

**MARKET VALUE APPRAISAL**

**of Eight (8)**

**Staked Parcels within ASLS 2013-19**

**Zitziana Remote Recreational Cabin Staking Area**



Becky Lake looking west

**APPRAISAL REPORT No. 3590-1**

**STATE OF ALASKA  
Department of Natural Resources  
Division of Mining, Land & Water  
550 West Seventh Avenue Suite 602  
Anchorage, AK 99501-3576**

# MEMORANDUM

# State of Alaska

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**Department of Natural Resources**  
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**Division of Mining, Land and Water**  
550 West 7<sup>th</sup> Avenue, Suite 602  
Anchorage AK 99501-3576

DATE: 12-4-2015

TO: Kevin Hindmarch  
Review Appraiser

FROM: Johnthomas Williamson   
Appraiser

SUBJECT: Appraisal of staked and administrative parcels within the Zitziana River Remote Recreational Cabin Site Staking Area.

As requested, I have completed an appraisal of eight parcels within the Zitziana River Remote Recreational Cabin Site Staking Area, along Becky Lake. I understand that this appraisal will be used to determine the purchase price for staked parcels acquired under the Remote Recreational Cabin Site Staking program, and the minimum bid for administrative parcels sold through the Subdivision Auction program. 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 Remote Recreational Cabin Site Disposal. This is a summary report based on Appraisal No. 3590-0, as well as the facts, analyses, and reasoning leading to the opinions of value contained within this report.

I have conducted on-site or aerial inspections of all the subjects. Physical descriptions are based on site inspections, aerial photography, topographic maps, previously completed appraisal reports, and interviews with various individuals familiar with the area. Based on my observations and analyses of all available data, I have formed an opinion of the market values as of the effective date of value.

The values developed in this report are based on a previous appraisal approved by the Division on January 27<sup>th</sup>, 2012; see Appraisal Report #3590-0. The facts and conclusions established in Report #3590-0 have not been replicated by the appraiser and will be relied upon to be true and correct. This reliance constitutes an extraordinary assumption. The final results are deemed credible given the fact that the original appraisal was reviewed and approved by the department.

**Hypothetical Condition**

The survey of each parcel was not completed as of the date of value. It is a hypothetical condition of the report that the survey is representative of the parcel on that date. This condition is conducive to credible value estimates since the lot lines should encompass the area staked by the purchaser.

**Legal Descriptions**

Please see chart below for legal description of subjects. All subjects are recorded on Plat 2015-1 within the Manley Recording District.

ADL	Applicant	ASLS	Tract	Size (ac)	MTR	Section
419836	Thomas Myles	2013-19	A	15.42	T6S R18W FM	16
420091	Administrative Parcel	2013-19	B	8.46	T6S R18W FM	16
420092	Administrative Parcel	2013-19	C	11.61	T6S R18W FM	16
420093	Administrative Parcel	2013-19	D	7.55	T6S R18W FM	9
420094	Administrative Parcel	2013-19	E	9.08	T6S R18W FM	9
420095	Administrative Parcel	2013-19	F	10.13	T6S R18W FM	9
420096	Administrative Parcel	2013-19	G	8.87	T6S R18W FM	9
420097	Administrative Parcel	2013-19	H	7.54	T6S R18W FM	16

**Appraisal 3590-1**  
**Zitziana River Remote Recreational Cabin Staking Area**

**Purpose of the Appraisal**

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

**Client and Intended Users**

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

**Intended Use of Appraisal**

The appraisal will be used by DNR to determine the sale prices for parcels acquired through the Remote Recreational Cabin Site program under AS 38.05.600, and to establish the minimum bid for parcels sold through the Subdivision Auction program under AS 38.05.035.

**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." <sup>1</sup>

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." <sup>2</sup>

**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." <sup>3</sup>

**Physical and Economic Property Characteristics**

Referenced original appraisal and incorporated herein; Appraisal Report No. 3590-0 Zitziana River RRCS Base Report.

**Extraordinary Assumption**

DNR appraisers assume the following:

- Section line easements exist along protracted section lines.
- The data used to locate protracted and surveyed section lines is reliable, and each section line exists as shown on drawings available to the appraiser.

It is possible that after a survey has been completed, the actual easement area could have a different impact (positive or negative) than originally thought. The appraiser reserves the right to amend the appraisal should a clear and concise clarification of legal issues be rendered by the Department of Law or if the location of the easement differs from the location as depicted in the appraisal.

<sup>1</sup> The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010, p.78

<sup>2</sup> Alaska Statutes Title 38, Public Land Article 5, 38.05.840. State of Alaska, 2014.

<sup>3</sup> The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010, p.122



Becky Lake looking north



Tracts D through H on far side of lake, looking northwest



Tract A in foreground looking west



Northern portion of Tract A and ASLS 84-34 (private)



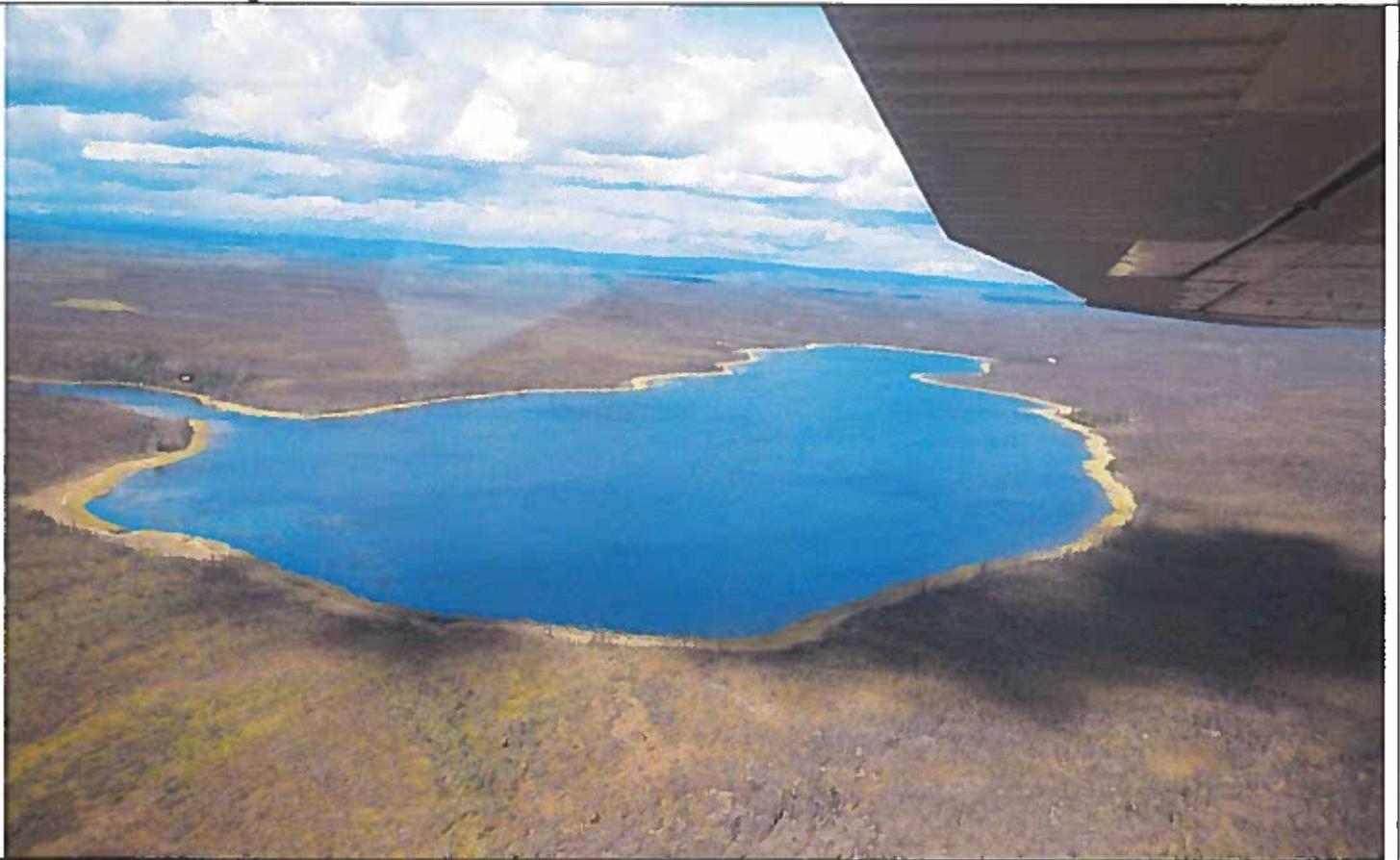
Northern portion of Beck Lake. ASLS 84-34 on left, Tracts D & E on right



Northern shore of Beck Lake, Tracts F & G



Tract H on left, looking west

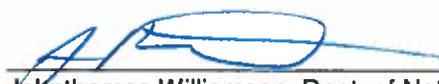


Becky Lake, float plane access and trail to Wien Lake.

## CERTIFICATION OF VALUE

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

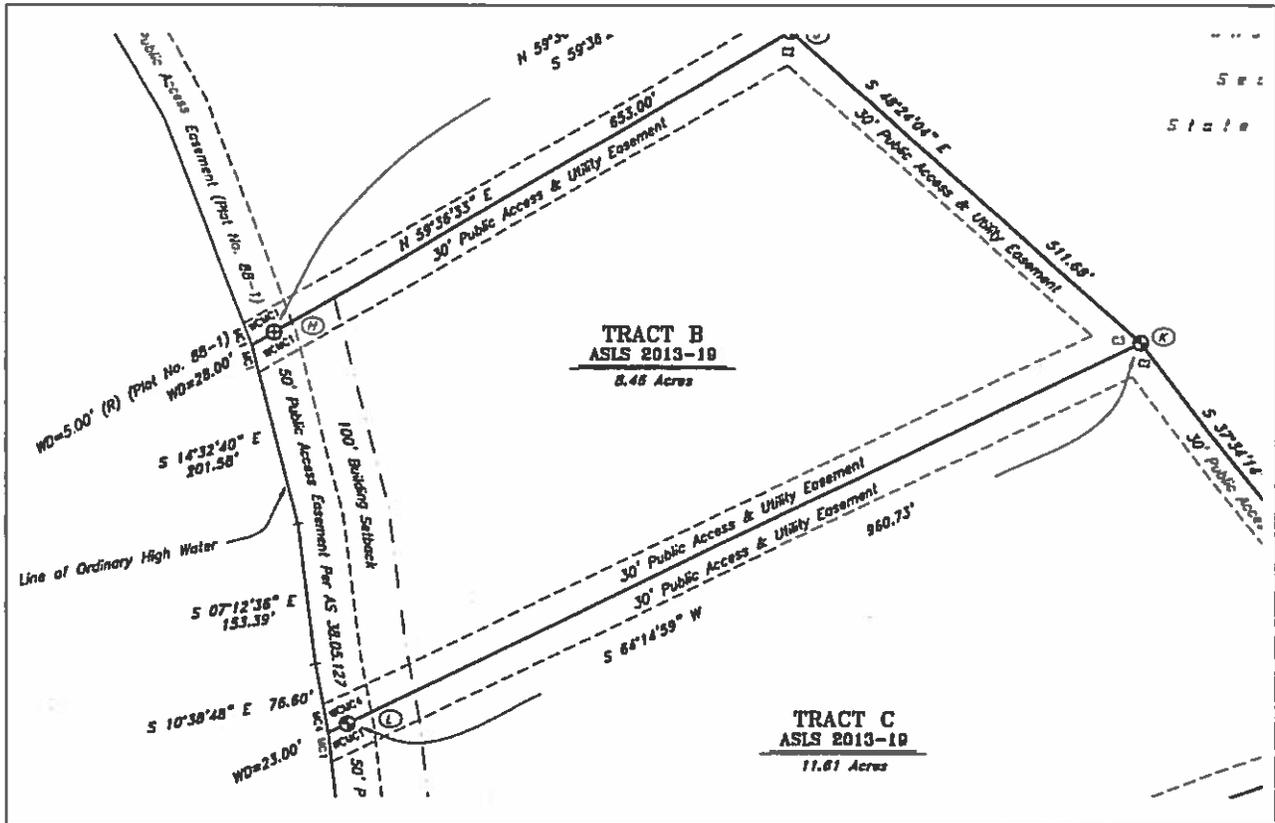
- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions.
- I have no present or prospective 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 of a predetermined result.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favor the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- my analyses, opinions, and conclusions were developed and presented in this report in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.
- I have made a personal inspection, by either on-site or aerial survey, of the properties which are the subjects of this report.
- I have not appraised the subject parcels within the past three years.
- No one provided significant real property appraisal assistance to the person signing this certification. .
- my opinion of market value of the fee simple title less mineral rights for the land only developed to its highest potential, described in the subsequent report is shown on the previous page.

  
John Thomas Williamson, Dept. of Natural Resource

12-4-15  
Date

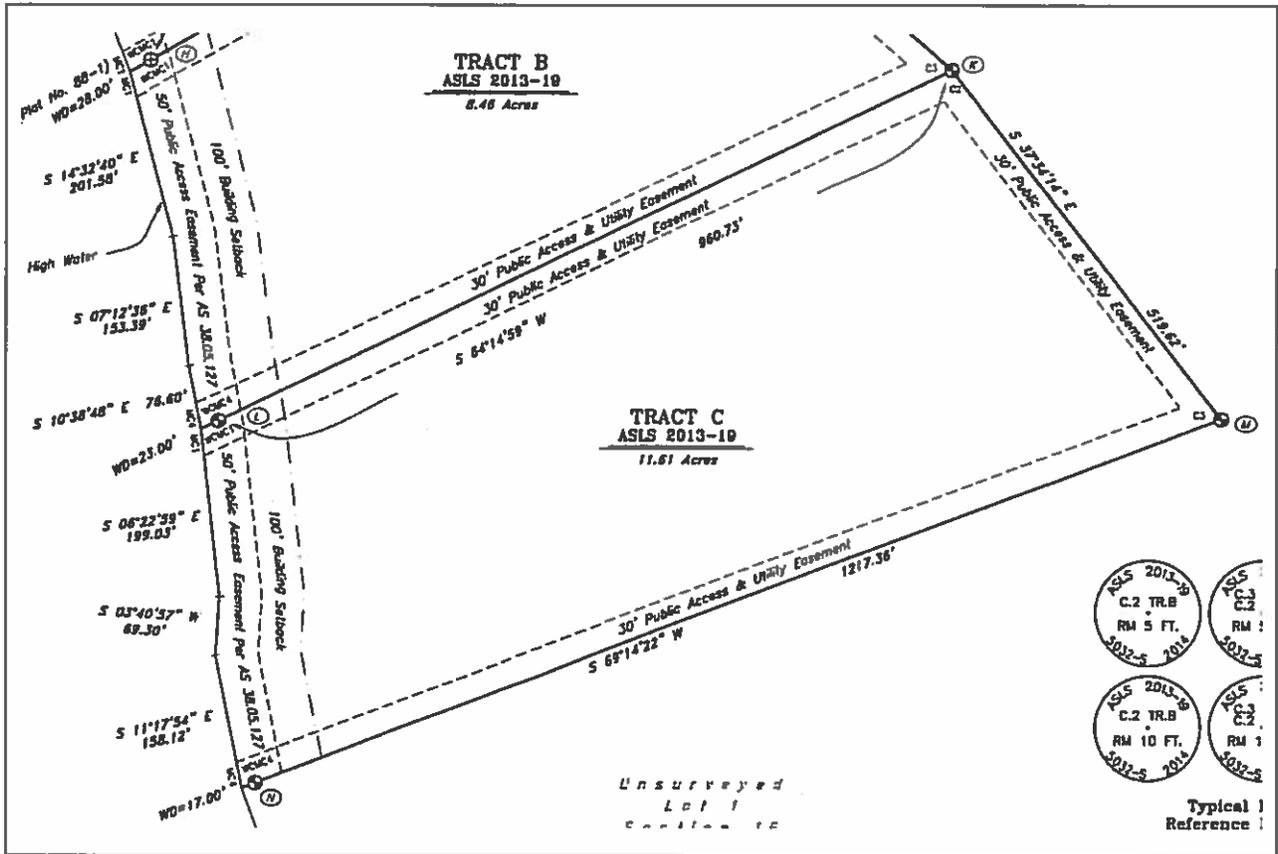


**DESCRIPTION and VALUATION of Tract B of ASLS 2013-19 – ADL 420091**



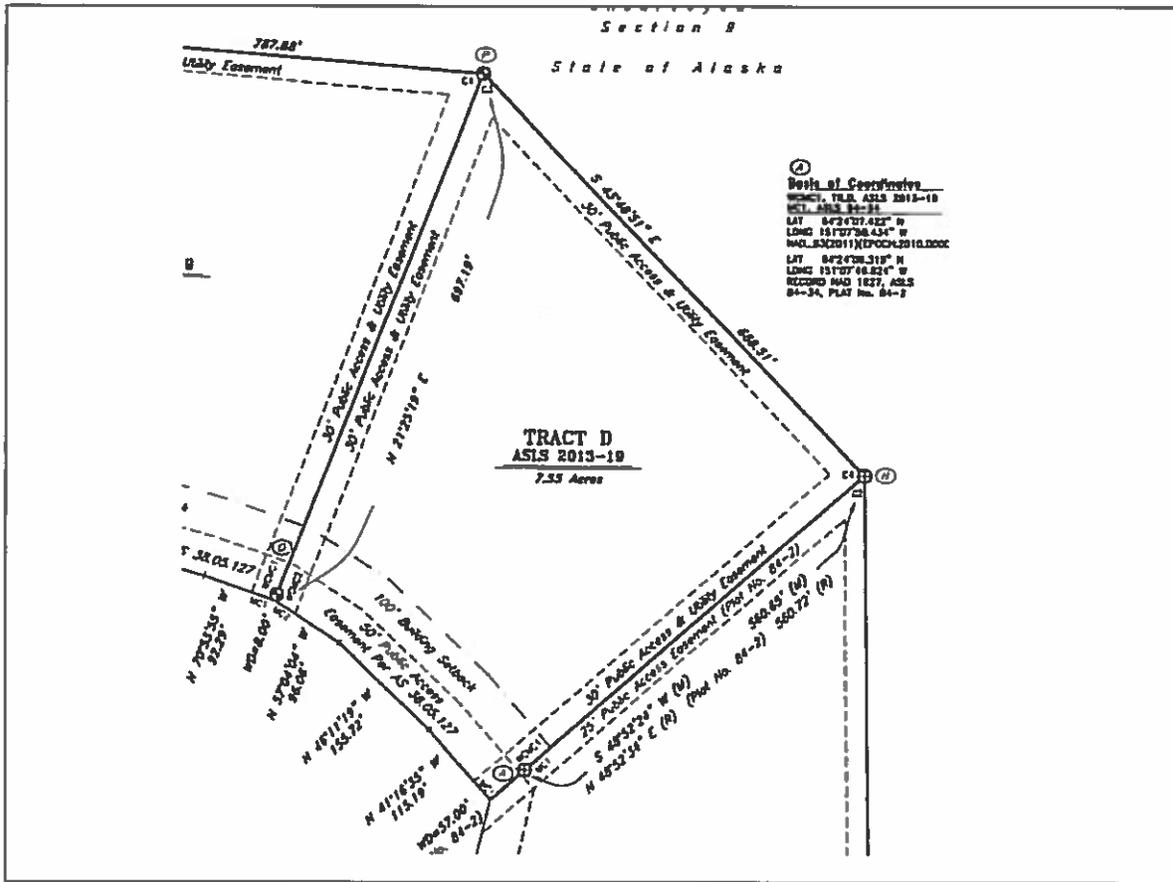
ADL	420091	Applicant: Administrative Parcel	
Inspected on	7-15-2015 by JPW		
Legal Description	T6S R18W FM Within Section 16, ASLS 2013-19, Tract B		
Location	Approximately 100 miles southwest of Fairbanks, five miles east of Wien Lake.		
<b>Comparisons</b>	<b>KEY PARCEL A</b>	<b>ADL 420091</b>	<b>Adjustment</b>
Date of Value	1/27/2012	4/24/2013	1.00
Location	Zitziana RRCS Staking Area	Similar.	1.00
Size, acres	10.00 ac.	8.46 ac.	1.10.
Access	Fly-in, within 330' of float plane access.	Similar.	1.00
Building site	Level to sloping, possibly wooded, adequate drainage.	Similar.	1.00
Easements	Typical.	Similar.	1.00
Amenities	Typical view of surrounding area.	Similar.	1.00
		Total Adjustment	1.10
Key Value	\$18,000		
Value per acre	\$1,800	Indicated \$/Acre	\$ 1,980 /ac
		Size - Acres	8.46 ac
		INDICATED VALUE (rd)	\$ 16,800 (rd)

**DESCRIPTION and VALUATION of Tract C of ASLS 2013-19 – ADL 420092**



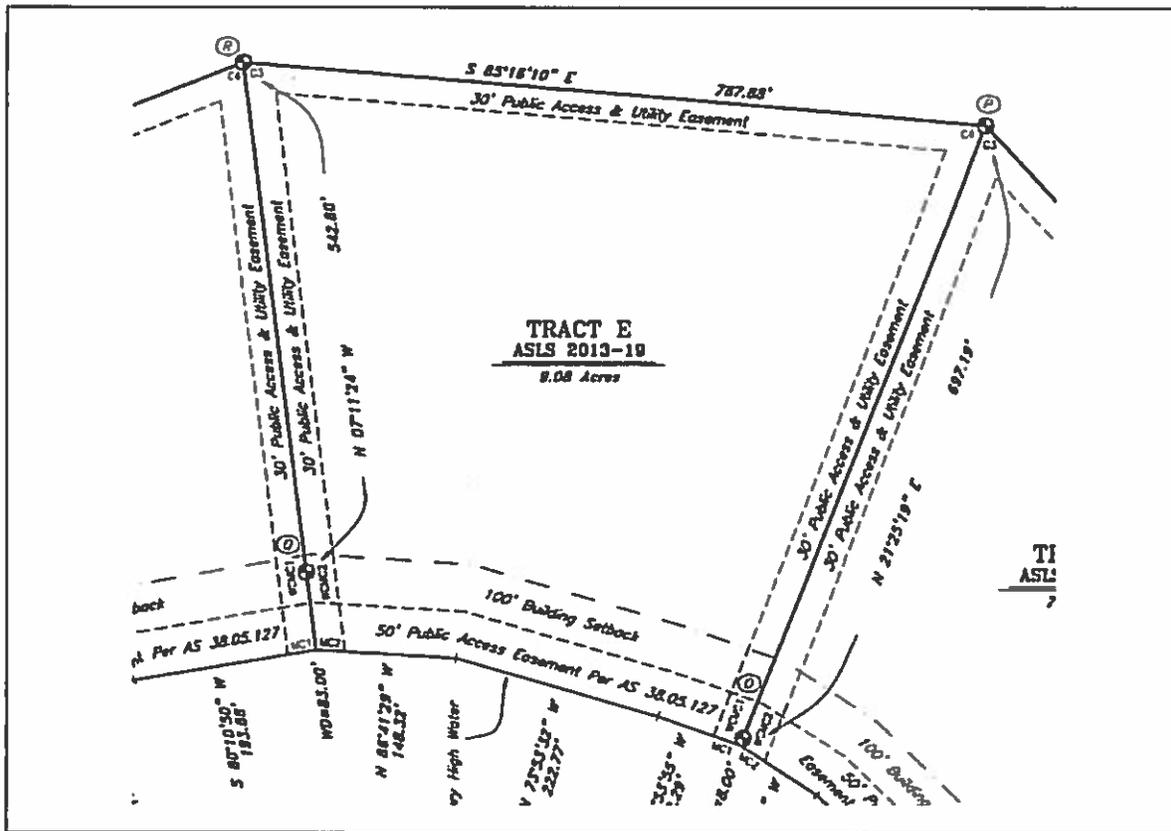
ADL	420092	Applicant: Administrative Parcel	
Inspected on	7-15-2015 by JPW		
Legal Description	T6S R18W FM Within Section 16, ASLS 2013-19, Tract C		
Location	Approximately 100 miles southwest of Fairbanks, five miles east of Wien Lake.		
<b>Comparisons</b>	<b>KEY PARCEL A</b>	<b>ADL 420092</b>	<b>Adjustment</b>
Date of Value	1/27/2012	4/24/2013	1.00
Location	Zitziana RRCS Staking Area	Similar.	1.00
Size, acres	10.00 ac.	11.61 ac.	0.96
Access	Fly-in, within 330' of float plane access.	Similar.	1.00
Building site	Level to sloping, possibly wooded, adequate drainage.	Similar.	1.00
Easements	Typical.	Similar.	1.00
Amenities	Typical view of surrounding area.	Similar.	1.00
		Total Adjustment	0.96
Key Value	\$18,000		
Value per acre	\$1,800	Indicated \$/Acre	\$ 1,728 /ac
		Size - Acres	11.61 ac
		INDICATED VALUE (rd)	\$ 20,100 (rd)

DESCRIPTION and VALUATION of Tract D of ASLS 2013-19 – ADL 420093



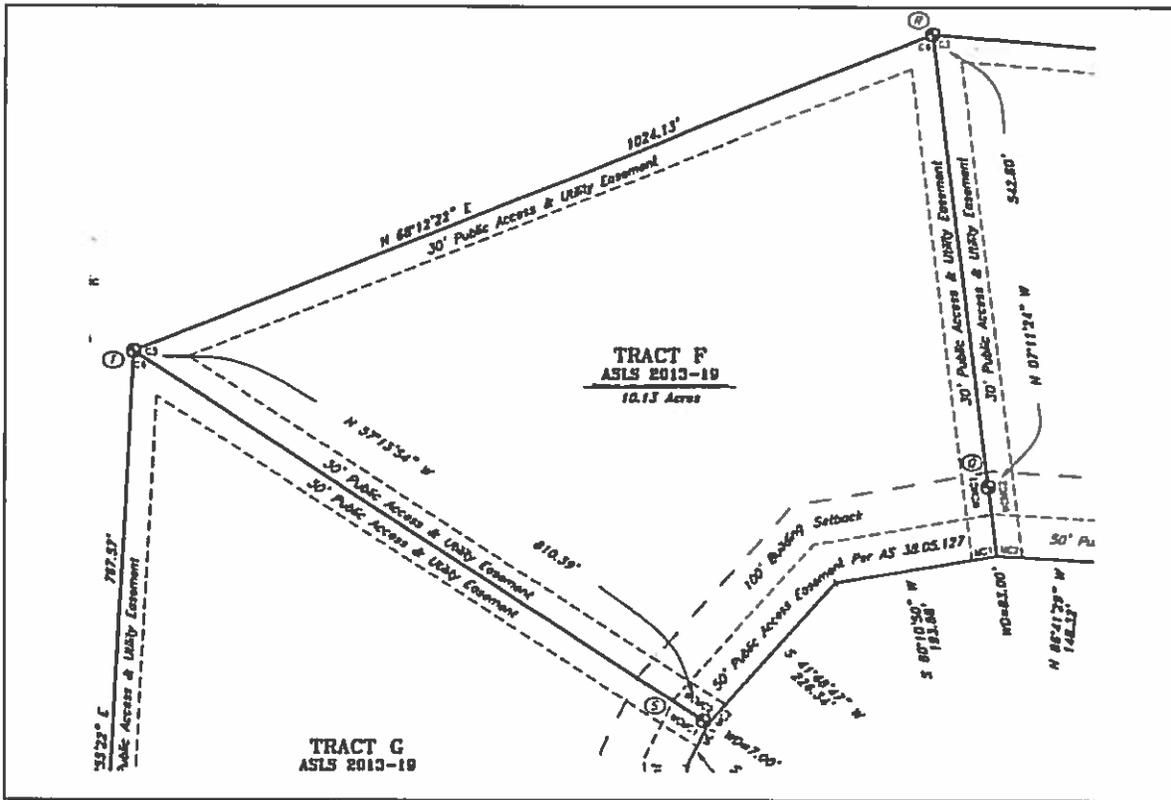
ADL	420093	Applicant: Administrative Parcel	
Inspected on	7-15-2015 by JPW		
Legal Description	T6S R18W FM Within Section 9, ASLS 2013-19, Tract D		
Location	Approximately 100 miles southwest of Fairbanks, five miles east of Wien Lake.		
<b>Comparisons</b>	<b>KEY PARCEL A</b>	<b>ADL 420093</b>	<b>Adjustment</b>
Date of Value	1/27/2012	4/24/2013	1.00
Location	Zitziana RRCS Staking Area	Similar.	1.00
Size, acres	10.00 ac.	7.55 ac.	1.17
Access	Fly-in, within 330' of float plane access.	Similar.	1.00
Building site	Level to sloping, possibly wooded, adequate drainage.	Similar.	1.00
Easements	Typical.	Similar.	1.00
Amenities	Typical view of surrounding area.	Similar.	1.00
		Total Adjustment	1.17
Key Value	\$18,000		
Value per acre	\$1,800	Indicated \$/Acre	\$ 2,106 /ac
		Size - Acres	7.55 ac
		INDICATED VALUE (rd)	\$ 15,900 (rd)

DESCRIPTION and VALUATION of Tract E of ASLS 2013-19 – ADL 420094



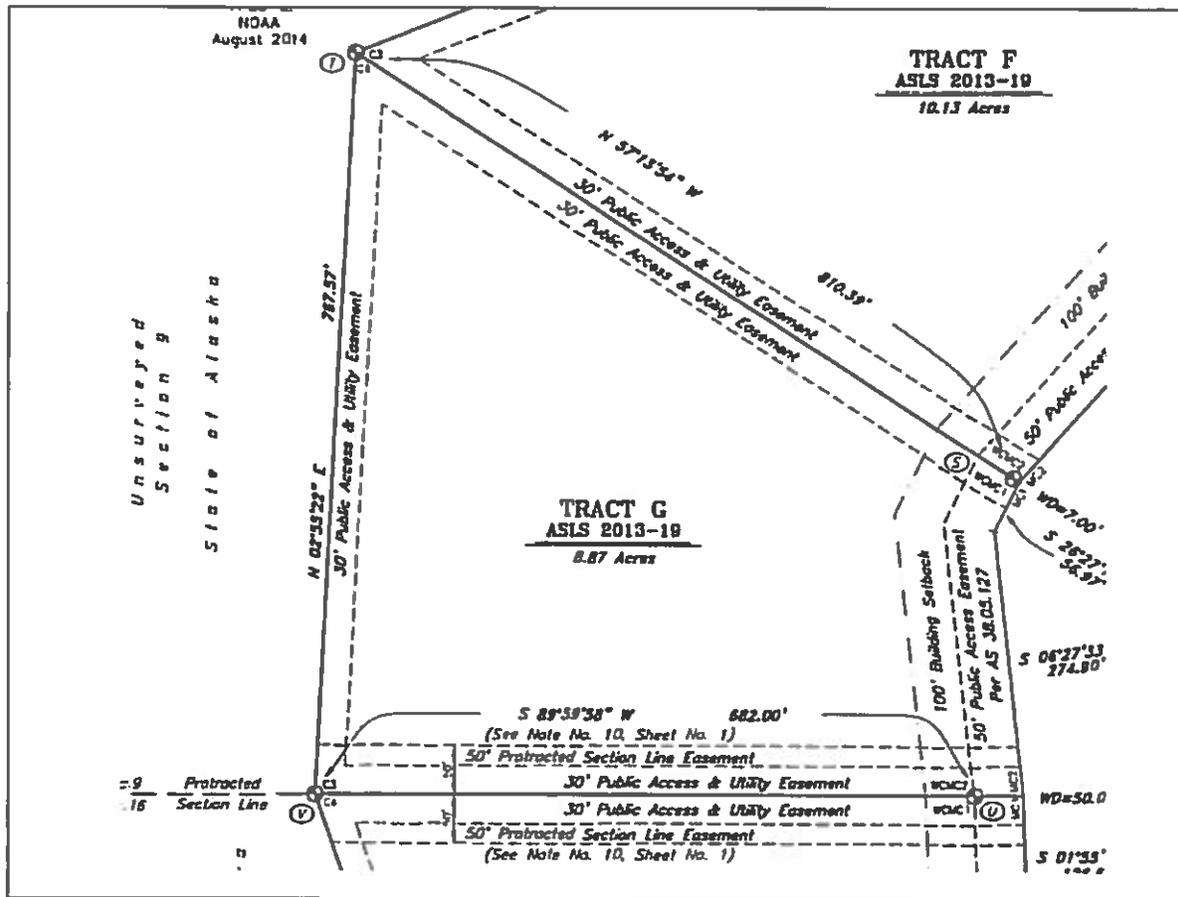
ADL	420094	Applicant: Administrative Parcel	
Inspected on	7-15-2015 by JPW		
Legal Description	T6S R18W FM Within Section 9, ASLS 2013-19, Tract E		
Location	Approximately 100 miles southwest of Fairbanks, five miles east of Wien Lake.		
<b>Comparisons</b>	<b>KEY PARCEL A</b>	<b>ADL 420094</b>	<b>Adjustment</b>
Date of Value	1/27/2012	4/24/2013	1.00
Location	Zitziana RRCS Staking Area	Similar.	1.00
Size, acres	10.00 ac.	9.08 ac.	1.00
Access	Fly-in, within 330' of float plane access.	Similar.	1.00
Building site	Level to sloping, possibly wooded, adequate drainage.	Similar.	1.00
Easements	Typical.	Similar.	1.00
Amenities	Typical view of surrounding area.	Similar.	1.00
		Total Adjustment	1.00
Key Value	\$18,000		
Value per acre	\$1,800	Indicated \$/Acre	\$ 1,800 /ac
		Size - Acres	9.08 ac
		INDICATED VALUE (rd)	\$ 16,300

DESCRIPTION and VALUATION of Tract F of ASLS 2013-19 – ADL 420095



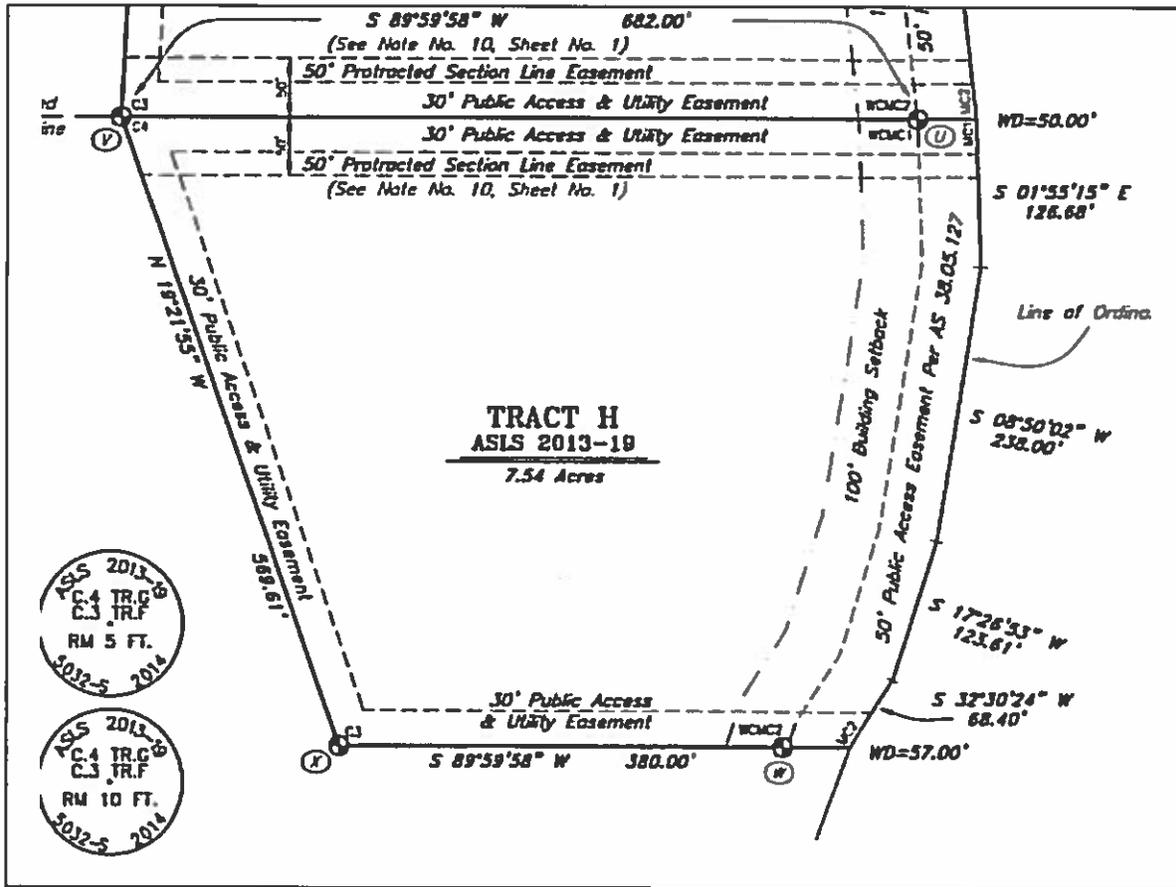
ADL	420095	Applicant: Administrative Parcel	
Inspected on	7-15-2015 by JPW		
Legal Description	T6S R18W FM Within Section 9, ASLS 2013-19, Tract F		
Location	Approximately 100 miles southwest of Fairbanks, five miles east of Wien Lake.		
<b>Comparisons</b>	<b>KEY PARCEL A</b>	<b>ADL 420095</b>	<b>Adjustment</b>
Date of Value	1/27/2012	4/24/2013	1.00
Location	Zitziana RRCS Staking Area	Similar.	1.00
Size, acres	10.00 ac.	10.13 ac.	1.00
Access	Fly-in, within 330' of float plane access.	Similar.	1.00
Building site	Level to sloping, possibly wooded, adequate drainage.	Similar.	1.00
Easements	Typical.	Similar.	1.00
Amenities	Typical view of surrounding area.	Similar.	1.00
		Total Adjustment	1.00
Key Value	\$18,000		
Value per acre	\$1,800	Indicated \$/Acre	\$ 1,800 /ac
		Size - Acres	10.13 ac
		INDICATED VALUE (rd)	\$ 18,200 (rd)

DESCRIPTION and VALUATION of Tract G of ASLS 2013-19 – ADL 420096



ADL	420096	Applicant: Administrative Parcel	
Inspected on	7-15-2015 by JPW		
Legal Description	T6S R18W FM Within Section 9, ASLS 2013-19, Tract G		
Location	Approximately 100 miles southwest of Fairbanks, five miles east of Wien Lake.		
<b>Comparisons</b>	<b>KEY PARCEL A</b>	<b>ADL 420096</b>	<b>Adjustment</b>
Date of Value	1/27/2012	4/24/2013	1.00
Location	Zitziana RRCS Staking Area	Similar.	1.00
Size, acres	10.00 ac.	8.87 ac.	1.08
Access	Fly-in, within 330' of float plane access.	Similar.	1.00
Building site	Level to sloping, possibly wooded, adequate drainage.	Similar.	1.00
Easements	Typical.	Similar.	1.00
Amenities	Typical view of surrounding area.	Similar.	1.00
		Total Adjustment	1.08
Key Value	\$18,000		
Value per acre	\$1,800	Indicated \$/Acre	\$ 1,944 /ac
		Size - Acres	8.87 ac
		INDICATED VALUE (rd)	\$ 17,200 (rd)

DESCRIPTION and VALUATION of Tract H of ASLS 2013-19 – ADL 420097



ADL	420097	Applicant: Administrative Parcel	
Inspected on	7-15-2015 by JPW		
Legal Description	T6S R18W FM Within Section 16, ASLS 2013-19, Tract H		
Location	Approximately 100 miles southwest of Fairbanks, five miles east of Wien Lake.		
<b>Comparisons</b>	<b>KEY PARCEL A</b>	<b>ADL 420097</b>	<b>Adjustment</b>
Date of Value	1/27/2012	4/24/2013	1.00
Location	Zitziana RRCS Staking Area	Similar.	1.00
Size, acres	10.00 ac.	7.54 ac.	1.17
Access	Fly-in, within 330' of float plane access.	Similar.	1.00
Building site	Level to sloping, possibly wooded, adequate drainage.	Similar.	1.00
Easements	Typical.	Similar.	1.00
Amenities	Typical view of surrounding area.	Similar.	1.00
		Total Adjustment	1.17
Key Value	\$18,000		
Value per acre	\$1,800	Indicated \$/Acre	\$ 2,106 /ac
		Size - Acres	7.54 ac
		INDICATED VALUE (rd)	\$ 15,900 (rd)

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**

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