

MARKET VALUE APPRAISAL

Sixty-seven (67) parcels located within the subdivisions

**Tok Triangle III ASLS 2008-41
Glenn Subdivision ASLS 81-205
Tower Bluffs ASLS 2006-23**



Glenn Subdivision.

APPRAISAL REPORT No. 3575-0

**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. 3575**

1. ADL NO(S): See table below
2. SIZE: Various, as noted in table
3. APPLICANT: N/A
4. LOCATION: Various locations near Tok, 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: December 15, 2010
10. DATE of VALUE(S): August 17, 2010
11. APPRAISED VALUE(S):

Subdivision	ADL	Lot/Tr	Block	ASLS	Acres	Value (rounded)
Tok Triangle Ph. III	419048	1	1	2008-41	10.00	\$12,600
Tok Triangle Ph. III	419049	2	1	2008-41	10.00	\$12,000
Tok Triangle Ph. III	419050	3	1	2008-41	20.01	\$18,900
Tok Triangle Ph. III	419051	4	1	2008-41	30.58	\$25,000
Tok Triangle Ph. III	419052	5	1	2008-41	20.01	\$18,900
Tok Triangle Ph. III	419053	6	1	2008-41	10.01	\$12,000
Tok Triangle Ph. III	419054	A		2008-41	10.01	\$12,700
Tok Triangle Ph. III	419055	B		2008-41	10.01	\$12,700
Tok Triangle Ph. III	419056	1	2	2008-41	10.01	\$12,000
Tok Triangle Ph. III	419057	2	2	2008-41	20.01	\$18,900
Tok Triangle Ph. III	419058	3	2	2008-41	30.58	\$25,000
Tok Triangle Ph. III	419059	4	2	2008-41	20.00	\$18,900
Tok Triangle Ph. III	419060	5	2	2008-41	10.00	\$12,600
Tok Triangle Ph. III	419061	6	2	2008-41	10.00	\$12,000
Tok Triangle Ph. III	419062	1	3	2008-41	10.00	\$12,600
Tok Triangle Ph. III	419063	2	3	2008-41	10.00	\$12,000
Tok Triangle Ph. III	419064	3	3	2008-41	20.01	\$18,900
Tok Triangle Ph. III	419065	4	3	2008-41	30.58	\$25,000
Tok Triangle Ph. III	419066	5	3	2008-41	20.01	\$18,900
Tok Triangle Ph. III	419067	6	3	2008-41	10.01	\$12,000

DEPARTMENT OF NATURAL RESOURCES

STATE OF ALASKA



**APPRAISAL REVIEW
STATEMENT**

Tok Triangle Ph. III	419068	7	3	2008-41	10.01	\$12,700
Tok Triangle Ph. III	419069	1	4	2008-41	10.00	\$12,600
Tok Triangle Ph. III	419070	2	4	2008-41	10.00	\$12,000
Tok Triangle Ph. III	419071	3	4	2008-41	20.00	\$18,900
Tok Triangle Ph. III	419072	4	4	2008-41	30.52	\$24,900
Tok Triangle Ph. III	419073	5	4	2008-41	20.00	\$18,900
Tok Triangle Ph. III	419074	6	4	2008-41	10.00	\$12,600
Tok Triangle Ph. III	419075	7	4	2008-41	10.00	\$12,000
Tok Triangle Ph. III	419076	1	5	2008-41	10.01	\$12,000
Tok Triangle Ph. III	419077	2	5	2008-41	10.01	\$12,000
Tok Triangle Ph. III	419078	3	5	2008-41	18.17	\$17,400
Tok Triangle Ph. III	419079	4	5	2008-41	18.16	\$17,400
Tok Triangle Ph. III	419080	5	5	2008-41	10.01	\$12,000
Tok Triangle Ph. III	419081	6	5	2008-41	10.00	\$12,000
Tok Triangle Ph. III	419082	7	5	2008-41	10.00	\$12,000
Tok Triangle Ph. III	419083	8	5	2008-41	10.01	\$12,000
Tok Triangle Ph. III	419084	9	5	2008-41	18.16	\$17,400
Tok Triangle Ph. III	419085	10	5	2008-41	18.17	\$17,400
Tok Triangle Ph. III	419086	11	5	2008-41	10.00	\$12,000
Tok Triangle Ph. III	419087	12	5	2008-41	10.00	\$12,000
Glenn	418376	1	7	81-205	5.00	\$8,900
Glenn	418377	2	7	81-205	5.00	\$8,000
Glenn	418378	3	7	81-205	5.00	\$8,000
Glenn	418379	4	7	81-205	5.00	\$8,000
Glenn	418380	5	7	81-205	5.00	\$8,000
Glenn	418381	6	7	81-205	5.00	\$8,000
Glenn	418382	7	7	81-205	5.00	\$8,000
Glenn	418383	8	7	81-205	5.00	\$8,000
Glenn	418384	9	7	81-205	5.00	\$8,000
Glenn	418385	10	7	81-205	5.00	\$8,000
Glenn	418386	11	7	81-205	5.00	\$8,000
Glenn	418387	12	7	81-205	5.00	\$8,000
Glenn	418388	13	7	81-205	5.00	\$8,000
Glenn	418389	14	7	81-205	5.00	\$8,000
Glenn	418390	15	7	81-205	5.00	\$8,000
Glenn	418391	16	7	81-205	5.00	\$8,000



Glenn	418392	17	7	81-205	5.00	\$8,000
Glenn	418393	18	7	81-205	5.00	\$8,000
Glenn	418394	19	7	81-205	5.00	\$8,000
Glenn	418395	20	7	81-205	5.00	\$8,000
Glenn	418396	21	7	81-205	4.99	\$8,000
Glenn	418397	22	7	81-205	4.99	\$8,900
Tower Bluffs	417834	3		2006-23	16.80	\$15,100
Tower Bluffs	417833	4		2006-23	15.51	\$14,600
Tower Bluffs	417948	16		2006-23	15.49	\$15,900
Tower Bluffs	417228	17		2006-23	10.58	\$12,400
Tower Bluffs	417835	27		2006-23	20.00	\$17,900

B. SUMMARY OF REVIEW

- DATE of REVIEW: February 10, 2011
- 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: _____
- 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
- 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



H.

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. 3575

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 Tower Bluffs RRCS on 12/11/2009.

Reviewed by Kevin Hindmarch
Kevin Hindmarch, Review Appraiser

Date 2/10/2011

cc: Tim Shilling
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: December 15th, 2010

TO: Kevin Hindmarch
Review Appraiser

FROM Johnthomas Williamson
Appraiser I

SUBJECT: Appraisal of sixty-seven (67) parcels near Tok including; Tok Triangle III, Glenn Subdivision, and Tower Bluffs RRCS.

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 or ground inspections. 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.

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APPRAISAL SUMMARY

Location and Legal Description

Tok Triangle III Subdivision is located approximately 4 miles southwest of Tok within Section 34, Township 18 North, Range 12 East of the Copper River Meridian.

Glenn Subdivision is located approximately 5 miles south of Tok within Section 11, Township 17 North, Range 12 East of the Copper River Meridian.

Tower Bluffs RRCS Subdivision is located approximately 35 miles west of Tok, north of the Robertson River, within Sections 5 and 8, Township 20 North, Range 8 East of the Copper River Meridian.

Specific legal descriptions are included within the table below:

SUMMARY OF VALUES

Subdivision	ADL	Lot/Tr	Block	ASLS	Acres	Value (rounded)
Tok Triangle Ph. III	419048	1	1	2008-41	10.00	\$12,600
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Glenn	418390	15	7	81-205	5.00	\$8,000
Glenn	418391	16	7	81-205	5.00	\$8,000
Glenn	418392	17	7	81-205	5.00	\$8,000
Glenn	418393	18	7	81-205	5.00	\$8,000

Glenn	418394	19	7	81-205	5.00	\$8,000
Glenn	418395	20	7	81-205	5.00	\$8,000
Glenn	418396	21	7	81-205	4.99	\$8,000
Glenn	418397	22	7	81-205	4.99	\$8,900
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Tower Bluffs	417833	4		2006-23	15.51	\$14,600
Tower Bluffs	417948	16		2006-23	15.49	\$15,900
Tower Bluffs	417228	17		2006-23	10.58	\$12,400
Tower Bluffs	417835	27		2006-23	20.00	\$17,900

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 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 17th 2010.

Date of Report

December 15th, 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 multiple parcels available throughout Tok that are offered through various government and private programs. Considering the availability of parcels on the market, a longer exposure time of up to two years is reasonable.

Property History

DNR surveyed Tok Triangle Phase III subdivision in 2008 and Glenn Subdivision in 1981, yet none of the subject parcels within either of these subdivisions have been offered to the public. Parcels within the Tower Bluffs RRCS were part of the Remote Recreational Cabin Site program in 2005. Tract 17 was leased by a private individual; however, it was terminated in 2008 due to non-payment. The remaining subjects within Tower Bluffs were surveyed by DNR to sell in an auction. The Department of Natural Resources is the current owner of record for all of the subjects.

Scope of the Appraisal

Property and Comparable Sales Inspection

I inspected the subject property and all of the comparable sales on August 17th, 2010, via on-site or 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. Private real estate agent websites were searched for recent listings. 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 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 – Tok⁵

Location:

Tok is located 200 miles southeast of Fairbanks and 93 miles west of the Canadian border. It is situated at the intersection of the Alaska Highway and the 'Tok Cutoff' to the Glenn Highway. Tok is the first major community upon entering Alaska from Canada. This community is located within the Fairbanks Recording district. The average low temperature in January is -32°F; with an average high temperature of 72°F in July. Annual precipitation is 11 inches with 33 inches of snow.

History & Culture:

It is uncertain how Tok got its name. However, the nearby "Tokai River" was first reported in 1887 by Lt. Allen. "Tok River" was recorded in 1901 by the USGS. Tok began in 1942 as an Alaska Road Commission camp. So much money was spent in the camp's construction and maintenance that it earned the name "Million Dollar Camp" by those working on the highway. In 1944 a branch of the Northern Commercial Company was opened, and in 1946 Tok was established as a Presidential Townsite. With the completion of the Alcan Highway in 1946, a post office and a roadhouse were built. In 1947 the first school was opened, and in 1958 a larger school was built to accommodate the many newcomers. The U.S. Customs Office was located in Tok between 1947 and 1971, when it was moved to Alcan at the border. Between 1954 and 1979, a U.S. Army fuel pipeline operated from Haines to Fairbanks, with a pump station in Tok. The pump station's facilities were purchased as area headquarters for the Bureau of Land Management. The U.S. Coast Guard constructed a LORAN (Long Range Aid to Navigation) station in 1976. Four 700' towers, located 6 miles east of Tok junction, transmit radio navigation signals for air and marine traffic in the Gulf of Alaska. In July of 1990, Tok faced extinction when a lightning-caused forest fire jumped two rivers and the Alaska Highway, putting both residents and buildings in peril. The town was evacuated and even the efforts of over a thousand firefighters could not stop the fire. At the last minute a "miracle wind" (so labeled by Tok's residents) came up, diverting the fire just short of the first building. The fire continued to burn the remainder of the summer, eventually burning more than 100,000 acres. Evidence of the burn can be seen on both sides of the highway just east of Tok.

Demographics :

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

Facilities:

There is no central water and sewer in Tok, because businesses and residences are spread out over a wide area. Most homes use individual septic tanks and individual wells at 50- to 125-foot depths. The schools operate individual systems. Most homes are heated with fuel oil or wood-burning stoves, and many residents use propane for cooking, water heating, and clothes drying. A private firm provides household refuse collection and disposal at the landfill, located at mile 120.5 Tok Cutoff. Alaska Power & Telephone Co., based in Port Townsend, WA, owns and operates a diesel power system in Tok that provides electricity to area communities. Electricity is provided by Alaska Power Company. There are 2 schools located in the community, attended by 275 students. Local hospitals or health clinics include Tok Community Clinic; Tok Public Health Center. The clinic is a qualified Emergency Care Center. Specialized Care. Auxiliary health care is provided by Chicken EMS, and Tok Area Emergency Medical Services.

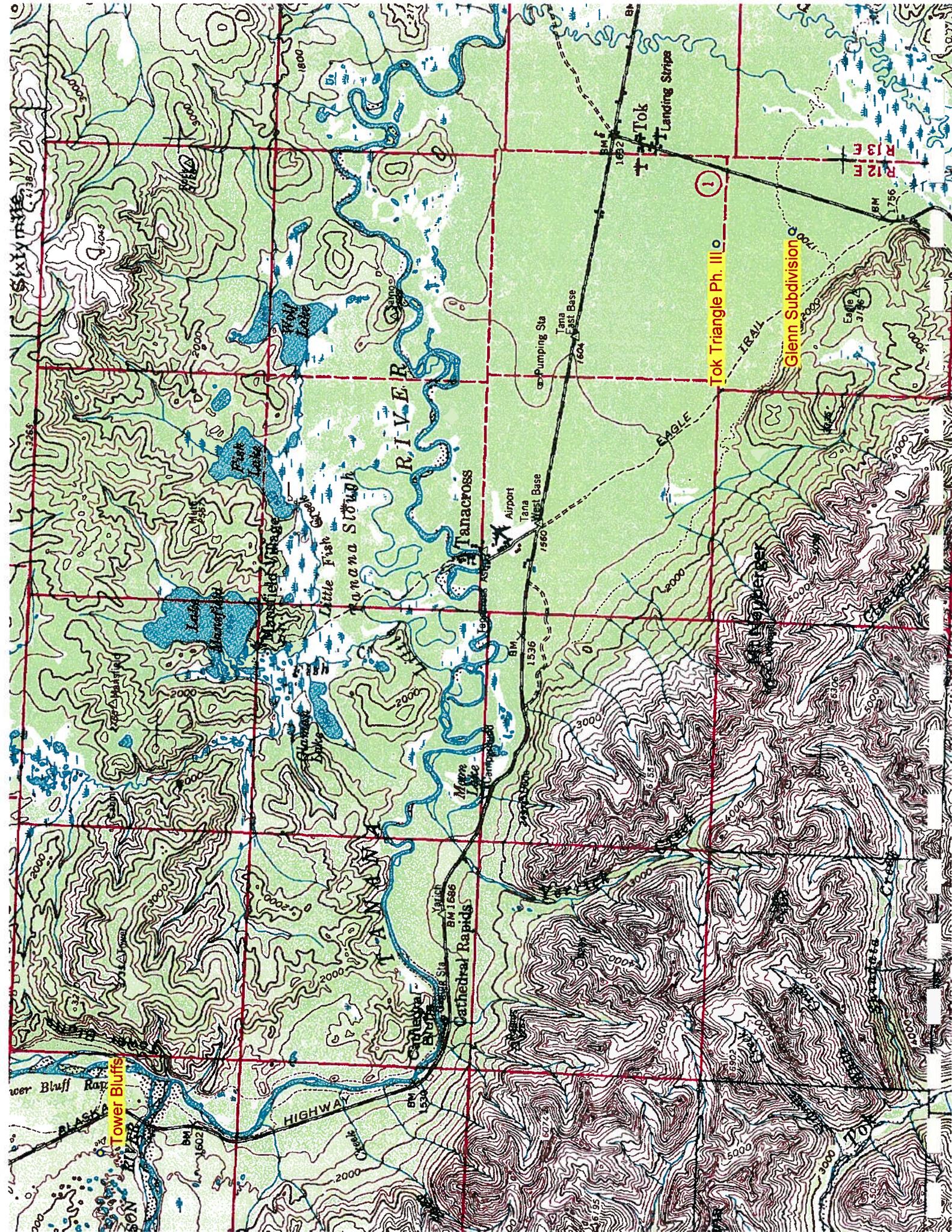
⁵ All information regarding Market Area information derived from <http://www.commerce.state.ak.us/dca/commdb/CIS.cfm>

Economy:

Tok is the transportation, business, service, and government center for the Upper Tanana region. Employment and business revenues peak in the summer months, with the rush of RV travelers on the Alaska Highway. In 2009, two residents held commercial fishing permits. Subsistence and recreational activities are prevalent. Moose, bear, rabbit, grouse, and ptarmigan are taken. Dahl sheep and caribou are hunted outside of the region but only through lottery permits. Salmon are obtained from the Copper River to the south. Berry-picking and gardening are also popular activities.

Transportation:

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



Tower Bluffs
Glenn Subdivision

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General Property Description for Tok Triangle Phase III Subdivision ASLS 2008-41

Legal Description

The subject parcels are identified as follows:

ADL	Subdivision	MTRS	Lot	Block	ASLS	Acres	Plat	Recording District
419048	Tok Triangle Ph. III	C018N12E34	1	1	2008-41	10.00	2010-59	Fairbanks
419049	Tok Triangle Ph. III	C018N12E34	2	1	2008-41	10.00	2010-59	Fairbanks
419050	Tok Triangle Ph. III	C018N12E34	3	1	2008-41	20.01	2010-59	Fairbanks
419051	Tok Triangle Ph. III	C018N12E34	4	1	2008-41	30.58	2010-59	Fairbanks
419052	Tok Triangle Ph. III	C018N12E34	5	1	2008-41	20.01	2010-59	Fairbanks
419053	Tok Triangle Ph. III	C018N12E34	6	1	2008-41	10.01	2010-59	Fairbanks
419054	Tok Triangle Ph. III	C018N12E34	A		2008-41	10.01	2010-59	Fairbanks
419055	Tok Triangle Ph. III	C018N12E34	B		2008-41	10.01	2010-59	Fairbanks
419056	Tok Triangle Ph. III	C018N12E34	1	2	2008-41	10.01	2010-59	Fairbanks
419057	Tok Triangle Ph. III	C018N12E34	2	2	2008-41	20.01	2010-59	Fairbanks
419058	Tok Triangle Ph. III	C018N12E34	3	2	2008-41	30.58	2010-59	Fairbanks
419059	Tok Triangle Ph. III	C018N12E34	4	2	2008-41	20.00	2010-59	Fairbanks
419060	Tok Triangle Ph. III	C018N12E34	5	2	2008-41	10.00	2010-59	Fairbanks
419061	Tok Triangle Ph. III	C018N12E34	6	2	2008-41	10.00	2010-59	Fairbanks
419062	Tok Triangle Ph. III	C018N12E34	1	3	2008-41	10.00	2010-59	Fairbanks
419063	Tok Triangle Ph. III	C018N12E34	2	3	2008-41	10.00	2010-59	Fairbanks
419064	Tok Triangle Ph. III	C018N12E34	3	3	2008-41	20.01	2010-59	Fairbanks
419065	Tok Triangle Ph. III	C018N12E34	4	3	2008-41	30.58	2010-59	Fairbanks
419066	Tok Triangle Ph. III	C018N12E34	5	3	2008-41	20.01	2010-59	Fairbanks
419067	Tok Triangle Ph. III	C018N12E34	6	3	2008-41	10.01	2010-59	Fairbanks
419068	Tok Triangle Ph. III	C018N12E34	7	3	2008-41	10.01	2010-59	Fairbanks
419069	Tok Triangle Ph. III	C018N12E34	1	4	2008-41	10.00	2010-59	Fairbanks
419070	Tok Triangle Ph. III	C018N12E34	2	4	2008-41	10.00	2010-59	Fairbanks

419071	Tok Triangle Ph. III	C018N12E34	3	4	2008-41	20.00	2010-59	Fairbanks
419072	Tok Triangle Ph. III	C018N12E34	4	4	2008-41	30.52	2010-59	Fairbanks
419073	Tok Triangle Ph. III	C018N12E34	5	4	2008-41	20.00	2010-59	Fairbanks
419074	Tok Triangle Ph. III	C018N12E34	6	4	2008-41	10.00	2010-59	Fairbanks
419075	Tok Triangle Ph. III	C018N12E34	7	4	2008-41	10.00	2010-59	Fairbanks
419076	Tok Triangle Ph. III	C018N12E34	1	5	2008-41	10.01	2010-59	Fairbanks
419077	Tok Triangle Ph. III	C018N12E34	2	5	2008-41	10.01	2010-59	Fairbanks
419078	Tok Triangle Ph. III	C018N12E34	3	5	2008-41	18.17	2010-59	Fairbanks
419079	Tok Triangle Ph. III	C018N12E34	4	5	2008-41	18.16	2010-59	Fairbanks
419080	Tok Triangle Ph. III	C018N12E34	5	5	2008-41	10.01	2010-59	Fairbanks
419081	Tok Triangle Ph. III	C018N12E34	6	5	2008-41	10.00	2010-59	Fairbanks
419082	Tok Triangle Ph. III	C018N12E34	7	5	2008-41	10.00	2010-59	Fairbanks
419083	Tok Triangle Ph. III	C018N12E34	8	5	2008-41	10.01	2010-59	Fairbanks
419084	Tok Triangle Ph. III	C018N12E34	9	5	2008-41	18.16	2010-59	Fairbanks
419085	Tok Triangle Ph. III	C018N12E34	10	5	2008-41	18.17	2010-59	Fairbanks
419086	Tok Triangle Ph. III	C018N12E34	11	5	2008-41	10.00	2010-59	Fairbanks
419087	Tok Triangle Ph. III	C018N12E34	12	5	2008-41	10.00	2010-59	Fairbanks

Location

Tok Triangle Phase III is located three to four miles southwest of Tok and roughly 1.5 to 2.5 miles west of the Glenn Highway (Tok Cutoff).

Access

Access to the subdivision is via ATV or on foot during the summer; snowmachine during winter. Constructed gravel access is roughly one mile east of the subdivision. There are ATV trails and brushed rights-of-way throughout the subdivision.

Size & Shape

Subjects range from 10 acres to 30.58 acres and are rectangular or irregular in shape.

Topography

The subjects are level with minimal variation in elevation and approximately 1700 feet above sea level.

Soils/Vegetation

Subdivision contains primarily mature birch and spruce mix with vegetation indicative of adequate drainage.

Utilities, Water & Sewer

The subjects do not have any 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 subjects are located within an unregulated area of the Unorganized Borough. There are 30' public utility easements adjacent to all right-of-ways and a 100' building setback along the eastern edge of the subdivision. None of the subjects are within the 50' section line easement.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Tax Assessments

The subjects are located within the Unorganized Borough and not subject to property tax at this time.

Ownership History

The Department of Natural Resources is the current owner of record for all of the subject parcels. None of the subjects have been sold or leased within the past three years.

Personal Property

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



Elizabeth Lane looking north, Lot 2 Block 3 on left, Lot 6 Block 2 on right.



Access to the subdivision, 1.5 miles east of Subjects.



Looking west, Lot 5 Block 2.



Lot 3 Block 4 on left



Looking north from the Southeast section corner of the subdivision along Scoby Way.



Laura Loop brushed out ATV trail.



Looking north along Elizabeth Lane, Lot 1 Block 3 on left, Lot 5 block 2 on right.



Looking west at Southeast section corner along Warbelow Ave. Lot 3 Block 2 on right



Looking south on Stephanie St. Block 4 on right, Block 1 on left



Looking west along Warbelow.



Lot 6 Block 5



Looking north along Scoby Way, Block 2 on left.

General Property Description for Glenn Subdivision ASLS 81-205

Legal Description

The subject parcels are identified as follows:

ADL	Subdivision	MTRS	Lot	Block	ASLS	Acres	Plat	Recording District
418376	Glenn	C017N12E11	1	7	81-205	5.00	83-26	Fairbanks
418377	Glenn	C017N12E11	2	7	81-205	5.00	83-26	Fairbanks
418378	Glenn	C017N12E11	3	7	81-205	5.00	83-26	Fairbanks
418379	Glenn	C017N12E11	4	7	81-205	5.00	83-26	Fairbanks
418380	Glenn	C017N12E11	5	7	81-205	5.00	83-26	Fairbanks
418381	Glenn	C017N12E11	6	7	81-205	5.00	83-26	Fairbanks
418382	Glenn	C017N12E11	7	7	81-205	5.00	83-26	Fairbanks
418383	Glenn	C017N12E11	8	7	81-205	5.00	83-26	Fairbanks
418384	Glenn	C017N12E11	9	7	81-205	5.00	83-26	Fairbanks
418385	Glenn	C017N12E11	10	7	81-205	5.00	83-26	Fairbanks
418386	Glenn	C017N12E11	11	7	81-205	5.00	83-26	Fairbanks
418387	Glenn	C017N12E11	12	7	81-205	5.00	83-26	Fairbanks
418388	Glenn	C017N12E11	13	7	81-205	5.00	83-26	Fairbanks
418389	Glenn	C017N12E11	14	7	81-205	5.00	83-26	Fairbanks
418390	Glenn	C017N12E11	15	7	81-205	5.00	83-26	Fairbanks
418391	Glenn	C017N12E11	16	7	81-205	5.00	83-26	Fairbanks
418392	Glenn	C017N12E11	17	7	81-205	5.00	83-26	Fairbanks
418393	Glenn	C017N12E11	18	7	81-205	5.00	83-26	Fairbanks
418394	Glenn	C017N12E11	19	7	81-205	5.00	83-26	Fairbanks
418395	Glenn	C017N12E11	20	7	81-205	5.00	83-26	Fairbanks
418396	Glenn	C017N12E11	21	7	81-205	4.99	83-26	Fairbanks
418397	Glenn	C017N12E11	22	7	81-205	4.99	83-26	Fairbanks

Location

Glenn Subdivision is located approximately four to five miles southwest of Tok and roughly one mile west of the Glenn Highway.

Access

Access to the subdivision is via constructed gravel road along Butch Kuth Avenue then on foot, ATV, or snow machine to subject parcels. There are ATV trails and brushed right-of-ways throughout the subdivision.

Size & Shape

Subjects range from 4.99 acres to 5.00 acres and are rectangular or irregular in shape.

Topography

The subjects are level with minimal variation in elevation and approximately 1700 feet above sea level.

Soils/Vegetation

Subdivision contains primarily mature birch and spruce mix with vegetation indicative of adequate drainage.

Utilities, Water & Sewer

The subjects do not have any utilities. Electricity is located along Butch Kuth Avenue approximately 1,500 feet east of Lot 22, Block 7. 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 Unorganized Borough. The survey plat note indicates a 10' utility easement located adjacent to all rights-of-way, and screening easements will remain in their natural state.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Tax Assessments

The subjects are located within the Unorganized Borough and not subject to property tax at this time.

Ownership History

The Department of Natural Resources is the current owner of record for all of the subject parcels. None have sold within the past three years.

Personal Property

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



Looking southeast along Wontorski Ave., subjects on right



Looking north along Yukon Ben St., Lot 4 Block 7 on right.



Lot 1 Block 7 on right, looking north from section corner



Lot 7 Block 7 on right, looking north along Yukon Ben Street.



Looking north along Druckemiller Rd. Subjects on left.



Lots 1 and 22 in Block 7 have gravel road access.



Lot 8 Block 7 on right looking north along Yukon Ben St.



Looking east on Wontorski, Lot 11 Block 7 on right.

General Property Description for Tower Bluffs RRCS ASLS 2006-23

Legal Description

The subject parcels are identified as the following

ADL	Subdivision	MTRS	Tr.	ASLS	Acres	Plat	Recording District
417834	Tower Bluffs	C020N008E05	3	2006-23	16.80	2009-109	Fairbanks
417833	Tower Bluffs	C020N008E05	4	2006-23	15.51	2009-109	Fairbanks
417948	Tower Bluffs	C020N008E08	16	2006-23	15.49	2009-109	Fairbanks
417228	Tower Bluffs	C020N008E08	17	2006-23	10.58	2009-109	Fairbanks
417835	Tower Bluffs	C020N008E08	27	2006-23	20.00	2009-109	Fairbanks

Location

Tower Bluffs is located approximately 35 miles west of Tok, north of the Robertson River, and within Sections 5 and 8, Township 20 North, Range 8 East of the Copper River Meridian.

Access

Access to the subdivision is via constructed dirt road from the Alaska Highway then on foot, ATV, or snow machine to subject lots. There are ATV trails and brushed lot lines throughout the subdivision; however, Tract 27 is the only subject with a constructed trail directly accessing the parcel.

Size & Shape

The subjects range in size from 10.58 acres to 20.00 acres and are irregular in shape.

Topography

The subjects are generally level with minimal variation in elevation and approximately 1,800 to 2,000 feet above sea level.

Soils/Vegetation

Subdivision contains primarily mature birch and spruce mix with vegetation indicative of adequate drainage.

Utilities, Water & Sewer

None of the subjects 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 subjects are located within an unregulated area of the Unorganized Borough. There are 30' public utility easements adjacent to all rights-of-way, and a 100' building setback is along the eastern edge of the subdivision. No lot is within the 50' section line easement.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Tax Assessments

The subjects are located within the Unorganized Borough and not subject to property tax at this time.

Ownership History

Parcels within the Tower Bluffs RRCS were part of the Remote Recreational Cabin Site program in 2005. Tract 17 was leased by a private individual; however, it was terminated in 2008 due to non-payment. The remaining subjects within Tower Bluffs were surveyed by DNR to sell in an auction. The Department of Natural Resources is the current owner of record for all of the subjects.

Personal Property

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



Access from Alaska Highway leading into Tower Bluff Subdivision and ATV trail



Aerial view of Tract 3 looking south.



Aerial view of Tract 4 looking southwest



Aerial view of Tract 17



Tract 16 with pond frontage



Tract 17 with pond frontage

DATA ANALYSIS AND CONCLUSION

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.

**Glenn Subdivision
Key Lot ADL 418394 - Lot 19, Block 7 of ASLS 81-205**

Data Analysis and Value Conclusion

Location	Subject is located 5 miles southwest of Tok, 1 miles west of the Glenn Highway, north of Butch Kuth Avenue, on Druckmiller Road.
Access	Established trail. On foot or ATV during summer or snowmachine in winter.
Size & Shape	5.00 acres and irregularly shaped.
Topography	Level, approximately 1,700 feet above sea level.
Soils & Vegetation	Mature birch and spruce mix with vegetation indicative of adequately drained soils.
Utilities	None.
Easements & Zoning	No Zoning. Typical subdivision easements.
Environmental Hazards	None observed.
Tax Assessments	The subject is within the Unorgainized Borough, so no tax burden applies.
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 property is necessary to accurately estimate the value of the land. Highest and best use analysis ensures that the value estimate is derived with the use in mind that maximizes the utility for a given property. The appropriate highest and best use for a given property is determined by the conditions of the market. Highest and best use can be defined as:

“The reasonably probable and legal use of vacant land or an improved property, that is physically possible, legally permissible, appropriately supported, financially feasible, and that results in the highest value.”⁶

The land to be valued is considered vacant and thus valued with the highest and best potential use for the property. Value for improvements (when present on the site) is then based on their contribution to this use. The appraised parcels are vacant and unimproved.

Legally Permissible

The parcel is not subject to any known zoning requirements that would be restrictive to potential development. Development of well and septic systems must comply with the requirements of the Department of Environmental Conservation. Almost any legal use of the site would be possible.

⁶ The Appraisal of Real Estate, Thirteenth Edition, Appraisal Institute, 2008, p.277-278

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:

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