

## **MARKET VALUE APPRAISAL**

of

**Twenty-Six (26) parcels within  
Bearpaw RRCS ASLS 2007-21  
Cannon RRCS ASLS 2007-6  
Dugan Hills RRCS ASLS 2005-26  
Redlands RRCS ASLS 2011-17  
Wien Lake West ASLS 2013-30**



Kantishna River at Ketzler Slough

**APPRAISAL REPORT No. 4392-0**

**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. 4392-0

1. ADL NO(S): See table below
2. SIZE: See table below
3. APPLICANT: N/A
4. LOCATION: Subdivided lots in the Kantishna drainage, north of the Alaska Range and south of the Tanana River
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 20, 2017
10. DATE of VALUE(S): August 24, 2017
11. APPRAISED VALUE(S):

ADL	Subdivision	MTRS	Lot / Tract	Blk.	ASLS	Acres	Date of Value	Value (rnd)
418259	Bearpaw RRCS	F10S17W19	B	-	2007-21	9.72	8/24/17	\$21,000
418260	Bearpaw RRCS	F10S17W19	C	-	2007-21	12.09	8/24/17	\$23,200
417977	Cannon RRCS	F6S15W28	D	-	2007-6	18.55	8/24/17	\$26,500
417619	Dugan Hills RRCS	F1S13W09	L	-	2005-26	9.02	8/24/17	\$24,400
417623	Dugan Hills RRCS	F1S13W15	K	-	2005-26	12.39	8/24/17	\$29,400
419027	Redlands RRCS	F1N20W13,14	K	-	2011-17	10.27	8/24/17	\$19,700
420500	Wien Lake West	F6S19W27	6	2	2013-30	3.51	8/24/17	\$14,400
420501	Wien Lake West	F6S19W27	7	2	2013-30	3.36	8/24/17	\$14,400
420502	Wien Lake West	F6S19W27	8	2	2013-30	3.53	8/24/17	\$14,400
420503	Wien Lake West	F6S19W27	9	2	2013-30	4.59	8/24/17	\$16,000
420507	Wien Lake West	F6S19W27	13	2	2013-30	4.40	8/24/17	\$3,100
420508	Wien Lake West	F6S19W27	14	2	2013-30	4.73	8/24/17	\$3,300
420509	Wien Lake West	F6S19W27	15	2	2013-30	4.80	8/24/17	\$3,400
420514	Wien Lake West	F6S19W27	20	2	2013-30	2.51	8/24/17	\$14,400
420515	Wien Lake West	F6S19W27	1	3	2013-30	3.41	8/24/17	\$2,700
420516	Wien Lake West	F6S19W27	2	3	2013-30	3.40	8/24/17	\$2,700
420517	Wien Lake West	F6S19W27	3	3	2013-30	3.94	8/24/17	\$2,800
420518	Wien Lake West	F6S19W27	4	3	2013-30	3.62	8/24/17	\$2,800
420519	Wien Lake West	F6S19W27	5	3	2013-30	3.55	8/24/17	\$2,800
420520	Wien Lake West	F6S19W27,28	1	4	2013-30	5.93	8/24/17	\$3,900



420523	Wien Lake West	F6S19W27,28	4	4	2013-30	7.16	8/24/17	\$4,400
420533	Wien Lake West	F6S19W28	1	6	2013-30	7.65	8/24/17	\$4,600
420538	Wien Lake West	F6S19W27,28	4	7	2013-30	16.53	8/24/17	\$7,200
420539	Wien Lake West	F6S19W27,28	5	7	2013-30	14.58	8/24/17	\$6,600
420541	Wien Lake West	F6S19W28	2	8	2013-30	13.77	8/24/17	\$6,500
420548	Wien Lake West	F6S19W33	3	9	2013-30	29.67	8/24/17	\$36,200

**B. SUMMARY OF REVIEW**

- DATE of REVIEW: January 12, 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. 4392-0

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 1/12/18

cc: Terry Hess  
Randy Guintu

# MEMORANDUM

# State of Alaska

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**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 20, 2017

TO: Kevin Hindmarch  
Review Appraiser

FROM Johnthomas Williamson   
Appraiser

SUBJECT: Twenty-Six (26) parcels within the following subdivisions: Bearpaw, Cannon, Dugan Hills, Redlands, and Wien Lake.

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 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.

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## APPRAISAL SUMMARY

### Legal Description and Location

All parcels are located within the greater Kantishna drainage, north of the Alaska Range and south of the Tanana River.

### SUMMARY OF VALUES

ADL	Subdivision	MTRS	Lot / Tract	Blk.	ASLS	Acres	Date of Value	Value (rnd)
418259	Bearpaw RRCS	F10S17W19	B	-	2007-21	9.72	8/24/17	<b>\$21,000</b>
418260	Bearpaw RRCS	F10S17W19	C	-	2007-21	12.09	8/24/17	<b>\$23,200</b>
417977	Cannon RRCS	F6S15W28	D	-	2007-6	18.55	8/24/17	<b>\$26,500</b>
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420500	Wien Lake West	F6S19W27	6	2	2013-30	3.51	8/24/17	<b>\$14,400</b>
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420507	Wien Lake West	F6S19W27	13	2	2013-30	4.40	8/24/17	<b>\$3,100</b>
420508	Wien Lake West	F6S19W27	14	2	2013-30	4.73	8/24/17	<b>\$3,300</b>
420509	Wien Lake West	F6S19W27	15	2	2013-30	4.80	8/24/17	<b>\$3,400</b>
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420541	Wien Lake West	F6S19W28	2	8	2013-30	13.77	8/24/17	<b>\$6,500</b>
420548	Wien Lake West	F6S19W33	3	9	2013-30	29.67	8/24/17	<b>\$36,200</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 24, 2017.

### Date of Report

December 20, 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

Multiple subjects have been offered by DNR through past offerings. These parcels have previously been under land sale contracts, then either terminated or relinquished back to the State. See grid below:

ADL	Subdivision	Tract	Sale Contract / Lease	Relinquish / Termination	Document	Effective Date
418259	Bearpaw RRCS	B	2015-007192-0	Contract Terminated	2015-021716-0	12/22/2015
417977	Cannon RRCS	D	2012-006444-0	Contract Terminated	2016-014309-0	9/16/2016
417241	Dugan Hills RRCS	B	2012-000001-0	Contract Terminated	2013-000113-0	7/9/2013
417623	Dugan Hills RRCS	K	2014-007649-0	Contract Terminated	2015-005686-0	4/13/2015
419027	Redlands RRCS	K	RRCS Lease	Lease Terminated	N/A	2/11/2016

The remainder of the subjects have either never been sold, or had a sale application terminated prior to contract. 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 June 28, 2016. 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 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.

<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<sup>5</sup>

#### Fairbanks –

The Fairbanks North Star Borough, located in the heart of Interior Alaska. It is the second-largest population center in the state with a population of approximately 98,000 as of 2016. Of which, about half live in and around Fairbanks. The area encompasses 7,361.0 sq. miles of land and 77.8 sq. miles of water. Interior Alaska experiences seasonal temperature extremes. January temperatures range from -66 to 50 degrees Fahrenheit. July temperatures range from 30 to 99 degrees Fahrenheit. Fairbanks is known for its lingering summer days. When the solstice arrives, there is more than 22 hours of daylight. Major communities include: College, Eielson Air Force Base, Ester, Fairbanks, Fox, Harding Lake, Moose Creek, North Pole, Pleasant Valley, Salcha, and Two Rivers. There are 35 schools located in the borough.

City, borough, state, and federal government agencies, including the military, provide over one-third of the employment in the borough. The borough school district and the University of Alaska Fairbanks are the primary public employers. In 2016, nearly 8,400 soldiers were stationed in the borough on Fort Wainwright or the Eielson Air Force Base. Retail services, gold mining, tourism, transportation, medical, and other services are the primary private sector activities. The Fort Knox hard rock gold mine is located in the borough.

The Richardson Highway, the Parks Highway, the Steese Highway and the Elliott Highway connect the Interior to Anchorage, Canada and the lower 48. Truck, rail and air services provide transportation of cargo. Scheduled jet services are available at Fairbanks International airport. An 11,800' asphalt runway, heliport and seaplane landing strip are available. A public seaplane base is located on the Chena River. Eielson Air Force Base and Fort Wainwright also conduct flight operations in the area.

Fairbanks is a Home Rule city and the second largest population center in the state. Currently, its estimated population is 32,116, comprised of 11,534 households. The average household size is 2.52 people. Power is supplied by Golden Valley Electric Association Inc. through diesel generators. Supplemental power is supplied by Aurora Energy LLC. The area is serviced by local schools, hospitals, libraries, refuse systems, and other urban facilities.

#### Manley Hot Springs –

Manley Hot Springs is a small community of 70+ residents located 5 miles north of the Tanana River, 160 road miles west of Fairbanks. The area has a cold, continental climate typical for interior Alaska with average temperatures ranging from the upper 50's in summer to -20°F in winter. Extremes have been recorded from 93°F to -70°F. Most of the residents support themselves by multiple jobs including: gold mining, tourism, government, and a semi-subsistence bartering system. Residents haul water from a community wellhouse, while public buildings have private wells. The community has a local clinic, roadhouse, landfill, and school. A federally recognized tribe (Manley Village Council) is located within the community.

The most notable characteristic is the geothermal hot springs located just north of town. Naturally occurring hot springs have been an economic advantage for the community since 1902, when a mining prospector named John Karshner claimed several hot springs and started an ambitious vegetable farm. The community boomed during the gold rush era when in 1907 a hotel was built complete with 45 guest rooms, steam heat, electric lights, hot baths, a bowling alley, and an Olympic-size indoor heated swimming pool. Nowadays, tourism is still important to the local economy. One individual has developed a small-scale commercial hot springs attraction.

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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>

## Property Description – Bearpaw RRCS

ADL	Subdivision	MTRS	Tr.	ASLS	Acres	Plat	Recording District
418259	Bearpaw RRCS	F T10S R17W 19	B	2007-21	9.72	2011-10	Fairbanks
418260	Bearpaw RRCS	F T10S R17W 19	C	2007-21	12.09	2011-10	Fairbanks

### Location

Bearpaw is located on the Kantishna River approximately 100 miles southwest of Fairbanks, 40-miles east of Lake Minchumina, and two miles north of Denali National Park within Section 19, Township 10 South, Range 17 West, Fairbanks Meridian.

### Topography, Soils, Size & Shape

Parcels range from 9.72-acres to 12.09-acres. Both are level. The sites contain primarily mature spruce mixed with some poplar. Soils within this area have adequate drainage. Elevation is approximately 500-feet above sea level.

### Easements & Zoning Regulations

There are typical access easements throughout the subdivision. There is a 50' public access easement and 100' building setback along the Kantishna River. The parcels are within the Denali Borough and zoned as Unrestricted.

### Environmental Hazards, Hazardous Waste & Toxic Materials

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

### Ownership History

Both parcels were surveyed within the Bearpaw RRCS Staking Area as administrative parcels. ADL 418259 was purchased OTC in 2015. The land sale contract was terminated later that same year. ADL 418260 was sold in 2014 through the OTC offering. However, the applicant failed to complete the purchase agreement and a sale contract was never issued. DNR is the owner of record for both subjects.

### Access

Access to both parcels is along the Kantishna River either by boat or floatplane. Alternate access may be possible by snowmachine along an old sled road from Nenana, approximately 75-miles away.

### Tax Assessments & Personal Property

Both parcels are located within the Denali Borough. The Borough is not currently assessing residential parcels. There is no personal property on these parcels.

### Utilities, Water & Sewer

There are no 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.



Bearpaw approach, Tract C on left of island, Tract B on right.



Bearpaw Tract B looking north.



Bearpaw Tract B looking east.



Bearpaw Tract C in foreground.

## Property Description - Cannon

ADL	Subdivision	MTRS	Tract	ASLS	Acres	Plat	Recording District
417977	Cannon RRCS	F T6S R15W 28	D	2007-6	18.55	2009-124	Fairbanks

### Location

Cannon RRCS is located on the Kantishna River approximately 85-miles southwest of Fairbanks, 45-miles south of Manley Hot Springs within Section 28, Township 6 South, Range 15 West, Fairbanks Meridian.

### Topography, Soils, Size & Shape

ADL 417977 is 18.55-acres and irregular in shape. The parcel sits above Ketzler Slough with a steep slope to the south. The site contains primarily mature spruce mixed with some poplar. Soils within this area have adequate drainage. Elevation is approximately 500 feet above sea level.

### Easements & Zoning Regulations

There are typical access easements throughout the subdivision. There is a 50' public access easement and 100' building setback along the Ketzler Slough. The parcel is within the Denali Borough and zoned as Unrestricted.

### Environmental Hazards, Hazardous Waste & Toxic Materials

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

### Ownership History

The parcel was surveyed within the Cannon RRCS Staking Area and a lease was issued to the staker. The lease was relinquished, and the parcel was surveyed as an administrative parcel. ADL 417977 was offered through the 2011 DNR Subdivision Auction, failed to receive a bid, and was sold through the OTC offering in 2012. The applicant entered into a land sale contract that was terminated in 2016 due to non-payment. The parcel reverted back to the State. DNR is the owner of record.

### Access

Access to the parcel is along the Kantishna River, then up Ketzler Slough, either by boat or floatplane. Alternate access may be possible by snowmachine along an old sled road from Nenana, approximately 80-miles away.

### Tax Assessments & Personal Property

ADL 417977 is located within the Denali Borough. The Borough is not currently assessing residential parcels. There is no personal property on the parcel.

### Utilities, Water & Sewer

There are no 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.



Tract D, Cannon RRCS is located on a sloping hillside above Ketzler Slough, Kantishna River on the right.



Tract D, Cannon RRCS looking west. Kantishna River in foreground.

## Property Description – Dugan Hills RRCS

ADL	Subdivision	MTRS	Tract	ASLS	Acres	Plat	Recording District
417619	Dugan Hills RRCS	F T1S R13W 9	L	2005-26	9.02	2008-33	Manley Hot Springs
417623	Dugan Hills RRCS	F T1S R13W 15	K	2005-26	12.39	2008-33	Manley Hot Springs

### Location

Dugan Hills RRCS is located approximately 70 miles west of Fairbanks, 20 miles southeast of Manley Hot Springs, on Tanana River. Subjects are within Sections 15 and 9 of Township 1 South, Range 13 West, Fairbanks Meridian.

### Access

Access to the subdivision is by boat or snow machine from Manley Hot Springs via the Tanana River.

### Topography, Soils, Size & Shape

The parcels are level, 9.02-acres to 12.39-acres, and irregular in shape. The parcels contain primarily mature spruce mix with some poplar and alder. Vegetation is indicative of adequate to poor drainage.

### Easements & Zoning Regulations

There are typical access easements throughout the subdivision and a 100' building set back along the Tanana River. There is an overlying 100' Scenic Easement meandering the shoreline. The subjects are within the Unorganized Borough and not subject to zoning.

### Environmental Hazards, Hazardous Waste & Toxic Materials

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

### Ownership History

ADL 417619 was offered through the 2010 DNR Subdivision Auction. It received a bid. However, the contract was never completed. ADL 417623 sold through the OTC offering in 2014. The sale contract was terminated in 2015 due to non-payment. Both parcels reverted to the State. DNR is the current owner of record.

### Tax Assessments & Personal Property

The subdivision lies within the Unorganized Borough and not subject to ad valorem assessment. There is no personal property involved with the appraisal of these parcels. Nor are there improvements on the properties.

### Utilities, Water & Sewer

There are no 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.



Tract K Dugan Hills RRCS riverfront and sandbar.



Tract K, Dugan Hills RRCS looking west. Typical vegetation and areas of poor drainage.



Tract L Dugan Hills RRCS



Dugan Hills Tract L looking south.

## Property Description – Redlands RRCS

ADL	Subdivision	MTRS	Tract	ASLS	Acres	Plat	Recording District
419027	Redlands RRCS	F T1N R20W Sec. 13,14	K	2011-17	10.27	2013-1	Manley Hot Springs

### Location

Redlands RRCS is located approximately 115 miles west of Fairbanks, 40-miles west of Manley Hot Springs, south of the Tanana River, along the right bank of the Chitanana River. Tract K is within Section 13 and 14 of Township 1 North, Range 20 West, Fairbanks Meridian.

### Access

Access to the subdivision is by boat or snow machine from Manley Hot Springs via the Tanana River, then up the Chitanana River.

### Topography, Soils, Size & Shape

The parcel is level, 10.27-acres, and irregular in shape. The parcel contains primarily mature spruce and birch mix with some poplar. Vegetation is indicative of adequate drainage near the river with pockets of swampy areas along an old slough.

### Easements & Zoning Regulations

There are typical access easements throughout the subdivision and a 100' building set back along the Chitanana River. There is a 100' section line easement within the eastern corner of the parcel. The location of the easement does not impact potential building sites and is not considered detrimental. The subject is within the Unorganized Borough and not subject to zoning.

### Environmental Hazards, Hazardous Waste & Toxic Materials

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

### Ownership History

ADL 419027 was staked and under lease from 2011 to 2016. The lessee passed away, and the lease was terminated in 2016. DNR is the current owner of record.

### Tax Assessments & Personal Property

The subdivision lies within the Unorganized Borough and not subject to ad valorem assessment. There is no personal property involved with the appraisal of this parcel. There are no improvements on the property.

### Utilities, Water & Sewer

There are no 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.



Tract K of Redlands RRCS looking west. Chitanana River in background. Old slough on right of picture near NE corner.



Tract K, Redlands RRCS on far side of Chitanana River, looking east.

## Property Description – Wien Lake West

ADL	Subdivision	MTRS	Lot	Blk.	ASLS	Acres	Plat	Recording District
420500	Wien Lake W.	F T6S R19W 27	6	2	2013-30	3.51	2015-35	Fairbanks
420501	Wien Lake W.	F T6S R19W 27	7	2	2013-30	3.36	2015-35	Fairbanks
420502	Wien Lake W.	F T6S R19W 27	8	2	2013-30	3.53	2015-35	Fairbanks
420503	Wien Lake W.	F T6S R19W 27	9	2	2013-30	4.59	2015-35	Fairbanks
420507	Wien Lake W.	F T6S R19W 27	13	2	2013-30	4.40	2015-35	Fairbanks
420508	Wien Lake W.	F T6S R19W 27	14	2	2013-30	4.73	2015-35	Fairbanks
420509	Wien Lake W.	F T6S R19W 27	15	2	2013-30	4.80	2015-35	Fairbanks
420514	Wien Lake W.	F T6S R19W 27	20	2	2013-30	2.51	2015-35	Fairbanks
420515	Wien Lake W.	F T6S R19W 27	1	3	2013-30	3.41	2015-35	Fairbanks
420516	Wien Lake W.	F T6S R19W 27	2	3	2013-30	3.40	2015-35	Fairbanks
420517	Wien Lake W.	F T6S R19W 27	3	3	2013-30	3.94	2015-35	Fairbanks
420518	Wien Lake W.	F T6S R19W 27	4	3	2013-30	3.62	2015-35	Fairbanks
420519	Wien Lake W.	F T6S R19W 27	5	3	2013-30	3.55	2015-35	Fairbanks
420520	Wien Lake W.	F T6S R19W 27,28	1	4	2013-30	5.93	2015-35	Fairbanks
420523	Wien Lake W.	F T6S R19W 27,28	4	4	2013-30	7.16	2015-35	Fairbanks
420533	Wien Lake W.	F T6S R19W 28	1	6	2013-30	7.65	2015-35	Fairbanks
420538	Wien Lake W.	F T6S R19W 27,28	4	7	2013-30	16.53	2015-35	Fairbanks
420539	Wien Lake W.	F T6S R19W 27,28	5	7	2013-30	14.58	2015-35	Fairbanks
420541	Wien Lake W.	F T6S R19W 28	2	8	2013-30	13.77	2015-35	Fairbanks
420548	Wien Lake W.	F T6S R19W 33	3	9	2013-30	29.67	2015-35	Fairbanks

### Location

Wien Lake is located approximately 110 miles southwest of Fairbanks, 50 miles southwest of Manley Hot Springs, 90 miles north of Denali, south of the Tanana River. Subjects are within Sections 27, 28, 33 and 34 of Township 6 South, Range 19 West, Fairbanks Meridian

### Access

Access to the subdivision is via float plane or wheeled plane. There is a grass airstrip on the northern side of the lake connected to area trails. Several ATV trails meander along the western portion of the lake within the subdivision.

### Topography, Soils, Size & Shape

Parcels are level to rolling, 2.51 to 29.67-acres, and variable in shape. The parcels contain primarily mature spruce and birch mix. Vegetation is indicative of adequate drainage.

### Easements & Zoning Regulations

There are typical access and utility easements throughout the subdivision including a 100' building set back along Wien Lake. The subjects are within the Unorganized Borough and not subject to zoning.

### Environmental Hazards, Hazardous Waste & Toxic Materials

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

**Ownership History**

Parcels were surveyed in 2013 and recorded in 2015. None of the parcels have been offered for sale. DNR is the current owner of record.

**Tax Assessments & Personal Property**

The parcels are within the Unorganized Borough and not subject to ad valorem assessment. There is no personal property involved with the appraisal of this parcel. Nor are there improvements on the property.

**Utilities, Water & Sewer**

There are no 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.



Airstrip at north end of lake allows for wheeled plane access to Wien Lake West Subdivision.



Lot 3 Block 9 of Wien Lake West, shoreline.



Lots 4 & 5, Block 7, Wien Lake West. Interior lots.



Shoreline of Block 2, Wien Lake West.



Wien Lake West Lot 1 Block 6 and Lot 2 Block 8. Interior lots.

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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:

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