

**MARKET VALUE APPRAISAL**  
of  
**Twenty-Eight (28) parcels within**  
**June Creek ASLS 79-166**  
**Ridge Rock Homestead ASLS 85-229**  
**Nenana South ASLS 80-106**



Tyler Way in June Creek

**APPRAISAL REPORT No. 4388-0**

**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. 4388-0

1. ADL NO(S): See table below
2. SIZE: See table below
3. APPLICANT: N/A
4. LOCATION: Subdivided lots located near Nenana, Alaska
5. LEGAL DESCRIPTION(S): See table below
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 6, 2017
10. DATE of VALUE(S): August 2, 2017
11. APPRAISED VALUE(S):

| ADL    | Subdivision | MTRS       | Lot | Blk. / Tract | ASLS   | Acres | Date of Value | Value (rnd) |
|--------|-------------|------------|-----|--------------|--------|-------|---------------|-------------|
| 405138 | June Creek  | F9S9W14    | 1   | 1            | 79-166 | 4.98  | 8-2-17        | \$10,000    |
| 405189 | June Creek  | F9S9W22    | 2   | 5            | 79-166 | 4.591 | 8-2-17        | \$9,800     |
| 405190 | June Creek  | F9S9W22    | 3   | 5            | 79-166 | 4.591 | 8-2-17        | \$9,600     |
| 405191 | June Creek  | F9S9W22    | 4   | 5            | 79-166 | 4.591 | 8-2-17        | \$9,600     |
| 405192 | June Creek  | F9S9W22    | 5   | 5            | 79-166 | 4.889 | 8-2-17        | \$10,000    |
| 405199 | June Creek  | F9S9W22    | 3   | 6            | 79-166 | 4.591 | 8-2-17        | \$9,600     |
| 405200 | June Creek  | F9S9W22    | 4   | 6            | 79-166 | 4.591 | 8-2-17        | \$9,600     |
| 405201 | June Creek  | F9S9W22    | 5   | 6            | 79-166 | 4.591 | 8-2-17        | \$9,400     |
| 405202 | June Creek  | F9S9W22,23 | 6   | 6            | 79-166 | 3.638 | 8-2-17        | \$8,100     |
| 405204 | June Creek  | F9S9W22    | 8   | 6            | 79-166 | 4.591 | 8-2-17        | \$9,600     |
| 405205 | June Creek  | F9S9W22    | 9   | 6            | 79-166 | 4.591 | 8-2-17        | \$9,600     |
| 405211 | June Creek  | F9S9W23    | 4   | 7            | 79-166 | 4.591 | 8-2-17        | \$9,600     |
| 405212 | June Creek  | F9S9W23    | 5   | 7            | 79-166 | 5.006 | 8-2-17        | \$10,200    |
| 405213 | June Creek  | F9S9W23    | 6   | 7            | 79-166 | 5.141 | 8-2-17        | \$10,200    |
| 405214 | June Creek  | F9S9W22,23 | 7   | 7            | 79-166 | 4.887 | 8-2-17        | \$9,700     |
| 405403 | June Creek  | F9S9W36    | 9   | 26           | 79-166 | 4.959 | 8-2-17        | \$9,200     |
| 405421 | June Creek  | F9S9W10    | 2   | 29           | 79-166 | 5.009 | 8-2-17        | \$9,000     |
| 405422 | June Creek  | F9S9W10    | 3   | 29           | 79-166 | 5.009 | 8-2-17        | \$9,000     |
| 405423 | June Creek  | F9S9W10    | 4   | 29           | 79-166 | 5.009 | 8-2-17        | \$9,000     |
| 405424 | June Creek  | F9S9W10    | 5   | 29           | 79-166 | 5.009 | 8-2-17        | \$9,000     |



|        |                      |           |    |    |        |       |        |          |
|--------|----------------------|-----------|----|----|--------|-------|--------|----------|
| 405425 | June Creek           | F9S9W10   | 6  | 29 | 79-166 | 5.017 | 8-2-17 | \$9,000  |
| 405426 | June Creek           | F9S9W10   | 7  | 29 | 79-166 | 5.014 | 8-2-17 | \$9,000  |
| 405427 | June Creek           | F9S9W10   | 8  | 29 | 79-166 | 5.022 | 8-2-17 | \$9,000  |
| 405429 | June Creek           | F9S9W10   | 10 | 29 | 79-166 | 5.022 | 8-2-17 | \$9,000  |
| 405430 | June Creek           | F9S9W10   | 11 | 29 | 79-166 | 5.022 | 8-2-17 | \$9,000  |
| 406470 | June Creek           | F9S9W36   | 6  | 26 | 79-166 | 4.959 | 8-2-17 | \$9,600  |
| 411874 | Ridge Rock Homestead | F010S8W29 |    | A  | 85-229 | 19.26 | 8-2-17 | \$28,400 |
| 407006 | Nenana South         | F4S8W36   | 9  | K  | 80-106 | 3.739 | 8-2-17 | \$10,500 |

**B. SUMMARY OF REVIEW**

- DATE of REVIEW: January 16, 2018
- 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**

- 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.
- The reviewer assumes that the data and information in the appraisal are factual and accurate.
- 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.
- All assumptions and limiting conditions contained in the appraisal report are part of this review unless otherwise stated.
- 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 plat.
- The value of commercial timber, if any, is specifically excluded from the final conclusion of value.



**REVIEW APPRAISER'S CERTIFICATION APPRAISAL NO. 4388-0**

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 have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this review report within the three-year period immediately preceding acceptance of this assignment

Reviewed by Kevin Hindmarch  
Kevin Hindmarch, Review Appraiser

Date 1/16/18

cc: Terry Hess  
Randy Guintu

# MEMORANDUM

# State of Alaska

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

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

DATE: December 6, 2017

TO: Kevin Hindmarch  
Review Appraiser

FROM: Johnthomas Williamson   
Appraiser

SUBJECT: Twenty-Eight (28) parcels within June Creek, Ridge Rock Homestead, and Nenana South Subdivisions.

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 appraisal report is 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 the comparable sales used in this report. 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.

## TABLE OF CONTENTS

### INTRODUCTION

|                       |    |
|-----------------------|----|
| Title Page            |    |
| Letter of Transmittal | ii |

### PREMISES OF THE APPRAISAL

|                                     |   |
|-------------------------------------|---|
| Appraisal Summary                   | 4 |
| Type of Appraisal and Report        | 5 |
| Purpose and Use of the Appraisal    | 5 |
| User and Client Identity            | 5 |
| Property Rights Appraised           | 5 |
| Definition of Market Value          | 5 |
| Effective Date of Value Estimate    | 5 |
| Exposure Time                       | 6 |
| Property History                    | 6 |
| Scope of the Appraisal              | 6 |
| Assumptions and Limiting Conditions | 7 |

### PRESENTATION OF DATA

|                     |    |
|---------------------|----|
| Area Analysis       | 8  |
| Parcel Descriptions | 11 |

### DATA ANALYSIS AND CONCLUSION

|  |    |
|--|----|
| Approaches to Value                    | 26 |
| Valuation of Nenana South              | 27 |
| Valuation of June Creek and Ridge Rock | 32 |
| Application of Key Parcel              | 37 |
| Certification of Value                 | 43 |

### ADDENDA

|                        |  |
|------------------------|--|
| Subject Surveys        |  |
| Size Adjustment Chart  |  |
| Comparable Sale Forms  |  |
| Appraisal Instructions |  |
| Qualifications         |  |

## APPRAISAL SUMMARY

### Legal Description and Location

All parcels are located along the Parks Highway corridor between Nenana and Healy. See grid below:

### SUMMARY OF VALUES

| ADL    | Subdivision          | MTRS       | Lot | Blk. / Tract | ASLS   | Acres | Date of Value | Value (rnd)     |
|--------|----------------------|------------|-----|--------------|--------|-------|---------------|-----------------|
| 405138 | June Creek           | F9S9W14    | 1   | 1            | 79-166 | 4.98  | 8-2-17        | <b>\$10,000</b> |
| 405189 | June Creek           | F9S9W22    | 2   | 5            | 79-166 | 4.591 | 8-2-17        | <b>\$9,800</b>  |
| 405190 | June Creek           | F9S9W22    | 3   | 5            | 79-166 | 4.591 | 8-2-17        | <b>\$9,600</b>  |
| 405191 | June Creek           | F9S9W22    | 4   | 5            | 79-166 | 4.591 | 8-2-17        | <b>\$9,600</b>  |
| 405192 | June Creek           | F9S9W22    | 5   | 5            | 79-166 | 4.889 | 8-2-17        | <b>\$10,000</b> |
| 405199 | June Creek           | F9S9W22    | 3   | 6            | 79-166 | 4.591 | 8-2-17        | <b>\$9,600</b>  |
| 405200 | June Creek           | F9S9W22    | 4   | 6            | 79-166 | 4.591 | 8-2-17        | <b>\$9,600</b>  |
| 405201 | June Creek           | F9S9W22    | 5   | 6            | 79-166 | 4.591 | 8-2-17        | <b>\$9,400</b>  |
| 405202 | June Creek           | F9S9W22,23 | 6   | 6            | 79-166 | 3.638 | 8-2-17        | <b>\$8,100</b>  |
| 405204 | June Creek           | F9S9W22    | 8   | 6            | 79-166 | 4.591 | 8-2-17        | <b>\$9,600</b>  |
| 405205 | June Creek           | F9S9W22    | 9   | 6            | 79-166 | 4.591 | 8-2-17        | <b>\$9,600</b>  |
| 405211 | June Creek           | F9S9W23    | 4   | 7            | 79-166 | 4.591 | 8-2-17        | <b>\$9,600</b>  |
| 405212 | June Creek           | F9S9W23    | 5   | 7            | 79-166 | 5.006 | 8-2-17        | <b>\$10,200</b> |
| 405213 | June Creek           | F9S9W23    | 6   | 7            | 79-166 | 5.141 | 8-2-17        | <b>\$10,200</b> |
| 405214 | June Creek           | F9S9W22,23 | 7   | 7            | 79-166 | 4.887 | 8-2-17        | <b>\$9,700</b>  |
| 405403 | June Creek           | F9S9W36    | 9   | 26           | 79-166 | 4.959 | 8-2-17        | <b>\$9,200</b>  |
| 405421 | June Creek           | F9S9W10    | 2   | 29           | 79-166 | 5.009 | 8-2-17        | <b>\$9,000</b>  |
| 405422 | June Creek           | F9S9W10    | 3   | 29           | 79-166 | 5.009 | 8-2-17        | <b>\$9,000</b>  |
| 405423 | June Creek           | F9S9W10    | 4   | 29           | 79-166 | 5.009 | 8-2-17        | <b>\$9,000</b>  |
| 405424 | June Creek           | F9S9W10    | 5   | 29           | 79-166 | 5.009 | 8-2-17        | <b>\$9,000</b>  |
| 405425 | June Creek           | F9S9W10    | 6   | 29           | 79-166 | 5.017 | 8-2-17        | <b>\$9,000</b>  |
| 405426 | June Creek           | F9S9W10    | 7   | 29           | 79-166 | 5.014 | 8-2-17        | <b>\$9,000</b>  |
| 405427 | June Creek           | F9S9W10    | 8   | 29           | 79-166 | 5.022 | 8-2-17        | <b>\$9,000</b>  |
| 405429 | June Creek           | F9S9W10    | 10  | 29           | 79-166 | 5.022 | 8-2-17        | <b>\$9,000</b>  |
| 405430 | June Creek           | F9S9W10    | 11  | 29           | 79-166 | 5.022 | 8-2-17        | <b>\$9,000</b>  |
| 406470 | June Creek           | F9S9W36    | 6   | 26           | 79-166 | 4.959 | 8-2-17        | <b>\$9,600</b>  |
| 411874 | Ridge Rock Homestead | F010S8W29  |     | A            | 85-229 | 19.26 | 8-2-17        | <b>\$28,400</b> |
| 407006 | Nenana South         | F4S8W36    | 9   | K            | 80-106 | 3.739 | 8-2-17        | <b>\$10,500</b> |

## **PREMISES OF THE APPRAISAL**

### **Type of Appraisal and Report**

This appraisal report is 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.”<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>

### **Effective Date of Value Estimate**

August 2, 2017.

### **Date of Report**

December 6, 2017.

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<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, State of Alaska, 2017, [www.legis.state.ak.us/basis/folio.asp](http://www.legis.state.ak.us/basis/folio.asp)

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

**Exposure Time**

Exposure time is defined as the "...estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal."<sup>4</sup>

Exposure time 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 the area that are offered through various government and private programs. Considering the availability of parcels on the market, a longer exposure time of up to a year is reasonable.

**Property History**

Three parcels in June Creek and one parcel in South Nenana subdivision received applications to purchase through the Over the Counter offering: ADLs 405138, 405189, 405403, and 407006. None of the applicants pursued the sale and the applications were terminated prior to contract. ADL 411874, in Ridge Rock Homestead, was purchased from the State in 2000. The applicant entered into a land sale contract, see recorded document #200-000246-0. The contract was subsequently terminated on December 8, 2016 due to non-payment. The termination is recorded as document #2016-000803-0.

The remainder of the subjects have never been sold. DNR is the owner of record for all parcels.

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

I inspected the subject properties and comparable sales on August 2, 2017. Physical features and access were identified by use of site 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 Recorders 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.

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<sup>4</sup> Uniform Standards of Professional Appraisal Practice 2016-2017, Appraisal Foundation, p.U-2.

## 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 – Nenana<sup>5</sup>

Nenana is located in Interior Alaska, 55 road miles southwest of Fairbanks on the George Parks Highway. The town site is located at mile 412 of the Alaska Railroad, on the south bank of the Tanana River, just east of the mouth of the Nenana River. It is approximately 300 road miles northeast of Anchorage.

Nenana has a cold, continental climate with an extreme temperature range. The average daily maximum during summer months is 65 to 70°F; the daily minimum during winter is well below 0°F. The highest temperature ever recorded is 98°F; the lowest is -69°F. Average annual precipitation is 11.4 inches, with 48.9 inches of snowfall. The river is ice-free from mid-May to mid-October.

### History & Demographics

The discovery of gold in Fairbanks in 1902 brought intense activity to the region. In 1903, a trading post/roadhouse was constructed by Jim Duke to supply river travelers and trade with Natives. St. Mark's Episcopal Mission and School was built upriver in 1905. Native children from other communities, such as Minto, attended school in Nenana. A post office opened in 1908. By 1909, there were about 12,000 residents in the Fairbanks area, most drawn by gold mining activities. In 1915, construction of the Alaska Railroad doubled Nenana's population. The Nenana Ice Classic. The community incorporated as a city in 1921. The railroad depot was completed in 1923, when President Warren Harding drove the golden spike at the north end of the 700-foot steel bridge over the Tanana River, which created a transportation link to Fairbanks and Seward. During the 1925 diphtheria epidemic in Nome, serum from Anchorage was transported to Nenana by train before being sent by dogsled to Nome. According to local records, 5,000 residents lived in Nenana during this time; however, completion of the railroad was followed by an economic slump. The population in 1930 was recorded at 291. Today, close to 500 people live there.

A federally-recognized tribe is located in the community -- the Nenana Native Association. The population of Nenana is a diverse mixture of non-Natives and Athabascans. The majority of residents participate in subsistence activities. Several Iditarod sled dog race competitors and former champions are residents of Nenana. The community has a health clinic, mental health clinic, fire department, public library, and State Troopers office. It is home to the Nenana District Court system. Golden Valley Electric has their Railbelt office located in Nenana. The Nenana Student Living Center, one of three statewide boarding facilities for high school students, has students from around the state; it attracts students due to its extensive programs, academic quality, and vocational studies.

### Facilities

Water is derived from a deep well, treated, and then distributed throughout the community via circulating loops. A piped gravity system collects sewage, which is treated at a secondary treatment plant. Most of the city is connected to the piped water and sewer system. 215 homes and the school are served. The remaining homes have individual wells and septic systems. Refuse is collected by a private firm and hauled to the Denali Borough regional landfill, located south of Anderson. Electricity is provided by Golden Valley Electric Association. There are two schools located in the community, attended by 1,151 students. Local hospitals or health clinics include Nenana Clinic. Emergency Services include highway river and airport access. Emergency service is provided by 911 Telephone Service volunteers and a health aide. Auxiliary health care is provided by Nenana Volunteer Fire/EMS Department.

### Economy

Over 40% of the year-round jobs are government-funded, including the city, tribe, Nenana School District, Yukon-Koyukuk School District, and DOT highway maintenance. As the center of rail-to-river barge transportation center for the Interior, Nenana has a strong seasonal private-sector economy. Crowley Marine is the major private employer in Nenana, providing supplies and fuel to over 40 villages along the Tanana and Yukon Rivers each summer. The city also attracts independent travelers with fuel and supplies, the Alaska Railroad Museum, the Golden Railroad Spike Historic Park and Interpretive Center,

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

the historical St. Mark's Episcopal Church, Iditarod dog kennels, and the Alfred Starr Museum & Cultural Center. The Nenana Ice Classic, a guessing contest when the ice breaks in the Nenana River, is a statewide event. In 2010, 19 residents held commercial fishing permits. Subsistence foods, such as salmon, moose, caribou (by permit), bear, waterfowl, and berries play an important role. The public sector employed 17.4% of all workers. The local unemployment rate was 23.6%. The percentage of workers not in labor force was 35.6%. The ACS surveys established that average median household income (in 2010 inflation-adjusted dollars) was \$56,250. The per capita income (in 2010 inflation-adjusted dollars) was \$25,479. About 20.9% of all residents had incomes below the poverty level.

### **Transportation**

Nenana has air, river, road, and railroad access. It lies on the George Parks Highway, the road between Wasilla and Fairbanks. The railroad provides daily freight service. The Nenana Municipal Airport offers a 4,600' long by 100' wide lighted asphalt runway and a gravel runway that doubles as a winter ski strip and measures 2,520' long by 60' wide. There is also a float pond with parking basins. The Nenana Port Authority operates the dry cargo loading and unloading facilities, dock, bulkhead, and warehouse. The Tanana River is shallow, with a maximum draft for loaded river barges of 4.5 feet. There is a public boat launch with a recreational area to provide access to the Nenana and Tanana rivers. Daily buses to Fairbanks and Anchorage are available year-round.

### **Anderson Neighborhood**

#### **Location**

Anderson is a community which lies on a spur road that spans 6 miles west off the George Parks Highway, 76 miles southwest of Fairbanks and 285 miles north of Anchorage. Clear Air Force Station is located within the city boundaries. Anderson is located in the Nenana Recording District and has a cold, continental climate. The average high temperature range during July is from 66 to 70 °F. The average low temperature range during January is -6 to -24 degrees Fahrenheit. Extreme temperatures have been measured, ranging from a low of -63 to a high of 98 °F. Average annual precipitation is 12.7 inches, and average annual snowfall is 49.3 inches

#### **History**

The city is named for Arthur Anderson, one of several homesteaders who originally settled in the area in the late 1950s. In 1959, Mr. Anderson subdivided his 80-acre homestead into quarter-acre lots for sale. Most of these lots were purchased by civilian workers from Clear Air Force Station, a ballistic missile early warning site that was completed in 1961. An elementary school was established in the community in 1961, and Anderson incorporated as a city in 1962. A road was completed between Anderson and Nenana, which allowed easy access to Fairbanks. Vehicles were ferried across the Tanana River at Nenana until 1968, when a \$6 million steel bridge was completed. By 1971, the George Parks Highway was constructed, which enabled road access to Anchorage.

#### **Economy, Facilities & Transportation**

Clear Air Force Station, the school, city, and other government positions employ most of the residents. An intercontinental ballistic missile radar warning system was constructed at Clear AFS; "PAVE PAWS" identifies and warns of missiles launched from Asia and Europe. The Clear Fish Hatchery provides small stocks of gamefish to area streams and lakes and has been the only commercial hatchery to rear sheefish. Residents often travel to Fairbanks to purchase goods and services.

All homes have individual wells, septic systems, and plumbing. Water is also derived from a well at the Anderson School. Clear Air Force Station provides piped water and sewer to all base facilities. A permitted RV disposal lagoon and sludge disposal site is provided by the city. Refuse is hauled to the borough regional landfill located just 2 miles south of Anderson. Electricity is provided by Golden Valley Electric Association. There is one school located in the community, attended by 39 students. Local hospitals or health clinics include Anderson Health Clinic. Anderson is an isolated location it is part of the Interior EMS Region. Emergency Services have highway and air access and are within 30 minutes of a higher-level satellite health care facility. Emergency service is provided by 911 Telephone Service and volunteers. Auxiliary health care is provided by Anderson Volunteer Fire Dept./EMS/Ambulance.

## **Healy Neighborhood**

### **Location**

Healy lies at the mouth of Healy Creek on the Nenana River, 78 miles southwest of Fairbanks. It is located on a 2.5-mile spur road, just north of the entrance to the Denali National Park and Preserve on the George Parks Highway. The community boasted just over 1,000 residents in 2010.

### **History**

Healy was established in 1904 and is the home of the Usibelli Coal Mine, Alaska's only operating coal mine. The mine produces 1.3 million tons of coal per year, supplying coal to Golden Valley Electric Association, the University of Alaska Fairbanks, Aurora Energy, Clear AFS, Eielson AFB, and Ft. Wainwright Army Base. The mine also ships coal to South Korea and Chile through the Port of Seward. The Usibelli Coal Mine began a successful environmental reclamation program in 1971. Dall sheep now graze where there was once a strip mine.

### **Economy, Facilities & Transportation**

Healy is a coal mining town that has evolved into an economically-diverse community. Tourism also greatly affects the economy during summer months. During the 2010 U.S. Census, total housing units numbered 604, and vacant housing units numbered 168. Vacant housing units used only seasonally numbered 91. U.S. Census data for Year 2010 showed 476 residents as employed. The unemployment rate at that time was 8.85 percent, although 35.94 percent of all adults were not in the work force. The median household income was \$60,000, per capita income was \$28,225, and 4.89 percent of residents were living below the poverty level.

The large majority of homes use individual wells and septic systems. Over 80% are fully plumbed. Usibelli Mine and the Healy Clean Coal Project have individual well water systems. Refuse is hauled to the new Borough regional landfill located just south of Anderson. Electricity is provided by Golden Valley Electric Association. There is one school located in the community, attended by approximately 200 students. There is a local clinic and a senior center. The clinic is a qualified Emergency Care Center. Healy is classified as an isolated town/Sub-Regional Center. Emergency service is provided by 911 Telephone Service and volunteers. Auxiliary health care is provided by Tri-Valley Volunteer Fire Department.

The Usibelli Coal Mine has dominated the economy of Healy for over 60 years, and employs 95 positions. Of the 1.3 million tons of coal the mine produces annually, 400,000 tons are exported for delivery to South Korea and Chile and 900,000 tons remain in Alaska for domestic use. Golden Valley Electric Association and the Railbelt School District are also major employers in Healy. Tourism at nearby Denali Park supports local RV Parks, guided rafting trips, helicopter tours and other businesses. The \$274 million Healy Clean Coal Power Plant was completed in November 1997, but has sat idle since 2000. To lower the costs per kilowatt hour and be economically viable, the plant needs retrofits and modifications costing another \$50 to \$80 million. The Plant is owned by the Alaska Industrial Development and Export Authority, an independent State corporation.

**Property Description – June Creek**

| <b>ADL</b> | <b>Subdivision</b> | <b>MTRS</b> | <b>Lot</b> | <b>Blk</b> | <b>ASLS</b> | <b>Acres</b> | <b>Plat</b> | <b>Recording District</b> |
|------------|--------------------|-------------|------------|------------|-------------|--------------|-------------|---------------------------|
| 405138     | June Creek         | F9S9W14     | 1          | 1          | 79-166      | 4.98         | 90-9        | Nenana                    |
| 405189     | June Creek         | F9S9W22     | 2          | 5          | 79-166      | 4.591        | 90-9        | Nenana                    |
| 405190     | June Creek         | F9S9W22     | 3          | 5          | 79-166      | 4.591        | 90-9        | Nenana                    |
| 405191     | June Creek         | F9S9W22     | 4          | 5          | 79-166      | 4.591        | 90-9        | Nenana                    |
| 405192     | June Creek         | F9S9W22     | 5          | 5          | 79-166      | 4.889        | 90-9        | Nenana                    |
| 405199     | June Creek         | F9S9W22     | 3          | 6          | 79-166      | 4.591        | 90-9        | Nenana                    |
| 405200     | June Creek         | F9S9W22     | 4          | 6          | 79-166      | 4.591        | 90-9        | Nenana                    |
| 405201     | June Creek         | F9S9W22     | 5          | 6          | 79-166      | 4.591        | 90-9        | Nenana                    |
| 405202     | June Creek         | F9S9W22,23  | 6          | 6          | 79-166      | 3.638        | 90-9        | Nenana                    |
| 405204     | June Creek         | F9S9W22     | 8          | 6          | 79-166      | 4.591        | 90-9        | Nenana                    |
| 405205     | June Creek         | F9S9W22     | 9          | 6          | 79-166      | 4.591        | 90-9        | Nenana                    |
| 405211     | June Creek         | F9S9W23     | 4          | 7          | 79-166      | 4.591        | 90-9        | Nenana                    |
| 405212     | June Creek         | F9S9W23     | 5          | 7          | 79-166      | 5.006        | 90-9        | Nenana                    |
| 405213     | June Creek         | F9S9W23     | 6          | 7          | 79-166      | 5.141        | 90-9        | Nenana                    |
| 405214     | June Creek         | F9S9W22,23  | 7          | 7          | 79-166      | 4.887        | 90-9        | Nenana                    |
| 405403     | June Creek         | F9S9W36     | 9          | 26         | 79-166      | 4.959        | 90-9        | Nenana                    |
| 405421     | June Creek         | F9S9W10     | 2          | 29         | 79-166      | 5.009        | 90-9        | Nenana                    |
| 405422     | June Creek         | F9S9W10     | 3          | 29         | 79-166      | 5.009        | 90-9        | Nenana                    |
| 405423     | June Creek         | F9S9W10     | 4          | 29         | 79-166      | 5.009        | 90-9        | Nenana                    |
| 405424     | June Creek         | F9S9W10     | 5          | 29         | 79-166      | 5.009        | 90-9        | Nenana                    |
| 405425     | June Creek         | F9S9W10     | 6          | 29         | 79-166      | 5.017        | 90-9        | Nenana                    |
| 405426     | June Creek         | F9S9W10     | 7          | 29         | 79-166      | 5.014        | 90-9        | Nenana                    |
| 405427     | June Creek         | F9S9W10     | 8          | 29         | 79-166      | 5.022        | 90-9        | Nenana                    |
| 405429     | June Creek         | F9S9W10     | 10         | 29         | 79-166      | 5.022        | 90-9        | Nenana                    |
| 405430     | June Creek         | F9S9W10     | 11         | 29         | 79-166      | 5.022        | 90-9        | Nenana                    |
| 406470     | June Creek         | F9S9W36     | 6          | 26         | 79-166      | 4.959        | 90-9        | Nenana                    |

**Location**

June Creek is roughly 20 miles north of Healy, west of the Parks Highway within multiple sections of Township 9 South, Range 9 West, Fairbanks Meridian.

**Access**

All parcels have ATV trail access. Access to the subdivision is via the Parks Highway then west along interior subdivision rights of ways. Washington Way is a constructed dirt road in the southern portion of the subdivision. However, this road does not extend to the subjects. In the northern portion of the subdivision, Golden Valley Electric Association has brushed a wide swath along Filmore Road and Buchanan Street to service the overhead power lines. During low water, the creek bed along Bear Creek serves as alternate access to the area.

**Topography, Soils, Size & Shape**

The parcels are level, and the majority are rectangular in shape. The subdivision is approximately 1,000 feet above sea level. Subjects contain primarily mature spruce mix with stands of poplar and aspen. Vegetation is indicative of poorly drained soils within Blocks 26 & 28.

**Easements & Zoning Regulations**

There are typical access and utility easements throughout the subdivision. The parcels are located within the Denali Borough. All borough lands are zoned unrestricted unless otherwise provided by ordinance. Hence, there are no zoning restrictions for these parcels.

**Environmental Hazards, Hazardous Waste & Toxic Materials**

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

**Property History**

Three parcels in June Creek received applications to purchase through the Over the Counter offering: ADLs 405138, 405189, and 405403. None of the applicants pursued the sale and the applications were terminated prior to contract. The remainder of the subjects have never been sold. DNR is the owner of record for all parcels.

**Tax Assessments & Personal Property**

The subjects are located within the Denali Borough. Currently, the Denali Borough is not exercising its taxing authority.

**Personal Property**

There is no personal property involved with the appraisal of the subjects. There are no improvements on the properties.

**Utilities, Water & Sewer**

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. There are some overhead electric lines in the area. Subject parcels are located various distances from services. Lot 1 in Block 1, ADL 405138 is adjacent to overhead electric service.



June Creek subdivision access along McKinley Drive



Corner of Lots 5 & 6, Block 7, Tyler Way visible.



Lot 4 Block 7 along Tyler Way, looking north.



Lot 6 Block 6 at corner of Harding Way and Lincoln Drive



Lot 5 Block 5 at corner of Grant Way and Lincoln Drive



Typical monumentation throughout subdivision



Lot 2 Block 5, June Creek.



Lot 5 Block 6, June Creek.

## Property Description – Ridge Rock Homestead

| ADL    | Subdivision          | MTRS     | Tract | Block | ASLS   | Acres | Plat | Recording District |
|--------|----------------------|----------|-------|-------|--------|-------|------|--------------------|
| 411874 | Ridge Rock Homestead | F10S8W29 | A     | 4     | 85-229 | 19.26 | 86-2 | Nenana             |

### Location

Ridge Rock Homestead is located approximately twelve miles northwest of Healy, one mile west of the Parks Highway.

### Topography, Soils, Size & Shape

The parcel is on a bench that grades moderately to the south with a steeper slope towards Rock Creek. It is 19.26-acres and rectangular in shape. Vegetation is comprised of primarily mature spruce mixed with birch, poplar and aspen. Soils within this area have adequate drainage.

### Easements & Zoning Regulations

There are 25' public access easements along the eastern, western, and southern lot lines and a 50' section line easement along the northern lot line. Additionally, there is a 60' public access easement along a trail that bisects the southeastern portion of the parcel. All borough lands are zoned unrestricted unless otherwise provided by ordinance. Hence, there are no zoning restrictions for this parcel.

### Environmental Hazards, Hazardous Waste & Toxic Materials

No hazardous waste was observed during the field inspection.

### Ownership History

The subject was purchased from the State in 2000. The applicant entered into a land sale contract, see recorded document #200-000246-0. The contract was subsequently terminated on December 8, 2016 due to non-payment, and ownership reverted to the State.

### Access

Access is via the Parks Highway, then west along an unnamed ATV trail that parallels the ridgeline above Rock Creek.

### Tax Assessments

The subdivision lies within the Denali Borough and is not currently subject to ad valorem taxation

### Personal Property

There are improvements on the parcel including a 16' x 16' cabin and an 8' x 8' plywood shed. The previous owner left various personal property on site, including camping items, food stores, and hand tools. At the time of inspection, the personal property had not been removed. The cabin and shed are included in this valuation. However, the remaining personal property is not included.

Portions of the cabin roof are not intact and open to the weather, allowing rainwater and snow to deteriorate the OSB flooring. Approximately 50% of the foundation posts rest directly on the ground while the remainder are supported by pier block. Improvements valued over \$10,000 are considered reimbursable to the previous owner, less administrative costs. These improvements do not exceed the \$10,000 threshold.

### Utilities, Water & Sewer

There are no utilities. 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.



ATV access to Ridge Rock Homestead. ADL 411874



16x16 cabin on site



Foundation on post with some pier block.



Interior of 8x8 shed, contains many hand tools.



From loft. All windows intact.



Interior of cabin



Person property left in cabin.



Stovepipe broken off at roofline.



View to the south above Rock Creek.



Personal property left on site.

## Property Description – Nenana South

| ADL    | Subdivision  | MTRS    | Lot | Block | ASLS   | Acres | Plat | Recording District |
|--------|--------------|---------|-----|-------|--------|-------|------|--------------------|
| 407006 | Nenana South | F4S8W36 | 9   | K     | 80-106 | 3.739 | 81-4 | Nenana             |

### Location

ADL 407006 is located approximately 3-miles south of Nenana, east of the Parks Highway within Section 36 of Township 4 South, Range 8 West, Fairbanks Meridian.

### Access

Access to the subjects is via Parks Highway then southeast along FAA Way, a constructed gravel road.

### Topography & Shape

The parcel is level, 3.739 acres and rectangular in shape. The elevation of the general area is approximately 400 feet above sea level.

### Soils/Vegetation

The subject contains primarily mature black spruce with a mix of shrubs and grasses. Vegetation is indicative of poorly drained soils with limited building sites.

### Easements & Zoning Regulations & Tax Assessments

There are typical access easements throughout the subdivision. The parcels are within the Unorganized Borough. However, the parcels are also within the city limits of Nenana. Currently Nenana has a mill rate of 12.00 for this subject.

### Environmental Hazards, Hazardous Waste & Toxic Materials

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

### Ownership History

The parcel were most recently offered through the 2015 DNR Subdivision Auction. It received no bids and was placed on the OTC offering. In June of 2016, the parcel was purchased through the OTC offering. The applicant failed to return the purchase contract and the application was closed. DNR is the current owner of record.

### Personal Property

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

### Utilities, Water & Sewer

There are overhead electric and telephone utilities 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.



Access to Lot 9 Block K, Nenana South, along FAA Way.



Soils on Lot 9 Block K are very wet. Possible building site in northwest corner of parcel.



Standing water on subject.



Poor building site quality of Lot 9 Block K, Nenana South.

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## 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.

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. 7<sup>th</sup> 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](mailto: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  
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**In Juneau**

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400 Willoughby Ave., 4<sup>th</sup> Floor, Juneau AK 99801  
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