20			79-147	4.96

Key Parcel	ADL 205037, Lot 26 of ASLS 79-147, Otter Lakes Subdivision.
Location	Approximately 7 miles west of the confluence of the Yentna and Susitna Rivers southwest of Yensus Lake, within Section 7, Township 17 North, Range 7 West of the Seward Meridian.
Access	Snowmachine or boat, then overland.
Size & Shape	5.00 acres and rectangular.
Topography	Level, approximately 200 feet above sea level.
Soils & Vegetation	Mature birch and spruce mix. Soil indicative of adequate drainage.
Utilities	None.
Easements & Zoning	No Zoning. Typical subdivision easements.
Environmental Hazards	None observed.
Tax Assessments	2010 mill rate of 10.35. There is no tax burden assessed to the State of Alaska.
Ownership	DNR is the owner of record.
Personal Property	None.
Amenity	None.

Highest and Best Use

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

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.